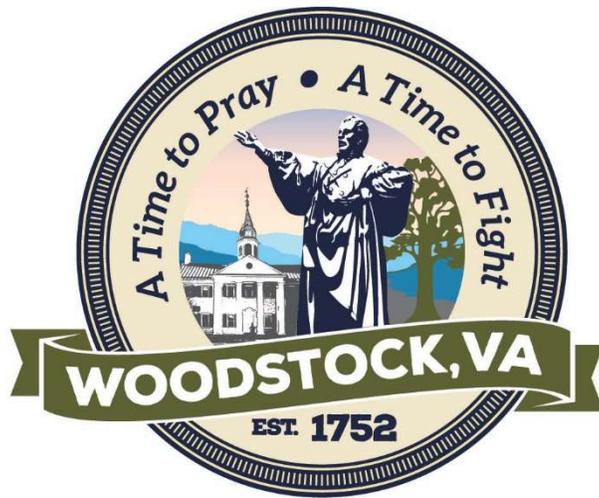


TOWN OF WOODSTOCK, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE YEAR ENDED JUNE 30, 2025

TOWN OF WOODSTOCK, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

Prepared by:

Tammy DePhillip, Director of Finance

**TOWN OF WOODSTOCK, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025**

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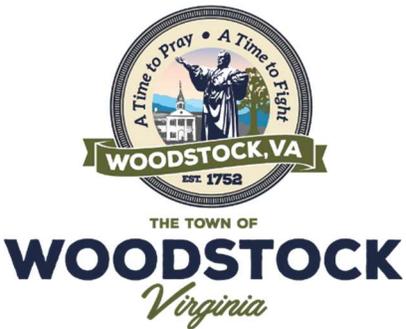
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INTRODUCTORY SECTION



December 8, 2025

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 ending June 30, 2025. 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). The town is projecting softening rates of growth for several consumer-based revenues, including meals and transient occupancy 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 three 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 2026.

Ongoing investment in town water and sewer infrastructure will be a long-term challenge. The most acute challenges for Woodstock include correcting disinfection byproduct (DBP) challenges within the water distribution system. This project will involve the issuance of town debt, and this debt will be minimized through financial assistance received through the Virginia Department of Health in the form of both grant and significant loan forgiveness. 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 2025

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 2025.

Strategic Plan Framework

In 2023, the Town Council adopted a five-year strategic plan to outline our work during the forthcoming years. 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 2025 budget prioritized investments in our existing workforce to help the town maintain competitiveness for attracting and retaining high-performing staff. The budget includes a four percent increase for staff, a two percent cost of living increase and a two percent general increase. This investment helps our employees' compensation keep up with the continued levels of inflation occurring in the economy as well as helps move individuals through the pay grade commensurate with their experience. Once again, the town was faced with increasing health insurance premiums this year with rates rising nine percent. Employee-only coverage continued to be fully covered by the town, and insurance plans covering one dependent and family continued at the same percentage portion.

Fiscal Sustainability

To ensure that the operational costs associated with town services can be maintained against inflation, several fees were increased with the FY 2025 budget. 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. These increases will continue to build fiscal capacity for known infrastructure investments in the coming years. Additionally, the town utilizes a third-party vendor to handle weekly refuse collection for town residents. To ensure customer collection fees continue to cover the costs of this service, household collection fees increased by \$0.80 for the first cart.

Commitment to Economic Development through Enhancement of our Physical Environment

Contributions to the Economic Development Authority (EDA) was held at \$30,000 in FY 2025. 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 2025 the following capital investments were initiated or completed:

<i>Project</i>	<i>FY 25 Actuals</i>
Wastewater Treatment Plant Member Replacement	\$ 895,056
Bike & Pedestrian Trail Development	343,692
Water Meter Upgrades	287,780
Water Treatment Plant Improvements	283,065
Motor Vehicles & Equipment	237,952
W.O. Riley Park Improvements	78,905
Larry D Bradford Fairview Park Master Plan	44,218
Water Quality Improvements	33,640
Comprehensive Plan Update	20,804
Computer Equipment Replacements	17,823
Water Line Infrastructure Improvements	12,442
Wastewater Treatment Plant Upgrades	10,487
Public Space Improvements	8,234
Municipal/Public Safety Facility Design	6,700
<i>Program Total</i>	<i>\$ 2,280,798</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, 2025. 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, 2024. This was the seventeenth 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

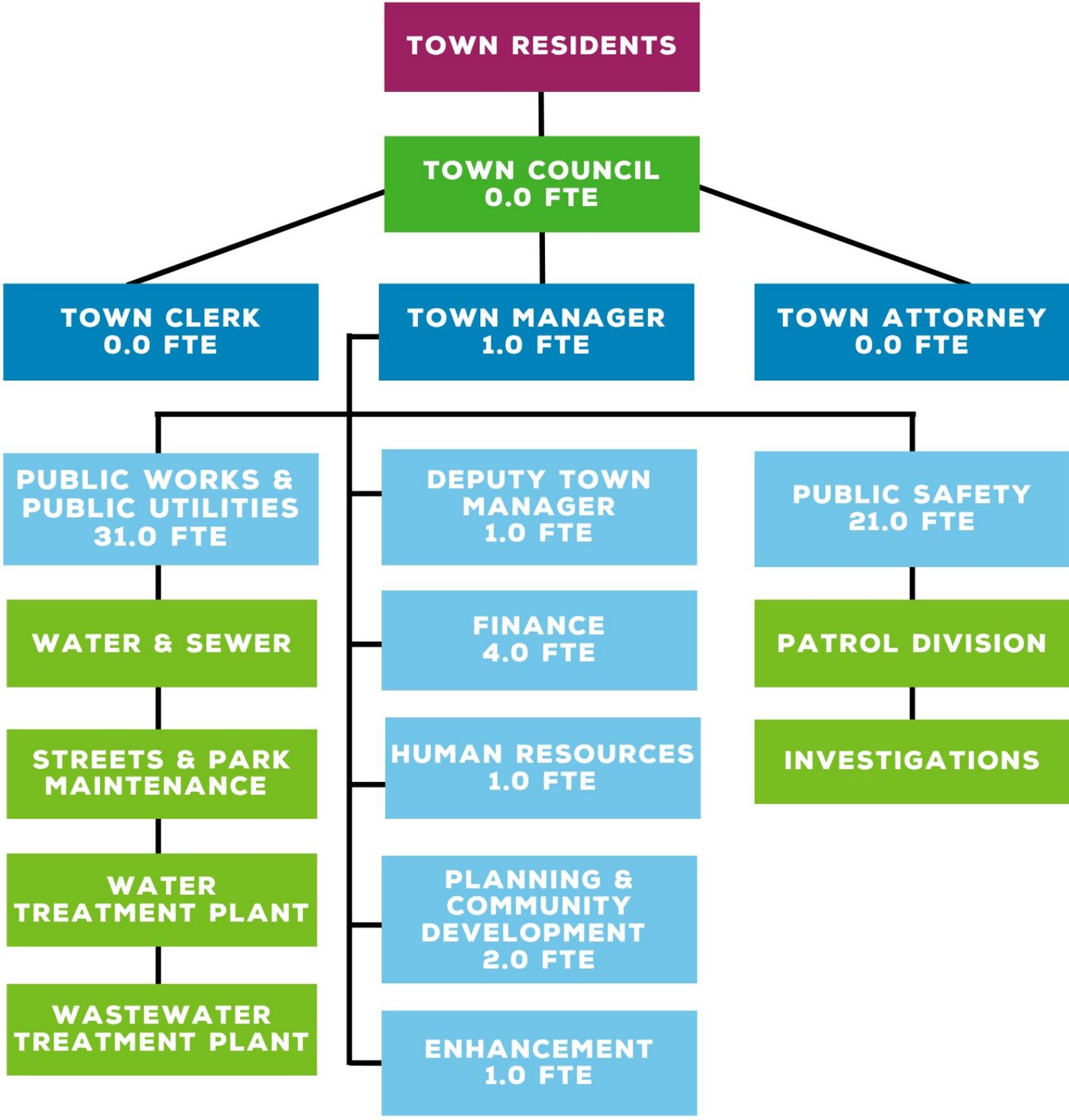
**Town of Woodstock
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



Town of Woodstock, Virginia

Principal Town Officials

TOWN COUNCIL

Jeremy McCleary, Mayor

Laura Bennett

A. Paje Cross

Frank Haun

Steve Heishman

Michael Funkhouser

Michelle Manning

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
Enhancement Coordinator

Tammy DePhillip
Stephanie Zayhowski
Eric L. Reiley
Joshua Burner
Katie Mercer

FINANCIAL SECTION



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, 2025, 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, 2025, 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.

Change in Accounting Principles

As described in Note 1 to the financial statements, in 2025, the Town adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 21 to the financial statements, in 2025, the Town restated beginning balances to implement GASB Statement No. 101. 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*, individual fund financial schedules 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, individual fund financial schedules 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 December 5, 2025, 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
December 5, 2025

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, 2025. The MD&A also includes a comparative analysis for the prior fiscal year ended June 30, 2024.

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, 2025 by \$45,359,309, which equals the total net position of the Town. Of this amount, \$10,191,525 is unrestricted and may be used to meet the Town's future obligations to citizens and creditors. Of the \$10,191,525 unrestricted net position, \$5,576,661 is related to governmental activities. The \$4,614,864 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 2025, taxes and other revenues of the Town's governmental activities amounted to \$9,414,128. Expenses amounted to \$7,781,018.

For fiscal year 2025, revenues of the Town's business-type activities were \$6,066,294. Expenses amounted to \$4,457,240.

The Town's total long-term debt decreased by \$1,260,696, from \$14,555,184 as of June 30, 2024 to \$ 13,294,488 as of June 30, 2025.

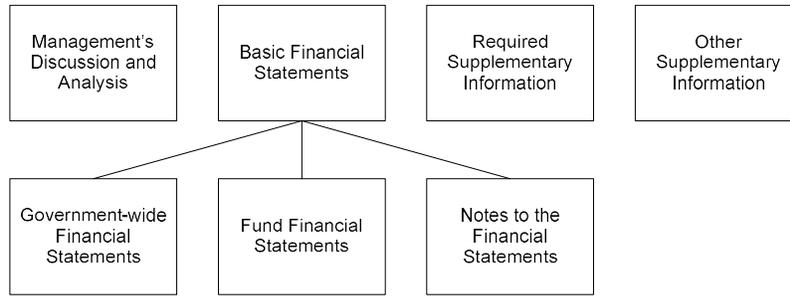
Fund Financial Statements

The total fund balances of the General Fund increased \$1,009,738 from \$6,778,646 at June 30, 2024 to \$7,788,384 at June 30, 2025. The General Fund had non-spendable fund balance of \$15,458, committed fund balances of \$314,500, assigned fund balance of \$4,020,626, and unassigned fund balance of \$3,437,800. Unassigned fund balance for the General Fund represented 40 percent of total General Fund expenditures at June 30, 2025. Total fund balance of the capital projects fund totaled \$62,460 at June 30, 2025, all of which was assigned.

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 three governmental funds, the general, capital projects and debt service funds. 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, Debt Service and Capital Projects Funds. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with this budget in Exhibits 10, 25 and 26 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 \$45,359,309 at June 30, 2025.

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

During the current year, the GASB Statement No. 101, Compensated Absences was implemented. The beginning net position was restated to recognize an estimated amount of sick leave earned as of year-end that will be used by employees as time off in the future as part of the compensated absences liability. The total net position decreased by \$444,148. 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, 2025 and 2024.

Summary Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Current and other assets	\$ 9,853,913	\$ 10,293,908	\$ 5,920,678	\$ 5,602,587	\$ 15,774,591	\$ 15,896,495
Capital assets	13,170,506	13,282,265	35,251,697	35,251,811	48,422,203	48,534,076
Total assets	\$ 23,024,419	\$ 23,576,173	\$ 41,172,375	\$ 40,854,398	\$ 64,196,794	\$ 64,430,571
Deferred charge on refunding	\$ -	\$ -	\$ 40,069	\$ 53,727	\$ 40,069	\$ 53,727
Pension related items	759,269	502,288	235,896	185,352	995,165	687,640
OPEB related items	447,864	476,096	92,822	102,773	540,686	578,869
Total deferred outflows of resources	\$ 1,207,133	\$ 978,384	\$ 368,787	\$ 341,852	\$ 1,575,920	\$ 1,320,236
Current and other liabilities	\$ 877,482	\$ 2,514,338	\$ 250,334	\$ 340,043	\$ 1,127,816	\$ 2,854,381
Long-term liabilities	3,901,165	4,185,376	13,232,547	14,339,695	17,133,712	18,525,071
Total liabilities	\$ 4,778,647	\$ 6,699,714	\$ 13,482,881	\$ 14,679,738	\$ 18,261,528	\$ 21,379,452
Deferred revenue-property taxes	\$ 862,352	\$ 758,033	\$ -	\$ -	\$ 862,352	\$ 758,033
Pension related items	458,060	588,078	199,091	248,710	657,151	836,788
OPEB related items	518,082	527,431	114,292	131,958	632,374	659,389
Total deferred inflows of resources	\$ 1,838,494	\$ 1,873,542	\$ 313,383	\$ 380,668	\$ 2,151,877	\$ 2,254,210
Net investment in capital assets	\$ 12,037,750	\$ 11,943,581	\$ 23,130,034	\$ 22,089,038	\$ 35,167,784	\$ 34,032,619
Unrestricted	5,576,661	4,037,720	4,614,864	4,046,806	10,191,525	8,084,526
Total net position	\$ 17,614,411	\$ 15,981,301	\$ 27,744,898	\$ 26,135,844	\$ 45,359,309	\$ 42,117,145

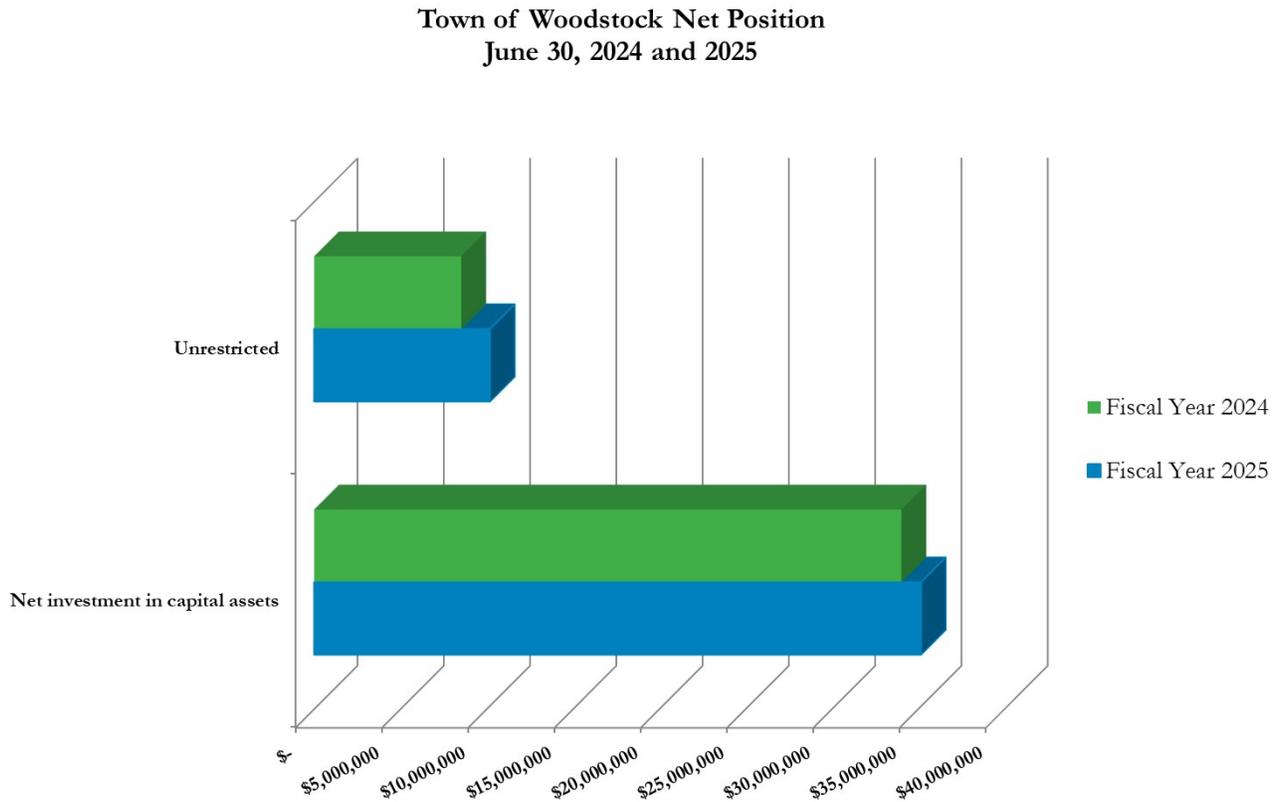
The Town's combined net position totaled \$45,359,309 at June 30, 2025. Approximately 78 percent of this represents the Town's investment in capital assets (e.g., land, buildings, and machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The Town uses 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 \$10,191,525 representing 22 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 \$2,798,016 or 7 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, 2024 and 2025.



The table on the following page represents a summary of the changes in net position at June 30, 2024 and 2025.

Summary of Changes in Net position

	Governmental Activities		Business-type Activities		Total	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Revenues						
<i>Program revenues</i>						
Charges for services	\$ 1,235,953	\$ 1,218,323	\$ 4,555,204	\$ 4,414,361	\$ 5,791,157	\$ 5,632,684
Operating grants and contributions	244,897	279,538	-	-	244,897	279,538
Capital grants and contributions	92,318	1,428,046	1,234,708	3,141,738	1,327,026	4,569,784
<i>General revenues</i>						
Property taxes	1,522,530	1,448,567	-	-	1,522,530	1,448,567
Other taxes and fees	4,241,148	3,988,168	-	-	4,241,148	3,988,168
Grants and contributions not restricted to specific programs	1,696,833	592,869	-	-	1,696,833	592,869
Unrestricted investment earnings	278,650	394,280	276,382	401,392	555,032	795,672
Other	101,799	97,108	-	-	101,799	97,108
Total revenues	\$ 9,414,128	\$ 9,446,899	\$ 6,066,294	\$ 7,957,491	\$ 15,480,422	\$ 17,404,390
Expenses						
General government						
administration	\$ 1,236,764	\$ 1,210,884	\$ -	\$ -	\$ 1,236,764	\$ 1,210,884
Public safety	2,626,870	2,529,917	-	-	2,626,870	2,529,917
Public works	2,629,874	2,591,802	-	-	2,629,874	2,591,802
Parks and recreation	743,733	525,988	-	-	743,733	525,988
Community development	503,563	575,895	-	-	503,563	575,895
Interest on long-term debt	40,214	39,726	-	-	40,214	39,726
Public utilities	-	-	4,457,240	3,979,982	4,457,240	3,979,982
Total expenses	\$ 7,781,018	\$ 7,474,212	\$ 4,457,240	\$ 3,979,982	\$ 12,238,258	\$ 11,454,194
Change in net position						
before transfers	\$ 1,633,110	\$ 1,972,687	\$ 1,609,054	\$ 3,977,509	\$ 3,242,164	\$ 5,950,196
Transfers	-	-	-	-	-	-
Change in net position	\$ 1,633,110	\$ 1,972,687	\$ 1,609,054	\$ 3,977,509	\$ 3,242,164	\$ 5,950,196
Net position, beginning						
beginning of year, as originally reported	15,981,301	14,319,550	26,135,844	22,291,547	42,117,145	36,611,097
Implementation of GASB 101	\$ -	\$ (310,936)	\$ -	\$ (133,212)	\$ -	\$ (444,148)
Net position-beginning, as restated	15,981,301	14,008,614	26,135,844	22,158,335	42,117,145	36,166,949
Net position, ending	\$ 17,614,411	\$ 15,981,301	\$ 27,744,898	\$ 26,135,844	\$ 45,359,309	\$ 42,117,145

Governmental Activities

Governmental activities increased the Town's net position by \$1,633,110. The increases in governmental net position were largely due to achieving revenue goals in General Property Tax and Other Taxes and Fees revenue.

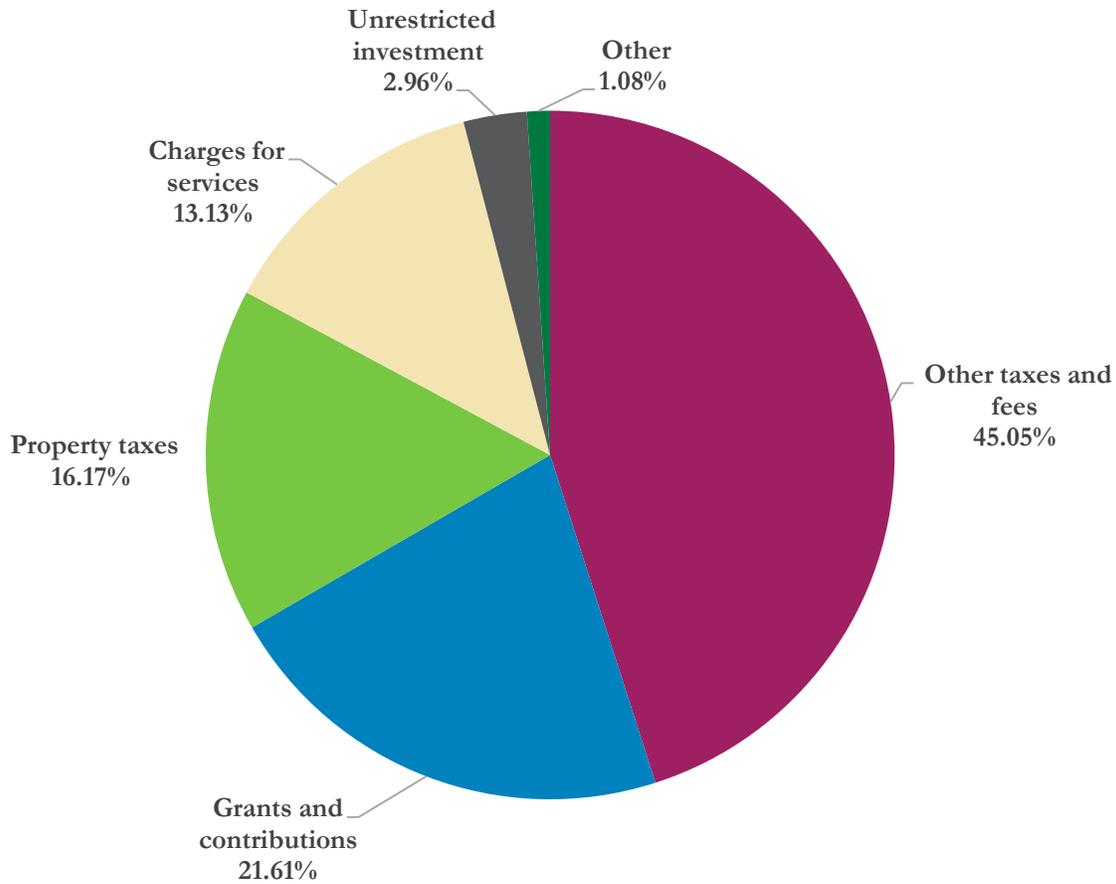
The Town's real estate property tax assessments for fiscal year 2025 were \$697,106,900, less than 1% growth in taxable property values. The Town's real estate tax rate in 2024 was \$0.13 per \$100 of assessed value and in 2025 was \$0.16 per \$100 of assessed value. The Town's personal property tax assessments for the year were \$67,972,674, less than 1% growth in taxable property values. The Town's personal property tax rate was \$0.90 per \$100 of assessed value for both the 2024 and 2025 tax years. The Town's machinery and tools tax assessments for the year were \$1,735,158. The Town's machinery and tools tax rate was \$0.90 per \$100 of assessed value for both the 2024 and 2025 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 5% from fiscal year 2024 to fiscal year 2025. Other local taxes were \$4,241,148 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 transient occupancy taxes related to an increase in the tax rate.

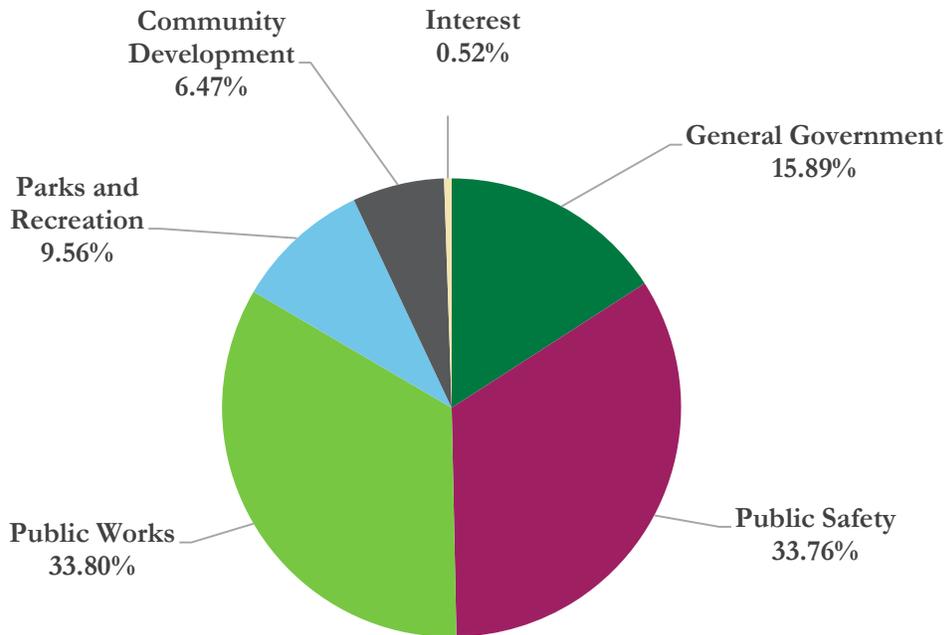
The chart below illustrates the revenues by source for the Town's governmental activities for fiscal year 2025.

Revenues by Source – Governmental Activities



For fiscal year 2025, expenses for governmental activities totaled \$7,781,018, which increased \$306,806 or 4 percent from fiscal year 2024. The chart below illustrates the expenses by function for the Town's governmental activities for fiscal year 2025.

Expenses by Function – Governmental Activities



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 \$1,609,054 in fiscal year 2025.

Revenues for the business-type activities totaled \$6,066,294. 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 3 percent from fiscal year 2024 to fiscal year 2025. This increase in revenue is attributable to an increase in water and sewer rates.

Capital grants and contributions amounted to \$1,234,708 in fiscal year 2025. 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 increased \$477,258 (12%) from fiscal year 2024 to fiscal year 2025. Much of this increase could be attributed to realized depreciation and retirement of capital assets.

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.

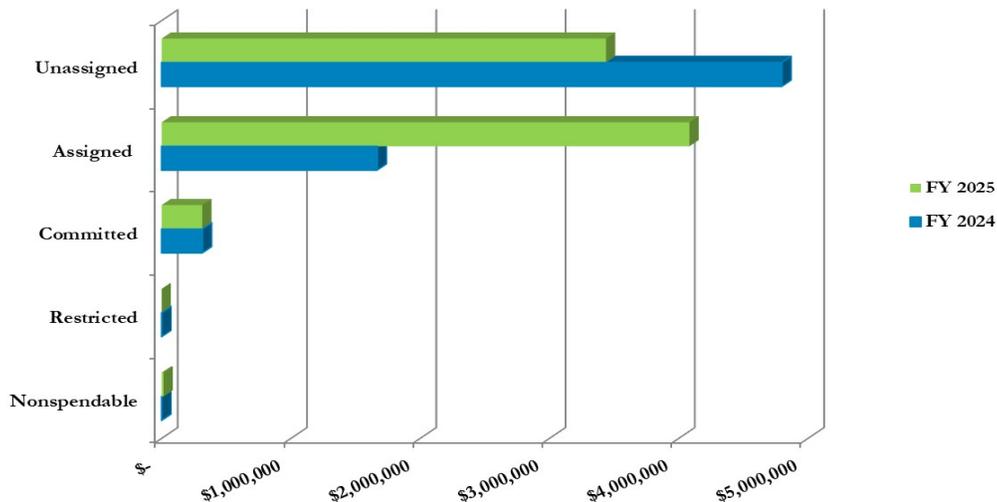
At the end of fiscal year 2024, the Town's governmental funds reported ending fund balances of \$7,850,844. Of this amount, \$314,500 was committed for fire and rescue, \$1,024,898 was assigned for capital projects carried forward, \$15,458 was non-spendable for prepaid items, \$3,058,188 the assigned for future capital projects, and the remaining \$3,437,800 or 44% 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 40 percent of the total general fund expenditures planned in the FY 2026 Adopted Budget.

The total fund balance of the Town's General Fund increased by \$1,072,198 or 16 percent during fiscal year 2025. 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.

**General Fund
Components of Fund Balance
June 30, 2024 and 2025**



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, 2025, unrestricted net position of the Public Utilities Fund totaled \$4,614,864. 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 2025 as illustrated in Exhibit 10.

Fiscal year 2025 actual revenues were \$5,200,979 less than the fiscal year 2025 final budgeted revenues. Fiscal year 2025 actual expenditures were \$6,298,865 more than the fiscal year 2025 final budgeted expenditures. Reasons for these variances are briefly summarized as follows:

- Revenue received from the collection of property taxes exceeded budget by \$14,886, which is largely attributed to the collection of penalties and interest on delinquent accounts.
- Other local taxes were \$32,148 more than the final budgeted revenues due to projections that were lower than actuals due to conservative projected growth. Permits, privilege fees, and regulatory licenses revenue was \$117,093 more than the final budgeted revenues largely due to business license fees and development fees exceeding budgeted projections.
- Revenue from the use of money and property exceeded final budgeted revenues by \$128,650 due to the interest rate environment.
- Charges for services exceeded budgeted revenues by \$26,804, largely attributed to revenue collected at the swimming pool.
- Revenue received from the Virginia Department of Transportation contracted snow removal exceeded budget projections by \$37,222.
- Revenue received from the Virginia Department of Transportation for street paving exceeded budget projections by \$29,388. Expenditures overall were \$6,298,865 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, 2025 for its governmental and business-type activities was \$48,422,203, net of depreciation, as reflected in the schedule below.

	Capital Assets, Net of Depreciation					
	Governmental		Business-type		Total	
	Activities		Activities			
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Land	\$ 1,731,836	\$ 1,731,836	\$ 171,915	\$ 171,915	\$ 1,903,751	\$ 1,903,751
Buildings and improvements	6,724,828	6,651,308	40,731,921	40,448,973	47,456,749	47,100,281
Infrastructure	12,138,364	12,138,364	8,437,996	8,425,554	20,576,360	20,563,918
Machinery and equipment	3,085,229	2,947,959	786,569	692,780	3,871,798	3,640,739
Construction in progress	1,461,290	1,061,700	3,273,792	3,240,152	4,735,082	4,301,852
Accumulated depreciation	(12,009,504)	(11,303,314)	(18,150,496)	(17,727,563)	(30,160,000)	(29,030,877)
Net right-to-use lease asset	38,463	54,412			38,463	54,412
Total net capital assets	\$ 13,170,506	\$ 13,282,265	\$ 35,251,697	\$ 35,251,811	\$ 48,422,203	\$ 48,534,076

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

- The Town completed a master planning process for Larry D Bradford Fairview Park.
- The Town completed improvements to the tennis court fencing at W.O. Riley Park.
- The Town completed preliminary work on the Bicycle/Pedestrian trail system.
- The Town completed the update to the comprehensive plan.
- The Town completed the upgrade of all water meters.
- The Town procured one new vehicle for Public Works as part of the fleet replacement plan.
- The Town procured two new vehicles for the Police Department as part of the fleet replacement plan.

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 2025, the Town had the following outstanding obligations:

	Governmental Activities		Business-type Activities		Total	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
General obligation bonds	\$ 908,763	\$ 1,023,764	\$ 5,589,503	\$ 5,814,870	\$ 6,498,266	\$ 6,838,634
Original issue premium	-	-	137,785	148,382	137,785	148,382
Revenue bonds	-	-	6,365,120	7,149,870	6,365,120	7,149,870
Lease liability	41,014	56,618	-	-	41,014	56,618
Capital leases	182,979	258,302	69,324	103,378	252,303	361,680
Compensated absences	503,837	285,304	258,799	153,697	762,636	439,001
Net pension liability	1,173,229	1,126,361	404,117	425,742	1,577,346	1,552,103
Net OPEB liabilities	1,272,807	1,124,091	458,167	409,129	1,730,974	1,533,220
Total long-term obligations	\$ 4,082,629	\$ 3,874,440	\$ 13,282,815	\$ 14,205,068	\$ 17,365,444	\$ 18,079,508

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 ensure that the operational costs associated with town services can be maintained against inflation, several fees were increased for FY 2026. Water and sewer consumption rates were increased for both the minimum monthly usage and higher consumption tiers. The minimum monthly bill was increased by \$2.00 per month for both water and sewer, and higher consumption tiers were increased by \$0.25 per 1,000 gallons per month. Due to a cost increase implemented by the town's contracted refuse collection provider, a rate increase of \$0.55 per household per month, from \$17.20 to \$17.75, was adopted in the fiscal year 2026 budget.
- The Town will continue our work on major capital projects centered on maintenance and enhancements to our utility infrastructure. These investments include ongoing replacements of our vehicle fleet and equipment, upgrades associated with improvements to correct disinfection byproduct challenges with the water distribution system, and planning for new municipal/public safety facilities, and implementation of Bradford Park master plan.
- The FY 2026 budget includes a four percent increase for our staff, accounting for a three percent cost of living increase and a one 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 seven 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 three 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 2026.

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, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,263,092	\$ 5,231,295	\$ 13,494,387
Receivables, net of allowance for uncollectibles:			
Taxes	1,091,403	-	1,091,403
Accounts	362,183	448,210	810,393
Unbilled and other	-	131,599	131,599
Internal balances	1,415	(1,415)	-
Intergovernmental receivables	104,637	-	104,637
Prepaid items	15,458	-	15,458
Restricted assets:			
Cash and cash equivalents	15,725	109,574	125,299
Capital assets, not depreciable:			
Land	1,731,836	171,915	1,903,751
Construction in progress	1,461,290	3,273,792	4,735,082
Capital assets, net of accumulated depreciation:			
Buildings and improvements	251,164	25,532,521	25,783,685
Improvements other than buildings	2,772,385	1,575,909	4,348,294
Machinery, equipment and vehicles	1,107,920	229,960	1,337,880
Infrastructure	5,807,448	4,467,600	10,275,048
Lease asset	38,463	-	38,463
Total assets	\$ 23,024,419	\$ 41,170,960	\$ 64,195,379
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	\$ -	\$ 40,069	\$ 40,069
Pension related items	759,269	235,896	995,165
OPEB related items	447,864	92,822	540,686
Total deferred outflows of resources	\$ 1,207,133	\$ 368,787	\$ 1,575,920
LIABILITIES			
Accounts payable and accrued liabilities	\$ 359,018	\$ 103,911	\$ 462,929
Accrued interest payable	-	36,849	36,849
Unearned revenue	502,739	-	502,739
Customers' deposits	-	109,574	109,574
Performance deposits	15,725	-	15,725
Noncurrent liabilities:			
Portion due and payable within one year:			
General obligation bonds, net of original issue premium	117,002	245,107	362,109
Revenue bonds	-	784,750	784,750
Capital financing	75,323	34,466	109,789
Lease liabilities	16,262	-	16,262
Compensated absences	190,659	64,700	255,359
Portion due and payable after one year:			
General obligation bonds, net of original issue premium	791,761	5,482,181	6,273,942
Revenue bonds	-	5,580,370	5,580,370
Capital financing	107,656	34,858	142,514
Lease liabilities	24,752	-	24,752
Net OPEB liabilities	1,091,343	406,484	1,497,827
Net pension liability	1,173,229	404,117	1,577,346
Compensated absences	313,178	194,099	507,277
Total liabilities	\$ 4,778,647	\$ 13,481,466	\$ 18,260,113
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue-property taxes	\$ 862,352	\$ -	\$ 862,352
Pension related items	458,060	199,091	657,151
OPEB related items	518,082	114,292	632,374
Total deferred inflows of resources	\$ 1,838,494	\$ 313,383	\$ 2,151,877
NET POSITION			
Net investment in capital assets	\$ 12,037,750	\$ 23,130,034	\$ 35,167,784
Unrestricted	5,576,661	4,614,864	10,191,525
Total net position	\$ 17,614,411	\$ 27,744,898	\$ 45,359,309

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

Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating	Capital	Primary Government		Total
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	
PRIMARY GOVERNMENT							
Governmental Activities							
General government administration	\$ 1,236,764	\$ 638,094	\$ -	\$ -	(598,670)	\$ -	(598,670)
Public safety	2,626,870	10,055	244,897	6,700	(2,365,218)	-	(2,365,218)
Public works	2,629,874	454,657	-	-	(2,175,217)	-	(2,175,217)
Parks and recreation	743,733	133,147	-	85,618	(524,968)	-	(524,968)
Community development	503,563	-	-	-	(503,563)	-	(503,563)
Interest on long-term debt	40,214	-	-	-	(40,214)	-	(40,214)
Total governmental activities	\$ 7,781,018	\$ 1,235,953	\$ 244,897	\$ 92,318	(6,207,850)	\$ -	(6,207,850)
Business-type Activities							
Water and sewer	\$ 4,457,240	\$ 4,555,204	\$ -	\$ 1,234,708	\$ -	\$ 1,332,672	\$ 1,332,672
Total primary government	\$ 12,238,258	\$ 5,791,157	\$ 244,897	\$ 1,327,026	(6,207,850)	\$ 1,332,672	(4,875,178)
General revenues							
General property taxes				\$ 1,522,530		\$ -	1,522,530
Other local taxes:							
Local sales and use				497,890		-	497,890
Consumers' utility				285,727		-	285,727
Bank franchise				286,839		-	286,839
Meals				2,310,326		-	2,310,326
Transient occupancy				526,547		-	526,547
Cigarette				133,586		-	133,586
Vehicle license				156,470		-	156,470
Other local taxes				43,763		-	43,763
Unrestricted revenues from use of money				278,650		276,382	555,032
Miscellaneous				101,799		-	101,799
Grants and contributions not restricted to specific programs				1,696,833		-	1,696,833
Total general revenues				\$ 7,840,960		\$ 276,382	\$ 8,117,342
Change in net position				\$ 1,633,110		\$ 1,609,054	\$ 3,242,164
Net position, beginning of year, as originally reported				16,292,237		26,269,056	42,561,293
Implementation of GASB 101				(310,936)		(133,212)	(444,148)
Net position-beginning, as restated				\$ 15,981,301		\$ 26,135,844	\$ 42,117,145
Net position, end of year				\$ 17,614,411		\$ 27,744,898	\$ 45,359,309

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

FUND FINANCIAL STATEMENTS

Balance Sheet
 Governmental Funds
 June 30, 2025

	Governmental Funds		
	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 8,137,207	\$ 125,885	\$ 8,263,092
Receivables (net of allowance for uncollectibles):			
Property taxes	1,091,403	-	1,091,403
Accounts	362,183	-	362,183
Due from other funds	1,415	-	1,415
Prepaid items	15,458	-	15,458
Intergovernmental receivables	104,637	-	104,637
Restricted assets:			
Cash and cash equivalents	15,725	-	15,725
Total assets	\$ <u>9,728,028</u>	\$ <u>125,885</u>	\$ <u>9,853,913</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 295,593	\$ 63,425	\$ 359,018
Performance deposits	15,725	-	15,725
Unearned revenue	502,739	-	502,739
Total liabilities	\$ <u>814,057</u>	\$ <u>63,425</u>	\$ <u>877,482</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	\$ <u>1,125,587</u>	\$ -	\$ <u>1,125,587</u>
Total deferred inflows of resources	\$ <u>1,125,587</u>	\$ -	\$ <u>1,125,587</u>
FUND BALANCES			
Nonspendable:			
Prepaid items	\$ 15,458	\$ -	\$ 15,458
Committed:			
Woodstock Volunteer Fire Department	252,000	-	252,000
Woodstock Volunteer Rescue Squad	62,500	-	62,500
Assigned:			
Capital projects carried over	1,024,898	-	1,024,898
Future capital projects	2,995,728	62,460	3,058,188
Unassigned	<u>3,437,800</u>	<u>-</u>	<u>3,437,800</u>
Total fund balances	\$ <u>7,788,384</u>	\$ <u>62,460</u>	\$ <u>7,850,844</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>9,728,028</u>	\$ <u>125,885</u>	\$ <u>9,853,913</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2025

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

Total fund balance per Exhibit 3 - Balance Sheet - Governmental Funds		\$	7,850,844
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		1,461,290	
Buildings and improvements		251,164	
Improvements other than buildings		2,772,385	
Machinery, equipment and vehicles		1,107,920	
Infrastructure		5,807,448	
Lease asset		38,463	13,170,506
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	\$	263,235	263,235
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Pension related items	\$	759,269	
OPEB related items		447,864	1,207,133
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	\$	(503,837)	
General obligation bonds		(908,763)	
Capital financing		(182,979)	
Lease liabilities		(41,014)	
Net pension liability		(1,173,229)	
Net OPEB liabilities		(1,091,343)	(3,901,165)
Deferred inflows of resources are not due and payable in the current-period and, therefore, are not reported in the funds.			
Pension related items	\$	(458,060)	
OPEB related items		(518,082)	(976,142)
Net position of governmental activities		\$	<u>17,614,411</u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Governmental Funds
 For the Year Ended June 30, 2025

	Governmental Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
REVENUES				
General property taxes	\$ 1,502,186	\$ -	\$ -	\$ 1,502,186
Other local taxes	4,241,148	-	-	4,241,148
Permits, privilege fees, and regulatory licenses	638,093	-	-	638,093
Fines and forfeitures	10,055	-	-	10,055
Revenue from the use of money and property	278,650	-	-	278,650
Charges for services	587,804	-	-	587,804
Miscellaneous	101,799	-	-	101,799
Intergovernmental:				
Commonwealth	1,422,930	-	-	1,422,930
Federal	611,118	-	-	611,118
Total revenues	<u>\$ 9,393,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,393,783</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,286,031	\$ -	\$ -	\$ 1,286,031
Public safety	2,660,934	-	-	2,660,934
Public works	2,423,936	-	-	2,423,936
Parks and recreation	631,982	-	-	631,982
Community development	426,187	-	-	426,187
Capital projects	162,215	-	484,158	646,373
Debt service:				
Principal retirement	59,445	146,483	-	205,928
Interest and other fiscal charges	9,667	30,547	-	40,214
Total expenditures	<u>\$ 7,660,397</u>	<u>\$ 177,030</u>	<u>\$ 484,158</u>	<u>\$ 8,321,585</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,733,386</u>	<u>\$ (177,030)</u>	<u>\$ (484,158)</u>	<u>\$ 1,072,198</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 177,030	\$ 546,618	\$ 723,648
Transfers out	(723,648)	-	-	(723,648)
Total other financing sources (uses)	<u>\$ (723,648)</u>	<u>\$ 177,030</u>	<u>\$ 546,618</u>	<u>\$ -</u>
Net change in fund balance	\$ 1,009,738	\$ -	\$ 62,460	\$ 1,072,198
Fund balance-beginning	6,778,646	-	-	6,778,646
Fund balance - ending	<u>\$ 7,788,384</u>	<u>\$ -</u>	<u>\$ 62,460</u>	<u>\$ 7,850,844</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 Funds
to the Statement of Activities
For the Year Ended June 30, 2025

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

Net change in fund balance - total governmental funds \$ 1,072,198

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	\$ 633,465	
Depreciation/amortization expense	<u>(745,224)</u>	(111,759)

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

Property taxes	\$ <u>20,344</u>	20,344
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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.

Principal repayments	\$ <u>205,928</u>	205,928
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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 compensated absences	\$ 92,403	
Pension expense	340,131	
OPEB expense	<u>13,865</u>	<u>446,399</u>

Change in net position of governmental activities	\$	<u><u>1,633,110</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, 2025

	<u>Enterprise Fund Public Utilities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 5,231,295
Accounts receivable, net of allowance for uncollectibles	448,210
Unbilled receivable	131,599
Total current assets	<u>\$ 5,811,104</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	\$ 109,574
Total restricted assets	<u>\$ 109,574</u>
Capital assets (net of accumulated depreciation):	
Land	\$ 171,915
Construction in progress	3,273,792
Buildings and improvements	25,532,521
Improvements other than buildings	1,575,909
Machinery, equipment and vehicles	229,960
Infrastructure	4,467,600
Total capital assets	<u>\$ 35,251,697</u>
Total noncurrent assets	<u>\$ 35,361,271</u>
Total assets	<u>\$ 41,172,375</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	\$ 40,069
Pension related items	235,896
OPEB related items	92,822
Total deferred outflows of resources	<u>\$ 368,787</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 103,911
Accrued interest payable	36,849
Customers' deposits	109,574
Due to other funds	1,415
General obligation bonds, net of original issue premium	245,107
Revenue bonds	784,750
Capital financing	34,466
Compensated absences	64,700
Total current liabilities	<u>\$ 1,380,772</u>
Noncurrent liabilities:	
General obligation bonds, net of original issue premium	\$ 5,482,181
Revenue bonds	5,580,370
Capital financing	34,858
Net OPEB liabilities	406,484
Net pension liability	404,117
Compensated absences	194,099
Total noncurrent liabilities	<u>\$ 12,102,109</u>
Total liabilities	<u>\$ 13,482,881</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	\$ 199,091
OPEB related items	114,292
Total deferred inflows of resources	<u>\$ 313,383</u>
NET POSITION	
Net investment in capital assets	\$ 23,130,034
Unrestricted	4,614,864
Total net position	<u>\$ 27,744,898</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, 2025

	Enterprise Fund Public Utilities
OPERATING REVENUES	
Charges for services	\$ 4,555,204
Total operating revenues	<u>\$ 4,555,204</u>
OPERATING EXPENSES	
Water treatment facility	\$ 807,250
Water transmission and distribution	353,370
Wastewater treatment facility	1,159,335
Sanitary sewer maintenance	261,582
Non-departmental	109,965
Depreciation	1,397,916
Total operating expenses	<u>\$ 4,089,418</u>
Operating income (loss)	<u>\$ 465,786</u>
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	\$ 276,382
Loss on sale of assets	(172,943)
Interest expense	(194,879)
Total nonoperating revenues (expenses)	<u>\$ (91,440)</u>
Income before capital contributions	<u>\$ 374,346</u>
Capital contributions	<u>1,234,708</u>
Change in net position	<u>\$ 1,609,054</u>
Net position - beginning, as originally reported	\$ 26,269,056
Implementation of GASB 101	(133,212)
Net position-beginning, as restated	<u>\$ 26,135,844</u>
Net position - ending	<u><u>\$ 27,744,898</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, 2025

	Enterprise Fund Public Utilities
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 4,543,957
Payments to suppliers	(1,278,545)
Payments to employees	(1,606,524)
Net cash provided by (used for) operating activities	<u>\$ 1,658,888</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	\$ (1,570,745)
Principal paid on indebtedness	(1,044,171)
Interest payments	(193,583)
Availability fees	86,900
Federal grants	1,147,808
Net cash provided by (used for) capital and related financing activities	<u>\$ (1,573,791)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	\$ 276,382
Net cash provided by (used for) investing activities	<u>\$ 276,382</u>
Net increase (decrease) in cash and cash equivalents	\$ 361,479
Cash and cash equivalents, including restricted - beginning	4,979,390
Cash and cash equivalents, including restricted - ending	<u>\$ 5,340,869</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ 465,786
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation expense	\$ 1,397,916
(Increase) decrease in accounts receivable	(13,011)
(Increase) decrease in unbilled and other receivables	3,602
(Increase) decrease in prepaid items	52,797
(Increase) decrease in deferred outflows of resources	(40,593)
Increase (decrease) in accounts payable	(86,106)
Increase (decrease) in customer deposits	(1,838)
Increase (decrease) in deferred inflows of resources	(67,285)
Increase (decrease) in compensated absences payable	(28,110)
Increase (decrease) in net pension liability	(21,625)
Increase (decrease) in net OPEB liabilities	(2,645)
Total adjustments	<u>\$ 1,193,102</u>
Net cash provided by (used for) operating activities	<u>\$ 1,658,888</u>

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

TOWN OF WOODSTOCK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025.

Discretely presented component units – There were no discretely presented component units for the Town for the year ended June 30, 2025.

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, 2025 (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, 2025 (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 funds:

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 *debt service fund* accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. It also is used to report the financial resources being accumulated for future debt service.

The *capital projects fund* accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

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.

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

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

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

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.

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 \$150,225 at June 30, 2025 and is comprised of property taxes \$100,170, and water and sewer accounts receivable \$50,055.

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.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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 (or life of the associated contract for lease assets):

<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

The Town recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – *vacation* and *sick leave*. The liability for compensated absences is reported as incurred in the governmentwide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirement. The liability for compensated absences includes salary-related benefits, where applicable.

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

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

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

8. *Compensated absences (continued)*

Vacation

The Town's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The Town's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employment of the Town and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

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;

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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)

- 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.

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.

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TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 (CONTINUED)

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

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

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.

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 \$109,574.

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.

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

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

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

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 these items, reference the related notes.

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TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 (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). Subsequently, the lease liability is reduced by the principal portion of lease 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. Subsequently, 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, 2025 (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, 2025 (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, 2025, there were no departments that had expenditures exceeding appropriations.

C. Deficit fund balance

At June 30, 2025, 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, 2025 (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	\$ -	\$ 177,798
VIP Stable NAV Liquidity Pool	1,213,994	-
Total	\$ 1,213,994	\$ 177,798
Investments measured at NAV:		
VIP 1-3 Year High Quality Bond Fund	\$ 177,798	
VIP Stable NAV Liquidity Pool	1,213,994	
Total investments measured at NAV	\$ 1,391,792	

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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, 2025, is 1.78 years.

VIP Stable NAV Liquidity Pool –The dollar weighted average days to maturity (WAM) of the pool at June 30, 2025, is 42 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, 2025, is 76 days.

NOTE 4—RECEIVABLES:

Receivables as of June 30, 2025 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	\$ 1,191,573	\$ -	\$ 1,191,573
Accounts	362,183	498,265	860,448
Unbilled	-	131,599	131,599
Gross receivables	\$ 1,553,756	\$ 629,864	\$ 2,183,620
Less: allowance for uncollectibles	(100,170)	(50,055)	(150,225)
Net receivables	\$ 1,453,586	\$ 579,809	\$ 2,033,395

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 5—INTERGOVERNMENTAL RECEIVABLES:

The following amounts represent receivables from other governments as of June 30, 2025:

	General Fund
Commonwealth of Virginia:	
Rolling stock tax	\$ 5,064
Rental tax	508
Sales tax	85,329
Communications tax	9,736
Other	4,000
Total	\$ 104,637

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 \$502,739 is comprised of the following:

- A. Police Seizures – Funds received as a result of police search and seizure that are awaiting court action totaled \$40,239 at June 30, 2025.
- B. ARPA Funding– Funds received from the American Rescue Plan (ARPA) Act of 2021 unspent at June 30, 2025 totaled \$462,500.

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 \$862,352 and \$1,125,587, respectively, is comprised of the following:

- A. Prepaid Property Taxes – Property taxes due subsequent to June 30, 2025, but paid in advance by the taxpayers totaled \$56,853 in the general fund at June 30, 2025.
- B. Unbilled Property Taxes – Property taxes for the second half of 2025 that had not been billed as of June 30, 2025 amounted to \$805,499.
- C. Unavailable Property Taxes – Uncollected tax billings not available for funding of current expenditures totaled \$263,235 at June 30, 2025.

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 8—CAPITAL ASSETS:

The following is a summary of the capital assets activity for the fiscal year ended June 30, 2025:

Governmental Activities:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Capital assets not being depreciated:				
Land	\$ 1,731,836	\$ -	\$ -	\$ 1,731,836
Construction in progress	1,061,700	399,590	-	1,461,290
Total capital assets not being depreciated	<u>\$ 2,793,536</u>	<u>\$ 399,590</u>	<u>\$ -</u>	<u>\$ 3,193,126</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 691,013	\$ -	\$ -	\$ 691,013
Improvements other than buildings	5,960,295	73,520	-	6,033,815
Infrastructure	12,138,364	-	-	12,138,364
Machinery, equipment and vehicles	2,947,959	160,355	(23,085)	3,085,229
Total depreciable capital assets	<u>\$ 21,737,631</u>	<u>\$ 233,875</u>	<u>\$ (23,085)</u>	<u>\$ 21,948,421</u>
Accumulated depreciation:				
Buildings and improvements	\$ (426,516)	\$ (13,333)	\$ -	\$ (439,849)
Improvements other than buildings	(2,996,657)	(264,773)	-	(3,261,430)
Infrastructure	(6,159,680)	(171,236)	-	(6,330,916)
Machinery, equipment and vehicles	(1,720,461)	(279,933)	23,085	(1,977,309)
Total accumulated depreciation	<u>\$ (11,303,314)</u>	<u>\$ (729,275)</u>	<u>\$ 23,085</u>	<u>\$ (12,009,504)</u>
Total depreciable capital assets, net	<u>\$ 10,434,317</u>	<u>\$ (495,400)</u>	<u>\$ -</u>	<u>\$ 9,938,917</u>
Right to use lease asset:				
Equipment	\$ 79,685	\$ -	\$ -	\$ 79,685
Accumulated amortization:				
Equipment	\$ (25,273)	\$ (15,949)	\$ -	\$ (41,222)
Net right-to-use lease asset	<u>\$ 54,412</u>	<u>\$ (15,949)</u>	<u>\$ -</u>	<u>\$ 38,463</u>
Capital assets, net	<u>\$ 13,282,265</u>	<u>\$ (111,759)</u>	<u>\$ -</u>	<u>\$ 13,170,506</u>

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

General government administration	\$ 68,270
Public safety	158,740
Public works	315,140
Parks and recreation	125,587
Community development	77,487
Total depreciation expense	<u>\$ 745,224</u>

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 8—CAPITAL ASSETS: (CONTINUED)

Business-type Activities:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Capital assets not being depreciated:				
Land	\$ 171,915	\$ -	\$ -	\$ 171,915
Construction in progress	3,240,152	33,640	-	3,273,792
Total capital assets not being depreciated	<u>\$ 3,412,067</u>	<u>\$ 33,640</u>	<u>\$ -</u>	<u>\$ 3,445,707</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 37,563,942	\$ -	\$ -	\$ 37,563,942
Improvements other than buildings	2,885,031	1,430,874	(1,147,926)	3,167,979
Infrastructure	8,425,554	12,442	-	8,437,996
Machinery, equipment and vehicles	692,780	93,789	-	786,569
Total depreciable capital assets	<u>\$ 49,567,307</u>	<u>\$ 1,537,105</u>	<u>\$ (1,147,926)</u>	<u>\$ 49,956,486</u>
Accumulated depreciation:				
Buildings and improvements	\$ (11,280,142)	\$ (751,279)	\$ -	\$ (12,031,421)
Improvements other than buildings	(2,093,140)	(473,913)	974,983	(1,592,070)
Infrastructure	(3,857,889)	(112,507)	-	(3,970,396)
Machinery, equipment and vehicles	(496,392)	(60,217)	-	(556,609)
Total accumulated depreciation	<u>\$ (17,727,563)</u>	<u>\$ (1,397,916)</u>	<u>\$ 974,983</u>	<u>\$ (18,150,496)</u>
Total depreciable capital assets, net	<u>\$ 31,839,744</u>	<u>\$ 139,189</u>	<u>\$ (172,943)</u>	<u>\$ 31,805,990</u>
Capital assets, net	<u>\$ 35,251,811</u>	<u>\$ 172,829</u>	<u>\$ (172,943)</u>	<u>\$ 35,251,697</u>

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TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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, 2025:

	Balance Payable July 1, 2024, as restated	Issuances Increases	Retirements Decreases	Balance Payable June 30, 2025	Amount Due Within One Year
Primary Government:					
Governmental Activities					
Direct borrowings and placements:					
General obligation bonds	\$ 1,023,764	\$ -	\$ (115,001)	\$ 908,763	\$ 117,002
Total direct borrowings and placements	<u>\$ 1,023,764</u>	<u>\$ -</u>	<u>\$ (115,001)</u>	<u>\$ 908,763</u>	<u>\$ 117,002</u>
Other liabilities:					
Capital financing	\$ 258,302	\$ -	\$ (75,323)	\$ 182,979	\$ 75,323
Lease liabilities	56,618	-	(15,604)	41,014	16,262
Compensated absences	596,240	357,744	(450,147)	503,837	190,659
Net pension liability	1,126,361	1,571,739	(1,524,871)	1,173,229	-
Net OPEB liabilities	1,124,091	511,399	(544,147)	1,091,343	-
Total governmental activities	<u>\$ 4,185,376</u>	<u>\$ 2,440,882</u>	<u>\$ (2,725,093)</u>	<u>\$ 3,901,165</u>	<u>\$ 399,246</u>
Business-type Activities					
Direct borrowings and placements:					
General obligation bonds	\$ 5,814,870	\$ -	\$ (225,367)	\$ 5,589,503	\$ 234,508
Premium on bond issue	148,382	-	(10,597)	137,785	10,599
Revenue Bonds	7,149,870	-	(784,750)	6,365,120	784,750
Total direct borrowings and placements	<u>\$ 13,113,122</u>	<u>\$ -</u>	<u>\$ (1,020,714)</u>	<u>\$ 12,092,408</u>	<u>\$ 1,029,857</u>
Other liabilities:					
Capital financing	\$ 103,378	\$ -	\$ (34,054)	\$ 69,324	\$ 34,466
Compensated absences	286,909	172,145	(200,255)	258,799	64,700
Net pension liability	425,742	531,706	(553,331)	404,117	-
Net OPEB liabilities	409,129	41,500	(44,145)	406,484	-
Total business-type activities	<u>\$ 14,338,280</u>	<u>\$ 745,351</u>	<u>\$ (1,852,499)</u>	<u>\$ 13,231,132</u>	<u>\$ 1,129,023</u>
Total primary government	<u>\$ 18,079,508</u>	<u>\$ 3,186,233</u>	<u>\$ (4,577,592)</u>	<u>\$ 17,132,297</u>	<u>\$ 1,528,269</u>

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TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 9—LONG-TERM OBLIGATIONS: (CONTINUED)

For governmental and business-type activities, 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	Direct Borrowings and Placements				Other Liabilities				Total	
	General Obligation Bonds		Capital Financing		Lease Liabilities		Total			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 117,002	\$ 26,045	\$ 75,323	\$ 6,300	\$ 16,262	\$ 1,386	\$ 208,587	\$ 33,731		
2027	121,894	22,547	67,867	4,302	16,668	700	206,429	27,549		
2028	138,955	18,840	39,789	1,677	7,582	139	186,326	20,656		
2029	49,896	15,864	-	-	502	3	50,398	15,867		
2030	51,481	14,279	-	-	-	-	51,481	14,279		
2031-2035	283,064	45,736	-	-	-	-	283,064	45,736		
2036-2038	146,471	5,434	-	-	-	-	146,471	5,434		
Total	\$ 908,763	\$ 148,745	\$ 182,979	\$ 12,279	\$ 41,014	\$ 2,228	\$ 1,132,756	\$ 163,252		

Business-type Activities										
Long-term Obligations										
Year Ending	Direct Borrowings and Placements				Other Liabilities		Total			
	General Obligation Bonds		Revenue Bonds		Capital Financing		Total			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 234,508	\$ 184,546	\$ 784,750	\$ -	\$ 34,466	\$ 839	\$ 1,053,724	\$ 185,385		
2027	238,958	175,216	784,750	-	34,858	422	1,058,566	175,638		
2028	253,559	165,624	784,750	-	-	-	1,038,309	165,624		
2029	263,319	155,936	670,718	-	-	-	934,037	155,936		
2030	268,241	146,707	556,692	-	-	-	824,933	146,707		
2031-2035	1,486,207	576,259	2,783,460	-	-	-	4,269,667	576,259		
2036-2040	1,467,594	299,897	-	-	-	-	1,467,594	299,897		
2041-2045	975,821	107,561	-	-	-	-	975,821	107,561		
2046-2048	401,296	16,713	-	-	-	-	401,296	16,713		
Total	\$ 5,589,503	\$ 1,828,459	\$ 6,365,120	\$ -	\$ 69,324	\$ 1,261	\$ 12,023,947	\$ 1,829,720		

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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% \$ 237,138

Series 2018A, \$650,000, issued May 30, 2018, payable in monthly installments of \$3,530, through May 28, 2038, with interest at 2.75% 448,843

Series 2018B, \$325,000, issued May 30, 2018, payable in monthly installments of \$1,950, through May 28, 2038, with interest at 3.875% 222,782

Subtotal general obligation bonds \$ 908,763

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% \$ 42,355

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% 64,714

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% 64,015

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% 11,895

Subtotal capital financing \$ 182,979

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, 2028 at discount rates ranging from 3.79%-5.0% \$ 41,014

Compensated absences \$ 503,837

Net pension liability \$ 1,173,229

Net OPEB liabilities \$ 1,091,343

Total governmental activities long-term obligations \$ 3,901,165

The Town's outstanding notes from direct borrowings and direct placements related to governmental activities of \$908,763 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, 2025 (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% \$ 1,486,117

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 1,500,000

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% 2,603,386

Subtotal general obligation bonds \$ **5,589,503**

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 \$ 798,202

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 5,566,918

Subtotal revenue bonds \$ **6,365,120**

Unamortized premium on general obligation bonds \$ **137,785**

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% \$ **69,324**

Compensated absences \$ **258,799**

Net pension liability \$ **404,117**

Net OPEB liabilities \$ **406,484**

Total business-type activities long-term obligations \$ **13,231,132**

The Town's outstanding notes from direct borrowings and direct placements related to business-type activities in the amount \$11,954,623, 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, 2025 (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, 2025 (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, 2023 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	51
Inactive members:	
Vested inactive members	12
Non-vested inactive members	5
Inactive members active elsewhere in VRS	<u>27</u>
Total inactive members	44
Active members	<u>55</u>
Total covered employees	<u><u>150</u></u>

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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, 2025, was 15.22% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$565,966 and \$524,421 for the years ended June 30, 2025, and June 30, 2024, 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, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024.

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, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
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, 2025 (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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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, 2025 (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, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
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, 2025 (CONTINUED)**

NOTE 10—PENSION PLANS: (CONTINUED)

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

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

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, 2025 (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:

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

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

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

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations, whichever was greater. From July 1, 2024 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, 2023	\$ 15,712,277	\$ 14,160,174	\$ 1,552,103
Changes for the year:			
Service cost	\$ 454,520	\$ -	\$ 454,520
Interest	1,061,365	-	1,061,365
Differences between expected and actual experience	549,614	-	549,614
Contributions - employer	-	524,422	(524,422)
Contributions - employee	-	157,023	(157,023)
Net investment income	-	1,368,664	(1,368,664)
Benefit payments, including refunds of employee contributions	(885,742)	(885,742)	-
Administrative expenses	-	(8,984)	8,984
Other changes	-	(869)	869
Net changes	\$ 1,179,757	\$ 1,154,514	\$ 25,243
Balances at June 30, 2024	\$ 16,892,034	\$ 15,314,688	\$ 1,577,346

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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:

	<u>Rate</u>		
	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
	<u>(5.75%)</u>	<u>(6.75%)</u>	<u>(7.75%)</u>
Town Net Pension Liability	\$ 3,872,191	\$ 1,577,346	\$ (240,182)

For the year ended June 30, 2025, the Town recognized pension expense of \$104,047. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
	<u>of Resources</u>	<u>of Resources</u>
Differences between expected and actual experience	\$ 391,679	\$ 232,501
Change in assumptions	4,183	-
Net difference between projected and actual earnings on pension plan investments	-	391,313
Change in proportionate share	33,337	33,337
Employer contributions subsequent to the measurement date	565,966	-
Total	<u>\$ 995,165</u>	<u>\$ 657,151</u>

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 10—PENSION PLANS: (CONTINUED)

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

\$565,966 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, 2026. 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>	
2026	\$ (383,189)
2027	241,088
2028	(1,837)
2029	(84,014)
2030	-
Thereafter	-

Pension Plan Data

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

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, 2025 (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 \$9,532 as of June 30, 2025.

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 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% 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, 2025 was 0.47% 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, 2023. 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 \$17,477 and \$18,055 for the years ended June 30, 2025 and June 30, 2024, respectively.

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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, 2025, the entity reported a liability of \$145,293 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 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, 2023 and rolled forward to the measurement date of June 30, 2024. 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, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer’s proportion was 0.01349% as compared to 0.01342% at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$3,638. 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, 2025, 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	\$ 22,916	\$ 3,549
Net difference between projected and actual earnings on GLI OPEB plan investments	-	12,247
Change in assumptions	828	7,200
Changes in proportion	298	14,878
Employer contributions subsequent to the measurement date	17,477	-
Total	<u>\$ 41,519</u>	<u>\$ 37,874</u>

\$17,477 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, 2026. 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:

Year Ended June 30	
2026	\$ (10,451)
2027	(1,514)
2028	(3,028)
2029	(370)
2030	1,531
Thereafter	-

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024. 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, 2025 (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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to 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, 2025 (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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to 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, 2024, NOL amounts for the GLI Plan is as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Plan
Total GLI OPEB Liability	\$ 4,196,055
Plan Fiduciary Net Position	3,080,133
GLI Net OPEB Liability (Asset)	<u>\$ 1,115,922</u>

Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability 73.41%

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, 2025 (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 Return [†]
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
		Expected arithmetic nominal return**	7.07%

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

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

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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, 2024, 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, 2024 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 \$	225,950 \$	145,293 \$	80,133

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan’s Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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; (the benefit will be \$75,000 for approved presumptive deaths occurring on or after January 1, 2025); 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, 2025 (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. contractually required employer contribution rate for the LODA Program for the year ended June 30, 2025 was \$1,015 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023 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 \$23,597 and \$15,770 for the years ended June 30, 2025 and June 30, 2024, 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, 2025, the entity reported a liability of \$411,737 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2024 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. 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, 2024 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2024, the entity’s proportion was 0.10462% as compared to 0.10280% at June 30, 2023.

For the year ended June 30, 2025, the entity recognized LODA OPEB expense of \$59,349. 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, 2025, the entity reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,326	\$ 100,575
Net difference between projected and actual earnings on LODA OPEB plan investments	-	1,361
Change in assumptions	75,900	82,926
Changes in proportionate share	74,438	14,063
Employer contributions subsequent to the measurement date	23,597	-
Total	<u>\$ 188,261</u>	<u>\$ 198,925</u>

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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)

\$23,597 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, 2026. 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>	
2026	\$ 521
2027	2,558
2028	1,401
2029	(3,874)
2030	(9,470)
Thereafter	(25,397)

Actuarial Assumptions

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024. 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	7.25%-4.25%
Ages 65 and older	6.50%-4.25%
Year of ultimate trend rate:	
Under age 65	Fiscal year ended 2034
Ages 65 and older	Fiscal year ended 2034
Investment rate of return	3.97%, including inflation*

*Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.97% was used since it approximates the risk-free rate of return.

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study 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, 2025 (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, 2024, NOL amounts for the LODA Program is as follows (amounts expressed in thousands):

	<u>LODA Program</u>
Total LODA OPEB Liability	\$ 398,395
Plan Fiduciary Net Position	4,841
LODA Net OPEB Liability (Asset)	<u><u>\$ 393,554</u></u>
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.22%

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 3.97% 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 3.97% 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, 2024.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 3.97%. 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, 2024, 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, 2025 (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 3.97%, 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 (2.97%) or one percentage point higher (4.97%) than the current rate:

	Discount Rate		
	1% Decrease (2.97%)	Current (3.97%)	1% Increase (4.97%)
Town's proportionate share of the LODA Net OPEB Liability	\$ 456,442	\$ 411,737	\$ 373,295

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 7.25% decreasing to 4.25%, 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 (6.25% decreasing to 3.25%) or one percentage point higher (8.25% decreasing to 5.25%) than the current rate:

	Health Care Trend Rates		
	1% Decrease (6.25% decreasing to 3.25%)	Current (7.25% decreasing to 4.25%)	1% Increase (8.25% decreasing to 5.25%)
Town's proportionate share of the LODA Net OPEB Liability	\$ 350,745	\$ 411,737	\$ 468,575

LODA OPEB Fiduciary Net Position

Detailed information about the LODA Program Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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, 2025 (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	29
Inactive members:	
Vested inactive members	2
Inactive members active elsewhere in VRS	24
Total inactive members	55
Active members	<u>58</u>
Total covered employees	<u>113</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, 2025 was 0.29% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 \$10,784 and \$9,696 for the years ended June 30, 2025 and June 30, 2024, respectively.

Net HIC OPEB Liability

The Town net HIC OPEB liability was measured as of June 30, 2024. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
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, 2025 (CONTINUED)**

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

Actuarial Assumptions (Continued)

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

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, 2025 (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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to 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, 2025 (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:

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

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

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

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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, 2024, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2024 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 HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 152,458	\$ 93,550	\$ 58,908
Changes for the year:			
Service cost	\$ 2,019	\$ -	\$ 2,019
Interest	10,050	-	10,050
Differences between expected and actual experience	(8,723)	-	(8,723)
Contributions - employer	-	9,696	(9,696)
Net investment income	-	8,781	(8,781)
Benefit payments	(11,180)	(11,180)	-
Administrative expenses	-	(120)	120
Other changes	-	-	-
Net changes	\$ (7,834)	\$ 7,177	\$ (15,011)
Balances at June 30, 2024	\$ 144,624	\$ 100,727	\$ 43,897

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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 \$	60,142 \$	43,897 \$	30,274

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, 2025, the Town recognized HIC Plan OPEB expense of \$5,824. At June 30, 2025, 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	\$ 6,453	\$ 8,094
Net difference between projected and actual earnings on HIC OPEB plan investments	-	2,019
Change in assumptions	1,269	1,962
Employer contributions subsequent to the measurement date	10,784	-
Total	<u>\$ 18,506</u>	<u>\$ 12,075</u>

TOWN OF WOODSTOCK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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)

\$10,784 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, 2026. 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>		
2026	\$	(999)
2027		901
2028		(1,854)
2029		(2,401)
2030		-
Thereafter		-

HIC Plan Data

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

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, 2025 (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, 2025 was \$48,900.

Total OPEB Liability

The Town's total OPEB liability was measured as of July 1, 2024. 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, 2024 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	4.09%
Healthcare Cost Trend Rates	2.22% for fiscal year end 2024 (to reflect actual experience), then 7.00% for fiscal year end 2025, 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, 2025 (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 4.09% 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	\$	901,400
Changes for the year:		
Service cost	\$	23,900
Interest		34,800
Difference between expected and actual experience		(36,700)
Changes in assumptions		22,400
Benefit payments		(48,900)
Net changes	\$	(4,500)
Balances at June 30, 2024	\$	<u>896,900</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 (3.09%) or one percentage point higher (5.09%) than the current discount rate:

<u>Rate</u>		
<u>1% Decrease (3.09%)</u>	<u>Current Discount Rate (4.09%)</u>	<u>1% Increase (5.09%)</u>
\$ 994,300	\$ 896,900	\$ 811,300

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 (6.00%) or one percentage point higher (8.00%) than the current healthcare cost trend rates:

<u>Rate</u>		
<u>Healthcare Cost</u>		
<u>1% Decrease (6.00% decreasing to 4.00%)</u>	<u>Trend (7.00% decreasing to 5.00%)</u>	<u>1% Increase (8.00% decreasing to 6.00%)</u>
\$ 791,600	\$ 896,900	\$ 1,022,700

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (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, 2025, the Town recognized OPEB expense in the amount of \$41,200. At June 30, 2025, 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	\$ 122,600	\$ 249,300
Changes in assumptions	120,900	134,200
Employer contributions subsequent to the measurement date	48,900	-
Total	<u>\$ 292,400</u>	<u>\$ 383,500</u>

\$48,900 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB will be recognized in the OPEB expense in future reporting periods as follows:

<u>Year Ended June 30,</u>	
2026	\$ (24,800)
2027	(25,200)
2028	(42,200)
2029	(49,500)
2030	(8,300)
Thereafter	10,000

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, 2025 (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, 2025:

	<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)	\$ 41,519	\$ 37,874	\$ 145,293	\$ 3,638
Line Of Duty Act (Note 12)	188,261	198,925	411,737	59,349
Health Insurance Credit Plan (Note 13)	18,506	12,075	43,897	5,824
Pay As You Go Stand-Alone Plan (Note 14)	292,400	383,500	896,900	48,900
Totals	<u>\$ 540,686</u>	<u>\$ 632,374</u>	<u>\$ 1,497,827</u>	<u>\$ 117,711</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	-	1,415
Total reporting entity	<u>\$ 1,415</u>	<u>\$ 1,415</u>

The interfund obligations are the result of prior year expenditures paid from general fund attributable to the public utilities fund.

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, 2025 (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, 2025, 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—ADOPTION OF ACCOUNTING PRINCIPLE:

During the current year, the Town implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the Town now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The change in accounting principle resulted in the following restatement of beginning net position:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>
Net Position as reported at June 30, 2024	\$ 16,292,237	\$	26,269,056	\$	42,561,293
Implementation of GASB 101	<u>(310,936)</u>		<u>(133,212)</u>		<u>(444,148)</u>
Net Position as restated at June 30, 2024	<u>\$ 15,981,301</u>	\$	<u>26,135,844</u>	\$	<u>42,117,145</u>

TOWN OF WOODSTOCK, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 22—CONSTRUCTION COMMITMENTS:

The Town of Woodstock has two active construction projects as of June 30, 2025. At year end the Town's commitment with the contractors are as follows:

<u>Project</u>	<u>Original Contract Amount</u>	<u>Amount Spent to Date</u>	<u>Amount of Contract Remaining at Year End</u>
Bicycle and pedestrian trail	\$ 1,586,347	\$ 1,152,095	\$ 434,252
West end water main	108,850	46,941	61,909
Total	\$ <u>1,695,197</u>	\$ <u>1,199,036</u>	\$ <u>496,161</u>

NOTE 23—UPCOMING PRONOUNCEMENTS:

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.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of assets (lease assets, subscription assets, intangible right-to-use assets, and other intangible assets) to be disclosed separately in the capital asset note disclosures by major class of underlying asset. It also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Implementation Guide No. 2025-1, *Implementation Guidance Update—2025*, 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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 1,487,300	\$ 1,487,300	\$ 1,502,186	\$ 14,886
Other local taxes	4,209,000	4,209,000	4,241,148	32,148
Permits, privilege fees, and regulatory licenses	521,000	521,000	638,093	117,093
Fines and forfeitures	15,200	15,200	10,055	(5,145)
Revenue from the use of money and property	150,000	150,000	278,650	128,650
Charges for services	561,000	561,000	587,804	26,804
Miscellaneous	630,000	640,120	101,799	(538,321)
Intergovernmental:				
Commonwealth	1,336,000	1,368,880	1,422,930	54,050
Federal	5,641,262	5,642,262	611,118	(5,031,144)
Total revenues	\$ 14,550,762	\$ 14,594,762	\$ 9,393,783	\$ (5,200,979)
EXPENDITURES	5,235,762			
Current:				
General government administration	\$ 1,899,029	\$ 1,904,670	\$ 1,286,031	\$ 618,639
Public safety	2,897,959	2,817,474	2,660,934	156,540
Public works	2,435,849	2,450,471	2,423,936	26,535
Parks and recreation	658,110	662,491	631,982	30,509
Community development	578,153	599,782	426,187	173,595
Capital projects	5,455,262	5,455,262	162,215	5,293,047
Debt service:				
Principal retirement	59,445	59,445	59,445	-
Interest and other fiscal charges	9,667	9,667	9,667	-
Total expenditures	\$ 13,993,474	\$ 13,959,262	\$ 7,660,397	\$ 6,298,865
Excess (deficiency) of revenues over (under) expenditures	\$ 557,288	\$ 635,500	\$ 1,733,386	\$ 1,097,886
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (680,000)	\$ (855,000)	\$ (723,648)	\$ 131,352
Total other financing sources (uses)	\$ (680,000)	\$ (855,000)	\$ (723,648)	\$ 131,352
Net change in fund balance	\$ (122,712)	\$ (219,500)	\$ 1,009,738	\$ 1,229,238
Fund balance-beginning	122,712	219,500	6,778,646	6,559,146
Fund balance - ending	\$ -	\$ -	\$ 7,788,384	\$ 7,788,384

Schedule of Changes in Net Pension Liability and Related Ratios
Pension Plans
For the Measurement Dates of June 30, 2015 through June 30, 2024

	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 454,520	\$ 435,066	\$ 383,562	\$ 419,472	\$ 361,033
Interest	1,061,365	1,038,362	1,066,543	964,019	898,528
Changes of assumptions	-	-	-	561,991	-
Differences between expected and actual experience	549,614	(191,711)	(1,042,594)	(103,862)	419,353
Benefit payments, including refunds of employee contributions	(885,742)	(1,035,026)	(717,990)	(694,646)	(722,708)
Net change in total pension liability	\$ 1,179,757	\$ 246,691	\$ (310,479)	\$ 1,146,974	\$ 956,206
Total pension liability - beginning	15,712,277	15,465,586	15,776,065	14,629,091	13,672,885
Total pension liability - ending (a)	\$ 16,892,034	\$ 15,712,277	\$ 15,465,586	\$ 15,776,065	\$ 14,629,091
Plan fiduciary net position					
Contributions - employer	\$ 524,422	\$ 498,653	\$ 453,392	\$ 447,705	\$ 394,984
Contributions - employee	157,023	149,262	143,861	142,587	145,056
Net investment income	1,368,664	878,039	(16,858)	2,997,544	211,924
Benefit payments, including refunds of employee contributions	(885,742)	(1,035,026)	(717,990)	(694,646)	(722,708)
Administrative expense	(8,984)	(8,889)	(8,556)	(7,356)	(7,085)
Other	(869)	350	321	284	(247)
Net change in plan fiduciary net position	\$ 1,154,514	\$ 482,389	\$ (145,830)	\$ 2,886,118	\$ 21,924
Plan fiduciary net position - beginning	14,160,174	13,677,785	13,823,615	10,937,497	10,915,573
Plan fiduciary net position - ending (b)	\$ 15,314,688	\$ 14,160,174	\$ 13,677,785	\$ 13,823,615	\$ 10,937,497
Town's net pension liability - ending (a) - (b)	\$ 1,577,346	\$ 1,552,103	\$ 1,787,801	\$ 1,952,450	\$ 3,691,594
Plan fiduciary net position as a percentage of the total pension liability	90.66%	90.12%	88.44%	87.62%	74.77%
Covered payroll	\$ 3,343,502	\$ 3,159,959	\$ 3,039,033	\$ 3,008,867	\$ 3,058,424
Town's net pension liability as a percentage of covered payroll	47.18%	49.12%	58.83%	64.89%	120.70%
	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 357,155	\$ 328,583	\$ 317,355	\$ 299,879	\$ 293,925
Interest	864,257	827,807	869,508	845,739	806,204
Changes of assumptions	417,746	-	(85,198)	-	-
Differences between expected and actual experience	43,177	8,915	(1,105,150)	(198,402)	74,108
Changes in assumptions	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(711,948)	(577,252)	(607,225)	(608,106)	(610,782)
Net change in total pension liability	\$ 970,387	\$ 588,053	\$ (610,710)	\$ 339,110	\$ 563,455
Total pension liability - beginning	12,702,498	12,114,445	12,725,155	12,386,045	11,822,590
Total pension liability - ending (a)	\$ 13,672,885	\$ 12,702,498	\$ 12,114,445	\$ 12,725,155	\$ 12,386,045
Plan fiduciary net position					
Contributions - employer	\$ 384,016	\$ 448,671	\$ 420,921	\$ 440,978	\$ 421,342
Contributions - employee	140,416	133,931	129,078	122,720	118,138
Net investment income	690,973	719,972	1,061,616	151,347	380,711
Benefit payments, including refunds of employee contributions	(711,948)	(577,252)	(607,225)	(608,106)	(610,782)
Administrative expense	(6,863)	(6,091)	(6,065)	(5,309)	(5,205)
Other	(436)	(647)	(948)	(64)	(80)
Net change in plan fiduciary net position	\$ 496,158	\$ 718,584	\$ 997,377	\$ 101,566	\$ 304,124
Plan fiduciary net position - beginning	10,419,415	9,700,831	8,703,454	8,601,888	8,297,764
Plan fiduciary net position - ending (b)	\$ 10,915,573	\$ 10,419,415	\$ 9,700,831	\$ 8,703,454	\$ 8,601,888
Town's net pension liability - ending (a) - (b)	\$ 2,757,312	\$ 2,283,083	\$ 2,413,614	\$ 4,021,701	\$ 3,784,157
Plan fiduciary net position as a percentage of the total pension liability	79.83%	82.03%	80.08%	68.40%	69.45%
Covered payroll	\$ 2,932,490	\$ 2,836,627	\$ 2,592,656	\$ 2,515,114	\$ #REF!
Town's net pension liability as a percentage of covered payroll	94.03%	80.49%	93.09%	159.90%	\$ #REF!

Schedule of Employer Contributions
Pension Plans

For the Years Ended June 30, 2016 through June 30, 2025

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)
2025	\$ 565,966	\$ 565,966	\$ -	\$ 3,718,570	15.22%
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	420,921	420,921	-	2,515,114	16.74%

*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, 2025

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

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, 2024

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)
2024	0.01349%	\$ 145,293	\$ 3,343,502	4.35%	73.41%
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, 2016 through June 30, 2025

Date	Contributions in Relation to			Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2025	\$ 17,477	\$ 17,477	\$ -	\$ 3,718,570	0.47%
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%

Notes to Required Supplementary Information
 Group Life Insurance (GLI) Plan
 For the Year Ended June 30, 2025

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

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, 2024

Date (1)	Employer's Proportion of the Net LODA OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) (3)	Covered- Employee Payroll * (4)	Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total LODA OPEB Liability (6)
2024	0.10462%	\$ 411,737	\$ 1,304,512	31.56%	1.22%
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, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Covered- Employee Payroll * (4)	Contributions as a % of Covered - Employee Payroll (5)
2025	\$ 46,903	\$ 23,597	\$ 23,306	\$ 1,356,039	1.74%
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, 2025

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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result 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, 2024

	2024	2023	2022	2021
Total HIC OPEB Liability				
Service cost	\$ 2,019	\$ 2,386	\$ 4,214	\$ 4,133
Interest	10,050	9,450	9,751	9,173
Differences between expected and actual experience	(8,723)	8,306	(2,170)	(37)
Changes in assumptions	-	-	(3,684)	2,069
Benefit payments	(11,180)	(10,610)	(10,861)	(11,108)
Net change in total HIC OPEB liability	\$ (7,834)	\$ 9,532	\$ (2,750)	\$ 4,230
Total HIC OPEB Liability - beginning	152,458	142,926	145,676	141,446
Total HIC OPEB Liability - ending (a)	\$ 144,624	\$ 152,458	\$ 142,926	\$ 145,676
Plan fiduciary net position				
Contributions - employer	\$ 9,696	\$ 9,164	\$ 8,814	\$ 8,726
Net investment income	8,781	5,282	135	18,605
Benefit payments	(11,180)	(10,610)	(10,861)	(11,108)
Administrative expense	(120)	(121)	(156)	(214)
Other	-	219	4,103	-
Net change in plan fiduciary net position	\$ 7,177	\$ 3,934	\$ 2,035	\$ 16,009
Plan fiduciary net position - beginning	93,550	89,616	87,581	71,572
Plan fiduciary net position - ending (b)	\$ 100,727	\$ 93,550	\$ 89,616	\$ 87,581
Town's net HIC OPEB liability - ending (a) - (b)	\$ 43,897	\$ 58,908	\$ 53,310	\$ 58,095
Plan fiduciary net position as a percentage of the total HIC OPEB liability	69.65%	61.36%	62.70%	60.12%
Covered payroll	\$ 3,343,502	\$ 3,159,959	\$ 3,039,033	\$ 3,008,867
Town's net HIC OPEB liability as a percentage of covered payroll	1.31%	1.86%	1.75%	1.93%
	2020	2019	2018	2017
Total HIC OPEB Liability				
Service cost	\$ 3,490	\$ 4,248	\$ 4,019	\$ 4,180
Interest	8,704	8,504	8,234	8,178
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	5,938	1,952	1,053	-
Changes in assumptions	-	3,234	-	(3,843)
Benefit payments	(11,281)	(9,647)	(9,250)	(6,189)
Net change in total HIC OPEB liability	\$ 6,851	\$ 8,291	\$ 4,056	\$ 2,326
Total HIC OPEB Liability - beginning	134,595	126,304	122,248	119,922
Total HIC OPEB Liability - ending (a)	\$ 141,446	\$ 134,595	\$ 126,304	\$ 122,248
Plan fiduciary net position				
Contributions - employer	\$ 8,870	\$ 8,508	\$ 9,161	\$ 8,556
Net investment income	1,485	4,463	4,663	6,674
Benefit payments	(11,281)	(9,647)	(9,250)	(6,189)
Administrative expense	(136)	(96)	(111)	(112)
Other	(1)	(6)	(330)	330
Net change in plan fiduciary net position	\$ (1,063)	\$ 3,222	\$ 4,133	\$ 9,259
Plan fiduciary net position - beginning	72,635	69,413	65,280	56,021
Plan fiduciary net position - ending (b)	\$ 71,572	\$ 72,635	\$ 69,413	\$ 65,280
Town's net HIC OPEB liability - ending (a) - (b)	\$ 69,874	\$ 61,960	\$ 56,891	\$ 56,968
Plan fiduciary net position as a percentage of the total HIC OPEB liability	50.60%	53.97%	54.96%	53.40%
Covered payroll	\$ 3,058,424	\$ 2,932,490	\$ 2,776,212	\$ 2,592,656
Town's net HIC OPEB liability as a percentage of covered payroll	2.28%	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, 2016 through June 30, 2025

Date	Contributions in Relation to			Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2025	\$ 10,784	\$ 10,784	\$ -	\$ 3,718,570	0.29%
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%

Notes to Required Supplementary Information
 Health Insurance Credit (HIC) Plan
 For the Year Ended June 30, 2025

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

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 Ratios
 Medical, Dental, and Prescription Insurance
 For the Measurement Dates of July 1, 2017 through July 1, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB liability				
Service cost	\$ 23,900	\$ 21,700	\$ 33,400	\$ 42,700
Interest	34,800	29,000	18,400	30,100
Changes in assumptions	22,400	(15,800)	(196,900)	69,000
Differences between expected and actual experience	(36,700)	115,400	12,900	(368,900)
Benefit payments	(48,900)	(25,300)	(27,400)	(44,400)
Net change in total OPEB liability	\$ (4,500)	\$ 125,000	\$ (159,600)	\$ (271,500)
Total OPEB liability - beginning	901,400	776,400	936,000	1,207,500
Total OPEB liability - ending	\$ <u>896,900</u>	\$ <u>901,400</u>	\$ <u>776,400</u>	\$ <u>936,000</u>
Covered payroll	\$ 3,381,300	\$ 3,381,300	\$ 2,739,800	\$ 2,739,800
Town's total OPEB liability as a percentage of covered payroll	26.53%	26.66%	28.34%	34.16%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability				
Service cost	\$ 38,000	\$ 30,000	\$ 32,700	\$ 31,900
Interest	36,900	34,100	32,400	31,200
Changes in assumptions	92,200	108,600	(14,000)	-
Differences between expected and actual experience	(83,100)	94,000	20,000	-
Benefit payments	(36,200)	(37,700)	(37,700)	(17,500)
Net change in total OPEB liability	\$ 47,800	\$ 229,000	\$ 33,400	\$ 45,600
Total OPEB liability - beginning	1,159,700	930,700	897,300	851,700
Total OPEB liability - ending	\$ <u>1,207,500</u>	\$ <u>1,159,700</u>	\$ <u>930,700</u>	\$ <u>897,300</u>
Covered-employee payroll	\$ 3,078,100	\$ 3,078,100	\$ 2,755,800	\$ 2,755,800
Town's total OPEB liability as a percentage of covered-employee payroll	39.23%	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, 2025

Valuation Date: 7/1/2023
 Measurement Date: 7/1/2024

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	4.09%
Inflation	2.50%
Healthcare Trend Rate	2.22% for fiscal year end 2024 (to reflect actual experience), then 7.00% for fiscal year end 2025, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	2.50% annually
Mortality Rates	PUB - 2010 Amount-Weighted Mortality Tables with MP-2021 Projection Scale Fully Generational

OTHER SUPPLEMENTARY INFORMATION

INDIVIDUAL FUND FINANCIAL STATEMENT

Debt Service Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Debt service:				
Principal retirement	\$ 146,435	\$ 146,435	\$ 146,483	\$ (48)
Interest and other fiscal charges	30,595	30,595	30,547	48
Total expenditures	<u>\$ 177,030</u>	<u>\$ 177,030</u>	<u>\$ 177,030</u>	<u>\$ -</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (177,030)	\$ (177,030)	\$ (177,030)	\$ -
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 177,030	\$ 177,030	\$ 177,030	\$ -
Total other financing sources (uses)	<u>\$ 177,030</u>	<u>\$ 177,030</u>	<u>\$ 177,030</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance-beginning	-	-	-	-
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
Commonwealth	\$ 3,750	\$ 3,750	\$ -	\$ (3,750)
Total revenues	\$ 3,750	\$ 3,750	\$ -	\$ (3,750)
EXPENDITURES				
Capital projects	\$ 223,477	\$ 401,442	\$ 484,158	\$ (82,716)
Total expenditures	\$ 223,477	\$ 401,442	\$ 484,158	\$ (82,716)
Excess (deficiency) of revenues over (under) expenditures	\$ (219,727)	\$ (397,692)	\$ (484,158)	\$ (86,466)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 502,970	\$ 677,970	\$ 546,618	\$ (131,352)
Total other financing sources (uses)	\$ 502,970	\$ 677,970	\$ 546,618	\$ (131,352)
Net change in fund balance	\$ 283,243	\$ 280,278	\$ 62,460	\$ (217,818)
Fund balance-beginning	-	-	-	-
Fund balance - ending	\$ 283,243	\$ 280,278	\$ 62,460	\$ (217,818)

SUPPORTING SCHEDULE

Computation of Legal Debt Margin
June 30, 2025

Total Assessed Value of Real Estate	\$ <u>697,106,900</u>
Legal Debt Margin: (10% of assessed value of real estate)	\$ 69,710,690
Less: Gross Indebtedness	<u>(908,763)</u>
Legal Margin for Creation of Additional Debt	\$ <u>68,801,927</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.

1-4

Revenue Capacity

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

5-9

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.

10-13

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.

14-15

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.

16-18

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>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities			
Net investment in capital assets	\$ 11,437,805	\$ 11,306,301	\$ 11,348,292
Unrestricted	<u>561,357</u>	<u>230,867</u>	<u>570,435</u>
Total governmental activities net position	<u>\$ 11,999,162</u>	<u>\$ 11,537,168</u>	<u>\$ 11,918,727</u>
Business-type activities			
Net investment in capital assets	\$ 17,835,299	\$ 17,625,943	\$ 18,202,945
Unrestricted	<u>499,066</u>	<u>1,049,145</u>	<u>1,079,170</u>
Total business-type activities net position	<u>\$ 18,334,365</u>	<u>\$ 18,675,088</u>	<u>\$ 19,282,115</u>
Primary government			
Net investment in capital assets	\$ 29,273,104	\$ 28,932,244	\$ 29,551,237
Unrestricted	<u>1,060,423</u>	<u>1,280,012</u>	<u>1,649,605</u>
Total primary government net position	<u>\$ 30,333,527</u>	<u>\$ 30,212,256</u>	<u>\$ 31,200,842</u>

Table 1

2019	2020	2021	2022	2023	2024	2025
\$ 11,312,020	\$ 11,138,003	\$ 10,872,349	\$ 10,841,115	\$ 10,812,250	\$ 11,943,581	\$ 12,037,750
<u>906,168</u>	<u>882,390</u>	<u>1,741,487</u>	<u>2,394,558</u>	<u>3,537,107</u>	<u>4,348,656</u>	<u>5,576,661</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>	<u>\$ 17,614,411</u>
\$ 18,933,168	\$ 18,671,158	\$ 18,835,175	\$ 18,807,954	\$ 19,272,445	\$ 22,089,038	\$ 23,130,034
<u>817,969</u>	<u>1,561,194</u>	<u>2,094,445</u>	<u>2,831,771</u>	<u>3,019,102</u>	<u>4,180,018</u>	<u>4,614,864</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>	<u>\$ 27,744,898</u>
\$ 30,245,188	\$ 29,809,161	\$ 29,707,524	\$ 29,649,069	\$ 30,084,695	\$ 34,032,619	\$ 35,167,784
<u>1,724,137</u>	<u>2,443,584</u>	<u>3,835,932</u>	<u>5,226,329</u>	<u>6,556,209</u>	<u>8,528,674</u>	<u>10,191,525</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>	<u>\$ 45,359,309</u>

TOWN OF WOODSTOCK, VIRGINIA

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses				
Governmental activities:				
General government administration	\$ 815,926	\$ 855,522	\$ 898,863	\$ 855,065
Public safety	1,737,572	1,777,730	1,794,419	1,952,734
Public works	1,805,168	1,752,264	1,745,372	1,975,588
Parks and recreation	368,217	345,730	397,348	381,941
Community development	393,317	420,727	398,489	463,547
Interest on long-term debt	24,942	26,076	21,289	40,900
Total governmental activities expenses	<u>\$ 5,145,142</u>	<u>\$ 5,178,049</u>	<u>\$ 5,255,780</u>	<u>\$ 5,669,775</u>
Business-type activities:				
Water and sewer	\$ 3,542,094	\$ 3,610,056	\$ 3,450,871	\$ 3,754,904
Total business-type activities expenses	<u>\$ 3,542,094</u>	<u>\$ 3,610,056</u>	<u>\$ 3,450,871</u>	<u>\$ 3,754,904</u>
Total primary government expenses	<u>\$ 8,687,236</u>	<u>\$ 8,788,105</u>	<u>\$ 8,706,651</u>	<u>\$ 9,424,679</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government administration	\$ 396,644	\$ 395,688	\$ 418,271	\$ 418,393
Public safety	29,491	38,080	32,424	24,047
Public works	188,517	183,770	186,011	191,391
Parks and recreation	89,591	88,900	82,290	96,174
Community development	-	1,078	235	10,859
Operating grants and contributions:				
General government administration	-	-	-	-
Public safety	125,783	139,156	127,589	133,313
Public works	-	-	-	-
Parks and recreation	-	18,076	-	-
Community development	-	-	-	10,000
Capital grants and contributions:				
Public safety	-	-	-	-
Public works	769,760	793,286	806,564	830,651
Parks and recreation	-	-	-	-
Community development	-	-	-	-
Total governmental activities program revenues	<u>\$ 1,599,786</u>	<u>\$ 1,658,034</u>	<u>\$ 1,653,384</u>	<u>\$ 1,714,828</u>
Business-type activities:				
Charges for services:				
Water and sewer	\$ 4,168,585	\$ 4,203,321	\$ 3,972,177	\$ 3,937,341
Capital grants and contributions:				
Water and sewer	-	-	38,149	201,200
Total business-type activities program revenues	<u>\$ 4,168,585</u>	<u>\$ 4,203,321</u>	<u>\$ 4,010,326</u>	<u>\$ 4,138,541</u>
Total primary government program revenues	<u>\$ 5,768,371</u>	<u>\$ 5,861,355</u>	<u>\$ 5,663,710</u>	<u>\$ 5,853,369</u>
Net (expense)/revenue				
Governmental activities	\$ (3,942,000)	\$ (3,915,703)	\$ (4,020,667)	\$ (4,370,815)
Business-type activities	<u>626,491</u>	<u>593,265</u>	<u>559,455</u>	<u>383,637</u>
Total primary government net (expense) revenue	<u>\$ (2,918,865)</u>	<u>\$ (2,926,750)</u>	<u>\$ (3,042,941)</u>	<u>\$ (3,571,310)</u>

Table 2

	2020	2021	2022	2023	2024	2025
\$	894,002	\$ 974,109	\$ 871,653	1,171,098	\$ 1,210,884	\$ 1,236,764
	2,129,682	2,187,195	2,548,435	2,420,918	2,529,917	2,626,870
	2,046,587	2,216,391	2,144,012	2,378,975	2,591,802	2,629,874
	365,596	394,739	416,972	463,155	525,988	743,733
	456,380	490,161	449,222	534,071	575,895	503,563
	47,995	45,762	40,482	41,701	39,726	40,214
\$	<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>\$ 7,781,018</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>\$ 4,457,240</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>\$ 4,457,240</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>	<u>\$ 12,238,258</u>
\$	377,114	\$ 447,374	\$ 507,361	\$ 591,306	\$ 632,709	\$ 638,094
	20,602	14,046	18,888	15,088	13,545	10,055
	194,837	325,299	337,319	362,495	428,753	454,657
	50,978	106,861	124,192	103,583	143,316	133,147
	16,661	19,123	38,563	-	-	-
	-	-	1,475	-	-	-
	140,416	143,936	146,767	149,973	185,006	244,897
	-	-	-	12,964	-	-
	-	-	-	65	3,950	-
	-	-	-	2,894	90,582	-
	-	-	-	-	-	6,700
	830,656	840,409	854,852	986,792	1,074,393	-
	-	-	-	-	-	85,618
	10,000	20,664	-	-	353,653	-
\$	<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>	<u>\$ 1,573,168</u>
\$	3,923,755	\$ 4,166,513	\$ 4,240,518	4,367,781	\$ 4,414,361	\$ 4,555,204
	48,200	234,350	125,800	80,700	3,141,738	1,234,708
\$	<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>\$ 5,789,912</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>	<u>\$ 7,363,080</u>
\$	(4,676,092)	\$ (4,390,645)	\$ (4,441,359)	\$ (4,784,758)	\$ (4,548,305)	\$ (6,207,850)
	430,065	692,290	703,599	381,513	3,576,117	1,332,672
\$	<u>(3,868,913)</u>	<u>\$ (3,698,355)</u>	<u>\$ (3,737,760)</u>	<u>\$ (4,403,245)</u>	<u>\$ (972,188)</u>	<u>\$ (4,875,178)</u>

TOWN OF WOODSTOCK, VIRGINIA

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$ 1,100,172	\$ 1,205,600	\$ 1,190,301	\$ 1,221,621
Other local taxes:				
Vehicle license	109,344	97,868	109,825	108,012
Local sales and use	229,866	251,070	259,834	264,256
Consumers' utility	88,905	89,709	92,759	92,364
Telecommunications	90,979	89,557	85,969	79,754
Bank franchise	192,317	215,177	234,729	224,417
Meals	1,168,010	1,205,408	1,258,989	1,505,256
Transient occupancy	261,139	280,467	287,647	292,863
Other local taxes	260,181	254,865	234,339	218,513
Unrestricted revenues from use of money and property	10,997	21,881	44,496	61,481
Miscellaneous	4,375	14,635	46,177	56,438
Grants and contributions not restricted to specific programs	148,248	155,223	138,890	129,433
Total governmental activities	<u>\$ 3,664,533</u>	<u>\$ 3,881,460</u>	<u>\$ 3,983,955</u>	<u>\$ 4,254,408</u>
Business-type activities:				
Unrestricted revenues from use of money and property	\$ 7,494	\$ 18,364	\$ 47,572	\$ 67,385
Miscellaneous	-	-	-	18,000
Total business-type activities	<u>\$ 7,494</u>	<u>\$ 18,364</u>	<u>\$ 47,572</u>	<u>\$ 85,385</u>
Change in Net Position				
Governmental activities	\$ 119,177	\$ 361,445	\$ 381,559	\$ 299,461
Business-type activities	<u>633,985</u>	<u>611,629</u>	<u>607,027</u>	<u>469,022</u>
Total primary government	<u>\$ 753,162</u>	<u>\$ 973,074</u>	<u>\$ 988,586</u>	<u>\$ 768,483</u>

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$	1,221,588	\$ 1,306,018	\$ 1,331,296	\$ 1,524,765	\$ 1,448,567	\$ 1,522,530
	119,418	136,304	131,193	133,567	142,562	156,470
	304,668	320,434	325,132	379,507	424,750	497,890
	90,481	291,489	295,609	290,481	279,375	285,727
	77,935	77,935	67,189	65,239	61,308	61,308
	176,565	216,986	242,632	251,979	266,840	286,839
	1,454,092	1,634,458	1,953,714	2,229,506	2,269,027	2,310,326
	218,984	286,208	405,684	450,242	416,174	526,547
	319,234	207,498	216,458	196,959	189,440	177,349
	48,796	15,082	12,093	278,172	394,280	278,650
	24,257	90,175	35,783	43,725	97,108	101,799
	45,165	401,501	46,413	54,300	531,561	1,635,525
\$	<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>	<u>7,840,960</u>
\$	51,150	\$ 4,978	\$ 6,506	\$ 270,309	\$ 401,392	\$ 276,382
	-	-	-	-	-	-
\$	<u>51,150</u>	<u>4,978</u>	<u>6,506</u>	<u>270,309</u>	<u>401,392</u>	<u>276,382</u>
\$	(197,795)	\$ 593,443	\$ 621,837	\$ 1,113,684	\$ 1,972,687	\$ 1,633,110
	481,215	697,268	710,105	651,822	3,977,509	1,609,054
\$	<u>283,420</u>	<u>1,290,711</u>	<u>1,331,942</u>	<u>1,765,506</u>	<u>5,950,196</u>	<u>3,242,164</u>

TOWN OF WOODSTOCK, VIRGINIA

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund					
Nonspendable	\$ 12,779	\$ 8,000	\$ -	\$ -	-
Committed	173,500	227,000	347,000	347,000	442,000
Assigned	114,983	520,444	805,211	824,745	442,000
Unassigned	<u>2,829,484</u>	<u>2,896,813</u>	<u>2,651,957</u>	<u>2,639,409</u>	<u>2,865,235</u>
Total general fund	<u>\$ 3,130,746</u>	<u>\$ 3,652,257</u>	<u>\$ 3,804,168</u>	<u>\$ 3,811,154</u>	<u>\$ 3,749,235</u>
All Other Governmental Funds					
Assigned	<u>\$ -</u>				
Total all other governmental funds	<u>\$ -</u>				

Table 3

Fiscal Year				
2021	2022	2023	2024	2025
\$ -	\$ -	\$ -	124,071	\$ 15,458
62,500	95,000	219,500	314,500	314,500
442,000	129,500	1,754,390	1,666,917	4,020,626
2,865,235	4,976,173	4,251,125	4,673,158	3,437,800
<u>\$ 3,369,735</u>	<u>\$ 5,200,673</u>	<u>\$ 6,225,015</u>	<u>\$ 6,778,646</u>	<u>\$ 7,788,384</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,460</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,460</u>

TOWN OF WOODSTOCK, VIRGINIA

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues				
General property taxes	\$ 1,124,215	\$ 1,196,076	\$ 1,213,779	\$ 1,202,552
Other local taxes	2,400,741	2,484,121	2,564,091	2,785,435
Permits, privilege fees and regulatory licenses	396,644	395,688	418,271	415,868
Fines and forfeitures	29,491	38,080	32,424	24,047
Revenue from the use of money and property	10,997	21,881	44,496	61,481
Charges for services	278,108	273,748	268,536	300,949
Miscellaneous	4,375	18,543	46,177	56,438
Intergovernmental:				
Commonwealth	1,033,283	1,093,765	1,070,207	1,098,482
Federal	10,508	11,976	2,836	4,915
Total revenues	<u>\$ 5,288,362</u>	<u>\$ 5,533,878</u>	<u>\$ 5,660,817</u>	<u>\$ 5,950,167</u>
Expenditures				
General government administration	\$ 806,820	\$ 825,857	\$ 881,687	\$ 911,213
Public safety	1,679,597	1,697,088	1,840,184	2,047,714
Public works	1,579,628	1,539,431	1,552,386	1,760,035
Parks and recreation	258,965	233,425	284,084	278,536
Community development	321,670	343,876	362,992	407,786
Capital projects	210,840	235,778	453,441	1,353,633
Debt service:				
Principal	108,477	110,560	112,226	165,545
Interest and other fiscal charges	25,855	26,352	22,106	41,567
Total expenditures	<u>\$ 4,991,852</u>	<u>\$ 5,012,367</u>	<u>\$ 5,509,106</u>	<u>\$ 6,966,029</u>
Excess of revenues over (under) expenditures	<u>\$ 296,510</u>	<u>\$ 521,511</u>	<u>\$ 151,711</u>	<u>\$ (1,015,862)</u>
Other financing sources (uses)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Issuance of general obligation bonds	-	-	200	874,447
Leases issued	-	-	-	-
Issuance of capital financing	-	-	-	148,401
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 1,022,848</u>
Net change in fund balances	<u>\$ 296,510</u>	<u>\$ 521,511</u>	<u>\$ 151,911</u>	<u>\$ 6,986</u>
Debt service as a percentage of noncapital expenditures	2.81%	2.90%	2.66%	3.69%

Table 4

	2020	2021	2022	2023	2024	2025
\$	1,214,489	\$ 1,292,267	\$ 1,294,889	\$ 1,526,362	\$ 1,412,916	\$ 1,502,186
	2,681,535	3,093,377	3,570,422	3,932,241	3,988,168	4,241,148
	395,682	447,374	507,361	591,306	632,709	638,093
	20,602	14,046	18,888	15,088	13,545	10,055
	48,796	15,082	22,620	278,172	394,280	278,650
	245,816	451,283	489,547	466,078	572,069	587,804
	24,257	90,175	35,783	43,725	106,311	101,799
	1,099,174	1,095,670	1,111,252	1,255,199	1,417,087	1,422,930
	4,997	388,775	5,444	17,028	883,366	611,118
\$	<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>	<u>9,393,783</u>
\$	860,715	\$ 932,852	\$ 806,672	\$ 1,143,213	\$ 1,100,931	\$ 1,286,031
	2,060,947	2,126,008	2,517,995	2,471,390	2,792,369	2,660,934
	1,779,377	1,935,084	1,846,001	2,123,411	2,356,490	2,423,936
	264,092	287,328	309,913	360,269	407,126	631,982
	381,579	412,458	372,536	455,150	504,091	426,187
	350,715	157,243	579,799	412,951	1,588,182	646,373
	152,045	143,579	135,051	190,074	240,157	205,928
	48,150	45,774	41,720	41,653	41,569	40,214
\$	<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>8,321,585</u>
\$	<u>(162,272)</u>	<u>847,723</u>	<u>446,519</u>	<u>927,088</u>	<u>389,536</u>	<u>1,072,198</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ 723,648
	-	-	-	-	-	(723,648)
	100,353	-	-	-	-	-
	-	-	-	50,931	13,132	-
	-	-	-	46,323	180,770	-
\$	<u>100,353</u>	<u>-</u>	<u>-</u>	<u>97,254</u>	<u>193,902</u>	<u>-</u>
\$	<u>(61,919)</u>	<u>847,723</u>	<u>446,519</u>	<u>1,024,342</u>	<u>583,438</u>	<u>1,072,198</u>
	3.61%	3.22%	2.94%	2.94%	3.90%	3.20%

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
2025	\$ 1,502,186	\$ 497,890	\$ 224,419	\$ 61,308	\$ 286,839	\$ 133,586
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

Table 5

Meals Tax	Transient Occupancy Tax	Public Right- of-Way Fees	Motor Vehicle Licenses	Business & Occupational Licenses
\$ 2,336,704	\$ 526,547	\$ 17,385	\$ 156,470	\$ 638,093
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

TOWN OF WOODSTOCK, VIRGINIA

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

Fiscal Year						Public Service Corporations	
	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Real Estate	Personal Property	
2025	\$ 697,106,900	\$ 67,972,674	\$ -	\$ 1,735,158	\$ 16,384,023	\$ 14,995	
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	

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

<u>Total Taxable Assessed Value</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>	<u>Total Direct Rate</u>
\$ 783,213,750	\$ 783,213,750	100%	\$ 10.66
779,510,160	779,510,160	100%	10.60
775,369,287	775,369,287	100%	10.49
775,621,345	775,621,345	100%	10.49
604,580,690	604,580,690	100%	10.55
594,505,663	594,505,663	100%	10.45
589,905,462	589,905,462	100%	10.45
587,222,593	587,222,593	100%	10.45
585,042,975	585,042,975	100%	10.07
578,589,583	578,589,583	100%	9.89

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
2025	\$ 0.16	\$ 0.90	\$ 0.16	\$ 0.90	\$ 0.64	\$ 4.11	\$ 0.64	\$ 3.15
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

(1) Per \$100 of assessed value

Table 7

Combined Rates			
Real Estate	Personal Property	Mobile Homes	Machinery and Tools
\$ 0.80	\$ 5.01	\$ 0.80	\$ 4.05
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

Principal Property Taxpayers
Current Year and the Period Nine Years Prior

Taxpayer	Type Business	Fiscal Year 2025	
		2025 Assessed Valuation	% of Total Assessed Valuation
Lowes Home Center LLC	Retail Store	\$ 9,593,000	1.38%
Wal-Mart	Retail Store	8,937,600	1.28%
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	5,181,900	0.74%
Woodstock Hospitality Group	Hotel	5,006,800	0.72%
Walter Enterprises LLC	Shopping Center	4,156,700	0.60%
Shenandoah Fair Association	Retail / Fair Grounds	3,913,800	0.56%
Newton Enterprises Inc	Housing Development	3,900,000	0.56%
		<u>\$ 59,159,000</u>	<u>8.49%</u>
Taxpayer	Type Business	Fiscal Year 2016	
		2016 Assessed Valuation	% of Total Assessed Valuation
Lowes Home Center LLC	Retail Store	\$ 9,308,000	1.61%
Wal-Mart	Retail Store	8,673,100	1.50%
Spectrum 1 Woodstock LLC	Shopping Center	6,673,100	1.15%
LH & H LLC	Hotel	5,986,300	1.03%
Shree Ganesh Hospitality	Hotel	5,835,500	1.01%
HCP Virginia, Inc.	Assisted Living	4,889,900	0.85%
Shenandoah Enterprises I	Housing Development	4,400,100	0.76%
Walter Enterprises	Shopping Center	4,111,200	0.71%
Funkhouser H N and Co Inc	Commercial Development	3,935,500	0.68%
Valley Vista Apartments LLC	Housing Development	3,128,100	0.54%
		<u>\$ 56,940,800</u>	<u>9.84%</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
2025	\$ 1,553,076	\$ 1,479,425	95.26%	\$ -	\$ 1,479,425	95.26%
2024	1,440,571	1,392,558	96.67%	-	1,392,558	96.67%
2023	1,462,460	1,385,746	94.75%	54,583	1,440,329	98.49%
2022	1,383,152	1,305,994	94.42%	60,153	1,366,147	98.77%
2021	1,255,948	1,223,227	97.39%	25,963	1,249,190	99.46%
2020	1,211,052	1,178,331	97.30%	28,106	1,206,437	99.62%
2019	1,198,286	1,164,901	97.21%	28,258	1,193,159	99.57%
2018	1,175,477	1,145,659	97.46%	24,666	1,170,325	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%

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
2025	\$ 908,763	\$ 182,979	\$ 41,014	\$ 5,727,288	\$ 6,365,120	\$ 69,324
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	-

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)
\$	13,294,488	0.52%	\$ 2,218
	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

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

<u>Fiscal Year</u>	<u>Gross Bonded Debt</u>	<u>Less: Amounts Reserved for Debt Service</u>	<u>Net Bonded Debt (3)</u>	<u>Ratio of Net General Obligation Debt to Assessed Value (2)</u>	<u>Net Bonded Debt per Capita (1)</u>
2025	\$ 6,636,052	\$ -	\$ 6,636,052	0.85%	\$ 1,107
2024	6,987,016	-	6,987,016	0.90%	1,176
2023	7,330,503	-	7,330,503	0.95%	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

(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

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Assessed Valuations			
Assessed value of taxed real property	\$ 519,325,520	\$ 526,242,600	\$ 524,379,160
Legal debt margin			
Debt limit - 10 percent of total assessed value	\$ 51,932,552	\$ 52,624,260	\$ 52,437,916
Debt applicable to limitation:			
Total bonded debt	\$ 19,384,970	\$ 18,649,839	\$ 20,142,046
Less: Business-type activities bonds	<u>(18,487,440)</u>	<u>(17,828,841)</u>	<u>(19,398,495)</u>
Total amount of debt applicable to debt limitation	\$ 897,530	\$ 820,998	\$ 743,551
Legal debt margin	<u>\$ 51,035,022</u>	<u>\$ 51,803,262</u>	<u>\$ 51,694,365</u>
Total net debt applicable to the limit as a percentage of debt limit	1.73%	1.56%	1.42%

Table 12

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</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>697,106,900</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>	\$ <u>69,710,690</u>
\$ 19,500,748	\$ 18,731,352	\$ 17,474,646	\$ 16,375,781	\$ 14,872,748	\$ 14,136,886	\$ 13,001,171
<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>(12,092,408)</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>908,763</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>	\$ <u>68,801,927</u>
2.83%	2.76%	2.52%	1.81%	1.65%	1.47%	1.30%

Direct and Overlapping Governmental Activities Debt
 June 30, 2025

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage</u>	<u>Amount applicable to Primary Government</u>
County of Shenandoah, Virginia	\$ 36,398,603	13.25%	\$ 4,823,048
Town of Woodstock, Virginia direct debt			<u>1,132,756</u>
Total direct and overlapping debt			<u><u>\$ 5,955,804</u></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 (000's) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2025	5,993	\$ 2,566,463	\$ 56,745	3.80%
2024	5,940	2,566,463	56,745	2.90%
2023	5,907	2,527,479	56,651	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%

(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 2025		Fiscal Year 2016	
	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
Cracker Barrel Old Country Store	100 to 249	9	50 to 99	9
First Bank	50 to 99	10	-	-
Criswell Ford	50 to 99	11	-	-
Town of Woodstock	50 to 99	12	50 to 99	11
Woodstock Facility Operations	50 to 99	13	-	-
Massanutten Military Academy	50 to 99	14	50 to 99	12
Italian Touch	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	2016	2017	2018	2019
General government				
General administration	2.0	2.0	2.0	2.0
Financial administration	4.0	4.0	4.0	4.0
Planning Office	1.0	1.0	1.0	1.0
Public safety				
Sworn Officers	16.0	16.0	16.0	18.0
Administrative	2.0	2.0	2.0	2.0
Public works	9.0	9.0	9.0	9.0
Community development	0.0	0.0	0.0	0.0
Parks and recreation	2.0	2.0	2.0	2.0
Water and sewer	18.0	18.0	18.0	18.0
Totals	<u>54.0</u>	<u>54.0</u>	<u>54.0</u>	<u>56.0</u>

Source: Department of Finance

Table 16

Fiscal Year					
2020	2021	2022	2023	2024	2025
2.0	2.0	2.0	2.0	2.0	3.0
4.0	4.0	4.0	4.0	4.0	4.0
1.0	1.0	1.0	1.0	1.0	2.0
18.0	18.0	18.0	18.0	19.0	19.0
2.0	2.0	2.0	2.0	2.0	2.0
10.0	10.0	10.0	10.0	10.0	10.0
1.0	1.0	1.0	1.0	1.0	1.0
2.0	2.0	2.0	2.0	2.0	3.0
18.0	18.0	18.0	18.0	18.0	18.0
58.0	58.0	58.0	58.0	59.0	62.0

TOWN OF WOODSTOCK, VIRGINIA

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year			
	2016	2017	2018	2019
Public safety				
Police department				
Number of miles patrolled	69,992	97,265	115,421	126,000
Number of complaints investigated	8,035	9,453	8,429	8,552
Number of vehicle accidents investigated	177	168	160	126
Number of parking tickets issued	82	77	100	46
Number of traffic summons (adult)	618	713	419	539
Number of traffic summons (juvenile)	13	12	7	7
Number of criminal arrests (adult)	383	560	520	341
Number of criminal arrests (juvenile)	13	82	98	27
Public works				
Streets				
Streets resurfaced (miles per year)	1	1	1.00	1.50
Refuse				
Refuse collected (tons per year)	1,222	1,760	1,165	1,161
Recycling				
Recycling collected (tons per year)	177	181	185	189
Community development				
Planning and zoning				
Zoning permits issued	105	75	73	72
Water				
Number of water main break repairs	9	10	11	12
Average daily finished water production (mgd)	0.5760	0.6480	0.6770	0.6060
Sewer				
Number of sewer line repairs	2	2	1	1
Average daily effluent wastewater treatment (mgd)	0.6153	0.4094	0.7781	0.8235

* 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

Fiscal Year					
2020	2021	2022	2023	2024	2025
102,228	67,250	115,962	130,586	126,453	158,971
7,233	5,900	6,275	8,134	7,693	18,219
64	133	188	176	175	182
27	12	26	39	11	9
376	80	274	168	212	173
4	7	5	11	3	2
308	263	157	136	254	102
54	21	12	9	15	3
1.30	1.50	0.75	0.80	0.75	1.35
1,229	1,720	1,788	1,731	1,751	1,838
193	0	0	0	0	0
89	96	80	83	95	64
14	11	13	11	11	14
0.5770	0.5810	0.5830	0.5720	0.5730	0.5820
2	2	3	2	1	0
0.5705	0.5613	0.5400	0.5094	0.5351	0.5539

TOWN OF WOODSTOCK, VIRGINIA

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

Function/Program	Fiscal Year			
	2016	2017	2018	2019
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	6	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					
2020	2021	2022	2023	2024	2025
1	1	1	1	1	1
13	13	13	15	18	20
51	51	51	51	51	51
435	435	435	436	475	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	317	317	317	317
2.60	2.60	2.60	2.60	2.60	2.60
33	33	33	33	33	33
6	6	6	6	6	6

COMPLIANCE SECTION



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, 2025, 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 December 5, 2025.

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
December 5, 2025



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, 2025. 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, 2025.

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
December 5, 2025

TOWN OF WOODSTOCK, VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

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
Environmental Protection Agency			
Direct Payment:			
Geographic Programs-Chesapeake Bay Program	66.466	Not available	\$ <u>170,673</u>
Department of Justice:			
Pass Through Payments:			
Virginia Department of Criminal Justice Service: Edward Byrne Memorial Justice Assistance Grant	16.738	547667	\$ <u>2,799</u>
Department of the Treasury:			
Direct Payment:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 1,485,023
Pass Through Payments:			
Virginia Department of Criminal Justice Services: COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	510309	<u>100,431</u>
Subtotal Assistance Listing 21.027			\$ <u>1,585,454</u>
Total Expenditures of Federal Awards			\$ <u><u>1,758,926</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, 2025. 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 15 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 E - 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:	\$ 611,118
Business-type Activities:	<u>1,147,808</u>
Total primary government	\$ <u>1,758,926</u>

Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards

\$ 1,758,926

**Town of Woodstock, Virginia
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2025**

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:

Assistance Listing # Name of Federal Program or Cluster

21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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.