



ANNUAL COMPREHENSIVE FINANCIAL REPORT

TOWN OF VIENNA, VIRGINIA
FISCAL YEAR ENDED JUNE 30, 2024



- Introductory Section -

TOWN OF VIENNA, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2024

PREPARED BY:

Department of Finance
Marion K. Serfass, Director of Finance/Treasurer

TOWN OF VIENNA, VIRGINIA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024

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TOWN OF VIENNA, VIRGINIA

TOWN OFFICIALS

TOWN COUNCIL

Linda J. Colbert, Mayor

Chuck Anderson, Vice Mayor

Howard Springsteen

Ray Brill

Roy Baldwin

Sandra Allen

Jessica Ramakis

MANAGEMENT TEAM

Town Manager

Mercury T. Payton

Town Attorney

Steven D. Briglia

Town Clerk

Melanie J. Clark

Brad Baer, P.E.

Director of Public Works

Michelle Crabtree, SPHR

Director of Human Resources

James Morris

Chief of Police

David Levy, AICP

Director of Planning and Zoning

Antoine Mull

Director of Information Technology

Leslie Herman

Director of Parks and Recreation

Marion Serfass, CPA

Director of Finance / Treasurer

Natalie Monkou

Director of Economic Development

Karen Thayer, APR

Director of Public Information

INDEPENDENT AUDITORS

Robinson, Farmer, Cox Associates

Certified Public Accountants

Fredericksburg, Virginia

Prepared by the Department of Finance, Town of Vienna, Virginia



November 29, 2024

To Town of Vienna Residents:

We are pleased to share with you the Town of Vienna's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. Town Code, Section 2.6, requires that the Town treasurer arrange for an annual audit of the books by such persons as Town Council may designate for this purpose. In addition, Section 15.2-2511 of the Code of Virginia requires that an independent, certified public accountant conduct an annual audit of accounts and records for all counties, cities, and towns with populations greater than 3,500, in accordance with specifications furnished by the Auditor of Public Accounts of the Commonwealth of Virginia. This ACFR is formally submitted in fulfillment of these requirements.

Financial statements included in this report, which have earned an unmodified audit opinion, conform to standards of financial reporting prescribed by the Governmental Accounting Standards Board (GASB), Government Finance Officers Association of the United States and Canada (GFOA), and Auditor of Public Accounts.

Responsibility for accuracy of the data as well as completeness and fairness of presentation, including all disclosures, rests with Town management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of various Town funds and account groups. All disclosures necessary to enable the reader to gain a clear understanding of the Town's financial activities have been included.

Town management is responsible for establishing and maintaining an internal control structure designed to ensure that the Town's assets are protected from loss, theft, or misuse. It also is the Town's responsibility to ensure that adequate accounting data is compiled to allow for preparation of financial statements in conformity with generally accepted U.S. accounting principles. The Town's internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that cost of a control should not exceed that of any benefits likely to be derived. Evaluation of costs and benefits of internal controls requires management to make estimates and judgments.

The Town's financial statements have been audited by the certified public accounting firm of Robinson, Farmer, Cox Associates. An independent audit is conducted to provide reasonable assurance that the Town's financial statements for the fiscal year ended June 30, 2024 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in financial statements, assessing accounting principles used and significant estimates made by Town management and evaluating the overall financial statement presentation. The independent auditor's report is presented in the first part of this report's financial section.

FINANCIAL REPORTING ENTITY

This report includes all funds under the Town of Vienna's jurisdiction and oversight. The Town of Vienna was incorporated in 1890, consists of 4.41 square miles, has a population of 16,473, and operates under the council-manager form of government. Policymaking and legislative authority are vested in Town Council, which consists of a Mayor and six additional Councilmembers, all elected on a nonpartisan, at-large basis. Beginning in 2023, councilmembers and the Mayor serve two-year terms, all elected at once. Town Council appoints the Town Manager, Town Attorney, Town Clerk, and Town Treasurer. The Town Manager, in turn, appoints various department heads.

The Town provides a full range of municipal services authorized by statute. Services include police protection; sanitation services; construction and maintenance of streets and sidewalks, water and sewer lines, and other infrastructure; recreation and cultural activities; zoning inspection services; and general administrative services.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

Situated in northern Virginia near Washington, D.C., with proximity to the Dulles airport corridor and the area's metropolitan transit systems, Vienna continues to enjoy a relatively stable economic base, attracting new commercial development and residential redevelopment.

The national and local economy has now recovered from the 2020 Coronavirus pandemic. During calendar 2024, inflation has largely receded towards the Federal Reserve Board's target of 2 percent inflation, and in September 2024 the federal funds rate was cut by half a percent to 4.75 percent to 5.0 percent, the first decrease in four years. By June 2024, the Consumer Price Index (CPI) had fallen to under 3.0 percent over the preceding year and 30-year mortgage rates are showing a slight decrease from the previous year. Residential redevelopment continues in Vienna, though at a slower pace. There is one new townhouse complex under construction, but one major commercial development continues to be on hold citing high construction and borrowing costs, and a weak retail market.

Over 41 percent of the Town's general fund revenues come from property taxes, which are based on real estate assessments as of January 1, 2023, for FY 2024. Existing residential property values have increased every year since 2011; commercial property values also have increased each year since 2012, except for slight decreases in two years.

Construction of upscale homes and residential renovations continue at a slower pace in many areas of town. New restaurants continue to open in both former restaurant spaces and new spaces.

Unemployment rates at the County and federal levels ticked up slightly to 2.9 percent for the County and 4.1 percent at the federal level. State unemployment stayed unchanged during the fiscal year at 2.7 percent. Local and federal unemployment rates rose around 0.5 percent, while local and state rates are considered close to full employment.

ECONOMIC CONDITION AND OUTLOOK (CONTINUED)

In general, the local economy is based on white-collar employment, and real estate collections remain strong. Local business license taxes rose by 3.5 percent over 2023, increasing every year since the pandemic. Sales taxes also rose 10.2 percent during the year, capping over ten consecutive years of increase. According to U.S. Census Bureau data, updated as of July 2022, the area's median household income is \$200,938, with 73.2 percent of the population holding a bachelor's degree or higher, and 99.0 percent of households have a computer in the home.

The area's underlying economy continues in a positive direction. Software, telecommunications, internet, and other high-technology industries, along with Northern Virginia's proximity to the Federal Government and related businesses, remain major components of the area's economy. Tyson's Corner, adjacent to Vienna has completed the first part of a major redevelopment, adding extensive developments with walkable commercial restaurant and retail areas along with apartments to take advantage of the four new Metro stops serving the area. Fairfax County's comprehensive plan anticipates this new development effort will bring an additional 100,000 residents and 200,000 jobs to the region by 2050. The results of the 2024 election may result in some instability to the Federal work force, but that impact is unknown at this time.

Assessed property values increased 9.7 percent from last year, a 10.6 percent increase for residential and a 4.7 percent increase for commercial. Residential real estate has increased for the last 12 years, while the last commercial value decrease was at the end of pandemic in 2022.

The Town's tax rate was cut an additional cent to a rate of \$0.195 per \$100 of assessed value. The increase in assessed values offset by the decrease in the tax rate resulted in a 4.1 percent increase in property tax revenue. While construction costs have stayed higher, mortgage rates are starting to decline by the fall of 2024. Occupancy permits increased 12 percent in 2024, exceeding expectations, although they have dropped slightly from the last few years. The 2025 projection is about a 15 percent decrease from 2024, but that will not have a major impact on real estate assessments.

General fund revenues increased by 13.0 percent over FY 2023 in total, including \$2.6 million borrowed for equipment replacement in 2024. Without the borrowed funds, other revenues increased 4.4 percent. The largest drivers of the increase were increased revenues from real estate assessments, higher earnings on cash deposits from continued high interest rates, increases in business license and sales tax revenues and increased parks and recreation activity, particularly in classes. Interest revenue increased \$199,000 or 36.6 percent and revenue from sales taxes increased \$192,600 or 10.2 percent over the previous year. Local business license taxes were also strong, increasing 3.5 percent during the year. However, funds received from the State, mainly for road maintenance and communication sales and use taxes collected by the State decreased by \$169,000 or 4.3 percent from the previous year mainly due to extra road maintenance funding received from the State in 2023. All other revenue categories only had slight differences from the previous year.

ECONOMIC CONDITION AND OUTLOOK (CONTINUED)

Long-Term Financial Planning and Outlook

Town Council meets periodically with Town staff to discuss vision and long-term financial planning. Town staff is exploring ways to capitalize on expansion of the Washington-area Metro system and an increase in Fairfax County commercial development in nearby Tysons while maintaining the hometown feel that residents enjoy. The new zoning code, approved in early FY 2024 is being implemented, and Council continues to work on additional zoning topics, such as accessory dwelling units which can address more affordable housing options.

A fourth project zoned under the former Maple Avenue Corridor (MAC) code featuring mixed use with apartments and retail has been delayed due to economic conditions. Town staff is actively working with the developer for an update. MAC provisions were repealed in the fall of 2020 and have been replaced with new commercial code in the revised zoning code.

A townhouse project featuring 20 townhouses broke ground in the spring of 2024 with a projected 2025 completion and expects to be sold out.

The Town completed a classification and compensation study in fiscal year 2024. The results refined grade levels and the pay structure to ensure the Town stays competitive in wages.

A budget committee, comprising department heads from finance, human resources, and public works as well as the Town Manager, finance staff, and two other rotating department heads, meets to perform an intensive review of the Town's annual operating budget. The committee's goal is to present Council with a conservative, achievable budget. The budget committee also works with Council to develop and refine long-term capital project planning. Projects have been identified and prioritized for potential debt offerings for the next 15 years.

The Town will obligate the full \$17.1 million award from the federal American Recovery Plan Act (ARPA) funds received in 2021 and 2022 by December 2024. The budget committee and Council worked together to allocate the ARPA funds to planned capital projects, with the goal of mitigating health risks by improving water and sewer infrastructure and stormwater infrastructure. Another authorized use of ARPA funds is to compensate localities for revenue lost during the pandemic. This included improvements to parks projects for outdoor facilities that experienced expanded usage during the pandemic quarantine period. Additionally, ARPA funds were used to improve public buildings to prevent the spread of illness, bolster the Town's cybersecurity programs and add additional resources for public safety projects, such as body cameras and upgrading radio systems. The plans are reviewed monthly to ensure all funds are disbursed during the allowed time frame.

ECONOMIC CONDITION AND OUTLOOK (CONTINUED)

Relevant Financial Policies

Town Council is required to adopt an annual fiscal year budget no later than the close of the previous fiscal year. This annual budget serves as the foundation for the Town of Vienna's financial planning and controls. The budget is prepared on a line-item basis at the department level and is appropriated by Town Council at the fund level. Department heads may transfer resources within their department with approval of the Town Manager. Supplemental appropriations over a one percent threshold and transfers between funds require Town Council approval.

Town Council strongly supports maintaining adequate reserves within the general, debt service and water and sewer and stormwater funds as a buffer against financial emergencies and economic downturns. This policy has helped Vienna continue to provide quality services within the limits of sound fiscal management and has enabled the Town to retain its coveted AAA bond rating, reaffirmed in 2022. Council policy requires that the Town maintain an unassigned general fund balance of at least 15 percent of the subsequent year's budget. For 2024, 21.1 percent of the FY 2025 budget was allocated to unassigned fund balance and revenue stabilization fund balance, well in excess of the Town's adopted policy of 15 percent and the Government Finance Officers Association's suggested best practice of 16.7 percent or two months of expenditures.

Major Initiatives

Among significant initiatives undertaken during this past fiscal year were sidewalk, curb and gutter, street repaving and storm drainage projects, several of which were financed in conjunction with grants from the Virginia Department of Transportation, Northern Virginia Transportation Authority, and State stormwater grants. The Town has recently completed utilizing an \$8 million bequest to build sidewalks around town, and over 5 miles of sidewalks have been completed. The Town borrows money for other capital projects every two years and replacing water and sewer infrastructure on a planned schedule is part of that borrowing.

The parks and recreation department completed long-term use study for the church property adjacent to the police station purchased in 2020. They are also finalizing a project to develop a Town-wide parks master plan to lay the groundwork for future park amenities. This will become a piece of the Town's comprehensive plan, which is getting an update in 2025.

The Town reached agreement in 2020 with Fairfax County regarding redevelopment of the Patrick Henry Library in downtown Vienna. The Town is sharing design and construction costs up to a defined cap and will receive 84 parking spaces in a new garage. The library will be completely rebuilt, and the County will add 125 parking spaces for a total of 209 spaces at a prime location in downtown Vienna, accessible to van pool transportation to either D.C. Metro stations or to Washington, D.C. destinations. The parking garage should help ease parking shortages in the commercial corridor and add valuable parking for the nearby athletic fields and the farmer's market. The design development phase is wrapping up. Construction is expected to begin in the spring of 2025 with a 2027 planning opening.

ECONOMIC CONDITION AND OUTLOOK (CONTINUED)

Major Initiatives: (Continued)

During the year Council prepared and passed a tree ordinance with the goal of preserving more mature trees in residential areas where new homes are built and have just appointed the first tree advisory committee. Additionally, the Town is proposing guidelines for accessory dwelling units to encourage diversity in housing options.

By the summer of 2024, the Town was seriously considering a proposal to build an aquatics and fitness center at the former site of the Faith Baptist Church, now known as the Annex, which the Town acquired in 2020. The church building required too much maintenance to use as is and was torn down in early 2024. Aquatics and fitness uses were the most popular requests from several community outreaches and surveys held during the Annex long-term use study project held in 2023 and 2024.

Funds were borrowed for water and sewer infrastructure in December 2023, and for vehicles ordered in 2023 and 2024 in January 2024. Vehicles are starting to be delivered after significant delivery delays since 2022. The next major general obligation debt issue is not planned until fiscal year 2026.

OTHER INFORMATION

Independent Audit

The Town Charter requires an annual audit by independent certified public accountants. Robinson, Farmer, Cox Associates performed the audit for the fiscal year ending June 30, 2024. The auditor's report on basic financial statements, combining and individual fund statements and schedules, is included in the financial section of this report.

Awards and Designations

GFOA Certificate of Achievement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Vienna for its annual comprehensive financial report for the fiscal year ending June 30, 2023; this was the 37th year in a row that the Town has received this recognition. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Town believes that its current annual comprehensive financial report continues to meet Certificate of Achievement requirements and is submitting this report to GFOA to determine its eligibility for recognition.

OTHER INFORMATION (CONTINUED)

Awards and Designations: (Continued)

GFOA Distinguished Budget Presentation Award, with Special Recognition

For the 30th year in a row, the Town received GFOA's Distinguished Budget Presentation Award for the FY 2024-25 Budget. This is the first year the Town was awarded special recognition for the strategic goals and strategies section. This award is presented to local governments that prepare a budget that satisfies rigorous criteria for defining the budget document as a policy document, operations guide, financial plan, and communications device. Submitted budgets are reviewed by GFOA and outside reviewers with experience in public-sector budgeting.

American Planning Association – Virginia Chapter

Steve Kenney, Planning Commission, was selected as the Virginia Citizen Planner of the Year (2024) by the American Planning Association – Virginia Chapter. Steve has been on the Planning Commission for 10 years, including 3 years as chair. Previously, he served on the Transportation Safety Commission for 10 years, including serving as Chair.

National Association of Government Communicators

The Town's Communications Department won three awards at the 2024 National Association of Government Communicators (NAGC) annual conference. One for social outreach for a story about an elderly citizen neighbor of the police station who was adopted by the police department, one for print media for the Town's newsletter and one for community engagement forum for the "Reimagining the Annex" campaign.

Tree City, USA

The National Arbor Day Foundation recognized Vienna as a Tree City USA for the 23rd consecutive year, confirming Vienna's commitment to its tree canopy and environmental stewardship.

Fairfax County Exceptional Design Award

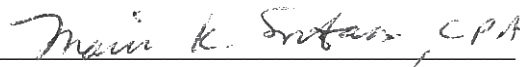
The Town's police station, completed and occupied in 2022 received the James M. Scott Exceptional Design award in 2024. The jury noted the facility "fosters a positive relationship with the neighborhood and reflects a strong focus on community engagement". The building also achieved LEED Silver designation.

ACKNOWLEDGEMENTS

Preparation of this report on a timely basis requires the dedicated services of all Finance Department staff members along with support from other Town departments. Gratitude and appreciation are extended to staff members whose efforts contributed to this report. Staff also thanks Town Council for its leadership and support, which makes the Town's responsible and progressive financial management possible.



Mercury T. Payton
Town Manager



Marion K. Serfass, CPA
Director of Finance/Treasurer



Steven Barlow, CPA
Deputy Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Vienna
Virginia**

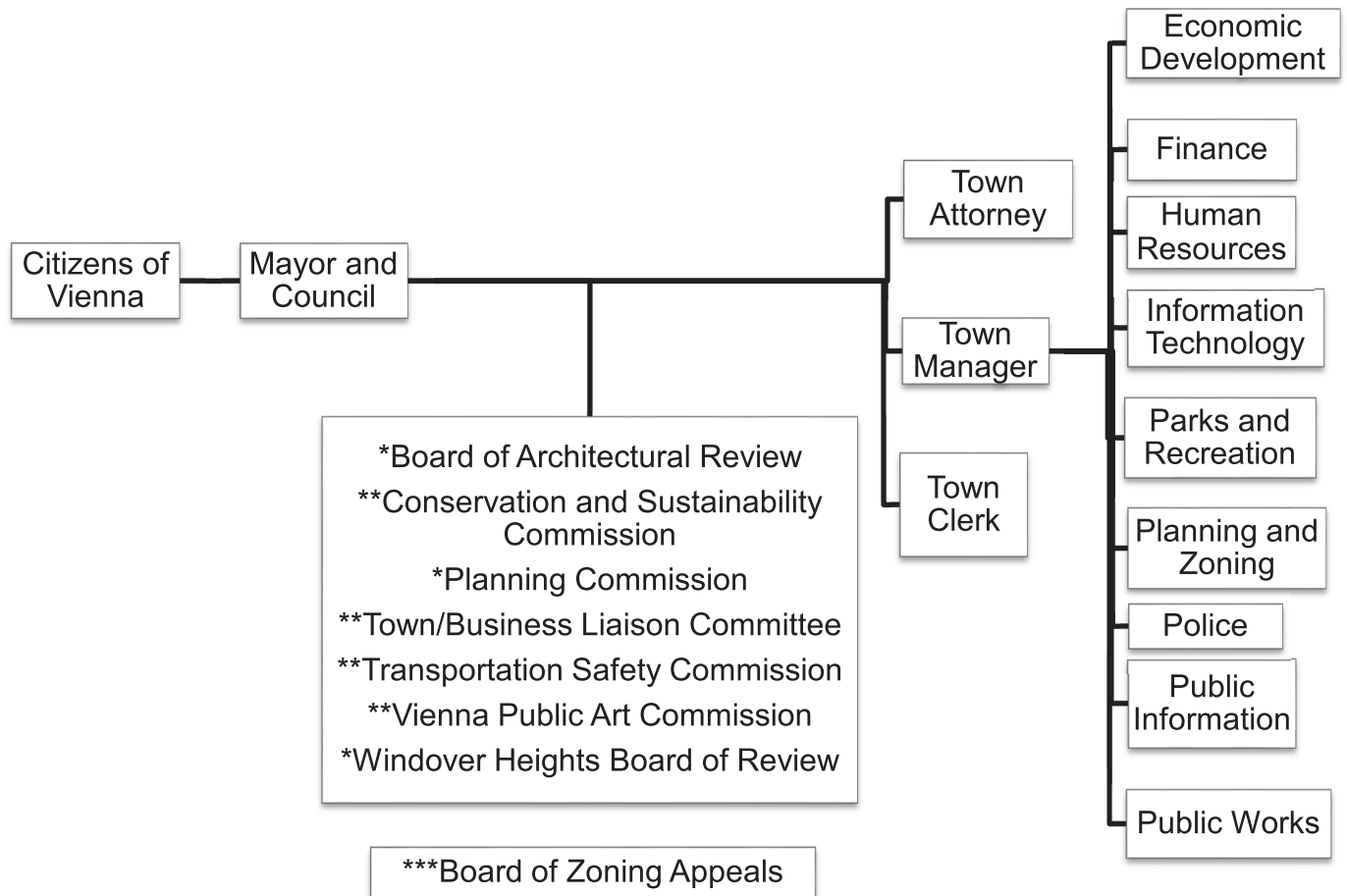
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART



*Statutory Board & Commissions

**Advisory Boards

***The Board of Zoning Appeals is a quasi-judicial body whose members are appointed by the Fairfax County Circuit Court

- Financial Section -



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Vienna, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Town of Vienna, 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 Vienna, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Town of Vienna, 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 Vienna, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Vienna, Virginia's basic financial statements. The accompanying other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2024, on our consideration of Town of Vienna, 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 Vienna, 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 Vienna, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia

November 20, 2024

TOWN OF VIENNA, VIRGINIA MANAGEMENT'S DISCUSSION AND ANALYSIS

To Honorable Town Council Members and Town of Vienna Citizens

The Town of Vienna offers readers of the Town's financial statements this narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2024. Readers are encouraged to consider the information presented in this analysis in conjunction with additional information furnished in the letter of transmittal.

Financial Highlights

- Total net position on June 30, 2024 was \$80,960,332 compared to \$74,697,235 in 2023. Total net position increased by \$6.3 million or 8.4 percent, mainly due to the investment of bond proceeds into capital assets, . The Town's unrestricted net position increased by \$1.9 million over the prior year primarily due to the spending of ARPA monies and the pay down of long-term debt. Town Council may elect to appropriate unrestricted net position funds to meet ongoing obligations to citizens, water and sewer customers, and creditors.
- As of the close of the reported fiscal year, the Town's governmental fund balance sheet (Exhibit 3) reported a combined ending fund balance of \$27,067,984, a decrease of \$2.6 million or 8.7 percent compared to the prior year, due to purchase of capital assets from prior bond issuances, partially offset. Of the combined fund balance, \$6,462,199 is assigned to retirement of current and future debt issues, a 1.4 percent increase from 2023. An additional \$7,063,115 of the combined fund balance is assigned for completion of capital projects. This decrease of \$5.4 million from last year is due to spending bond proceeds on capital projects. The stormwater fund balance reserved for the Town's share of stormwater projects decreased \$4,900 from the prior year. The general fund balance includes \$5,981,990 in unassigned fund balance. This represents 18.1 percent of total fiscal year 2024-25 General Fund budgeted expenditures.
- The Town's long-term obligations, due across multiple years, increased by \$4.85 million due to issuance of bonds that relate to water and sewer infrastructure improvements, partially offset by payments on existing debt during the fiscal year. Long-term obligations due in more than one year totaled \$81,954,500 at year-end. Of this amount, outstanding bonds and notes totaled \$65,069,000 and pension and post-employment benefits totaled \$16,063,500. The above amounts do not include the Town's obligations related to accounts payable and total compensated absences, which totaled \$5,771,309 and \$1,946,405, respectively, at year-end. Accounts payable and \$1,752,000 of compensated absences will be retired from current resources and were not included in long-term liabilities. Total compensated absences increased by \$32,000 or 1.7 percent over the preceding year.
- Excluding pension trust funds, total unrestricted cash and cash equivalents decreased by \$6.6 million compared to the prior fiscal year. The decrease is mainly attributed to capital project spending from prior bond issuances and debt payments on the new bonds, Restricted cash, held in escrow by the Northern Virginia Transportation Authority increased by \$906,529 or 21.9 percent over the previous year.

Financial Highlights (Continued)

- The water and sewer fund generated income over operating expenditures of \$1,821,852. After capital contributions and transfers, the change in net position was an increase of \$2,732,536. Pension fund contributions and interest earnings exceeded benefits payments by \$71,818. The following table denotes cash increases and decreases by fund.

Fund	FY 24 Cash	FY 23 Cash	Increase (Decrease)
General	\$ 16,106,501	\$ 13,681,182	\$ 2,425,319
Debt Service	6,070,426	6,022,464	47,962
Capital Projects	8,772,672	13,523,966	(4,751,294)
American Rescue Plan	9,120,350	13,466,747	(4,346,397)
Special Transportation	5,045,687	4,139,158	906,529
Other Governmental	1,038,402	1,006,638	31,764
Water & Sewer	7,794,832	1,164,055	6,630,777
Total Cash	\$ 53,948,870	\$ 53,004,210	\$ 944,660
Fiduciary	\$ 6,317,031	\$ 6,121,601	\$ 195,430

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

- A. Government-wide financial statements - Government-wide financial statements are designed to provide readers with a broad overview of Town finances, in a manner similar to a private-sector business.
1. Statement of Net Position - presents information on all Town assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between assets and deferred outflows, liabilities, and deferred inflows reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the Town's financial position is improving or deteriorating.
 2. Statement of Activities - presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in a statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of costs through user fees and charges (business-type activities). The Town's governmental activities include general government, police, public works, community development, stormwater management and recreation. Business-type activities of the Town encompass water and sewer operations.

Town of Vienna students attend Fairfax County Schools, therefore no school-related financial information is reflected in this report.

Overview of Financial Statements (Continued)

B. Fund financial statements - A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Vienna, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All Town funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

1. Governmental funds - Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. These activities include general government, police, public works, community development, and recreation. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's ability to satisfy near-term financing requirements.

The Town maintains six individual governmental funds: General Fund, Debt Service Fund, Capital Projects Fund, American Rescue Plan Act Fund, Stormwater Fund, and Transportation Special Revenue Fund. A separate balance sheet and statement of revenues, expenditures, and changes in fund balances have been prepared for each fund. The Town adopts annual appropriated budgets for the General, Debt Service, Capital Projects, Stormwater, and American Rescue Plan Act (ARPA) funds. Accordingly, a budgetary comparison statement has been provided for these funds to demonstrate compliance with budgetary controls.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and governmental statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. Accounting differences between the governmental fund and government-wide financial statements include, but are not limited to, the following:

- a. Asset purchases for land, buildings, and equipment are reflected as expenditures in governmental fund financial statements. These same expenditures are capitalized and allocated (depreciated) to operations over the estimated useful life of the assets in government-wide financial statements.
 - b. Interest expense is reflected as an expenditure when due in governmental fund financial statements but is posted as an accrued expense in the government-wide financial statements.
 - c. Receivables reported in government-wide financial statements when a claim is established (or revenue is earned) are reported as deferred revenues in government fund financial statements, if not available to pay current-period expenditures.
2. Proprietary funds - Proprietary funds consist of enterprise and internal service funds. Enterprise funds are predominantly used to account for goods and services offered for sale to the general public. In contrast, internal service funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The Town of Vienna does not utilize internal service funds but does maintain one enterprise fund that accounts for transmission, distribution and sale of water and sewer services. Enterprise funds employ the accrual basis of accounting and report the same functions presented as business-type activities in government-wide financial statements.

Fiduciary funds - Fiduciary funds account for assets held by the Town as a trustee or agent for individuals (pension plan), private organizations, or other government units. The Town offers full-time employees a defined contribution and two defined benefit plans. The Town administers the two defined

Overview of Financial Statements (Continued)

benefit pension plans under direction of the Town Retirement Committee. The Local Retirement Pension Plan, closed to new entrants in 2006, covers non-sworn employees, and the Police Retirement Pension Plan covers police officers. Although reported in governmental fund financial statements, fiduciary funds are not reported in the Town's government-wide financial statement because the funds are not available to support Town programs. Fiduciary funds employ the accrual basis of accounting.

- C. Notes to the financial statements - The notes to the financial statements provide additional information essential to a full understanding of the data provided in government-wide and governmental fund financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position. The Town's total assets and deferred outflows exceeded total liabilities and deferred inflows of resources by \$80,960,332 at year-end. Of the total net position, governmental activities totaled \$51,285,724, an increase of \$3.5 million or 7.4 percent, while business-type activities totaled \$29,674,608, an increase of \$2.7 million or 10.1 percent. The increase in net position of governmental activities is due primarily to increases in purchases of capital assets and The increase in net position of business-type activities is due to an increase in infrastructure improvements which are capital contributions to the fund.

The Town's investment in capital assets such as land, buildings, and equipment, net of depreciation, totaled \$136,937,389 on June 30, 2024, of which governmental activities totaled \$102,172,397, an increase of \$3.7 million or 3.8 percent. The increase is primarily due to investments in sidewalk construction due to a private grant. The Town uses these capital assets to provide services to citizens and, consequently, these assets are not available for future spending. Although capital assets are reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table provides an overview of the Town's Statement of Net Position for fiscal year 2024.

Town of Vienna, Virginia						
Schedule of Assets, Liabilities, Deferred Inflows and Net Position						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<u>Assets:</u>						
Current and other assets	\$ 62,386,387	\$ 55,986,673	\$ 10,215,779	\$ 3,686,642	\$ 72,602,166	\$ 59,673,315
Capital assets	89,403,271	98,437,280	34,764,992	29,872,641	124,168,263	128,309,921
Total assets	<u>\$ 151,789,658</u>	<u>\$ 154,423,953</u>	<u>\$ 44,980,771</u>	<u>\$ 33,559,283</u>	<u>\$ 196,770,429</u>	<u>\$ 187,983,236</u>
Deferred Outflows of Resources	<u>\$ 4,459,148</u>	<u>\$ 4,883,603</u>	<u>\$ 315,491</u>	<u>\$ 436,657</u>	<u>\$ 4,774,639</u>	<u>\$ 5,320,260</u>
<u>Liabilities:</u>						
Long-term liabilities outstanding	\$ 77,589,631	\$ 79,193,876	\$ 12,592,598	\$ 4,355,175	\$ 90,182,229	\$ 83,549,051
Other liabilities	22,886,791	26,600,568	2,699,210	2,294,859	25,586,001	28,895,427
Total liabilities	<u>\$ 100,476,422</u>	<u>\$ 105,794,444</u>	<u>\$ 15,291,808</u>	<u>\$ 6,650,034</u>	<u>\$ 115,768,230</u>	<u>\$ 112,444,478</u>
Deferred Inflows of Resources	<u>\$ 4,486,660</u>	<u>\$ 5,757,949</u>	<u>\$ 329,846</u>	<u>\$ 403,834</u>	<u>\$ 4,816,506</u>	<u>\$ 6,161,783</u>
<u>Net Position:</u>						
Net investment in capital assets	\$ 59,606,814	\$ 58,701,481	\$ 30,068,391	\$ 26,951,290	\$ 80,525,599	\$ 76,091,425
Restricted	1,325,587	1,412,160	-	-	1,325,587	1,412,160
Unrestricted	(9,646,677)	(12,358,478)	(393,783)	(9,218)	(890,854)	(2,806,350)
Total net position	<u>\$ 51,285,724</u>	<u>\$ 47,755,163</u>	<u>\$ 29,674,608</u>	<u>\$ 26,942,072</u>	<u>\$ 80,960,332</u>	<u>\$ 74,697,235</u>

At the end of the most recent fiscal year, the Town of Vienna is able to report positive balances in net position for the Town as a whole.

Government-wide Financial Analysis: (Continued)

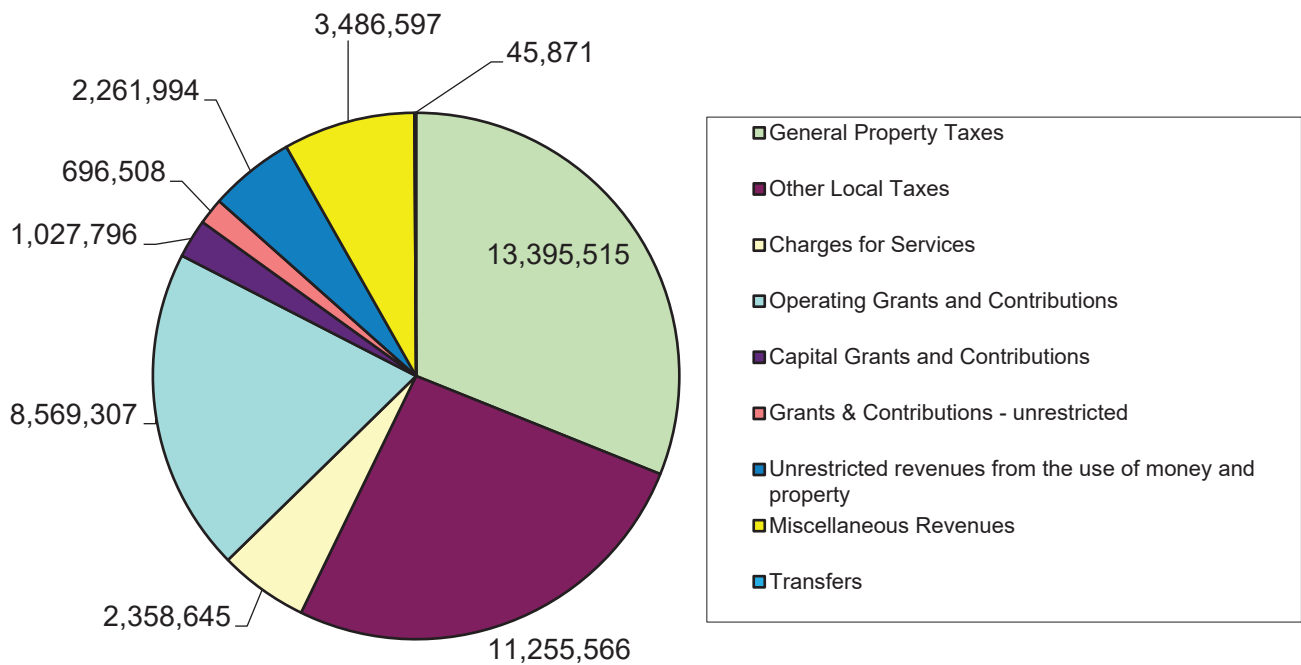
Changes in Net Position - Governmental activities reflect an increase in net position of \$3,530,561 and business-type activities reflect an increase of \$2,730,536. The following table provides an overview of revenues, expenses, and changes in net position for the fiscal year.

Town of Vienna, Virginia						
Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<u>Revenues:</u>						
Program revenues:						
Charges for services	\$ 2,358,645	\$ 2,175,048	\$ 11,153,298	\$ 10,401,465	\$ 13,511,943	\$ 12,576,513
Operating grants and contributions	8,569,307	7,601,959	651	1,904	8,569,958	7,603,863
Capital grants and contributions	1,027,796	2,275,161	523,161	8,870	1,550,957	2,284,031
General revenues:						
Property taxes	13,395,515	12,844,193	-	-	13,395,515	12,844,193
Other local taxes	11,255,566	10,792,467	-	-	11,255,566	10,792,467
Grants & contributions - unrestricted	696,508	740,928	-	-	696,508	740,928
Unrestricted revenues from the use of money and property	2,261,994	1,843,277	294,376	33,829	2,556,370	1,877,106
Miscellaneous	3,486,597	2,133,783	323,061	359,222	3,809,658	2,493,005
Total revenues	\$ 43,051,928	\$ 40,406,816	\$ 12,294,547	\$ 10,805,290	\$ 55,346,475	\$ 51,212,106
<u>Expenses:</u>						
General government administration	\$ 7,691,017	\$ 6,791,896	\$ -	\$ -	\$ 7,691,017	\$ 6,791,896
Public safety	8,862,473	7,972,360	-	-	8,862,473	7,972,360
Public works	11,670,357	11,859,759	-	-	11,670,357	11,859,759
Health and welfare	285,175	268,882	-	-	285,175	268,882
Parks, recreation and cultural	7,423,989	5,956,903	-	-	7,423,989	5,956,903
Community development	1,771,388	1,576,547	-	-	1,771,388	1,576,547
Interest on long-term debt	1,862,839	1,304,421	-	-	1,862,839	1,304,421
Water and sewer	-	-	9,516,140	8,626,708	9,516,140	8,626,708
Total Expenses	\$ 39,567,238	\$ 35,730,768	\$ 9,516,140	\$ 8,626,708	\$ 49,083,378	\$ 44,357,476
<u>Net Position:</u>						
Income before capital contributions and transfers	\$ 3,484,690	\$ 4,676,048	\$ 2,778,407	\$ 2,178,582	\$ 6,263,097	\$ 6,854,630
Transfers	45,871	70,683	(45,871)	(70,683)	-	-
Increase (Decrease) in net position	\$ 3,530,561	\$ 4,746,731	\$ 2,732,536	\$ 2,107,899	\$ 6,263,097	\$ 6,854,630
Net position, beginning of year	47,755,163	43,008,432	26,942,072	24,834,173	74,697,235	67,842,605
Net position, end of year	<u>\$ 51,285,724</u>	<u>\$ 47,755,163</u>	<u>\$ 29,674,608</u>	<u>\$ 26,942,072</u>	<u>\$ 80,960,332</u>	<u>\$ 74,697,235</u>

Program revenues, general revenues, and transfers for governmental activities totaled \$43.1 million, an increase of \$2.6 million or 6.5 percent from the previous fiscal year. Of that amount, property tax revenue totaled \$13,395,515 and other local taxes totaled \$11,255,566. The 4.3 percent increase in property tax revenue is due to new residential construction plus a 9.7 (this is for FY 2024) percent overall increase in assessments, partially offset by a 1.00 cent cut in the tax rate. Other local taxes increased by \$463,099 or 4.3 percent primarily due to increases in sales taxes, business license taxes, meals taxes, and bank franchise taxes over the prior year. Capital grants and contributions totaled \$1,027,796 a decrease of \$1.2 million from the previous year. Transfers between governmental activities and business-type activities were \$45,871 net transfers in compared to \$70,683 transferred in during the preceding year. Transfers out from business-type activities to governmental activities cover the water and sewer fund's share of debt retirement; transfers into business-type activities represent capital fund expenditures that benefit the water and sewer fund. The net decrease is due to a reduced amount transferred out of the general fund to cover existing debt in fiscal year 2024. The chart below provides an overview of fiscal year 2024 revenues by program source.

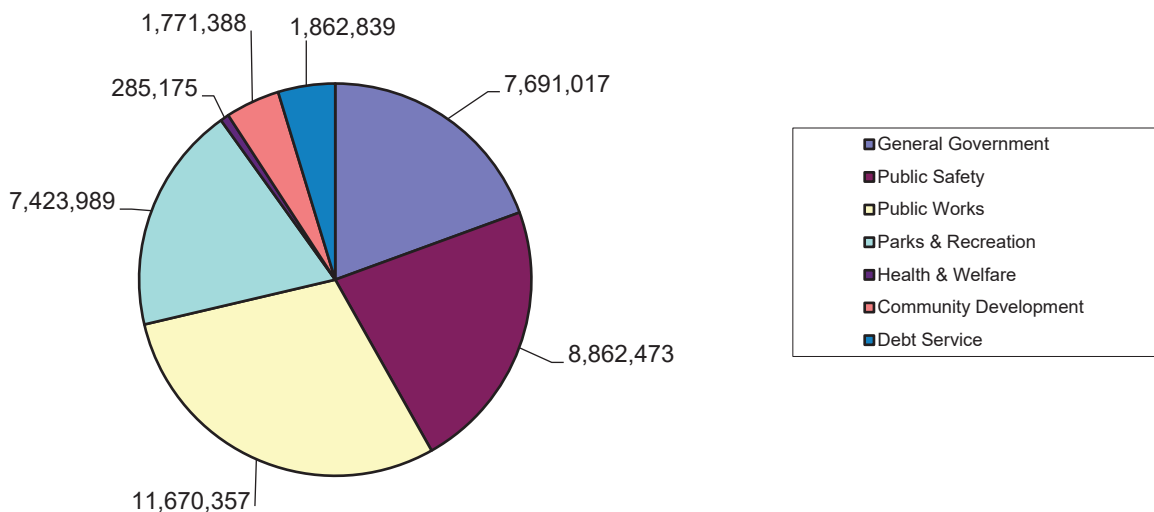
Government-wide Financial Analysis: (Continued)

Governmental Activities Revenues by Source



The government-wide statement of activities (Exhibit 2) reports expenses and revenues in a format that focuses on the cost of providing services by function. Expenses associated with individual functions are compared to non-tax revenues generated by charges for services and intergovernmental grants. As indicated in the Statement of Activities, governmental activities expenses totaled \$39,567,238, an increase of \$3.8 million or 10.7 percent. Directly supporting these expenditures were charges for services, which generated \$2,358,645 plus operating grants and contributions totaling \$8,569,307 and capital grants and contributions of \$1,027,796 for total program revenues of \$11,955,748. This represents a decrease from 2023 of \$96,000 or 0.8 percent. General revenue support of these activities increased by \$2.7 million or 9.6 percent, mainly due to increased interest rate returns on cash deposits due to higher interest rates for the majority of 2024. The chart below provides a graphical comparison of expenditures by function (general government, public works, etc.).

Governmental Activities Expenses By Type



Government-wide Financial Analysis: (Continued)

Business-type activities - The water and sewer fund concluded the year with an increase in net position of \$2,732,536 to end the year with a net position balance of \$29,674,608. The increase can be attributed to increased developer contributions for new construction, capital fund investment in water and sewer infrastructure and increased rates on consumption. Water and sewer fund operating income and capital transfers ended the year with an increase of \$842,000 from 2023 to \$6,269,864. An increase in capital grants and contributions from the capital project fund is the main cause for the increase.

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As noted above, the Town employs six funds:

- general fund
- debt service fund
- capital projects fund
- special transportation fund
- stormwater fund
- American Rescue Plan Act (ARPA) fund.

Governmental Funds - The governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2024, the Town's six governmental funds reported combined ending fund balances of \$27,067,984 a decrease of \$2.6 million or 8.7 percent from the prior year. The change is mainly the result of the use of bond proceeds on increased capital spending for town-wide infrastructure improvements. \$21,085,994 or 77.9 percent of the combined fund balance is non-spendable, restricted, committed, or assigned for capital projects, debt service, and other purposes, leaving an unassigned balance of \$5,981,990 or 18.1 percent of the total available for spending by Council appropriation.

Financial Analysis of the Town's Funds: (Continued)

Debt service fund revenues increased \$243,250 or 6.8 percent, largely due to increased interest earned on investments, plus a 2.9 percent increase in meals taxes earned. Transfers from the general fund and water and sewer fund decreased slightly because of the increased interest and meals taxes earned. Expenditures decreased by \$191,000 or 3.4 percent mainly due to the structure and decreasing balances of long-term debt. The capital project fund balance decreased by \$5.4 million due to spending of prior bond issues, mainly due to paving and sidewalk construction projects. The balance at year-end is reserved for various projects that have not been completed yet. The reserved portions of fund balances are not available for new spending because they already have been committed for expenditures, as follows:

Town of Vienna, Virginia	
Fund Balance Components	
<u>General, Debt Service, Capital Projects, and Special Revenue Funds</u>	
Nonspendable:	
Inventory	\$ 136,200
Leases	44,539
Prepaid items	237,017
Total Nonspendable	<u>\$ 417,756</u>
Restricted:	
Unappropriated PEG Funds	\$ 236,000
E-911	88,200
Stormwater funds	1,001,387
Total Restricted	<u>\$ 1,325,587</u>
Committed:	
Equipment purchases	\$ 1,996,074
Subsequent year budget support	800,000
Total Committed	<u>\$ 2,796,074</u>
Assigned:	
Carryforward	\$ 455,000
Federal AF Funds	351,600
State AF Funds	200,900
Revenue stabilization	1,000,000
Community development	60,850
Public works	39,510
Debt service	6,462,199
Capital projects	7,063,115
Parks and recreation	-
Other	913,403
Total Assigned	<u>\$ 16,546,577</u>
Unassigned:	
General fund	\$ 5,981,990
Total Unassigned	<u>\$ 5,981,990</u>
Total Fund Balance	<u><u>\$ 27,067,984</u></u>

Financial Analysis of the Town's Funds: (Continued)

The general fund is the primary operating fund of the Town. At the end of the fiscal year, the fund balance of the general fund totaled \$11,646,425, which equates to 43.0 percent of the \$27,067,984 combined fund balance of the six funds employed by the Town. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. The unassigned fund balance of \$5,981,990 represents 19.6 percent of current year general fund expenditures, and 18.1 percent of the fiscal year 2024-25 budget.

The total fund balance for the general fund increased \$2,268,133 or 24.2 percent from the previous fiscal year. The unassigned component of fund balance was \$5,981,990 at year-end, an increase from the prior fiscal year of \$317,631 or 5.6 percent. Both changes were functions of the following:

- Overall, general fund revenues increased \$1,084,703 or 4.0 percent. This increase was primarily a result of increased revenue from property taxes, state sales tax, business license taxes, and an increase in interest earned on cash deposits due to increased interest rates during the year.
- General fund expenditures increased by \$616,401 or 2.1 percent over the previous year, mainly due to parks and recreation programs, that generated increased revenue, expanding economic development initiatives, salary increases, and filling of some vacant positions.

Proprietary Fund - The Town's proprietary fund provides the same type of information found in the government-wide financial statements (business-type activities) but in more detail. Factors impacting results of operations already have been addressed in the prior discussion of the Town's business-type activities.

General Fund Budgetary Highlights

During the year, various budget amendments resulted in differences between the original and final fiscal year 2024 budgets. These differences totaled \$328,450 for revenues and \$2,715,030 for expenditures. The bulk of these adjustments came from increased activity in parks and recreation fees and expenditures, increased asphalt and paving costs, and capital lease proceeds for vehicles.

	<u>Amount Amended</u>
Revenues:	
Miscellaneous	\$ 94,630
Charges for services	218,200
State revenues	10,700
Federal revenues	4,920
Total	<u><u>\$ 328,450</u></u>
Expenditures:	
General government administration	\$ 158,280
Public safety	50,398
Public works	2,118,484
Health and welfare	(10,000)
Parks, recreation and cultural	325,098
Community development	45,550
Debt service	27,220
Total	<u><u>\$ 2,715,030</u></u>

General Fund Budgetary Variances

General fund actual revenues were \$725,250 or 2.7 percent more than amended budgetary estimates excluding budgeted use of prior surplus. The favorable variance from real estate, business license fees, sales taxes, parks and recreation fees and interest earnings were partially offset by borrowing for two years of vehicles during the year due to historic delivery delays. General fund actual expenditures were \$4.3 million or 12.5 percent less than amended budgets. The majority of budgetary expenditure savings occurred in vehicle spending, as only a few vehicles were delivered in 2024 due to supply-chain issues, and also due to attrition and position vacancies.

Capital Assets and Debt Administration

Capital assets - The Town's investment in capital assets for governmental activities totaled \$102,172,397 (net of accumulated depreciation), an increase of \$3.7 million or 3.8 percent. Capital assets for business-type activities increased by \$4.9 million or 16.4 percent. The increase in both funds is due to increased spending for roads, sidewalks, and water and sewer infrastructure projects. Business-type infrastructure was also partially financed by the ARPA grant. The schedule below provides an overview of capital asset balances at year-end, net of accumulated depreciation. More detailed information on capital asset activity is in Note 7 of the Notes to Financial Statements.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 8,731,674	\$ 8,731,674	\$ -	\$ -	\$ 8,731,674	\$ 8,731,674
Land improvements	4,260,853	4,386,396	-	-	4,260,853	4,386,396
Construction in progress	4,037,452	5,602,381	5,543,689	2,196,832	9,581,141	7,799,213
Buildings and improvements	33,389,215	35,894,339	-	-	33,389,215	35,894,339
Infrastructure	45,141,245	36,920,725	29,221,303	27,148,777	74,362,548	64,069,502
Office and other equipment	3,935,477	3,929,357	-	-	3,935,477	3,929,357
Leased equipment	18,488	52,208	-	-	18,488	52,208
Subscription assets	326,272	492,848	-	-	326,272	492,848
Automotive and other equipment	2,331,721	2,427,352		527,032	2,331,721	2,954,384
Total assets - net of depreciation	<u>\$ 102,172,397</u>	<u>\$ 98,437,280</u>	<u>\$ 34,764,992</u>	<u>\$ 29,872,641</u>	<u>\$ 136,937,389</u>	<u>\$ 128,309,921</u>

Long-term obligations - At the conclusion of the fiscal year, long-term obligations totaled \$77,589,631 for governmental activities and \$12,592,598 for business-type activities. Of these amounts, outstanding bonds totaled \$65,068,833. The adjusted liability for subscriptions totaled \$124,758 and capital leases totaled \$4,675 at the end of the year under the new standards. These amounts do not include the Town's obligations related to accounts payable and compensated absences, which totaled \$5,771,309 and \$1,946,405 respectively, at year-end. Except for \$194,641 worth of compensated absences, these obligations will be paid from current resources and are not included in long-term liabilities. Additional information relative to the Town's long-term obligations can be found in Note 9 of the Notes to Financial Statements.

Economic Factors and Next Year's Budget and Rates

Located in northern Virginia, approximately 10 miles west of Washington D.C., the Town of Vienna is situated in one of the more economically stable regions of the country. Vienna has benefited from a healthy economic base given its metropolitan transit system and its close proximity to the Dulles airport corridor and Washington D.C. and the relocation of Amazon's HQ 2 in nearby Arlington County.

Economic Factors and Next Year's Budget and Rates: (Continued)

Existing property values have increased over the past several years, climbing by 5.0 percent in fiscal year 2025, mainly due to continued construction of upscale homes and residential renovations, plus improvements to several commercial properties in town. Overall property values increased 6.2 percent for residential properties and decreased 1.2 percent for commercial properties, the first time in many years. Despite higher mortgage rates, residential reconstruction and assessments continue to remain strong. On the commercial side, the Town is continuing to invest in economic development initiatives, with the intention of stabilizing commercial property vacancies.

At the end of the fiscal year, according to the Bureau of Labor Statistics, the Town's unemployment rate was 2.9 percent as compared to 2.7 percent and 4.1 percent for Virginia and the nation, respectively. According to the U.S. Census Bureau data, as of July 2022, the area's median household income was \$200,938, with less than 2.0 percent of the population at or under the poverty level. Over 94 percent of the population has a high school education or higher, and over 73.2 percent have a bachelor's degree or higher.

The general fund revenue budget for the fiscal year ending June 30, 2025, totals \$33,074,250, an increase of \$1.5 million or 4.9 percent from the previous fiscal year. Parks and recreation, business license and sales taxes were all budgeted higher based on current trends. The Town also was able to keep the real estate tax rate unchanged and provide salary increases of 4 percent to most employees to address the impact of prior high inflation levels and difficulties in filling positions. General property tax revenue is expected to increase \$633,470 or 4.7 percent. The tax rate for fiscal year 2025 remain unchanged at \$0.195 per \$100 of assessed value, but still generated increased revenues due to increased assessments. The following table provides a comparison of the Town's fiscal year 2025 adopted revenue budget and fiscal year 2024 adopted revenue budget.

Revenue Source	FY 2025 Budget	FY 2024 Budget	Expected Increase (Decrease)
Property taxes	\$ 14,065,000	\$ 13,431,530	\$ 633,470
Other local taxes	7,759,000	7,280,000	479,000
Permits, fees & licenses	325,000	308,300	16,700
Fines and forfeitures	247,000	284,000	(37,000)
Use of money & property	570,000	503,000	67,000
Charges for services	1,572,000	1,313,000	259,000
Miscellaneous	323,000	353,800	(30,800)
State revenues	3,985,000	3,466,370	518,630
Federal revenues	54,000	53,000	1,000
Transfers-in	1,611,250	2,065,700	(454,450)
Prior year reserves	900,000	614,000	286,000
Equip. Repl. Reserve/PEG	1,663,000	1,870,000	(207,000)
Total Revenue Budget	<u>\$ 33,074,250</u>	<u>\$ 31,542,700</u>	<u>\$ 1,531,550</u>

Request for Information

This financial report is designed to provide a general overview of Town's finances for the fiscal year ended June 30, 2024. Questions concerning information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 127 Center Street S, Vienna, Virginia 22180. Information relative to the Town of Vienna government also may be obtained by visiting the Town of Vienna website at www.viennava.gov.

Basic Financial Statements:

- Government-wide Financial Statements -

TOWN OF VIENNA, VIRGINIA

Statement of Net Position

At June 30, 2024

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 41,108,351	\$ 7,794,832	\$ 48,903,183
Receivables, (net of allowances for uncollectibles)	1,535,462	2,304,878	3,840,340
Prepaid items	237,017	26,508	263,525
Due from other governments	1,017,761	-	1,017,761
Inventory, at cost	136,200	89,561	225,761
Leases receivable	536,783	-	536,783
Restricted:			
Cash and cash equivalents	5,045,687	-	5,045,687
Capital assets:			
Land	8,731,674	-	8,731,674
Construction in progress	4,037,452	5,543,689	9,581,141
Other capital assets, net of accumulated depreciation	89,403,271	29,221,303	118,624,574
Capital assets, net	\$ 102,172,397	\$ 34,764,992	\$ 136,937,389
Total assets	\$ 151,789,658	\$ 44,980,771	\$ 196,770,429
Deferred outflows of resources:			
Pension related items	\$ 3,745,813	\$ 264,212	\$ 4,010,025
OPEB related items	713,335	51,279	764,614
Total deferred outflows of resources	\$ 4,459,148	\$ 315,491	\$ 4,774,639
Liabilities:			
Accounts payable and accrued expenses	\$ 3,648,543	\$ 2,122,766	\$ 5,771,309
Unearned revenue	15,472,304	-	15,472,304
Escrow and other deposits	3,765,944	172,384	3,938,328
Due to other governments	-	404,060	404,060
Long-term liabilities:			
Due within one year:			
Bonds payable	5,459,786	680,530	6,140,316
Notes payable	114,400	25,220	139,620
Subscription liabilities	181,330	-	181,330
Lease liabilities	14,709	-	14,709
Compensated absences	1,573,622	178,142	1,751,764
Due in more than one year:			
Arbitrage liability	498,155	-	498,155
Bonds payable	54,531,869	9,168,802	63,700,671
Notes payable	-	1,368,162	1,368,162
Subscription liabilities	124,758	-	124,758
Lease liabilities	4,675	-	4,675
Net OPEB liabilities	2,441,797	186,091	2,627,888
Net pension liabilities	12,469,683	965,857	13,435,540
Compensated absences	174,847	19,794	194,641
Total liabilities	\$ 100,476,422	\$ 15,291,808	\$ 115,768,230
Deferred Inflows of Resources:			
Pension related items	\$ 2,260,569	\$ 182,755	\$ 2,443,324
OPEB related items	1,681,889	147,091	1,828,980
Lease related items	492,244	-	492,244
Deferred revenue - property taxes	51,958	-	51,958
Total deferred inflows of resources	\$ 4,486,660	\$ 329,846	\$ 4,816,506
Net Position:			
Net investment in capital assets	\$ 59,606,814	\$ 30,068,391	\$ 80,525,599
Restricted			
Unappropriated PEG Funds	236,000	-	236,000
Stormwater funds	1,001,387	-	1,001,387
Other	88,200	-	88,200
Unrestricted (deficit)	(9,646,677)	(393,783)	(890,854)
Total net position	\$ 51,285,724	\$ 29,674,608	\$ 80,960,332

A. The sum of the columns does not equal the Total column by a difference of \$9,149,606 because the bonds payable related to the Business-type Activities are reflected in the Governmental Activities column reducing unrestricted net position. The assets are reflected in the Business-type Activities column as net investment in capital assets. The Total column matches the assets with the debt and reports the net amount of the net investment in capital assets.

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

TOWN OF VIENNA, VIRGINIA

Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental activities							
General government administration	\$ 7,691,017	\$ 377,790	\$ 349,557	\$ -	\$ (6,963,670)	\$ -	\$ (6,963,670)
Public safety	8,862,473	599,861	1,023,502	-	(7,239,110)	-	(7,239,110)
Public works	11,670,357	-	6,706,816	1,027,796	(3,935,745)	-	(3,935,745)
Health and welfare	285,175	-	-	-	(285,175)	-	(285,175)
Parks, recreation and cultural	7,423,989	1,380,994	394,400	-	(5,648,595)	-	(5,648,595)
Community development	1,771,388	-	82,653	-	(1,688,735)	-	(1,688,735)
Interest on long-term debt	1,862,839	-	12,379	-	(1,850,460)	-	(1,850,460)
Total governmental activities	\$ 39,567,238	\$ 2,358,645	\$ 8,569,307	\$ 1,027,796	\$ (27,611,490)	\$ -	\$ (27,611,490)
Business-type activities							
Water and sewer	9,516,140	11,153,298	651	523,161	-	2,160,970	2,160,970
Total Primary Government	\$ 49,083,378	\$ 13,511,943	\$ 8,569,958	\$ 1,550,957	\$ (27,611,490)	\$ 2,160,970	\$ (25,450,520)
General Revenues							
Taxes:							
General real property taxes					\$ 13,395,515	\$ -	\$ 13,395,515
Local sales and use taxes					2,086,693	-	2,086,693
Consumer utility taxes					675,048	-	675,048
Business license taxes					2,944,433	-	2,944,433
Meals and lodging taxes					3,510,178	-	3,510,178
Bank franchise taxes					1,062,490	-	1,062,490
Other					976,724	-	976,724
Grants and contributions not restricted to specific programs					696,508	-	696,508
Unrestricted revenues from the use of money					2,261,994	294,376	2,556,370
Miscellaneous					3,486,597	323,061	3,809,658
Transfers					45,871	(45,871)	-
Total general revenues and transfers					\$ 31,142,051	\$ 571,566	\$ 31,713,617
Change in net position					\$ 3,530,561	\$ 2,732,536	\$ 6,263,097
Net position, beginning of year					47,755,163	26,942,072	74,697,235
Net position, end of year					\$ 51,285,724	\$ 29,674,608	\$ 80,960,332

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

Basic Financial Statements:

- Fund Financial Statements -

TOWN OF VIENNA, VIRGINIA

Balance Sheet
Governmental Funds
At June 30, 2024

	Major Funds					Nonmajor Fund Stormwater Fund	Total Governmental Funds
	General	Debt Service	Capital Projects	American Rescue Plan Fund	Special Transportation Fund		
Assets:							
Cash and cash equivalents	\$ 16,106,501	\$ 6,070,426	\$ 8,772,672	\$ 9,120,350	\$ -	\$ 1,038,402	\$ 41,108,351
Receivables (net of allowance for uncollectibles):							
Taxes including penalties	41,381	-	-	-	-	-	41,381
Accounts	258,856	391,773	843,452	-	-	-	1,494,081
Prepaid items	235,922	-	-	-	-	1,095	237,017
Due from other governments	517,126	-	500,635	-	-	-	1,017,761
Inventory, at cost	136,200	-	-	-	-	-	136,200
Leases receivable	536,783	-	-	-	-	-	536,783
Restricted:							
Cash and cash equivalents	-	-	-	-	5,045,687	-	5,045,687
Total assets	<u>\$ 17,832,769</u>	<u>\$ 6,462,199</u>	<u>\$ 10,116,759</u>	<u>\$ 9,120,350</u>	<u>\$ 5,045,687</u>	<u>\$ 1,039,497</u>	<u>\$ 49,617,261</u>
Liabilities:							
Accounts payable	\$ 742,137	\$ -	\$ 1,002,030	\$ 196,651	\$ -	\$ 35,380	\$ 1,976,198
Accrued liabilities	740,766	-	-	-	-	1,635	742,401
Escrow and other deposits	3,765,944	-	-	-	-	-	3,765,944
Unearned revenue	345,067	-	2,051,614	8,029,936	5,045,687	-	15,472,304
Total liabilities	<u>\$ 5,593,914</u>	<u>\$ -</u>	<u>\$ 3,053,644</u>	<u>\$ 8,226,587</u>	<u>\$ 5,045,687</u>	<u>\$ 37,015</u>	<u>\$ 21,956,847</u>
Deferred Inflows of Resources:							
Unavailable revenue - property taxes	\$ 100,186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,186
Lease related items	492,244	-	-	-	-	-	492,244
Total deferred inflows of resources	<u>\$ 592,430</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 592,430</u>
Fund Balance:							
Nonspendable:							
Inventory	\$ 136,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,200
Prepaid items	235,922	-	-	-	-	1,095	237,017
Leases	44,539	-	-	-	-	-	44,539
Restricted:							
Unappropriated PEG Funds	236,000	-	-	-	-	-	236,000
E-911	88,200	-	-	-	-	-	88,200
Stormwater funds	-	-	-	-	-	1,001,387	1,001,387
Committed:							
Subsequent year budget support	800,000	-	-	-	-	-	800,000
Equipment purchases	1,996,074	-	-	-	-	-	1,996,074
Assigned:							
Carryforward	455,000	-	-	-	-	-	455,000
Federal AF funds	351,600	-	-	-	-	-	351,600
State AF funds	200,900	-	-	-	-	-	200,900
Revenue stabilization	1,000,000	-	-	-	-	-	1,000,000
Community development	60,850	-	-	-	-	-	60,850
Public works	39,510	-	-	-	-	-	39,510
Other	19,640	-	-	893,763	-	-	913,403
Debt service	-	6,462,199	-	-	-	-	6,462,199
Capital projects	-	-	7,063,115	-	-	-	7,063,115
Unassigned (deficit)	5,981,990	-	-	-	-	-	5,981,990
Total fund balance (deficit)	<u>\$ 11,646,425</u>	<u>\$ 6,462,199</u>	<u>\$ 7,063,115</u>	<u>\$ 893,763</u>	<u>\$ -</u>	<u>\$ 1,002,482</u>	<u>\$ 27,067,984</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 17,832,769</u>	<u>\$ 6,462,199</u>	<u>\$ 10,116,759</u>	<u>\$ 9,120,350</u>	<u>\$ 5,045,687</u>	<u>\$ 1,039,497</u>	<u>\$ 49,617,261</u>

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

TOWN OF VIENNA, VIRGINIA

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)	\$	27,067,984
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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	\$	8,731,674	
Construction in progress		4,037,452	
Depreciable capital assets, net of accumulated depreciation		89,403,271	
Total capital assets			102,172,397

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

Pension related items	\$	3,745,813	
OPEB related items		713,335	
Total			4,459,148

Some of the Town's taxes will be collected after year-end, but are not available soon enough to pay for the current year's expenditures, and therefore are reported as unavailable revenue in the funds.

48,228

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.

Balances of long-term liabilities affecting net position are as follows:

Accrued interest payable	\$	(929,944)	
Bonds, notes payable, lease and subscription liabilities		(56,885,537)	
Unamortized bond premium		(3,545,990)	
Net OPEB liabilities		(2,441,797)	
Net pension liabilities		(12,469,683)	
Arbitrage liability		(498,155)	
Compensated absences		(1,748,469)	
Total			(78,519,575)

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

Pension related items	\$	(2,260,569)	
OPEB related items		(1,681,889)	
Total			(3,942,458)

Total net position of governmental activities (Exhibits 1 and 2)	\$	51,285,724
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The accompanying notes to financial statements are an integral part of this statement.

TOWN OF VIENNA, VIRGINIA

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024

	Major Funds					Nonmajor	Total
	General	Debt Service	Capital Projects	American Rescue Plan Fund	Special Transportation Fund	Fund Stormwater Fund	
Revenues:							
General property taxes	\$ 13,383,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,383,275
Other local taxes	7,743,413	3,512,153	-	-	-	-	11,255,566
Permits, privilege fees and regulatory licenses	367,773	-	-	-	-	-	367,773
Fines and forfeitures	222,238	-	-	-	-	-	222,238
Revenue from use of money and property	740,596	274,296	831,175	559,866	-	55,880	2,461,813
Charges for services	1,568,815	-	-	-	-	-	1,568,815
Miscellaneous	312,272	125	3,167,373	-	-	6,827	3,486,597
Intergovernmental	3,718,318	12,379	971,918	4,919,897	121,878	543,436	10,287,826
Total revenues	\$ 28,056,700	\$ 3,798,953	\$ 4,970,466	\$ 5,479,763	\$ 121,878	\$ 606,143	\$ 43,033,903
Expenditures:							
Current:							
General government administration	\$ 6,558,625	\$ -	\$ -	\$ 292,288	\$ -	\$ -	\$ 6,850,913
Public safety	7,963,293	-	-	275,104	-	-	8,238,397
Public works	8,805,810	-	-	788,081	-	371,097	9,964,988
Health and welfare	285,175	-	-	-	-	-	285,175
Parks, recreation, and cultural	5,009,401	-	-	86,310	-	-	5,095,711
Community development	1,600,655	-	-	82,276	-	-	1,682,931
Capital projects	-	-	10,895,265	3,339,698	-	-	14,234,963
Debt service:							
Principal retirement	209,873	3,594,612	-	136,853	-	-	3,941,338
Interest and other fiscal charges	57,380	1,872,913	-	9,798	-	-	1,940,091
Total expenditures	\$ 30,490,212	\$ 5,467,525	\$ 10,895,265	\$ 5,010,408	\$ -	\$ 371,097	\$ 52,234,507
Excess (deficiency) of revenues over (under) expenditures	\$ (2,433,512)	\$ (1,668,572)	\$ (5,924,799)	\$ 469,355	\$ 121,878	\$ 235,046	\$ (9,200,604)
Other financing sources (uses):							
Issuance of bonds	\$ 2,635,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,635,665
Transfers in	2,400,000	1,759,007	507,313	-	-	-	4,666,320
Transfers out	(334,020)	-	-	-	(121,878)	(239,700)	(695,598)
Total other financing sources (uses)	\$ 4,701,645	\$ 1,759,007	\$ 507,313	\$ -	\$ (121,878)	\$ (239,700)	\$ 6,606,387
Net changes in fund balances	\$ 2,268,133	\$ 90,435	\$ (5,417,486)	\$ 469,355	\$ -	\$ (4,654)	\$ (2,594,217)
Fund balances at beginning of year	9,378,292	6,371,764	12,480,601	424,408	-	1,007,136	29,662,201
Fund balances at end of year	\$ 11,646,425	\$ 6,462,199	\$ 7,063,115	\$ 893,763	\$ -	\$ 1,002,482	\$ 27,067,984

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

TOWN OF VIENNA, VIRGINIA

**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)	\$	(2,594,217)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. The following details support this adjustment:

Capital outlay	\$ 10,585,859	
Depreciation expense	<u>(5,232,624)</u>	5,353,235

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.		(1,618,118)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes		12,240
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Bond and other debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases the long term liabilities and does not affect the statement of activities. Similarly, the repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Debt issued:		
General obligation bonds	\$	(2,635,665)
Repayments:		
General obligation bonds		3,407,000
Lease liabilities		34,497
Subscription liabilities		172,231
Notes payable		<u>327,610</u>
Net adjustment		1,305,673

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following:

Compensated absences	\$	(17,296)
OPEB expense		69,900
Bond premium		577,859
Pension expense		936,107
Arbitrage		(498,155)
Accrued interest payable		<u>(2,452)</u>
Net adjustment		1,065,963

Special contributions from the Commonwealth for the OPEB cost sharing pools not reported in governmental funds.

		<u>5,785</u>
Change in net position of governmental activities (Exhibit 2)	\$	<u><u>3,530,561</u></u>

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

TOWN OF VIENNA, VIRGINIA

Statement of Net Position
Proprietary Fund
At June 30, 2024

	Business-type Activities Enterprise Fund Water & Sewer Fund
Assets:	
Current assets:	
Cash and cash equivalents	\$ 7,794,832
Receivables: (net of allowance for uncollectibles)	
Accounts	1,057,755
Unbilled service charges	1,247,123
Prepaid items	26,508
Inventory, at cost	89,561
Total current assets	\$ 10,215,779
Capital assets, net of accumulated depreciation	34,764,992
Total assets	\$ 44,980,771
Deferred outflows of resources:	
Pension related items	\$ 264,212
OPEB related items	51,279
Total deferred outflows of resources	\$ 315,491
Liabilities:	
Current liabilities:	
Accounts payable	\$ 1,996,488
Accrued liabilities	126,278
Escrow and other deposits	172,384
Due to other governments	404,060
Compensated absences - current portion	178,142
Notes payable - current portion	25,220
Bonds payable - current portion	680,530
Total current liabilities	\$ 3,583,102
Noncurrent liabilities:	
Compensated absences - noncurrent portion	\$ 19,794
Net OPEB liabilities	186,091
Net pension liabilities	965,857
Notes payable - noncurrent portion	1,368,162
Bonds payable - noncurrent portion	9,168,802
Total noncurrent liabilities	\$ 11,708,706
Total liabilities	\$ 15,291,808
Deferred Inflows of Resources:	
Pension related items	\$ 182,755
OPEB related items	147,091
Total deferred inflows of resources	\$ 329,846
Net Position:	
Net investment in capital assets	\$ 30,068,391
Unrestricted (deficit)	(393,783)
Total net position	\$ 29,674,608

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

TOWN OF VIENNA, VIRGINIA

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

	Business-type Activities Enterprise Fund
	Water & Sewer Fund
Operating revenues:	
Charges for services	\$ 11,153,298
Operating expenses:	
Personal services	\$ 1,730,798
Fringe benefits	597,311
Contractual services	4,999,518
Other charges	656,850
Materials and supplies	397,926
Depreciation	949,043
Total operating expenses	\$ 9,331,446
Operating income (loss)	\$ 1,821,852
Nonoperating revenues (expenses):	
Interest income	\$ 294,376
Miscellaneous income	323,061
State grant revenue	651
Interest expense	(184,694)
Net nonoperating revenues (expenses)	\$ 433,394
Income (loss) before capital contributions and transfers	\$ 2,255,246
Capital contributions and transfers:	
Capital contributions	\$ 4,448,012
Transfers (out)	(3,970,722)
Total capital contributions and transfers	\$ 477,290
Change in net position	\$ 2,732,536
Net position, beginning of year	26,942,072
Net position, end of year	\$ 29,674,608

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

TOWN OF VIENNA, VIRGINIA

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

	Business-type Activities Enterprise Fund
	Water & Sewer Fund
Cash flows from operating activities:	
Receipts from customers	\$ 11,305,713
Payments to and for employees	(2,357,535)
Payments to suppliers	(5,708,054)
Other receipts	323,061
Net cash provided by operating activities	\$ 3,563,185
Cash flows from investing activities:	
Interest income	\$ 294,376
Cash flows from capital and related financing activities:	
Purchase of capital assets	\$ (1,393,382)
Issuance of notes payable	10,421,217
Principal payments on notes and bonds payable	(2,083,431)
Interest expense	(201,117)
Net cash provided by (used for) capital and related financing activities	\$ 6,743,287
Cash flows from noncapital financing activities:	
Transfers from other funds	\$ -
Transfers (to) other funds	(3,970,722)
Nonoperating grants received	651
Net cash provided by (used for) noncapital financing activities	\$ (3,970,071)
Net increase (decrease) in cash and cash equivalents	\$ 6,630,777
Cash and cash equivalents at beginning of year	1,164,055
Cash and cash equivalents at end of year	\$ 7,794,832
Reconciliation of operating income to net cash provided by (used for) operating activities:	
Operating income	\$ 1,821,852
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	949,043
Miscellaneous income	323,061
Changes in operating accounts:	
Accounts receivable	242,205
Unbilled service charges	(129,569)
Inventory	(12,556)
Prepaid items	1,560
Deferred outflows - pension items	116,574
Deferred outflows - OPEB items	4,592
Accounts payable	357,236
Accrued liabilities	7,336
Escrow and other deposits	9,467
Due to other governments	30,312
Net OPEB liabilities	4,673
Net pension liabilities	(103,332)
Deferred inflows - pension items	(58,692)
Deferred inflows - OPEB items	(15,296)
Compensated absences	14,719
Net cash provided by (used for) operating activities	\$ 3,563,185
Noncash capital, investing and financing activities:	
Capital contributions	\$ 4,448,012

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

TOWN OF VIENNA, VIRGINIA

Statement of Fiduciary Net Position
At June 30, 2024

	Pension Trust Funds
Assets:	
Investments:	
External investment pools	\$ 6,317,031
Total assets	\$ 6,317,031
Liabilities:	
Accounts payable	\$ 43
Net Position:	
Net position restricted for pensions	\$ 6,316,988

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

TOWN OF VIENNA, VIRGINIA

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2024

	Pension Trust Funds
Additions:	
Contributions:	
Employer	\$ 497,346
Plan members	<u>50,805</u>
Total contributions	\$ 548,151
Investment income:	
Interest earned on investments	<u>228,141</u>
Total additions	\$ <u>776,292</u>
Deductions:	
Pension benefit payments	\$ 568,903
Other charges	<u>8,450</u>
Total deductions	\$ <u>577,353</u>
Change in net position	\$ 198,939
Net position:	
Balance, beginning of year	<u>6,118,049</u>
Balance, end of year	\$ <u><u>6,316,988</u></u>

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

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Narrative Profile

The Town of Vienna, located in central Fairfax County, Virginia, approximately 10 miles west of the District of Columbia, was incorporated in 1890.

The Town is governed under the Council-Manager form of government. The Town government, with approximately 200 full-time employees, engages in a wide range of municipal services including: police protection, refuse and leaf collection, recycling, street and sidewalk maintenance, street lights, storm drainage system maintenance, street cleaning, snow removal, water and sewer services, insect and animal control, zoning enforcement, planning and community development, recreational facilities and programs and Town beautification. Judicial administration, educational, fire, library, health and welfare services are provided by Fairfax County.

The financial statements of the Town of Vienna, 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 government's accounting policies are described below.

A. Financial Reporting Entity

Government-wide Financial Statements:

The financial statements are 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). 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 expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

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 original, the final budget, and the actual activity of the major governmental 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 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 (based on the Town as a whole) and fund financial statements. The focus is on both the Town as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds (by category) and the component units, if applicable. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, 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 government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, 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, health and welfare, 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 operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Government-wide and Fund Financial Statements (continued)

The Town does not allocate indirect expenses. 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 are 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 statements' 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 statements.

Proprietary fund operating revenues consist of charges for services and related revenues. Nonoperating revenues consist of contributions, grants, investment earnings and other revenues not directly derived from the providing of services.

The Town's fiduciary funds are presented in the fund financial statements by type (pension trust). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The following is a brief description of the specific funds used by the Town in FY 2024.

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

General Fund - The General Fund accounts for and reports all revenues and expenditures of the Town which are not accounted for and reported in the other funds. Revenues are primarily derived from general property taxes, other local taxes, licenses and permits, and revenues from other governmental units. The General Fund is considered a major fund for reporting purposes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Government-wide and Fund Financial Statements (continued)

Debt Service Fund - The Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds are also used to report financial resources being accumulated for future debt service. The Debt Service Fund revenues are derived primarily from other local taxes and transfers from the Water and Sewer Fund. The Debt Service Fund is considered a major fund for reporting purposes.

Capital Projects Funds - The Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The Capital Projects Fund is considered a major fund for reporting purposes.

Projects are financed principally through general obligation debt and general operations.

Special Revenue Funds - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The special revenue funds consist of the Stormwater Fund, Special Transportation Fund and the American Rescue Plan Fund. The Special Transportation and American Rescue Plan Funds are considered major funds for reporting purposes.

2. *Proprietary Funds* - Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Funds utilize the accrual basis of accounting where the measurement focus is upon determination of net income, financial position, and cash flows. The Proprietary Fund consists of the water and sewer enterprise fund.

Enterprise Funds - Enterprise Funds account for operations of the Town's water and sewer fund. Revenues are primarily derived from user charges. The Town purchases water and conveys sewage under inter-governmental agreements with the Fairfax County Water Authority, the County of Fairfax, Virginia, and the D.C. Water and Sewer Authority.

3. *Fiduciary Funds* - Fiduciary Funds (Trust and Custodial Funds) account for assets held by the Town in a trustee capacity or as custodian for individuals, private organizations, other governmental units and other funds.

Trust Funds - Trust Funds include the local retirement and the police retirement pension trust funds. These funds are accounted for and reported similarly to proprietary funds. Pension trust funds are used to account for assets held by the Town as trustee to provide to Town employees retirement benefits in addition to the benefits provided by the Virginia Retirement System and Social Security.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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.

All proprietary funds and pension trust 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 position.

The government reports unearned revenue on its combined balance sheet. Unearned revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurring of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

1. *Governmental Funds* - 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 45 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the State or utilities and subsequently remitted to the 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 and all other grant requirements have been satisfied. Revenues from general purpose grants, such as entitlement programs, are recognized in the period to which the grant applies.

Expenditures generally are recorded as the related fund liabilities are incurred. However, principal and interest on long-term debt, including lease and subscription liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each generally when payment is due.

General capital asset acquisitions, including entering into contracts giving the government the right to use lease and subscription assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases and subscriptions are reported as other financing sources.

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Basis of Accounting (continued)

2. *Proprietary Funds* - 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.

Operating revenues and expenses are defined as those items that result from providing services and include all transactions and events which are not capital and related financing, noncapital financing or investing activities. Nonoperating revenues are defined as grants, investment and other income. Nonoperating expenses are defined as noncapital related financing and other expenses.

3. *Fiduciary Funds* - Pension Trust and Custodial Funds utilize the accrual basis of accounting.

D. Budgets and Budgetary Accounting

The Town Council annually adopts budgets for the general and debt service funds.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In March of each year, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. At least one public hearing is conducted at the Town Hall to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an appropriation ordinance. The Town Council may approve supplemental appropriations.
4. The legal level of control is at the function level within an individual fund. The Town Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Town Council. This is done during a quarterly review and analysis, and approved by motion by the Town Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Debt Service Fund, Stormwater Fund, and Capital Projects Fund. Capital Projects are budgeted on a project basis as well as an annual basis.
6. The budgets for the General Fund, Debt Service, Capital Projects and Stormwater Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. A review of the presented budget comparisons herein will disclose how accurately the governing body was actually able to forecast the revenues and expenditures of the Town.
8. Appropriations lapse on June 30 except for the Capital Projects Fund which adopts both annual and project-length budgets. Those appropriations lapse when the project has been completed.

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Budgets and Budgetary Accounting (continued)

9. Budgetary amounts as presented in the financial statements reflect budget revisions through June 30, 2024.
10. Excess of expenditures over appropriations:
For the year ended June 30, expenditures exceeded appropriations in the public safety function (the legal level of budgetary control) of the general fund by \$138,763.

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to commit that portion of the applicable appropriations, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as assigned fund balances since they do not constitute expenditures or liabilities. Funds must be reappropriated in the ensuing fiscal year to provide for the payment of encumbrances which were unliquidated at the end of the previous year. Encumbrances totaled \$120,000 including, \$60,850 for community development and \$39,510 for public works.

F. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts in demand deposits, and short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

G. Investments

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

H. Inventory

Inventory is valued at cost on a first-in, first-out basis. Inventories in the General Fund consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. Reported inventories are offset in nonspendable fund balance which indicate that they do not constitute available spendable resources, except in the Proprietary Fund.

I. Prepaid Items

The consumption method is used for accounting of prepaid items.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

J. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, subscription, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

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

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

Land improvements	50 years
Buildings and improvements	15 - 30 years
Water and sewer lines	50 years
Storage tanks and wells	40 years
Improvements	20 - 40 years
Office, automotive, and other equipment	5 -10 years
Infrastructure	25 years
Subscription assets	3 - 5 years
Lease equipment	5 - 10 years

K. 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 items that qualify for reporting in this category, comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the pension and OPEB notes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

K. Deferred Outflows/Inflows of Resources (continued)

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 two types of items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension, OPEB, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

L. Other Local Taxes

Included in other local taxes is meal and lodging tax revenue which the Town began to assess as of January 1, 1990. Since the Town Council has designated that such revenue is to be used to repay principal and interest on governmental debt, the revenue is included as debt service revenue.

M. Allowance for Uncollectible Accounts

The Town calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$221,400 at June 30, 2024 and is comprised of the following:

General Fund:	
Property taxes receivable	\$ 4,400
Water and Sewer Fund:	
Accounts receivable	217,000
Grand total	<u>\$ 221,400</u>

N. Compensated Absences and Other Employee Benefit Amounts

Vested vacation pay, sick pay and other related employee benefit amounts are accrued when earned in all funds.

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

O. Pensions

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

P. Other Postemployment Benefits (OPEB)

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

Q. Unbilled Revenue

The Water and Sewer Fund bills service charges to customers on a quarterly basis. Service charges earned but unbilled are accrued based on the last billing and reported in the financial statements as unbilled service charges.

R. 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 expenditures during the reporting period. Actual results could differ from those estimates.

S. Long-Term Obligations

The Town reports long-term debt of governmental funds at face value. The face value of the debt is believed to approximate fair value. Long-term obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

T. Net Position

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

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

U. 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.

V. Fund Equity

The Town reports fund balance in its governmental funds. 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 either not in spendable form (such as inventory and prepaids) or are legally or contractually 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;

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

V. Fund Equity (continued)

- 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 balance - 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, which does not lapse at year end, 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 purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

W. Leases and Subscription-Based IT Arrangements

The Town has various lease assets and subscription-based IT arrangements (SBITAs) 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. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

W. Leases and Subscription-Based IT Arrangements (continued)

Lessor

The Town recognizes leases receivable and deferred inflows of resources in the government-wide and governmental fund financial statements. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

Subscriptions

The Town recognizes intangible right-to-use subscription assets (subscription assets) and corresponding subscription liabilities in the government-wide financial statements. At the commencement of the subscription, the subscription liability is measured at the present value of payments expected to be made during the subscription liability term (less any contract incentives). The subscription liability is reduced by the principal portion of payments made. The subscription asset is measured at the initial amount of the subscription liability payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

Key Estimates and Judgments

Lease and subscription-based IT arrangement accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease and subscription payments to present value, (2) lease and subscription term, and (3) lease and subscription payments.

- The Town uses the interest rate stated in lease or subscription 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 and subscriptions.
- The lease and subscription terms include the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription 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 or subscription incentives and certain other payments are included in the measurement of the lease receivable (lessor), lease liability (lessee) or subscription liability.

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

W. Leases and Subscription-Based IT Arrangements (continued)

Key Estimates and Judgments (continued)

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

NOTE 2 - 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 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 local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard & Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 2 - DEPOSITS AND INVESTMENTS: (continued)

Investments (Continued)

The Town's investment policies allow investments in the following:

- a. U.S. Treasury bills
- b. Treasury notes on bonds
- c. insured or fully collateralized certificates of deposit of banks and savings and loan
- d. associations approved by the State Treasurer
- e. repurchase agreements collateralized by U.S. Treasury securities market-to-market
- f. the state investment pool
- g. fully secured/insured U.S. government securities

Custodial Credit Risk (Investments)

To protect against potential fraud and embezzlement, the assets of the Town shall be secured through third-party custody and safekeeping procedures. Bearer instruments shall be held only through third-party institutions. Investment officials shall be bonded to protect the public against embezzlement and malfeasance. Collateralized securities such as repurchase agreements shall be purchased using the delivery vs. payment procedure. Unless prevailing practices or economic circumstances dictate otherwise, ownership shall be protected through third-party custodial safekeeping.

The Town's investments at June 30, 2024 consisted of investment in the Commonwealth of Virginia Local Government Investment Pool, VACO/VML's Virginia Investment Pool, CDs, U.S. Agencies, U.S. Treasuries, and investments in the State Non-Arbitrage Pool (SNAP).

Credit Risk of Debt Securities

The Town's investment policies state that no individual investment transaction shall be undertaken that jeopardizes the capital position of the portfolio, and that does not bear the full faith and credit of the United States government or which is not fully collateralized or insured. These investments shall be limited to instruments maturing within one year at the time of purchase, except for the pension and debt retirement funds.

As required by state statute, the Policy requires that commercial paper have a short-term debt rating of no less than "A-1" (or its equivalent) from at least two of the following: Moody's Investors Service, Standard & Poor's and Fitch Investors Service. Corporate notes, negotiable Certificates of Deposit and bank deposit notes maturing in less than one year must have a short-term debt rating of at least "A-1" by Standard & Poor's and "P-1" by Moody's Investors Service. Notes having a maturity of greater than one year must be rated "AA" by Standard & Poor's and "Aa" by Moody's Investors Service.

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 2 - DEPOSITS AND INVESTMENTS: (continued)

Credit Risk of Debt Securities (Continued)

The Town's rated debt instruments as of June 30, 2024 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

Town's Rated Debt Investments	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool (LGIP)	\$ 22,425,455
Virginia State Non-Arbitrage Program	21,040,903
Total	<u>\$ 43,466,358</u>
<u>Reconciliation of Deposits and Investments</u>	
Cash and cash equivalents - Per Exhibit 1 (1)	\$ 53,948,870
Fiduciary funds	<u>6,317,031</u>
Total cash and investments	<u>\$ 60,265,901</u>
Cash:	
Deposits	\$ 11,694,483
Cash on hand and cash items	<u>850</u>
Total cash	<u>\$ 11,695,333</u>
Investments	<u>\$ 48,570,568</u>
Total cash and investments	<u>\$ 60,265,901</u>

(1) Includes temporarily restricted cash of \$5,045,687

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 2 - DEPOSITS AND INVESTMENTS: (continued)

External Investment Pools

The value of the positions in the external investment pools (Local Government Investment Pool and State Non-Arbitrage Pool) is the same as the value of the pool shares. As LGIP and SNAP are not SEC registered, regulatory oversight of the pools rest with the Virginia State Treasury. LGIP and SNAP are amortized cost basis portfolios.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>
Local Government Investment Pool	\$ 22,425,455	\$ 22,425,455	\$ -
U.S Treasuries	2,896,054	-	2,896,054
Certificates of Deposit	2,208,156	99,815	2,108,341
Virginia State Non-Arbitrage Program	<u>21,040,903</u>	<u>21,040,903</u>	<u>-</u>
Total	\$ <u>48,570,568</u>	\$ <u>43,566,173</u>	\$ <u>5,004,395</u>

NOTE 3 - PROPERTY TAXES:

Real property taxes are levied on July 1 at a rate enacted by the Town Council on the assessed value of property as determined by the Supervisor of Assessments of Fairfax County. The Town does not levy personal property taxes. Neither the Town Charter nor the State of Virginia impose a limitation on the tax rate. Assessed value of all property is 100 percent of fair market value. Each year all property is reassessed as of January 1. The Town's tax rate for fiscal year 2024 was \$.1950 per \$100 of assessed valuation.

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 3 - PROPERTY TAXES: (continued)

Taxes are due in semi-annual installments on July 28 and December 5 of each year. A penalty of 10 percent or \$5.00, whichever is greater, is added to each delinquent installment. No discounts are allowed and interest at 10 percent per annum is also assessed on delinquent installments. All unpaid taxes become subject to liens against the properties upon which they are assessed as of June 30 of the year following assessment.

NOTE 4 - ACCOUNTS RECEIVABLE:

Accounts receivable are detailed as follows:

	Governmental Activities				Business-type Activities
	General Fund	Debt Service Fund	Capital Projects Fund	Total	Water & Sewer Fund
Property taxes	\$ 45,781	\$ -	\$ -	\$ 45,781	\$ -
Consumer utility taxes	54,733	-	-	54,733	-
Franchise fees	79,224	-	-	79,224	-
Business license fees	84,851	-	-	84,851	-
Meals taxes	-	391,674	-	391,674	-
Water and sewer charges	-	-	-	-	1,274,755
Unbilled revenues	-	-	-	-	1,247,123
Robinson Trust - sidewalk program	-	-	840,339	840,339	-
Other	40,048	99	3,113	43,260	-
Total	\$ 304,637	\$ 391,773	\$ 843,452	\$ 1,539,862	\$ 2,521,878
Less: Allowance for uncollectibles	(4,400)	-	-	(4,400)	(217,000)
Net receivables	<u>\$ 300,237</u>	<u>\$ 391,773</u>	<u>\$ 843,452</u>	<u>\$ 1,535,462</u>	<u>\$ 2,304,878</u>

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 5 - DUE FROM OTHER GOVERNMENTS:

Amounts due from other governments are detailed as follows:

	Governmental Activities		
	General Fund	Capital Projects Fund	Total
Commonwealth of Virginia:			
Virginia Department of Transportation	\$ -	\$ 34,906	\$ 34,906
Federal Government:			
Roads grants	-	168,680	168,680
Public safety grants	6,567	-	6,567
County of Fairfax, Virginia:			
Local sales tax	375,290	-	375,290
Communications tax	109,501	-	109,501
Court fines and forfeitures	18,570	-	18,570
Other	7,198	-	7,198
NVTA:			
Roads grants	-	297,049	297,049
Total	<u>\$ 517,126</u>	<u>\$ 500,635</u>	<u>\$ 1,017,761</u>

NOTE 6 – INTERFUND TRANSFERS:

Details of interfund transfers as of June 30, 2024 are as follows:

Transfers to/from other funds:

Transfers to the General Fund from the Water and Sewer Fund to supplement General Fund operations	\$ 2,400,000
Transfers to the Capital Projects Fund from the Special Transportation Fund for Capital Projects	121,878
Transfers to the Capital Projects Fund from the Water and Sewer Fund to fund capital projects	145,735
Transfers to the Capital Projects Fund from the Stormwater Fund	239,700
Transfers to the Debt Service Fund from the General Fund to supplement debt service funding for general long-term obligation debt	334,020
Transfers to the Debt Service Fund from the Water and Sewer Fund to supplement debt service funding for general long-term obligation debt	<u>1,424,987</u>
Total transfers	<u>\$ 4,666,320</u>

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 7 - CAPITAL ASSETS:

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

Governmental Activities:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 8,731,674	\$ -	\$ -	\$ 8,731,674
Construction in progress - infrastructure	5,439,714	2,159,183	3,651,948	3,946,949
Construction in progress - other	162,667	81,148	153,312	90,503
Total capital assets not being depreciated	<u>\$ 14,334,055</u>	<u>\$ 2,240,331</u>	<u>\$ 3,805,260</u>	<u>\$ 12,769,126</u>
Other capital assets:				
Land improvements	\$ 5,732,165	\$ 24,970	\$ -	\$ 5,757,135
Buildings and improvements	50,567,209	697,856	1,778,064	49,487,001
Infrastructure	105,942,415	10,442,805	-	116,385,220
Office and other equipment	9,387,038	549,395	46,140	9,890,293
Lease equipment	119,648	-	-	119,648
Subscription assets	647,054	-	-	647,054
Automotive and other equipment	7,657,088	435,762	106,264	7,986,586
Total other capital assets	<u>\$ 180,052,617</u>	<u>\$ 12,150,788</u>	<u>\$ 1,930,468</u>	<u>\$ 190,272,937</u>
Accumulated depreciation:				
Land improvements	\$ 1,345,769	\$ 150,513	\$ -	\$ 1,496,282
Buildings and improvements	14,672,870	1,595,867	170,951	16,097,786
Infrastructure	69,021,690	2,222,285	-	71,243,975
Office and other equipment	5,457,681	543,275	46,140	5,954,816
Lease equipment	67,440	33,720	-	101,160
Subscription assets	154,206	166,576	-	320,782
Automotive and other equipment	5,229,736	520,388	95,259	5,654,865
Total accumulated depreciation	<u>\$ 95,949,392</u>	<u>\$ 5,232,624</u>	<u>\$ 312,350</u>	<u>\$ 100,869,666</u>
Net capital assets	<u>\$ 98,437,280</u>	<u>\$ 9,158,495</u>	<u>\$ 5,423,378</u>	<u>\$ 102,172,397</u>
Depreciation expense has been allocated as follows:				
General government administration		\$ 553,966		
Public safety		934,495		
Public works		2,945,883		
Parks and recreation		789,735		
Community development		<u>8,545</u>		
Total depreciation expense		<u>\$ 5,232,624</u>		

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 7 - CAPITAL ASSETS: (continued)

Business-type Activities:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated:				
Construction in progress	\$ 2,196,832	\$ 3,346,857	\$ -	\$ 5,543,689
Other capital assets:				
Automotive and other equipment	\$ 1,708,647	\$ 595,927	\$ 220,792	\$ 2,083,782
Improvements	42,903,924	1,898,610	-	44,802,534
Total other capital assets	\$ 44,612,571	\$ 2,494,537	\$ 220,792	\$ 46,886,316
Accumulated depreciation:				
Automotive and other equipment	\$ 1,181,615	\$ 104,699	\$ 220,792	\$ 1,065,522
Improvements	15,755,147	844,344	-	16,599,491
Total accumulated depreciation	\$ 16,936,762	\$ 949,043	\$ 220,792	\$ 17,665,013
Net capital assets	\$ 29,872,641	\$ 4,892,351	\$ -	\$ 34,764,992

NOTE 8 - DEFERRED INFLOWS OF RESOURCES/UNEARNED REVENUE:

Deferred revenue /unavailable revenue represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred.

	Government-wide Statements Governmental Activities	Governmental Funds
<u>Unavailable revenue - property taxes:</u>		
A. <i>Deferred property tax revenue</i> - deferred inflow of resources representing uncollected tax billings not available for funding of current expenditures	\$ -	\$ 48,228
B. <i>Prepaid property tax revenue</i> - deferred inflow of resources representing collections received for property taxes that are applicable to the subsequent budget year	51,958	51,958
Total unavailable revenue - property taxes	\$ 51,958	\$ 100,186
<u>Unearned Revenue:</u>		
C. <i>Non-refundable deposits held for various sidewalk and street improvements</i> - Revenues related to such deposits are not recognized until the related street improvement expenditures have been incurred	\$ 266,614	\$ 266,614
D. <i>Unearned revenue</i> - Unspent American Rescue Plan funds	8,029,936	8,029,936
E. <i>Unearned revenue</i> - Special Transportation Fund	5,045,687	5,045,687
F. <i>Unearned revenue</i> - Capital Projects Fund	2,051,614	2,051,614
G. <i>Other</i> - unearned vehicle license fee revenue	78,453	78,453
Total unearned revenue	\$ 15,472,304	\$ 15,472,304

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 9 - LONG-TERM DEBT:

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

Governmental Activities:

Year Ending June 30,	General Obligation Bonds		Leases		Subscription Liabilities		Direct Borrowings and Direct Placements			
	Principal	Interest	Principal	Interest	Principal	Interest	Notes Payable		General Obligation Bonds	
							Principal	Interest	Principal	Interest
2025	\$ 3,825,000	\$ 1,709,868	\$ 14,709	\$ 273	\$ 181,330	\$ 9,596	\$ 114,400	\$ 1,290	\$ 1,095,916	\$ 161,800
2026	3,790,000	1,539,312	4,675	50	99,767	4,154	-	-	1,095,916	124,748
2027	3,830,000	1,376,463	-	-	24,991	729	-	-	1,095,916	86,428
2028	3,955,000	1,203,662	-	-	-	-	-	-	1,095,917	48,109
2029	3,535,000	1,029,349	-	-	-	-	-	-	437,000	9,789
2030	3,535,000	859,263	-	-	-	-	-	-	-	-
2031	3,535,000	708,562	-	-	-	-	-	-	-	-
2032	3,125,000	604,838	-	-	-	-	-	-	-	-
2033	3,120,000	508,287	-	-	-	-	-	-	-	-
2034	2,595,000	425,113	-	-	-	-	-	-	-	-
2035	2,600,000	372,456	-	-	-	-	-	-	-	-
2036	2,595,000	318,932	-	-	-	-	-	-	-	-
2037	2,595,000	264,762	-	-	-	-	-	-	-	-
2038	2,595,000	208,106	-	-	-	-	-	-	-	-
2039	2,595,000	151,451	-	-	-	-	-	-	-	-
2040	2,590,000	91,550	-	-	-	-	-	-	-	-
2041	605,000	31,763	-	-	-	-	-	-	-	-
2042	605,000	15,881	-	-	-	-	-	-	-	-
Total	\$ 51,625,000	\$ 11,419,618	\$ 19,384	\$ 323	\$ 306,088	\$ 14,479	\$ 114,400	\$ 1,290	\$ 4,820,665	\$ 430,874

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 9 - LONG-TERM DEBT: (continued)

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

Business-type Activities:

Year Ending June 30,	Direct Borrowings and Direct Placements			
	General Obligation Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2025	\$ 665,159	\$ 402,309	\$ 25,220	\$ 54,481
2026	670,159	373,526	26,206	53,495
2027	670,159	344,304	27,231	52,470
2028	575,158	315,082	28,295	51,406
2029	476,700	290,610	29,402	50,299
2030	476,700	270,401	30,551	49,150
2031	481,700	250,193	31,746	47,955
2032	481,700	229,734	32,987	46,714
2033	486,700	209,275	34,277	45,424
2034	431,700	188,567	35,617	44,084
2035	431,700	170,608	37,010	42,691
2036	431,700	152,649	38,457	41,244
2037	431,700	134,691	39,961	39,741
2038	431,700	116,732	41,523	38,178
2039	431,700	98,773	43,147	36,555
2040	431,700	80,814	44,834	34,867
2041	431,700	62,855	46,587	33,114
2042	431,700	44,897	48,408	31,293
2043	431,700	26,938	50,301	29,400
2044	431,700	8,980	52,268	27,433
2045	-	-	54,311	25,390
2046	-	-	56,435	23,266
2047	-	-	58,642	21,060
2048	-	-	60,935	18,767
2049	-	-	63,317	16,384
2050	-	-	65,793	13,908
2051	-	-	68,365	11,336
2052	-	-	71,038	8,663
2053	-	-	73,816	5,885
2054	-	-	76,702	2,999
Total	\$ 9,732,835	\$ 3,771,938	\$ 1,393,382	\$ 997,652

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 9 - LONG-TERM DEBT: (continued)

Changes in Long-term Debt:

The following is a summary of the governmental activities long-term debt of the Town for the year ended June 30, 2024.

		Direct Borrowings and Placements					
	Bonds	Bonds	Notes Payable	Bond Premium	Subscription Liabilities	Leases	Total
Balance, July 1, 2023	\$ 54,595,000	\$ 2,622,000	\$ 442,010	\$ 4,123,849	\$ 478,319	\$ 53,881	\$ 62,315,059
Issuances/Increases:							
Direct borrowing and placement							
General obligation bonds	\$ -	\$ 2,635,665	\$ -	\$ -	\$ -	\$ -	\$ 2,635,665
Total issuances/increases	\$ -	\$ 2,635,665	\$ -	\$ -	\$ -	\$ -	\$ 2,635,665
Retirements/decreases:							
General obligation bonds	\$ 2,970,000	\$ 437,000	\$ -	\$ -	\$ -	\$ -	\$ 3,407,000
Bond premium	-	-	-	577,859	-	-	577,859
Leases	-	-	-	-	-	34,497	34,497
Subscription liabilities	-	-	-	-	172,231	-	172,231
Notes payable	-	-	327,610	-	-	-	327,610
Total retirements/decreases	\$ 2,970,000	\$ 437,000	\$ 327,610	\$ 577,859	\$ 172,231	\$ 34,497	\$ 4,519,197
Balance, June 30, 2024	\$ 51,625,000	\$ 4,820,665	\$ 114,400	\$ 3,545,990	\$ 306,088	\$ 19,384	\$ 60,431,527

The following is a summary of business-type activities long-term debt of the Town for the year ended June 30, 2024.

	Direct Borrowings and Placements			
	Notes Payable	Bonds	Bond Premium	Total
Balance, July 1, 2023	\$ 1,948,431	\$ 840,000	\$ 132,920	\$ 2,921,351
Issuances/Increases:				
Notes payable	\$ 1,393,382	\$ -	\$ -	\$ 1,393,382
General obligation bonds	-	9,027,835	-	9,027,835
Total issuances/increases	\$ 1,393,382	\$ 9,027,835	\$ -	\$ 10,421,217
Retirements/decreases:				
Bonds payable	\$ -	\$ 135,000	\$ -	\$ 135,000
Notes payable	1,948,431	-	-	1,948,431
Bond premium	-	-	16,423	16,423
Total retirements/decreases	\$ 1,948,431	\$ 135,000	\$ 16,423	\$ 2,099,854
Balance, June 30, 2024	\$ 1,393,382	\$ 9,732,835	\$ 116,497	\$ 11,242,714

Note: Unless otherwise noted, the full faith and credit of the Town has been irrevocably pledged to secure the debt.

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 9 - LONG-TERM DEBT: (continued)

Details of Long-Term Debt

	<u>Amount Outstanding</u>	<u>Amount Due In One Year</u>
<u>Governmental activities:</u>		
<u>Public Improvement Bonds:</u>		
\$2,310,000 issued July 28, 2010, maturing in annual installments of \$335,000 from August 1, 2019 through August 1, 2025, interest payable semiannually at rates from 4.00% to 4.70%	\$ 635,000	\$ 335,000
\$6,310,000 issued July 18, 2012, maturing in annual installments of \$425,000 through July 15, 2014, and \$420,000 from July 15, 2015 through July 15, 2027, interest payable semiannually at rates from 2.0% to 2.50%	1,680,000	420,000
(1) \$6,555,000 issued November 14, 2013, maturing in annual installments of \$437,000 through June 1, 2029, interest payable semiannually at 2.24%	2,185,000	437,000
\$6,180,000 issued December 23, 2015, maturing in annual installments ranging from \$410,000 to \$415,000 through August 1, 2030, interest payable semiannually at rates from 2.00% to 4.00%	2,870,000	410,000
\$7,900,000 issued February 28, 2018, maturing in annual installments ranging from \$525,000 to \$530,000 through August 1, 2032, interest payable semiannually at 5.00%	4,725,000	525,000
\$34,500,000 issued March 25, 2020, maturing in annual installments ranging from \$865,000 to \$1,985,000 through March 1, 2040, interest payable semiannually at rates from 2.00% to 5.00%	31,040,000	1,725,000
\$11,495,000 issued March 8, 2022, maturing in annual installments ranging from \$410,000 to \$750,000 through March 1, 2042, interest payable semiannually at rates from 2.125% to 5.00%	10,675,000	410,000
(1) \$2,635,665 issued January 5, 2024, maturing in annual installments of \$658,916 through January 1, 2028, interest payable semiannually at 4.33%	<u>2,635,665</u>	<u>658,916</u>
Total public improvement bonds	<u>\$ 56,445,665</u>	<u>\$ 4,920,916</u>
<u>Notes Payable:</u>		
(1) \$450,000 obligation issued November 3, 2020 due in annual installments of \$115,690 through October 30, 2024, interest payable at 1.128%	<u>\$ 114,400</u>	<u>\$ 114,400</u>

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 9 - LONG-TERM DEBT: (continued)

Details of Long-Term Debt (continued)

	<u>Amount Outstanding</u>	<u>Amount Due In One Year</u>
<u>Governmental activities: (continued)</u>		
<u>Leases:</u>		
Lease agreement for the use of office equipment entered into on October 8, 2020. The lease agreement is for 63 installments of \$675 through December 8, 2025. A discount rate of 3.21% was used for this lease.	\$ 12,522	\$ 7,847
Lease agreement for the use of copiers entered into on June 19, 2019. The lease agreement is for 63 installments of \$2,294 through August 19, 2024. A discount rate of 3.21% was used for this lease.	6,862	6,862
Total leases	\$ <u>19,384</u>	\$ <u>14,709</u>
<u>Subscription liabilities:</u>		
Various subscriptions payable through 2027 at discount rates ranging from 2.61% to 3.54%.	\$ <u>306,088</u>	\$ <u>181,330</u>
Unamortized bond premiums	\$ <u>3,545,990</u>	\$ <u>538,870</u>
Total general long-term debt from governmental activities	\$ <u>60,431,527</u>	\$ <u>5,770,225</u>
(1) Represents direct borrowings and direct placements		
<u>Business-type activities:</u>		
<u>Public Improvement Bonds:</u>		
(1) \$8,634,000 issued December 22, 2023, maturing in annual installments of \$431,700 through December 1, 2043, interest payable semiannually at 4.16%	\$ 8,634,000	\$ 431,700
(1) \$393,835 issued January 5, 2024, maturing in annual installments of \$98,459 through January 1, 2028, interest payable semiannually at 4.33%	393,835	98,459
(1) \$980,000 issued March 8, 2022, maturing in annual installments ranging from \$45,000 to \$140,000 through March 1, 2033, interest payable semiannually at rates from 2.125% to 5.00%	705,000	135,000
Total public improvement bonds	\$ <u>9,732,835</u>	\$ <u>665,159</u>
<u>Notes Payable:</u>		
(1) Note payable to Fairfax County for Town share of Fairfax plant upgrade, maturing in various semiannual installments through July 1, 2053, interest at 3.91%	\$ <u>1,393,382</u>	\$ <u>25,220</u>
Unamortized bond premiums	\$ <u>116,497</u>	\$ <u>15,371</u>
Total general long-term debt from business-type activities	\$ <u>11,242,714</u>	\$ <u>705,750</u>
(1) Represents direct borrowings and direct placements		

Federal Arbitrage Regulations:

The Town is in compliance with federal arbitrage regulations. Arbitrage liability of \$231,001 that is due within the next year is included in Accounts Payable and long-term arbitrage liabilities of \$498,155 are reported as long-term liabilities due in more than one year as of June 30, 2024.

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 10 - COMPENSATED ABSENCES:

The Town has accrued the liability arising from all outstanding compensated absences. The liability for future vacation benefits is accrued when certain conditions are fulfilled.

Town employees earn vacation and sick leave at rates determined by length of service. Accumulated vacation paid upon termination varies with the length of service.

	Governmental Activities	Business-type Activities	Total
Balance, July 1, 2023	\$ 1,731,173	\$ 183,217	\$ 1,914,390
Increases	1,748,469	197,936	1,946,405
Decreases	(1,731,173)	(183,217)	(1,914,390)
Balance, June 30, 2024	<u>\$ 1,748,469</u>	<u>\$ 197,936</u>	<u>\$ 1,946,405</u>
Amounts due within one year	\$ 1,573,622	\$ 178,142	\$ 1,751,764
Amounts due after one year	<u>174,847</u>	<u>19,794</u>	<u>194,641</u>
Total	<u>\$ 1,748,469</u>	<u>\$ 197,936</u>	<u>\$ 1,946,405</u>

The General Fund is used to liquidate the liability for compensated absences for all governmental funds.

NOTE 11 - PENSION PLANS:

VRS Retirement Plan

Plan Description

All full-time, salaried permanent employees of the Town are automatically covered by 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

NOTE 11 - PENSION PLANS: (continued)

VRS Retirement Plan (continued)

Benefit Structures: (Continued)

age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

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

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.

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements
June 30, 2024 (continued)

NOTE 11 - PENSION PLANS: (continued)

VRS Retirement Plan (continued)

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:

Inactive members or their beneficiaries currently receiving benefit:	140
Inactive members:	
Vested inactive members	32
Non-vested inactive members	60
Inactive members active elsewhere in VRS	30
Total inactive members	122
Active members	180
Total covered employees	442

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 contribution rate for the year ended June 30, 2024 was 13.61% 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 \$1,984,227 and \$1,888,787 for the years ended June 30, 2024 and June 30, 2023, respectively.

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements
June 30, 2024 (continued)

NOTE 11 - PENSION PLANS: (continued)

VRS Retirement Plan (continued)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. The Town’s net pension liabilities were measured as of June 30, 2023. The total pension liabilities used to calculate the net pension liabilities were 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

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

NOTE 11 - PENSION PLANS: (continued)

VRS Retirement Plan (continued)

Actuarial Assumptions – General Employees (continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except 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

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

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 11 - PENSION PLANS: (continued)

VRS Retirement Plan (continued)

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

Mortality rates: (continued)

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, 2021, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) – 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

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 11 - PENSION PLANS: (continued)

VRS Retirement Plan (continued)

Long-Term Expected Rate of Return

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

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

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

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

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 11 - PENSION PLANS: (continued)

VRS Retirement Plan (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; 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. From July 1, 2023 on, participating employers are assumed to continue to contribute 100% of the actuarially assumed contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	\$ 81,016,458	\$ 70,377,749	\$ 10,638,709
Changes for the year:			
Service cost	\$ 1,465,400	\$ -	\$ 1,465,400
Interest	5,422,424	-	5,422,424
Differences between expected and actual experience	(943,539)	-	(943,539)
Contributions - employer	-	1,886,409	(1,886,409)
Contributions - employee	-	688,421	(688,421)
Net investment income	-	4,498,259	(4,498,259)
Benefit payments, including refunds of employee contributions	(4,299,306)	(4,299,306)	-
Administrative expenses	-	(45,401)	45,401
Other changes	-	1,810	(1,810)
Net changes	\$ 1,644,979	\$ 2,730,192	\$ (1,085,213)
Balances at June 30, 2023	\$ 82,661,437	\$ 73,107,941	\$ 9,553,496

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 11 - PENSION PLANS: (continued)

VRS Retirement Plan (continued)

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Town's Net Pension Liability	\$ 20,238,531	\$ 9,553,496	\$ 746,213

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 \$1,026,429. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 354,243	\$ 909,346
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,755	17,755
Change of assumptions	305,080	-
Net difference between projected and actual earnings on pension plan investments	-	1,136,457
Employer contributions subsequent to the measurement date	1,984,227	-
Total	\$ 2,661,305	\$ 2,063,558

\$1,984,227 reported as deferred outflows of resources related to pensions resulting from the Town's contributions, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

NOTE 11 - PENSION PLANS: (continued)

VRS Retirement Plan (continued)

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

<u>Year ended June 30</u>	
2025	\$ (801,206)
2026	(1,570,175)
2027	946,386
2028	38,515

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 Retirement Plans

A. Plan Description

The Town’s Civilian Retirement Plan covers all full-time employees of the Town except police officers who are covered under the Police Retirement Pension Plan. Both are defined benefit plans authorized by the Town Council and are administered by the Town Retirement Committee. The Town’s two plans are single-employer retirement systems.

Upon retirement, a participant in the two Town Plans would receive a monthly retirement allowance which is determined based on a certain percentage of the participant’s average final compensation at the date of retirement and the number of years of the participant’s credited service. In the event of death prior to retirement, the participant’s accumulated contributions are paid to the participant’s designated beneficiaries in a lump sum. If a participant were vested at time of death, the designated beneficiary would receive a monthly retirement allowance.

The plans do not issue separate financial statements.

Summary of significant accounting policies – basis of accounting and valuation of investments. The local retirement plans utilize the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The government’s contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the government’s balance sheet date. Securities without an established market are reported at estimated fair value.

Administration costs of the plans are assumed by the General Fund. The plans are not assessed administration fees except for actuarial valuation and related costs.

NOTE 11 - PENSION PLANS: (continued)

Town Retirement Plans (continued)

A. Plan Description (continued)

The following is a summary of the two Town retirement plans:

Local Retirement Plan

All full-time, salaried permanent employees not covered by the Police Retirement Pension Plan must participate in the Plan. The Civilian Retirement Plan closed to new entrants in FY 2006 when the 401A plan was established. Benefits vest after 5 years of service. Employees who retire with at least 5 years of service are entitled to an annual retirement benefit payable monthly for life in an amount equal to .25 percent of their average final salary (AFS) times years of credited service. AFS is defined as the highest consecutive 36 months of salary. Benefits are actuarially reduced for retirees who retire before age 50 and with less than 30 years of service. The plan also provides death and disability benefits. These benefit provisions and other requirements are established by local statute.

Employees do not make any contributions to the Plan. The employer contributes all amounts necessary to fund the Plan using the actuarial basis specified by statute.

Police Retirement Plan

Any full-time, salaried sworn officers must participate in the Plan. Benefits vest after 20 years of service. Employees who retire with at least 25 years of credited service are entitled to an annual retirement benefit payable monthly for life in an amount equal to 2 percent of their average final salary (AFS) for each of the first 25 years of service, less the Virginia Retirement System benefit payable. AFS is defined as the highest consecutive 36 months of salary. Benefits are actuarially reduced for retirees who retire prior to age 55. The Plan also provides death and disability benefits. These benefit provisions and all other requirements are established by local statute.

Employees are required to contribute 1 ½ percent of their annual salary to the Plan. The employer is required to contribute the remaining amounts necessary to fund the Plan using the actuarial basis specified by statute.

B. Other Information

The Town’s membership in the Civilian and Police Plans at July 1, 2023 was as follows:

	Civilian Retirement Plan	Police Retirement Plan
Terminated vested members	70	-
Retired/disabled	41	25
Active members	8	38
Total	119	63

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 11 - PENSION PLANS: (continued)

Town Retirement Plans (continued)

B. Other Information (continued)

The following is a summary of financial information for the Town's local retirement plans.

	Pension Trust Funds		
	Civilian Retirement Fund	Police Retirement Fund	Totals
Assets:			
Investments	\$ 2,526,892	\$ 3,790,139	\$ 6,317,031
Liabilities:			
Accounts payable	\$ -	\$ 43	\$ 43
Net Position:			
Net position held in trust for pension benefits	<u>\$ 2,526,892</u>	<u>\$ 3,790,096</u>	<u>\$ 6,316,988</u>
Additions:			
Contributions:			
Employer	\$ 139,001	\$ 358,345	\$ 497,346
Plan members	-	50,805	50,805
Total contributions	\$ 139,001	\$ 409,150	\$ 548,151
Investment income:			
Interest earned on investments	88,743	139,398	228,141
Total additions	<u>\$ 227,744</u>	<u>\$ 548,548</u>	<u>\$ 776,292</u>
Deductions:			
Pension benefit payments	\$ 179,588	\$ 389,315	\$ 568,903
Other charges	4,000	4,450	8,450
Total deductions	<u>\$ 183,588</u>	<u>\$ 393,765</u>	<u>\$ 577,353</u>
Net increase (decrease) in plan assets	\$ 44,156	\$ 154,783	\$ 198,939
Net position held in trust for pension benefits:			
Balance, beginning of year	2,482,736	3,635,313	6,118,049
Balance, end of year	<u>\$ 2,526,892</u>	<u>\$ 3,790,096</u>	<u>\$ 6,316,988</u>

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements
June 30, 2024 (continued)

NOTE 11 - PENSION PLANS: (continued)

Town Retirement Plans (continued)

C. Investments

Investment policy. The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the Plan Board by a majority vote of its members. It is the policy of the Plan Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. As of June 30, 2024, the asset allocation policy is to trust solely in the Local Government Investment Pool and the Virginia Investment Pool (fixed income).

Rate of return. For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.60% for the Civilian Plan and 3.80% for the Sworn Officers Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net Pension Liability of the Town

The net pension liabilities were measured as of June 30, 2024. The components of the net pension liability of the Town at June 30, 2024, were as follows:

	Civilian	Police	Total
Total pension liability	\$ 3,205,191	\$ 6,993,841	\$ 10,199,032
Plan fiduciary net position	(2,526,892)	(3,790,096)	(6,316,988)
Authority's net pension liability	\$ 678,299	\$ 3,203,745	\$ 3,882,044
Plan fiduciary net position as a percentage of the total pension liability	78.84%	54.19%	61.94%

NOTE 11 - PENSION PLANS: (continued)

Town Retirement Plans (continued)

D. Net Pension Liability of the Town (continued)

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	in addition to inflation, 4.10% for Civilian members with less than 20 years of service; 5.00% for Police Officers with less than 10 years of service, and 1.00% thereafter.
Investment rate of return	4.00%, compounded annually, net of investment expense, including inflation

Mortality rates were based on the Pub-2010G and Pub-2010S Healthy Annuitant Mortality Table for Non-disabled Males or Females, as appropriate. Disabled tables are used for disability retirements.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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. Best estimates of arithmetic real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2024 (see the discussion of the pension plan’s investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	4.00%

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 11 - PENSION PLANS: (continued)

Town Retirement Plans (continued)

D. Net Pension Liability of the Town (continued)

Discount rate. The discount rate used to measure the total pension liability was 4.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates at lesser equal to the difference between actuarially determined contribution rates and the member rate. 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in net pension liability

	Civilian Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 3,385,916	\$ 2,482,736	\$ 903,180
Changes for the year:			
Service cost	\$ 9,140	\$ -	\$ 9,140
Interest	131,845	-	131,845
Differences between expected and actual experience	(142,122)	-	(142,122)
Contributions - employer	-	139,001	(139,001)
Net investment income	-	88,743	(88,743)
Benefit payments, including refunds of employee contributions	(179,588)	(179,588)	-
Administrative expenses	-	(4,000)	4,000
Net changes	\$ (180,725)	\$ 44,156	\$ (224,881)
Balances at June 30, 2024	\$ 3,205,191	\$ 2,526,892	\$ 678,299

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 11 - PENSION PLANS: (continued)

Town Retirement Plans (continued)

D. Net Pension Liability of the Town (continued)

Changes in net pension liability (continued)

	Sworn Officer's Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 5,867,168	\$ 3,635,313	\$ 2,231,855
Changes for the year:			
Service cost	\$ 279,430	\$ -	\$ 279,430
Interest	226,901	-	226,901
Differences between expected and actual experience	1,009,657	-	1,009,657
Contributions - employer	-	358,345	(358,345)
Contributions - employee	-	50,805	(50,805)
Net investment income	-	139,398	(139,398)
Benefit payments, including refunds of employee contributions	(389,315)	(389,315)	-
Administrative expenses	-	(4,450)	4,450
Net changes	\$ 1,126,673	\$ 154,783	\$ 971,890
Balances at June 30, 2024	\$ 6,993,841	\$ 3,790,096	\$ 3,203,745

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the Town, calculated using the discount rate of 4.00%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.00%) or 1 percentage-point higher (5.00%) than the current rate:

Civilian Plan			
	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Net pension liability	\$ 1,109,948	\$ 678,299	\$ 327,528
Sworn Officer's Plan			
	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Net pension liability	\$ 4,204,924	\$ 3,203,745	\$ 2,396,275

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements
June 30, 2024 (continued)

NOTE 11 - PENSION PLANS: (continued)

Town Retirement Plans (continued)

E. 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 (\$24,403) and \$495,612 for the Civilian and Police Plans, respectively. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Civilian</u>		<u>Police</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -	\$ 889,232	\$ 379,766
Change in assumptions	-	-	166,418	-
Net difference between projected and actual earnings on pension plan investments	<u>126,191</u>	<u>-</u>	<u>166,879</u>	<u>-</u>
Total	<u>\$ 126,191</u>	<u>\$ -</u>	<u>\$ 1,222,529</u>	<u>\$ 379,766</u>

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	<u>Civilian</u>	<u>Police</u>
2025	\$ 65,409	\$ 173,802
2026	44,643	139,229
2027	14,205	96,848
2028	1,934	90,867
2029	-	89,602
Thereafter	-	252,415

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 11 - PENSION PLANS: (continued)

Town Retirement Plans (continued)

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Combined Town Pension Items

	<u>Net Pension Liabilities</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Virginia Retirement System	\$ 9,553,496	\$ 2,661,305	\$ 2,063,558	\$ 1,026,429
Civilian Plan	678,299	126,191	-	(24,403)
Sworn Officer's Plan	<u>3,203,745</u>	<u>1,222,529</u>	<u>379,766</u>	<u>495,612</u>
Total	<u>\$ 13,435,540</u>	<u>\$ 4,010,025</u>	<u>\$ 2,443,324</u>	<u>\$ 1,497,638</u>

NOTE 12 - DEFINED CONTRIBUTION CIVILIAN RETIREMENT PLAN:

During fiscal year 2006 the Town established the Town of Vienna Defined Contribution Civilian Retirement plan pursuant to Internal Revenue Code 401(a) for employees who are members of the local pension plan. The plan was initially funded by a payment of \$1,079,183 from the Civilian Retirement Fund. Under the terms of the plan administered by ICMA-RC, employees are eligible to participate after six months of employment. The Town contributes 2% of the participating employee's annual base salary to the plan. An employee may elect to contribute to the plan to the extent allowed by federal law. Employee contributions of up to 2% will be matched by the Town 100%. The Town may amend the plan, including contribution rates, as allowed by federal law.

Total employer contributions to the plan totaled \$409,810, and employee contributions were \$200,501 for fiscal year 2024.

NOTE 13 - DEFERRED COMPENSATION PLAN:

The Town offers an approved deferred compensation plan pursuant to Section 457 of the Internal Revenue Code. Permanent part-time and full-time Town employees are eligible to participate and may defer 25% of their gross income up to a maximum of \$22,500 in calendar year 2023. Employees who are age 50 or older may defer up to \$30,000 of their income. The compensation deferred is not available to employees until termination, retirement, death or an unforeseeable emergency.

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 13 - DEFERRED COMPENSATION PLAN: (continued)

Internal Revenue Code Section 457 requires all amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the plan participants and are not subject to the claims of the Town's general creditors.

NOTE 14 - LITIGATION:

At June 30, 2024, the Town was involved in various matters of litigation. It is unknown what liability, if any, the Town would incur should any court decisions on pending matters not be favorable to the Town.

NOTE 15 – LEASE RECEIVABLE:

The Town leases towers to third parties with varying terms through 2026. The following summarizes the balances related to these leases for the year ended June 30, 2024:

<u>Lease Description</u>	<u>Discount Rate</u>	<u>Lease Receivable June 30, 2024</u>	<u>Deferred Inflows of Resources June 30, 2024</u>
Water Tower - Verizon	3%	\$ 245,930	\$ 225,526
Tower - T-Mobile	3%	290,853	266,718
Total		<u>\$ 536,783</u>	<u>\$ 492,244</u>

Lease revenue totaled \$95,974 for the year ended June 30, 2024. Lease interest revenue totaled \$17,302 for the year ended June 30, 2024.

NOTE 16 - CONTINGENCIES:

The Town is responsible for the refunding of arbitrage interest incurred on the unexpended proceeds of certain bond issues. See Note 9 for more information.

The Town has various requests for refunds of business license fees. The Town has taken the opinion that refunds that may be made, if any, will not be material.

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements
June 30, 2024 (continued)

NOTE 16 - CONTINGENCIES: (continued)

State and Federal Programs

Federal programs in which the Town participates are audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of this Guidance, all major programs are tested for compliance with applicable grant requirements.

The Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

NOTE 17 - RISK MANAGEMENT:

The Town contracts with private insurance carriers for health insurance coverages. The Town also contracts with the VRSA for workers compensation, property damage, surety bonds, automobile, professional liability, law enforcement, employee dishonesty, and general liability coverages. In the event of a loss deficit and depletion of all assets and available insurance of the Pool, the Pool may assess all members in the proportion which the premium of each bears to the total premiums for all members in the year in which the deficit occurs.

Property coverages are for replacement costs and general liability coverages range up to \$4,000,000.

The Town has had no reductions in insurance coverages or settlements of claims in excess of insurance coverages in the past three years.

The Town maintains surety bonds with the VRSA on the following employees as required by Town Code:

Employee	Title	Amount of Surety Bond
Marion Serfass	Director of Finance - Town Treasurer	\$ 50,000
James Morris	Police Chief	5,000

The Mayor and the Town Council are covered by public official liability insurance that the Town maintains with the VRSA. Virginia State Code requires the Treasurer to be bonded by 15 percent of state revenue to be received, up to \$200,000. All others are to be bonded at the discretion of the Council as they deem necessary.

NOTE 18 - OTHER POSTEMPLOYMENT BENEFITS - HEALTH INSURANCE:

Plan Description

In addition to the pension benefits described in Note 11, the Town provides post-retirement health care insurance benefits for employees who are eligible for retirement benefits. All employees who meet the eligibility criteria for Town retirement and elect to retire are eligible, at the sole expense of the retiree, for access to health care insurance coverage through the Town’s group health care insurance plan that is in effect for active employees as long as coverage under the health care insurance plan is offered in the area where the retiree resides. The Town’s plan is a single-employer plan. A separate audit report for the plan is not available.

Benefits Provided

Retirees under 65 can choose from either BC/BS KA-250 Comp, BC/BS KA-500 Comp, HDHP or Kaiser HMO. Retirees may elect to cover their spouse. Retirees over 65 may choose from one of two Medicare Supplement plans. Benefits are available for the lifetime of the retiree only.

It is assumed that the total cost of coverage for most pre-65 retirees is higher than the premium amount resulting in implicitly subsidized costs. It is also assumed that the total cost of coverage for post-65 retirees is equal to the premium amount. It is assumed that the total cost of the dental insurance is equal to the premium (i.e. no implicit subsidy).

Plan Membership

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

Active	140
Retired	24
Spouses	<u>9</u>
Total	<u><u>173</u></u>

Contributions

The Town establishes employer contribution rates for plan participants as part of the budgetary process each year. The Town also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Again this is determined annually as part of the budgetary process. Retirees pay 100% of the premiums. The amount paid by the Town for OPEB as the benefits came due during the year ended June 30, 2024 was \$80,183 (including an estimate of implicit rate subsidy).

Total OPEB Liability

The Town’s total OPEB liability was measured as of June 30, 2024.

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements
June 30, 2024 (continued)

NOTE 18 - OTHER POSTEMPLOYMENT BENEFITS - HEALTH INSURANCE: (continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	2.50% per year
Discount Rate	3.97%
Investment Rate of Return	N/A

Mortality rates: Pub-2010G and Pub-2010S tables with scale SSA.

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.97%. There is no prefunding of benefits in an OPEB trust for this plan, therefore the discount rate is equal to the yield on a 20 year municipal bond Aa index as of June 30, 2024. The source of the discount rate was the Fidelity general obligation municipal bond index. The final equivalent single discount rate used for this year’s valuation is 3.97% as of the end of the fiscal year with the expectation that the Town will continue contributing the Actuarially Determined Contribution and paying the pay-go cost from the OPEB Trust.

Changes in Total OPEB Liability

		<u>Primary Government Total OPEB Liability</u>
Balances at June 30, 2023	\$	1,120,709
Changes for the year:		
Service cost		52,881
Interest		39,875
Difference between expected and actual experience		(39,212)
Changes in assumptions		(9,623)
Benefit payments		(80,183)
Net changes		(36,262)
Balances at June 30, 2024	\$	<u>1,084,447</u>

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 18 - OTHER POSTEMPLOYMENT BENEFITS - HEALTH INSURANCE: (continued)

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

The following amounts present the total OPEB liability of the Town, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.97%) or one percentage point higher (4.97%) than the current discount rate:

Rate		
1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
\$ 1,186,472	\$ 1,084,447	\$ 994,751

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

The following presents the total OPEB liability of the Town, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (4.75% decreasing to an ultimate rate of 3.25%) or one percentage point higher (6.75% decreasing to an ultimate rate of 5.25%) than the current healthcare cost trend rates:

Rates		
1% Decrease (4.75% decreasing to 3.25%)	Healthcare Cost Trend (5.75% decreasing to 4.25%)	1% Increase (6.75% decreasing to 5.25%)
\$ 967,846	\$ 1,084,447	\$ 1,222,976

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

For the year ended June 30, 2024, the Town recognized OPEB expense in the amount of (\$5,209). At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 177,025	\$ 986,749
Changes in assumptions	135,551	326,289
Total	\$ 312,576	\$ 1,313,038

NOTE 18 - OTHER POSTEMPLOYMENT BENEFITS - HEALTH INSURANCE: (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>		
2025	\$	(97,965)
2026		(97,965)
2027		(97,969)
2028		(96,950)
2029		(153,119)
Thereafter		(456,494)

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

NOTE 19 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

Plan Description

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

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

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

Eligible Employees

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

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 19 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (continued)

Benefit Amounts

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the Town were \$84,762 and \$80,682 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

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

At June 30, 2024, the Town reported a liability of \$760,725, for their proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the Town's proportion was .063430% as compared to .06220% at June 30, 2022.

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 19 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (continued)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB (continued)

For the year ended June 30, 2024, the Town recognized GLI OPEB expense of \$31,131. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 75,978	\$ 23,092
Net difference between projected and actual earnings on GLI OPEB plan investments	-	30,570
Change in assumptions	16,261	52,706
Changes in proportionate share	18,296	36,344
Employer contributions subsequent to the measurement date	<u>84,762</u>	<u>-</u>
Total	<u>\$ 195,297</u>	<u>\$ 142,712</u>

\$84,762 reported as deferred outflows of resources related to the GLI OPEB resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (9,467)
2026	(37,985)
2027	4,803
2028	464
2029	10,008
Thereafter	-

NOTE 19 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (continued)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referred in the VRS Annual Report.

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

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

- Pre-Retirement:
 - Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years
- Post-Retirement:
 - Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year
- Post-Disablement:
 - Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years
- Beneficiaries and Survivors:
 - Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale:
 - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 19 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (continued)

Actuarial Assumptions (continued)

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements
June 30, 2024 (continued)

NOTE 19 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (continued)

Actuarial Assumptions (continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2021, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

NET GLI OPEB Liability

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

		GLI OPEB Plan
Total GLI OPEB Liability	\$	3,907,052
Plan Fiduciary Net Position		2,707,739
GLI Net OPEB Liability (Asset)	\$	1,199,313
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		69.30%

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

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 19 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (continued)

Long-Term Expected Rate of Return

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

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

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

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th 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%.

NOTE 19 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (continued)

Discount Rate

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Proportionate share of the Group Life Insurance Program			
Net OPEB Liability	\$ 1,127,631	\$ 760,725	\$ 464,078

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan’s Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <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 VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 20 - LINE OF DUTY ACT (LODA) PROGRAM:

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

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

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 20 - LINE OF DUTY ACT (LODA) PROGRAM: (continued)

Contributions

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2024 was \$830 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the entity were \$33,200 and \$25,910 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

At June 30, 2024, the entity reported a liability of \$782,716 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2023 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The entity's proportion of the Net LODA OPEB Liability was based on the entity's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2023 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2023, the entity's proportion was .19520% as compared to .19940% at June 30, 2022.

For the year ended June 30, 2024, the entity recognized LODA OPEB expense of \$96,941. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 41,751	\$ 147,385
Net difference between projected and actual earnings on LODA OPEB program investments	-	2,290
Change in assumptions	173,850	161,400
Change in proportionate share	7,940	62,155
Employer contributions subsequent to the measurement date	33,200	-
Total	<u>\$ 256,741</u>	<u>\$ 373,230</u>

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements
June 30, 2024 (continued)

NOTE 20 - LINE OF DUTY ACT (LODA) PROGRAM: (continued)

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

\$33,200 reported as deferred outflows of resources related to the LODA OPEB resulting from the entity’s contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (11,839)
2026	(11,767)
2027	(8,073)
2028	(11,792)
2029	(18,069)
Thereafter	(88,147)

Actuarial Assumptions

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.5%
Salary increases, including inflation:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.00%-4.75%
Ages 65 and older	5.25%-4.75%
Year of ultimate trend rate	
Under age 65	Fiscal year ended 2028
Ages 65 and older	Fiscal year ended 2023
Investment rate of return	3.86%, including inflation*

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

TOWN OF VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 20 - LINE OF DUTY ACT (LODA) PROGRAM: (continued)

Actuarial Assumptions (continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

NOTE 20 - LINE OF DUTY ACT (LODA) PROGRAM: (continued)

Net LODA OPEB Liability

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

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

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

Long-Term Expected Rate of Return

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

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 3.86%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2022, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

NOTE 20 - LINE OF DUTY ACT (LODA) PROGRAM: (continued)

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

The following presents the covered employer’s proportionate share of the net LODA OPEB liability using the discount rate of 3.86%, as well as what the covered employer’s proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) than the current rate:

		Discount Rate		
		1% Decrease (2.86%)	Current (3.86%)	1% Increase (4.86%)
Town's proportionate share of the LODA Net OPEB Liability	\$	877,610	\$ 782,716	\$ 702,436

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

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

		Health Care Trend Rates		
		1% Decrease (6.00% decreasing to 3.75%)	Current (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
Town's proportionate share of the LODA Net OPEB Liability	\$	663,769	\$ 782,716	\$ 930,109

LODA OPEB Fiduciary Net Position

Detailed information about the LODA Program Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <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 VIENNA, VIRGINIA

Notes to Financial Statements June 30, 2024 (continued)

NOTE 21 - SUMMARY OF NET OPEB LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Town Pay-as-you-go (Note 18)	\$ 1,084,447	\$ 312,576	\$ 1,313,038	\$ (5,209)
Group Life (Note 19)	760,725	195,297	142,712	31,131
LODA (Note 20)	782,716	256,741	373,230	96,941
Total	<u>\$ 2,627,888</u>	<u>\$ 764,614</u>	<u>\$ 1,828,980</u>	<u>\$ 122,863</u>

NOTE 22 – NEW ACCOUNTING STANDARDS:

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 reporting periods 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.

NOTE 23 – 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 were to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

On June 25, 2021, the Town received its share of the first half of the CSLFRF funds. The Town received a second tranche in the amount of \$8,551,731 on July 22, 2022. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$8,029,936 are reported as unearned revenue as of June 30.

- Required Supplementary Information -

TOWN OF VIENNA, VIRGINIA
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
General property taxes	\$ 13,431,530	\$ 13,431,530	\$ 13,383,275	\$ (48,255)
Other local taxes	7,280,000	7,280,000	7,743,413	463,413
Permits, privilege fees and regulatory licenses	327,300	327,300	367,773	40,473
Fines and forfeitures	265,000	265,000	222,238	(42,762)
Revenue from the use of money and property	503,000	503,000	740,596	237,596
Charges for services	1,503,000	1,721,200	1,568,815	(152,385)
Miscellaneous	173,800	268,430	312,272	43,842
Intergovernmental:				
Commonwealth	3,466,370	3,477,070	3,677,555	200,485
Federal Government	53,000	57,920	40,763	(17,157)
Total revenues	\$ 27,003,000	\$ 27,331,450	\$ 28,056,700	\$ 725,250
Expenditures				
Current:				
General Government Administration:				
Legislative	\$ 821,680	\$ 856,345	\$ 717,764	\$ 138,581
General and financial administration	5,731,602	5,855,217	5,840,861	14,356
Total general government administration	\$ 6,553,282	\$ 6,711,562	\$ 6,558,625	\$ 152,937
Public Safety:				
Law enforcement and traffic control	\$ 7,576,202	\$ 7,618,400	\$ 7,748,341	\$ (129,941)
Fire and rescue	79,400	87,600	84,169	3,431
Other protection	118,530	118,530	130,783	(12,253)
Total public safety	\$ 7,774,132	\$ 7,824,530	\$ 7,963,293	\$ (138,763)
Public Works:				
Maintenance of streets, highways, bridges and sidewalks	\$ 3,871,560	\$ 4,188,955	\$ 3,501,239	\$ 687,716
Sanitation and waste removal	2,397,770	2,375,720	2,336,995	38,725
Maintenance of buildings and grounds	4,455,704	6,278,843	2,967,576	3,311,267
Total public works	\$ 10,725,034	\$ 12,843,518	\$ 8,805,810	\$ 4,037,708
Health and Welfare:				
Welfare/Social Services	\$ 303,010	\$ 293,010	\$ 285,175	\$ 7,835
Parks, recreation and cultural:				
Parks and recreation	\$ 4,788,199	\$ 5,113,297	\$ 5,009,401	\$ 103,896
Community Development:				
Planning and community development	\$ 1,733,970	\$ 1,779,520	\$ 1,600,655	\$ 178,865
Debt Service:				
Principal	\$ 209,873	\$ 209,873	\$ 209,873	\$ -
Interest and fiscal charges	30,160	57,380	57,380	-
Total debt service	\$ 240,033	\$ 267,253	\$ 267,253	\$ -
Total expenditures	\$ 32,117,660	\$ 34,832,690	\$ 30,490,212	\$ 4,342,478
Excess (deficiency) of revenues over (under) expenditures	\$ (5,114,660)	\$ (7,501,240)	\$ (2,433,512)	\$ 5,067,728
Other Financing Sources (Uses)				
Issuance of notes payable	\$ 1,480,000	\$ 1,480,000	\$ -	\$ (1,480,000)
Issuance of bonds	-	550,000	2,635,665	2,085,665
Transfers in	2,400,000	2,400,000	2,400,000	-
Transfers out	(334,300)	(334,300)	(334,020)	280
Total other financing sources (uses)	\$ 3,545,700	\$ 4,095,700	\$ 4,701,645	\$ 605,945
Net change in fund balance	\$ (1,568,960)	\$ (3,405,540)	\$ 2,268,133	\$ 5,673,673
Fund balance, beginning of year	<u>1,568,960</u>	<u>3,405,540</u>	<u>9,378,292</u>	<u>5,972,752</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,646,425</u>	<u>\$ 11,646,425</u>

The budgetary data presented above is on the modified accrual basis of accounting which is in accordance with generally accepted accounting principles.

TOWN OF VIENNA, VIRGINIA

Schedule of Changes in the Net Pension Liability and Related Ratios
Town Retirement Plans
Years Ended June 30, 2015 to June 30, 2024

	Civilian	Sworn Officers'	Total 2024	Civilian	Sworn Officers'	Total 2023
Total pension liability						
Service cost	\$ 9,140	\$ 279,430	\$ 288,570	\$ 15,768	\$ 232,545	\$ 248,313
Interest	131,845	226,901	358,746	133,808	231,986	365,794
Differences between expected and actual experience	(142,122)	1,009,657	867,535	-	-	-
Change in benefit terms	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(179,588)	(389,315)	(568,903)	(184,373)	(325,744)	(510,117)
Net change in total pension liability	(180,725)	1,126,673	945,948	(34,797)	138,787	103,990
Total pension liability - beginning	3,385,916	5,867,168	9,253,084	3,420,713	5,728,381	9,149,094
Total pension liability - ending (a)	<u>\$ 3,205,191</u>	<u>\$ 6,993,841</u>	<u>\$ 10,199,032</u>	<u>\$ 3,385,916</u>	<u>\$ 5,867,168</u>	<u>\$ 9,253,084</u>
Plan fiduciary net position						
Contributions - employer	\$ 139,001	\$ 358,345	\$ 497,346	\$ 170,640	\$ 321,427	\$ 492,067
Contributions - member	-	50,805	50,805	-	48,073	48,073
Net investment income	88,743	139,398	228,141	36,840	61,696	98,536
Benefit payments, including refunds of member contributions	(179,588)	(389,315)	(568,903)	(184,373)	(325,744)	(510,117)
Other	-	-	0	(2)	-	(2)
Administrative expense	(4,000)	(4,450)	(8,450)	(3,200)	(3,200)	(6,400)
Net change in plan fiduciary net position	44,156	154,783	198,939	19,905	102,252	122,157
Plan fiduciary net position - beginning	2,482,736	3,635,313	6,118,049	2,462,831	3,533,061	5,995,892
Plan fiduciary net position - ending (b)	<u>\$ 2,526,892</u>	<u>\$ 3,790,096</u>	<u>\$ 6,316,988</u>	<u>\$ 2,482,736</u>	<u>\$ 3,635,313</u>	<u>\$ 6,118,049</u>
Net pension liability (a) - (b)	<u>\$ 678,299</u>	<u>\$ 3,203,745</u>	<u>\$ 3,882,044</u>	<u>\$ 903,180</u>	<u>\$ 2,231,855</u>	<u>\$ 3,135,035</u>
Plan fiduciary net position as a percentage of the total pension liability	78.8%	54.2%	61.9%	73.3%	62.0%	66.1%
Covered - payroll	\$ 624,449	\$ 3,520,538	\$ 4,144,987	\$ 624,449	\$ 3,354,308	\$ 3,978,757
Net Pension Liability as a percentage of covered - payroll	108.6%	91.0%	93.7%	144.6%	66.5%	78.8%

TOWN OF VIENNA, VIRGINIA

Schedule of Changes in the Net Pension Liability and Related Ratios
Town Retirement Plans
Years Ended June 30, 2015 to June 30, 2024

	Civilian	Sworn Officers'	Total 2022	Civilian	Sworn Officers'	Total 2021
Total pension liability						
Service cost	\$ 19,521	\$ 233,577	\$ 253,098	\$ 19,045	\$ 227,880	\$ 246,925
Interest	164,627	251,590	416,217	164,295	241,863	406,158
Differences between expected and actual experience	(804,533)	(400,376)	(1,204,909)	-	-	-
Change in benefit terms	-	-	-	-	-	-
Changes in assumptions	275,289	107,550	382,839	-	-	-
Benefit payments, including refunds of member contributions	(174,668)	(297,202)	(471,870)	(177,340)	(196,963)	(374,303)
Net change in total pension liability	(519,764)	(104,861)	(624,625)	6,000	272,780	278,780
Total pension liability - beginning	3,940,477	5,833,242	9,773,719	3,934,477	5,560,462	9,494,939
Total pension liability - ending (a)	<u>\$ 3,420,713</u>	<u>\$ 5,728,381</u>	<u>\$ 9,149,094</u>	<u>\$ 3,940,477</u>	<u>\$ 5,833,242</u>	<u>\$ 9,773,719</u>
Plan fiduciary net position						
Contributions - employer	\$ 163,530	\$ 281,814	\$ 445,344	\$ 170,688	\$ 283,765	\$ 454,453
Contributions - member	-	42,147	42,147	-	42,439	42,439
Net investment income	(51,301)	(67,714)	(119,015)	3,752	5,246	8,998
Benefit payments, including refunds of member contributions	(174,668)	(297,202)	(471,870)	(177,340)	(196,963)	(374,303)
Other	(21)	1,145	1,124	-	-	-
Administrative expense	(5,171)	(5,431)	(10,602)	(2,312)	(2,313)	(4,625)
Net change in plan fiduciary net position	(67,631)	(45,241)	(112,872)	(5,212)	132,174	126,962
Plan fiduciary net position - beginning	2,530,462	3,578,302	6,108,764	2,535,674	3,446,128	5,981,802
Plan fiduciary net position - ending (b)	<u>\$ 2,462,831</u>	<u>\$ 3,533,061</u>	<u>\$ 5,995,892</u>	<u>\$ 2,530,462</u>	<u>\$ 3,578,302</u>	<u>\$ 6,108,764</u>
Net pension liability (a) - (b)	<u>\$ 957,882</u>	<u>\$ 2,195,320</u>	<u>\$ 3,153,202</u>	<u>\$ 1,410,015</u>	<u>\$ 2,254,940</u>	<u>\$ 3,664,955</u>
Plan fiduciary net position as a percentage of the total pension liability	72.0%	61.7%	65.5%	64.2%	61.3%	62.5%
Covered - payroll	\$ 559,718	\$ 2,810,508	\$ 3,370,226	\$ 586,970	\$ 3,215,578	\$ 3,802,548
Net Pension Liability as a percentage of covered - payroll	171.1%	78.1%	93.6%	240.2%	70.1%	96.4%

TOWN OF VIENNA, VIRGINIA

Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
Town Retirement Plans
Years Ended June 30, 2015 to June 30, 2024

	Civilian	Sworn Officers'	Total 2020	Civilian	Sworn Officers'	Total 2019
Total pension liability						
Service cost	\$ 22,222	\$ 231,783	\$ 254,005	\$ 21,680	\$ 226,130	\$ 247,810
Interest	156,331	225,628	381,959	156,846	215,911	372,757
Differences between expected and actual experience	52,383	(345,411)	(293,028)	-	-	-
Change in benefit terms	-	207,004	207,004	-	-	-
Changes in assumptions	142,929	264,540	407,469	-	-	-
Benefit payments, including refunds of member contributions	(189,120)	(198,318)	(387,438)	(193,213)	(239,356)	(432,569)
Net change in total pension liability	184,745	385,226	569,971	(14,687)	202,685	187,998
Total pension liability - beginning	3,749,732	5,175,236	8,924,968	3,764,419	4,972,551	8,736,970
Total pension liability - ending (a)	<u>\$ 3,934,477</u>	<u>\$ 5,560,462</u>	<u>\$ 9,494,939</u>	<u>\$ 3,749,732</u>	<u>\$ 5,175,236</u>	<u>\$ 8,924,968</u>
Plan fiduciary net position						
Contributions - employer	\$ 159,840	\$ 253,097	\$ 412,937	\$ 159,840	\$ 208,194	\$ 368,034
Contributions - member	-	45,931	45,931	-	45,463	45,463
Net investment income	76,570	102,475	179,045	74,704	98,668	173,372
Benefit payments, including refunds of member contributions	(189,120)	(198,318)	(387,438)	(193,213)	(239,356)	(432,569)
Other	-	-	-	-	-	-
Administrative expense	(6,200)	(5,650)	(11,850)	(1,200)	(1,950)	(3,150)
Net change in plan fiduciary net position	41,090	197,535	238,625	40,131	111,019	151,150
Plan fiduciary net position - beginning	2,494,584	3,248,593	5,743,177	2,454,453	3,137,574	5,592,027
Plan fiduciary net position - ending (b)	<u>\$ 2,535,674</u>	<u>\$ 3,446,128</u>	<u>\$ 5,981,802</u>	<u>\$ 2,494,584</u>	<u>\$ 3,248,593</u>	<u>\$ 5,743,177</u>
Net pension liability (a) - (b)	<u>\$ 1,398,803</u>	<u>\$ 2,114,334</u>	<u>\$ 3,513,137</u>	<u>\$ 1,255,148</u>	<u>\$ 1,926,643</u>	<u>\$ 3,181,791</u>
Plan fiduciary net position as a percentage of the total pension liability	64.4%	62.0%	63.0%	66.5%	62.8%	64.3%
Covered - payroll	\$ 643,307	\$ 3,062,073	\$ 3,705,380	\$ 717,013	\$ 3,161,154	\$ 3,878,167
Net Pension Liability as a percentage of covered - payroll	217.4%	69.0%	94.8%	175.1%	60.9%	82.0%

TOWN OF VIENNA, VIRGINIA

Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
Town Retirement Plans
Years Ended June 30, 2015 to June 30, 2024

	Civilian	Sworn Officers'	Total 2018	Civilian	Sworn Officers'	Total 2017
Total pension liability						
Service cost	\$ 21,151	\$ 220,615	\$ 241,766	\$ 26,020	\$ 216,357	\$ 242,377
Interest	157,241	208,577	365,818	175,572	193,477	369,049
Differences between expected and actual experience	(479,745)	46,235	(433,510)	-	-	-
Change in benefit terms	-	157,277	157,277	-	-	-
Changes in assumptions	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(183,318)	(284,497)	(467,815)	(163,029)	(221,514)	(384,543)
Net change in total pension liability	(484,671)	348,207	(136,464)	38,563	188,320	226,883
Total pension liability - beginning	4,249,090	4,624,344	8,873,434	4,210,527	4,436,024	8,646,551
Total pension liability - ending (a)	<u>\$ 3,764,419</u>	<u>\$ 4,972,551</u>	<u>\$ 8,736,970</u>	<u>\$ 4,249,090</u>	<u>\$ 4,624,344</u>	<u>\$ 8,873,434</u>
Plan fiduciary net position						
Contributions - employer	\$ 194,043	\$ 191,369	\$ 385,412	\$ 194,186	\$ 208,791	\$ 402,977
Contributions - member	-	42,676	42,676	-	46,296	46,296
Net investment income	35,136	46,429	81,565	17,518	23,418	40,936
Benefit payments, including refunds of member contributions	(183,318)	(284,497)	(467,815)	(163,029)	(221,514)	(384,543)
Other	-	-	-	-	-	-
Administrative expense	(4,483)	(9,310)	(13,793)	(4,224)	(7,585)	(11,809)
Net change in plan fiduciary net position	41,378	(13,333)	28,045	44,451	49,406	93,857
Plan fiduciary net position - beginning	2,413,075	3,150,907	5,563,982	2,368,624	3,101,501	5,470,125
Plan fiduciary net position - ending (b)	<u>\$ 2,454,453</u>	<u>\$ 3,137,574</u>	<u>\$ 5,592,027</u>	<u>\$ 2,413,075</u>	<u>\$ 3,150,907</u>	<u>\$ 5,563,982</u>
Net pension liability (a) - (b)	<u>\$ 1,309,966</u>	<u>\$ 1,834,977</u>	<u>\$ 3,144,943</u>	<u>\$ 1,836,015</u>	<u>\$ 1,473,437</u>	<u>\$ 3,309,452</u>
Plan fiduciary net position as a percentage of the total pension liability	65.2%	63.1%	64.0%	56.8%	68.1%	62.7%
Covered - payroll	\$ 578,624	\$ 3,282,770	\$ 3,861,394	\$ 739,312	\$ 3,138,408	\$ 3,877,720
Net Pension Liability as a percentage of covered - payroll	226.4%	55.9%	81.4%	248.3%	46.9%	85.3%

TOWN OF VIENNA, VIRGINIA

Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
Town Retirement Plans
Years Ended June 30, 2015 to June 30, 2024

	Civilian	Sworn Officers'	Total 2016	Civilian	Sworn Officers'	Total 2015
Total pension liability						
Service cost	\$ 26,838	\$ 202,475	\$ 229,313	\$ 27,877	\$ 191,175	\$ 219,052
Interest	174,950	185,520	360,470	187,309	216,781	404,090
Differences between expected and actual experience	73,228	(557,051)	(483,823)	-	-	-
Change in benefit terms	-	-	-	-	-	-
Changes in assumptions	241,295	369,772	611,067	-	-	-
Benefit payments, including refunds of member contributions	(160,052)	(226,973)	(387,025)	(156,534)	(178,081)	(334,615)
Net change in total pension liability	356,259	(26,257)	330,002	58,652	229,875	288,527
Total pension liability - beginning	3,854,268	4,462,281	8,316,549	3,795,616	4,232,406	8,028,022
Total pension liability - ending (a)	<u>\$ 4,210,527</u>	<u>\$ 4,436,024</u>	<u>\$ 8,646,551</u>	<u>\$ 3,854,268</u>	<u>\$ 4,462,281</u>	<u>\$ 8,316,549</u>
Plan fiduciary net position						
Contributions - employer	\$ 170,324	\$ 322,248	\$ 492,572	\$ 163,000	\$ 191,369	\$ 354,369
Contributions - member	-	38,552	38,552	-	43,064	43,064
Net investment income	7,434	9,498	16,932	2,544	3,163	5,707
Benefit payments, including refunds of member contributions	(160,052)	(226,973)	(387,025)	(156,534)	(178,081)	(334,615)
Other	-	-	-	-	-	-
Administrative expense	(1,800)	(1,800)	(3,600)	(980)	(2,120)	(3,100)
Net change in plan fiduciary net position	15,906	141,525	157,431	8,030	57,395	65,425
Plan fiduciary net position - beginning	2,352,718	2,959,976	5,312,694	2,344,687	2,902,581	5,247,268
Plan fiduciary net position - ending (b)	<u>\$ 2,368,624</u>	<u>\$ 3,101,501</u>	<u>\$ 5,470,125</u>	<u>\$ 2,352,717</u>	<u>\$ 2,959,976</u>	<u>\$ 5,312,693</u>
Net pension liability (a) - (b)	<u>\$ 1,841,903</u>	<u>\$ 1,334,523</u>	<u>\$ 3,176,426</u>	<u>\$ 1,501,551</u>	<u>\$ 1,502,305</u>	<u>\$ 3,003,856</u>
Plan fiduciary net position as a percentage of the total pension liability	56.3%	69.9%	63.3%	61.0%	66.3%	63.9%
Covered - payroll	\$ 739,312	\$ 3,138,408	\$ 3,877,720	\$ 1,115,015	\$ 2,820,889	\$ 3,935,904
Net Pension Liability as a percentage of covered - payroll	249.1%	42.5%	81.9%	134.7%	53.3%	76.3%

TOWN OF VIENNA, VIRGINIA

Schedule of Employer Contributions
Town Retirement Plans
Last Ten Fiscal Years

	2024	2023	2022	2021	2020
Civilian Plan:					
Actuarially determined contribution	\$ 139,003	\$ 139,003	\$ 170,817	\$ 170,817	\$ 159,987
Contributions in relation to the actuarially determined contribution	139,001	170,640	163,530	170,688	159,840
Contribution deficiency (excess)	\$ <u>2</u>	\$ <u>(31,637)</u>	\$ <u>7,287</u>	\$ <u>129</u>	\$ <u>147</u>
Covered - payroll	\$ 624,449	\$ 624,449	\$ 559,718	\$ 586,970	\$ 643,307
Contributions as a percentage of covered - payroll	22.3%	27.3%	29.2%	29.1%	24.8%
Sworn Officers' Plan:					
Actuarially determined contribution	\$ 399,345	\$ 364,613	\$ 281,814	\$ 322,522	\$ 298,271
Contributions in relation to the actuarially determined contribution	358,345	321,427	281,814	283,765	253,097
Contribution deficiency (excess)	\$ <u>41,000</u>	\$ <u>43,186</u>	\$ <u>-</u>	\$ <u>38,757</u>	\$ <u>45,174</u>
Covered - payroll	\$ 3,520,538	\$ 3,354,308	\$ 2,810,508	\$ 3,215,578	\$ 3,062,073
Contributions as a percentage of covered - payroll	10.2%	9.6%	10.0%	8.8%	8.3%

Notes to Schedule

Valuation date: July 1, 2023

Measurement date: June 30, 2024

Methods and assumptions used to determine contribution rates:

	Civilian Plan	Sworn Officers' Plan
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar (closed)	Level dollar (closed)
Remaining amortization period	3 to 17 years	3 to 17 years
Asset valuation method	Market	Market
Inflation	2.50%	2.50%
Salary increases	4.10% annually for the first 20 years	4.10% annually for the first 20 years
Investment rate of return	4.00%	4.00%
Retirement age	The earlier of attainment of age age 65 or attainment of age 50 and 30 years of service	20 years of creditable service
Mortality	Pub-2010G mortality tables	Pub-2010S mortality tables

TOWN OF VIENNA, VIRGINIA

Schedule of Employer Contributions (Continued)
Town Retirement Plans
Last Ten Fiscal Years

	2019	2018	2017	2016	2015
Civilian Plan:					
Actuarially determined contribution	\$ 159,987	\$ 194,186	\$ 167,445	\$ 167,445	\$ 165,879
Contributions in relation to the actuarially determined contribution	159,840	194,043	194,186	170,324	163,000
Contribution deficiency (excess)	\$ <u>147</u>	\$ <u>143</u>	\$ <u>(26,741)</u>	\$ <u>(2,879)</u>	\$ <u>2,879</u>
Covered - payroll	\$ 698,423	\$ 578,624	\$ 687,551	\$ 739,312	\$ 1,115,015
Contributions as a percentage of covered - payroll	22.9%	33.5%	28.2%	23.0%	14.6%
Sworn Officers' Plan:					
Actuarially determined contribution	\$ 294,466	\$ 275,096	\$ 264,970	\$ 258,507	\$ 255,110
Contributions in relation to the actuarially determined contribution	208,194	191,369	208,791	322,248	191,369
Contribution deficiency (excess)	\$ <u>86,272</u>	\$ <u>83,727</u>	\$ <u>56,179</u>	\$ <u>(63,741)</u>	\$ <u>63,741</u>
Covered - payroll	\$ 3,271,839	\$ 3,282,770	\$ 3,216,868	\$ 3,138,408	\$ 2,820,889
Contributions as a percentage of covered - payroll	6.4%	5.8%	6.5%	10.3%	6.8%

TOWN OF VIENNA, VIRGINIA

Schedule of Investment Returns
Town Retirement Plans
Years Ended June 30, 2015 through June 30, 2024

Annual money-weighted rate of return, net of investment expense

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Civilian Plan	3.60%	1.50%	-2.00%	0.20%	3.10%	3.10%	1.50%	0.70%	0.30%	0.10%
Sworn Officers' Plan	3.80%	1.70%	-1.90%	0.20%	3.10%	3.10%	1.50%	0.70%	0.30%	0.10%

TOWN OF VIENNA, VIRGINIA

Schedule of Components of and Changes in Net Pension Liability and Related Ratios
VRS Retirement Plan
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 1,465,400	\$ 1,325,650	\$ 1,305,797	\$ 1,350,409	\$ 1,192,712
Interest	5,422,424	5,203,702	4,945,485	4,738,831	4,499,602
Differences between expected and actual experience	(943,539)	863,945	(2,294,177)	805,306	1,823,417
Changes of assumptions	-	-	2,713,594	-	1,995,894
Benefit payments	(4,299,306)	(4,286,127)	(4,055,713)	(3,610,300)	(3,563,206)
Net change in total pension liability	\$ 1,644,979	\$ 3,107,170	\$ 2,614,986	\$ 3,284,246	\$ 5,948,419
Total pension liability - beginning	<u>81,016,458</u>	<u>77,909,288</u>	<u>75,294,302</u>	<u>72,010,056</u>	<u>66,061,637</u>
Total pension liability - ending (a)	<u>\$ 82,661,437</u>	<u>\$ 81,016,458</u>	<u>\$ 77,909,288</u>	<u>\$ 75,294,302</u>	<u>\$ 72,010,056</u>
Plan fiduciary net position					
Contributions - employer	\$ 1,886,409	\$ 1,568,545	\$ 1,530,449	\$ 1,366,178	\$ 1,319,240
Contributions - employee	688,421	630,354	616,291	650,669	627,629
Net investment income	4,498,259	(49,501)	15,848,794	1,108,013	3,766,875
Benefit payments	(4,299,306)	(4,286,127)	(4,055,713)	(3,610,300)	(3,563,206)
Administrator charges	(45,401)	(45,564)	(40,169)	(38,872)	(38,031)
Other	1,810	754	1,489	(1,323)	(2,363)
Net change in plan fiduciary net position	\$ 2,730,192	\$ (2,181,539)	\$ 13,901,141	\$ (525,635)	\$ 2,110,144
Plan fiduciary net position - beginning	<u>70,377,749</u>	<u>72,559,288</u>	<u>58,658,147</u>	<u>59,183,782</u>	<u>57,073,638</u>
Plan fiduciary net position - ending (b)	<u>\$ 73,107,941</u>	<u>\$ 70,377,749</u>	<u>\$ 72,559,288</u>	<u>\$ 58,658,147</u>	<u>\$ 59,183,782</u>
Town's net pension liability - ending (a) - (b)	\$ 9,553,496	\$ 10,638,709	\$ 5,350,000	\$ 16,636,155	\$ 12,826,274
Plan fiduciary net position as a percentage of the total pension liability	88.44%	86.87%	93.13%	77.91%	82.19%
Covered payroll	\$ 14,916,443	\$ 13,519,775	\$ 13,078,416	\$ 13,698,467	\$ 13,049,064
Town's net pension liability as a percentage of covered payroll	64.05%	78.69%	40.91%	121.45%	98.29%

TOWN OF VIENNA, VIRGINIA

Schedule of Components of and Changes in Net Pension Liability and Related Ratios
VRS Retirement Plan
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 1,210,652	\$ 1,219,128	\$ 1,177,978	\$ 1,159,362	\$ 1,111,037
Interest	4,398,038	4,272,698	4,148,614	3,962,616	3,809,732
Differences between expected and actual experience	(466,825)	130,678	(375,688)	476,957	-
Changes of assumptions	-	(253,374)	-	-	-
Benefit payments	(3,818,694)	(3,338,412)	(3,018,142)	(2,865,505)	(2,607,904)
Net change in total pension liability	\$ 1,323,171	\$ 2,030,718	\$ 1,932,762	\$ 2,733,430	\$ 2,312,865
Total pension liability - beginning	<u>64,738,466</u>	<u>62,707,748</u>	<u>60,774,986</u>	<u>58,041,556</u>	<u>55,728,691</u>
Total pension liability - ending (a)	<u>\$ 66,061,637</u>	<u>\$ 64,738,466</u>	<u>\$ 62,707,748</u>	<u>\$ 60,774,986</u>	<u>\$ 58,041,556</u>
Plan fiduciary net position					
Contributions - employer	\$ 1,318,131	\$ 1,295,257	\$ 1,413,920	\$ 1,356,538	\$ 1,365,804
Contributions - employee	600,631	641,798	602,967	567,236	546,977
Net investment income	4,021,974	6,064,351	867,305	2,242,886	6,777,243
Benefit payments	(3,818,694)	(3,338,412)	(3,018,142)	(2,865,505)	(2,607,904)
Administrator charges	(35,653)	(35,661)	(31,539)	(31,154)	(36,819)
Other	(3,543)	(5,374)	(369)	(471)	357
Net change in plan fiduciary net position	\$ 2,082,846	\$ 4,621,959	\$ (165,858)	\$ 1,269,530	\$ 6,045,658
Plan fiduciary net position - beginning	<u>54,990,792</u>	<u>50,368,833</u>	<u>50,534,691</u>	<u>49,265,161</u>	<u>43,219,503</u>
Plan fiduciary net position - ending (b)	<u>\$ 57,073,638</u>	<u>\$ 54,990,792</u>	<u>\$ 50,368,833</u>	<u>\$ 50,534,691</u>	<u>\$ 49,265,161</u>
Town's net pension liability - ending (a) - (b)	\$ 8,987,999	\$ 9,747,674	\$ 12,338,915	\$ 10,240,295	\$ 8,776,395
Plan fiduciary net position as a percentage of the total pension liability	86.39%	84.94%	80.32%	83.15%	84.88%
Covered payroll	\$ 12,404,281	\$ 11,986,303	\$ 11,598,748	\$ 11,075,000	\$ 10,961,381
Town's net pension liability as a percentage of covered payroll	72.46%	81.32%	106.38%	92.46%	80.07%

TOWN OF VIENNA, VIRGINIA

Schedule of Employer Contributions
VRS Retirement Plan
Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	\$ 1,984,227	\$ 1,984,227	\$ -	\$ 15,691,435	12.65%
2023	1,888,787	1,888,787	-	14,916,443	12.66%
2022	1,574,951	1,574,951	-	13,519,775	11.65%
2021	1,532,195	1,532,195	-	13,078,416	11.72%
2020	1,375,063	1,375,063	-	13,698,467	10.04%
2019	1,320,910	1,320,910	-	13,049,064	10.12%
2018	1,318,106	1,318,106	-	12,404,281	10.63%
2017	1,323,288	1,323,288	-	11,986,303	11.04%
2016	1,428,966	1,428,966	-	11,598,748	12.32%
2015	1,364,440	1,364,440	-	11,075,000	12.32%

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

TOWN OF VIENNA, VIRGINIA

Notes to Required Supplementary Information
VRS Retirement 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

TOWN OF VIENNA, VIRGINIA

Schedule of Employer's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2023	0.063430% \$	760,725 \$	14,941,037	5.09%	69.30%
2022	0.062200%	749,309	13,536,093	5.54%	67.21%
2021	0.063900%	743,504	13,184,093	5.64%	67.45%
2020	0.066680%	1,112,780	13,721,977	8.11%	52.64%
2019	0.066570%	1,083,271	13,049,064	8.30%	52.00%
2018	0.065230%	991,000	12,404,281	7.99%	51.22%
2017	0.064980%	978,000	11,986,303	8.16%	48.86%

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

TOWN OF VIENNA, VIRGINIA

Schedule of Employer Contributions
Group Life Insurance (GLI) Plan
Years Ended June 30, 2015 through June 30, 2024

		Contributions in Relation to					Contributions as a % of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll			(5)
Date	(1)	(2)	(3)	(4)			
Primary Government							
2024	\$ 84,762	\$ 84,762	\$ -	\$ 15,696,616			0.54%
2023	80,682	80,682	-	14,941,037			0.54%
2022	73,095	73,095	-	13,536,093			0.54%
2021	71,194	71,194	-	13,184,093			0.54%
2020	71,354	71,354	-	13,721,977			0.52%
2019	67,800	67,800	-	13,049,064			0.52%
2018	65,000	65,000	-	12,404,281			0.52%
2017	62,329	62,329	-	11,986,303			0.52%
2016	55,674	55,674	-	11,598,748			0.48%
2015	53,160	53,160	-	11,075,000			0.48%

TOWN OF VIENNA, VIRGINIA

Notes to Required Supplementary Information
Group Life Insurance (GLI) 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:

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

TOWN OF VIENNA, VIRGINIA

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

Date	Employer's	Employer's		Employer's	Plan Fiduciary
(1)	Proportion of the	Proportionate	Covered-	Proportionate Share	Net Position as a
	Net LODA OPEB	Share of the	Employee	of the Net LODA OPEB	Percentage of Total
	Liability (Asset)	Net LODA OPEB	Payroll *	Liability (Asset)	Percentage of Total
	(2)	Liability (Asset)	(4)	as a Percentage of its	LODA OPEB Liability
		(3)		Covered-Employee Payroll	(6)
				(3)/(4)	
				(5)	
2023	0.19520% \$	782,716 \$	Not Applicable	Not Applicable	1.31%
2022	0.19940%	754,489	Not Applicable	Not Applicable	1.87%
2021	0.28400%	919,070	Not Applicable	Not Applicable	1.68%
2020	0.21292%	891,741	Not Applicable	Not Applicable	1.02%
2019	0.21035%	754,707	Not Applicable	Not Applicable	0.79%
2018	0.21307%	668,000	Not Applicable	Not Applicable	0.60%
2017	0.20911%	550,000	Not Applicable	Not Applicable	1.30%

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

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

TOWN OF VIENNA, VIRGINIA

**Schedule of Employer Contributions
Line of Duty Act (LODA) Program
Years Ended June 30, 2017 through June 30, 2024**

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Covered- Employee Payroll * (4)	Contributions as a % of Covered - Employee Payroll (5)
2024	\$ 33,200	\$ 33,200	-	\$ Not Applicable	Not Applicable
2023	25,910	25,910	-	Not Applicable	Not Applicable
2022	27,457	27,457	-	Not Applicable	Not Applicable
2021	28,692	28,692	-	Not Applicable	Not Applicable
2020	28,937	28,937	-	Not Applicable	Not Applicable
2019	28,000	28,000	-	Not Applicable	Not Applicable
2018	23,000	23,000	-	Not Applicable	Not Applicable
2017	22,000	22,000	-	Not Applicable	Not Applicable

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

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

TOWN OF VIENNA, VIRGINIA

Notes to Required Supplementary Information
Line of Duty Act (LODA) Program
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 results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

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

TOWN OF VIENNA, VIRGINIA

Schedule of Changes in Total OPEB Liability and Related Ratios
For the Measurement Dates of June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 52,881	\$ 79,269	\$ 77,336	\$ 86,345	\$ 84,239	\$ 53,061	\$ 51,767
Interest	39,875	69,186	40,156	65,726	75,806	64,327	61,980
Changes in assumptions	(9,623)	(18,099)	(287,085)	(143,492)	175,764	119,163	-
Differences between expected and actual experience	(39,212)	(774,183)	-	(521,887)	-	442,567	(10,154)
Benefit payments	(80,183)	(61,761)	(36,315)	(101,031)	(53,469)	(77,007)	(60,993)
Net change in total OPEB liability	\$ (36,262)	\$ (705,588)	\$ (205,908)	\$ (614,339)	\$ 282,340	\$ 602,111	\$ 42,600
Total OPEB liability - beginning	1,120,709	1,826,297	2,032,205	2,646,544	2,364,204	1,762,093	1,719,493
Total OPEB liability - ending	\$ 1,084,447	\$ 1,120,709	\$ 1,826,297	\$ 2,032,205	\$ 2,646,544	\$ 2,364,204	\$ 1,762,093
 Covered-employee payroll	 \$ 15,678,218	 \$ 15,402,423	 \$ 14,550,000	 \$ 14,010,283	 \$ 13,842,763	 \$ 13,378,013	 \$ 13,170,890
 Town's total OPEB liability as a percentage of covered-employee payroll	 6.9%	 7.3%	 12.6%	 14.5%	 19.1%	 17.7%	 13.4%

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

TOWN OF VIENNA, VIRGINIA

Notes to Required Supplementary Information - Town OPEB
Year Ended June 30, 2024

Valuation Date: 1/1/2023

Measurement Date: 6/30/2024

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.97%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 5.75% and gradually declines to 4.25%
Salary Increase Rates	2.50% per year
Retirement Age	50 with 20 years of service for Public Safety, 50 with 30 years of service for Civilian
Mortality Rates	Mortality rates: Pub-2010G (Civilian) and Pub-2010S (Police) with generational projections using scale SSA.

- Other Supplementary Information -

TOWN OF VIENNA, VIRGINIA

Fiduciary Funds

Combining Statement of Fiduciary Net Position - Pension Trust Funds
At June 30, 2024

	Pension Trust Funds		
	Civilian Retirement Fund	Police Retirement Fund	Total
Assets:			
Investments	\$ 2,526,892	\$ 3,790,139	\$ 6,317,031
Liabilities:			
Accounts payable	\$ -	\$ 43	\$ 43
Net Position:			
Held in trust for pension benefits	\$ <u>2,526,892</u>	\$ <u>3,790,096</u>	\$ <u>6,316,988</u>

TOWN OF VIENNA, VIRGINIA

Fiduciary Funds

Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds
Year Ended June 30, 2024

	Civilian Retirement Fund	Police Retirement Fund	Total
Additions:			
Contributions:			
Employer	\$ 139,001	\$ 358,345	\$ 497,346
Plan members	-	50,805	50,805
Total contributions	\$ 139,001	\$ 409,150	\$ 548,151
Investment income:			
Interest earned on investments	88,743	139,398	228,141
Total additions	\$ 227,744	\$ 548,548	\$ 776,292
Deductions:			
Pension benefit payments	\$ 179,588	\$ 389,315	\$ 568,903
Other charges	4,000	4,450	8,450
Total deductions	\$ 183,588	\$ 393,765	\$ 577,353
Change in net position	\$ 44,156	\$ 154,783	\$ 198,939
Net position:			
Balance, beginning of year	\$ 2,482,736	\$ 3,635,313	\$ 6,118,049
Balance, end of year	\$ 2,526,892	\$ 3,790,096	\$ 6,316,988

TOWN OF VIENNA, VIRGINIA

Governmental Funds

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

Fund, Major and Minor Revenue Source	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 13,261,630	\$ 13,261,630	\$ 13,235,302	\$ (26,328)
Public service corporation taxes:				
Real property	112,000	112,000	109,585	(2,415)
Penalties and interest	57,900	57,900	38,388	(19,512)
Total general property taxes	\$ 13,431,530	\$ 13,431,530	\$ 13,383,275	\$ (48,255)
Other local taxes:				
Local sales and use taxes	\$ 1,920,000	\$ 1,920,000	\$ 2,086,693	\$ 166,693
Consumer utility taxes	662,000	662,000	675,048	13,048
Business license tax	2,685,000	2,685,000	2,944,433	259,433
Motor vehicle license tax	410,000	410,000	420,869	10,869
Bank franchise taxes	1,005,000	1,005,000	1,062,490	57,490
Tobacco tax	210,000	210,000	195,685	(14,315)
Fiber-optic franchise tax	104,000	104,000	105,429	1,429
Telecommunications tax	90,000	90,000	65,794	(24,206)
Media general franchise fees and related taxes	138,000	138,000	131,733	(6,267)
Utility consumption taxes	56,000	56,000	55,239	(761)
Total other local taxes	\$ 7,280,000	\$ 7,280,000	\$ 7,743,413	\$ 463,413
Permits, privilege fees and regulatory licenses:				
Animal licenses	\$ 13,000	\$ 13,000	\$ 11,485	\$ (1,515)
Other permits, privilege fees and regulatory licenses	314,300	314,300	356,288	41,988
Total permits, privilege fees and regulatory licenses	\$ 327,300	\$ 327,300	\$ 367,773	\$ 40,473
Fines and Forfeitures:				
Court fines and forfeitures	\$ 265,000	\$ 265,000	\$ 222,238	\$ (42,762)
Revenue from use of money and property:				
Interest on bank deposits	\$ 300,000	\$ 300,000	\$ 523,475	\$ 223,475
Concessions and rentals	203,000	203,000	217,121	14,121
Total revenue from use of money and property	\$ 503,000	\$ 503,000	\$ 740,596	\$ 237,596
Charges for services:				
Recreation fees	\$ 1,313,000	\$ 1,526,140	\$ 1,380,994	\$ (145,146)
Police reimbursements	10,000	15,060	9,850	(5,210)
Special service fees	180,000	180,000	177,971	(2,029)
Total charges for services	\$ 1,503,000	\$ 1,721,200	\$ 1,568,815	\$ (152,385)
Miscellaneous:				
Miscellaneous income	\$ 173,800	\$ 268,430	\$ 312,272	\$ 43,842
Total revenue from local sources	\$ 23,483,630	\$ 23,796,460	\$ 24,338,382	\$ 541,922

TOWN OF VIENNA, VIRGINIA

Governmental Funds

Schedule of Revenues - Budget and Actual (Continued)
Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
General Fund: (continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Communication sales and use tax	\$ 750,170	\$ 750,170	\$ 696,145	\$ (54,025)
Rolling stock tax	200	200	363	163
Total non-categorical aid	\$ 750,370	\$ 750,370	\$ 696,508	\$ (53,862)
Categorical aid:				
Street and highway maintenance	\$ 2,190,000	\$ 2,190,000	\$ 2,416,201	\$ 226,201
Public safety grants	460,000	462,500	485,345	22,845
Fire funds	66,000	74,200	74,169	(31)
Other	-	-	5,332	5,332
Total Categorical aid	\$ 2,716,000	\$ 2,726,700	\$ 2,981,047	\$ 254,347
Total revenue from the Commonwealth	\$ 3,466,370	\$ 3,477,070	\$ 3,677,555	\$ 200,485
Revenue from federal government:				
Categorical aid:				
Public safety grants	\$ 5,000	\$ 9,920	\$ 5,976	\$ (3,944)
DMV grants	48,000	48,000	34,787	(13,213)
Total revenue from the federal government	\$ 53,000	\$ 57,920	\$ 40,763	\$ (17,157)
Total General Fund	\$ 27,003,000	\$ 27,331,450	\$ 28,056,700	\$ 725,250
Debt Service Fund:				
Revenue from local sources:				
Other local taxes:				
Meals and lodging tax	\$ 3,375,000	\$ 3,375,000	\$ 3,510,178	\$ 135,178
Transient occupancy tax	-	-	1,975	1,975
Total other local taxes	\$ 3,375,000	\$ 3,375,000	\$ 3,512,153	\$ 137,153
Revenue from use of money and property:				
Interest on bank deposits	\$ 85,000	\$ 85,000	\$ 274,296	\$ 189,296
Miscellaneous:				
Miscellaneous income	\$ -	\$ -	\$ 125	\$ 125
Total revenue from local sources	\$ 3,460,000	\$ 3,460,000	\$ 3,786,574	\$ 326,574
Intergovernmental:				
Revenue from federal government:				
Build America Bonds interest subsidy	\$ 13,000	\$ 13,000	\$ 12,379	\$ (621)
Total Debt Service Fund	\$ 3,473,000	\$ 3,473,000	\$ 3,798,953	\$ 325,953
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Interest on investments	\$ -	\$ -	\$ 831,175	\$ 831,175
Total revenue from use of money and property	\$ -	\$ -	\$ 831,175	\$ 831,175
Miscellaneous:				
Other	\$ -	\$ -	\$ 3,167,373	\$ 3,167,373
Total miscellaneous	\$ -	\$ -	\$ 3,167,373	\$ 3,167,373
Total revenue from local sources	\$ -	\$ -	\$ 3,998,548	\$ 3,998,548

TOWN OF VIENNA, VIRGINIA

Governmental Funds

Schedule of Revenues - Budget and Actual (Continued)
Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Capital Projects Fund: (continued)				
Intergovernmental:				
Fairfax County - streets	\$ -	\$ -	\$ 32,874	\$ 32,874
Fairfax County - SLAF	-	-	204,417	204,417
Total Fairfax County	\$ -	\$ -	\$ 237,291	\$ 237,291
Northern Virginia Transportation Authority	\$ -	\$ -	\$ 297,049	\$ 297,049
Revenue from the Commonwealth:				
VDOT grants	\$ -	\$ -	\$ 18,793	\$ 18,793
Revenue from federal government:				
Federal transit grants	\$ -	\$ -	\$ 352,785	\$ 352,785
Public safety grants	-	-	66,000	66,000
Total revenue from the federal government	\$ -	\$ -	\$ 418,785	\$ 418,785
Total Capital Projects Fund	\$ -	\$ -	\$ 4,970,466	\$ 4,970,466
Special Revenue Funds:				
Stormwater Fund				
Revenue from local sources:				
Revenue from use of money and property:				
Interest on investments	\$ 25,000	\$ 25,000	\$ 55,880	\$ 30,880
Miscellaneous:				
Miscellaneous income	\$ 500	\$ 500	\$ 6,827	\$ 6,327
Total revenue from local sources	\$ 25,500	\$ 25,500	\$ 62,707	\$ 37,207
Intergovernmental:				
Fairfax County - stormwater tax	\$ 500,000	\$ 500,000	\$ 543,436	\$ 43,436
Total Stormwater Fund	\$ 525,500	\$ 525,500	\$ 606,143	\$ 80,643
American Rescue Plan Fund				
Revenue from local sources:				
Revenue from use of money and property:				
Interest on investments	\$ -	\$ -	\$ 559,866	\$ 559,866
Intergovernmental:				
Revenue from federal government:				
American recovery plan	\$ -	\$ -	\$ 4,919,897	\$ 4,919,897
Total American Rescue Plan Fund	\$ -	\$ -	\$ 5,479,763	\$ 5,479,763
Special Transportation Fund				
Intergovernmental:				
Northern Virginia Transportation Authority	\$ -	\$ -	\$ 121,878	\$ 121,878
Total Special Revenue Funds	\$ 525,500	\$ 525,500	\$ 6,207,784	\$ 5,682,284
Total All Governmental Funds	\$ 31,001,500	\$ 31,329,950	\$ 43,033,903	\$ 11,703,953

TOWN OF VIENNA, VIRGINIA

Governmental Funds

Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2024

Fund, Function, Activity and Elements	Original Budget	Revised Budget	Actual	Variance Positive (Negative)
General Fund:				
General Government Administration:				
Legislative:				
Town council	\$ 106,390	\$ 106,890	\$ 95,923	\$ 10,967
Boards and commissions	57,060	57,060	61,181	(4,121)
PEG project	300,000	300,000	224,544	75,456
Town clerk	358,230	392,395	336,116	56,279
Total legislative	\$ 821,680	\$ 856,345	\$ 717,764	\$ 138,581
General and Financial Administration:				
Town manager	\$ 469,740	\$ 481,740	\$ 483,713	\$ (1,973)
Human resources	618,680	642,487	618,914	23,573
Legal services	426,090	442,090	440,605	1,485
Financial administration	935,740	948,645	932,894	15,751
Disbursement operations	235,730	213,100	213,569	(469)
Risk management	571,020	650,520	638,530	11,990
Information technology	1,092,992	1,099,255	1,179,181	(79,926)
Purchasing	165,700	165,200	167,055	(1,855)
Revenue operations	579,410	550,230	527,409	22,821
Public information	545,060	570,860	548,552	22,308
Central services	91,440	91,090	90,439	651
Total general and financial administration	\$ 5,731,602	\$ 5,855,217	\$ 5,840,861	\$ 14,356
Total general government administration	\$ 6,553,282	\$ 6,711,562	\$ 6,558,625	\$ 152,937
Public Safety:				
Law enforcement and traffic control:				
Police administration	\$ 1,012,750	\$ 1,048,010	\$ 980,207	\$ 67,803
Uniform patrol	2,808,050	2,810,920	3,127,428	(316,508)
Communications	1,390,340	1,381,170	1,472,577	(91,407)
Investigations	1,221,850	1,213,900	1,128,166	85,734
Community services	140,030	157,620	160,525	(2,905)
Traffic unit	837,910	841,008	683,732	157,276
Equipment replacement	82,892	82,892	82,892	-
Gang task force	82,380	82,880	68,833	14,047
Other law enforcement and traffic control	-	-	43,981	(43,981)
Total law enforcement and traffic control	\$ 7,576,202	\$ 7,618,400	\$ 7,748,341	\$ (129,941)
Fire and rescue:				
Volunteer fire department	\$ 79,400	\$ 87,600	\$ 84,169	\$ 3,431
Other protection:				
Personal property/animal control	\$ 118,530	\$ 118,530	\$ 130,783	\$ (12,253)
Total public safety	\$ 7,774,132	\$ 7,824,530	\$ 7,963,293	\$ (138,763)
Public Works:				
Maintenance of streets, highways, bridges, and sidewalks:				
General administration	\$ 1,434,890	\$ 1,435,946	\$ 1,478,591	\$ (42,645)
Street maintenance	1,765,790	1,964,353	1,432,981	531,372
Snow removal	217,740	213,368	154,695	58,673
Traffic engineering	453,140	575,288	434,972	140,316
Total maintenance of streets, highways, bridges, and sidewalks	\$ 3,871,560	\$ 4,188,955	\$ 3,501,239	\$ 687,716

TOWN OF VIENNA, VIRGINIA

Governmental Funds

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended June 30, 2024

Fund, Function, Activity and Elements	Original Budget	Revised Budget	Actual	Variance Positive (Negative)
General Fund: (continued)				
Public Works: (continued)				
Sanitation and waste removal:				
Sanitation	\$ 2,282,590	\$ 2,277,840	\$ 2,211,955	\$ 65,885
Fall/spring cleanup - leaf collection and other	115,180	97,880	125,040	(27,160)
Total sanitation and waste removal	\$ 2,397,770	\$ 2,375,720	\$ 2,336,995	\$ 38,725
Maintenance of buildings and grounds:				
Vehicle and equipment maintenance	\$ 1,543,250	\$ 1,566,047	\$ 1,240,589	\$ 325,458
Maintenance equipment	1,370,364	3,163,710	218,626	2,945,084
Maintenance of buildings and grounds	1,542,090	1,549,086	1,508,361	40,725
Total maintenance of buildings and grounds	\$ 4,455,704	\$ 6,278,843	\$ 2,967,576	\$ 3,311,267
Total public works	\$ 10,725,034	\$ 12,843,518	\$ 8,805,810	\$ 4,037,708
Health and Welfare:				
Welfare/Social Services:				
Property tax relief programs	\$ 303,010	\$ 293,010	\$ 285,175	\$ 7,835
Parks, Recreation, and Cultural:				
Parks and recreation:				
Administration	\$ 1,098,435	\$ 1,100,235	\$ 1,275,766	\$ (175,531)
Parks and recreation programs	631,680	832,207	843,979	(11,772)
General maintenance	1,641,420	1,693,148	1,518,435	174,713
Community center	840,190	875,768	802,058	73,710
Special events	216,020	272,755	224,237	48,518
Annex	46,500	15,980	15,799	181
Parks and recreation equipment	13,544	13,544	13,544	-
Teen Center	269,410	269,410	272,911	(3,501)
Historic preservation	31,000	40,250	42,672	(2,422)
Total parks and recreation	\$ 4,788,199	\$ 5,113,297	\$ 5,009,401	\$ 103,896
Community Development:				
Planning and community development:				
Planning and zoning	\$ 1,321,570	\$ 1,356,870	\$ 1,176,323	\$ 180,547
Community development	395,850	401,600	403,282	(1,682)
Various contributions	16,550	21,050	21,050	-
Total planning and community development	\$ 1,733,970	\$ 1,779,520	\$ 1,600,655	\$ 178,865
Debt Service:				
Principal retirement	\$ 209,873	\$ 209,873	\$ 209,873	\$ -
Interest and fiscal charges	30,160	57,380	57,380	-
Total debt service	\$ 240,033	\$ 267,253	\$ 267,253	\$ -
Total General Fund	\$ 32,117,660	\$ 34,832,690	\$ 30,490,212	\$ 4,342,478
Debt Service Fund:				
Debt Service:				
Principal retirement	\$ 3,594,600	\$ 3,594,600	\$ 3,594,612	\$ (12)
Interest and fiscal charges	1,875,420	1,875,420	1,872,913	2,507
Total Debt Service Fund	\$ 5,470,020	\$ 5,470,020	\$ 5,467,525	\$ 2,495

TOWN OF VIENNA, VIRGINIA

Governmental Funds

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended June 30, 2024

Fund, Function, Activity and Elements	Original Budget	Revised Budget	Actual	Variance Positive (Negative)
Capital Projects Fund:				
Capital projects:				
Facilities projects	\$ -	\$ -	\$ 378,329	\$ (378,329)
Equipment system project	-	-	1,030,223	(1,030,223)
Sidewalk, curb, and gutter projects	-	-	4,314,841	(4,314,841)
Water and sewer projects	-	-	1,736,860	(1,736,860)
Street improvement projects	-	-	1,606,487	(1,606,487)
Stormwater projects	-	-	580,285	(580,285)
Parks projects	-	-	842,844	(842,844)
Other capital projects and administration	-	-	405,396	(405,396)
Total capital projects	\$ -	\$ -	\$ 10,895,265	\$ (10,895,265)
Total Capital Projects Fund	\$ -	\$ -	\$ 10,895,265	\$ (10,895,265)
Special Revenue Funds:				
American Rescue Plan Fund				
General Government Administration:				
General and Financial Administration:				
Financial administration	\$ -	\$ -	\$ 292,288	\$ (292,288)
Public Safety:				
Law enforcement and traffic control:				
Other public safety	\$ -	\$ -	\$ 275,104	\$ (275,104)
Public Works:				
Other public works	\$ -	\$ -	\$ 788,081	\$ (788,081)
Parks, Recreation, and Cultural:				
Parks and recreation:				
Other parks and recreation	\$ -	\$ -	\$ 86,310	\$ (86,310)
Community Development:				
Planning and community development:				
Community development	\$ -	\$ -	\$ 82,276	\$ (82,276)
Capital projects:				
Facilities projects	\$ -	\$ -	\$ 266,171	\$ (266,171)
Street and sidewalk improvement projects	-	-	361,283	(361,283)
Public safety projects	-	-	80,093	(80,093)
Stormwater projects	-	-	142,126	(142,126)
Parks projects	-	-	302,034	(302,034)
Water and sewer projects	-	-	2,187,991	(2,187,991)
Total capital projects	\$ -	\$ -	\$ 3,339,698	\$ (3,339,698)
Debt Service:				
Principal retirement	\$ -	\$ -	\$ 136,853	\$ (136,853)
Interest and fiscal charges	-	-	9,798	(9,798)
Total debt service	\$ -	\$ -	\$ 146,651	\$ (146,651)
Total American Rescue Plan Fund	\$ -	\$ -	\$ 5,010,408	\$ (5,010,408)
Stormwater Fund				
Public Works:				
Stormwater	\$ 752,040	\$ 800,126	\$ 371,097	\$ 429,029
Total Special Revenue Funds	\$ 752,040	\$ 800,126	\$ 5,381,505	\$ (4,581,379)
Total All Governmental Funds	\$ 38,339,720	\$ 41,102,836	\$ 52,234,507	\$ (11,131,671)

- Statistical Section -

Contents	Tables
Financial Trends: These tables contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	1 - 6
Revenue Capacity: These tables contain information to help the reader assess the factors affecting the Town's ability to generate its property and sales taxes.	7 - 10
Debt Capacity: These tables present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue debt in the future.	11 - 15
Demographic and Economic Information: This table offers demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.	16
Operating Information: These tables contain information about the Town's operations and resources to help the reader understand how the Town's financial information relates to the services the Town provides and the activities it performs.	17 - 20
 <i>Sources:</i> Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.	

TOWN OF VIENNA, VIRGINIA

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2015	2016	2017	2018	2019
Governmental activities:					
Net investment in capital assets	\$ 32,229,231	\$ 38,894,331	\$ 44,195,940	\$ 49,536,591	\$ 49,860,620
Restricted	1,678,433	1,875,915	2,063,297	2,312,174	2,378,860
Unrestricted	4,763,891	7,963,012	5,468,424	(1,585,617)	(1,061,021)
Total governmental activities net position	<u>\$ 38,671,555</u>	<u>\$ 48,733,258</u>	<u>\$ 51,727,661</u>	<u>\$ 50,263,148</u>	<u>\$ 51,178,459</u>
Business-type activities:					
Net investment in capital assets	\$ 9,358,019	\$ 9,846,088	\$ 11,096,338	\$ 12,774,095	\$ 12,558,317
Unrestricted	(592,683)	(474,233)	(1,202,211)	(812,487)	(1,028,482)
Total business-type activities net position	<u>\$ 8,765,336</u>	<u>\$ 9,371,855</u>	<u>\$ 9,894,127</u>	<u>\$ 11,961,608</u>	<u>\$ 11,529,835</u>
Primary government:					
Net investment in capital assets	\$ 41,587,250	\$ 48,740,419	\$ 55,292,278	\$ 59,763,687	\$ 60,041,201
Restricted	1,678,433	1,875,915	2,063,297	2,312,174	2,378,860
Unrestricted	4,171,208	7,488,779	4,266,213	148,895	288,233
Total primary government net position	<u>\$ 47,436,891</u>	<u>\$ 58,105,113</u>	<u>\$ 61,621,788</u>	<u>\$ 62,224,756</u>	<u>\$ 62,708,294</u>

A In the 2024, 2023, 2022, 2021, 2020, 2019 and 2018 columns the sum of the columns does not equal the Total column by a difference of \$9,149,606, \$9,561,346, \$9,337,533, \$4,603,296, \$2,206,862, \$2,377,736 and \$2,546,999, respectively, because bonds payable related to the Business-Type Activities is reflected in the Governmental Activities column reducing unrestricted net position. The assets are reflected in the Business-Type Activities column as net investment in capital assets. The Total column matches the assets with the debt and reports the net amount of the net investment in capital assets.

TOWN OF VIENNA, VIRGINIA

Net Position by Component (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2020	2021	2022	2023	2024
Governmental activities:					
Net investment in capital assets	\$ 47,367,126	\$ 50,536,605	\$ 52,904,137	\$ 58,701,481	\$ 59,606,814
Restricted	2,493,232	1,866,171	1,300,826	1,412,160	1,325,587
Unrestricted	(3,168,511)	(7,355,980)	(11,196,531)	(12,358,478)	(9,646,677)
Total governmental activities net position	<u>\$ 46,691,847</u>	<u>\$ 45,046,796</u>	<u>\$ 43,008,432</u>	<u>\$ 47,755,163</u>	<u>\$ 51,285,724</u>
Business-type activities:					
Net investment in capital assets	\$ 17,294,154	\$ 19,065,941	\$ 23,978,227	\$ 26,951,290	\$ 30,068,391
Unrestricted	(384,349)	(1,663)	855,946	(9,218)	(393,783)
Total business-type activities net position	<u>\$ 16,909,805</u>	<u>\$ 19,064,278</u>	<u>\$ 24,834,173</u>	<u>\$ 26,942,072</u>	<u>\$ 29,674,608</u>
Primary government:					
Net investment in capital assets	\$ 62,454,418	\$ 64,999,250	\$ 67,544,831	\$ 76,091,425	\$ 80,525,599
Restricted	2,493,232	1,866,171	1,300,826	1,412,160	1,325,587
Unrestricted	(1,345,998)	(2,754,347)	(1,003,052)	(2,806,350)	(890,854)
Total primary government net position	<u>\$ 63,601,652</u>	<u>\$ 64,111,074</u>	<u>\$ 67,842,605</u>	<u>\$ 74,697,235</u>	<u>\$ 80,960,332</u>

A. In the 2024, 2023, 2022, 2021, 2020, 2019 and 2018 columns the sum of the columns does not equal the Total column by a difference of \$9,149,606, \$9,561,346, \$9,337,533, \$4,603,296, \$2,206,862, \$2,377,736 and \$2,546,999, respectively, because bonds payable related to the Business-Type Activities is reflected in the Governmental Activities column reducing unrestricted net position. The assets are reflected in the Business-Type Activities column as net investment in capital assets. The Total column matches the assets with the debt and reports the net amount of the net investment in capital assets.

TOWN OF VIENNA, VIRGINIA

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2015	2016	2017	2018	2019
Expenses:					
Governmental Activities:					
General government administration	\$ 4,599,322	\$ 4,922,997	\$ 5,094,803	\$ 5,170,292	\$ 5,323,098
Public safety	6,815,222	7,052,929	7,363,849	7,382,560	7,751,329
Public works	10,217,103	8,917,396	10,566,449	9,060,173	11,142,853
Health and welfare	236,811	240,410	232,186	222,844	223,435
Parks, recreation and cultural	3,271,954	3,040,826	3,100,416	3,487,948	4,207,487
Community development	665,881	781,494	850,738	931,277	947,650
Interest on long-term debt	479,678	707,242	473,480	649,611	647,891
Total governmental activities expenses	\$ 26,285,971	\$ 25,663,294	\$ 27,681,921	\$ 26,904,705	\$ 30,243,743
Business type activities:					
Water and sewer	5,713,223	6,096,402	7,022,326	6,897,356	6,761,477
Total business type activities expenses	\$ 31,999,194	\$ 31,759,696	\$ 34,704,247	\$ 33,802,061	\$ 37,005,220
Program Revenues:					
Governmental Activities:					
Charges for services					
General government	\$ 27,620	\$ 35,896	\$ 40,719	\$ 32,774	\$ 50,037
Public safety	641,051	613,564	651,247	675,194	583,858
Parks, recreation and cultural	737,297	536,163	501,214	708,138	1,008,272
Operating grants and contributions	3,018,343	3,194,985	3,108,013	3,089,273	3,216,847
Capital grants and contributions	2,209,526	8,394,653	4,102,140	2,567,709	1,510,991
Total governmental activities program revenues	\$ 6,633,837	\$ 12,775,261	\$ 8,403,333	\$ 7,073,088	\$ 6,370,005
Business type activities:					
Water and sewer					
Charges for services	\$ 7,018,076	\$ 6,902,605	\$ 7,386,960	\$ 7,526,619	\$ 7,813,703
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	264,630	213,405	486,400	-	-
Total business type activities	\$ 7,282,706	\$ 7,116,010	\$ 7,873,360	\$ 7,526,619	\$ 7,813,703
Total business type activities revenues	\$ 13,916,543	\$ 19,891,271	\$ 16,276,693	\$ 14,599,707	\$ 14,183,708
Net (expenses)/revenues	\$ (18,082,651)	\$ (11,868,425)	\$ (18,427,554)	\$ (19,202,354)	\$ (22,821,512)
General Revenues and Other Changes in Net Position:					
Governmental Activities:					
Taxes:					
General real property taxes	\$ 9,820,079	\$ 10,174,969	\$ 10,621,309	\$ 10,956,206	\$ 11,440,251
Local sales and use taxes	1,465,129	1,484,216	1,425,248	1,455,924	1,493,524
Consumer utility taxes	668,218	659,320	654,778	704,729	684,098
Business license taxes	2,334,987	2,221,072	2,258,387	2,263,860	2,389,726
Meals and lodging taxes	2,339,686	2,520,856	2,691,356	2,811,930	2,829,794
Other	2,170,698	2,434,700	2,174,391	2,228,670	2,171,053
Grants and contributions not restricted to specific programs	1,064,604	1,033,119	1,008,803	976,521	905,984
Unrestricted revenues from the use of money and property	265,103	179,769	215,206	448,227	832,700
Miscellaneous	799,340	1,560,383	565,965	374,350	217,698
Transfers	(235,961)	681,332	657,548	(1,284,325)	1,824,221
Total governmental activities general revenues	\$ 20,691,883	\$ 22,949,736	\$ 22,272,991	\$ 20,936,092	\$ 24,789,049
Business type activities:					
Interest revenue	\$ 3,240	\$ 6,029	\$ 8,997	\$ 15,181	\$ 19,252
Miscellaneous	255,595	262,214	319,789	344,566	320,970
Transfers	235,961	(681,332)	(657,548)	1,284,325	(1,824,221)
Total business-type activities general revenues	\$ 494,796	\$ (413,089)	\$ (328,762)	\$ 1,644,072	\$ (1,483,999)
Total general revenues	\$ 21,186,679	\$ 22,536,647	\$ 21,944,229	\$ 22,580,164	\$ 23,305,050
Changes in net position:					
Governmental activities	\$ 1,039,749	\$ 10,061,703	\$ 2,994,403	\$ 1,104,475	\$ 915,311
Business-type activities	2,064,279	606,519	522,272	2,273,335	(431,773)
Total changes in net position	\$ 3,104,028	\$ 10,668,222	\$ 3,516,675	\$ 3,377,810	\$ 483,538

TOWN OF VIENNA, VIRGINIA

Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2020	2021	2022	2023	2024
Expenses:					
Governmental Activities:					
General government administration	\$ 6,116,160	\$ 5,965,161	\$ 6,395,116	\$ 6,791,896	\$ 7,691,017
Public safety	8,690,013	9,395,963	6,733,762	7,972,360	8,862,473
Public works	11,391,564	12,654,313	12,004,711	11,859,759	11,670,357
Health and welfare	228,923	203,489	235,124	268,882	285,175
Parks, recreation and cultural	4,280,640	4,214,642	4,773,948	5,956,903	7,423,989
Community development	1,157,327	1,592,192	1,440,039	1,576,547	1,771,388
Interest on long-term debt	1,038,805	1,377,136	1,380,741	1,304,421	1,862,839
Total governmental activities expenses	\$ 32,903,432	\$ 35,402,896	\$ 32,963,441	\$ 35,730,768	\$ 39,567,238
Business type activities:					
Water and sewer	7,255,353	8,241,604	8,025,862	8,626,708	9,516,140
Total business type activities expenses	\$ 40,158,785	\$ 43,644,500	\$ 40,989,303	\$ 44,357,476	\$ 49,083,378
Program Revenues:					
Governmental Activities:					
Charges for services					
General government	\$ 57,881	\$ 112,980	\$ 387,559	\$ 344,362	\$ 377,790
Public safety	614,351	568,937	573,269	514,804	599,861
Parks, recreation and cultural	472,062	561,547	945,076	1,315,882	1,380,994
Operating grants and contributions	3,973,147	4,772,497	2,883,091	7,601,959	8,569,307
Capital grants and contributions	2,040,786	2,001,159	464,954	2,275,161	1,027,796
Total governmental activities program revenues	\$ 7,158,227	\$ 8,017,120	\$ 5,253,949	\$ 12,052,168	\$ 11,955,748
Business type activities:					
Water and sewer					
Charges for services	\$ 9,026,933	\$ 10,427,752	\$ 10,289,167	\$ 10,401,465	\$ 11,153,298
Operating grants and contributions	-	39,836	28,312	1,904	651
Capital grants and contributions	2,382,018	2,215,138	2,743,732	8,870	523,161
Total business type activities	\$ 11,408,951	\$ 12,682,726	\$ 13,061,211	\$ 10,412,239	\$ 11,677,110
Total business type activities revenues	\$ 18,567,178	\$ 20,699,846	\$ 18,315,160	\$ 22,464,407	\$ 23,632,858
Net (expenses)/revenues	\$ (21,591,607)	\$ (22,944,654)	\$ (22,674,143)	\$ (21,893,069)	\$ (25,450,520)
General Revenues and Other Changes in Net Position:					
Governmental Activities:					
Taxes:					
General real property taxes	\$ 11,901,178	\$ 12,399,982	\$ 12,790,006	\$ 12,844,193	\$ 13,395,515
Local sales and use taxes	1,513,816	1,612,119	1,850,910	1,894,078	2,086,693
Consumer utility taxes	669,780	660,411	661,544	670,241	675,048
Business license taxes	2,390,002	2,470,633	2,635,973	2,846,088	2,944,433
Meals and lodging taxes	2,476,476	2,613,474	3,331,812	3,410,385	3,510,178
Other	2,041,947	1,993,449	1,993,937	1,971,675	2,039,214
Grants and contributions not restricted to specific programs	885,298	786,379	763,058	740,928	696,508
Unrestricted revenues from the use of money and property	702,895	197,964	(132,729)	1,843,277	2,261,994
Miscellaneous	227,588	374,207	2,175,286	2,133,783	3,486,597
Transfers	(876,133)	2,632,107	(398,669)	70,683	45,871
Total governmental activities general revenues	\$ 21,932,847	\$ 25,740,725	\$ 25,671,128	\$ 28,425,331	\$ 31,142,051
Business type activities:					
Interest revenue	\$ 11,414	\$ 1,250	\$ 3,138	\$ 33,829	\$ 294,376
Miscellaneous	338,825	344,208	332,739	359,222	323,061
Transfers	876,133	(2,632,107)	398,669	(70,683)	(45,871)
Total business-type activities general revenues	\$ 1,226,372	\$ (2,286,649)	\$ 734,546	\$ 322,368	\$ 571,566
Total general revenues	\$ 23,159,219	\$ 23,454,076	\$ 26,405,674	\$ 28,747,699	\$ 31,713,617
Changes in net position:					
Governmental activities	\$ (3,812,358)	\$ (1,645,051)	\$ (2,038,364)	\$ 4,746,731	\$ 3,530,561
Business-type activities	5,379,970	2,154,473	5,769,895	2,107,899	2,732,536
Total changes in net position	\$ 1,567,612	\$ 509,422	\$ 3,731,531	\$ 6,854,630	\$ 6,263,097

Table 3

TOWN OF VIENNA, VIRGINIA

Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Fiscal Year	Property Tax	Local Sales Sales & Use Tax	Consumer Utility Tax	Business & Occupation Licenses	Meals & Lodging Taxes	Motor Vehicle License Tax	Bank Franchise Tax	Tobacco Taxes	Other Taxes	Total
2024	\$ 13,395,515	\$ 2,086,693	\$ 675,048	\$ 2,944,433	\$ 3,510,178	\$ 420,869	\$ 1,062,490	\$ 195,685	\$ 360,170	\$ 24,651,081
2023	12,844,193	1,894,078	670,241	2,846,088	3,410,385	403,562	998,164	206,835	363,114	23,636,660
2022	12,790,006	1,850,910	661,544	2,635,973	3,331,812	387,615	998,962	218,293	389,067	23,264,182
2021	12,399,982	1,612,119	660,411	2,470,633	2,613,474	389,250	981,454	207,033	415,712	21,750,068
2020	11,901,178	1,513,816	669,780	2,390,002	2,476,476	403,875	996,631	185,378	456,063	20,993,199
2019	11,440,251	1,493,524	684,098	2,389,726	2,829,794	395,429	1,114,289	206,304	455,031	21,008,446
2018	10,956,206	1,455,924	704,729	2,263,860	2,811,930	392,166	1,127,691	242,497	466,316	20,421,319
2017	10,621,309	1,425,248	654,778	2,258,387	2,691,356	364,648	1,100,576	233,877	475,290	19,825,469
2016	10,174,969	1,484,216	659,320	2,221,072	2,520,856	383,469	1,416,573	249,175	385,483	19,495,133
2015	9,820,079	1,465,129	668,218	2,334,987	2,339,686	368,070	1,153,976	262,035	386,617	18,798,797

Table 4

TOWN OF VIENNA, VIRGINIA

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Nonspendable	\$ 245,742	\$ 108,149	\$ 111,338	\$ 124,235	\$ 125,657	\$ 347,016	\$ 299,590	\$ 307,066	\$ 457,333	\$ 416,661
Restricted	621,991	798,241	1,020,573	1,165,496	1,081,000	1,129,186	1,058,583	364,000	405,900	324,200
Committed	1,508,479	1,620,960	1,406,460	1,280,000	805,900	702,000	557,500	2,025,000	701,600	2,796,074
Assigned	2,042,064	1,183,920	1,258,241	1,420,495	1,560,100	1,774,800	2,997,500	2,338,000	2,149,100	2,127,500
Unassigned	4,768,169	4,447,066	4,469,240	4,578,960	4,849,670	4,467,908	4,778,490	5,433,759	5,664,359	5,981,990
Total General Fund	<u>\$ 9,186,445</u>	<u>\$ 8,158,336</u>	<u>\$ 8,265,852</u>	<u>\$ 8,569,186</u>	<u>\$ 8,422,327</u>	<u>\$ 8,420,910</u>	<u>\$ 9,691,663</u>	<u>\$ 10,467,825</u>	<u>\$ 9,378,292</u>	<u>\$ 11,646,425</u>
Debt Service Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ 182,678	\$ -	\$ 182,678	\$ 27,368	\$ -	\$ -	\$ -
Assigned	4,922,622	6,348,055	6,696,150	7,261,003	7,994,987	8,059,245	6,816,695	6,589,837	6,371,764	6,462,199
Total Debt Service Fund	<u>\$ 4,922,622</u>	<u>\$ 6,348,055</u>	<u>\$ 6,696,150</u>	<u>\$ 7,443,681</u>	<u>\$ 7,994,987</u>	<u>\$ 8,241,923</u>	<u>\$ 6,844,063</u>	<u>\$ 6,589,837</u>	<u>\$ 6,371,764</u>	<u>\$ 6,462,199</u>
Capital Projects Fund:										
Assigned	\$ 8,820,174	\$ 10,830,402	\$ 3,378,467	\$ 7,091,714	\$ 4,803,048	\$ 35,973,203	\$ 23,208,464	\$ 16,392,272	\$ 12,480,601	\$ 7,063,115
Total Capital Projects Fund	<u>\$ 8,820,174</u>	<u>\$ 10,830,402</u>	<u>\$ 3,378,467</u>	<u>\$ 7,091,714</u>	<u>\$ 4,803,048</u>	<u>\$ 35,973,203</u>	<u>\$ 23,208,464</u>	<u>\$ 16,392,272</u>	<u>\$ 12,480,601</u>	<u>\$ 7,063,115</u>
Other Governmental Funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,500	\$ 2,138	\$ 876	\$ 1,095
Restricted	1,056,442	1,077,674	1,042,724	1,146,678	1,297,860	1,364,046	807,588	936,826	1,006,260	1,001,387
Assigned	-	-	-	-	-	-	-	-	424,408	893,763
Unassigned	-	-	-	-	-	-	-	(136,139)	-	-
Total Other Governmental Funds	<u>\$ 1,056,442</u>	<u>\$ 1,077,674</u>	<u>\$ 1,042,724</u>	<u>\$ 1,146,678</u>	<u>\$ 1,297,860</u>	<u>\$ 1,364,046</u>	<u>\$ 812,088</u>	<u>\$ 802,825</u>	<u>\$ 1,431,544</u>	<u>\$ 1,896,245</u>

TOWN OF VIENNA, VIRGINIA

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2015	2016	2017	2018	2019
Revenues:					
General property taxes	\$ 9,824,996	\$ 10,149,056	\$ 10,622,903	\$ 10,947,071	\$ 11,419,658
Other local taxes	8,978,718	9,320,164	9,204,160	9,465,113	9,568,195
Permits, privilege fees and regulatory licenses	195,316	268,314	249,733	314,866	261,427
Fines and forfeitures	429,366	331,935	368,135	340,103	314,291
Revenue from use of money and property	265,103	179,769	215,206	448,227	832,700
Charges for services	781,286	585,374	575,312	761,137	1,066,449
Miscellaneous	799,340	1,560,383	565,965	374,350	217,698
Intergovernmental	6,292,473	10,272,286	8,218,956	6,633,503	5,633,822
Total revenues	\$ 27,566,598	\$ 32,667,281	\$ 30,020,370	\$ 29,284,370	\$ 29,314,240
Expenditures:					
Current:					
General government administration	\$ 4,505,608	\$ 4,676,681	\$ 4,635,247	\$ 4,792,803	\$ 5,009,749
Public safety	6,867,167	7,014,272	6,994,087	7,237,225	7,548,576
Public works	7,063,724	7,436,218	7,997,698	7,595,087	8,213,478
Health and welfare	236,416	239,830	232,186	222,844	223,435
Parks, recreation, and cultural	2,946,390	3,083,069	2,832,486	3,247,183	3,506,683
Community development	711,077	784,698	840,890	955,082	977,784
Capital projects	5,111,855	12,072,085	11,431,288	5,716,079	4,037,830
Debt service:					
Principal retirement	2,801,394	2,490,860	2,722,249	2,536,253	3,057,558
Interest and other fiscal charges	533,590	484,952	641,061	583,034	886,805
Total expenditures	\$ 30,777,221	\$ 38,282,665	\$ 38,327,192	\$ 32,885,590	\$ 33,461,898
Excess (deficiency) of revenues over (under) expenditures	\$ (3,210,623)	\$ (5,615,384)	\$ (8,306,822)	\$ (3,601,220)	\$ (4,147,658)
Other financing sources (uses):					
Issuance of notes payable	\$ 570,028	\$ 700,000	\$ 518,000	\$ 605,900	\$ 590,400
Long term debt issued	-	6,180,000	-	7,900,000	-
Premium on issuance of long-term obligations	-	482,836	-	1,347,711	-
Transfers in	1,265,748	3,573,591	3,423,690	2,501,306	2,995,339
Transfers out	(1,501,709)	(2,892,259)	(2,766,142)	(3,785,631)	(1,171,118)
Total other financing sources (uses)	\$ 334,067	\$ 8,044,168	\$ 1,175,548	\$ 8,569,286	\$ 2,414,621
Net changes in fund balances	\$ (2,876,556)	\$ 2,428,784	\$ (7,131,274)	\$ 4,968,066	\$ (1,733,037)
Debt service as a percentage of noncapital expenditures	13.20%	11.59%	12.27%	11.69%	13.12%

TOWN OF VIENNA, VIRGINIA

Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2020	2021	2022	2023	2024
Revenues:					
General property taxes	\$ 11,883,932	\$ 12,433,849	\$ 12,801,701	\$ 12,850,082	\$ 13,383,275
Other local taxes	9,092,021	9,350,086	10,474,176	10,792,467	11,255,566
Permits, privilege fees and regulatory licenses	332,230	426,740	384,904	281,330	367,773
Fines and forfeitures	265,581	131,466	181,325	220,743	222,238
Revenue from use of money and property	712,497	197,964	51,929	2,040,894	2,461,813
Charges for services	546,483	685,258	1,155,017	1,475,358	1,568,815
Miscellaneous	229,088	374,207	2,175,286	2,133,783	3,486,597
Intergovernmental	7,182,013	7,560,035	4,111,103	10,601,010	10,287,826
Total revenues	\$ 30,243,845	\$ 31,159,605	\$ 31,335,441	\$ 40,395,667	\$ 43,033,903
Expenditures:					
Current:					
General government administration	\$ 5,247,613	\$ 5,216,985	\$ 6,056,334	\$ 6,782,142	\$ 6,850,913
Public safety	8,147,418	8,532,107	7,042,355	8,357,652	8,238,397
Public works	8,291,597	7,492,304	7,511,119	9,624,135	9,964,988
Health and welfare	228,923	203,489	235,124	268,882	285,175
Parks, recreation, and cultural	3,507,136	3,087,274	4,231,153	5,142,255	5,095,711
Community development	1,099,505	1,460,247	1,504,302	1,671,956	1,682,931
Capital projects	6,027,362	15,040,483	17,915,721	11,188,112	14,234,963
Debt service:					
Principal retirement	3,064,655	4,144,037	3,656,630	4,086,145	3,941,338
Interest and other fiscal charges	845,334	1,827,148	1,767,624	1,965,221	1,940,091
Total expenditures	\$ 36,459,543	\$ 47,004,074	\$ 49,920,362	\$ 49,086,500	\$ 52,234,507
Excess (deficiency) of revenues over (under) expenditures	\$ (6,215,698)	\$ (15,844,469)	\$ (18,584,921)	\$ (8,690,833)	\$ (9,200,604)
Other financing sources (uses):					
Issuance of notes payable	\$ 834,200	\$ 450,000	\$ -	\$ -	\$ -
Long term debt issued	34,500,000	-	11,495,000	524,553	2,635,665
Premium on issuance of long-term obligations	3,239,491	-	1,185,071	-	-
Transfers in	2,854,429	3,354,120	3,645,326	4,102,909	4,666,320
Transfers out	(3,730,562)	(722,013)	(4,043,995)	(527,187)	(695,598)
Total other financing sources (uses)	\$ 37,697,558	\$ 3,082,107	\$ 12,281,402	\$ 4,100,275	\$ 6,606,387
Net changes in fund balances	\$ 31,481,860	\$ (12,762,362)	\$ (6,303,519)	\$ (4,590,558)	\$ (2,594,217)
Debt service as a percentage of noncapital expenditures	12.73%	17.70%	15.96%	15.30%	14.12%

Table 6

TOWN OF VIENNA, VIRGINIA

General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	Real Property	Local Sales	Consumer Utility	Business & Occupation License	Meals & Lodging Tax	Motor Vehicle License	Bank Franchise	Tobacco	Other Taxes	Total
2024	\$ 13,383,275	\$ 2,086,693	\$ 675,048	\$ 2,944,433	\$ 3,510,178	\$ 420,869	\$ 1,062,490	\$ 195,685	\$ 360,170	\$ 24,638,841
2023	12,850,082	1,894,078	670,241	2,846,088	3,410,385	403,562	998,164	206,835	363,114	23,642,549
2022	12,801,701	1,850,910	661,544	2,635,973	3,331,812	387,615	998,962	218,293	389,067	23,275,877
2021	12,433,849	1,612,119	660,411	2,470,633	2,613,474	389,250	981,454	207,033	415,712	21,783,935
2020	11,883,932	1,513,816	669,780	2,390,002	2,476,476	403,875	996,631	185,378	456,063	20,975,953
2019	11,419,658	1,493,524	684,098	2,389,726	2,829,794	395,429	1,114,289	206,304	455,031	20,987,853
2018	10,947,071	1,455,924	704,729	2,263,860	2,811,930	392,166	1,127,691	242,497	466,316	20,412,184
2017	10,622,903	1,425,248	654,778	2,258,387	2,691,356	364,648	1,100,576	233,877	475,290	19,827,063
2016	10,149,056	1,484,216	659,320	2,221,072	2,520,856	383,469	1,416,573	249,175	385,483	19,469,220
2015	9,824,996	1,465,129	668,218	2,334,987	2,339,686	368,070	1,153,976	262,035	386,617	18,803,714

Table 7

TOWN OF VIENNA, VIRGINIA

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

Fiscal Year	Real Property (1)		Direct Tax Rate	Utility Companies Real Property		Total		Ratio of Total Estimated Actual Value
	Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2024	\$ 6,959,583,050	\$ 6,959,583,050	0.1950	\$ 56,199,333	\$ 56,199,333	\$ 7,015,782,383	\$ 7,015,782,383	100%
2023	6,356,538,490	6,356,538,490	0.2050	54,099,669	54,099,669	6,410,638,159	6,410,638,159	100%
2022	5,626,187,990	5,626,187,990	0.2225	53,028,003	53,028,003	5,679,215,993	5,679,215,993	100%
2021	5,401,153,810	5,401,153,810	0.2250	49,505,456	49,505,456	5,450,659,266	5,450,659,266	100%
2020	5,204,854,490	5,204,854,490	0.2250	46,732,003	46,732,003	5,251,586,493	5,251,586,493	100%
2019	5,003,776,930	5,003,776,930	0.2250	44,242,869	44,242,869	5,048,019,799	5,048,019,799	100%
2018	4,763,472,880	4,763,472,880	0.2250	42,979,305	42,979,305	4,806,452,185	4,806,452,185	100%
2017	4,625,397,360	4,625,397,360	0.2250	41,886,928	41,886,928	4,667,284,288	4,667,284,288	100%
2016	4,428,395,010	4,428,395,010	0.2250	39,797,131	39,797,131	4,468,192,141	4,468,192,141	100%
2015	4,201,089,380	4,201,089,380	0.2288	37,186,660	37,186,660	4,238,276,040	4,238,276,040	100%

Notes: Real property is assessed effective January 1 of each year by the Supervisor of Assessments of Fairfax County for the concurrent use of the Town and County. In the above tabulation \$6,959,583,050 is the assessed valuation effective January 1, 2023, which was used as a basis for billing taxes in the fiscal year 2023-2024.

Real property was assessed at 100% of fair market value. Public service corporations are assessed by the State Corporation Commission.

Property owned by the Town, other governments, churches, and schools is exempt and no estimate of value is included. The Town also partially or fully exempts qualified elderly citizens. The Town does not tax personal property.

(1) Does not include abatements and adjustments.

Table 8

TOWN OF VIENNA, VIRGINIA

Property Tax Rate (1)
Direct and Overlapping Governments
Last Ten Fiscal years

Fiscal Year	Town of Vienna	County of Fairfax	Total Tax Rate
2024	0.1950	1.095	1.2900
2023	0.2050	1.110	1.3150
2022	0.2225	1.140	1.3625
2021	0.2250	1.150	1.3750
2020	0.2250	1.150	1.3750
2019	0.2250	1.150	1.3750
2018	0.2250	1.150	1.3750
2017	0.2250	1.130	1.3550
2016	0.2250	1.130	1.3550
2015	0.2288	1.090	1.3188

(1) Per \$100 of assessed value

The laws of the Commonwealth of Virginia impose no limitation on the tax rate. The Town Charter imposes a limit on the levy of taxes on real and personal property of \$2.00 per \$100 assessed value, except and permitted by State law for the payment of principal of and premium, if any, and interest on general obligation bonds in accordance with Section 15.1-227.25 of the Code of Virginia (1950), as amended.

Taxes are due in semi-annual installments on July 28 and December 5 of each year. Penalty of 10% or \$5, whichever is greater is added to each delinquent installment. No discounts are allowed and interest at 10% per annum is assessed on delinquent installments. All unpaid taxes become subject to liens against the properties upon which they were assessed as of June 30 of the year following assessments.

The Town of Vienna's Real Estate tax rate has only one component.

Table 9

TOWN OF VIENNA, VIRGINIA

PRINCIPAL REAL PROPERTY TAXPAYERS
Current Year and the Period Nine Years Prior

Owner	Notes	Fiscal Year 2024			Fiscal Year 2015		
		2023 Assessed Valuation	Rank	Percentage of Total Assesed Valuation	2014 Assessed Valuation	Rank	Percentage of Total Assesed Valuation
Navy Federal Credit Union		\$ 188,271,460	1	2.96%	\$ 142,315,790	1	2.24%
GI TC 801 Follin Lane	(1)	73,625,250	2	1.16%	87,135,100	2	1.37%
Vienna Park LLC		53,807,790	3	0.85%	32,460,780	3	0.51%
GRI Maple Avenue LLC	(2)	42,531,700	4	0.67%	31,620,090	4	0.50%
Vienna Shopping Center, LP		35,734,200	5	0.56%	20,482,450	5	0.32%
CS Vienna LLC	(4)	34,764,140	6	0.55%	8,637,790	14	0.14%
P. Daniel & Diana S. Orlich		20,378,300	7	0.32%	17,098,390	7	0.27%
Westwood Country Club		19,276,750	8	0.30%	10,439,520	11	0.16%
Sunrise of Vienna Propco		18,567,050	9	0.29%	-	N/A	N/A
JDC 225 Maple LLC	(3)	17,223,960	10	0.27%	10,071,260	12	0.16%
Frank Zafren & Alec Jacobson, Tr.		16,397,010	11	0.26%	15,411,010	8	0.24%
APEX Developers LLC		15,781,950	12	0.25%	-	N/A	N/A
117 Courthouse LLC		15,240,000	13	0.24%	-	N/A	N/A
BFH Danor Plaza		13,984,410	14	0.22%	11,703,070	10	0.18%
Vienna CW Real Estate LLC		13,514,140	15	0.21%	-	N/A	N/A
GRI Cedar Park LLC		11,908,150	16	0.19%	11,773,730	9	0.19%
Swart Vienna LLC		11,445,620	17	0.18%	9,319,160	13	0.15%
Jades Enterprise		8,450,870	20	0.13%	7,014,020	15	0.11%
Maryland Gardens Ltd. Partnership		-	N/A	0.00%	20,361,440	6	0.32%
Total		\$ 610,902,750		9.61%	\$ 435,843,600		4.62%

(1) Name change to Transwestern Goldstar LLC in 2007

Name change to GI TC Follin Lane LLC in 2013

(2) Ownership change from Maple Avenue Shopping in 2018

(3) Ownership change from Walgreen Company 2014

Ownership change from AN WG Vienna LP in 2015

Ownership change from JBG Vienna Retail Center 2021

Ownership change from W P Capital Partners LLC 2022

(4) Name change from Storage Partners of Vienna in 2014

Table 10

TOWN OF VIENNA, VIRGINIA

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date	
		Amount	Percent of Levy Collected		Amount	Percentage of Levy
2024	\$ 13,128,639	\$ 13,052,102	99.42%	\$ -	\$ 13,052,102	99.42%
2023	12,677,352	12,666,556	99.91%	5,363	12,671,919	99.96%
2022	12,598,082	12,583,005	99.88%	11,124	12,594,129	99.97%
2021	12,215,296	12,191,656	99.81%	14,092	12,205,748	99.92%
2020	11,710,930	11,682,090	99.76%	21,374	11,703,464	99.94%
2019	11,274,409	11,247,336	99.76%	21,574	11,268,910	99.95%
2018	10,784,780	10,765,285	99.82%	16,957	10,782,242	99.98%
2017	10,459,537	10,440,600	99.78%	15,989	10,456,589	99.97%
2016	9,968,163	9,946,258	99.78%	18,985	9,965,243	99.97%
2015	9,616,236	9,598,815	99.82%	16,389	9,615,204	99.99%

Notes: (1) Penalties and interest not included

TOWN OF VIENNA, VIRGINIA

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Years	Governmental Activities			Notes Payable- Equipment Financing	Business-type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Leases	Subscriptions		Bonds/ Notes	Notes Payable- Equipment Financing			
2024	\$59,991,655	\$19,384	\$306,088	\$114,400	\$11,242,714	\$ -	\$71,674,241	4.68%	4,148
2023	61,340,849	53,881	478,319	442,010	2,915,072	6,279	65,236,410	4.63%	3,818
2022	65,362,623	87,291	122,501	919,010	1,878,909	75,404	68,445,738	5.68%	4,034
2021	56,204,488	-	-	1,541,283	3,658,000	169,397	61,573,168	5.11%	3,629
2020	60,066,263	-	-	1,903,320	2,494,765	309,749	64,774,097	5.61%	3,825
2019	25,029,039	-	-	1,666,775	3,820,065	415,201	30,931,080	3.43%	1,861
2018	27,731,112	-	-	1,671,933	2,468,446	294,645	32,166,136	3.78%	1,927
2017	20,503,862	-	-	1,665,286	3,253,262	268,496	25,690,906	2.84%	1,545
2016	22,857,586	-	-	1,610,535	1,358,000	150,985	25,977,106	2.87%	1,560
2015	18,081,026	-	-	1,546,395	1,468,000	214,508	21,309,929	2.35%	1,278

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

(1) See the Schedule of Demographic and Economic Statistics - Table 16

TOWN OF VIENNA, VIRGINIA

**Computation of Direct and Overlapping Bonded Debt -
General Obligation Bonds
At June 30, 2024**

	<u>Net Bonded Debt Outstanding</u>	<u>Percentage Applicable to this Governmental Unit</u>	<u>Share of Debt</u>
Direct Debt:			
Town of Vienna			
General Bonded Debt	\$ 59,991,655	100.00%	\$ 59,991,655
Overlapping Debt: (1)			
County of Fairfax			
General Bonded Debt	<u>2,812,958,381</u>	2.14%	<u>60,198,313</u>
Total direct and overlapping debt	<u>\$ 2,872,950,036</u>		<u>\$ 120,189,968</u>

- (1) Overlapping debt is not bonded debt of the Town of Vienna on either a direct or contingent basis, but represents the share of debt of overlapping governmental entities which the residents of the Town of Vienna are obligated to pay through the direct tax levies of these respective governmental entities. The debt of Fairfax County is a direct general obligation debt of the County for facilities to benefit the citizens of the County as a whole, including those residing within incorporated towns. Facilities include schools, hospitals, storm drainage control, parkland acquisition, etc., and the citizens of the Town of Vienna benefit generally from their use.

Table 13

TOWN OF VIENNA, VIRGINIA

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

Fiscal Year	Gross Bonded Debt	Less: Amounts Restricted for Debt Service	Net Bonded Debt (1)	Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (3)
2024	\$ 59,991,655	\$ -	\$ 59,991,655	0.86%	3,471.94
2023	62,315,059	-	62,315,059	0.98%	3,646.71
2022	66,579,701	-	66,579,701	1.18%	3,924.30
2021	59,862,488	-	59,862,488	1.11%	3,528.38
2020	62,561,028	-	62,561,028	1.20%	3,694.40
2019	28,849,104	-	28,849,104	0.58%	1,736.02
2018	30,199,558	-	30,199,558	0.63%	1,809.55
2017	23,757,124	-	23,757,124	0.51%	1,428.57
2016	24,215,586	-	24,215,586	0.55%	1,454.39
2015	19,549,026	-	19,549,026	0.47%	1,172.29

(1) Includes all long-term general obligation bonded debt.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property - Table 7

(3) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 16

TOWN OF VIENNA, VIRGINIA

Legal Debt Margin Information
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 389,989,663	\$ 457,199,173	\$ 457,199,173	\$ 492,898,364	\$ 517,317,979	\$ 537,037,052	\$ 558,535,160	\$ 582,124,336	\$ 657,302,905	\$ 718,653,057
Total net debt applicable to limit	<u>19,549,026</u>	<u>24,215,586</u>	<u>23,757,124</u>	<u>30,199,558</u>	<u>28,849,104</u>	<u>62,561,028</u>	<u>59,862,488</u>	<u>66,579,701</u>	<u>62,315,059</u>	<u>59,991,655</u>
Legal debt margin	<u>\$ 370,440,637</u>	<u>\$ 432,983,587</u>	<u>\$ 433,442,049</u>	<u>\$ 462,698,806</u>	<u>\$ 488,468,875</u>	<u>\$ 474,476,024</u>	<u>\$ 498,672,672</u>	<u>\$ 515,544,635</u>	<u>\$ 594,987,846</u>	<u>\$ 658,661,402</u>
Total net debt applicable to the limit as a percentage of debt limit	5.01%	5.30%	5.20%	6.13%	5.58%	11.65%	10.72%	11.44%	9.48%	8.35%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	\$ 6,959,583,050
Add back: exempt real property	<u>226,947,520</u>
Total assessed value	<u>7,186,530,570</u>
Debt limit (10% of total assessed value)	\$ 718,653,057
Net debt applicable to limit	<u>59,991,655</u>
Legal debt margin	<u>\$ 658,661,402</u>

TOWN OF VIENNA, VIRGINIA

Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	(1) Gross Revenue	(2) Direct Operating Expenses	Net Revenue Available for Debt Service	(3) Principal	(3) Interest	Total	Coverage
2024	\$ 11,771,386	\$ 8,382,403	\$ 3,388,983	\$ -	\$ -	\$ -	N/A
2023	10,796,420	7,616,986	3,179,434	-	-	-	N/A
2022	10,653,356	7,195,618	3,457,738	-	-	-	N/A
2021	10,813,046	7,526,180	3,286,866	-	-	-	N/A
2020	9,377,172	6,596,228	2,780,944	-	-	-	N/A
2019	8,153,925	6,158,987	1,994,938	-	-	-	N/A
2018	7,886,366	6,326,609	1,559,757	-	-	-	N/A
2017	7,715,746	6,353,901	1,361,845	-	-	-	N/A
2016	7,170,848	5,616,292	1,554,556	-	-	-	N/A
2015	7,276,911	5,255,495	2,021,416	-	-	-	N/A

(1) Includes interest earnings and other nonoperating income.

(2) Total expenses exclusive of depreciation and bond interest.

(3) Includes principal and interest on revenue bonds only. Does not include general obligation bond interest reported in the water and sewer fund.

N/A = Not applicable

Table 16

TOWN OF VIENNA, VIRGINIA

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemploy- ment Rate (1)
2024	17,279	\$ 1,530,383,751	\$ 88,569	41.2	2.40%
2023	17,088	1,408,871,424	82,448	41.3	2.50%
2022	16,966	1,204,561,387	70,999	41.3	2.50%
2021	16,966	1,203,941,292	70,962	41.3	2.50%
2020	16,934	1,154,509,318	68,177	41.3	2.50%
2019	16,618	902,506,962	54,309	40.7	2.40%
2018	16,689	851,945,283	54,309	40.7	2.70%
2017	16,630	903,158,670	54,309	40.7	3.20%
2016	16,650	904,244,850	54,309	40.7	3.20%
2015	16,676	905,656,884	54,309	40.7	4.00%

Source:

(1) Fairfax County

TOWN OF VIENNA, VIRGINIA

Principal Employers
Current Year and Nine Years Ago

Employer (1)	Fiscal Year 2024		Fiscal Year 2015	
	Employees	Rank	Employees	Rank
Navy Federal Credit Union	1,000+	1	2,500+	1
Fairfax County Public Schools	500 to 999	2	500 to 999	2
Giant Foods	100 to 249	3	100 to 249	4
Town of Vienna	100 to 249	4	100 to 249	6
Whole Foods Market Group	100 to 249	5	100 to 249	5
Westwood Country Club	100 to 249	6	100 to 249	7
Wheat's Lawn and Custom Land, Inc	100 to 249	7	100 to 249	8
Hope Advanced Veterinary Clinic	50 to 99	8	100 to 249	9
Chick-Fil-A Vienna on Maple	50 to 99	9	N/A	N/A
U.S. Postal Service	50 to 99	10	50 to 99	10

(1) Each employer's percentage of total employment not available.

Table 18

TOWN OF VIENNA, VIRGINIA

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

Function		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Legislative											
	Town Council	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Town Clerk	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
	Town Attorney	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
	Subtotal	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500
Administration											
	Town manager	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
	Administrative Services	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
	Public Information	1.725	2.000	2.000	2.000	2.000	2.000	2.000	3.000	3.000	3.000
	Information Technology	4.000	4.000	4.000	4.000	4.500	4.500	4.500	4.500	4.500	4.500
	Subtotal	10.725	11.000	11.000	11.000	11.500	11.500	11.500	12.500	12.500	12.500
Finance											
	Administration	3.625	3.625	3.625	4.000	4.000	4.000	4.000	4.630	4.630	4.630
	Disbursement Operations	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
	Purchasing	1.625	1.625	1.625	1.625	1.625	1.625	1.625	1.000	1.000	1.000
	Central Services	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	Revenue Operations	3.500	4.000	5.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
	Gang Task Force	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.630	0.000	0.000
	Capital / Grant Accountant	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.630	0.630
	Subtotal	12.750	13.250	14.250	13.625	13.625	13.625	13.625	13.260	13.260	13.260
Police											
	Administration	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
	Patrol	21.000	21.000	21.000	21.000	21.000	21.000	21.000	21.000	21.000	21.000
	Communications	11.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000
	Community Services	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	Traffic	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
	Personnel/Accreditation/ Animal Control	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	Investigations	9.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000
	Subtotal	52.000	51.000	51.000	51.000	51.000	51.000	51.000	51.000	51.000	51.000
Public Works											
	Administration	6.500	6.500	8.000	8.000	8.000	8.000	8.000	8.000	10.000	10.000
	Street Maintenance	12.000	12.000	12.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000
	Vehicle Maintenance	8.000	8.000	8.000	8.000	8.000	8.000	8.000	8.000	8.000	8.000
	General Maintenance	9.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000	8.000	8.000
	Sanitation	16.000	16.000	16.000	17.000	17.000	17.000	17.000	17.000	17.000	17.000
	Traffic Engineering	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	3.000	3.000
	Subtotal	53.500	53.500	55.000	57.000	57.000	57.000	57.000	57.000	59.000	59.000
Parks and Recreation											
	Administration	4.500	4.500	5.000	6.000	6.000	6.000	6.000	7.000	7.000	7.000
	Parks Maintenance	10.000	10.000	10.000	10.000	10.000	10.000	10.000	12.000	12.000	12.000
	Community Center Operations	4.000	4.000	4.000	4.000	5.000	5.000	5.000	5.000	5.000	5.000
	Teen Center	1.800	1.800	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
	Subtotal	20.300	20.300	21.000	22.000	23.000	23.000	23.000	26.000	26.000	26.000
Planning and Zoning											
	Planning and Zoning	7.000	7.000	7.000	8.000	8.000	8.000	8.000	8.000	9.000	9.000
	Subtotal	7.000	7.000	7.000	8.000	8.000	8.000	8.000	8.000	9.000	9.000
Economic Development											
	Economic Development Manager	0.000	0.000	0.000	0.000	1.000	1.000	1.000	2.000	2.000	2.000
	Subtotal	0.000	0.000	0.000	0.000	1.000	1.000	1.000	2.000	2.000	2.000
GENERAL FUND TOTAL		158.775	158.550	161.750	165.125	167.625	167.625	167.625	172.260	175.260	175.260
Water and Sewer											
	(1) Water Operations	8.000	7.000	7.000	7.500	7.500	7.500	8.500	8.500	8.500	8.500
	(1) Sewer Operations	6.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
	(1) Operations and Maintenance										
	Meter Maintenance and Reading	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
	Billing/Customer Service	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
TOTAL WATER & SEWER FUND		20.000	20.000	20.000	20.500	20.500	20.500	21.500	21.500	21.500	21.500
Storm Water Fund		1.000	1.000	1.000	2.000	2.500	2.500	2.500	2.500	2.500	2.500
GRAND TOTAL		179.775	179.550	182.750	187.625	190.625	190.625	191.625	196.260	199.260	199.260

Source: Town of Vienna Budget

Table 19

TOWN OF VIENNA, VIRGINIA

Operating Indicators by Function
Last Ten Fiscal Years

Function	(1)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government Administration											
Administrative Service											
Job applications processed		2,674	2,385	2,671	2,094	1,168	900	1,063	1,195	1,240	1,356
Public Information											
Press releases per year		600	994	265	240	251	209	225	203	199	235
(a) Web Site Visits		303,829	351,723	352,789	378,526	275,988	329,444	350,000	332,135	349,232	365,118
(b) Twitter and Facebook followers		4,099	8,736	8,907	11,433	13,084	16,285	18,200	19,234	21,846	23,044
Finance											
Real Estate bills processed		11,244	11,122	11,336	11,654	11,361	11,361	11,870	11,417	11,643	12,207
Water and Sewer bills processed		38,285	38,042	38,087	37,798	38,302	38,056	39,777	38,141	38,108	38,022
(c) Payroll checks/Direct Deposits		6,946	7,405	7,405	6,919	7,452	7,187	7,268	7,430	7,945	7,393
(d) Vendor check issued		4,449	3,792	3,792	4,026	4,049	4,031	3,519	4,301	3,895	3,962
(e) Competitive bids completed		9	14	20	17	15	15	8	10	22	16
Public Safety											
Number of Calls for Service received		41,000	45,564	46,000	19,039	13,848	11,219	7,693	11,314	13,160	12,773
Number of Citations issued		8,600	8,058	8,500	6,615	7,392	6,589	2,790	5,305	2,948	3,972
Number of Animal complaints		390	439	400	350	341	311	330	301	372	329
Public Works											
Tons of asphalt installed		3,000	1,900	2,300	2,000	6,500	4,272	11,998	12,546	16,136	20,890
Linear feet of sidewalk replaced / installed		2,662	4,070	3,800	6,200	3,500	2,318	2,498	3,154	8,775	16,240
(f) Vehicles Maintained		144	143	144	144	143	145	144	148	150	126
Tons of Waste collected		4,250	4,242	5,550	5,550	4,675	4,592	4,920	5,469	4,728	4,729
Tons of Recycled materials collected		1,850	1,776	1,810	1,800	3,173	3,017	1,649	1,468	1,750	1,319
Cubic Yards/Tons of leaves collected		11,500	9,590	8,500	8,500	9,156	8,925	7,385	6,916	10,412	9,604
Water and Sewer Operations											
Repair Water Main breaks		75	73	60	60	45	28	55	53	46	36
Repair defective sewer lines		-	-	-	4,050	3,500	758	1,348	67	4,464	2,914
Footage of Sewer Mains cleaned		350,000	120,000	60,498	240,895	180,000	193,000	149,136	153,672	158,983	202,777
Completed work orders		3,100	4,017	4,000	4,000	3,895	4,403	4,021	3,584	3,046	3,054
Parks and Recreation											
Number of programs held		650	501	462	487	715	649	173	526	818	771
Daily average number of teens using Teen Center		30	30	25	38	39	41	2	5	15	11
Planning and Zoning											
Permit applications		835	873	900	850	754	733	647	677	610	648
New single-family dwellings		89	92	91	100	93	96	117	106	77	76
New zoning violation cases opened		400	400	-	-	330	207	128	149	118	170

Sources: Town Budget unless noted

(a) New measuring system in 2013

(b) Instagram added in 2016

(c) Decal logs; decal program ended in FY 2007

Fee instituted in 2011; number of bills sent

(d) Check logs

(e) Over \$10k through 2016; over \$20k thereafter

(f) Fixed Asset Records

(1) Data not available indicated by dash (-)

TOWN OF VIENNA, VIRGINIA

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government administration										
Administration buildings	5	5	5	5	5	5	5	5	5	5
Vehicles	4	6	5	4	4	4	4	5	6	3
Public safety										
Patrol units	20	18	19	22	19	19	19	23	23	23
Motorcycles	4	5	4	4	4	4	4	4	4	4
Other vehicles	4	3	5	4	3	3	3	3	3	4
Public works										
Trucks/vehicles	86	85	84	80	78	66	68	76	76	76
Parks and recreation										
Community center	1	1	1	1	1	1	1	1	1	1
Vehicles	23	23	24	22	14	14	14	20	20	14
Number of parks	10	10	10	10	10	10	10	12	12	12
Park acres	93.47	93.47	93.47	93.47	93.47	93.47	93.47	156.62	156.62	156.62
Community development										
Planning vehicles	3	3	3	3	2	2	2	2	2	2

Source: Individual Town Departments

- Compliance Section -



**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Vienna, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Town of Vienna, Virginia's basic financial statements, and have issued our report thereon dated November 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Vienna, 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 Vienna, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Vienna, 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 Vienna, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia

November 20, 2024



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**Independent Auditors' Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Town of Vienna, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Town of Vienna, Virginia's major federal programs for the year ended June 30, 2024. Town of Vienna, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Town of Vienna, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Town of Vienna, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Town of Vienna, Virginia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Town of Vienna, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Town of Vienna, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Town of Vienna, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (continued)

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

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

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

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia

November 20, 2024

TOWN OF VIENNA, VIRGINIA

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024**

Federal Grantor/State Pass - Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>DEPARTMENT OF JUSTICE:</u>			
<u>Pass through payments:</u>			
Virginia Department of Criminal Justice Services:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	124569/122611	\$ 1,060
Total Department of Justice			\$ 1,060
<u>DEPARTMENT OF THE TREASURY:</u>			
<u>Pass through payments:</u>			
Virginia Department of Accounts:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	12110	\$ 4,919,897
Virginia Department of Criminal Justice Services:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	122373	66,000
Total Department of the Treasury			\$ 4,985,897
<u>DEPARTMENT OF TRANSPORTATION:</u>			
<u>Pass through payments:</u>			
Virginia Department of Transportation:			
Highway Planning and Construction	20.205	106963/109297/110404/111471/111403 118555	\$ 352,785
Virginia Department of Motor Vehicles:			
Alcohol Open Container Requirements	20.607	ENFAL-2024-54020/ENFAL-23-53020	21,126
Highway Safety Cluster:			
State and Community Highway Safety	20.600	BSC-2024-54021/BSC-23-53022	13,661
Total Highway Safety Cluster			\$ 13,661
Total Department of Transportation			\$ 387,572
Total Expenditures of Federal Awards			\$ 5,374,529

See accompanying notes to schedule of expenditures of federal awards.

TOWN OF VIENNA, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Vienna, Virginia under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Vienna, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Vienna, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

(3) The Town did not elect to use the 10% de minimis indirect cost rate.

(3) The Town did not pass any federal awards through to subrecipients during the year ended June 30, 2024.

Note 3 - Loan Balances

The Town has no loans or loan guarantees which are subject to reporting requirements for the current year.

Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 40,763
Capital Projects Fund	418,785
Debt Service Fund	12,379
American Rescue Plan Fund	<u>4,919,897</u>

Total federal expenditures per basic financial statements	\$ <u>5,391,824</u>
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Less: Federal funds which are not subject to single audit (MOU and interest subsidy).	\$ <u>(17,295)</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>5,374,529</u></u>
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TOWN OF VIENNA, VIRGINIA

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
Identification of major programs:	

<u>ALN</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Section IV - Prior Audit Findings

There were no prior year audit findings.