



TOWN OF OCCOQUAN

Circa 1734 | Chartered 1804 | Incorporated 1874

314 Mill Street
PO BOX 195
Occoquan, VA 22125
(703) 491-1918
occoquanva.gov
info@occoquanva.gov

Occoquan Town Council

Town Council Meeting

May 16, 2023 | 7:00 p.m.

1. **Call to Order**
2. **Public Hearings**
 - a. Public Hearing on FY2024 Proposed Tax Rates
3. **Consent Agenda**
 - a. May 2, 2023 Meeting Minutes
4. **Regular Business**
 - a. Request to Adopt Fiscal Year 2024 Tax Rates
 - b. Request to Adopt and Appropriate Fiscal Year 2024 Budget
 - c. Request to Adopt an Ordinance to amend Town Code §§ 111.04 and 111.10 to add a Business License Fee
 - d. Request to Purchase Public Safety Utility Vehicle for Rescue and Fire Suppression
 - e. Request to Execute Agreement with Weston and Sampson Engineers, Inc. for Virginia Community Flood Preparedness Fund Grant to Develop a Flood Prevention and Protection Study that Evaluates the Stormwater and Flood Resilience of the Town.
5. **Discussion Items**
 - a. Fiscal Year 2022 Financial Audit Questions
 - b. Update on Mill House Museum Expansion Architectural Design
6. **Closed Session**
7. **Adjournment**

Portions of this meeting may be held in closed session pursuant to the Virginia Freedom of Information Act.
A copy of this agenda with supporting documents is available online at www.occoquanva.gov.



TOWN OF OCCOQUAN

TOWN COUNCIL MEETING

Agenda Communication

2. Public Hearing

Meeting Date: May 16, 2023

2A: Public Hearing on Tax Rates for FY2024

Attachments: a. Public Hearing Advertisement

Submitted by: Adam C. Linn
Town Manager

Explanation and Summary:

This is a public hearing on the Proposed Tax Rates for Fiscal Year (FY) 2024. The Town Council held budget work sessions on March 7, March 21, and April 4, 2023.

The Proposed Tax Rates are posted on the Town's website at www.occoquanva.gov and are available in Town Hall, 314 Mill Street, Monday - Friday, 9 a.m. to 4 p.m.

Tax Rate Summary

1. Proposed FY2024 Real Estate Tax - Reduce the current real estate tax rate from \$0.12 to **\$0.116** per \$100 of the assessed value; and
2. Proposed FY2024 Meals Tax - Increase the current meals tax rate from 3% to **3.5%**; and
3. Proposed FY2024 Transient Occupancy Tax - Maintain the current transient occupancy tax rate of **7%**.

This public hearing is intended to provide the public with the opportunity to comment on the proposed tax rates. This public hearing was advertised in InsideNOVA on April 16, 2023, and April 27, 2023, as well as on the Town website and locations around the Town.

The Town Council may adopt the budget and tax rates on Tuesday, May 16, 2023. Fiscal Year 2024 will begin on July 1, 2023, and end on June 30, 2024.

Town Staff's Recommendation: Recommend closing the public hearing.

Proposed/Suggested Motion:

"I move to close the public hearing."

OR

Other action Council deems appropriate.

TAX RATES IN SUPPORT OF THE FISCAL YEAR (FY) 2024 BUDGET

MAY 16, 2023 – 7:00 PM

PUBLIC HEARING TO SOLICIT COMMENT ON THE FOLLOWING:

1. Proposed FY2024 Real Estate Tax - Reduce the current real estate tax rate from \$0.120 per \$100 to \$0.116 of the assessed value; and
2. Proposed FY2024 Meals Tax – Increase the current meals tax rate from 3% to 3.5%; and
3. Proposed FY2024 Transient Occupancy Tax - Maintain the current transient occupancy tax rate of 7%.
4. Proposed Business License Fee – Add new \$30 business license fee for issuing licenses

The Town Council may set the real estate tax rate at .12 cents per hundred dollars value or at a lower rate, but Virginia law does not allow a higher rate than appears in this advertisement. The Town Council may set other tax rates (such as meals tax or transient occupancy tax) either higher or lower than the advertised rates.

NOTICE OF PROPOSED REAL PROPERTY TAX INCREASE

The Town of Occoquan proposes to increase property tax levies.

1. Assessment Increase: Total assessed value of real property, excluding additional assessments due to new construction or improvements to property, exceeds last year's total assessed value of real property by 9.72 percent.
2. Lowered Rate Necessary to Offset Increased Assessment: The tax rate which would levy the same amount of real estate tax as last year, when multiplied by the new total assessed value of real estate with the exclusions mentioned above, would be \$0.1094 per \$100 of assessed value. This rate will be known as the "lowered tax rate."
3. Effective Rate Increase: The Town of Occoquan proposes to adopt a tax rate of \$0.116 per \$100 of assessed value. The difference between the lowered tax rate and the proposed rate would be \$0.0066 per \$100, or 6.03 percent. This difference will be known as the "effective tax rate increase."

Individual property taxes may, however, increase at a percentage greater than or less than the above percentage.

4. Proposed Total Budget Increase: Based on the proposed real property tax rate and changes in other revenues, the total budget of the Town of Occoquan will exceed last year's budget by 35.6 percent.

A public hearing on the increase will be held on May 16, 2023, at 7:00 p.m. at Occoquan Town Hall, 314 Mill Street, Occoquan, VA 22125.

The location of this public hearing is believed to be accessible to persons with disabilities. Any person with questions on the accessibility of the facility should contact the Town Clerk at the above address, by telephone at (703) 491-1918, or by email townclerk@occoquanva.gov. Persons needing interpreter services for the hearing impaired and/or vision impaired must notify the Town Clerk no later than one week prior to the hearing.



TOWN OF OCCOQUAN
TOWN COUNCIL MEETING
Agenda Communication

3. Consent Agenda	Meeting Date: May 16, 2023
Request to Approve Consent Agenda	

Attachments: See below

Submitted by: Adam C. Linn
Town Manager

Explanation and Summary:

This is a request to approve the consent agenda:

- a. Request to Approve May 2, 2023, Town Council Meeting Minutes

Staff Recommendation: Recommend approval as presented.

Proposed/Suggested Motion:

"I move to approve the consent agenda."

OR

Other action Council deems appropriate.



OCCOQUAN TOWN COUNCIL
Meeting Minutes - DRAFT
Town Hall - 314 Mill Street, Occoquan, VA 22125
Tuesday, May 2, 2023
7:00 p.m.

Present: Mayor Earnie Porta; Vice Mayor Jenn Loges; Councilmembers Nancy Freeborne Brinton, Theo Daubresse, Cindy Fithian, and Eliot Perkins

Absent: None

Staff: Adam Linn, Town Manager / Chief of Police; Philip Auville, Town Clerk; Matt Whitmoyer, Management Fellow; Jason Forman, Deputy Chief of Police; Julie Little, Events Director; Manuel Casillas, Town Treasurer; Bruce Reese, Town Engineer (remote); Martin Crim, Town Attorney (remote)

1. CALL TO ORDER

Mayor Porta called the meeting to order at 7:00 p.m.

2. PLEDGE OF ALLEGIANCE

3. CITIZENS' TIME

No one spoke during citizens' time.

Mayor Porta asked for unanimous consent to add to the agenda a Resolution of Appreciation and Recognition to Merial Curren and Jeffrey Curren on the Occasion of their Retirement. There being no objection, the Resolution was added to the agenda.

4. PUBLIC HEARING

a. Public Hearing on FY 2024 Proposed Budget

Mayor Porta opened the public hearing at 7:02 p.m.

Mayor Porta invited the public to speak. No one spoke at the public hearing.

Mayor Porta closed the public hearing at 7:02 p.m.

5. SPECIAL PRESENTATION

Mr. Mike Moran from Robinson, Farmer, Cox Associates presented the FYE 2022 financial audit.

Mayor Porta provided an opportunity for each Council member to ask questions if they desired. No questions were asked.

6. CONSENT AGENDA

- a. **April 18, 2023, Meeting Minutes**
- b. **Request to Set Public Hearing for a Zoning Text Amendment on Temporary Sales Trailers**
- c. **Request to Set Public Hearing for a Zoning Text Amendment on Granting the Zoning Administrator Authority to Make Modifications from the Zoning Ordinance with Respect to Physical Requirements**
- d. **Request to Set a Public Hearing for a Zoning Text Amendment on Amending the Sign Ordinance**

Councilmember Freeborne Brinton moved to approve the Consent Agenda. Councilmember Perkins seconded. Motion passed unanimously by voice vote.

7. MAYOR'S REPORT

Mayor Porta reported the following:

- On April 7th, he checked in on the start of Congressional mobile constituent service office hours.
- On April 14th, he attended public call to prayer and Iftar dinner at the Masjid al-Husain Peace Center.
- On April 18th, he met with the Town Manager and representatives from the Occoquan Pointe and Barrington Pointe HOAs, who in addition to some requests regarding the stairs that access their areas, offered to assist the town with some drainage issues. Mayor Porta noted his appreciation for their collaborative, community-minded initiative on the drainage issues.
- On April 20th, he attended the 50th anniversary luncheon of the local chapter of the National Association of Retired Federal Employees.
- On April 26th, he served as a celebrity waiter at the Lake Ridge Rotary's annual fundraiser.

Mayor Porta also noted that a member of the mosque had inquired about more regular call-to-prayer activity consistent with the town noise ordinance. He is discussing the matter with the town staff and will engage with leadership at the mosque on the issue and report back to the Council.

Mayor Porta also asked for confirmation from the Town Council about parameters for any renovation proposal requests for the museum. The Council agreed that the basic parameters of any such effort should involve (a) an addition/renovation that doubles display space, and (b) an exterior river-facing deck suitable for gatherings of 50-75 people with access from within the museum and flexibility to connect to boardwalk.

8. COUNCILMEMBER REPORTS

Councilmember Freeborne Brinton mentioned that on April 14th that she participated in Iftar dinner at the Masjid al-Husain Peace Center. She also mentioned that she is rejoining the Community Healthcare Coalition Greater Prince William Group.

Councilmember Fithian noted that she enjoyed participating in the Occoquan FOTO Clean Up on April 15th.

9. BOARDS AND COMMISSIONS

Architectural Review Board (ARB) Chair Seefeldt reported that the ARB did not meet on April 25th. Chair Seefeldt noted that Ms. Currer will remain on the ARB as the Business Representative since she still has the Patriots for Disabled Divers Non-Profit headquartered in Town.

Councilmember Perkins reported that the Planning Commission met on April 25th. He noted that the Planning Commission discussed and was finalizing the strategic plan for future directions of the

Planning Commission which will focus on the following: Maximizing Natural Resources, Town Entrances and Beautification, Business Development, Community Character, Town Mobility, and Being a Green Town.

Vice Mayor Loges thanked Councilmember Perkins for all the accomplishments and work that he puts into the Planning Commission.

10. ADMINISTRATIVE REPORTS

a. Administrative Report

Mr. Linn provided a written report as part of the agenda packet and responded to brief questions from the council.

Mayor Porta complemented staff on getting the mural project out to the public.

Councilmember Fithian commented that the police volunteer hours worked so far have exceeded a full-time officer.

Councilmember Daubresse asked if there were any updates on the Beer Garden. Mr. Linn advised that the Beer Garden had received its permit from the Town as well as their bond release. Mr. Linn further advised that the owner is currently working with the County on getting their final permit which related to a question regarding the capacity of the pergolas.

b. Town Treasurer's report

Mr. Casillas provided a written report as part of the agenda packet and responded to brief questions from the Council

Mayor Porta noted that expenses are currently 75% through the fiscal year, when straight lining up to March for the fiscal year.

The Council directed staff to create a plan for collecting delinquent taxes in Town.

c. Town Attorney

Mr. Crim provided a written report as part of the agenda packet. There were no questions.

11. REGULAR BUSINESS

a. Request to Adopt a Resolution of Appreciation and Recognition to Merial Curren and Jeffrey Curren on the Occasion of their Retirement

Vice Mayor Loges moved to adopt a Resolution of Appreciation and Recognition to Merial Curren and Jeffrey Curren on the Occasion of their Retirement. Councilmember Fithian seconded. Motion passed unanimously by roll call vote.

Ayes: Vice Mayor Loges, Councilmember Fithian, Councilmember Daubresse,
Councilmember Freeborne Brinton, Councilmember Perkins

Nays: None

b. Request to Adopt Ordinance to Amend Section 92.10 entitled Permit for Amplified Outdoor Sound of Title 9: General Regulations of the Town Code

Councilmember Perkins moved to adopt Ordinance 2023-06 to amend 92.10 of the Town

Code as presented. Councilmember Fithian seconded. Motion passed unanimously by roll call vote.

Ayes: Vice Mayor Loges, Councilmember Fithian, Councilmember Daubresse,
Councilmember Freeborne Brinton, Councilmember Perkins

Nays: None

12. CLOSED SESSION

Vice Mayor Loges moved that the Council convene in closed session to discuss the following as permitted by Virginia Code § 2.2-3711 (A)(3), a matter involving: disposition of publicly held property specifically involving 115 Commerce Street, because discussion in an open meeting would adversely affect the City's bargaining position or negotiating strategy. Councilmember Perkins seconded. Motion passed unanimously by voice vote.

The Council went into closed session at 7:51 p.m.

The Council came out of closed session at 8:05 p.m.

Vice Mayor Loges moved to certify that, in the closed session just concluded, nothing was discussed except the matter or matters (1) specifically identified in the motion to convene in closed session and (2) lawfully permitted to be discussed in a closed session under the provisions of the Virginia Freedom of Information Act as cited in that motion. Seconded by Councilmember Fithian. The motion passed unanimously by roll call vote.

Ayes: Vice Mayor Loges, Councilmember Fithian, Councilmember Daubresse, Councilmember Freeborne Brinton, Councilmember Perkins

Nays: None

13. ADJOURNMENT

The meeting was adjourned at 8:10 p.m.

Philip Auville, Town Clerk



TOWN OF OCCOQUAN
TOWN COUNCIL MEETING
Agenda Communication

4. Regular Business	Meeting Date: May 16, 2023
4A: Request to Adopt Fiscal Year 2024 Tax Rates	

Attachments: a. Notice of Proposed Tax Rates
b. Tax Rate Calculations

Submitted by: Adam C. Linn
Town Manager

Explanation and Summary:

The Town began its FY2024 budget process in January 2023 and held three budget work sessions to discuss the proposed tax rates and budget on March 7, March 21, and April 4, 2023. In addition, the Town Council held a public hearing to obtain public input on the proposed tax rates on May 16, 2023.

The published proposed tax rates include recommendations garnered from discussions held by the Town Council, staff, and the community throughout the budget process. The proposed tax rates are set forth below:

Tax Rates Summary

1. Proposed FY2024 Real Estate Tax – Decrease the current real estate tax rate from \$0.12 to \$0.116 per \$100 of the assessed value; and
2. Proposed FY2024 Meals Tax – Increase the current meals tax rate from 3% to 3.5%; and
3. Proposed FY2024 Transient Occupancy Tax - Maintain the current transient occupancy tax rate of 7%.

Town Manager’s Recommendation: Recommend adoption of the FY2024 tax rates in support of the FY2024 budget.

Cost and Financing: N/A
Account Number: N/A

Proposed/Suggested Motion:

“I move to set a real estate tax rate for the Fiscal Year 2024 beginning July 1, 2023, of \$0.116 [OR _____] per \$100 of assessed valuation.”

AND

“I move to set a meals tax rate for the Fiscal Year 2024 beginning July 1, 2023, of three and one-half percent (3.5%) [OR _____ percent].”

AND

“I move to set a transient occupancy tax rate for the Fiscal Year 2024 beginning July 1, 2023, of seven percent (7%) [OR _____ percent].”

OR

Other action Council deems appropriate.

TAX RATES IN SUPPORT OF THE FISCAL YEAR (FY) 2024 BUDGET

MAY 16, 2023 – 7:00 PM

PUBLIC HEARING TO SOLICIT COMMENT ON THE FOLLOWING:

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Individual property taxes may, however, increase at a percentage greater than or less than the above percentage.

4. Proposed Total Budget Increase: Based on the proposed real property tax rate and changes in other revenues, the total budget of the Town of Occoquan will exceed last year's budget by 35.6 percent.

A public hearing on the increase will be held on May 16, 2023, at 7:00 p.m. at Occoquan Town Hall, 314 Mill Street, Occoquan, VA 22125.

The location of this public hearing is believed to be accessible to persons with disabilities. Any person with questions on the accessibility of the facility should contact the Town Clerk at the above address, by telephone at (703) 491-1918, or by email townclerk@occoquanva.gov. Persons needing interpreter services for the hearing impaired and/or vision impaired must notify the Town Clerk no later than one week prior to the hearing.

Real Estate Tax Rate 0.1160
 Meals Tax Rate 3.00%

Taxes	Proposed Assessed	Rate	Subtotal
Real Estate Tax	248,938,525	0.1160	288,769
Meals Tax	10,218,300	3.0%	306,549
All other revenue			669,608
Total Revenues			1,264,926
General Fund Expenses			1,293,638
Net	(Transfer from Reserves)		(28,713)

Real Estate Tax Rate 0.1160
 Meals Tax Rate 3.25%

Taxes	Proposed Assessed	Rate	Subtotal
Real Estate Tax	248,938,525	0.1160	288,769
Meals Tax	10,218,300	3.3%	332,095
All other revenue			669,608
Total Revenues			1,290,471
General Fund Expenses			1,293,638
Net	(Transfer from Reserves)		(3,167)

Real Estate Tax Rate 0.1160
 Meals Tax Rate 3.50%

Taxes	Proposed Assessed	Rate	Subtotal
Real Estate Tax	248,938,525	0.1160	288,769
Meals Tax	10,218,300	3.5%	357,641
All other revenue			669,608
Total Revenues			1,316,017
General Fund Expenses			1,293,638
Net	(Transfer to Reserves)		22,379



TOWN OF OCCOQUAN
TOWN COUNCIL MEETING
 Agenda Communication

4. Regular Business	Meeting Date: May 16, 2023
4B: Request to Adopt and Appropriate Fiscal Year 2024 Budget	

- Attachments:**
- a. Changes to FY24 Proposed Budget – For Council Review
 - b. FY2024 Proposed Budget
 - c. [FY2024 Proposed Budget – Website](#)

Submitted by: Adam C. Linn
 Town Manager

Explanation and Summary:

This is a request to review changes to the FY2024 Proposed Budget and adopt and appropriate funds according to those changes.

The Town began its Fiscal Year (FY) 2024 budget process in January 2023 and held three budget work sessions to discuss the proposed tax rates and budget on March 7, March 21, and April 4, 2023. In addition, the Town Council held a public hearing to obtain public input on the proposed budget on May 2, 2023.

The proposed budget document, attached and available via a link to the Town website at www.occoquanva.gov, includes recommendations garnered from discussions held by the Town Council, staff, and the community throughout the budget process.

As a result of (1) changes that occurred since the advertising of the proposed budget, (2) projections that certain Capital Improvement Program funds will not be expended before the end of Fiscal Year 2023, and (3) projected adoption of new tax rates, staff is recommending changes to the proposed Fiscal Year 2024 budget. Detailed changes are attached, and the funds summary is below.

		FY 2023 Adopted	FY 2024 Proposed	Difference	Increase/ (Decrease)
General Fund	Revenues	\$1,227,546	\$1,316,017	\$88,471	7%
	Expenses	\$1,227,546	\$1,316,017	\$88,471	7%
Events Fund	Revenues	\$256,870	\$301,225	\$44,355	17%
	Expenses	\$196,223	\$234,280	\$38,057	19%

Capital Improvement Fund	Revenues	\$1,032,704	\$2,020,502	\$987,798	96%
	Expenditures	\$1,032,704	\$2,020,502	\$987,798	96%
Mamie Davis Fund	Revenues	\$500	\$500	\$0	0%
	Expenses	\$5,000	\$0	(\$5,000)	-100%
E-Summons Fund	Revenues	\$12,000	\$11,500	(\$500)	-4%
	Expenses	\$3,150	\$5,500	\$2,350	75%

Town Manager’s Recommendation: Recommend adoption and appropriation of the FY 2024 Budget and Capital Improvement Plan as modified.

Cost and Financing: N/A

Account Number: N/A

Proposed/Suggested Motion:

“I move to adopt the Fiscal Year 2024 General Fund Budget beginning July 1, 2023, as presented in the amount of \$1,316,017 [OR _____] and appropriate the funds for the expenses shown in the budget.”

AND

“I move to adopt the Fiscal Year 2024 Events Fund Budget beginning July 1, 2023, as presented in the amount of \$234,280 [OR _____] in expenses and \$301,225 [OR _____] in revenues and appropriate the funds for the expenses shown in the budget.”

AND

“I move to adopt the Fiscal Year 2024 Mamie Davis Fund Budget beginning July 1, 2023, as presented in the amount of \$0 in expenses and \$500 in revenues and appropriate the funds for the expenses shown in the budget.”

AND

“I move to adopt the Fiscal Year 2024 E-Summons Fund Budget beginning July 1, 2023, as presented in the amount of \$5,500 in expenses and \$11,500 in revenues and appropriate the funds for the expenses shown in the budget.”

AND

“I move to adopt the Fiscal Year 2024 Capital Improvement Plan beginning July 1, 2023, as presented in the amount of \$2,020,502 [OR _____] in expenses and \$2,020,502 [OR _____] in revenues and appropriate the funds for the expenses shown in the budget.”

OR

Other action Council deems appropriate.

FY2024 Proposed Budget - Changes For Council Review

FY2024 Funds Summary - Revenues and Expenses		FY 2023 Adopted	FY 2024 Proposed	Difference	Increase/ (Decrease)
General Fund	Revenues	\$1,227,546	\$1,316,017	\$88,471	7%
	Expenses	\$1,227,546	\$1,316,017	\$88,471	7%
Events Fund	Revenues	\$256,870	\$301,225	\$44,355	17%
	Expenses	\$196,223	\$234,280	\$38,057	19%
Capital Improvement Fund	Revenues	\$1,032,704	\$2,020,502	\$987,798	96%
	Expenditures	\$1,032,704	\$2,020,502	\$987,798	96%
Mamie Davis Fund	Revenues	\$500	\$500	\$0	0%
	Expenses	\$5,000	\$0	(\$5,000)	-100%
E-Summons Fund	Revenues	\$12,000	\$11,500	(\$500)	-4%
	Expenses	\$3,150	\$5,500	\$2,350	75%
<p><i>*Numbers in red reflect changes to the proposed budget from unexpended FY23 expenditures and new adopted tax rates (see fund level changes)</i></p>					

Account	FY2024 Proposed Budget General Fund - Expenditures	FY2022 Budget	FY2022 Actual	FY2023 Budget	FY2023 Projected (2/2023)	FY2024 Proposed	% to Projected	% to Budget	\$ to Budget
60000	Total Personnel Services	\$ 633,917	\$ 618,565	\$ 708,934	\$ 662,295	\$ 734,672	10.9%	3.6%	\$ 25,738
60400	Total Professional Services	\$ 156,770	\$ 161,634	\$ 169,321	\$ 170,827	\$ 174,325	2.0%	3.0%	\$ 5,004
60800	Total Information Technology Services	\$ 27,205	\$ 29,880	\$ 31,100	\$ 32,330	\$ 40,092	24.0%	28.9%	\$ 8,992
61200	Total Materials and Supplies	\$ 20,008	\$ 32,100	\$ 27,230	\$ 32,621	\$ 31,125	-4.6%	14.3%	\$ 3,895
61600	Total Operational Services	\$ 7,500	\$ 7,983	\$ 9,000	\$ 9,699	\$ 10,172	4.9%	13.0%	\$ 1,172
62000	Total Contracts	\$ 82,000	\$ 108,371	\$ 112,382	\$ 114,150	\$ 122,135	7.0%	8.7%	\$ 9,753
62400	Total Insurance	\$ 28,000	\$ 34,257	\$ 33,690	\$ 37,918	\$ 40,300	6.3%	19.6%	\$ 6,610
62800	Total Public Information	\$ 2,500	\$ 3,064	\$ 5,020	\$ 3,799	\$ 4,036	6.2%	-19.6%	\$ (984)
63200	Total Advertising	\$ 2,000	\$ 4,708	\$ 2,000	\$ 4,929	\$ 7,640	55.0%	282.0%	\$ 5,640
63600	Total Training and Travel	\$ 16,450	\$ 7,026	\$ 18,210	\$ 16,460	\$ 16,510	0.3%	-9.3%	\$ (1,700)
64000	Total Vehicles and Equipment	\$ 23,530	\$ 25,736	\$ 27,210	\$ 39,663	\$ 30,050	-24.2%	10.4%	\$ 2,840
64400	Total Seasonal	\$ 3,000	\$ 8,236	\$ 10,500	\$ 10,552	\$ 11,700	10.9%	11.4%	\$ 1,200
64800	Total Town Hall	\$ 10,690	\$ 14,643	\$ 11,890	\$ 11,764	\$ 12,624	7.3%	6.2%	\$ 734
65200	Total Mill House Museum	\$ 6,090	\$ 275	\$ 6,500	\$ 6,300	\$ 6,500	3.2%	0.0%	\$ -
65600	Total 200 Mill Street (LEASE TO BEERGARDEN)	\$ -	\$ 497	\$ 500	\$ -	\$ -	-100.0%	-100.0%	\$ (500)
66000	Total Police/PW Annex	\$ 5,910	\$ 4,434	\$ 5,910	\$ 3,939	\$ 3,190	-19.0%	-46.0%	\$ (2,720)
66400	Total Mill Street Storage	\$ 250	\$ -	\$ 250	\$ 250	\$ -	-100.0%	-100.0%	\$ (250)
66800	Total River Mill Park and Facility	\$ 14,970	\$ 15,883	\$ 16,200	\$ 17,241	\$ 19,318	12.0%	19.2%	\$ 3,118
67200	Total Mamie Davis Park and Riverwalk	\$ 2,650	\$ 3,166	\$ 3,600	\$ 2,496	\$ 3,350	34.2%	-6.9%	\$ (250)
67600/68000	Other Parks	\$ -	\$ 15	\$ 500	\$ 2,000	\$ 2,500			\$ 2,000
68400	Total Streets and Sidewalks	\$ 700	\$ 503	\$ 3,000	\$ 3,760	\$ 2,800	-25.5%	-6.7%	\$ (200)
68800	Total Historic District	\$ 14,100	\$ 16,028	\$ 24,600	\$ 23,739	\$ 20,600	-13.2%	-16.3%	\$ (4,000)
69200	Special Events	-	-	-	-	-			\$ -
TBD	Total Fund Transfer	\$ 5,700	-	-	-	\$ 22,379			\$ 22,379
GENERAL FUND EXPENSE TOTALS		\$ 1,063,940	\$ 1,097,005	\$ 1,227,546	\$ 1,206,732	\$ 1,316,017	9.1%	7.2%	\$ 88,472
NET REVENUE		-	\$ 28,993	\$ -	\$ 18,377	\$ (0)		7.2%	(0)

*Numbers in red reflect the change in revenues associated with the new tax rates adopted by the Town Council for FY24

Account	FY2024 Proposed Budget General Fund - Revenues	FY2022 Budget	FY2022 Actual	FY2023 Adopted	FY2023 Projected (2/2023)	FY2024 Proposed	% to Projected	% to Budget	\$ to Budget
Taxes									
40010	Real Estate Tax	\$ 249,189	\$ 253,256	\$ 275,492	\$ 275,126	\$ 288,769	5.0%	4.8%	13,277
40020	Meals Tax	\$ 228,000	\$ 269,502	\$ 282,499	\$ 282,296	\$ 357,641	26.7%	26.6%	75,142
40030	Sales Tax	\$ 30,000	\$ 35,047	\$ 36,000	\$ 42,532	\$ 40,000	-6.0%	11.1%	4,000
40040	Utility Tax	\$ 28,800	\$ 31,403	\$ 30,000	\$ 33,060	\$ 31,000	-6.2%	3.3%	1,000
40050	Communications Tax	\$ 35,000	\$ 33,130	\$ 33,000	\$ 32,421	\$ 33,000	1.8%	0.0%	-
40060	Transient Occupancy Tax	\$ 11,200	\$ 14,589	\$ 14,500	\$ 23,341	\$ 21,000	-10.0%	44.8%	6,500
Fees									
41010	Vehicle License Fee	\$ 12,000	\$ 10,500	\$ 11,000	\$ 10,338	\$ 11,000	6.4%	0.0%	-
41020	Business Licenses	\$ 68,800	\$ 63,821	\$ 68,800	\$ 66,500	\$ 75,000	12.8%	9.0%	6,200
41025	Business License Fee					\$ 4,140			4,140
41030	Late Fees	\$ 2,500	\$ 1,500	\$ 2,500	\$ 2,079	\$ 1,500	-27.8%	-40.0%	(1,000)
41040	Fines - Public Safety	\$ 297,580	\$ 334,516	\$ 345,000	\$ 319,683	\$ 349,830	9.4%	1.4%	4,830
41100	Administrative Fees	\$ 5,000	\$ 6,800	\$ 10,000	\$ 6,053	\$ 8,500	40.4%	-15.0%	(1,500)
41120	Service Revenue - Engineering	\$ 10,000	\$ 12,000	\$ 10,000	\$ 14,784	\$ 14,000	-5.3%	40.0%	4,000
41130	Service Revenue - Legal	\$ 10,000	\$ 6,500	\$ 10,000	\$ 3,000	\$ 10,000	233.3%	0.0%	-
41140	Service Revenue - Other	\$ 1,000	\$ 500	\$ 500	\$ 400	\$ 500	25.0%	0.0%	-
41000	Fees - Other	\$ 2,500	\$ 1,420	\$ 1,500	\$ 1,178	\$ 3,000	154.7%	100.0%	1,500
Grants									
42010	Litter Grant	\$ 1,050	\$ 1,329	\$ 1,329	\$ 3,025	\$ 1,329	-56.1%	0.0%	-
42020	Public Safety (HB599)	\$ 23,686	\$ 23,686	\$ 35,688	\$ 26,040	\$ 26,821	3.0%	-24.8%	(8,867)
42021	NHSTA (DMV)	\$ 14,594	\$ 10,000	\$ 15,000	\$ 14,493	\$ 15,375	6.1%	2.5%	375
42040	PEG	\$ -	\$ -	\$ -	\$ -	\$ -			-
	Other Grants	\$ -	\$ 8,599	\$ -	\$ 30,226	\$ -	-100.0%		-
Public Property Leases and Rentals									
43010	Town Hall Rentals	\$ 500	\$ -	\$ -	\$ -	\$ -			-
43020	River Mill Park Rentals	\$ 2,000	\$ 3,900	\$ 3,000	\$ 1,700	\$ 3,000	76.5%	0.0%	-
43030	Mamie Davis Park Rentals	\$ 2,000	\$ 1,500	\$ 2,000	\$ 1,750	\$ 1,500	-14.3%	-25.0%	(500)
	200 Mill Street Lease	\$ 7,500	\$ -	\$ 7,613	\$ 7,613	\$ 7,613	0.0%	0.0%	1
Other									
44010	General Fund Interest	\$ 120	\$ 900	\$ 900	\$ 26,897	\$ 10,200	-62.1%	1033.3%	9,300
44040	Brick Program	\$ -	\$ -	\$ -	\$ -	\$ 300			300
44060	Other Revenues	\$ 1,000	\$ 1,600	\$ 1,000	\$ 576	\$ 1,000	73.6%	0.0%	-
	GENERAL FUND REVENUE TOTALS	\$ 1,044,019	\$ 1,125,998	\$ 1,197,321	\$ 1,225,109	\$ 1,316,017	7.4%	9.9%	118,697

**Numbers in red reflect the change in revenues associated with the new tax rates adopted by the Town Council for FY24*

FY2024 Proposed Budget - Changes For Council Review

Account	FY2024 Proposed Budget Events Fund - Revenues SUMMARY ALL ACTIVITIES	FY2022 Budget	FY2022 Actuals (unaudited)	FY2023 Budget	FY2023 Projected	FY2024 Proposed	FY2024 Changes	% to Projected	% to Budget	\$ to Budget	\$ to Proposed	\$ to Proposed
Event Revenues												
47010	Sponsorships	5,000	14,138	13,000	15,606	42,500	42,500	172.3%	226.9%	29,500	-	0.00%
47020	Booth Rentals	160,800	142,898	138,195	157,640	160,375	160,375	1.7%	16.0%	22,180	-	0.00%
47030	Shuttle Fees	50,760	50,023	66,600	59,574	60,500	60,500	1.6%	-9.2%	(6,100)	-	0.00%
47040	Parking Space Sales	5,650	7,500	7,725	9,525	8,900	8,900	-6.6%	15.2%	1,175	-	0.00%
47060	Merchandise	8,950	1,185	1,750	1,810	3,000	3,000	65.7%	71.4%	1,250	-	0.00%
47021	Ticket Sales	-	12,234	11,100	8,913	11,600	11,600	30.1%	4.5%	500	-	0.00%
Other Revenues												
44040	Bricks Program	3,000	-	1,800	1,130	1,275	1,275	12.9%	-29.2%	(525)	-	0.00%
41160	Convenience Fees	-	5,606	5,500	5,257	5,875	5,875	11.8%	6.8%	375	-	0.00%
44020	Events Fund Interest	3,000	2,138	1,200	1,200	1,200	1,200	0.0%	0.0%	-	-	0.00%
47000	Other Revenue	-	3,027	10,000	12,290	10,000	6,000	-18.6%	0.0%	-	(4,000)	-40.00%
Total Events Fund Revenues		237,160	238,750	256,870	272,946	305,225	301,225	11.8%	18.8%	48,355	(4,000)	(0.01)

*Numbers in red reflect the change in fund revenues and net revenue from a lower grant funding amount than expected

Account	FY2024 Proposed Budget Events Fund - Expenses SUMMARY ALL ACTIVITIES	FY2022 Budget	FY2022 Actuals (unaudited)	FY2023 Budget	FY2023 Projected	FY2024 Proposed	FY2024 Changes	% to Projected	% to Budget	\$ to Budget	\$ to Proposed	\$ to Proposed
60000	Total Personnel Services	62,892	65,395	71,548	67,036	84,530	84,530	26.1%	18.1%	12,983	-	0.00%
60400	Total Professional Services	10,000	16,263	10,000	16,334	17,600	17,600	7.7%	76.0%	7,600	-	0.00%
60800	Total Information Tech Services	-	1,171	-	1,208	1,200	1,200	-0.6%		1,200	-	0.00%
61200	Total Material and Supplies	5,150	8,236	9,400	15,930	18,025	18,025	13.2%	91.8%	8,625	-	0.00%
62000	Total Contracts	66,700	59,577	64,875	68,714	75,125	75,125	9.3%	15.8%	10,250	-	0.00%
63200	Total Advertising	19,000	22,824	25,500	22,618	24,875	24,875	10.0%	-2.5%	(625)	-	0.00%
64000	Vehicles and Equipment	-	59	-	-	-	-			-	-	
66800	River Mill Park and Facility	1,000	594	650	440	600	600	36.4%	-7.7%	(50)	-	0.00%
69200	Total Special Events	12,700	18,133	14,250	19,405	12,325	12,325	-36.5%	-13.5%	(1,925)	-	0.00%
Total Events Fund Expenses		177,442	192,252	196,223	211,684	234,280	234,280	10.7%	19.4%	38,058	-	0.00%

Total Events Fund Net Revenue		59,718	46,498	60,647	61,262	70,945	66,945	15.8%	17.0%	10,297	(4,000)	-6%
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*Numbers in red reflect the change in fund revenues and net revenue from a lower grant funding amount than expected

FY2024 Proposed Budget Capital Improvement Program	Activity	Funding Source	FY24	Changes to Proposed FY24	FY25	FY26	FY27	FY28	Project Total	Changed Totals	Difference Proposed vs. Changed	% Changed to Proposed
Street and Parking Improvements	Public Works	SLFRF/CIP	\$ 10,000	\$ 10,000	\$ -	\$ 25,000	\$ -	\$ -	\$ 35,000	\$ 35,000	\$ -	0%
Sidewalk Improvements	Public Works	CIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	\$ 40,000	\$ -	0%
Riverwalk Improvements	Public Works	SLFRF	\$ 26,204	\$ 26,204	\$ 127,507	\$ -	\$ -	\$ -	\$ 153,711	\$ 153,711	\$ -	0%
Building and Parks Improvements	Public Works	SLFRF/CIP	\$ 62,000	\$ 62,000	\$ -	\$ -	\$ 8,000	\$ -	\$ 70,000	\$ 70,000	\$ -	0%
Vehicles and Equipment Improvements	Public Safety	CIP/Grants	\$ 65,725	\$ 65,725	\$ 34,350	\$ 39,350	\$ 20,000	\$ 13,000	\$ 172,425	\$ 172,425	\$ -	0%
Stormwater Improvements	Public Works	SLFRF/Grant	\$ 1,639,140	\$ 1,806,073	\$ -	\$ -	\$ -	\$ -	\$ 1,639,140	\$ 1,806,073	\$ 166,933	10%
Streetscape and Infrastructure Improvements (FY23 Other Infrastructure)			\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000	
Information Technology Improvements	Administration	SLFRF / CIP	\$ 5,500	\$ 5,500	\$ 5,500	\$ 20,500	\$ -	\$ -	\$ 31,500	\$ 31,500	\$ -	0%
Other Projects (FY23 SLFRF Administration)			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total			\$ 1,808,569	\$ 2,020,502	\$ 167,357	\$ 84,850	\$ 28,000	\$ 53,000	\$ 2,141,776	\$ 2,353,709	\$ 211,933	10%

Fund Source Summary	FY24	Changes to Proposed FY24	FY25	FY26	FY27	FY28	5-Year CIP Project Total	Changed 5-Year Total
CIP Funds	\$ 18,363	\$ 18,363	\$ 16,675	\$ 75,175	\$ 21,500	\$ 46,500	\$ 178,213	\$ 178,213
SLFRF Spending Plan Funds	\$ 495,482	\$ 538,079	\$ 141,007				\$ 636,489	\$ 679,086
599 Funding (Capital)	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 6,500	\$ 6,500	\$ 40,000	\$ 40,000
Other Grants	\$ 1,285,725	\$ 1,455,060	\$ 675	\$ 675			\$ 1,287,075	\$ 1,456,410
Total	\$ 1,808,569	\$ 2,020,502	\$ 167,357	\$ 84,850	\$ 28,000	\$ 53,000	\$ 2,141,776	\$ 2,353,709

Proposed Budget by Activity	FY24	Changes to Proposed FY24	FY25	FY26	FY27	FY28	5-Year CIP Project Total	Changed 5-Year Total
Administration	\$ 5,500	\$ 5,500	\$ 5,500	\$ 20,500	\$ -	\$ -	\$ 31,500	\$ 31,500
Public Safety	\$ 65,725	\$ 65,725	\$ 26,350	\$ 39,350	\$ 20,000	\$ 13,000	\$ 164,425	\$ 164,425
Public Works	\$ 1,737,344	\$ 1,949,277	\$ 135,507	\$ 25,000	\$ 8,000	\$ 40,000	\$ 1,945,851	\$ 2,157,784
Total	\$ 1,808,569	\$ 2,020,502	\$ 167,357	\$ 84,850	\$ 28,000	\$ 53,000	\$ 2,141,776	\$ 2,353,709

*Numbers in red reflect changes to the proposed budget from unexpended FY23 expenditures in stormwater, public art and signage that will be reappropriated in FY24

FY2024 Proposed Budget - For Adoption

FY2024 Funds Summary - Revenues and Expenses		FY 2023 Adopted	FY 2024 Proposed	Difference	Increase/ (Decrease)
General Fund	Revenues	\$1,227,546	\$1,316,017	\$88,471	7%
	Expenses	\$1,227,546	\$1,316,017	\$88,471	7%
Events Fund	Revenues	\$256,870	\$301,225	\$44,355	17%
	Expenses	\$196,223	\$234,280	\$38,057	19%
Capital Improvement Fund	Revenues	\$1,032,704	\$2,020,502	\$987,798	96%
	Expenditures	\$1,032,704	\$2,020,502	\$987,798	96%
Mamie Davis Fund	Revenues	\$500	\$500	\$0	0%
	Expenses	\$5,000	\$0	(\$5,000)	-100%
E-Summons Fund	Revenues	\$12,000	\$11,500	(\$500)	-4%
	Expenses	\$3,150	\$5,500	\$2,350	75%
<p><i>*Numbers in red reflect changes to the proposed budget from unexpended FY23 expenditures and new adopted tax rates (see fund level changes)</i></p>					

Account	FY2024 Proposed Budget General Fund - Expenditures	FY2022 Budget	FY2022 Actual	FY2023 Budget	FY2023 Projected (2/2023)	FY2024 Proposed	% to Projected	% to Budget	\$ to Budget
60000	Total Personnel Services	\$ 633,917	\$ 618,565	\$ 708,934	\$ 662,295	\$ 734,672	10.9%	3.6%	\$ 25,738
60400	Total Professional Services	\$ 156,770	\$ 161,634	\$ 169,321	\$ 170,827	\$ 174,325	2.0%	3.0%	\$ 5,004
60800	Total Information Technology Services	\$ 27,205	\$ 29,880	\$ 31,100	\$ 32,330	\$ 40,092	24.0%	28.9%	\$ 8,992
61200	Total Materials and Supplies	\$ 20,008	\$ 32,100	\$ 27,230	\$ 32,621	\$ 31,125	-4.6%	14.3%	\$ 3,895
61600	Total Operational Services	\$ 7,500	\$ 7,983	\$ 9,000	\$ 9,699	\$ 10,172	4.9%	13.0%	\$ 1,172
62000	Total Contracts	\$ 82,000	\$ 108,371	\$ 112,382	\$ 114,150	\$ 122,135	7.0%	8.7%	\$ 9,753
62400	Total Insurance	\$ 28,000	\$ 34,257	\$ 33,690	\$ 37,918	\$ 40,300	6.3%	19.6%	\$ 6,610
62800	Total Public Information	\$ 2,500	\$ 3,064	\$ 5,020	\$ 3,799	\$ 4,036	6.2%	-19.6%	\$ (984)
63200	Total Advertising	\$ 2,000	\$ 4,708	\$ 2,000	\$ 4,929	\$ 7,640	55.0%	282.0%	\$ 5,640
63600	Total Training and Travel	\$ 16,450	\$ 7,026	\$ 18,210	\$ 16,460	\$ 16,510	0.3%	-9.3%	\$ (1,700)
64000	Total Vehicles and Equipment	\$ 23,530	\$ 25,736	\$ 27,210	\$ 39,663	\$ 30,050	-24.2%	10.4%	\$ 2,840
64400	Total Seasonal	\$ 3,000	\$ 8,236	\$ 10,500	\$ 10,552	\$ 11,700	10.9%	11.4%	\$ 1,200
64800	Total Town Hall	\$ 10,690	\$ 14,643	\$ 11,890	\$ 11,764	\$ 12,624	7.3%	6.2%	\$ 734
65200	Total Mill House Museum	\$ 6,090	\$ 275	\$ 6,500	\$ 6,300	\$ 6,500	3.2%	0.0%	\$ -
65600	Total 200 Mill Street (LEASE TO BEERGARDEN)	\$ -	\$ 497	\$ 500	\$ -	\$ -	-100.0%	-100.0%	\$ (500)
66000	Total Police/PW Annex	\$ 5,910	\$ 4,434	\$ 5,910	\$ 3,939	\$ 3,190	-19.0%	-46.0%	\$ (2,720)
66400	Total Mill Street Storage	\$ 250	\$ -	\$ 250	\$ 250	\$ -	-100.0%	-100.0%	\$ (250)
66800	Total River Mill Park and Facility	\$ 14,970	\$ 15,883	\$ 16,200	\$ 17,241	\$ 19,318	12.0%	19.2%	\$ 3,118
67200	Total Mamie Davis Park and Riverwalk	\$ 2,650	\$ 3,166	\$ 3,600	\$ 2,496	\$ 3,350	34.2%	-6.9%	\$ (250)
67600/68000	Other Parks	\$ -	\$ 15	\$ 500	\$ 2,000	\$ 2,500			\$ 2,000
68400	Total Streets and Sidewalks	\$ 700	\$ 503	\$ 3,000	\$ 3,760	\$ 2,800	-25.5%	-6.7%	\$ (200)
68800	Total Historic District	\$ 14,100	\$ 16,028	\$ 24,600	\$ 23,739	\$ 20,600	-13.2%	-16.3%	\$ (4,000)
69200	Special Events	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
TBD	Total Fund Transfer	\$ 5,700	\$ -	\$ -	\$ -	\$ 22,379			\$ 22,379
GENERAL FUND EXPENSE TOTALS		\$ 1,063,940	\$ 1,097,005	\$ 1,227,546	\$ 1,206,732	\$ 1,316,017	9.1%	7.2%	\$ 88,472
NET REVENUE		-	\$ 28,993	\$ -	\$ 18,377	\$ (0)		7.2%	(0)

*Numbers in red reflect the change in revenues associated with the new tax rates adopted by the Town Council for FY24

Account	FY2024 Proposed Budget General Fund - Revenues	FY2022 Budget	FY2022 Actual	FY2023 Adopted	FY2023 Projected (2/2023)	FY2024 Proposed	% to Projected	% to Budget	\$ to Budget
Taxes									
40010	Real Estate Tax	\$ 249,189	\$ 253,256	\$ 275,492	\$ 275,126	\$ 288,769	5.0%	4.8%	13,277
40020	Meals Tax	\$ 228,000	\$ 269,502	\$ 282,499	\$ 282,296	\$ 357,641	26.7%	26.6%	75,142
40030	Sales Tax	\$ 30,000	\$ 35,047	\$ 36,000	\$ 42,532	\$ 40,000	-6.0%	11.1%	4,000
40040	Utility Tax	\$ 28,800	\$ 31,403	\$ 30,000	\$ 33,060	\$ 31,000	-6.2%	3.3%	1,000
40050	Communications Tax	\$ 35,000	\$ 33,130	\$ 33,000	\$ 32,421	\$ 33,000	1.8%	0.0%	-
40060	Transient Occupancy Tax	\$ 11,200	\$ 14,589	\$ 14,500	\$ 23,341	\$ 21,000	-10.0%	44.8%	6,500
Fees									
41010	Vehicle License Fee	\$ 12,000	\$ 10,500	\$ 11,000	\$ 10,338	\$ 11,000	6.4%	0.0%	-
41020	Business Licenses	\$ 68,800	\$ 63,821	\$ 68,800	\$ 66,500	\$ 75,000	12.8%	9.0%	6,200
41025	Business License Fee					\$ 4,140			4,140
41030	Late Fees	\$ 2,500	\$ 1,500	\$ 2,500	\$ 2,079	\$ 1,500	-27.8%	-40.0%	(1,000)
41040	Fines - Public Safety	\$ 297,580	\$ 334,516	\$ 345,000	\$ 319,683	\$ 349,830	9.4%	1.4%	4,830
41100	Administrative Fees	\$ 5,000	\$ 6,800	\$ 10,000	\$ 6,053	\$ 8,500	40.4%	-15.0%	(1,500)
41120	Service Revenue - Engineering	\$ 10,000	\$ 12,000	\$ 10,000	\$ 14,784	\$ 14,000	-5.3%	40.0%	4,000
41130	Service Revenue - Legal	\$ 10,000	\$ 6,500	\$ 10,000	\$ 3,000	\$ 10,000	233.3%	0.0%	-
41140	Service Revenue - Other	\$ 1,000	\$ 500	\$ 500	\$ 400	\$ 500	25.0%	0.0%	-
41000	Fees - Other	\$ 2,500	\$ 1,420	\$ 1,500	\$ 1,178	\$ 3,000	154.7%	100.0%	1,500
Grants									
42010	Litter Grant	\$ 1,050	\$ 1,329	\$ 1,329	\$ 3,025	\$ 1,329	-56.1%	0.0%	-
42020	Public Safety (HB599)	\$ 23,686	\$ 23,686	\$ 35,688	\$ 26,040	\$ 26,821	3.0%	-24.8%	(8,867)
42021	NHSTA (DMV)	\$ 14,594	\$ 10,000	\$ 15,000	\$ 14,493	\$ 15,375	6.1%	2.5%	375
42040	PEG	\$ -	\$ -	\$ -	\$ -	\$ -			-
	Other Grants	\$ -	\$ 8,599	\$ -	\$ 30,226	\$ -	-100.0%		-
Public Property Leases and Rentals									
43010	Town Hall Rentals	\$ 500	\$ -	\$ -	\$ -	\$ -			-
43020	River Mill Park Rentals	\$ 2,000	\$ 3,900	\$ 3,000	\$ 1,700	\$ 3,000	76.5%	0.0%	-
43030	Mamie Davis Park Rentals	\$ 2,000	\$ 1,500	\$ 2,000	\$ 1,750	\$ 1,500	-14.3%	-25.0%	(500)
	200 Mill Street Lease	\$ 7,500	\$ -	\$ 7,613	\$ 7,613	\$ 7,613	0.0%	0.0%	1
Other									
44010	General Fund Interest	\$ 120	\$ 900	\$ 900	\$ 26,897	\$ 10,200	-62.1%	1033.3%	9,300
44040	Brick Program	\$ -	\$ -	\$ -	\$ -	\$ 300			300
44060	Other Revenues	\$ 1,000	\$ 1,600	\$ 1,000	\$ 576	\$ 1,000	73.6%	0.0%	-
	GENERAL FUND REVENUE TOTALS	\$ 1,044,019	\$ 1,125,998	\$ 1,197,321	\$ 1,225,109	\$ 1,316,017	7.4%	9.9%	118,697

*Numbers in red reflect the change in revenues associated with the new tax rates adopted by the Town Council for FY24

FY2024 Proposed Budget - For Adoption

Account	FY2024 Proposed Budget Events Fund - Revenues SUMMARY ALL ACTIVITIES	FY2022 Budget	FY2022 Actuals (unaudited)	FY2023 Budget	FY2023 Projected	FY2024 Proposed	% to Projected	% to Budget	\$ to Budget
Event Revenues									
47010	Sponsorships	5,000	14,138	13,000	15,606	42,500	172.3%	226.9%	29,500
47020	Booth Rentals	160,800	142,898	138,195	157,640	160,375	1.7%	16.0%	22,180
47030	Shuttle Fees	50,760	50,023	66,600	59,574	60,500	1.6%	-9.2%	(6,100)
47040	Parking Space Sales	5,650	7,500	7,725	9,525	8,900	-6.6%	15.2%	1,175
47060	Merchandise	8,950	1,185	1,750	1,810	3,000	65.7%	71.4%	1,250
47021	Ticket Sales	-	12,234	11,100	8,913	11,600	30.1%	4.5%	500
Other Revenues									
44040	Bricks Program	3,000	-	1,800	1,130	1,275	12.9%	-29.2%	(525)
41160	Convenience Fees	-	5,606	5,500	5,257	5,875	11.8%	6.8%	375
44020	Events Fund Interest	3,000	2,138	1,200	1,200	1,200	0.0%	0.0%	-
47000	Other Revenue	-	3,027	10,000	12,290	6,000	-51.2%	-40.0%	(4,000)
Total Events Fund Revenues		237,160	238,750	256,870	272,946	301,225	10.4%	17.3%	44,355

**Numbers in red reflect the change in fund revenues and net revenue from a lower grant funding amount than expected*

Account	FY2024 Proposed Budget Events Fund - Expenses SUMMARY ALL ACTIVITIES	FY2022 Budget	FY2022 Actuals (unaudited)	FY2023 Budget	FY2023 Projected	FY2024 Changes	% to Projected	% to Budget	\$ to Budget
60000	Total Personnel Services	62,892	65,395	71,548	67,036	84,530	26.1%	18.1%	12,983
60400	Total Professional Services	10,000	16,263	10,000	16,334	17,600	7.7%	76.0%	7,600
60800	Total Information Tech Services	-	1,171	-	1,208	1,200	-0.6%	#DIV/0!	1,200
61200	Total Material and Supplies	5,150	8,236	9,400	15,930	18,025	13.2%	91.8%	8,625
62000	Total Contracts	66,700	59,577	64,875	68,714	75,125	9.3%	15.8%	10,250
63200	Total Advertising	19,000	22,824	25,500	22,618	24,875	10.0%	-2.5%	(625)
64000	Vehicles and Equipment	-	59	-	-	-			-
66800	River Mill Park and Facility	1,000	594	650	440	600	36.4%	-7.7%	(50)
69200	Total Special Events	12,700	18,133	14,250	19,405	12,325	-36.5%	-13.5%	(1,925)
Total Events Fund Expenses		177,442	192,252	196,223	211,684	234,280	10.7%	19.4%	38,058

Total Events Fund Net Revenue		59,718	46,498	60,647	61,262	66,945	9.3%	10.4%	6,297
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**Numbers in red reflect the change in fund revenues and net revenue from a lower grant funding amount than expected*

FY2024 Proposed Budget - For Adoption

Account	FY2024 Proposed Budget Mamie Davis Fund - Revenues	FY2022 Budget	FY2022 Actual	FY2023 Budget	FY2023 Projected	FY2024 Proposed	% to Projected	% to Budget	\$ to Budget
44030	Mamie Davis Fund Interest	500	500	500	500	500	0.0%	0.0%	-
43030	Rentals	-	-	-	-	-			-
	Totals	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	0.0%	0.0%	\$ -

Account	FY2024 Proposed Budget Mamie Davis Fund - Expenses	FY2022 Budget	FY2022 Actual	FY2023 Budget	FY2023 Projected	FY2024 Proposed	% to Projected	% to Budget	\$ to Budget
7000	Capital Projects	2,000	-	5,000	5,000	-	-100.0%	-100.0%	(5,000)
	Totals	\$ 2,000	\$ -	\$ 5,000	\$ 5,000	\$ -	-100.0%	-100.0%	\$ (5,000)

Fund Balance (6/30/2022)	\$ 11,492
Capital Expense FY23	(5,000)
Revenue FY23	500
Fund Balance Estimate 6/30/2023	\$ 6,992
Capital Expenses FY2024	-
Revenue FY24	500
Fund Balance Estimate 6/30/2024	\$ 7,492

FY2024 Proposed Budget - For Adoption

Account	FY2024 Proposed Budget E-Summons Fund - Revenues	FY2022 Budget	FY2022 Actual	FY2023 Adopted	FY2023 Projected	FY2024 Proposed	% to Projected	% to Budget	\$ to Budget
41170	E-Summons Revenue	-	11,215	12,000	11,605	11,500	-0.9%	-4.2%	(500)
	E-Summons Fund Interest	-	-	-	-	-			-
	Totals	\$ -	\$ 11,215	\$ 12,000	\$ 11,605	\$ 11,500			\$ (500)

Account	FY2024 Proposed Budget E- Summons Fund - Expenses	FY2022 Budget	FY2022 Actual	FY2023 Adopted	FY2023 Projected	FY2024 Proposed	% to Projected	% to Budget	\$ to Budget
60860	Hardware/Software Maintenance	-	-	1,750	1,100	4,300	290.9%	145.7%	2,550
61220	Operational Supplies	-	-	1,400	800	1,200	50.0%	-14.3%	(200)
	Totals	\$ -	\$ -	\$ 3,150	\$ 1,900	\$ 5,500			\$ 2,350

Fund Balance (6/30/2022)	\$ 24,059
Expense FY23	1,900
Revenue FY23	11,605
Fund Balance Estimate 6/30/2023	\$ 33,764
Expenses FY2024	5,500
Revenue FY24	11,500
Fund Balance Estimate 6/30/2024	\$ 39,764

FY2024 Proposed Budget Capital Improvement Program	Activity	Funding Source	FY24	FY25	FY26	FY27	FY28	Totals
Street and Parking Improvements	Public Works	SLFRF/CIP	\$ 10,000	\$ -	\$ 25,000	\$ -	\$ -	\$ 35,000
Sidewalk Improvements	Public Works	CIP	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000
Riverwalk Improvements	Public Works	SLFRF	\$ 26,204	\$ 127,507	\$ -	\$ -	\$ -	\$ 153,711
Building and Parks Improvements	Public Works	SLFRF/CIP	\$ 62,000	\$ -	\$ -	\$ 8,000	\$ -	\$ 70,000
Vehicles and Equipment Improvements	Public Safety	CIP/Grants	\$ 65,725	\$ 34,350	\$ 39,350	\$ 20,000	\$ 13,000	\$ 172,425
Stormwater Improvements	Public Works	SLFRF/Grant	\$ 1,806,073	\$ -	\$ -	\$ -	\$ -	\$ 1,806,073
Streetscape and Infrastructure Improvements (FY23 Other Infrastructure)			\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000
Information Technology Improvements	Administration	SLFRF / CIP	\$ 5,500	\$ 5,500	\$ 20,500	\$ -	\$ -	\$ 31,500
Other Projects (FY23 SLFRF Administration)				\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ 2,020,502	\$ 167,357	\$ 84,850	\$ 28,000	\$ 53,000	\$ 2,353,709

Fund Source Summary	FY24	FY25	FY26	FY27	FY28	5-Year Total
CIP Funds	\$ 18,363	\$ 16,675	\$ 75,175	\$ 21,500	\$ 46,500	\$ 178,213
SLFRF Spending Plan Funds	\$ 538,079	\$ 141,007				\$ 679,086
599 Funding (Capital)	\$ 9,000	\$ 9,000	\$ 9,000	\$ 6,500	\$ 6,500	\$ 40,000
Other Grants	\$ 1,455,060	\$ 675	\$ 675			\$ 1,456,410
Total	\$ 2,020,502	\$ 167,357	\$ 84,850	\$ 28,000	\$ 53,000	\$ 2,353,709

Proposed Budget by Activity	FY24	FY25	FY26	FY27	FY28	5-Year Total
Administration	\$ 5,500	\$ 5,500	\$ 20,500	\$ -	\$ -	\$ 31,500
Public Safety	\$ 65,725	\$ 26,350	\$ 39,350	\$ 20,000	\$ 13,000	\$ 164,425
Public Works	\$ 1,949,277	\$ 135,507	\$ 25,000	\$ 8,000	\$ 40,000	\$ 2,157,784
Total	\$ 2,020,502	\$ 167,357	\$ 84,850	\$ 28,000	\$ 53,000	\$ 2,353,709

**Numbers in red reflect changes to the proposed budget from unexpended FY23 expenditures in stormwater, public art and signage that will be reappropriated in FY24*



TOWN OF OCCOQUAN
TOWN COUNCIL MEETING
Agenda Communication

4. Regular Business	Meeting Date: May 16, 2023
4C: Request to Adopt an Ordinance to amend Town Code §§ 111.04 and 111.10 to add a Business License Fee	

Attachments: a. Draft Ordinance

Submitted by: Adam C. Linn
Town Manager

Explanation and Summary:

This is a request to approve and adopt an ordinance to amend Town Code §§ 111.04 and 111.10 to add a fee for issuing a business license, effective July 1, 2023.

As part of the FY2024 Annual Budget process, Town staff has proposed a new \$30 Business License Fee that requires an amendment to Title XI of the Town Code. The fee is authorized pursuant to Virginia Code § §§ 58.1-3700 et seq. The revenues generated from this tax will go towards the funding of a non-profit organization that will promote tourism and economic development in the town and support Town events, with the long-term goal of helping the organization become Occoquan’s Main Street America affiliate.

The new fee was advertised, along with the proposed FY2024 tax rates, in InsideNOVA on April 16, 2023, and April 27, 2023, as well as on the Town website and locations around the Town.

Staff Recommendation: Adopt the ordinance as presented.

Cost and Financing: N/A

Account Number: N/A

Proposed/Suggested Motion:

“I move to adopt Ordinance 2023-07 to amend Town Code §§ 111.04 and 111.10 to add a Business License Fee, as presented.”

OR

Other action Council deems appropriate.

ORDINANCE # O-2023-07

AN ORDINANCE TO AMEND THE TOWN CODE BY AMENDING TOWN CODE §§ 111.04 AND 111.10 TO ADD A BUSINESS LICENSE FEE

WHEREAS, the Town is authorized to require business licenses and impose license taxes and fees pursuant to Virginia Code § §§ 58.1-3700 et seq.; and

WHEREAS, the Town Council has advertised and held a public hearing on a proposed business license fee as well as all proposed tax rates for Fiscal Year 2024; and

WHEREAS, to increase funding for tourism and marketing efforts that benefit town businesses and residents, the Town Council desires to add a business license fee.

NOW THEREFORE BE IT ORDAINED by the Council for the Town of Occoquan, Virginia meeting in Regular session this 16th day of May, 2023:

1. That the Town Council hereby amends Town Code §§ 111.04 and 111.10 as follows:

§ 111.04 LICENSE REQUIREMENT.

(A) Every person in the town engaging in any business, trade, profession, occupation, or calling, unless otherwise exempted by law, shall apply for a license for each such business, trade, profession, occupation, or calling if such person maintains a definite place of business in the town; such person does not maintain a definite place of business anywhere but the person resides in the town, which residence for the purposes of this chapter shall be deemed a definite place of business; or there is no definite place of business in the town but such person operates amusement machines, is engaged as a peddler or itinerant merchant, carnival, or circus as specified in VA Code §§ 58.1-3717, 58.1-3718, or 58.1-3728, respectively, or is a contractor subject to VA Code § 58.1-3715, or is a public service corporation subject to VA Code § 58.1-3731. A separate license shall be required for each definite place of business and for each business. A person engaged in two or more businesses or professions carried on at the same place of business may elect to obtain one license for all such businesses and professions if all of the following criteria are satisfied:

(1) Each business or profession is subject to licensure at the location and has satisfied any requirements imposed by state law or other provisions of the ordinances of the town;

(2) All of the businesses or professions are subject to the same tax rate, or, if subject to different tax rates, the licensee agrees to be taxed on all businesses and professions at the highest rate; and

(3) The taxpayer agrees to supply such information as the Assessor may require concerning the nature of the several businesses and their gross receipts.

(B) Each person subject to a license tax and fee shall apply for a license prior to beginning business if he or she was not subject to licensing in the town on or before January 1 of the license year, or no later than March 1 of the current license year if he or she had been issued a license for the preceding license year. The application shall be on forms prescribed by the Town Treasurer.

(C) The fee for issuing a license shall be paid with the application. The tax shall be paid with the application in the case of any new business or license not based on gross receipts. If the tax is measured by the gross receipts of the business, the tax shall be paid on or before March 1 each year.

(D) The Town Treasurer may grant an extension of time, not to exceed 90 days, in which to file an application for a license, for reasonable cause. The extension shall be conditioned upon the timely payment of a reasonable estimate of the appropriate tax, subject to adjustment to the correct tax at the end of the extension, together with interest from the due date until the date paid and, if the estimate submitted with the extension is found to be unreasonable under the circumstances, with a penalty of 10% of the portion paid after the due date.

(E) A penalty of 10% of the tax may be imposed upon the failure to file an application or the failure to pay the tax by the due date. Only the late filing penalty shall be imposed by the Assessing Official if both the application and payment are late; however, both penalties may be assessed if the Town Treasurer determines that the taxpayer has a history of noncompliance. In the case of an assessment of additional tax made by the Town Treasurer, if the application and, if applicable, the return were made in good faith and the understatement of the tax was not due to any fraud, reckless, or intentional disregard of the law by the taxpayer, there shall be no late payment penalty assessed with the additional tax. If any assessment of tax by the Town Treasurer is not paid within 30 days, the Town Treasurer may impose a 10% late payment penalty. The penalties shall not be imposed, or if imposed, shall be abated by the Town Treasurer, if the failure to file or pay was not the fault of the taxpayer. In order to demonstrate lack of fault, the taxpayer must show that he or she acted responsibly and that the failure was due to events beyond his or her control. The terms "acted responsibly" and "events beyond the taxpayer's control" are defined in VA Code § 58.1-3703.1.

(F) Interest shall be charged on the late payment of the tax from the due date until the date paid without regard to fault or other reason for the late payment. Whenever an assessment of additional or omitted tax by the Assessing Official is found to be erroneous, all interest and any penalties charged and collected on the amount of the assessment found to be erroneous shall be refunded together with interest on the refund from the date of payment or the due date, whichever is later. Interest shall be paid on the refund of any BPOL tax from the date of payment or due date, whichever is later, whether attributable to an amended return or other reason. Interest on any refund shall be paid at the same rate charged under VA Code § 58.1-3916. No interest shall accrue on an adjustment of estimated tax liability to actual liability at the conclusion of a base year. No interest shall be paid on a refund or charged on a late payment, provided the refund or the late payment is made not more than 30 days from the date of the payment that created the refund or the due date of the tax, whichever is later.

§ 111.10 LICENSE FEE AND TAX.

(A) Every person or business subject to licensure under this chapter shall be assessed and required to pay annually the license tax and fee for issuing the license set forth in this section. ~~Except as may be specifically otherwise provided by ordinance or other law, the minimum annual license tax imposed in this section shall be \$30.~~

(B) The annual license tax imposed shall be at the rate set forth in this section for those classes or enterprises listed in this section and shall be on all the gross receipts of such persons includable as provided in this chapter:

(1) For contractors and persons constructing for their own account for sale, \$0.16 per \$100 of gross receipts (VA Code §§ 58.1-3706, 58.1-3714, and 58.1-3715);

(2) For retailers, \$0.20 per \$100 of gross receipts (VA Code § 58.1-3706);

(3) For financial, real estate, and professional services, \$0.33 per \$100 of gross receipts (VA Code § 58.1-3706);

(4) For repair, personal, and business services and all other businesses and occupations not specifically listed or exempted in this chapter or otherwise by law, \$0.20 per \$100 of gross receipts (VA Code § 58.1-3706);

(5) For wholesalers, \$0.05 per \$100 of purchases (VA Code § 58.1-3716);

(6) Hotels, motels, lodging, and the like, \$0.26 per \$100 of gross receipts (VA Code § 58.1-3703(C)(7));

(7) For photographers, with no regularly established place of business in the state, \$10 per year (VA Code § 58.1-3727); and

(8) For savings and loan associations and state-chartered credit unions, \$50 per year (VA Code § 58.1-3730).

(C) Except as may be specifically otherwise provided by ordinance or other law, the fee imposed for issuing a license shall be \$30 or a lesser amount as the Town Council may establish. This fee is in addition to any amount computed under the annual license tax rates set forth in this chapter.

2. That this ordinance is effective July 1, 2023.

BY ORDER OF THE TOWN COUNCIL

**MEETING DATE: May 16, 2023
Town Council Meeting
Ord. No. O-2023-06**

RE: An Ordinance to Amend the Town Code by Amending Town Code §§ 111.04 and 111.10 to Add a Business License Fee

MOTION:

SECOND:

ACTION:

VOTES:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

CERTIFIED COPY _____

Town Clerk



TOWN OF OCCOQUAN
TOWN COUNCIL MEETING
Agenda Communication

4. Regular Business	Meeting Date: May 16, 2023
4D: Request to Purchase Public Safety Utility Vehicle for Rescue and Fire Suppression	

Attachments: a. None

Submitted by: Adam C. Linn
Town Manager

Explanation and Summary:

This is a request to accept a grant and authorize the purchasing and equipping of a public safety utility task vehicle (UTV) for the Police Department.

The Virginia Department of Fire Programs (VDFP), through its current *Aid To Locality* (ATL) grant cycle has allocated \$15,000 to the Town of Occoquan for use in minimizing fire loss potential. This grant is an annually recurring grant opportunity that does not have a locality match.

The Town hosts and participates in many large special events and activities (i.e. RiverFest/Craft Show, Fall Craft Show, Winterfest, etc.) that require vendors to setup and display along the Town’s sidewalks, roadways, and parks, which limits vehicular accessibility, especially for fire-rescue vehicles (apparatus). Historically, efforts to preposition large unstaffed fire apparatus within the Town’s Historic District in a contingency fashion has provided only questionable assurance of a timely first responder-based fire suppression capacity during these special events. These circumstances potentially expose the Historic District to delayed fire suppression services with increased risk to life and fire related loss.

Staff has explored the possibility of VDFP funding for the purchase of a UTV in enhancing first-aid level fire suppression capabilities during special events, fire watches, “red flag” warning periods, and other high risk operational periods. The unit would not be designed to replace a fire-rescue response in the event of an emergency. Rather, the capability is intended to provide suppression or to hold in check a larger event until arrival of greater capacity fire rescue services. The VDFP grant’s management team has approved this potential utilization of ATL funds.

The National Fire Protection Association (NFPA) indicates in their studies that the average fire within or upon the exterior surface of a combustible structure doubles in size every 60 seconds. For this reason, a fast response by an agile unit with even limited fire

suppression capabilities could potentially reduce a small fire's potential from gaining greater headway or creating life safety threats.

Staff is seeking Council acceptance of the grant from VDFP and to allocate and appropriate those grant funds for the purpose of purchasing and equipping a public safety UTV for use by the Police Department.

Town Manager's Recommendation: Recommend

Cost and Financing: \$15,000

Account Number: Grant (VDFP ATL)

Proposed/Suggested Motion:

"I move to accept the aid to localities grant from the Virginia Department of Fire Programs and to allocate and appropriate the grant funds for the purpose of purchasing and equipping a public safety utility task vehicle in an amount not to exceed \$15,000."

OR

Other action Council deems appropriate.



TOWN OF OCCOQUAN

TOWN COUNCIL MEETING

Agenda Communication

4. Regular Business	Meeting Date: May 16, 2023
4E: Request to Execute Agreement with Weston and Sampson Engineers, Inc. for Virginia Community Flood Preparedness Fund Grant to Develop a Flood Prevention and Protection Study that Evaluates the Stormwater and Flood Resilience of the Town	

Attachments: a. Proposed Agreement

Submitted by: Adam C. Linn
Town Manager

Explanation and Summary:

This is a request to approve and execute an agreement with Weston and Sampson Engineers, Inc. for engineering services to develop a flood prevention and protection study that evaluates the stormwater and flood resilience of the Town.

Payment for services will be partially covered by the Department of Conservation and Recreation Community Flood Preparedness Fund that approved a total project cost of \$169,805 with the Town responsible for a fifty percent (50%) locality match.

Background

In April 2022, Town staff prepared and submitted a grant application for the third round of the Virginia Community Flood Preparedness Fund (CFPF) administered by the Virginia Department of Conservation and Recreation (DCR). The grant application requested funding for the development of a Resilient Stormwater and Flood Management and Implementation Study. The study will evaluate the Town's stormwater and flood resilience and ultimately result in an actionable plan that when implemented, increases the Town's overall resiliency and response to the impacts of climate change within the community and region.

In January 2023, Town staff received notification that the grant was awarded in the amount of \$84,902.50 with a total project cost of \$169,805 and a required fifty percent (50%) locality match by the Town. Weston and Sampson Engineers, Inc. has proposed to complete the proposed Resilient Stormwater and Flood Management and Implementation Study for \$169,805 with engineering field support from the Town Engineer.

Town Manager Recommendation: Recommend authorization to enter and execute the attached contract after review and approval as to form by the Town Attorney in an amount not to exceed \$169,805.

Cost and Financing: \$169,805.00

Account Number: CIP Stormwater Management - 70006

Proposed/Suggested Motion:

"I move that the Town, upon review and approval by the Town Attorney, enter into the attached agreement with Weston & Sampson Engineers, Inc. to complete the Resilient Stormwater and Flood Management and Implementation Study and approve an amount not-to-exceed \$169,805 and authorize the Town to seek reimbursement from the Virginia Department of Conservation and Recreation for the grant amount."

OR

Other action Council deems appropriate.

AGREEMENT FOR ENGINEERING SERVICES
BY AND BETWEEN THE
Town of Occoquan, VA
AND
WESTON & SAMPSON ENGINEERS, INC.

THIS AGREEMENT is made this 31st day of January, 2023, by and between the Town of Occoquan, VA, acting herein by and through its _____, hereinafter called the OWNER and WESTON & SAMPSON ENGINEERS, INC., with offices at 4525 South Boulevard, Suite 204 Virginia Beach, VA 23452, hereinafter called the ENGINEER.

WITNESSETH, for the consideration hereinafter set forth, the parties hereto agree as follows:

ARTICLE 1 - ENGAGEMENT OF THE ENGINEER AND STANDARD OF CARE

- 1.1 THE OWNER hereby engages the ENGINEER, and the ENGINEER hereby accepts the engagement to perform certain professional engineering services for the Resilient Stormwater and Flood Management and Implementation Plan, hereinafter called the PROJECT.
- 1.2 The ENGINEER's services shall be performed in a manner consistent with that degree of skill and care ordinarily exercised by practicing design professionals performing similar services in the same locality, at the same site and under the same or similar circumstances and conditions. The ENGINEER makes no other representations or warranties, whether expressed or implied, with respect to the services rendered hereunder.

ARTICLE 2 - SCOPE OF SERVICES

See Attachment A

ARTICLE 3 - RESPONSIBILITIES OF THE OWNER

The OWNER, without cost to the ENGINEER, shall do the following in a timely manner so as not to delay the services of the ENGINEER:

- 3.1 Designate in writing a person to act as the OWNER 's representative with respect to work to be performed under this AGREEMENT, such person to have complete authority to transmit instructions, receive information, interpret and define the OWNER'S policies and decisions with respect to materials, equipment elements and systems pertinent to the work covered by this AGREEMENT.

- 3.2 Through its officials and other employees who have knowledge of pertinent conditions, confer with the ENGINEER regarding both general and special considerations relating to the PROJECT.
- 3.3 Assist the ENGINEER by placing at the disposal of the ENGINEER, all available information pertinent to the PROJECT including previous reports and any other data relative to design or construction of the PROJECT.
- 3.4 Pay all application and permit fees associated with approvals and permits from all governmental authorities having jurisdiction over the PROJECT and such approvals and consents from others as may be necessary for completion of the PROJECT.
- 3.5 Arrange for access to and make all provisions for the ENGINEER to enter upon public and private lands as required for the ENGINEER to perform its work under this AGREEMENT.
- 3.6 Furnish the ENGINEER all needed property, boundary and right-of-way maps.
- 3.7 Cooperate with and assist the ENGINEER in all additional work that is mutually agreed upon.
- 3.8 Pay the ENGINEER for work performed in accordance with the terms specified herein.
- 3.9 Examine all studies, reports, sketches, Drawings, specifications, proposals and other documents presented by ENGINEER, obtain advice of an attorney, insurance counselor and other consultants, as OWNER deems appropriate for such examination, and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of the ENGINEER.
- 3.10 Attend the pre-bid conference, bid opening, pre-construction conference, construction progress and job-related meetings, substantial completion inspections and final payment inspections.
- 3.11 Give prompt written notice to ENGINEER whenever OWNER observes or otherwise becomes aware of any development that affects the scope or timing of ENGINEER's services or any defect or non-conformance of the work of any Contractor(s).
- 3.12 Submit to ENGINEER the proposed language of certifications, affidavits and/or assignments requested of ENGINEER or ENGINEER's independent contractors and consultants for review and approval at least 14 days prior to execution. OWNER shall not request certifications and/or affidavits that would require expertise, knowledge or services beyond the scope of this AGREEMENT.

ARTICLE 4 - TIME OF PROJECT

- 4.1 The ENGINEER will initiate work under this AGREEMENT following formal acceptance of this AGREEMENT by the OWNER. The ENGINEER agrees to provide services for the estimated duration of work, starting (February 1, 2023) (within 5 days of signing this AGREEMENT) and concluding (by date) (within days) ().
- 4.2 If the specific periods of time for services provided under this AGREEMENT are changed through no fault of the ENGINEER, the rates and compensation provided for herein shall be subject to equitable adjustment.
- 4.3 If ENGINEER's services are delayed or suspended in whole or in part by the OWNER for more than three months through no fault of the ENGINEER, ENGINEER shall be entitled to an equitable adjustment of the rates and compensation to be paid herein.

ARTICLE 5 - PAYMENTS TO THE ENGINEER (USE FOR LUMP SUM)

- 5.1 For services performed under this AGREEMENT, the OWNER agrees to pay the ENGINEER the lump sum fee of \$ ~~175,000~~ for the scope of services described in Article 2 of this AGREEMENT. Fees for this PROJECT shall be billed monthly as they accrue based upon the services performed as a percent of the total lump sum fee. The OWNER agrees to make payment to the ENGINEER within thirty (30) days of the invoice date.
- 5.2 If the OWNER fails to make any payment due the ENGINEER for services and expenses within thirty (30) days after receipt of the ENGINEER'S statement therefore, the ENGINEER may, after giving seven (7) days' written notice to the OWNER, suspend services under this AGREEMENT. Unless the ENGINEER receives payment within seven (7) days of the date of the notice, the suspension shall take effect without further notice. In the event of a suspension of services, the ENGINEER shall have no liability to the OWNER for delay or damage caused the OWNER because of such suspension of services.
- 5.3 If the OWNER fails to make any payment due the ENGINEER for services and expenses within thirty (30) days after receipt of the ENGINEER'S statement therefore, the amounts due the ENGINEER will be increased at the rate of 1.5% per month from said thirtieth day, and in addition, the ENGINEER may, after giving seven (7) days' written notice to the OWNER, suspend services under this AGREEMENT. Unless the ENGINEER receives payment within seven (7) days of the date of the notice, the suspension shall take effect without further notice. In the event of a suspension of services, the ENGINEER shall have no liability to the OWNER for delay or damage caused the OWNER because of such suspension of services.

ARTICLE 5A – CREDIT CARD PAYMENTS

- 5A.1 Credit cards shall not be allowed as a payment method.

ARTICLE 6 - INSURANCE

6.1 General Liability Insurance

The ENGINEER shall secure and maintain, for the duration of this PROJECT, the following General Liability Insurance policy or policies at no cost to the OWNER. With respect to the operations the ENGINEER performs, the ENGINEER shall carry Commercial General Liability Insurance for bodily injury, death, and property damage in the amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

6.2 Automobile Liability Insurance

The ENGINEER shall secure and maintain, for the duration of this PROJECT, Automobile Liability Insurance covering the operation of all motor vehicles, including those hired or borrowed, used by the ENGINEER in connection with this AGREEMENT, in the amount of \$1,000,000 combined single limit per accident.

6.3 Umbrella Liability Insurance

In addition to the above-mentioned coverage, the ENGINEER shall carry a **minimum of One Million Dollar (\$1,000,000)** umbrella liability policy for the duration of the PROJECT.

6.4 Professional Services Liability Insurance

The ENGINEER shall secure, at its own expense, a Professional Services Liability Insurance policy with a limit of \$3,000,000 per claim and in the aggregate, and maintain such policy for the duration of the PROJECT.

6.5 Workers Compensation Coverage

6.5.1 The ENGINEER shall maintain statutory Worker's Compensation insurance coverage for all of its employees at the PROJECT as required by the State of Virginia

6.5.2 The OWNER shall maintain statutory Worker's Compensation insurance coverage for all of its employees at the PROJECT as required by the State of Virginia.

6.6 Additional Insured

OWNER shall be named an additional insured for insurance coverage included in Articles 6.1, 6.2 and 6.3 only.

ARTICLE 7 - LIMITATION OF LIABILITY AND INDEMNIFICATION

- 7.1 To the fullest extent permitted by law, the total liability in the aggregate, of ENGINEER and its officers, directors, employees, agents, and independent professional associates, and any of them, to the OWNER and any one claiming by, through or under OWNER, for any and all injuries, claims, losses, expenses, or damages whatsoever arising out of or in any way related to ENGINEER'S services, the project, or this AGREEMENT, from any cause or causes whatsoever, including but not limited to, the negligence, errors, omissions, strict liability, breach of contract, misrepresentation, or breach of warranty of ENGINEER or its officers, directors, employees, agents or independent professional associates, or any of them, and any causes arising from or related to the COVID-19 pandemic, ***shall not exceed the total compensation received by ENGINEER under this AGREEMENT, or \$50,000, whichever is greater.*** ENGINEER shall have no upfront duty to defend the OWNER but shall reimburse defense costs of the OWNER to the same extent of its indemnity obligation herein.
- 7.2 To the fullest extent permitted by law, and subject to the limitation of liability set forth in 7.1, the ENGINEER agrees to indemnify and hold harmless the OWNER and its officers, directors, employees, agents, and independent professional associates, and any of them, from any claims, losses, damages or expense (including reasonable attorneys' fees) arising out of the death of, injuries, or damages to any person, or damage or destruction of any property, in connection with the ENGINEER'S services under this AGREEMENT to the extent caused by the negligent acts, errors, or omissions of the ENGINEER or its officers, directors, employees, agents or independent professional associates, or any of them.

ARTICLE 8 - EXTENSION OF SERVICES

8.1 Additional Work

In the event the ENGINEER, as requested by the OWNER, is to make investigations or reports on matters not covered by this AGREEMENT, or is to perform other services not included herein, additional compensation shall be paid the ENGINEER as is mutually agreed upon by and between the OWNER and the ENGINEER. Such services shall be incorporated into written amendments to this AGREEMENT, or into a new written AGREEMENT.

8.2 Changes in Work

The OWNER, from time to time, may require changes or extensions in the Scope of Services to be performed hereunder. Such changes or extensions, including any increase or decrease in the amount of compensation, to be mutually agreed upon by and between the OWNER and the ENGINEER, shall be incorporated into written amendments to this AGREEMENT.

8.3 Litigation Support Services

In the event the ENGINEER is to prepare for or appear in any litigation on behalf of the OWNER, additional compensation shall be paid to the ENGINEER.

The OWNER agrees to compensate the ENGINEER for time spent and expenses incurred in preparation for and attendance at meetings and appearances, including depositions. This shall include appearances before the OWNER'S attorney and before the attorney of any other party to the litigation, in addition to all other support services as requested by the OWNER. Additional compensation shall be paid the ENGINEER as is mutually agreed upon by and between the OWNER and the ENGINEER. Such services shall be incorporated into written amendments to this AGREEMENT, or into a new written AGREEMENT.

ARTICLE 9 - OWNERSHIP AND USE OF DOCUMENTS

- 9.1 The OWNER shall retain ownership of the documents submitted to the OWNER by the ENGINEER pursuant to this AGREEMENT. However, such documents are not intended or represented to be suitable for reuse by the OWNER or others on extensions of the PROJECT or on any other PROJECT. Any reuse or adaptation by the OWNER without written verification by the ENGINEER shall be at the OWNER'S sole risk and without liability or legal exposure to the ENGINEER or to the ENGINEER'S independent sub-consultants, ~~and the OWNER shall indemnify and hold harmless the ENGINEER and the ENGINEER'S sub-consultants from all claims, damages, losses and expenses, including reasonable attorneys' fees arising out of or resulting therefrom.~~ Any verification or adaptation performed by the ENGINEER shall entitle the ENGINEER to further compensation at rates to be agreed upon by the OWNER and the ENGINEER.

ARTICLE 10 – TERMINATION

- 10.1 The obligation to provide further services under this AGREEMENT may be terminated by either party upon thirty (30) days' written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.
- 10.2 If the PROJECT is suspended or abandoned in whole or in part for more than three (3) months, the ENGINEER shall be compensated for all services performed prior to receipt of written notice from the OWNER of such suspension or abandonment, together with other direct costs then due and all Termination Expenses as defined in Article 10.4. If the PROJECT is resumed after being suspended for more than three (3) months, the ENGINEER'S compensation shall be equitably adjusted.
- 10.3 In the event of termination by the OWNER under Article 10.1, the ENGINEER will be

paid a percentage of the lump sum fee based on work completed on the PROJECT through the completion of services necessary to affect termination, in accordance with the provisions of Article 5 of this AGREEMENT.

- 10.4 In the event of termination by the ENGINEER under Article 10.1, or termination by the OWNER for the OWNER'S convenience, the ENGINEER will be paid a percentage of the lump sum fee based on work completed on the PROJECT through the completion of services necessary to affect termination, plus termination expenses. Payment for services will be in accordance with the provisions of Article 5 of this AGREEMENT. Termination expenses means additional costs of services and other direct costs directly attributable to termination, which shall be an additional amount computed as the costs the ENGINEER reasonably incurs relating to commitments, which had become firm before the termination.

ARTICLE 11 - GENERAL PROVISIONS

11.1 Precedence

The terms and conditions in this AGREEMENT shall take precedence over any inconsistent or contradictory provisions contained in any proposal, contract, purchase order, requisition, notice to proceed, or like document regarding the ENGINEER'S services.

11.2 Severability

If any of the terms and conditions in this AGREEMENT shall be finally determined to be invalid or unenforceable in whole or part, the remaining provisions hereof shall remain in full force and effect, and be binding upon the parties hereto. The parties agree to reform this AGREEMENT to replace any such invalid or unenforceable provision with a valid enforceable provision that comes as close as possible to the intention of the stricken provision.

11.3 Mediation

All claims, disputes or controversies arising between the OWNER and the ENGINEER shall be submitted to non-binding mediation prior to and as a condition precedent to the commencement of any litigation between those parties. The American Arbitration Association, or such other person or mediation service shall conduct the non-binding mediation as the parties mutually agree upon. The party seeking to initiate mediation shall do so by submitting a formal written request to the other party to this AGREEMENT and the American Arbitration Association or such other person or mediation service as the parties mutually agree upon. The costs of mediation shall be borne equally by the parties. All statements of any nature made in connection with the non-binding mediation shall be privileged and will be inadmissible in any subsequent court or other proceeding involving or relating to the same claim. The parties may engage in remote mediation if in-person

mediation is not possible or practicable due to the COVID-19 pandemic, or if mutually agreed upon between the parties.

11.4 Subrogation

The OWNER and the ENGINEER waive all rights against each other and against the contractors, consultants, agents and employees of the other for damages, but only to the extent covered by any property or other insurance in effect whether during or after the PROJECT. The OWNER and the ENGINEER shall each require similar waivers from their contractors, consultants and agents.

11.5 Consequential Damages

Notwithstanding any other provision of this Agreement, and to the fullest extent permitted by law, neither the OWNER nor the ENGINEER, their respective officers, directors, partners, employees, contractors or subconsultants shall be liable to the other or shall make any claim for incidental, indirect or consequential damages arising out of or connected in any way to the Project or to this Agreement. This mutual waiver of consequential damages shall include, but is not limited to, loss of use, loss of profit, loss of business, loss of income, loss of reputation or any other consequential damages that either party may have incurred from any cause of action including negligence, strict liability, breach of contract and breach of strict or implied warranty, including costs arising from the COVID-19 pandemic. Both the OWNER and ENGINEER shall require similar waivers of consequential damages protecting all the entities or persons named herein in all contracts and subcontracts with others involved in the Project.

11.6 Sole Remedy

Notwithstanding anything to the contrary contained herein, OWNER and ENGINEER agree that their sole and exclusive claim, demand, suit, judgment or remedy against each other shall be asserted against each other's corporate entity and not against each other's shareholders, A/E's, directors, officers or employees.

11.7 Third Party Obligations

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the OWNER or the ENGINEER.

11.8 Statute of Limitations

Causes of action between the parties to this Agreement pertaining to acts or failures to act shall be deemed to have accrued and the applicable statutes of limitations shall commence to run not later than either the date of completion of services performed for acts or failures to act occurring prior to the date of completion of services performed or the completion date contained in this AGREEMENT for acts or failures to acts occurring after the date of completion of services performed. In no event shall such statutes of limitations commence

to run any later than the date when the ENGINEER's services are substantially completed.

11.9 Limitation of Engineer's Responsibilities During Construction

The ENGINEER shall not be responsible for the acts or omissions of any Contractor(s), or of any subcontractor(s) or supplier(s), or any of Contractor(s)' or subcontractor(s)' or supplier(s)' agents or employees or any other persons (except ENGINEER's own employees and agents) at the site or otherwise furnishing or performing Contractor(s)' work.

11.10 Engineer Not Responsible for Accuracy of Contractor-Supplied Information Used in Record Drawings

The ENGINEER shall not be responsible for any errors in or omissions in the information provided by Contractor that is incorporated in the record drawings or other record documents. ENGINEER shall not check the Contractor's record drawings information unless included in the scope of the ENGINEER's services contained in Article 2, and then ENGINEER will only be responsible for checking what is not hidden behind walls, in the floor or roof slabs, etc.

11.11 Opinions of Probable Construction Cost

The ENGINEER makes opinions of probable costs using its best judgement as an experienced and qualified professional engineer generally familiar with the construction industry. ENGINEER has no control over the cost of labor, materials, equipment or services furnished by others, or the Contractor's methods of determining prices, or competitive bidding or market conditions or when the Project will be constructed. ENGINEER cannot and does not guarantee that Contractor's bids or actual construction costs will not vary from opinions of probable construction cost prepared by ENGINEER. If OWNER desires greater assurance as to probable construction cost, OWNER shall employ an independent cost estimator.

11.12 Changed Conditions

If concealed or unknown conditions that affect the performances of the services are encountered, that are not ordinarily found to exist or that differ materially from those generally recognized as inherent in the services of the character provided for under this AGREEMENT or which could not have reasonably been anticipated, notice by the observing party shall be promptly given to the other party and, if possible before the conditions are disturbed. If the ENGINEER makes the claim, ENGINEER's schedule and compensation shall be equitably adjusted to reflect additions that result from such changed conditions.

11.13 Force Majeure

If delays or failures of performance of the ENGINEER are caused by occurrences beyond

the reasonable control of the ENGINEER, the ENGINEER shall not be in default of this AGREEMENT. Said occurrences shall include Acts of God or the public enemy; expropriation or confiscation; compliance with any quarantine or other order of any governmental authority; pandemic; epidemic; public health crisis; labor or materials shortage; changes in law; act of war, rebellion, terrorism or sabotage or damage resulting therefrom; fires, floods, explosions, accidents, riots, strikes or other concerted acts of workmen, whether direct or indirect; delays in permitting; OWNER's failure to provide data in OWNER's possession or provide necessary comments in connection with any required reports prepared by the ENGINEER, or any other causes which are beyond the reasonable control of the ENGINEER. ENGINEER's scheduled completion date shall be adjusted to account for any force majeure delay and ENGINEER shall be compensated for all costs incurred in connection with or arising from a force majeure event or in the exercise of reasonable diligence to avoid or mitigate a force majeure event.

ARTICLE 12 – DISCLOSURE RIGHTS

12.1 OWNER agrees the ENGINEER has the authority to use its name as a client and a general description of the project as a reference for other prospective clients.

ARTICLE 13 – NOTICES

Any notice required under this Agreement will be in writing, addressed to the appropriate party at the address that appears below, and given personally, by registered or certified mail, return receipt requested, by facsimile, or by a nationally recognized overnight courier service. All notices shall be effective upon the date of receipt.

Notices shall be provided to:

Owner:
Name _____
Title _____

Engineer:
Name: Raed EL-Farhan, PhD
Title: Vice President

Address: 11837 Rock Landing Drive, Suite 300, Newport News, VA 23606

ARTICLE 14 – CONTROLLING LAW

This Agreement is to be governed by the law of the principal place of business of the ENGINEER.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT the day and year first above written.

ACCEPTED FOR:(CITY) (TOWN)

OF _____

WESTON & SAMPSON ENGINEERS, INC.

By Its _____

By:

Raed EL-Farhan, PhD
Vice President

DATE

DATE

CERTIFICATION OF AVAILABLE FUNDS

Certification is herewith given that funds are available for payments required by the terms of this AGREEMENT.

By: _____

Date: _____

OWNER Accountant

APPROVED AS TO FORM:

By: _____

Date: _____

OWNER Counsel

A TRUE COPY, ATTEST:

By: _____

Date: _____

OWNER Clerk

OWNER'S Virginia Sales and Use Tax Certificate Exemption Number _____

Document1



TOWN OF OCCOQUAN
TOWN COUNCIL MEETING
Agenda Communication

5. Discussion Items	Meeting Date: May 16, 2023
5A: Fiscal Year 2022 Financial Audit Questions	

Attachments: a. Draft Financial Report for Year Ending June 30, 2022

Submitted by: Adam C. Linn
Town Manager

Explanation and Summary:

This is a discussion item to review if the Town Council has any questions regarding the draft Governance Letter and Financial Report documents prepared by Robinson, Farmer, Cox Associates, PLLC.

At the May 2nd Town Council Meeting, Michael Moran, CPA, presented an overview of the financial audit for the fiscal year ending June 30, 2022. At the end of the presentation, the Town Council advised that each of the Council Members would review the documents and if they had any questions, they would provide them to staff at the next Town Council Meeting.

Staff Request: Town Staff is seeking any questions regarding the draft audited financial documents prepared by Robinson, Farmer, Cox Associates, PLLC.



Communication with Those Charged with Governance

**To the Honorable Members of the Town Council
Town of Occoquan, Virginia**

We have audited the financial statements of the governmental activities and the aggregate remaining fund information of the Town of Occoquan, Virginia for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 11, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Town of Occoquan, Virginia are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, Town of Occoquan, Virginia changed accounting policies by adopting Statement of Governmental Accounting Standards (GASB Statement) Nos. 87, *Leases*; 92, *Omnibus 2020*. Accordingly, the cumulative effect of the accounting changes as of the beginning of the year are reported in the Town of Occoquan, Virginia financial statements. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Town of Occoquan, Virginia's financial statements was:

Management's estimate of the useful lives of capital assets is based on prior management experience of capital assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of net pension liabilities and associated deferred outflows and inflows are based on the actuarial valuation performed by qualified independent actuaries. We evaluated the key factors and assumptions used to develop the estimated liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated DRAFT.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town of Occoquan, Virginia's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town of Occoquan, Virginia's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to budgetary comparison information which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI. Our responsibility with respect to the budgetary comparison information, which also supplements the basic financial statements, is to evaluate the presentation of the schedules in relation to the financial statements as a whole and to report on whether it is fairly stated, in all material respects, in relation to the financial statements as a whole.

We were engaged to report on supporting schedules which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements.

We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Town Council and management of the Town of Occoquan, Virginia and is not intended to be and should not be used by anyone other than these specified parties.

Fredericksburg, Virginia
DRAFT

DRAFT



TOWN OF OCCOQUAN, VIRGINIA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

TOWN OF OCCOQUAN, VIRGINIA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

DRAFT



TOWN OF OCCOQUAN, VIRGINIA

TOWN COUNCIL

Earnest W. Porta Jr., Mayor

Jenn Loges, Vice-Mayor

Robert Love

Cindy Fithian

Laurie Holloway

Eliot Perkins

OFFICIALS

Kirstyn Jovanovich, Town Manager

Manuel Casillas, Town Treasurer

TOWN OF OCCOQUAN, VIRGINIA

Financial Report
Year Ended June 30, 2022

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INDEPENDENT AUDITORS' REPORT

TO THE HONORABLE MEMBERS OF THE TOWN COUNCIL
TOWN OF OCCOQUAN, VIRGINIA
OCCOQUAN, VIRGINIA

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of the Town of Occoquan, Virginia, as of and for the year ended June 30, 2022, 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 financial position of the governmental activities and each major fund of the Town of Occoquan, Virginia, as of and for the year ended June 30, 2022, 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 Town of Occoquan, 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 2022, the Town adopted new accounting guidance, GASB Statement Nos. 87, *Leases*, and 92, *Omnibus*. Our opinions is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Town of Occoquan, Virginia's ability to

continue as a going concern for twelve months beyond the June 30, 2022, 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 Occoquan, 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 Occoquan, 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 Town of Occoquan, Virginia's basic financial statements. The other supplementary information is presented for purposes of additional analysis and is 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 other supplementary information is 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 statistical information but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does 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 DRAFT, on our consideration of Town of Occoquan, 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 Town of Occoquan, 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 Town of Occoquan, Virginia's internal control over financial reporting and compliance.

Fredericksburg, Virginia
DRAFT

Basic Financial Statements

DRAFT

Government-wide Financial Statements

DRAFT

Statement of Net Position
At June 30 2022

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 946,821
Restricted cash	100,000
Accounts receivable	66,788
Taxes receivable	771
Due from other governments	30,413
Prepaid items	6,621
Net pension asset	172,786
Capital assets:	
Land	1,081,564
Other capital assets, net of accumulated depreciation	2,141,119
	<hr/>
Total assets	\$ 4,546,883
	<hr/>
Deferred Outflows of Resources:	
Pension related items	\$ 33,359
	<hr/>
Liabilities:	
Accounts payable	\$ 129,657
Accrued payroll	32,614
Unearned revenues	522,905
Long-term liabilities:	
Due within one year	7,429
Due in more than one year	41,089
	<hr/>
Total liabilities	\$ 733,694
	<hr/>
Net Position:	
Net Investment in capital assets	\$ 3,211,210
Restricted - Mamie Davis funds	100,000
Restricted - net pension asset	172,786
Unrestricted	338,619
	<hr/>
Total net position	\$ 3,822,615
	<hr/> <hr/>

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

Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Primary Governmental Activities
Primary Government:					
Governmental activities:					
General government administration	\$ 489,709	\$ -	\$ -	\$ -	(489,709)
Public safety	369,067	345,615	56,126	-	32,674
Public works	285,432	21,492	1,329	-	(262,611)
Parks, recreation, and cultural	214,821	-	-	17,400	(197,421)
Total governmental activities	\$ 1,360,724	\$ 367,107	\$ 57,455	\$ 17,400	\$ (918,762)
General Revenues:					
General property taxes				\$	247,679
Local sales and use taxes					35,047
Auto decals					10,435
Business license tax					74,340
Meals tax					269,502
Consumer utility tax					31,403
Other local taxes					14,589
Unrestricted revenues from the use of money and property					16,526
Grants and contributions not restricted to specific programs					33,130
Miscellaneous					234,686
Total general revenues				\$	967,337
Change in net position				\$	48,575
Net position, beginning of year					3,774,040
Net position, end of year				\$	3,822,615

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

Fund Financial Statements

DRAFT

Balance Sheet
 Governmental Funds
 At June 30, 2022

	<u>General</u>
Assets:	
Cash and cash equivalents	\$ 946,821
Restricted cash	100,000
Accounts receivable	66,788
Taxes receivable	771
Due from other governments	30,413
Prepaid items	<u>6,621</u>
Total assets	<u>\$ 1,151,414</u>
Liabilities:	
Accounts payable	\$ 129,657
Accrued payroll	32,614
Unearned revenues	<u>522,905</u>
Total liabilities	<u>\$ 685,176</u>
Deferred Inflows of Resources:	
Unavailable revenue - taxes	\$ <u>1,742</u>
Total deferred inflows of resources	<u>\$ 1,742</u>
Fund Balance:	
Nonspendable:	
Prepaid items	\$ 6,621
Restricted:	
Mamie Davis funds	100,000
Assigned:	
Events fund	71,578
Capital projects	258
Mamie Davis funds	11,492
Public safety	14,283
PEG funds	1,776
Unassigned	<u>258,488</u>
Total fund balance	<u>\$ 464,496</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,151,414</u>

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

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
At June 30, 2022

Total fund balances for governmental funds (Exhibit 3) \$ 464,496

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$	1,081,564	
Depreciable capital assets, net of accumulated depreciation		2,141,119	3,222,683

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

Net pension asset			172,786
-------------------	--	--	---------

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds:

Pension related items			33,359
-----------------------	--	--	--------

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

Unavailable revenue related to property taxes			1,742
---	--	--	-------

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

Pension related items			(23,933)
-----------------------	--	--	----------

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

Compensated absences	\$	(37,045)	
Lease liabilities		(11,473)	(48,518)

Total net position of governmental activities	\$		3,822,615
---	----	--	-----------

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

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2022

	<u>General</u>
Revenues:	
General property taxes	\$ 254,697
Other local taxes	435,316
Fines and forfeitures	345,615
Revenue from use of money and property	16,526
Charges for services	21,492
Recovered costs	17,400
Miscellaneous	234,686
Intergovernmental:	
Commonwealth	73,147
Federal	17,438
Total revenues	<u>\$ 1,416,317</u>
Expenditures:	
Current:	
General government administration	\$ 482,691
Public safety	402,738
Public works	226,765
Parks, recreation, and cultural	192,252
Capital outlay	137,124
Debt service:	
Principal retirement	34,340
Interest and fiscal charges	1,695
Total expenditures	<u>\$ 1,477,605</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (61,288)</u>
Changes in fund balances	\$ (61,288)
Fund balances at beginning of year	<u>525,784</u>
Fund balances at end of year	<u><u>\$ 464,496</u></u>

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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2022

Net change in fund balances - total governmental funds (Exhibit 5) \$ (61,288)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Capital outlay	\$ 24,658	
Depreciation expense	(80,245)	(55,587)

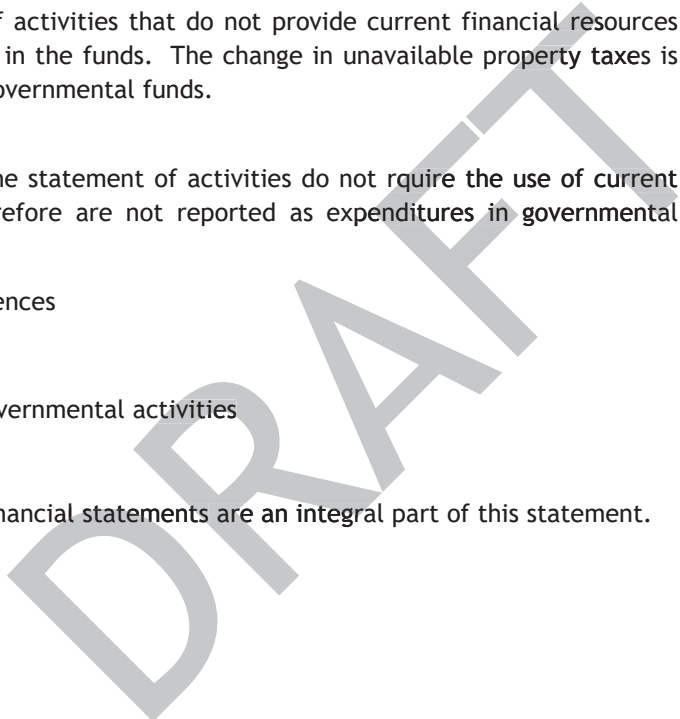
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in unavailable property taxes is reported as revenues in the governmental funds. (7,018)

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	\$ (11,344)	
Pension expense	154,520	143,176

Change in net position of governmental activities \$ 48,575

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



TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements
As of June 30, 2022

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Narrative Profile:

Town of Occoquan, located in Prince William County, Virginia, approximately 25 miles south of Washington, D.C. was incorporated in 1874. The town has a population of approximately 1,038 and a land area of 0.2 square miles.

The Town is governed under the Council-Manager form of government. The Town government engages in wide ranges of municipal services including general government administration, public safety, public works, and parks, recreation, and cultural. Judicial administration, education, fire, library, health and welfare services are provided by Prince William County.

The financial statements of Town of Occoquan, Virginia have been prepared in conformity with the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board and specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The more significant of the Town's accounting policies are described below.

A. Financial Reporting Entity

Management's Discussion and Analysis: The Management's Discussion and Analysis has been omitted.

Government-wide Financial Statements: The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

Statement of Net Position: The Statement of Net Position is designed to display the financial position of the primary government (governmental and business-type activities) and its discretely presented component units. Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Position and report depreciation expense - 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.

Statement of Activities: The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expenses of individual functions are compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

Fund Financial Statements: 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.

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

A. Financial Reporting Entity (Continued)

Budgetary Comparison Schedules: Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. The Town and many other governments revise their original budgets over the course of the year for a variety of reasons. The budgetary comparison schedules present the government's original budget as well as a current comparison of final budget and actual results for its major funds.

Accounting principles generally accepted in the United States require financial statements to present the primary government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The Town has no component units that meet the requirements for blending. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide statements to emphasize that they are legally separate from the primary government. The Town does not have any discretely presented component units.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The focus is on both the Town as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds (by category) and the component units, if applicable. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resources measurement focus, which incorporates long-term assets and receivables as well as long-term debt and obligations. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information. The Town generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The Town may defer the use of restricted assets based on a review of the specific transaction.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, community development, etc.) that are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, community development, etc.) or a business-type activity. 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, and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. The Town does not allocate indirect expenses.

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

B. Government-Wide and Fund Financial Statements (Continued)

The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Internal service charges, if applicable, are eliminated and the net income or loss from internal service activities is allocated to the various functional expense categories based on the internal charges to each function.

In the fund financial statements, financial transactions and accounts of the Town are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statement's governmental column, a reconciliation is presented, which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statement.

The following is a brief description of the specific funds used by the Town in FY 2022.

1. *Governmental Funds* - Governmental Funds account for and report the expendable financial resources, other than those accounted for in Proprietary and Fiduciary Funds. The Governmental Funds utilize the modified accrual basis of accounting where the measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination as would apply to a commercial enterprise. The individual Governmental Funds are:

General Fund - The General Fund is the primary operating fund of the Town. This fund is used to account for and report all financial resources 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 General Fund is considered a major fund for reporting purposes.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

C. Basis of Accounting (continued)

Governmental funds utilize the modified accrual basis of accounting under which revenues and related assets are recorded when measurable and available to finance operations during the year. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts, except that property taxes not collected within 60 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the State or utilities and subsequently remitted to the 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 State and other grants for the purpose of funding specific expenditures, are recognized when measurable and available or at the time of the specific expenditure.

Expenditures, other than interest on long-term obligations, are recorded as the related fund liabilities are incurred. Principal and interest on long-term obligations is recognized when due except for amounts due on July 1, which are accrued.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The accrual basis of accounting is used for the Enterprise Fund. Under the accrual method, revenues are recognized in the accounting period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred. The Town has no proprietary funds.

D. Budgets and Budgetary Accounting

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

1. Prior to May 1, the Town Manager submits to the Town Council a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Town Council. The Town Administrator is authorized to transfer budgeted amounts within departments.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all Town funds unless they are carried forward by a resolution of Town Council.
8. All budgetary data presented in the accompanying financial statements reflect budget revisions as of June 30.

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

E. Cash and Cash Equivalents

Cash and cash equivalents include all cash on hand and in banks, certificates of deposit, and highly liquid investments with original maturities of three months or less.

F. Prepaid Items

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

G. Capital Assets

Capital outlays are recorded as expenditures of the governmental funds of the Town and as assets in the government-wide financial statements.

Property, plant and equipment purchased are stated at cost or estimated cost (except for intangible right-to-use lease assets (lease assets), the measurement of which is discussed in more detail below). Donated property is recorded at acquisition value prevailing at date of donation. Capital Assets are defined by the Town as property, plant, and equipment with an individual cost of more than \$5,000 and an estimated useful life in excess of two years. Depreciation/amortization is recorded on capital assets on a government-wide basis using the straight-line method and the following estimated useful lives:

Buildings and improvements	15-40 years
Vehicles	5 years
Equipment	3-7 years
Leased equipment	3-4 years

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Compensated Absences

The Town accrues compensated absences (annual and sick leave benefits) when vested. The amounts include all balances earned by employees which would be paid upon employee terminations, resignations or retirements.

An estimate of ten percent of the liability has been classified as current in the government-wide financial statements.

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

J. Fund Equity

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

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balances - amounts that are available for any purpose; positive amounts are only reported are only reported in the general fund.

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.

Town Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Town Council through adoption or amendment of the budget as intended for specific purposes (such as the purchase of capital assets, construction, debt service, or for other purposes).

K. Net Position

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related 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 also included in this component of net position.

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

L. Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund 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.

M. 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/expenditure) until then. The Town has one type of item that qualifies for reporting in this category. It is comprised of certain items related to pension. For more detailed information on these items, reference the related 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 one type of item that qualifies for reporting in this category. It is comprised of certain items related to pension are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

N. Leases

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

Lessee

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

Key Estimates and Judgments

Lease accounting includes estimates and judgments 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.

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

N. Leases (continued)

- The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of 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 (lessee) or lease receivable (lessor).

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

O. Adoption of Accounting Principles:

The (County, City, Town/ABC) implemented provisions of Governmental Accounting Standards Board Statement Nos. 87, *Leases* and 92, *Omnibus 2020* during the fiscal year ended June 30, 2022. Statement No. 87, *Leases* requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Statement No. 92, *Omnibus 2020* addresses a variety of topics, including leases. No restatement of beginning net position was required as a result of this implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2021 related to the lease(s):

	<u>Governmental Activities</u>		<u>General Fund</u>
Lessee activity:			
Lease assets	\$ 15,057	\$	-
Lease liabilities	\$ 15,057	\$	-

NOTE 2—PROPERTY TAXES RECEIVABLE:

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable February 15th of the following year. The Town bills and collects its own property taxes. The Town does not record an allowance for uncollectible receivables as all receivables are deemed collectible.

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 amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 3—DEPOSITS AND INVESTMENTS: (Continued)

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), the Asian Development Bank, the African Development Bank, “primary quality” commercial paper and certain corporate notes, banker’s acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP).

Custodial Credit Risk (Investments):

The Town’s investments at June 30, 2022 were held by the Town or in the Town’s name by the Town’s custodial banks.

Credit Risk of Debt Securities:

The Town does not have a policy related to credit risk of debt securities. The Town’s rated debt investments as of June 30, 2022 were rated by Standard & Poor’s and the ratings are presented below using the Standard & Poor’s rating scale.

Town's Rated Debt Investments' Values	
	Fair Quality Rating
	AAAm
VML/VACO Virginia Investment Pool	\$ 475,988

Fair Value Measurements:

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. The Town has measured fair value of the above investments at the net asset value (NAV). Funds can be accessed twice a month, generally with 5 days’ notice.

Interest Rate Risk:

The Town does not have a policy related to interest rate risk. The Town’s investment subject to interest rate risk is VML/VACO Virginia Investment Pool with a fair value of \$21,530 and a maturity of less than one year.

NOTE 4—DUE FROM OTHER GOVERNMENTS:

At June 30, 2022, the Town has receivables from other governments as follows:

Prince William County:	
Fines - public safety	\$ 23,461
Commonwealth of Virginia:	
DMV ground transportation safety grant	1,652
Communications Tax	5,300
Totals	\$ 30,413

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 5—CAPITAL ASSETS:

The following is summary of changes in capital assets during the fiscal year:

Governmental Activities:

	Balance July 1, 2021	GASB87 Implementation	Additions	Deletions	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 1,081,564	\$ -	\$ -	\$ -	\$ 1,081,564
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	<u>\$ 1,081,564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,081,564</u>
Other capital assets:					
Buildings and improvements	\$ 2,392,351	\$ -	\$ 12,066	\$ -	\$ 2,404,417
Vehicles	134,296	-	-	-	134,296
Equipment	169,429	-	12,592	32,486	149,535
Leased equipment	-	15,057	-	-	15,057
Total other capital assets	<u>\$ 2,696,076</u>	<u>\$ 15,057</u>	<u>\$ 24,658</u>	<u>\$ 32,486</u>	<u>\$ 2,703,305</u>
Accumulated depreciation:					
Buildings and improvements	\$ 359,490	\$ -	\$ 49,470	\$ -	\$ 408,960
Vehicles	75,021	-	10,824	-	85,845
Equipment	74,868	-	16,186	27,438	63,616
Leased equipment	-	-	3,765	-	3,765
Total accumulated depreciation	<u>\$ 509,379</u>	<u>\$ -</u>	<u>\$ 80,245</u>	<u>\$ 27,438</u>	<u>\$ 562,186</u>
Other capital assets, net	<u>\$ 2,186,697</u>	<u>\$ 15,057</u>	<u>\$ (55,587)</u>	<u>\$ 5,048</u>	<u>\$ 2,141,119</u>
Net capital assets	<u>\$ 3,268,261</u>	<u>\$ 15,057</u>	<u>\$ (55,587)</u>	<u>\$ 5,048</u>	<u>\$ 3,222,683</u>
Depreciation expense has been allocated as follows:					
General government administration			\$ 21,903		
Public safety			16,565		
Public works			254		
Parks, recreation and cultural			41,523		
Total depreciation expense			<u>\$ 80,245</u>		

NOTE 6—LONG-TERM OBLIGATIONS:

The following is a summary of long-term obligations for the fiscal year ended June 30, 2021:

	Balance July 1, 2021	GASB87 Implementation	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2022	Amounts Due Within One Year
Compensated absences	\$ 25,701	\$ -	\$ 13,914	\$ 2,570	\$ 37,045	\$ 3,705
Lease liabilities	-	15,057	-	3,584	11,473	3,724
Notes Payable	30,756	-	-	30,756	-	-
Total	<u>\$ 56,457</u>	<u>\$ 15,057</u>	<u>\$ 13,914</u>	<u>\$ 36,910</u>	<u>\$ 48,518</u>	<u>\$ 7,429</u>

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 6—LONG-TERM OBLIGATIONS: (Continued)

	<u>Amount Outstanding</u>	<u>Amounts Due Within One Year</u>
<u>Lease Liabilities:</u>		
Secured by equipment through 2026 at discount rate of 3.27%	\$ <u>11,473</u>	\$ <u>3,724</u>
Compensated absences	\$ <u>37,045</u>	\$ <u>3,705</u>
Total Governmental Activities	\$ <u><u>48,518</u></u>	\$ <u><u>7,429</u></u>

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

Year	Lease Liabilities	
	Principal	Interest
2024	\$ 3,705	\$ 319
2025	3,815	197
2026	2,222	89
	\$ 11,473	\$ 635

NOTE 7—COMPENSATED ABSENCES:

The Town has accrued the liability arising from outstanding compensated absences. Town employees earn vacation and sick leave based upon length of service. The Town has outstanding accrued vacation pay totaling \$37,045 in the General Fund.

NOTE 8—CONTINGENT LIABILITIES:

At June 30, 2022, there were no matters of litigation involving the Town which would materially affect the Town's financial position should any court decisions on pending matters not be favorable to the Town.

NOTE 9—PENSION PLAN:

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.

- 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.
- 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.
- 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 service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

NOTE 9—PENSION PLAN: (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, 2019 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government
Inactive members or their beneficiaries currently receiving benefits	-
Inactive members:	
Vested inactive members	-
Non-vested inactive members	-
Active members active elsewhere in VRS	-
Total inactive members	-
Active members	<u>6</u>
Total covered employees	<u><u>6</u></u>

Notes to Financial Statements: (Continued)
At June 30, 2022

NOTE 9—PENSION PLAN: (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, 2022 was 8.28% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$32,308 and \$24,078 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability (Asset)

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

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, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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

Notes to Financial Statements: (Continued)
At June 30, 2022

NOTE 9—PENSION PLAN: (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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Notes to Financial Statements: (Continued)
At June 30, 2022

NOTE 9—PENSION PLAN: (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, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.50%
Salary increases, including inflation	3.50% - 4.75%
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

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

Notes to Financial Statements: (Continued)
At June 30, 2022

NOTE 9—PENSION PLAN: (Continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits: (Continued)

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

Long-Term Expected Rate of Return

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

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

NOTE 9—PENSION PLAN: (Continued)

Long-Term Expected Rate of Return: (Continued)

*The above allocation provides a one-year expected return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Town was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2021, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 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.

Notes to Financial Statements: (Continued)
At June 30, 2022

NOTE 9—PENSION PLAN: (Continued)

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ -	\$ 3,539	\$ (3,539)
Changes for the year:			
Service cost	\$ 42,468	\$ -	\$ 42,468
Interest	-	-	-
Differences between expected and actual experience	-	-	-
Assumption changes	1,204	-	1,204
Contributions - employer	-	24,078	(24,078)
Contributions - employee	-	152,572	(152,572)
Net investment income	-	36,190	(36,190)
Benefit payments, including refunds	-	-	-
Administrative expenses	-	75	(75)
Other changes	-	4	(4)
Net changes	\$ 43,672	\$ 212,919	\$ (169,247)
Balances at June 30, 2021	\$ 43,672	\$ 216,458	\$ (172,786)

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Town's Net Pension Liability (Asset)	\$ (166,653)	\$ (172,786)	\$ (177,819)

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

For the year ended June 30, 2021, the Town recognized pension expense of \$(1,410). At June 30, 2021, the Town deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Notes to Financial Statements: (Continued)
At June 30, 2022

NOTE 9—PENSION PLAN: (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Change in assumptions	1,051	-
Net difference between projected and actual earnings on pension plan investments	-	23,933
Change in proportionate share	-	-
Employer contributions subsequent to the measurement date	<u>32,308</u>	<u>-</u>
Total	<u>\$ 33,359</u>	<u>\$ 23,933</u>

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

\$32,308 reported as deferred outflows of resources related to pensions resulting from the Town’s and contributions, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ (5,825)
2024	(5,825)
2025	(5,826)
2026	(5,845)
2027	153
Thereafter	286

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2021-annual-report.pdf> or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 10—UNEARNED AND DEFERRED/UNAVAILABLE REVENUES:

Unearned and deferred/unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under modified accrual basis of account, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred. Unearned and deferred/unavailable revenue is comprised of the following:

	<u>Balance Sheet</u>	<u>Government-wide Statements</u>
	<u>Governmental Funds</u>	<u>Governmental Activities</u>
Deferred property tax revenue:		
Unavailable revenue representing uncollected property tax billings for which revenue recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures.	\$ 1,742	\$ -
Unearned revenues - ARPA funds	474,780	474,780
Craft show	46,775	46,775
Other	1,350	1,350
	<u>524,647</u>	<u>522,905</u>
Total	\$ <u>524,647</u>	\$ <u>522,905</u>

NOTE 11—RISK MANAGEMENT:

The Town participates in the Virginia Municipal Group Risk Management Pool for workers' compensation insurance coverage. Other insurance coverage for property, crime, dishonesty and related coverage are purchased from a commercial insurance carrier. Coverage for these items varies. There are no surety bonds for directors. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 12—EXPENDITURES IN EXCESS OF APPROPRIATIONS:

<u>Fund</u>	<u>Appropriations</u>	<u>Actual</u>	<u>Variance</u>
General Fund:			
General Government	\$ 477,109	\$ 482,691	\$ (5,582)
Public safety	398,545	402,738	(4,193)
Public works	198,087	226,765	(28,678)
Parks, recreation and cultural	179,442	192,252	(12,810)
Capital outlay	102,365	137,124	(34,759)

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 13—COVID-19:

ARPA Funding

On March 11, 2021, the American Rescue Plan (ARPA) Act of 2021 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments are to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

In June 2021, the town received its share of the first half of the CSLFRF funds. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$474,780 from the initial allocation are reported as unearned revenue as of June 30.

NOTE 14—UPCOMING PRONOUNCEMENTS

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Statement No. 99, *Omnibus 2022*, addresses (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to for fiscal years beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, provides more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability for accounting changes and error corrections. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

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

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 Balances - Budget and Actual
 Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
General property taxes	\$ 251,689	\$ 251,689	\$ 254,697	\$ 3,008
Other local taxes	378,800	378,800	435,316	56,516
Fines and forfeitures	304,580	304,580	345,615	41,035
Revenue from use of money and property	13,120	13,120	16,526	3,406
Charges for services	8,500	8,500	21,492	12,992
Recovered costs	20,000	20,000	17,400	(2,600)
Miscellaneous	260,290	260,290	234,686	(25,604)
Intergovernmental:				
Commonwealth	59,736	59,736	73,147	13,411
Federal	14,594	14,594	17,438	2,844
Total revenues	<u>\$ 1,311,309</u>	<u>\$ 1,311,309</u>	<u>\$ 1,416,317</u>	<u>\$ 105,008</u>
Expenditures				
Current:				
General government administration	\$ 477,109	\$ 477,109	\$ 482,691	\$ (5,582)
Public safety	398,545	398,545	402,738	(4,193)
Public works	198,087	198,087	226,765	(28,678)
Parks, recreation, and cultural	179,442	179,442	192,252	(12,810)
Capital outlay	102,365	102,365	137,124	(34,759)
Debt service:				
Principal retirement	34,340	34,340	34,340	-
Interest and fiscal charges	1,695	1,695	1,695	-
Total expenditures	<u>\$ 1,391,583</u>	<u>\$ 1,389,888</u>	<u>\$ 1,477,605</u>	<u>\$ (86,022)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (80,274)</u>	<u>\$ (78,579)</u>	<u>\$ (61,288)</u>	<u>\$ 18,986</u>
Changes in fund balances	\$ (80,274)	\$ (78,579)	\$ (61,288)	\$ 18,986
Fund balances at beginning of year	<u>80,274</u>	<u>78,579</u>	<u>525,784</u>	<u>447,205</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 464,496</u>	<u>\$ 466,191</u>

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
 Pension Plan
 For the Measurement Dates of June 30, 2020 through June 30, 2021

	2021	2020
Total pension liability		
Service cost	\$ 42,468	\$ -
Interest	-	-
Changes in benefit terms	-	-
Differences between expected and actual experience	-	-
Changes in assumptions	1,204	-
Benefit payments	-	-
Net change in total pension liability	\$ 43,672	\$ -
Total pension liability - beginning	-	-
Total pension liability - ending (a)	\$ 43,672	\$ -
Plan fiduciary net position		
Contributions - employer	\$ 24,078	\$ 2,204
Contributions - employee	152,572	1,305
Net investment income	36,190	25
Benefit payments	-	-
Administrator charges	75	5
Other	4	-
Net change in plan fiduciary net position	\$ 212,919	\$ 3,539
Plan fiduciary net position - beginning	3,539	-
Plan fiduciary net position - ending (b)	\$ 216,458	\$ 3,539
Town's net pension liability (asset) - ending (a) - (b)	\$ (172,786)	(3,539)
Plan fiduciary net position as a percentage of the total pension liability	N/A	N/A
Covered payroll	\$ 326,627	\$ 27,422
Town's net pension liability (asset) as a percentage of covered payroll	-52.90%	-12.91%

Schedule is intended to show information for 10 years. The Town began participation in the VRS pension plan on June 1, 2020. Additional years will be included as they become available.

Schedule of Employer Contributions

Pension Plan

For the Years Ended June 30, 2020 through June 30, 2022

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)
2022	\$ 32,308	\$ 32,308	\$ -	450,297	7.17%
2021	24,078	24,078	-	326,627	7.37%
2020	2,271	2,271	-	27,422	8.28%

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

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Notes to Required Supplementary Information
 Pension Plan
 For the Year Ended June 30, 2022

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

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

Supporting Schedules

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Governmental Funds
 Schedule of Revenues - Budget and Actual
 Year Ended June 30, 2022

Fund, Major and Minor Revenue Source	Original Budget	Budget as Amended	Actual	Variance from Final Budget Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 249,189	\$ 249,189	\$ 253,256	\$ 4,067
Penalties and interest	2,500	2,500	1,441	(1,059)
Total general property taxes	<u>\$ 251,689</u>	<u>\$ 251,689</u>	<u>\$ 254,697</u>	<u>\$ 3,008</u>
Other local taxes:				
Local sales and use taxes	\$ 30,000	\$ 30,000	\$ 35,047	\$ 5,047
Auto decals	12,000	12,000	10,435	(1,565)
Business license tax	68,800	68,800	74,340	5,540
Meals tax	228,000	228,000	269,502	41,502
Transient lodging tax	11,200	11,200	14,589	3,389
Consumer utility tax	28,800	28,800	31,403	2,603
Total other local taxes	<u>\$ 378,800</u>	<u>\$ 378,800</u>	<u>\$ 435,316</u>	<u>\$ 56,516</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 304,580	\$ 304,580	\$ 345,615	\$ 41,035
Total fines and forfeitures	<u>\$ 304,580</u>	<u>\$ 304,580</u>	<u>\$ 345,615</u>	<u>\$ 41,035</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 1,120	\$ 1,120	\$ 3,051	\$ 1,931
Revenue from use of property	12,000	12,000	13,475	1,475
Total revenue from use of money and property	<u>\$ 13,120</u>	<u>\$ 13,120</u>	<u>\$ 16,526</u>	<u>\$ 3,406</u>
Charges for services:				
Miscellaneous	\$ 8,500	\$ 8,500	\$ 21,492	\$ 12,992
Total charges for services	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ 21,492</u>	<u>\$ 12,992</u>
Recovered costs:				
Engineering fees	\$ 10,000	\$ 10,000	\$ 12,580	\$ 2,580
Legal fees	10,000	10,000	4,820	(5,180)
Total recovered costs	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 17,400</u>	<u>\$ (2,600)</u>
Miscellaneous:				
Brick paver program	\$ 3,000	\$ 3,000	\$ 1,525	\$ (1,475)
River Mill Park	6,750	6,750	11,043	4,293
Craft show	245,700	245,700	219,182	(26,518)
Holiday Fest	1,340	1,340	860	(480)
Other miscellaneous	3,500	3,500	2,076	(1,424)
Total miscellaneous	<u>\$ 260,290</u>	<u>\$ 260,290</u>	<u>\$ 234,686</u>	<u>\$ (25,604)</u>

Governmental Funds
Schedule of Revenues - Budget and Actual
Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget as Amended	Actual	Variance from Final Budget Positive (Negative)
General Fund: (Continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Telecommunications tax	\$ 35,000	\$ 35,000	\$ 33,130	\$ (1,870)
Total noncategorical aid	\$ 35,000	\$ 35,000	\$ 33,130	\$ (1,870)
Categorical aid:				
Public safety grant	\$ 23,686	\$ 23,686	\$ 23,688	\$ 2
Fireman's insurance fund	-	-	15,000	15,000
Litter grant	1,050	1,050	1,329	279
Total categorical aid	\$ 24,736	\$ 24,736	\$ 40,017	\$ 15,281
Total revenue from the Commonwealth	\$ 59,736	\$ 59,736	\$ 73,147	\$ 13,411
Revenue from the federal government:				
Noncategorical aid:				
Coronavirus relief funds	\$ -	\$ -	\$ 8,807	\$ 8,807
Total Noncategorical aid	\$ -	\$ -	\$ 8,807	\$ 8,807
Categorical aid:				
DMV ground transportation safety grants	\$ 14,594	\$ 14,594	\$ 8,631	\$ (5,963)
Total Categorical aid	\$ 14,594	\$ 14,594	\$ 8,631	\$ (5,963)
Total revenue from the federal government	\$ 14,594	\$ 14,594	\$ 17,438	\$ 2,844
Total General Fund	\$ 1,311,309	\$ 1,311,309	\$ 1,416,317	\$ 105,008

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Compliance



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

**TO THE HONORABLE MEMBERS OF THE TOWN COUNCIL
TOWN OF OCCOQUAN, VIRGINIA
OCCOQUAN, 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 and each major fund of Town of Occoquan, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Occoquan, Virginia's basic financial statements, and have issued our report thereon dated DRAFT.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Occoquan, 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 Town of Occoquan, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Occoquan, 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 Town of Occoquan, 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.

Fredericksburg, Virginia
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TOWN OF OCCOQUAN
TOWN COUNCIL MEETING
Agenda Communication

5. Discussion Items	Meeting Date: May 16, 2023
5B: Update on Mill House Museum Expansion Architectural Design	

Attachments: None

Submitted by: Adam C. Linn
Town Manager

Explanation and Summary:

This is a discussion item to offer an update and address any questions on any information and/or proposals from potential vendors for design renderings of renovations at the Mill House Museum.

At the May 2nd Town Council Meeting, the Town Council confirmed parameters for any potential renovation proposal requests for the Mill House Museum. The Town Council agreed that the basic parameters of any such effort should involve (a) an addition/renovation that doubles display space, and (b) an exterior river-facing deck suitable for gatherings of 50-75 people with access from within the museum and flexibility to connect to boardwalk.

Staff Request: None