



TOWN OF OCCOQUAN

Circa 1734 | Chartered 1804 | Incorporated 1874

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Occoquan, VA 22125
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Occoquan Town Council Town Council Meeting November 18, 2025 | 7:00 p.m.

1. **Call to Order**
2. **Consent Agenda**
 - a. Request to Accept November 5, 2025, Town Council Meeting Minutes *pg. 3*
3. **Regular Business**
 - a. Presentation and Request to Accept Fiscal Year 2024 Financial Audit *pg. 9*
 - b. Request to Adopt Resolution of Congratulations to Inez Thurston *pg. 59*
4. **Discussion Items**
 - a. Discussion on Mill Street Pocket Park Mural Design Contest Guidelines and Information *pg. 60*
 - b. Discussion on Advisory Bodies Leadership Roles *pg. 69*
5. **Closed Session**
6. **Adjournment**



TOWN OF OCCOQUAN
TOWN COUNCIL MEETING
Agenda Communication

2. Consent Agenda	Meeting Date: November 18, 2025
Request to Approve Consent Agenda	

Attachments: See below

Submitted by: Megan Lubash
Town Clerk & Assistant Town Manager

Explanation and Summary:

This is a request to approve the consent agenda:

- a. Request to Accept November 5, 2025, 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.



OCOCOQUAN TOWN COUNCIL
Meeting Minutes - DRAFT
Town Hall – 314 Mill Street, Occoquan, VA 22125
Tuesday, November 5, 2025
7:00 p.m.

Present: Mayor Earnie Porta; Vice Mayor Jenn Loges, Councilmembers Robert Love, Cindy Fithian, Theo Daubresse, and Eliot Perkins

Absent: None

Staff: Adam Linn, Town Manager / Chief of Police; Philip Auville, Town Clerk; Jason Forman, Deputy Chief of Police; Martin Crim, Town Attorney; Tammy Hassett, Events Director

1. CALL TO ORDER

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

2. PLEDGE OF ALLEGIANCE

3. CITIZENS' TIME

Two residents spoke during Citizens' Time.

Rick F., a resident of Washington Street, spoke about growing up and living in Prince William County and Occoquan as well as former-Chair Brenda Seefeldt's resignation.

Kathy E., a resident of Washington Street, wanted an update on the Town's actions regarding speeding vehicles and crosswalks on Washington Street. She also recounted her own recent near-miss incident that occurred on Washington Street.

Since there were no further citizen comments, Citizens' Time was closed.

Discussion on Pedestrian Safety at Washington Street

Town Manager Linn noted that the Town is limited as to what they can do with respect to pedestrian safety since the roads are controlled by VDOT. He further explained that within the Town's limited ability, they have looked for solutions involving engineering, education and enforcement. The Town has engaged VDOT and the County to change that section of Washington Street to address what the town feels is a concern. The County agreed to have Dominion add a streetlight under the crosswalk sign and the Town is currently looking at extending the sidewalk as to be one continuous sidewalk on one side of the street from 118 Washington to Edgehill Drive. The Town was also able to reduce the speed limit of that section to help with enforcement.

Mayor Porta noted that Washington Street is now a commuter artery. He noted that a sidewalk spanning the length of both sides of the street would be the best option, but is not feasible. He also noted that VDOT will not allow for rumble strips or speedbumps.

Councilmember Perkins brought up adding a button for a flashing crosswalk sign to alert drivers of a person crossing the street.

Town Manager Linn noted that he and Vice Mayor Loges had raised that with VDOT and the County, but were advised that it would need to be permitted by VDOT and could be cost prohibitive.

Vice Mayor Loges stated that in the previous meeting with VDOT and the County, the traffic engineers indicated that the flashing lights sign before crossing can be dangerous as then the pedestrian will cross the street without looking for cars, potentially creating more accidents.

Town Manager Linn noted that a speed study had been requested from the County and was supposed to be conducted in October of 2025 and that he would follow up on the status of the study.

4. REGULAR BUSINESS

Mayor Porta asked for unanimous consent to move the regular business item up on the agenda with no objection and then read the Resolution. The Resolution was labeled R-2025-15 entitled Resolution Recognizing the Sesquicentennial of the First Elected Council of the Town of Occoquan. He noted that Staff had corrected the typos in the original and provided a corrected version in person.

Mayor Porta then gave a presentation regarding the history of the first Town Council.

Vice Mayor Loges moved to adopt the resolution. Councilmember Fithian seconded. Motion passed unanimously by roll call vote.

Ayes: Vice Mayor Loges, Councilmember Love, Councilmember Daubresse, Councilmember Perkins, and Councilmember Fithian
Nays: None

5. CONSENT AGENDA

a. Request to Accept October 21st, 2025, Town Council Meeting Minutes

Mayor Porta noted few simple words such as 'the' missing from the minutes. He directed Staff to correct those administratively.

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

6. MAYOR'S REPORT

Mayor Porta reported the following:

- On October 10th, he emceed the last Trivia Night in River Mill Park of the season.
- On October 14th, he met with Sarah Burzio and Town Manager Linn in regards to Virginia Main Street.
- On October 15th, he attended the service for the passing of Virginia Delegate Candi King's daughter.
- On October 19th, attended the ribbon cutting for Thai Ghang Waan.
- On October 23rd, he gave a history tour of the town to two groups from AARP.

- On October 24th, he filled in at the Murder Mystery event at River Mill Park.
- On October 25th, he participated in the Halloween Costume Parade and contest.
- On October 25th, he attended the movie at River Mill Park.
- On October 28th, he gave a talk on the history of Occoquan at the Piazza for the Occoquan Historical Society.
- On November 1st, he spoke at the request of a resident at a US-Pakistani Business Cooperation Group in Springfield which was attended by the Pakistani Ambassador and Trade Minister

7. COUNCILMEMBER REPORTS

Councilmember Love noted that he attended Potomac Watershed Roundtable on October 10th. He also attended the VFW Navy Birthday celebration on October 13th. He also attended the ribbon cutting at Tahi Ghang Waan on October 19th.

Councilmember Daubresse attended the ribbon cutting at Tahi Ghang Waan on October 19th.

Vice Mayor Loges noted that she has been working with Staff and Town Attorney Crim on Special Use Permits.

8. BOARDS AND COMMISSIONS

On behalf of the Architectural Review Board (ARB), Councilmember Daubresse indicated that the ARB met and had approved one agenda item and that ARB chairperson Brenda Seefeldt resigned leaving the ARB without a chair

Council member Fithian asked if the Council liaison member should be the chair of the board or commission they are on and that she remembered that this issue was brought up at a previous Town Council meeting.

Mayor Porta mentioned that his recollection of those discussions was that council members felt we should discourage the council liaisons on those bodies from also serving as the chairs of those bodies. Most recently the idea of term limits for chairs has been raised.

Councilmember Perkins expressed his appreciation for Brenda Seedfelds's service to the Town of Occoquan.

On behalf of the Planning Commission (PC), Chair Perkins mentioned certain key issues were brought up at the last meeting. The first was Special Use Permits (SUPs) specific to vape shops and similar businesses. Next was a broader discussion of SUPs in general and the comparison of nearby localities and the Town of Occoquan. He also indicated that they are also starting the process of reviewing the 10 year Comprehensive Plan with the goal of finishing it by July 1st 2026.

Councilmember Perkins indicated he was stepping down as chair of the Planning Commission in December.

Councilmember Love asked how long Councilmember Perkins had been the chair of the Planning Commission.

Mayor Porta and Councilmember Perkins figure he had been serving as a Planning Commission Chair since approximately 2018.

Councilmember Perkins also mentioned that the Planning Commission is working on the strategic planning items to be presented to Town Council.

Councilmember Fithian indicated when she first ran and went door to door, the Comprehensive Plan was something the residents were interested in.

9. ADMINISTRATIVE REPORTS

a. Administrative Report

Town Manager Linn provided an oral update on River Road. He indicated that there was a dramatic drop in violations from either parking in other spots or failing to have their town decals. He also mentioned that 105 River Road does have 4 cars regularly parked in front of their house which is okay as long as their parking does not interfere with the stormwater system.

Town Manager Linn mentioned that the fence at River Road was completed and was staff's way of limiting the use of the town's land to prevent it from being used by residents to raise rabbits and attempt to limit the trash being left by the residents' garbage cans. He indicated that they had created a location for residents to place their garbage cans to help reduce the trash from escaping.

Mayor Porta was asked a question by a resident in regards to the gateway landscaping improvements. She wanted to know if she could take over the plantings near the steps in River Mill Park. Town Manager Linn let Mayor Porta know that those plantings were handled by Town Staff and that the Town would not have an issue with permitting her to take over the plantings at that location.

Councilmember Love mentioned that at the Potomac Watershed Roundtable he met Leah Satler who was the Loudon County Invasive Species Program Administrator who would be willing to work with town with regard to invasive species management.

Mayor Porta mentioned receiving a complaint with regard to the trees at 116 Washington Street. The Mayor wanted to talk about the site plan and the trees on the back of the property.

Mayor Porta asked Town Manager Linn to clarify the Berrywood bond situation. Town Manager Linn explained that the older development was completed around 2012, and the Town released part of the bond in 2011. However, the performance bond was still outstanding. The Town needed to follow up with the developer on obtaining an as-built to close the development. Town Manager Linn explained when he went to look at bonds in 2022, he sent a letter to the Berry's since they had another development under bond that the Town was looking to close out. The homeowners of Berrywood have several items they are concerned about and while some of these items are beyond the scope of the Town's bonds, the Town is trying to help the homeowners.

Councilmember Fithian asked of the delinquency letters sent out if they had fines or follow ups attached to them to which Deputy Town Treasurer Auville responded.

Councilmember Fithian asked if the twelve vehicle crashes mentioned on the Publish Safety report occurred within the limits of Occoquan. Town Manager Linn answered that 12 was the number of crashes Occoquan Police responded to, inside or outside of the Town's limits.

Vice Mayor Loges commented on the sign violation on 229 Mill Street. In her opinion, it was not abated as the real estate sign was still hanging from the handrail, and the flyer box was still attached to the handrail. Town Manager Linn noted that a sign can be attached to an architectural feature but could not be obstructing the feature. Vice Mayor Loges also noted that the feather sign was reattached for an open house and taken off.

Councilmember Perkins wanted the report to be updated with regard to the town being a trail junction. He also requested a copy of the landscaping contract and wanted to get the dates of the invasive species clean up on the calendar for 2026.

b. Town Treasurer's Report

Mayor Porta mentioned that the financial results for the Events Fund showed revenue of roughly half of what has been budgeted while the expenses were noticeably less than half. He wanted to confirm with staff that this was consistent with their expectations, under the assumption that while the Fall Arts & Crafts Show would bring in substantial net revenue, subsequent events for Halloween and Christmas were not generally net revenue generators. Staff confirmed this.

Vice Mayor Loges asked some questions regarding components of the entertainment, advertising, and some other categories. Town Manager Linn advised that they would research the questions and follow up with Council.

c. Town Attorney's Report

Mr. Crim provided a written report as part of the agenda packet.

10. DISCUSSION ITEMS

a. Fall Arts and Craft Show Report

Events Director Hassett presented her report for the Fall Arts and Craft Show. Mayor Porta and other Councilmembers asked many questions about the Fall Arts and Craft Show that Events Director Hassett responded to.

Deputy Chief Forman gave a presentation on Public Safety's portion of the Fall Arts and Craft Show and answered questions.

b. Visit Occoquan, Inc. FY26 First Quarterly Report

Sarah Burzio, Executive Director of Visit Occoquan Inc., presented the first quarterly report of Fiscal Year of 2026.

11. ADJOURNMENT

The meeting was adjourned at 9:40 p.m.

Megan Lubash, Town Clerk & Assistant Town Manager



TOWN OF OCCOQUAN

TOWN COUNCIL MEETING

Agenda Communication

3. Regular Business	Meeting Date: November 18, 2025
3A: FY2024 Audit Presentation by Robinson, Farmer, Cox Associates	

Attachments: a. Draft Fiscal Year (FY) 2024 Audit

Submitted by: Adam C. Linn
Town Manager

Explanation and Summary:

The review of the FY2024 financials has been completed and a representative from Robinson, Farmer, Cox & Associates will provide a presentation of the audit. This is an opportunity for Council to be briefed on the status of the report and have any questions addressed.

Staff Recommendation: Recommend acceptance.

Proposed/Suggested Motion(s):

"I move to accept the Fiscal Year End June 30, 2024, Financial Report."

OR

Other action Council deems appropriate.



TOWN OF OCCOQUAN, VIRGINIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

TOWN OF OCCOQUAN, VIRGINIA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024



TOWN OF OCCOQUAN, VIRGINIA

TOWN COUNCIL

Earnest W. Porta Jr., Mayor

Jenn Loges, Vice-Mayor

Theo Daubresse

Cindy Fithian

Nancy Freeborne Brinton

Eliot Perkins

OFFICIALS

Adam Linn, Town Manager/Chief
of Police

Asma Rupani, Town Treasurer

TOWN OF OCCOQUAN, VIRGINIA
 Financial Report
 Year Ended June 30, 2024
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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 of the Town of Occoquan, Virginia, (the "Town") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2024, and the respective changes in financial position 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.

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, 2024, 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 budgetary comparison information, and schedules related to pension 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.

Management has omitted management’s discussion and analysis and schedules related to OPEB funding that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

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 supporting schedules are 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 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 2024

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 1,158,606
Restricted cash	100,000
Accounts receivable	69,072
Taxes receivable	306,310
Due from other governments	132,407
Prepaid items	1,063
Net pension asset	91,161
Capital assets:	
Land	1,081,564
Other capital assets, net of accumulated depreciation	2,613,268
Total assets	<u>\$ 5,553,451</u>
Deferred Outflows of Resources:	
Pension related items	<u>\$ 99,735</u>
Liabilities:	
Accounts payable	\$ 92,257
Accrued payroll	14,819
Unearned revenues	83,742
Long-term liabilities:	
Due within one year	23,716
Due in more than one year	109,597
Total liabilities	<u>\$ 324,131</u>
Deferred Inflows of Resources:	
Pension related items	\$ 11,995
Deferred revenue - property taxes	305,023
Total deferred inflows of resources	<u>\$ 317,018</u>
Net Position:	
Net Investment in capital assets	\$ 3,678,706
Restricted - Mamie Davis funds	100,000
Restricted - net pension asset	91,161
Unrestricted	1,142,170
Total net position	<u><u>\$ 5,012,037</u></u>

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

Statement of Activities
Year Ended June 30, 2024

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	\$ 552,280	\$ -	\$ 238,545	\$ -	\$ (313,735)
Public safety	539,925	515,603	243,836	-	219,514
Public works	433,161	16,684	273,596	30,837	(112,044)
Parks, recreation, and cultural	250,978	-	5,872	4,199	(240,907)
Interest on long-term debt	3,535	-	-	-	(3,535)
Total governmental activities	\$ 1,779,879	\$ 532,287	\$ 761,849	\$ 35,036	\$ (450,707)
General Revenues:					
General property taxes				\$	295,040
Local sales and use taxes					46,900
Auto decals					10,729
Business license tax					95,316
Meals tax					327,943
Consumer utility tax					38,477
Other local taxes					46,025
Unrestricted revenues from the use of money					35,351
Grants and contributions not restricted to specific programs					31,543
Miscellaneous					235,020
Total general revenues				\$	1,162,344
Change in net position				\$	711,637
Net position, beginning of year					4,300,400
Net position, end of year				\$	5,012,037

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

Fund Financial Statements

DRAFT

Balance Sheet
 Governmental Funds
 At June 30, 2024

	<u>General</u>
Assets:	
Cash and cash equivalents	\$ 1,158,606
Restricted cash	100,000
Accounts receivable	69,072
Taxes receivable	306,310
Due from other governments	132,407
Prepaid items	1,063
Total assets	\$ <u>1,767,458</u>
Liabilities:	
Accounts payable	\$ 92,257
Accrued payroll	14,819
Unearned revenues	83,742
Total liabilities	\$ <u>190,818</u>
Deferred Inflows of Resources:	
Unavailable revenue - taxes	\$ 306,310
Total deferred inflows of resources	\$ <u>306,310</u>
Fund Balance:	
Nonspendable:	
Prepaid items	\$ 1,063
Restricted:	
Mamie Davis funds	100,000
E Summons funds	49,124
Assigned:	
Events fund	86,552
Capital projects	7,038
Mamie Davis funds	7,090
Public safety	24,235
PEG funds	2,111
Unassigned	993,117
Total fund balance	\$ <u>1,270,330</u>
Total liabilities, deferred inflows of resources and fund balance	\$ <u>1,767,458</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, 2024

Total fund balances for governmental funds (Exhibit 3) \$ 1,270,330

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	2,613,268	3,694,832

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

Net pension asset		91,161
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Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds:

Pension related items		99,735
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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		1,287
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Deferred inflows of resources are not due and payable in the current period and, therefore are not reported in the funds:

Pension related items		(11,995)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences	\$ (50,175)	
Lease liabilities	(11,698)	
Notes payable	(71,440)	(133,313)

Total net position of governmental activities		\$ 5,012,037
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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, 2024

	<u>General</u>
Revenues:	
General property taxes	\$ 294,311
Other local taxes	565,390
Fines and forfeitures	515,603
Revenue from use of money and property	35,351
Charges for services	16,684
Recovered costs	4,199
Miscellaneous	235,020
Intergovernmental:	
Commonwealth	154,687
Federal	669,542
Total revenues	<u>\$ 2,490,787</u>
Expenditures:	
Current:	
General government administration	\$ 540,366
Public safety	471,807
Public works	215,512
Parks, recreation, and cultural	212,820
Capital outlay	371,051
Debt service:	
Principal retirement	18,909
Interest and fiscal charges	3,535
Total expenditures	<u>\$ 1,834,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 656,787</u>
Other financing sources (uses):	
Issuance of note payable	\$ 85,722
Issuance lease	8,826
Total other financing sources (uses)	<u>\$ 94,548</u>
Changes in fund balances	\$ 751,335
Fund balances at beginning of year	<u>518,995</u>
Fund balances at end of year	<u><u>\$ 1,270,330</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, 2024

Net change in fund balances - total governmental funds (Exhibit 5) \$ 751,335

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	\$ 176,789	
Depreciation expense	<u>(102,840)</u>	73,949

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position. (25,117)

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. 729

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

Issuance of note payable	(85,722)	
Issuance lease	(8,826)	
Principal repayments	<u>18,909</u>	(75,639)

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	\$ (8,922)	
Pension expense	<u>(4,698)</u>	<u>(13,620)</u>

Change in net position of governmental activities \$ 711,637

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, 2024

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Narrative Profile:

The Town of Occoquan, (the “Town”) 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 1,047 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 the 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 costs 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.

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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, the governmental activity column (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.

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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 2024.

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 is:

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, 2024 (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, 2024 (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
Lease 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 vacation 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, 2024 (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 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 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, 2024 (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.

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.

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, 2024 were held by the Town or in the Town’s name by the Town’s custodial banks.

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 3—DEPOSITS AND INVESTMENTS: (Continued)

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, 2024 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

	<u>Fair Quality Rating</u>
	<u>AAAm</u>
VML/VACO Virginia Investment Pool	\$ <u>603,044</u>

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 \$603,044 and a maturity of less than one year.

NOTE 4—DUE FROM OTHER GOVERNMENTS:

At June 30, 2024, the Town has receivables from other governments as follows:

Prince William County:	
Fines - public safety	\$ 40,980
Commonwealth of Virginia:	
Public safety grants	8,033
Community flood preparedness fund grant	78,639
Communications Tax	<u>4,755</u>
Totals	\$ <u>132,407</u>

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 5—CAPITAL ASSETS:

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

Governmental Activities:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 1,081,564	\$ -	\$ -	\$ 1,081,564
Construction in progress	35,988	-	35,988	-
Total capital assets not being depreciated	<u>\$ 1,117,552</u>	<u>\$ -</u>	<u>\$ 35,988</u>	<u>\$ 1,081,564</u>
Other capital assets:				
Buildings and improvements	\$ 2,866,448	\$ 16,523	\$ -	\$ 2,882,971
Vehicles	134,296	125,772	62,144	197,924
Equipment	145,711	61,656	22,810	184,557
Leased equipment	15,057	8,826	-	23,883
Total other capital assets	<u>\$ 3,161,512</u>	<u>\$ 212,777</u>	<u>\$ 84,954</u>	<u>\$ 3,289,335</u>
Accumulated depreciation:				
Buildings and improvements	\$ 460,738	\$ 50,168	\$ -	\$ 510,906
Vehicles	96,669	33,463	49,241	80,891
Equipment	67,813	14,333	10,596	71,550
Leased equipment	7,844	4,876	-	12,720
Total accumulated depreciation	<u>\$ 633,064</u>	<u>\$ 102,840</u>	<u>\$ 59,837</u>	<u>\$ 676,067</u>
Other capital assets, net	<u>\$ 2,528,448</u>	<u>\$ 109,937</u>	<u>\$ 25,117</u>	<u>\$ 2,613,268</u>
Net capital assets	<u>\$ 3,646,000</u>	<u>\$ 109,937</u>	<u>\$ 61,105</u>	<u>\$ 3,694,832</u>
Depreciation expense has been allocated as follows:				
General government administration		\$ 20,682		
Public safety		37,740		
Public works		2,534		
Parks, recreation and cultural		41,884		
Total depreciation expense		<u>\$ 102,840</u>		

NOTE 6—LONG-TERM OBLIGATIONS:

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

	Balance July 1, 2023	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2024	Amounts Due Within One Year
Compensated absences	\$ 41,253	\$ 13,047	\$ 4,125	\$ 50,175	\$ 5,018
Lease liabilities	7,499	8,826	4,627	11,698	3,861
Notes Payable	-	85,722	14,282	71,440	14,837
Total	<u>\$ 48,752</u>	<u>\$ 107,595</u>	<u>\$ 23,034</u>	<u>\$ 133,313</u>	<u>\$ 23,716</u>

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 6—LONG-TERM OBLIGATIONS: (Continued)

	<u>Amount Outstanding</u>	<u>Amounts Due Within One Year</u>
<u>Note Payable:</u>		
\$85,722 note payable due in semi-annual installments of \$8,719 through December 2029, interest payable at 3.84%, secured by vehicles.	\$ <u>71,440</u>	\$ <u>14,837</u>
<u>Lease Liabilities:</u>		
Various leases secured by equipment payable in monthly and quarterly installments through 2029 at discount rates ranging from 3.27% to 3.84%	\$ <u>11,698</u>	\$ <u>3,861</u>
Compensated absences	\$ <u>50,175</u>	\$ <u>5,018</u>
Total Governmental Activities	\$ <u><u>133,313</u></u>	\$ <u><u>23,716</u></u>

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

Year	Direct Borrowings and Direct Placement Note Payable		Lease Liabilities	
	Principal	Interest	Principal	Interest
2025	\$ 14,837	\$ 2,601	\$ 3,861	\$ 357
2026	15,412	2,026	3,417	235
2027	16,010	1,428	1,770	138
2028	16,631	808	1,839	69
2029	8,550	164	811	8
	\$ <u><u>71,440</u></u>	\$ <u><u>7,027</u></u>	\$ <u><u>11,698</u></u>	\$ <u><u>807</u></u>

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 \$50,175 Government-Wide.

NOTE 8—CONTINGENT LIABILITIES:

At June 30, 2024, 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.

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements: (Continued) At June 30, 2024

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.

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements: (Continued)
At June 30, 2024

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, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Primary Government</u>
Inactive members or their beneficiaries currently receiving benefits	-
Inactive members:	
Vested inactive members	2
Non-vested inactive members	-
Active members active elsewhere in VRS	<u>1</u>
Total inactive members	3
Active members	<u>7</u>
Total covered employees	<u><u>10</u></u>

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements: (Continued)
At June 30, 2024

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, 2024 was 6.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$25,736 and \$23,546 for the years ended June 30, 2024 and June 30, 2023, 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, 2023. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Town’s Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements: (Continued)
At June 30, 2024

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

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

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

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements: (Continued)
At June 30, 2024

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, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% - 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, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements: (Continued)
At June 30, 2024

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

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements: (Continued)
At June 30, 2024

NOTE 9—PENSION PLAN: (Continued)

Long-Term Expected Rate of Return: (Continued)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Town was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements: (Continued)
At June 30, 2024

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, 2022	\$ 181,908	\$ 266,931	\$ (85,023)
Changes for the year:			
Service cost	\$ 37,533	\$ -	\$ 37,533
Interest	14,793	-	14,793
Differences between expected and actual experience	4,017	-	4,017
Contributions - employer	-	23,548	(23,548)
Contributions - employee	-	19,694	(19,694)
Net investment income	-	19,384	(19,384)
Benefit payments, including refunds	(567)	(567)	-
Administrative expenses	-	(153)	153
Other changes	-	8	(8)
Net changes	\$ 55,776	\$ 61,914	\$ (6,138)
Balances at June 30, 2023	\$ 237,684	\$ 328,845	\$ (91,161)

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)	\$ (51,321)	\$ (91,161)	\$ (121,961)

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

For the year ended June 30, 2024, the Town recognized pension expense of \$30,436. At June 30, 2024, the Town deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements: (Continued)
At June 30, 2024

NOTE 9—PENSION PLAN: (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 62,351	\$ -
Change in assumptions	745	-
Net difference between projected and actual earnings on pension plan investments	10,903	11,995
Employer contributions subsequent to the measurement date	<u>25,736</u>	<u>-</u>
Total	<u>\$ 99,735</u>	<u>\$ 11,995</u>

\$25,736 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30

2025	\$ 17,111
2026	17,092
2027	23,090
2028	4,578
2029	133
Thereafter	-

Pension Plan Data

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

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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:		
Deferred revenue representing uncollected property tax which has not been billed but for which an enforceable lien is in effect.	\$ -	\$ 305,023
Unavailable revenue - 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.	306,310	-
Craft show	76,034	76,034
Other	7,708	7,708
	<u>390,052</u>	<u>388,765</u>
Total	\$ <u>390,052</u>	\$ <u>388,765</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:			
Public safety	\$ 463,652	\$ 471,807	\$ (8,155)

TOWN OF OCCOQUAN, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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.

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. There are no unspent funds from the initial allocation are reported as unearned revenue as of June 30, 2024.

NOTE 14—UPCOMING PRONOUNCEMENTS

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

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

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

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

Required Supplementary Information

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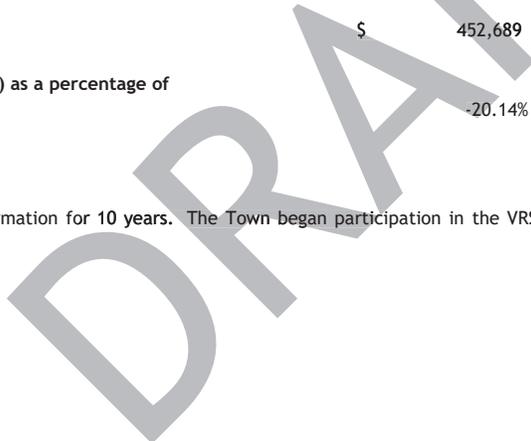
General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
General property taxes	\$ 290,269	\$ 290,269	\$ 294,311	\$ 4,042
Other local taxes	539,781	539,781	565,390	25,609
Fines and forfeitures	361,330	361,330	515,603	154,273
Revenue from use of money and property	22,813	22,813	35,351	12,538
Charges for services	12,000	12,000	16,684	4,684
Recovered costs	24,000	24,000	4,199	(19,801)
Miscellaneous	302,525	304,525	235,020	(69,505)
Intergovernmental:				
Commonwealth	1,531,584	1,531,584	154,687	(1,376,897)
Federal	547,079	547,079	669,542	122,463
Total revenues	<u>\$ 3,631,381</u>	<u>\$ 3,633,381</u>	<u>\$ 2,490,787</u>	<u>\$ (1,142,594)</u>
Expenditures				
Current:				
General government administration	\$ 596,920	\$ 596,920	\$ 540,366	\$ 56,554
Public safety	463,652	463,652	471,807	(8,155)
Public works	264,876	264,876	215,512	49,364
Parks, recreation, and cultural	234,281	234,281	212,820	21,461
Capital outlay	2,020,502	2,022,502	371,051	1,651,451
Debt service:				
Principal retirement	18,909	18,909	18,909	-
Interest and fiscal charges	3,535	3,535	3,535	-
Total expenditures	<u>\$ 3,602,675</u>	<u>\$ 3,604,675</u>	<u>\$ 1,834,000</u>	<u>\$ 1,770,675</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 28,706</u>	<u>\$ 28,706</u>	<u>\$ 656,787</u>	<u>\$ 628,081</u>
Other financing sources (uses):				
Issuance of note payable	\$ -	\$ -	\$ 85,722	\$ (85,722)
Issuance lease	-	-	8,826	(8,826)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,548</u>	<u>\$ (94,548)</u>
Changes in fund balances	\$ 28,706	\$ 28,706	\$ 751,335	\$ 533,533
Fund balances at beginning of year	<u>(28,706)</u>	<u>(28,706)</u>	<u>518,995</u>	<u>547,701</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,270,330</u>	<u>\$ 1,081,234</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, 2023

	2023	2022	2021	2020
Total pension liability				
Service cost	\$ 37,533	\$ 36,856	42,468	\$ -
Interest	14,793	5,431	-	-
Differences between expected and actual experience	4,017	96,091	-	-
Changes in assumptions	-	-	1,204	-
Benefit payments	(567)	(142)	-	-
Net change in total pension liability	\$ 55,776	\$ 138,236	43,672	\$ -
Total pension liability - beginning	181,908	43,672	-	-
Total pension liability - ending (a)	\$ 237,684	\$ 181,908	43,672	\$ -
Plan fiduciary net position				
Contributions - employer	\$ 23,548	\$ 32,305	24,078	\$ 2,204
Contributions - employee	19,694	20,097	152,572	1,305
Net investment income	19,384	(1,679)	36,190	25
Benefit payments	(567)	(142)	-	-
Administrator charges	(153)	(114)	75	5
Other	8	6	4	-
Net change in plan fiduciary net position	\$ 61,914	\$ 50,473	212,919	\$ 3,539
Plan fiduciary net position - beginning	266,931	216,458	3,539	-
Plan fiduciary net position - ending (b)	\$ 328,845	\$ 266,931	216,458	\$ 3,539
Town's net pension liability (asset) - ending (a) - (b)	\$ (91,161)	\$ (85,023)	(172,786)	\$ (3,539)
Plan fiduciary net position as a percentage of the total pension liability	N/A	N/A	N/A	N/A
Covered payroll	\$ 452,689	\$ 450,297	326,627	\$ 27,422
Town's net pension liability (asset) as a percentage of covered payroll	-20.14%	-18.88%	-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 Year Ended June 30, 2020 through June 30, 2024

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	\$ 25,736	\$ 25,736	-	\$ 502,808	5.12%
2023	23,546	23,546	-	452,689	5.20%
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
 Year Ended June 30, 2024

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

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

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Supporting Schedules

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Governmental Funds
 Schedule of Revenues - Budget and Actual
 Year Ended June 30, 2024

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	\$ 288,769	\$ 288,769	\$ 289,988	\$ 1,219
Penalties and interest	1,500	1,500	4,323	2,823
Total general property taxes	<u>\$ 290,269</u>	<u>\$ 290,269</u>	<u>\$ 294,311</u>	<u>\$ 4,042</u>
Other local taxes:				
Local sales and use taxes	\$ 40,000	\$ 40,000	\$ 46,900	\$ 6,900
Auto decals	11,000	11,000	10,729	(271)
Business license tax	79,140	79,140	95,316	16,176
Meals tax	357,641	357,641	327,943	(29,698)
Transient lodging tax	21,000	21,000	46,025	25,025
Consumer utility tax	31,000	31,000	38,477	7,477
Total other local taxes	<u>\$ 539,781</u>	<u>\$ 539,781</u>	<u>\$ 565,390</u>	<u>\$ 25,609</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 361,330	\$ 361,330	\$ 515,603	\$ 154,273
Total fines and forfeitures	<u>\$ 361,330</u>	<u>\$ 361,330</u>	<u>\$ 515,603</u>	<u>\$ 154,273</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 10,700	\$ 10,700	\$ 28,770	\$ 18,070
Revenue from use of property	12,113	12,113	6,581	(5,532)
Total revenue from use of money and property	<u>\$ 22,813</u>	<u>\$ 22,813</u>	<u>\$ 35,351</u>	<u>\$ 12,538</u>
Charges for services:				
Miscellaneous	12,000	12,000	16,684	4,684
Total charges for services	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 16,684</u>	<u>\$ 4,684</u>
Recovered costs:				
Engineering fees	\$ 14,000	\$ 14,000	\$ 4,199	\$ (9,801)
Legal fees	10,000	10,000	-	(10,000)
Total recovered costs	<u>\$ 24,000</u>	<u>\$ 24,000</u>	<u>\$ 4,199</u>	<u>\$ (19,801)</u>
Miscellaneous:				
Brick paver program	\$ 300	\$ 300	\$ 2,028	\$ 1,728
River Mill Park	-	-	5,880	5,880
Craft show	301,225	301,225	189,650	(111,575)
Holiday Fest	-	-	-	-
Other miscellaneous	1,000	3,000	37,462	34,462
Total miscellaneous	<u>\$ 302,525</u>	<u>\$ 304,525</u>	<u>\$ 235,020</u>	<u>\$ (69,505)</u>

Governmental Funds
Schedule of Revenues - Budget and Actual
Year Ended June 30, 2024 (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	\$ 33,000	\$ 33,000	\$ 30,230	\$ (2,770)
Peer-to-peer vehicle sharing tax	-	-	1,313	1,313
Total noncategorical aid	<u>\$ 33,000</u>	<u>\$ 33,000</u>	<u>\$ 31,543</u>	<u>\$ (1,457)</u>
Categorical aid:				
Public safety grant	\$ 26,821	\$ 26,821	\$ 27,390	\$ 569
Virginia Department of Fire Programs	-	-	9,158	9,158
Stormwater management	1,455,059	1,455,059	78,639	(1,376,420)
Backup generator grant	15,375	15,375	-	(15,375)
Litter grant	1,329	1,329	2,085	756
Virginia Tourism Corporation	-	-	5,872	5,872
Total categorical aid	<u>\$ 1,498,584</u>	<u>\$ 1,498,584</u>	<u>\$ 123,144</u>	<u>\$ (1,375,440)</u>
Total revenue from the Commonwealth	<u>\$ 1,531,584</u>	<u>\$ 1,531,584</u>	<u>\$ 154,687</u>	<u>\$ (1,376,897)</u>
Revenue from the federal government:				
Noncategorical aid:				
American rescue plan act - wastewater grant	\$ -	\$ -	\$ 900	\$ 900
American rescue plan	538,079	538,079	658,340	120,261
Total Noncategorical aid	<u>\$ 538,079</u>	<u>\$ 538,079</u>	<u>\$ 659,240</u>	<u>\$ 121,161</u>
Categorical aid:				
DMV ground transportation safety grants	\$ 9,000	\$ 9,000	\$ 10,302	\$ 1,302
Total Categorical aid	<u>\$ 9,000</u>	<u>\$ 9,000</u>	<u>\$ 10,302</u>	<u>\$ 1,302</u>
Total revenue from the federal government	<u>\$ 547,079</u>	<u>\$ 547,079</u>	<u>\$ 669,542</u>	<u>\$ 122,463</u>
Total General Fund	<u>\$ 3,631,381</u>	<u>\$ 3,633,381</u>	<u>\$ 2,490,787</u>	<u>\$ (1,142,594)</u>

Compliance

DRAFT



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, 2024, 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
DRAFT

DRAFT



TOWN OF OCCOQUAN TOWN COUNCIL MEETING Agenda Communication

3. Regular Business	Meeting Date: November 18, 2025
3B: Request to Adopt Resolution of Congratulations to Inez Thurston	

Attachments: To be provided

Submitted by: Adam Linn
Town Manager

Explanation and Summary:

This is a request to adopt Resolution R-2025-16 honoring and congratulating Inez Thurston, a member of Ebenezer Baptist Church, on the occasion of her 99th birthday. The draft resolution will be distributed at the Town Council meeting.

Town Staff's Recommendation: Recommend approval.

Cost and Financing: N/A

Account Number: N/A

Proposed/Suggested Motion:

"I move to adopt Resolution O-2025-16 of honoring and congratulations to Inez Thurston on the occasion of her 99th birthday."

OR

Other action Council deems appropriate.



TOWN OF OCCOQUAN

TOWN COUNCIL MEETING

Agenda Communication

4. Discussion Items	Meeting Date: November 18, 2025
4A: Mill Street Pocket Park Mural Design Contest Guidelines and Information	

Attachments: Mill Street Pocket Park Mural Design Contest Guidelines and Information

Submitted by: Adam Linn
Town Manager

Explanation and Summary:

On October 7, 2025, the Town accepted a FY26 Community Vitality Grant (Pocket Park Grant) award from the Department of Housing and Community Development, Virginia Main Street. The Town was awarded a total sum of \$15,000.00 to improve an underused area of the historic downtown to create a new public space with community-based public art.

As part of the grant, a mural will be installed at the pump house building located at 172 Mill Street to add public art to the proposed Pocket Park. To choose the design, there will be a contest open to artists. Based on the prior mural project, the staff have drafted contest guidelines and information for Town Council review.

Staff Request: Staff is seeking feedback on the proposed Mill Street Pocket Park Mural Design Contest Guidelines and Information.



Town of Occoquan Mill Street Pocket Park Mural Design Contest

Thank you for your interest in the Town of Occoquan Mural Contest!

This contest was created to give local artists an opportunity to showcase their talents while transforming an underused area of the Town of Occoquan into a welcoming space for art and relaxation. The goal is to establish a vibrant public area that celebrates creativity and attracts visitors to the Town. One finalist will be selected from the submissions received and funded by the Town to bring their proposed design to life.

Project Details:

Project

The Town of Occoquan is working to transform a former pumphouse, now used as a storage shed, into a vibrant public art installation featuring artwork, seating, and greenery.

Specifications

The maximum dimensions for the proposed mural project are approximately 135.75 inches (11.3 feet) wide by 124.75 inches (10.4 feet) high on each side of the building, totaling 543 inches (45.25 feet) in width and 124.75 inches (10.4 feet) in height.

Artists are not required to cover each wall in its entirety; however, the mural design must include artwork on all four sides of the building.

North face of building



Southside of Building



Westside of Building



East Side of Building & EV Charging Station



Cost

The Town anticipates the total project cost for the mural to range between \$6,000 and \$8,000. The selected artist will be responsible for providing all materials and supplies. The Town will reimburse materials and supplies at the start of the process and issue final payment once the mural is completed. Overall costs will be considered in the award process.

Application Process:

Applicants can submit their personal information, proposed design, cost estimate, 5-10 examples of previous work, and all other relevant information using the proposal form available at: www.occoquanva.gov/public-art. (link to be changed)

Please follow the guidelines and criteria as described on page 3 as you submit your application.

To ask questions or to arrange a tour of the site, please contact Megan Lubash at mlubash@occoquanva.gov or call (703) 491-1918.

Submission Deadline:

The deadline for entry is February 6th at 5:00pm. Submissions should be through the portal or by email to: townmanager@occoquanva.gov.

Project Timeline:

Application Period: December 12 - Feb 6th

Review by Town Staff: February 9 - February 17th

Voting by Jurors: February 17th - February 24th

Selection of Winner: March: 3rd

Installation: April 1st - May 22nd

Reveal Ceremony: May 29th

Contest Guidelines and Award Process

General Guidelines:

These guidelines provide an overview of how to participate in the Town of Occoquan Mural Contest. They are intended to ensure that the selected mural enhances the community's appearance while maintaining public safety and welfare. Proposals that do not comply with these guidelines may be disqualified from the competition.

Mural Guidelines

- Must be original artwork of the person(s) named on the entry form
- When possible, encourage public engagement
- No political, social statements or influences
- When possible, represent a pro-Occoquan message
- Happy, uplifting, inspiring and colorful in nature
- No advertisements, logos or copyrighted images
- Universal appeal – accepted and loved
- Follow the spirit of the Town’s Architectural Review Board guidelines, found at: www.occoquanva.gov/architectural-review-board/
 - Neon, fluorescent, or reflective type colors are discouraged
- Keep the piece relevant to the Town of Occoquan’s values, culture and people
- Some theme ideas: natural beauty of the area, Occoquan’s history

Artist Guidelines

- Artist must have the capacity to paint/install the designs for themselves
- Artist must have the experience in this process or understand the right steps of scaling a small drawing to the mural space
- Artist must reside, work, or study in Virginia, Maryland, or the District of Columbia
- Artist must have the ability to work in the United States

Juror Guidelines

- Jurors must be one of the following: resident, business owner, or member of a Town Board or Commission
- Jurors must submit an application explaining their relationship to town and view of public art
- Jurors must be available to vote between February 17th – February 24th

For some examples of murals that the Town likes, see the appendix.

Evaluation Criteria:

In deciding on the winner of the contest, the Town will use the below criteria:

1. The aesthetic beauty of the mural design
2. The proposed design’s fidelity to the general guidelines
3. The qualifications and experience of the applicant
4. The estimated cost for the install of the mural

Awarded Mural Details:

Ownership

The Mill Street Storage Shed (172 Mill St.) is owned by the Town of Occoquan, and the completed public art will likewise be owned and maintained by the Town. The Town commits to maintaining the artwork for a minimum of three years.

Costs and Artist Responsibilities

All work and costs involved in the creation and installation of the public art piece, including materials, supplies, and labor, will be the responsibility of the awarded applicant. The awarded applicant will be reimbursed by the Town for up to \$8,000 upon receipt of invoices or itemized receipts from the awarded applicant. The applicant must supply a comprehensive cost estimate (including the financial contribution expected from the Town and any other potential funding sources, if intending to use outside funds in addition to the Town's contribution), for the proposed public art piece.

The artist is to make sure that all paint and supplies are properly disposed of – paint or other materials are not to be left at the mural site between working sessions.

If traveling from out of the area, housing and transportation are the artist's expense. Artists may recruit the help of other artists to complete the mural.

Install Procedures

The mural surface must be prepared to assure that the mural will have a long life. This may include pressure washing and/or wall surface base painting. The awarded applicant will collaborate with Town staff on what prep work needs to be done to ensure a quality finished mural. The artist will be responsible for ensuring the prep works completion.

Murals must be completed within the specified timeframe.

Appendix: Mural Examples

Photo Opportunity



History Inspired



Nature Inspired





TOWN OF OCCOQUAN
TOWN COUNCIL MEETING
 Agenda Communication

4. Discussion Items	Meeting Date: November 18, 2025
4B: Discussion on Advisory Bodies Leadership Roles	

Attachments: N/A

Submitted by: Adam Linn
 Town Manager

Explanation and Summary:

The Town has two standing advisory bodies, specifically the Planning Commission (“PC”) (established under §33.01 of the Town Code) and the Architectural Review Board (“ARB”)(established under §33.45 of the Town Code). Members of both the PC and the ARB are generally appointed to four-year terms that run concurrent with the term of the Town Council (§33.03(B) and §33.47, respectively). Both bodies hold annual elections for a chairperson, vice-chairperson, and secretary, each serving a one-year term. Currently, there are no restrictions or limitations on the chairperson’s position.

For the past several years, members of the Town Council, PC, and ARB have discussed the potential benefits of establishing term limits for chairpersons and restricting the Town Council liaison from serving as chair.

Considerations of implementing term limits on chairs that have been discussed include:

- Encourage broader participation and leadership opportunities among board members.
- Introduce fresh perspectives and new ideas into board priorities and decision-making.
- Promote fairness and transparency in board governance by reducing the concentration of influence in a single individual over time.

Considerations related to the ability of a Town Council liaison to serve as chair that have been discussed:

- Maintain a clear distinction between advisory board functions and Council policy-making responsibilities.
- Reduce potential conflicts of interest or perceived influence over advisory board decisions.
- Support greater independence of the boards in providing recommendations to the Council.

Staff Request: Staff is seeking Council suggestions on leadership roles, if any, to bring to the Planning Commission and the Architectural Review Board at their next meetings in anticipation of their annual elections.