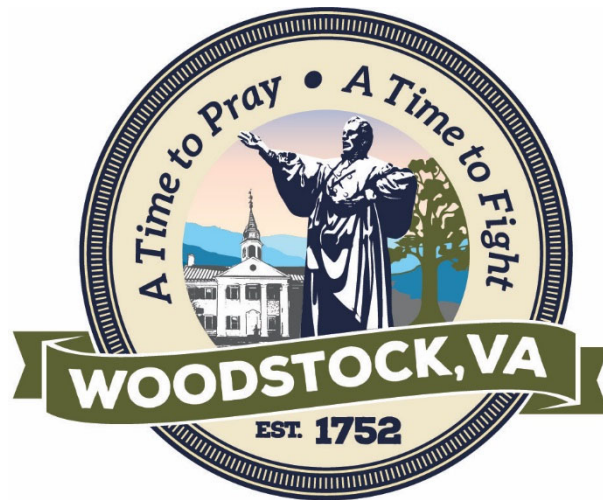


TOWN OF WOODSTOCK, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE YEAR ENDED JUNE 30, 2024

TOWN OF WOODSTOCK, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

Prepared by:

Tammy DePhillip, Director of Finance

**TOWN OF WOODSTOCK, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024**

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INTRODUCTORY SECTION



December 5, 2024

To the Honorable Mayor, Members of the Town Council, and Citizens of the Town of Woodstock:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the Town of Woodstock, Virginia (Town) for the fiscal year ended June 30, 2024. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Town. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

We have prepared this report in accordance with the following standards:

- Accounting principles generally accepted in the United States of America (GAAP), which are uniform minimum standards and guidelines for financial accounting and reporting;
- Governmental accounting and financial reporting statements, interpretations, and technical bulletins issued by the Governmental Accounting Standards Board (GASB); and
- Uniform financial reporting standards for counties, cities, and towns issued by the Commonwealth of Virginia's Auditor of Public Accounts (APA).

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town

The Town is nestled along the North Fork of the Shenandoah River between the Massanutten and Alleghany mountain ranges. The Town is located within the County of Shenandoah and is approximately 90 miles outside the nation's capital of Washington, D.C. The Town covers approximately 3.8 square miles with elevations ranging from 800 feet to 950 feet above sea level.

The Town was established by charter in March of 1761 as part of what was then Frederick County. The Town was originally formed by a land grant from Lord Fairfax and founded as Muellerstadt (Miller Town) in 1752 after its founder, Jacob Miller. The Town's charter was

sponsored by George Washington in Virginia's House of Burgesses. The Town has been the county seat of Shenandoah County since the County's formation in 1772.

The Town is the home of the Revolutionary War icon, Reverend John Peter Gabriel Muhlenberg, who delivered his famous sermon at his church located in the heart of the Town. At the conclusion of his sermon, he flung aside his clerical robe to reveal a soldier's uniform and proclaimed that "there is a time to preach and a time to fight and now is the time to fight." With that declaration, he then called for volunteers to join the 8th Virginia Regiment under his command.

Today, the Town continues to serve as the center of government and commerce for the County of Shenandoah. One of the County's courthouses, which was designed by Thomas Jefferson and built in 1795, is located in Main Street of Woodstock and is the oldest courthouse still in use west of the Blue Ridge Mountains.

Overview of the Town Government

Policy-making and legislative authority are vested in the Town Council, consisting of a mayor and six council members, all elected on a non-partisan, at-large basis. The Council appoints the town manager, town attorney, town clerk, treasurer, and chief of police. The town manager in turn appoints the heads of the Town's various departments. Council members serve four-year terms on a staggered election cycle with three members on one and four members on the other.

The Town Council in its legislative role adopts all ordinances and resolutions and establishes the general policies of the Town. The Council also sets the tax rate and adopts the budget.

The Town provides a full range of services to its constituents including police protection; maintenance of streets and bridges; refuse collection; water and sewer services; community development; and parks, recreational and cultural activities.

Financial Information

The management of the Town is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Town are protected from loss, theft, or misuse. In developing and evaluating the Town's accounting system, consideration is given to the adequacy of internal accounting controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records from preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Budgetary Compliance and Control

The Town's budget is prepared on the basis of funds, which are fiscal and accounting entities with self-balancing sets of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein. The funds are segregated for the purpose of carrying on specific activities in accordance with special regulations, restrictions, and limitations.

The types of funds used by the Town include governmental funds (e.g., General Fund) and proprietary funds (e.g., Public Utilities Fund). All funds are subject to appropriation by the

Town Council. The Town maintains budgetary controls, which are designed to monitor compliance with expenditure limitations set forth in annual budget appropriations approved by the Town Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the function level within an individual fund. The Director of Finance, with the approval of the Town Manager and department head(s), is authorized to transfer budgeted amounts between departments within the same fund; however, any revisions that alter the total expenditures of any fund must be approved by the Town Council.

As demonstrated by the statements and schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management.

Economic Conditions and Outlook

Woodstock's revenue growth has largely been observed through gains in the other local taxes category (meals, lodging, and sales taxes). As we learned during the COVID-19 pandemic, these revenues can be sensitive to economic disruption, and we need to increase the percentage of the budget coming from more stable revenue sources, such as property taxes. Having a better balance of revenue sources in the General Fund will enable the town to be more fiscally sustainable and better weather economic disruptions. Furthermore, it will be essential to continue program revenue enhancements to provide capacity for future capital needs to improve the quality of life within the community and progress economic development efforts.

The Town anticipates future budgetary challenges, particularly related to federal and state funding to local governments. The Town continues to develop strategies to cope with potential state budget reductions intended to shift more costs to local governments (e.g., unfunded mandates). These fiscal concerns have been prudently reflected through the Town's budgetary conservatism. Operating department costs have been restructured to achieve efficiencies and cost savings without significantly impacting the quality level of services that the Town provides to its citizens.

We anticipate continued pressure on the size and cost of governmental services in the coming decade as we look to absorb growth from numerous approved residential developments. Over the last two fiscal years, we have been proactively planning on how to best accommodate the impact of that growth on our utility infrastructure, recreational assets, and municipal facilities. That work will continue into fiscal year 2025.

Communities across the nation will continue to be faced with challenges pertaining to aging infrastructure, including Woodstock with historic attributes and systems. The most acute challenges for Woodstock include continued water quality issues with our 100-year old 13-mile long west end water main located outside of town limits, and increasing systems maintenance needs with our wastewater treatment plant. Our financial planning has enabled us to gradually build a healthy reserve for future capital projects in the Public Utility Fund, however, this will need to be enhanced as we more aggressively plan not only maintenance and replacement of key systems, but also look for strategic opportunities to upgrade our system to better position ourselves to support community and economic growth.

Major Initiatives in Fiscal Year 2024

The Town continued to improve its capacity to provide quality services to its citizens through various initiatives that help enhance human resources, community engagement, awareness, and

overall beautification. The following paragraphs highlight some of the major initiatives that the Town initiated during Fiscal Year 2024.

Strategic Plan Framework

In December 2023, Town Council adopted a comprehensive set of strategic actions as part of the 2024-2028 Strategic Plan. The plan is composed of four big-idea Outcomes that the organization is tasked with accomplishing: Unmistakable Identity, Connected and Safe Neighborhoods & People, Resilient, Economic, Built, and Natural Environment, and High Performing Organization. This plan is designed to guide our organization towards a future of resilience, sustainability, and enhanced quality of life. The strategic actions are categorized by fiscal year, with specific goals and initiatives set for each year from 2024 to 2028. Each strategic action is designed to align with our overarching goals of creating an unmistakable identity for our town, fostering a collaborative culture, and ensuring the well-being of our residents. By following this strategic roadmap, we aim to build a vibrant, inclusive, and forward-thinking community.

Continued Investment in Human Resources

The FY 2024 budget included implementation of the classification and compensation study. Employees below the newly adopted pay ranges were brought up to the minimum of the range. Additionally, all FLSA non-exempt employees received a 6% adjustment to their rate of pay, and FLSA exempt employees received a 4% adjustment. The Town also saw an increase in health insurance premiums. We continue to be a competitive employer in terms of total compensation (health insurance benefits, educational pay, and wages). We see the inclusion of a strong total compensation package among the highest recruitment and retention efforts. The FY 2024 budget included the creation of an additional full-time police investigator position and a part-time marketing and events position.

Fiscal Sustainability

This past fiscal year the town completed a preliminary analysis supported by VML-VACO on long-term capital planning and capital asset replacement. This work will continue with additional planning on capital asset replacement planning to better define town expectations for equipment replacement cycles, which can be utilized as part of our long-term financial modeling for annual replacement costs. One budget change that came out of this VML-VACO analysis includes the establishment of a Capital & Debt Service Fund to better account for and plan for capital expenses. This FY 2025 budget establishes this fund to include all capital projects and debt service previously accounted for in the General Fund. This new fund receives specific revenues dedicated to the servicing of non-public utility fund debt, accounting for equipment purchase and replacement, and accounting for capital projects.

Commitment to Economic Development through Enhancement of our Physical Environment

Contributions to the Economic Development Authority (EDA) was held at \$30,000 in FY 2024. There have been thousands of dollars of private funds leveraged to date based on the small investment made into this program. The operating budget will continue to support the completion of wayfinding signage, parking signage, pedestrian maps, and branding materials.

Infrastructure & Capital Projects

The town continues making investments to proactively maintain our existing infrastructure and facilities. During FY 2024 the following capital investments were initiated or completed:

<i>Project</i>	<i>FY 24 Actuals</i>
Wastewater Treatment Membrane Replacement	\$ 2,101,732
Water Meter Upgrade	937,500
Motor Vehicles & Equipment	477,885
Bike & Pedestrian Trail Development	341,201
Land Acquisition	341,038
W.O. Riley Park Improvements	150,471
Municipal & Public Safety Facility Needs Study	95,155
Inflow & Infiltration Study	69,724
Larry D Bradford Fairview Park Master Plan	61,201
Comprehensive Plan Update	60,336
Long-Term Financial Plan	18,000
Wastewater Treatment Plant Improvements	12,767
Urban Tree Canopy Plan	11,820
Public Space Improvements	10,474
IT Firewall Upgrades	7,963
Computer Equipment Replacements	7,638
Budget Book Software	5,000
<i>Program Total</i>	<i>\$ 4,709,905</i>

The Town intends to carry out the following capital projects in FY 2025 with the use of pay-as-you-go funds, financing, American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) funds, and working capital:

<i>Project</i>	<i>FY 25 Budget Estimate</i>
West End Line Improvements	\$ 5,493,000
West End Dam Removal	1,250,000
Motor Vehicles & Equipment	679,800
Water Well Development	500,000
Water Treatment Plant Improvements	458,000
Wastewater Treatment Plant Improvements	254,000
Larry D Bradford Fairview Park Design & Improvements	200,000
Municipal & Public Safety Facility Design and Improvements	75,000
Hisey Avenue Waterline Extension	50,000
Academy Hill Sidewalk Improvements	50,000
W.O. Riley Park Improvements	47,477
Zoning & Subdivision Code Update	40,000
Computer Equipment Lifecycle Replacement	16,000
Water Main Upgrades	13,000
Public Art Installation	10,000
<i>Program Total</i>	<i>\$ 9,136,277</i>

Other Information

Independent Audit

The Commonwealth of Virginia requires an annual audit by independent certified public accountants. Robinson, Farmer, Cox Associates performed the audit for fiscal year ending June 30, 2024. In addition to meeting the requirements set forth in state statutes, the audit was also

designed to meet the requirements of the federal Single Audit Act of 1984 and the related requirements of the Uniform Guidance. The auditors' reports are included in the financial section and compliance section of this report.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2023. This was the sixteenth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized Annual Report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Report continues to meet the Certificate of Achievement Program's requirements and thus we are submitting our Annual Report for the current year to the GFOA to determine its eligibility for another certificate.

Acknowledgements

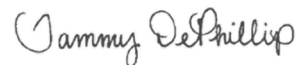
The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated services of the Finance Department staff along with the efforts of the administration and other Town departments.

In closing, without the leadership, support, and responsible and progressive financial management of the Mayor and Town Council, preparation of this report would not have been possible.

Respectfully submitted,



Aaron M. Grisdale
Town Manager



Tammy D. DePhillip
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

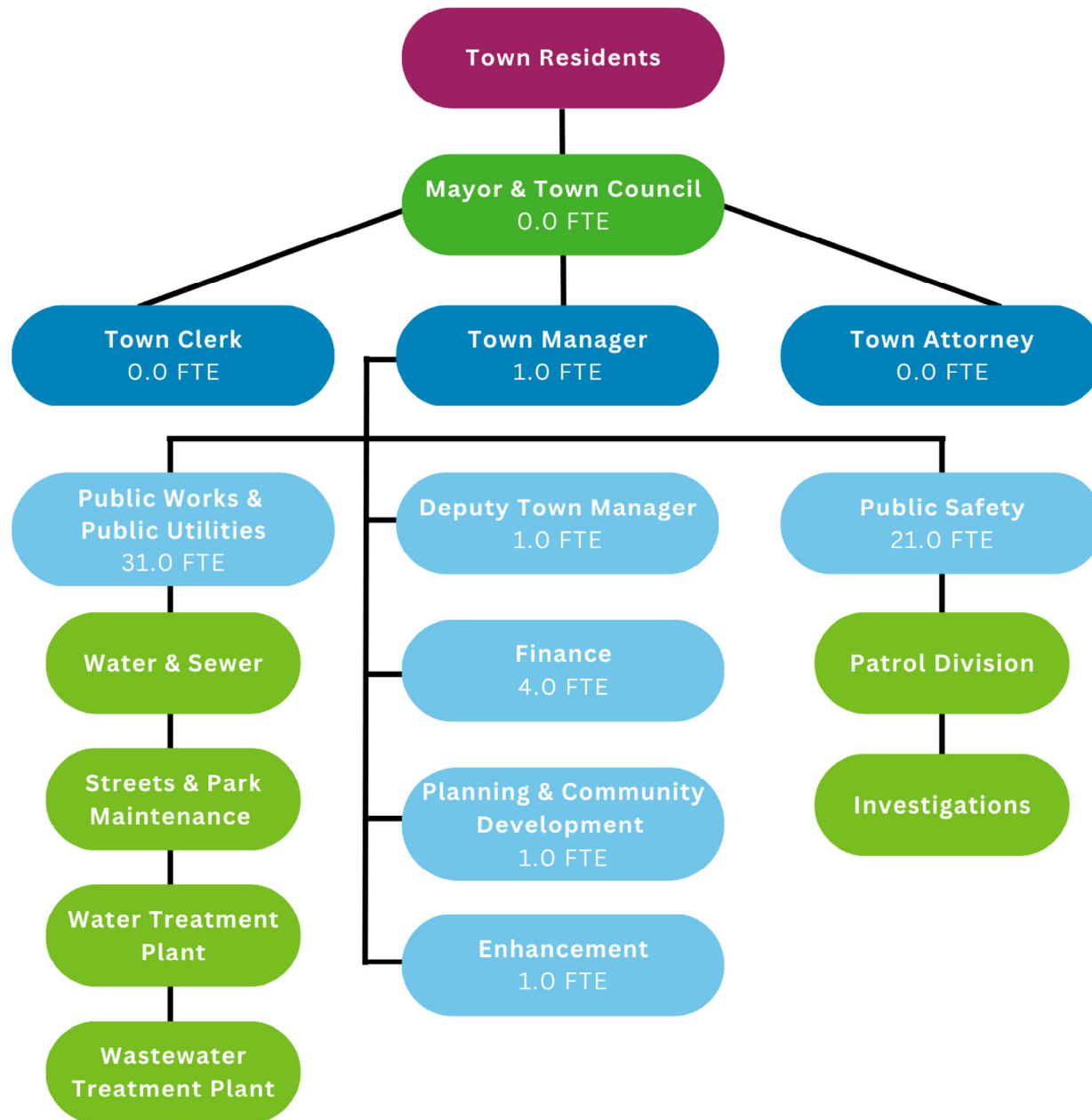
**Town of Woodstock
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



Town of Woodstock, Virginia

Principal Town Officials

TOWN COUNCIL

Jeremy McCleary, Mayor

Jacqueline Lambert, Vice-Mayor

A. Paje Cross

Alicia Gutshall

Frank Haun

Steve Heishman

Michael Funkhouser

TOWN MANAGER

Aaron Grisdale

DEPUTY TOWN MANAGER

Michelle Bixler

TOWN ATTORNEY

Paul J. Neal, Jr.

OFFICIALS

Director of Finance

Treasurer

Chief of Police

Director of Public Works

Urban Designer | Neighborhood Planner

Enhancement Coordinator

Tammy DePhillip

De Ebersole

Eric L. Reiley

Joshua Burner

Jill G. Jefferson

Katie Mercer

FINANCIAL SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

THE HONORABLE MEMBERS OF THE TOWN COUNCIL TOWN OF WOODSTOCK, 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 and each major fund of the Town of Woodstock, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Woodstock, Virginia, as of June 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 the *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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Woodstock, 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.

Restatement of Beginning Balances

As described in Note 21 to the financial statements, in 2024, the Town restated beginning balances to correct a prior period error. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Town of Woodstock, 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, 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 Town of Woodstock, 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 Town of Woodstock, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Woodstock, Virginia's basic financial statements. The accompanying 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* and supporting schedule 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 schedule of expenditures of federal awards and the supporting schedule 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 auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2024, on our consideration of the Town of Woodstock, Virginia'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 Town of Woodstock, Virginia'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 Town of Woodstock, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Staunton, Virginia
November 18, 2024

Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) is a narrative overview and analysis of the financial activities of the Town of Woodstock, Virginia (the Town) for the fiscal year ended June 30, 2024. The MD&A also includes a comparative analysis for the prior fiscal year ended June 30, 2023.

Financial Highlights

Government-wide Financial Statements

The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$42,561,293, which equals the total net position of the Town. Of this amount, \$8,528,674 is unrestricted and may be used to meet the Town's future obligations to citizens and creditors. Of the \$8,528,674 unrestricted net position, \$4,348,656 is related to governmental activities. The \$4,180,018 remaining balance of unrestricted net position is related to business-type activities, which includes the Town's enterprise fund, the Public Utilities Fund.

For fiscal year 2024, taxes and other revenues of the Town's governmental activities amounted to \$9,446,899. Expenses amounted to \$7,474,212.

For fiscal year 2024, revenues of the Town's business-type activities were \$7,957,491. Expenses amounted to \$3,979,982.

The Town's total long-term debt decreased by \$704,085, from \$15,259,269 as of June 30, 2023 to \$14,555,184 as of June 30, 2024.

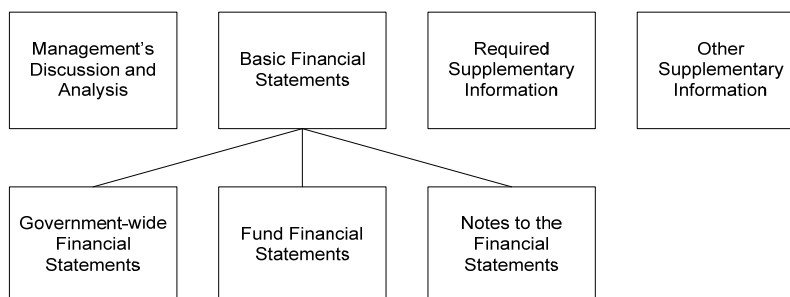
Fund Financial Statements

The total fund balances of the General Fund increased \$583,438 from \$6,195,208 at June 30, 2023 to \$6,778,646 at June 30, 2024. The General Fund had \$124,071 in nonspendable fund balance, committed fund balances of \$314,500, assigned fund balance of \$1,666,917, and unassigned fund balance of \$4,673,158. Unassigned fund balance for the General Fund represented 52 percent of total General Fund expenditures at June 30, 2024.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. These statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report contains required supplementary information and other supplementary information.

Components of the Financial Report



Local government accounting and financial reporting originally focused on funds that were designed to enhance and demonstrate fiscal accountability. Now to be accompanied by government-wide financial statements, the objective of operational accountability will also be met. These objectives will provide financial statement users with both justifications from the government that public monies have been used to comply with public decisions and as to whether operating objectives have been met efficiently and effectively and can continue to be met in the future.

Government-wide Financial Statements

The government-wide financial statements provide financial statement users with a general overview of the Town's finances. The statements provide both long-term and short-term information about the Town's financial status. Two financial statements are used to present this information: 1) the statement of net position, and 2) the statement of activities. These statements are reported using the economic resources measurement focus and the accrual basis of accounting, which is similar to the accounting used by private-sector companies.

The statement of net position presents all of the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Other non-financial factors also need to be considered to determine the overall financial position of the Town.

The statement of activities presents information showing how the Town's net position changed during the fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements separate governmental activities and business-type activities of the Town. Governmental activities are principally supported by taxes and intergovernmental revenues. They include general government administration; public safety; public works; and community development. Business-type activities recover all or a significant portion of their costs through user fees and charges. The business-type activities of the Town include the public utilities fund.

The government-wide financial statements can be found in Exhibits 1- 2 of this report.

Fund Financial Statements

The fund statements present only the Town's major, or significant, funds. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions, or services, reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources variable at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements, a reconciliation between the two methods is provided on the exhibits following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance.

The Town maintains one governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for governmental funds.

The governmental fund financial statements can be found in Exhibits 3-6 of this report.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget in Exhibit 10 of this report.

Proprietary Funds

The Town only maintains one type of proprietary fund, which is an enterprise fund. Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises in which costs are recovered primarily through user charges. The fund financial statements report the same functions presented as business-type activities in the government-wide financial statements and provide both long- and short-term financial information. Additionally, the fund financial statements provide further information, such as cash flows, for the Town's enterprise fund. The Town uses the enterprise fund to account for its public utilities operations.

The basic proprietary fund financial statements can be found in Exhibits 7-9 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is needed to fully understand the data provided in the government-wide and fund financial statements.

The notes for the financial statements can be found in the Financial Section of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension and other post-employment benefits to its employees as well as the budgetary comparison schedule for the General Fund.

Required supplementary information can be found in the Statistical Section of this report.

Government-wide Financial Analysis

As previously noted, net position may serve over time as a useful indicator of a government's financial position. For the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$42,561,293 at June 30, 2024.

The Town's net position is divided into three categories: (1) net investment in capital assets; (2) restricted; and (3) unrestricted.

The beginning fund balance of the general fund and net assets of the governmental activities were restated to properly record unearned revenue from police asset seizures in the amount of \$29,807. Additional information on this restatement can be found in Note 21 of the financial statements.

The table below represents a summary of the net position of the Town at June 30, 2024 and 2023.

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Current and other assets	\$ 10,293,908	\$ 12,913,291	\$ 5,489,760	\$ 4,398,226	\$ 15,783,668	\$ 17,311,517
Capital assets	13,282,265	12,197,189	35,363,223	33,079,390	48,645,488	45,276,579
Total assets	\$ 23,576,173	\$ 25,110,480	\$ 40,852,983	\$ 37,477,616	\$ 64,429,156	\$ 62,588,096
Deferred charge on refunding	\$ -	\$ -	\$ 53,727	\$ 67,385	\$ 53,727	\$ 67,385
Pension related items	502,288	642,643	185,352	266,876	687,640	909,519
OPEB related items	476,096	392,981	102,773	90,900	578,869	483,881
Total deferred outflows of resources	\$ 978,384	\$ 1,035,624	\$ 341,852	\$ 425,161	\$ 1,320,236	\$ 1,460,785
Current and other liabilities	\$ 2,514,338	\$ 5,724,904	\$ 340,043	\$ 214,398	\$ 2,854,381	\$ 5,939,302
Long-term liabilities	3,874,440	3,892,960	14,205,068	14,900,733	18,079,508	18,793,693
Total liabilities	\$ 6,388,778	\$ 9,617,864	\$ 14,545,111	\$ 15,115,131	\$ 20,933,889	\$ 24,732,995
Deferred revenue-property taxes	\$ 758,033	\$ 757,975	\$ -	\$ -	\$ 758,033	\$ 757,975
Pension related items	588,078	853,347	248,710	337,089	836,788	1,190,436
OPEB related items	527,431	567,561	131,958	159,010	659,389	726,571
Total deferred inflows of resources	\$ 1,873,542	\$ 2,178,883	\$ 380,668	\$ 496,099	\$ 2,254,210	\$ 2,674,982
Net investment in capital assets	\$ 11,943,581	\$ 10,812,250	\$ 22,089,038	\$ 19,272,445	\$ 34,032,619	\$ 30,084,695
Restricted	-	-	-	-	-	-
Unrestricted	4,348,656	3,537,107	4,180,018	3,019,102	8,528,674	6,556,209
Total net position	\$ 16,292,237	\$ 14,349,357	\$ 26,269,056	\$ 22,291,547	\$ 42,561,293	\$ 36,640,904

The Town's combined net position totaled \$42,561,293 at June 30, 2024. Approximately 80 percent of this represents the Town's investment in capital assets (e.g., land, buildings, and machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; thus, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

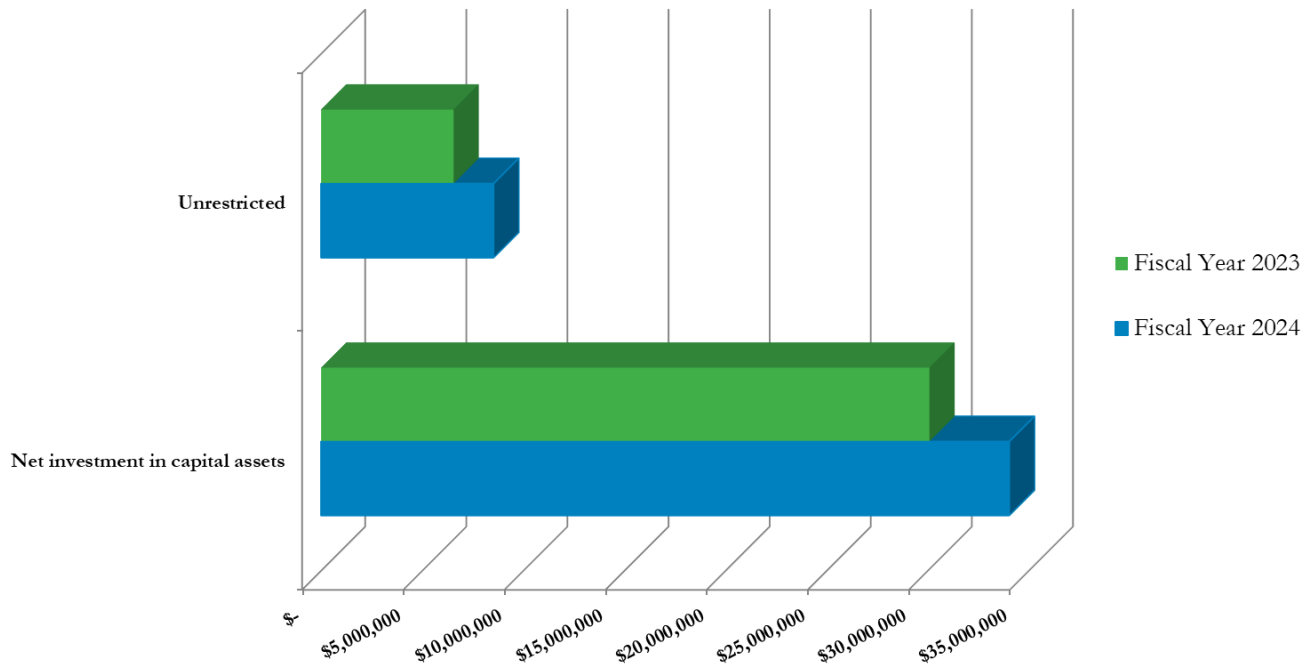
The remaining balance of \$8,528,674 representing 20 percent of total net position, is unrestricted and may be used to meet the Town's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the Town can report positive balances in all categories of net position, both for the governmental and business-type activities. The same situation held true in the prior fiscal year.

During the current fiscal year, the Town's net position increased by \$5,950,186 or 16 percent. This increase primarily represents an increase in capital asset investments from federal revenues received under the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program authorized by the American Rescue Plan Act.

The chart on the next page illustrates the Town's net position as of June 30, 2023 and 2024.

Town of Woodstock Net Position June 30, 2023 and 2024



The table on the following page represents a summary of the changes in net position at June 30, 2023 and 2024.

Summary of Changes in Net position

	Governmental Activities		Business-type Activities		Total	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Revenues						
<i>Program revenues</i>						
Charges for services	\$ 585,614	\$ 481,166	\$ 4,414,361	\$ 4,367,781	\$ 4,999,975	\$ 4,848,947
Operating grants and contributions	633,191	165,896	-	-	633,191	165,896
Capital grants and contributions	1,074,393	986,792	3,141,738	80,700	4,216,131	1,067,492
<i>General revenues</i>						
Property taxes	1,448,567	1,524,765	-	-	1,448,567	1,524,765
Other taxes and fees	4,620,877	4,523,547	-	-	4,620,877	4,523,547
Grants and contributions not restricted to specific programs	592,869	119,539	-	-	592,869	119,539
Unrestricted investment earnings	394,280	278,172	401,392	270,309	795,672	548,481
Other	97,108	43,725	-	-	97,108	43,725
Total revenues	<u>\$ 9,446,899</u>	<u>\$ 8,123,602</u>	<u>\$ 7,957,491</u>	<u>\$ 4,718,790</u>	<u>\$ 17,404,390</u>	<u>\$ 12,842,392</u>
Expenses						
General government administration	\$ 1,210,884	\$ 1,171,098	\$ -	\$ -	\$ 1,210,884	\$ 1,171,098
Public safety	2,529,917	2,420,918	-	-	2,529,917	2,420,918
Public works	2,591,802	2,378,975	-	-	2,591,802	2,378,975
Parks and recreation	525,988	463,155	-	-	525,988	463,155
Community development	575,895	534,071	-	-	575,895	534,071
Interest on long-term debt	39,726	41,701	-	-	39,726	41,701
Public utilities	-	-	3,979,982	4,066,968	3,979,982	4,066,968
Total expenses	<u>\$ 7,474,212</u>	<u>\$ 7,009,918</u>	<u>\$ 3,979,982</u>	<u>\$ 4,066,968</u>	<u>\$ 11,454,194</u>	<u>\$ 11,076,886</u>
Change in net position before transfers	\$ 1,972,687	\$ 1,113,684	\$ 3,977,509	\$ 651,822	\$ 5,950,196	\$ 1,765,506
Change in net position	<u>\$ 1,972,687</u>	<u>\$ 1,113,684</u>	<u>\$ 3,977,509</u>	<u>\$ 651,822</u>	<u>\$ 5,950,196</u>	<u>\$ 1,765,506</u>
Net position, beginning as previously reported	14,349,357	13,235,673	22,291,547	21,639,725	36,640,904	34,875,398
Error correction	<u>(29,807)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,807)</u>	<u>-</u>
Net position, beginning as restated	<u>\$ 14,319,550</u>	<u>\$ 13,235,673</u>	<u>\$ 22,291,547</u>	<u>\$ 21,639,725</u>	<u>\$ 36,611,097</u>	<u>\$ 34,875,398</u>
Net position, ending	<u>\$ 16,292,237</u>	<u>\$ 14,349,357</u>	<u>\$ 26,269,056</u>	<u>\$ 22,291,547</u>	<u>\$ 42,561,293</u>	<u>\$ 36,640,904</u>

Governmental Activities

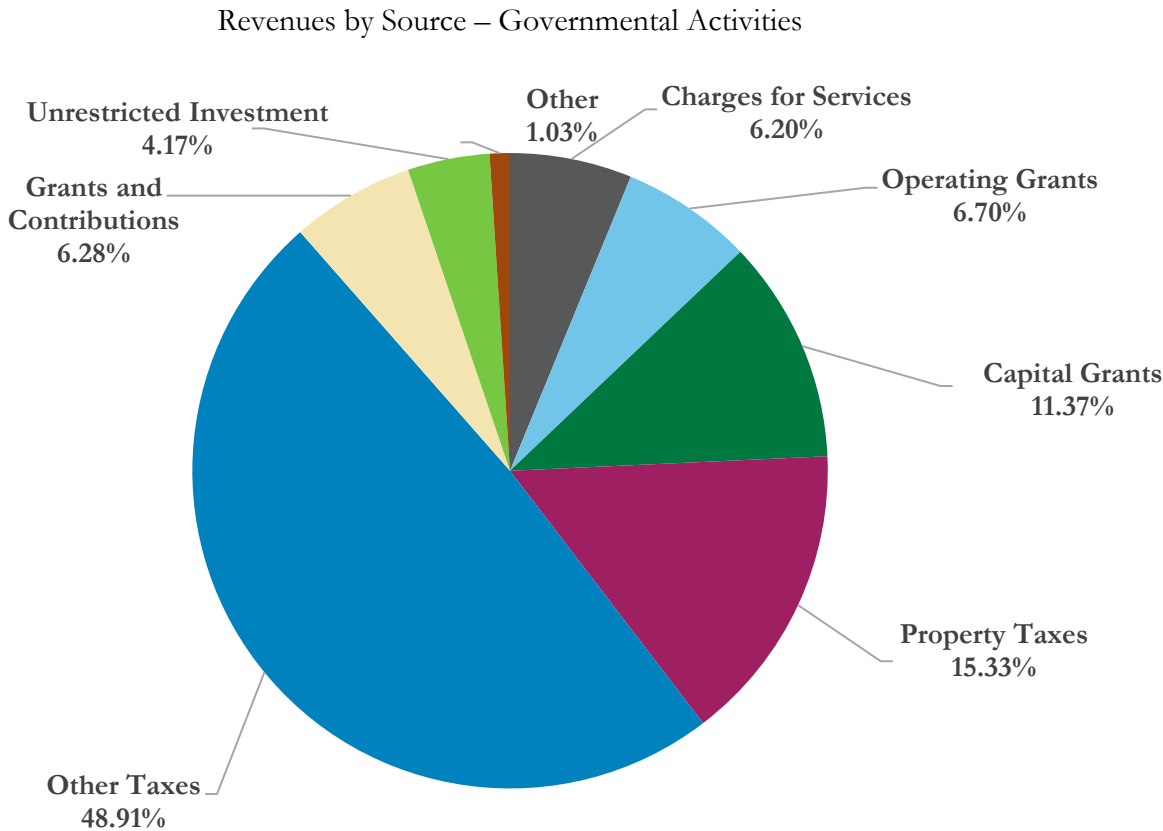
Governmental activities increased the Town's net position by \$1,972,687, which was primarily due to an increase in grants and contributions. Program operating grants and contributions and capital grants and contributions amounted to \$633,191 and \$1,074,393, respectively, from State and Federal government and other funding.

The Town’s real estate property tax assessments for fiscal year 2024 were \$694,201,900, less than 1% growth in taxable property values. The Town’s real estate tax rate in 2023 and 2024 was \$0.13 per \$100 of assessed value. The Town’s personal property tax assessments for the year were \$67,801,884, a 3% decrease in taxable property values. The Town’s personal property tax rate was \$0.90 per \$100 of assessed value for both the 2023 and 2024 tax years. The Town’s machinery and tools tax assessments for the year were \$1,280,811. The Town’s machinery and tools tax rate was \$0.90 per \$100 of assessed value for both the 2023 and 2024 tax years. Under the provisions of the Personal Property Tax Relief Act (PPTRA), the State’s share of local personal property tax remained at \$106,753.

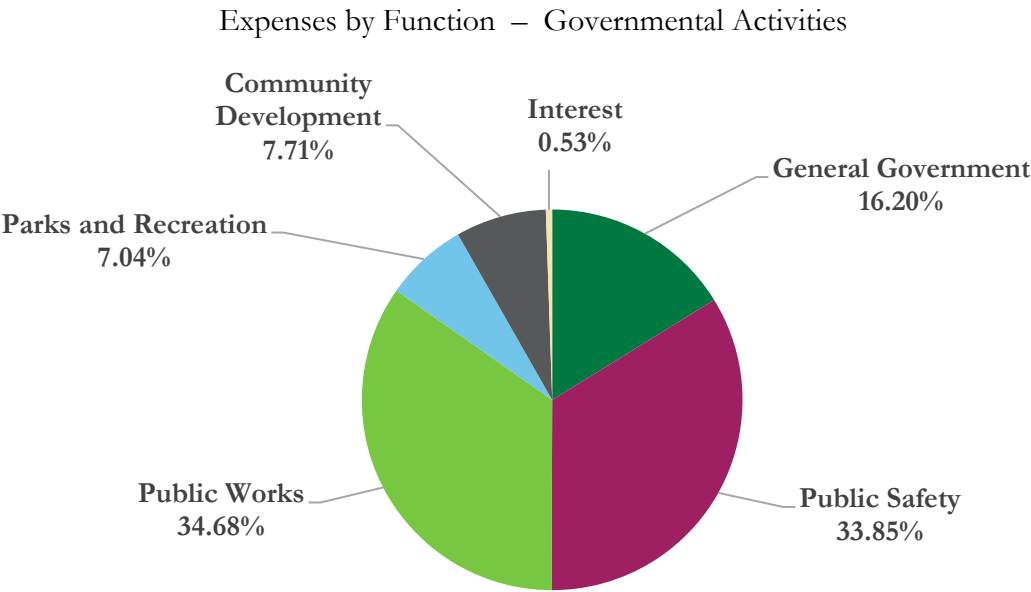
The Town’s single largest revenue source is Other Taxes and Fees (local sales tax, meals tax, lodging tax, etc.), which increased 2% from fiscal year 2023 to fiscal year 2024. Other local taxes were \$4,620,877 for the year. Other local taxes consist of the town share of county sales taxes, in addition to meals taxes, transient occupancy taxes, bank franchise taxes, utility taxes, cigarette taxes, licenses and fees and other taxes. The increase in other local taxes is due to an increase in sales and meals tax revenues.

Other revenues increased from \$43,725 in fiscal year 2023 to \$97,108 in fiscal year 2024. Most of the increase is attributable to risk insurance claims related to a storm event.

The chart below illustrates the revenues by source for the Town’s governmental activities for fiscal year 2024.



For fiscal year 2024, expenses for governmental activities totaled \$7,474,212, which increased \$464,294 or 6.6 percent from fiscal year 2023. The chart below illustrates the expenses by function for the Town’s governmental activities for fiscal year 2024.



Business-type Activities

The Town’s business-type activities are comprised of enterprise funds for public utilities operations. Net position of these business-type activities increased by \$3,977,509 in fiscal year 2024.

Revenues for the business-type activities totaled \$7,957,491. Over half of these revenues are from charges for services and the remainder is attributed to federal revenues received under the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program authorized by the American Rescue Plan Act.

Revenue from charges for services increased by 1 percent from fiscal year 2023 to fiscal year 2024. This increase in revenue is attributable to an increase in water and sewer consumption.

Capital grants and contributions amounted to \$3,141,738 in fiscal year 2024. This is attributed to federal revenues received under the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program authorized by the American Rescue Plan Act.

The Public Utilities Fund expenses decreased \$86,986 (2%) from fiscal year 2023 to fiscal year 2024. Much of this decrease could be attributed to \$68,000 in one-time funding in fiscal year 2023 for crane maintenance and arc flash hazard at the Wastewater Treatment Plan. That funding allocation was not included in in the fiscal year 2024 budget.

Financial Analysis of the Town’s Funds

As mentioned previously, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town’s financing requirements. In particular,

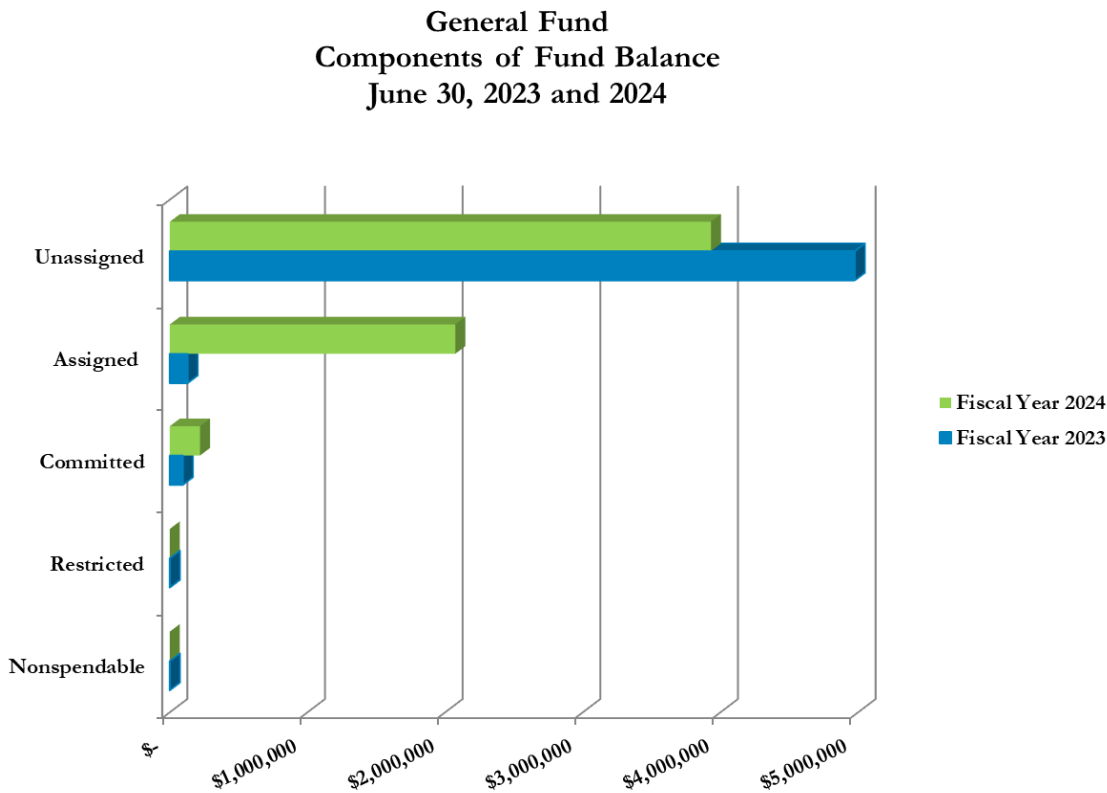
unassigned fund balance may serve as a useful measure of the Town’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited for a particular purpose by either an external party, the Town itself, or the Finance Director, who has been delegated authority to assign resources for particular purposes by the Town’s Council.

At the end of fiscal year 2023, the Town’s governmental funds reported ending fund balances of \$6,778,646. Of this amount, \$124,071 was nonspendable, \$314,500 was committed for fire and rescue, \$1,666,917 was assigned for appropriation of fund balance in the subsequent year’s budget, and the remaining \$4,673,158 or 69% of the total fund balance, was unassigned and available for spending at the Town’s discretion.

As a measure of general fund liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 52 percent of the total general fund expenditures planned in the FY 2025 Adopted Budget.

The total fund balance of the Town’s General Fund increased by \$583,438 or 9 percent during fiscal year 2024. This increase is the net result of increased revenue collection in comparison to actual expenditures, namely due to the projected impact of economic conditions on vulnerable revenues during the fiscal year versus actual impact.

The chart below illustrates the components of fund balance for the Town’s General Fund.



Proprietary Funds

The Town’s proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. The Town maintains only one proprietary fund: the Public Utilities Fund. As of June 30, 2024, unrestricted net position of the Public Utilities Fund totaled \$4,180,018.

Other factors concerning these funds have already been addressed in the discussion of the Town’s government-wide financial analysis of business-type activities.

General Fund Budgetary Highlights

The Town made six budgetary amendments to the total appropriations of the General Fund during fiscal year 2024 as illustrated in Exhibit 10.

Fiscal year 2024 actual revenues were \$3,608,996 less than the fiscal year 2024 final budgeted revenues. Fiscal year 2024 actual expenditures were \$6,561,542 less than the fiscal year 2024 final budgeted expenditures. Reasons for these variances are briefly summarized as follows:

- Revenue received from the collection of property taxes exceeded budget by \$54,916, which is largely attributed to the collection of penalties and interest on delinquent accounts.
- Other local taxes were \$349,168 more than the final budgeted revenues due to projections that were lower than actuals due to a conservative projected growth. Permits, privilege fees, and regulatory licenses revenue was \$147,709 more than the final budgeted revenues largely due to business license fees exceeding budgeted projects.
- Revenue from the use of money and property exceeded final budgeted revenues by \$255,280 due to the interest rate environment.
- Charges for services exceeded budgeted revenues by \$43,069, largely attributed to revenue collected at the swimming pool.
- Revenue received from the Virginia Department of Transportation for transportation alternatives program projects was not budgeted and totaled \$349,921.
- Expenditures overall were \$6,561,542 less than the final budgeted expenditures largely due to capital projects that were not started (or only partially completed) and carried over to the next fiscal year instead.

Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets as of June 30, 2024 for its governmental and business-type activities was \$48,534,076, net of depreciation, as reflected in the schedule below.

	Capital Assets, Net of Depreciation					
	Governmental		Business-type		Total	
	Activities		Activities			
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Land	\$ 1,731,836	\$ 1,391,659	\$ 171,915	\$ 171,915	\$ 1,903,751	\$ 1,563,574
Buildings and improvements	6,651,308	6,532,566	40,448,973	40,280,336	47,100,281	46,812,902
Infrastructure	12,138,364	12,138,364	8,425,554	8,425,554	20,563,918	20,563,918
Machinery and equipment	2,947,959	2,428,320	692,780	779,166	3,640,739	3,207,486
Construction in progress	1,061,700	568,874	3,240,152	179,614	4,301,852	748,488
Accumulated depreciation	(11,303,314)	(10,918,888)	(17,727,563)	(16,757,195)	(29,030,877)	(27,676,083)
Net right-to-use lease asset	54,412	56,294			54,412	56,294
Total net capital assets	\$ 13,282,265	\$ 12,197,189	\$ 35,251,811	\$ 33,079,390	\$ 48,534,076	\$ 45,276,579

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

- The acquisition of real property related to the implementation of the Bicycle/Pedestrian.
- The Town procured two new vehicles for the Police Department as part of the fleet replacement plan.
- The Town replaced one salt spreader and one street sweeper
- The Town began the update to the comprehensive plan.
- The Town continued preliminary work on the Bicycle/Pedestrian trail system.
- The Town began a master planning process for Larry D Bradford Fairview Park.
- The Town completed improvements to the tennis court surfaces at W.O. Riley Park.
- The Town began a facility needs study for the administrative and public safety functions.
- The Town developed an urban tree canopy plan.
- The Town procured services for a inflow and infiltration study of the water distribution system.
- The Town also procured services to complete a long-term financial assessment.

Additional information on the Town's capital assets may be found in the notes to the financial statements, Note 8-Capital Assets.

Long-term Obligations

At the end of fiscal year 2024, the Town had the following outstanding obligations:

	Governmental Activities		Business-type Activities		Total	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
General obligation bonds	\$ 1,023,764	\$ 1,135,443	\$ 5,814,870	\$ 6,036,079	\$ 6,838,634	\$ 7,171,522
Original issue premium	-	-	148,382	158,981	148,382	158,981
Revenue bonds	-	-	7,149,870	7,542,245	7,149,870	7,542,245
Lease liability	56,618	57,855	-	-	56,618	57,855
Capital leases	258,302	191,641	103,378	137,025	361,680	328,666
Compensated absences	285,304	266,704	153,697	144,453	439,001	411,157
Net pension liability	1,126,361	1,265,942	425,742	521,859	1,552,103	1,787,801
Net OPEB liabilities	1,124,091	975,375	409,129	360,091	1,533,220	1,335,466
Total long-term obligations	\$ 3,874,440	\$ 3,892,960	\$ 14,205,068	\$ 14,900,733	\$ 18,079,508	\$ 18,793,693

Additional information on the Town's long-term obligations can be found in the notes to the financial statements, Note 9-Long-term Obligations.

Economic Factors and Next Year's Budgets and Rates

- To begin setting up revenue streams to support future capital needs and debt service, two general fund revenues were increased. A three-cent real estate increase effective with the 2025 property billing cycle was approved, bringing the rate to 0.16 per \$100 of property valuation. Secondly, a two percent increase to the transient occupancy (lodging) tax was approved, bringing the town rate to seven percent. The revenues associated with these two increases will be dedicated to the newly-created Capital and Debt Service Fund to begin establishing recurring revenues to support future cash-funded capital projects and debt service needs.

- To ensure that the operational costs associated with town services can be maintained against inflation, several fees were increased for FY 2025. Water and sewer consumption rates were increased for both the minimum monthly usage and higher consumption tiers. The minimum monthly bill was increased by \$1.00 per month for both water and sewer, and higher consumption tiers were increased by \$0.50 per 1,000 gallons per month. Due to a cost increase implemented by the town's contracted refuse collection provider, a rate increase of \$0.80 per household per month, from \$16.40 to \$17.20, was adopted in the fiscal year 2025 budget.
- The Town will continue our work on major capital projects centered on maintenance and enhancements to our utility infrastructure. These investments include the comprehensive replacement of all water meters (advanced metering infrastructure), exploration of a secondary water source, replacement of the west end water main, and removal of the west end reservoir dam.
- The FY 2025 budget includes a four percent increase for our staff, accounting for a two percent cost of living increase and a two percent general increase. This investment helps our employees' compensation keep up with the high levels of inflation occurring in the economy as well as helps move individuals through the pay grade commensurate with their experience. The town was faced with increasing health insurance premiums again this year, with rates increasing nine percent. The town continues to cover its percentage portion of health premiums for employees to minimize the financial impact.
- We anticipate continued pressure on the size and cost of governmental services in the coming decade as we look to absorb growth from numerous approved residential developments. Over the last two fiscal years, we have been proactively planning on how to best accommodate the impact of that growth on our utility infrastructure, recreational assets, and municipal facilities. That work will continue into fiscal year 2025.

Requests for Information

This financial report is designed to provide readers with a general overview of the Town of Woodstock's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Town of Woodstock, Virginia, 135 North Main Street, Woodstock, Virginia 22664.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,755,046	\$ 4,867,978	\$ 13,623,024
Receivables, net of allowance for uncollectibles:			
Taxes	973,390	-	973,390
Accounts	331,509	435,199	766,708
Unbilled and other	-	135,201	135,201
Internal balances	1,415	(1,415)	-
Intergovernmental receivables	92,752	-	92,752
Prepaid items	124,071	52,797	176,868
Restricted assets:			
Cash and cash equivalents	15,725	111,412	127,137
Capital assets, not depreciable:			
Land	1,731,836	171,915	1,903,751
Construction in progress	1,061,700	3,240,152	4,301,852
Capital assets, net of accumulated depreciation:			
Buildings and improvements	264,497	26,283,800	26,548,297
Improvements other than buildings	2,963,638	791,891	3,755,529
Machinery, equipment and vehicles	1,227,498	196,388	1,423,886
Infrastructure	5,978,684	4,567,665	10,546,349
Lease asset	54,412	-	54,412
Total assets	\$ 23,576,173	\$ 40,852,983	\$ 64,429,156
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	\$ -	\$ 53,727	\$ 53,727
Pension related items	502,288	185,352	687,640
OPEB related items	476,096	102,773	578,869
Total deferred outflows of resources	\$ 978,384	\$ 341,852	\$ 1,320,236
LIABILITIES			
Accounts payable and accrued liabilities	\$ 509,762	\$ 190,017	\$ 699,779
Accrued interest payable	-	38,614	38,614
Unearned revenue	1,988,851	-	1,988,851
Customers' deposits	-	111,412	111,412
Performance deposits	15,725	-	15,725
Noncurrent liabilities:			
Portion due and payable within one year:			
General obligation bonds, net of original issue premium	115,000	235,802	350,802
Revenue bonds	-	784,751	784,751
Capital financing	75,323	34,054	109,377
Lease liabilities	15,603	-	15,603
Compensated absences	71,326	38,424	109,750
Portion due and payable after one year:			
General obligation bonds, net of original issue premium	908,764	5,727,450	6,636,214
Revenue bonds	-	6,365,119	6,365,119
Capital financing	182,979	69,324	252,303
Lease liabilities	41,015	-	41,015
Net OPEB liabilities	1,124,091	409,129	1,533,220
Net pension liability	1,126,361	425,742	1,552,103
Compensated absences	213,978	115,273	329,251
Total liabilities	\$ 6,388,778	\$ 14,545,111	\$ 20,933,889
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue-property taxes	\$ 758,033	\$ -	\$ 758,033
Pension related items	588,078	248,710	836,788
OPEB related items	527,431	131,958	659,389
Total deferred inflows of resources	\$ 1,873,542	\$ 380,668	\$ 2,254,210
NET POSITION			
Net investment in capital assets	\$ 11,943,581	\$ 22,089,038	\$ 34,032,619
Unrestricted	4,348,656	4,180,018	8,528,674
Total net position	\$ 16,292,237	\$ 26,269,056	\$ 42,561,293

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

Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating	Capital	Primary Government		
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT							
Governmental Activities							
General government administration	\$ 1,210,884	\$ 632,709	\$ -	\$ -	(578,175)	\$ -	(578,175)
Public safety	2,529,917	13,545	185,006	-	(2,331,366)	-	(2,331,366)
Public works	2,591,802	428,753	-	1,074,393	(1,088,656)	-	(1,088,656)
Parks and recreation	525,988	143,316	3,950	-	(378,722)	-	(378,722)
Community development	575,895	-	444,235	-	(131,660)	-	(131,660)
Interest on long-term debt	39,726	-	-	-	(39,726)	-	(39,726)
Total governmental activities	\$ 7,474,212	\$ 1,218,323	\$ 633,191	\$ 1,074,393	\$ (4,548,305)	\$ -	(4,548,305)
Business-type Activities							
Water and sewer	\$ 3,979,982	\$ 4,414,361	\$ -	\$ 3,141,738	\$ -	\$ 3,576,117	\$ 3,576,117
Total primary government	\$ 11,454,194	\$ 5,632,684	\$ 633,191	\$ 4,216,131	\$ (4,548,305)	\$ 3,576,117	\$ (972,188)
General revenues							
General property taxes					\$ 1,448,567	\$ -	1,448,567
Other local taxes:							
Local sales and use					424,750	-	424,750
Consumers' utility					279,375	-	279,375
Bank franchise					266,840	-	266,840
Meals					2,269,027	-	2,269,027
Transient occupancy					416,174	-	416,174
Cigarette					153,191	-	153,191
Vehicle license					142,562	-	142,562
Other local taxes					36,249	-	36,249
Unrestricted revenues from use of money					394,280	401,392	795,672
Miscellaneous					97,108	-	97,108
Grants and contributions not restricted to specific programs					592,869	-	592,869
Total general revenues					\$ 6,520,992	\$ 401,392	\$ 6,922,384
Change in net position					\$ 1,972,687	\$ 3,977,509	\$ 5,950,196
Net position, beginning of year, as originally reported					14,349,357	22,291,547	36,640,904
Error correction					(29,807)	-	(29,807)
Net position-beginning, as restated					\$ 14,319,550	\$ 22,291,547	\$ 36,611,097
Net position, end of year					\$ 16,292,237	\$ 26,269,056	\$ 42,561,293

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

FUND FINANCIAL STATEMENTS

Balance Sheet
Governmental Fund
June 30, 2024

	General Fund
ASSETS	
Cash and cash equivalents	\$ 8,755,046
Receivables (net of allowance for uncollectibles):	
Property taxes	973,390
Accounts	331,509
Due from other funds	1,415
Prepaid items	124,071
Intergovernmental receivables	92,752
Restricted assets:	
Cash and cash equivalents	15,725
Total assets	\$ <u>10,293,908</u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 509,762
Performance deposits	15,725
Unearned revenue	1,988,851
Total liabilities	\$ <u>2,514,338</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-property taxes	\$ 1,000,924
Total deferred inflows of resources	\$ <u>1,000,924</u>
FUND BALANCES	
Nonspendable:	
Prepaid items	\$ 124,071
Committed:	
Woodstock Volunteer Fire Department	252,000
Woodstock Volunteer Rescue Squad	62,500
Assigned:	
Capital projects carried over	1,140,419
Future capital projects	526,498
Unassigned	4,673,158
Total fund balances	\$ <u>6,778,646</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>10,293,908</u>

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

Reconciliation of the Balance Sheet of Governmental Fund
to the Statement of Net Position
June 30, 2024

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

Total fund balance per Exhibit 3 - Balance Sheet - Governmental Fund	\$	6,778,646
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Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.

Land	\$	1,731,836	
Construction in progress		1,061,700	
Buildings and improvements		264,497	
Improvements other than buildings		2,963,638	
Machinery, equipment and vehicles		1,227,498	
Infrastructure		5,978,684	
Lease asset		<u>54,412</u>	13,282,265

Other long-term assets are not available to pay for current-period expenditures, and therefore are reported as unavailable revenues in the funds.

Unavailable revenue - property taxes	\$	<u>242,891</u>	242,891
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Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Pension related items	\$	502,288	
OPEB related items		<u>476,096</u>	978,384

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

Compensated absences	\$	(285,304)	
General obligation bonds		(1,023,764)	
Capital financing		(258,302)	
Lease liabilities		(56,618)	
Net pension liability		(1,126,361)	
Net OPEB liabilities		<u>(1,124,091)</u>	(3,874,440)

Deferred inflows of resources are not due and payable in the current-period and, therefore, are not reported in the funds.

Pension related items	\$	(588,078)	
OPEB related items		<u>(527,431)</u>	(1,115,509)

Net position of governmental activities	\$	<u><u>16,292,237</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Governmental Fund
 For the Year Ended June 30, 2024

	<u>General Fund</u>
REVENUES	
General property taxes	\$ 1,412,916
Other local taxes	3,988,168
Permits, privilege fees, and regulatory licenses	632,709
Fines and forfeitures	13,545
Revenue from the use of money and property	394,280
Charges for services	572,069
Miscellaneous	106,311
Intergovernmental:	
Commonwealth	1,770,740
Federal	529,713
Total revenues	<u>\$ 9,420,451</u>
EXPENDITURES	
Current:	
General government administration	\$ 1,100,931
Public safety	2,792,369
Public works	2,356,490
Parks and recreation	407,126
Community development	504,091
Capital projects	1,588,182
Debt service:	
Principal retirement	240,157
Interest and other fiscal charges	41,569
Total expenditures	<u>\$ 9,030,915</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 389,536</u>
OTHER FINANCING SOURCES (USES)	
Issuance of capital financing	\$ 180,770
Leases issued	13,132
Total other financing sources (uses)	<u>\$ 193,902</u>
Net change in fund balance	\$ 583,438
Fund balance - beginning, as previously reported	6,225,015
Error correction	(29,807)
Fund balance-beginning, as restated	<u>\$ 6,195,208</u>
Fund balance - ending	<u><u>\$ 6,778,646</u></u>

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

Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balance of Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2024

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

Net change in fund balance - total governmental fund	\$	583,438
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation/amortization expense exceeded capital outlays in the current period.

Capital outlay	\$	1,808,560	
Depreciation/amortization expense		<u>(714,281)</u>	1,094,279

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	\$	<u>(9,203)</u>	(9,203)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$	<u>35,651</u>	35,651
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The issuance of long-term debt (e.g., bonds and 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.

Issuance of capital financing	\$	(180,770)	
Leases issued		(13,132)	
Principal repayments		<u>240,157</u>	46,255

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.

Change in accrued interest	\$	1,843	
Change in compensated absences		(18,600)	
Pension expense		264,496	
OPEB expense		<u>(25,472)</u>	222,267

Change in net position of governmental activities	\$	<u><u>1,972,687</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position
Proprietary Fund
June 30, 2024

	Enterprise Fund Public Utilities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 4,867,978
Accounts receivable, net of allowance for uncollectibles	435,199
Unbilled receivable	135,201
Prepaid items	52,797
Total current assets	<u>\$ 5,491,175</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	\$ 111,412
Total restricted assets	<u>\$ 111,412</u>
Capital assets (net of accumulated depreciation):	
Land	\$ 171,915
Construction in progress	3,240,152
Buildings and improvements	26,283,800
Improvements other than buildings	791,891
Machinery, equipment and vehicles	196,388
Infrastructure	4,567,665
Total capital assets	<u>\$ 35,251,811</u>
Total noncurrent assets	<u>\$ 35,363,223</u>
Total assets	<u>\$ 40,854,398</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	\$ 53,727
Pension related items	185,352
OPEB related items	102,773
Total deferred outflows of resources	<u>\$ 341,852</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 190,017
Accrued interest payable	38,614
Customers' deposits	111,412
Due to other funds	1,415
General obligation bonds, net of original issue premium	235,802
Revenue bonds	784,751
Capital financing	34,054
Compensated absences	38,424
Total current liabilities	<u>\$ 1,434,489</u>
Noncurrent liabilities:	
General obligation bonds, net of original issue premium	\$ 5,727,450
Revenue bonds	6,365,119
Capital financing	69,324
Net OPEB liabilities	409,129
Net pension liability	425,742
Compensated absences	115,273
Total noncurrent liabilities	<u>\$ 13,112,037</u>
Total liabilities	<u>\$ 14,546,526</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	\$ 248,710
OPEB related items	131,958
Total deferred inflows of resources	<u>\$ 380,668</u>
NET POSITION	
Net investment in capital assets	\$ 22,089,038
Unrestricted	4,180,018
Total net position	<u>\$ 26,269,056</u>

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

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Fund
 For the Year Ended June 30, 2024

	Enterprise Fund Public Utilities
OPERATING REVENUES	
Charges for services	\$ 4,414,361
Total operating revenues	<u>\$ 4,414,361</u>
OPERATING EXPENSES	
Water treatment facility	\$ 770,603
Water transmission and distribution	298,102
Wastewater treatment facility	1,288,076
Sanitary sewer maintenance	207,527
Non-departmental	155,127
Depreciation	1,056,754
Total operating expenses	<u>\$ 3,776,189</u>
Operating income (loss)	<u>\$ 638,172</u>
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	\$ 401,392
Interest expense	(203,793)
Total nonoperating revenues (expenses)	<u>\$ 197,599</u>
Income before capital contributions	<u>\$ 835,771</u>
Capital contributions	<u>3,141,738</u>
Change in net position	\$ 3,977,509
Net position - beginning	<u>22,291,547</u>
Net position - ending	<u><u>\$ 26,269,056</u></u>

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

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2024

	Enterprise Fund Public Utilities
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 4,400,077
Payments to suppliers	(1,347,094)
Payments to employees	(1,384,444)
Net cash provided by (used for) operating activities	<u>\$ 1,668,539</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	\$ (3,229,175)
Principal paid on indebtedness	(647,231)
Interest payments	(202,507)
Availability fees	3,141,738
Net cash provided by (used for) capital and related financing activities	<u>\$ (937,175)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	\$ 401,392
Net cash provided by (used for) investing activities	<u>\$ 401,392</u>
Net increase (decrease) in cash and cash equivalents	\$ 1,132,756
Cash and cash equivalents, including restricted - beginning	3,846,634
Cash and cash equivalents, including restricted - ending	<u><u>\$ 4,979,390</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ <u>638,172</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation expense	\$ 1,056,754
(Increase) decrease in accounts receivable	(9,957)
(Increase) decrease in unbilled and other receivables	(7,436)
(Increase) decrease in prepaid items	(52,797)
(Increase) decrease in deferred outflows of resources	69,651
Increase (decrease) in accounts payable	124,309
Increase (decrease) in customer deposits	3,109
Increase (decrease) in deferred inflows of resources	(115,431)
Increase (decrease) in compensated absences payable	9,244
Increase (decrease) in net pension liability	(96,117)
Increase (decrease) in net OPEB liabilities	49,038
Total adjustments	<u>\$ 1,030,367</u>
Net cash provided by (used for) operating activities	<u><u>\$ 1,668,539</u></u>

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

TOWN OF WOODSTOCK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. Financial reporting entity

The Town is a municipal corporation governed by an elected mayor and six-member Council, who are elected at large for staggered four-year terms. The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town's operations. Thus, blended component units are appropriately presented as funds of the Town. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Town.

Blended component units – There were no blended component units for the Town for the year ended June 30, 2024.

Discretely presented component units – There were no discretely presented component units for the Town for the year ended June 30, 2024.

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 the activities of the primary government and its component units. *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 to external customers for support.

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by the GASB represent generally accepted accounting principles applicable to governmental units.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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. Sales and utility taxes, which are collected by the state or utility and subsequently remitted to the Town, are recognized as revenues and receivables upon collection by the state or utility, which is generally in the month preceding receipt by the Town.

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.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

The government reports the following major governmental fund:

The *general fund* is the Town's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income.

The government reports the following major proprietary fund:

The *public utilities fund* accounts for the activities of the Town's water and sewer system. The Town's public utilities fund operates the wastewater treatment plant, sewage pumping stations and collection systems, the water treatment plant, and the water distribution system.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the government's public utility fund 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 public utilities fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

1. Cash and cash equivalents

The Town'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. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

2. Investments

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

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

3. *Receivables and payables*

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

4. *Property taxes*

Property taxes are levied as of January 1 and attach as an enforceable lien on property as of January 1. All real and personal property is assessed by the County of Shenandoah Commissioner of Revenue. General real property assessments occur every four years. The Town collects real and personal property taxes semi-annually. Real property and personal property taxes are due and collectible twice a year, on June 5 and December 5. A penalty of 10 percent is assessed after the applicable due date. Interest at a monthly rate of 1 percent is charged on delinquent balances beginning July 1 and January 1. The Town bills and collects its own property taxes.

5. *Allowance for uncollectible accounts*

The Town calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$128,482 at June 30, 2024 and is comprised of property taxes \$87,349, and water and sewer accounts receivable \$41,133.

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. *Capital assets*

Capital assets, which include property, plant, equipment, lease, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) 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 \$5,000 (amount not rounded) and an estimated useful life in excess of one year.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

7. Capital assets (continued)

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

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, lease assets, and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	15-25
Improvements other than buildings	15-20
Infrastructure	75
Vehicles	5-15
Machinery and equipment	5-10
Lease equipment	5

Infrastructure acquired prior to 1980 is reported in the financial statements.

8. Compensated absences

Per the Town’s personnel policies, employees can accumulate earned but unused vacation and sick leave benefits. Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide and proprietary fund financial statements. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” at retirement. The Town accrues salary-related payments associated with the payment of compensated absences.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

9. 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. Bonds payable are reported net of the applicable bond premium or discount.

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

10. Fund balance

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

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

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

10. Fund balance (continued)

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

The Town establishes (and modifies or rescinds) fund balance commitments by formal action of the Town Council; the formal action required to commit fund balance is by resolution, prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation. The Town Council has by resolution delegated authority to assign fund balance for a specific purpose to the Town's Finance Director. The Town Council may also assign fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

11. Net position

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

12. Restricted assets

Assets of the Town's governmental activities have been restricted for the payment of performance deposits in the amount of \$15,725. Assets of the Town's public utilities enterprise fund have been restricted for the payment of customer deposits in the amount of \$111,412.

13. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

14. Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension and OPEB are reported as deferred inflows of resources. For more detailed information on this item, reference the pension and OPEB notes.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

15. Leases

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

Lessee

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

Key Estimates and Judgements

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

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

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

E. Pensions

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 Town's Retirement Plan and the additions to/deductions from the Town's Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

F. Other Postemployment Benefits (OPEB)

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

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

A. Budgetary information

The following procedures are used by the Town in establishing the budgetary data reflected in the financial statements:

1. Prior to February 1, a budget kick-off meeting is held and budget preparation packets are distributed by the Director of Finance to all department heads to assist in submittal of requested operating and capital departmental budgets for the upcoming fiscal year commencing July 1. Upon receipt of departmental budgetary information, the Director of Finance prepares a proposed draft version of the operating and capital budget and presents it to the Town Manager. Meetings with the Town Manager, Director of Finance, and department heads are held as necessary.
2. Prior to March 31, a proposed draft version of the operating and capital budget is presented to the Finance Committee. Budgetary work sessions are held by the Finance Committee during the month of March.
3. Prior to April 15, a proposed draft version of the operating and capital budget is presented to the Town Council. Budgetary work sessions are held by the Town Council during the month of April.
4. Prior to the May Town Council meeting, a public hearing is conducted to receive citizen comments on the proposed draft operating and capital budget.
5. Prior to June 30, the operating and capital budget is legally enacted through passage of an appropriations resolution by the Town Council. All proposed rates, licenses, fees and footnotes are attached to the adopted budget.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY: (CONTINUED)

A. Budgetary information (continued)

6. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the function level within an individual fund. The Director of Finance, with the approval of the Town Manager and department head(s), is authorized to transfer budgeted amounts between departments within the same fund; however, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
7. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
8. Appropriations lapse on June 30, for all Town funds, unless they are carried forward by a resolution of Town Council.

B. Excess of expenditures over appropriations

For the year ended June 30, 2024, the parks and recreation and community development departments had expenditures exceeding appropriations of \$16,302 and \$25,361.

C. Deficit fund balance

At June 30, 2024, there were no funds with deficit fund balance.

NOTE 3—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 that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments:

Statutes authorize the Town 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), Asian Development Bank, the African Development bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard & Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 3—DEPOSITS AND INVESTMENTS: (CONTINUED)

Credit Risk of Debt Securities

The Town of Woodstock, Virginia may invest any and all funds belonging to it or in its control in the following:

1. U.S. Treasury Bills, Notes, Bonds and other direct obligations of the United States Government.
2. Repurchase agreements executed through Federal Reserve Member Banks or Primary Dealers in U.S. Government securities, and collateralized by Treasury or Agency obligations the market value of which is at least 102% of the purchase price of the repo.
3. Obligations of the Commonwealth of Virginia and of its local governments and public bodies, provided such obligations have a debt rating of at least "AA" or equivalent by Moody's and/or Standard & Poor's.
4. Obligations of Agencies of the Federal Government including but not limited to the Federal Farm Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation. 50%
5. U.S. dollar denominated corporate notes or bonds with a rating in the "AAA" or "AA" categories by Moody's and Standard & Poor's at time of purchase. 25%
6. Local Government Investment Pools (LGIP), either administered by the Commonwealth of Virginia or through joint powers statutes and other intergovernmental agreement legislation, including the Commonwealth of Virginia LGIP and the Virginia Investment Pool Trust Fund (VIP). Investments in this class may comprise up to 100% of the Town's portfolio.
7. U.S. dollar denominated Commercial Paper issued by an entity incorporated in the U.S. and rated by at least A-1 by Standard & Poor's Corp. and P-1 by Moody's Investors Service. Not more than 35% of the total funds available for investment may be invested in commercial paper, and not more than 5% in the obligations of any one issuer.
8. Certificates of deposit or other deposits of national banks located within the Commonwealth and state-chartered banks under Commonwealth supervision provided such deposits are insured or collateralized as provided by the Virginia Security for Public Deposits Act.

Town's Rated Debt Investments' Values

Rated Debt Investments	Fair Quality Ratings	
	AAA _m	AA+ _f /S1
VIP 1-3 Year High Quality Bond Fund	\$ -	\$ 168,544
VIP Stable NAV Liquidity Pool	1,157,327	-
Total	<u>\$ 1,157,327</u>	<u>\$ 168,544</u>

Investments measured at NAV:

VIP 1-3 Year High Quality Bond Fund	\$ 168,544
VIP Stable NAV Liquidity Pool	1,157,327
Total investments measured at NAV	<u>\$ 1,325,871</u>

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 3—DEPOSITS AND INVESTMENTS: (CONTINUED)

Redemption Restrictions

The Town has the option to have access to withdraw funds twice a month, with a five-day period notice. Additionally, funds are available to meet unexpected needs such as fluctuations in revenue sources, one time outlays (disasters, immediate capital needs, state budget cuts, etc.).

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town has measured fair value of the above Virginia Investment Pool Investment at the net asset value (NAV).

Interest Rate Risk

VIP 1-3 Year High Quality Bond Fund –The weighted average life (WAL) of the pool at June 30, 2024, is 1.78 years.

VIP Stable NAV Liquidity Pool –The dollar weighted average days to maturity (WAM) of the pool at June 30, 2024, is 20 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of the pool at June 30, 2024, is 47 days.

NOTE 4—RECEIVABLES:

Receivables as of June 30, 2024 for the Town's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Public Utilities Fund</u>	<u>Total</u>
Receivables:			
Property taxes	\$ 1,060,739	\$ -	\$ 1,060,739
Accounts	331,509	476,332	807,841
Unbilled	-	135,201	135,201
Gross receivables	\$ 1,392,248	\$ 611,533	\$ 2,003,781
Less: allowance for uncollectibles	(87,349)	(41,133)	(128,482)
Net receivables	\$ 1,304,899	\$ 570,400	\$ 1,875,299

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 5—INTERGOVERNMENTAL RECEIVABLES:

The following amounts represent receivables from other governments as of June 30, 2024:

	General Fund
Commonwealth of Virginia:	
Rolling stock tax	\$ 5,055
Rental tax	713
Sales tax	72,981
Communications tax	9,644
Other	4,359
Total	\$ 92,752

NOTE 6—UNEARNED REVENUE:

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Unearned revenue totaling \$1,988,851 is comprised of the following:

- A. Police Seizures – Funds received as a result of police search and seizure that are awaiting court action totaled \$41,328 at June 30, 2024.
- B. ARPA Funding– Funds received from the American Rescue Plan (ARPA) Act of 2021 unspent at June 30, 2024 totaled \$1,947,523.

NOTE 7—DEFERRED/UNAVAILABLE REVENUE PROPERTY TAXES:

Deferred and unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Deferred and unavailable revenue in the government-wide and fund financial statements totaling \$758,033 and \$1,000,924, respectively, is comprised of the following:

- A. Prepaid Property Taxes – Property taxes due subsequent to June 30, 2024, but paid in advance by the taxpayers totaled \$57,404 in the general fund at June 30, 2024.
- B. Unbilled Property Taxes – Property taxes for the second half of 2023 that had not been billed as of June 30, 2024 amounted to \$700,629.
- C. Unavailable Property Taxes – Uncollected tax billings not available for funding of current expenditures totaled \$242,891 at June 30, 2024.

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)**

NOTE 8—CAPITAL ASSETS:

The following is a summary of the capital assets activity for the fiscal year ended June 30, 2024:

Governmental Activities:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 1,391,659	\$ 340,177	\$ -	\$ 1,731,836
Construction in progress	568,874	505,520	(12,694)	1,061,700
Total capital assets not being depreciated	\$ 1,960,533	\$ 845,697	\$ (12,694)	\$ 2,793,536
Capital assets being depreciated:				
Buildings and improvements	\$ 691,013	\$ -	\$ -	\$ 691,013
Improvements other than buildings	5,841,553	147,142	(28,400)	5,960,295
Infrastructure	12,138,364	-	-	12,138,364
Machinery, equipment and vehicles	2,428,320	814,801	(295,162)	2,947,959
Total depreciable capital assets	\$ 21,099,250	\$ 961,943	\$ (323,562)	\$ 21,737,631
Accumulated depreciation:				
Buildings and improvements	\$ (413,182)	\$ (13,334)	\$ -	\$ (426,516)
Improvements other than buildings	(2,764,776)	(260,281)	28,400	(2,996,657)
Infrastructure	(5,988,443)	(171,237)	-	(6,159,680)
Machinery, equipment and vehicles	(1,752,487)	(253,933)	285,959	(1,720,461)
Total accumulated depreciation	\$ (10,918,888)	\$ (698,785)	\$ 314,359	\$ (11,303,314)
Total depreciable capital assets, net	\$ 10,180,362	\$ 263,158	\$ (9,203)	\$ 10,434,317
Lease asset:				
Equipment	\$ 66,071	\$ 13,614	\$ -	\$ 79,685
Accumuated amortization:				
Equipment	\$ (9,777)	\$ (15,496)	\$ -	\$ (25,273)
Net right-to-use lease asset	\$ 56,294	\$ (1,882)	\$ -	\$ 54,412
Capital assets, net	\$ 12,197,189	\$ 1,106,973	\$ (21,897)	\$ 13,282,265

Depreciation/amortization expense was allocated to the functions/programs as follows:

General government administration	\$ 71,559
Public safety	152,048
Public works	292,167
Parks and recreation	121,020
Community development	77,487
Total depreciation expense	\$ 714,281

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)**

NOTE 8—CAPITAL ASSETS: (CONTINUED)

Business-type Activities:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 171,915	\$ -	\$ -	\$ 171,915
Construction in progress	179,614	3,060,538	-	3,240,152
Total capital assets not being depreciated	\$ 351,529	\$ 3,060,538	\$ -	\$ 3,412,067
Capital assets being depreciated:				
Buildings and improvements	\$ 37,563,942	\$ -	\$ -	\$ 37,563,942
Improvements other than buildings	2,716,394	168,637	-	2,885,031
Infrastructure	8,425,554	-	-	8,425,554
Machinery, equipment and vehicles	779,166	-	(86,386)	692,780
Total depreciable capital assets	\$ 49,485,056	\$ 168,637	\$ (86,386)	\$ 49,567,307
Accumulated depreciation:				
Buildings and improvements	\$ (10,528,863)	\$ (751,279)	\$ -	\$ (11,280,142)
Improvements other than buildings	(1,956,229)	(136,911)	-	(2,093,140)
Infrastructure	(3,745,550)	(112,339)	-	(3,857,889)
Machinery, equipment and vehicles	(526,553)	(56,225)	86,386	(496,392)
Total accumulated depreciation	\$ (16,757,195)	\$ (1,056,754)	\$ 86,386	\$ (17,727,563)
Total depreciable capital assets, net	\$ 32,727,861	\$ (888,117)	\$ -	\$ 31,839,744
Capital assets, net	\$ 33,079,390	\$ 2,172,421	\$ -	\$ 35,251,811

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TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)**

NOTE 9—LONG-TERM OBLIGATIONS:

The following is a summary of the long-term obligations of the Town for the year ended June 30, 2024:

	Balance Payable July 1, 2023	Issuances Increases	Retirements Decreases	Balance Payable June 30, 2024	Amount Due Within One Year
Primary Government:					
Governmental Activities					
Direct borrowings and placements:					
General obligation bonds	\$ 1,135,443	\$ -	\$ (111,679)	\$ 1,023,764	\$ 115,000
Total direct borrowings and placements	\$ 1,135,443	\$ -	\$ (111,679)	\$ 1,023,764	\$ 115,000
Other liabilities:					
Capital financing	\$ 191,641	\$ 180,770	\$ (114,109)	\$ 258,302	\$ 75,323
Lease liabilities	57,855	13,132	(14,369)	56,618	15,603
Compensated absences	266,704	160,022	(141,422)	285,304	71,326
Net pension liability	1,265,942	1,107,182	(1,246,763)	1,126,361	-
Net OPEB liabilities	975,375	592,810	(444,094)	1,124,091	-
Total governmental activities	\$ 3,892,960	\$ 2,053,916	\$ (2,072,436)	\$ 3,874,440	\$ 277,252
Business-type Activities					
Direct borrowings and placements:					
General obligation bonds	\$ 6,036,079	\$ -	\$ (221,209)	\$ 5,814,870	\$ 225,203
Premium on bond issue	158,981	-	(10,599)	148,382	10,599
Revenue Bonds	7,542,245	-	(392,375)	7,149,870	784,751
Total direct borrowings and placements	\$ 13,737,305	\$ -	\$ (624,183)	\$ 13,113,122	\$ 1,020,553
Other liabilities:					
Capital financing	\$ 137,025	\$ -	\$ (33,647)	\$ 103,378	\$ 34,054
Compensated absences	144,453	86,671	(77,427)	153,697	38,424
Net pension liability	521,859	406,600	(502,717)	425,742	-
Net OPEB liabilities	360,091	73,994	(24,956)	409,129	-
Total business-type activities	\$ 14,900,733	\$ 567,265	\$ (1,262,930)	\$ 14,205,068	\$ 1,093,031
Total primary government	\$ 18,793,693	\$ 2,621,181	\$ (3,335,366)	\$ 18,079,508	\$ 1,370,283

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TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)**

NOTE 9—LONG-TERM OBLIGATIONS: (CONTINUED)

For governmental and business-type activities, compensated absences, pension and OPEB liabilities are liquidated by the General and Public Utilities Funds, respectively.

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

Governmental Activities									
Long-term Obligations									
Year Ending June 30,	Direct Borrowings and Placements			Other Liabilities				Total	
	General Obligation Bonds			Capital Financing		Lease Liabilities			
	Principal	Interest		Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 115,000	\$ 29,440	\$	75,323	\$ 8,818	\$ 15,603	\$ 2,044	\$ 205,926	\$ 40,302
2026	118,396	26,045		77,841	6,300	16,262	1,386	212,499	33,731
2027	121,894	22,547		67,867	4,302	16,668	700	206,429	27,549
2028	137,517	18,840		37,271	1,677	7,582	139	182,370	20,656
2029	49,896	15,864		-	-	503	3	50,399	15,867
2030-2034	274,323	54,477		-	-	-	-	274,323	54,477
2035-2038	206,738	10,972		-	-	-	-	206,738	10,972
Total	\$ 1,023,764	\$ 178,185	\$	258,302	\$ 21,097	\$ 56,618	\$ 4,272	\$ 1,338,684	\$ 203,554

Business-type Activities									
Long-term Obligations									
Year Ending June 30,	Direct Borrowings and Placements				Other Liabilities			Total	
	General Obligation Bonds		Revenue Bonds		Capital Financing				
	Principal	Interest	Principal	Interest	Principal	Interest		Principal	Interest
2025	\$ 225,203	\$ 192,495	\$ 784,751	\$ -	\$ 34,054	1,251	\$	1,044,008	\$ 193,746
2026	239,508	183,707	784,750	-	34,466	839		1,058,724	184,546
2027	243,958	174,794	784,750	-	34,858	422		1,063,566	175,216
2028	253,559	165,624	784,750	-	-	-		1,038,309	165,624
2029	263,319	155,936	670,719	-	-	-		934,038	155,936
2030-2034	1,423,920	630,292	2,783,459	-	-	-		4,207,379	630,292
2035-2039	1,565,196	350,826	556,691	-	-	-		2,121,887	350,826
2040-2044	1,045,958	137,583	-	-	-	-		1,045,958	137,583
2045-2048	554,249	28,435	-	-	-	-		554,249	28,435
Total	\$ 5,814,870	\$ 2,019,692	\$ 7,149,870	\$ -	\$ 103,378	\$ 2,512	\$	13,068,118	\$ 2,022,204

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 9—LONG-TERM OBLIGATIONS: (CONTINUED)

Details of long-term obligations:

Governmental Activities:

General obligation bonds

Series 2013, \$1,000,000, issued March 29, 2013, payable in monthly installments of \$6,556, through April 1, 2028, with interest at 2.26%	\$ 308,098
Series 2018A, \$650,000, issued May 30, 2018, payable in monthly installments of \$3,530, through May 28, 2038, with interest at 2.75%	478,423
Series 2018B, \$325,000, issued May 30, 2018, payable in monthly installments of \$1,950, through May 28, 2038, with interest at 3.875%	237,243
Subtotal general obligation bonds	\$ 1,023,764

Capital financing

Capital financing for police body cameras dated September 20, 2023, payable in five annual installments of \$15,408 through September 30, 2028 with interest at 4.5%	\$ 55,276
Capital financing for police body cameras dated September 20, 2023, payable in five annual installments of \$23,541 through September 30, 2028 with interest at 4.5%	84,454
Capital financing for a public works dump truck dated November 5, 2021, payable in five annual installments of \$32,590 through November 5, 2026 with interest at 1.21%	95,449
Capital financing for Dell computers for police department dated January 1, 2023, payable in four annual installments of \$46,323 through January 1, 2026 with interest at 5.947%	23,123
Subtotal capital financing	\$ 258,302

Lease liabilities

Leases for administration, police and public works copiers dated June 15, 2022-December 6, 2022, payable in sixty monthly installments of \$271-\$581 through November 30, 2027 at discount rates ranging from 3.79%-5.0%	\$ 56,618
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Compensated absences	\$ 285,304
Net pension liability	\$ 1,126,361
Net OPEB liabilities	\$ 1,124,091
Total governmental activities long-term obligations	\$ 3,874,440

The Town's outstanding notes from direct borrowings and direct placements related to governmental activities of \$1,023,764 contain a provision that in an event of default, outstanding amounts become immediately due if the Town is unable to make payment.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 9—LONG-TERM OBLIGATIONS: (CONTINUED)

Details of long-term obligations: (continued)

Business-type Activities:

General obligation bonds

Series 2003, \$2,286,000, issued September 25, 2003, payable in monthly installments of \$9,922, through September 25, 2043, with interest at 4.25% \$ 1,540,900

Series 2014, \$2,005,000 issued November 19, 2014, payable in variable semi-annual installments beginning April 1, 2015 through October 1, 2037 with variable interest rates 1,585,000

Series 2017, \$3,126,800 Water Treatment Plant Project, issued March 14, 2017, payable in semi-annual installments beginning September 1, 2018 through March 1, 2048 with interest at 2.25% 2,688,970

Subtotal general obligation bonds \$ **5,814,870**

Revenue bonds

Series 2006, \$4,561,156, issued September 27, 2006, payable in semi-annual installments of \$114,029, beginning January 1, 2009 through July 1, 2028, bearing no interest \$ 1,026,260

Series 2007, \$13,917,296, issued November 9, 2007, payable in semi-annual installments of \$278,346 beginning July 1, 2010 through January 1, 2035, bearing no interest 6,123,610

Subtotal revenue bonds \$ **7,149,870**

Unamortized premium on general obligation bonds \$ **148,382**

Capital financing

Capital financing for a public utility dump truck dated November 5, 2021, payable in five annual installments of \$32,590 through November 5, 2026 with interest at 1.21% \$ 103,378

Compensated absences \$ **153,697**

Net pension liability \$ **425,742**

Net OPEB liabilities \$ **409,129**

Total business-type activities long-term obligations \$ **14,205,068**

The Town's outstanding notes from direct borrowings and direct placements related to business-type activities in the amount \$13,113,122, contain a provision that in an event of default, outstanding amounts become immediately due if the Town is unable to make payment.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 10—PENSION PLANS:

Plan Description

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

Benefit Structures

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

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of creditable service. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 10—PENSION PLANS: (CONTINUED)

Average Final Compensation and Service Retirement Multiplier

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

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

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

Employees Covered by Benefit Terms

As of the June 30, 2022 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	13
Non-vested inactive members	5
Inactive members active elsewhere in VRS	<u>28</u>
Total inactive members	46
Active members	<u>57</u>
Total covered employees	<u><u>148</u></u>

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 10—PENSION PLANS: (CONTINUED)

Contributions

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

The Town's contractually required employer contribution rate for the year ended June 30, 2024, was 16.50% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$524,421 and \$498,670 for the years ended June 30, 2024, and June 30, 2023, respectively.

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 Town's net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the Town's Retirement Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 10—PENSION PLANS: (CONTINUED)

Actuarial Assumptions – General Employees (Continued)

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2022 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 10—PENSION PLANS: (CONTINUED)

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Town's Retirement Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 10—PENSION PLANS: (CONTINUED)

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits (continued)

The actuarial assumptions used in the June 30, 2022 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)**

NOTE 10—PENSION PLANS: (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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

* The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)**

NOTE 10—PENSION PLANS: (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; the Town was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, 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, 2022 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	\$ 15,465,586	\$ 13,677,785	\$ 1,787,801
Changes for the year:			
Service cost	\$ 435,066	\$ -	\$ 435,066
Interest	1,038,362	-	1,038,362
Differences between expected and actual experience	(191,711)	-	(191,711)
Contributions - employer	-	498,653	(498,653)
Contributions - employee	-	149,262	(149,262)
Net investment income	-	878,039	(878,039)
Benefit payments, including refunds of employee contributions	(1,035,026)	(1,035,026)	-
Administrative expenses	-	(8,889)	8,889
Other changes	-	350	(350)
Net changes	\$ 246,691	\$ 482,389	\$ (235,698)
Balances at June 30, 2023	\$ 15,712,277	\$ 14,160,174	\$ 1,552,103

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)**

NOTE 10—PENSION PLANS: (CONTINUED)

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

The following presents the net pension liability of the Town using the discount rate of 6.75%, as well as what the Town's 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:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Town Net Pension Liability \$	3,932,401	\$ 1,552,103	\$ (335,315)

For the year ended June 30, 2024, the Town recognized pension expense of \$156,940. At June 30, 2024, the Town 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	\$ 2,086	\$ 610,619
Change in assumptions	143,635	-
Net difference between projected and actual earnings on pension plan investments	-	208,671
Change in proportionate share	17,498	17,498
Employer contributions subsequent to the measurement date	524,421	-
Total	<u>\$ 687,640</u>	<u>\$ 836,788</u>

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 10—PENSION PLANS: (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$524,421 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30,</u>		
2025	\$	(390,003)
2026		(457,108)
2027		167,169
2028		6,367
2029		-
Thereafter		-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE 11—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

Plan Description

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

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

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

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 11—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were \$18,055 and \$17,064 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The entity's proportionate share is reflected in the various departments on Exhibit 2, 5 and 10 of the financial statements.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 11—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

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

At June 30, 2024, the entity reported a liability of \$160,948 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.01342% as compared to 0.01397% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$6,107. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,075	\$ 4,886
Net difference between projected and actual earnings on GLI OPEB plan investments	-	6,468
Change in assumptions	3,440	11,151
Changes in proportion	1,764	14,345
Employer contributions subsequent to the measurement date	18,055	-
Total	<u>\$ 39,334</u>	<u>\$ 36,850</u>

\$18,055 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (3,203)
2026	(9,884)
2027	(670)
2028	(2,254)
2029	440
Thereafter	-

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 11—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)**

NOTE 11—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions (Continued)

Mortality Rates- Non- Largest Ten Locality Employers- General Employees (continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except change in the discount rate, which was based on VRS Board action effective July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)**

NOTE 11—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions (Continued)

Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees (continued)

The actuarial assumptions used in the June 30, 2022, 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 July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, NOL amounts for the GLI Plan is as follows (amounts expressed in thousands):

		Group Life Insurance OPEB Plan
Total GLI OPEB Liability	\$	3,907,052
Plan Fiduciary Net Position		2,707,739
GLI Net OPEB Liability (Asset)	\$	1,199,313

Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability 69.30%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 11—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return¹
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	<u>100.00%</u>		<u>5.75%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return**	<u>8.25%</u>

* The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 11—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

		1% Decrease (5.75%)	Rate Current Discount (6.75%)	1% Increase (7.75%)
Town's proportionate share of the				
GLI Plan Net OPEB Liability	\$	238,575	\$ 160,948	\$ 98,186

GLI Program Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 12—LINE OF DUTY ACT (LODA) PROGRAM:

Plan Description

The Virginia Retirement System (VRS) Line of Duty Act Program (LODA) was established pursuant to §9.1-400 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 LODA Program provides death and health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program. This is a cost-sharing multiple-employer plan administered by the System. Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by the System's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

The specific information for the LODA Program OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

All paid employees and volunteers in hazardous duty positions in Virginia localities as well as hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the LODA Program. As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program.

Benefit Amounts

The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows: \$100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after; \$25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date; or an additional \$20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.

The LODA program also provides health insurance benefits. The health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 12—LINE OF DUTY ACT (LODA) PROGRAM: (CONTINUED)

Contributions

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2024 was \$830 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the entity were \$15,770 and \$13,637 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

At June 30, 2024, the entity reported a liability of \$411,964 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2023 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The entity's proportion of the Net LODA OPEB Liability was based on the entity's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2023 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2023, the entity's proportion was 0.10280% as compared to 0.08920% at June 30, 2022.

For the year ended June 30, 2024, the entity recognized LODA OPEB expense of \$61,988. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, the entity reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 21,975	\$ 77,572
Net difference between projected and actual earnings on LODA OPEB plan investments	-	1,205
Change in assumptions	91,502	84,949
Changes in proportionate share	77,059	17,266
Employer contributions subsequent to the measurement date	15,770	-
Total	<u>\$ 206,306</u>	<u>\$ 180,992</u>

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 12—LINE OF DUTY ACT (LODA) PROGRAM: (CONTINUED)

LODA OPEB Liabilities, LODA OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LODA OPEB (Continued)

\$15,770 reported as deferred outflows of resources related to the LODA OPEB resulting from the entity's contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2024	\$ 4,734
2025	4,772
2026	6,787
2027	5,663
2028	456
Thereafter	(12,868)

Actuarial Assumptions

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.00%-4.75%
Ages 65 and older	5.25%-4.75%
Year of ultimate trend rate:	
Under age 65	Fiscal year ended 2028
Ages 65 and older	Fiscal year ended 2023
Investment rate of return	3.86%, including inflation*

*Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.86% was used since it approximates the risk-free rate of return.

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)**

NOTE 12—LINE OF DUTY ACT (LODA) PROGRAM: (CONTINUED)

Actuarial Assumptions (Continued)

Mortality Rates – Non-Largest Ten Locality Employers with Public Safety Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 12—LINE OF DUTY ACT (LODA) PROGRAM: (CONTINUED)

Net LODA OPEB Liability

The net OPEB liability (NOL) for the LODA Program represents the 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, 2023, NOL amounts for the LODA Program is as follows (amounts expressed in thousands):

	LODA Program
Total LODA OPEB Liability	\$ 406,211
Plan Fiduciary Net Position	5,311
LODA Net OPEB Liability (Asset)	<u>\$ 400,900</u>
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.31%

The total LODA OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long-term Expected Rate of Return

The long-term expected rate of return on LODA OPEB Program's investments was set at 3.86% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments' 6.75% assumption. Instead, the assumed annual rate of return of 3.86% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Fidelity Fixed Income General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2023.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 3.86%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 12—LINE OF DUTY ACT (LODA) PROGRAM: (CONTINUED)

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

The following presents the covered employer's proportionate share of the net LODA OPEB liability using the discount rate of 3.86%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.69%) or one percentage point higher (4.86%) than the current rate:

		Discount Rate		
		1% Decrease	Current	1% Increase
		(2.86%)	(3.86%)	(4.86%)
Town's proportionate share of the				
LODA Net OPEB Liability	\$	461,910	\$ 411,964	\$ 369,711

Sensitivity of the Covered Employer's Proportionate Share of the Net LODA OPEB Liability to Changes in the Health Care Trend Rate

Because the LODA Program contains a provision for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the covered employer's proportionate share of the net LODA OPEB liability using the health care trend rate of 7.00% decreasing to 4.75%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower (6.00% decreasing to 3.75%) or one percentage point higher (8.00% decreasing to 5.75%) than the current rate:

		Health Care Trend Rates		
		1% Decrease	Current	1% Increase
		(6.00% decreasing to 3.75%)	(7.00% decreasing to 4.75%)	(8.00% decreasing to 5.75%)
Town's proportionate share of the				
LODA Net OPEB Liability	\$	349,359	\$ 411,964	\$ 489,541

LODA OPEB Fiduciary Net Position

Detailed information about the LODA Program Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 13—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Plan was 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. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. 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 HIC 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.

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

Benefit Amounts

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program Plan (VLDP), the monthly benefit is \$45.00 per month.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	27
Inactive members:	
Vested inactive members	2
Inactive members active elsewhere in VRS	28
Total inactive members	57
Active members	<u>57</u>
Total covered employees	<u><u>114</u></u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Town's contractually required employer contribution rate for the year ended June 30, 2024 was 0.29% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Town to the HIC Plan were \$9,696 and \$9,164 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net HIC OPEB Liability

The Town net HIC OPEB liability was measured as of June 30, 2023. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 13—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)**

NOTE 13—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2022 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Actuarial Assumptions (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2022 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)**

NOTE 13—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Long-term Expected Rate of Return

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

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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	<u>100.00%</u>		<u>5.75%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return**	<u>8.25%</u>

* The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)**

NOTE 13—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Discount Rate

The discount rate used to measure the total HIC 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 ended June 30, 2023, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC 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 HIC OPEB liability.

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total	Plan	Net
	HIC OPEB	Fiduciary	HIC OPEB
	Liability	Net Position	Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at June 30, 2022	\$ 142,926	\$ 89,616	\$ 53,310
Changes for the year:			
Service cost	\$ 2,386	\$ -	\$ 2,386
Interest	9,450	-	9,450
Differences between expected and actual experience	8,306	-	8,306
Contributions - employer	-	9,164	(9,164)
Net investment income	-	5,282	(5,282)
Benefit payments	(10,610)	(10,610)	-
Administrative expenses	-	(121)	121
Other changes	-	219	(219)
Net changes	\$ 9,532	\$ 3,934	\$ 5,598
Balances at June 30, 2023	\$ 152,458	\$ 93,550	\$ 58,908

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Sensitivity of the Town's HIC Net OPEB Liability to Changes in the Discount Rate

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Town's			
Net HIC OPEB Liability \$	76,298 \$	58,908 \$	44,315

HIC Plan OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB

For the year ended June 30, 2024, the Town recognized HIC Plan OPEB expense of \$7,470. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to the Town's HIC Credit Program Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,590	\$ 1,516
Net difference between projected and actual earnings on HIC OPEB plan investments	-	795
Change in assumptions	2,043	2,536
Employer contributions subsequent to the measurement date	9,696	-
Total	\$ 21,329	\$ 4,847

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

HIC Plan OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB (Continued)

\$9,696 reported as deferred outflows of resources related to the HIC OPEB resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30,</u>	
2025	\$ 2,202
2026	1,307
2027	3,207
2028	452
2029	(382)
Thereafter	-

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 14—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN):

Plan Description

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

Benefits Provided

Post-employment benefits are provided to eligible retirees include Medical, Dental, and Prescription insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the Town who meet eligibility requirements of the pension plan are eligible to receive post-employment health care benefits.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 14—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO
(OPEB PLAN): (CONTINUED)

Plan Membership

At July 1, 2023 (the valuation date), the following employees were covered by the benefit terms:

Total active employees with coverage	56
Total inactive employees or beneficiaries currently receiving benefits	<u>8</u>
Total	<u><u>64</u></u>

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Town Council. The amount paid by the Town for OPEB as the benefits came due during the year ended June 30, 2024 was \$25,300.

Total OPEB Liability

The Town’s total OPEB liability was measured as of July 1, 2023. The total OPEB liability was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Salary Increases	2.50% increases annually
Discount Rate	3.86%
Healthcare Cost Trend Rates	6.50% for fiscal year end 2024, decreasing 0.25% per year to an ultimate rate of 5.00%
Investment Rate of Return	Not applicable

Mortality rates for Active employees and healthy retirees were based on a RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)**

**NOTE 14—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO
(OPEB PLAN): (CONTINUED)**

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments has been set equal to 3.86% and represents the Municipal GO AA 20-year yield curve rate as of the measurement date.

Changes in Total OPEB Liability

		<u>Total OPEB Liability</u>
Balances at July 1, 2023	\$	776,400
Changes for the year:		
Service cost	\$	21,700
Interest		29,000
Difference between expected and actual experience		115,400
Changes in assumptions		(15,800)
Benefit payments		(25,300)
Net changes	\$	125,000
Balances at June 30, 2024	\$	<u>901,400</u>

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

The following amounts present the total OPEB liability of the Town, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) than the current discount rate:

<u>Rate</u>		
<u>1% Decrease (2.86%)</u>	<u>Current Discount Rate (3.86%)</u>	<u>1% Increase (4.86%)</u>
\$ 999,600	\$ 901,400	\$ 815,100

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

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

<u>Rate</u>		
<u>1% Decrease (5.50% decreasing to 4.00%)</u>	<u>Healthcare Cost Trend (6.50% decreasing to 5.00%)</u>	<u>1% Increase (7.50% decreasing to 6.00%)</u>
\$ 802,500	\$ 901,400	\$ 1,019,200

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 14—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO
(OPEB PLAN): (CONTINUED)

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

For the year ended June 30, 2024, the Town recognized OPEB expense in the amount of \$37,700. At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to the Pay as You Go OPEB plan are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 152,500	\$ 273,400
Changes in assumptions	134,100	163,300
Employer contributions subsequent to the measurement date	25,300	-
Total	<u>\$ 311,900</u>	<u>\$ 436,700</u>

\$25,300 reported as deferred outflows of resources related to the OPEB resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB Liability in the fiscal year ending June 30, 2025. 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:

<u>Year Ended June 30,</u>	
2025	\$ (22,600)
2026	(23,000)
2027	(23,400)
2028	(40,400)
2029	(47,700)
Thereafter	7,000

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

TOWN OF WOODSTOCK, VIRGINIA**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)****NOTE 15—SUMMARY OF OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS:**

The following is a summary of the Town's OPEB plans as of June 30, 2024:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liabilities</u>	<u>OPEB Expense</u>
VRS OPEB Plans:				
Group Life Insurance Plan (Note 11)	\$ 39,334	\$ 36,850	\$ 160,948	\$ 6,107
Line Of Duty Act (Note 12)	206,306	180,992	411,964	61,988
Health Insurance Credit Plan (Note 13)	21,329	4,847	58,908	7,470
Pay As You Go Stand-Alone Plan (Note 14)	<u>311,900</u>	<u>436,700</u>	<u>901,400</u>	<u>37,700</u>
Totals	\$ <u>578,869</u>	\$ <u>659,389</u>	\$ <u>1,533,220</u>	\$ <u>113,265</u>

NOTE 16—PROPERTY, LIABILITY AND FIDELITY BONDS:

The Town pays Virginia Risk Sharing Association (VRSA) contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three fiscal years.

NOTE 17—INTERFUND OBLIGATIONS:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Primary Government:		
General Fund	\$ 1,415	\$ -
Public Utilities Fund	-	<u>1,415</u>
Total reporting entity	\$ <u>1,415</u>	\$ <u>1,415</u>

NOTE 18—RISK MANAGEMENT:

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters for which the Town carries commercial insurance. The Town also provides a risk management program for workers' compensation. Premiums are paid by the general fund and all other funds and are available to pay claims, claim reserves and administrative costs of the program.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 18—RISK MANAGEMENT: (CONTINUED)

The Town is a member of the VRSA for workers' compensation. This program provides claims management and risk management services.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The Town pays VRSA contributions and assessments based upon classification and rates into a designated cash reserve fund out of which claims, refunds, and expenses of the Association are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three fiscal years.

NOTE 19—CONTINGENT LIABILITIES:

The Town receives grant funds, principally from the federal government, for construction and various other programs. Certain expenditures of these funds are subject to audit by the grantor, and the Town is contingently liable to refund amounts in excess of allowable expenditures. In the opinion of the Town management, no material refunds will be required as a result of expenditures disallowed by grantors.

The Town is responsible for the refunding of arbitrage interest incurred on the unexpended proceeds of certain bond issues. The amount of this arbitrage, if any, is estimated to be immaterial.

NOTE 20—LITIGATION:

At June 30, 2024, there were no matters of litigation involving the Town or which would materially affect the Town's financial position should any court decisions on pending matters not be favorable to such entities.

NOTE 21—RESTATEMENT OF BEGINNING BALANCES:

The fund balance of the general fund and net position of the governmental activities were restated to correct an error and properly record unearned revenue from police asset seizures as follows:

	<u>General Fund</u>	<u>Governmental Activities</u>
Fund Balance/Net position at July 1, 2023 as originally reported	\$ 6,225,015	\$ 14,349,357
Adjustment necessary to properly reflect unearned federal asset forfeiture revenues	(29,807)	(29,807)
Fund Balance/ Net position at July 1, 2023 as restated	\$ <u>6,195,208</u>	\$ <u>14,319,550</u>

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 22—CONSTRUCTION COMMITMENTS:

The Town of Woodstock has two active construction projects as of June 30, 2024. At year end the Town's commitments with the contractors are as follows:

Project	Original Contract Amount	Amount Spent to Date	Amount of Contract Remaining at Year End
Bicycle and pedestrian trail	\$ 1,169,853	\$ 774,545	\$ 395,308
WWTP Membrane Replacement	2,983,520	2,088,464	895,056
Total	<u>\$ 4,153,373</u>	<u>\$ 2,863,009</u>	<u>\$ 1,290,364</u>

NOTE 23—UPCOMING PRONOUNCEMENTS:

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance with Final Budget - Positive (Negative)
	Original	Final			
REVENUES					
General property taxes	\$ 1,358,000	\$ 1,358,000	\$ 1,412,916	\$ 54,916	
Other local taxes	3,639,000	3,639,000	3,988,168	349,168	
Permits, privilege fees, and regulatory licenses	485,000	485,000	632,709	147,709	
Fines and forfeitures	18,000	18,000	13,545	(4,455)	
Revenue from the use of money and property	139,000	139,000	394,280	255,280	
Charges for services	531,000	529,000	572,069	43,069	
Miscellaneous	30,000	48,292	106,311	58,019	
Intergovernmental:					
Commonwealth	1,187,000	1,351,893	1,770,740	418,847	
Federal	5,461,262	5,461,262	529,713	(4,931,549)	
Total revenues	\$ 12,848,262	\$ 13,029,447	\$ 9,420,451	\$ (3,608,996)	
EXPENDITURES					
Current:					
General government administration	\$ 1,376,015	\$ 1,444,721	\$ 1,100,931	\$ 343,790	
Public safety	2,777,377	2,860,086	2,792,369	67,717	
Public works	2,205,850	2,489,120	2,356,490	132,630	
Parks and recreation	378,480	390,824	407,126	(16,302)	
Community development	482,203	478,730	504,091	(25,361)	
Capital projects	5,772,462	7,719,616	1,588,182	6,131,434	
Debt service:					
Principal retirement	174,150	174,150	240,157	(66,007)	
Interest and other fiscal charges	35,210	35,210	41,569	(6,359)	
Total expenditures	\$ 13,201,747	\$ 15,592,457	\$ 9,030,915	\$ 6,561,542	
Excess (deficiency) of revenues over (under) expenditures	\$ (353,485)	\$ (2,563,010)	\$ 389,536	\$ 2,952,546	
OTHER FINANCING SOURCES (USES)					
Issuance of capital financing	\$ -	\$ -	\$ 180,770	\$ 180,770	
Leases issued	-	-	13,132	13,132	
Total other financing sources (uses)	\$ -	\$ -	\$ 193,902	\$ 193,902	
Net change in fund balance	\$ (353,485)	\$ (2,563,010)	\$ 583,438	\$ 3,146,448	
Fund balance - beginning, as previously reported	353,485	2,563,010	6,225,015	3,662,005	
Error correction	-	-	(29,807)	(29,807)	
Fund balance-beginning, as restated	\$ 353,485	\$ 2,563,010	\$ 6,195,208	\$ 3,632,198	
Fund balance - ending	\$ -	\$ -	\$ 6,778,646	\$ 6,778,646	

Schedule of Changes in Net Pension Liability and Related Ratios

Pension Plans

For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 435,066	\$ 383,562	\$ 419,472	\$ 361,033	\$ 357,155
Interest	1,038,362	1,066,543	964,019	898,528	864,257
Changes of assumptions	-	-	561,991	-	417,746
Differences between expected and actual experience	(191,711)	(1,042,594)	(103,862)	419,353	43,177
Benefit payments, including refunds of employee contributions	(1,035,026)	(717,990)	(694,646)	(722,708)	(711,948)
Net change in total pension liability	\$ 246,691	\$ (310,479)	\$ 1,146,974	\$ 956,206	\$ 970,387
Total pension liability - beginning	15,465,586	15,776,065	14,629,091	13,672,885	12,702,498
Total pension liability - ending (a)	\$ 15,712,277	\$ 15,465,586	\$ 15,776,065	\$ 14,629,091	\$ 13,672,885
Plan fiduciary net position					
Contributions - employer	\$ 498,653	\$ 453,392	\$ 447,705	\$ 394,984	\$ 384,016
Contributions - employee	149,262	143,861	142,587	145,056	140,416
Net investment income	878,039	(16,858)	2,997,544	211,924	690,973
Benefit payments, including refunds of employee contributions	(1,035,026)	(717,990)	(694,646)	(722,708)	(711,948)
Administrative expense	(8,889)	(8,556)	(7,356)	(7,085)	(6,863)
Other	350	321	284	(247)	(436)
Net change in plan fiduciary net position	\$ 482,389	\$ (145,830)	\$ 2,886,118	\$ 21,924	\$ 496,158
Plan fiduciary net position - beginning	13,677,785	13,823,615	10,937,497	10,915,573	10,419,415
Plan fiduciary net position - ending (b)	\$ 14,160,174	\$ 13,677,785	\$ 13,823,615	\$ 10,937,497	\$ 10,915,573
Town's net pension liability - ending (a) - (b)	\$ 1,552,103	\$ 1,787,801	\$ 1,952,450	\$ 3,691,594	\$ 2,757,312
Plan fiduciary net position as a percentage of the total pension liability	90.12%	88.44%	87.62%	74.77%	79.83%
Covered payroll	\$ 3,159,959	\$ 3,039,033	\$ 3,008,867	\$ 3,058,424	\$ 2,932,490
Town's net pension liability as a percentage of covered payroll	49.12%	58.83%	64.89%	120.70%	94.03%
	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 328,583	\$ 317,355	\$ 299,879	\$ 293,925	\$ 299,492
Interest	827,807	869,508	845,739	806,204	774,415
Changes of assumptions	-	(85,198)	-	-	-
Differences between expected and actual experience	8,915	(1,105,150)	(198,402)	74,108	-
Changes in assumptions	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(577,252)	(607,225)	(608,106)	(610,782)	(628,765)
Net change in total pension liability	\$ 588,053	\$ (610,710)	\$ 339,110	\$ 563,455	\$ 445,142
Total pension liability - beginning	12,114,445	12,725,155	12,386,045	11,822,590	11,377,448
Total pension liability - ending (a)	\$ 12,702,498	\$ 12,114,445	\$ 12,725,155	\$ 12,386,045	\$ 11,822,590
Plan fiduciary net position					
Contributions - employer	\$ 448,671	\$ 420,921	\$ 440,978	\$ 421,342	\$ 400,904
Contributions - employee	133,931	129,078	122,720	118,138	117,378
Net investment income	719,972	1,061,616	151,347	380,711	1,140,528
Benefit payments, including refunds of employee contributions	(577,252)	(607,225)	(608,106)	(610,782)	(628,765)
Administrative expense	(6,091)	(6,065)	(5,309)	(5,205)	(6,176)
Other	(647)	(948)	(64)	(80)	60
Net change in plan fiduciary net position	\$ 718,584	\$ 997,377	\$ 101,566	\$ 304,124	\$ 1,023,929
Plan fiduciary net position - beginning	9,700,831	8,703,454	8,601,888	8,297,764	7,273,835
Plan fiduciary net position - ending (b)	\$ 10,419,415	\$ 9,700,831	\$ 8,703,454	\$ 8,601,888	\$ 8,297,764
Town's net pension liability - ending (a) - (b)	\$ 2,283,083	\$ 2,413,614	\$ 4,021,701	\$ 3,784,157	\$ 3,524,826
Plan fiduciary net position as a percentage of the total pension liability	82.03%	80.08%	68.40%	69.45%	70.19%
Covered payroll	\$ 2,836,627	\$ 2,592,656	\$ 2,515,114	\$ 2,388,249	\$ 2,341,201
Town's net pension liability as a percentage of covered payroll	80.49%	93.09%	159.90%	158.45%	150.56%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions

Pension Plans

For the Years Ended June 30, 2015 through June 30, 2024

Date	Contributions in Relation to				Contributions as a % of	
	Contractually Required Contribution (1)*	Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Covered Payroll (5)	
2024	\$ 524,421	\$ 524,421	\$ -	\$ 3,343,502	15.68%	
2023	498,670	498,670	-	3,159,959	15.78%	
2022	453,392	453,392	-	3,039,033	14.92%	
2021	447,705	447,705	-	3,008,867	14.88%	
2020	396,822	396,822	-	3,058,424	12.97%	
2019	383,806	383,806	-	2,932,490	13.09%	
2018	448,671	448,671	-	2,836,627	15.82%	
2017	426,996	426,996	-	2,592,656	16.47%	
2016	440,978	440,978	-	2,515,114	17.53%	
2015	421,342	421,342	-	2,388,249	17.64%	

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

Notes to Required Supplementary Information
Pension Plans
For the Year Ended June 30, 2024

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2022 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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

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

Schedule of Town's Share of Net OPEB Liability

Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2023	0.01342%	\$ 160,948	\$ 3,159,959	5.09%	69.30%
2022	0.01397%	168,212	3,039,033	5.54%	67.21%
2021	0.01460%	169,634	3,008,867	5.64%	67.45%
2020	0.01490%	247,989	3,058,424	8.11%	52.64%
2019	0.01496%	243,439	2,932,490	8.30%	52.00%
2018	0.01460%	222,000	2,776,212	8.00%	51.22%
2017	0.01406%	212,000	2,592,656	8.18%	48.86%

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

Schedule of Employer Contributions

Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	\$ 18,055	\$ 18,055	\$ -	\$ 3,343,502	0.54%
2023	17,064	17,064	-	3,159,959	0.54%
2022	16,411	16,411	-	3,039,033	0.54%
2021	16,248	16,248	-	3,008,867	0.54%
2020	15,904	15,904	-	3,058,424	0.52%
2019	15,249	15,249	-	2,932,490	0.52%
2018	14,436	14,436	-	2,776,212	0.52%
2017	13,484	13,484	-	2,592,656	0.52%
2016	12,078	12,078	-	2,515,114	0.48%
2015	11,476	11,476	-	2,388,249	0.48%

Notes to Required Supplementary Information
 Group Life Insurance (GLI) Plan
 For the Year Ended June 30, 2024

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2022 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of Employer's Share of Net LODA OPEB Liability
Line of Duty Act (LODA) Program
For the Measurement Dates of June 30, 2017 through June 30, 2023

Date	Employer's Proportion of the Net LODA OPEB Liability (Asset)	Employer's Proportionate Share of the Net LODA OPEB Liability (Asset)	Covered- Employee Payroll *	Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of Total LODA OPEB Liability
(1)	(2)	(3)	(4)	(5)	(6)
2023	0.10280%	\$ 411,964	\$ 1,149,479	35.84%	1.31%
2022	0.08920%	337,544	1,086,570	31.07%	1.87%
2021	0.09380%	413,562	992,342	41.68%	1.68%
2020	0.08830%	369,772	987,040	37.46%	1.02%
2019	0.08414%	301,882	1,181,244	25.56%	0.79%
2018	0.07991%	250,000	1,062,120	23.54%	0.60%
2017	0.08417%	221,000	1,027,905	21.50%	1.30%

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.

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

Schedule of Employer Contributions

Line of Duty Act (LODA) Program

For the Years Ended June 30, 2018 through June 30, 2024

Date	Contractually Required Contribution		Contributions in Relation to Contractually Required Contribution		Contribution Deficiency (Excess)		Covered-Employee Payroll *		Contributions as a % of Covered - Employee Payroll	
	(1)		(2)		(3)		(4)		(5)	
2024	\$	36,426	\$	15,770	\$	20,656	\$	1,304,512		1.21%
2023		34,115		13,637		20,478		1,149,479		1.19%
2022		22,079		12,283		9,796		1,086,570		1.13%
2021		23,378		12,912		10,466		992,342		2.36%
2020		21,613		11,998		9,615		987,040		1.22%
2019		20,342		11,292		9,050		1,181,244		0.96%
2018		8,511		8,511		-		1,062,120		0.80%

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of employees in the OPEB plan.

Schedule is intended to show information for 10 years. Information prior to 2018 is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information
 Line of Duty Act (LODA) Program
 For the Year Ended June 30, 2024

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result study are as follows:

Employees in the Non-Largest Ten Locality Employers with Public Safety Employees

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

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2023

	2023	2022	2021	2020
Total HIC OPEB Liability				
Service cost	\$ 2,386	\$ 4,214	\$ 4,133	\$ 3,490
Interest	9,450	9,751	9,173	8,704
Differences between expected and actual experience	8,306	(2,170)	(37)	5,938
Changes in assumptions	-	(3,684)	2,069	-
Benefit payments	(10,610)	(10,861)	(11,108)	(11,281)
Net change in total HIC OPEB liability	\$ 9,532	\$ (2,750)	\$ 4,230	\$ 6,851
Total HIC OPEB Liability - beginning	142,926	145,676	141,446	134,595
Total HIC OPEB Liability - ending (a)	<u>\$ 152,458</u>	<u>\$ 142,926</u>	<u>\$ 145,676</u>	<u>\$ 141,446</u>
Plan fiduciary net position				
Contributions - employer	\$ 9,164	\$ 8,814	\$ 8,726	\$ 8,870
Net investment income	5,282	135	18,605	1,485
Benefit payments	(10,610)	(10,861)	(11,108)	(11,281)
Administrative expense	(121)	(156)	(214)	(136)
Other	219	4,103	-	(1)
Net change in plan fiduciary net position	\$ 3,934	\$ 2,035	\$ 16,009	\$ (1,063)
Plan fiduciary net position - beginning	89,616	87,581	71,572	72,635
Plan fiduciary net position - ending (b)	<u>\$ 93,550</u>	<u>\$ 89,616</u>	<u>\$ 87,581</u>	<u>\$ 71,572</u>
Town's net HIC OPEB liability - ending (a) - (b)	\$ 58,908	\$ 53,310	\$ 58,095	\$ 69,874
Plan fiduciary net position as a percentage of the total HIC OPEB liability	61.36%	62.70%	60.12%	50.60%
Covered payroll	\$ 3,159,959	\$ 3,039,033	\$ 3,008,867	\$ 3,058,424
Town's net HIC OPEB liability as a percentage of covered payroll	1.86%	1.75%	1.93%	2.28%
	2019	2018	2017	
Total HIC OPEB Liability				
Service cost	\$ 4,248	\$ 4,019	\$ 4,180	
Interest	8,504	8,234	8,178	
Changes of benefit terms	-	-	-	
Differences between expected and actual experience	1,952	1,053	-	
Changes in assumptions	3,234	-	(3,843)	
Benefit payments	(9,647)	(9,250)	(6,189)	
Net change in total HIC OPEB liability	\$ 8,291	\$ 4,056	\$ 2,326	
Total HIC OPEB Liability - beginning	126,304	122,248	119,922	
Total HIC OPEB Liability - ending (a)	<u>\$ 134,595</u>	<u>\$ 126,304</u>	<u>\$ 122,248</u>	
Plan fiduciary net position				
Contributions - employer	\$ 8,508	\$ 9,161	\$ 8,556	
Net investment income	4,463	4,663	6,674	
Benefit payments	(9,647)	(9,250)	(6,189)	
Administrative expense	(96)	(111)	(112)	
Other	(6)	(330)	330	
Net change in plan fiduciary net position	\$ 3,222	\$ 4,133	\$ 9,259	
Plan fiduciary net position - beginning	69,413	65,280	56,021	
Plan fiduciary net position - ending (b)	<u>\$ 72,635</u>	<u>\$ 69,413</u>	<u>\$ 65,280</u>	
Town's net HIC OPEB liability - ending (a) - (b)	\$ 61,960	\$ 56,891	\$ 56,968	
Plan fiduciary net position as a percentage of the total HIC OPEB liability	53.97%	54.96%	53.40%	
Covered payroll	\$ 2,932,490	\$ 2,776,212	\$ 2,592,656	
Town's net HIC OPEB liability as a percentage of covered payroll	2.11%	2.05%	2.20%	

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

Schedule of Employer Contributions

Health Insurance Credit (HIC) Plan

For the Years Ended June 30, 2015 through June 30, 2024

Date	Contributions in Relation to					Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)		
2024	\$ 9,696	\$ 9,696	\$ -	\$ 3,343,502		0.29%
2023	9,164	9,164	-	3,159,959		0.29%
2022	8,813	8,813	-	3,039,033		0.29%
2021	8,726	8,726	-	3,008,867		0.29%
2020	8,869	8,869	-	3,058,424		0.29%
2019	8,504	8,504	-	2,932,490		0.29%
2018	9,162	9,162	-	2,776,212		0.33%
2017	8,558	8,558	-	2,592,656		0.33%
2016	8,052	8,052	-	2,515,114		0.32%
2015	7,646	7,646	-	2,388,249		0.32%

Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2024

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2022, 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of Changes in Total OPEB Liability and Related Ratio
Medical, Dental, and Prescription Insurance
For the Measurement Dates of July 1, 2017 through July 1, 2023

	2023	2022	2021	2020
Total OPEB liability				
Service cost	\$ 21,700	\$ 33,400	\$ 42,700	\$ 38,000
Interest	29,000	18,400	30,100	36,900
Changes in assumptions	(15,800)	(196,900)	69,000	92,200
Differences between expected and actual experience	115,400	12,900	(368,900)	(83,100)
Benefit payments	(25,300)	(27,400)	(44,400)	(36,200)
Net change in total OPEB liability	\$ 125,000	\$ (159,600)	\$ (271,500)	\$ 47,800
Total OPEB liability - beginning	776,400	936,000	1,207,500	1,159,700
Total OPEB liability - ending	\$ 901,400	\$ 776,400	\$ 936,000	\$ 1,207,500
 Covered payroll	 \$ 3,381,300	 \$ 2,739,800	 \$ 2,739,800	 \$ 3,078,100
 Town's total OPEB liability as a percentage of covered payroll	 26.66%	 28.34%	 34.16%	 39.23%
	2019	2018	2017	
Total OPEB liability				
Service cost	\$ 30,000	\$ 32,700	\$ 31,900	
Interest	34,100	32,400	31,200	
Changes in assumptions	108,600	(14,000)	-	
Differences between expected and actual experience	94,000	20,000	-	
Benefit payments	(37,700)	(37,700)	(17,500)	
Net change in total OPEB liability	\$ 229,000	\$ 33,400	\$ 45,600	
Total OPEB liability - beginning	930,700	897,300	851,700	
Total OPEB liability - ending	\$ 1,159,700	\$ 930,700	\$ 897,300	
 Covered-employee payroll	 \$ 3,078,100	 \$ 2,755,800	 \$ 2,755,800	
 Town's total OPEB liability as a percentage of covered-employee payroll	 37.68%	 33.77%	 32.56%	

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

Notes to Required Supplementary Information - Town OPEB
Medical, Dental, and Prescription Insurance
For the Year Ended June 30, 2024

Valuation Date: 7/1/2021
Measurement Date: 7/1/2022

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age actuarial cost method
Discount Rate	3.86%
Inflation	2.50%
Healthcare Trend Rate	6.50% for fiscal year end 2024, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	2.50% annually
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

OTHER SUPPLEMENTARY INFORMATION

SUPPORTING SCHEDULE

Computation of Legal Debt Margin
June 30, 2024

Total Assessed Value of Real Estate	\$ <u>694,201,900</u>
Legal Debt Margin: (10% of assessed value of real estate)	\$ 69,420,190
Less: Gross Indebtedness	<u>(1,023,764)</u>
Legal Margin for Creation of Additional Debt	\$ <u>68,396,426</u>

Excludes enterprise fund indebtedness, capital financing and lease obligations.

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Town of Woodstock's annual comprehensive 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 Town's overall financial health. This information has not been audited by the independent auditors.

Contents

Tables

Financial Trends

These tables contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

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Revenue Capacity

These tables contain information to help the reader assess the Town's most significant local revenue source, property taxes.

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Debt Capacity

These tables present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

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Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

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Operating Information

These tables contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

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

TOWN OF WOODSTOCK, VIRGINIA

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities			
Net investment in capital assets	\$ 11,612,015	\$ 11,437,805	\$ 11,306,301
Unrestricted	<u>267,970</u>	<u>561,357</u>	<u>230,867</u>
Total governmental activities net position	<u>\$ 11,879,985</u>	<u>\$ 11,999,162</u>	<u>\$ 11,537,168</u>
Business-type activities			
Net investment in capital assets	\$ 17,282,819	\$ 17,835,299	\$ 17,625,943
Unrestricted	<u>417,561</u>	<u>499,066</u>	<u>1,049,145</u>
Total business-type activities net position	<u>\$ 17,700,380</u>	<u>\$ 18,334,365</u>	<u>\$ 18,675,088</u>
Primary government			
Net investment in capital assets	\$ 28,894,834	\$ 29,273,104	\$ 28,932,244
Unrestricted	<u>685,531</u>	<u>1,060,423</u>	<u>1,280,012</u>
Total primary government net position	<u>\$ 29,580,365</u>	<u>\$ 30,333,527</u>	<u>\$ 30,212,256</u>

Table 1

Fiscal Year						
2018	2019	2020	2021	2022	2023	2024
\$ 11,348,292	\$ 11,312,020	\$ 11,138,003	\$ 10,872,349	\$ 10,841,115	\$ 10,812,250	\$ 11,943,581
570,435	906,168	882,390	1,741,487	2,394,558	3,537,107	4,348,656
<u>\$ 11,918,727</u>	<u>\$ 12,218,188</u>	<u>\$ 12,020,393</u>	<u>\$ 12,613,836</u>	<u>\$ 13,235,673</u>	<u>\$ 14,349,357</u>	<u>\$ 16,292,237</u>
\$ 18,202,945	\$ 18,933,168	\$ 18,671,158	\$ 18,835,175	\$ 18,807,954	\$ 19,272,445	\$ 22,089,038
1,079,170	817,969	1,561,194	2,094,445	2,831,771	3,019,102	4,180,018
<u>\$ 19,282,115</u>	<u>\$ 19,751,137</u>	<u>\$ 20,232,352</u>	<u>\$ 20,929,620</u>	<u>\$ 21,639,725</u>	<u>\$ 22,291,547</u>	<u>\$ 26,269,056</u>
\$ 29,551,237	\$ 30,245,188	\$ 29,809,161	\$ 29,707,524	\$ 29,649,069	\$ 30,084,695	\$ 34,032,619
1,649,605	1,724,137	2,443,584	3,835,932	5,226,329	6,556,209	8,528,674
<u>\$ 31,200,842</u>	<u>\$ 31,969,325</u>	<u>\$ 32,252,745</u>	<u>\$ 33,543,456</u>	<u>\$ 34,875,398</u>	<u>\$ 36,640,904</u>	<u>\$ 42,561,293</u>

TOWN OF WOODSTOCK, VIRGINIA

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government administration	\$ 783,174	\$ 815,926	\$ 855,522	\$ 898,863
Public safety	1,597,406	1,737,572	1,777,730	1,794,419
Public works	1,760,414	1,805,168	1,752,264	1,745,372
Parks and recreation	350,601	368,217	345,730	397,348
Community development	628,977	393,317	420,727	398,489
Interest on long-term debt	28,648	24,942	26,076	21,289
Total governmental activities expenses	\$ 5,149,220	\$ 5,145,142	\$ 5,178,049	\$ 5,255,780
Business-type activities:				
Water and sewer	\$ 3,498,131	\$ 3,542,094	\$ 3,610,056	\$ 3,450,871
Total business-type activities expenses	\$ 3,498,131	\$ 3,542,094	\$ 3,610,056	\$ 3,450,871
Total primary government expenses	\$ 8,647,351	\$ 8,687,236	\$ 8,788,105	\$ 8,706,651
Program Revenues				
Governmental activities:				
Charges for services:				
General government administration	\$ 372,770	\$ 396,644	\$ 395,688	\$ 418,271
Public safety	38,963	29,491	38,080	32,424
Public works	173,031	188,517	183,770	186,011
Parks and recreation	64,818	89,591	88,900	82,290
Community development	-	-	1,078	235
Operating grants and contributions:				
General government administration	-	-	-	-
Public safety	167,613	125,783	139,156	127,589
Public works	-	-	-	-
Parks and recreation	-	-	18,076	-
Community development	-	-	-	-
Capital grants and contributions:				
Public works	724,039	769,760	793,286	806,564
Community development	-	-	-	-
Total governmental activities program revenues	\$ 1,541,234	\$ 1,599,786	\$ 1,658,034	\$ 1,653,384
Business-type activities:				
Charges for services:				
Water and sewer	\$ 3,710,805	\$ 4,168,585	\$ 4,203,321	\$ 3,972,177
Capital grants and contributions:				
Water and sewer	109,344	-	-	38,149
Total business-type activities program revenues	\$ 3,820,149	\$ 4,168,585	\$ 4,203,321	\$ 4,010,326
Total primary government program revenues	\$ 5,361,383	\$ 5,768,371	\$ 5,861,355	\$ 5,663,710
Net (expense)/revenue				
Governmental activities	\$ (3,980,756)	\$ (3,942,000)	\$ (3,915,703)	\$ (4,020,667)
Business-type activities	322,018	626,491	593,265	559,455
Total primary government net (expense) revenue	\$ (3,285,968)	\$ (2,918,865)	\$ (2,926,750)	\$ (3,042,941)

Table 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 855,065	\$ 894,002	\$ 974,109	\$ 871,653	1,171,098	\$ 1,210,884
1,952,734	2,129,682	2,187,195	2,548,435	2,420,918	2,529,917
1,975,588	2,046,587	2,216,391	2,144,012	2,378,975	2,591,802
381,941	365,596	394,739	416,972	463,155	525,988
463,547	456,380	490,161	449,222	534,071	575,895
40,900	47,995	45,762	40,482	41,701	39,726
<u>\$ 5,669,775</u>	<u>\$ 5,940,242</u>	<u>\$ 6,308,357</u>	<u>\$ 6,470,776</u>	<u>7,009,918</u>	<u>\$ 7,474,212</u>
<u>\$ 3,754,904</u>	<u>\$ 3,541,890</u>	<u>\$ 3,708,573</u>	<u>\$ 3,662,719</u>	<u>4,066,968</u>	<u>\$ 3,979,982</u>
<u>\$ 3,754,904</u>	<u>\$ 3,541,890</u>	<u>\$ 3,708,573</u>	<u>\$ 3,662,719</u>	<u>4,066,968</u>	<u>\$ 3,979,982</u>
<u>\$ 9,424,679</u>	<u>\$ 9,482,132</u>	<u>\$ 10,016,930</u>	<u>\$ 10,133,495</u>	<u>11,076,886</u>	<u>\$ 11,454,194</u>
\$ 418,393	\$ 377,114	\$ 447,374	\$ 507,361	\$ 591,306	\$ 632,709
24,047	20,602	14,046	18,888	15,088	13,545
191,391	194,837	325,299	337,319	362,495	428,753
96,174	50,978	106,861	124,192	103,583	143,316
10,859	16,661	19,123	38,563	-	-
-	-	-	1,475	-	-
133,313	140,416	143,936	146,767	149,973	185,006
-	-	-	-	12,964	-
-	-	-	-	65	3,950
10,000	-	-	-	2,894	444,235
830,651	830,656	840,409	854,852	986,792	1,074,393
-	10,000	20,664	-	-	-
<u>\$ 1,714,828</u>	<u>\$ 1,641,264</u>	<u>\$ 1,917,712</u>	<u>\$ 2,029,417</u>	<u>2,225,160</u>	<u>\$ 2,925,907</u>
\$ 3,937,341	\$ 3,923,755	\$ 4,166,513	\$ 4,240,518	4,367,781	\$ 4,414,361
201,200	48,200	234,350	125,800	80,700	3,141,738
<u>\$ 4,138,541</u>	<u>\$ 3,971,955</u>	<u>\$ 4,400,863</u>	<u>\$ 4,366,318</u>	<u>4,448,481</u>	<u>\$ 7,556,099</u>
<u>\$ 5,853,369</u>	<u>\$ 5,613,219</u>	<u>\$ 6,318,575</u>	<u>\$ 6,395,735</u>	<u>6,673,641</u>	<u>\$ 10,482,006</u>
\$ (4,370,815)	\$ (4,676,092)	\$ (4,390,645)	\$ (4,441,359)	\$ (4,784,758)	\$ (4,548,305)
383,637	430,065	692,290	703,599	381,513	3,576,117
<u>\$ (3,571,310)</u>	<u>\$ (3,868,913)</u>	<u>\$ (3,698,355)</u>	<u>\$ (3,737,760)</u>	<u>\$ (4,403,245)</u>	<u>\$ (972,188)</u>

TOWN OF WOODSTOCK, VIRGINIA

Changes in Net Position
Last Ten Fiscal Years (Continued)
(accrual basis of accounting)

	2015	2016	2017	2018
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$ 1,141,181	\$ 1,100,172	\$ 1,205,600	\$ 1,190,301
Other local taxes:				
Vehicle license	95,050	109,344	97,868	109,825
Local sales and use	229,086	229,866	251,070	259,834
Consumers' utility	89,274	88,905	89,709	92,759
Telecommunications	93,755	90,979	89,557	85,969
Bank franchise	260,735	192,317	215,177	234,729
Meals	1,102,304	1,168,010	1,205,408	1,258,989
Transient occupancy	230,062	261,139	280,467	287,647
Other local taxes	256,589	260,181	254,865	234,339
Unrestricted revenues from use of money and property	6,478	10,997	21,881	44,496
Miscellaneous	90,694	4,375	14,635	46,177
Grants and contributions not restricted to specific programs	160,880	148,248	155,223	138,890
Total governmental activities	\$ 3,756,088	\$ 3,664,533	\$ 3,881,460	\$ 3,983,955
Business-type activities:				
Unrestricted revenues from use of money and property	\$ 3,006	\$ 7,494	\$ 18,364	\$ 47,572
Miscellaneous	-	-	-	-
Total business-type activities	\$ 3,006	\$ 7,494	\$ 18,364	\$ 47,572
Change in Net Position				
Governmental activities	\$ 148,102	\$ 119,177	\$ 361,445	\$ 381,559
Business-type activities	325,024	633,985	611,629	607,027
Total primary government	\$ 473,126	\$ 753,162	\$ 973,074	\$ 988,586

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 1,221,621	\$ 1,221,588	\$ 1,306,018	\$ 1,331,296	\$ 1,524,765	\$ 1,448,567	
108,012	119,418	136,304	131,193	133,567	142,562	
264,256	304,668	320,434	325,132	379,507	424,750	
92,364	90,481	291,489	295,609	290,481	279,375	
79,754	77,935	77,935	67,189	65,239	61,308	
224,417	176,565	216,986	242,632	251,979	266,840	
1,505,256	1,454,092	1,634,458	1,953,714	2,229,506	2,269,027	
292,863	218,984	286,208	405,684	450,242	416,174	
218,513	319,234	207,498	216,458	196,959	189,440	
61,481	48,796	15,082	12,093	278,172	394,280	
56,438	24,257	90,175	35,783	43,725	97,108	
129,433	45,165	401,501	46,413	54,300	531,561	
<u>\$ 4,254,408</u>	<u>\$ 4,101,183</u>	<u>\$ 4,984,088</u>	<u>\$ 5,063,196</u>	<u>\$ 5,898,442</u>	<u>\$ 6,520,992</u>	
\$ 67,385	\$ 51,150	\$ 4,978	\$ 6,506	\$ 270,309	\$ 401,392	
18,000	-	-	-	-	-	
<u>\$ 85,385</u>	<u>\$ 51,150</u>	<u>\$ 4,978</u>	<u>\$ 6,506</u>	<u>\$ 270,309</u>	<u>\$ 401,392</u>	
\$ 299,461	\$ (197,795)	\$ 593,443	\$ 621,837	\$ 1,113,684	\$ 1,972,687	
469,022	481,215	697,268	710,105	651,822	3,977,509	
<u>\$ 768,483</u>	<u>\$ 283,420</u>	<u>\$ 1,290,711</u>	<u>\$ 1,331,942</u>	<u>\$ 1,765,506</u>	<u>\$ 5,950,196</u>	

TOWN OF WOODSTOCK, VIRGINIA

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund					
Nonspendable	\$ 24,368	\$ 12,779	\$ 8,000	\$ -	\$ -
Committed	95,000	173,500	227,000	347,000	347,000
Assigned	227,000	114,983	520,444	805,211	824,745
Unassigned	<u>2,487,868</u>	<u>2,829,484</u>	<u>2,896,813</u>	<u>2,651,957</u>	<u>2,639,409</u>
Total general fund	<u>\$ 2,834,236</u>	<u>\$ 3,130,746</u>	<u>\$ 3,652,257</u>	<u>\$ 3,804,168</u>	<u>\$ 3,811,154</u>
 Total governmental funds	 <u>\$ 2,834,236</u>	 <u>\$ 3,130,746</u>	 <u>\$ 3,652,257</u>	 <u>\$ 3,804,168</u>	 <u>\$ 3,811,154</u>

Table 3

Fiscal Year				
2020	2021	2022	2023	2024
\$ -	\$ -	\$ -	\$ -	124,071
442,000	62,500	95,000	219,500	314,500
442,000	442,000	129,500	1,754,390	1,666,917
2,865,235	2,865,235	4,976,173	4,251,125	4,673,158
\$ 3,749,235	\$ 3,369,735	\$ 5,200,673	\$ 6,225,015	\$ 6,778,646
\$ 3,749,235	\$ 3,369,735	\$ 5,200,673	\$ 6,225,015	\$ 6,778,646

TOWN OF WOODSTOCK, VIRGINIA

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018
Revenues				
General property taxes	\$ 1,113,136	\$ 1,124,215	\$ 1,196,076	\$ 1,213,779
Other local taxes	2,356,856	2,400,741	2,484,121	2,564,091
Permits, privilege fees and regulatory licenses	372,770	396,644	395,688	418,271
Fines and forfeitures	38,963	29,491	38,080	32,424
Revenue from the use of money and property	6,478	10,997	21,881	44,496
Charges for services	237,849	278,108	273,748	268,536
Miscellaneous	90,694	4,375	18,543	46,177
Intergovernmental:				
Commonwealth	1,043,814	1,033,283	1,093,765	1,070,207
Federal	8,717	10,508	11,976	2,836
Total revenues	<u>\$ 5,269,277</u>	<u>\$ 5,288,362</u>	<u>\$ 5,533,878</u>	<u>\$ 5,660,817</u>
Expenditures				
General government administration	\$ 780,676	\$ 806,820	\$ 825,857	\$ 881,687
Public safety	1,556,530	1,679,597	1,697,088	1,840,184
Public works	1,550,568	1,579,628	1,539,431	1,552,386
Parks and recreation	233,824	258,965	233,425	284,084
Community development	480,153	321,670	343,876	362,992
Capital projects	418,211	210,840	235,778	453,441
Debt service:				
Principal	105,563	108,477	110,560	112,226
Interest and other fiscal charges	28,769	25,855	26,352	22,106
Total expenditures	<u>\$ 5,154,294</u>	<u>\$ 4,991,852</u>	<u>\$ 5,012,367</u>	<u>\$ 5,509,106</u>
Excess of revenues over (under) expenditures	<u>\$ 114,983</u>	<u>\$ 296,510</u>	<u>\$ 521,511</u>	<u>\$ 151,711</u>
Other financing sources (uses)				
Issuance of general obligation bonds	\$ -	\$ -	\$ -	\$ 200
Leases issued	-	-	-	-
Issuance of capital financing	-	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200</u>
Net change in fund balances	<u>\$ 114,983</u>	<u>\$ 296,510</u>	<u>\$ 521,511</u>	<u>\$ 151,911</u>
Debt service as a percentage of noncapital expenditures	2.84%	2.81%	2.90%	2.66%

Table 4

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 1,202,552	\$ 1,214,489	\$ 1,292,267	\$ 1,294,889	\$ 1,526,362	\$ 1,412,916
2,785,435	2,681,535	3,093,377	3,570,422	3,932,241	3,988,168
415,868	395,682	447,374	507,361	591,306	632,709
24,047	20,602	14,046	18,888	15,088	13,545
61,481	48,796	15,082	22,620	278,172	394,280
300,949	245,816	451,283	489,547	466,078	572,069
56,438	24,257	90,175	35,783	43,725	106,311
1,098,482	1,099,174	1,095,670	1,111,252	1,255,199	1,770,740
4,915	4,997	388,775	5,444	17,028	529,713
<u>\$ 5,950,167</u>	<u>\$ 5,735,348</u>	<u>\$ 6,888,049</u>	<u>\$ 7,056,206</u>	<u>\$ 8,125,199</u>	<u>\$ 9,420,451</u>
\$ 911,213	\$ 860,715	\$ 932,852	\$ 806,672	\$ 1,143,213	\$ 1,100,931
2,047,714	2,060,947	2,126,008	2,517,995	2,471,390	2,792,369
1,760,035	1,779,377	1,935,084	1,846,001	2,123,411	2,356,490
278,536	264,092	287,328	309,913	360,269	407,126
407,786	381,579	412,458	372,536	455,150	504,091
1,353,633	350,715	157,243	579,799	412,951	1,588,182
165,545	152,045	143,579	135,051	190,074	240,157
41,567	48,150	45,774	41,720	41,653	41,569
<u>\$ 6,966,029</u>	<u>\$ 5,897,620</u>	<u>\$ 6,040,326</u>	<u>\$ 6,609,687</u>	<u>\$ 7,198,111</u>	<u>\$ 9,030,915</u>
<u>\$ (1,015,862)</u>	<u>\$ (162,272)</u>	<u>\$ 847,723</u>	<u>\$ 446,519</u>	<u>\$ 927,088</u>	<u>\$ 389,536</u>
\$ 874,447	\$ 100,353	\$ -	\$ -	\$ -	\$ -
-	-	-	-	50,931	13,132
148,401	-	-	-	46,323	180,770
<u>\$ 1,022,848</u>	<u>\$ 100,353</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,254</u>	<u>\$ 193,902</u>
<u>\$ 6,986</u>	<u>\$ (61,919)</u>	<u>\$ 847,723</u>	<u>\$ 446,519</u>	<u>\$ 1,024,342</u>	<u>\$ 583,438</u>
3.69%	3.61%	3.22%	2.94%	2.94%	3.90%

TOWN OF WOODSTOCK, VIRGINIA

General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	Property Tax	Local Sales and Use Tax	Consumer Utility Tax	Tele- communications Tax	Bank Franchise Tax	Cigarette Tax
2024	\$ 1,412,916	\$ 424,750	\$ 218,067	\$ 61,308	\$ 266,840	\$ 153,191
2023	1,526,362	379,507	225,242	65,239	251,979	181,574
2022	1,294,889	325,132	228,420	67,189	242,632	177,766
2021	1,292,267	320,434	222,265	69,224	216,986	173,581
2020	1,214,489	304,668	90,481	77,935	176,565	199,482
2019	1,202,552	264,256	92,364	79,754	224,417	188,589
2018	1,213,779	259,834	92,759	85,969	234,729	195,905
2017	1,196,076	251,070	89,709	89,557	215,177	216,375
2016	1,124,215	229,866	88,905	90,979	192,317	225,623
2015	1,113,136	229,086	89,274	93,755	260,735	214,232

Table 5

Meals Tax	Transient Occupancy Tax	Public Right- of-Way Fees	Motor Vehicle Licenses	Business & Occupational Licenses
\$ 2,287,891	\$ 416,174	\$ 17,385	\$ 142,562	\$ 632,709
2,229,506	450,242	15,385	133,567	591,306
1,953,714	405,684	26,443	131,193	507,361
1,634,458	286,208	20,601	136,304	447,374
1,454,092	218,984	23,635	119,418	377,114
1,505,256	292,863	22,875	108,012	415,868
1,258,989	287,647	25,579	109,825	418,271
1,205,408	280,467	27,692	97,868	395,688
1,172,210	261,139	30,357	109,344	396,644
1,102,304	230,062	31,550	95,050	372,770

TOWN OF WOODSTOCK, VIRGINIA

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

					<u>Public Service Corporations</u>	
<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Personal Property</u>	<u>Mobile Homes</u>	<u>Machinery and Tools</u>	<u>Real Estate</u>	<u>Personal Property</u>
2024	\$ 694,201,900	\$ 67,801,884	\$ -	\$ 1,280,811	\$ 16,210,020	\$ 15,545
2023	689,717,400	69,625,665	9,520	323,839	15,671,717	21,146
2022	686,344,400	74,932,815	10,020	123,855	14,184,670	25,585
2021	536,085,980	53,017,428	35,650	165,779	15,243,803	32,050
2020	529,613,080	48,886,886	36,550	200,545	15,730,221	38,381
2019	525,656,480	48,381,490	6,750	265,406	15,551,050	44,286
2018	524,379,160	48,187,634	11,500	232,963	14,367,050	44,286
2017	526,242,600	44,698,629	-	153,814	13,896,337	51,595
2016	519,325,520	44,850,619	1,500	187,731	14,160,740	63,473
2015	556,191,000	41,734,212	25,922	227,267	13,921,681	26,357

Note: Real and personal property tax assessments are made by the Commissioner of Revenue for the County of Shenandoah, Virginia. Real and personal property taxes of public service corporations are assessed by the State Corporation Commission.

Table 6

Total Taxable Assessed Value		Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value	Total Direct Rate	
\$	779,510,160	\$	779,510,160	100%	\$ 2.06
	775,369,287		775,369,287	100%	2.06
	775,621,345		775,621,345	100%	2.06
	604,580,690		604,580,690	100%	2.12
	594,505,663		594,505,663	100%	2.12
	589,905,462		589,905,462	100%	2.12
	587,222,593		587,222,593	100%	2.12
	585,042,975		585,042,975	100%	2.12
	578,589,583		578,589,583	100%	1.80
	612,126,439		612,126,439	100%	2.10

TOWN OF WOODSTOCK, VIRGINIA

Property Tax Rates (1)
 Direct and Overlapping Governments
 Last Ten Fiscal Years

Fiscal Years	Direct Rates				Overlapping Rates County of Shenandoah, Virginia			
	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Real Estate	Personal Property	Mobile Homes	Machinery and Tools
2024	\$ 0.13	\$ 0.90	\$ 0.13	\$ 0.90	\$ 0.64	\$ 4.11	\$ 0.64	\$ 3.15
2023	0.13	0.90	0.13	0.90	0.69	3.90	0.69	3.15
2022	0.13	0.90	0.13	0.90	0.69	3.90	0.69	3.15
2021	0.16	0.90	0.16	0.90	0.69	3.90	0.69	3.15
2020	0.16	0.90	0.16	0.90	0.64	3.90	0.64	3.15
2019	0.16	0.90	0.16	0.90	0.64	3.90	0.64	3.15
2018	0.16	0.90	0.16	0.90	0.64	3.90	0.64	3.15
2017	0.16	0.90	0.16	0.90	0.60	3.60	0.60	3.15
2016	0.15/0.16	0.90	0.15/0.16	0.90	0.57	3.50	0.57	3.15
2015	0.15	0.90	0.15	0.90	0.57	3.50	0.57	3.15

(1) Per \$100 of assessed value

Table 7

Combined Rates			
Real Estate	Personal Property	Mobile Homes	Machinery and Tools
\$ 0.77	\$ 5.01	\$ 0.77	\$ 4.05
0.82	4.80	0.82	4.05
0.82	4.80	0.82	4.05
0.85	4.80	0.85	4.05
0.80	4.80	0.80	4.05
0.80	4.80	0.80	4.05
0.80	4.80	0.80	4.05
0.76	4.50	0.76	4.05
0.72	4.40	0.72	4.05
0.72	4.40	0.72	4.05

Principal Property Taxpayers
Current Year and the Period Nine Years Prior

Taxpayer	Type Business	Fiscal Year 2024	
		2023 Assessed Valuation	% of Total Assessed Valuation
Lowes Home Center LLC	Retail Store	\$ 9,593,000	1.38%
Wal-Mart	Retail Store	8,937,600	1.29%
Shenandoah Investors LLC	Shopping Center	6,742,800	0.97%
Welltower NNN Group LLC	Assisted Living	5,890,900	0.85%
Shree Ganesh Hospitality LLC	Hotel	5,835,500	0.84%
Shenandoah Enterprises LLC	Housing Development	5,528,900	0.80%
LH & H LLC	Hotel	5,006,800	0.72%
Walter Enterprises LLC	Shopping Center	4,156,700	0.60%
Newtown Enterprises Inc	Housing Development	4,144,500	0.60%
Shenandoah Fair Association	Retail / Fair Grounds	3,913,800	0.56%
		<u>\$ 59,750,500</u>	<u>8.61%</u>
Taxpayer	Type Business	Fiscal Year 2015	
		2014 Assessed Valuation	% of Total Assessed Valuation
Lowes Home Center LLC	Retail Store	\$ 9,499,400	1.72%
Wal-Mart	Retail Store	9,269,000	1.68%
French Brothers LLC	Investment Properties	9,276,100	1.68%
Spectrum 1 Woodstock LLC	Shopping Center	6,801,800	1.23%
Shree Ganesh Hospitality	Hotel	6,017,100	1.09%
LH & H LLC	Hotel	6,014,300	1.09%
Interstate Investment Property LLC	Commercial Development	5,513,700	1.00%
Toothman Investments	Housing Development	5,498,600	0.99%
HCP Virginia, Inc.	Assisted Living	5,285,500	0.96%
Walter Enterprises	Shopping Center	5,184,000	0.94%
		<u>\$ 68,359,500</u>	<u>12.35%</u>

Source: Assessed values per the Commissioner of Revenue for the County of Shenandoah, Virginia

Property Tax Levies and Collections
Last Ten Fiscal Years

Tax Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 1,440,571	\$ 1,376,777	95.57%	\$ -	\$ 1,376,777	95.57%
2023	1,462,460	1,385,746	94.75%	29,885	1,415,631	96.80%
2022	1,383,152	1,305,994	94.42%	57,791	1,363,785	98.60%
2021	1,255,948	1,223,227	97.39%	25,405	1,248,632	99.42%
2020	1,211,052	1,178,331	97.30%	28,117	1,206,448	99.62%
2019	1,198,286	1,164,901	97.21%	28,221	1,193,122	99.57%
2018	1,175,477	1,145,659	97.46%	24,667	1,170,326	99.56%
2017	1,245,620	1,212,997	97.38%	29,639	1,242,636	99.76%
2016	1,230,559	1,164,789	94.66%	62,653	1,227,442	99.75%
2015	1,254,585	1,160,332	92.49%	93,046	1,253,378	99.90%

Source: Department of Finance

TOWN OF WOODSTOCK, VIRGINIA

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities		
	General Obligation Bonds	Capital Financing	Leases	General Obligation Bonds	Revenue Bonds	Capital Financing
2024	\$ 1,023,764	\$ 258,302	\$ 56,618	\$ 5,963,252	\$ 7,149,870	\$ 103,378
2023	1,135,443	191,641	57,855	6,195,060	7,542,245	137,025
2022	1,243,737	219,130	14,892	6,412,674	8,719,370	170,270
2021	1,349,132	91,590	-	6,621,394	9,504,120	-
2020	1,463,897	120,404	-	6,978,585	10,288,870	-
2019	1,487,592	148,401	-	7,331,912	10,681,244	-
2018	743,551	35,139	-	7,540,127	11,858,368	-
2017	820,998	69,718	-	5,185,723	12,643,118	-
2016	897,530	103,746	-	5,451,947	13,035,493	-
2015	972,522	137,232	-	5,935,841	13,820,242	-

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

(1) See the Schedule of Demographic and Economic Statistics - Table 14

Table 10

	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$	14,555,184	0.57%	\$ 2,450
	15,259,269	0.63%	2,594
	16,780,073	0.70%	2,860
	17,566,236	0.86%	3,341
	18,851,756	0.93%	3,585
	19,649,149	1.00%	3,749
	20,177,185	1.17%	3,871
	18,719,557	1.10%	3,616
	19,488,716	1.18%	3,770
	20,865,837	1.28%	4,048

Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt	Less: Amounts Reserved for Debt Service	Net Bonded Debt (3)	Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
2024	\$ 6,987,016	\$ -	\$ 6,987,016	1.16%	\$ 1,176
2023	7,330,503	-	7,330,503	1.23%	1,241
2022	7,656,411	-	7,656,411	1.29%	1,306
2021	7,970,526	-	7,970,526	1.34%	1,506
2020	8,442,482	-	8,442,482	3.15%	3,562
2019	8,819,504	-	8,819,504	1.50%	1,683
2018	8,283,678	-	8,283,678	1.41%	1,589
2017	6,006,721	-	6,006,721	1.03%	1,160
2016	6,349,477	-	6,349,477	1.10%	1,228
2015	6,908,363	-	6,908,363	1.13%	1,340

(1) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 14

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property - Table 6

(3) Includes all long-term general obligation debt. Excludes notes payable, leases and compensated absences.

TOWN OF WOODSTOCK, VIRGINIA

Legal Debt Margin Information

Last Ten Fiscal Years

	2015	2016	2017
Assessed Valuations			
Assessed value of taxed real property	\$ 556,191,000	\$ 519,325,520	\$ 526,242,600
Legal debt margin			
Debt limit - 10 percent of total assessed value	\$ 55,619,100	\$ 51,932,552	\$ 52,624,260
Debt applicable to limitation:			
Total bonded debt	\$ 20,728,605	\$ 19,384,970	\$ 18,649,839
Less: Business-type activities bonds	(19,756,083)	(18,487,440)	(17,828,841)
Total amount of debt applicable to debt limitation	\$ 972,522	\$ 897,530	\$ 820,998
Legal debt margin	\$ 54,646,578	\$ 51,035,022	\$ 51,803,262
Total net debt applicable to the limit as a percentage of debt limit	1.75%	1.73%	1.56%

Table 12

Fiscal Year						
2018	2019	2020	2021	2022	2023	2024
\$ <u>524,379,160</u>	\$ <u>525,656,480</u>	\$ <u>529,613,080</u>	\$ <u>536,085,980</u>	\$ <u>686,344,400</u>	\$ <u>689,717,400</u>	\$ <u>694,201,900</u>
\$ <u>52,437,916</u>	\$ <u>52,565,648</u>	\$ <u>52,961,308</u>	\$ <u>53,608,598</u>	\$ <u>68,634,440</u>	\$ <u>68,971,740</u>	\$ <u>69,420,190</u>
\$ 20,142,046	\$ 19,500,748	\$ 18,731,352	\$ 17,474,646	\$ 16,375,781	\$ 14,872,748	\$ 14,136,886
<u>(19,398,495)</u>	<u>(18,013,156)</u>	<u>(17,267,455)</u>	<u>(16,125,514)</u>	<u>(15,132,044)</u>	<u>(13,737,305)</u>	<u>(13,113,122)</u>
\$ <u>743,551</u>	\$ <u>1,487,592</u>	\$ <u>1,463,897</u>	\$ <u>1,349,132</u>	\$ <u>1,243,737</u>	\$ <u>1,135,443</u>	\$ <u>1,023,764</u>
\$ <u>51,694,365</u>	\$ <u>51,078,056</u>	\$ <u>51,497,411</u>	\$ <u>52,259,466</u>	\$ <u>67,390,703</u>	\$ <u>67,836,297</u>	\$ <u>68,396,426</u>
1.42%	2.83%	2.76%	2.52%	1.81%	1.65%	1.47%

Direct and Overlapping Governmental Activities Debt
June 30, 2024

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage</u>	<u>Amount applicable to Primary Government</u>
County of Shenandoah, Virginia	\$ 36,426,306	13.06%	\$ 4,757,455
Town of Woodstock, Virginia direct debt			<u>1,338,684</u>
Total direct and overlapping debt			<u>\$ 6,096,139</u>

Sources: Outstanding debt and applicable percentages provided by the County of Shenandoah, Virginia

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Town of Woodstock, Virginia. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income		Per Capita	Unemployment Rate (4)
		(000's) (2)	Personal Income	(3)	
2024	5,940	\$	2,566,463	\$ 56,745	2.90%
2023	5,907		2,527,479	56,745	2.80%
2022	5,861		2,386,418	53,753	3.60%
2021	5,293		2,207,002	49,948	4.10%
2020	5,258		2,035,995	46,680	6.90%
2019	5,241		1,974,201	45,387	2.60%
2018	5,212		1,724,404	39,940	3.32%
2017	5,177		1,696,997	39,291	3.60%
2016	5,170		1,647,658	37,896	3.60%
2015	5,155		1,630,305	36,627	4.99%

(1) Population numbers came from the University of Virginia - Weldon Cooper Center for Public Service.

(2) This information is not maintained for the towns in Virginia. The amounts used here are for the County of Shenandoah, Virginia, which the Town lies within. Information provided came from the US. Bureau of Economic Analysis, Personal Income in Shenandoah County, VA [PI51171], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PI51171>, October 4, 2016.

(3) This information is not maintained for the towns in Virginia. The amounts used here are for the County of Shenandoah, Virginia, which the Town lies within. Information provided came from the US. Bureau of Economic Analysis, Per Capita Personal Income in Shenandoah County, VA [PCPI51171], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PCPI51171>, October 4, 2016.

(4) Unemployment rate is for the County of Shenandoah, Virginia, which the Town lies within. Information provided came from the Virginia Employment Commission.

Data that is unavailable for a more recent year is noted as the prior year's amount.

Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year 2024		Fiscal Year 2015	
	Employees	Rank	Employees	Rank
Shenandoah County School Board	1000+	1	1000+	1
County of Shenandoah	250 to 499	2	250 to 499	2
Valley Health System	250 to 499	3	250 to 499	3
Wal Mart	100 to 249	4	250 to 499	4
Food Lion	100 to 249	5	100 to 249	5
Lowe's Home Centers, Inc.	100 to 249	6	100 to 249	6
Skyline Terrace Nursing Home	100 to 249	7	100 to 249	7
McDonald's	100 to 249	8	50 to 99	10
Burger King	50 to 99	-	50 to 99	8
Cracker Barrel Old Country Store	100 to 249	9	50 to 99	9
First Bank	50 to 99	10	-	-
Town of Woodstock	50 to 99	11	50 to 99	12
Woodstock Facility Operations	50 to 99	12	50 to 99	11
Criswell Ford	20 to 49	13	-	-
Massanutten Military Academy	50 to 99	14	50 to 99	13
Shenandoah County Department of Social Services	50 to 99	15	-	-

Source: Virginia Works

Note: The percentage of each employer to the total employment is not available at this time.

TOWN OF WOODSTOCK, VIRGINIA

Full-time Equivalent Town Government Employees by Function/Program
Last Ten Fiscal Years

Function	Fiscal Year		
	2015	2016	2017
General government			
General administration	2.0	2.0	2.0
Financial administration	4.0	4.0	4.0
Planning Office	1.0	1.0	1.0
Public safety			
Sworn Officers	16.0	16.0	16.0
Administrative	1.0	2.0	2.0
Public works	9.0	9.0	9.0
Community development	0.0	0.0	0.0
Parks and recreation	2.0	2.0	2.0
Water and sewer	18.0	18.0	18.0
Totals	53.0	54.0	54.0

Source: Department of Finance

Table 16

Fiscal Year						
2018	2019	2020	2021	2022	2023	2024
2.0	2.0	2.0	2.0	2.0	2.0	2.0
4.0	4.0	4.0	4.0	4.0	4.0	4.0
1.0	1.0	1.0	1.0	1.0	1.0	1.0
16.0	18.0	18.0	18.0	18.0	18.0	19.0
2.0	2.0	2.0	2.0	2.0	2.0	2.0
9.0	9.0	10.0	10.0	10.0	10.0	10.0
0.0	0.0	1.0	1.0	1.0	1.0	1.0
2.0	2.0	2.0	2.0	2.0	2.0	2.0
18.0	18.0	18.0	18.0	18.0	18.0	18.0
54.0	56.0	58.0	58.0	58.0	58.0	59.0

TOWN OF WOODSTOCK, VIRGINIA

Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year			
	2015	2016	2017	2018
Public safety				
Police department				
Number of miles patrolled	64,736	69,992	97,265	115,421
Number of complaints investigated	8,293	8,035	9,453	8,429
Number of vehicle accidents investigated	154	177	168	160
Number of parking tickets issued	96	82	77	100
Number of traffic summons (adult)	584	618	713	419
Number of traffic summons (juvenile)	14	13	12	7
Number of criminal arrests (adult)	279	383	560	520
Number of criminal arrests (juvenile)	20	13	82	98
Public works				
Streets				
Streets resurfaced (miles per year)	1	1	1	1.00
Refuse				
Refuse collected (tons per year)	1,760	1,222	1,760	1,165
Recycling				
Recycling collected (tons per year)	165	177	181	185
Community development				
Planning and zoning				
Zoning permits issued	87	105	75	73
Water				
Number of water main break repairs	9	9	10	11
Average daily finished water production (mgd)	0.5600	0.5760	0.6480	0.6770
Sewer				
Number of sewer line repairs	7	2	2	1
Average daily effluent wastewater treatment (mgd)	0.5661	0.6153	0.4094	0.7781

* COVID-19 mitigation activities impacted the quantity of Public Safety interactions with the general public

**The Town began its curbside recycling program on July 1, 2011 and ended it on June 30, 2020.

Source: Town individual departments

Note: All statistical data is based on the previous calendar year of the fiscal year indicated.

Table 17

2019	2020	Fiscal Year			
		2021	2022	2023	2024
126,000	102,228	67,250	115,962	130,586	126,453
8,552	7,233	5,900	6,275	8,134	7,693
126	64	133	188	176	175
46	27	12	26	39	11
539	376	80	274	168	212
7	4	7	5	11	3
341	308	263	157	136	254
27	54	21	12	9	15
1.50	1.30	1.50	0.75	0.80	0.75
1,161	1,229	1,720	1,788	1,731	1,751
189	193	0	0	0	0
72	89	96	80	83	95
12	14	11	13	11	11
0.6060	0.5770	0.5810	0.5830	0.5720	0.5730
1	2	2	3	2	1
0.8235	0.5705	0.5613	0.5400	0.5094	0.5351

TOWN OF WOODSTOCK, VIRGINIA

Capital Asset and Infrastructure Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2015	2016	2017	2018
Public safety				
Police department				
Stations	1	1	1	1
Law enforcement vehicles	12	12	12	12
Public works				
Streets department				
Number of streets	51	51	51	51
Number of street lights	435	435	435	435
Parks and recreation				
Number of parks	3	3	3	3
Number of swimming pools	1	1	1	1
Number of picnic shelters	5	5	6	6
Number of tennis courts	6	6	6	6
Water				
Miles of water distribution lines	51	51	51	51
Number of fire hydrants	315	315	315	315
Storage capacity (mg)	2.60	2.60	2.60	2.60
Sewer				
Miles of sanitary sewer lines	33	33	33	33
Number of sewer lift/pumping stations	6	6	6	6

* Information is not available.

Source: Town individual departments

Table 18

Fiscal Year					
2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
12	13	13	13	15	18
51	51	51	51	49	51
435	435	435	435	436	475
3	3	3	3	3	3
1	1	1	1	1	1
6	6	6	6	6	6
6	6	6	6	6	6
51	51	51	51	51	51
315	315	315	317	317	317
2.60	2.60	2.60	2.60	2.70	2.60
33	33	33	33	33	33
6	6	6	6	6	6

COMPLIANCE



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**INDEPENDENT AUDITORS' 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**

**THE HONORABLE MEMBERS OF THE TOWN COUNCIL
TOWN OF WOODSTOCK, VIRGINIA**

We have audited, in accordance with the 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 and each major fund of the Town of Woodstock, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Woodstock, Virginia's basic financial statements, and have issued our report thereon dated November 18, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Woodstock, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Staunton, Virginia
November 18, 2024



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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

**THE HONORABLE MEMBERS OF THE TOWN COUNCIL
TOWN OF WOODSTOCK, VIRGINIA**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Woodstock, Virginia's 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 Town of Woodstock, Virginia's major federal programs for the year ended June 30, 2024. Town of Woodstock, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Woodstock, Virginia complied, in all material respects, with the 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, 2024.

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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Woodstock, Virginia and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Woodstock, Virginia's compliance with the compliance requirements referred to above.

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 Town of Woodstock, Virginia's federal programs.

Auditors' 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 Town of Woodstock, Virginia'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 judgment made by a reasonable user of the report on compliance about the Town of Woodstock, Virginia's compliance with 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 risks 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 Town of Woodstock, 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 the Town of Woodstock, 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 the Town of Woodstock, 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 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 a 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 Auditors' 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 were not 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.

Robinson, Farmer, Cox Associates

Staunton, Virginia
November 18, 2024

TOWN OF WOODSTOCK, VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)	Federal Assistance Listing Number	Pass- through Entity Identifying Number	Total Federal Expenditures
<u>United States Department of Agriculture (USDA)</u>			
Pass-through Payments:			
Virginia Department of Forestry:			
Cooperative Forestry Assistance	10.664	Not available	\$ <u>5,910</u>
<u>Department of Transportation</u>			
Pass-through Payments:			
Virginia Department of Motor Vehicles:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	BSC-2023-53197- 23197, BPT-2024- 54136-24136	\$ <u>2,906</u>
Department of Treasury:			
Direct Payment:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not applicable	\$ 3,494,980
Pass Through Payments:			
Virginia Department of Criminal Justice Services:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	509021	\$ 8,375
Virginia Department of Housing and Community Development:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	120348; 120349; 120350; 120351; 120352	\$ <u>44,080</u>
Subtotal Assistance Listing 21.027			\$ <u>3,547,435</u>
Total Expenditures of Federal Awards			\$ <u><u>3,556,251</u></u>

Notes to the Schedule of Expenditures of Federal Awards

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Woodstock, Virginia under programs of the federal government for the year ended June 30, 2024. 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 Town of Woodstock, Virginia, it is not intended to and does not present the financial position, change in net position, or cash flows of the Town of Woodstock, Virginia.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the 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.

The Town of Woodstock, Virginia has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Pass-through identifying numbers are presented where available.

NOTE C - Loans

Town of Woodstock, Virginia had no federal loans to report in the above Schedule.

NOTE D- Subrecipients

No awards were passed through to subrecipients.

NOTE F - RELATIONSHIP TO FINANCIAL STATEMENTS

Federal expenditures, revenues, and capital contributions are reported in the Town's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Governmental Activities:	\$ 529,713
Business-type Activities:	<u>3,026,538</u>
Total primary government	\$ <u>3,556,251</u>

Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	\$ <u><u>3,556,251</u></u>
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**Town of Woodstock, Virginia
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes x no

- Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes x no

- Significant deficiency(ies) identified? yes x none reported

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? yes x no

Identification of major programs:

<i>Assistance Listing #</i>	<i>Name of Federal Program or Cluster</i>
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21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
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Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes x no

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

Section IV-Summary of Prior Year Findings

There were no prior year findings.