



# City of Waynesboro, Virginia

*Annual Comprehensive Financial Report  
Prepared by the Finance Department  
June 30, 2025*



**CITY OF WAYNESBORO, VIRGINIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2025**

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**CITY OF WAYNESBORO, VIRGINIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 YEAR ENDED JUNE 30, 2025**

**TABLE OF CONTENTS**

	<u>Exhibits</u>	<u>Pages</u>
<b><i>INTRODUCTORY SECTION</i></b>		
Officials		i
Organizational Chart		ii
<b><i>FINANCIAL SECTION</i></b>		
Independent Auditor's Report		1
Management's Discussion and Analysis		5a
<u>Basic Financial Statements:</u>		
Government-wide Financial Statements:		
Statement of Net Position	1	6
Statement of Activities	2	8
Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	9
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	4	10
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	5	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6	12
Statement of Net Position – Proprietary Funds	7	13
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	8	15
Statement of Cash Flows – Proprietary Funds	9	16
Notes to Financial Statements		18
<u>Required Supplementary Information:</u>		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	10	75
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios	11	76
Schedule of Pension Contributions	12	77
Schedule of Employer's Share of Net Pension Liability	13	78
Schedule of Changes in the Employer's Net OPEB Liability and Related Ratios	14	79
Schedule of Employer Contributions	15	80
Schedule of Changes in the Employer's Net OPEB Liability and Related Ratios School Board Component Unit	16	81
Schedule of Employer's Share of Net OPEB Liability	17	82
Schedule of Employer Contributions – VRS Plans	18	83
Notes to Required Supplementary Information		84
<u>Other Supplementary Information:</u>		
Combining Statements and Individual Fund Schedules:		
Other Governmental Funds		
Combining Balance Sheet – Other Governmental Funds	19	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Governmental Funds	20	87
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – Nonmajor Special Revenue Funds	21	88
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Debt Service Fund	22	90

**FINANCIAL SECTION (Continued)**ExhibitsPagesOther Supplementary Information: (Continued)

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Funds	23	91
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Permanent Funds	24	92
Nonmajor Enterprise Funds		
Combining Statement of Net Position – Nonmajor Enterprise Funds	25	93
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds	26	94
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	27	95
Discretely Presented Component Unit School Board		
Balance Sheet – Governmental Funds	28	96
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	29	97
Combining Statement of Fiduciary Net Position	30	98
Combining Statement of Changes in Fiduciary Net Position	31	99
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Major Special Revenue Funds	32	100
Capital Assets Used in the Operation of Governmental Funds:		
Schedule by Function and Activity	33	102
Schedule of Changes by Function and Activity	34	103

SchedulesPages

Supplemental Data:		
Schedule of Revenues – Budget and Actual – Governmental Funds and Discretely Presented Component Unit	1	104
Schedule of Expenditures – Budget and Actual – Governmental Funds and Discretely Presented Component Unit	2	110

**STATISTICAL SECTION**TablesPages

Narrative		
Net Position by Component	1	115
Changes in Net Position	2	116
Fund Balances of Governmental Funds	3	118
Changes in Fund Balances of Governmental Funds	4	119
Assessed Value and Estimated Actual Value of Taxable Property	5	121
Direct Property Tax Rates	6	122
Principal Property Taxpayers	7	123
Property Tax Levies and Collections	8	124
Ratios of Outstanding Debt by Type	9	125
Ratios of Net General Bonded Debt Outstanding	10	126
Direct and Overlapping Governmental Activities Debt	11	127
Legal Debt Margin Information	12	128
Pledged-Revenue Coverage	13	129
Demographic and Economic Statistics	14	130
Principal Employers	15	131
Full-Time Equivalent City Government Employees by Function	16	132
Operating Indicators by Function	17	133
Capital Assets Statistics by Function	18	134

**COMPLIANCE SECTION**

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 <i>Government Auditing Standards</i>	135
Summary of Compliance Matters	137
Schedule of Findings and Responses	138

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***INTRODUCTORY SECTION***

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**CITY OF WAYNESBORO, VIRGINIA**  
**(As of June 30, 2025)**

**COUNCIL**

Kenneth "Kenny" Lee, Mayor  
Lorie Jean Akanbi, Vice Mayor  
Terry Short Jr.  
James "Jim" Wood  
Jeremy Sloat  
Julia Bortle, Clerk

**OFFICIALS**

Michael G. Hamp, II	City Manager/City Auditor
Stephanie M. Beverage	City Treasurer
Sabrina Von Schilling	Commissioner of the Revenue
Mary Honbarrier	City Assessor
David L. Ledbetter	Commonwealth's Attorney
Dr. Jeffrey Cassell	Superintendent of Schools
Sherry McClanahan	Director of Social Services
Christopher Johnson, Jr.	Sheriff
Nicole A. Briggs	Clerk of Circuit Court

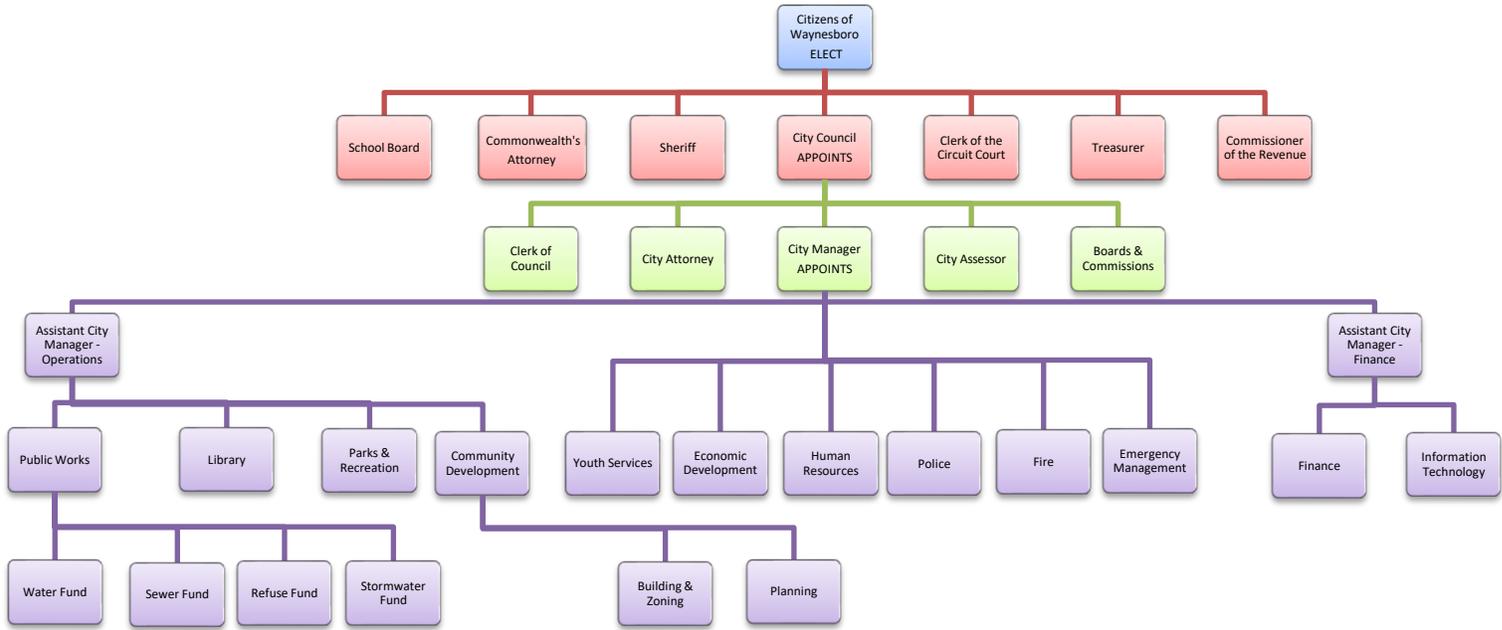
**SCHOOL BOARD**

Amber Lipscomb, Chair  
Nigel Stewart, Vice Chair  
Erika Smith  
Debra Freeman  
Diana L. Williams  
Vonda A. Hutchinson, Clerk

**ECONOMIC DEVELOPMENT AUTHORITY**

Chris Ornelas, Chair  
Brenda Arkward, Vice Chair  
Crystal Farmer  
Jackie Kurtz  
Kelly Maggi  
Chanda McGuffin  
Mark Snyder  
Gregory Hitchin, Secretary/Treasurer

# City of Waynesboro Organizational Chart



**BOARDS AND COMMISSIONS APPOINTED BY CITY COUNCIL**

*Senior Advocacy Commission • Historical Commission • Planning Commission • Parks & Recreation Commission • Flood and Stormwater Control Commission • Cultural Commission • Transportation Safety Commission • Airport Commission • Library Board • Economic Development Authority • Disability Services Board • Redevelopment & Housing Authority • Housing Rehabilitation Advisory Board (2 Year Board) • Building Code Appeals • Local Emergency Planning Commission*

**OTHER AGENCIES & BOARDS**

*Courts • Registrar of Voters • Board of Elections • Valley CSB • Central Shenandoah Regional Planning Commission • Middle River Regional Jail • Regional Landfill • Central Shenandoah EMS Council • Regional Youth Commission • Board of Zoning Appeals • Board of Equalization • Social Services Advisory Board • Health Department • Board of Health • Airport Commission • CAP-SAW • SPCA • Bicycle Advisory Committee • Valley Program for Aging • BRCC Board • Blue Ridge Criminal Justice Board • Shenandoah Valley Partnership • Coordinated Area Transportation System (CATS) • Waynesboro City School Board • Artisan's Center of Virginia Board of Directors • Virginia Alcohol Safety Action Program (VASAP)*

***FINANCIAL SECTION***

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## Independent Auditor's Report

To the Honorable Members of the City Council  
City of Waynesboro, Virginia  
Waynesboro, Virginia

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business -type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Waynesboro, Virginia (the "City") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Waynesboro, Virginia, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Augusta Regional Landfill. The City's share of this undivided interest represents the ACSA Joint Landfill Fund. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Augusta Regional Landfill, is based on the report of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Counties, Cities, and Towns* 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 City of Waynesboro, Virginia and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



### *Change in Accounting Principle*

As described in Note 23 to the financial statements, in 2025, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

### *Responsibilities of Management for the Financial Statements*

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Waynesboro, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- 
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Waynesboro, Virginia’s ability to continue as a going concern for a reasonable period of time.

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

### *Required Supplementary Information*

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

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waynesboro, Virginia’s basic financial statements. The accompanying combining and individual nonmajor fund financial statements, budgetary comparison schedules, and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements



and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia  
November 25, 2025

The management of the City of Waynesboro offers the readers of the City of Waynesboro's financial statements this narrative overview and analysis of the City's financial position for the fiscal year ended June 30, 2025. This analysis is a cursory overview and is meant to be considered as a companion document to the *Financial Statements* and *Notes* that follow.

### Financial Highlights

- The total assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$142,096,403. Of this amount, \$30,739,302 (unrestricted net position) may be used to satisfy the primary government's obligations to citizens and creditors.
- The City's total net position related to the primary government increased by \$24,223,274 compared to 2024.
- As of the end of 2025, the City's governmental funds reported a combined ending fund balance of \$55,874,018 – an increase of \$5,208,121 in comparison to the prior year. Of this amount, \$2,338,312 is shown as an increase to the fund balance of the General Fund, \$643,168 as an increase to the fund balance of the Bond Fund, \$2,222,453 as an increase to fund balance of the Capital Improvements Fund, and \$4,188 as an increase to the fund balance of Other Governmental Funds.
- The City has a formal policy regarding the General Fund's fund balance. The policy states that the City will maintain a fund balance for cash liquidity purposes that will provide sufficient cash flow. This balance will be maintained in committed fund balance in the General Fund and will be no less than 16% of the next year's General Fund adopted budget. Accordingly, General Fund committed fund balance should be no less than \$11,589,322. There were sufficient funds in committed fund balance at the end of 2025 to satisfy this policy.
- The City's total long-term liabilities at the close of 2025, including governmental and business type activities, were \$69,273,918. During fiscal year 2025, the City retired a total of \$12,702,436, predominantly through the refunding of an outstanding obligation. Over the same period, the City added a total of \$10,275,215 in new long-term obligations, primarily due to the issuance of new debt. At the close of the fiscal year, the amount of debt principal payments and other liabilities due within one year was \$5,210,345 (See Note 9 for relevant disclosures regarding the City's long-term debt.)

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Waynesboro's basic financial statements which are comprised of three main components: 1) government-wide financial statements, 2) fund financial statements and budgetary comparisons, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements. Condensed comparative information is provided this year and will continue to be added, the goal being to achieve a ten-year comparison for all information reported.

**Government-wide financial statements** are designed to provide readers with a broad overview of the City of Waynesboro's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City of Waynesboro's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City of Waynesboro is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. Changes are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish between the functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) and other functions that recover all or a significant portion of their costs from user fees and charges (business-type activities). The governmental activities of the City of Waynesboro include general government, judicial administration, public safety, public works, education, parks and recreation, and community development. The business-type activities include water, sewer, refuse collection, stormwater and the joint Augusta County Service Authority landfill operations.

The government-wide financial statements include not only the City of Waynesboro itself (known as the primary government), but also a legally separate school board (component unit) for which the City of Waynesboro is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Waynesboro uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Waynesboro can be divided into three categories: governmental, proprietary, and fiduciary.

- **Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. These two statements, read together, will give the reader a better understanding of the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The City has three major governmental funds--the General Fund, Bond Fund, and Capital Improvements Fund. There are seven non-major governmental funds. Fund financial statements immediately follow the government-wide financial statement section
- **Proprietary funds.** The City of Waynesboro maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-like activities in the government-wide financial statements. The City of Waynesboro uses enterprise funds to account for water, sewer, refuse collection, stormwater, and the joint Augusta County Service Authority landfill operations. Internal Service funds are used to report activities of the City's Store and Equipment funds which account for inventory supplies for City operations and maintenance of the City's equipment fleet, respectively. It is important to note that the proprietary funds are accounted for on a full accrual basis, whereas the governmental funds are accounted for using a modified accrual basis.
- **Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. No such funds were reported during 2025.

**Notes to the financial statements** provide additional information that is essential to a full understanding of the data provided in both government-wide and fund financial statements.

## Government-Wide Financial Analysis

As noted earlier, a comparison of net position over several years can serve as a useful indicator of a government's financial position. In the case of the City, total primary government assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$142,096,403 at the close of fiscal year 2025. Capital assets (e.g., land, buildings, machinery, and equipment) in 2025 comprise approximately 56% of total assets, which is slightly greater than 2024. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although their value is reported net of related debt, it should be noted that the resources needed to repay this debt must be derived from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental		Business-type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Current and other assets	72,969,299	73,129,278	24,338,873	24,185,643	97,308,172	97,314,921
Capital assets	61,042,168	50,183,261	62,087,985	57,645,115	123,130,153	107,828,376
<b>Total assets</b>	<b>134,011,467</b>	<b>123,312,539</b>	<b>86,426,858</b>	<b>81,830,758</b>	<b>220,438,325</b>	<b>205,143,297</b>
Deferred charges	26,548	41,694	343,539	409,029	370,087	450,723
Deferred losses	7,097,493	6,292,115	1,534,403	1,210,179	8,631,896	7,502,294
<b>Total deferred outflows of resources</b>	<b>7,124,041</b>	<b>6,333,809</b>	<b>1,877,942</b>	<b>1,619,208</b>	<b>9,001,983</b>	<b>7,953,017</b>
Current and other liabilities	11,250,645	23,287,545	5,289,893	4,358,699	16,540,538	27,646,244
Long-term liabilities outstanding	43,527,515	36,418,805	20,536,058	22,577,729	64,063,573	58,996,534
<b>Total liabilities</b>	<b>54,778,160</b>	<b>59,706,350</b>	<b>25,825,951</b>	<b>26,936,428</b>	<b>80,604,111</b>	<b>86,642,778</b>
Unavailable revenue	-	-	-	-	-	-
Leases	74,896	115,361	-	-	74,896	115,361
Deferred gains	5,488,874	7,111,806	1,176,024	1,353,240	6,664,898	8,465,046
<b>Total deferred inflows of resources</b>	<b>5,563,770</b>	<b>7,227,167</b>	<b>1,176,024</b>	<b>1,353,240</b>	<b>6,739,794</b>	<b>8,580,407</b>
Net position:						
Invested in capital assets, net of related debt	56,315,036	47,392,890	45,567,147	38,592,644	101,882,183	85,985,534
Restricted and Nonexpendable	9,474,918	6,965,379			9,474,918	6,965,379
Unrestricted	15,003,624	8,354,562	15,735,678	16,567,654	30,739,302	24,922,216
<b>Total net position</b>	<b>80,793,578</b>	<b>62,712,831</b>	<b>61,302,825</b>	<b>55,160,298</b>	<b>142,096,403</b>	<b>117,873,129</b>

### Summary of Net Position

Approximately 12% of the governmental activities net position represents resources that are subject to external restrictions on how they may be used. Grants, donations, perpetual care funds, and cash set aside for capital projects comprise the restricted assets of the City. Grants and donations are normally designated for a specific purpose. The perpetual care funds are restricted in accordance with the *Code of the City of Waynesboro*, §26-6, Perpetual Care Trust Fund Reserve. The funds held for debt service are in accordance with City Council and School Board resolutions.

Overall, the City's net position increased by \$24,223,274 compared to 2024. This increase is the net effect of a \$6,142,527 increase in the net position of the business-type activities, and a \$18,080,747 increase in the net position of the governmental activities.

The table on the following page provides comparison information from 2024 to 2025 related to revenues and expenses of governmental and business-type activities. Revenues are broken down into program and general types. Program revenues consist of charges for services, operating grants and contributions, and capital contributions. General revenues include such sources as taxes on property, retail sales, business licenses, communications, meals, lodging, etc.

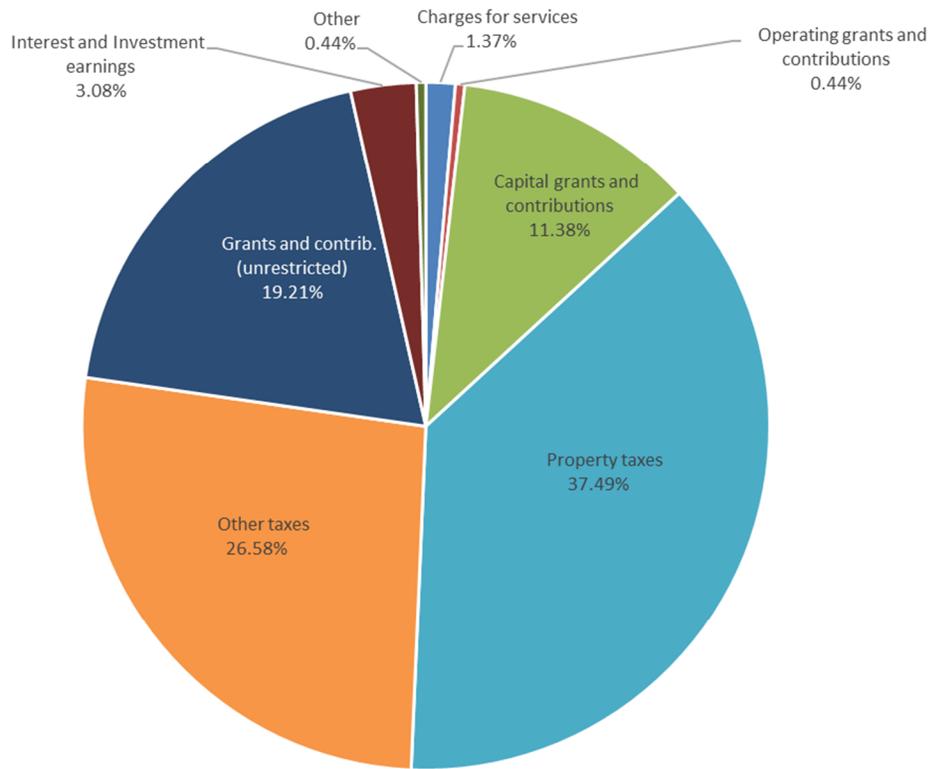
When compared to 2024, total revenues from Governmental Activities increased by \$7,743,393, primarily comprised of increases for capital grants and contributions (\$7.4M). When compared to 2024, total expenditures of Governmental Activities increased by \$4,779,479; with significant increases to public safety (\$1.8M) and education (\$1M). Overall, the change in the Governmental net position was an increase of \$16,231,696 before transfers, and \$18,080,747 after transfers of \$1,849,051 are taken into consideration.

In comparison to 2024, Business-type revenues derived from charges for services increased in 2025 by 4.3%, while total revenues increased by 10%. Combined expenses across the business-type funds increased by a total of 6.1%.

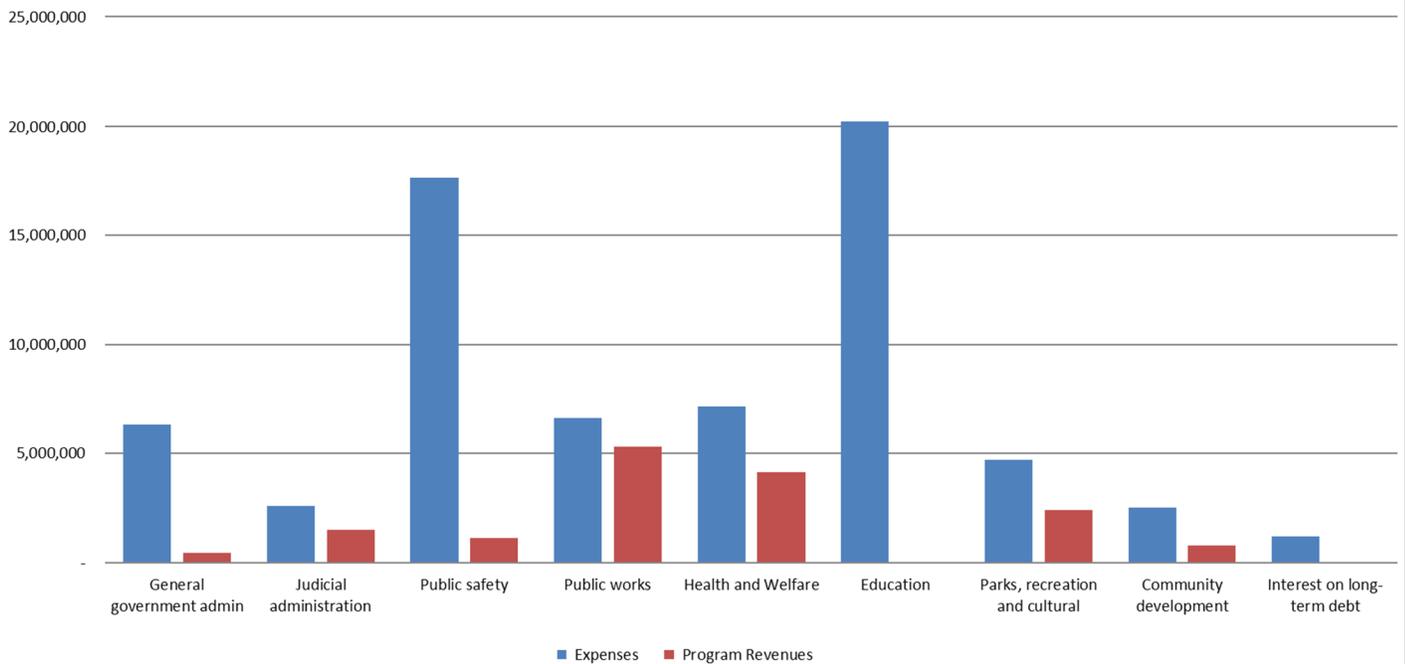
<b>City of Wagnersboro, Virginia</b>						
<b>Changes in Net Position</b>						
	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	2025	2024	2025	2024	2025	2024
<b>Revenues by source:</b>						
<b>Program Revenues</b>						
Charges for services	1,173,003	1,068,480	18,139,610	17,400,068	19,312,613	18,468,548
Operating grants and contributions	375,575	352,263	2,643,154	661,937	3,018,729	1,014,200
Capital grants and contributions	9,705,192	2,476,340	63,269	776,261	9,768,461	3,252,601
<b>General Revenues</b>						
Property taxes	31,988,442	31,312,103	-	-	31,988,442	31,312,103
Other taxes	22,679,774	21,729,484	-	-	22,679,774	21,729,484
Grants and contrib. (unrestricted)	16,390,720	16,717,159	-	-	16,390,720	16,717,159
Interest and Investment earnings	2,628,263	2,938,856	875,197	929,685	3,503,460	3,868,541
Other	378,515	981,407	58,730	30,699	437,245	1,012,106
<b>Total Revenues</b>	<b>85,319,484</b>	<b>77,576,092</b>	<b>21,779,960</b>	<b>19,798,650</b>	<b>107,099,444</b>	<b>97,374,742</b>
<b>Expenses by activity:</b>						
<b>Governmental activity</b>						
General government admin	6,336,944	5,423,317	-	-	6,336,944	5,423,317
Judicial administration	2,588,646	2,142,498	-	-	2,588,646	2,142,498
Public safety	17,687,011	15,827,116	-	-	17,687,011	15,827,116
Public works	6,638,866	7,900,457	-	-	6,638,866	7,900,457
Health and Welfare	7,177,960	6,673,706	-	-	7,177,960	6,673,706
Education	20,227,021	19,199,151	-	-	20,227,021	19,199,151
Parks, recreation and cultural	4,713,003	4,235,207	-	-	4,713,003	4,235,207
Community development	2,524,000	1,945,599	-	-	2,524,000	1,945,599
Interest on long-term debt	1,194,337	961,258	-	-	1,194,337	961,258
<b>Business-type activities</b>						
Water	-	-	4,554,891	4,049,117	4,554,891	4,049,117
Sewer	-	-	6,037,739	5,615,002	6,037,739	5,615,002
Landfill operations	-	-	825,451	1,165,402	825,451	1,165,402
Refuse	-	-	1,277,841	1,137,522	1,277,841	1,137,522
Stormwater	-	-	1,092,460	1,027,298	1,092,460	1,027,298
<b>Total Expenses</b>	<b>69,087,788</b>	<b>64,308,309</b>	<b>13,788,382</b>	<b>12,994,341</b>	<b>82,876,170</b>	<b>77,302,650</b>
Change in net position before transfers	16,231,696	13,267,783	7,991,578	6,804,309	24,223,274	20,072,092
Transfers	1,849,051	1,674,051	(1,849,051)	(1,674,051)	-	-
<b>Increase (decrease) in net position</b>	<b>18,080,747</b>	<b>14,941,834</b>	<b>6,142,527</b>	<b>5,130,258</b>	<b>24,223,274</b>	<b>20,072,092</b>
<b>Net position - beginning (as restated)</b>	<b>62,712,831</b>	<b>47,770,997</b>	<b>55,160,298</b>	<b>50,030,040</b>	<b>117,873,129</b>	<b>72,361,601</b>
<b>Net position -ending</b>	<b>80,793,578</b>	<b>62,712,831</b>	<b>61,302,825</b>	<b>55,160,298</b>	<b>142,096,403</b>	<b>117,873,129</b>

In FY 2025, the City began complying with GASB Statement No. 101, *Compensated Absences*. This standard changed the way the City must estimate their compensated absences leave liability. The prior year comparative information included in this discussion and analysis have been restated to reflect the new standard being retroactively applied to FY 2024.

## Revenues by Source - Governmental Activities

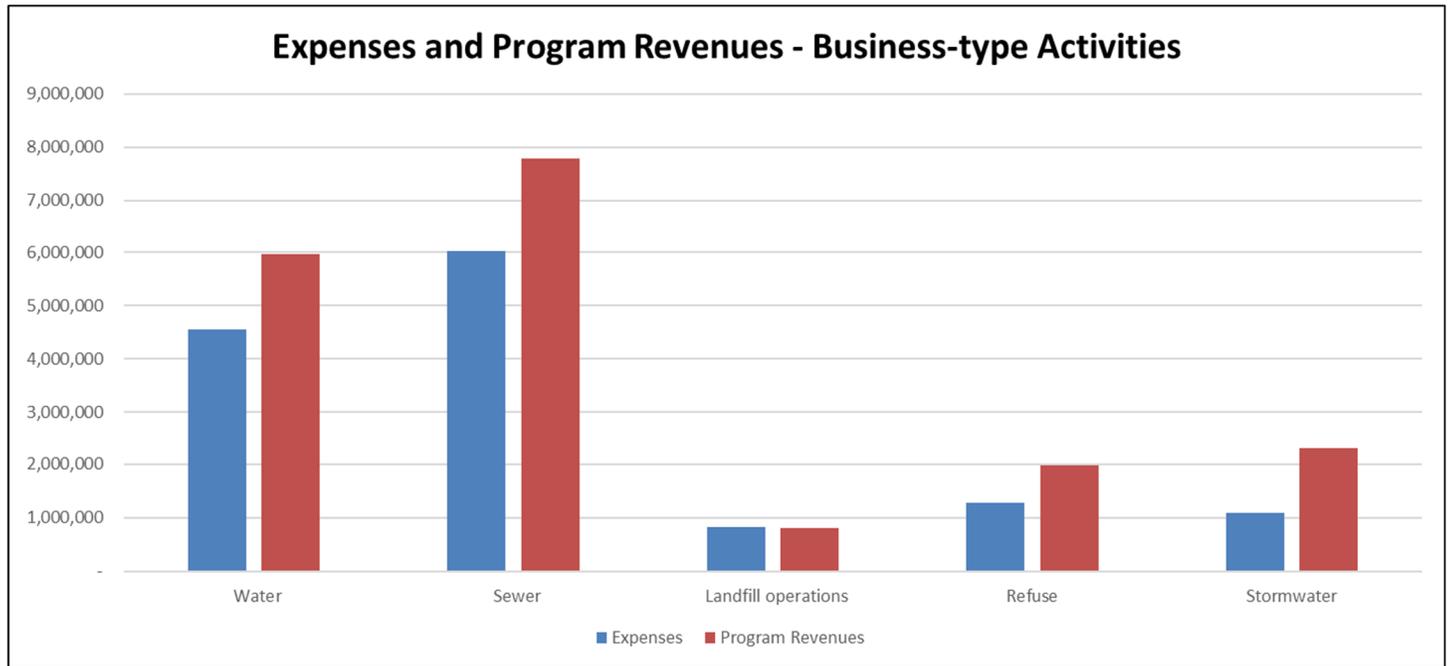


## Expenses and Program Revenues - Governmental Activities



The pie chart on the previous page provides a visual breakdown of revenues by source for governmental activities indicating each source’s percentage of total revenue. The bar chart depicts program revenues available during 2025 compared to the expenses incurred for governmental activities during 2025. The difference between program revenue and expenses or merely the lack of program revenues for some expenses is compensated for by non-programmatic/non-categorical General Fund revenues.

As depicted in the bar graph below, revenues exceeded associated expenditures for all business-type activities in 2025 excluding Landfill operations.



**Financial Analysis of the Government’s Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

**General Fund.** The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,985,435, while total fund balance was \$35,587,362. As a measure of the general fund’s liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund expenditures. Unassigned fund balance represents approximately 3% of total fund expenditures, while total fund balance represents approximately 61% of the total fund expenditures.

The fund balance of the City’s General Fund increased by \$2,338,312 during 2025. Positive variances in general property tax revenue, other local tax revenue, revenue from use of money and property, state revenues, and public works expenditures being substantially less than budgeted contributed to the increase.

**Bond Fund.** The Bond Fund is the fund in which bonds are tracked for the City. At the end of 2025, fund balance was \$646,328, an increase of \$643,168 from the prior year. This fund is intended to spend bond proceeds, so large swings in fund balance are common during issuance and spend down periods.

**Capital Projects Fund.** Is used to track major capital projects for the City. There was fund balance of \$17,989,477 in this fund as of June 30, 2025, all of which is committed. This is an increase of \$2,222,453, which is caused primarily by allocating funding to the Capital Projects Fund for projects that will begin in future years.

**Other governmental funds.** As of June 30, 2025, the fund balance for the other governmental funds was \$1,650,851. This fund balance amount represents 16% of the total of all other non-major fund expenditures. The net change in fund balance was an increase of \$4,188.

**Proprietary funds.** At the end of 2025, the total net position of the enterprise funds was \$61,302,825. This figure represents an increase in net position of \$6,142,527 compared to 2024. The total net assets of the internal services fund at the end of 2025 were \$5,825,650 which represents a decrease from 2024 of \$857,507.

### **Budgetary Highlights**

The City's annual budget, which is prepared on an operating basis, includes revenues and annual appropriations for the proprietary funds as well as the accounts that comprise the general fund. The following points summarize the budgeting changes from the original to the final budget. Exhibit 10 of the main body of this report delineates the changes from original budget to final and a detailed comparison of final budget versus actual revenues and expenses.

- General Fund final budgeted revenues were \$77,752 greater than originally budgeted revenues. The increase is comprised primarily of additional appropriations for state and federal revenue.
- General Fund final budgeted expenses were \$4,270,661 greater than originally budgeted expenses. The primary factor for the increase is adjustments made at the time prior year encumbrances were rolled to the new fiscal year totaling \$2,441,135 and appropriations for the use of fund balances.
- General Fund's actual revenues were \$6,556,005 greater than final budgeted revenues, representing a variance of approximately 10.3%. The primary drivers of this positive variance were actual receipts exceeding the budgeted amounts in the following categories: general property taxes (\$.9 million), other local taxes (\$2.2M), revenue from the use of money and property (\$1.6M) and state revenue (\$1.1M).
- General Fund's actual expenditures were \$5,194,779 less than final budgeted expenditures, representing a variance of 8.2%. This variance is due to several factors, including general vacancy savings in salaries and fringe benefits as well as a significant positive variance in public works (\$2.7M) and items that have been encumbered (\$2.5M) but the items did not meet the criteria for accrual.

**Capital Asset and Debt Administration**

**Capital Assets.** The City’s investment in capital assets includes land, buildings, improvements other than buildings, equipment, and construction work in progress. The City had a total investment in capital assets of \$123,130,153 for its governmental and business-type activities as of June 30, 2025.

Total capital assets attributed to governmental activities increased by \$10,858,907 while total capital assets attributed to the business-type activities increased by \$4,442,870. (See note 7 for detailed information regarding the City’s capital assets)

Major capital asset events during fiscal year 2025 included the following:

- Work continued on the South River Greenway Phase III & IV, South River Preserve, a new raw water tank, and Loth Springs Natural Area project.
- Construction began on the West End Fire Station.
- New vehicles and equipment were purchased for multiple departments including vehicles for police, utilities, and the Sheriff’s Office.
- Progress on two multi-jurisdictional projects continued: the regional radio project as well as the regional animal shelter.

	Governmental		Business-type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Land	9,979,234	9,979,234	611,637	438,268	10,590,871	10,417,502
Buildings	10,263,305	10,383,790	34,625,099	35,583,034	44,888,404	45,966,824
Improvements other than buildings	6,324,305	6,994,287	16,522,989	18,752,894	22,847,294	25,747,181
Machinery and equipment	4,690,120	4,244,203	2,666,141	2,406,168	7,356,261	6,650,371
Infrastructure	12,919,357	13,714,980	-	-	12,919,357	13,714,980
Leases	113,394	154,246	-	-	113,394	154,246
Construction in Progress	16,752,453	4,712,521	7,662,119	464,751	24,414,572	5,177,272
<b>Total Capital Assets</b>	<b>61,042,168</b>	<b>50,183,261</b>	<b>62,087,985</b>	<b>57,645,115</b>	<b>123,130,153</b>	<b>107,828,376</b>

**Long-term debt.** As of June 30, 2025, the City of Waynesboro holds bond ratings from Moody’s Investor Service of Aa2 and Standard & Poor’s of AA. Ratings are only issued when bonds are in the process of being sold. Moody’s issues ratings from Aaa to C to designate the relative investment qualities of bonds, with numerical (1-3) modifiers that indicate the obligation ranking within a rating category; Standard & Poor’s issues ratings from AAA to D.

The Code of Virginia and the City’s Charter limit the amount of general obligation debt that may be issued to ten percent of the total assessed value of taxable real property. Based on this limitation, the City’s outstanding GO debt cannot exceed \$288,215,884.

<b>City of Waynesboro Outstanding Debt</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
GO bonds	25,703,684	28,586,479	10,720,178	11,935,791	36,423,862	40,522,270
VA Revolving Loans	-	-	9,636,209	11,310,952	9,636,209	11,310,952
<b>Total O/S Debt</b>	<b>25,703,684</b>	<b>28,586,479</b>	<b>20,356,387</b>	<b>23,246,743</b>	<b>46,060,071</b>	<b>51,833,222</b>

The table above provides comparative information related to the City’s long-term outstanding debt. As of June 30, 2025, the City had long-term debt outstanding of \$46,060,071; \$20,356,387 was for business-type activities and \$25,703,684 for governmental activities. The amount of debt principal payments due within one year for governmental activities is \$2,321,098, and \$2,733,230 for business-type activities. These debt payments were budgeted as expenditures in the 2025 annual appropriation ordinance. Of the total outstanding debt listed in the governmental activities’ column, \$1,954,184 is related to general government capital projects. The remaining debt outstanding is related to School Board–component unit projects. (See Note 9 for relevant disclosures regarding the City’s outstanding debt.)

**Economic Factors and Next Year’s Budget and Rates**

- The fiscal year 2026 general fund budget was adopted at \$74,433,262, an increase of \$6,717,798 when compared to the 2025 budget.
- The real property tax rate increased from \$0.77 on every \$100.00 of assessed value to \$0.82 on every \$100.00 of assessed value.
- The personal property tax rate for all machinery and tools and business personal property remained at a rate of \$3.25 per \$100 of value, while the motor vehicle rate remained at \$3.25 per \$100 of value.
- The water, refuse, and sewer rates remained unchanged while stormwater increased by 5%.
- According to the Virginia Employment Commission, the unemployment rate for the City of Waynesboro as of June 2025 was 3.7%, compared to 3.0% as of June 2024. This compares favorably with the national rate of 4.1% for the same period, and is slightly greater than the Commonwealth’s rate of 3.5%.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Waynesboro’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Assistant City Manager, 503 W. Main Street, Room 206, Waynesboro, VA 22980.

Copies of this report may be downloaded from the City’s website at [www.waynesboro.va.us](http://www.waynesboro.va.us).

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***BASIC FINANCIAL STATEMENTS***

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***GOVERNMENT-WIDE FINANCIAL STATEMENTS***

**CITY OF WAYNESBORO, VIRGINIA**  
**STATEMENT OF NET POSITION**  
**June 30, 2025**

Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
<b>ASSETS</b>				
Cash and cash equivalents	\$ 59,426,077	\$ 15,787,374	\$ 75,213,451	\$ 7,865,784
Investments	7,365	-	7,365	-
Receivable (net of allowance for uncollectibles):				
Taxes, including penalties	3,308,289	-	3,308,289	-
Accounts	1,132,583	3,760,974	4,893,557	366,408
Interest	246,959	-	246,959	-
Leases	74,896	-	74,896	65,921
Due from other governments	8,044,394	717,464	8,761,858	1,703,868
Inventories	28,473	691,426	719,899	-
Permanently restricted:				
Cash and cash equivalents	700,263	-	700,263	-
Investment in landfill joint venture	-	3,381,635	3,381,635	-
Net pension asset	-	-	-	287,593
Capital assets not being depreciated:				
Land	9,979,234	611,637	10,590,871	811,907
Construction in progress	16,752,453	7,662,119	24,414,572	359,232
Capital assets, net of accumulated depreciation and amortization:				
Buildings and systems	10,263,305	34,625,099	44,888,404	63,345,825
Improvements other than buildings	6,324,305	16,522,989	22,847,294	179,622
Machinery and equipment	4,690,120	2,666,141	7,356,261	3,244,900
Infrastructure	12,919,357	-	12,919,357	-
Lease assets	113,394	-	113,394	2,023,413
SBITA assets	-	-	-	23,584
Total assets	<u>134,011,467</u>	<u>86,426,858</u>	<u>220,438,325</u>	<u>80,278,057</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	26,548	343,539	370,087	-
Deferred outflow on OPEB obligation	558,104	122,659	680,763	1,385,610
Deferred outflow on pension obligation	6,539,389	1,411,744	7,951,133	9,620,843
Total deferred outflows of resources	<u>7,124,041</u>	<u>1,877,942</u>	<u>9,001,983</u>	<u>11,006,453</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	6,355,401	2,307,231	8,662,632	4,268,464
Accrued interest payable	453,243	217,012	670,255	-
Unearned revenue	1,997,306	-	1,997,306	550,497
Noncurrent liabilities:				
Due within one year	2,444,695	2,765,650	5,210,345	208,688
Due in more than one year	43,527,515	20,536,058	64,063,573	37,783,952
Total liabilities	<u>54,778,160</u>	<u>25,825,951</u>	<u>80,604,111</u>	<u>42,811,601</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Leases	74,896	-	74,896	65,921
Deferred inflow on OPEB obligation	1,602,178	338,357	1,940,535	991,816
Deferred inflow on pension obligation	3,886,696	837,667	4,724,363	4,067,743
Total deferred inflows of resources	<u>5,563,770</u>	<u>1,176,024</u>	<u>6,739,794</u>	<u>5,125,480</u>

**CITY OF WAYNESBORO, VIRGINIA**  
**STATEMENT OF NET POSITION**  
**June 30, 2025**

Exhibit 1 (continued)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
<b>NET POSITION</b>				
Net investment in capital assets	56,315,036	45,567,147	101,882,183	67,951,217
Restricted for:				
Judicial administration	370,925	-	370,925	-
Public safety	371,090	-	371,090	-
Public works	7,338,952	-	7,338,952	-
Health and Welfare	1,805	-	1,805	-
Parks, recreation, and cultural	45,555	-	45,555	-
Education	646,328	-	646,328	-
Pension	-	-	-	287,593
Perpetual care:				
Nonexpendable	700,263	-	700,263	-
Unrestricted	15,003,624	15,735,678	30,739,302	(24,891,381)
Total net position	<u>\$ 80,793,578</u>	<u>\$ 61,302,825</u>	<u>\$ 142,096,403</u>	<u>\$ 43,347,429</u>

**CITY OF WAYNESBORO, VIRGINIA**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2025

Exhibit 2

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position			Component Unit  School Board
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary government:</b>								
Governmental activities:								
General government administration	\$ 6,336,944	\$ 112,422	\$ 378,444	\$ -	\$ (5,846,078)		\$ (5,846,078)	
Judicial administration	2,588,646	183,387	1,399,354	-	(1,005,905)		(1,005,905)	
Public safety	17,687,011	113,857	1,379,043	3,388,613	(12,805,498)		(12,805,498)	
Public works	6,638,866	11,952	5,289,143	2,435,946	1,098,175		1,098,175	
Health and welfare	7,177,960	130,190	4,336,166	-	(2,711,604)		(2,711,604)	
Education	20,227,021	-	-	-	(20,227,021)		(20,227,021)	
Parks, recreation, and cultural	4,713,003	96,978	245,902	2,327,075	(2,043,048)		(2,043,048)	
Community development	2,524,000	524,217	15,000	1,553,558	(431,225)		(431,225)	
Interest on long-term debt	1,194,337	-	-	-	(1,194,337)		(1,194,337)	
Total governmental activities	<u>69,087,788</u>	<u>1,173,003</u>	<u>13,043,052</u>	<u>9,705,192</u>	<u>(45,166,541)</u>		<u>(45,166,541)</u>	
Business-type activities:								
Water	4,554,891	5,427,073	1,975,472	41,000	-	\$ 2,888,654	2,888,654	
Sewer	6,037,739	7,745,967	657,302	-	-	2,365,530	2,365,530	
Landfill operations	825,451	980,792	-	-	-	155,341	155,341	
Refuse	1,277,841	2,210,147	10,380	-	-	942,686	942,686	
Stormwater	1,092,460	1,775,631	-	22,269	-	705,440	705,440	
Total business-type activities	<u>13,788,382</u>	<u>18,139,610</u>	<u>2,643,154</u>	<u>63,269</u>	<u>-</u>	<u>7,057,651</u>	<u>7,057,651</u>	
Total primary government	<u>\$ 82,876,170</u>	<u>\$ 19,312,613</u>	<u>\$ 15,686,206</u>	<u>\$ 9,768,461</u>	<u>(45,166,541)</u>	<u>7,057,651</u>	<u>(38,108,890)</u>	
<b>Component units:</b>								
School board	\$ 57,707,996	\$ 1,203,042	\$ 37,124,948	\$ -				\$ (19,380,006)
Total component unit	<u>\$ 57,707,996</u>	<u>\$ 1,203,042</u>	<u>\$ 37,124,948</u>	<u>\$ -</u>				<u>(19,380,006)</u>
General revenues:								
Taxes:								
General property					31,988,442	-	31,988,442	-
Sales					7,574,885	-	7,574,885	-
Utility					1,100,901	-	1,100,901	-
Business license					3,605,078	-	3,605,078	-
Hotel and meals					8,663,495	-	8,663,495	-
Tobacco					395,098	-	395,098	-
Other					1,340,317	-	1,340,317	-
Miscellaneous					195,839	79,068	274,907	152,375
Payment and contribution from City of Waynesboro					-	-	-	19,838,063
Grants and contributions not restricted to specific programs					3,723,243	-	3,723,243	-
Unrestricted investment earnings					2,628,263	875,197	3,503,460	268,473
Gain or (loss) on disposal of capital assets					182,676	(20,338)	162,338	(13,075)
Transfers					1,849,051	(1,849,051)	-	-
Total general revenues and transfers					<u>63,247,288</u>	<u>(915,124)</u>	<u>62,332,164</u>	<u>20,245,836</u>
Change in net position					18,080,747	6,142,527	24,223,274	865,830
Net position - beginning (as restated)					62,712,831	55,160,298	117,873,129	42,481,599
Net position - ending					<u>\$ 80,793,578</u>	<u>\$ 61,302,825</u>	<u>\$ 142,096,403</u>	<u>\$ 43,347,429</u>

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

***FUND FINANCIAL STATEMENTS***

**CITY OF WAYNESBORO, VIRGINIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2025**

Exhibit 3

	General Fund	Bond Fund	Capital Projects Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 36,244,666	\$ 678,763	\$ 15,941,181	\$ 946,260	\$ 53,810,870
Investments	1,805	5,560	-	-	7,365
Receivables (Net of allowances for uncollectibles):					
Taxes, including penalties	3,308,289	-	-	-	3,308,289
Accounts	855,472	-	-	90,014	945,486
Leases	74,896	-	-	-	74,896
Due from other funds	231,548	-	-	-	231,548
Interest Receivable	246,959	-	-	-	246,959
Due from other governments	2,512,644	-	4,941,847	589,903	8,044,394
Inventory	28,473	-	-	-	28,473
Restricted assets:					
Cash and cash equivalents	-	-	-	700,263	700,263
<b>Total assets</b>	<b>43,504,752</b>	<b>684,323</b>	<b>20,883,028</b>	<b>2,326,440</b>	<b>67,398,543</b>
<b>LIABILITIES</b>					
Accounts payable	674,045	37,995	2,651,254	418,629	3,781,923
Accrued payroll	1,215,953	-	836	25,412	1,242,201
Retainage payable	-	-	241,461	-	241,461
Unearned revenue	1,997,306	-	-	-	1,997,306
Due to other funds	-	-	-	231,548	231,548
Amounts held for others	53,539	-	-	-	53,539
Escrow and deposits payable	195,855	-	-	-	195,855
<b>Total liabilities</b>	<b>4,136,698</b>	<b>37,995</b>	<b>2,893,551</b>	<b>675,589</b>	<b>7,743,833</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	3,705,796	-	-	-	3,705,796
Leases	74,896	-	-	-	74,896
<b>Total deferred inflows of resources</b>	<b>3,780,692</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,780,692</b>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventory	28,473	-	-	-	28,473
Permanent fund principal	-	-	-	700,263	700,263
Restricted for:					
Judicial administration	370,925	-	-	-	370,925
Public safety	371,090	-	-	-	371,090
Public works	7,338,952	-	-	-	7,338,952
Health and welfare	287,752	-	-	-	287,752
Parks, recreation, and cultural	45,555	-	-	-	45,555
Education	-	646,328	-	-	646,328
Committed to:					
Council contingency	11,589,322	-	-	-	11,589,322
General government administration	86,750	-	-	-	86,750
Public works	300,000	-	-	-	300,000
Health and welfare	247,851	-	-	-	247,851
Capital projects	-	-	17,989,477	-	17,989,477
Revenue stabilization	500,000	-	-	-	500,000
Public Safety	12,851	-	-	-	12,851
Assigned to:					
General government administration	303,400	-	-	-	303,400
Judicial administration	953	-	-	-	953
Public safety	376,936	-	-	-	376,936
Public works	232,656	-	-	-	232,656
Health and welfare	1,805	-	-	-	1,805
Parks, recreation, and cultural	93,527	-	-	-	93,527
Youth and family services	-	-	-	514,073	514,073
CAPSAW	-	-	-	192,970	192,970
Economic Development Authority	-	-	-	161,294	161,294
Community development	2,251,380	-	-	-	2,251,380
Debt service	-	-	-	82,251	82,251
Reserves	3,576,000	-	-	-	3,576,000
Capital projects	5,585,749	-	-	-	5,585,749
Unassigned:					
General	1,985,435	-	-	-	1,985,435
<b>Total fund balances</b>	<b>35,587,362</b>	<b>646,328</b>	<b>17,989,477</b>	<b>1,650,851</b>	<b>55,874,018</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 43,504,752</b>	<b>\$ 684,323</b>	<b>\$ 20,883,028</b>	<b>\$ 2,326,440</b>	<b>\$ 67,398,543</b>

**CITY OF WAYNESBORO, VIRGINIA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2025**

	<b>Exhibit 4</b>
Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 55,874,018
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	60,178,400
Other long-term assets and deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	10,829,837
Internal service funds are used by management to charge the costs of supplies and equipment usage to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	5,825,650
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(46,425,453)
Deferred inflows of resources related to pension and OPEB are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(5,488,874)</u>
Net position of governmental activities	<b><u>\$ 80,793,578</u></b>

**CITY OF WAYNESBORO, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2025**

Exhibit 5

	General Fund	Bond Fund	Capital Projects Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
General property taxes	\$ 31,451,456	\$ -	\$ -	\$ -	\$ 31,451,456
Other local taxes	22,679,774	-	-	-	22,679,774
Permits, privilege fees, and regulatory licenses	483,418	-	-	-	483,418
Fines and forfeitures	178,851	-	-	-	178,851
Revenue from use of money and property	2,520,793	2,400	-	105,070	2,628,263
Charges for services	275,016	-	-	-	275,016
Miscellaneous	784,781	-	-	77,492	862,273
Recovered costs	129,637	-	-	481,656	611,293
Intergovernmental:					
Commonwealth	11,567,288	-	2,695,535	3,373,731	17,636,554
Federal	417,487	-	7,009,658	1,032,213	8,459,358
<b>Total revenues</b>	<b>70,488,501</b>	<b>2,400</b>	<b>9,705,193</b>	<b>5,070,162</b>	<b>85,266,256</b>
<b>EXPENDITURES</b>					
Current:					
General government administration	6,344,726	-	-	-	6,344,726
Judicial administration	2,640,689	-	-	-	2,640,689
Public safety	16,612,722	-	6,067,282	794,456	23,474,460
Public works	6,407,347	-	604,141	-	7,011,488
Health and welfare	541,336	-	-	6,779,042	7,320,378
Education	19,867,789	359,232	-	-	20,227,021
Parks, recreation, and cultural	4,027,365	-	3,947,495	-	7,974,860
Community development	1,341,075	-	2,241,379	366,677	3,949,131
Debt service:					
Principal retirement	99,492	-	-	9,744,213	9,843,705
Interest and fiscal charges	-	-	-	1,068,224	1,068,224
Bond issuance costs	-	-	-	225,713	225,713
<b>Total expenditures</b>	<b>57,882,541</b>	<b>359,232</b>	<b>12,860,297</b>	<b>18,978,325</b>	<b>90,080,395</b>
Excess (deficiency) of revenues over (under) expenditures	12,605,960	(356,832)	(3,155,104)	(13,908,163)	(4,814,139)
<b>OTHER FINANCING SOURCES (USES)</b>					
Insurance recoveries	182,676	-	-	-	182,676
Bonds issued	-	-	-	7,803,425	7,803,425
Leases	59,108	-	-	-	59,108
Transfers in	1,988,720	1,000,000	5,377,557	6,120,595	14,486,872
Transfers out	(12,498,152)	-	-	(11,669)	(12,509,821)
<b>Total other financing sources and uses</b>	<b>(10,267,648)</b>	<b>1,000,000</b>	<b>5,377,557</b>	<b>13,912,351</b>	<b>10,022,260</b>
Net change in fund balances	2,338,312	643,168	2,222,453	4,188	5,208,121
Fund balance - beginning	33,249,050	3,160	15,767,024	1,646,663	50,665,897
<b>Fund balance - ending</b>	<b>\$ 35,587,362</b>	<b>\$ 646,328</b>	<b>\$ 17,989,477</b>	<b>\$ 1,650,851</b>	<b>\$ 55,874,018</b>

**CITY OF WAYNESBORO, VIRGINIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2025**

**Exhibit 6**

Net change in fund balances - total governmental funds (Exhibit 5)	\$	5,208,121
<p>Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$14,063,048) is exceeded by depreciation and amortization (\$3,065,422) in the current period.</p>		10,997,626
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		(151,921)
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		1,981,172
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		903,256
<p>Internal service funds are used by management to charge the costs of supplies and equipment usage to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.</p>		<u>(857,507)</u>
<p style="padding-left: 40px;">Change in net position of governmental activities</p>	<b>\$</b>	<b><u>18,080,747</u></b>

**CITY OF WAYNESBORO, VIRGINIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
June 30, 2025

Exhibit 7

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 4,453,088	\$ 8,603,387	\$ 2,730,899	\$ 15,787,374	\$ 5,615,207
Accounts receivable (net of allowance for uncollectibles)	908,516	1,309,574	1,542,884	3,760,974	187,097
Due from other governments	-	717,464	-	717,464	-
Inventory	644,463	46,963	-	691,426	-
Total current assets	<u>6,006,067</u>	<u>10,677,388</u>	<u>4,273,783</u>	<u>20,957,238</u>	<u>5,802,304</u>
Noncurrent assets:					
Restricted assets:					
Equity interest in joint venture	-	-	3,381,635	3,381,635	-
Capital assets:					
Land	342,088	44,180	225,369	611,637	-
Buildings	9,182,523	43,354,787	113,453	52,650,763	-
Improvements other than buildings	21,286,657	38,545,852	5,143,236	64,975,745	-
Machinery and equipment	1,813,800	3,696,462	3,026,987	8,537,249	6,740,851
Construction in progress	4,207,428	3,399,302	55,389	7,662,119	-
Less: accumulated depreciation	<u>(20,292,290)</u>	<u>(47,773,378)</u>	<u>(4,283,860)</u>	<u>(72,349,528)</u>	<u>(5,877,083)</u>
Total capital assets (net of accumulated depreciation)	<u>16,540,206</u>	<u>41,267,205</u>	<u>4,280,574</u>	<u>62,087,985</u>	<u>863,768</u>
Total noncurrent assets	<u>16,540,206</u>	<u>41,267,205</u>	<u>7,662,209</u>	<u>65,469,620</u>	<u>863,768</u>
Total assets	<u>22,546,273</u>	<u>51,944,593</u>	<u>11,935,992</u>	<u>86,426,858</u>	<u>6,666,072</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding	295,166	26,485	21,888	343,539	-
Deferred outflow on OPEB obligation	42,614	38,451	41,594	122,659	-
Deferred outflow or resources VRS	499,322	450,533	461,889	1,411,744	-
Total deferred outflows of resources	<u>837,102</u>	<u>515,469</u>	<u>525,371</u>	<u>1,877,942</u>	<u>-</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	374,166	1,171,257	268,951	1,814,374	840,422
Retainage payable	-	32,865	-	32,865	-
Accrued payroll	57,023	60,826	73,792	191,641	-
Accrued interest payable	82,613	122,823	11,576	217,012	-
Deposits payable	264,878	-	3,473	268,351	-
Compensated absences	5,468	4,196	22,756	32,420	-
General obligation bonds - current	515,304	535,678	279,725	1,330,707	-
Revenue bonds payable - current	-	1,402,523	-	1,402,523	-
Total current liabilities	<u>1,299,452</u>	<u>3,330,168</u>	<u>660,273</u>	<u>5,289,893</u>	<u>840,422</u>
Noncurrent liabilities:					
Compensated absences	147,721	113,365	146,621	407,707	-
Net OPEB obligation	275,551	248,626	274,282	798,459	-
Net pension liability	796,396	718,580	690,294	2,205,270	-
General obligation bonds payable (net of unamortized premium and deferred amount on refunding)	7,693,894	1,311,484	852,954	9,858,332	-
Revenue bonds payable	-	7,266,290	-	7,266,290	-
Total noncurrent liabilities	<u>8,913,562</u>	<u>9,658,345</u>	<u>1,964,151</u>	<u>20,536,058</u>	<u>-</u>
Total liabilities	<u>10,213,014</u>	<u>12,988,513</u>	<u>2,624,424</u>	<u>25,825,951</u>	<u>840,422</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflow on OPEB obligation	122,336	110,383	105,638	338,357	-
Deferred inflow of resources VRS	296,773	267,775	273,119	837,667	-
Total deferred inflows of resources	<u>419,109</u>	<u>378,158</u>	<u>378,757</u>	<u>1,176,024</u>	<u>-</u>

continued

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

CITY OF WAYNESBORO, VIRGINIA  
 STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 June 30, 2025

Exhibit 7 (continued)

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>NET POSITION</b>					
Net investment in capital assets	8,344,749	29,779,579	7,442,819	45,567,147	863,768
Unrestricted	<u>4,406,503</u>	<u>9,313,812</u>	<u>2,015,363</u>	<u>15,735,678</u>	<u>4,961,882</u>
Total net position	<u><b>\$ 12,751,252</b></u>	<u><b>\$ 39,093,391</b></u>	<u><b>\$ 9,458,182</b></u>	<u><b>\$ 61,302,825</b></u>	<u><b>\$ 5,825,650</b></u>

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

**CITY OF WAYNESBORO, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2025**

Exhibit 8

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 5,427,073	\$ 7,745,967	\$ 4,966,570	\$ 18,139,610	\$ 9,387,470
Miscellaneous	9,285	60,496	9,287	79,068	2,446,531
Total operating revenues	<u>5,436,358</u>	<u>7,806,463</u>	<u>4,975,857</u>	<u>18,218,678</u>	<u>11,834,001</u>
<b>OPERATING EXPENSES</b>					
Personnel services	1,902,811	1,747,076	1,481,917	5,131,804	-
Claims paid	-	-	-	-	11,500,853
Stop-loss fees	-	-	-	-	1,260,611
Contractual services	297,586	256,135	751,186	1,304,907	-
Other supplies and expenses	1,057,767	1,213,850	289,404	2,561,021	3,378
Depreciation	971,271	2,407,579	427,818	3,806,668	138,718
Total operating expenses	<u>4,229,435</u>	<u>5,624,640</u>	<u>2,950,325</u>	<u>12,804,400</u>	<u>12,903,560</u>
Operating income (loss)	<u>1,206,923</u>	<u>2,181,823</u>	<u>2,025,532</u>	<u>5,414,278</u>	<u>(1,069,559)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental:					
Commonwealth	-	-	10,380	10,380	-
Federal	1,975,472	657,302	-	2,632,774	-
Interest income	283,097	473,614	118,486	875,197	337,013
Gain (loss) on disposal of assets	(12,428)	(35,098)	27,188	(20,338)	3,039
Loss on equity interest	-	-	(200,442)	(200,442)	-
Interest and fiscal charges	(325,456)	(413,099)	(44,985)	(783,540)	-
Total non-operating revenues (expenses)	<u>1,920,685</u>	<u>682,719</u>	<u>(89,373)</u>	<u>2,514,031</u>	<u>340,052</u>
Income before contributions and transfers	<u>3,127,608</u>	<u>2,864,542</u>	<u>1,936,159</u>	<u>7,928,309</u>	<u>(729,507)</u>
Capital contributions	41,000	-	22,269	63,269	-
Transfers in	433,548	-	-	433,548	-
Transfers out	(696,348)	(1,020,538)	(565,713)	(2,282,599)	(128,000)
Change in net position	2,905,808	1,844,004	1,392,715	6,142,527	(857,507)
Total net position - beginning (as restated)	<u>9,845,444</u>	<u>37,249,387</u>	<u>8,065,467</u>	<u>55,160,298</u>	<u>6,683,157</u>
Total net position - ending	<u>\$ 12,751,252</u>	<u>\$ 39,093,391</u>	<u>\$ 9,458,182</u>	<u>\$ 61,302,825</u>	<u>\$ 5,825,650</u>

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

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**CITY OF WAYNESBORO, VIRGINIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2025

Exhibit 9

	Business-type Activities - Enterprise Funds				Governmental
	Water Fund	Sewer Fund	Nonmajor Enterprise Funds	Total	Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers and users	\$ 5,492,911	\$ 7,138,513	\$ 5,181,147	\$ 17,812,571	\$ 11,962,139
Cash received for inventory	7,815	5,339	-	13,154	-
Cash paid to suppliers	(1,638,418)	(1,294,187)	(1,475,906)	(4,408,511)	-
Cash paid to employees	(1,845,098)	(1,618,336)	(1,444,750)	(4,908,184)	-
Cash paid for claims and admin	-	-	-	-	(13,142,853)
Other receipts (payments)	9,286	60,496	9,287	79,069	(3,378)
Net cash provided by (used in) operating activities	<u>2,026,496</u>	<u>4,291,825</u>	<u>2,269,778</u>	<u>8,588,099</u>	<u>(1,184,092)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Subsidy from federal grant	1,975,472	657,302	10,380	2,643,154	-
Transfer from other funds	433,548	-	-	433,548	-
Transfer to other funds	(696,348)	(1,020,538)	(565,713)	(2,282,599)	(128,000)
Net cash provided by (used in) noncapital financing activities	<u>1,712,672</u>	<u>(363,236)</u>	<u>(555,333)</u>	<u>794,103</u>	<u>(128,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from sale of capital assets	785	-	-	785	3,039
Acquisition and construction of capital assets	(3,806,366)	(2,489,370)	(566,968)	(6,862,704)	-
Gain on disposal of asset	-	-	27,188	27,188	-
Principal paid on capital debt	(439,472)	(2,196,248)	(254,636)	(2,890,356)	-
Interest paid on capital debt	(349,342)	(101,554)	(52,219)	(503,115)	-
Net cash provided by (used in) capital and related financing activities	<u>(4,594,395)</u>	<u>(4,787,172)</u>	<u>(846,635)</u>	<u>(10,228,202)</u>	<u>3,039</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	283,098	473,612	118,486	875,196	337,013
Cash paid to joint venture	-	-	(412,068)	(412,068)	-
Net cash provided by (used in) by investing activities	<u>283,098</u>	<u>473,612</u>	<u>(293,582)</u>	<u>463,128</u>	<u>337,013</u>
Net increase (decrease) in cash and cash equivalents	(572,129)	(384,971)	574,228	(382,872)	(972,040)
Cash and cash equivalents - beginning of year	5,025,217	8,988,358	2,156,671	16,170,246	6,587,247
Cash and cash equivalents - end of year	<u>\$ 4,453,088</u>	<u>\$ 8,603,387</u>	<u>\$ 2,730,899</u>	<u>\$ 15,787,374</u>	<u>\$ 5,615,207</u>
Cash and cash equivalents at end of year is composed of the following:					
Cash and cash equivalents	<u>\$ 4,453,088</u>	<u>\$ 8,603,387</u>	<u>\$ 2,730,899</u>	<u>\$ 15,787,374</u>	<u>\$ 5,615,207</u>

continued

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

**CITY OF WAYNESBORO, VIRGINIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2025

Exhibit 9 (continued)

	Business-type Activities - Enterprise Funds				Governmental
	Water Fund	Sewer Fund	Nonmajor Enterprise Funds	Total	Activities Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 1,206,923	\$ 2,181,823	\$ 2,025,532	\$ 5,414,278	\$ (1,069,559)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	971,271	2,407,579	427,818	3,806,668	138,718
(Increase) decrease in accounts receivable	55,668	(607,455)	214,155	(337,632)	128,138
(Increase) decrease in inventory	7,815	5,341	-	13,156	-
(Increase) decrease in deferred outflow on OPEB obligation	11,034	7,655	(25,417)	(6,728)	-
(Increase) decrease in deferred loss on VRS pension	(127,357)	(130,858)	(59,281)	(317,496)	-
Increase (decrease) in accounts payable	(283,064)	175,796	(435,312)	(542,580)	(381,389)
Increase (decrease) in accrued payroll	9,069	(36,037)	5,826	(21,142)	-
Increase (decrease) in net OPEB obligation	25,840	34,018	14,519	74,377	-
Increase (decrease) in net pension liability	206,254	211,399	175,798	593,451	-
Increase (decrease) in deferred inflow on OPEB	(27,984)	(16,468)	(39,911)	(84,363)	-
Increase (decrease) in deferred gain on VRS pension	(33,964)	(18,807)	(40,082)	(92,853)	-
Increase (decrease) in deposits payable	10,170	-	420	10,590	-
Increase (decrease) in compensated absences	(5,179)	77,839	5,713	78,373	-
Total Adjustments	<u>819,573</u>	<u>2,110,002</u>	<u>244,246</u>	<u>3,173,821</u>	<u>(114,533)</u>
Net cash provided by (used in) operating activities	<u><b>\$ 2,026,496</b></u>	<u><b>\$ 4,291,825</b></u>	<u><b>\$ 2,269,778</b></u>	<u><b>\$ 8,588,099</b></u>	<u><b>\$ (1,184,092)</b></u>
<b>Noncash investing, capital, and financing activities:</b>					
Capital contributions of water, sewer, and stormwater from developers	<u><b>\$ 41,000</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 22,269</b></u>	<u><b>\$ 63,269</b></u>	<u><b>\$ -</b></u>
Capital assets in accounts payable	<u><b>\$ 281,425</b></u>	<u><b>\$ 965,451</b></u>	<u><b>\$ 125,000</b></u>	<u><b>\$ 1,371,876</b></u>	<u><b>\$ -</b></u>

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

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Waynesboro, Virginia ("City") conform to generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies.

**A. Reporting Entity**

The City was incorporated in 1948 and organized under the Council-Manager form of government. The City is governed by an elected mayor and a five-member council. The accompanying financial statements present the government and its component units, entities for which the government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

**Blended Component Unit:**

The Waynesboro Economic Development Authority (the "Authority") was established under the Industrial Development and Revenue Bond Act of the *Code of Virginia* and has the responsibility to promote industry and develop trade by inducing manufacturing, industrial, and other commercial enterprises to locate or remain in the City. The City appoints all seven members of the Authority's Board of Directors. Additionally, the Authority is authorized to issue revenue bonds upon application by qualified applicants for acquiring, constructing, equipping, and rehabilitating certain facilities as provided in Chapter 49 of the Industrial Development and Revenue Bond Act as set forth in the Code. Upon issuance, the proceeds of the bonds are loaned to the applicant, who then agrees to repay the bonds as set forth in the Loan Agreement executed, in connection, with the issuance of the bonds. Section 15.2-4909 of the Code specifically provides that the bonds shall not be deemed to constitute debt or a pledge of the faith and credit of the Commonwealth, or any political subdivision thereof, including the locality issuing the bonds. Such bonds are payable solely from the revenues and money pledged for such purpose by the applicant, and are secured by a deed of trust, line of credit, and/or other pledge of the applicant's assets.

Separate financial statements of this component unit are not available.

**Discretely Presented Component Unit:**

The component unit column in the financial statements includes the financial data of the City's discretely presented component unit. This is reported in a separate column to emphasize that it is legally separate from the City.

The City of Waynesboro School Board was created as a separate legal entity by the City to oversee the operations and management of its publicly funded primary and secondary schools. The members of the School Board are elected by the voters. Because the School Board does not have taxing power, it is fiscally dependent on the City to provide significant funding to operate and maintain the public schools. In addition, the City must approve the School Board budget and approve any debt issuances. The School Board is comprised of one general fund, three special revenue funds, and two custodial funds.

Separate financial statements of this component unit are not available.

**Undivided Interests and Joint Ventures:**

The City, along with the City of Staunton and the County of Augusta, is a participant in the Augusta Regional Landfill (the "Landfill"). The Landfill, which has both an undivided interest component and joint venture component, was formed to develop regional refuse disposal, including the development of facilities and systems for recycling, waste reduction, and disposal alternatives with the goal of acquiring, financing, constructing, and operating/maintaining regional solid waste disposal areas, systems, and facilities. Assets, liabilities, net position, revenues and expenses of the undivided interest component are reported by the City in its ACSA Joint Landfill Fund. Likewise, the City's investment in the joint venture component of the Landfill, which is an explicit, measurable, equity interest, is reported as an asset in the ACSA Joint Landfill Fund and totaled \$3,381,635 as of June 30, 2025. Complete financial statements of the Augusta Regional Landfill can be obtained from the entity's administrative offices by contacting the Augusta County Service Authority, P.O. Box 859, Verona, VA 24482-0859.

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**A. Reporting Entity** (continued)

**Undivided Interests and Joint Ventures:** (continued)

The City, in conjunction with the City of Staunton, City of Harrisonburg, County of Augusta, and the County of Rockingham, is a participant in the Middle River Regional Jail Authority, but has no equity interest in the venture. Capital and operating costs are allocated annually based on the percentage of prisoners from each member jurisdiction over the previous three calendar years. In accordance with the service agreement, the Authority has divided its charges to member jurisdictions into an operating and debt service component. The City paid the Jail Authority \$2,003,271 for fiscal year 2025.

The City, in conjunction with the City of Staunton and the County of Augusta, is a participant in a Regional Animal Shelter with equity interest in the Regional Animal Shelter Land Trust. Capital and operating costs are allocated annually based on percentage of ownership for each locality. The City transferred funds to the Regional Animal Shelter in the amount of \$150,165 for fiscal year 2025.

The City, in conjunction with the City of Staunton and the County of Augusta, is a participant in a Regional Radio Tower. Capital and operating costs are allocated annually based on a memorandum of understanding adopted by each locality. The City incurred costs in the amount of \$1,585,713 for fiscal year 2025. The asset is jointly owned and the City's share of the project, to date, is \$1,788,103 which is recorded in construction in progress.

**Excluded Organizations:**

The financial activities of the Waynesboro Redevelopment Housing Authority are excluded from the City's annual financial report because the City is not financially accountable for the organization.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from a legally separate *component unit* for which the primary government is financially accountable.

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

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, with the exception of agency fund financial statements, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims/judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 45 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the City, are recognized as revenues and receivables upon collection by the state or utility, which is generally in the month preceding receipt by the City.

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

*Governmental Funds* account for the expendable financial resources, other than those accounted for in Proprietary and Fiduciary Funds. The governmental funds use the modified accrual basis of accounting where the measurement focus is upon determination of financial position and changes in financial position, rather than on net income determination as would apply to a commercial enterprise. The City reports the following governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund is considered a major fund for financial reporting purposes.

*Special revenue funds* account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds consist of the Virginia Public Assistance, Comprehensive Services Act, Youth and Family Services, Community Action Partnership of Staunton, Augusta, Waynesboro, and a blended component unit, Economic Development Authority.

*The Debt service funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. Debt service funds consist of the Debt Revenue Fund and the Bond Fund. The Bond Fund is considered a major fund and the Debt Revenue Fund is considered aggregate non-major.

*Capital project funds* account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. Capital project fund is considered a major fund and consists of the Capital Improvements Fund.

*Permanent funds* account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. Permanent funds consist of the Cemetery Care Fund.

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (continued)

*Proprietary Funds* account for operations that are financed in a manner similar to private business enterprises. The proprietary funds utilize the accrual basis of accounting where the measurement focus is upon determination of net income. Proprietary funds consist of Enterprise and Internal Service Funds. The government reports the following proprietary funds:

*Enterprise funds* account for operations where the intent of the City is that the cost of provided services to the general public be financed and recovered through user charges. Enterprise funds consist of the Water, Sewer, Refuse, Stormwater, and the ACSA Joint Landfill Funds. The Water and Sewer Funds are considered major funds for financial reporting purposes.

*Internal service funds* account for the financing of goods or services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. Internal service funds consist of the Equipment and Stores Fund and the Self-Funded Health Insurance Fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water, sewer, and refuse functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Sewer, Refuse, ACSA Joint Landfill, and internal service funds are charges to customers for sales and services. The Water and Sewer Funds also recognize as operating revenue, the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

All revenue and expenses not meeting the operating definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity**

1. *Deposits and Investments*

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component unit, are reported at amortized cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity** (continued)

2. *Interfund Activity*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

3. *Inventories*

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories in the internal service fund consist of expendable supplies held for consumption and are accounted for under the purchase method and consist primarily of inventory for the proprietary funds.

4. *Property Taxes*

Property is assessed at its value on January 1. Property Taxes attach as an enforceable lien on property as of January 1. Real property taxes are payable in two installments on July 31 and December 5 and personal property taxes are payable in one installment on December 5. The City bills and collects its own property taxes.

5. *Allowance for Uncollectible Accounts*

The City calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$2,397,690 at June 30, 2025, and consisted of the following:

General Fund – taxes	\$ 1,858,728
Water Fund – utility billings	141,190
Sewer Fund – utility billings	176,026
Refuse Fund – utility billings	69,489
Stormwater Fund – utility billings	<u>152,257</u>
Total	<b><u>\$ 2,397,690</u></b>

6. *Use of Estimates*

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

7. *Restricted Assets*

Cash investments of \$700,263 in the Cemetery Care Fund, a permanent fund, are nonspendable and thus restricted. Only earnings may be used by the City to fund the cemetery maintenance costs.

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity** (continued)

8. *Capital Assets*

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Infrastructure acquired prior to the City's implementation of GASB Statement 34 is included in the City's capital asset totals.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the current year. Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings	50
Improvements other than buildings	20
Machinery and equipment	5-20
Infrastructure	20-50

Lease and subscription assets are amortized over the shorter of the lease term or useful life of the underlying asset. In contracts where a purchase option is reasonably certain of being exercised the asset is amortized over the useful life, unless the underlying asset is non-depreciable, in which the leased asset is not amortized.

9. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statements that present financial position report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The government has several items that qualify for reporting in this category. The first is the deferred charge on refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunded debt. The second consists of contributions subsequent to the measurement date for pensions and OPEB; these amounts will be applied to the net pension and net OPEB liability in the next fiscal year. Lastly are various components of outflows for pensions and OPEB, which may include the net difference between projected and actual earnings on pension or OPEB plan investments, changes in proportion and differences between employer contributions and the proportionate share of employer contributions, changes in assumptions, and the net difference between expected and actual experience in the pension and OPEB plans. These items will be recognized in pension or OPEB expense either 1) over a closed five-year period or 2) amortized over the average expected remaining service lives of all employees.

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity** (continued)

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

In addition to liabilities, the statements that present financial position report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has several items that qualify for reporting in this category. The governmental funds report unavailable revenue (note 8) – taxes and accounts receivable from property taxes and other receivables not collected within 45 days of year-end and collection in the current fiscal year of property taxes levied to fund future years. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The third item Lease-related amounts are recognized at the inception of leases in which the City is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease. The fourth and fifth items reported as deferred inflows are various components of inflows for pensions and OPEB, which may include the net difference between projected and actual earnings on pension or OPEB plan investments, changes in proportion and differences between employer contributions and the proportionate share of employer contributions, changes in assumptions, and the net difference between expected and actual experience in the pension and OPEB plans. These items will be recognized in pension or OPEB expense either 1) over a closed five-year period or 2) amortized over the average expected remaining service lives of all employees.

10. *Compensated Absences*

In accordance with Governmental Accounting Standards Board Statement 101, "*Compensated Absences*," the City has accrued a liability arising from outstanding compensated absences when earned.

City employees, under the Sick Leave Policy, earn sick leave at the rate of 8 hours per month. No benefits or pay is received for unused sick leave upon termination. City employees, under the Annual Leave Policy, earn varying amounts of annual leave dependent upon years of service. Accumulated annual leave up to 288 hours is paid upon termination. City employees, under the Paid Time Off Policy, earn varying amounts of paid time off dependent upon years of service. Accumulated paid time off up to the maximum permitted carry-over amount, based upon years of service, is paid upon termination. Law enforcement, fire protection, and emergency response personnel may accrue up to 480 hours of compensatory time within a fiscal year. All other employees eligible for compensatory time may accrue up to 240 hours of compensatory time within in a fiscal year. Upon termination of service from the City an employee will be paid for any accrued compensatory time at the employee's base rate of pay in effect when earned.

School Board 12-month personnel earn varying amounts of annual leave dependent upon years of service. Accumulated annual leave up to 30 days will be paid upon termination at the employee's daily rate of pay. School Board personnel with at least 5 years of service may be paid for up to 120 days of unused sick time at a rate of \$20 per day.

11. *Long-term Obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures. Loans issued at 0% are discounted at the applicable long-term annual financing rate based on date of issue.

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity** (continued)

11. *Long-term Obligations (continued)*

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt plus premiums issued is reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. *Fund Equity*

Financial policies - The City has a formal fund balance policy noting the City does not intend to use General Fund equity (unassigned fund balance) to finance current operations. The City will maintain a fund balance for cash liquidity purposes that will provide sufficient cash flow to eliminate the need for short-term tax anticipation borrowing. This balance will be maintained in committed fund balance in the General Fund and will be no less 16% of the next year's General Fund adopted budget. This calculation for fiscal year 2025 was \$11,589,322. When an expenditure is incurred where multiple unrestricted categories could be used, the City follows the subsequent order of use: committed amounts are used first, followed by assigned amounts, then unassigned amounts.

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes permanent fund principal, inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted fund balance – Restricted funds are either externally imposed (such as debt covenants, grantors, contributors, or other governments) or are imposed by law (constitutionally or enabling legislation). The source of the constraint comes from outside the government and cannot be changed by City Council.

Committed fund balance – The City's committed funds require formal action of the City Council either by resolution or ordinance that identifies the specific circumstances under which resources may be expended.

Assigned fund balance – Amounts that are constrained by the City's expressed intent to use resources for specific purposes but do not meet the criteria to be classified as restricted or committed are classified as assigned. Intent can be stipulated by the governing body, another body (such as the Finance Committee), or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance of the classification for all governmental funds with positive balances.

Unassigned fund balance – Unassigned funds consist of amounts not assigned, committed, or restricted, and are funds that are considered available for use by the City.

13. *Net Position*

Net position is assets plus deferred outflows of resources, less liabilities, and deferred inflows of resources. Net investment in capital assets represent capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction, or improvement of those assets.

14. *Component Unit – School Board Capital Asset and Debt Presentation*

By law, the School Board does not have taxing authority, therefore, it can't incur debt through general obligation bonds to fund the acquisition, construction, or improvement of its capital assets. That responsibility lies with the City who issue debt on behalf of the School Board. However, the *Code of Virginia* requires the School Board to hold title to the capital assets due to their maintaining the assets.

In the Statement of Net Position, this scenario presents a dilemma for the City. Debt issued on behalf of the School Board is reported as a liability of the primary government, thereby reducing the net position of the City. The corresponding capital assets are reported as assets of the Component Unit – School Board, thereby increasing its net position.

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity** (continued)

14. *Component Unit – School Board Capital Asset and Debt Presentation (continued)*

The Virginia General Assembly amended the *Code of Virginia* to allow a tenancy in common with the School Board whenever the locality incurs a financial obligation, which is payable over more than one fiscal year for any new property. The tenancy in common terminates when the associated debt has been paid in full. For financial reporting purposes, the legislation permits the locality to report the portion of the school property related to any outstanding financial obligation, thus eliminating a potential deficit from financing capital assets with debt. As of June 30, 2025, the City does not record the School Board's capital assets; they are reported as capital assets of the Component Unit – School Board.

15. *Pensions*

The Virginia Retirement System (VRS) Political Subdivision and School Division Non-professional Retirement Plan is a multi-employer, agent plan. The VRS Teacher Employee Retirement Plan is a multiple employer, cost-sharing plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Political Subdivision and School Division's Retirement Plan and the Teacher Employee Retirement Plan, as well as the additions to/deductions from both Plan's net fiduciary position have been determined on the same basis as they were reported by the VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

16. *Health Insurance Credit Program*

The Political Subdivision Health Insurance Credit Program is a multiple-employer, agent defined benefit plan. The VRS Teacher Employee Health Insurance Credit Program is a multiple-employer, cost-sharing plan. Both plans provide a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers and for retired teachers. The Health Insurance Credit Programs were established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. For purposes of measuring the net Health Insurance Credit Programs OPEB liability, deferred outflows of resources, and deferred inflows of resources related to the Programs OPEB, and OPEB expense, information about the fiduciary net position of the Programs; including and the additions to/deductions from the Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

17. *Group-Life Insurance*

The VRS Group Life Insurance Program is a multiple-employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the VRS Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “Internal service funds are used by management to charge the costs of supplies and equipment usage to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.” The total included is \$5,825,650.

Another element of that reconciliation explains, “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of these \$46,425,453 and \$37,705,047 differences for the primary government and discretely presented component unit-school board, respectively, are as follows:

	<b>Primary Government</b>	<b>Component Unit School Board</b>
Bonds payable	\$ 25,703,684	\$ -
Less: Discount on bonds payable	(52,844)	-
Plus: Issuance premium	1,561,850	-
Leases	118,463	2,025,329
SBITA	-	13,962
Landfill closure liability	1,882,155	-
Accrued interest payable	453,243	-
Net OPEB obligation	3,608,754	7,234,447
Net pension liability	10,430,029	21,428,142
Compensated absences	<u>2,720,119</u>	<u>7,003,167</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<b><u>\$ 46,425,453</u></b>	<b><u>\$ 37,705,047</u></b>

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states, “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of these \$1,981,172 and \$(278,875) differences in the primary government and discretely presented component unit-school board, respectively, are as follows:

	<b>Primary Government</b>	<b>Component Unit School Board</b>
Principal and lease repayments	\$ 9,843,705	\$ 204,828
Bond issuance	(7,803,425)	-
Lease and SBITA issuance	(59,108)	(483,703)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net net position of governmental activities	<b>\$ 1,981,172</b>	<b>\$ (278,875)</b>

Another element of that reconciliation states, “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of these \$903,256 and \$1,353,936 differences for the primary government and discretely presented component unit-school board, respectively, are as follows:

	<b>Primary Government</b>	<b>Component Unit School Board</b>
Compensated absences	\$ (7,794)	\$ 193,633
Accrued interest	(4,965)	-
Landfill post-closure care liability	5,826	-
(Increase)/decrease in net OPEB obligation	82,892	507,593
(Increase)/decrease in net pension liability	(1,705,578)	2,298,993
Increase/(decrease) in deferred outflows	805,378	(63,693)
(Increase)/decrease in deferred inflows	1,622,932	(1,582,590)
Amortization of issuance premium	119,711	-
Amortization of deferred charge on refunding	(15,146)	-
Net adjustment to increase/decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<b>\$ 903,256</b>	<b>\$ 1,353,936</b>

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with GAAP for governmental funds except the Economic Development fund, and the permanent fund, which are not budgeted. All annual appropriations lapse at fiscal year-end. The following procedures are used by the City in establishing the budgetary data reflected in the financial statements:

1. Prior to March 30, the City Manager submits to City Council a proposed budget for the fiscal year commencing the following July 1.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of a budget resolution.
4. The budget resolution places legal restrictions on expenditures at the function level (i.e. General Government Admin., Public Safety, etc.) The appropriations for each function can be revised only by the City Council.
5. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Budget data presented in the accompanying financial statements includes the original budget and the revised budget as of June 30, 2025.
7. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

**B. Excess of Expenditures over Appropriations**

For the year ended June 30, 2025, the Comprehensive Service Act Fund, the Debt Revenue Fund, and the School Operating Fund had expenditures that exceeded appropriations.

**C. Deficit Fund Balance**

At June 30, 2025, no funds had a deficit fund balance or net position.

**4. DEPOSITS AND INVESTMENTS**

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

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**4. DEPOSITS AND INVESTMENTS (continued)**

Investments: Statutes authorize local governments and other public bodies to invest in obligations of the United States of America or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, banker’s acceptances, repurchase agreements, the State Treasurer’s Local Government Investment Pool (LGIP), and the VA State Non-Arbitrage Program (SNAP). The City has no investment policies that would further limit their investment choices.

*Credit Risk* – The City’s investments are subject to credit risk, concentration of credit risk, and interest rate risk as described below. The City’s investments are not subject to custodial risk or foreign currency risk.

The City’s rated debt investments as of June 30, 2025, were rated by Standard & Poor’s and the ratings are presented below using the Standard & Poor’s rating scale.

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Fair Quality Ratings</u>	
		<u>AAAm</u>	<u>Unrated</u>
<u>Primary Government</u>			
Local Government Investment Pool	\$ 1,805	\$ 1,805	\$ -
VA State Non-Arbitrage Program (SNAP)	5,560	5,560	-
Total Fair Value	<u>\$ 7,365</u>	<u>\$ 7,365</u>	<u>\$ -</u>

*Concentration of Credit Risk* – The City places no limits on the amount that may be invested in any one issuer.

*Interest Rate Risk* – As of June 30, 2025, the City had investments with the following maturities:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Investment Maturities (in years)</u>		
		<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>
<u>Primary Government</u>				
Local Government Investment Pool	\$ 1,805	\$ 1,805	\$ -	\$ -
VA State Non-Arbitrage Program (SNAP)	5,560	5,560	-	-
Total Fair Value	<u>\$ 7,365</u>	<u>\$ 7,365</u>	<u>\$ -</u>	<u>\$ -</u>

The City does not have formal investment policies that limit investment maturities as a means of managing its exposure to fair value losses arriving from increasing interest rates.

Amortized Costs:

The City categorizes its amortized cost measurements within the amortized cost hierarchy established by GAAP. The City has recurring amortized cost measurements as of June 30, 2025, for its Local Government Investment Pool, as Level 1 totaling \$1,805. The City’s Local Government Investment Pool classified in Level 1 of the fair value hierarchy is valued using prices quoted in active markets for those securities at amortized costs.

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**5. DUE FROM OTHER GOVERNMENTS**

The following amounts represent receivables from other governments at year-end:

	<b>Primary Government</b>	<b>Component Unit School Board</b>
Commonwealth of Virginia:		
School Funds	\$ -	\$ 36,818
State sales taxes	1,304,030	809,425
Opioid Settlement Funds	910,250	-
Virginia Department of Transportation	866,856	-
Communications tax	134,363	-
Public assistance grants	69,362	-
Stormwater Local Assistance Fund	868,187	-
Comprehensive Services Act funds	357,456	-
Virginia Economic Development Partnership	1,391,405	-
Department of Environmental Quality	188,658	-
Other State funds	341,187	-
Total Due from the Commonwealth	6,431,754	846,243
Federal Government:		
American Rescue Plan Act	657,302	-
Department of Forestry	161,268	-
Public assistance grants	20,888	-
Department of the Interior	727,759	-
Department of Transportation	599,086	-
Victim Witness	15,071	-
Other federal funds	148,730	857,625
Total Due from the Federal Government	2,330,104	857,625
Total Due from Other Governments	<b>\$ 8,761,858</b>	<b>\$ 1,703,868</b>

**6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund balances at June 30, 2025, consisted of the following:

Primary Government:

Due to General Fund from:

Non-major governmental funds \$ 231,548

Total due to General Fund from other funds for cash advances **\$ 231,548**

Interfund balances are due to the fact that the general fund aided in funding the operations in various other funds.

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)**

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

Primary Government:

Transfers to General Fund from:	
Non-major governmental funds	\$ 11,669
Internal Service Fund	128,000
Water Fund for operations	696,348
Sewer Fund for operations	603,990
Non-major enterprise funds for operations	548,713
Total transfers to General Fund	<u><b>\$ 1,988,720</b></u>

Transfers to Bond Fund from:	
General Fund for capital	\$ 1,000,000

Transfers to Capital Projects Fund from:	
General Fund for capital	\$ 5,377,557

Transfers to non-major governmental funds from:	
General Fund for welfare assistance	\$ 2,657,456
General Fund for Economic Development Authority	185,155
General Fund for debt service	3,277,984
Total transfers to non-major governmental funds	<u><b>\$ 6,120,595</b></u>

Transfers to Water Fund from:	
Sewer Fund for operations	\$ 416,548
Stormwater Fund for operations	17,000
Total transfers to Water Fund	<u><b>\$ 433,548</b></u>

Component Unit School Board:

Transfers to School Textbook Fund from:	
School Operating Fund	<u><b>\$ 446,975</b></u>

Transfers to School Nutrition Fund from:	
School Operating Fund	<u><b>\$ 375,000</b></u>

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

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**7. CAPITAL ASSETS**

PRIMARY GOVERNMENT

A summary of the changes in the City's capital assets for *governmental activities* is as follows:

	<u>Balance July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2025</u>
Capital assets, not being depreciated:				
Land	\$ 9,979,234	\$ -	\$ -	\$ 9,979,234
Construction in progress	4,712,521	12,039,932	-	16,752,453
Total capital assets not being depreciated	<u>14,691,755</u>	<u>12,039,932</u>	<u>-</u>	<u>26,731,687</u>
Capital assets, being depreciated				
Buildings	19,833,510	270,326	-	20,103,836
Improvements other than buildings	11,716,977	-	-	11,716,977
Equipment	18,553,826	1,425,878	(361,831)	19,617,873
Infrastructure	59,334,613	267,804	(8,965)	59,593,452
Total capital assets being depreciated	<u>109,438,926</u>	<u>1,964,008</u>	<u>(370,796)</u>	<u>111,032,138</u>
Less: accumulated depreciation for:				
Buildings	(9,449,720)	(390,811)	-	(9,840,531)
Improvements other than buildings	(4,722,690)	(669,982)	-	(5,392,672)
Equipment	(14,309,623)	(979,961)	361,831	(14,927,753)
Infrastructure	(45,619,633)	(1,063,427)	8,965	(46,674,095)
Total accumulated depreciation	<u>(74,101,666)</u>	<u>(3,104,181)</u>	<u>370,796</u>	<u>(76,835,051)</u>
Total capital assets being depreciated, net	<u>35,337,260</u>	<u>(1,140,173)</u>	<u>-</u>	<u>34,197,087</u>
Lease assets:				
Equipment	42,554	17,236	-	59,790
Buildings	211,457	41,872	(17,405)	235,924
Less: accumulated amortization	(99,765)	(99,960)	17,405	(182,320)
Total lease assets being amortized, net	<u>154,246</u>	<u>(40,852)</u>	<u>-</u>	<u>113,394</u>
Governmental activities capital assets, net	<u>\$ 50,183,261</u>	<u>\$ 10,858,907</u>	<u>\$ -</u>	<u>\$ 61,042,168</u>

Depreciation and amortization expense were charged to functions/programs of the City's governmental activities as follows:

Governmental activities:	
General government administration	\$ 248,579
Judicial administration	90,586
Public safety	666,000
Public works	1,426,324
Health and welfare	817
Parks, recreation, and cultural	665,365
Community development	<u>106,470</u>
Total depreciation expense – governmental activities	<u>\$ 3,204,141</u>

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**7. CAPITAL ASSETS** (continued)

PRIMARY GOVERNMENT (continued)

A summary of the changes in the City's capital assets for *business-type activities* is as follows:

Capital assets, not being depreciated:				
Land	\$ 438,268	\$ 173,369	\$ -	\$ 611,637
Construction in progress	<u>464,751</u>	<u>7,245,679</u>	<u>(48,311)</u>	<u>7,662,119</u>
Total capital assets not being depreciated	<u>903,019</u>	<u>7,419,048</u>	<u>(48,311)</u>	<u>8,273,756</u>
Capital assets, being depreciated:				
Buildings	52,576,940	73,823	-	52,650,763
Improvements other than buildings	64,912,476	63,269	-	64,975,745
Equipment	<u>7,922,059</u>	<u>741,709</u>	<u>(126,519)</u>	<u>8,537,249</u>
Total capital assets being depreciated	<u>125,411,475</u>	<u>878,801</u>	<u>(126,519)</u>	<u>126,163,757</u>
Less: accumulated depreciation for:				
Buildings	(16,993,906)	(1,031,758)	-	(18,025,664)
Improvements other than buildings	(46,159,582)	(2,293,174)	-	(48,452,756)
Equipment	<u>(5,515,891)</u>	<u>(481,736)</u>	<u>126,519</u>	<u>(5,871,108)</u>
Total accumulated depreciation	<u>(68,669,379)</u>	<u>(3,806,668)</u>	<u>126,519</u>	<u>(72,349,528)</u>
Total capital assets being depreciated, net	<u>56,742,096</u>	<u>(2,927,867)</u>	<u>-</u>	<u>53,814,229</u>
Business-type activities capital assets, net	<u><b>\$ 57,645,115</b></u>	<u><b>\$ 4,491,181</b></u>	<u><b>\$ (48,311)</b></u>	<u><b>\$ 62,087,985</b></u>

Depreciation expense was charged to functions/programs of the City's business-type activities as follows:

Business-type activities:	
Water	\$ 971,271
Sewer	2,407,579
Refuse	90,691
Stormwater	<u>337,127</u>
Total depreciation expense – business-type activities	<u><b>\$ 3,806,668</b></u>

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**7. CAPITAL ASSETS** (continued)

COMPONENT UNIT - SCHOOL BOARD

A summary of the changes in the Discretely Presented Component Unit School Board's capital assets is as follows:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2025</u>
Capital assets, not being depreciated:				
Land	\$ 811,907	\$ -	\$ -	\$ 811,907
Construction in progress	<u>997,458</u>	<u>444,406</u>	<u>(1,082,632)</u>	<u>359,232</u>
Total capital assets not being depreciated	<u>1,809,365</u>	<u>444,406</u>	<u>(1,082,632)</u>	<u>1,171,139</u>
Capital assets, being depreciated:				
Buildings	90,108,540	1,670,544	(174,239)	91,604,845
Improvements other than buildings	4,335,100	-	(519,600)	3,815,500
Equipment	<u>6,832,724</u>	<u>477,162</u>	<u>(295,507)</u>	<u>7,014,379</u>
Total capital assets being depreciated	<u>101,276,364</u>	<u>2,147,706</u>	<u>(989,346)</u>	<u>102,434,724</u>
Less: accumulated depreciation for:				
Buildings	(26,161,925)	(2,271,334)	174,239	(28,259,020)
Improvements other than buildings	(4,060,665)	(94,813)	519,600	(3,635,878)
Equipment	<u>(3,601,554)</u>	<u>(450,357)</u>	<u>282,432</u>	<u>(3,769,479)</u>
Total accumulated depreciation	<u>(33,824,144)</u>	<u>(2,816,504)</u>	<u>976,271</u>	<u>(35,664,377)</u>
Total capital assets being depreciated, net	<u>67,452,220</u>	<u>(668,798)</u>	<u>(13,075)</u>	<u>66,770,347</u>
Lease assets:				
Equipment	2,494,505	483,703	(45,838)	2,932,370
Less: accumulated amortization	<u>(780,478)</u>	<u>(174,317)</u>	<u>45,838</u>	<u>(908,957)</u>
Total lease assets being amortized, net	<u>1,714,027</u>	<u>309,386</u>	<u>-</u>	<u>2,023,413</u>
SBITA:				
Subscriptions	218,476	-	(114,367)	104,109
Less: accumulated amortization	<u>(156,941)</u>	<u>(37,951)</u>	<u>114,367</u>	<u>(80,525)</u>
Total SBITA assets being amortized, net	<u>61,535</u>	<u>(37,951)</u>	<u>-</u>	<u>23,584</u>
School Board capital assets, net	<u><b>\$ 71,037,147</b></u>	<u><b>\$ 47,043</b></u>	<u><b>\$ (1,095,707)</b></u>	<u><b>\$ 69,988,483</b></u>

Depreciation and amortization expense were charged to functions/programs of the Component Unit School Board's governmental activities as follows:

Governmental activities:	
Education	<u><b>\$ 3,028,772</b></u>

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**8. UNAVAILABLE REVENUE**

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities in the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of fiscal year 2025, the various components of unavailable revenue reported in the governmental funds were as follows:

Deferred Property Tax Revenue, representing uncollected tax	
billings at June 30, 2025 (General Fund)	\$ 2,795,546
Deferred Opioid Abatement Fund Revenue	910,250
<b>Total unavailable revenue for governmental funds</b>	<b>\$ 3,705,796</b>

**9. LONG-TERM DEBT**

PRIMARY GOVERNMENT

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

Year Ending	Governmental Activities					
	General Obligation Bonds		Virginia Revolving Loans		Leases	
	Principal	Interest	Taxable G.O. Bonds		Principal	Interest
June 30			Principal	Interest		
2026	\$ 2,168,313	\$ 1,010,788	\$ 45,468	\$ -	\$ 61,405	\$ 2,073
2027	2,052,163	905,574	44,861	-	48,601	906
2028	2,037,071	807,452	44,240	-	4,362	162
2029	1,715,447	716,085	43,607	-	4,095	51
2030	1,521,243	645,536	42,961	-	-	-
2031-2035	8,426,826	2,289,418	204,639	-	-	-
2036-2040	7,280,000	536,473	76,845	-	-	-
	<b>\$ 25,201,063</b>	<b>\$ 6,911,326</b>	<b>\$ 502,621</b>	<b>\$ -</b>	<b>\$ 118,463</b>	<b>\$ 3,192</b>

Year Ending	Business-Type Activities					
	General Obligation Bonds		Virginia Revolving Loans		Sewer Revenue Bonds	
	Principal	Interest	Taxable G.O Bonds		Principal	Interest
June 30			Principal	Interest		
2026	\$ 854,447	\$ 395,688	\$ 403,759	\$ 21,586	\$ 1,685,367	\$ 29,278
2027	893,831	354,650	415,963	9,382	1,686,001	21,469
2028	933,051	319,753	-	-	1,696,645	14,894
2029	868,891	285,711	-	-	1,702,298	7,925
2030	718,203	254,308	-	-	1,547,962	3,290
2031-2035	3,342,033	899,705	-	-	1,317,936	6,325
2036-2040	2,290,000	166,538	-	-	-	-
	<b>\$ 9,900,456</b>	<b>\$ 2,676,353</b>	<b>\$ 819,722</b>	<b>\$ 30,968</b>	<b>\$ 9,636,209</b>	<b>\$ 83,181</b>

Compensated absences, net OPEB obligation, net pension liability, and liability for landfill closure are not included in the schedule reflecting annual requirements to amortize long-term obligations since it cannot be estimated when they will be paid.

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**9. LONG-TERM DEBT (continued)**

PRIMARY GOVERNMENT (continued)

Changes in Long-Term Debt

The following is a summary of the long-term debt transactions of the City and Blended Component Unit, Economic Development Authority for the year ended June 30, 2025:

<u>Governmental Activities</u>	<u>Balance July 1, 2024*</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2025</u>	<u>Due within one year</u>
General Obligation Bonds	\$ 28,037,794	\$ 6,870,000	\$ 9,706,731	\$ 25,201,063	\$ 2,168,313
Unamortized Bond Premium	748,136	933,425	119,711	1,561,850	115,304
VRA Loan - Taxable G.O. Bond	548,685	-	46,064	502,621	45,468
Unamortized Bond Discount	(61,426)	-	(8,582)	(52,844)	(7,987)
Liability for Landfill Closure	1,887,981	-	5,826	1,882,155	-
Net OPEB Obligation	3,691,646	-	82,892	3,608,754	-
Net Pension Liability	8,724,451	1,705,578	-	10,430,029	-
Leases	158,847	59,108	99,492	118,463	61,405
Compensated Absences	2,712,325	7,794	-	2,720,119	62,192
<b>Total Governmental Activities</b>	<b>46,448,439</b>	<b>9,575,905</b>	<b>10,052,134</b>	<b>45,972,210</b>	<b>2,444,695</b>
<b><u>Business-type Activities</u></b>					
General Obligation Bonds	10,724,157	-	823,701	9,900,456	854,447
Unamortized Bond Premium	582,523	-	92,755	489,768	81,579
VRA Loan - Taxable G.O. Bond	1,211,634	-	391,912	819,722	403,759
VRA Loan - Sewer Revenue Bond	11,310,952	-	1,674,743	9,636,209	1,685,367
Unamortized Bond Discount	(1,326,565)	-	(338,262)	(988,303)	(291,922)
Net OPEB Obligation	724,082	74,377	-	798,459	-
Net Pension Liability	1,611,819	593,451	-	2,205,270	-
Compensated Absences	414,098	31,482	5,453	440,127	32,420
<b>Total Business-type Activities</b>	<b>25,252,700</b>	<b>699,310</b>	<b>2,650,302</b>	<b>23,301,708</b>	<b>2,765,650</b>
<b>Primary Government Totals</b>	<b>\$ 71,701,139</b>	<b>\$ 10,275,215</b>	<b>\$ 12,702,436</b>	<b>\$ 69,273,918</b>	<b>\$ 5,210,345</b>

Compensated absences are shown using the net change method.

\*- Amounts have been restated to include items related to the implementation of GASB 101, Compensated Absences.

**Details of Long-Term Indebtedness**

**Governmental Business-type**

General Obligation Bonds:

\$6,364,713 General Obligation School Bonds – Series 2007A (Kate Collins Middle School), issued November 8, 2007 maturing annually through July 15, 2027, bearing interest at a 5.10% fixed interest rate payable semiannually. The bonds are shown net of unamortized premium of \$8,418.

\$ 1,099,806      \$ -

\$3,519,000 General Obligation Public Improvement Bonds - Series 2011 (General) issued October 31, 2011, maturing with monthly installments of \$25,955 through October 28, 2026, bearing an interest rate of 3.96%.

404,815      -

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**9. LONG-TERM DEBT (continued)**

PRIMARY GOVERNMENT (continued)

**Details of Long-Term Indebtedness (continued)**

General Obligation Bonds: (continued)

	<u>Govern- mental</u>	<u>Business- type</u>
\$16,045,000 General Obligation Public Improvement Bonds - Series 2015 (General, Water, Sewer) issued April 13, 2015, maturing with annual installments through October 1, 2037, bearing interest from 2.625% to 5.125%. The bonds are shown net of unamortized premium of \$36,408 for governmental activities and unamortized premium of \$468,862 for business-type activities.	1,083,157	9,507,112
\$19,860,000 General Obligation School Bonds – Series 2018A (WHS Renovation), issued May 1, 2018, maturing annually through July 15, 2038, bearing interest from 3.05% to 5.05% payable semiannually. The bonds are shown net of unamortized premiums of \$590,636 for governmental activities.	16,190,362	-
\$1,563,000 General Obligation Refunding Bonds – Series 2022 (General, Sewer, Stormwater) issued May 5, 2022, maturing annually Through February 1, 2031, bearing interest of 2.35% payable Semiannually.	188,112	862,205
\$6,870,000 General Obligation Refunding Bonds – Series 2024 (Schools – Kate Collins Middle School) issued July 25, 2024, maturing annually through August 1, 2037, bearing interest of 5% payable Semiannually. The bonds are shown net of unamortized premium of \$926,661.	<u>7,796,661</u>	<u>-</u>
Total General Obligation Bonds	<u>26,762,913</u>	<u>10,369,317</u>

Virginia Revolving Loans:

\$6,245,039 General Obligation Public Improvement Bonds – Series 2006A (Sewer) issued March 17, 2006, maturing annually through January 1, 2027, bearing interest at a 3.0% fixed interest rate payable semiannually.	-	819,722
\$14,594,900 Sewer Revenue Bond – Series 2008 issued February 28, 2008, maturing semi-annually through January 1, 2031. Unamortized discount of \$567,955 is based on imputed interest rate of 4.41%.	-	3,810,515
\$14,624,858 Sewer Revenue Bond – Series 2009 issued June 10, 2009, maturing semi-annually through December 1, 2030. Unamortized discount of \$397,323 is based on imputed interest rate of 3.55%.	-	3,624,513
\$845,260 Sewer Revenue Bond – Series 2014 issued June 23, 2014, maturing semi-annually through December 1, 2030. Unamortized discount of \$23,025 is based on imputed interest rate of 3.12%.	-	225,124

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**9. LONG-TERM DEBT (continued)**

PRIMARY GOVERNMENT (continued)

**Details of Long-Term Indebtedness (continued)**

	<b>Governmental</b>	<b>Business-type</b>
Virginia Revolving Loans: (continued)		
\$1,295,000 Sewer Revenue Bond – Series 2015 issued April 28, 2015, maturing with annual installments beginning in 2019 through October 1, 2028, bearing interest from 3.125% through 5.125%. The bond is shown net of unamortized premium of \$20,906.	-	605,906
\$808,932 Sewer Revenue Bond – Series 2015 issued June 18, 2015, maturing semi-annually through February 1, 2036.	-	402,755
\$749,630 General Obligation Public Improvement Bonds – Series 2015B issued June 8, 2015, maturing semi-annually through March 1, 2037. Unamortized discount of \$52,843 is based on imputed interest rate of 2.05%.	<u>449,777</u>	<u>-</u>
Total Virginia Revolving Loans	<u>449,777</u>	<u>9,488,535</u>
Liability for Municipal Solid Waste Landfill Closure	<u>1,882,155</u>	<u>-</u>
Net OPEB Obligation	<u>3,608,754</u>	<u>798,459</u>
Net Pension Liability	<u>10,430,029</u>	<u>2,205,270</u>
Leases	<u>118,463</u>	<u>-</u>
Compensated Absences	<u>2,720,119</u>	<u>440,127</u>
Total Primary Government Long-Term Debt	<b><u>\$ 45,972,210</u></b>	<b><u>\$ 23,301,708</u></b>

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**9. LONG-TERM DEBT (continued)**

COMPONENT UNIT SCHOOL BOARD

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

Year Ending June 30	Leases		SBITA	
	Principal	Interest	Principal	Interest
2026	\$ 175,554	\$ 93,399	\$ 13,962	\$ 318
2027	179,130	87,223	-	-
2028	156,565	81,189	-	-
2029	162,518	75,235	-	-
2030	109,820	69,498	-	-
2031-2035	465,441	275,783	-	-
2036-2040	609,038	132,186	-	-
2041-2045	167,263	5,689	-	-
	<b>\$ 2,025,329</b>	<b>\$ 820,202</b>	<b>\$ 13,962</b>	<b>\$ 318</b>

Compensated absences, and net OPEB obligation are not included in the schedule reflecting annual requirements to amortize long-term obligations since it cannot be estimated when they will be paid.

Changes in Long-Term Debt

The following is a summary of long-term debt transactions for the Component Unit School Board for the year ended June 30, 2025:

<u>Governmental Activities</u>	<u>Balance July 1, 2024*</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2025</u>	<u>Due within one year</u>
Net OPEB Obligation	\$ 7,742,040	\$ -	\$ 507,593	\$ 7,234,447	\$ -
Net Pension Liability	23,727,135	-	2,298,993	21,428,142	-
Leases	1,719,102	483,703	177,476	2,025,329	175,554
SBITA	41,314	-	27,352	13,962	13,962
Compensated Absences	7,196,800	-	193,633	7,003,167	19,172
Total Governmental Activities	<b>\$ 40,426,391</b>	<b>\$ 483,703</b>	<b>\$ 3,205,047</b>	<b>\$ 37,705,047</b>	<b>\$ 208,688</b>

Compensated absences are shown using the net change method.

\*- Amounts have been restated to include items related to the implementation of GASB 101, Compensated Absences.

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**10. Leases and Subscription-Based Information Technology Arrangements (SBITAs)**

Lessee: The City is a lessee for noncancelable leases of copiers, a postage machine, and two buildings for administrative space. The School Board is the lessee for noncancelable leases of copiers, postage machines, a building, and solar panels. The City and School Board recognize a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$10,000 or more. The School Board recognizes a lease liability with an initial individual value of \$5,000 or more.

At the commencement of a lease, the City and School Board initially measure the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City and School Board determine (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City and School Board use the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City and School Board generally use its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City and School Board is reasonably certain to exercise.

The City and School Board monitor changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor for noncancelable leases of access to cell towers for periods expiring December 2025 through August 2028. As of June 30, 2025, the value of the lease receivable and the deferred inflows of resources related to these leases was \$74,896. Monthly lease payments range from \$1,695 to \$2,185, with interest rates of 2.50%. The School Board is lessor for noncancelable leases for cell towers expiring in February 2029. As of June 30, 2025, the value of the lease receivable and the deferred inflows of resources related to these leases was \$65,921. Monthly lease payments are approximately \$1,600, with interest rates of 2.35%. At the commencement of a lease, the City and School Board initially measure the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the City and School Board determine (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City and School Board uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The City and School Board monitor changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The lease receivables are due as follows:

<u>Year Ending</u>	<u>City</u>		<u>Schools</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 32,032	\$ 1,425	\$ 17,842	\$ 1,358
2027	19,496	849	18,266	934
2028	19,989	356	18,700	500
2029	3,379	21	11,113	87
	<u>\$ 74,896</u>	<u>\$ 2,651</u>	<u>\$ 65,921</u>	<u>\$ 2,879</u>

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**10. Leases and Subscription-Based Information Technology Arrangements (SBITAs) (continued)**

The School Board has one remaining SBITA for a student-related software program, which will expire in 2026. SBITAs are recognized as fixed assets and debts and the aggregate amounts and future payment obligations in the footnotes seven and nine.

**11. CONTINGENT LIABILITIES**

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as to being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. Management believes disallowances, if any, related to such audits would not be material to the financial position of the City at June 30, 2025.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

**12. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

The City has active construction projects related to various items. At year-end, the City's commitments with contractors on the projects are as follows:

	<u>Total Contracts</u>	<u>Total Payments</u>	<u>Future Amounts to be Expended</u>
<b>Primary Government</b>			
Station Two	\$ 7,026,572	\$ 3,365,701	\$ 3,660,871
Fire truck replacement	1,095,096	-	1,095,096
Pavement Management	1,783,809	142,399	1,641,410
Nature's Crossing Technology Center	2,009,334	1,391,206	618,128
Regional Radio Contract	2,827,564	1,768,224	1,059,340
Loth Springs Natural Area	2,036,201	1,538,735	497,466
Tax Software Updgrade	418,000	-	418,000
Hopeman Parkway Bridge	546,774	147,774	399,000
Rockfish Gateway Trail	522,309	190,155	332,154
East Main Street Upgrade	383,251	116,125	267,126
Comprehensive Plan Rewrite	245,376	30,539	214,837
Timekeeping System Upgrade	171,785	34,400	137,385
	<u>\$ 19,066,071</u>	<u>\$ 8,725,258</u>	<u>\$ 10,340,813</u>
<b>Total Primary Government</b>			
<b>Business-type activities</b>			
MS-7 Upgrade	\$ 1,495,967	\$ 798,974	\$ 696,993
Riverview Cemetery Outfall	140,100	135	139,965
Sewer Dump Truck	115,842	-	115,842
Chopper Line Repair	193,178	88,462	104,716
	<u>\$ 1,945,087</u>	<u>\$ 887,571</u>	<u>\$ 1,057,516</u>
<b>Total Business-type activities</b>			

Blended Component Unit Commitments - Economic Development Authority

During fiscal year 2023, the EDA entered into a performance agreement with a local business in connection with Governor's Opportunity Fund grants. If the business does not meet the terms of the performance agreement, they must repay the funds received related to the Governor's Opportunity Fund grant; failure by the business to repay this amount could result in either the City or the EDA being responsible for repaying these funds. At this time, the EDA and the City have no reason to believe the performance agreement terms will not be met.

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**12. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (continued)**

The City has encumbered funds in the General Fund in the following categories, included in fund balance at June 30, 2025:

Function	Assigned	Restricted	Total
General government administration	\$ 303,400	\$ -	\$ 303,400
Judicial administration	953	-	953
Public safety	61,936	-	61,936
Public works	32,656	1,776,952	1,809,608
Health and Welfare	1,805	-	1,805
Parks, recreation, and cultural	93,527	-	93,527
Community Development	251,380	-	251,380
	<u>\$ 745,657</u>	<u>\$ 1,776,952</u>	<u>\$ 2,522,609</u>

Encumbrances in other funds at June 30, 2025, are as follows:

Fund	Amount
Nonmajor Governmental Funds	9,078,860
Water Fund	320,725
Sewer Fund	1,012,956
Refuse Fund	10
Stormwater Fund	277,602
	<u>10,690,153</u>

**13. DEFINED BENEFIT PENSION PLAN**

**General Information about the Pension Plan**

***Plan Description***

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

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and, Hybrid. Each of these benefit structures have different eligibility criteria. The specific information for each Plan and the eligibility for covered groups within each Plan are available at:

- <https://www.varetire.org/members/benefits/defined-benefit/plan1.asp>,
- <https://www.varetire.org/members/benefits/defined-benefit/plan2.asp>,
- <https://www.varetirement.org/hybrid.html>.

***Employees Covered by Benefit Terms - City***

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

	<u><b>Number</b></u>
Active members	282
Inactive, Non-Vested	134
Inactive members:	
Retirees and Beneficiaries	377
Inactive, Vested	92
Inactive, Active Elsewhere in VRS	175
Total inactive members	<u>644</u>
Total covered employees	<u><b>1,060</b></u>

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**13. DEFINED BENEFIT PENSION PLAN** (continued)

***Employees Covered by Benefit Terms – School Board – Non-professional employees***

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

	<b>Number</b>
Active members	44
Inactive, Non-Vested	34
Inactive members:	
Retirees and Beneficiaries	49
Inactive, Vested	8
Inactive, Active Elsewhere in VRS	14
Total inactive members	71
Total covered employees	<b>149</b>

***Contributions***

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

The City's contractually required contribution rate for the year ended June 30, 2025, was 15.87% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The School Board's non-professional employee pension plan contractually required contribution rate for the year ended June 30, 2025, was 2.65% of covered employee compensation for its non-professional employees. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the City were \$2,663,485 and \$2,054,792 for the years ended June 30, 2025 and June 30, 2024, respectively. Contribution to the pension plan from the School Board's non-professional employees were \$68,187 and \$22,782 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$ 72,772 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer to make a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$79,639 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$7,277,368 for the year ended June 30, 2025.

Each school division's contractually required employer contribution rate for the year ended June 30, 2025, was 14.21% of covered employee compensation. This was the General Assembly approved rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the school division were \$3,816,760 and \$3,901,842 for the years ended June 30, 2025 and June 30, 2024, respectively.

For the School Division, the defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$150,408 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$141,506 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$15,033,230 for the year ended June 30, 2025.

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**13. DEFINED BENEFIT PENSION PLAN** (continued)

***Net Pension Liability***

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

***Actuarial Assumptions – General Employees – City and School Board***

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

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.35% (3.5% - 5.95% School Board Professional)
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

**Mortality rates:**

**Largest 10 – Non-Hazardous Duty: 20% of deaths are assumed to be service-related**

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

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

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

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

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

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

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

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

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

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

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

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**13. DEFINED BENEFIT PENSION PLAN** (continued)

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

***Largest 10 – Non-Hazardous Duty:***

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better-fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better-fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better-fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better-fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits**

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

Inflation	2.5%
Salary increases, including inflation	3.5% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates:

**Largest 10 – Hazardous Duty:** 70% of deaths are assumed to be service-related  
 Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years .

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

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

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

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**13. DEFINED BENEFIT PENSION PLAN** (continued)

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

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

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

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

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

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

Mortality Improvement: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rate.

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

***Largest 10 – Hazardous Duty:***

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better-fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decrease rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better-fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better-fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**13. DEFINED BENEFIT PENSION PLAN** (continued)

**Actuarial Assumptions – Teachers**

Mortality rates:

Pre-retirement: Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-retirement: Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-disablement: Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

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

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better-fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better-fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**13. DEFINED BENEFIT PENSION PLAN** (continued)

***Long-Term Expected Rate of Return***

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

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

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

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

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**13. DEFINED BENEFIT PENSION PLAN** (continued)

***Discount Rate – City & School Board General Employees***

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

***Discount Rate – School Board Teachers***

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 112% of the actuarially determined contribution rate. From July 1, 2024, on, school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

***Changes in Net Pension Liability – City***

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) – (b)
Balance as of June 30, 2023	\$ 92,505,344	\$ 82,197,613	\$ 10,307,731
Change for the year:			
Service cost	1,790,270		1,790,270
Interest	6,167,575		6,167,575
Change in Benefit Terms	0		0
Change in Assumptions	0		0
Difference Between Expected and Actual Experience	4,979,433		4,979,433
Contributions - Employer		2,054,791	(2,054,791)
Contributions - Employee		796,812	(796,812)
Net investment income		7,866,259	(7,866,259)
Benefit Payments, Including Refunds of Employee Contributions	(5,848,270)	(5,848,270)	0
Pension Plan Administrative Expense		(54,401)	54,401
Other changes	0	1,495	(1,495)
Net Change	7,089,008	4,816,686	2,272,322
Balance as of June 30, 2024	\$ 99,594,352	\$ 87,014,299	\$ 12,580,053

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**13. DEFINED BENEFIT PENSION PLAN** (continued)

***Changes in Net Pension Liability (Asset) – School Board Non-professional***

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) – (b)
Balance as of June 30, 2023	\$ 4,659,474	\$ 4,875,296	\$ (215,822)
Change for the year:			
Service cost	104,515		104,515
Interest	312,083		312,083
Change in Benefit Terms	0		0
Change in Assumptions	0		0
Difference Between Expected and Actual Experience	64,737		64,737
Contributions - Employer		22,780	(22,780)
Contributions - Employee		66,446	(66,446)
Net investment income		467,032	(467,032)
Benefit Payments, Including Refunds of Employee Contributions	(281,074)	(281,074)	0
Pension Plan Administrative Expense		(3,243)	3,243
Other changes	<u>0</u>	<u>91</u>	<u>(91)</u>
Net Change	200,261	272,032	(71,771)
Balance as of June 30, 2024	\$ 4,859,735	\$ 5,147,328	\$ (287,593)

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

The following presents the net pension liability (asset of the City and School Board (non-professional) using the discount rate of 6.75%, as well as what the net pension liability (asset would be if it was calculated using a discount rate that is one-percentage-point lower (5.75%) or one-percentage-point higher (7.75%) than the current rate:

	(5.75%)	Rate (6.75%)	(7.75%)
City's Net Pension Liability	\$24,521,040	\$12,580,053	\$2,788,006
School Board–Non-Professional Net Pension Liability (Asset)	\$235,985	\$(287,593)	\$(728,418)

***Sensitivity of the School Board's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following table presents the collective net pension liability of the participating employers in the VRS Teacher Retirement Plan using the discount rate of 6.75%, as well as what collective net pension liability of the participating employers in the VRS Teacher Retirement Plan net pension liability would be if it was calculated using a discount rate that is one-percentage-point lower (5.75%) or one-percentage-point higher (7.75%) than the current rate:

	(5.75%)	Rate (6.75%)	(7.75%)
School Board – Professional Net Pension Liability	\$40,348,578	\$21,715,735	\$6,460,123

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**13. DEFINED BENEFIT PENSION PLAN** (continued)

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - City***

For the year ended June 30, 2025, the City recognized pension expense of \$2,456,398. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,869,903	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on Plan investments	2,354,017	4,687,891
Employer contributions subsequent to the measurement date	<u>2,663,485</u>	<u>-</u>
Total	<u><b>\$ 7,887,405</b></u>	<u><b>\$ 4,687,891</b></u>

\$2,663,485 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30**

2026	\$ 177,198
2027	1,281,531
2028	(438,533)
2029	(484,167)
2030	-
Thereafter	-

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – School Board – Non-professional***

For the year ended June 30, 2025, the School Board's non-professional pension plan recognized pension expense of \$42,264. At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 32,453	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	138,701
Employer contributions subsequent to Measurement Date	<u>68,187</u>	<u>-</u>
Total	<u><b>\$ 100,640</b></u>	<u><b>\$ 138,701</b></u>

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**13. DEFINED BENEFIT PENSION PLAN** (continued)

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – School Board – Non-professional (continued)***

\$68,187 reported as deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30**

2026	\$ (90,397)
2027	39,418
2028	(26,362)
2029	(28,907)
2030	-
Thereafter	-

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – School Board - Professional***

At June 30, 2025, Waynesboro Public Schools reported a liability of \$21,715,735 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The Waynesboro Public Schools proportion of the Net Pension Liability was based on the Waynesboro Public Schools actuarially determined employer contributions to the pension plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion was 0.23134% as compared to 0.23689% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized pension expense of \$2,460,360. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between the expected and actual contributions is included with the pension expense calculation.

At June 30, 2025, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 3,767,374	\$ 447,142
Change of assumptions	394,170	-
Net difference between projected and actual earnings on Plan investments	-	2,989,184
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,541,899	492,716
Employer contributions subsequent to the measurement date	<u>3,816,760</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 9,520,203</u></b>	<b><u>\$ 3,929,042</u></b>

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**13. DEFINED BENEFIT PENSION PLAN** (continued)

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – School Board – Professional (continued)***

\$3,816,760 reported as deferred outflows of resources related to pensions resulting from the School Board’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30</b>	
2026	\$(845,541)
2027	2,314,129
2028	645,834
2029	(340,021)
2030	-

***Net Pension Liability***

The net pension liability (NPL) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB Statement No. 67, less that system’s fiduciary net position. As of June 30, 2024, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	<b>Teacher Employee Retirement Plan</b>
Total pension liability	\$ 60,622,260
Plan fiduciary net position	<u>51,235,326</u>
Employers’ net pension liability	<b><u>\$ 9,386,934</u></b>
Plan fiduciary net position as a percentage of the total pension liability	84.52%

The total pension liability is calculated by the System’s actuary, and each plan’s fiduciary net position is reported in the System’s financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System’s notes to the financial statements and required supplementary information.

***Pension Plan Data***

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

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**14. OTHER POST-EMPLOYMENT BENEFITS – LOCAL PLANS**

The City and School Board provide OPEB for retirees through a single-employer defined benefit plan. The City has established a joint trust fund with the School Board to fund the cost of OPEB. The joint trust fund was established by the City and School Board with the Virginia Pooled OPEB Trust Fund (Trust), sponsored by the Virginia Municipal League and the Virginia Association of Counties. The Trust is established as an investment vehicle for participating employers to accumulate assets to fund OPEB. Plans are segregated and restricted in a trust, in which (a) contributions to the Plan are irrevocable, (b) assets are dedicated to providing benefits to retirees and their beneficiaries, and (c) assets are legally protected from creditors of the employer or Plan Administrator, for the payment of benefits in accordance with terms of the Plan.

**Plan Description**

Medical insurance benefits are available to eligible City retirees, their spouses and dependents. Retirees are eligible to participate in the City's health insurance plan if they: a) meet VRS requirements for service retirement or disability retirement and will immediately be receiving a retirement annuity from VRS, b) currently participate in the City's health insurance program, and c) are under age 65 and not eligible for Medicare.

Plan Membership-City

Inactive members or their beneficiaries currently receiving benefits	18
Active members	<u>283</u>
Total covered employees	<u><b>301</b></u>

Medical insurance benefits are available to eligible School Board retirees, their spouses and dependents. Retirees are eligible to participate in the Board's health insurance plan if they: a) are eligible for VRS retirement with at least 10 years VRS experience, the last 5 years of which are with the Waynesboro City School Board, b) have participated in the Board's health insurance program for all of the 5 years immediately preceding retirement, and c) are under age 65.

Plan Membership-School Board

Inactive members or their beneficiaries currently receiving benefits	23
Active members	<u>312</u>
Total covered employees	<u><b>335</b></u>

*Funding Policy*

Current year health insurance claims are paid out of current Health Insurance Fund.

*City*

The contribution requirements of the City healthcare Plan members and City are established and may be amended by the City Council. During fiscal year 2025, the City paid an average of 35% for the various types of health insurance coverage. The retiree is required to pay the remaining amount.

*School Board*

The contribution requirements of the School Board healthcare Plan members and School Board may be amended by the School Board. During fiscal year 2025, the School Board paid an average of 43% for the various types of health insurance coverage. The retiree is required to pay the remaining amount.

*Net OPEB Liability*

The City and School Board's total net OPEB liability of \$3,608,001 and \$3,349,000, respectively, was measured as of July 1, 2024, and was determined by an actuarial valuation performed as of July 1, 2024.

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**14. OTHER POST-EMPLOYMENT BENEFITS – LOCAL PLANS** (continued)

*Actuarial Assumptions and Other Inputs*

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

Salary increases, including inflation	2.5%
Healthcare cost trend rates	6.25% for fiscal year end 2025, decreasing .25% per year to an ultimate rate of 4.50%
Mortality rates	PUB – 2010 Amount-weighted General Mortality Table, projected with Improvement scale MP-2021.

***Discount Rate***

The discount rate used to measure the total OPEB liability for both the city and schools was 4.09%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the equal to the actuarial determined contribution rates. Based on those assumption the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**14. OTHER POST-EMPLOYMENT BENEFITS – LOCAL PLANS (continued)**

*Changes in Net OPEB Liability – City*

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/ (Asset) (a) – (b)
<b>Balances at July 1, 2024</b>	\$ 3,577,000	\$ 0	\$ 3,577,000
<b>Changes for the year:</b>			
Service cost	179,000		179,000
Interest	141,001		141,001
Differences between expected and actual experience	(16,000)		(16,000)
Contributions – employer		223,000	(223,000)
Contributions – employee		0	0
Net investment income		0	0
Benefit payments	(223,000)	(223,000)	0
Changes of benefit terms	0	0	0
Administrative expense		0	0
Assumption changes	(50,000)	0	(50,000)
<b>Net changes</b>	<b>\$ 31,001</b>	<b>\$ 0</b>	<b>\$ 31,001</b>
<b>Balances at June 30, 2025*</b>	<b>\$ 3,608,001</b>	<b>\$ 0</b>	<b>\$ 3,608,001</b>

\*Measurement date is July 1, 2024

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**14. OTHER POST-EMPLOYMENT BENEFITS – LOCAL PLANS (continued)**

*Changes in Net OPEB Liability – School Board*

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/ (Asset) (a) – (b)
<b>Balances at July 1, 2024</b>	\$ 3,529,000	\$ 0	\$ 3,529,000
<b>Changes for the year:</b>			
Service cost	331,000		331,000
Interest	146,000		146,000
Differences between expected and actual experience	(489,000)		(489,000)
Contributions – employer		163,000	(163,000)
Contributions – employee		0	0
Net investment income		0	0
Benefit payments	(163,000)	(163,000)	0
Changes of benefit terms	0	0	0
Administrative expense		0	0
Assumption changes	(5,000)	0	(5,000)
<b>Net changes</b>	<b>\$ (180,000)</b>	<b>\$ 0</b>	<b>\$ (180,000)</b>
<b>Balances at June 30, 2025*</b>	<b>\$ 3,349,000</b>	<b>\$ 0</b>	<b>\$ 3,349,000</b>

\*Measurement date is July 1, 2024

***Sensitivity of the City's and School Board's Other Post-employment Benefits Net OPEB Liability to Changes in the Discount Rate***

The following presents the City's and School Board's Other Post-employment Benefits Program net OPEB liability using the discount rate of 4.09%, as well as what the City's and School Board's net OPEB liability would be if it was calculated using a discount rate that is one-percentage-point lower (3.09%) or one-percentage-point higher (5.09%) than the current rate:

	<u>1.00% Decrease (3.09%)</u>	<u>Current Discount Rate (4.09%)</u>	<u>1.00% Increase (5.09%)</u>
<b>City's Net OPEB Liability</b>	<b>\$4,002,000</b>	<b>\$3,608,001</b>	<b>\$3,263,000</b>
<b>School Board's OPEB Liability</b>	<b>\$3,497,000</b>	<b>\$3,349,000</b>	<b>\$3,206,000</b>

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**14. OTHER POST-EMPLOYMENT BENEFITS – LOCAL PLANS** (continued)

***Sensitivity of the City's and School Board's Other Post-employment Benefits Net OPEB Liability to Changes in the healthcare cost trends***

The following presents the net OPEB liability using the healthcare cost trends rate of 6.50% for both the City and Schools, as well as what the net OPEB liability would be if it was calculated using healthcare cost trend rates that are one-percentage-point lower or one percentage point higher than the current rate:

	<u>1.00% Decrease</u>	<u>Current Rate</u>	<u>1.00% Increase</u>
City's Net OPEB Liability	\$3,201,000	\$3,608,001	\$4,091,000
School Board's OPEB Liability	\$3,101,000	\$3,349,000	\$3,623,000

***Other Post-employment Benefits Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-employment Benefits Program OPEB***

For the year ended June 30, 2025, the City and School Board recognized OPEB expense (benefit) of \$(265,000) and \$261,000, respectively. At June 30, 2025, the City and School Board reported deferred outflows of resources and deferred inflows of resources related to the City's and School Board's Other Post-employment Benefits Program from the following sources:

<b>City's</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 89,000	\$ 1,264,000
Change in assumptions	204,999	515,001
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contributions after Measurement Date but prior to fiscal year-end	<u>162,000</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 455,999</u></b>	<b><u>\$ 1,779,001</u></b>
<b>School Board's</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 126,000	\$ 475,000
Change in assumptions	37,000	12,000
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contributions after Measurement Date but prior to fiscal year-end	<u>163,000</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 326,000</u></b>	<b><u>\$ 487,000</u></b>

The \$162,000 and \$163,000 reported as deferred outflows of resources related to the OPEB resulting from the City's and School contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the Fiscal Year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB will be recognized in the OPEB expense in future reporting periods as follows:

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**14. OTHER POST-EMPLOYMENT BENEFITS – LOCAL PLANS** (continued)

**General Information about the City’s and School Board’s Other Post-employment Benefits Program** (continued)

**City’s**

**Year ended June 30**

2026	\$(528,000)
2027	(464,000)
2028	(357,000)
2029	(122,000)
2030	(2,000)
Thereafter	(12,002)

**School Board’s**

**Year ended June 30**

2026	\$(127,000)
2027	(44,000)
2028	(51,000)
2029	(98,000)
2030	(4,000)
Thereafter	-

**15. OTHER POST-EMPLOYMENT BENEFITS – VIRGINIA RETIREMENT SYSTEM PLANS**

In addition to their participation in the pension plans offered through the VRS, the City of Waynesboro (“Political Subdivision”) and the City of Waynesboro School Board (the “School Division”) also participate in various cost-sharing and agent multiemployer other postemployment benefit plans described as follows.

**Plan Descriptions**

**Group Life Insurance Program**

All full-time teachers and employees of political subdivisions and public school divisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

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

Specific information for the GLI is available at <https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp>.

**Teacher Employee Health Insurance Credit Program**

All full time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit (HIC) Program. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree’s death.

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**15. OTHER POST-EMPLOYMENT BENEFITS – VIRGINIA RETIREMENT SYSTEM PLANS (continued)**

**Plan Descriptions (continued)**

Teacher Employee Health Insurance Credit Program (continued)

Specific information about the Teacher HIC is available at  
<https://www.varetire.org/retirees/insurance/healthinscredit/index.asp>

The GLI and Teacher HIC are administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Both of these plans are considered multiple-employer, cost-sharing plans.

General Employee Health Insurance Credit Program – School Division

The General Employee Health Insurance Credit Program (HIC) is available for all full time, salaried employees of local government entities other than Teachers. The General Employee HIC provides all the same benefits as the Teacher HIC, except that this Plan is considered a multiemployer agent plan. The School division non-professional employees are covered in this Plan, but the political subdivision employees are not.

As of the June 30, 2024 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	<b>Number</b>
Active members	44
Inactive members:	
Retirees	5
Disabled	-
Inactive, vested	1
Inactive, active elsewhere in VRS	13
Total inactive members	19
Total covered employees	<b>63</b>

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**15. OTHER POST-EMPLOYMENT BENEFITS – VIRGINIA RETIREMENT SYSTEM PLANS (continued)**

**Contributions**

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2023. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability with the exception of GLI which was also combined with employee contributions. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program-City

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2025, Contribution	\$77,739
June 30, 2024, Contribution	\$91,861

Group Life Insurance Program-School Division

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2025, Contribution	\$135,253
June 30, 2024, Contribution	\$142,284

Teacher Health Insurance Credit Program

Governed by:	<i>Code of Virginia</i> 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate:	1.21% of covered employee compensation.
June 30, 2025, Contribution	\$324,641
June 30, 2024, Contribution	\$302,449

General Employee Health Insurance Credit Program – School Division

Governed by:	<i>Code of Virginia</i> 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	1.21% of covered employee compensation.
June 30, 2025, Contribution	\$9,919
June 30, 2024, Contribution	\$9,918

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**15. OTHER POST-EMPLOYMENT BENEFITS – VIRGINIA RETIREMENT SYSTEM PLANS (continued)**

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

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

Group Life Insurance Program-City

June 30, 2025, proportionate share of liability	\$744,654
June 30, 2024, proportion	.06673%
June 30, 2023, proportion	.06542%
June 30, 2025, expense	\$10,212

Group Life Insurance Program-School Division Professional employees

June 30, 2025, proportionate share of liability	\$1,086,350
June 30, 2024, proportion	.09735%
June 30, 2023, proportion	.10110%
June 30, 2025, expense	\$28,976

Group Life Insurance Program-School Division Non-professional employees

June 30, 2025, proportionate share of liability	\$67,402
June 30, 2024, proportion	.00604%
June 30, 2023, proportion	.00594%
June 30, 2025, expense	\$5,389

Teacher Health Insurance Credit Program

June 30, 2025, proportionate share of liability	\$2,696,127
June 30, 2024, proportion	.23330%
June 30, 2023, proportion	.23884%
June 30, 2025, expense	\$216,875

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**15. OTHER POST-EMPLOYMENT BENEFITS – VIRGINIA RETIREMENT SYSTEM PLANS** (continued)

General Employee Health Insurance Credit Program

Changes in net OPEB liability of the General Employee Health Insurance Credit Program were as follows:

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) – (b)</b>
Balances at June 30, 2023	\$ 53,326	\$ 17,380	\$ 35,946
Changes for the year:			
Service cost	866	-	866
Interest	3,529	-	3,529
Benefit changes	-	-	-
Differences between expected and actual experience	7,165	-	7,165
Assumption changes	-	-	-
Contributions – employer	-	9,918	(9,918)
Net investment income (loss)	-	2,052	(2,052)
Benefit payments	(3,823)	(3,823)	-
Administrative expenses	-	(31)	31
Other changes	-	(1)	1
Net changes	<u>7,737</u>	<u>8,115</u>	<u>(378)</u>
Balances at June 30, 2024	<u>\$ 61,063</u>	<u>\$ 25,495</u>	<u>\$ 35,568</u>

The School Division recognized OPEB benefit of \$(3,351) related to the General Employee Health Insurance Credit Program.

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**15. OTHER POST-EMPLOYMENT BENEFITS – VIRGINIA RETIREMENT SYSTEM PLANS** (continued)

**OPEB Liabilities, OPEB Expense, and Deferred Inflows and Outflows of Resources Related to OPEB**  
**(continued)**

General Employee Health Insurance Credit Program – School Division (continued)

At June 30, 2025, the City and School Division reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Group Life Insurance Program- City

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 117,449	\$ 18,189
Change in assumptions	4,245	36,904
Net difference between projected and actual earnings on OPEB plan investments	-	62,767
Changes in proportion	17,718	35,587
Employer contributions subsequent to the measurement date	77,739	-
Total	<b>\$ 217,151</b>	<b>\$ 153,447</b>

Group Life Insurance Program-Teachers

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 171,342	\$ 26,536
Change in assumptions	6,192	53,837
Net difference between projected and actual earnings on OPEB plan investments	-	91,568
Changes in proportion	89,581	50,470
Employer contributions subsequent to the measurement date	126,700	-
Total	<b>\$ 393,815</b>	<b>\$ 222,411</b>

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**15. OTHER POST-EMPLOYMENT BENEFITS – VIRGINIA RETIREMENT SYSTEM PLANS (continued)**

**OPEB Liabilities, OPEB Expense, and Deferred Inflows and Outflows of Resources Related to OPEB (continued)**

Group Life Insurance Program-Non-Professional

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 10,631	\$ 1,646
Change in assumptions	384	3,340
Net difference between projected and actual earnings on OPEB plan investments	-	5,681
Changes in proportion	13,159	50
Employer contributions subsequent to the measurement date	8,553	-
Total	<b>\$ 32,727</b>	<b>\$ 10,717</b>

Teacher Health Insurance Credit Program

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 127,736
Change in assumptions	46,446	-
Net difference between projected and actual earnings on OPEB plan investments	-	9,590
Changes in proportion	240,320	108,235
Employer contributions subsequent to the measurement date	324,641	-
Total	<b>\$ 611,407</b>	<b>\$ 245,561</b>

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**15. OTHER POST-EMPLOYMENT BENEFITS – VIRGINIA RETIREMENT SYSTEM PLANS (continued)**

General Employee Health Insurance Credit Program – School Division

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 5,540	\$ 25,730
Change in assumptions	6,202	-
Net difference between projected and actual earnings on OPEB plan investments	-	397
Changes in proportion	-	-
Employer contributions subsequent to the measurement date	9,919	-
Total	\$ 21,661	\$ 26,127

The deferred outflows of resources related to OPEB resulting from the political subdivision and school division's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Group Life Insurance Program-City

<b>Year Ending June 30,</b>	<b>Increase (Reduction) to OPEB Expense</b>
2026	\$ (38,798)
2027	4,906
2028	(4,711)
2029	10,625
2030	13,943
Thereafter	-

Group Life Insurance Program-School Division Teachers

<b>Year Ending June 30,</b>	<b>Increase (Reduction) to OPEB Expense</b>
2026	\$ (39,091)
2027	36,413
2028	16,987
2029	20,310
2030	10,085
Thereafter	-

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**15. OTHER POST-EMPLOYMENT BENEFITS – VIRGINIA RETIREMENT SYSTEM PLANS (continued)**

Group Life Insurance Program-School Division Non-Professional

Year Ending June 30,	Effect on OPEB Expense
2026	\$ 759
2027	4,849
2028	3,585
2029	3,035
2030	1,229
Thereafter	-

Teacher Health Insurance Credit Program

Year Ending June 30,	Effect on OPEB Expense
2026	\$ (5,225)
2027	13,768
2028	16,579
2029	16,199
2030	12,858
Thereafter	(12,974)

School General Employee Health Insurance Credit Program

Year Ending June 30,	Effect on OPEB Expense
2026	\$ (6,402)
2027	(6,766)
2028	(1,748)
2029	531
2030	-
Thereafter	-

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**15. OTHER POST-EMPLOYMENT BENEFITS – VIRGINIA RETIREMENT SYSTEM PLANS (continued)**

**Actuarial Assumptions and Other Inputs**

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2023, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024:

Inflation	2.5%
Salary increases, including inflation:	
• Locality – general employees	3.5 – 5.35%
• Locality – hazardous duty employees	3.5 – 4.75%
• Teachers	3.5 – 5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 13.

**Net OPEB Liabilities**

The net OPEB liabilities represent each program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	<b>Group Life Insurance Program</b>	<b>Teacher Employee HIC OPEB Plan</b>
Total OPEB liability	\$ 4,196,055	\$ 1,478,105
Plan fiduciary net position	\$ 3,080,133	\$ 322,457
Employers’ net OPEB liability	\$ 1,115,922	\$ 1,155,648
Plan fiduciary net position as a percentage of total OPEB liability	73.41%	21.82%

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**15. OTHER POST-EMPLOYMENT BENEFITS – VIRGINIA RETIREMENT SYSTEM PLANS (continued)**

**Long-Term Expected Rate of Return**

Group Life Insurance and Health Insurance Credit Programs

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

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

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

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

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**15. OTHER POST-EMPLOYMENT BENEFITS – VIRGINIA RETIREMENT SYSTEM PLANS (continued)**

**Discount Rate**

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

	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
GLI Net OPEB liability-political subdivision	\$ 1,158,035	\$ 744,654	\$ 410,698
GLI Net OPEB liability-School division professional	\$ 1,689,416	\$ 1,086,350	\$ 599,153
GLI Net OPEB liability-School division non-professional	\$ 104,818	\$ 67,402	\$ 37,174
Teacher HIC Net OPEB liability	\$ 3,066,169	\$ 2,696,127	\$ 2,382,482
General Employee HIC Net OPEB liability – School Division	\$ 41,811	\$ 35,568	\$ 30,249

**OPEB Plan Fiduciary Net Position**

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

**Payables to the OPEB Plan**

At June 30, 2025, the following amounts were payable to the Virginia Retirement System for the legally required contributions related to June 2025 payroll.

Group Life Insurance-political subdivision	\$ 18,600
Group Life Insurance-school division	1,176
Group Life Insurance-school divisions-professional	6,114
Teacher Employee Health Insurance Credit	6,269
General Employee Health Insurance Credit	638

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**16. SUMMARY OF PENSION AND OTHER POST-EMPLOYMENT BENEFITS**

A summary of pension and other postemployment benefit (OPEB) related financial statement elements is as follows:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit (School Board)</u>
Deferred outflows of resources – Pension				
VRS-Political Subdivision	\$ 6,539,389	\$ 1,348,016	\$ 7,887,405	\$ -
Augusta Regional Landfill	-	63,728	63,728	-
VRS-School Non-professional	-	-	-	100,640
VRS-School Professional	-	-	-	9,520,203
Total deferred outflow of resources - Pension	<u>\$ 6,539,389</u>	<u>\$ 1,411,744</u>	<u>\$ 7,951,133</u>	<u>\$ 9,620,843</u>
Deferred outflows of resources - OPEB				
OPEB Local Health plan	\$ 378,066	\$ 77,933	\$ 455,999	\$ 326,000
Net OPEB outflow - Augusta Regional Landfill	-	7,613	7,613	-
VRS Group Life plan	180,038	37,113	217,151	426,542
VRS HIC Plan - Professional	-	-	-	611,407
VRS HIC Plan - Non-professional	-	-	-	21,661
Total deferred outflow of resources - OPEB	<u>\$ 558,104</u>	<u>\$ 122,659</u>	<u>\$ 680,763</u>	<u>\$ 1,385,610</u>
Net pension liability (asset)				
VRS-Political Subdivision	\$ 10,430,029	\$ 2,150,024	\$ 12,580,053	\$ -
Net Pension Liability - Augusta Regional Landfill	-	55,246	55,246	-
VRS-School Non-professional	-	-	-	(287,593)
VRS-School Professional	-	-	-	21,715,735
Total net pension liability	<u>\$ 10,430,029</u>	<u>\$ 2,205,270</u>	<u>\$ 12,635,299</u>	<u>\$ 21,428,142</u>
Net OPEB Liability				
OPEB Local Health plan	\$ 2,991,366	\$ 616,635	\$ 3,608,001	\$ 3,349,000
Net OPEB Liability - Augusta Regional Landfill	-	54,558	54,558	-
VRS Group Life plan	617,388	127,266	744,654	1,153,752
VRS HIC Plan- Professional	-	-	-	2,696,127
VRS HIC Plan - Non-professional	-	-	-	35,568
Total net OPEB Liability	<u>\$ 3,608,754</u>	<u>\$ 798,459</u>	<u>\$ 4,407,213</u>	<u>\$ 7,234,447</u>
Deferred inflows of resources –Pension				
VRS-Political Subdivision	\$ 3,886,696	\$ 801,195	\$ 4,687,891	\$ -
Net deferred inflow - August Regional Landfill	-	36,472	36,472	-
VRS-School Non-professional	-	-	-	138,701
VRS-School Professional	-	-	-	3,929,042
Total deferred inflow of Resources - Pension	<u>\$ 3,886,696</u>	<u>\$ 837,667</u>	<u>\$ 4,724,363</u>	<u>\$ 4,067,743</u>
Deferred inflows of resources - OPEB				
Augusta Regional Landfill	\$ -	\$ 8,087	\$ 8,087	\$ -
OPEB Local Health plan	1,474,956	304,045	1,779,001	487,000
VRS Group Life plan	127,222	26,225	153,447	233,128
VRS HIC Plan - Professional	-	-	-	245,561
VRS HIC Plan - Non-Professional	-	-	-	26,127
Total deferred inflow of resources - OPEB	<u>\$ 1,602,178</u>	<u>\$ 338,357</u>	<u>\$ 1,940,535</u>	<u>\$ 991,816</u>

(Notes Continued on Next Page)

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**17. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City carries commercial insurance for all risks of loss including property, theft, auto liability, general liability, and construction insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage for each of the past three years. There was no reduction in insurance coverage during fiscal year 2025. All claims are paid in full at the time of damage. In addition, the City provides various surety bond coverage as required under regulations and at industry-recommended desired levels.

The City is a participating member in the Virginia Municipal League Insurance Programs (VMLIP) and the Component Unit School Board is a participating member in the School Systems of Virginia Self Insurance Program. The agreement for the formation of VMGSIA and the School Systems of Virginia Self Insurance Program provides that the risk pools will be self-sustaining through member premiums and will reinsure through commercial companies for excess claims. In addition, both of these entities provide workers' compensation coverage in compliance with the Virginia Workers' Compensation code.

During 2015, the City established a self-funded health insurance fund to account for health insurance claims for employees and retirees. The fund is reported as an internal service fund and revenues are from payroll deductions and retiree contributions. Claims are paid as they become due and the fund has generated a surplus of \$4,821,806 to pay out future health insurance claims. The City has an individual stop-loss limit of \$125,000.

**18. LANDFILL CLOSURE AND POSTCLOSURE COSTS**

The Cities of Waynesboro and Staunton and the County of Augusta share the costs of landfill operations on a site operated by the Augusta Regional Landfill. State and federal laws and regulations require the regional landfill to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City recognizes a portion of these closure and post-closure care costs as a component of its equity interest in the landfill joint venture. See note one for further information on the arrangement with this organization.

In fiscal year 2008, the City began post-closure care on the old City landfill site. The \$1,882,155 reported as landfill closure and post-closure care liability at June 30, 2025, represents the cumulative amount reported to date based on the estimated costs of post-closure care for the old City landfill. This amount is based on what it would cost to perform all closure and post-closure care from 2008 through 2025 based upon a DEQ-approved inflation rate. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The applicable laws and regulations require the City to select and meet one of several approved financial assurance mechanisms to demonstrate financial responsibility for closure and post-closure care costs described above. The City has selected the Financial Ratio Test method for this purpose, and has made the requisite filings with the Virginia Department of Environmental Quality.

**19. TAX ABATEMENTS/REBATES**

The City enters into property tax abatements/rebate agreements with local businesses under the Code of Virginia Section 15.2-953. Under the Code, localities may grant property tax abatements/rebates to spur economic development within the City to benefit the city and its citizens. For the fiscal year ended June 30, 2025, the City abated/rebated the following taxes:

<u>Taxpayer</u>	<u>Agreement Start Date</u>	<u>Agreement End Date</u>	<u>Taxes Abated/Rebated</u>
KM Hotels	January 1, 2024	December 31, 2031	\$73,024
Waynesboro Market Place	January 1, 2023	December 31, 2029	64,265
Commonwealth Crush	January 1, 2025	December 31, 2026	14,040

**CITY OF WAYNESBORO, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**20. SUBSEQUENT EVENTS**

Subsequent events were evaluated through November 25, 2025, which is the date the financial statements were available to be issued.

**21. NEW ACCOUNTING STANDARDS**

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

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

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

**22. PRIOR PERIOD ADJUSTMENT**

The following is a summary of the restatements to net position resulting from the implementation of GASB Statement No. 101, Compensated Absences.

	<b>Balance as previously reported, June 30, 2024</b>	<b>To Implement GASB 101</b>	<b>Balance as restated, June 30, 2024</b>
Governmental Activities	\$ 64,503,748	\$ (1,790,917)	\$ 62,712,831
Business-type Activities	55,391,999	(231,701)	55,160,298
Component Unit School Board	48,680,023	(6,198,424)	42,481,599
Water	9,940,416	(94,972)	9,845,444
Sewer	37,301,730	(52,343)	37,249,387
Non-Major - Proprietary	8,149,853	(84,386)	8,065,467
Refuse	1,653,508	(46,106)	1,607,402
Stormwater	3,257,103	(38,280)	3,218,823

***REQUIRED SUPPLEMENTARY INFORMATION***

**CITY OF WAYNESBORO, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2025**

Exhibit 10

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
General property taxes	\$ 30,507,389	\$ 30,507,389	\$ 31,451,456	\$ 944,067
Other local taxes	20,510,125	20,510,125	22,679,774	2,169,649
Permits, privilege fees, and regulatory licenses	281,471	281,471	483,418	201,947
Fines and forfeitures	97,259	97,259	178,851	81,592
Revenue from use of money and property	959,414	959,414	2,520,793	1,561,379
Charges for services	228,630	236,823	275,016	38,193
Miscellaneous	717,418	722,510	784,781	62,271
Recovered costs	45,994	49,789	129,637	79,848
Intergovernmental:				
Commonwealth	10,428,718	10,461,890	11,567,288	1,105,398
Federal	78,326	105,826	417,487	311,661
Total revenues	<u>63,854,744</u>	<u>63,932,496</u>	<u>70,488,501</u>	<u>6,556,005</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	6,996,089	7,091,528	6,344,726	746,802
Judicial administration	2,501,057	2,640,414	2,640,689	(275)
Public safety	16,219,023	17,657,922	16,612,722	1,045,200
Public works	7,126,967	9,090,774	6,407,347	2,683,427
Health and welfare	650,906	652,711	541,336	111,375
Education	19,867,789	19,867,789	19,867,789	-
Parks, recreation, and cultural	3,997,381	4,294,810	4,027,365	267,445
Community development	1,447,447	1,781,372	1,341,075	440,297
Debt service:				
Principal retirement	-	-	99,492	(99,492)
Total expenditures	<u>58,806,659</u>	<u>63,077,320</u>	<u>57,882,541</u>	<u>5,194,779</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,048,085</u>	<u>855,176</u>	<u>12,605,960</u>	<u>11,750,784</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	-	72,394	182,676	110,282
Leases	-	-	59,108	59,108
Transfers in	1,860,720	11,336,713	1,988,720	(9,347,993)
Transfers out	(6,908,805)	(12,264,283)	(12,498,152)	(233,869)
Total other financing sources and uses	<u>(5,048,085)</u>	<u>(855,176)</u>	<u>(10,267,648)</u>	<u>(9,412,472)</u>
Net change in fund balances	-	-	2,338,312	2,338,312
Fund balance - beginning	<u>33,249,050</u>	<u>33,249,050</u>	<u>33,249,050</u>	<u>-</u>
Fund balance - ending	<u>\$ 33,249,050</u>	<u>\$ 33,249,050</u>	<u>\$ 35,587,362</u>	<u>\$ 2,338,312</u>

**CITY OF WAYNESBORO, VIRGINIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**Year Ended June 30, 2025**

**PRIMARY GOVERNMENT**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	Exhibit 11
<b>Total pension liability</b>											
Service cost	\$ 1,790,270	\$ 1,540,252	\$ 1,479,762	\$ 1,461,246	\$ 1,464,316	\$ 1,292,003	\$ 1,322,862	\$ 1,395,692	\$ 1,418,197	\$ 1,364,584	
Interest	6,167,575	5,987,664	5,932,938	5,472,445	5,271,535	5,168,415	5,042,241	4,893,349	4,735,848	4,846,873	
Changes in assumptions	-	-	-	2,914,466	-	2,221,521	-	(83,704)	-	-	
Differences between expected and actual experience	4,979,433	487,938	(1,394,396)	681,752	1,078,839	(11,925)	(429,534)	(93,408)	133,586	(3,886,254)	
Benefit payments, including refunds of employee contributions	(5,848,270)	(5,352,787)	(5,183,286)	(5,191,823)	(4,484,666)	(4,330,724)	(3,935,457)	(4,034,334)	(4,040,910)	(3,781,641)	
Net change in total pension liability	7,089,008	2,663,067	835,018	5,338,086	3,330,024	4,339,290	2,000,112	2,077,595	2,246,721	(1,456,438)	
Total pension liability - beginning	92,505,344	89,842,277	89,007,259	83,669,173	80,339,149	75,999,859	73,999,747	71,922,152	69,675,431	71,131,869	
Total pension liability ending (a)	<b>\$ 99,594,352</b>	<b>\$ 92,505,344</b>	<b>\$ 89,842,277</b>	<b>\$ 89,007,259</b>	<b>\$ 83,669,173</b>	<b>\$ 80,339,149</b>	<b>\$ 75,999,859</b>	<b>\$ 73,999,747</b>	<b>\$ 71,922,152</b>	<b>\$ 69,675,431</b>	
<b>Plan fiduciary net position</b>											
Contributions - employer	\$ 2,054,791	\$ 1,865,935	\$ 1,528,058	\$ 1,540,700	\$ 1,343,918	\$ 1,273,875	\$ 1,337,978	\$ 1,340,789	\$ 1,802,969	\$ 1,747,952	
Contributions - employee	796,812	726,377	677,343	678,542	709,714	649,479	650,993	663,517	683,362	635,125	
Net investment income (loss)	7,866,259	5,072,606	(42,107)	18,230,268	1,307,645	4,382,921	4,720,235	7,119,980	1,009,564	2,660,724	
Benefit payments, including refunds of employee contributions	(5,848,270)	(5,352,787)	(5,183,286)	(5,191,823)	(4,484,666)	(4,330,724)	(3,935,457)	(4,034,334)	(4,040,910)	(3,781,641)	
Administrative expense	(54,401)	(51,725)	(52,222)	(47,033)	(45,826)	(44,903)	(41,590)	(42,294)	(37,703)	(37,243)	
Other	1,494	2,034	1,878	1,703	(1,529)	(2,753)	(4,161)	(6,285)	(435)	(557)	
Net change in plan fiduciary net position	4,816,685	2,262,440	(3,070,336)	15,212,357	(1,170,744)	1,927,895	2,727,998	5,041,373	(583,153)	1,224,360	
Plan fiduciary net position - beginning	82,197,614	79,935,174	83,005,510	67,793,153	68,963,897	67,036,002	64,308,004	59,266,631	59,849,784	58,625,424	
Plan fiduciary net position - ending (b)	<b>\$ 87,014,299</b>	<b>\$ 82,197,614</b>	<b>\$ 79,935,174</b>	<b>\$ 83,005,510</b>	<b>\$ 67,793,153</b>	<b>\$ 68,963,897</b>	<b>\$ 67,036,002</b>	<b>\$ 64,308,004</b>	<b>\$ 59,266,631</b>	<b>\$ 59,849,784</b>	
City of Waynesboro's net pension liability - ending (a) - (b)	<b>\$ 12,580,053</b>	<b>\$ 10,307,730</b>	<b>\$ 9,907,103</b>	<b>\$ 6,001,749</b>	<b>\$ 15,876,020</b>	<b>\$ 11,375,252</b>	<b>\$ 8,963,857</b>	<b>\$ 9,691,743</b>	<b>\$ 12,655,521</b>	<b>\$ 9,825,647</b>	
Add Net Pension Liability from Augusta Regional Landfill	55,246	28,540	4,752	(16,972)	69,009	29,060	18,109	24,811	56,324	34,011	
Total Net Pension Liability Ending	\$ 12,635,299	\$ 10,336,270	\$ 9,911,855	\$ 5,984,777	\$ 15,945,029	\$ 11,404,312	\$ 8,981,966	\$ 9,716,554	\$ 12,711,845	\$ 9,859,658	
Plan fiduciary net position as a percentage of the total pension liability	87.37%	88.86%	88.97%	93.26%	81.03%	85.84%	88.21%	86.90%	82.40%	85.90%	
Covered payroll	\$ 17,187,443	\$ 15,413,995	\$ 14,274,063	\$ 14,438,074	\$ 14,540,807	\$ 13,567,153	\$ 13,153,451	\$ 13,071,409	\$ 13,085,870	\$ 12,629,097	
City of Waynesboro's net pension liability as a percentage of covered-employee payroll	73.19%	66.87%	69.41%	41.57%	109.18%	83.84%	68.15%	74.14%	96.71%	77.80%	

**SCHOOL BOARD COMPONENT UNIT (NON-PROFESSIONAL)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>										
Service cost	\$ 104,515	\$ 102,742	\$ 81,784	\$ 74,616	\$ 79,976	\$ 86,193	\$ 80,698	\$ 76,422	\$ 101,863	\$ 106,501
Interest	312,083	294,121	284,292	261,869	247,194	241,587	227,102	246,759	237,820	243,416
Changes in assumptions	-	-	-	170,958	-	95,394	-	(6,561)	-	-
Differences between expected and actual experience	64,737	126,982	(5,128)	(34,033)	109,117	(8,669)	79,724	(412,930)	(20,577)	(205,893)
Benefit payments, including refunds of employee contributions	(281,074)	(237,951)	(234,645)	(211,338)	(226,418)	(180,834)	(180,344)	(188,674)	(194,135)	(253,809)
Net change in total pension liability	200,261	285,894	126,303	262,072	209,869	233,671	207,180	(284,984)	124,971	(109,785)
Total pension liability - beginning	4,659,474	4,373,580	4,247,277	3,985,205	3,775,336	3,541,665	3,334,485	3,619,469	3,494,498	3,604,283
Total pension liability ending (a)	<b>\$ 4,859,735</b>	<b>\$ 4,659,474</b>	<b>\$ 4,373,580</b>	<b>\$ 4,247,277</b>	<b>\$ 3,985,205</b>	<b>\$ 3,775,336</b>	<b>\$ 3,541,665</b>	<b>\$ 3,334,485</b>	<b>\$ 3,619,469</b>	<b>\$ 3,494,498</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 22,780	\$ 21,349	\$ 23,122	\$ 20,949	\$ 14,683	\$ 15,532	\$ 39,487	\$ 39,331	\$ 63,505	\$ 80,835
Contributions - employee	66,446	60,157	47,050	41,411	41,727	40,348	37,880	37,355	35,593	45,591
Net investment income (loss)	467,032	301,405	(3,516)	1,074,932	76,970	259,258	277,009	417,790	59,822	155,645
Benefit payments, including refunds of employee contributions	(281,074)	(237,951)	(234,645)	(211,338)	(226,418)	(180,834)	(180,344)	(188,674)	(194,135)	(253,809)
Administrative expense	(3,243)	(3,072)	(3,104)	(2,747)	(2,715)	(2,640)	(2,430)	(2,475)	(2,219)	(2,229)
Other	91	121	111	101	(90)	(163)	(245)	(369)	(26)	(32)
Net change in plan fiduciary net position	272,032	142,009	(170,982)	923,308	(95,843)	131,501	171,357	302,958	(37,460)	26,001
Plan fiduciary net position - beginning	4,875,296	4,733,287	4,904,269	3,980,961	4,076,804	3,945,303	3,773,946	3,470,988	3,508,448	3,482,447
Plan fiduciary net position - ending (b)	5,147,328	4,875,296	4,733,287	4,904,269	3,980,961	4,076,804	3,945,303	3,773,946	3,470,988	3,508,448
City of Waynesboro's net pension liability (asset) - ending (a) - (b)	<b>\$ (287,593)</b>	<b>\$ (215,822)</b>	<b>\$ (359,707)</b>	<b>\$ (656,992)</b>	<b>\$ 4,244</b>	<b>\$ (301,468)</b>	<b>\$ (403,638)</b>	<b>\$ (439,461)</b>	<b>\$ 148,481</b>	<b>\$ (13,950)</b>
Plan fiduciary net position as a percentage of the total pension liability	105.92%	104.63%	108.22%	115.47%	99.89%	107.99%	111.40%	113.18%	95.90%	100.40%
Covered payroll	\$ 1,551,895	\$ 1,455,321	\$ 1,127,094	\$ 914,084	\$ 919,921	\$ 863,024	\$ 800,684	\$ 783,810	\$ 1,128,679	\$ 1,439,930
City of Waynesboro's net pension liability (asset) as a percentage of covered-employee payroll	-18.53%	-14.83%	-31.91%	-71.87%	0.46%	-34.93%	-50.41%	-56.07%	13.16%	-0.97%

**CITY OF WAYNESBORO, VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION CONTRIBUTIONS  
Year Ended June 30, 2025**

**CITY** **Exhibit 12**

<b>Date</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Employee Payroll</b>	<b>Contributions as a % of Covered Employee Payroll</b>
2025	\$ 2,663,485	\$ 2,663,485	\$ -	\$ 18,166,384	14.66%
2024	2,054,792	2,054,792	-	17,187,443	11.96%
2023	1,866,036	1,866,036	-	15,413,995	12.11%
2022	1,528,499	1,528,499	-	14,274,063	10.71%
2021	1,540,699	1,540,699	-	14,438,074	10.67%
2020	1,343,906	1,343,906	-	14,540,807	9.24%
2019	1,274,194	1,274,194	-	13,567,153	9.39%
2018	1,338,443	1,338,443	-	13,153,451	10.18%
2017	1,340,706	1,340,706	-	13,071,409	10.26%
2016	1,805,158	1,805,158	-	13,085,870	13.79%

**SCHOOL BOARD COMPONENT UNIT (NON-PROFESSIONAL)**

<b>Date</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Employee Payroll</b>	<b>Contributions as a % of Covered Employee Payroll</b>
2025	\$ 68,187	\$ 68,187	\$ -	\$ 1,796,051	3.80%
2024	22,782	22,782	-	1,551,895	1.47%
2023	21,354	21,354	-	1,455,321	1.47%
2022	23,218	23,218	-	1,127,094	2.06%
2021	20,949	20,949	-	914,084	2.29%
2020	14,683	14,683	-	919,321	1.60%
2019	15,563	15,563	-	863,024	1.80%
2018	39,487	39,487	-	800,684	4.93%
2017	39,131	39,131	-	783,810	4.99%
2016	42,664	42,664	-	1,128,679	3.78%

**SCHOOL BOARD COMPONENT UNIT (TEACHERS)**

<b>Date</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Employee Payroll</b>	<b>Contributions as a % of Covered Employee Payroll</b>
2025	\$ 3,816,760	\$ 3,816,760	\$ -	\$ 26,873,524	14.20%
2024	3,901,842	3,901,842	-	25,000,128	15.61%
2023	3,739,396	3,739,396	-	23,855,158	15.68%
2022	3,211,350	3,211,350	-	20,355,654	15.78%
2021	2,989,862	2,989,862	-	18,446,160	16.21%
2020	2,769,156	2,769,156	-	18,440,722	15.02%
2019	2,762,944	2,762,944	-	18,220,562	15.16%
2018	2,878,665	2,878,665	-	18,071,133	15.93%
2017	2,598,021	2,598,021	-	18,019,016	14.42%
2016	2,151,749	2,151,749	-	22,649,987	9.50%

CITY OF WAYNESBORO, VIRGINIA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY  
 VRS TEACHER RETIREMENT PLAN\*  
 Year Ended June 30, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	Exhibit 13
Employer's Proportion of the Net Pension Liability	0.2313%	0.2369%	0.2169%	0.2113%	0.2089%	0.2157%	0.2226%	0.2284%	0.2282%	0.2261%	
Employer's Proportionate Share of Net Pension Liability	\$ 21,715,735	\$ 23,942,957	\$ 20,653,987	\$ 16,405,328	\$ 30,406,257	\$ 28,380,766	\$ 26,175,000	\$ 28,083,000	\$ 31,974,000	\$ 28,462,000	
Employer's Covered Payroll	\$ 25,000,128	\$ 23,855,158	\$ 20,355,654	\$ 18,446,160	\$ 18,440,722	\$ 18,220,562	\$ 18,071,133	\$ 18,019,016	\$ 22,649,987	\$ 22,535,503	
Employer's Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll	86.86%	100.37%	101.47%	88.94%	164.89%	155.76%	144.84%	155.85%	141.17%	126.30%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.52%	82.45%	82.61%	85.46%	71.47%	73.51%	74.81%	72.92%	68.28%	70.68%	

\* The amounts presented have a measurement date of the previous fiscal year-end.

**CITY OF WAYNESBORO, VIRGINIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB LIABILITY AND RELATED RATIOS**  
**Year Ended June 30, 2025**

<b>Primary Government - Local Plan</b>								<b>Exhibit 14</b>
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB liability</b>								
Service cost	\$ 179,000	\$ 188,000	\$ 305,000	\$ 262,000	\$ 254,000	\$ 96,000	\$ 130,000	\$ 127,000
Interest	141,001	131,000	114,000	131,000	194,000	105,000	130,000	128,000
Changes of benefit terms	-	-	-	-	55,000	2,710,000	-	-
Changes in assumptions	(50,000)	(30,000)	(831,000)	270,000	311,000	81,000	(427,000)	-
Differences between expected and actual experience	(16,000)	115,000	(1,605,000)	5,000	(1,569,000)	245,000	(431,000)	-
Benefit payments, including refunds of employee contributions	(223,000)	(382,000)	(137,000)	(99,000)	(100,000)	(96,000)	(157,000)	(208,000)
Net change in total OPEB liability	31,001	22,000	(2,154,000)	569,000	(855,000)	3,141,000	(755,000)	47,000
Total OPEB liability - beginning	3,577,000	3,555,000	5,709,000	5,140,000	5,995,000	2,854,000	3,609,000	3,562,000
Total OPEB liability ending (a)	<b>\$ 3,608,001</b>	<b>\$ 3,577,000</b>	<b>\$ 3,555,000</b>	<b>\$ 5,709,000</b>	<b>\$ 5,140,000</b>	<b>\$ 5,995,000</b>	<b>\$ 2,854,000</b>	<b>\$ 3,609,000</b>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 223,000	\$ 382,000	\$ 137,000	\$ 99,000	\$ 100,000	\$ 96,000	\$ 157,000	\$ 208,000
Benefit payments, including refunds of employee contributions	(223,000)	(382,000)	(137,000)	(99,000)	(100,000)	(96,000)	(157,000)	(208,000)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	<b>\$ -</b>							
City of Waynesboro's net OPEB liability - ending (a) - (b)	<b>\$ 3,608,001</b>	<b>\$ 3,577,000</b>	<b>\$ 3,555,000</b>	<b>\$ 5,709,000</b>	<b>\$ 5,140,000</b>	<b>\$ 5,995,000</b>	<b>\$ 2,854,000</b>	<b>\$ 3,609,000</b>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 14,157,000	\$ 14,157,000	\$ 13,092,000	\$ 13,092,000	\$ 13,022,000	\$ 13,022,000	\$ 12,635,000	\$ 12,635,000
City of Waynesboro's net OPEB liability as a percentage of covered-employee payroll	25.49%	25.27%	27.15%	43.61%	39.47%	46.04%	22.59%	28.56%
<b>SCHOOL BOARD COMPONENT UNIT - Local Plan</b>								
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB liability</b>								
Service cost	\$ 331,000	\$ 315,000	\$ 372,000	\$ 335,000	\$ 344,000	\$ 294,000	\$ 386,000	\$ 377,000
Interest	146,000	123,000	71,000	83,000	137,000	135,000	248,000	231,000
Changes of benefit terms	-	-	-	-	-	-	-	-
Changes in assumptions	(5,000)	63,000	(32,000)	71,000	81,000	75,000	(2,815,000)	-
Differences between expected and actual experience	(489,000)	216,000	(320,000)	97,000	(1,367,000)	226,000	(903,000)	-
Benefit payments, including refunds of employee contributions	(163,000)	(394,000)	(411,000)	(219,000)	(129,000)	(157,000)	23,000	(283,000)
Net change in total OPEB liability	(180,000)	323,000	(320,000)	367,000	(934,000)	573,000	(3,061,000)	325,000
Total OPEB liability - beginning	3,529,000	3,206,000	3,526,000	3,159,000	4,093,000	3,520,000	6,581,000	6,256,000
Total OPEB liability ending (a)	<b>\$ 3,349,000</b>	<b>\$ 3,529,000</b>	<b>\$ 3,206,000</b>	<b>\$ 3,526,000</b>	<b>\$ 3,159,000</b>	<b>\$ 4,093,000</b>	<b>\$ 3,520,000</b>	<b>\$ 6,581,000</b>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 163,000	\$ 394,000	\$ 411,000	\$ 219,000	\$ 129,000	\$ 157,000	\$ (23,000)	\$ 283,000
Benefit payments, including refunds of employee contributions	(163,000)	(394,000)	(411,000)	(219,000)	(129,000)	(157,000)	23,000	(283,000)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	<b>\$ -</b>							
City of Waynesboro's net OPEB liability - ending (a) - (b)	<b>\$ 3,349,000</b>	<b>\$ 3,529,000</b>	<b>\$ 3,206,000</b>	<b>\$ 3,526,000</b>	<b>\$ 3,159,000</b>	<b>\$ 4,093,000</b>	<b>\$ 3,520,000</b>	<b>\$ 6,581,000</b>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 13,504,000	\$ 13,504,000	\$ 11,284,000	\$ 11,284,000	\$ 11,123,000	\$ 11,123,000	\$ 16,659,000	\$ 16,659,000
City of Waynesboro's net OPEB liability as a percentage of covered-employee payroll	24.80%	26.13%	28.41%	31.25%	28.40%	36.80%	21.13%	39.50%

This schedule is intended to show information for 10 years; additional years will be included as they become available.

**CITY OF WAYNESBORO, VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST EMPLOYMENT BENEFITS PLAN  
Year Ended June 30, 2025**

**Primary Government - Local Plan**

**Exhibit 15**

<b>Date</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution (Excess)</b>	<b>Employer's Covered Employee Payroll</b>	<b>Contributions as a % of Covered Employee Payroll</b>
2025	\$ 162,000	\$ 162,000	\$ -	\$ 17,190,000	0.94%
2024	292,000	292,000	-	14,157,000	2.06%
2023	434,000	434,000	-	14,157,000	3.07%
2022	216,000	216,000	-	13,092,000	1.65%
2021	134,441	134,441	-	13,092,000	1.03%
2020	127,997	127,997	-	13,022,000	0.98%
2019	120,413	120,413	-	13,022,000	0.92%
2018	123,410	123,410	-	12,635,000	0.98%
2017	208,000	208,000	-	12,635,000	1.65%
2016	232,000	232,000	-	12,387,000	1.87%

**School Board Component Unit - Local Plan**

<b>Date</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Employee Payroll</b>	<b>Contributions as a % of Covered Employee Payroll</b>
2025	\$ 163,000	\$ 163,000	\$ -	\$ 16,945,000	0.96%
2024	394,000	394,000	-	13,504,000	2.92%
2023	411,000	411,000	-	13,504,000	3.04%
2022	219,900	219,900	-	11,284,000	1.95%
2021	100,872	100,872	-	11,284,000	0.89%
2020	111,681	111,681	-	11,123,000	1.00%
2019	93,373	93,373	-	11,123,000	0.84%
2018	215,331	215,331	-	16,659,000	1.29%
2017	283,000	283,000	-	16,659,000	1.70%
2016	260,000	260,000	-	17,785,000	1.46%
2015	232,000	232,000	-	17,785,000	1.30%

**School Board Component Unit - VRS Health Insurance Credit Non-Professional Plan\***

<b>Date</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Employee Payroll</b>	<b>Contributions as a % of Covered Employee Payroll</b>
2025	\$ 9,919	\$ 9,919	\$ -	\$ 1,796,051	0.55%
2024	9,918	9,918	-	1,551,895	0.64%
2023	8,962	8,962	-	1,455,321	0.62%
2022	6,642	6,642	-	1,127,094	0.59%
2021	5,767	5,767	-	914,084	0.63%

\*Participation in this Plan began during the FY21 ACFR reporting period.

CITY OF WAYNESBORO, VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB LIABILITY AND RELATED RATIOS  
SCHOOL BOARD COMPONENT UNIT  
Year Ended June 30, 2025

Exhibit 16

**VRS Health Insurance Credit - School Non-professional\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total OPEB Liability</b>					
Service cost	\$ 866	\$ 860	\$ 953	\$ 1,238	\$ -
Interest	3,529	6,151	5,477	4,886	-
Changes in benefit terms	-	-	-	-	72,376
Difference between expected and actual experience	7,165	(42,294)	(6,031)	-	-
Changes in assumptions	-	-	12,458	2,822	-
Benefit payments, including refunds of employee contributions	(3,823)	(3,302)	(2,268)	-	-
	<u>7,737</u>	<u>(38,585)</u>	<u>10,589</u>	<u>8,946</u>	<u>72,376</u>
Net change in total pension liability	7,737	(38,585)	10,589	8,946	72,376
<b>Total OPEB liability - beginning</b>	53,326	91,911	81,322	72,376	-
<b>Adjustment to beginning balance</b>	-	-	-	-	-
<b>Total OPEB liability - ending</b>	<u>61,063</u>	<u>53,326</u>	<u>91,911</u>	<u>81,322</u>	<u>72,376</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	9,918	8,962	6,642	5,767	-
Net investment income (loss)	2,052	926	(94)	821	-
Benefit payments, including refunds of employee contributions	(3,823)	(3,302)	(2,268)	-	-
Administrative expenses	(31)	(27)	(22)	(26)	-
	(1)	1	-	-	-
	<u>8,115</u>	<u>6,560</u>	<u>4,258</u>	<u>6,562</u>	<u>-</u>
Net change in Plan fiduciary net position	8,115	6,560	4,258	6,562	-
<b>Plan fiduciary net position - beginning</b>	17,380	10,820	6,562	-	-
<b>Adjustment to beginning balance</b>	-	-	-	-	-
<b>Plan fiduciary net position - ending</b>	<u>25,495</u>	<u>17,380</u>	<u>10,820</u>	<u>6,562</u>	<u>-</u>
<b>Total Net OPEB liability - ending</b>	<u>\$ 35,568</u>	<u>\$ 35,946</u>	<u>\$ 81,091</u>	<u>\$ 74,760</u>	<u>\$ 72,376</u>
Plan fiduciary net position as a percentage of total OPEB liability	<u>41.75%</u>	<u>32.59%</u>	<u>11.77%</u>	<u>8.07%</u>	<u>0.00%</u>
Covered employee payroll	<u>\$ 1,551,895</u>	<u>\$ 1,455,321</u>	<u>\$ 1,127,094</u>	<u>\$ 914,084</u>	<u>\$ 919,321</u>
Net OPEB liability as a percentage of covered employee payroll	<u>2.29%</u>	<u>2.47%</u>	<u>7.19%</u>	<u>8.18%</u>	<u>7.87%</u>

This schedule is intended to show information for 10 years; additional years will be included as they become available.

\*Participation in this plan began during the FY21 ACFR reporting period.

**CITY OF WAYNESBORO, VIRGINIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY**  
**Year Ended June 30, 2025**

**EXHIBIT 17**

Plan Year	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
<b>Primary Government</b>					
<b>Virginia Retirement System - Group Life Insurance - General Employees</b>					
2024	0.06673%	\$ 744,654	\$ 17,187,443	4.33%	73.41%
2023	0.06542%	784,591	15,413,995	5.09%	69.30%
2022	0.06559%	789,768	14,274,063	5.53%	67.21%
2021	0.06952%	809,401	14,438,074	5.61%	67.45%
2020	0.07069%	1,179,700	14,540,807	8.11%	52.64%
2019	0.06921%	1,126,231	13,567,153	8.30%	52.00%
2018	0.06937%	1,054,000	13,153,451	8.01%	51.22%
2017	0.07109%	1,070,000	13,071,409	8.19%	48.86%
<b>School Board Component Unit</b>					
<b>Virginia Retirement System - Health Insurance Credit - Teachers</b>					
2024	0.23330%	\$ 2,696,127	\$ 25,000,128	10.78%	21.82%
2023	0.23884%	2,893,349	23,855,158	12.13%	17.90%
2022	0.21794%	2,722,172	20,355,654	13.37%	15.08%
2021	0.21288%	2,732,462	22,539,449	12.12%	13.35%
2020	0.21031%	2,743,528	20,974,075	13.08%	9.95%
2019	0.21668%	2,836,552	19,190,062	14.78%	8.97%
2018	0.22298%	2,831,000	19,151,598	14.78%	7.04%
2017	0.22810%	2,894,000	18,019,016	16.06%	7.04%
<b>Virginia Retirement System - Group Life Insurance - Schools</b>					
2024	0.00059%	\$ 1,153,752	\$ 26,552,023	4.35%	73.41%
2023	0.01070%	1,283,745	25,310,479	5.07%	69.30%
2022	0.00983%	1,183,867	21,482,748	5.51%	67.21%
2021	0.00958%	1,115,138	23,666,543	4.71%	67.45%
2020	0.00941%	1,571,069	21,904,170	7.17%	52.64%
2019	0.00974%	1,584,143	20,109,983	7.88%	52.00%
2018	0.00995%	1,512,000	20,070,330	7.53%	51.22%
2017	0.01022%	1,536,000	18,802,826	8.17%	48.86%

This schedule is intended to show information for 10 years; additional years will be included as they become available.

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the entity's fiscal year.

**CITY OF WAYNESBORO, VIRGINIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - VRS PLANS**  
**June 30, 2025**

**EXHIBIT 18**

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
<b>Primary Government</b>					
<b>Virginia Retirement System - Group Life Insurance - General Employees</b>					
2025	\$ 77,739	\$ 77,739	\$ -	\$ 18,166,384	0.43%
2024	91,861	91,861	-	17,187,443	0.53%
2023	97,008	97,008	-	15,413,995	0.63%
2022	190,877	190,877	-	14,274,063	1.34%
2021	77,509	77,509	-	14,438,074	0.54%
2020	75,655	75,655	-	14,540,807	0.52%
2019	70,548	70,548	-	13,567,153	0.52%
2018	68,592	68,592	-	13,153,451	0.52%
2017	68,185	68,185	-	13,071,409	0.52%
2016	62,824	62,824	-	13,085,870	0.48%
<b>School Board Component Unit</b>					
<b>Virginia Retirement System - Health Insurance Credit - Teachers</b>					
2025	\$ 324,641	\$ 324,641	\$ -	\$ 26,873,524	1.21%
2024	302,449	302,449	-	25,000,128	1.21%
2023	271,962	271,962	-	23,855,158	1.14%
2022	245,781	245,781	-	20,355,654	1.21%
2021	227,807	227,807	-	22,539,449	1.01%
2020	221,248	221,248	-	20,974,075	1.05%
2019	218,095	218,095	-	19,190,062	1.14%
2018	221,807	221,807	-	19,151,598	1.16%
2017	199,823	199,823	-	18,019,016	1.11%
2016	184,401	184,401	-	22,649,987	0.81%
<b>Virginia Retirement System - Group Life Insurance - Schools</b>					
2025	\$ 135,253	\$ 135,253	\$ -	\$ 28,669,575	0.47%
2024	142,284	142,284	-	26,552,023	0.54%
2023	135,152	135,152	-	25,310,479	0.53%
2022	114,632	114,632	-	21,482,748	0.53%
2021	106,781	106,781	-	23,666,543	0.45%
2020	100,722	100,722	-	21,904,170	0.46%
2019	99,235	99,235	-	20,109,983	0.49%
2018	98,408	98,408	-	20,070,330	0.49%
2017	97,917	97,917	-	18,802,826	0.52%
2016	87,350	87,350	-	23,778,666	0.37%

This schedule is intended to show information for 10 years; additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

CITY OF WAYNESBORO, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2025

**1. CHANGES OF BENEFIT TERMS**

Pension

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

Other Postemployment Benefits (OPEB)

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

**2. CHANGES ASSUMPTIONS**

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

Largest 10 – Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better-fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better-fit experience at each year age and service through 9 years of service.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Largest 10 – Hazardous Duty/Public Safety Employees:

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

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

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better-fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better-fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to line of duty rates.
- No change to discount rate.

CITY OF WAYNESBORO, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2025

2. CHANGES ASSUMPTIONS (Continued)

All Others (Non 10 Largest) – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better-fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates and changed from rates based on age and service to rates based on service only to better-fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Teacher cost-sharing pool

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better-fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better-fit experience at each year age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to discount rate.

***OTHER SUPPLEMENTARY INFORMATION***

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***COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES***

## **OTHER GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Virginia Public Assistance Fund – to account for the provision of health and welfare services. Financing is provided by state and federal funds, which may be used only for this purpose.

Comprehensive Services Act Fund – to account for the provisions of special services to youth and families required by the Comprehensive Services Act. Financing is provided by state funds, which may be used only for this purpose.

Youth and Family Services Fund – to account for the provision of youth programs and services to local youth and families. Financing is provided by state and federal funds, related local matching funds, and other revenues.

Community Action Partnership of Staunton, Augusta, and Waynesboro – to account for funds received and disbursed for the operations of the Community Action Partnership of Staunton, Augusta, and Waynesboro.

Economic Development Authority Fund – to account for funds received and disbursed related to promoting the economic well-being of the community.

### **DEBT SERVICE FUNDS**

Debt Revenue Fund – to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related charges.

### **PERMANENT FUNDS**

Cemetery Care Fund – to account for principal trust amounts received for the perpetual care of cemetery plots.

**CITY OF WAYNESBORO, VIRGINIA  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
June 30, 2025**

Exhibit 19

	Special Revenue					Total	Debt	Permanent	Total
	Virginia Public Assistance Fund	Comprehensive Services Act Fund	Youth and Family Services Fund	Community Action Partnership of Staunton, Augusta & Waynesboro Fund	Economic Development Authority Fund		Service Debt Revenue Fund	Cemetery Care Fund	
<b>ASSETS</b>									
Cash and cash equivalents	\$ -	\$ -	\$ 492,313	\$ 243,546	\$ 128,150	\$ 864,009	\$ 82,251	\$ -	\$ 946,260
Accounts receivable	-	-	54,209	-	35,805	90,014	-	-	90,014
Due from other governments	126,421	357,456	-	106,026	-	589,903	-	-	589,903
Restricted assets:									
Cash and cash equivalents	-	-	-	-	-	-	-	700,263	700,263
<b>Total assets</b>	<b>\$ 126,421</b>	<b>\$ 357,456</b>	<b>\$ 546,522</b>	<b>\$ 349,572</b>	<b>\$ 163,955</b>	<b>\$ 1,543,926</b>	<b>\$ 82,251</b>	<b>\$ 700,263</b>	<b>\$ 2,326,440</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$ -	\$ 252,329	\$ 10,870	\$ 152,769	\$ 2,661	\$ 418,629	\$ -	\$ -	\$ 418,629
Accrued payroll	-	-	21,579	3,833	-	25,412	-	-	25,412
Due to other funds	126,421	105,127	-	-	-	231,548	-	-	231,548
<b>Total liabilities</b>	<b>126,421</b>	<b>357,456</b>	<b>32,449</b>	<b>156,602</b>	<b>2,661</b>	<b>675,589</b>	<b>-</b>	<b>-</b>	<b>675,589</b>
Fund Balances:									
Nonspendable:									
Permanent fund principal	-	-	-	-	-	-	-	700,263	700,263
Assigned to:									
Youth and family services	-	-	514,073	-	-	514,073	-	-	514,073
CAPSAW	-	-	-	192,970	-	192,970	-	-	192,970
Economic Development Authority	-	-	-	-	161,294	161,294	-	-	161,294
Debt service	-	-	-	-	-	-	82,251	-	82,251
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>514,073</b>	<b>192,970</b>	<b>161,294</b>	<b>868,337</b>	<b>82,251</b>	<b>700,263</b>	<b>1,650,851</b>
<b>Total liabilities and fund balances</b>	<b>\$ 126,421</b>	<b>\$ 357,456</b>	<b>\$ 546,522</b>	<b>\$ 349,572</b>	<b>\$ 163,955</b>	<b>\$ 1,543,926</b>	<b>\$ 82,251</b>	<b>\$ 700,263</b>	<b>\$ 2,326,440</b>

**CITY OF WAYNESBORO, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**OTHER GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2025**

Exhibit 20

	Special Revenue					Total	Debt Service	Permanent	Total
	Virginia Public Assistance Fund	Comprehensive Services Act Fund	Youth and Family Services Fund	Community Action Partnership of Staunton, Augusta & Waynesboro Fund	Economic Development Authority Fund		Debt Revenue Fund	Cemetery Care Fund	Other Governmental Funds
<b>REVENUES</b>									
Revenue from use of money and property	\$ -	\$ -	\$ 24,978	\$ 9,679	\$ 35,772	\$ 70,429	\$ -	\$ 34,641	\$ 105,070
Miscellaneous	-	-	40,726	9,975	26,791	77,492	-	-	77,492
Recovered costs	-	-	375,575	106,081	-	481,656	-	-	481,656
Intergovernmental:									
Commonwealth	843,764	2,111,254	165,860	237,853	15,000	3,373,731	-	-	3,373,731
Federal	678,603	126,469	15,338	211,803	-	1,032,213	-	-	1,032,213
Total revenues	1,522,367	2,237,723	622,477	575,391	77,563	5,035,521	-	34,641	5,070,162
<b>EXPENDITURES</b>									
Current:									
Public safety	-	-	794,456	-	-	794,456	-	-	794,456
Health and welfare	2,364,484	3,799,637	19,605	595,316	-	6,779,042	-	-	6,779,042
Community development	-	-	-	-	366,677	366,677	-	-	366,677
Debt service:									
Principal retirement	-	-	-	-	-	-	9,744,213	-	9,744,213
Interest and fiscal charges	-	-	-	-	-	-	1,068,224	-	1,068,224
Bond issuance costs	-	-	-	-	-	-	225,713	-	225,713
Total expenditures	2,364,484	3,799,637	814,061	595,316	366,677	7,940,175	11,038,150	-	18,978,325
Excess (deficiency) of revenues over (under) expenditures	(842,117)	(1,561,914)	(191,584)	(19,925)	(289,114)	(2,904,654)	(11,038,150)	34,641	(13,908,163)
<b>OTHER FINANCING SOURCES (USES)</b>									
Refunding bonds issued	-	-	-	-	-	-	7,803,425	-	7,803,425
Transfers in	842,117	1,561,914	209,680	43,745	185,155	2,842,611	3,277,984	-	6,120,595
Transfers out	-	-	(6,895)	-	-	(6,895)	-	(4,774)	(11,669)
Total other financing sources	842,117	1,561,914	202,785	43,745	185,155	2,835,716	11,081,409	(4,774)	13,912,351
Net change in fund balances	-	-	11,201	23,820	(103,959)	(68,938)	43,259	29,867	4,188
Fund balance - beginning	-	-	502,872	169,150	265,253	937,275	38,992	670,396	1,646,663
Fund balance - ending	\$ -	\$ -	\$ 514,073	\$ 192,970	\$ 161,294	\$ 868,337	\$ 82,251	\$ 700,263	\$ 1,650,851

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**CITY OF WAYNESBORO, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2025**

Exhibit 21

Virginia Public Assistance Fund				
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenue from use of money and property	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental:				
Commonwealth	825,079	825,079	843,764	18,685
Federal	<u>775,778</u>	<u>775,778</u>	<u>678,603</u>	<u>(97,175)</u>
Total revenues	<u>1,600,857</u>	<u>1,600,857</u>	<u>1,522,367</u>	<u>(78,490)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	-	-	-	-
Health and welfare	<u>2,463,106</u>	<u>2,463,106</u>	<u>2,364,484</u>	<u>98,622</u>
Total expenditures	<u>2,463,106</u>	<u>2,463,106</u>	<u>2,364,484</u>	<u>98,622</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(862,249)</u>	<u>(862,249)</u>	<u>(842,117)</u>	<u>20,132</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	891,067	891,067	842,117	(48,950)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>891,067</u>	<u>891,067</u>	<u>842,117</u>	<u>(48,950)</u>
Net change in fund balances	28,818	28,818	-	(28,818)
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ 28,818</u>	<u>\$ 28,818</u>	<u>\$ -</u>	<u>\$ (28,818)</u>

**Community Action Partnership of Staunton, Augusta, and Waynesboro Fund**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenue from use of money and property	\$ 19	\$ 19	\$ 9,679	\$ 9,660
Miscellaneous	-	9,092	9,975	883
Recovered costs	106,080	106,080	106,081	1
Intergovernmental:				
Commonwealth	192,400	237,853	237,853	-
Federal	<u>248,770</u>	<u>248,770</u>	<u>211,803</u>	<u>(36,967)</u>
Total revenues	<u>547,269</u>	<u>601,814</u>	<u>575,391</u>	<u>(26,423)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	<u>591,014</u>	<u>645,559</u>	<u>595,316</u>	<u>50,243</u>
Total expenditures	<u>591,014</u>	<u>645,559</u>	<u>595,316</u>	<u>50,243</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,745)</u>	<u>(43,745)</u>	<u>(19,925)</u>	<u>23,820</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>43,745</u>	<u>43,745</u>	<u>43,745</u>	<u>-</u>
Net change in fund balances	-	-	23,820	23,820
Fund balance - beginning	<u>169,150</u>	<u>169,150</u>	<u>169,150</u>	<u>-</u>
Fund balance - ending	<u>\$ 169,150</u>	<u>\$ 169,150</u>	<u>\$ 192,970</u>	<u>\$ 23,820</u>

Exhibit 21 (continued)

Comprehensive Services Act Fund				Youth and Family Services Fund			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 14,000	\$ 14,000	\$ 24,978	\$ 10,978
-	-	-	-	47,950	62,885	40,726	(22,159)
-	-	-	-	377,082	377,082	375,575	(1,507)
1,922,500	1,922,500	2,111,254	188,754	148,385	160,385	165,860	5,475
-	-	126,469	126,469	-	15,338	15,338	-
1,922,500	1,922,500	2,237,723	315,223	587,417	629,690	622,477	(7,213)
-	-	-	-	811,163	887,446	794,456	92,990
3,300,000	3,300,000	3,799,637	(499,637)	36,546	38,946	19,605	19,341
3,300,000	3,300,000	3,799,637	(499,637)	847,709	926,392	814,061	112,331
(1,377,500)	(1,377,500)	(1,561,914)	(184,414)	(260,292)	(296,702)	(191,584)	105,118
1,396,250	1,396,250	1,561,914	165,664	209,680	209,680	209,680	-
-	-	-	-	(6,895)	(6,895)	(6,895)	-
1,396,250	1,396,250	1,561,914	165,664	202,785	202,785	202,785	-
18,750	18,750	-	(18,750)	(57,507)	(93,917)	11,201	105,118
-	-	-	-	502,872	502,872	502,872	-
<b>\$ 18,750</b>	<b>\$ 18,750</b>	<b>\$ -</b>	<b>\$ (18,750)</b>	<b>\$ 445,365</b>	<b>\$ 408,955</b>	<b>\$ 514,073</b>	<b>\$ 105,118</b>

**CITY OF WAYNESBORO, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**For the Year Ended June 30, 2025**

Exhibit 22

	Debt Revenue Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>EXPENDITURES</b>				
Debt Service:				
Principal retirement	\$ 2,172,064	\$ 2,172,064	\$ 9,744,213	\$ (7,572,149)
Interest and fiscal charges	1,105,920	1,105,920	1,068,224	37,696
Bond issuance costs	-	-	225,713	(225,713)
Total expenditures	<u>3,277,984</u>	<u>3,277,984</u>	<u>11,038,150</u>	<u>(7,760,166)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,277,984)</u>	<u>(3,277,984)</u>	<u>(11,038,150)</u>	<u>(7,760,166)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued	-	-	7,803,425	7,803,425
Transfers in	<u>3,277,984</u>	<u>3,277,984</u>	<u>3,277,984</u>	<u>-</u>
Total other financing sources (uses)	<u>3,277,984</u>	<u>3,277,984</u>	<u>11,081,409</u>	<u>7,803,425</u>
Net change in fund balances	-	-	43,259	43,259
Fund balance - beginning	<u>38,992</u>	<u>38,992</u>	<u>38,992</u>	<u>-</u>
Fund balance - ending	<u>\$ 38,992</u>	<u>\$ 38,992</u>	<u>\$ 82,251</u>	<u>\$ 43,259</u>

**CITY OF WAYNESBORO, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUNDS**  
**For the Year Ended June 30, 2025**

Exhibit 23

	Capital Improvements Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Recovered Costs	\$ 9,000	\$ 126,162	\$ -	\$ (126,162)
Intergovernmental:				
Commonwealth	1,513,543	8,182,339	2,695,535	(5,486,804)
Federal	<u>10,909,232</u>	<u>21,859,147</u>	<u>7,009,658</u>	<u>(14,849,489)</u>
Total revenues	<u>12,431,775</u>	<u>30,167,648</u>	<u>9,705,193</u>	<u>(20,462,455)</u>
<b>EXPENDITURES</b>				
Projects:				
General government administration	1,068,000	2,422,565	-	2,422,565
Public Safety	3,892,649	18,646,192	6,067,282	12,578,910
Public Works	9,961,732	16,385,796	604,141	15,781,655
Parks, recreation, and cultural	5,006,937	15,593,668	3,947,495	11,646,173
Community development	<u>3,468,953</u>	<u>13,373,357</u>	<u>2,241,379</u>	<u>11,131,978</u>
Total expenditures	<u>23,398,271</u>	<u>66,421,578</u>	<u>12,860,297</u>	<u>53,561,281</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,966,496)</u>	<u>(36,253,930)</u>	<u>(3,155,104)</u>	<u>33,098,826</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,146,263	38,407,973	5,377,557	(33,030,416)
Transfers out	<u>(33,051)</u>	<u>(2,154,043)</u>	<u>-</u>	<u>2,154,043</u>
Total other financing sources (uses)	<u>4,113,212</u>	<u>36,253,930</u>	<u>5,377,557</u>	<u>(30,876,373)</u>
Net change in fund balances	(6,853,284)	-	2,222,453	2,222,453
Fund balance - beginning	<u>15,767,024</u>	<u>15,767,024</u>	<u>15,767,024</u>	<u>-</u>
Fund balance - ending	<u>\$ 8,913,740</u>	<u>\$ 15,767,024</u>	<u>\$ 17,989,477</u>	<u>\$ 2,222,453</u>

**CITY OF WAYNESBORO, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**PERMANENT FUNDS**  
**For the Year Ended June 30, 2025**

Exhibit 24

	<b>Cemetery Care Fund</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>REVENUES</b>				
Revenue from use of money and property	\$ 4,774	\$ 4,774	\$ 34,641	\$ 29,867
Miscellaneous	-	-	-	-
Total revenues	<u>4,774</u>	<u>4,774</u>	<u>34,641</u>	<u>29,867</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,774</u>	<u>4,774</u>	<u>34,641</u>	<u>29,867</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(4,774)	(4,774)	(4,774)	-
Total other financing sources (uses)	<u>(4,774)</u>	<u>(4,774)</u>	<u>(4,774)</u>	<u>-</u>
Net change in fund balances	-	-	29,867	29,867
Fund balance - beginning	<u>670,396</u>	<u>670,396</u>	<u>670,396</u>	<u>-</u>
Fund balance - ending	<u><b>\$ 670,396</b></u>	<u><b>\$ 670,396</b></u>	<u><b>\$ 700,263</b></u>	<u><b>\$ 29,867</b></u>

## **NONMAJOR ENTERPRISE FUNDS**

Refuse Fund – to account for the provision of garbage collection services to city residents. Financing is provided by garbage collection charges received from customers.

Augusta County Service Authority (ACSA) Joint Landfill Fund – to account for the City's interest in the Augusta Regional Landfill. Financing is provided by the City's share of landfill charges collected from customers.

Stormwater Fund – to account for the provision of stormwater services to city residents. Financing is provided by stormwater charges received from customers.

**CITY OF WAYNESBORO, VIRGINIA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2025**

Exhibit 25

	Refuse Fund	ACSA Joint Landfill Fund	Stormwater Fund	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,942,399	\$ 207,830	\$ 580,670	\$ 2,730,899
Accounts receivable (net of allowance for uncollectibles)	416,253	87,215	1,039,416	1,542,884
Total current assets	<u>2,358,652</u>	<u>295,045</u>	<u>1,620,086</u>	<u>4,273,783</u>
Noncurrent assets:				
Equity interest in joint venture	-	3,381,635	-	3,381,635
Capital assets:				
Land	-	-	225,369	225,369
Buildings	113,453	-	-	113,453
Improvements other than buildings	-	-	5,143,236	5,143,236
Machinery and equipment	1,957,043	-	1,069,944	3,026,987
Construction in progress	-	-	55,389	55,389
Less: accumulated depreciation	(1,437,582)	-	(2,846,278)	(4,283,860)
Total capital assets (net of accumulated depreciation)	<u>632,914</u>	<u>-</u>	<u>3,647,660</u>	<u>4,280,574</u>
Total noncurrent assets	<u>632,914</u>	<u>3,381,635</u>	<u>3,647,660</u>	<u>7,662,209</u>
Total assets	<u>2,991,566</u>	<u>3,676,680</u>	<u>5,267,746</u>	<u>11,935,992</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	-	-	21,888	21,888
Deferred outflow on OPEB obligation	21,690	7,613	12,291	41,594
Deferred outflow on VRS pension	254,147	63,728	144,014	461,889
Total deferred outflows of resources	<u>275,837</u>	<u>71,341</u>	<u>178,193</u>	<u>525,371</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	3,352	130,669	134,930	268,951
Accrued payroll	29,746	25,916	18,130	73,792
Accrued interest payable	-	-	11,576	11,576
Deposits payable	3,473	-	-	3,473
Compensated absences	2,892	17,678	2,186	22,756
General obligation bonds - current	-	-	279,725	279,725
Total current liabilities	<u>39,463</u>	<u>174,263</u>	<u>446,547</u>	<u>660,273</u>
Noncurrent liabilities:				
Compensated absences	78,127	9,424	59,070	146,621
Net OPEB obligation	140,250	54,558	79,474	274,282
Net pension liability	405,352	55,246	229,696	690,294
General obligation bonds payable (net of unamortized deferred amount on refunding)	-	-	852,954	852,954
Total noncurrent liabilities	<u>623,729</u>	<u>119,228</u>	<u>1,221,194</u>	<u>1,964,151</u>
Total liabilities	<u>663,192</u>	<u>293,491</u>	<u>1,667,741</u>	<u>2,624,424</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow on OPEB obligation	62,267	8,087	35,284	105,638
Deferred inflow on VRS pension	151,052	36,472	85,595	273,119
Total deferred inflows of resources	<u>213,319</u>	<u>44,559</u>	<u>120,879</u>	<u>378,757</u>
<b>NET POSITION</b>				
Net investment in capital assets	632,914	4,398,036	2,411,869	7,442,819
Unrestricted	1,757,978	(988,065)	1,245,450	2,015,363
Total net position	<u>\$ 2,390,892</u>	<u>\$ 3,409,971</u>	<u>\$ 3,657,319</u>	<u>\$ 9,458,182</u>

**CITY OF WAYNESBORO, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Year Ended June 30, 2025**

Exhibit 26

	Refuse Fund	ACSA Joint Landfill Fund	Stormwater Fund	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,210,147	\$ 980,792	\$ 1,775,631	\$ 4,966,570
Miscellaneous	9,287	-	-	9,287
Total operating revenues	<u>2,219,434</u>	<u>980,792</u>	<u>1,775,631</u>	<u>4,975,857</u>
<b>OPERATING EXPENSES</b>				
Personnel services	955,952	-	525,965	1,481,917
Contractual services	33,884	625,009	92,293	751,186
Other supplies and expenses	197,314	-	92,090	289,404
Depreciation	90,691	-	337,127	427,818
Total operating expenses	<u>1,277,841</u>	<u>625,009</u>	<u>1,047,475</u>	<u>2,950,325</u>
Operating income	<u>941,593</u>	<u>355,783</u>	<u>728,156</u>	<u>2,025,532</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Intergovernmental:				
Commonwealth	10,380	-	-	10,380
Interest income	70,297	15,388	32,801	118,486
Gain on disposal of assets	9,188	-	18,000	27,188
Interest and fiscal charges	-	-	(44,985)	(44,985)
Loss on equity interest	-	(200,442)	-	(200,442)
Total non-operating revenues (expenses)	<u>89,865</u>	<u>(185,054)</u>	<u>5,816</u>	<u>(89,373)</u>
Income before contributions and transfers	<u>1,031,458</u>	<u>170,729</u>	<u>733,972</u>	<u>1,936,159</u>
Capital contributions	-	-	22,269	22,269
Transfers out	<u>(247,968)</u>	<u>-</u>	<u>(317,745)</u>	<u>(565,713)</u>
Change in net position	783,490	170,729	438,496	1,392,715
Total net position - beginning (as restated)	<u>1,607,402</u>	<u>3,239,242</u>	<u>3,218,823</u>	<u>8,065,467</u>
Total net position - ending	<u><b>\$ 2,390,892</b></u>	<u><b>\$ 3,409,971</b></u>	<u><b>\$ 3,657,319</b></u>	<u><b>\$ 9,458,182</b></u>

**CITY OF WAYNESBORO, VIRGINIA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended June 30, 2025**

**Exhibit 27**

	Refuse Fund	ACSA Joint Landfill Fund	Stormwater Fund	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers and users	\$ 2,173,493	\$ 1,015,202	\$ 1,992,452	\$ 5,181,147
Cash paid to suppliers	(481,161)	(629,749)	(364,996)	(1,475,906)
Cash paid to employees	(934,589)	712	(510,873)	(1,444,750)
Other receipts	9,287	-	-	9,287
Net cash provided by operating activities	<u>767,030</u>	<u>386,165</u>	<u>1,116,583</u>	<u>2,269,778</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Subsidy from federal grant	10,380	-	-	10,380
Transfer to other funds	(247,968)	-	(317,745)	(565,713)
Net cash used by noncapital financing activities	<u>(237,588)</u>	<u>-</u>	<u>(317,745)</u>	<u>(555,333)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(246,164)	-	(320,804)	(566,968)
Gain on disposal of asset	9,188	-	18,000	27,188
Principal paid on capital debt	-	-	(254,636)	(254,636)
Interest paid on capital debt	-	-	(52,219)	(52,219)
Net cash used in capital and related financing activities	<u>(236,976)</u>	<u>-</u>	<u>(609,659)</u>	<u>(846,635)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	70,296	15,388	32,802	118,486
Cash paid to joint venture	-	(412,068)	-	(412,068)
Net cash provided (used) by investing activities	<u>70,296</u>	<u>(396,680)</u>	<u>32,802</u>	<u>(293,582)</u>
Net increase (decrease) in cash and cash equivalents	362,762	(10,515)	221,981	574,228
Cash and cash equivalents - beginning of year	<u>1,579,637</u>	<u>218,345</u>	<u>358,689</u>	<u>2,156,671</u>
Cash and cash equivalents - end of year	<b><u>\$ 1,942,399</u></b>	<b><u>\$ 207,830</u></b>	<b><u>\$ 580,670</u></b>	<b><u>\$ 2,730,899</u></b>
Cash and cash equivalents at end of year is composed of the following:				
Cash and cash equivalents	<b><u>\$ 1,942,399</u></b>	<b><u>\$ 207,830</u></b>	<b><u>\$ 580,670</u></b>	<b><u>\$ 2,730,899</u></b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income	\$ 941,593	\$ 355,783	\$ 728,156	\$ 2,025,532
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	90,691	-	337,127	427,818
(Increase) decrease in accounts receivable	(37,074)	34,410	216,819	214,155
(Increase) decrease in deferred outflow on OPEB	6,717	2,543	(34,677)	(25,417)
(Increase) decrease in deferred loss on VRS pension	(57,187)	(5,573)	3,479	(59,281)
Increase (decrease) in accounts payable	(249,962)	(4,740)	(180,610)	(435,312)
Increase (decrease) in accrued payroll	7,431	(6,394)	4,789	5,826
Increase (decrease) in net OPEB obligation	8,025	421	6,073	14,519
Increase (decrease) in net pension liability	92,865	26,706	56,227	175,798
Increase (decrease) in deferred inflow on OPEB	(24,077)	(4,210)	(11,624)	(39,911)
Increase (decrease) in deferred gain on VRS pension	(17,330)	(13,850)	(8,902)	(40,082)
Increase (decrease) in deposits payable	420	-	-	420
Increase (decrease) in compensated absences	4,918	1,069	(274)	5,713
Total Adjustments	<u>(174,563)</u>	<u>30,382</u>	<u>388,427</u>	<u>244,246</u>
Net cash provided by operating activities	<b><u>\$ 767,030</u></b>	<b><u>\$ 386,165</u></b>	<b><u>\$ 1,116,583</u></b>	<b><u>\$ 2,269,778</u></b>
<b>Non-cash investing, capital, and financing activities:</b>				
Capital Contributions of stormwater assets from developers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,269</u>	<u>\$ 22,269</u>
Capital assets in accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,000</u>	<u>\$ 125,000</u>

## **DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD**

### **MAJOR GOVERNMENTAL FUNDS**

#### SPECIAL REVENUE FUNDS

School Operating Fund – to account for the operations and maintenance of the seven city-owned schools. Financing is provided by state and federal funds, and by appropriations from the City's general revenues. State and federal education funds received may be used only for this purpose.

School Nutrition Fund – to account for the operation and maintenance of the cafeterias of the seven City-owned schools. Financing is provided primarily from charges for services and federal and state lunch subsidies. Such funds are limited by federal and state law to expenditures for cafeteria operations and maintenance.

School Textbook Fund – to account for the purchase and sale of school textbooks. Financing is provided primarily by the transfer of funds from the School Fund and funds so received are limited by the School Board to expenditure only for school textbooks.

School Activity Fund – to account for all funds received by the schools in the school district from extracurricular school activities, such as entertainment, athletic contests, club dues, etc.

#### **Custodial Funds**

#### Custodial Funds

Valley Academy Fund – to account for the operations, in a custodial capacity, of the regional alternative education program for the City of Waynesboro and the County of Augusta. Receipts consist of state education funds and tuition payments from the participating localities and are restricted to use only for this regional program.

River Ridge Learning Center – to account for the operations, in a custodial capacity, of the River Ridge Learning Center which helps students recover from substance use disorders from the cities of Waynesboro and Staunton and the County of Augusta. Receipts consist of donations and state funds.

**CITY OF WAYNESBORO, VIRGINIA  
BALANCE SHEET  
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD  
GOVERNMENTAL FUNDS  
June 30, 2025**

Exhibit 28

	School Operating Fund	School Nutrition Fund	School Textbook Fund	School Activity Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,052,134	\$ 270,987	\$ 1,027,672	\$ 514,991	\$ 7,865,784
Accounts receivable	343,752	22,656	-	-	366,408
Due from other governments	1,703,868	-	-	-	1,703,868
Leases receivable	65,921	-	-	-	65,921
<b>Total assets</b>	<b><u>\$ 8,165,675</u></b>	<b><u>\$ 293,643</u></b>	<b><u>\$ 1,027,672</u></b>	<b><u>\$ 514,991</u></b>	<b><u>\$ 10,001,981</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ 622,046	\$ 8,590	\$ -	\$ -	\$ 630,636
Accrued payroll	3,531,424	106,404	-	-	3,637,828
Unearned Revenue	550,497	-	-	-	550,497
<b>Total liabilities</b>	<b><u>4,703,967</u></b>	<b><u>114,994</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>4,818,961</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Leases	65,921	-	-	-	65,921
<b>Total deferred inflows of resources</b>	<b><u>65,921</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>65,921</u></b>
<b>FUND BALANCES</b>					
Committed to:					
Education	3,395,787	-	-	-	3,395,787
Assigned to:					
Education	-	178,649	1,027,672	514,991	1,721,312
<b>Total fund balances</b>	<b><u>3,395,787</u></b>	<b><u>178,649</u></b>	<b><u>1,027,672</u></b>	<b><u>514,991</u></b>	<b><u>5,117,099</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 8,165,675</u></b>	<b><u>\$ 293,643</u></b>	<b><u>\$ 1,027,672</u></b>	<b><u>\$ 514,991</u></b>	

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

\$ 69,988,483

Other long-term assets and deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

11,006,453

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

(37,705,047)

Deferred inflows of resources related to the net pension liability are not due and payable in the current period and, therefore, are not reported in the funds.

(5,059,559)

Net position of governmental activities

**\$ 43,347,429**

**CITY OF WAYNESBORO, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2025**

**Exhibit 29**

	School Operating Fund	School Nutrition Fund	School Textbook Fund	School Activity Fund	Total Governmental Funds
<b>REVENUES</b>					
Revenue from use of money and property	\$ 268,473	\$ -	\$ -	\$ -	\$ 268,473
Charges for services	6,000	44,888	-	582,844	633,732
Miscellaneous	122,915	29,438	22	-	152,375
Recovered costs	569,310	-	-	-	569,310
Intergovernmental:					
Local	19,838,063	-	-	-	19,838,063
Commonwealth	30,997,192	78,853	-	-	31,076,045
Federal	3,759,448	2,289,455	-	-	6,048,903
Total revenues	<u>55,561,401</u>	<u>2,442,634</u>	<u>22</u>	<u>582,844</u>	<u>58,586,901</u>
<b>EXPENDITURES</b>					
Current:					
Education	54,340,640	2,937,236	173,124	558,800	58,009,800
Debt Service:					
Principal retirement	204,828	-	-	-	204,828
Interest and fiscal charges	16,543	-	-	-	16,543
Total expenditures	<u>54,562,011</u>	<u>2,937,236</u>	<u>173,124</u>	<u>558,800</u>	<u>58,231,171</u>
Excess (deficiency) of revenues over (under) expenditures	<u>999,390</u>	<u>(494,602)</u>	<u>(173,102)</u>	<u>24,044</u>	<u>355,730</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Leases	483,703	-	-	-	483,703
Transfers in	-	375,000	446,975	-	821,975
Transfers out	(821,975)	-	-	-	(821,975)
Total other financing sources and (uses)	<u>(338,272)</u>	<u>375,000</u>	<u>446,975</u>	<u>-</u>	<u>483,703</u>
Net change in fund balances	661,118	(119,602)	273,873	24,044	839,433
Fund balance Beginning	<u>2,734,669</u>	<u>298,251</u>	<u>753,799</u>	<u>490,947</u>	
Fund balance - ending	<u><b>\$ 3,395,787</b></u>	<u><b>\$ 178,649</b></u>	<u><b>\$ 1,027,672</b></u>	<u><b>\$ 514,991</b></u>	

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Governmental funds reported capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and amortization (\$3,028,772) and loss on disposal of assets (\$13,075) was more than capital outlays (\$1,993,183). \$ (1,048,664)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (278,875)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 1,353,936

Change in net position of governmental activities **\$ 865,830**

**CITY OF WAYNESBORO, VIRGINIA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD**  
**CUSTODIAL FUNDS**  
**June 30, 2025**

Exhibit 30

	Valley Academy	River Ridge Learning Center	Total Custodial Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 168,946	\$ 61,139	\$ 230,085
Total assets	<u>168,946</u>	<u>61,139</u>	<u>230,085</u>
<b>LIABILITIES</b>			
Accounts payable	850	51,773	52,623
Payroll Payable	<u>34,093</u>	<u>-</u>	<u>34,093</u>
Total liabilities	<u>34,943</u>	<u>51,773</u>	<u>86,716</u>
<b>NET POSITION</b>			
Restricted for:			
Individuals, organizations, and other governments	<u>\$ 134,003</u>	<u>\$ 9,366</u>	<u>\$ 143,369</u>

**CITY OF WAYNESBORO, VIRGINIA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD**  
**CUSTODIAL FUND**  
**For the Year Ended June 30, 2025**

**Exhibit 31**

	<b>Valley Academy</b>	<b>River Ridge Learning Center</b>	<b>Total Custodial Funds</b>
<b>ADDITIONS</b>			
Charges for services	\$ 622,387	\$ -	\$ 622,387
Miscellaneous	4,113	-	4,113
Intergovernmental Commonwealth	<u>138,750</u>	<u>200,000</u>	<u>338,750</u>
Total additions	<u>765,250</u>	<u>200,000</u>	<u>965,250</u>
<b>DEDUCTIONS</b>			
Education	<u>767,291</u>	<u>190,634</u>	<u>957,925</u>
Total deductions	<u>767,291</u>	<u>190,634</u>	<u>957,925</u>
Change in net position	<u>(2,041)</u>	<u>9,366</u>	<u>7,325</u>
Net position - beginning	<u>136,044</u>	<u>-</u>	<u>136,044</u>
Net position - ending	<u><b>\$ 134,003</b></u>	<u><b>\$ 9,366</b></u>	<u><b>\$ 143,369</b></u>

**CITY OF WAYNESBORO, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD**  
**MAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2025**

**Exhibit 32**

	<b>School Operating Fund</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Revenue from use of money and property	\$ 96,700	\$ 96,700	\$ 268,473	\$ 171,773
Charges for services	5,500	5,500	6,000	500
Miscellaneous	93,950	93,950	122,915	28,965
Recovered costs	465,000	465,000	569,310	104,310
Intergovernmental:				
Local	19,838,063	19,838,063	19,838,063	-
Commonwealth	30,817,325	30,822,525	30,997,192	174,667
Federal	2,924,430	3,277,240	3,759,448	482,208
Total revenues	<u>54,240,968</u>	<u>54,598,978</u>	<u>55,561,401</u>	<u>962,423</u>
<b>EXPENDITURES</b>				
Current:				
Education	53,761,865	54,101,374	54,340,640	(239,266)
Debt service:				
Principal retirement	-	-	204,828	(204,828)
Interest and fiscal charges	-	-	16,543	(16,543)
Total expenditures	<u>53,761,865</u>	<u>54,101,374</u>	<u>54,562,011</u>	<u>(460,637)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>479,103</u>	<u>497,604</u>	<u>999,390</u>	<u>501,786</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Leases	-	-	483,703	483,703
Transfers in	-	-	-	-
Transfers out	(477,803)	(477,803)	(821,975)	(344,172)
Total other financing sources and uses	<u>(477,803)</u>	<u>(477,803)</u>	<u>(338,272)</u>	<u>139,531</u>
Net change in fund balances	1,300	19,801	661,118	641,317
Fund balance - beginning	<u>2,734,669</u>	<u>2,734,669</u>	<u>2,734,669</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,735,969</u>	<u>\$ 2,754,470</u>	<u>\$ 3,395,787</u>	<u>\$ 641,317</u>

School Nutrition Fund				School Textbook Fund			
Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
72,965	371,216	44,888	(326,328)	-	-	-	-
22,130	22,130	29,438	7,308	-	-	22	22
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
86,786	86,786	78,853	(7,933)	-	-	-	-
2,670,365	2,670,365	2,289,455	(380,910)	-	-	-	-
<u>2,852,246</u>	<u>3,150,497</u>	<u>2,442,634</u>	<u>(707,863)</u>	<u>-</u>	<u>-</u>	<u>22</u>	<u>22</u>
2,852,246	3,150,497	2,937,236	213,261	451,803	451,803	173,124	278,679
-	-	-	-	-	-	-	-
<u>2,852,246</u>	<u>3,150,497</u>	<u>2,937,236</u>	<u>213,261</u>	<u>451,803</u>	<u>451,803</u>	<u>173,124</u>	<u>278,679</u>
-	-	(494,602)	(494,602)	(451,803)	(451,803)	(173,102)	278,701
-	-	-	-	-	-	-	-
26,000	26,000	375,000	349,000	451,803	451,803	446,975	(4,828)
-	-	-	-	-	-	-	-
<u>26,000</u>	<u>26,000</u>	<u>375,000</u>	<u>349,000</u>	<u>451,803</u>	<u>451,803</u>	<u>446,975</u>	<u>(4,828)</u>
26,000	26,000	(119,602)	(145,602)	-	-	273,873	273,873
298,251	298,251	298,251	-	753,799	753,799	753,799	-
<u>\$ 324,251</u>	<u>\$ 324,251</u>	<u>\$ 178,649</u>	<u>\$ (145,602)</u>	<u>\$ 753,799</u>	<u>\$ 753,799</u>	<u>\$ 1,027,672</u>	<u>\$ 273,873</u>

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***CAPITAL ASSETS – USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS***

CITY OF WAYNESBORO, VIRGINIA  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE BY FUNCTION AND ACTIVITY\*  
 June 30, 2025

Exhibit 33

Function and Activity	Land	Construction in Progress	Buildings	Improvements Other than Buildings	Machinery and Equipment	Leases	SBITA	Infrastructure	Total
<b>PRIMARY GOVERNMENT:</b>									
General government administration	\$ 5,051,493	\$ -	\$ 1,867,244	\$ 50,600	\$ 3,583,821	\$ 202,433	\$ -	\$ -	\$ 10,755,591
Judicial administration	-	-	3,396,648	55,638	377,483	-	-	-	3,829,769
Public safety	1,075,136	6,351,969	4,494,506	441,208	6,754,870	93,281	-	-	19,210,970
Public works	341,189	3,066,712	2,432,195	1,500,318	1,533,352	-	-	58,592,450	67,466,216
Health and welfare	-	-	451,060	208,400	-	-	-	-	659,460
Parks, recreation, and cultural	4,299	5,137,514	4,974,554	7,245,861	539,183	-	-	181,343	18,082,754
Community development	3,507,117	2,196,258	2,487,629	2,214,952	88,313	-	-	819,659	11,313,928
<b>Total Primary Government</b>	<b>\$ 9,979,234</b>	<b>\$ 16,752,453</b>	<b>\$ 20,103,836</b>	<b>\$ 11,716,977</b>	<b>\$ 12,877,022</b>	<b>\$ 295,714</b>	<b>\$ -</b>	<b>\$ 59,593,452</b>	<b>\$ 131,318,688</b>
<b>COMPONENT UNIT SCHOOL BOARD:</b>									
Schools:									
Education	<b>\$ 811,907</b>	<b>\$ 359,232</b>	<b>\$ 91,604,845</b>	<b>\$ 3,815,500</b>	<b>\$ 7,014,379</b>	<b>\$ 2,932,371</b>	<b>\$ 104,109</b>	<b>\$ -</b>	<b>\$ 106,642,343</b>

\* This schedule presents only the capital assets balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included in governmental activities in the statement of net position.

**CITY OF WAYNESBORO, VIRGINIA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY\***  
**For the Year Ended June 30, 2025**

Exhibit 34

Function and Activity	Governmental Funds Capital Assets June 30, 2024	Additions	Deductions	Governmental Funds Capital Assets June 30, 2025
<b>PRIMARY GOVERNMENT:</b>				
General government administration	\$ 10,702,688	\$ 52,903	\$ -	\$ 10,755,591
Judicial administration	3,698,647	131,122	-	3,829,769
Public safety	12,831,039	6,379,932	-	19,210,970
Public works	63,978,995	3,487,222	-	67,466,216
Health and welfare	659,460	-	-	659,460
Parks, recreation, and cultural	15,785,040	2,297,715	-	18,082,754
Community development	9,763,641	1,550,284	-	11,313,928
Total Primary Government	<b><u>\$ 117,419,510</u></b>	<b><u>\$ 13,899,178</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 131,318,688</u></b>
<b>COMPONENT UNIT SCHOOL BOARD:</b>				
Schools:				
Education	<b><u>\$ 105,798,710</u></b>	<b><u>\$ 843,633</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 106,642,343</u></b>

\* This schedule presents only the capital assets balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included in governmental activities in the statement of net position.

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***SUPPLEMENTAL DATA***

**CITY OF WAYNESBORO, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD**  
**For the Year Ended June 30, 2025**

<b>Fund, Major and Minor Revenue Source</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Schedule 1 Variance with Final Budget - Positive (Negative)</b>
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 20,848,442	\$ 20,848,442	\$ 21,167,222	\$ 318,780
Real and personal public service corporation property taxes	1,003,417	1,003,417	960,412	(43,005)
Personal property taxes	6,859,045	6,859,045	7,271,418	412,373
Mobile home taxes	5,145	5,145	7,003	1,858
Machinery and tools taxes	1,129,412	1,129,412	1,169,711	40,299
Rolling stock	61,455	61,455	68,901	7,446
Penalties	444,860	444,860	578,622	133,762
Interest	155,613	155,613	228,167	72,554
Total General Property Taxes	<u>30,507,389</u>	<u>30,507,389</u>	<u>31,451,456</u>	<u>944,067</u>
Other local taxes:				
Local sales and use tax	7,130,221	7,130,221	7,574,885	444,664
Consumers' utility taxes	1,051,521	1,051,521	1,100,901	49,380
Business license taxes	2,884,217	2,884,217	3,605,078	720,861
Motor vehicle licenses	416,122	416,122	447,857	31,735
Bank stock taxes	401,285	401,285	481,684	80,399
Taxes on recordation and wills	340,558	340,558	409,148	68,590
Lodging taxes	881,675	881,675	999,835	118,160
Restaurant food taxes	6,944,339	6,944,339	7,663,660	719,321
Tobacco taxes	458,524	458,524	395,098	(63,426)
Short-term rental taxes	1,663	1,663	1,628	(35)
Total Other Local Taxes	<u>20,510,125</u>	<u>20,510,125</u>	<u>22,679,774</u>	<u>2,169,649</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	8,327	8,327	6,041	(2,286)
Permits and other licenses	273,144	273,144	477,377	204,233
Total Permits, Privilege Fees, and Regulatory Licenses	<u>281,471</u>	<u>281,471</u>	<u>483,418</u>	<u>201,947</u>
Fines and forfeitures:				
Parking fines	2,798	2,798	4,460	1,662
Fines and forfeitures	94,461	94,461	174,391	79,930
Total Fines and Forfeitures	<u>97,259</u>	<u>97,259</u>	<u>178,851</u>	<u>81,592</u>
Revenue from use of money and property:				
Revenue from use of money	904,331	904,331	2,363,101	1,458,770
Revenue from use of property	55,083	55,083	157,692	102,609
Total Revenue from Use of Money and Property	<u>959,414</u>	<u>959,414</u>	<u>2,520,793</u>	<u>1,561,379</u>
Charges for services:				
Commonwealth's attorney fees	2,914	2,914	2,993	79
Charges for court appointed attorney	5,735	5,735	6,003	268
Charges for maintenance of buildings and grounds	-	-	11,952	11,952
Charges for passport fees	16,651	16,651	24,780	8,129
Charges for planning services	46,799	46,799	46,640	(159)
Charges for recreation	111,325	115,518	86,593	(28,925)
Charges for library	4,994	8,994	10,385	1,391
Payments in lieu of tax	18,675	18,675	38,764	20,089
Charges for miscellaneous services	21,537	21,537	46,906	25,369
Total Charges for Services	<u>228,630</u>	<u>236,823</u>	<u>275,016</u>	<u>38,193</u>
Miscellaneous revenue:				
Gifts and donations	10,461	11,027	36,390	25,363
Other revenue	706,957	711,483	748,391	36,908
Total Miscellaneous Revenue	<u>717,418</u>	<u>722,510</u>	<u>784,781</u>	<u>62,271</u>
Recovered Costs	45,994	49,789	129,637	79,848
Total Revenue from Local Sources	<u>53,347,700</u>	<u>53,364,780</u>	<u>58,503,726</u>	<u>5,138,946</u>

continued

**CITY OF WAYNESBORO, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD**  
**For the Year Ended June 30, 2025**

Fund, Major and Minor Revenue Source	Schedule 1 (continued)			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Primary Government: (continued)				
General Fund: (continued)				
Revenue from the Commonwealth:				
Non-categorical aid:				
Mobile home titling taxes	\$ 2,522	\$ 2,522	\$ 2,667	\$ 145
Sales tax on rental passenger vehicles	89,379	89,379	104,356	14,977
Personal property tax reimbursement	1,721,457	1,721,457	1,721,457	-
Rolling stock tax	13,520	13,520	13,185	(335)
Communications tax	927,646	927,646	841,975	(85,671)
Other	-	-	80,164	80,164
Total Non-categorical Aid	<u>2,754,524</u>	<u>2,754,524</u>	<u>2,763,804</u>	<u>9,280</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	573,327	573,327	673,214	99,887
Sheriff	339,838	339,838	397,692	57,854
Commissioner of the revenue	130,958	130,958	156,479	25,521
Treasurer	124,180	124,180	141,819	17,639
Clerk of circuit court	294,409	294,409	303,398	8,989
Assistance to localities with police departments	889,356	889,356	968,897	79,541
Registrar/Electoral board	72,776	72,776	80,146	7,370
Grantor tax	87,057	87,057	116,961	29,904
Total Shared Expenses	<u>2,511,901</u>	<u>2,511,901</u>	<u>2,838,606</u>	<u>326,705</u>
Other categorical aid:				
Street and highway maintenance	4,718,998	4,718,998	5,276,643	557,645
Library	191,067	191,067	241,402	50,335
Virginia Arts	5,000	5,000	4,500	(500)
Fire Board funds	99,937	99,937	113,753	13,816
Drug seizure	-	-	72,113	72,113
Victim/witness	27,719	27,719	27,182	(537)
E-911 wireless	112,072	112,072	116,501	4,429
EMS grants	7,500	7,500	68,446	60,946
Forestry grants	-	12,500	12,500	-
Other state funds	-	20,672	31,838	11,166
Total Other Categorical Aid	<u>5,162,293</u>	<u>5,195,465</u>	<u>5,964,878</u>	<u>769,413</u>
Total Categorical Aid	<u>7,674,194</u>	<u>7,707,366</u>	<u>8,803,484</u>	<u>1,096,118</u>
Total Revenue from the Commonwealth	<u>10,428,718</u>	<u>10,461,890</u>	<u>11,567,288</u>	<u>1,105,398</u>
Revenue from the Federal Government:				
Categorical aid:				
DMV grants	-	-	37,500	37,500
Victim/witness	78,326	78,326	62,493	(15,833)
CARES/ARPA funding	-	27,500	317,494	289,994
Total Categorical Aid	<u>78,326</u>	<u>105,826</u>	<u>417,487</u>	<u>311,661</u>
Total Revenue from the Federal Government	<u>78,326</u>	<u>105,826</u>	<u>417,487</u>	<u>311,661</u>
Total General Fund	<u>\$ 63,854,744</u>	<u>\$ 63,932,496</u>	<u>\$ 70,488,501</u>	<u>\$ 6,556,005</u>

continued

**CITY OF WAYNESBORO, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD**  
**For the Year Ended June 30, 2025**

<b>Fund, Major and Minor Revenue Source</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Schedule 1 (continued)</b>				
Primary Government: (continued)				
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from the Commonwealth:				
Other categorical aid:				
Welfare	\$ 825,079	\$ 825,079	\$ 843,764	\$ 18,685
Virginia Public Assistance Fund: (continued)				
Revenue from the Federal Government:				
Categorical aid:				
Welfare	775,778	775,778	678,603	(97,175)
Total Revenue from the Federal Government	775,778	775,778	678,603	(97,175)
Total Virginia Public Assistance Fund	1,600,857	1,600,857	1,522,367	(78,490)
Comprehensive Services Act Fund:				
Revenue from the Commonwealth:				
Categorical aid:				
CSA funds	1,922,500	1,922,500	2,111,254	188,754
Revenue from the Federal Government:				
Categorical aid:				
CSA funds	-	-	126,469	126,469
Total Comprehensive Services Act Fund	<b>\$ 1,922,500</b>	<b>\$ 1,922,500</b>	<b>\$ 2,237,723</b>	<b>\$ 315,223</b>
Youth and Family Services Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	14,000	14,000	24,978	10,978
Miscellaneous revenue:				
Gifts and donations	1,300	3,700	3,400	(300)
Other revenue	46,650	59,185	37,326	(21,859)
Total Miscellaneous Revenue	47,950	62,885	40,726	(22,159)
Recovered Costs	377,082	377,082	375,575	(1,507)
Total Revenue from Local Sources	439,032	453,967	441,279	(12,688)
Revenue from the Commonwealth:				
Categorical aid:				
Juvenile crime control	117,385	129,385	129,385	-
Other state funds	31,000	31,000	36,475	5,475
Total Revenue from the Commonwealth	148,385	160,385	165,860	5,475
Revenue from the Federal Government:				
Categorical aid:				
Other federal funds	-	15,338	15,338	-
Total Revenue from the Federal Government	-	15,338	15,338	-
Total Youth and Family Services Fund	<b>\$ 587,417</b>	<b>\$ 629,690</b>	<b>\$ 622,477</b>	<b>\$ (7,213)</b>
Community Action Partnership of Staunton, Augusta, and Waynesboro Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	\$ 19	\$ 19	\$ 9,679	\$ 9,660
Miscellaneous revenue:				
Other revenue	-	9,092	9,975	883
Total Miscellaneous Revenue	-	9,092	9,975	883
Recovered Costs	106,080	106,080	106,081	1
Total Revenue from Local Sources	106,099	115,191	125,735	10,544
Revenue from the Commonwealth:				
Categorical aid:				
TANF grant	192,400	237,853	237,853	-
Total Revenue from the Commonwealth	192,400	237,853	237,853	-

continued

CITY OF WAYNESBORO, VIRGINIA  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD  
 For the Year Ended June 30, 2025

Fund, Major and Minor Revenue Source	Schedule 1 (continued)			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Community Action Partnership of Staunton, Augusta, and Waynesboro Fund: (continued)				
Revenue from the Federal Government:				
Categorical aid:				
CSBG grant	\$ 248,770	\$ 248,770	\$ 211,803	\$ (36,967)
Total Revenue from the Federal Government	<u>248,770</u>	<u>248,770</u>	<u>211,803</u>	<u>(36,967)</u>
Total Community Action Partnership of Staunton, Augusta, and Waynesboro Fund	<u>\$ 547,269</u>	<u>\$ 601,814</u>	<u>\$ 575,391</u>	<u>\$ (26,423)</u>
Total Special Revenue Funds	<u>\$ 4,658,043</u>	<u>\$ 4,754,861</u>	<u>\$ 4,957,958</u>	<u>\$ 203,097</u>
Capital Projects Funds:				
Capital Improvements Fund:				
Revenue from local sources:				
Recovered Costs	\$ 9,000	\$ 126,162	\$ -	\$ (126,162)
Total Revenue from Local Sources	<u>9,000</u>	<u>126,162</u>	<u>-</u>	<u>(126,162)</u>
Revenue from the Commonwealth:				
Categorical Aid:				
VDOT grants	1,112,393	2,779,933	92,012	(2,687,921)
VA DEQ grants	401,150	5,402,406	2,603,523	(2,798,883)
Total Revenue from the Commonwealth	<u>1,513,543</u>	<u>8,182,339</u>	<u>2,695,535</u>	<u>(5,486,804)</u>
Revenue from the Federal and State Government:				
Categorical aid:				
VDOT grants	4,021,632	5,843,747	1,877,057	(3,966,690)
Other grants	6,712,600	14,939,654	4,970,447	(9,969,207)
CDBG grant	175,000	1,075,746	162,154	(913,592)
Total Revenue from the Federal Government	<u>10,909,232</u>	<u>21,859,147</u>	<u>7,009,658</u>	<u>(14,849,489)</u>
Total Capital Improvements Fund	<u>\$ 12,431,775</u>	<u>\$ 30,167,648</u>	<u>\$ 9,705,193</u>	<u>\$ (20,462,455)</u>
Total Capital Projects Funds	<u>\$ 12,431,775</u>	<u>\$ 30,167,648</u>	<u>\$ 9,705,193</u>	<u>\$ (20,462,455)</u>

continued

**CITY OF WAYNESBORO, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD**  
**For the Year Ended June 30, 2025**

Fund, Major and Minor Revenue Source	Schedule 1 (continued)			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Primary Government: (continued)				
Permanent Funds:				
Cemetery Care Fund:				
Revenue from local sources:				
Revenue from use of money	\$ 4,774	\$ 4,774	\$ 34,641	\$ 29,867
Miscellaneous revenue:				
Other revenue	-	-	-	-
Total Revenue from Local Sources	4,774	4,774	34,641	29,867
Total Perpetual Care Fund	<u>\$ 4,774</u>	<u>\$ 4,774</u>	<u>\$ 34,641</u>	<u>\$ 29,867</u>
Total Permanent Funds	<u>\$ 4,774</u>	<u>\$ 4,774</u>	<u>\$ 34,641</u>	<u>\$ 29,867</u>
Grand Total - Revenues - Primary Government	<u>\$ 80,949,336</u>	<u>\$ 98,859,779</u>	<u>\$ 85,186,293</u>	<u>\$ (13,673,486)</u>
Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money	\$ 78,500	\$ 78,500	\$ 225,094	\$ 146,594
Revenue from use of property	18,200	18,200	43,379	25,179
Total Revenue from Use of Money and Property	96,700	96,700	268,473	171,773
Charges for services:				
Charges for education	5,500	5,500	6,000	500
Total Charges for Services	5,500	5,500	6,000	500
Miscellaneous revenue:				
Gifts and donations	2,000	2,000	3,500	1,500
Other revenue	91,950	91,950	119,415	27,465
Total Miscellaneous Revenue	93,950	93,950	122,915	28,965
Recovered Costs	465,000	465,000	569,310	104,310
Total Revenue from Local Sources	661,150	661,150	966,698	305,548
Revenue from Local Government:				
Contribution from City of Waynesboro	19,838,063	19,838,063	19,838,063	-
Revenue from the Commonwealth:				
Categorical Aid:				
Adult education	47,452	47,452	47,452	-
At risk	2,789,854	2,789,854	4,615,573	1,825,719
Basic school aid	11,888,384	11,888,384	10,583,171	(1,305,213)
Early intervention	157,205	157,205	138,232	(18,973)
English as a second language	366,004	366,004	635,681	269,677
Foster children	119,588	119,588	131,444	11,856
GED funding	16,405	16,405	16,054	(351)
Gifted and talented children	113,168	113,168	111,184	(1,984)
Group life	50,297	50,297	40,591	(9,706)
Operating costs	833,858	833,858	889,359	55,501
Primary class size	503,284	503,284	510,878	7,594
Race to GED expansion	87,776	87,776	87,776	-
Remedial education	674,784	674,784	79,037	(595,747)
Share of state sales tax	4,399,277	4,399,277	4,402,764	3,487
Social security	707,751	707,751	652,987	(54,764)
Special education	2,048,437	2,048,437	2,205,538	157,101
Standards of learning	60,978	60,978	55,441	(5,537)
Teacher retirement	1,521,484	1,521,484	1,403,040	(118,444)
Technology initiative	232,000	232,000	232,000	-

continued

CITY OF WAYNESBORO, VIRGINIA  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD  
 For the Year Ended June 30, 2025

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Schedule 1 (continued)				
Component Unit - School Board: (continued)				
Special Revenue Funds: (continued)				
School Operating Fund: (continued)				
Revenue from the Commonwealth: (continued)				
Textbook payments	\$ 287,663	\$ 287,663	\$ 282,620	\$ (5,043)
Vocational education	310,072	310,072	302,353	(7,719)
Other state funds	<u>3,601,604</u>	<u>3,606,804</u>	<u>3,574,017</u>	<u>(32,787)</u>
Total Revenue from the Commonwealth	<u>30,817,325</u>	<u>30,822,525</u>	<u>30,997,192</u>	<u>174,667</u>
Revenue from the Federal Government:				
Categorical Aid:				
Adult literacy	704,306	704,306	765,332	61,026
CARES Funding	-	-	45,407	45,407
Title I	1,050,000	1,292,310	1,359,044	66,734
Title I, Part E	-	88,000	67,129	(20,871)
Title II - Teacher Quality	150,000	150,000	157,263	7,263
Title III	29,372	29,372	28,020	(1,352)
Title IV	80,178	95,178	140,432	45,254
Title VIB	765,125	765,125	960,979	195,854
Title VIB - Preschool grant	18,272	18,272	18,498	226
Title IXA - Homeless	50,000	50,000	101,252	51,252
Inclusive Practice Partnership	-	7,500	12,497	4,997
Vocational education	77,177	77,177	95,135	17,958
Other federal grants	-	-	8,460	8,460
Total Revenue from the Federal Government	<u>2,924,430</u>	<u>3,277,240</u>	<u>3,759,448</u>	<u>482,208</u>
Total School Operating Fund	<u>\$ 54,240,968</u>	<u>\$ 54,598,978</u>	<u>\$ 55,561,401</u>	<u>\$ 962,423</u>
School Nutrition Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 72,965	\$ 371,216	\$ 44,888	\$ (326,328)
Miscellaneous Revenue	<u>22,130</u>	<u>22,130</u>	<u>29,438</u>	<u>7,308</u>
Total Revenue from Local Sources	<u>95,095</u>	<u>393,346</u>	<u>74,326</u>	<u>(319,020)</u>
Revenue from the Commonwealth:				
School food programs	<u>86,786</u>	<u>86,786</u>	<u>78,853</u>	<u>(7,933)</u>
Revenue from the Federal Government:				
School food programs	<u>2,670,365</u>	<u>2,670,365</u>	<u>2,289,455</u>	<u>(380,910)</u>
Total School Nutrition Fund	<u>\$ 2,852,246</u>	<u>\$ 3,150,497</u>	<u>\$ 2,442,634</u>	<u>\$ (707,863)</u>
School Textbook Fund:				
Revenue from local sources:				
Miscellaneous revenue	\$ -	\$ -	\$ 22	\$ 22
Total School Textbook Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22</u>	<u>\$ 22</u>
School Activity Fund:				
Revenue from local sources:				
Charges for services	\$ -	\$ -	\$ 582,844	\$ 582,844
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 582,844</u>	<u>\$ 582,844</u>
Total Special Revenue Funds	<u>\$ 57,093,214</u>	<u>\$ 57,749,475</u>	<u>\$ 58,586,901</u>	<u>\$ 837,426</u>
Grand Total - Revenues - Component Unit School Board	<u>\$ 57,093,214</u>	<u>\$ 57,749,475</u>	<u>\$ 58,586,901</u>	<u>\$ 837,426</u>

**CITY OF WAYNESBORO, VIRGINIA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD**  
**For the Year Ended June 30, 2025**

Fund, Function, Activity, and Elements:	Original Budget	Final Budget	Actual	Schedule 2 Variance with Final Budget - Positive (Negative)
Primary Government:				
General Fund:				
General Government Administration:				
Legislative:				
City Council	\$ 84,639	\$ 84,639	\$ 86,211	\$ (1,572)
Clerk of Council	82,298	82,298	85,514	(3,216)
Total Legis Total Legislative	<u>166,937</u>	<u>166,937</u>	<u>171,725</u>	<u>(4,788)</u>
General and Financial Administration:				
Manager	664,266	684,653	649,424	35,229
City Attorney	210,450	210,450	190,223	20,227
Human Resources	1,000,029	839,204	434,213	404,991
Commissioner of Revenue	429,059	479,421	416,117	63,304
Assessor	408,651	408,651	375,341	33,310
Treasurer	434,841	434,361	438,370	(4,009)
Finance	1,124,666	1,104,858	1,175,062	(70,204)
Information Technology	1,721,721	1,902,271	1,680,432	221,839
Risk Management	486,208	486,208	476,582	9,626
Central Office	38,650	38,823	48,463	(9,640)
Total General and Financial Administration	<u>6,518,541</u>	<u>6,588,900</u>	<u>5,884,227</u>	<u>704,673</u>
Board of Elections:				
Electoral Board and Officials	310,611	335,691	288,774	46,917
Total General Government Administration	<u>6,996,089</u>	<u>7,091,528</u>	<u>6,344,726</u>	<u>746,802</u>
Judicial Administration:				
Courts:				
Circuit Court	145,460	144,960	131,998	12,962
General District Court	26,925	26,925	11,999	14,926
Court Services	900	900	863	37
Juvenile and Domestic Relations	11,400	11,400	6,162	5,238
Clerk of the Circuit Court	498,589	532,244	456,897	75,347
Sheriff	769,487	875,311	951,735	(76,424)
Victim/Witness Assistance	119,855	119,855	101,480	18,375
Total Courts	<u>1,572,616</u>	<u>1,711,595</u>	<u>1,661,134</u>	<u>50,461</u>
Commonwealth Attorney:				
Commonwealth Attorney	928,441	928,819	979,555	(50,736)
Total Commonwealth Attorney	<u>928,441</u>	<u>928,819</u>	<u>979,555</u>	<u>(50,736)</u>
Total Judicial Administration	<u>2,501,057</u>	<u>2,640,414</u>	<u>2,640,689</u>	<u>(275)</u>
Public Safety:				
Law Enforcement and Traffic Control:				
Police Department	7,476,839	8,267,426	7,902,933	364,493
Animal Services Center	201,119	201,119	150,165	50,954
Total Law Enforcement and Traffic Control	<u>7,677,958</u>	<u>8,468,545</u>	<u>8,053,098</u>	<u>415,447</u>
Fire and Rescue Services:				
Fire Department	4,060,772	4,563,151	4,331,824	231,327
First Aid Crew	200,000	275,000	270,000	5,000
Total Fire and Rescue Services	<u>4,260,772</u>	<u>4,838,151</u>	<u>4,601,824</u>	<u>236,327</u>
Correction and Detention:				
Middle River Regional Jail	1,761,995	1,761,995	1,723,617	38,378
Juvenile Detention Home	179,096	179,096	181,580	(2,484)
Total Correction and Detention	<u>1,941,091</u>	<u>1,941,091</u>	<u>1,905,197</u>	<u>35,894</u>
Inspections:				
Inspector's Office	839,248	839,903	685,023	154,880

continued

**CITY OF WAYNESBORO, VIRGINIA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD**  
**For the Year Ended June 30, 2025**

Schedule 2 (continued)

<b>Fund, Function, Activity, and Elements:</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
Primary Government: (continued)				
General Fund: (continued)				
Public Safety: (continued)				
Other Protection:				
Emergency Operations Center	\$ 1,499,954	\$ 1,570,232	\$ 1,367,580	\$ 202,652
Total Other Protection	<u>1,499,954</u>	<u>1,570,232</u>	<u>1,367,580</u>	<u>202,652</u>
Total Public Safety	<u>16,219,023</u>	<u>17,657,922</u>	<u>16,612,722</u>	<u>1,045,200</u>
Public Works:				
Maintenance of Highways, Streets, Bridges, and Sidewalks:				
General Engineering/Administration	1,791,704	1,909,155	1,707,547	201,608
Public Works Operations Administration	378,878	402,977	454,488	(51,511)
Highways, Streets, Bridges, and Sidewalks	3,676,279	5,156,207	3,237,327	1,918,880
Traffic Engineering	937,987	1,131,923	648,107	483,816
Total Maintenance of Highways, Streets, Bridges, and Sidewalks	<u>6,784,848</u>	<u>8,600,262</u>	<u>6,047,469</u>	<u>2,552,793</u>
Sanitation and Waste Removal:				
Landfill closure	211,168	314,624	239,588	75,036
Total Sanitation and Waste Removal	<u>211,168</u>	<u>314,624</u>	<u>239,588</u>	<u>75,036</u>
Maintenance of General Buildings and Grounds:				
General Properties:				
Maintenance of buildings and grounds	130,951	175,888	120,290	55,598
Total Public Works	<u>7,126,967</u>	<u>9,090,774</u>	<u>6,407,347</u>	<u>2,683,427</u>
Health and Welfare:				
Health:				
Supplement of Local Health Department	214,813	214,813	144,072	70,741
Contribution to VCSB	211,093	211,093	211,093	-
Total Health	<u>425,906</u>	<u>425,906</u>	<u>355,165</u>	<u>70,741</u>
Welfare:				
Area Agency on Aging	35,000	35,000	35,000	-
Boys and Girls Club	20,000	20,000	20,000	-
Property Tax Relief-Elderly Handicapped	130,000	130,000	91,050	38,950
Other Contributions	40,000	41,805	40,121	1,684
Total Welfare	<u>225,000</u>	<u>226,805</u>	<u>186,171</u>	<u>40,634</u>
Total Health and Welfare	<u>650,906</u>	<u>652,711</u>	<u>541,336</u>	<u>111,375</u>
Education:				
Contributions to Community College	29,726	29,726	29,726	-
Contribution to City School Board	19,838,063	19,838,063	19,838,063	-
Total Education	<u>19,867,789</u>	<u>19,867,789</u>	<u>19,867,789</u>	<u>-</u>
Parks, Recreation, and Cultural:				
Parks and Recreation:				
Administration	553,260	548,506	530,504	18,002
Municipal Parks	932,257	1,071,350	1,025,151	46,199
Municipal Pools	315,323	365,563	308,631	56,932
Recreation Programs	90,548	117,417	133,904	(16,487)
Custodial	776,449	787,709	731,175	56,534
Cemeteries	191,425	252,058	210,992	41,066
Total Parks and Recreation	<u>2,859,262</u>	<u>3,142,603</u>	<u>2,940,357</u>	<u>202,246</u>
Library:				
Library Administration	1,123,019	1,135,477	1,071,778	63,699

continued

CITY OF WAYNESBORO, VIRGINIA  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD  
For the Year Ended June 30, 2025

				Schedule 2 (continued)
Fund, Function, Activity, and Elements:	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Primary Government: (continued)				
General Fund: (continued)				
Parks, Recreation, and Cultural: (continued)				
Cultural Enrichment:				
Contributions	\$ 15,100	\$ 16,730	\$ 15,230	\$ 1,500
Total Parks, Recreation, and Cultural	<u>3,997,381</u>	<u>4,294,810</u>	<u>4,027,365</u>	<u>267,445</u>
Community Development:				
Planning and Community Development:				
City Planner	577,370	886,084	549,116	336,968
Economic Development	592,994	597,408	569,468	27,940
Tourism Department	25,000	45,797	24,898	20,899
Community Development	190,016	190,016	135,526	54,490
Shenandoah Valley Airport	62,067	62,067	62,067	-
Total Planning and Community Development	<u>1,447,447</u>	<u>1,781,372</u>	<u>1,341,075</u>	<u>440,297</u>
Debt Service:				
DS1 Principal Retirement	-	-	99,492	(99,492)
Total Debt Service	<u>-</u>	<u>-</u>	<u>99,492</u>	<u>(99,492)</u>
Total General Fund	<u>\$ 58,806,659</u>	<u>\$ 63,077,320</u>	<u>\$ 57,882,541</u>	<u>\$ 5,194,779</u>
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and Welfare:				
Welfare/Social Services:				
Public Assistance	\$ 2,463,106	\$ 2,463,106	\$ 2,364,484	\$ 98,622
Comprehensive Services Act Fund:				
Health and Welfare:				
Welfare/Social Services:				
Comprehensive Services	\$ 3,300,000	\$ 3,300,000	\$ 3,799,637	\$ (499,637)
Youth and Family Services Fund:				
Public Safety:				
Correction and Detention:				
Youth Services	616,069	692,352	668,971	23,381
VJCCA Programs	195,094	195,094	125,485	69,609
Total Public Safety	<u>811,163</u>	<u>887,446</u>	<u>794,456</u>	<u>92,990</u>
Health and Welfare:				
Welfare/Social Services:				
Teen Pregnancy Prevention	36,546	38,946	19,605	19,341
Total Youth and Family Services Fund	<u>\$ 847,709</u>	<u>\$ 926,392</u>	<u>\$ 814,061</u>	<u>\$ 112,331</u>
Community Action Partnership of Staunton, Augusta, and Waynesboro Fund:				
Health and Welfare:				
Welfare/Social Services:				
CAPSAW operations	\$ 591,014	\$ 645,559	\$ 595,316	\$ 50,243
Total Community Action Partnership of Staunton, Augusta, and Waynesboro Fund	<u>\$ 591,014</u>	<u>\$ 645,559</u>	<u>\$ 595,316</u>	<u>\$ 50,243</u>

Continued

CITY OF WAYNESBORO, VIRGINIA  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD  
For the Year Ended June 30, 2025

				Schedule 2 (continued)
Fund, Function, Activity, and Elements:	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Total Special Revenue Funds	\$ 7,201,829	\$ 7,335,057	\$ 7,573,498	\$ (238,441)
Debt Service Funds:				
Debt Revenue Fund:				
Debt Service:				
Principal Retirement	2,172,064	2,172,064	9,744,213	(7,572,149)
Interest and Fiscal Charges	1,105,920	1,105,920	1,068,224	37,696
Bond Issuance Costs	-	-	225,713	(225,713)
Total Debt Service	<u>3,277,984</u>	<u>3,277,984</u>	<u>11,038,150</u>	<u>(7,760,166)</u>
Total Debt Service Fund	\$ 3,277,984	\$ 3,277,984	\$ 11,038,150	\$ (7,760,166)
Total Debt Service Funds	\$ 3,277,984	\$ 3,277,984	\$ 11,038,150	\$ (7,760,166)
Capital Projects Funds:				
Capital Improvements Fund:				
Projects:				
General government administration	\$ 1,068,000	\$ 2,422,565	\$ -	\$ 2,422,565
Public Safety	3,892,649	18,646,192	6,067,282	12,578,910
Public Works	9,961,732	16,385,796	604,141	15,781,655
Parks, recreation, and cultural	5,006,937	15,593,668	3,947,495	11,646,173
Community development	3,468,953	13,373,357	2,241,379	11,131,978
Total Projects	<u>23,398,271</u>	<u>66,421,578</u>	<u>12,860,297</u>	<u>53,561,281</u>
Total Capital Improvements Fund	\$ 23,398,271	\$ 66,421,578	\$ 12,860,297	\$ 53,561,281
Total Capital Improvements Funds	\$ 23,398,271	\$ 66,421,578	\$ 12,860,297	\$ 53,561,281
Grand Total - Expenditures - Primary Government	\$ 92,684,743	\$ 140,111,939	\$ 89,354,486	\$ 50,757,453
Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Education:				
Administration and Instruction of Schools:				
Classroom Instruction	\$ 41,510,323	\$ 41,861,437	\$ 41,082,834	\$ 778,603
Administration, Attendance, and Health	3,647,154	3,649,501	4,070,982	(421,481)
Total Administration and Instruction of Schools	<u>45,157,477</u>	<u>45,510,938</u>	<u>45,153,816</u>	<u>357,122</u>
Operating Costs:				
Pupil Transportation	1,682,100	1,683,340	1,335,373	347,967
Operation and Maintenance of School Plant	5,191,087	5,197,087	6,361,669	(1,164,582)
Technology	1,731,201	1,710,009	1,489,782	220,227
Total Operating Costs	<u>8,604,388</u>	<u>8,590,436</u>	<u>9,186,824</u>	<u>(596,388)</u>
Total Education	<u>53,761,865</u>	<u>54,101,374</u>	<u>54,340,640</u>	<u>(239,266)</u>
Principal Retirement	-	-	204,828	(204,828)
Interest and Fiscal Charges	-	-	16,543	(16,543)
Total Debt Service	<u>-</u>	<u>-</u>	<u>221,371</u>	<u>(221,371)</u>
Total School Operating Fund	\$ 53,761,865	\$ 54,101,374	\$ 54,562,011	\$ (460,637)

continued

CITY OF WAYNESBORO, VIRGINIA  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD  
 For the Year Ended June 30, 2025

<b>Fund, Function, Activity, and Elements:</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
Schedule 2 (continued)				
Component Unit - School Board: (continued)				
Special Revenue Funds: (continued)				
School Nutrition Fund:				
Education:				
Food Service	\$ 2,852,246	\$ 3,150,497	\$ 2,937,236	\$ 213,261
School Textbook Fund:				
Education:				
Instructional Costs	451,803	451,803	173,124	278,679
School Activity Fund:				
Education:				
Instructional Costs	-	-	558,800	(558,800)
Total Special Revenue Funds	<u>\$ 57,065,914</u>	<u>\$ 57,703,674</u>	<u>\$ 58,231,171</u>	<u>\$ (527,497)</u>
Grand Total - Expenditures - Component Unit - School Board	<u>\$ 57,065,914</u>	<u>\$ 57,703,674</u>	<u>\$ 58,231,171</u>	<u>\$ (527,497)</u>

***STATISTICAL SECTION***

## STATISTICAL SECTION

This part of the City of Waynesboro's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<b>Contents</b>	<u>Tables</u>	<u>Pages</u>
<i>Financial Trends</i> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	1 - 4	115-120
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	5 - 8	121-124
<i>Debt Capacity</i> These schedules contain trend information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	9 - 13	125-129
<i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	14 - 15	130-131
<i>Operating Information</i> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and activities it performs.	16 - 18	132-134

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF WAYNESBORO, VIRGINIA**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Table 1

	2016	2017	2018 (1)	2019	2020	2021	2022	2023	2024	2025
<b>Governmental activities</b>										
Net investment in capital assets	\$ 31,418,630	\$ 33,791,619	\$ 33,980,786	\$ 34,787,121	\$ 39,102,605	\$ 38,890,208	\$ 37,514,787	\$ 41,437,151	\$ 47,392,890	\$ 56,315,036
Restricted	1,793,293	1,967,706	22,068,987	13,460,899	5,329,520	5,508,020	4,715,357	7,012,929	6,965,379	9,474,918
Unrestricted	(6,053,354)	(5,112,956)	(25,378,115)	(20,982,977)	(18,915,199)	(13,953,178)	(5,667,824)	1,111,834	10,145,479	15,003,624
<b>Total governmental activities net position</b>	<b>\$ 27,158,569</b>	<b>\$ 30,646,369</b>	<b>\$ 30,671,658</b>	<b>\$ 27,265,043</b>	<b>\$ 25,516,926</b>	<b>\$ 30,445,050</b>	<b>\$ 36,562,320</b>	<b>\$ 49,561,914</b>	<b>\$ 64,503,748</b>	<b>\$ 80,793,578</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 32,896,027	\$ 31,859,390	\$ 32,772,413	\$ 32,528,272	\$ 33,116,043	\$ 32,605,658	\$ 32,877,670	\$ 34,028,168	\$ 38,592,644	\$ 45,567,147
Restricted	-	-	-	977	2,421	2,421	872	-	-	-
Unrestricted	8,340,522	9,238,420	8,917,530	9,693,985	9,775,330	10,998,429	13,719,843	16,233,573	16,799,355	15,735,678
<b>Total business-type activities net position</b>	<b>\$ 41,236,549</b>	<b>\$ 41,097,810</b>	<b>\$ 41,689,943</b>	<b>\$ 42,223,234</b>	<b>\$ 42,893,794</b>	<b>\$ 43,606,508</b>	<b>\$ 46,598,385</b>	<b>\$ 50,261,741</b>	<b>\$ 55,391,999</b>	<b>\$ 61,302,825</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 64,314,657	\$ 65,651,009	\$ 66,753,199	\$ 67,315,393	\$ 72,218,648	\$ 71,495,866	\$ 70,392,457	\$ 75,465,319	\$ 85,985,534	\$ 101,882,183
Restricted	1,793,293	1,967,706	22,068,987	13,461,876	5,331,941	5,510,441	4,716,229	7,012,929	6,965,379	9,474,918
Unrestricted	2,287,168	4,125,464	(16,460,585)	(11,288,992)	(9,139,869)	(2,954,749)	8,052,019	17,345,407	26,944,834	30,739,302
<b>Total primary government net position</b>	<b>\$ 68,395,118</b>	<b>\$ 71,744,179</b>	<b>\$ 72,361,601</b>	<b>\$ 69,488,277</b>	<b>\$ 68,410,720</b>	<b>\$ 74,051,558</b>	<b>\$ 83,160,705</b>	<b>\$ 99,823,655</b>	<b>\$ 119,895,747</b>	<b>\$ 142,096,403</b>
<b>School Board Component Unit</b>										
Net investment in capital assets	\$ 36,148,835	\$ 35,391,084	\$ 34,360,416	\$ 41,927,453	\$ 52,489,416	\$ 55,191,154	\$ 59,297,408	\$ 64,667,665	\$ 69,276,731	\$ 67,951,217
Restricted	-	-	-	-	-	-	-	-	215,822	287,593
Unrestricted	(32,811,413)	(32,273,726)	(33,486,905)	(30,491,309)	(27,898,617)	(24,503,738)	(24,582,458)	(20,428,234)	(20,812,530)	(24,891,381)
<b>Total governmental activities net position</b>	<b>\$ 3,337,422</b>	<b>\$ 3,117,358</b>	<b>\$ 873,511</b>	<b>\$ 11,436,144</b>	<b>\$ 24,590,799</b>	<b>\$ 30,687,416</b>	<b>\$ 34,714,950</b>	<b>\$ 44,239,431</b>	<b>\$ 48,680,023</b>	<b>\$ 43,347,429</b>

Notes:

(1) The City implemented net OPEB liability reporting in fiscal year 2018 as required by GASB 75.

**CITY OF WAYNESBORO, VIRGINIA  
CHANGES IN NET POSITION  
Last Ten Fiscal Years  
(accrual basis of accounting)**

**Table 2**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Expenses</b>										
Governmental activities:										
General government	\$ 9,900,958	\$ 10,482,872	\$ 11,283,368	\$ 12,887,236	\$ 13,670,378	\$ 14,792,879	\$ 6,061,317	\$ 5,673,323	\$ 5,423,317	\$ 6,336,944
Judicial administration	1,393,274	1,501,243	1,536,332	1,608,858	1,966,048	2,037,824	1,880,301	1,841,772	2,142,498	2,588,646
Public safety	10,574,111	11,404,402	11,847,803	12,394,461	13,374,317	14,483,020	14,442,688	14,950,241	15,827,116	17,687,011
Public works	6,813,144	7,233,241	6,299,523	4,940,088	8,518,205	6,297,453	8,840,925	6,154,800	7,900,457	6,638,866
Health and welfare	5,325,427	5,455,336	5,890,677	7,047,841	6,792,298	6,798,799	6,714,783	6,584,601	6,673,706	7,177,960
Education	13,275,982	15,501,962	15,800,624	23,861,807	23,718,238	18,123,621	16,902,753	17,980,830	19,199,151	20,227,021
Parks, recreation, and culture	2,935,329	2,808,386	3,235,722	3,569,855	2,564,162	2,621,804	2,714,327	3,656,253	4,235,207	4,713,003
Community development	644,256	1,292,122	1,289,798	1,147,717	968,380	1,767,095	966,154	1,667,417	1,945,599	2,524,000
Interest on long-term debt	1,100,085	981,433	971,326	1,722,502	1,292,826	1,257,944	1,114,256	1,056,482	961,258	1,194,337
Total governmental activities expenses	<u>51,962,566</u>	<u>56,660,997</u>	<u>58,155,173</u>	<u>69,180,365</u>	<u>72,864,852</u>	<u>68,180,439</u>	<u>59,637,504</u>	<u>59,565,719</u>	<u>64,308,309</u>	<u>69,087,788</u>
Business-type activities:										
Water	2,946,249	3,792,452	3,631,173	3,866,372	3,883,766	3,656,690	2,844,395	4,047,466	4,049,117	4,554,891
Sewer	5,452,764	5,498,658	5,160,072	5,481,883	5,736,809	5,429,946	5,213,442	5,534,323	5,615,002	6,037,739
Landfill Operations	610,135	751,715	988,762	687,386	932,424	764,102	903,007	1,133,025	1,165,402	825,451
Refuse	909,655	1,039,989	801,878	866,285	1,132,911	1,076,380	961,129	1,109,335	1,137,522	1,277,841
Stormwater	917,556	637,709	678,925	826,700	1,283,252	1,154,476	953,548	1,025,810	1,027,298	1,092,460
Total business-type activities expenses	<u>10,836,359</u>	<u>11,720,523</u>	<u>11,260,810</u>	<u>11,728,626</u>	<u>12,969,162</u>	<u>12,081,594</u>	<u>10,875,521</u>	<u>12,849,959</u>	<u>12,994,341</u>	<u>13,788,382</u>
Total primary government expenses	<u>\$ 62,798,925</u>	<u>\$ 68,381,520</u>	<u>\$ 69,415,983</u>	<u>\$ 80,908,991</u>	<u>\$ 85,834,014</u>	<u>\$ 80,262,033</u>	<u>\$ 70,513,025</u>	<u>\$ 72,415,678</u>	<u>\$ 77,302,650</u>	<u>\$ 82,876,170</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 12,239	\$ 13,226	\$ 27,881	\$ 8,022,179	\$ 9,366,492	\$ 9,421,024	\$ 14,810	\$ 50,838	\$ 72,470	\$ 112,422
Judicial administration	207,183	160,160	135,752	204,318	175,303	183,343	154,589	140,336	219,498	183,387
Public safety	377,559	363,657	361,045	445,647	420,720	503,425	562,359	137,505	117,533	113,857
Public works	14,083	18,651	25,283	25,093	19,221	9,256	9,639	16,149	23,144	11,952
Health and welfare	87,250	110,564	110,564	127,171	123,860	139,137	142,349	157,878	120,925	130,190
Parks, recreation, and culture	251,196	264,999	259,539	238,347	107,643	32,029	54,279	90,254	96,655	96,978
Community development	228,503	209,253	229,552	306,940	296,299	474,837	356,441	316,354	418,255	524,217
Operating grants and contributions	15,122,085	16,417,961	16,555,954	10,174,092	13,265,337	9,960,889	10,278,782	11,694,271	12,152,198	13,043,052
Capital grants and contributions	942,253	1,247,986	193,603	281,901	1,510,347	615,298	671,773	1,273,903	2,476,340	9,705,192
Total governmental activities revenues	<u>17,242,351</u>	<u>18,806,457</u>	<u>17,899,173</u>	<u>19,825,688</u>	<u>25,285,222</u>	<u>21,339,238</u>	<u>12,245,021</u>	<u>13,877,488</u>	<u>15,697,018</u>	<u>23,921,247</u>
Business-type activities:										
Charges for services:										
Water	3,573,258	3,802,813	4,035,430	3,875,205	4,244,688	4,245,642	4,484,297	4,734,292	5,335,194	5,427,073
Sewer	5,312,609	5,654,003	5,871,019	5,879,570	6,351,505	6,314,316	6,800,877	7,030,790	7,501,457	7,745,967
Landfill operations	731,978	706,647	728,729	773,356	677,513	689,173	757,391	898,472	808,773	980,792
Refuse	1,161,423	1,175,056	1,189,772	1,150,517	1,182,167	1,275,130	1,476,298	1,661,477	1,965,310	2,210,147
Stormwater	1,200,963	1,247,386	1,200,480	1,231,549	1,397,594	1,425,752	1,684,328	1,724,002	1,789,334	1,775,631
Operating grants and contributions	8,558	6,192	6,993	9,207	3,947	31,885	178,971	243,963	661,937	2,643,154
Capital grants and contributions	22,000	102,535	463,965	526,806	1,229,300	302,600	317,161	1,551,950	776,261	63,269
Total business-type activities revenues	<u>12,010,789</u>	<u>12,694,632</u>	<u>13,496,388</u>	<u>13,446,210</u>	<u>15,086,714</u>	<u>14,284,498</u>	<u>15,699,323</u>	<u>17,844,946</u>	<u>18,838,266</u>	<u>20,846,033</u>
Total primary government revenues	<u>\$ 29,253,140</u>	<u>\$ 31,501,089</u>	<u>\$ 31,395,561</u>	<u>\$ 33,271,898</u>	<u>\$ 40,371,936</u>	<u>\$ 35,623,736</u>	<u>\$ 27,944,344</u>	<u>\$ 31,722,434</u>	<u>\$ 34,535,284</u>	<u>\$ 44,767,280</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (34,720,215)	\$ (37,854,540)	\$ (40,256,000)	\$ (49,354,677)	\$ (47,579,630)	\$ (46,841,201)	\$ (47,392,483)	\$ (45,688,231)	\$ (48,611,291)	\$ (45,166,541)
Business-type activities	1,174,430	974,109	2,235,578	1,717,584	2,117,552	2,202,904	4,823,802	4,994,987	5,843,925	7,057,651
Total primary government net expense	<u>\$ (33,545,785)</u>	<u>\$ (36,880,431)</u>	<u>\$ (38,020,422)</u>	<u>\$ (47,637,093)</u>	<u>\$ (45,462,078)</u>	<u>\$ (44,638,297)</u>	<u>\$ (42,568,681)</u>	<u>\$ (40,693,244)</u>	<u>\$ (42,767,366)</u>	<u>\$ (38,108,890)</u>

Table 2 (continued)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 19,577,555	\$ 20,084,623	\$ 20,882,667	\$ 22,384,195	\$ 24,780,249	\$ 24,763,521	\$ 27,708,213	\$ 28,500,072	\$ 31,312,103	\$ 31,988,442
Sales taxes	5,493,561	5,396,441	5,610,549	5,391,887	5,604,128	6,358,170	6,890,032	7,130,221	7,449,958	7,574,885
Utility taxes	1,032,821	1,030,149	1,044,069	1,037,799	1,045,083	1,049,065	1,050,236	1,055,263	1,040,683	1,100,901
Business license taxes	2,206,222	2,130,404	2,232,450	2,081,665	2,283,334	2,435,582	2,833,854	2,967,927	3,282,619	3,605,078
Hotel and meals taxes	4,970,141	5,109,283	5,192,580	5,917,199	5,529,653	6,129,388	7,097,271	7,870,521	8,187,014	8,663,495
Communication sales taxes	-	-	-	-	-	-	-	-	-	-
Tobacco taxes	370,607	357,547	336,686	491,704	507,789	520,920	431,509	423,143	400,596	395,098
Other local taxes	905,552	966,863	949,732	1,114,924	1,114,833	1,200,302	1,212,523	1,209,121	1,368,614	1,340,317
Unrestricted grants and contributions	5,043,586	4,190,347	4,147,046	3,809,924	2,405,649	6,776,517	4,329,976	4,977,617	4,917,224	3,723,243
Payment from Component Unit School Board	-	-	-	-	-	-	-	-	-	-
Investment earnings	165,902	293,209	286,750	1,182,404	581,897	411,273	465,089	1,865,230	2,938,856	2,628,263
Miscellaneous	410,838	552,364	452,287	395,752	502,161	345,553	334,742	763,883	819,911	195,839
Gain(loss) on sale of capital assets	9,814	33,913	19,583	23,877	25,790	111,716	181,736	75,776	161,496	182,676
Special items	-	-	-	-	-	-	-	-	-	-
Transfers	865,986	1,197,197	1,377,912	1,436,507	1,450,947	1,667,318	1,803,059	1,849,051	1,674,051	1,849,051
Total governmental activities	<u>41,052,585</u>	<u>41,342,340</u>	<u>42,532,311</u>	<u>45,267,837</u>	<u>45,831,513</u>	<u>51,769,325</u>	<u>54,338,240</u>	<u>58,687,825</u>	<u>63,553,125</u>	<u>63,247,288</u>
Business-type activities:										
Investment earnings	46,249	49,018	73,112	130,733	121,763	68,732	97,255	503,229	929,685	875,197
Miscellaneous	52,611	21,862	47,382	16,742	18,484	42,696	14,670	11,355	17,316	79,068
Gain(loss) on sale of capital assets	219	13,469	2,609	12,332	(136,292)	65,900	6,780	2,836	13,383	(20,338)
Transfers	(865,986)	(1,197,197)	(1,377,912)	(1,436,507)	(1,450,947)	(1,667,318)	(1,803,059)	(1,849,051)	(1,674,051)	(1,849,051)
Total business-type activities	<u>(766,907)</u>	<u>(1,112,848)</u>	<u>(1,254,809)</u>	<u>(1,276,700)</u>	<u>(1,446,992)</u>	<u>(1,489,990)</u>	<u>(1,684,354)</u>	<u>(1,331,631)</u>	<u>(713,667)</u>	<u>(915,124)</u>
Total primary government	<u>\$ 40,285,678</u>	<u>\$ 40,229,492</u>	<u>\$ 41,277,502</u>	<u>\$ 43,991,137</u>	<u>\$ 44,384,521</u>	<u>\$ 50,279,335</u>	<u>\$ 52,653,886</u>	<u>\$ 57,356,194</u>	<u>\$ 62,839,458</u>	<u>\$ 62,332,164</u>
<b>Change in Net Position</b>										
Governmental activities	6,332,370	3,487,800	2,276,311	(4,086,840)	(1,748,117)	4,928,124	6,945,757	12,999,594	14,941,834	18,080,747
Business-type activities	407,523	(138,739)	980,769	440,884	670,560	712,914	3,139,448	3,663,356	5,130,258	6,142,527
Total primary government	<u>\$ 6,739,893</u>	<u>\$ 3,349,061</u>	<u>\$ 3,257,080</u>	<u>\$ (3,645,956)</u>	<u>\$ (1,077,557)</u>	<u>\$ 5,641,038</u>	<u>\$ 10,085,205</u>	<u>\$ 16,662,950</u>	<u>\$ 20,072,092</u>	<u>\$ 24,223,274</u>
<b>Expenses</b>										
School Board Component Unit:										
Education	\$ 34,877,857	\$ 38,262,381	\$ 37,936,112	\$ 36,562,008	\$ 35,211,575	\$ 40,758,394	\$ 43,746,361	\$ 48,346,683	\$ 53,103,510	\$ 57,707,996
Total School Board component unit expenses	<u>34,877,857</u>	<u>38,262,381</u>	<u>37,936,112</u>	<u>36,562,008</u>	<u>35,211,575</u>	<u>40,758,394</u>	<u>43,746,361</u>	<u>48,346,683</u>	<u>53,103,510</u>	<u>57,707,996</u>
<b>Program Revenues</b>										
School Board Component Unit:										
Charges for services:										
Education	870,221	743,310	691,627	668,260	775,552	681,733	998,918	993,557	1,043,960	1,203,042
Operating grants and contributions	20,462,618	21,239,894	21,317,552	21,836,971	23,276,690	27,685,138	33,926,091	38,215,546	35,078,515	37,124,948
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total School Board component unit revenues	<u>21,332,839</u>	<u>21,983,204</u>	<u>22,009,179</u>	<u>22,505,231</u>	<u>24,052,242</u>	<u>28,366,871</u>	<u>34,925,009</u>	<u>39,209,103</u>	<u>36,122,475</u>	<u>38,327,990</u>
<b>Net Expense</b>										
School Board Component Unit	<u>(13,545,018)</u>	<u>(16,279,177)</u>	<u>(15,926,933)</u>	<u>(14,056,777)</u>	<u>(11,159,333)</u>	<u>(12,391,523)</u>	<u>(8,821,352)</u>	<u>(9,137,580)</u>	<u>(16,981,035)</u>	<u>(19,380,006)</u>
<b>General Revenues and Other Changes in Net Position</b>										
School Board Component Unit:										
Payment from City of Waynesboro	13,239,886	15,465,866	15,765,278	23,133,914	23,682,892	18,222,217	16,867,407	17,925,629	19,163,805	19,838,063
Investment earnings	37,293	32,233	18,857	35,102	44,458	37,789	63,370	260,874	189,959	268,473
Miscellaneous	179,592	561,014	758,951	738,485	586,638	228,134	219,923	178,273	1,708,156	152,375
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	(13,075)
Total School Board Component Unit	<u>13,456,771</u>	<u>16,059,113</u>	<u>16,543,086</u>	<u>23,907,501</u>	<u>24,313,988</u>	<u>18,488,140</u>	<u>17,150,700</u>	<u>18,364,776</u>	<u>21,061,920</u>	<u>20,245,836</u>
<b>Change in Net Position</b>										
School Board Component Unit	<u>\$ (88,247)</u>	<u>\$ (220,064)</u>	<u>\$ 616,153</u>	<u>\$ 9,850,724</u>	<u>\$ 13,154,655</u>	<u>\$ 6,096,617</u>	<u>\$ 8,329,348</u>	<u>\$ 9,227,196</u>	<u>\$ 4,080,885</u>	<u>\$ 865,830</u>

**CITY OF WAYNESBORO, VIRGINIA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

**Table 3**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,036	\$ 35,099	\$ 33,572	\$ 28,473
Restricted	938,389	920,956	21,010,377	1,382,290	1,489,399	3,940,141	3,772,848	6,053,862	6,359,798	8,414,274
Committed	4,155,703	3,621,574	3,790,186	9,474,173	9,491,903	9,976,510	10,429,778	11,220,586	11,931,402	12,736,774
Assigned	167,899	302,517	460,601	2,436,027	6,404,178	9,418,037	13,001,302	11,344,857	13,025,557	12,422,406
Unassigned	11,058,122	9,323,445	10,019,656	2,463,499	1,478,341	1,375,629	1,406,440	3,384,994	1,898,721	1,985,435
<b>Total general fund</b>	<b>\$ 16,320,113</b>	<b>\$ 14,168,492</b>	<b>\$ 35,280,820</b>	<b>\$ 15,755,989</b>	<b>\$ 18,863,821</b>	<b>\$ 24,710,317</b>	<b>\$ 28,654,404</b>	<b>\$ 32,039,398</b>	<b>\$ 33,249,050</b>	<b>\$ 35,587,362</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ 586,029	\$ 589,149	\$ 591,189	\$ 594,429	\$ 599,469	\$ 604,029	\$ 609,447	\$ 631,757	\$ 670,396	\$ 700,263
Restricted	358,415	530,099	540,489	11,484,108	3,240,652	963,850	333,062	327,310	3,160	646,328
Committed	903,444	2,711,980	1,905,932	5,321,907	4,253,383	5,824,259	9,059,761	12,126,836	15,767,024	17,989,477
Assigned	2,574,832	3,193,323	3,036,931	2,230,222	3,230,282	4,228,587	791,601	946,936	976,267	950,588
Unassigned	-	(909,269)	(271,640)	(36,912)	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 4,422,720</b>	<b>\$ 6,115,282</b>	<b>\$ 5,802,901</b>	<b>\$ 19,593,754</b>	<b>\$ 11,323,786</b>	<b>\$ 11,620,725</b>	<b>\$ 10,793,871</b>	<b>\$ 14,032,839</b>	<b>\$ 17,416,847</b>	<b>\$ 20,286,656</b>

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**CITY OF WAYNESBORO, VIRGINIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

**Table 4**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenues</b>										
General property taxes	\$ 19,534,896	\$ 20,010,239	\$ 20,604,501	\$ 21,991,399	\$ 24,243,256	\$ 25,123,117	\$ 27,160,430	\$ 28,466,369	\$ 30,781,078	\$ 31,451,456
Sales taxes	5,493,561	5,396,441	5,610,549	5,391,887	5,604,128	6,358,170	6,890,032	7,130,221	7,449,958	7,574,885
Other local taxes	9,469,518	9,610,071	9,755,517	10,643,291	10,480,692	11,335,257	12,625,393	13,525,975	14,279,526	15,104,889
Permits, privilege fees, and regulatory licenses	216,732	192,623	182,714	242,244	262,225	285,084	295,264	287,540	319,073	483,418
Fines and forfeitures	186,866	143,191	123,413	161,902	117,943	119,946	128,749	132,826	217,608	178,851
Revenues from use of money and property	223,189	337,182	332,303	1,100,168	581,897	411,273	465,089	1,865,230	2,938,856	2,628,263
Charges for services	320,243	331,122	350,079	378,648	221,997	168,128	235,490	190,167	282,301	275,016
Miscellaneous	8,186,878	8,431,437	8,391,745	8,945,085	10,333,482	10,305,366	922,933	878,529	976,331	862,273
Recovered costs	741,411	748,658	779,980	879,426	922,094	1,100,141	940,129	613,405	601,761	611,293
Intergovernmental	13,655,806	14,050,959	13,144,405	13,973,739	16,899,507	17,063,163	14,975,365	17,631,167	19,193,499	26,095,912
<b>Total revenues</b>	<b>58,029,100</b>	<b>59,251,923</b>	<b>59,275,206</b>	<b>63,707,789</b>	<b>69,667,221</b>	<b>72,269,645</b>	<b>64,638,874</b>	<b>70,721,429</b>	<b>77,039,991</b>	<b>85,266,256</b>
<b>Expenditures</b>										
General government administration	10,885,148	11,422,599	11,899,595	13,140,973	12,962,563	13,893,454	5,516,423	5,448,889	5,987,837	6,344,726
Judicial administration	1,493,599	1,474,245	1,553,616	1,601,912	1,641,324	1,842,714	1,914,512	1,895,165	2,330,549	2,640,689
Public safety	11,056,875	11,339,732	12,143,873	12,805,943	13,024,804	13,823,431	14,610,173	16,574,990	17,391,661	23,474,460
Public works	6,503,352	7,594,812	5,653,176	5,056,165	10,018,699	5,567,222	7,375,164	6,218,073	7,856,672	7,011,488
Health and welfare	5,410,066	5,467,008	5,917,467	7,041,555	6,878,187	6,763,730	5,967,237	6,622,909	6,971,078	7,320,378
Education (1)	13,275,982	15,501,962	15,800,624	23,408,159	23,718,238	18,123,621	16,902,753	17,980,830	19,199,151	20,227,021
Parks, recreation, and culture	3,079,450	3,268,620	3,238,316	3,520,134	3,028,820	2,767,280	3,268,636	6,444,802	6,990,718	7,974,860
Community development	1,319,981	1,324,067	1,351,835	1,401,015	978,745	1,586,912	1,234,891	1,741,588	4,501,151	3,949,131
Capital projects	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal retirement	2,708,363	2,732,970	2,040,548	1,894,029	2,359,557	2,179,831	2,258,006	2,088,400	2,172,042	9,843,705
Interest and fiscal charges	1,136,227	1,056,435	966,779	1,462,448	1,495,334	1,396,049	1,307,395	1,197,648	1,107,428	1,068,224
Bond issuance costs	15,600	-	38,926	-	-	-	-	-	-	-
Redemption of debt	-	-	-	-	-	-	-	-	-	225,713
<b>Total expenditures</b>	<b>56,884,643</b>	<b>61,182,450</b>	<b>60,604,755</b>	<b>71,332,333</b>	<b>76,106,271</b>	<b>67,944,244</b>	<b>60,355,190</b>	<b>66,213,294</b>	<b>74,508,287</b>	<b>90,080,395</b>
Excess (Deficiency) of revenues over (under) expenditures	1,144,457	(1,930,527)	(1,329,549)	(7,624,544)	(6,439,050)	4,325,401	4,283,684	4,508,135	2,531,704	(4,814,139)

Table 4 (continued)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Other Financing Sources (Uses)</b>										
Insurance recoveries	36,644	95,628	34,688	110,120	25,790	111,716	181,736	75,776	161,496	182,676
Refunding bonds issued	-	-	19,860,000	-	-	-	-	-	-	7,803,425
Debt issued	216,083	533,547	-	-	-	-	-	-	-	-
Premium on debt	-	-	1,182,437	-	-	-	-	-	-	-
Capital lease	-	-	-	-	-	-	279,933	-	51,409	59,108
Refunded bonds redeemed	-	-	-	-	-	-	(271,574)	-	-	-
Transfers in	5,417,342	6,607,459	5,543,753	9,944,498	9,792,340	10,635,170	10,939,358	13,279,995	14,968,069	14,486,872
Transfers out	(4,850,695)	(5,765,166)	(4,491,382)	(8,834,704)	(8,541,288)	(8,928,852)	(9,013,298)	(11,239,944)	(13,119,018)	(12,509,821)
Total other financing sources (uses)	819,374	1,471,468	22,129,496	1,219,914	1,276,842	1,818,034	2,116,155	2,115,827	2,061,956	10,022,260
Net change in fund balances	<u>\$ 1,963,831</u>	<u>\$ (459,059)</u>	<u>\$ 20,799,947</u>	<u>\$ (6,404,630)</u>	<u>\$ (5,162,208)</u>	<u>\$ 6,143,435</u>	<u>\$ 6,399,839</u>	<u>\$ 6,623,962</u>	<u>\$ 4,593,660</u>	<u>\$ 5,208,121</u>
Debt service as a percentage of noncapital expenditures	7.0%	6.5%	5.1%	4.9%	5.5%	5.4%	6.1%	5.1%	4.5%	12.7%

## Notes:

(1) Education expenditures include the City's contribution to the School Board Component Unit.

**CITY OF WAYNESBORO, VIRGINIA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**

**Table 5**

Fiscal Year	Real Property (1)(3)				Personal Property (2)				Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value				
	Residential	Commercial	Public Service	Tax Rate per \$100	Motor Vehicles and Tangibles	Tax Rate per \$100	Public Service	Tax Rate per \$100					Machinery & Tools	Tax Rate per \$100	Rolling Stock	Tax Rate per \$100
2016	\$ 1,272,771,849	\$ 424,794,500	\$ 101,047,914	\$ 0.80	\$ 109,676,225	\$ 5.00	\$ 189,109	\$ 5.00	\$ 37,017,769	\$ 3.00	\$ 757,350	\$ 3.00	\$ 1,946,254,716	\$ 1.08	\$ 2,020,597,423	96.32%
2017	1,282,429,807	429,112,500	110,025,904	0.80	114,423,092	5.00	159,022	5.00	36,363,961	3.00	1,169,610	3.00	1,973,683,896	1.08	2,052,101,439	96.18%
2018	1,314,087,898	426,535,900	100,858,392	0.87	108,163,276	5.00	124,434	5.00	35,593,125	3.00	1,233,240	3.00	1,986,596,265	1.13	2,069,122,926	96.01%
2019	1,320,572,984	428,064,200	106,200,822	0.90	108,330,215	5.00	81,934	5.00	35,023,485	3.00	1,498,237	3.00	1,999,771,877	1.16	2,081,924,545	96.05%
2020	1,455,821,205	419,642,400	113,236,192	0.90	200,994,294	3.25	62,525	3.25	34,168,240	3.25	3,322,944	3.25	2,227,247,800	1.18	2,227,247,800	100.00%
2021	1,477,129,700	419,437,800	111,069,339	0.90	202,142,917	3.25	51,042	3.25	34,311,318	3.25	2,154,997	3.25	2,246,297,113	1.15	2,246,297,113	100.00%
2022	1,688,251,529	438,718,500	112,777,602	0.90	218,366,270	3.25	46,842	3.25	34,483,285	3.25	2,702,676	3.25	2,495,346,704	1.14	2,495,346,704	100.00%
2023	1,679,087,189	486,656,200	113,405,748	0.90	284,342,146	3.25	46,739	3.25	34,418,641	3.25	2,497,378	3.25	2,600,454,041	1.14	2,600,454,041	100.00%
2024	2,261,250,828	443,544,500	120,446,716	0.77	285,796,046	3.25	47,770	3.25	34,801,611	3.25	2,025,769	3.25	3,147,913,240	1.03	3,147,913,240	100.00%
2025	2,264,844,325	492,607,800	124,706,715	0.77	294,261,715	3.25	45,604	3.25	35,567,782	3.25	2,231,510	3.25	3,214,265,451	-	3,214,265,451	100.00%

Notes:

- (1) Property assessed at 100% of actual value. Tax rates are assessed per \$100 of assessed value.
- (2) Motor vehicles assessed at 50% of actual value through 2019 and 100% thereafter. Tax rates are assessed per \$100 of assessed value.
- (3) Assessed values include properties eligible for tax relief for the elderly.

Source:

City of Waynesboro, Assessor's Office

**CITY OF WAYNESBORO, VIRGINIA  
DIRECT PROPERTY TAX RATES (1)  
Last Ten Fiscal Years  
(rate per \$100 of assessed value)**

**Table 6**

<b>City Direct Rates (2)</b>				
<b>Fiscal Year</b>	<b>Real Estate</b>	<b>Motor Vehicles and Tangibles</b>	<b>Machinery &amp; Tools</b>	<b>Total Direct Rate</b>
2016	0.74	0.28	0.06	1.08
2017	0.74	0.29	0.06	1.09
2018	0.81	0.27	0.05	1.13
2019	0.83	0.27	0.05	1.15
2020	0.83	0.29	0.05	1.17
2021	0.80	0.29	0.05	1.14
2022	0.81	0.28	0.04	1.13
2023	0.79	0.36	0.04	1.19
2024	0.69	0.30	0.04	1.03
2025	0.69	0.30	0.04	1.03

Notes:

- (1) The City is autonomous from any other political subdivision of the Commonwealth of Virginia, and there are no overlapping taxing powers with other political subdivisions.
- (2) Direct rates are derived by calculating a weighted average that multiplies each rate by the proportion of the revenue base to which it applies.

Source:

City of Waynesboro, Assessor's Office

**CITY OF WAYNESBORO, VIRGINIA  
PRINCIPAL PROPERTY TAXPAYERS  
Current Year and Nine Years Ago**

Table 7

<u>Taxpayer</u>	<u>December 31, 2024</u>			<u>December 31, 2015</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Shenandoah Village Drive Owner LLC	\$ 46,157,300	1	1.67%	-	-	-
Chicopee, Inc.	32,761,729	2	1.19%	-	-	-
Rofta Waynesboro LLC	28,358,500	3	1.03%	-	-	-
Walmart	24,274,761	4	0.88%	17,819,930	5	0.86%
Windigrove LLC	21,784,800	5	0.79%	-	-	-
Neighborhood Investments	18,228,300	6	0.66%	-	-	-
Windigrove III LLC	17,341,300	7	0.63%	13,127,800	10	0.52%
DuPont Community Credit Union	17,027,655	8	0.62%	10,888,636	7	0.69%
Invista/DuPont	16,547,613	9	0.60%	23,823,413	3	1.74%
Lowe's Home Center	14,509,045	10	0.53%	12,683,406	8	0.67%
Poly-Bond, Inc.	-	-	-	37,043,795	1	3.90%
Ntelos/CFW Communications	-	-	-	21,939,439	2	2.90%
Waynesboro Town Center	-	-	-	26,242,498	4	1.04%
Lumos	-	-	-	3,005,209	6	0.74%
Target	-	-	-	12,250,971	9	0.59%
<b>Total</b>	<b>\$ 236,991,003</b>		<b>8.6%</b>	<b>\$ 178,825,097</b>		<b>13.65%</b>

Source:  
City of Waynesboro, Commissioner of the Revenue

**CITY OF WAYNESBORO, VIRGINIA  
PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years**

**Table 8**

Fiscal Year	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years	Total Collections to Date	
	(Original Levy)	Adjustments	Total Adjusted Levy	Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2016	\$ 20,926,459	\$ (1,740)	\$ 20,924,719	\$ 20,634,703	98.61%	\$ 345,290	\$ 20,884,342	99.80%
2017	21,305,548	(106)	21,305,442	20,990,103	98.52%	307,298	21,232,893	99.65%
2018	22,424,812	(38,098)	22,386,714	21,982,776	98.03%	366,151	22,267,223	99.45%
2019	23,263,009	(8,783)	23,254,226	22,763,818	97.85%	522,317	22,980,819	98.99%
2020	25,862,973	6,695	25,869,668	24,994,172	96.64%	824,439	25,818,611	99.80%
2021	25,952,197	8,099	25,960,296	25,336,973	97.63%	446,319	25,783,292	99.32%
2022	28,568,151	17,372	28,585,523	27,715,005	97.01%	541,391	28,256,396	98.85%
2023	31,381,999	(27,763)	31,354,236	28,778,891	91.71%	530,643	29,309,534	93.48%
2024	31,978,630	(6,352)	31,972,278	30,783,252	96.26%	225,387	31,008,639	96.99%
2025	32,943,340	-	32,943,340	31,359,887	95.19%	-	31,359,887	95.19%

Source:  
City of Waynesboro, Treasurer

Notes:  
(1) Includes the Commonwealth's personal property tax reimbursement.

**CITY OF WAYNESBORO, VIRGINIA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

**Table 9**

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	State Literary Loans	Lease Liabilities	General Obligation Bonds	Sewer Revenue Bonds	Virginia Revolving Loan			
2016	\$ 27,313,134	\$ 1,000,000	\$ -	\$ 13,422,539	\$ 18,753,439	\$ 3,960,137	\$ 64,449,249	7.50%	2,999
2017	25,363,711	750,000	-	13,007,540	18,020,115	3,651,297	60,792,663	6.97%	2,778
2018	43,433,163	500,000	-	12,575,263	16,801,232	3,170,447	76,480,105	8.07%	3,425
2019	41,789,133	250,000	-	12,133,286	15,947,996	3,005,331	73,125,746	7.06%	3,232
2020	37,214,972	-	-	13,942,419	14,845,666	2,667,632	68,670,689	6.65%	3,034
2021	35,035,140	-	-	13,244,822	13,699,708	2,319,726	64,299,396	5.94%	2,841
2022	32,785,496	-	104,523	12,271,985	12,508,587	1,961,305	59,631,896	5.53%	2,644
2023	30,696,893	-	190,884	11,515,605	11,270,702	1,592,050	55,266,134	4.65%	2,423
2024	28,525,053	-	158,847	10,724,157	9,984,387	1,211,634	50,604,078	4.27%	2,183
2025	25,650,840	-	118,463	9,900,456	8,647,906	819,722	45,137,387	3.68%	2,034

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Notes:

- (1) See the Schedule of Demographic and Economic Statistics on Table 14 for personal income and population data.

**CITY OF WAYNESBORO, VIRGINIA**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**Last Ten Fiscal Years**

Table 10

Fiscal Year	General Bonded Debt			Less: Amounts Available in Debt Revenue Fund	Net General Bonded Debt Outstanding	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	State Literary Loans	Total				
2016	\$ 27,313,134	\$ 1,250,000	\$ 28,563,134	\$ 4,405	\$ 28,558,729	1.41%	1,329
2017	25,363,711	750,000	26,113,711	4,405	26,109,306	1.27%	1,193
2018	43,433,163	750,000	44,183,163	4,405	44,178,758	2.14%	1,979
2019	41,789,133	500,000	42,289,133	204,405	42,084,728	2.02%	1,860
2020	37,214,972	250,000	37,464,972	35,208	37,429,764	1.68%	1,654
2021	35,035,140	-	35,035,140	295,503	34,739,637	1.55%	1,535
2022	32,785,496	-	32,785,496	40,914	32,744,582	1.31%	1,452
2023	30,696,893	-	30,696,893	40,478	30,656,415	1.18%	1,344
2024	28,525,053	-	28,525,053	38,992	28,486,061	0.90%	1,229
2025	25,650,840	-	25,650,840	82,251	25,568,589	0.80%	1,152

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Notes:

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Table 5 for property value data.
- (2) Population data can be found in the Schedule of Demographic and Economic Statistics on Table 14.
- (3) Beginning in 2013, the Economic Development Authority was presented as a blended component unit.

**CITY OF WAYNESBORO, VIRGINIA  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1)  
 As of June 30, 2025**

**Table 11**

<b>Jurisdiction</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to City of Waynesboro</b>	<b>Amount Applicable to City of Waynesboro</b>
City of Waynesboro	\$ 25,769,303	100%	\$ 25,769,303

Notes:

- (1) The City is autonomous from any other political subdivision of the Commonwealth of Virginia, and there is no overlapping debt or taxing powers.

**CITY OF WAYNESBORO, VIRGINIA  
LEGAL DEBT MARGIN INFORMATION  
Last Ten Fiscal Years**

**Table 12**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Debt limit	\$ 179,861,426	\$ 182,156,821	\$ 184,148,219	\$ 185,483,801	\$ 198,869,980	\$ 200,763,684	\$ 223,974,763	\$ 227,914,914	\$ 282,524,204	\$ 288,215,884
Total net debt applicable to limit	<u>45,691,405</u>	<u>42,768,143</u>	<u>59,674,468</u>	<u>56,973,345</u>	<u>53,789,815</u>	<u>50,304,185</u>	<u>46,977,872</u>	<u>43,764,070</u>	<u>40,421,852</u>	<u>36,288,767</u>
Legal debt margin	<b><u>\$ 134,170,021</u></b>	<b><u>\$ 139,388,678</u></b>	<b><u>\$ 124,473,751</u></b>	<b><u>\$ 128,510,456</u></b>	<b><u>\$ 145,080,165</u></b>	<b><u>\$ 150,459,499</u></b>	<b><u>\$ 176,996,891</u></b>	<b><u>\$ 184,150,844</u></b>	<b><u>\$ 242,102,352</u></b>	<b><u>\$ 251,927,117</u></b>
Total net debt applicable to the limit as a percentage of debt limit	25.40%	23.48%	32.41%	30.72%	27.05%	25.06%	20.97%	19.20%	14.31%	12.59%

**Legal Debt Margin Calculation for Fiscal Year 2024**

Assessed Value of Real Property	\$ 2,882,158,840
Debt Limit - 10%	288,215,884
Debt Applicable to Limit:	
General obligation debt	36,371,018
Less: Amount set aside for repayment of general obligation debt	<u>(82,251)</u>
Total net debt applicable to limit	<u>36,288,767</u>
Legal Debt Margin	<b><u>\$ 251,927,117</u></b>

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed real property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**CITY OF WAYNESBORO, VIRGINIA  
 PLEDGED-REVENUE COVERAGE  
 Last Ten Fiscal Years**

**Table 13**

Fiscal Year	Sewer Revenue Bonds						Coverage
	Sewer Charges and Other (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service			
				Principal	Interest		
2016	\$ 5,352,566	\$ 2,373,561	\$ 2,979,005	\$ 910,735	\$ 753,579	1.79	
2017	5,683,109	2,403,328	3,279,781	963,476	729,373	1.94	
2018	5,913,933	2,122,853	3,791,080	1,227,046	852,538	1.82	
2019	5,945,807	2,480,393	3,465,414	1,276,312	496,350	1.95	
2020	6,409,988	2,725,007	3,684,981	1,646,755	612,375	1.63	
2021	6,349,980	2,421,958	3,928,022	1,652,335	569,018	1.77	
2022	6,851,362	2,343,605	4,507,757	1,657,923	523,167	2.07	
2023	7,261,884	2,601,620	4,660,264	1,663,521	447,092	2.21	
2024	7,967,134	2,711,852	5,255,282	1,669,127	425,833	2.51	
2025	8,280,077	3,217,061	5,063,016	1,674,743	374,218	2.47	

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Notes:

- (1) Sewer charges and other includes investment earnings.
- (2) Operating expenses do not include interest or depreciation.

**CITY OF WAYNESBORO, VIRGINIA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Fiscal Years**

**Table 14**

Fiscal Year	Population <sup>(1)</sup>	Personal Income (amounts expressed in thousands)	Per capita income <sup>(2)</sup>	Median age	Educational attainment <sup>(3)</sup>		School enrollment <sup>(4)</sup>	Unemployment rate <sup>(5)</sup>
					High School Graduate or higher	Bachelor's Degree or higher		
2016	21,491	\$ 859,645	\$ 40,000	38.8	84.6%	19.0%	3,033	4.0%
2017	21,887	872,320	39,856	*	84.9%	18.4%	3,013	4.2%
2018	22,327	947,429	42,434	*	86.3%	22.6%	2,967	3.6%
2019	22,628	1,035,718	45,772	*	85.8%	22.3%	2,868	3.0%
2020	22,630	1,033,234	45,658	*	86.6%	25.0%	2,817	8.7%
2021	22,630	1,081,578	47,794	*	86.1%	27.1%	2,914	4.5%
2022	22,550	1,077,755	47,794	*	87.1%	28.9%	3,022	3.1%
2023	22,808	1,185,218	51,965	*	87.7%	27.9%	3,043	2.9%
2024	23,182	1,226,560	52,910	*	88.2%	27.2%	3,060	3.0%
2025	22,196	1,241,400	55,929	*	89.0%	26.3%	3,044	3.7%

\* Median age info not available

Sources:

- (1) Total population for Waynesboro City from U.S. Census Bureau website as of November 5, 2025
- (2) Archival Federal Reserve Economic Data, Federal Reserve Bank of St. Louis (2023 data is most recent available)
- (3) Censusreporter.org - Data presented is percentage of persons 25 years or older attaining the described educational status 2019-2023
- (4) Virginia Department of Education
- (5) Virginia Employment Commission - data for the month of June 2025

**CITY OF WAYNESBORO, VIRGINIA  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago**

Table 15

<u>Employer</u>	<u>2025 <sup>(1)</sup></u>			<u>2016 <sup>(1)</sup></u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Waynesboro School Board	500-999	1	5.12%	500-999	1	5.31%
Walmart	250-499	2	2.56%	250-499	4	2.65%
City of Waynesboro	250-499	3	2.56%	250-499	3	2.65%
A&AT LLC (Invista/Dupont)	100-249	4	1.02%	250-499	2	2.65%
DuPont Community Credit Union	100-249	5	1.02%			
Lumos	100-249	6	1.02%	250-499	6	2.65%
Virginia Panel Corporation	100-249	7	1.02%			
Chicopee Incorporated	100-249	8	1.02%	100-249	7	1.06%
Gridiron Fiber Corporation	100-249	9	1.02%			
Lowes' Home Centers, Inc.	100-249	10	1.02%			
Ntelos/CFW Communication				250-499	5	2.65%
Adecco				100-249	8	1.06%
Kroger				100-249	9	1.06%
Augusta Lumber				100-249	10	1.06%
<b>Total</b>	<b><u>1,700-3,740</u></b>		<b><u>17.38%</u></b>	<b><u>2150-4,490</u></b>		<b><u>22.80%</u></b>

Source: Virginia Employment Commission

Percentage calculations and totals are based on the minimum number of employees in the respective range.

Notes:

(1) Data is for January, February, and March of 2025 and 2016, respectively.

**CITY OF WAYNESBORO, VIRGINIA  
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
Last Ten Fiscal Years**

**Table 16**

<b>Function/Program</b>	<b>2016</b>	<b>2017</b>	<b>2018 *</b>	<b>2019 *</b>	<b>2020*</b>	<b>2021*</b>	<b>2022*</b>	<b>2023*</b>	<b>2024*</b>	<b>2025*</b>
General government administration	32.7	33.8	44	45	46	46	45	49	49	49
Judicial administration	9.7	9.5	20	22	25	26	26	27	28	29
Public safety:										
Police	65.9	67.8	68	72	72	77	76	76	76	74
Fire	38.5	37.4	34	34	34	35	36	35	36	40
Correction and detention	12.0	12.3	28	24	24	25	25	24	23	24
Building inspections	5.8	5.9	8	7	8	8	8	9	9	10
Emergency management	24.8	26.2	21	21	24	27	25	25	25	25
Animal control	9.3	10.8	9	8	8	14	n/a#	n/a#	n/a#	n/a#
Public works:										
General engineering/administrative	21.0	24.7	43	46.87	45.37	49	48	51	52	54
Building and grounds	7.0	6.0	4	4	4	6	5	6	5	3
Equipment rental	7.2	6.4	7	7	7	7	7	7	7	6
Waterworks	27.9	29.5	22.5	23.5	26.5	17	32	26	25	26
Sewage/collection	36.0	31.9	27.5	26.5	27.5	27	27	26	27	25
Sanitation	28.7	29.0	15	15.5	15.5	17	18	17	18	19
Stormwater	8.2	7.2	8	10.63	10.13	11	8	8	9	9
Parks, recreation, and cultural:										
Parks	23.1	24.8	51	51	51	25	25	27	28	28
Library	14.5	14.5	22	22	22	22	22	22	22	23
Community development	5.9	5.9	7	7	7	9	8	10	10	10
CAPSAW	-	-	-	-	-	-	-	1	1	1
Schools	484.0	490.0	488.0	504.1	499.0	503.0	510.2	538.0	553.5	555.4
<b>Total</b>	<b>862.2</b>	<b>873.6</b>	<b>927.0</b>	<b>951.1</b>	<b>956.0</b>	<b>951.0</b>	<b>951.2</b>	<b>984.0</b>	<b>1,003.5</b>	<b>1,010.4</b>

Source: City and School Finance Departments

Notes:

\* FY18 through FY25 numbers for the City are the number of approved positions (Full-Time, Part-Time, and Seasonal), not the FTE, which inflates the total. The current software system is not set up to track FTE.

# Supervision of the animal control facility was transferred to a different locality beginning in FY22.

**CITY OF WAYNESBORO, VIRGINIA  
OPERATING INDICATORS BY FUNCTION  
Last Ten Fiscal Years**

**Table 17**

<b>Function</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Building &amp; Zoning</b>										
Building permits issued (total)	957	955	778	1,122	1,184	1206	1,136	1,420	1,316	1,542
Building inspections conducted (total)	2,431	2,523	2,037	3,206	4,001	4111	4,170	5,233	6,388	5,732
New residential construction	41	31	27	82	97	130	120	154	142	162
New commercial construction	5	5	6	7	3	3	12	15	5	20
Zoning permits issued	110	130	95	79	183	198	209	225	193	218
Zoning inspections conducted <sup>(1)</sup>	-	-	-	-	117	126	210	158	202	160
Property Maint/Code Enforcement Cases <sup>(2)</sup>	334	259	261	291	449	373	285	283	283	214
Property Maint/Code Enforcement Inspections <sup>(2)</sup>	676	523	569	555	731	903	521	496	469	290
Site Development Projects <sup>(1)</sup>	-	-	-	-	14	13	20	13	21	18
<b>Planning</b>										
Conditional use permits	2	1	4	3	5	4	1	3	4	4
Rezoning requests	2	1	2	2	1	9	6	3	3	-
Major subdivision reviews	1	4	4	2	1	5	7	4	8	8
Minor subdivision reviews	10	12	14	13	14	11	7	5	8	14
Vacate streets/alleys	1	0	1	1	2	2	0	1	1	1
<b>Public Safety</b>										
Arrests	2,364	1,938	2,463	2,232	2,060	2,265	1,980	2,068	2,312	2,556
Parking violations	296	487	520	357	265	214	286	238	394	254
Traffic citations	1,368	986	1,222	1,246	923	496	542	802	1,082	1,184
<b>Library</b>										
Total collection	146,927	127,906	123,921	103,597	92,138	85,024	72,000	91,790	92,900	98,915
Total circulation	309,672	311,735	310,711	287,213	151,307	114,727	158,003	182,641	190,134	192,380
Visitors/patrons	162,191	158,200	151,694	135,327	97,861	17,644	55,661	73,393	85,374	90,622
<b>Public Works</b>										
Meters placed for new construction	46	29	46	59	102	113	137	187	177	171
Meters replaced	613	1,280	207	826	1,427	589	516	511	715	72
<b>Education</b>										
Number of teachers, Elementary (K-5)	160	164	162	151	151	158	183	181	186	187
Number of teachers, Secondary (6-12)	80	78	78	90	84	86	91	90	92	93
Number of teachers, District-Wide (K-12)	10	10	10	11	8	10	10	15	16.8	16.8
Number of students, District-Wide (K-12)	3,033	3,013	2,967	2,868	2,817	2,914	2,826	2,863	2,837	2,773

Source: Various Departments in the City

Notes:

- (1) The Building & Zoning Office began utilizing new software during FY2020 and have added two additional statistical categories.
- (2) Beginning in FY2020, the department began tracking Code Enforcement Cases/Inspections. In previous years it was only Property Maintenance Cases/Inspections. The latter category encompasses both property maintenance and zoning enforcement cases, which were previously not recorded here.
- (3) The Library Director calculated figures for FY2020 based on the state's counting process. Previous years' counting method is unknown.

**CITY OF WAYNESBORO, VIRGINIA  
CAPITAL ASSETS STATISTICS BY FUNCTION  
Last Ten Fiscal Years**

**Table 18**

<b>Function</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Public Safety</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	10	10	10	10	10	15	19	23	24	32
Fire Stations	1	1	1	1	1	1	1	1	2	2
<b>Public Works</b>										
Streets (miles)	125.69	125.69	125.69	126.36	126.36	127.73	127.73	127.73	127.73	128.59
Water lines (miles)	149.02	149.11@	149.89	153.57	152.61	159.66	161.45	163.43	164.19	167.04
Fire hydrants	736	745	763	768	844	862	872	884	895	957
Waste water treatment plants	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	130.72	130.8@	129.01	129.65	129.65	131.63	133.07	134.38	134.8	136.89
<b>Parks, Recreation, &amp; Cultural</b>										
Parks	5	6	6	6	6	6	6	6	7	9
Acreage	365	367	367	367	367	367	367	367	477	493

Source: Various Departments in the City

Notes:

(@) Updated data in FY18; numbers reported in prior year were incorrect.

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***COMPLIANCE SECTION***

## **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 Honorable Members of the City Council  
City of Waynesboro, Virginia  
Waynesboro, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Waynesboro, Virginia (the “City”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated November 25, 2025. Our report includes a reference to other auditors who audit the financial statements of the Augusta Regional Landfill, as described in our report of the City’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City’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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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

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



## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. **The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings and Responses as Item 2025-001.**

## City's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The City'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* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia  
November 25, 2025

# City of Waynesboro, Virginia

## Summary of Compliance Matters

June 30, 2025

As more fully described in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the City's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

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### State Compliance Matters

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#### *Code of Virginia*

- Budget and Appropriation Laws
- Cash and Investment Laws
- Conflicts of Interest Act
- Local Retirement Systems
- Debt Provisions
- Procurement Laws
- Governor's Opportunity Funds
- Comprehensive Services Act
- Uniform Disposition of Unclaimed Property Act
- Sheriff Internal Controls

#### *State Agency Requirements*

- Education
- Social Services
- Urban Highway Maintenance
- Stormwater Management Program
- Fire Programs Aid to Localities
- Opioid Abatement Program

**City of Waynesboro, Virginia**  
**Schedule of Findings and Responses**  
June 30, 2025

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**A – Findings – Financial Statement Audit**

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None noted.

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**B – Findings – Commonwealth of Virginia**

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*2025-001: Conflict of Interest Disclosure Statements*

Condition During our review of Conflict of Interest Disclosure Statements, we noted 1 individual did not submit their form to the City. Consequently, the City is unaware of any potential related parties or conflicts related to this individual.

Recommendation We recommend obtaining the Conflict of Interest Disclosure Statements from all required parties prior to the state's deadline of February 1.

View of Responsible Officials The City of Waynesboro will update their process to obtain the Conflict of Interest Disclosure Statements.