



City of Waynesboro, Virginia

*Annual Comprehensive Financial Report
Prepared by the Finance Department
June 30, 2022*

CITY OF WAYNESBORO, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022

**CITY OF WAYNESBORO, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022**

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INTRODUCTORY SECTION

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CITY OF WAYNESBORO, VIRGINIA
(As of June 30, 2022)

COUNCIL

Robert Henderson, Mayor
 Lana Williams, Vice Mayor
 Terry Short Jr.
 Bruce Allen
 Dr. Samuel Hostetter
 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 Garris	City Assessor
David L. Ledbetter	Commonwealth's Attorney
Dr. Jeffrey Cassell	Superintendent of Schools
Anita Harris	Director of Social Services
Christopher Johnson, Jr.	Sheriff
Nicole A. Briggs	Clerk of Circuit Court

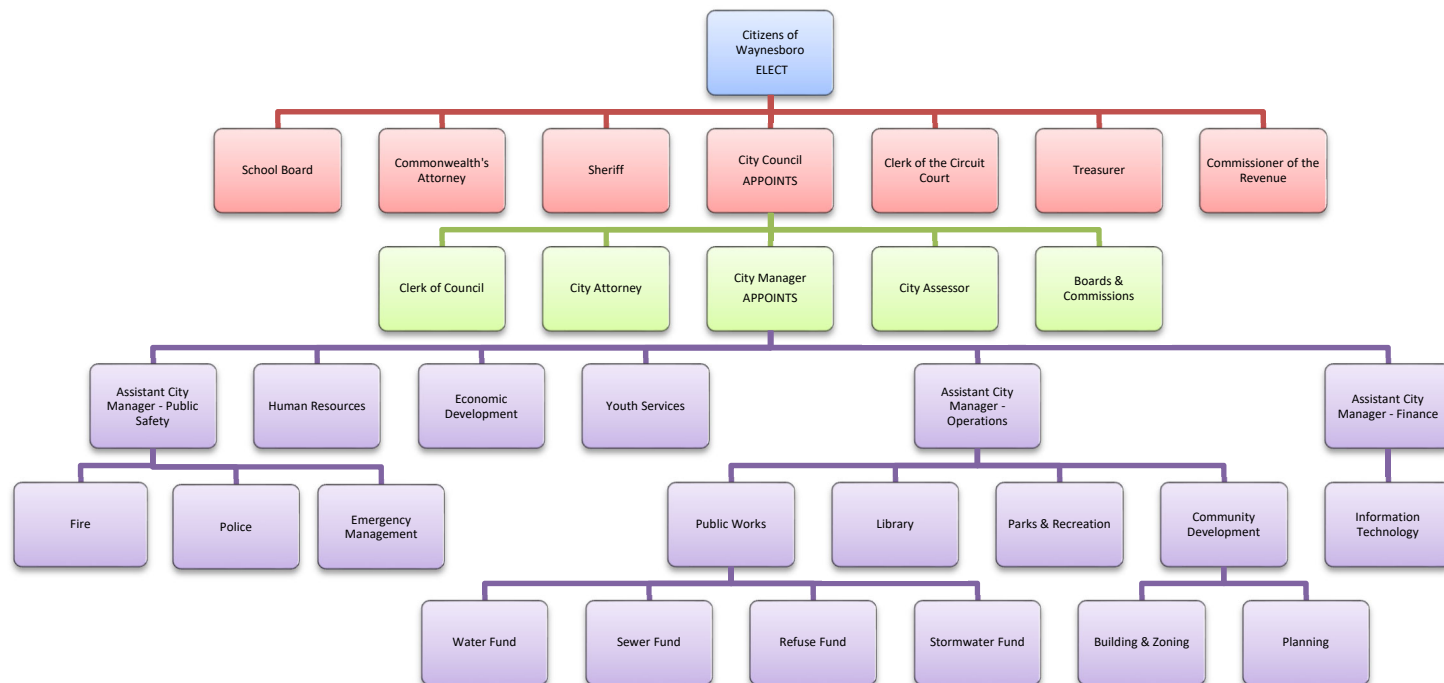
SCHOOL BOARD

Diana L. Williams, Chair
 Kathe Maneval, Vice Chair
 Harry Richard Wheeler, Jr.
 Debra Freeman-Belle
 Erika Smith
 Vonda A. Hutchinson, Clerk

ECONOMIC DEVELOPMENT AUTHORITY

Mary Sullivan, Chair
 George Reed, Vice Chair
 Gregory Hitchin, Secretary/Treasurer
 Angie Bandy
 Mark Snyder
 Tami Radecke
 Brenda Arkward
 Chris Ornelas

2022 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, 2022, 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, 2022, 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 10 to the financial statements, in 2022, the City of Waynesboro, Virginia adopted new accounting guidance, *GASB Statement No. 87, Leases*. Our opinion is not modified with respect to this matter.

Management's Responsibilities 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 of Waynesboro, Virginia'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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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, capital asset schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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, capital asset schedules, and the schedule of expenditures of federal awards 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 December 8, 2022 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.

A handwritten signature in black ink that reads "Brown, Edwards & Company, L.L.P." in a cursive script.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
December 8, 2022

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, 2022. 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 \$83,160,704. Of this amount, \$8,052,019 (unrestricted net position) may be used to satisfy the primary government's obligations to citizens and creditors for business-type activities.
- The City's total net position related to the primary government increased by \$10,085,204 compared to 2021.
- As of the end of 2022, the City's governmental funds reported a combined ending fund balance of \$39,448,274 – an increase of \$6,399,838 in comparison to the prior year. Of this amount, \$3,944,087 is shown as an increase to the fund balance of the General Fund, \$209,466 as a decrease to the Bond Fund, \$3,235,502 increase in the Capital Improvements Fund, and \$570,285 as a decrease 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 \$9,152,377. There were sufficient funds in committed fund balance at the end of 2022 to satisfy this policy.
- The City's total long-term liabilities at the close of 2022, including governmental and business type activities, were \$76,795,638. During fiscal year 2022, the city retired a total of \$16,657,440, predominantly through principal reductions and the reduction of pension liability. Over the same period, the City added a total of \$1,908,918 in new long-term obligations, primarily due to the refunding of an existing debt issuance. At the close of the fiscal year, the amount of debt principal payments and other liabilities due within one year was \$4,915,225 (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, street maintenance, 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 eight 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 2022.

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 \$83,160,476 at the close of fiscal year 2022. Capital assets (e.g., land, buildings, machinery, and equipment) in 2022 comprise approximately 62% of total assets, which is slightly less than 2021. 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 Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	61,420,884	50,661,465	17,673,155	14,894,436	79,094,039	65,555,901
Capital assets	41,146,821	42,919,889	59,856,549	62,155,532	101,003,370	105,075,421
Total assets	102,567,705	93,581,354	77,529,704	77,049,968	180,097,409	170,631,322
Deferred charges	81,730	106,317	562,518	649,819	644,248	756,136
Deferred losses	6,099,488	5,369,779	1,151,265	1,005,438	7,250,753	6,375,217
Total deferred outflows of resources	6,181,218	5,476,096	1,713,783	1,655,257	7,895,001	7,131,353
Current and other liabilities	14,533,364	6,383,566	3,448,876	3,402,403	17,982,240	9,785,969
Long-term liabilities outstanding	44,730,344	55,205,691	27,150,069	31,424,936	71,880,413	86,630,627
Total liabilities	59,263,708	61,589,257	30,598,945	34,827,339	89,862,653	96,416,596
Unavailable revenue	1,788,633	5,625,890	-	-	1,788,633	5,625,890
Leases	200,496	-	-	-	200,496	-
Deferred gains	10,933,767	2,225,740	2,046,157	418,949	12,979,924	2,644,689
Total deferred inflows of resources	12,922,896	7,851,630	2,046,157	418,949	14,969,053	8,270,579
Net position:						
Invested in capital assets, net of related debt	37,514,787	38,890,208	32,877,670	32,605,859	70,392,457	71,496,067
Restricted and Nonexpendable	4,715,356	5,508,020	872	2,421	4,716,228	5,510,441
Unrestricted	(5,667,824)	(14,781,665)	13,719,843	10,850,657	8,052,019	(3,931,008)
Total net position	36,562,319	29,616,563	46,598,385	43,458,937	83,160,704	73,075,500

Summary of Net Position

As shown in the summary table above, it would appear that the primary government does not have the resources to meet its ongoing obligations to citizens and creditors because the negative value of its unrestricted assets is indicative of a deficit financial position. These numbers, however, are represented as such due to the dynamics of asset and liability reporting that exists between the governmental activities and the Schools, a Discrete Component Unit. Because Virginia School Boards do not have the authority to issue debt, the City is responsible for reporting all school-related debt which is \$29,257,985 at June 30, 2022. Conversely, the holdings associated with this debt are reported by the Schools as part of its capital assets. If the debt related to the Schools was not included in the long-term liabilities of the primary government, the total net position for governmental activities would be \$65,820,304 and the total net position for the primary government would be \$112,418,689.

Approximately 13% 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 \$10,085,204 compared to 2021. This increase is the net effect of a \$3,139,448 increase in the net position of the business-type activities, and a \$6,945,756 increase in the net position of the governmental activities.

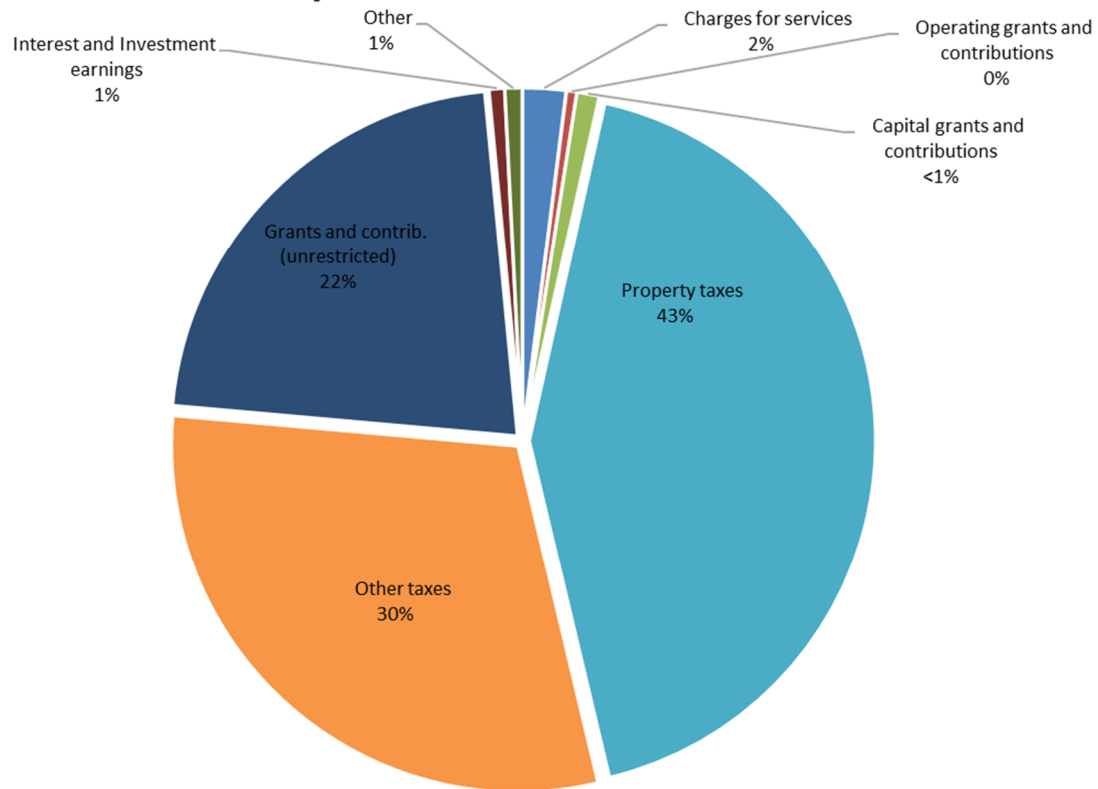
The table on the following page provides comparison information from 2021 to 2022 related to revenues and expenses of governmental and business-type activities. Revenues are broken down into program and general types. Program revenues consist of charges for services, operating grants and contributions, and capital contributions. General revenues include such sources as taxes on property, retail sales, business licenses, communications, meals, lodging, etc.

When compared to 2021, total revenues from Governmental Activities decreased by \$6,661,044, primarily comprised of an decrease of \$9,468,585 in charges for services related to reclassification of the health insurance fund as well as an increase of \$2,944,692 in property taxes. When compared to 2021, total expenditures of Governmental Activities decreased by \$8,542,707; with significant increases to public works (\$2.5M), and significant decreases to general government administration (\$8.7M) and education (\$1.2M). Overall, the change in the Governmental net position was an increase of \$5,142,697 before transfers, and \$6,945,756 after transfers of \$1,803,059 are taken into consideration.

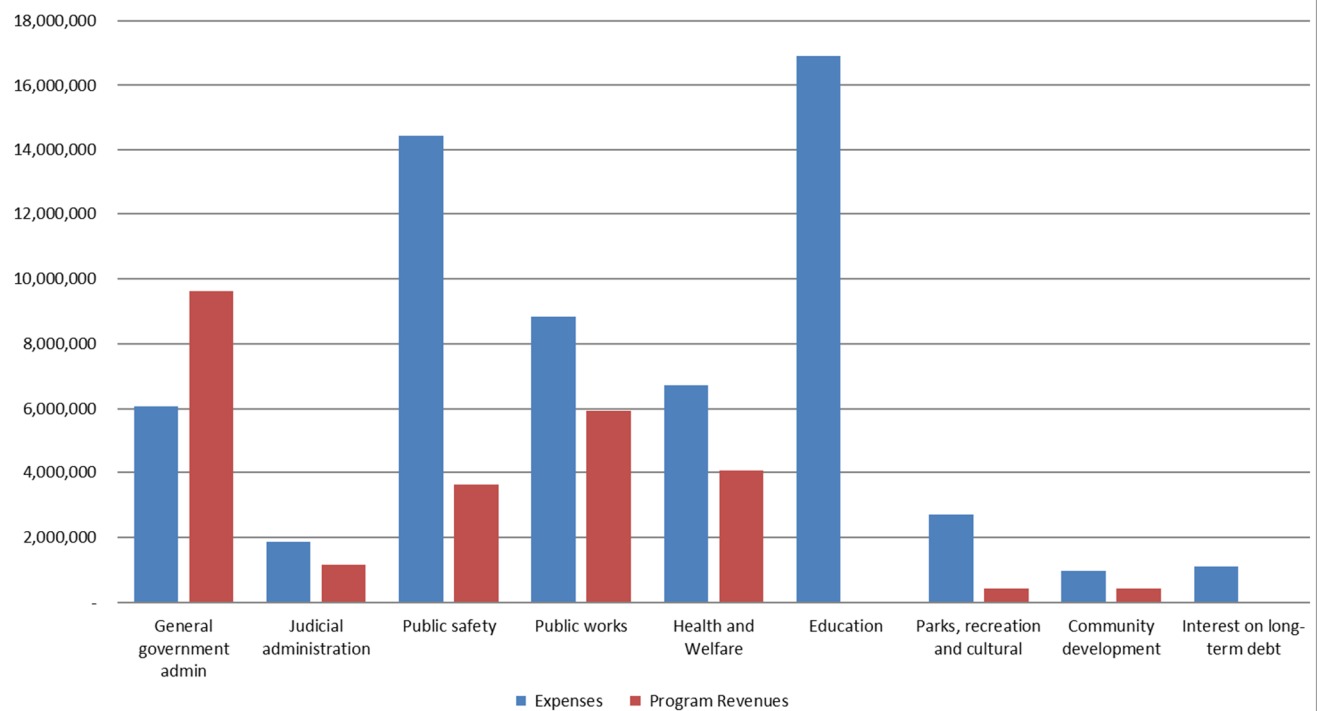
In comparison to 2021, Business-type revenues derived from charges for services increased in 2022 by \$1,253,178. Four of the five business-type activity funds had decreases in expenses greater than 4% of the previous year's expense total.

City of Waynesboro, Virginia						
Changes in Net Position						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Revenues by source:						
Program Revenues						
Charges for services	1,294,466	10,763,051	15,203,191	13,950,013	16,497,657	24,713,064
Operating grants and contributions	305,166	289,541	178,971	31,885	484,137	321,426
Capital grants and contributions	671,773	-	317,161	302,600	988,934	302,600
General Revenues						
Property taxes	27,708,213	24,763,521	-	-	27,708,213	24,763,521
Other taxes	19,515,425	17,693,427	-	-	19,515,425	17,693,427
Grants and contrib. (unrestricted)	14,303,592	17,063,163	-	-	14,303,592	17,063,163
Interest and Investment earnings	465,089	411,273	97,255	68,732	562,344	480,005
Other	516,477	457,269	21,450	108,596	537,927	565,865
Total Revenues	64,780,201	71,441,245	15,818,028	14,461,826	80,598,229	85,903,071
Expenses by activity:						
Governmental activity						
General government admin	6,061,317	14,792,879	-	-	6,061,317	14,792,879
Judicial administration	1,880,301	2,037,824	-	-	1,880,301	2,037,824
Public safety	14,442,688	14,483,020	-	-	14,442,688	14,483,020
Public works	8,840,925	6,297,453	-	-	8,840,925	6,297,453
Health and Welfare	6,714,783	6,798,799	-	-	6,714,783	6,798,799
Education	16,902,753	18,123,621	-	-	16,902,753	18,123,621
Parks, recreation and cultural	2,714,327	2,621,804	-	-	2,714,327	2,621,804
Community development	966,154	1,767,095	-	-	966,154	1,767,095
Interest on long-term debt	1,114,256	1,257,944	-	-	1,114,256	1,257,944
Business-type activities						
Water	-	-	2,844,395	3,656,690	2,844,395	3,656,690
Sewer	-	-	5,213,442	5,429,946	5,213,442	5,429,946
Landfill operations	-	-	903,007	764,102	903,007	764,102
Refuse	-	-	961,129	1,076,380	961,129	1,076,380
Stormwater	-	-	953,548	1,154,476	953,548	1,154,476
Total Expenses	59,637,504	68,180,439	10,875,521	12,081,594	70,513,025	80,262,033
Change in net position before transf.	5,142,697	3,260,806	4,942,507	2,380,232	10,085,204	5,641,038
Transfers	1,803,059	1,667,318	(1,803,059)	(1,667,318)	-	-
Increase (decrease) in net position	6,945,756	4,928,124	3,139,448	712,914	10,085,204	5,641,038
Net position - beginning (as restated)	29,616,563	24,688,439	43,458,937	42,746,023	73,075,500	72,361,601
Net position -ending	36,562,319	29,616,563	46,598,385	43,458,937	83,160,704	73,075,500

Revenues by Source - Governmental Activities

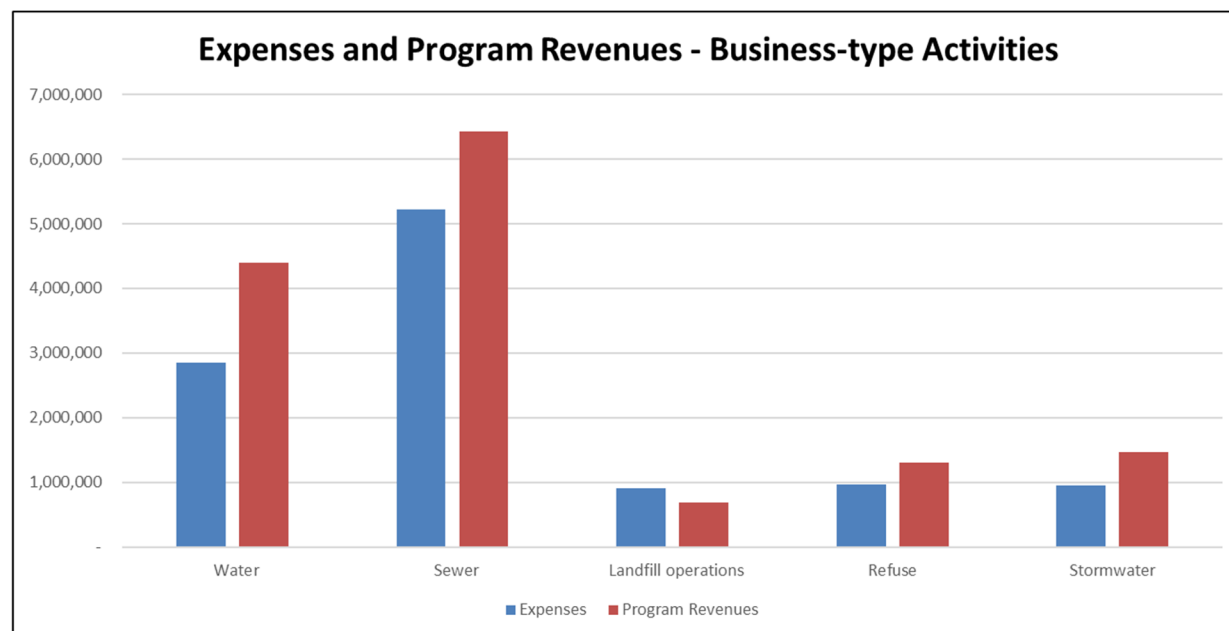


Expenses and Program Revenues - Governmental Activities



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 2022 compared to the expenses incurred for governmental activities during 2022. 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 2022 except 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 \$1,406,440, while total fund balance was \$28,654,404. 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 59% of the total fund expenditures.

The fund balance of the City's General Fund increased by \$3,944,087 during 2022. Large positive variances in general property tax revenue, other local tax revenue, state revenues, public works expenditures and general government administration contributed to the increase.

Bond Fund. The Bond Fund is the fund in which bonds are tracked for the City. At the end of 2022, fund balance was \$333,062, a decrease of \$209,466 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 \$9,059,761 in this fund, all of which is committed. This is an increase of \$3,235,502 which is mostly caused by projects being planned for in future year.

Other non-major funds. As of June 30, 2022, the fund balance for the other governmental funds was \$1,401,047. This fund balance amount represents 13% of the total of all other non-major fund expenditures. The net change in fund balance was a decrease of \$570,285.

Proprietary funds. At the end of 2022, the total net position of the enterprise funds was \$46,598,385. This figure represents an increase in net position of \$2,186,821 compared to 2021. The total net assets of the internal services fund at the end of 2022 were \$6,279,474 which represents an increase from 2021 of \$574,830.

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 7 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 \$1,001,732 greater than originally budgeted revenues. The increase is comprised primarily of additional appropriations for revenues received from federal sources.
- General Fund final budgeted expenses were \$4,190,908 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 \$2,103,447.
- General Fund's actual revenues were \$5,590,849 greater than final budgeted revenues, representing a variance of approximately 10.4%. The primary drivers of this positive variance were actual receipts exceeding the budgeted amounts in the following categories: general property taxes (\$1.2 million), local sales and use tax (\$1M), and restaurant food taxes (\$1.3M).
- General Fund's actual expenditures were \$3,791,965 less than final budgeted expenditures, representing a variance of 7.3%. This variance is due to several factors, including general vacancy savings in salaries and fringe benefits and a significant positive variance in public works (\$1.2m) and general government administration (\$1.8m).

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 \$101,003,370 for its governmental and business-type activities as of June 30, 2022.

Total capital assets attributed to governmental activities decreased by \$1,773,068 while total capital assets attributed to the business-type activities decreased by \$2,298,983. The decreases were due to depreciation exceeding acquisitions in both cases. (See note 7 for detailed information regarding the City's capital assets)

Major capital asset events during fiscal year 2022 included the following:

- Work continued on the South River Greenway, A Street Culvert, Rosser Avenue/Lucy Lane sidewalk, South River Preserve, and Sunset Park.
- Work began on the Loth Springs Natural Area.
- New vehicles and equipment were purchased for multiple departments including dump trucks, a refuse truck, and police vehicles.
- Various capital needs were filled including an elevator upgrade at the Waynesboro Library.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	8,775,798	8,775,798	386,268	386,268	9,162,066	9,162,066
Buildings	7,675,037	8,002,900	37,553,055	38,582,289	45,228,092	46,585,189
Improvements other than buildings	1,869,218	1,948,343	19,544,578	21,166,308	21,413,796	23,114,651
Machinery and equipment	4,444,768	5,578,538	2,158,716	1,792,942	6,603,484	7,371,480
Infrastructure	14,895,056	15,907,140	0	0	14,895,056	15,907,140
Leases	103,790	0	0	0	103,790	0
Construction in Progress	3,383,155	2,707,170	213,932	227,725	3,597,087	2,934,895
Total Capital Assets	41,146,821	42,919,889	59,856,549	62,155,532	101,003,371	105,075,421

Long-term debt. As of June 30, 2022, the City of Waynesboro held no ratings from Moody's Investor Service. 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 \$223,974,763.

City of Waynesboro Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
GO bonds	32,785,494	35,035,140	14,233,289	15,564,548	47,018,783	50,599,688
VA Revolving Loans	-	-	14,643,600	16,301,524	14,643,600	16,301,524
Total O/S Debt	32,785,494	35,035,140	28,876,889	31,866,072	61,662,383	66,901,212

The table above provides comparative information related to the City's long-term outstanding debt. As of June 30, 2022, the City had long-term debt outstanding of \$61,662,383; \$28,876,889 was for business-type activities and \$32,785,494 for governmental activities. The amount of debt principal payments due within one year for governmental activities is \$2,288,119, and \$2,477,104 for business-type activities. These debt payments were budgeted as expenditures in the 2022 annual appropriation ordinance. Of the total outstanding debt listed in the governmental activities' column, \$3,527,509 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 2023 general fund budget was adopted at \$57,202,355, an increase of \$2,697,634 when compared to the 2022 budget.
- The real property tax rate remained at \$0.90 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 was reduced to 2.62.
- The City funded a projected increase in health insurance premiums of about 10%.
- The water rate for consumption was increased by 3%; the refuse rate increased by \$1.50 to \$17.50/month; the stormwater rate increased by 3%.
- According to the Virginia Employment Commission, the unemployment rate for the City of Waynesboro as of June 2022 was 3.1%, compared to 4.5 as of June of 2021. This compares favorably with the national rate of 3.8% for the same period, and is in line the Commonwealth's rate of 3%.

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: Director of Finance, 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.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF WAYNESBORO, VIRGINIA
STATEMENT OF NET POSITION
June 30, 2022

Exhibit 1

	Primary Government			Component Unit
	Governmental	Business-type	Total	School Board
	Activities	Activities		
ASSETS				
Cash and cash equivalents	\$ 52,537,671	\$ 11,524,326	\$ 64,061,997	\$ 8,214,429
Investments	490,722	-	490,722	-
Receivable (net of allowance for uncollectibles):				
Taxes, including penalties	2,208,950	-	2,208,950	-
Accounts	778,657	2,927,872	3,706,529	93,259
Notes	1,848,973	-	1,848,973	-
Interest	65,099	-	65,099	-
Leases	200,496	-	200,496	91,942
Due from other governments	2,636,834	-	2,636,834	5,528,817
Inventories	44,036	508,551	552,587	-
Restricted assets:				
Permanently restricted:				
Cash and cash equivalents	609,447	-	609,447	-
Investment in landfill joint venture	-	2,712,406	2,712,406	-
Net pension asset	-	-	-	656,992
Capital assets not being depreciated:				
Land	8,775,798	386,268	9,162,066	811,907
Construction in progress	3,383,154	213,932	3,597,086	3,073,523
Capital assets, net of accumulated depreciation:				
Buildings and systems	7,675,037	37,553,054	45,228,091	52,247,564
Improvements other than buildings	1,869,216	19,544,578	21,413,794	1,093,983
Machinery and equipment	4,444,770	2,158,717	6,603,487	948,538
Infrastructure	14,895,056	-	14,895,056	-
Lease assets	103,790	-	103,790	2,162,933
Total assets	<u>102,567,706</u>	<u>77,529,704</u>	<u>180,097,410</u>	<u>74,923,887</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	81,730	562,518	644,248	-
Deferred outflow on OPEB obligation	1,001,805	197,597	1,199,402	1,121,410
Deferred outflow on pension obligation	5,097,683	953,668	6,051,351	6,450,322
Total deferred outflows of resources	<u>6,181,218</u>	<u>1,713,783</u>	<u>7,895,001</u>	<u>7,571,732</u>
LIABILITIES				
Accounts payable and other current liabilities	3,334,136	640,830	3,974,966	4,859,296
Accrued interest payable	515,054	300,628	815,682	5,767
Unearned revenue	8,276,367	-	8,276,367	-
Noncurrent liabilities:				
Due within one year	2,407,807	2,507,418	4,915,225	609,645
Due in more than one year	44,730,344	27,150,069	71,880,413	26,789,910
Total liabilities	<u>59,263,708</u>	<u>30,598,945</u>	<u>89,862,653</u>	<u>32,264,618</u>
DEFERRED INFLOWS OF RESOURCES				
Taxes receivable	1,788,633	-	1,788,633	-
Leases	200,496	-	200,496	91,942
Deferred inflow on OPEB obligation	1,545,720	289,866	1,835,586	1,329,661
Deferred inflow on pension obligation	9,388,047	1,756,291	11,144,338	13,437,456
Total deferred inflows of resources	<u>12,922,896</u>	<u>2,046,157</u>	<u>14,969,053</u>	<u>14,859,059</u>

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

CITY OF WAYNESBORO, VIRGINIA
STATEMENT OF NET POSITION
June 30, 2022

Exhibit 1 (continued)

	Primary Government			Component Unit
	Governmental	Business-type	Total	School
	Activities	Activities		Board
NET POSITION				
Net investment in capital assets	37,514,787	32,877,670	70,392,457	59,297,408
Restricted for:				
Judicial administration	175,045	-	175,045	-
Public safety	200,875	-	200,875	-
Public works	3,377,000	-	3,377,000	-
Parks, recreation and cultural	19,928	-	19,928	-
Education	333,062	-	333,062	-
Grant proceeds	-	872	872	-
Pension	-	-	-	656,992
Perpetual care:				
Nonexpendable	609,447	-	609,447	-
Unrestricted	(5,667,824)	13,719,843	8,052,019	(24,582,458)
Total net position	<u>\$ 36,562,320</u>	<u>\$ 46,598,385</u>	<u>\$ 83,160,705</u>	<u>\$ 35,371,942</u>

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

CITY OF WAYNESBORO, VIRGINIA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

Exhibit 2

					Net (Expenses) Revenue and Changes in Net Position				
Program Revenues					Primary Government			Component Unit	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	School Board	
Primary government:									
Governmental activities:									
General government administration	\$ 6,061,317	\$ 14,810	\$ 285,590	\$ -	\$ (5,760,917)		\$ (5,760,917)		
Judicial administration	1,880,301	154,589	1,053,848	-	(671,864)		(671,864)		
Public safety	14,442,688	562,359	982,622	-	(12,897,707)		(12,897,707)		
Public works	8,840,925	9,639	4,132,042	363,383	(4,335,861)		(4,335,861)		
Health and welfare	6,714,783	142,349	3,499,718	-	(3,072,716)		(3,072,716)		
Education	16,902,753	-	-	-	(16,902,753)		(16,902,753)		
Parks, recreation and cultural	2,714,327	54,279	172,916	113,581	(2,373,551)		(2,373,551)		
Community development	966,154	356,441	152,046	194,809	(262,858)		(262,858)		
Interest on long-term debt	1,114,256	-	-	-	(1,114,256)		(1,114,256)		
Total governmental activities	59,637,504	1,294,466	10,278,782	671,773	(47,392,483)		(47,392,483)		
Business-type activities:									
Water	2,844,395	4,484,297	48,443	134,241	-	\$ 1,822,586	1,822,586		
Sewer	5,213,442	6,800,877	58,131	182,920	-	1,828,486	1,828,486		
Landfill operations	903,007	757,391	-	-	-	(145,616)	(145,616)		
Refuse	961,129	1,476,298	53,020	-	-	568,189	568,189		
Stormwater	953,548	1,684,328	19,377	-	-	750,157	750,157		
Total business-type activities	10,875,521	15,203,191	178,971	317,161	-	4,823,802	4,823,802		
Total primary government	\$ 70,513,025	\$ 16,497,657	\$ 10,457,753	\$ 988,934	(47,392,483)	4,823,802	(42,568,681)		
Component units:									
School board	43,746,361	998,918	33,926,091	-				\$ (8,821,352)	
Total component unit	\$ 43,746,361	\$ 998,918	\$ 33,926,091	\$ -				(8,821,352)	
General revenues:									
Taxes:									
General property					27,708,213	-	27,708,213	-	
Sales					6,890,032	-	6,890,032	-	
Utility					1,050,236	-	1,050,236	-	
Business license					2,833,854	-	2,833,854	-	
Hotel and meals					7,097,271	-	7,097,271	-	
Tobacco					431,509	-	431,509	-	
Other					1,212,523	-	1,212,523	-	
Miscellaneous					334,742	14,670	349,412	219,923	
Payment and contribution from City of Waynesboro					-	-	-	16,867,407	
Grants and contributions not restricted to specific programs					4,329,976	-	4,329,976	-	
Unrestricted investment earnings					465,089	97,255	562,344	63,370	
Gain on disposal of capital assets					181,736	6,780	188,516	-	
Transfers					1,803,059	(1,803,059)	-	-	
Total general revenues and transfers					54,338,240	(1,684,354)	52,653,886	17,150,700	
Change in net position					6,945,757	3,139,448	10,085,205	8,329,348	
Net position - beginning (as restated)					29,616,563	43,458,937	73,075,500	27,042,594	
Net position - ending					\$ 36,562,320	\$ 46,598,385	\$ 83,160,705	\$ 35,371,942	

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

FUND FINANCIAL STATEMENTS

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CITY OF WAYNESBORO, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

Exhibit 3

	General Fund	Bond Fund	Capital Projects Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 37,233,364	\$ -	\$ 8,733,750	\$ 1,220,329	\$ 47,187,443
Investments	1,567	489,155	-	-	490,722
Receivables (Net of allowances for uncollectibles):					
Taxes, including penalties	2,208,950	-	-	-	2,208,950
Accounts	524,320	-	-	155,266	679,586
Leases	200,496	-	-	-	200,496
Due from other funds	269,778	-	-	-	269,778
Interest Receivable	43,849	-	-	-	43,849
Due from other governments	1,632,557	-	470,144	534,133	2,636,834
Inventory	44,036	-	-	-	44,036
Restricted assets:					
Cash and cash equivalents	-	-	-	609,447	609,447
Total assets	\$ 42,158,917	\$ 489,155	\$ 9,203,894	\$ 2,519,175	\$ 54,371,141
LIABILITIES					
Accounts payable	\$ 529,426	\$ -	\$ 130,363	\$ 979,731	\$ 1,639,520
Accrued payroll	772,364	-	-	24,711	797,075
Retainage payable	-	-	13,770	-	13,770
Unearned revenue	8,276,367	-	-	-	8,276,367
Due to other funds	-	156,093	-	113,685	269,778
Amounts held for others	42,878	-	-	-	42,878
Escrow and deposits payable	200,517	-	-	-	200,517
Total liabilities	\$ 9,821,552	\$ 156,093	\$ 144,133	\$ 1,118,127	\$ 11,239,905
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	\$ 3,482,465	\$ -	\$ -	\$ -	\$ 3,482,465
Leases	200,496	-	-	-	200,496
Total deferred inflows of resources	\$ 3,682,961	\$ -	\$ -	\$ -	\$ 3,682,961
FUND BALANCES					
Nonspendable:					
Inventory	44,036	-	-	-	44,036
Permanent fund principal	-	-	-	609,447	609,447
Restricted for:					
Judicial administration	175,045	-	-	-	175,045
Public safety	200,875	-	-	-	200,875
Public works	3,377,000	-	-	-	3,377,000
Parks, recreation and cultural	19,928	-	-	-	19,928
Education	-	333,062	-	-	333,062
Committed to:					
Council contingency	9,152,377	-	-	-	9,152,377
Public works	650,000	-	-	-	650,000
Health and welfare	119,586	-	-	-	119,586
Capital projects	-	-	9,059,761	-	9,059,761
Revenue stabilization	500,000	-	-	-	500,000
Public Safety	7,815	-	-	-	7,815

continued

CITY OF WAYNESBORO, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

Exhibit 3 (continued)

	General Fund	Bond Fund	Capital Projects Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
FUND BALANCES (Continued)					
Assigned to:					
General government administration	\$ 182,157	\$ -	\$ -	\$ -	\$ 182,157
Public safety	1,382,527	-	-	-	1,382,527
Public works	1,781,404	-	-	-	1,781,404
Parks, recreation and cultural	31,316	-	-	-	31,316
Youth and family services	-	-	-	478,027	478,027
CAPSAW	-	-	-	94,558	94,558
Economic Development Authority	-	-	-	178,102	178,102
Community development	32,292	-	-	-	32,292
Debt service	-	-	-	40,914	40,914
Education	497,000	-	-	-	497,000
Reserves	2,430,296	-	-	-	2,430,296
Capital projects	6,664,310	-	-	-	6,664,310
Unassigned:					
General	1,406,440	-	-	-	1,406,440
Total fund balances	<u>\$ 28,654,404</u>	<u>\$ 333,062</u>	<u>\$ 9,059,761</u>	<u>\$ 1,401,048</u>	<u>\$ 39,448,275</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 42,158,917</u>	<u>\$ 489,155</u>	<u>\$ 9,203,894</u>	<u>\$ 2,519,175</u>	<u>\$ 54,371,141</u>

CITY OF WAYNESBORO, VIRGINIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2022

	Exhibit 4
Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 39,448,275
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.	39,676,270
Receivables, including interest receivable, are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	1,870,223
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.	7,875,050
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.	6,279,474
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(47,653,205)
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>(10,933,767)</u>
Net position of governmental activities	<u>\$ 36,562,320</u>

CITY OF WAYNESBORO, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit 5

	General Fund	Bond Fund	Capital Projects Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
General property taxes	\$ 27,160,430	\$ -	\$ -	\$ -	\$ 27,160,430
Other local taxes	19,515,425	-	-	-	19,515,425
Permits, privilege fees and regulatory licenses	295,264	-	-	-	295,264
Fines and forfeitures	128,749	-	-	-	128,749
Revenue from use of money and property	451,237	1,732	-	12,120	465,089
Charges for services	176,298	-	-	59,192	235,490
Miscellaneous	821,055	-	-	101,878	922,933
Recovered costs	108,392	-	537	831,200	940,129
Intergovernmental:					
Commonwealth	9,767,288	-	66,623	2,482,637	12,316,548
Federal	859,210	-	604,325	1,195,282	2,658,817
Total revenues	59,283,348	1,732	671,485	4,682,309	64,638,874
EXPENDITURES					
Current:					
General government administration	5,516,423	-	-	-	5,516,423
Judicial administration	1,914,512	-	-	-	1,914,512
Public safety	12,960,931	-	-	1,649,242	14,610,173
Public works	6,187,600	-	1,187,564	-	7,375,164
Health and welfare	883,954	-	-	5,083,283	5,967,237
Education	16,691,555	211,198	-	-	16,902,753
Parks, recreation, and cultural	3,268,636	-	-	-	3,268,636
Community development	1,033,713	-	-	201,178	1,234,891
Debt service:					
Principal retirement	-	-	-	2,258,006	2,258,006
Interest and fiscal charges	-	8,359	-	1,299,036	1,307,395
Total expenditures	48,457,324	219,557	1,187,564	10,490,745	60,355,190
Excess (deficiency) of revenues over (under) expenditures	10,826,024	(217,825)	(516,079)	(5,808,436)	4,283,684
OTHER FINANCING SOURCES (USES)					
Insurance recoveries	181,736	-	-	-	181,736
Refunding of Bonds	-	(271,574)	-	-	(271,574)
Issuance of Debt	-	279,933	-	-	279,933
Transfers in	1,937,842	-	3,751,581	5,249,935	10,939,358
Transfers out	(9,001,515)	-	-	(11,783)	(9,013,298)
Total other financing sources and uses	(6,881,937)	8,359	3,751,581	5,238,152	2,116,155
Net change in fund balances	3,944,087	(209,466)	3,235,502	(570,284)	6,399,839
Fund balance - beginning	24,710,317	542,528	5,824,259	1,971,332	33,048,436
Fund balance - ending	\$ 28,654,404	\$ 333,062	\$ 9,059,761	\$ 1,401,048	\$ 39,448,275

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

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, 2022

	Exhibit 6
Net change in fund balances - total governmental funds (Exhibit 5)	\$ 6,399,839
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:	
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 (1,139,097) is exceeded by depreciation and amortization (2,644,781) in the current period.	(1,505,684)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(40,408)
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.	2,186,058
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.	283,749
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.	(377,797)
Change in net position of governmental activities	<u>\$ 6,945,757</u>

CITY OF WAYNESBORO, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2022

Exhibit 7

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
General property taxes	\$ 25,937,132	\$ 25,937,132	\$ 27,160,430	\$ 1,223,298
Other local taxes	15,903,353	16,153,353	19,515,425	3,362,072
Permits, privilege fees and regulatory licenses	226,300	226,300	295,264	68,964
Fines and forfeitures	127,500	127,500	128,749	1,249
Revenue from use of money and property	325,987	328,987	451,237	122,250
Charges for services	143,581	143,581	176,298	32,717
Miscellaneous	679,047	728,085	821,055	92,970
Recovered costs	62,092	65,444	108,392	42,948
Intergovernmental:				
Commonwealth	9,207,449	9,255,257	9,767,288	512,031
Federal	78,326	726,860	859,210	132,350
Total revenues	<u>52,690,767</u>	<u>53,692,499</u>	<u>59,283,348</u>	<u>5,590,849</u>
EXPENDITURES				
Current:				
General government administration	5,645,791	7,305,666	5,516,423	1,789,243
Judicial administration	1,877,649	1,914,229	1,914,512	(283)
Public safety	13,149,210	13,952,546	12,960,931	991,615
Public works	5,884,394	7,367,035	6,187,600	1,179,435
Health and welfare	605,413	605,413	883,954	(278,541)
Education	16,704,055	16,704,055	16,691,555	12,500
Parks, recreation and cultural	3,215,375	3,394,343	3,268,636	125,707
Community development	976,494	1,006,002	1,033,713	(27,711)
Total expenditures	<u>48,058,381</u>	<u>52,249,289</u>	<u>48,457,324</u>	<u>3,791,965</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,632,386</u>	<u>1,443,210</u>	<u>10,826,024</u>	<u>9,382,814</u>
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	28,272	181,736	153,464
Transfers in	1,813,954	8,228,271	1,937,842	(6,290,429)
Transfers out	(6,446,340)	(9,699,753)	(9,001,515)	698,238
Total other financing sources and uses	<u>(4,632,386)</u>	<u>(1,443,210)</u>	<u>(6,881,937)</u>	<u>(5,438,727)</u>
Net change in fund balances	-	-	3,944,087	3,944,087
Fund balance - beginning	<u>18,863,821</u>	<u>18,863,821</u>	<u>24,710,317</u>	<u>5,846,496</u>
Fund balance - ending	<u>\$ 18,863,821</u>	<u>\$ 18,863,821</u>	<u>\$ 28,654,404</u>	<u>\$ 9,790,583</u>

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, 2022

Exhibit 8

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Other Enterprise Funds	Total	Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 3,568,392	\$ 5,816,803	\$ 2,139,131	\$ 11,524,326	\$ 5,350,228
Accounts receivable (net of allowance for uncollectibles)	665,423	1,086,502	1,175,947	2,927,872	99,071
Inventory	473,202	35,349	-	508,551	-
Total current assets	4,707,017	6,938,654	3,315,078	14,960,749	5,449,299
Noncurrent assets:					
Equity interest in joint venture	-	-	2,712,406	2,712,406	-
Capital assets:					
Land	342,087	44,181	-	386,268	-
Buildings	9,019,358	43,354,786	113,453	52,487,597	-
Improvements other than buildings	19,884,647	37,412,437	3,979,676	61,276,760	-
Machinery and equipment	1,329,947	3,429,003	2,165,929	6,924,879	7,210,712
Construction in progress	-	53,648	160,284	213,932	-
Less accumulated depreciation	(17,519,688)	(40,652,914)	(3,260,285)	(61,432,887)	(5,740,161)
Total capital assets (net of accumulated depreciation)	13,056,351	43,641,141	3,159,057	59,856,549	1,470,551
Total noncurrent assets	13,056,351	43,641,141	5,871,463	62,568,955	1,470,551
Total assets	17,763,368	50,579,795	9,186,541	77,529,704	6,919,850
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	430,821	60,869	70,828	562,518	-
Deferred outflow on OPEB obligation	67,318	102,341	27,938	197,597	-
Deferred outflow or resources VRS	323,115	293,079	337,474	953,668	-
Total deferred outflows of resources	821,254	456,289	436,240	1,713,783	-
LIABILITIES					
Current liabilities:					
Accounts payable	38,382	94,808	124,061	257,251	640,376
Accrued payroll	34,498	27,492	91,865	153,855	-
Accrued interest payable	98,647	183,004	18,977	300,628	-
Deposits payable	227,301	-	2,423	229,724	-
Compensated absences	7,354	3,098	19,862	30,314	-
General obligation bonds - current	461,691	506,719	260,910	1,229,320	-
Revenue bonds payable - current	-	1,247,784	-	1,247,784	-
Total current liabilities	867,873	2,062,905	518,098	3,448,876	640,376
Noncurrent liabilities:					
Compensated absences	57,296	24,142	52,706	134,144	-
Net OPEB obligation	360,710	363,672	335,773	1,060,155	-
Net pension liability	322,837	292,827	275,813	891,477	-
General obligation bonds payable (net of unamortized premium and deferred amount on refunding)	9,190,476	2,889,084	1,674,295	13,753,855	-
Revenue bonds payable	-	11,310,438	-	11,310,438	-
Total noncurrent liabilities	9,931,319	14,880,163	2,338,587	27,150,069	-
Total liabilities	10,799,192	16,943,068	2,856,685	30,598,945	640,376
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow on OPEB obligation	100,839	100,945	88,082	289,866	-
Deferred inflow of resources VRS	595,059	539,744	621,488	1,756,291	-
Total deferred inflows of resources	695,898	640,689	709,570	2,046,157	-

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, 2022

Exhibit 8 (continued)

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Other Enterprise Funds	Total	Internal Service Fund
NET POSITION					
Net investment in capital assets	3,835,005	27,747,985	3,376,083	34,959,073	1,470,551
Restricted grant proceeds	-	-	872	872	-
Unrestricted	<u>3,254,527</u>	<u>5,704,342</u>	<u>2,679,571</u>	<u>11,638,440</u>	<u>4,808,923</u>
Total net position	<u>\$ 7,089,532</u>	<u>\$ 33,452,327</u>	<u>\$ 6,056,526</u>	46,598,385	<u>\$ 6,279,474</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

-

Net position of business-type activities \$ 46,598,385

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, 2022

Exhibit 9

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Other Enterprise Funds	Total	Internal Service Fund
OPERATING REVENUES					
Charges for services	\$ 4,484,297	\$ 6,800,877	\$ 3,918,017	\$ 15,203,191	\$ 9,566,243
Miscellaneous	11,207	3,463	-	14,670	387,623
Total operating revenues	<u>4,495,504</u>	<u>6,804,340</u>	<u>3,918,017</u>	<u>15,217,861</u>	<u>9,953,866</u>
OPERATING EXPENSES					
Personal services	1,348,206	1,168,023	1,235,618	3,751,847	-
Claims paid	-	-	-	-	7,266,111
Stop loss fees	-	-	-	-	1,721,116
Contractual services	343,423	229,186	594,517	1,167,126	-
Other supplies and expenses	697,189	946,396	234,585	1,878,170	1,182
Depreciation	840,861	2,350,711	322,963	3,514,535	308,318
Total operating expenses	<u>3,229,679</u>	<u>4,694,316</u>	<u>2,387,683</u>	<u>10,311,678</u>	<u>9,296,727</u>
Operating income	<u>1,265,825</u>	<u>2,110,024</u>	<u>1,530,334</u>	<u>4,906,183</u>	<u>657,139</u>
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental:					
Commonwealth	-	-	7,807	7,807	-
Federal	48,443	58,131	64,590	171,164	-
Interest income	34,127	47,022	16,106	97,255	40,691
Gain on disposal of assets	4,555	2,225	-	6,780	-
Loss on equity interest	-	-	(410,221)	(410,221)	-
Interest and fiscal charges	(386,800)	(636,677)	(82,772)	(1,106,249)	-
Total nonoperating revenues (expenses)	<u>(299,675)</u>	<u>(529,299)</u>	<u>(404,490)</u>	<u>(1,233,464)</u>	<u>40,691</u>
Income before contributions and transfers	<u>966,150</u>	<u>1,580,725</u>	<u>1,125,844</u>	<u>3,672,719</u>	<u>697,830</u>
Capital contributions	134,241	182,920	-	317,161	-
Transfers in	96,660	-	124,000	220,660	-
Transfers out	<u>(711,783)</u>	<u>(649,655)</u>	<u>(662,281)</u>	<u>(2,023,719)</u>	<u>(123,000)</u>
Change in net position	485,268	1,113,990	587,563	2,186,821	574,830
Total net position - beginning (as restated)	<u>6,604,264</u>	<u>32,338,337</u>	<u>5,468,963</u>		<u>5,704,644</u>
Total net position - ending	<u>\$ 7,089,532</u>	<u>\$ 33,452,327</u>	<u>\$ 6,056,526</u>		<u>\$ 6,279,474</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>952,627</u>	
Change in net position of business-type activities				<u>\$ 3,139,448</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, 2022

Exhibit 10

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Other Enterprise Funds	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and users	\$ 4,534,100	\$ 6,818,144	\$ 3,786,006	\$ 15,138,250	\$ 9,582,549
Cash (paid for)/received for inventory	(473,202)	-	-	(473,202)	454,263
Cash paid to suppliers	(1,043,080)	(1,195,627)	(818,408)	(3,057,115)	(101,332)
Cash paid to employees	(1,348,137)	(1,220,640)	(1,242,229)	(3,811,006)	-
Cash paid for claims and admin	-	-	-	-	(9,128,273)
Other receipts (payments)	11,207	3,463	-	14,670	(1,182)
Net cash provided by operating activities	1,680,888	4,405,340	1,725,369	7,811,597	806,025
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Subsidy from federal grant	48,443	58,131	72,397	178,971	-
Transfer from other funds	96,660	-	124,000	220,660	-
Transfer to other funds	(711,783)	(649,655)	(662,281)	(2,023,719)	(604,094)
Net cash provided used in noncapital financing activities	(566,680)	(591,524)	(465,884)	(1,624,088)	(604,094)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of capital assets	4,555	2,225	-	6,780	-
Proceeds from insurance claim	-	-	-	-	-
Acquisition and construction of capital assets	(147,409)	(452,202)	(298,780)	(898,391)	-
Principal paid on capital debt	(375,066)	(3,412,250)	(484,934)	(4,272,250)	-
Payment for current bond refunding	-	1,011,574	271,493	1,283,067	-
Interest paid on capital debt	(413,157)	(225,999)	(98,602)	(737,758)	-
Net cash used in capital and related financing activities	(931,077)	(3,076,652)	(610,823)	(4,618,552)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	34,127	47,022	16,106	97,255	40,691
Cash paid to joint venture	-	-	(354,525)	(354,525)	-
Net cash provided (used) by investing activities	34,127	47,022	(338,419)	(257,270)	40,691
Net increase (decrease) in cash and cash equivalents	217,258	784,186	310,243	1,311,687	242,622
Cash and cash equivalents - beginning of year	3,351,134	5,032,617	1,828,888	10,212,639	5,107,606
Cash and cash equivalents - end of year	<u>\$ 3,568,392</u>	<u>\$ 5,816,803</u>	<u>\$ 2,139,131</u>	<u>\$ 11,524,326</u>	<u>\$ 5,350,228</u>
Cash and cash equivalents at end of year is composed of the following:					
Cash and cash equivalents	<u>\$ 3,568,392</u>	<u>\$ 5,816,803</u>	<u>\$ 2,139,131</u>	<u>\$ 11,524,326</u>	<u>\$ 5,350,228</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, 2022

Exhibit 10 (continued)

	Business-type Activities - Enterprise Funds				Governmental
	Water Fund	Sewer Fund	Other Enterprise Funds	Total	Internal Service Fund
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 1,265,825	\$ 2,110,024	\$ 1,530,334	\$ 4,906,183	\$ 657,139
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	840,861	2,350,711	322,963	3,514,535	308,318
(Increase) decrease in accounts receivable	53,389	17,267	(132,206)	(61,550)	30,667
(Increase) decrease in inventory	(473,202)	(35,349)	-	(508,551)	454,263
(Increase) decrease in deferred outflow on OPEB obligation	(16,370)	(25,197)	(8,376)	(49,943)	-
(Increase) decrease in deferred loss on VRS pension	(34,240)	(23,911)	(37,733)	(95,884)	-
Increase (decrease) in accounts payable	(2,468)	15,304	10,694	23,530	(141,046)
Increase (decrease) in accrued payroll	6,035	1,440	(17,139)	(9,664)	-
Increase (decrease) in net OPEB obligation	11,392	12,882	12,391	36,665	(74,652)
Increase (decrease) in net unearned revenue	-	-	-	-	(401,984)
Increase (decrease) in net pension liability	(523,092)	(495,393)	(531,331)	(1,549,816)	-
Increase (decrease) in deferred inflow on OPEB	(4,718)	64,867	503,727	563,876	-
(Increase) decrease in deferred gain on VRS pension	556,339	431,869	75,124	1,063,332	(26,680)
Increase (decrease) in deposits payable	(3,586)	-	195	(3,391)	-
Increase (decrease) in compensated absences	4,723	(19,174)	(3,274)	(17,725)	-
Total Adjustments	415,063	2,295,316	195,035	2,905,414	148,886
Net cash provided by operating activities	\$ 1,680,888	\$ 4,405,340	\$ 1,725,369	\$ 7,811,597	\$ 806,025
Noncash investing, capital, and financing activities:					
Capital contributions of water, sewer, and stormwater from developers	\$ 134,241	\$ 182,920	\$ -	\$ 317,161	\$ -

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

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Waynesboro, Virginia (the "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 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. Each 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 moneys 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.

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 \$2,712,406 as of June 30, 2022. 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.

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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 \$2,040,215 for fiscal year 2022.

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. Activity is shown in a special revenue fund, named Shenandoah Valley Animal Service Center. The City transferred funds to the Regional Animal Shelter in the amount of \$95,405 for fiscal year 2022.

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 inter-fund 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.

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.

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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, Shenandoah Valley Animal Service Center Funds, 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.

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.

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

As a general rule the effect of inter-fund 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.

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.

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 \$1,183,508 at June 30, 2022, and consisted of the following:

General Fund – taxes	\$ 827,852
Water Fund – utility billings	107,359
Sewer Fund – utility billings	138,125
Refuse Fund – utility billings	38,806
Stormwater Fund – utility billings	<u>71,366</u>
Total	<u>\$ 1,183,508</u>

6. *Use of Estimates*

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

7. *Restricted Assets*

Cash investments of \$609,446 in the Cemetery Care Fund, a permanent fund, are non-spendable and thus restricted. Only earnings may be used by the City to fund the cemetery maintenance costs.

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 are 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:

	<u>Years</u>
Buildings	50
Improvements other than buildings	20
Machinery and equipment	5-20
Infrastructure	20-50

Leased assets are amortized over the shorter of the lease term or useful life of the underlying asset. In leases where a purchase option is reasonably certain of being exercised the asset is amortized over the useful life, unless the underlying asset is nondepreciable, in which the leased asset is not amortized.

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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

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 services lives of all employees.

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 unavailable revenue – taxes receivable, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenue – taxes 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. In the government-wide statement of net position, unavailable revenue – taxes receivable is reported for 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 are earned. The second item unavailable revenue – grants receivable results from grant revenue that has been received but not spent prior to the end of the fiscal year. 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 services lives of all employees.

10. *Compensated Absences*

In accordance with Governmental Accounting Standards Board Statement 16, "*Accounting for Compensated Absences*," the City has accrued the liability arising from outstanding compensated absences.

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 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.

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

10. *Compensated Absences (continued)*

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.

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 2022 totaled \$9,152,377. 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.

Non-spendable 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.

(Notes Continued on Next Page)

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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*

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.

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, 2022, 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 Virginia Retirement System (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 Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

16. *Health Insurance Credit Program*

The Political Subdivision Health Insurance Credit Program is a multiple-employer, agent defined benefit plan. The Virginia Retirement System (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.

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

17. Group-Life Insurance

The Virginia Retirement System (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 Virginia Retirement System (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.

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 \$6,279,474.

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 \$47,653,205 and \$26,748,330 differences for the primary government and discretely presented component unit-school board, respectively, are as follows:

	Primary Government	Component Unit School Board
Bonds payable	\$ 32,865,823	\$ -
Less: Discount on bonds payable	(80,329)	-
Plus: Issuance premium	1,008,733	-
Leases	104,523	2,168,006
Financed purchases	-	642,257
Landfill closure liability	1,790,284	-
Accrued interest payable	515,054	5,767
Net OPEB obligation	5,517,304	7,448,360
Net pension liability	5,093,300	15,748,336
Compensated absences	838,513	735,604
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 47,653,205</u>	<u>\$ 26,748,330</u>

(Notes Continued on Next Page)

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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 \$2,186,058 and \$81,906 differences in the primary government and discretely presented component unit-school board, respectively, are as follows:

	Primary Government	Component Unit School Board
Principal and lease repayments:	\$ 2,564,219	\$ 440,322
Bond issuance:	(279,933)	-
Lease issuance:	(98,228)	(358,416)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net net position of governmental activities	<u>\$ 2,186,058</u>	<u>\$ 81,906</u>

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 \$283,521 and \$4,341,388 differences for the primary government and discretely presented component unit-school board, respectively, are as follows:

	Primary Government	Component Unit School Board
Compensated absences	\$ 20,603	\$ (72,746)
Accrued interest	68,971	2,688
Landfill post-closure care liability	(38,685)	-
(Increase)/decrease in net OPEB obligation	(242,268)	97,229
(Increase)/decrease in net pension liability	8,410,434	14,662,165
Increase/(Decrease) in deferred outflows	729,596	(1,136,379)
(Increase)/Decrease in deferred inflows	(8,734,818)	(9,211,569)
EDA revolving loans issued	(54,481)	-
Amortization of issuance premium	148,757	-
Amortization of deferred charge on refunding	(24,588)	-
Net adjustment to increase/decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 283,521</u>	<u>\$ 4,341,388</u>

(Notes Continued on Next Page)

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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 (continued)

Another element of that reconciliation states, "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." The details of this (\$377,797) difference in the primary government are as follows:

Change in net position of the internal service funds	\$ 574,830
Less: Gain in excess of charges to business-type activities	<u>(952,627)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (377,797)</u>

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles 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, 2022.
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, 2022 the Shenandoah Valley Animal Service Center Fund and School Operating Fund had expenditures that exceeded appropriations.

C. Deficit Fund Balance

At June 30, 2022, 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, 2022

4. DEPOSITS AND INVESTMENTS (continued)

Investments: Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP). 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, 2022 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	\$ 1,567	\$ 1,567	\$ -
VA State Non-Arbitrage Program (SNAP)	489,155	489,155	-
Total Fair Value	<u>\$ 490,722</u>	<u>\$ 490,722</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, 2022, 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	\$ 1,567	\$ 1,567	\$ -	\$ -
VA State Non-Arbitrage Program (SNAP)	489,155	489,155	-	-
Total Fair Value	<u>\$ 490,722</u>	<u>\$ 490,722</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 generally accepted accounting principles. The City has recurring amortized cost measurements as of June 30, 2022, for its Local Government Investment Pool, as Level 1 totaling \$1,567. 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, 2022

5. DUE FROM OTHER GOVERNMENTS

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

	Primary Government	Component Unit School Board
Commonwealth of Virginia:		
School Funds	\$ -	\$ 3,157
State sales taxes	-	819,746
Local sales taxes	1,208,329	-
Communications tax	148,325	-
Public assistance grants	60,712	-
Comprehensive Services Act funds	251,754	-
Other State funds	369,822	-
Total Due from the Commonwealth	<u>2,038,942</u>	<u>822,903</u>
Federal Government:		
Community Development Block Grant	156,198	-
Public assistance grants	52,972	-
Department of Transportation	136,785	-
Victim Witness	58,241	-
Other federal funds	193,696	4,705,914
Total Due from the Federal Government	<u>597,892</u>	<u>4,705,914</u>
Total Due from Other Governments	<u>\$ 2,636,834</u>	<u>\$ 5,528,817</u>

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Inter-fund balances at June 30, 2022 consisted of the following:

Primary Government:

Due to General Fund from:

Bond Fund	\$ 156,093
Non-major governmental funds	<u>113,685</u>
Total due to General Fund from other funds for cash advances	<u>\$ 269,778</u>

Inter-fund 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, 2022

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

Inter-fund transfers for the year ended June 30, 2022 consisted of the following:

Primary Government:

Transfers to General Fund from:

Non-major governmental funds	\$ 11,783
Internal Service Fund	123,000
Water Fund for operations	711,783
Sewer Fund for operations	569,995
Non-major enterprise funds for operations	521,281
Total transfers to General Fund	<u>\$ 1,937,842</u>

Transfers to Water Fund from:

Sewer Fund for operations	\$ 79,660
Stormwater Fund for operations	17,000
Total transfers to Water Fund	<u>\$ 96,660</u>

Transfers to ACSA Landfill from:

Refuse Fund for capital	<u>\$ 124,000</u>
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Transfers to Capital Projects Fund from:

General Fund for capital	<u>\$ 3,751,581</u>
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Transfers to non-major governmental funds from:

General Fund for welfare assistance	\$ 1,804,360
General Fund for animal shelter	95,405
General Fund for Economic Development Authority	47,716
General Fund for debt service	3,302,453
Total transfers to non-major governmental funds	<u>\$ 5,249,934</u>

Component Unit School Board:

Transfers to School Textbook Fund from:

School Operating Fund	<u>\$ 300,916</u>
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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, 2022

7. CAPITAL ASSETS

PRIMARY GOVERNMENT

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

	Balance July 1, 2021*	Increases	Decreases	Balance June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 8,775,798	\$ -	\$ -	\$ 8,775,798
Construction in progress	2,707,170	689,831	(13,847)	3,383,154
Total capital assets not being depreciated	<u>11,482,968</u>	<u>689,831</u>	<u>(13,847)</u>	<u>12,158,952</u>
Capital assets, being depreciated				
Buildings	16,423,021	-	-	16,423,021
Improvements other than buildings	5,832,807	20,725	-	5,853,532
Equipment	16,875,196	327,509	(187,403)	17,015,302
Infrastructure	58,423,832	16,650	-	58,440,482
Total capital assets being depreciated	<u>97,554,856</u>	<u>364,884</u>	<u>(187,403)</u>	<u>97,732,337</u>
Less accumulated depreciation for:				
Buildings	(8,420,121)	(327,863)	-	(8,747,984)
Improvements other than buildings	(3,884,464)	(99,852)	-	(3,984,316)
Equipment	(11,296,658)	(1,461,277)	187,403	(12,570,532)
Infrastructure	(42,516,692)	(1,028,734)	-	(43,545,426)
Total accumulated depreciation	<u>(66,117,935)</u>	<u>(2,917,726)</u>	<u>187,403</u>	<u>(68,848,258)</u>
Total capital assets being depreciated, net	<u>31,436,921</u>	<u>(2,552,842)</u>	<u>-</u>	<u>28,884,079</u>
Lease assets:				
Equipment	42,554	-	-	42,554
Buildings	-	98,229	-	98,229
Less accumulated amortization	(1,620)	(35,373)	-	(36,993)
Total lease assets being amortized, net	<u>40,934</u>	<u>62,856</u>	<u>-</u>	<u>103,790</u>
Governmental activities capital assets, net	<u>\$ 42,960,823</u>	<u>\$ (1,800,155)</u>	<u>\$ (13,847)</u>	<u>\$ 41,146,821</u>

*- Amounts have been restated to include items related to the implementation of GASB 87, Leases.

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

Governmental activities:	
General government administration	\$ 829,034
Judicial administration	73,073
Public safety	549,909
Public works	1,244,650
Health and welfare	817
Parks, recreation, and cultural	187,285
Community development	<u>68,331</u>
Total depreciation expense – governmental activities	<u>\$ 2,953,099</u>

(Notes Continued on Next Page)

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

7. CAPITAL ASSETS (continued)

PRIMARY GOVERNMENT (continued)

Intangible Right-to-Use Lease Assets

In 2022, the City implemented the guidance in GASBS No. 87, Leases, and recognized the value of copiers and postage machines, and buildings leased for administrative space under long-term contracts.

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

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 386,268	\$ -	\$ -	\$ 386,268
Construction in progress	227,725	147,055	(160,848)	213,932
Total capital assets not being depreciated	613,993	147,055	(160,848)	600,200
Capital assets, being depreciated:				
Buildings	52,487,597	-	-	52,487,597
Improvements other than buildings	60,798,752	478,009	-	61,276,761
Equipment	6,204,542	751,336	(31,000)	6,924,878
Total capital assets being depreciated	119,490,891	1,229,345	(31,000)	120,689,236
Less accumulated depreciation for:				
Buildings	(13,905,308)	(1,029,235)	-	(14,934,543)
Improvements other than buildings	(39,632,444)	(2,099,739)	-	(41,732,183)
Equipment	(4,411,600)	(385,561)	31,000	(4,766,161)
Total accumulated depreciation	(57,949,352)	(3,514,535)	31,000	(61,432,887)
Total capital assets being depreciated, net	61,541,539	(2,285,190)	-	59,256,349
Business-type activities capital assets, net	<u>\$ 62,155,532</u>	<u>\$ (2,138,135)</u>	<u>\$ (160,848)</u>	<u>\$ 59,856,549</u>

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

Business-type activities:	
Water	\$ 840,861
Sewer	2,350,711
Refuse	68,591
Stormwater	<u>254,372</u>
Total depreciation expense – business-type activities	<u>\$ 3,514,535</u>

(Notes Continued on Next Page)

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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:

	Balance July 1, 2021*	Increases	Decreases	Balance June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 811,907	\$ -	\$ -	\$ 811,907
Construction in progress	20,620,010	3,284,720	(20,831,207)	3,073,523
Total capital assets not being depreciated	<u>21,431,917</u>	<u>3,284,720</u>	<u>(20,831,207)</u>	<u>3,885,430</u>
Capital assets, being depreciated:				
Buildings	53,258,696	21,208,781	-	74,467,477
Improvements other than buildings	4,946,688	-	-	4,946,688
Equipment	4,769,969	5,639	(48,508)	4,727,100
Total capital assets being depreciated	<u>62,975,353</u>	<u>21,214,420</u>	<u>(48,508)</u>	<u>84,141,265</u>
Less accumulated depreciation for:				
Buildings	(21,033,144)	(1,235,277)	48,508	(22,219,913)
Improvements other than buildings	(3,719,536)	(133,169)	-	(3,852,705)
Equipment	(3,524,779)	(253,783)	-	(3,778,562)
Total accumulated depreciation	<u>(28,277,459)</u>	<u>(1,622,229)</u>	<u>48,508</u>	<u>(29,851,180)</u>
Total capital assets being depreciated, net	<u>34,697,894</u>	<u>19,592,191</u>	<u>-</u>	<u>54,290,085</u>
Lease assets:				
Equipment	2,136,089	358,416	-	2,494,505
Less accumulated amortization	(182,577)	(148,995)	-	(331,572)
Total lease assets being amortized, net	<u>1,953,512</u>	<u>209,421</u>	<u>-</u>	<u>2,162,933</u>
School Board capital assets, net	<u>\$ 58,083,323</u>	<u>\$ 23,086,332</u>	<u>\$ (20,831,207)</u>	<u>\$ 60,338,448</u>

* - Amounts have been restated to include items related to the implementation of GASB Statement 87, Leases.

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

Governmental activities:	
Education	<u>\$ 1,771,224</u>

Intangible Right-to-Use Lease Assets

In 2022, the City implemented the guidance in GASBS No. 87, Leases, and recognized the value of copier machines under long term contracts.

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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 2022, the various components of unavailable revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
Deferred Property Tax Revenue, representing uncollected tax billings at June 30, 2022 (General Fund)	\$ 1,693,832
Property Taxes Paid in Advance, representing property taxes not yet due, but paid by June 30, 2022 (General Fund)	1,788,633
Total unavailable revenue for governmental funds	<u>\$ 3,482,465</u>

9. LONG-TERM DEBT

PRIMARY GOVERNMENT

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

Year Ending June 30	Governmental Activities					
	General Obligation Bonds		Virginia Revolving Loans		Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 2,050,938	\$ 1,196,105	\$ 37,482	\$ -	\$ 63,827	\$ 1,885
2024	2,134,581	1,105,921	37,482	-	27,417	627
2025	9,706,751	889,181	37,482	-	9,310	222
2026	1,783,059	676,913	37,482	-	3,969	42
2027	1,647,103	591,449	37,482	-	-	-
2028-2032	6,110,840	2,045,223	187,408	-	-	-
2033-2037	6,055,000	1,028,599	187,404	-	-	-
2038-2042	2,735,000	97,891	-	-	-	-
	<u>\$ 32,223,272</u>	<u>\$ 7,631,282</u>	<u>\$ 562,222</u>	<u>\$ -</u>	<u>\$ 104,523</u>	<u>\$ 2,776</u>

Year Ending June 30	Business-Type Activities					
	General Obligation Bonds		Virginia Revolving Loans		Sewer Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 756,379	\$ 500,612	\$ 369,255	\$ 56,090	\$ 1,663,521	\$ 50,855
2024	791,447	472,578	380,415	44,930	1,669,127	43,971
2025	823,700	434,964	391,913	33,432	1,674,743	36,821
2026	854,448	395,688	403,759	21,586	1,685,387	29,278
2027	893,832	354,650	415,963	9,382	1,686,001	21,469
2028-2032	3,867,178	1,298,580	-	-	6,170,557	30,658
2033-2037	3,485,000	608,434	-	-	94,264	1,775
2038-2042	800,000	19,000	-	-	-	-
	<u>\$ 12,271,984</u>	<u>\$ 4,084,506</u>	<u>\$ 1,961,305</u>	<u>\$ 165,420</u>	<u>\$ 14,643,600</u>	<u>\$ 214,827</u>

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, 2022

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, 2022:

Governmental Activities	Balance July 1, 2021*	Additions	Retirements	Balance June 30, 2022	Due within one year
General Obligation Bonds	\$ 34,435,437	\$ 279,933	\$ 2,492,098	\$ 32,223,272	\$ 2,050,938
Unamortized Bond Premium	1,157,490	-	148,757	1,008,733	135,872
VRA Loan - Taxable G.O. Bond	690,329	-	47,778	642,551	47,219
Unamortized Bond Discount	(90,626)	-	(10,297)	(80,329)	(9,737)
Liability for Landfill Closure	1,751,599	38,685	-	1,790,284	-
Net OPEB Obligation	5,349,688	167,616	-	5,517,304	-
Net Pension Liability	13,503,734	-	8,410,434	5,093,300	-
Leases	40,935	98,228	34,640	104,523	63,827
Compensated Absences	859,116	-	20,603	838,513	119,688
Total Governmental Activities	<u>\$ 57,697,702</u>	<u>\$ 584,462</u>	<u>\$ 11,144,013</u>	<u>\$ 47,138,151</u>	<u>\$ 2,407,807</u>
Business-type Activities					
General Obligation Bonds	\$ 13,244,822	\$ 1,283,067	\$ 2,255,905	\$ 12,271,984	\$ 756,379
Unamortized Bond Premium	935,237	-	135,714	799,523	113,585
VRA Loan - Taxable G.O. Bond	2,319,726	-	358,421	1,961,305	369,255
VRA Loan - Sewer Revenue Bond	16,301,524	-	1,657,924	14,643,600	1,663,521
Unamortized Bond Discount	(2,601,816)	-	(466,803)	(2,135,013)	(425,636)
Net OPEB Obligation	1,023,489	36,666	-	1,060,155	-
Net Pension Liability	2,441,293	-	1,549,818	891,475	-
Compensated Absences	182,183	4,723	22,448	164,458	30,314
Total Business-type Activities	<u>\$ 33,846,458</u>	<u>\$ 1,324,456</u>	<u>\$ 5,513,427</u>	<u>\$ 29,657,487</u>	<u>\$ 2,507,418</u>
Primary Government Totals	<u>\$ 91,544,160</u>	<u>\$ 1,908,918</u>	<u>\$ 16,657,440</u>	<u>\$ 76,795,638</u>	<u>\$ 4,915,225</u>

* - Amounts have been restated to include items related to the implementation of GASB Statement 87, Leases.

Details of Long-Term Indebtedness	Govern- mental	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 \$32,923.	\$ 2,155,975	\$ -
\$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%.	1,239,206	-

(Notes Continued on Next Page)

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

9. LONG-TERM DEBT (continued)

PRIMARY GOVERNMENT (continued)

Details of Long-Term Indebtedness (continued)

General Obligation Bonds: (continued)

\$11,570,000 General Obligation Public Improvement Bonds - Series 2014A (Schools – Kate Collins Middle School) issued September 11, 2014, maturing annually through August 1, 2024, bearing an interest rate of 3.20%.

\$	8,965,000	\$	-
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\$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 \$111,873 for governmental activities and unamortized premium of \$735,817 for business-type activities.

1,837,955	11,724,734
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\$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 \$863,938 for governmental activities.

18,753,936	-
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\$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.

<u>279,933</u>	<u>1,283,067</u>
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Total General Obligation Bonds

<u>33,232,005</u>	<u>13,007,801</u>
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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.

-	1,961,305
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\$14,594,900 Sewer Revenue Bond – Series 2008 issued February 28, 2008, maturing semi-annually through January 1, 2031. Unamortized discount of \$1,194,850 is based on imputed interest rate of 4.41%.

-	5,372,855
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\$14,624,858 Sewer Revenue Bond – Series 2009 issued June 10, 2009, maturing semi-annually through December 1, 2030. Unamortized discount of \$890,527 is based on imputed interest rate of 3.55%.

-	5,325,037
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\$845,260 Sewer Revenue Bond – Series 2014 issued June 23, 2014, maturing semi-annually through December 1, 2030. Unamortized discount of \$49,637 is based on imputed interest rate of 3.12%.

-	325,302
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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

9. LONG-TERM DEBT (continued)

PRIMARY GOVERNMENT (continued)

Details of Long-Term Indebtedness (continued)

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 \$63,705.

\$ - \$ 1,023,705

\$808,932 Sewer Revenue Bond – Series 2015 issued June 18, 2015, maturing semi-annually through February 1, 2036.

- 525,394

\$749,630 General Obligation Public Improvement Bonds – Series 2015B issued June 8, 2015, maturing semi-annually through March 1, 2037. Unamortized discount of \$80,329 is based on imputed interest rate of 2.05%.

562,222 -

Total Virginia Revolving Loans

562,222 14,533,598

Liability for Municipal Solid Waste Landfill Closure

1,790,284 -

Net OPEB Obligation

5,517,304 1,060,155

Net Pension Liability

5,093,300 891,475

Leases

104,523 -

Compensated Absences

838,513 164,458

Total Primary Government Long-Term Debt

\$ 47,138,151 \$ 29,657,487

Changes in Long-Term Debt

On May 5, 2022, the City issued \$1,563,000 in tax exempt general obligation bonds with an interest rate of 2.35% to currently refund \$1,800,000 of outstanding general obligation public improvement bonds with interest rates between 4.571% and 6.561%.

The net proceeds of \$1,563,000 were combined with \$283,713 for a total of \$1,846,713. These funds were used to pay \$1,800,000 of principal, \$27,150 of accrued interest, and \$19,563 of other issuance and administrative costs.

The City received average annual debt savings of \$52,200 over the life of the new issuance.

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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	Governmental Activities			
	Financed Purchases		Leases	
	Principal	Interest	Principal	Interest
2023	\$ 312,591	\$ 30,461	\$ 224,308	\$ 101,558
2024	329,666	13,391	222,298	90,802
2025	-	-	121,659	88,412
2026	-	-	63,701	84,544
2027	-	-	67,221	81,024
2028-2032	-	-	396,092	345,132
2033-2037	-	-	518,294	222,930
2038-2042	-	-	554,433	65,553
	<u>\$ 642,257</u>	<u>\$ 43,852</u>	<u>\$ 2,168,006</u>	<u>\$ 1,079,955</u>

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, 2022:

Governmental Activities	Balance July 1, 2021*	Additions	Retirements	Balance June 30, 2022	Due within one year
Financed purchase	\$ 938,657	\$ -	\$ 296,400	\$ 642,257	\$ 312,591
Net OPEB Obligation	7,545,589	-	97,229	7,448,360	-
Net Pension Liability	30,410,501	-	14,005,173	16,405,328	-
Leases	2,006,736	358,416	197,146	2,168,006	224,308
Compensated Absences	662,858	72,746	-	735,604	72,746
Total Governmental Activities	<u>\$ 41,564,341</u>	<u>\$ 431,162</u>	<u>\$ 14,595,948</u>	<u>\$ 27,399,555</u>	<u>\$ 609,645</u>

* - Amounts have been restated to include items related to the implementation of GASB Statement 87, Leases.

Details of Long-Term Indebtedness

Capital Lease:

\$3,498,500 financed purchase dated April 30, 2009 for an energy management project, due in semiannual installments of \$171,526, with an annual interest rate of 5.39%.

Net OPEB Obligation

Net Pension Liability

Leases

Compensated Absences

\$ 642,257
7,448,360
16,405,328
2,168,006
735,604

Total Component Unit School Board Long-Term Debt

\$ 27,399,555

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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10. Leases

Lessee: The City is a lessee for noncancellable 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, and solar panels. The City and School Board recognizes 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 measures 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 determines (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 uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable 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 monitors 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 noncancellable leases of access to cell towers. The School Board is lessor for noncancelable leases for cell towers. The City and School Board recognize a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City and School Board initially measures 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 determines (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 noncancellable 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 monitors 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.

11. CONTINGENT LIABILITIES

Federal programs in which the City participates were audited in accordance with provisions of the Title 2 US Code of Federal Regulations Part 200, *Audits of States, Local Governments, and Non-Profit Organizations*. Pursuant to the provisions of this document, all major programs were tested for compliance with applicable grant requirements. While no material matters of noncompliance were disclosed by audit, the Federal government may subject grant programs to additional compliance tests that may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

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.

(Notes Continued on Next Page)

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

12. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Construction Commitments and Other Significant Commitments

In connection with the general obligation bonds issued in 2019, the City started major renovations to the Waynesboro High School project.

	<u>Governmental</u>
Estimated project costs financed	\$ 19,860,000
Bond Premium (net of fees)	1,143,511
Interest Received	655,911
Costs incurred through 6-30-22	<u>(21,326,360)</u>
Estimated remaining costs	<u>\$ 333,062</u>

The City has encumbered funds in the General Fund in the following categories, included in fund balance at June 30, 2022:

<u>Function</u>	<u>Assigned</u>
General government administration	\$ 182,157
Judicial administration	364
Public safety	732,163
Public works	1,506,404
Parks, recreation and cultural	31,316
Community development	<u>32,292</u>
Total	<u>\$ 2,484,696</u>

Encumbrances in other funds at June 30, 2022, are as follows:

<u>Fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	\$ 2,127,928
Water Fund	62,265
Sewer Fund	97,567
Nonmajor Enterprise Funds	206,323
Internal Service Fund	<u>175,266</u>
Total	<u>\$ 2,669,349</u>

Blended Component Unit Commitments - Economic Development Authority

During fiscal year 2011, 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.

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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 Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria 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 has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

(Notes Continued on Next Page)

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</p>	<p>About Plan 2 Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</p>	<p>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

<p>Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p>	<p>Eligible Members Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p>	<p>Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • Political subdivision employees* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014
<p>Hybrid Opt-In Election VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>Hybrid Opt-In Election Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>*Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>

CITY OF WAYNESBORO, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

<p>Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p>Retirement Contributions Same as Plan 1.</p>	<p>Retirement Contributions A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>
<p>Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Service Credit Same as Plan 1.</p>	<p>Service credit <u>Defined Benefit Component:</u> Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><u>Defined Contributions Component:</u> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

<p>Vesting</p> <p>Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting</p> <p>Same as Plan 1.</p>	<p>Vesting</p> <p><u>Defined Benefit Component:</u></p> <p>Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u>Defined Contributions Component:</u></p> <p>Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distributions not required, except as governed by law.</p>
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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

<p>Calculating the Benefit</p> <p>The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.</p>	<p>Calculating the Benefit</p> <p>See definition under Plan 1.</p>	<p>Calculating the Benefit</p> <p><u>Defined Benefit Component:</u> See definition under Plan 1</p> <p><u>Defined Contribution Component:</u></p> <p>The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p>Average Final Compensation</p> <p>A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation</p> <p>A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation</p> <p>Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

<p>Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p>Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p>Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p>Service Retirement Multiplier VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non- hazardous duty members, the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.</p> <p>Sheriffs and regional jail superintendents: Same as Plan 1.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Service Retirement Multiplier Defined Benefit Component: VRS: The retirement multiplier for the defined benefit component is 1.00%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p> <p>Sheriffs and regional jail superintendents: Not applicable.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Not applicable.</p>
<p>Normal Retirement Age VRS: Age 65.</p> <p>Political subdivisions hazardous duty employees: Age 60.</p>	<p>Normal Retirement Age VRS: Normal Social Security retirement age.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Normal Retirement Age Defined Benefit Component: VRS: Same as Plan 2.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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<p>Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.</p> <p>Political subdivisions hazardous duty employees: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.</p>	<p>Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility Defined Benefit Component: VRS: Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.</p> <p>Political subdivisions hazardous duty employees: 50 with at least five years of service credit.</p>	<p>Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of service credit.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Reduced Retirement Eligibility Defined Benefit Component: VRS: Age 60 with at least five years (60 months) of service credit.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><u>Eligibility:</u></p> <ul style="list-style-type: none"> • For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. • For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date. <p><u>Exceptions to COLA Effective Dates:</u></p> <p>The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP). • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 	<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><u>Eligibility:</u></p> <p>Same as Plan 1</p> <p><u>Exceptions to COLA Effective Dates:</u></p> <p>Same as Plan 1</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p><u>Defined Benefit Component:</u></p> <p>Same as Plan 2.</p> <p><u>Defined Contribution Component:</u></p> <p>Not applicable.</p> <p><u>Eligibility:</u></p> <p>Same as Plan 1 and Plan 2.</p> <p><u>Exceptions to COLA Effective Dates:</u></p> <p>Same as Plan 1 and Plan 2.</p>
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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted</p>	<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one year waiting period before becoming eligible for non-work related disability benefits.</p>
<p>Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.</p>	<p>Purchase of Prior Service Same as Plan 1.</p>	<p>Purchase of Prior Service <u>Defined Benefit Component:</u> Same as Plan 1, with the following exceptions: • Hybrid Retirement Plan members are ineligible for ported service .</p> <p><u>Defined Contribution Component:</u> Not applicable.</p>

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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13. DEFINED BENEFIT PENSION PLAN (continued)

Employees Covered by Benefit Terms - City

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	343
Inactive members:	
Vested inactive members	74
Non-vested inactive members	121
Inactive members active elsewhere in VRS	<u>166</u>
Total inactive members	361
Active members	<u>314</u>
Total covered employees	<u><u>1,018</u></u>

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

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	45
Inactive members:	
Vested inactive members	4
Non-vested inactive members	18
Inactive members active elsewhere in VRS	<u>18</u>
Total inactive members	40
Active members	<u>37</u>
Total covered employees	<u><u>122</u></u>

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to 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, 2022 was 11.3% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The School Board's non-professional employee pension plan contractually required contribution rate for the year ended June 30, 2022 was 3.07% 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, 2019.

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 \$1,528,498 and \$1,540,699 for the years ended June 30, 2022 and June 30, 2021, respectively. Contribution to the pension plan from the School Board's non-professional employees were \$23,128 and \$20,949 for the years ended June 30, 2022 and June 30, 2021, respectively.

Each school division's contractually required contribution rate for the year ended June 30, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits 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 \$3,211,350 and \$2,989,862 for the years ended June 30, 2022 and June 30, 2021, respectively.

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to the measurement date of June 30, 2021.

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, 2020, 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, 2021.

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:

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

School Board - RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

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

School Board - RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

City - 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

School Board - RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

Beneficiaries and Survivors:

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

Mortality Improvement:

City - 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:

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

School Board - RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

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CITY OF WAYNESBORO, VIRGINIA
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13. DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Assumptions – General Employees City & School Board (continued)

Post-Retirement:

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

School Board - RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90

Post-Disablement:

City - 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

School Board - RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

13. DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Assumptions – Public Safety Employees

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the City's Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

Actuarial Assumptions – General Employees City & School Board

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

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 rates

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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CITY OF WAYNESBORO, VIRGINIA
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13. DEFINED BENEFIT PENSION PLAN (continued)

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	Decrease rates
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
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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:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi -Asset Public Strategies	6.00%	3.29%	0.20%
PIP- Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
	Inflation		2.50%
	Expected arithmetic nominal return *		7.39%

*The above allocation provides a one-year expected return of 7.39%. 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 6.94%, including expected inflation of 2.50%.

*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

13. DEFINED BENEFIT PENSION PLAN (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2021, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability – City

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2020	\$ 83,669,173	\$ 67,793,154	\$ 15,876,019
Changes for the year:			
Service cost	1,461,246		1,461,246
Interest	5,472,445		5,472,445
Changes of benefit terms	0		0
Changes of assumptions	2,914,466		2,914,466
Difference between expected and actual experience	681,752		681,752
Contributions - employer		1,540,699	(1,540,699)
Contributions - employee		678,542	(678,542)
Net investment income		18,230,268	(18,230,268)
Benefit payments, including refunds of employee contributions	(5,191,823)	(5,191,823)	0
Administrative expense		(47,033)	47,033
Other changes	0	1,703	(1,703)
Net changes	5,338,086	15,212,356	(9,874,270)
Balances at June 30, 2021	\$ 89,007,259	\$ 83,005,510	\$ 6,001,749

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

13. DEFINED BENEFIT PENSION PLAN (continued)

Changes in Net Pension Liability – School Board Non-professional

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2020	\$ 3,985,205	\$ 3,980,961	\$ 4,244
Changes for the year:			
Service cost	74,616		74,616
Interest	261,869		261,869
Changes of benefit terms	0		0
Changes of assumptions	170,958		170,958
Difference between expected and actual experience	(34,033)		(34,033)
Contributions - employer		20,949	(20,949)
Contributions - employee		41,411	(41,411)
Net investment income		1,074,932	(1,074,932)
Benefit payments, including refunds of employee contributions	(211,338)	(211,338)	0
Administrative expense		(2,747)	2,747
Other changes	<u>0</u>	<u>101</u>	<u>(101)</u>
Net changes	262,072	923,308	(661,236)
Balances at June 30, 2021	\$ 4,247,277	\$ 4,904,269	\$ (656,992)

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

13. DEFINED BENEFIT PENSION PLAN (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	(5.75%)	Rate (6.75%)	(7.75%)
City's Net Pension Liability	\$17,350,617	\$6,001,749	\$(3,372,205)
School Board–Non-Professional Net Pension Liability	\$(186,169)	\$(656,992)	\$(1,054,019)

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 were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	(5.75%)	Rate (6.75%)	(7.75%)
School Board – Professional Net Pension Liability	\$31,661,071	\$16,405,328	\$3,885,445

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

For the year ended June 30, 2022, the City recognized pension expense of \$1,404,672. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,720,484	\$ -
Changes in assumptions	1,757,932	-
Net difference between projected and actual earnings on plan investments	-	11,062,517
Employer contributions subsequent to the measurement date	<u>1,528,498</u>	<u>-</u>
Total	<u>\$ 6,006,914</u>	<u>\$ 11,062,517</u>

\$1,528,498 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

13. DEFINED BENEFIT PENSION PLAN (continued)

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

Year ended June 30

2023	\$ (422,799)
2024	(1,311,654)
2025	(2,098,461)
2026	(2,751,187)
2027	-
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, 2022, the School Board's non-professional pension plan recognized pension revenue of \$6,717. At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 17,016
Changes of assumptions	85,479	-
Net difference between projected and actual earnings on plan investments	-	531,966
Employer contributions subsequent to Measurement Date	<u>23,128</u>	<u>-</u>
Total	<u>\$ 108,607</u>	<u>\$ 548,982</u>

\$23,128 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, 2023. 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

2023	\$ (56,147)
2024	(121,301)
2025	(123,789)
2026	(162,266)
2027	-
Thereafter	-

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

At June 30, 2022, Waynesboro Public Schools reported a liability of \$16,405,328 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. 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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion was 0.21132% as compared to 0.20894% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized pension revenue of \$109,896. 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.

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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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)

At June 30, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,397,277
Change of assumptions	2,874,109	-
Net difference between projected and actual earnings on plan investments	-	10,337,987
Changes in proportion and differences between employer contributions and proportionate share of contributions	256,256	1,153,210
Employer contributions subsequent to the measurement date	<u>3,211,350</u>	<u>-</u>
Total	<u>\$ 6,341,715</u>	<u>\$ 12,888,474</u>

\$3,211,350 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, 2023. 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

2023	\$(2,462,000)
2024	(2,175,956)
2025	(2,246,098)
2026	(2,877,490)
2027	3,435

Pension Plan Data

Detailed Information about the VRS Political Subdivision Retirement Plan and VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Report. A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2021-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
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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	21
Active members	<u>283</u>
Total covered employees	<u>304</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 Staunton 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	18
Active members	<u>244</u>
Total covered employees	<u>262</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 2022, the City paid an average of 32% 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 may be amended by the School Board. During fiscal year 2022, the School Board paid an average of 50% 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 \$5,709,000 and \$3,526,000 respectively, was measured as of July 1, 2021 and was determined by an actuarial valuation performed as of July 1, 2020.

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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	City – 9.10% for fiscal year end 2022, then 5.75% for fiscal year end 2023, decreasing .25% per year to an ultimate rate of 4.5% Schools - 6.00% for fiscal year end 2022, decreasing .25% per year to an ultimate rate of 4.5%
Mortality rates	RP-2014 Mortality table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2019

Discount Rate

The discount rate used to measure the total OPEB liability for both the city and schools was 1.92%. 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.

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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)
Balances at July 1, 2021	\$ 5,140,000	\$ 0	\$ 5,140,000
Changes for the year:			
Service cost	262,000		262,000
Interest	131,000		131,000
Differences between expected and actual experience	5,000		5,000
Contributions – employer		99,000	(99,000)
Contributions – employee		0	0
Net investment income		0	0
Benefit payments	(99,000)	(99,000)	0
Changes of benefit terms	0	0	0
Administrative expense		0	0
Assumption changes	270,000	0	270,000
Net changes	\$ 569,000	\$ 0	\$ 569,000
Balances at June 30, 2022*	\$ 5,709,000	\$ 0	\$ 5,709,000

*Measurement date is July 1, 2021

CITY OF WAYNESBORO, VIRGINIA
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June 30, 2022

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)
Balances at July 1, 2021	\$ 3,159,000	\$ 0	\$ 3,159,000
Changes for the year:			
Service cost	335,000		335,000
Interest	83,000		83,000
Differences between expected and actual experience	97,000		97,000
Contributions – employer		219,000	(219,000)
Contributions – employee		0	0
Net investment income		0	0
Benefit payments	(219,000)	(219,000)	0
Changes of benefit terms	0	0	0
Administrative expense		0	0
Assumption changes	71,000	0	71,000
Net changes	\$ 367,000	\$ 0	\$ 367,000
Balances at June 30, 2022*	\$ 3,526,000	\$ 0	\$ 3,526,000

*Measurement date is July 1, 2021

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 1.92%, as well as what the City's and School Board's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (.92%) or one percentage point higher (2.92%) than the current rate:

	1.00% Decrease (.92%)	Current Discount Rate (1.92%)	1.00% Increase (2.92%)
City's Net OPEB Liability	\$6,258,000	\$5,709,000	\$5,213,000
School Board's OPEB Liability	\$3,657,000	\$3,526,000	\$3,396,000

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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 9.1% and 6.0% for the City and Schools, respectively, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rate:

	1.00% Decrease	Current Rate	1.00% Increase
City's Net OPEB Liability	\$5,036,000	\$5,709,000	\$6,513,000
School Board's OPEB Liability	\$3,243,000	\$3,526,000	\$3,837,000

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, 2022, the City and School Board recognized Other Post-employment Benefits Program OPEB expense of \$183,000 and \$574,000, respectively. At June 30, 2022, the City's and School Board's 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:

City's	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 49,000	\$ 1,292,000
Change in assumptions	580,000	191,000
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contributions after Measurement Date but prior to fiscal year end	216,000	-
Total	\$ 845,000	\$ 1,483,000

School Board's	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 116,000	\$ 599,000
Change in assumptions	101,000	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contributions after Measurement Date but prior to fiscal year end	219,900	-
Total	\$ 436,900	\$ 599,000

\$216,000 and \$219,900 reported as deferred outflows of resources related to the OPEB resulting from the City's and School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the Fiscal Year ending June 30, 2023. 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:

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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

2023	\$(216,000)
2024	(216,000)
2025	(216,000)
2026	(147,000)
2027	(83,000)
2028	24,000
Thereafter	-

School Board's

Year ended June 30

2023	\$(253,000)
2024	(156,000)
2025	27,000
Thereafter	-

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

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the City of Waynesboro (the "Political Subdivision" and the City of Waynesboro School Board (the "School Division") also participate in various cost-sharing and agent multi-employer 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 a 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, 2022

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 multi-employer 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, 2020 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	Number
Inactive members or their beneficiaries currently receiving benefits	11
Inactive members:	
Vested inactive members	-
Non-vested inactive members	-
Inactive members active elsewhere in VRS	-
Total inactive members	11
Active members	37
Total covered employees	48

(Notes Continued on Next Page)

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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, 2020. 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. 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:	1.34% 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, 2022 Contribution	\$190,877
June 30, 2021 Contribution	\$77,509

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, 2022 Contribution	\$114,632
June 30, 2021 Contribution	\$106,781

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, 2022 Contribution	\$245,770
June 30, 2021 Contribution	\$227,807

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:	.21% of covered employee compensation.
June 30, 2022 Contribution	\$6,642
June 30, 2021 Contribution	\$5,767

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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, 2021 and the total OPEB was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program-City

June 30, 2022 proportionate share of liability	\$809,401
June 30, 2021 proportion	.06952%
June 30, 2020 proportion	.07069%
June 30, 2022 expense	\$24,119

Group Life Insurance Program-School Division Professional employees

June 30, 2022 proportionate share of liability	\$1,062,630
June 30, 2021 proportion	.09127%
June 30, 2020 proportion	.08967%
June 30, 2022 expense	\$39,840

Group Life Insurance Program-School Division Non-professional employees

June 30, 2022 proportionate share of liability	\$52,508
June 30, 2021 proportion	.00451%
June 30, 2020 proportion	.00445%
June 30, 2022 expense	\$2,869

Teacher Health Insurance Credit Program

June 30, 2022 proportionate share of liability	\$2,732,462
June 30, 2021 proportion	.21288%
June 30, 2020 proportion	.21031%
June 30, 2022 expense	\$193,273

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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)

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.

General Employee Health Insurance Credit Program – School Division

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

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) – (b)
Balances at June 30, 2020	\$ 72,376	\$ 0	\$ 72,376
Changes for the year:			
Service cost	1,238		1,238
Interest	4,886		4,886
Changes in benefit terms	0		0
Changes of assumptions	2,822		2,822
Difference between expected and actual experience	0		0
Contributions - employer		5,767	(5,767)
Contributions - employee		0	0
Net investment income		821	(821)
Benefit payments, including refunds of employee contributions	0	0	0
Administrative expense		(26)	26
Other changes	0	0	0
Net changes	8,946	6,562	2,384
Balances at June 30, 2021	\$ 81,322	\$ 6,562	\$ 74,760

The School Division recognized OPEB expense of \$6,383 related to the General Employee Health Insurance Credit Program.

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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, 2022, 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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 92,315	\$ 6,167
Change in assumptions	44,622	110,743
Net difference between projected and actual earnings on OPEB plan investments	-	193,187
Changes in proportion	15,273	32,876
Employer contributions subsequent to the measurement date	190,877	-
Total	<u>\$ 343,087</u>	<u>\$ 342,973</u>

Group Life Insurance Program-Teachers

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 121,197	\$ 8,097
Change in assumptions	58,583	145,390
Net difference between projected and actual earnings on OPEB plan investments	-	253,627
Changes in proportion	21,981	68,470
Employer contributions subsequent to the measurement date	108,875	-
Total	<u>\$ 310,636</u>	<u>\$ 475,584</u>

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<hr/>	<hr/>
Differences between expected and actual experience	\$ 5,989	\$ 400
Change in assumptions	2,895	7,184
Net difference between projected and actual earnings on OPEB plan investments	-	12,533
Changes in proportion	1,993	-
Employer contributions subsequent to the measurement date	5,757	-
Total	<hr/> \$ 16,634 <hr/>	<hr/> \$ 20,117 <hr/>

Teacher Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<hr/>	<hr/>
Differences between expected and actual experience	\$ -	\$ 47,681
Change in assumptions	73,863	10,982
Net difference between projected and actual earnings on OPEB plan investments	-	35,995
Changes in proportion	28,695	139,800
Employer contributions subsequent to the measurement date	245,770	-
Total	<hr/> \$ 348,328 <hr/>	<hr/> \$ 234,458 <hr/>

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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

General Employee Health Insurance Credit Program – School Division

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Change in assumptions	2,270	-
Net difference between projected and actual earnings on		
Changes in proportion	-	-
OPEB plan investments	-	-
Employer contributions subsequent to the measurement date	6,642	502
Total	<u>\$ 8,912</u>	<u>\$ 502</u>

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, 2023. 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

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2023	\$ (48,915)
2024	(37,463)
2025	(32,273)
2026	(58,876)
2027	(13,236)
Thereafter	-

Group Life Insurance Program-School Division Teachers

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2023	\$ (67,728)
2024	(56,800)
2025	(57,721)
2026	(83,930)
2027	(7,644)
Thereafter	-

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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

Group Life Insurance Program-School Division Non-Professional

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2023	\$ (1,869)
2024	(1,532)
2025	(1,710)
2026	(3,579)
2027	(550)
Thereafter	-

Teacher Health Insurance Credit Program

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2023	\$ (32,607)
2024	(33,016)
2025	(31,770)
2026	(27,366)
2027	(9,146)
Thereafter	2,005

School General Employee Health Insurance Credit Program

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2023	\$ 427
2024	427
2025	427
2026	425
2027	62
Thereafter	-

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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, 2020, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021:

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, 2021, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program	Teacher Employee HIC OPEB Plan
Total OPEB liability	\$ 3,577,346	\$ 1,477,874
Plan fiduciary net position	\$ 2,413,074	\$ 194,305
Employers' net OPEB liability (asset)	\$ 1,164,272	\$ 1,283,569
Plan fiduciary net position as a percentage of total OPEB liability	67.45%	13.15%

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi -Asset Public Strategies	6.00%	3.29%	0.20%
PIP- Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
	Inflation		2.50%
	* Expected arithmetic nominal return		7.39%

*The above allocation provides a one-year return of 7.39%. 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 6.94%, including expected inflation of 2.50%.

*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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, 2020, 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. From July 1, 2020 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.

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability-political subdivision	\$ 1,182,565	\$ 809,401	\$ 508,055
GLI Net OPEB liability-School division professional	\$ 1,552,541	\$ 1,062,630	\$ 667,005
GLI Net OPEB liability-School division non-professional	\$ 76,717	\$ 52,508	\$ 32,959
Teacher HIC Net OPEB liability	\$ 3,075,995	\$ 2,732,462	\$ 2,441,751
General Employee HIC Net OPEB liability – School Division	\$ 82,427	\$ 74,760	\$ 68,143

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2021 Comprehensive Annual Financial Report (CAFR). A copy of the 2021

VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-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, 2022, the following amounts were payable to the Virginia Retirement System for the legally required contributions related to June 2022 payroll.

Group Life Insurance-political subdivision	\$ 15,911
Group Life Insurance-school division	819
Group Life Insurance-school divisions-professional	5,182
Teacher Employee Health Insurance Credit	4,679
General Employee Health Insurance Credit	379

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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:

	Governmental Activities	Business- Type Activities	Total Primary Government	Component Unit (School Board)
Deferred outflows of resources – Pension				
VRS-Political Subdivision	\$ 5,097,683	\$ 909,231	\$ 6,006,914	\$ -
Augusta Regional Landfill	-	44,437	44,437	-
VRS-School Non-professional	-	-	-	108,607
VRS-School Professional	-	-	-	6,341,715
Total deferred outflow of resources - Pensions	<u>\$ 5,097,683</u>	<u>\$ 953,668</u>	<u>\$ 6,051,351</u>	<u>\$ 6,450,322</u>
Deferred outflows of resources - OPEB				
OPEB Local Health plan	\$ 710,632	\$ 134,482	\$ 845,114	\$ 436,900
Net OPEB outflow from Augusta Regional Landfill	-	11,201	11,201	-
VRS Group Life plan	291,173	51,914	343,087	327,270
VRS HIC Plan - Professional	-	-	-	348,328
VRS HIC Plan - Non-professional	-	-	-	8,912
Total deferred outflow of resources - OPEB	<u>\$ 1,001,805</u>	<u>\$ 197,597</u>	<u>\$ 1,199,402</u>	<u>\$ 1,121,410</u>
Net pension liability				
VRS-Political Subdivision	\$ 5,093,300	\$ 908,447	\$ 6,001,749	\$ -
Net Pension Liability Augusta Regional Landfill	-	(16,972)	(16,972)	-
VRS-School Non-professional	-	-	-	(656,992)
VRS-School Professional	-	-	-	16,405,32
Total net pension liability	<u>\$ 5,093,300</u>	<u>\$ 891,475</u>	<u>\$ 5,984,777</u>	<u>\$ 15,748,33</u>
Net OPEB Liability (Asset)				
OPEB Local Health plan	\$ 4,830,417	\$ 878,583	\$ 5,709,000	\$ 3,526,000
Net OPEB Liability from Augusta Regional	-	59,058	59,058	-
VRS Group Life plan	686,887	122,514	809,401	1,115,138
VRS HIC Plan- Professional	-	-	-	2,732,462
VRS HIC Plan - Non-professional	-	-	-	74,760
Total net OPEB Liability	<u>\$ 5,517,304</u>	<u>\$ 1,060,155</u>	<u>\$ 6,577,459</u>	<u>\$ 7,448,360</u>
Deferred inflows of resources –Pension				
VRS-Political Subdivision	\$ 9,388,047	\$ 1,674,470	\$ 11,062,51	\$ -
Net deferred inflow from August Regional Landfill	-	81,821	81,821	-
VRS-School Non-professional	-	-	-	548,982
VRS-School Professional	-	-	-	12,888,47
Total deferred inflow of Resources - Pensions	<u>\$ 9,388,047</u>	<u>\$ 1,756,291</u>	<u>\$ 11,144,33</u>	<u>\$ 13,437,45</u>
Deferred inflows of resources - OPEB				
Augusta Regional Landfill	\$ -	\$ 9,727	\$ 9,727	\$ -
OPEB Local Health plan	1,254,678	228,208	1,482,886	599,000
VRS Group Life plan	291,042	51,931	342,973	495,701
VRS HIC Plan - Professional	-	-	-	234,458
VRS HIC Plan - Non-Professional	-	-	-	502
Total deferred inflow of resources - OPEB	<u>\$ 1,545,720</u>	<u>\$ 289,866</u>	<u>\$ 1,835,586</u>	<u>\$ 1,329,661</u>

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CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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 2022. 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 \$4,187,423 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 \$1,790,284 reported as landfill closure and post-closure care liability at June 30, 2022, 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 2022 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. NOTES RECEIVABLE

The Blended Component Unit, Economic Development Authority, reports a note receivable related to revolving notes entered into with numerous local businesses. These notes were the result of USDA Rural Development grant funds received by the EDA to encourage small business growth in the City. The EDA matched the grant funds received from the USDA at 10% of each note. The revolving notes will be paid back to the EDA over three years with an annual interest rate of 3%. At June 30, 2022, the outstanding balance of the notes was \$22,473.

During fiscal year 2015, the City entered into a buy-in agreement with other localities related to the Middle River Regional Jail Authority. The City reports a note receivable related to this buy-in agreement. The note will be paid back to the City over ten years with an annual interest rate of 2.17%. At June 30, 2022, the outstanding balance of the note was \$1,826,502.

CITY OF WAYNESBORO, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

20. 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, 2022, the City abated/rebated no property taxes.

21. SUBSEQUENT EVENTS

Subsequent events were evaluated through December 8, 2022, which is the date the financial statements were available to be issued.

22. NEW ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) has issued the following Statements which are not yet effective. The effective dates below are updated based on Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance due to the COVID-19 pandemic.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This Statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In April 2022, the GASB issued Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued Statement No. 101, Compensated Absences. This statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

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

(Notes Continued on Next Page)

23. PRIOR PERIOD ADJUSTMENT

The following is a summary of the restatements to fund balance and net position resulting from the implementation of GASB Statement No. 84, Fiduciary Activities, the reclassification of the Self-Funded Health Insurance fund from a special revenue fund to an internal service fund, and the recognition of various other post employment benefits omitted from previous year's financial statements.

	Balance as previously reported, June 30, 2021	Adjustment to Other Post Employment Benefits	To Implement GASB 84	Reclassification of Health Insurance Fund	Balance as Restated June 30, 2021
Governmental Activities	30,445,050	(828,487)	-	-	29,616,563
Business-Type Activities	43,606,708	(147,771)	-	-	43,458,937
Governmental Funds	36,331,042	-	-	(3,282,606)	33,048,436
Governmental Activities (Internal Service Funds)	2,422,038	-	-	3,282,606	5,704,644
Component Unit School Board	30,687,416	(3,976,491)	331,669	-	27,042,594
School Activity Fund	-	-	331,669	-	331,669
Water Fund	6,656,778	(52,514)	-	-	6,604,264
Sewer Fund	32,385,969	(47,632)	-	-	32,338,337
Non-Major - Proprietary Funds	5,516,588	(47,625)	-	-	5,468,963

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF WAYNESBORO, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Year Ended June 30, 2022

PRIMARY GOVERNMENT

Exhibit 11

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 1,461,246	\$ 1,464,316	\$ 1,292,003	\$ 1,322,862	\$ 1,395,692	\$ 1,418,197	\$ 1,364,584	\$ 1,410,687
Interest	5,472,445	5,271,535	5,168,415	5,042,241	4,893,349	4,735,848	4,846,873	4,674,679
Changes in assumptions	2,914,466	-	2,221,521	-	(83,704)	-	-	-
Differences between expected and actual experience	681,752	1,078,839	(11,925)	(429,534)	(93,408)	133,586	(3,886,254)	-
Benefit payments, including refunds of employee contributions	(5,191,823)	(4,484,666)	(4,330,724)	(3,935,457)	(4,034,334)	(4,040,910)	(3,781,641)	(3,469,259)
Net change in total pension liability	5,338,086	3,330,024	4,339,290	2,000,112	2,077,595	2,246,721	(1,456,438)	2,616,107
Total pension liability - beginning	83,669,173	80,339,149	75,999,859	73,999,747	71,922,152	69,675,431	71,131,869	68,515,762
Total pension liability ending (a)	89,007,259	83,669,173	80,339,149	75,999,859	73,999,747	71,922,152	69,675,431	71,131,869
Plan fiduciary net position								
Contributions - employer	\$ 1,540,700	\$ 1,343,918	\$ 1,273,875	\$ 1,337,978	\$ 1,340,789	\$ 1,802,969	\$ 1,747,952	\$ 1,694,304
Contributions - employee	678,542	709,714	649,479	650,993	663,517	683,362	635,125	637,148
Net investment income	18,230,268	1,307,645	4,382,921	4,720,235	7,119,980	1,009,564	2,660,724	8,097,319
Benefit payments, including refunds of employee contributions	(5,191,823)	(4,484,666)	(4,330,724)	(3,935,457)	(4,034,334)	(4,040,910)	(3,781,641)	(3,469,259)
Administrative expense	(47,033)	(45,826)	(44,903)	(41,590)	(42,294)	(37,703)	(37,243)	(44,224)
Other	1,703	(1,529)	(2,753)	(4,161)	(6,285)	(435)	(557)	427
Net change in plan fiduciary net position	15,212,357	(1,170,744)	1,927,895	2,727,998	5,041,373	(583,153)	1,224,360	6,915,715
Plan fiduciary net position - beginning	67,793,153	68,963,897	67,036,002	64,308,004	59,266,631	59,849,784	58,625,424	51,709,709
Plan fiduciary net position - ending (b)	83,005,510	67,793,153	68,963,897	67,036,002	64,308,004	59,266,631	59,849,784	58,625,424
City of Waynesboro's net pension liability - ending (a) - (b)	\$ 6,001,749	\$ 15,876,020	\$ 11,375,252	\$ 8,963,857	\$ 9,691,743	\$ 12,655,521	\$ 9,825,647	\$ 12,506,445
Add Net Pension Liability from Augusta Regional Landfill	(16,972)	69,009	29,060	18,109	24,811	56,324	34,011	27,750
Total Net Pension Liability Ending	5,984,777	15,945,029	11,404,312	8,981,966	9,716,554	12,711,845	9,859,658	12,534,195
Plan fiduciary net position as a percentage of the total pension liability	93.26%	81.03%	85.84%	88.21%	86.90%	82.40%	85.90%	82.42%
Covered payroll	\$ 14,438,074	\$ 14,540,807	\$ 13,567,153	\$ 13,153,451	13,071,409	13,085,870	12,629,097	12,405,040
City of Waynesboro's net pension liability as a percentage of covered-employee payroll	41.57%	109.18%	83.84%	68.15%	74.14%	96.71%	77.80%	100.82%

SCHOOL BOARD COMPONENT UNIT (NON-PROFESSIONAL)

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 74,616	\$ 79,976	\$ 86,193	\$ 80,698	\$ 76,422	\$ 101,863	\$ 106,501	\$ 103,795
Interest	261,869	247,194	241,587	227,102	246,759	237,820	243,416	234,497
Changes in assumptions	170,958	-	95,394	-	(6,561)	-	-	-
Differences between expected and actual experience	(34,033)	109,117	(8,669)	79,724	(412,930)	(20,577)	(205,893)	-
Benefit payments, including refunds of employee contributions	(211,338)	(226,418)	(180,834)	(180,344)	(188,674)	(194,135)	(253,809)	(167,926)
Net change in total pension liability	262,072	209,869	233,671	207,180	(284,984)	124,971	(109,785)	170,366
Total pension liability - beginning	3,985,205	3,775,336	3,541,665	3,334,485	3,619,469	3,494,498	3,604,283	3,433,917
Total pension liability ending (a)	4,247,277	3,985,205	3,775,336	3,541,665	3,334,485	3,619,469	3,494,498	3,604,283
Plan fiduciary net position								
Contributions - employer	\$ 20,949	\$ 14,683	\$ 15,532	\$ 39,487	\$ 39,331	\$ 63,505	\$ 80,835	\$ 108,104
Contributions - employee	41,411	41,727	40,348	37,880	37,355	35,593	45,591	48,472
Net investment income	1,074,932	76,970	259,258	277,009	417,790	59,822	155,645	476,157
Benefit payments, including refunds of employee contributions	(211,338)	(226,418)	(180,834)	(180,344)	(188,674)	(194,135)	(253,809)	(167,926)
Administrative expense	(2,747)	(2,715)	(2,640)	(2,430)	(2,475)	(2,219)	(2,229)	(2,557)
Other	101	(90)	(163)	(245)	(369)	(26)	(32)	25
Net change in plan fiduciary net position	923,308	(95,843)	131,501	171,357	302,958	(37,460)	26,001	462,275
Plan fiduciary net position - beginning	3,980,961	4,076,804	3,945,303	3,773,946	3,470,988	3,508,448	3,482,447	3,020,172
Plan fiduciary net position - ending (b)	4,904,269	3,980,961	4,076,804	3,945,303	3,773,946	3,470,988	3,508,448	3,482,447
City of Waynesboro's net pension liability (asset) - ending (a) - (b)	\$ (656,992)	\$ 4,244	\$ (301,468)	\$ (403,638)	\$ (439,461)	\$ 148,481	\$ (13,950)	\$ 121,836
Plan fiduciary net position as a percentage of the total pension liability	115.47%	99.89%	107.99%	111.40%	113.18%	95.90%	100.40%	96.62%
Covered payroll	914,084	919,921	863,024	800,684	783,810	1,128,679	1,439,930	1,020,815
City of Waynesboro's net pension liability as a percentage of covered-employee payroll	-71.87%	0.46%	-34.93%	-50.41%	-56.07%	13.16%	-0.97%	11.94%

(1) The Schedule of Employer's Share of Net Pension Liability and Related Ratios is intended to show information for 10 years. Since 2022 is the eight year for this presentation, only eight years of data are available. However, additional years will be included as they become available.

CITY OF WAYNESBORO, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
Year Ended June 30, 2022

CITY

Exhibit 12

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
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%
2015	1,747,904	1,747,904	-	12,629,097	13.84%
2014	1,689,566	1,689,566	-	12,405,040	13.62%
2013	1,279,264	1,279,264	-	11,812,229	10.83%

SCHOOL BOARD COMPONENT UNIT (NON-PROFESSIONAL)

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
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%
2015	126,426	126,426	-	1,439,930	8.78%
2014	113,413	113,413	-	1,020,815	11.11%
2013	104,921	104,921	-	944,381	11.11%

SCHOOL BOARD COMPONENT UNIT (TEACHERS)

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
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%
2015	3,267,648	3,267,648	-	22,535,503	14.50%
2014	2,299,687	2,299,687	-	19,722,871	11.66%
2013	1,978,240	1,978,240	-	16,966,037	11.66%

CITY OF WAYNESBORO, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
VRS TEACHER RETIREMENT PLAN*
Year Ended June 30, 2022

Exhibit 13

	2021	2020	2019	2018	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	0.2113%	0.2089%	0.2157%	0.2226%	0.2284%	0.2282%	0.2261%	0.2384%
Employer's Proportionate Share of Net Pension Liability (Asset)	16,405,328	30,406,257	28,380,766	26,175,000	28,083,000	31,974,000	28,462,000	28,809,000
Employer's Covered Payroll	18,446,160	18,440,722	18,220,562	18,071,133	18,019,016	22,649,987	22,535,503	19,722,871
Employer's Proportionate Share of Net Pension Liability (Asset) as a Percentage of its Covered Payroll	88.94%	164.89%	155.76%	144.84%	155.85%	141.17%	126.30%	146.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.46%	71.47%	73.51%	74.81%	72.92%	68.28%	70.68%	70.88%

(1) The Schedule of Employer's Share of Net Pension Liability is intended to show information for 10 years. Since 2021 is the eighth year for this presentation, there are only eight years available. However, additional years will be included as they become available.

* 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, 2022

Primary Government - Local Plan					Exhibit 14
	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 262,000	\$ 254,000	\$ 96,000	\$ 130,000	\$ 127,000
Interest	131,000	194,000	105,000	130,000	128,000
Changes of benefit terms	-	55,000	2,710,000	-	-
Changes in assumptions	270,000	311,000	81,000	(427,000)	-
Differences between expected and actual experience	5,000	(1,569,000)	245,000	(431,000)	-
Benefit payments, including refunds of employee contributions	(99,000)	(100,000)	(96,000)	(157,000)	(208,000)
Net change in total OPEB liability	569,000	(855,000)	3,141,000	(755,000)	47,000
Total OPEB liability - beginning	5,140,000	5,995,000	2,854,000	3,609,000	3,562,000
Total OPEB liability ending (a)	5,709,000	5,140,000	5,995,000	2,854,000	3,609,000
Plan fiduciary net position					
Contributions - employer	\$ 99,000	\$ 100,000	\$ 96,000	\$ 157,000	\$ 208,000
Benefit payments, including refunds of employee contributions	(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)	-	-	-	-	-
City of Waynesboro's net OPEB liability - ending (a) - (b)	\$ 5,709,000	\$ 5,140,000	\$ 5,995,000	\$ 2,854,000	\$ 3,609,000
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	13,092,000	13,092,000	13,022,000	13,022,000	12,635,000
City of Waynesboro's net OPEB liability as a percentage of covered-employee payroll	43.61%	39.26%	46.04%	21.92%	28.56%
SCHOOL BOARD COMPONENT UNIT - Local Plan					
	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 335,000	\$ 344,000	\$ 294,000	\$ 386,000	\$ 377,000
Interest	83,000	137,000	135,000	248,000	231,000
Changes of benefit terms	-	-	-	-	-
Changes in assumptions	71,000	81,000	75,000	(2,815,000)	-
Differences between expected and actual experience	97,000	(1,367,000)	226,000	(903,000)	-
Benefit payments, including refunds of employee contributions	(219,000)	(129,000)	(157,000)	23,000	(283,000)
Net change in total OPEB liability	367,000	(934,000)	573,000	(3,061,000)	325,000
Total OPEB liability - beginning	3,159,000	4,093,000	3,520,000	6,581,000	6,256,000
Total OPEB liability ending (a)	3,526,000	3,159,000	4,093,000	3,520,000	6,581,000
Plan fiduciary net position					
Contributions - employer	\$ 219,000	\$ 129,000	\$ 157,000	\$ (23,000)	\$ 283,000
Benefit payments, including refunds of employee contributions	(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)	-	-	-	-	-
City of Waynesboro's net OPEB liability - ending (a) - (b)	\$ 3,526,000	\$ 3,159,000	\$ 4,093,000	\$ 3,520,000	\$ 6,581,000
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	11,284,000	11,284,000	11,123,000	11,123,000	16,659,000
City of Waynesboro's net OPEB liability as a percentage of covered-employee payroll	31.25%	28.00%	36.80%	31.65%	39.50%

(1) The Schedule of Employer's Share of Net OPEB Liability and Related Ratios is intended to show information for 10 years. Since 2022 is the fifth year for this presentation, only five years of data are available. However, 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, 2022**

Primary Government - Local Plan

Exhibit 15

Date	Contractually Required Contributon	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
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%
2015	209,000	238,000	-	12,387,000	1.92%
2014	199,000	199,000	-	11,981,000	1.66%
2013	155,000	155,000	-	11,981,000	1.29%

School Board Component Unit - Local Plan

Date	Contractually Required Contributon	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
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%
2014	317,000	317,000	-	17,260,000	1.84%
2013	290,000	290,000	-	17,260,000	1.68%

School Board Component Unit - VRS Health Insurance Credit Non-Professional Plan¹

Date	Contractually Required Contributon	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2022	6,642	6,642	-	1,127,094	0.59%
2021	5,767	5,767	-	914,084	0.63%

¹Participation in this plan began during the FY21 CAFR reporting period

CITY OF WAYNESBORO, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
SCHOOL BOARD COMPONENT UNIT
Year Ended June 30, 2022

Exhibit 16

VRS Health Insurance Credit - School Non professional*

	2021	2020
Total OPEB Liability		
Service cost	\$ 1,238	\$ -
Interest	4,886	-
Changes in benefit terms	-	72,376
Difference between expected and actual experience	-	-
Changes in assumptions	2,822	-
Benefit payments, including refunds of employee contributions	-	-
Net change in total pension liability	8,946	72,376
Total OPEB liability - beginning	72,376	-
Adjustment to beginning balance	-	-
Total OPEB liability - ending	81,322	72,376
Plan Fiduciary Net Position		
Contributions - employer	5,767	-
Net investment income	821	-
Benefit payments, including refunds of employee contributions	-	-
Administrative expenses	(26)	-
Net change in plan fiduciary net position	6,562	-
Plan fiduciary net position - beginning	-	-
Adjustment to beginning balance	-	-
Plan fiduciary net position - ending	6,562	-
Total Net OPEB liability - ending	<u>\$ 74,760</u>	<u>\$ 72,376</u>
Plan fiduciary net position as a percentage of total OPEB liability	<u>8.07%</u>	<u>0.00%</u>
Covered employee payroll	<u>\$ 1,127,094</u>	<u>\$ 914,084</u>
Net OPEB liability as a percentage of covered employee payroll	<u>6.63%</u>	<u>7.92%</u>

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 CAFR reporting period

CITY OF WAYNESBORO, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
Year Ended June 30, 2022

EXHIBIT 17

Plan Year	Employer's Proportion of the Net OPEB Liability (Asset)	Employer's Proportionate Share of the Net OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Primary Government					
Virginia Retirement System - Group Life Insurance - General Employees					
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%
School Board Component Unit					
Virginia Retirement System - Health Insurance Credit - Teachers					
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%
Virginia Retirement System - Group Life Insurance - Schools					
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%

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 OPEB CONTRIBUTIONS - VRS PLANS
June 30, 2022

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
Primary Government					
Virginia Retirement System - Group Life Insurance - General Employees					
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%
School Board Component Unit					
Virginia Retirement System - Health Insurance Credit - Teachers					
2022	\$ 245,770	\$ 245,770	\$ -	\$ 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%
Virginia Retirement System - Group Life Insurance - Schools					
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%

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, 2022

1. CHANGES OF BENEFIT TERMS

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, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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 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. For future mortality improvements, replace load with a modified Mortality 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 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 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, 2022

2. CHANGES ASSUMPTIONS (Continued)

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

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality 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 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 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***

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NONMAJOR 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.

Shenandoah Valley Animal Service Center Fund – to account for funds received and disbursed related to the operations of the regional kennel provided for residents of Staunton City, Waynesboro City, and Augusta County.

Economic Development Authority Fund – to account for funds received and disbursed related to promoting the economic wellbeing 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
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

Exhibit 19

	Special Revenue							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	Shenandoah Valley Animal Service Center Fund	Economic Development Authority Fund	Total	Debt Revenue Fund	Cemetery Care Fund	Nonmajor Governmental Funds
ASSETS										
Cash and cash equivalents	\$ -	\$ 4,654	\$ 438,535	\$ 101,303	\$ 452,579	\$ 182,344	\$ 1,179,415	\$ 40,914	\$ -	\$ 1,220,329
Accounts receivable	-	-	37,671	-	117,595	-	155,266	-	-	155,266
Due from other governments	113,685	251,754	23,617	145,077	-	-	534,133	-	-	534,133
Restricted assets:										
Cash and cash equivalents	-	-	-	-	-	-	-	-	609,447	609,447
Total assets	\$ 113,685	\$ 256,408	\$ 499,823	\$ 246,380	\$ 570,174	\$ 182,344	\$ 1,868,814	\$ 40,914	\$ 609,447	\$ 2,519,175
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	-	256,408	8,389	151,822	558,870	4,242	979,731	-	-	979,731
Accrued payroll	-	-	13,407	-	11,304	-	24,711	-	-	24,711
Retainage payable	-	-	-	-	-	-	-	-	-	-
Due to other funds	113,685	-	-	-	-	-	113,685	-	-	113,685
Total liabilities	113,685	256,408	21,796	151,822	570,174	4,242	1,118,127	-	-	1,118,127
Fund Balances:										
Nonspendable:										
Permanent fund principal	-	-	-	-	-	-	-	-	609,447	609,447
Committed to:										
Capital projects	-	-	-	-	-	-	-	-	-	-
Assigned to:										
Youth and family services	-	-	478,027	-	-	-	478,027	-	-	478,027
CAPSAW	-	-	-	94,558	-	-	94,558	-	-	94,558
Economic Development Authority	-	-	-	-	-	178,102	178,102	-	-	178,102
Debt service	-	-	-	-	-	-	-	40,914	-	40,914
Total fund balances	-	-	478,027	94,558	-	178,102	750,687	40,914	609,447	1,401,048
Total liabilities and fund balances	\$ 113,685	\$ 256,408	\$ 499,823	\$ 246,380	\$ 570,174	\$ 182,344	\$ 1,868,814	\$ 40,914	\$ 609,447	\$ 2,519,175

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CITY OF WAYNESBORO, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	Special Revenue						
	Virginia Public Assistance Fund	Comprehensive Services Act Fund	Youth and Family Services Fund	Community Action Partnership of Staunton, Augusta & Waynesboro Fund	Shenandoah Valley Animal Service Center Fund	Economic Development Authority Fund	Total
REVENUES							
Revenue from use of money and property	\$ -	\$ -	\$ 3,707	\$ 234	\$ 2,414	\$ 877	\$ 7,232
Charges for services	-	-	-	-	59,192	-	59,192
Miscellaneous	-	-	1,647	-	59,330	35,483	96,460
Recovered costs	-	-	305,166	121,011	405,023	-	831,200
Intergovernmental:							
Commonwealth	735,100	1,313,843	117,385	161,200	3,063	152,046	2,482,637
Federal	670,209	88,339	63,431	353,926	19,377	-	1,195,282
Total revenues	<u>1,405,309</u>	<u>1,402,182</u>	<u>491,336</u>	<u>636,371</u>	<u>548,399</u>	<u>188,406</u>	<u>4,672,003</u>
EXPENDITURES							
Current:							
Public safety	-	-	584,116	-	1,065,126	-	1,649,242
Public works	-	-	-	-	-	-	-
Health and welfare	2,097,973	2,353,494	30,409	601,407	-	-	5,083,283
Community development	-	-	-	-	-	201,178	201,178
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	<u>2,097,973</u>	<u>2,353,494</u>	<u>614,525</u>	<u>601,407</u>	<u>1,065,126</u>	<u>201,178</u>	<u>6,933,703</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(692,664)</u>	<u>(951,312)</u>	<u>(123,189)</u>	<u>34,964</u>	<u>(516,727)</u>	<u>(12,772)</u>	<u>(2,261,700)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	692,664	951,312	160,385	-	95,405	47,716	1,947,482
Transfers out	-	-	(6,895)	-	-	-	(6,895)
Total other financing sources and uses	<u>692,664</u>	<u>951,312</u>	<u>153,490</u>	<u>-</u>	<u>95,405</u>	<u>47,716</u>	<u>1,940,587</u>
Net change in fund balances	-	-	30,301	34,964	(421,322)	34,944	(321,113)
Fund balance - beginning	-	-	447,726	59,594	421,322	143,158	1,071,800
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478,027</u>	<u>\$ 94,558</u>	<u>\$ -</u>	<u>\$ 178,102</u>	<u>\$ 750,687</u>

Exhibit 20

Debt Service Debt Revenue Fund	Permanent Cemetery Care Fund	Total Nonmajor Governmental Funds
\$ -	\$ 4,888	\$ 12,120
-	-	59,192
-	5,418	101,878
-	-	831,200
-	-	2,482,637
-	-	1,195,282
-	10,306	4,682,309
-	-	1,649,242
-	-	-
-	-	5,083,283
-	-	201,178
2,258,006	-	2,258,006
1,299,036	-	1,299,036
3,557,042	-	10,490,745
(3,557,042)	10,306	(5,808,436)
3,302,453	-	5,249,935
-	(4,888)	(11,783)
3,302,453	(4,888)	5,238,152
(254,589)	5,418	(570,284)
295,503	604,029	1,971,332
\$ 40,914	\$ 609,447	\$ 1,401,048

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, 2022

	Virginia Public Assistance Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Revenue from use of money and property	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental:				
Commonwealth	910,258	910,258	735,100	(175,158)
Federal	690,853	690,853	670,209	(20,644)
Total revenues	1,601,111	1,601,111	1,405,309	(195,802)
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Health and welfare	2,383,034	2,383,034	2,097,973	285,061
Total expenditures	2,383,034	2,383,034	2,097,973	285,061
Excess (deficiency) of revenues over (under) expenditures	(781,923)	(781,923)	(692,664)	89,259
OTHER FINANCING SOURCES (USES)				
Transfers in	781,923	781,923	692,664	(89,259)
Transfers out	-	-	-	-
Total other financing sources and uses	781,923	781,923	692,664	(89,259)
Net change in fund balances	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -
Community Action Partnership of Staunton, Augusta and Waynesboro Fund				
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES				
Revenue from use of money and property	\$ -	\$ -	\$ 234	\$ 234
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	121,011	121,011	121,011	-
Intergovernmental:				
Commonwealth	161,200	161,200	161,200	-
Federal	295,000	647,282	353,926	(293,356)
Total revenues	577,211	929,493	636,371	(293,122)
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Health and welfare	578,211	930,493	601,407	329,086
Total expenditures	578,211	930,493	601,407	329,086
Excess (deficiency) of revenues over (under) expenditures	(1,000)	(1,000)	34,964	35,964
OTHER FINANCING SOURCES (USES)				
Transfers in	1,000	1,000	-	(1,000)
Net change in fund balances	-	-	34,964	34,964
Fund balance - beginning	59,594	59,594	59,594	-
Fund balance - ending	\$ 59,594	\$ 59,594	\$ 94,558	\$ 34,964

Exhibit 21

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)
\$ -	\$ -	\$ -	\$ -	\$ 2,200	\$ 2,200	\$ 3,707	\$ 1,507
-	-	-	-	1,500	1,500	1,647	147
-	-	-	-	306,555	308,654	305,166	(3,488)
2,173,750	2,173,750	1,313,843	(859,907)	117,385	117,385	117,385	-
-	-	88,339	88,339	5,695	123,103	63,431	(59,672)
2,173,750	2,173,750	1,402,182	(771,568)	433,335	552,842	491,336	(61,506)
-	-	-	-	604,240	726,747	584,116	142,631
3,750,000	3,750,000	2,353,494	1,396,506	40,345	40,345	30,409	9,936
3,750,000	3,750,000	2,353,494	1,396,506	644,585	767,092	614,525	152,567
(1,576,250)	(1,576,250)	(951,312)	624,938	(211,250)	(214,250)	(123,189)	91,061
1,576,250	1,576,250	951,312	(624,938)	218,145	221,145	160,385	(60,760)
-	-	-	-	(6,895)	(6,895)	(6,895)	-
1,576,250	1,576,250	951,312	(624,938)	211,250	214,250	153,490	(60,760)
-	-	-	-	-	-	30,301	30,301
-	-	-	-	447,726	447,726	447,726	-
\$ -	\$ -	\$ -	\$ -	\$ 447,726	\$ 447,726	\$ 478,027	\$ 30,301

Shenandoah Valley Animal Service Center Fund			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$ 1,000	\$ 1,000	\$ 2,414	\$ 1,414
18,000	18,000	59,192	41,192
-	-	59,330	59,330
306,421	306,421	405,023	98,602
-	-	3,063	3,063
-	18,000	19,377	-
325,421	343,421	548,399	203,601
422,672	442,787	1,065,126	(622,339)
-	-	-	-
422,672	442,787	1,065,126	(622,339)
(97,251)	(99,366)	(516,727)	(417,361)
97,251	99,366	95,405	(3,961)
-	-	(421,322)	(421,322)
421,322	421,322	421,322	-
\$ 421,322	\$ 421,322	\$ -	\$ (421,322)

CITY OF WAYNESBORO, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended June 30, 2022

Exhibit 22

	Debt Service Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
EXPENDITURES				
Debt Service:				
Principal retirement	\$ 2,011,497	\$ 2,258,190	\$ 2,258,006	\$ 184
Interest and fiscal charges	<u>1,290,956</u>	<u>1,297,266</u>	<u>1,299,036</u>	<u>(1,770)</u>
Total expenditures	<u>3,302,453</u>	<u>3,555,456</u>	<u>3,557,042</u>	<u>(1,586)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,302,453)</u>	<u>(3,555,456)</u>	<u>(3,557,042)</u>	<u>(1,586)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>3,302,453</u>	<u>3,302,453</u>	<u>3,302,453</u>	<u>-</u>
Total other financing sources and uses	<u>3,302,453</u>	<u>3,302,453</u>	<u>3,302,453</u>	<u>-</u>
Net change in fund balances	-	(253,003)	(254,589)	(1,586)
Fund balance - beginning	<u>295,503</u>	<u>295,503</u>	<u>295,503</u>	<u>-</u>
Fund balance - ending	<u>\$ 295,503</u>	<u>\$ 42,500</u>	<u>\$ 40,914</u>	<u>\$ (1,586)</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, 2022

Exhibit 23

	Capital Improvements Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Recovered Costs	\$ -	\$ 97,046	\$ 537	\$ (96,509)
Intergovernmental:				
Commonwealth	521,150	1,631,987	66,623	(1,565,364)
Federal	5,648,850	11,462,656	604,325	(10,858,331)
Total revenues	<u>6,170,000</u>	<u>13,191,689</u>	<u>671,485</u>	<u>(12,520,204)</u>
EXPENDITURES				
Current:				
Public works	11,606,760	30,270,391	1,187,564	29,082,827
Total expenditures	<u>11,606,760</u>	<u>30,270,391</u>	<u>1,187,564</u>	<u>29,082,827</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,436,760)</u>	<u>(17,078,702)</u>	<u>(516,079)</u>	<u>16,562,623</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,146,263	13,311,799	3,751,581	(9,560,218)
Total other financing sources and uses	<u>4,146,263</u>	<u>13,311,799</u>	<u>3,751,581</u>	<u>(9,560,218)</u>
Net change in fund balances	(1,290,497)	(3,766,903)	3,235,502	7,002,405
Fund balance - beginning	<u>5,824,259</u>	<u>5,824,259</u>	<u>5,824,259</u>	<u>-</u>
Fund balance - ending	<u>\$ 4,533,762</u>	<u>\$ 2,057,356</u>	<u>\$ 9,059,761</u>	<u>\$ 7,002,405</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, 2022

Exhibit 24

	Cemetery Care Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Revenue from use of money and property	\$ 4,000	\$ 4,000	\$ 4,888	\$ 888
Miscellaneous	-	-	5,418	5,418
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>10,306</u>	<u>6,306</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,000</u>	<u>4,000</u>	<u>10,306</u>	<u>6,306</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(4,000)</u>	<u>(4,000)</u>	<u>(4,888)</u>	<u>(888)</u>
Total other financing sources and uses	<u>(4,000)</u>	<u>(4,000)</u>	<u>(4,888)</u>	<u>(888)</u>
Net change in fund balances	-	-	5,418	5,418
Fund balance - beginning	<u>604,029</u>	<u>604,029</u>	<u>604,029</u>	<u>-</u>
Fund balance - ending	<u>\$ 604,029</u>	<u>\$ 604,029</u>	<u>\$ 609,447</u>	<u>\$ 5,418</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, 2022

				Exhibit 25
	Refuse Fund	ACSA Joint Landfill Fund	Stormwater Fund	Total Nonmajor Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,293,539	\$ 212,963	\$ 632,629	\$ 2,139,131
Accounts receivable (net of allowance for uncollectibles)	257,875	74,970	843,102	1,175,947
Total current assets	1,551,414	287,933	1,475,731	3,315,078
Noncurrent assets:				
Equity interest in joint venture	-	2,712,406	-	2,712,406
Capital assets:				
Buildings	113,453	-	-	113,453
Improvements other than buildings	-	-	3,979,676	3,979,676
Machinery and equipment	1,595,233	-	570,696	2,165,929
Construction in progress	-	-	160,284	160,284
Less accumulated depreciation	(1,310,923)	-	(1,949,362)	(3,260,285)
Total capital assets (net of accumulated depreciation)	397,763	-	2,761,294	3,159,057
Total noncurrent assets	397,763	2,712,406	2,761,294	5,871,463
Total assets	1,949,177	3,000,339	4,237,025	9,186,541
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	-	70,828	70,828
Deferred outflow on OPEB obligation	9,842	11,201	6,895	27,938
Deferred loss on VRS pension	172,326	44,437	120,711	337,474
Total deferred outflows of resources	182,168	55,638	198,434	436,240
LIABILITIES				
Current liabilities:				
Accounts payable	4,451	105,858	13,752	124,061
Accrued payroll	18,663	63,165	10,037	91,865
Accrued interest payable	-	-	18,977	18,977
Deposits payable	2,423	-	-	2,423
Compensated absences	2,529	14,981	2,352	19,862
General obligation bonds - current	-	-	260,910	260,910
Total current liabilities	28,066	184,004	306,028	518,098
Noncurrent liabilities:				
Compensated absences	18,155	14,666	19,885	52,706
Net OPEB obligation	186,226	59,058	90,489	335,773
Net pension liability	172,177	(16,972)	120,608	275,813
General obligation bonds payable (net of unamortized deferred amount on refunding)	-	-	1,674,295	1,674,295
Total noncurrent liabilities	376,558	56,752	1,905,277	2,338,587
Total liabilities	404,624	240,756	2,211,305	2,856,685
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow on OPEB obligation	52,182	9,727	26,173	88,082
Deferred gain on VRS pension	317,360	81,821	222,307	621,488
Total deferred inflows of resources	369,542	91,548	248,480	709,570
NET POSITION				
Net investment in capital assets	397,763	2,152,231	826,089	3,376,083
Restricted for grant proceeds	872	-	-	872
Unrestricted	958,544	571,442	1,149,585	2,679,571
Total net position	\$ 1,357,179	\$ 2,723,673	\$ 1,975,674	\$ 6,056,526

CITY OF WAYNESBORO, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2022

Exhibit 26

	Refuse Fund	ACSA Joint Landfill Fund	Stormwater Fund	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 1,476,298	\$ 757,391	\$ 1,684,328	\$ 3,918,017
Miscellaneous	-	-	-	-
Total operating revenues	<u>1,476,298</u>	<u>757,391</u>	<u>1,684,328</u>	<u>3,918,017</u>
OPERATING EXPENSES				
Personal services	737,499	-	498,119	1,235,618
Contractual services	27,282	492,786	74,449	594,517
Other supplies and expenses	141,863	-	92,722	234,585
Depreciation	68,591	-	254,372	322,963
Total operating expenses	<u>975,235</u>	<u>492,786</u>	<u>919,662</u>	<u>2,387,683</u>
Operating income (loss)	<u>501,063</u>	<u>264,605</u>	<u>764,666</u>	<u>1,530,334</u>
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental:				
Commonwealth	7,807	-	-	7,807
Federal	45,213	-	19,377	64,590
Interest income	9,935	59	6,112	16,106
Interest and fiscal charges	-	-	(82,772)	(82,772)
Gain (loss) on equity interest	-	(410,221)	-	(410,221)
Total nonoperating revenues (expenses)	<u>62,955</u>	<u>(410,162)</u>	<u>(57,283)</u>	<u>(404,490)</u>
Income before contributions and transfers	<u>564,018</u>	<u>(145,557)</u>	<u>707,383</u>	<u>1,125,844</u>
Capital contributions	-	-	-	-
Transfers in	-	124,000	-	124,000
Transfers out	<u>(363,865)</u>	<u>-</u>	<u>(298,416)</u>	<u>(662,281)</u>
Change in net position	200,153	(21,557)	408,967	587,563
Total net position - beginning (as restated)	<u>1,157,026</u>	<u>2,745,230</u>	<u>1,566,707</u>	<u>5,468,963</u>
Total net position - ending	<u>\$ 1,357,179</u>	<u>\$ 2,723,673</u>	<u>\$ 1,975,674</u>	<u>\$ 6,056,526</u>

CITY OF WAYNESBORO, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2022

	Exhibit 27			
	Refuse Fund	ACSA Joint Landfill Fund	Stormwater Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 1,452,394	\$ 750,103	\$ 1,583,509	\$ 3,786,006
Cash paid to suppliers	(168,916)	(464,584)	(184,908)	(818,408)
Cash paid to employees	(716,496)	(31,016)	(494,717)	(1,242,229)
Net cash provided (used) by operating activities	<u>566,982</u>	<u>254,503</u>	<u>903,884</u>	<u>1,725,369</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Subsidy from federal grant	53,020	-	19,377	72,397
Transfer from other funds	-	124,000	-	124,000
Transfer to other funds	(363,865)	-	(298,416)	(662,281)
Net cash provided (used) by noncapital financing activities	<u>(310,845)</u>	<u>124,000</u>	<u>(279,039)</u>	<u>(465,884)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(170,275)	-	(128,505)	(298,780)
Principal paid on capital debt	-	-	(484,934)	(484,934)
Payment from current bond refunding	-	-	271,493	271,493
Interest paid on capital debt	-	-	(98,602)	(98,602)
Net cash provided (used) by capital and related financing activities	<u>(170,275)</u>	<u>-</u>	<u>(440,548)</u>	<u>(610,823)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	9,935	59	6,112	16,106
Cash paid to joint venture	-	(354,525)	-	(354,525)
Net cash provided (used) by investing activities	<u>9,935</u>	<u>(354,466)</u>	<u>6,112</u>	<u>(338,419)</u>
Net increase (decrease) in cash and cash equivalents	95,797	24,037	190,409	310,243
Cash and cash equivalents - beginning of year	<u>1,197,742</u>	<u>188,926</u>	<u>442,220</u>	<u>1,828,888</u>
Cash and cash equivalents - end of year	<u>\$ 1,293,539</u>	<u>\$ 212,963</u>	<u>\$ 632,629</u>	<u>\$ 2,139,131</u>
Cash and cash equivalents at end of year is composed of the following:				
Cash and cash equivalents	<u>\$ 1,293,539</u>	<u>\$ 212,963</u>	<u>\$ 632,629</u>	<u>\$ 2,139,131</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 501,063	\$ 264,605	\$ 764,666	\$ 1,530,334
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	68,591	-	254,372	322,963
(Increase) decrease in accounts receivable	(24,099)	(7,288)	(100,819)	(132,206)
(Increase) decrease in deferred outflow on OPEB	(2,197)	(4,639)	(1,540)	(8,376)
(Increase) decrease in deferred loss on VRS pension	(27,014)	3,239	(13,958)	(37,733)
Increase (decrease) in accounts payable	229	28,202	(17,737)	10,694
Increase (decrease) in accrued payroll	4,467	(21,911)	305	(17,139)
Increase (decrease) in net OPEB obligation	5,647	5,581	1,163	12,391
Increase (decrease) in net pension liability	(253,349)	(85,981)	(192,001)	(531,331)
Increase (decrease) in deferred inflow on OPEB	296,074	921	206,732	503,727
Increase (decrease) in deferred gain on VRS pension	(261)	72,664	2,721	75,124
Increase (decrease) in deposits payable	195	-	-	195
Increase (decrease) in compensated absences	(2,364)	(890)	(20)	(3,274)
Total Adjustments	<u>65,919</u>	<u>(10,102)</u>	<u>139,218</u>	<u>195,035</u>
Net cash provided (used) by operating activities	<u>\$ 566,982</u>	<u>\$ 254,503</u>	<u>\$ 903,884</u>	<u>\$ 1,725,369</u>

There are no noncash activities to disclose.

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

PRIVATE-PURPOSE TRUST FUNDS

Kimler Fund – to account for donations received for the purpose of funding scholarships.

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.

CITY OF WAYNESBORO, VIRGINIA
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
GOVERNMENTAL FUNDS
June 30, 2022

Exhibit 28

	School Operating Fund	School Nutrition Fund	School Textbook Fund	School Activity Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,170,320	\$ 770,819	\$ 829,766	\$ 443,524	\$ 8,214,429
Accounts receivable	54,151	39,108	-	-	93,259
Due from other governments	5,515,115	13,702	-	-	5,528,817
Leases receivable	91,942	-	-	-	91,942
Total assets	<u>\$ 11,831,528</u>	<u>\$ 823,629</u>	<u>\$ 829,766</u>	<u>\$ 443,524</u>	<u>\$ 13,928,447</u>
LIABILITIES					
Accounts payable	2,112,593	15,119	-	-	2,127,712
Accrued payroll	2,629,368	76,008	-	-	2,705,376
Compensated absences	26,208	-	-	-	26,208
Total liabilities	<u>4,768,169</u>	<u>91,127</u>	<u>-</u>	<u>-</u>	<u>4,859,296</u>
DEFERRED INFLOWS OF RESOURCES					
Leases	91,942	-	-	-	91,942
FUND BALANCES					
Committed to:					
Education	6,971,417	-	-	-	6,971,417
Assigned to:					
Education	-	732,502	829,766	443,524	2,005,792
Total fund balances	<u>6,971,417</u>	<u>732,502</u>	<u>829,766</u>	<u>443,524</u>	<u>8,977,209</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,831,528</u>	<u>\$ 823,629</u>	<u>\$ 829,766</u>	<u>\$ 443,524</u>	

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.	60,338,448
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.	7,571,732
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(26,748,330)
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.	(14,767,117)
Net position of governmental activities	<u>\$ 35,371,942</u>

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, 2022

Exhibit 29

	School Operating Fund	School Nutrition Fund	School Textbook Fund	School Activity Fund	Total Governmental Funds
REVENUES					
Revenue from use of money and property	\$ 63,370	\$ -	\$ -	\$ -	\$ 63,370
Charges for services	83,527	59,276	-	417,027	559,830
Miscellaneous	186,330	33,450	143	-	219,923
Recovered costs	439,088	-	-	-	439,088
Intergovernmental:					
Local	16,656,209	-	-	-	16,656,209
Commonwealth	22,954,418	66,598	-	-	23,021,016
Federal	8,716,947	2,284,421	-	-	11,001,368
Total revenues	<u>49,099,889</u>	<u>2,443,745</u>	<u>143</u>	<u>417,027</u>	<u>51,960,804</u>
EXPENDITURES					
Current:					
Education	47,255,537	2,137,005	172,815	305,172	49,870,529
Debt Service:					
Principal retirement	296,400	-	-	-	296,400
Interest and fiscal charges	46,653	-	-	-	46,653
Total expenditures	<u>47,598,590</u>	<u>2,137,005</u>	<u>172,815</u>	<u>305,172</u>	<u>50,213,582</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,501,299</u>	<u>306,740</u>	<u>(172,672)</u>	<u>111,855</u>	<u>1,747,222</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	300,916	-	300,916
Transfers out	(300,916)	-	-	-	(300,916)
Total other financing sources and uses	<u>(300,916)</u>	<u>-</u>	<u>300,916</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,200,383	306,740	128,244	111,855	1,747,222
Fund balance Beginning (as restated)	<u>5,771,034</u>	<u>425,762</u>	<u>701,522</u>	<u>331,669</u>	
Fund balance - ending	<u>\$ 6,971,417</u>	<u>\$ 732,502</u>	<u>\$ 829,766</u>	<u>\$ 443,524</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 (\$1,771,224) was less than capital outlays (\$4,026,349)

2,255,125

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

(96,293)

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.

81,906

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.

4,341,388

Change in net position of governmental activities

\$ 8,329,348

CITY OF WAYNESBORO, VIRGINIA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
 CUSTODIAL FUNDS
 June 30, 2022

Exhibit 30

	Private- Purpose Trust Kimler	Valley Academy	Total Custodial Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 210,003	\$ 210,003
Total assets	<u>-</u>	<u>210,003</u>	<u>210,003</u>
LIABILITIES			
Accounts payable	-	1,496	1,496
Payroll Payable	<u>-</u>	<u>28,098</u>	<u>28,098</u>
Total liabilities	<u>-</u>	<u>29,594</u>	<u>29,594</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	<u>\$ -</u>	<u>\$ 180,409</u>	<u>\$ 180,409</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, 2022

Exhibit 31

	Private- Purpose Trust Kimler	Valley Academy	Total Custodial Funds
ADDITIONS			
Charges for services	\$ -	\$ 480,004	\$ 480,004
Miscellaneous	-	3,000	3,000
Intergovernmental Commonwealth	-	193,320	193,320
Total additions	-	676,324	676,324
DEDUCTIONS			
Education	11,631	634,539	646,170
Total deductions	11,631	634,539	646,170
Change in net position	(11,631)	41,785	30,154
Net position - beginning	11,631	138,624	150,255
Net position - ending	\$ -	\$ 180,409	\$ 180,409

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, 2022

	School Operating Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
REVENUES				
Revenue from use of money and property	\$ 26,200	\$ 26,200	\$ 63,370	\$ 37,170
Charges for services	125,000	125,000	83,527	(41,473)
Miscellaneous	154,210	155,210	186,330	31,120
Recovered costs	305,000	305,000	439,088	134,088
Intergovernmental:				
Local	16,656,209	16,656,209	16,656,209	-
Commonwealth	21,609,973	21,733,319	22,954,418	1,221,099
Federal	4,235,324	6,802,123	8,716,947	1,914,824
Total revenues	<u>43,111,916</u>	<u>45,803,061</u>	<u>49,099,889</u>	<u>3,296,828</u>
EXPENDITURES				
Current:				
Education	42,467,947	45,930,997	47,255,537	(1,324,540)
Debt service:				
Principal retirement	296,296	296,296	296,400	(104)
Interest and fiscal charges	46,757	46,757	46,653	104
Total expenditures	<u>42,811,000</u>	<u>46,274,050</u>	<u>47,598,590</u>	<u>(1,324,540)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>300,916</u>	<u>(470,989)</u>	<u>1,501,299</u>	<u>1,972,288</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>(300,916)</u>	<u>(300,916)</u>	<u>(300,916)</u>	<u>-</u>
Total other financing sources and uses	<u>(300,916)</u>	<u>(300,916)</u>	<u>(300,916)</u>	<u>-</u>
Net change in fund balances	-	(771,905)	1,200,383	1,972,288
Fund balance - beginning	<u>5,771,034</u>	<u>5,771,034</u>	<u>5,771,034</u>	<u>-</u>
Fund balance - ending	\$ 5,771,034	\$ 4,999,129	\$ 6,971,417	\$ 1,972,288

Exhibit 32

School Nutrition Fund				School Textbook Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
				Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
76,200	85,200	59,276	(25,924)	-	-	-	-
9,961	9,961	33,450	23,489	-	-	143	143
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
55,619	55,619	66,598	10,979	-	-	-	-
1,742,169	1,742,169	2,284,421	542,252	-	-	-	-
<u>1,883,949</u>	<u>1,892,949</u>	<u>2,443,745</u>	<u>550,796</u>	<u>-</u>	<u>-</u>	<u>143</u>	<u>143</u>
1,883,949	1,892,949	2,137,005	(244,056)	300,916	300,916	172,815	128,101
-	-	-	-	-	-	-	-
<u>1,883,949</u>	<u>1,892,949</u>	<u>2,137,005</u>	<u>(244,056)</u>	<u>300,916</u>	<u>300,916</u>	<u>172,815</u>	<u>128,101</u>
-	-	306,740	306,740	(300,916)	(300,916)	(172,672)	128,244
-	-	-	-	300,916	300,916	300,916	-
-	-	-	-	-	-	-	-
-	-	-	-	<u>300,916</u>	<u>300,916</u>	<u>300,916</u>	<u>-</u>
-	-	306,740	306,740	-	-	128,244	128,244
<u>425,762</u>	<u>425,762</u>	<u>425,762</u>	<u>-</u>	<u>701,522</u>	<u>701,522</u>	<u>701,522</u>	<u>-</u>
\$ 425,762	\$ 425,762	\$ 732,502	\$ 306,740	\$ 701,522	\$ 701,522	\$ 829,766	\$ 128,244

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

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CITY OF WAYNESBORO, VIRGINIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY*
June 30, 2022

Exhibit 33

Function and Activity	Land	Construction in Progress	Buildings	Improvements Other than Buildings	Machinery and Equipment	Leases	Infrastructure	Total
PRIMARY GOVERNMENT:								
General government administration	\$ 4,923,193	\$ -	\$ 1,623,599	\$ 50,600	\$ 3,268,000	\$ 110,433	\$ -	\$ 9,975,825
Judicial administration	-	-	3,396,648	55,638	157,011	-	-	3,609,297
Public safety	-	-	4,226,748	441,208	5,405,105	-	-	10,073,061
Public works	341,189	504,811	2,212,010	415,460	437,854	-	57,439,481	61,350,805
Health and welfare	-	-	451,060	208,400	-	-	-	659,460
Parks, recreation, and cultural	4,299	2,286,763	4,344,095	2,467,276	487,659	-	181,343	9,771,435
Community development	3,507,117	591,580	168,861	2,214,950	48,960	30,350	819,658	7,381,476
Total Primary Government	<u>\$ 8,775,798</u>	<u>\$ 3,383,154</u>	<u>\$ 16,423,021</u>	<u>\$ 5,853,532</u>	<u>\$ 9,804,589</u>	<u>\$ 140,783</u>	<u>\$ 58,440,482</u>	<u>\$ 102,821,359</u>

COMPONENT UNIT SCHOOL BOARD:

Schools:

Education	<u>\$ 811,907</u>	<u>\$ 3,073,523</u>	<u>\$ 74,467,477</u>	<u>\$ 4,946,688</u>	<u>\$ 4,727,100</u>	<u>\$ 613,585</u>	<u>\$ -</u>	<u>\$ 88,640,280</u>
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* 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, 2022

Exhibit 34

	Governmental Funds Capital Assets			Governmental Funds Capital Assets
Function and Activity	June 30, 2021	Additions	Deductions	June 30, 2022
<u>PRIMARY GOVERNMENT:</u>				
General government administration	\$ 9,865,390	\$ 110,435	\$ -	\$ 9,975,825
Judicial administration	3,609,297	-	-	3,609,297
Public safety	9,854,260	218,801	-	10,073,061
Public works	61,096,430	254,375	-	61,350,805
Health and welfare	631,840	27,620	-	659,460
Parks, recreation, and cultural	9,231,362	540,073	-	9,771,435
Community development	<u>7,351,131</u>	<u>30,345</u>	<u>-</u>	<u>7,381,476</u>
Total Primary Government	<u>\$ 101,639,710</u>	<u>\$ 1,181,649</u>	<u>\$ -</u>	<u>\$ 102,821,359</u>
<u>COMPONENT UNIT SCHOOL BOARD:</u>				
Schools:				
Education	\$ 84,882,481	\$ 3,757,799	\$ -	\$ 88,640,280

* 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.

SUPPLEMENTAL DATA

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CITY OF WAYNESBORO, VIRGINIA
GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Schedule 1 Variance with Final Budget - Positive (Negative)
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 18,701,550	\$ 18,701,550	\$ 19,033,834	\$ 332,284
Real and personal public service				
corporation property taxes	975,977	975,977	1,012,533	36,556
Personal property taxes	4,660,904	4,660,904	5,382,861	721,957
Mobile home taxes	5,193	5,193	5,877	684
Machinery and tools taxes	1,081,497	1,081,497	1,121,140	39,643
Rolling stock	68,287	68,287	82,811	14,524
Penalties	336,247	336,247	399,492	63,245
Interest	107,477	107,477	121,882	14,405
Total General Property Taxes	<u>25,937,132</u>	<u>25,937,132</u>	<u>27,160,430</u>	<u>1,223,298</u>
Other local taxes:				
Local sales and use tax	5,610,500	5,860,500	6,890,032	1,029,532
Consumers' utility taxes	1,039,000	1,039,000	1,050,236	11,236
Business license taxes	2,163,700	2,163,700	2,833,854	670,154
Motor vehicle licenses	411,353	411,353	432,872	21,519
Bank stock taxes	338,600	338,600	374,624	36,024
Taxes on recordation and wills	261,500	261,500	377,292	115,792
Lodging taxes	672,700	672,700	860,607	187,907
Restaurant food taxes	4,900,000	4,900,000	6,236,664	1,336,664
Tobacco taxes	475,000	475,000	431,509	(43,491)
Short-term rental taxes	2,000	2,000	722	(1,278)
Payments in lieu of tax	29,000	29,000	27,013	(1,987)
Total Other Local Taxes	<u>15,903,353</u>	<u>16,153,353</u>	<u>19,515,425</u>	<u>3,362,072</u>
Permits, privilege fees and regulatory licenses:				
Animal licenses	10,000	10,000	7,897	(2,103)
Permits and other licenses	<u>216,300</u>	<u>216,300</u>	<u>287,367</u>	<u>71,067</u>
Total Permits, Privilege Fees, and Regulatory Licenses	<u>226,300</u>	<u>226,300</u>	<u>295,264</u>	<u>68,964</u>
Fines and forfeitures:				
Parking fines	3,900	3,900	2,941	(959)
Fines and forfeitures	<u>123,600</u>	<u>123,600</u>	<u>125,808</u>	<u>2,208</u>
Total Fines and Forfeitures	<u>127,500</u>	<u>127,500</u>	<u>128,749</u>	<u>1,249</u>
Revenue from use of money and property:				
Revenue from use of money	272,000	272,000	397,028	125,028
Revenue from use of property	<u>53,987</u>	<u>56,987</u>	<u>54,209</u>	<u>(2,778)</u>
Total Revenue from Use of Money and Property	<u>325,987</u>	<u>328,987</u>	<u>451,237</u>	<u>122,250</u>
Charges for services:				
Commonwealth's attorney fees	2,200	2,200	2,798	598
Charges for court appointed attorney	5,000	5,000	4,202	(798)
Charges for maintenance of buildings and grounds	-	-	9,639	9,639
Charges for passport fees	5,000	5,000	14,810	9,810
Charges for planning services	26,000	26,000	68,537	42,537
Charges for recreation	95,325	95,325	47,692	(47,633)
Charges for library	200	200	6,587	6,387
Charges for miscellaneous services	<u>9,856</u>	<u>9,856</u>	<u>22,033</u>	<u>12,177</u>
Total Charges for Services	<u>143,581</u>	<u>143,581</u>	<u>176,298</u>	<u>32,717</u>
Miscellaneous revenue:				
Gifts and donations	9,600	21,100	26,504	5,404
Other revenue	<u>669,447</u>	<u>706,985</u>	<u>794,551</u>	<u>87,566</u>
Total Miscellaneous Revenue	<u>679,047</u>	<u>728,085</u>	<u>821,055</u>	<u>92,970</u>
Recovered Costs	<u>62,092</u>	<u>65,444</u>	<u>108,392</u>	<u>42,948</u>
Total Revenue from Local Sources	<u>43,404,992</u>	<u>43,710,382</u>	<u>48,656,850</u>	<u>4,946,468</u>

continued

CITY OF WAYNESBORO, VIRGINIA
GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

				Schedule 1 (continued)
				Variance with Final Budget - Positive (Negative)
Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	
Primary Government: (continued)				
General Fund: (continued)				
Revenue from the Commonwealth:				
Non-categorical aid:				
Mobile home titling taxes	\$ 1,000	\$ 1,000	\$ 5,270	\$ 4,270
Grantor tax	66,000	66,000	101,754	35,754
Sales tax on rental passenger vehicles	58,000	58,000	80,438	22,438
Personal property tax reimbursement	1,721,457	1,721,457	1,721,457	-
Assistance to localities with police departments	808,900	808,900	808,979	79
Rolling stock tax	14,650	14,650	14,619	(31)
Communications tax	1,033,000	1,033,000	927,256	(105,744)
Recordation tax	56,000	56,000	-	(56,000)
Other	-	-	23,255	23,255
Total Non-categorical Aid	<u>3,759,007</u>	<u>3,759,007</u>	<u>3,683,028</u>	<u>(75,979)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	435,000	435,000	471,895	36,895
Sheriff	285,000	293,814	294,133	319
Commissioner of the revenue	94,000	94,000	107,964	13,964
Treasurer	87,000	87,000	108,720	21,720
Clerk of circuit court	231,000	231,000	287,820	56,820
Registrar/Electoral board	40,780	76,907	68,907	(8,000)
Total Shared Expenses	<u>1,172,780</u>	<u>1,217,721</u>	<u>1,339,439</u>	<u>121,718</u>
Other categorical aid:				
Street and highway maintenance	3,900,000	3,900,000	4,087,964	187,964
Library	159,000	159,000	168,416	9,416
Virginia Arts	5,000	5,000	4,500	(500)
Fire Board funds	80,054	80,054	85,022	4,968
Drug seizure	-	-	750	750
Victim/witness	26,108	26,108	31,330	5,222
E-911 wireless	98,000	98,000	123,904	25,904
EMS grants	-	-	39,227	39,227
Forestry grants	-	-	14,177	14,177
Other state funds	7,500	10,367	189,531	179,164
Total Other Categorical Aid	<u>4,275,662</u>	<u>4,278,529</u>	<u>4,744,821</u>	<u>466,292</u>
Total Categorical Aid	<u>5,448,442</u>	<u>5,496,250</u>	<u>6,084,260</u>	<u>588,010</u>
Total Revenue from the Commonwealth	<u>9,207,449</u>	<u>9,255,257</u>	<u>9,767,288</u>	<u>512,031</u>
Revenue from the Federal Government:				
Categorical aid:				
DMV grants	-	-	7,269	7,269
Forestry grants	-	6,677	-	(6,677)
Department of justice grants	-	47,857	-	(47,857)
Victim/witness	78,326	78,326	73,107	(5,219)
CARES/ARPA funding	-	594,000	778,834	184,834
Total Categorical Aid	<u>78,326</u>	<u>726,860</u>	<u>859,210</u>	<u>132,350</u>
Total Revenue from the Federal Government	<u>78,326</u>	<u>726,860</u>	<u>859,210</u>	<u>132,350</u>
Total General Fund	<u>\$ 52,690,767</u>	<u>\$ 53,692,499</u>	<u>\$ 59,283,348</u>	<u>\$ 5,590,849</u>

continued

CITY OF WAYNESBORO, VIRGINIA
GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

				Schedule 1 (continued)
				Variance with Final Budget - Positive (Negative)
Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	
Primary Government: (continued)				
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from the Commonwealth:				
Other categorical aid:				
Welfare	\$ 910,258	\$ 910,258	\$ 735,100	\$ (175,158)
Virginia Public Assistance Fund: (continued)				
Revenue from the Federal Government:				
Categorical aid:				
Welfare	690,853	690,853	670,209	(20,644)
Total Virginia Public Assistance Fund	1,601,111	1,601,111	1,405,309	(195,802)
Comprehensive Services Act Fund:				
Revenue from the Commonwealth:				
Categorical aid:				
CSA funds	2,173,750	2,173,750	1,313,843	(859,907)
Revenue from the Federal Government:				
Categorical aid:				
CSA funds	-	-	88,339	88,339
Total Comprehensive Services Act Fund	\$ 2,173,750	\$ 2,173,750	\$ 1,402,182	\$ (771,568)
Youth and Family Services Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	2,200	2,200	3,707	1,507
Miscellaneous revenue:				
Gifts and donations	1,000	1,000	1,600	600
Other revenue	500	500	47	(453)
Total Miscellaneous Revenue	1,500	1,500	1,647	147
Recovered Costs	306,555	308,654	305,166	(3,488)
Total Revenue from Local Sources	310,255	312,354	310,520	(1,834)
Revenue from the Commonwealth:				
Categorical aid:				
Juvenile crime control	117,385	117,385	117,385	-
Total Revenue from the Commonwealth	117,385	117,385	117,385	-
Revenue from the Federal Government:				
Categorical aid:				
Other federal funds	5,695	123,103	63,431	(59,672)
Total Revenue from the Federal Government	5,695	123,103	63,431	(59,672)
Total Youth and Family Services Fund	\$ 433,335	\$ 552,842	\$ 491,336	\$ (61,506)
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	-	-	234	234
Recovered Costs	121,011	121,011	121,011	-
Total Revenue from Local Sources	121,011	121,011	121,245	234
Revenue from the Commonwealth:				
Categorical aid:				
TANF grant	161,200	161,200	161,200	-
Total Revenue from the Commonwealth	161,200	161,200	161,200	-

continued

CITY OF WAYNESBORO, VIRGINIA
GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

				Schedule 1 (continued)
				Variance with Final Budget - Positive (Negative)
Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	
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	\$ 295,000	\$ 647,282	\$ 353,926	\$ (293,356)
Total Revenue from the Federal Government	295,000	647,282	353,926	(293,356)
Total Community Action Partnership of Staunton, Augusta and Waynesboro Fund	\$ 577,211	\$ 929,493	\$ 636,371	\$ (293,122)
Shenandoah Valley Animal Service Center Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	1,000	1,000	2,414	1,414
Charges for services:				
Animal adoption fees	12,000	12,000	52,252	40,252
Animal control fees	6,000	6,000	6,940	940
Total Charges for Services	18,000	18,000	59,192	41,192
Miscellaneous revenue:				
Gifts and donations	-	-	55,730	55,730
Other revenue	-	-	3,600	3,600
Total Miscellaneous Revenue	-	-	59,330	59,330
Recovered Costs	306,421	306,421	405,023	98,602
Total Revenue from Local Sources	325,421	325,421	525,959	200,538
Revenue from the Commonwealth:				
Categorical aid:				
DMV grant	-	-	3,063	3,063
Total Revenue from the Commonwealth	-	-	3,063	3,063
Revenue from the Federal Government:				
Categorical aid:				
Other federal funds	-	18,000	19,377	1,377
Total Revenue from the Federal Government	-	18,000	19,377	1,377
Total Shenandoah Valley Animal Service Center Fund	\$ 325,421	\$ 343,421	\$ 548,399	\$ 204,978
Total Special Revenue Funds	\$ 5,110,828	\$ 5,600,617	\$ 4,483,597	\$ (1,117,020)
Capital Projects Funds:				
Capital Improvements Fund:				
Revenue from local sources:				
Recovered Costs	-	97,046	537	(96,509)
Total Revenue from Local Sources	-	97,046	537	(96,509)
Revenue from the Commonwealth:				
Categorical Aid:				
VDOT grants	521,150	1,631,987	18,202	(1,613,785)
VA DEQ grants	-	-	48,421	48,421
Total Revenue from the Commonwealth	521,150	1,631,987	66,623	(1,565,364)
Revenue from the Federal and State Government:				
Categorical aid:				
VDOT grants	3,058,000	4,381,799	168,374	(4,213,425)
Other grants	2,415,850	6,579,308	322,369	(6,256,939)
CDBG grant	175,000	501,549	113,582	(387,967)
Total Revenue from the Federal Government	5,648,850	11,462,656	604,325	(10,858,331)
Total Capital Improvements Fund	\$ 6,170,000	\$ 13,191,689	\$ 671,485	\$ (12,520,204)
Total Capital Projects Funds	\$ 6,170,000	\$ 13,191,689	\$ 671,485	\$ (12,520,204)

continued

CITY OF WAYNESBORO, VIRGINIA
GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

				Schedule 1 (continued)
				Variance with Final Budget - Positive (Negative)
Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	
Primary Government: (continued)				
Permanent Funds:				
Cemetery Care Fund:				
Revenue from local sources:				
Revenue from use of money	\$ 4,000	\$ 4,000	\$ 4,888	\$ 888
Miscellaneous revenue:				
Other revenue	-	-	5,418	5,418
Total Revenue from Local Sources	4,000	4,000	10,306	6,306
Total Perpetual Care Fund	\$ 4,000	\$ 4,000	\$ 10,306	\$ 6,306
Total Permanent Funds	\$ 4,000	\$ 4,000	\$ 10,306	\$ 6,306
Grand Total - Revenues - Primary Government	\$ 63,975,595	\$ 72,488,805	\$ 64,448,736	\$ (8,040,069)
Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money	21,200	21,200	43,795	22,595
Revenue from use of property	5,000	5,000	19,575	14,575
Total Revenue from Use of Money and Property	26,200	26,200	63,370	37,170
Charges for services:				
Charges for education	125,000	125,000	83,527	(41,473)
Total Charges for Services	125,000	125,000	83,527	(41,473)
Miscellaneous revenue:				
Gifts and donations	650	1,650	16,255	14,605
Other revenue	153,560	153,560	170,075	16,515
Total Miscellaneous Revenue	154,210	155,210	186,330	31,120
Recovered Costs	305,000	305,000	439,088	134,088
Total Revenue from Local Sources	610,410	611,410	772,315	160,905
Revenue from Local Government:				
Contribution from City of Waynesboro	16,656,209	16,656,209	16,656,209	-
Revenue from the Commonwealth:				
Categorical Aid:				
Adult education	47,313	47,313	47,313	-
At risk	1,242,851	1,242,851	1,728,792	485,941
Basic school aid	8,504,858	8,504,858	8,012,852	(492,006)
Early intervention	51,904	51,904	173,767	121,863
English as a second language	165,809	165,809	185,852	20,043
Foster children	162,985	162,985	55,985	(107,000)
GED funding	16,772	16,772	16,465	(307)
Gifted and talented children	95,045	95,045	95,067	22
Group life	39,453	39,453	39,462	9
Operating costs	787,016	787,016	830,407	43,391
Primary class size	406,451	406,451	464,896	58,445
Race to GED expansion	100,928	100,928	100,928	-
Remedial education	462,674	462,674	640,949	178,275
Share of state sales tax	4,170,978	4,170,978	5,186,076	1,015,098
Social security	548,753	548,753	548,875	122
Special education	1,326,289	1,326,289	1,324,918	(1,371)
Standards of learning	52,380	52,380	52,465	85
Teacher retirement	1,278,630	1,278,630	1,278,915	285
Technology initiative	232,000	258,000	26,000	(232,000)

continued

CITY OF WAYNESBORO, VIRGINIA
GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

Fund, Major and Minor Revenue Source	Schedule 1 (continued)			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Component Unit - School Board: (continued)				
Special Revenue Funds: (continued)				
School Operating Fund: (continued)				
Revenue from the Commonwealth: (continued)				
Textbook payments	\$ 192,727	\$ 192,727	\$ 192,770	\$ 43
Vocational education	268,436	276,816	274,790	(2,026)
Other state funds	<u>1,455,721</u>	<u>1,544,687</u>	<u>1,676,874</u>	<u>132,187</u>
Total Revenue from the Commonwealth	<u>21,609,973</u>	<u>21,733,319</u>	<u>22,954,418</u>	<u>1,221,099</u>
Revenue from the Federal Government:				
Categorical Aid:				
Adult literacy	664,121	786,157	742,732	(43,425)
CARES Funding	1,463,723	2,744,163	5,653,728	2,909,565
Title I	1,031,787	1,564,787	1,011,996	(552,791)
Title II - Teacher Quality	150,000	156,000	91,079	(64,921)
Title III	16,153	36,179	18,878	(17,301)
Title IV	79,000	232,000	80,073	(151,927)
Title VIB	690,831	910,235	710,917	(199,318)
Title VIB - Preschool grant	16,709	16,709	16,863	154
Title IXA - Homeless	38,000	268,293	3,830	(264,463)
Inclusive Practice Partnership	-	-	9,831	9,831
Vocational education	85,000	87,600	78,208	(9,392)
Other federal grants	<u>-</u>	<u>-</u>	<u>298,812</u>	<u>298,812</u>
Total Revenue from the Federal Government	<u>4,235,324</u>	<u>6,802,123</u>	<u>8,716,947</u>	<u>1,914,824</u>
Total School Operating Fund	<u>\$ 43,111,916</u>	<u>\$ 45,803,061</u>	<u>\$ 49,099,889</u>	<u>\$ 3,296,828</u>
School Nutrition Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	<u>76,200</u>	<u>85,200</u>	<u>59,276</u>	<u>(25,924)</u>
Miscellaneous Revenue	<u>9,961</u>	<u>9,961</u>	<u>33,450</u>	<u>23,489</u>
Total Revenue from Local Sources	<u>86,161</u>	<u>95,161</u>	<u>92,726</u>	<u>(2,435)</u>
Revenue from the Commonwealth:				
School food programs	<u>55,619</u>	<u>55,619</u>	<u>66,598</u>	<u>10,979</u>
Revenue from the Federal Government:				
School food programs	<u>1,742,169</u>	<u>1,742,169</u>	<u>2,284,421</u>	<u>542,252</u>
Total School Nutrition Fund	<u>\$ 1,883,949</u>	<u>\$ 1,892,949</u>	<u>\$ 2,443,745</u>	<u>\$ 550,796</u>
School Textbook Fund:				
Revenue from local sources:				
Miscellaneous revenue	<u>-</u>	<u>-</u>	<u>143</u>	<u>143</u>
Total School Textbook Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143</u>	<u>\$ 143</u>
School Activity Fund:				
Revenue from local sources:				
Charges for services	<u>-</u>	<u>-</u>	<u>417,027</u>	<u>417,027</u>
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,027</u>	<u>\$ 417,027</u>
Total Special Revenue Funds	<u>\$ 44,995,865</u>	<u>\$ 47,696,010</u>	<u>\$ 51,960,804</u>	<u>\$ 4,264,794</u>
Grand Total - Revenues - Component Unit School Board	<u>\$ 44,995,865</u>	<u>\$ 47,696,010</u>	<u>\$ 51,960,804</u>	<u>\$ 4,264,794</u>

CITY OF WAYNESBORO, VIRGINIA
GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

Fund, Function, Activity, and Elements:	Schedule 2			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Primary Government:				
General Fund:				
General Government Administration:				
Legislative:				
City Council	\$ 84,139	\$ 84,139	\$ 77,771	\$ 6,368
Clerk of Council	67,010	67,010	74,556	(7,546)
Total Legislative	<u>151,149</u>	<u>151,149</u>	<u>152,327</u>	<u>(1,178)</u>
General and Financial Administration:				
Manager	517,852	478,725	503,284	(24,559)
City Attorney	133,450	133,450	153,946	(20,496)
Human Resources	866,634	2,036,634	865,395	1,171,239
Commissioner of Revenue	351,714	351,714	334,734	16,980
Assessor	323,024	379,074	296,890	82,184
Treasurer	337,284	337,284	343,093	(5,809)
Finance	928,457	1,277,029	909,523	367,506
Information Technology	1,318,947	1,407,200	1,300,927	106,273
Risk Management	461,475	461,475	418,253	43,222
Central Office	33,900	33,900	33,642	258
Total General and Financial Administration	<u>5,272,737</u>	<u>6,896,485</u>	<u>5,159,687</u>	<u>1,736,798</u>
Board of Elections:				
Electoral Board and Officials	<u>221,905</u>	<u>258,032</u>	<u>204,409</u>	<u>53,623</u>
Total General Government Administration	<u>5,645,791</u>	<u>7,305,666</u>	<u>5,516,423</u>	<u>1,789,243</u>
Judicial Administration:				
Courts:				
Circuit Court	100,478	100,478	61,864	38,614
General District Court	26,925	26,925	14,324	12,601
Court Services	900	900	902	(2)
Juvenile and Domestic Relations	11,400	11,400	6,669	4,731
Clerk of the Circuit Court	485,753	500,036	442,918	57,118
Sheriff	504,652	515,560	559,265	(43,705)
Victim/Witness Assistance	104,565	113,533	116,238	(2,705)
Total Courts	<u>1,234,673</u>	<u>1,268,832</u>	<u>1,202,180</u>	<u>66,652</u>
Commonwealth Attorney:				
Commonwealth Attorney	<u>642,976</u>	<u>645,397</u>	<u>712,332</u>	<u>(66,935)</u>
Total Commonwealth Attorney	<u>642,976</u>	<u>645,397</u>	<u>712,332</u>	<u>(66,935)</u>
Total Judicial Administration	<u>1,877,649</u>	<u>1,914,229</u>	<u>1,914,512</u>	<u>(283)</u>
Public Safety:				
Law Enforcement and Traffic Control:				
Police Department	<u>6,174,816</u>	<u>6,882,875</u>	<u>6,359,784</u>	<u>523,091</u>
Fire and Rescue Services:				
Fire Department	2,894,760	2,904,285	2,909,783	(5,498)
First Aid Crew	75,000	141,543	199,216	(57,673)
Total Fire and Rescue Services	<u>2,969,760</u>	<u>3,045,828</u>	<u>3,108,999</u>	<u>(63,171)</u>
Correction and Detention:				
Middle River Regional Jail	1,997,500	1,997,500	1,727,942	269,558
Juvenile Detention Home	100,000	100,000	95,556	4,444
Total Correction and Detention	<u>2,097,500</u>	<u>2,097,500</u>	<u>1,823,498</u>	<u>274,002</u>
Inspections:				
Inspector's Office	<u>713,493</u>	<u>773,493</u>	<u>614,063</u>	<u>159,430</u>

continued

CITY OF WAYNESBORO, VIRGINIA
GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

				Schedule 2 (continued)
	Original	Final		Variance with
Fund, Function, Activity, and Elements:	Budget	Budget	Actual	Final Budget -
				Positive
				(Negative)
Primary Government: (continued)				
General Fund: (continued)				
Public Safety: (continued)				
Other Protection:				
Emergency Operations Center	\$ 1,193,641	1,152,850	\$ 1,054,587	\$ 98,263
Total Other Protection	1,193,641	1,152,850	1,054,587	98,263
Total Public Safety	13,149,210	13,952,546	12,960,931	991,615
Public Works:				
Maintenance of Highways, Streets, Bridges, and Sidewalks:				
General Engineering/Administration	1,550,122	1,550,146	1,467,143	83,003
Public Works Operations Administration	352,174	352,491	322,500	29,991
Highways, Streets, Bridges, and Sidewalks	2,771,967	4,447,168	3,782,189	664,979
Traffic Engineering	951,026	649,447	357,144	292,303
Total Maintenance of Highways, Streets, Bridges, and Sidewalks	5,625,289	6,999,252	5,928,976	1,070,276
Sanitation and Waste Removal:				
Landfill closure	160,138	244,751	150,362	94,389
Total Sanitation and Waste Removal	160,138	244,751	150,362	94,389
Maintenance of General Buildings and Grounds:				
General Properties:				
Maintenance of buildings and grounds	98,967	123,032	108,262	14,770
Total Public Works	5,884,394	7,367,035	6,187,600	1,179,435
Health and Welfare:				
Health:				
Supplement of Local Health Department	233,670	233,670	212,024	21,646
Contribution to VCSB	165,725	165,725	165,725	-
Other Contributions	-	-	-	-
Total Health	399,395	399,395	377,749	21,646
Welfare:				
Area Agency on Aging	31,250	31,250	31,250	-
Property Tax Relief-Elderly Handicapped	130,000	130,000	212,255	(82,255)
Other Contributions	44,768	44,768	262,700	(217,932)
Total Welfare	206,018	206,018	506,205	(300,187)
Total Health and Welfare	605,413	605,413	883,954	(278,541)
Education:				
Contributions to Community College	47,846	47,846	35,346	12,500
Contribution to City School Board	16,656,209	16,656,209	16,656,209	-
Other Contributions	-	-	-	-
Total Education	16,704,055	16,704,055	16,691,555	12,500
Parks, Recreation and Cultural:				
Parks and Recreation:				
Administration	466,377	466,377	467,480	(1,103)
Municipal Parks	727,999	837,977	840,262	(2,285)
Municipal Pools	74,584	114,467	215,522	(101,055)
Recreation Programs	233,996	241,446	166,511	74,935
Custodial	651,346	672,376	636,495	35,881
Cemeteries	169,689	169,873	167,681	2,192
Total Parks and Recreation	2,323,991	2,502,516	2,493,951	8,565
Library:				
Library Administration	880,384	880,827	763,970	116,857

continued

CITY OF WAYNESBORO, VIRGINIA
GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

				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	\$ 11,000	\$ 11,000	\$ 10,715	\$ 285
Total Parks, Recreation, and Cultural	<u>3,215,375</u>	<u>3,394,343</u>	<u>3,268,636</u>	<u>125,707</u>
Community Development:				
Planning and Community Development:				
City Planner	387,394	387,394	432,552	(45,158)
Economic Development	302,281	304,370	308,001	(3,631)
Tourism Department	242,767	270,187	249,108	21,079
Shenandoah Valley Airport	44,052	44,051	44,052	(1)
Total Planning and Community Development	<u>976,494</u>	<u>1,006,002</u>	<u>1,033,713</u>	<u>(27,711)</u>
Total General Fund	<u>\$ 48,058,381</u>	<u>\$ 52,249,289</u>	<u>\$ 48,457,324</u>	<u>\$ 3,791,965</u>
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and Welfare:				
Welfare/Social Services:				
Public Assistance	\$ 2,383,034	\$ 2,383,034	\$ 2,097,973	\$ 285,061
Comprehensive Services Act Fund:				
Health and Welfare:				
Welfare/Social Services:				
Comprehensive Services	\$ 3,750,000	\$ 3,750,000	\$ 2,353,494	\$ 1,396,506
Youth and Family Services Fund:				
Public Safety:				
Correction and Detention:				
Youth Services	486,855	607,263	467,499	139,764
VJCCA Programs	117,385	119,484	116,617	2,867
Total Public Safety	<u>604,240</u>	<u>726,747</u>	<u>584,116</u>	<u>142,631</u>
Health and Welfare:				
Welfare/Social Services:				
Teen Pregnancy Prevention	40,345	40,345	30,409	9,936
Total Youth and Family Services Fund	<u>\$ 644,585</u>	<u>767,092</u>	<u>\$ 614,525</u>	<u>\$ 152,567</u>
Community Action Partnership of Staunton, Augusta and Waynesboro Fund:				
Health and Welfare:				
Welfare/Social Services:				
CAPSAW operations	578,211	930,493	601,407	329,086
Total Community Action Partnership of Staunton, Augusta and Waynesboro Fund	<u>\$ 578,211</u>	<u>930,493</u>	<u>\$ 601,407</u>	<u>\$ 329,086</u>

Continued

CITY OF WAYNESBORO, VIRGINIA
GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

				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)				
Shenandoah Valley Animal Service Center Fund:				
Public Safety:				
Other Protection:				
Animal Control	\$ 422,672	\$ 442,787	\$ 1,065,126	\$ (622,339)
Total Shenandoah Valley Animal Service Center Fund	\$ 422,672	\$ 442,787	\$ 1,065,126	\$ (622,339)
Total Special Revenue Funds	\$ 7,778,502	\$ 8,273,406	\$ 6,732,525	\$ 1,540,881
Debt Service Funds:				
Debt Revenue Fund:				
Debt Service:				
Principal Retirement	2,011,497	2,258,190	2,258,006	184
Interest and Fiscal Charges	1,290,956	1,297,266	1,299,036	(1,770)
Total Debt Service	3,302,453	3,555,456	3,557,042	(1,586)
Total Debt Service Fund	\$ 3,302,453	\$ 3,555,456	\$ 3,557,042	\$ (1,586)
Total Debt Service Funds	\$ 3,302,453	\$ 3,555,456	\$ 3,557,042	\$ (1,586)
Capital Projects Funds:				
Projects:				
Highways, Streets, Bridges, and Sidewalks	2,453,000	3,766,903	30,287	3,736,616
Miscellaneous and future year	9,153,760	26,503,488	1,157,277	25,346,211
Total Projects	11,606,760	30,270,391	1,187,564	29,082,827
Total Capital Improvements Fund	\$ 11,606,760	\$ 30,270,391	\$ 1,187,564	\$ 29,082,827
Total Capital Improvements Funds	\$ 11,606,760	\$ 30,270,391	\$ 1,187,564	\$ 29,082,827
Grand Total - Expenditures - Primary Government	\$ 70,746,096	\$ 94,348,542	\$ 59,934,455	\$ 34,414,087
Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Education:				
Administration and Instruction of Schools:				
Classroom Instruction	31,930,081	33,345,326	31,875,014	1,470,312
Administration, Attendance, and Health	2,668,510	2,711,575	3,063,345	(351,770)
Total Administration and Instruction of Schools	34,598,591	36,056,901	34,938,359	1,118,542
Operating Costs:				
Pupil Transportation	1,583,482	1,585,482	1,262,735	322,747
Operation and Maintenance of School Plant	3,966,439	5,341,344	7,847,488	(2,506,144)
Technology	2,319,435	2,947,270	3,206,955	(259,685)
Total Operating Costs	7,869,356	9,874,096	12,317,178	(2,443,082)
Total Education	42,467,947	45,930,997	47,255,537	(1,324,540)
Debt Service:				
Principal Retirement	296,296	296,296	296,400	(104)
Interest and Fiscal Charges	46,757	46,757	46,653	104
Total Debt Service	343,053	343,053	343,053	-
Total School Operating Fund	\$ 42,811,000	\$ 46,274,050	\$ 47,598,590	\$ (1,324,540)

continued

CITY OF WAYNESBORO, VIRGINIA
GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

				Schedule 2 (continued)
				Variance with Final Budget - Positive (Negative)
Fund, Function, Activity, and Elements:	Original Budget	Final Budget	Actual	
Component Unit - School Board: (continued)				
Special Revenue Funds: (continued)				
School Nutrition Fund:				
Education:				
Food Service	\$ 1,883,949	\$ 1,892,949	\$ 2,137,005	\$ (244,056)
School Textbook Fund:				
Education:				
Instructional Costs	300,916	300,916	172,815	128,101
School Textbook Fund:				
Education:				
Instructional Costs	-	-	305,172	(305,172)
Total Special Revenue Funds	\$ 44,995,865	\$ 48,467,915	\$ 50,213,582	\$ (1,745,667)
Grand Total - Expenditures - Component Unit - School Board	\$ 44,995,865	\$ 48,467,915	\$ 50,213,582	\$ (1,745,667)

STATISTICAL SECTION

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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.

Contents	<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	112-115
<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	116-119
<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	120-124
<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	125-126
<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	127-129

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

	2013	2014	2015 (1)	2016	2017	2018 (2)	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 28,744,563	\$ 31,133,091	\$ 30,091,461	\$ 31,418,630	\$ 33,791,619	\$ 33,980,786	\$ 34,787,121	\$ 39,102,605	\$ 38,890,208	\$ 37,514,787
Restricted	1,622,944	1,743,672	2,124,875	1,793,293	1,967,706	22,068,987	13,460,899	5,329,520	5,508,020	4,715,357
Unrestricted	(10,646,382)	(9,763,913)	(11,390,137)	(6,053,354)	(5,112,956)	(25,378,115)	(20,982,977)	(18,915,199)	(13,953,178)	(5,667,824)
Total governmental activities net position	<u>\$ 19,721,125</u>	<u>\$ 23,112,850</u>	<u>\$ 20,826,199</u>	<u>\$ 27,158,569</u>	<u>\$ 30,646,369</u>	<u>\$ 30,671,658</u>	<u>\$ 27,265,043</u>	<u>\$ 25,516,926</u>	<u>\$ 30,445,050</u>	<u>\$ 36,562,320</u>
Business-type activities										
Net investment in capital assets	32,958,276	32,955,974	32,895,991	32,896,027	31,859,390	32,772,413	32,528,272	33,116,043	32,605,658	32,877,670
Restricted	-	-	-	-	-	-	977	2,421	2,421	872
Unrestricted	10,494,915	9,752,065	7,933,035	8,340,522	9,238,420	8,917,530	9,693,985	9,775,330	10,998,429	13,719,843
Total business-type activities net position	<u>\$ 43,453,191</u>	<u>\$ 42,708,039</u>	<u>\$ 40,829,026</u>	<u>\$ 41,236,549</u>	<u>\$ 41,097,810</u>	<u>\$ 41,689,943</u>	<u>\$ 42,223,234</u>	<u>\$ 42,893,794</u>	<u>\$ 43,606,508</u>	<u>\$ 46,598,385</u>
Primary government										
Net investment in capital assets	61,702,839	64,089,065	62,987,452	64,314,657	65,651,009	66,753,199	67,315,393	72,218,648	71,496,066	70,392,457
Restricted	1,622,944	1,743,672	2,124,875	1,793,293	1,967,706	22,068,987	13,461,876	5,331,941	5,510,441	4,716,229
Unrestricted	(151,467)	(11,848)	(3,457,102)	2,287,168	4,125,464	(16,460,585)	(11,288,992)	(9,139,869)	(2,954,749)	8,052,019
Total primary government net position	<u>\$ 63,174,316</u>	<u>\$ 65,820,889</u>	<u>\$ 61,655,225</u>	<u>\$ 68,395,118</u>	<u>\$ 71,744,179</u>	<u>\$ 72,361,601</u>	<u>\$ 69,488,277</u>	<u>\$ 68,410,720</u>	<u>\$ 74,051,758</u>	<u>\$ 83,160,705</u>
School Board Component Unit										
Net investment in capital assets	\$ 38,119,862	\$ 37,224,991	\$ 36,571,516	\$ 36,148,835	\$ 35,391,084	\$ 34,360,416	\$ 41,927,453	\$ 52,489,416	\$ 55,191,154	\$ 59,297,408
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(1,329,615)	(2,172,690)	(33,145,847)	(32,811,413)	(32,273,726)	(33,486,905)	(30,491,309)	(27,898,617)	(24,503,738)	(24,582,458)
Total governmental activities net position	<u>\$ 36,790,247</u>	<u>\$ 35,052,301</u>	<u>\$ 3,425,669</u>	<u>\$ 3,337,422</u>	<u>\$ 3,117,358</u>	<u>\$ 873,511</u>	<u>\$ 11,436,144</u>	<u>\$ 24,590,799</u>	<u>\$ 30,687,416</u>	<u>\$ 34,714,950</u>

Notes:

- (1) The City implemented net pension liability reporting in fiscal year 2015 as required by GASB 68.
(2) The City implemented net OPEB liability reporting in fiscal year 2018 as required by GASB 75.

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

Table 2

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 3,468,784	\$ 3,613,629	\$ 7,015,817	\$ 9,900,958	\$ 10,482,872	\$ 11,283,368	\$ 12,887,236	\$ 13,670,378	\$ 14,792,879	\$ 6,061,317
Judicial administration	1,541,889	1,530,639	1,478,788	1,393,274	1,501,243	1,536,332	1,608,858	1,966,048	2,037,824	1,880,301
Public safety	11,041,793	10,965,288	10,962,688	10,574,111	11,404,402	11,847,803	12,394,461	13,374,317	14,483,020	14,442,688
Public works	7,084,792	6,832,130	5,690,103	6,813,144	7,233,241	6,299,523	4,940,088	8,518,205	6,297,453	8,840,925
Health and welfare	3,896,292	4,852,442	5,375,620	5,325,427	5,455,336	5,890,677	7,047,841	6,792,298	6,798,799	6,714,783
Education	12,952,643	13,442,240	13,845,320	13,275,982	15,501,962	15,800,624	23,861,807	23,718,238	18,123,621	16,902,753
Parks, recreation and culture	2,852,606	2,911,705	2,904,112	2,935,329	2,808,386	3,235,722	3,569,855	2,564,162	2,621,804	2,714,327
Community development	688,295	91,647	1,352,385	644,256	1,292,122	1,289,798	1,147,717	968,380	1,767,095	966,154
Interest on long-term debt	1,605,156	1,453,602	1,633,675	1,100,085	981,433	971,326	1,722,502	1,292,826	1,257,944	1,114,256
Total governmental activities expenses	<u>45,132,250</u>	<u>45,693,322</u>	<u>50,258,508</u>	<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>
Business-type activities:										
Water	3,078,347	3,297,434	3,101,533	2,946,249	3,792,452	3,631,173	3,866,372	3,883,766	3,656,690	2,844,395
Sewer	5,340,416	5,741,003	5,418,648	5,452,764	5,498,658	5,160,072	5,481,883	5,736,809	5,429,946	5,213,442
Landfill Operations	688,241	714,131	626,565	610,135	751,715	988,762	687,386	932,424	764,102	903,007
Refuse	1,011,546	1,070,287	1,085,308	909,655	1,039,989	801,878	866,285	1,132,911	1,076,380	961,129
Stormwater	-	-	-	917,556	637,709	678,925	826,700	1,283,252	1,154,476	953,548
Total business-type activities expenses	<u>10,118,550</u>	<u>10,822,855</u>	<u>10,232,054</u>	<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>
Total primary government expenses	<u>\$ 55,250,800</u>	<u>\$ 56,516,177</u>	<u>\$ 60,490,562</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	36,338	30,922	22,921	12,239	13,226	27,881	8,022,179	9,366,492	9,421,024	14,810
Judicial administration	212,018	226,112	281,363	207,183	160,160	135,752	204,318	175,303	183,343	154,589
Public safety	268,103	327,960	305,586	377,559	363,657	361,045	445,647	420,720	503,425	562,359
Public works	17,627	18,052	53,749	14,083	18,651	25,283	25,093	19,221	9,256	9,639
Health and welfare	143,038	87,250	87,250	87,250	110,564	110,564	127,171	123,860	139,137	142,349
Parks, recreation and culture	327,945	250,997	251,192	251,196	264,999	259,539	238,347	107,643	32,029	54,279
Community development	225,882	219,301	184,136	228,503	209,253	229,552	306,940	296,299	474,837	356,441
Operating grants and contributions	8,326,003	8,524,997	12,307,578	15,122,085	16,417,961	16,555,954	10,174,092	13,265,337	9,960,889	10,278,782
Capital grants and contributions	180,832	1,321,893	667,397	942,253	1,247,986	193,603	281,901	1,510,347	615,298	671,773
Total governmental activities revenues	<u>9,737,786</u>	<u>11,007,484</u>	<u>14,161,172</u>	<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>
Business-type activities:										
Charges for services:										
Water	3,457,578	3,595,736	3,602,682	3,573,258	3,802,813	4,035,430	3,875,205	4,244,688	4,245,642	4,484,297
Sewer	5,066,599	5,382,235	5,368,271	5,312,609	5,654,003	5,871,019	5,879,570	6,351,505	6,314,316	6,800,877
Landfill operations	781,904	626,250	690,095	731,978	706,647	728,729	773,356	677,513	689,173	757,391
Refuse	1,124,421	1,196,942	1,194,867	1,161,423	1,175,056	1,189,772	1,150,517	1,182,167	1,275,130	1,476,298
Stormwater	-	-	-	1,200,963	1,247,386	1,200,480	1,231,549	1,397,594	1,425,752	1,684,328
Operating grants and contributions	7,216	6,366	6,357	8,558	6,192	6,993	9,207	3,947	31,885	178,971
Capital grants and contributions	21,275	282,689	64,170	22,000	102,535	463,965	526,806	1,229,300	302,600	317,161
Total business-type activities revenues	<u>10,458,993</u>	<u>11,090,218</u>	<u>10,926,642</u>	<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>
Total primary government revenues	<u>\$ 20,196,779</u>	<u>\$ 22,097,702</u>	<u>\$ 25,087,814</u>	<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>
Net (Expense)/Revenue										
Governmental activities	\$ (35,394,464)	\$ (34,685,838)	\$ (36,097,336)	\$ (34,720,215)	\$ (37,854,540)	\$ (40,256,000)	\$ (49,354,677)	\$ (47,579,630)	\$ (46,841,201)	\$ (47,392,483)
Business-type activities	<u>340,443</u>	<u>267,363</u>	<u>694,388</u>	<u>1,174,430</u>	<u>974,109</u>	<u>2,235,578</u>	<u>1,717,584</u>	<u>2,117,552</u>	<u>2,202,904</u>	<u>4,823,802</u>
Total primary government net expense	<u>\$ (35,054,021)</u>	<u>\$ (34,418,475)</u>	<u>\$ (35,402,948)</u>	<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>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	18,527,350	18,864,334	19,228,131	19,577,555	20,084,623	20,882,667	22,384,195	24,780,249	24,763,521	27,708,213
Sales taxes	4,818,357	4,939,849	5,548,840	5,493,561	5,396,441	5,610,549	5,391,887	5,604,128	6,358,170	6,890,032
Utility taxes	1,031,726	1,030,193	1,041,682	1,032,821	1,030,149	1,044,069	1,037,799	1,045,083	1,049,065	1,050,236
Business license taxes	2,050,853	1,997,600	2,068,303	2,206,222	2,130,404	2,232,450	2,081,665	2,283,334	2,435,582	2,833,854
Hotel and meals taxes	4,259,246	4,448,874	4,751,154	4,970,141	5,109,283	5,192,580	5,917,199	5,529,653	6,129,388	7,097,271
Communication sales taxes	-	-	-	-	-	-	-	-	-	-
Tobacco taxes	398,681	378,197	378,828	370,607	357,547	336,686	491,704	507,789	520,920	431,509
Other local taxes	842,557	853,752	908,019	905,552	966,863	949,732	1,114,924	1,114,833	1,200,302	1,212,523
Unrestricted grants and contributions	4,120,323	4,215,912	4,796,487	5,043,586	4,190,347	4,147,046	3,809,924	2,405,649	6,776,517	4,329,976
Payment from Component Unit School Board	200,000	200,000	200,000	-	-	-	-	-	-	-
Investment earnings	145,171	136,103	142,359	165,902	293,209	286,750	1,182,404	581,897	411,273	465,089
Miscellaneous	535,939	476,393	297,710	410,838	552,364	452,287	395,752	502,161	345,553	334,742
Gain(loss) on sale of capital assets	19,388	(10,564)	15,280	9,814	33,913	19,583	23,877	25,790	111,716	181,736
Special items	-	-	6,359,697	-	-	-	-	-	-	-
Transfers	648,000	855,795	678,000	865,986	1,197,197	1,377,912	1,436,507	1,450,947	1,667,318	1,803,059
Total governmental activities	<u>37,597,591</u>	<u>38,386,438</u>	<u>46,414,490</u>	<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>
Business-type activities:										
Investment earnings	37,539	39,093	38,771	46,249	49,018	73,112	130,733	121,763	68,732	97,255
Miscellaneous	41,976	26,572	185,139	52,611	21,862	47,382	16,742	18,484	42,696	14,670
Gain(loss) on sale of capital assets	-	90,530	10,342	219	13,469	2,609	12,332	(136,292)	65,900	6,780
Transfers	(648,000)	(855,795)	(678,000)	(865,986)	(1,197,197)	(1,377,912)	(1,436,507)	(1,450,947)	(1,667,318)	(1,803,059)
Total business-type activities	<u>(568,485)</u>	<u>(699,600)</u>	<u>(443,748)</u>	<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>
Total primary government	<u>\$ 37,029,106</u>	<u>\$ 37,686,838</u>	<u>\$ 45,970,742</u>	<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>
Change in Net Position										
Governmental activities	2,203,127	3,700,600	10,317,154	6,332,370	3,487,800	2,276,311	(4,086,840)	(1,748,117)	4,928,124	6,945,757
Business-type activities	(228,042)	(432,237)	250,640	407,523	(138,739)	980,769	440,884	670,560	712,914	3,139,448
Total primary government	<u>\$ 1,975,085</u>	<u>\$ 3,268,363</u>	<u>\$ 10,567,794</u>	<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>
Expenses										
School Board Component Unit:										
Education	<u>\$ 34,443,290</u>	<u>\$ 35,093,147</u>	<u>\$ 35,624,368</u>	<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>
Total School Board component unit expenses	<u>34,443,290</u>	<u>35,093,147</u>	<u>35,624,368</u>	<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>
Program Revenues										
School Board Component Unit:										
Charges for services:										
Education	431,285	478,999	577,445	870,221	743,310	691,627	668,260	775,552	681,733	998,918
Operating grants and contributions	19,746,721	19,255,186	20,289,940	20,462,618	21,239,894	21,317,552	21,836,971	23,276,690	27,685,138	33,926,091
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total School Board component unit revenues	<u>20,178,006</u>	<u>19,734,185</u>	<u>20,867,385</u>	<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>
Net (Expense)/Revenue										
School Board Component Unit	<u>(14,265,284)</u>	<u>(15,358,962)</u>	<u>(14,756,983)</u>	<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>
General Revenues and Other Changes in Net Position										
School Board Component Unit:										
Payment from City of Waynesboro	12,920,240	13,411,837	13,812,917	13,239,886	15,465,866	15,765,278	23,133,914	23,682,892	18,222,217	16,867,407
Investment earnings	33,864	33,719	35,232	37,293	32,233	18,857	35,102	44,458	37,789	63,370
Miscellaneous	134,350	175,460	183,843	179,592	561,014	758,951	738,485	586,638	228,134	219,923
Total School Board Component Unit	<u>13,088,454</u>	<u>13,621,016</u>	<u>14,031,992</u>	<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>
Change in Net Position										
School Board Component Unit	<u>\$ (1,176,830)</u>	<u>\$ (1,737,946)</u>	<u>\$ (724,991)</u>	<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>

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

Table 3

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,036
Restricted	642,134	1,089,914	1,358,725	938,389	920,956	21,010,377	1,382,290	1,489,399	3,940,141	3,772,848
Committed	4,134,909	4,190,258	3,900,782	4,155,703	3,621,574	3,790,186	9,474,173	9,491,903	9,976,510	10,429,778
Assigned	526,948	319,698	502,899	167,899	302,517	460,601	2,436,027	6,404,178	9,418,037	13,001,302
Unassigned	<u>8,923,216</u>	<u>9,054,972</u>	<u>9,761,313</u>	<u>11,058,122</u>	<u>9,323,445</u>	<u>10,019,656</u>	<u>2,463,499</u>	<u>1,478,341</u>	<u>1,375,629</u>	<u>1,406,440</u>
Total general fund	<u>\$ 14,227,207</u>	<u>\$ 14,654,842</u>	<u>\$ 15,523,719</u>	<u>\$ 16,320,113</u>	<u>\$ 14,168,492</u>	<u>\$ 35,280,820</u>	<u>\$ 15,755,989</u>	<u>\$ 18,863,821</u>	<u>\$ 24,710,317</u>	<u>\$ 28,654,404</u>
All Other Governmental Funds										
Nonspendable	542,549	561,049	582,549	586,029	589,149	591,189	594,429	599,469	604,029	609,447
Restricted	2,479,482	1,599,807	391,432	358,415	530,099	540,489	11,484,108	3,240,652	963,850	333,062
Committed	1,033,646	246,579	386,498	903,444	2,711,980	1,905,932	5,321,907	4,253,383	5,824,259	9,059,761
Assigned	719,023	1,036,474	1,894,804	2,574,832	3,193,323	3,036,931	2,230,222	3,230,282	4,228,587	791,601
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(909,269)</u>	<u>(271,640)</u>	<u>(36,912)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 4,774,700</u>	<u>\$ 3,443,909</u>	<u>\$ 3,255,283</u>	<u>\$ 4,422,720</u>	<u>\$ 6,115,282</u>	<u>\$ 5,802,901</u>	<u>\$ 19,593,754</u>	<u>\$ 11,323,786</u>	<u>\$ 11,620,725</u>	<u>\$ 10,793,871</u>

(1) With the implementation of GASB Statement No. 54 in Fiscal Year 2011, the fund balance terminology was changed.

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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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
General property taxes	\$ 18,418,234	\$ 19,003,063	\$ 19,356,344	\$ 19,534,896	\$ 20,010,239	\$ 20,604,501	\$ 21,991,399	\$ 24,243,256	\$ 25,123,117	\$ 27,160,430
Sales taxes	4,818,357	4,939,849	5,548,840	5,493,561	5,396,441	5,610,549	5,391,887	5,604,128	6,358,170	6,890,032
Other local taxes	8,583,063	8,708,616	9,147,986	9,469,518	9,610,071	9,755,517	10,643,291	10,480,692	11,335,257	12,625,393
Permits, privilege fees and regulatory licenses	208,253	219,973	180,351	216,732	192,623	182,714	242,244	262,225	285,084	295,264
Fines and forfeitures	195,247	206,543	258,418	186,866	143,191	123,413	161,902	117,943	119,946	128,749
Revenues from use of money and property	195,246	181,754	196,296	223,189	337,182	332,303	1,100,168	581,897	411,273	465,089
Charges for services	389,346	304,491	343,875	320,243	331,122	350,079	378,648	221,997	168,128	235,490
Miscellaneous	355,209	373,154	5,157,768	8,186,878	8,431,437	8,391,745	8,945,085	10,333,482	10,305,366	922,933
Recovered costs	699,041	704,473	668,130	741,411	748,658	779,980	879,426	922,094	1,100,141	940,129
Intergovernmental	12,581,314	13,987,916	13,314,831	13,655,806	14,050,959	13,144,405	13,973,739	16,899,507	17,063,163	14,975,365
Total revenues	46,443,310	48,629,832	54,172,839	58,029,100	59,251,923	59,275,206	63,707,789	69,667,221	72,269,645	64,638,874
Expenditures										
General government administration	3,405,476	3,592,910	7,080,032	10,885,148	11,422,599	11,899,595	13,140,973	12,962,563	13,893,454	5,516,423
Judicial administration	1,472,117	1,455,629	1,453,153	1,493,599	1,474,245	1,553,616	1,601,912	1,641,324	1,842,714	1,914,512
Public safety	11,008,118	10,798,557	10,693,388	11,056,875	11,339,732	12,143,873	12,805,943	13,024,804	13,823,431	14,610,173
Public works	7,666,797	7,774,030	6,585,131	6,503,352	7,594,812	5,653,176	5,056,165	10,018,699	5,567,222	7,375,164
Health and welfare	3,887,883	4,843,683	5,395,565	5,410,066	5,467,008	5,917,467	7,041,555	6,878,187	6,763,730	5,967,237
Education (1)	12,950,643	13,442,240	13,845,320	13,275,982	15,501,962	15,800,624	23,408,159	23,718,238	18,123,621	16,902,753
Parks, recreation and culture	2,723,097	2,745,531	2,826,740	3,079,450	3,268,620	3,238,316	3,520,134	3,028,820	2,767,280	3,268,636
Community development	1,329,120	1,226,971	1,315,093	1,319,981	1,324,067	1,351,835	1,401,015	978,745	1,586,912	1,234,891
Capital projects	2,396	21,222	-	-	-	-	-	-	-	-
Debt service:										
Principal retirement	2,678,211	2,626,338	4,964,903	2,708,363	2,732,970	2,040,548	1,894,029	2,359,557	2,179,831	2,258,006
Interest and fiscal charges	1,634,500	1,540,320	2,360,894	1,136,227	1,056,435	966,779	1,462,448	1,495,334	1,396,049	1,307,395
Bond issuance costs	-	-	100,430	15,600	-	38,926	-	-	-	-
Redemption of debt	-	-	15,965,000	-	-	-	-	-	-	-
Total expenditures	48,758,358	50,067,431	72,585,649	56,884,643	61,182,450	60,604,755	71,332,333	76,106,271	67,944,244	60,355,190
Excess of revenues over (under) expenditures	(2,315,048)	(1,437,599)	(18,412,810)	1,144,457	(1,930,527)	(1,329,549)	(7,624,544)	(6,439,050)	4,325,401	4,283,684

Table 4 (continued)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing Sources (Uses)										
Insurance recoveries	141,036	79,009	56,302	36,644	95,628	34,688	110,120	25,790	111,716	181,736
Refunding bonds issued	-	-	16,389,513	-	-	19,860,000	-	-	-	-
Debt issued	-	-	2,225,219	216,083	533,547	-	-	-	-	-
Premium on debt	-	-	742,144	-	-	1,182,437	-	-	-	-
Capital lease	278,806	-	-	-	-	-	-	-	-	279,933
Refunded bonds redeemed	-	-	-	-	-	-	-	-	-	(271,574)
Transfers in	4,818,149	4,820,987	4,211,415	5,417,342	6,607,459	5,543,753	9,944,498	9,792,340	10,635,170	10,939,358
Transfers out	<u>(4,407,371)</u>	<u>(4,365,553)</u>	<u>(4,531,532)</u>	<u>(4,850,695)</u>	<u>(5,765,166)</u>	<u>(4,491,382)</u>	<u>(8,834,704)</u>	<u>(8,541,288)</u>	<u>(8,928,852)</u>	<u>(9,013,298)</u>
Total other financing sources and uses	<u>830,620</u>	<u>534,443</u>	<u>19,093,061</u>	<u>819,374</u>	<u>1,471,468</u>	<u>22,129,496</u>	<u>1,219,914</u>	<u>1,276,842</u>	<u>1,818,034</u>	<u>2,116,155</u>
Net change in fund balances	<u>\$ (1,484,428)</u>	<u>\$ (903,156)</u>	<u>\$ 680,251</u>	<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>
Debt service as a percentage of noncapital expenditures	9.3%	9.0%	33.2%	7.0%	6.5%	5.1%	4.9%	5.5%	5.4%	6.1%

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				
2013	1,315,419,967	426,330,400	93,455,183	0.75	100,131,159	5.00	93,205	5.00	36,141,279	3.00	825,558	3.00	1,972,396,751	1.01	2,041,974,715	96.59%
2014	1,228,790,935	428,846,000	105,729,192	0.80	102,653,018	5.00	194,265	5.00	35,384,762	3.00	700,558	3.00	1,902,298,730	1.07	1,972,346,376	96.45%
2015	1,237,499,214	440,617,500	100,000,407	0.80	107,481,558	5.00	221,268	5.00	36,083,097	3.00	884,170	3.00	1,922,787,214	1.08	1,994,917,925	96.38%
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%

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

Fiscal Year	City Direct Rates (2)			Total Direct Rate
	Real Estate	Motor Vehicles and Tangibles	Machinery & Tools	
2013	0.70	0.25	0.05	1.01
2014	0.74	0.27	0.06	1.07
2015	0.74	0.28	0.06	1.08
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	1.16
2020	0.83	0.29	0.05	1.18
2021	0.80	0.29	0.05	1.15
2022	0.81	0.28	0.04	1.14

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>	December 31, 2021			December 31, 2011		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	<u>Value</u>		<u>Value</u>	<u>Value</u>		<u>Value</u>
Poly-Bond/Chicopee, Inc.	\$ 32,352,301	1	1.71%	-	-	-
Waynesboro Town Center	25,520,700	2	1.35%	32,140,353	4	1.73%
Walmart	22,415,595	3	1.18%	18,916,942	5	1.02%
Windigrove LLC	16,613,200	4	0.88%	-	-	-
Invista/DuPont	16,446,277	5	0.87%	26,156,866	3	1.41%
Delphine Enterprise Management	13,148,400	6	0.69%	-	-	-
Waynesboro Station LLC	12,983,400	7	0.68%	-	-	-
Lowe's Home Center	12,978,685	8	0.68%	14,597,027	6	0.79%
DuPont Community Credit Union	12,517,243	9	0.66%	11,240,647	7	0.61%
Target	12,079,976	10	0.64%	12,365,415	8	0.67%
Ntelos Communications	-	-	-	19,505,649	1	1.05%
Poly-Bond, Inc.	-	-	-	11,666,575	2	0.63%
Waynesboro Plaza LLC	-	-	-	12,466,400	9	0.67%
Chicopee, Inc.	-	-	-	10,447,900	10	0.56%
Total	<u>\$ 177,055,777</u>		<u>9.34%</u>	<u>\$ 169,503,774</u>		<u>7.41%</u>

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		Total Adjusted Levy	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years	Total Collections to Date	
	(Original Levy)	Adjustments		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2013	19,811,574	(57,211)	19,754,363	19,331,996	97.58%	425,258	19,753,237	99.99%
2014	20,238,326	(43,583)	20,194,743	19,814,287	97.90%	372,256	20,181,838	99.94%
2015	20,602,887	(27,715)	20,575,172	20,291,309	98.49%	287,329	20,567,894	99.96%
2016	20,926,459	(482)	20,926,796	20,634,703	98.61%	340,508	20,884,342	99.80%
2017	21,305,548	1,137	21,306,837	20,990,103	98.52%	297,212	21,232,893	99.65%
2018	22,424,812	(36,562)	22,389,375	21,982,776	98.03%	346,639	22,267,223	99.45%
2019	23,263,009	(50,203)	23,214,266	22,763,818	97.85%	371,025	22,980,819	98.99%
2020	25,862,973	4,281	25,867,254	24,994,172	96.64%	644,447	25,638,619	99.12%
2021	25,952,197	-	25,952,197	25,336,973	97.63%	318,969	25,655,942	98.86%
2022	28,568,151	12,222	28,580,373	27,715,005	97.01%	-	27,715,005	96.97%

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	Notes Payable (2)	Capital Leases	General Obligation Bonds	Sewer Revenue Bonds	Virginia Revolving Loan			
2013	30,566,794	1,750,000	3,201,542	228,806	14,670,000	19,556,559	4,833,347	74,807,048	8.70%	3,501
2014	29,076,458	1,500,000	2,423,847	120,499	14,310,000	19,507,164	4,550,900	71,488,868	8.20%	3,326
2015	29,552,306	1,250,000	-	3,108	13,835,487	19,170,953	4,259,916	68,071,770	7.18%	3,110
2016	27,313,134	1,000,000	-	-	13,422,539	18,753,439	3,960,137	64,449,249	6.22%	2,887
2017	25,363,711	750,000	-	-	13,007,540	18,020,115	3,651,297	60,792,663	5.87%	2,687
2018	43,433,163	500,000	-	-	12,575,263	16,801,232	3,170,447	76,480,105	7.38%	3,380
2019	41,789,133	250,000	-	-	12,133,286	15,947,996	3,005,331	73,125,746	8.07%	3,425
2020	37,214,972	-	-	-	13,942,419	14,845,666	2,667,632	68,670,689	7.06%	3,232
2021	35,035,140	-	-	-	13,244,822	13,699,708	2,319,726	64,299,396	5.94%	2,841
2022	32,785,496	-	-	-	12,271,985	12,508,587	1,961,305	59,527,373	5.52%	2,640

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.
- (2) Beginning in 2013, the Economic Development Authority was presented as a blended component unit.

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 Service Fund	Net General Bonded Debt Outstanding	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	State Literary Loans	Notes Payable (3)	Total				
2013	30,566,794	2,000,000	-	32,566,794	152,190	32,414,604	1.62%	1,517
2014	29,076,458	1,750,000	3,201,542	34,028,000	-	34,028,000	1.67%	1,583
2015	29,552,306	1,500,000	2,423,847	33,476,153	4,402	33,471,751	1.70%	1,529
2016	27,313,134	1,250,000	-	28,563,134	4,405	28,558,729	1.43%	1,279
2017	25,363,711	750,000	-	26,113,711	4,405	26,109,306	1.29%	1,169
2018	43,433,163	750,000	-	44,183,163	4,405	44,178,758	2.12%	1,968
2019	41,789,133	500,000	-	42,289,133	204,405	42,084,728	2.01%	1,849
2020	37,214,972	250,000	-	37,464,972	35,208	37,429,764	1.80%	1,643
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

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, 2022

Table 11

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to City of Waynesboro</u>	<u>Amount Applicable to City of Waynesboro</u>
City of Waynesboro	\$ 32,785,496	100%	\$ 32,785,496

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 183,520,555	\$ 176,336,613	\$ 177,811,712	\$ 179,861,426	\$ 182,156,821	\$ 184,148,219	185,483,801	198,869,980	200,763,684	223,974,763
Total net debt applicable to limit	<u>54,869,493</u>	<u>51,861,205</u>	<u>48,893,307</u>	<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>
Legal debt margin	<u>\$ 128,651,062</u>	<u>\$ 124,475,408</u>	<u>\$ 128,918,405</u>	<u>\$ 134,170,021</u>	<u>\$ 139,388,678</u>	<u>\$ 124,473,751</u>	<u>\$ 128,510,456</u>	<u>\$ 145,080,165</u>	<u>\$ 150,459,499</u>	<u>\$ 176,996,891</u>
Total net debt applicable to the limit as a percentage of debt limit	29.90%	29.41%	27.50%	25.40%	23.48%	32.41%	30.72%	27.05%	25.06%	20.97%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed Value of Real Property	\$ 2,239,747,631
Debt Limit - 10%	223,974,763
Debt Applicable to Limit:	
General obligation debt	47,018,786
Less: Amount set aside for repayment of general obligation debt	<u>(40,914)</u>
Total net debt applicable to limit	<u>46,977,872</u>
Legal Debt Margin	<u>\$ 176,996,891</u>

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					
	Sewer Charges and Other (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	5,095,721	2,575,558	2,520,163	1,018,555	613,747	1.54
2014	5,408,414	2,659,610	2,748,804	817,036	812,515	1.69
2015	5,394,218	2,264,042	3,130,176	2,170,626	787,477	1.06
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

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 ⁽¹⁾	Personal Income (amounts expressed in thousands)	Per capita income ⁽²⁾	Median age	Educational attainment ⁽³⁾		School enrollment ⁽⁴⁾	Unemployment rate ⁽⁵⁾
					High School Graduate or higher	Bachelor's Degree or higher		
2013	21,107	726,968	34,442	38.8	82.4%	21.1%	3,010	6.50%
2014	21,263	778,163	36,597	38.8	82.2%	22.3%	3,024	5.50%
2015	21,366	804,730	37,664	38.8	83.6%	19.1%	3,048	5.30%
2016	21,491	859,645	40,000	38.8	84.6%	19.0%	3,033	4.00%
2017	21,887	872,320	39,856	*	84.9%	18.4%	3,013	4.20%
2018	22,327	947,429	42,434	*	86.3%	22.6%	2,967	3.60%
2019	22,628	1,035,718	44,316	*	85.8%	22.3%	2,868	3.00%
2020	22,630	1,033,234	45,658	*	86.6%	25.0%	2,817	8.70%
2021	22,630	1,081,578	47,794	*	86.1%	27.1%	2,914	4.50%
2022	22,550	1,077,755	47,794	*	87.1%	28.9%	3,022	3.10%

* Median age info not available

Sources:

- (1) Population estimate @ July 1, 2021 per U.S. Census Bureau
- (2) Bureau of Economic Analysis (2020 data is most recent available)
- (3) U.S. Census Bureau - Data presented is percentage of persons 25 years or older attaining the described educational status @ July 1, 2021
- (4) Virginia Department of Education
- (5) Virginia Employment Commission - data for the month of June 2021

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

Table 15

<u>Employer</u>	<u>2022 ⁽¹⁾</u>			<u>2013 ⁽¹⁾</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	5.61%	500-999	1	5.44%
Walmart	250-499	2	2.80%	250-499	5	2.72%
City of Waynesboro	250-499	3	2.80%	250-499	4	2.72%
A&AT LLC (Invista/Dupont)	250-499	4	2.80%	250-499	3	2.72%
Lumos	250-499	5	2.80%	250-499	6	2.72%
Virginia Panel Corporation	100-249	6	1.12%			
DuPont Community Credit Union	100-249	7	1.12%			
Chicopee Incorporated	100-249	8	1.12%	100-249	8	1.09%
Lowes' Home Centers, Inc.	100-249	9	1.12%			
Mathers Construction Co.	100-249	10	1.12%			
Ntelos/CFW Communication				250-499	2	2.72%
Adecco				100-249	7	1.09%
Augusta Lumber				100-249	9	1.09%
Kroger				100-249	10	1.09%
Total	<u>2,000</u>		<u>19.77%</u>	<u>2,150</u>		<u>23.38%</u>

Source: Virginia Labor Market Information, https://virginiaworks.com/_docs/Local-Area-Profiles/5104000820.pdf

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 2022 and 2013, respectively.

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

Table 16

	2012	2013	2014	2015	2016	2017	2018 *	2019 *	2020*	2021*	2022*
<u>Function/Program</u>											
General government administration	33.5	30.2	31.0	31.6	32.7	33.8	44	45	46	46	45
Judicial administration	8.9	9.2	9.2	8.9	9.7	9.5	20	22	25	26	26
Public safety:											
Police	68.1	65.0	63.8	65.7	65.9	67.8	68	72	72	77	76
Fire	38.5	37.4	35.5	38.1	38.5	37.4	34	34	34	35	36
Correction and detention	16.6	15.6	13.1	12.0	12.0	12.3	28	24	24	25	25
Building inspections	5.4	5.9	5.8	5.6	5.8	5.9	8	7	8	8	8
Emergency management	22.7	22.9	24.6	23.1	24.8	26.2	21	21	24	27	25
Animal control	5.4	7.4	8.3	8.3	9.3	10.8	9	8	8	14	0
Public works:											
General engineering/administrative	45.4	41.8	40.9	40.9	21.0	24.7	43	46.87	45.37	49	48
Building and grounds	6.4	8.0	8.3	8.7	7.0	6.0	4	4	4	6	5
Equipment rental	6.8	6.7	6.8	7.2	7.2	6.4	7	7	7	7	7
Waterworks	24.2	28.2	29.6	27.8	27.9	29.5	22.5	23.5	26.5	17	32
Sewage/collection	46.4	31.9	35.3	35.5	36.0	31.9	27.5	26.5	27.5	27	27
Sanitation	31.4	28.7	29.0	31.4	28.7	29.0	15	15.5	15.5	17	18
Stormwater	N/A	N/A	N/A	N/A	8.2	7.2	8	10.63	10.13	11	8
Parks, recreation and cultural:											
Parks	8.4	7.9	7.3	7.3	23.1	24.8	51	51	51	25	25
Library	15.5	15.0	14.8	14.5	14.5	14.5	22	22	22	22	22
Community development	6.1	5.9	6.2	6.2	5.9	5.9	7	7	7	9	8
Schools	484.0	482.0	488.0	480.0	484.0	490.0	488.0	504.1	499.0	503.0	510.2
Total	873.7	849.6	857.4	852.8	862.1	873.6	927.0	951.1	956.0	951.0	951.2

Source: City and School Finance Departments

Notes:

* FY18 through FY22 numbers for the City are the number of approved positions (Full-Time, Part-Time and Seasonal), not the FTE, which inflates the total. New software system not currently set up to track FTE.

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

Table 17

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Building & Zoning										
Building permits issued (total)	968	875	874	957	955	778	1,122	1,184	1206	1136
Building inspections conducted (total)	2,179	2,502	2,522	2,431	2,523	2,037	3,206	4,001	4111	4170
New residential construction	63	48	40	41	31	27	82	97	130	120
New commercial construction	12	4	8	5	5	6	7	3	3	12
Zoning permits issued	140	114	112	110	130	95	79	183	198	209
Zoning inspections conducted ⁽¹⁾	-	-	-	-	-	-	-	117	126	210
Property Maint/Code Enforcement Cases ⁽²⁾	357	340	320	334	259	261	291	449	373	285
Property Maint/Code Enforcement Inspections ⁽²⁾	865	776	654	676	523	569	555	731	903	521
Site Development Projects ⁽¹⁾	-	-	-	-	-	-	-	14	13	20
Planning										
Conditional use permits	5	2	4	2	1	4	3	5	4	1
Rezoning requests	2	2	2	2	1	2	2	1	9	6
Major subdivision reviews	1	1	0	1	4	4	2	1	5	7
Minor subdivision reviews	2	8	11	10	12	14	13	14	11	7
Vacate streets/alleys	0	1	1	1	0	1	1	2	2	0
Public Safety										
Arrests	2,134	2,051	1,651	2,364	1,938	2,463	2,232	2,060	2,265	1,980
Parking violations	133	263	750	296	487	520	357	265	214	286
Traffic citations	1,800	1,920	2,269	1,368	986	1,222	1,246	923	496	542
Judicial - Circuit Court										
Civil and criminal cases	910	1,001	1,300	1,173	1,386	1,372	1,592	1,246	959	1,203
Deeds recorded	2,724	3,162	2,570	2,491	2,701	3,082	2,619	3,080	3,631	3,951
Judgments	943	974	993	842	830	840	873	951	691	734
Passports issued ⁽³⁾	777	927	1,059	1,523	1,722	822	-	-	-	-
Concealed Handgun Permits ⁽⁴⁾	-	259	258	253	252	280	295	321	547	269
Library ⁽⁵⁾										
Total collection	152,829	153,022	147,030	146,927	127,906	123,921	103,597	92,138	85,024	72,000
Total circulation	309,659	317,896	307,630	309,672	311,735	310,711	287,213	151,307	114,727	158,003
Visitors/patrons	167,314	183,023	172,459	162,191	158,200	151,694	135,327	97,861	17,644	55,661
Public Works										
Meters placed for new construction	43	51	58	46	29	46	59	102	113	113
Meters replaced	724	853	1,684	613	1,280	207	826	1,427	589	589
Education										
Number of teachers, Elementary (K-5)	179	169	161	160	164	162	151	151	158	183
Number of teachers, Secondary (6-12)	82	78	79	80	78	78	90	84	86	91
Number of teachers, District-Wide (K-12)	11	11	10	10	10	10	11	8	10	10
Number of students, District-Wide (K-12)	3,010	3,024	3,048	3,033	3,013	2,967	2,868	2,817	2,914	2826

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 Circuit Court stopped processing passports during FY2018.
- (4) Circuit Court added Concealed Handgun Permits (CHP) applications in place of passport data - CHP's are a service provided to only City residents
- (5) 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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety												
Police Stations	1	1	1	1	1	1	1	1	1	1	1	1
Patrol units	12	10	13	10	10	10	10	10	10	10	15	19
Fire Stations	1	1	1	1	1	1	1	1	1	1	1	1
Public Works												
Streets (miles)	117.24	117.24	117.24	117.24*	119.15#	125.69	125.69	125.69	126.36	126.36	126.36	127.73
Water lines (miles)	117.4	117.4	117.4	117.4*	149.02#	149.02	149.11@	149.89	153.57	152.61	159	161.45
Fire hydrants	808	808	809	809*	729#	736	745	763	768	844	832	872
Waste water treatment plants	1	1	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	108.04	108.04	108.04	108.04*	130.72#	130.72	130.8@	129.01	129.65	129.65	131.63	133.07
Parks, Recreation & Cultural												
Parks	5	5	5	5	5	5	6	6	6	6	6	6
Acreage	365	365	365	365	365	365	367	367	367	367	367	367

Source: Various Departments in the City

Notes:

(*) Updated data not available for FY14

(#) Changes for FY15 do not necessarily represent additions made during FY15 as data for FY14 was unavailable and the data source used for FY15 was different than the source used in prior years

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

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COMPLIANCE SECTION

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**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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 8, 2022. 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.

Report on Internal Control over Financial Reporting (Continued)

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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.**

Purpose of this Report

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



CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
December 8, 2022



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Compliance for Each Major Federal Program

We have audited the City of Waynesboro, Virginia's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Waynesboro, Virginia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance 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 relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal documentation of the City of Waynesboro, Virginia's compliance with the compliance requirements referred to above.

Report on Compliance for Each Major Federal Program (Continued)

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Waynesboro, Virginia's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City's compliance the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, 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 City of Waynesboro, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Waynesboro, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Waynesboro, Virginia's internal control over compliance Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Compliance for Each Major Federal Program (Continued)

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as **items 2022-001 and 2022-002**. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. **Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.**

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
December 8, 2022

CITY OF WAYNESBORO, VIRGINIA
SUMMARY OF COMPLIANCE MATTERS
June 30, 2022

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.

STATE COMPLIANCE MATTERS

Code of Virginia

Budget and Appropriation Laws

Cash and Investment Laws

Conflicts of Interest Act

Local Retirement Systems

Debt Provisions

Procurement Laws

Uniform Disposition of Unclaimed Property Act

Sheriff Internal Controls

State Agency Requirements

Education

Urban Highway Maintenance

Stormwater Management Program

Fire Programs Aid to Localities

FEDERAL COMPLIANCE MATTERS

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal program selected for testing.

CITY OF WAYNESBORO, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **No significant deficiencies** relating to the audit of the financial statements were reported 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*.
3. **No instances of noncompliance** material to the financial statements was disclosed.
4. **No significant deficiencies** relating to the audit of the major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs expresses an **unmodified opinion**.
6. The audit disclosed **two audit findings relating to the major programs**.
7. The program(s) tested as major were:

Name of Program	Assistance Listing Number
Child Nutrition Cluster	10.553
	10.555
	10.559
	10.582
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027
Title I	84.010
COVID-19 – Governor's Emergency Education Relief Fund	84.425C
COVID-19 – Elementary and Secondary School Emergency Relief	84.425D
COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief	84.425U

8. The threshold for distinguishing Type A and B programs was **\$750,000**.
9. The City was **not** determined to be a **low-risk auditee**.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None noted.

CITY OF WAYNESBORO, VIRGINIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022**

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

2022-001: Major Program Determination

Condition:

A single audit was not performed for a major program for the fiscal year ending June 30, 2021.

Criteria:

A single audit in accordance with the requirements set forth in the Uniform Guidance is required if total federal expenditures exceed \$750,000 in a fiscal year. Federal expenditures exceeded \$750,000 and the major program was a high risk Type A program for the year ended June 30, 2021.

Cause:

A Type A high risk program was not tested as major.

Effect:

The identified Type A high risk program was not tested as major.

Recommendation:

Ensure management considers federal award compliance requirement and ensures that such requirements are satisfied each year.

Views of Responsible Officials and Planned Corrective Action:

Management will monitor major programs and ensure that they are tested when necessary. Title I was tested during 2022.

2022-002: Education Stabilization Fund Time and Effort Certifications

Condition:

Certain employees with partial salaries charged to the program did not have time and effort certifications.

Criteria:

Time and effort certifications must be completed and maintained for employees who have partial salaries charged to the program.

Cause:

The City was unaware this was required for all employees.

CITY OF WAYNESBORO, VIRGINIA**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022****C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT
(Continued)****2022-002: Education Stabilization Fund Time and Effort Certifications (Continued)***Effect:*

Time and effort documentation is not available for all employees with salaries charged to the program.

Perspective Information:

Noted in 16 out of a sample of 17 employees with partial salaries charged to the program.

Recommendation:

Time and effort documentation should be maintained for all employees with salaries funded through the program.

Views of Responsible Officials and Planned Corrective Action:

Management will develop a procedure that ensures all programs that require Time and Effort Certifications are identified and documentation is retained.

D. FINDINGS – COMMONWEALTH OF VIRGINIA

None noted.

CITY OF WAYNESBORO, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Cluster Amounts	Federal Expenditures
Department of Agriculture:				
Pass Through Payments:				
Department of Education:				
National School Breakfast Program	10.553	202121N119941, 20221N119941	647,656	
National School Lunch program	10.555	202121N119941, 20221N119941	1,529,231	
National School Lunch program - Non Cash Commodities	10.555	N/A	143,405	
COVID-19 - National School Lunch program	10.555	202121H170341	19,234	
Summer Food Service Program for Children	10.559	202121N119941	48,949	
Fresh Fruit and Vegetable Program	10.582	202221L163041	55,522	
Total Child Nutrition Cluster				\$ 2,443,997
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.651	N/A		3,063
COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	20212S900941		1,923
Total Department of Agriculture				2,448,983
Department of Housing and Urban Development:				
Direct Payments:				
Community Development Block Grants - Entitlement Grants	14.218	N/A	113,582	113,582
Total CDBG Entitlement Grants Cluster				113,582
Total Department of Housing and Urban Development				113,582
Department of the Interior:				
Direct Payments:				
Natural Resource Damage Assessment and Restoration	15.658	N/A		309,836
Total Department of the Interior				309,836
Department of Justice:				
Direct Payments:				
Coronavirus Emergency Supplemental Funding	16.034	N/A		15,946
Pass Through Payments:				
Department of Criminal Justice Services:				
Juvenile Justice and Delinquency Prevention	16.540	N/A		6,869
Crime Victim Assistance	16.575	21-Y9273VW19		73,107
Total Department of Justice				95,922
Department of Transportation:				
Pass Through Payments:				
Virginia Department of Transportation:				
Highway Planning and Construction	20.205	UPC 113684; UPC 111425	198,274	198,274
Total Highway Planning and Construction Cluster				198,274
Total Department of Transportation				198,274
Department of the Treasury:				
Direct Payments:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A		770,236
Pass Through Payments:				
Virginia Department of Housing and Urban Development:				
COVID-19 - Coronavirus Relief Fund	21.019	N/A		97,428
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A		79,673
Compensation Board:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A		12,918
Total Department of Treasury				960,255

(Continued)

CITY OF WAYNESBORO, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Cluster Amounts	Federal Expenditures
National Endowment for the Humanities:				
Pass Through Payments:				
The Library of Virginia:				
Grants to States	45.310	92410		19,010
Total National Endowment for the Humanities				19,010
Environmental Protection Agency:				
Direct Payments:				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	N/A		12,533
Total Environmental Protection Agency				12,533
Department of Energy:				
Direct Payments:				
Safe and Drug-Free Schools and Communities - State Grants	84.186	N/A		292,629
Total Department of Energy				292,629
Department of Education:				
Pass Through Payments:				
Virginia Department of Education:				
Adult Education - Basic Grants to States	84.002	V002A210047		742,731
Title I Grants to Local Educational Agencies	84.010	S010A200046		1,009,996
Special Education-Grants to States	84.027	43071	720,748	
Special Education-Preschool Grants	84.173	62521	16,863	
Total Special Education Cluster				737,611
Career and Technical Education - Basic Grants to States	84.048	V048A200046		78,208
School Safety National Activities	84.184	S184X190023		6,183
Education for Homeless Children and Youth	84.196	N/A		5,830
Rural Education	84.358	N/A		80,073
English Language Acquisition State Grants	84.365	S365A200046		18,878
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	S367A:180044,190044,200044,210044		91,079
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	S425c2000042		146,037
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200008/S425D210008		5,507,691
Total Department of Education				8,424,317
Department of Health and Human Services				
Direct Payments:				
Social Services Block Grant	93.667	N/A		88,339
Pass Through Payments:				
Virginia Department of Social Services:				
Refugee and Entrant Assistance--State-Administered Programs	93.566	81901		2,784
Temporary Assistance for Needy Families	93.558	84201 & 87202		2,461
Temporary Assistance for Needy Families	93.558	87204 & 87211		599
Temporary Assistance for Needy Families	93.558	87207		11,275
Temporary Assistance for Needy Families	93.558	80801		(140)
Community Services Block Grant	93.569	N/A		353,927
Child Care and Development Block Grant	93.575	88801 & 88901		(1,100)
Foster Care-Title IV-E	93.658	81107		60,589
Foster Care-Title IV-E	93.658	81108		32,986
Foster Care-Title IV-E	93.658	81110		9,609
Foster Care-Title IV-E	93.658	81112		27,542
Foster Care-Title IV-E	93.658	81114		4,197
Foster Care-Title IV-E	93.658	81401, 81403, 81404 & 81113		17,903
Adoption Assistance - Title IV-E	93.659	81201		286,196
Adoption Assistance - Title IV-E	93.659	81202		3,766
Adoption Assistance - Title IV-E	93.659	81203		196,679
Social Services Block Grant	93.667	81701		1,578
Social Services Block Grant	93.667	83304		9,099
Social Services Block Grant	93.667	83306		130

(Continued)

CITY OF WAYNESBORO, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Cluster Amounts	Federal Expenditures
Department of Health and Human Services				
Pass Through Payments:				
Virginia Department of Social Services:				
Social Services Block Grant	93.667	89501		830
Elder Abuse Prevention Interventions Program	93.747	89601		1,304
				<u>1,110,553</u>
Total Department of Health and Human Services				
Department of Homeland Security:				
Pass Through Payments:				
Department of Emergency Management:				
Emergency Management Performance Grant	97.042	N/A		7,269
				<u>7,269</u>
Total Department of Homeland Security				
				<u>13,993,163</u>
Total Expenditures of Federal Awards				<u>\$ 13,993,163</u>

(Continued)

**CITY OF WAYNESBORO, VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS
Year Ended June 30, 2022**

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Waynesboro, Virginia and component unit, Waynesboro City School Board under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. LOANS OUTSTANDING

During prior years, the City received federal funding from the Virginia Water Facilities Revolving Fund, authorized under the Capitalization Grants for Clean Water State Revolving Funds program (ALN 66.458). At June 30, 2022, the outstanding loan balance under this program was \$1,634,421.

4. INDIRECT COST RATE

The City has elected to not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

5. FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.