TOWN COUNCIL
REGULAR MEETING AGENDA

Herndon Police Department — Community Room
397 Herndon Parkway, Herndon, VA 20170

Tuesday, November 17, 2026 | 7:00 PM

1. **Call to Order**

2. **Pledge of Allegiance to the Flag of the United States of America**

3. **Presentations/Reports/Comments**

   a. Town Manager Report

   b. Councilmember Comments

   c. Presentation of the Town's Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2026 by Brown Edwards and Company, LLP Certified Public Accountants

4. **Comments from the Audience**
   Members of the public may, for one 3-minute period, provide public comments, requests, consent or general item comments, and comments on matters not included on the agenda.

5. **Public Hearings**

   a. Resolution 26-G-60 to consider a Special Exception, SE #26-05, 757 Elden Street, to approve an indoor entertainment use within the CC, Central Commercial zoning district

   b. Ordinance 26-O-24 to approve a Zoning Ordinance Text Amendment - ZOTA #26-08, to amend Chapter 78 (ZONING), Article X (Parking, Loading and Circulation), as deemed necessary and appropriate to update conformance with the Code of Virginia to cap minimum off-street parking requirements for residential, multifamily, and mixed-use development within a designated area, defined as any parcel located within one-half mile of the entrance to a mass transit or public transportation station or facility

   c. Ordinance 26-O-25 to adopt ZONING ORDINANCE TEXT AMENDMENT – ZOTA #26-07 to amend Chapter 78 (ZONING), Article VII (Use Regulations),

Section 78-71.1 (Residential Use Category) and Section 78-71.4 (Institutional and Community Service Use Category), and other sections as deemed necessary and appropriate to update conformance with the Code of Virginia to permit mixed-use or residential projects by-right on land owned by a property tax-exempt religious organization or a 501 (c)(3) property tax-exempt nonprofit organization

6. General

a. Ordinance 26-O-26 to amend the Fiscal Year (FY) 2027 Adopted Budget for the General Fund and Capital Projects Fund

b. Resolution 26-G-61 to award contract IFB #27-01, Snow Removal and Ice Control Services

7. Consent

a. Resolution 26-G-62 to accept a donation from Herndon Community Television (HCTV)

b. Resolution 26-G-63 to initiate consideration of a Zoning Ordinance Text Amendment ZOTA #26-09 to amend Chapter 78 (ZONING), Article IV (Business Districts), Article VII (Use Regulations), Section 78-70.2 (Table of Permitted and Allowed Uses), Section 78-71.10 (Personal Services and Retail Sales Use Category), Section 78-71.15 (Light Manufacturing Use Category), and other sections as deemed necessary and appropriate to update sections for conformance with the Code of Virginia and regulations promulgated by the Virginia Cannabis Control Authority regarding the establishment of a cannabis retail market

c. Resolution 26-G-64 to approve the town's participation in the proposed settlement of opioid-related claims against Albertsons, and to direct the Town Manager and/or Town Attorney to execute the documents necessary to effectuate participation in the settlement

d. Resolution 26-G-65 to award contract RFP #27-01 Residential and Business Survey

e. Resolution 26-G-66 to amend Town of Herndon Community Donation Program Policy Statement

f. Resolution 26-G-67 to adopt the Town of Herndon's 2027 Legislative Program

g. Resolution 26-G-68 to approve a confidential settlement agreement

h. Approval of the October 6, 2026, Town Council Work Session Minutes

i. Approval of the October 27, 2026, Town Council Regular Meeting Minutes

8. Adjournment

Interpretación en Español está disponible en esta sesión.

TOWN OF Herndon VIRGINIA

MEMORANDUM

To: The Honorable Mayor and Town Council

From: Kirstyn Jovanovich, ICMA-CM, Interim Town Manager

Date: November 17, 2026

Subject: Administrative Report, November 2026

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1. Manager's Message

This report is intended to give Council and the community a consistent, accessible summary of Town activity, including follow-up on items raised at public meetings and progress on the 2024–2029 Strategic Plan.

November reflects steady progress on several fronts. The Town's Annual Comprehensive Financial Report and audit are complete and will be presented on November 17. Herndon was also accepted into the Virginia Main Street program, and Parks and Recreation earned statewide recognition for the "Elden the Bear" campaign, which returns this holiday season to encourage residents to shop local.

As a reminder, the Herndon Municipal Center remains closed through January 4, 2027; staff are available at 397 Herndon Parkway, Suite 100. Feedback on this new report format is welcome.

2. Follow-Up from Previous Meetings

Item	Raised at	Status	Response / Next step
Lighting at Trailside Skate Park request	09/22/2026 Town Council regular meeting; Comments from the audience	Closed	Responded to resident by email. Skatepark replacement in CIP schedule for future year; will review lighting request with that project.

Item	Raised at	Status	Response / Next step
Herndon Park Station neighborhood refuse collection process	09/22/2026 and 10/27/2026 Town Council regular meetings; Comments from the audience; and emails. 10/06/2026 and 11/04/2026 work session agendas.	In progress	Provided information on special collection accommodations. Council directed further review of collection options for private pipestem driveways; to be scheduled for future work session.
Herndon Youth Soccer (HYS)	10/27/2026 Town Council regular meeting, comments from the audience. 11/04/2026 work session agenda.	Closed	Provided information on HYS town field use and agreements. No further action by Town Council.
FLOCK program	10/27/2026 Town Council meetings, comments from the audience.	In progress	Residents requested a review of the Town's FLOCK contract. Staff is reviewing the request.
Criterium Bike Event	11/04/2026 work session; Councilmember del Aguila roundtable	In progress	Application submitted and in review, per the Town's established Special Event Application Process. No further direction from Council required at this time.

3. Community Updates

- Loudoun County is seeking public feedback on proposed improvements to Old Ox Road (Route 606) between Route 28 and Rock Hill Road. Residents are encouraged to review the project details and submit comments through the online survey **by November 30, 2026.**

- The NOVA Parks Board is considering adopting regulations pertaining to hours of operation, assembly of more than 25 people, pets, obeying posted signs, reckless behavior, and prohibition of certain devices on the W&OD Trail. Per the request from NOVA

Parks, a copy of the proposal is being kept in the Town Clerk's office and is posted on the website. The Board is planning to consider this item on **November 19, 2026.**

- The Herndon Municipal Center remains closed through **January 4, 2027**, due to energy efficient equipment upgrades and replacement of the entrances. Town staff is temporarily located at 397 Herndon Parkway, Suite 100 and open to the public from 8 am – 5 pm, M-F at this location.

- On **November 28**, the Town kicks off its "Where's Elden?" holiday campaign as part of Small Business Saturday to encourage residents and visitors to explore and support local businesses. The campaign runs through December 24, under the theme "Shop Differently. Shop Local."

4. Organizational Highlights

- The Annual Comprehensive Financial Report and annual audit have been completed; Brown Edwards, CPA will present at the November 17 Council meeting. (Finance) [SFS]

- The Town's application to participate in the Virginia Main Street Program has been approved. The Town of Herndon is an Exploring Main Street community within the program. (Communications & Economic Engagement) [EES]

- Staff coordinated responses to resident concerns regarding sidewalk and grass maintenance along Herndon Parkway, maintenance of a retention pond near the Royal Elms neighborhood, refuse collection services, and bulky item pickup procedures. Staff provided information on Town services and referred reported concerns to the appropriate departments for review and follow-up. (Town Clerk, Town Manager, Public Works) [GG]

- Staff has identified a vendor to administer the community and business surveys. A resolution authorizing the contract award is included on the consent agenda for the November 17 Town Council meeting. (Communications & Economic Engagement) [TC]

- The Town's Parks and Recreation Department was recognized for its "Elden the Bear" campaign, receiving the "Most Creative Marketing Strategy" award at the annual Virginia Recreation and Park Society Conference. Created in-house with a budget of just $1,200 for production of signage and collateral, the campaign showcases how resourcefulness and creativity can make a meaningful impact in our community. (Parks & Recreation, Communications) [TC]

- Staff recently briefed Council on next steps regarding Cannabis Retail Market, including zoning requirements, sales tax direction (3.5%), and public use regulations. The zoning regulations are projected to be before Council for adoption in early 2027, the sales tax rate will be considered as part of the FY 2028 budget process, and proposed regulations regarding public consumption will be brought to Council during the first half of CY2027.

5. Looking Ahead (Next 30-60 days)

- November 21: Turkey Trot 5K, Race begins at 4 pm at Herndon Community Center, pre-register by noon on 11/20; Friday (11/20) night packet pickup at Aslin Beer Co from 5-7 pm; bring a canned food donation to benefit LINK.

- December 5: Holiday Tree Lighting & Sing Along, Town Hall Square from 5:30 - 6:30 pm; free admission.
- December 6: Holiday Arts and Crafts Show, 10 am - 4 pm at the Herndon Community Center, featuring more than 70 arts and crafts vendors; free admission.
- December 12: Herndon WinterMarkt, hosted by the Dulles Regional Chamber of Commerce, Lynn Street, 12 pm – 6 pm; free admission.
- December 15: Regular Town Council Meeting and outgoing Councilmember recognition

2024-2029 Strategic Plan Focus Areas

Strong Fiscal Stewardship [SFS]	Secure and Interconnected Community [SIC]	Environmental and Economic Sustainability [EES]	Good Governance [GG]	Thriving Community [TC]
				

Town Council Regular Meeting
Agenda Item 3.c.

Agenda Item: **Presentation of the Town's Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2026 by Brown Edwards and Company, LLP Certified Public Accountants**

Meeting Date: November 17, 2026

Category: Presentations/Reports/Comments

Prepared by: Marjorie Sloan, Finance Director

Description:
This is a presentation of the Town's Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2026 by Brown Edwards and Company, LLP, Certified Public Accountants.

Background/Timing Impact:
Brown Edwards and Company, LLP is the Certified Public Accountant (CPA) firm for the town. An audit for the fiscal year ended June 30, 2026 was completed on October 30, 2026. The scope of the audit included the town's financial statements for the fiscal year, as well as The Single Audit which covers spending of federal funds. The ACFR, which includes the audit opinions from Brown Edwards, will be submitted to the State Auditor of Public Accounts in December along with any required federal and other state filings, and published on the town's website.

Timing Impact:
The Code of Virginia requires that communities have their accounts and records audited annually as of June 30 by an independent CPA. The audit for year-end June 30, 2026 was completed on October 30, 2026.

Strategic Focus Area:
Strong Fiscal Stewardship

Fiscal Impact:
N/A

Legal Impact:
The Herndon Town Charter. Section 4.2 (f) requires that the Town Manager arrange for an annual audit by a certified public accountant. In addition, Section 15.2-2511 of the Code of Virginia requires that all counties, cities, and towns with populations greater than 3,500 have their accounts and records audited annually as of June 30 by an

independent certified public accountant in accordance with the specifications furnished by the Auditor of Public Accounts of the Commonwealth of Virginia. This report fulfills these requirements.

Staff Recommendation/Next Steps:
This is the annual presentation of the town's ACFR; no action is required by the Town Council.

Attachments:
1. 6-26 ACL - Town of Herndon - Final
2. 6-26 RPT - Town of Herndon - Final
3. APA Letter Attachment (Draft)
4. ACFR Presentation

BROWNEDWARDS
certified public accountants

Required Communication with Those Charged with Governance

Honorable Members of Town Council
Town of Herndon, Virginia

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Herndon collectively hereafter referred to as the "Town" for the year ended June 30, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 20, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Town adopted a new accounting standard for 2026: GASB Statement No. 103, *Financial Reporting Model Improvements;* the cumulative effect of the accounting change as of the beginning of the year. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- The useful lives of capital assets are based on management's knowledge and judgment, which is based on history.
- The allowance for doubtful accounts is based on historical records and an analysis of the collectability of accounts.
- The net pension liability and the net OPEB liability for state administered plans are based on actuarial studies provided by actuaries engaged by the Virginia Retirement System.
- The local other post-employment benefits liability is based on an actuarial study provided by the Town's external actuarial firm.
- The discount rates used to determine lease and subscription liabilities, and related assets are based on management's consideration of financing a comparable asset over a similar term.
- Compensated absences are based on management's knowledge and judgment.

We evaluated the methods, assumptions, and data used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements include those related to:

- Capital assets, long-term debt, commitments and contingencies, pension, and other post-employment liabilities.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Corrected Misstatements

See the attached listing for the misstatements detected as a result of audit procedures that were corrected by management.

There were no uncorrected misstatements.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October XX, 2026, a copy of which is attached.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to management's discussion and analysis and budget to actual schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

We were not engaged to report on introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

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

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
October 30, 2026

Client: ***0614372.000 - Town of Herndon, Virginia***
Engagement: ***AUD 26 - Town of Herndon, Virginia***
Period Ending: ***6/30/2026***
Trial Balance: ***Government Fund Trial Balance***
Workpaper: ***3705 - Adjusting Journal Entries Report***
Fund Level: ***All***
Index: ***All***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 4		**5952**		
To adjust the extension for lease				
002-0000-115500	Miscellaneous Receivables		883.00	
002-0000-119100	Lease Receivable		9,926.00	
002-0000-241100	Deferred Inflows Leases		245,269.00	
002-0000-128600	Lease Receivable-noncurrent			245,269.00
002-0000-128600	Lease Receivable-noncurrent			9,926.00
002-0000-128600	Lease Receivable-noncurrent			883.00
Total			**256,078.00**	**256,078.00**
	Total Adjusting Journal Entries		**256,078.00**	**256,078.00**

TOWN OF Herndon VIRGINIA

Office of the Town Manager
T (703) 435-6800
town.manager@herndon-va.gov

October 30, 2026

Brown Edwards & Company, L.L.P.
Certified Public Accountants
1909 Financial Drive
Harrisonburg, Virginia 22801

This representation letter is provided in connection with your audit of the financial statements of the Town of Herndon, Virginia, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2026, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, "the financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of October 30, 2026, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 20, 2026, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3) We acknowledge our responsibility 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.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with GAAP.

6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.

8) We are in agreement with the accounting for the Fairfax Water capacity agreements, which are related to previous fiscal years. We also believe it is appropriate to include both principal and interest in the long term obligation.

9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10) Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed.

11) We have provided the planning communication letter to all members of those charged with governance as requested.

Information Provided

12) We have provided you with:

- Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters [and all audit or relevant monitoring reports, if any, received from funding sources].
- Additional information that you have requested from us for the purpose of the audit.
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- Minutes of the meetings or summaries of actions of recent meetings for which minutes have not yet been prepared.

13) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

15) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

- Management,
- Employees who have significant roles in internal control,
- Service organizations used by the entity, or
- Others where the fraud could have a material effect on the financial statements.

16) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.

17) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

18) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

19) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions including any side agreements.

Government—specific

20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

22) The entity has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.

24) We have appropriately identified, recorded, and disclosed all leases in accordance with GASBS No. 87.

25) We have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with GASBS No. 96.

26) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

27) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provision of laws, regulations, contracts and grant agreements that we believe have a material effect on financial statements.

28) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

29) We have appropriately measured, recorded, and disclosed compensated absences and other salary-related payments in accordance with GASB No. 101.

30) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

31) As part of your audit, you assisted with preparation of the financial statements and related notes, as well as the comparative report transmittal form. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services; and ensure that the entity's data and records are complete and received sufficient information to oversee the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

32) The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

33) The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

34) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

35) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34, as amended, and GASB Statement No. 84, as amended.

36) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

37) Components of net position (net investment in capital assets; restricted; and unrestricted), and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

38) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

39) Provisions for uncollectible receivables have been properly identified and recorded.

40) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

41) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

42) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

43) Special and extraordinary items are appropriately classified and reported, if applicable.

44) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

45) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

46) Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility.

47) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.

48) We have not completed the process of evaluating the impact that will result from adopting new Governmental Accounting Standards Board (GASBS) Statements that are not yet effective, as discussed in the notes to financial statements. The entity is therefore unable to disclose the impact that adopting these Statements will have on its financial position and the results of its operations when the Statements are adopted.

49) We agree with the findings of specialists in evaluating the pension and OPEB liabilities and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

50) We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

51) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

52) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

53) With respect to the supplementary information on which an in-relation-to opinion is issued.

    a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

    b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

54) With respect to the other information:

    a) We acknowledge that we have informed you of all documents that may comprise other information we expect to issue. The financial statements and other information you obtained prior to the auditor's report date are consistent with one another, and the other information does not contain any material misstatements.

    b) With regard to the other information that will be included in the annual report that has not been

obtained by you prior to the auditor's report date, we intend to prepare and issue the other information, as well as communicate the expected timing of issuance, and provide you with the final version of the document(s) when available and prior to the issuance of the annual report.

55) With respect to federal award programs:

a) We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.

b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

h) We have received no requests from a federal agency to audit one or more specific programs as a major program.

i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirement of federal awards.

j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).

m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.

r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

t) We have charged costs to federal awards in accordance with applicable cost principles.

u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

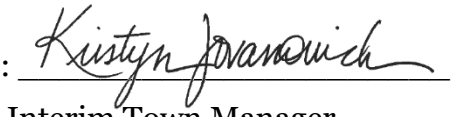
x) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

y) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations, if applicable.

z) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report theron.

56) We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

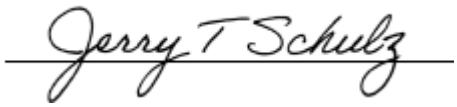
57) We reaffirm the representations made to you in our letter dated October 29, 2025 regarding your audit for the fiscal year ended June 30, 2025.

Signature: 

Title: Interim Town Manager

Signature 

Title: Director of Finance

Signature: 

Title: Deputy Director of Finance

TOWN OF Herndon



Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2026

The ACFR is online at www.Herndon-va.gov/ACFR

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TOWN OF HERNDON, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2026

Prepared by the
Department of Finance

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TOWN OF HERNDON, VIRGINIA
FINANCIAL REPORT

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TOWN OF Herndon VIRGINIA

www.herndon-va.gov

INTRODUCTORY SECTION

TOWN OF Herndon VIRGINIA

Office of the Town Manager
T (703) 787-7368
town.manager@herndon-va.gov

October 30, 2026

Dear Mayor LeBlanc, Members of the Town Council and Residents of the Town of Herndon, Virginia:

We are pleased to present to you the Annual Comprehensive Financial Report of the Town of Herndon, Virginia (town), for the fiscal year ended June 30, 2026. The Herndon Town Charter, Section 4.2 (f), requires that the Town Manager arrange for an annual audit by a certified public accountant. In addition, Section 15.2-2511 of the Code of Virginia requires that all counties, cities and towns with populations greater than 3,500 have their accounts and records audited annually as of June 30 by an independent certified public accountant in accordance with the specifications furnished by the Auditor of Public Accounts of the Commonwealth of Virginia. This report is formally submitted to you in fulfillment of those requirements.

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

Town management is responsible for the accuracy, fairness, and completeness of the information, including all disclosures that are presented in this report. To the best of our knowledge, the enclosed data is believed to be accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the Town. All necessary disclosures have been included to enable the reader to gain a thorough understanding of the Town's financial affairs. For additional information regarding the basic financial statements and the Town's financial position, please refer to Management's Discussion and Analysis (MD&A) which appears in the financial section of the report.

Town management is also responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

The town's financial statements have been audited by Brown Edwards & Company, LLP, a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2026, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by town management; and evaluating the overall financial statement presentation.

The independent auditors' report is presented as the first component of the report's financial section.

Profile of the Town

The Town of Herndon, Virginia, incorporated in 1879, is 4.25 square miles in the northwest quadrant of Fairfax County. Part of the Washington DC Metropolitan Area, Herndon is approximately 23 miles west of the city, accessible via Metrorail's Silver Line, and two miles east of Washington Dulles International Airport. A rural dairy outpost at its founding, Herndon is now home to an estimated 25,506 residents. Continued population growth is anticipated through higher-density, transit-oriented residential development near the Herndon Metro station and the conversion of obsolete office buildings to residential uses. While the timing of redevelopment remains uncertain, based on the pipeline of upcoming projects, planned future land uses, and small area plans, the Town's population is expected to increase to approximately 32,700 by 2030.

The Town of Herndon is the third largest town in the Commonwealth of Virginia. Amidst a 21st-century Northern Virginia landscape of high-rise buildings, industrial complexes and transportation hubs, Herndon maintains a small-town charm that is evident in its downtown, its neighborhoods and its commercial areas. The town boasts a unique synergy between its powerful sense of community and its stature as a 21st-century business center at the hub of the region's high-tech corridor, resulting in a blending of the old and the new into a foundation that provides solid support for small, medium, and large businesses.

The town is organized under the council-manager form of government, combining the strong political leadership of elected officials with the strong professional experience of an appointed local government manager. Herndon residents elect the mayor and six members of the Town Council at large for two-year terms. Town Council, as the governing body, adopt legislation and set policy. The Town Council then hires a Town Manager with broad executive authority to carry out those policies and oversee the local government's day-to-day operations.

The town provides general governmental services for its residents that are typical of towns in Virginia. These include public works and utilities, parks and recreation, police, community development, and other administrative services. In Virginia, incorporated towns are an integral part of the counties in which they are located. The residents of Herndon pay Fairfax County property taxes (real estate and personal property), in addition to town taxes. In exchange, Fairfax County provides public education, certain technical and special education, libraries, health and human services, mental health assistance, fire and ambulance services, judicial services, correctional facilities and additional recreation activities and facilities, and public safety support.

The town's annual budget serves as the foundation for the Town's financial planning and control. The Town Manager is required by the Code of Virginia to prepare and present to the Town Council a proposed budget no later than April 1 of each year; the Town Council is then required to adopt a budget, to include tax rates, prior to July 1. Activities of the General Fund, Capital Projects Fund, Stormwater Management Fund, and Enterprise Funds (Water and Sewer, Cemetery and Golf Course) are included in the annual appropriations resolution and adopted budget. Town residents and business owners are provided with proposed budget information and summaries on the Town's website, and public hearings are held to seek public input prior to Town Council adoption of the budget.

The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by individual fund. Management control is maintained at the department level, with all departments having online access to expenditure account information. The town also maintains an encumbrance accounting system; encumbered amounts lapse at year end, except for capital projects, grants, and certain restricted funds. If requested by the Town Manager and approved by the Town Council, encumbered amounts may be re-appropriated as part of the following year's budget.

Local Economic Conditions, Outlook and Environment

Located in Fairfax County, the center of the Dulles Technology Corridor, Herndon enjoys a significant corporate presence that includes Amazon Web Services, Boeing, Karsun Solutions, Northwest Federal Credit Union, Peraton, Serco, and a significant federal presence. Per the U.S. Census Bureau, American Community Survey (ACS) 5-Year Estimates, the Town's median household income is $148,000. As of August 2026, current unemployment rates are 4.1 percent nationally, 3.6 percent for the Commonwealth of Virginia and 3.3 percent for Fairfax County.

The Herndon business community encompasses a diverse range of industries and business types, from small, locally owned establishments and home-based businesses to corporate headquarters and firms specializing in technology, professional services, financial services, and government contracting. This diversity contributes to the Town's economic stability, although broader regional trends, including changes in federal spending, workforce patterns, and demand for commercial office space, continue to influence local economic conditions. The town's proximity to major employment centers, regional transportation networks, and Washington Dulles International Airport remains an important competitive advantage.

The overall economic forecast continues to assume modest growth in residential property values, though appreciation is likely to slow as interest rates, rising inventory, and affordability constraints influence buyer demand. Meanwhile, select commercial property sectors continue to face near-term softness. Interest in infill residential development and the redevelopment of older commercial properties remains high, particularly in areas adjacent to the Herndon Metrorail Station.

During FY2026, the Town advanced its Market Study and Economic Development Strategy as part of the Herndon 2050 Comprehensive Plan process. This effort provides a comprehensive assessment of the Town's commercial real estate market, business environment, and long-term economic opportunities and challenges. The resulting strategies are intended to guide future economic development efforts, support commercial reinvestment, strengthen existing business districts, and identify opportunities for business expansion and economic diversification. Also, the Town continues to emphasize business retention and expansion, entrepreneurship, and regional partnerships that connect local businesses with technical assistance, workforce resources, and opportunities for growth. Complementing these efforts, the Town continues to support entrepreneurship and small business development through its longstanding partnership with George Mason University and the Mason Enterprise Center–Herndon, which provides business counseling, technical assistance, and educational resources to local entrepreneurs and small businesses. Together with ongoing business retention and expansion efforts and broader regional partnerships, these initiatives support a resilient and competitive local business environment.

Looking ahead, Herndon's economic outlook remains cautiously positive. Although uncertainty surrounding federal expenditures, commercial office demand, interest rates, and broader economic conditions may affect the pace of future growth, the Town benefits from an established and diverse business community, strong regional connectivity, and opportunities for continued private investment. Ongoing efforts to encourage commercial reinvestment, support existing businesses, and adapt to changing market conditions are expected to help sustain the Town's economic competitiveness and long-term fiscal stability.

Additional information on the Town's activities may be found in the annual report online at www.herndon-va.gov/annualreport .

Long-term Strategic Planning

Herndon's Comprehensive Plan is a long-range planning document that establishes the direction and framework of the Town's future public and private development and investment. The vision

and policies of the Comprehensive Plan guide the decisions of the Town Council and its advisory body, the Town's Planning Commission. The Comprehensive Plan establishes policies regarding the natural and built environment and is the basis for the activities, policies, initiatives, and decisions of the Town, including its six-year Capital Improvement Program.

In fiscal year 2023, the Town received a Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant from the U.S. Department of Transportation for $720,000 to fund a new town-wide comprehensive plan, *Herndon 2050*. The project represents a multi-year planning effort that will engage the community, technical specialists, and economic and market experts. The plan will serve as a long-term policy guide for land use, housing, transportation, environmental stewardship, economic development, and municipal services. Key components of the planning effort include the Downtown Small Area Plan, which seeks to strengthen and enhance a walkable, pedestrian-oriented commercial core, and an updated Metro Area Plan designed to maximize the economic and community benefits associated with the Herndon Metrorail Station.

In addition to *Herndon 2050*, the Town recently completed the Town's first Roadway Safety Action Plan. The plan, supported by a federal grant, addresses transportation safety and accessibility for all users, including pedestrians, bicyclists, drivers and transit riders. The town's six-year Capital Improvement Program includes several major infrastructure projects, ranging from water and sewer system investments that support future development to significant transportation improvements.

The Town Council adopted the 2024-2029 Strategic Plan in early 2024, adopting a Vision that: *Herndon is an integrated, sustainable, safe and equitable town built on accessible development and an engaged community*

The Town of Herndon utilizes the strategic planning process to study and endorse broad issues of organizational direction and propose direct tasks that will be implemented in the Town's pursuance of the strategic plan's goals. Through these ongoing strategic planning efforts, the Town of Herndon continually renews its vision and reformulates strategies for realizing the Town's vision on a periodic basis. Specifically, the Plan provides guidance for budget decisions and a framework for action by elected officials, government administration, and our community partners.

Additional information on the Town's strategic plan may be found online at www.herndon-va.gov/strategicplan.

Financial Policies

The Mayor and Town Council adopted the Updated Financial & Internal Administrative Policies resolution in May 2018, which provides accounting, budgeting and financial management directives. These financial policies were updated based on advice from the Town's financial advisors. Financial policies are a key component of the Town's annual budgetary planning process, which highlights the organization's commitment to fiscal integrity and sound financial management.

To maintain sound financial management, the policy states the General Fund unassigned fund balance should be maintained at a minimum of 20 percent of total General Fund operating expenditures. Further, the policy establishes guidelines for the revenue stabilization fund, contingency fund, and capital reserve fund. The policies also place limits on how much long-term debt the Town can incur so that the total of combined outstanding and proposed debt is no greater than the Town's maximum debt capacities.

Major Initiatives

There are several significant projects in various stages of review or construction within the Town. Within the metro transit-development area, the 555 Herndon Parkway project is under

construction and includes 399 residential apartments complemented by public and private open spaces, ground-level retail and restaurant space, and supported by structured parking.

Also under construction is the redevelopment project at 13100 and 13150 Worldgate Drive. This project requires demolition of an existing office building and will provide a mix of apartments, condominiums, and townhomes in a highly accessible location near existing retail and commercial services.

The town expects to continue receiving applications for development throughout town. The site at 575 Herndon Parkway received zoning approval for a mixed-use development and significant public improvements, including enhancements to the Metro Gateway Promenade.

In addition, the Town approved Phase 1 of a comprehensive Energy Conservation Project that includes replacement of major facilities systems in several town buildings. The town also continues to complete technology upgrades to ensure the efficiency and security of town operations. In addition to water, sewer and transportation infrastructure projects, the Capital Improvement Plan includes park refurbishments and the. Sugarland North Stream Restoration project, which focuses on enhancing water quality.

Awards and Acknowledgements

Golf Course – By continuing its tradition of providing high quality playing conditions, value and service, Herndon Centennial remains one of the premier public golf courses in the Northern Virginia metropolitan area. The course was recently named “Best Municipal Golf Course in Virginia” by mygolfspy.com. During the fiscal year, the course maintained its designation as a “Certified Audubon Cooperative Sanctuary”, with a focus on increasing wildlife habitat areas and reduced water and chemical usage. The golf course held this designation since 2009.

Tree City USA – The Community Forestry Division of the Department of Community Development received a Tree City USA award from the National Arbor Day Foundation. This is the 37th consecutive year that the Town has achieved this award, confirming the Town’s commitment to its tree canopy and environmental stewardship.

AAA Credit Rating – The town maintained its “triple, triple” credit rating, the highest credit rating possible for a local government, from all three credit agencies: Moody’s Investors Service, Inc. (Aaa), Standard and Poor’s Corporation (AAA), and Fitch Investor Service (AAA).

Distinguished Budget Presentation Award – The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Town with the prestigious Distinguished Budget Presentation Award for the fiscal year beginning July 1, 2025. This is the 35th consecutive year that the Town has achieved this honor. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device. The town's budget documents for the fiscal year beginning July 1, 2026, were submitted to GFOA for consideration for another Distinguished Budget Presentation Award.

Certificate of Achievement for Excellence in Financial Reporting – The GFOA has also awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Herndon, Virginia, for its annual comprehensive financial report for the fiscal year ended June 30, 2025. This was the 51st consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government 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. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Town of Herndon continues to maintain a stable financial position through responsible progressive management of financial operations combined with sound accounting and financial reporting practices. The timely preparation of this report could not have been accomplished without the effort of the entire Department of Finance staff and the Town's independent auditors. We wish to express our appreciation to all who assisted in its preparation and to commend them for the professionalism they displayed throughout the year.

We would also like to express our appreciation to the Mayor and the members of the Town Council for their interest and continued support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

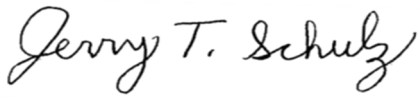
Respectfully submitted,



Kirstyn Jovanovich
Interim Town Manager



Marjorie E. Sloan, CPA
Director of Finance



Jerry T. Schulz, CPA
Deputy Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Herndon
Virginia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

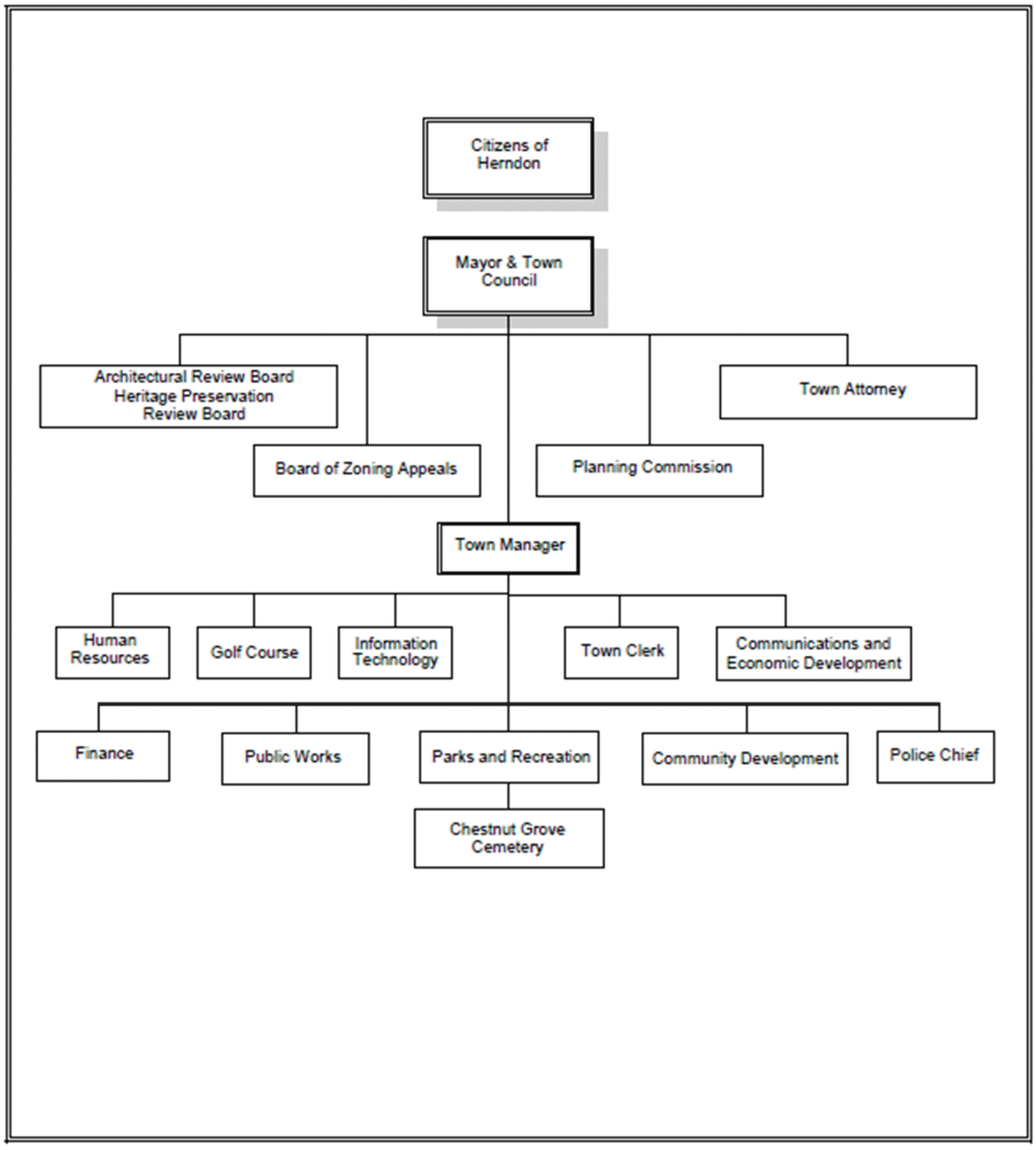


and issued to the public 121 days after the fiscal year end

Christopher P. Morrill

Executive Director/CEO

TOWN OF HERNDON, VIRGINIA
ORGANIZATION CHART



TOWN OF Herndon VIRGINIA

Annual Comprehensive Financial Report
Year Ended June 30,2026

Directory of Officials

Keven LeBlanc
Mayor

TOWN COUNCIL

Clark Hedrick – Vice Mayor
Naila Alam
Cesar del Aguila
Kelvin Garcia
Michael T. Lloyd
Alex Reyes

MANAGEMENT TEAM

Kirstyn Jovanovich	Interim Town Manager
Lesa J. Yeatts	Town Attorney

Brent Heavner	Chief Communications Officer
Steve Pihonak	Chief of Police
Mike Mueller	General Manager of Golf
Elizabeth M. Gilleran	Director of Community Development
Rob Mancini	Director of Information Technology
Tanya J. Kendrick	Chief of Staff & Chief Human Resources Officer
Bob Williams	Director of Parks and Recreation
Michael Johnson	Director of Public Works
Marjorie Sloan	Director of Finance
Amanda Kertz	Town Clerk

Independent Auditor
Brown, Edwards & Company, L.L.P.

Prepared by the Department of Finance

TOWN OF Herndon VIRGINIA

www.herndon-va.gov

FINANCIAL SECTION

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BROWNEDWARDS
certified public accountants

Independent Auditor's Report

To the Honorable Members of Town Council
Town of Herndon, 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 Herndon, Virginia (the "Town"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2026, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2026, the Town adopted new accounting guidance, GASB Statement No. 103, *Financial Reporting Model Improvements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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.

Auditor's 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 auditor's 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 the Town'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 the Town'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 and budgetary comparison information and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the 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 auditor's 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.

Report on Summarized Comparative Information

We have previously audited the financial statements of the Town as of June 30, 2025, and we expressed an unmodified opinion on those statements in our report dated October 29, 2025. The 2025 financial information, included in Exhibits A-10 and A-11, is provided for comparative purposes only.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2026, on our consideration of the Town'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
October 30, 2026

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This Management's Discussion and Analysis (MD&A) provides an objective and comprehensive analysis of the financial activities of the town, for the fiscal year ended June 30, 2026, with comparative information for the fiscal year ended June 30, 2025. This MD&A is presented in accordance with GASB Statement No. 103, Financial Reporting Model Improvements, and is intended to assist readers in understanding the town's financial position, results of operations, and changes in financial position. This discussion should be read in conjunction with the basic financial statements and the accompanying notes which follow this MD&A.

If you have questions about this report or require further information, contact the Finance Department at finance@herndon-va.gov or 703-435-6898.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components - government-wide financial statements, fund financial statements, and notes to financial statements.

The government-wide financial statements are designed to provide a broad overview of the town's finances, in a manner like private-sector business. These statements present information about the town as a whole using the *economic resources measurement focus and the accrual basis of accounting*. These statements are designed to provide readers with a long-term perspective on the town's finances.

The *Statement of Net Position* presents information on all the town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the town is improving or declining. In addition, non-financial factors, such as a change in the town's real estate assessment values or the condition of the town's facilities and infrastructure, should be considered in assessing the overall financial health of the town.

The *Statement of Activities* presents information showing how the town's net position changed during the fiscal year. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when the cash is received or paid *(accrual basis of accounting*). Thus, certain revenues and expenses are reported in this statement for items that will result in cash flows for future periods (e.g., uncollected taxes and earned but unused employee annual leave). Revenues are reported by source and expenses are reported by function or program.

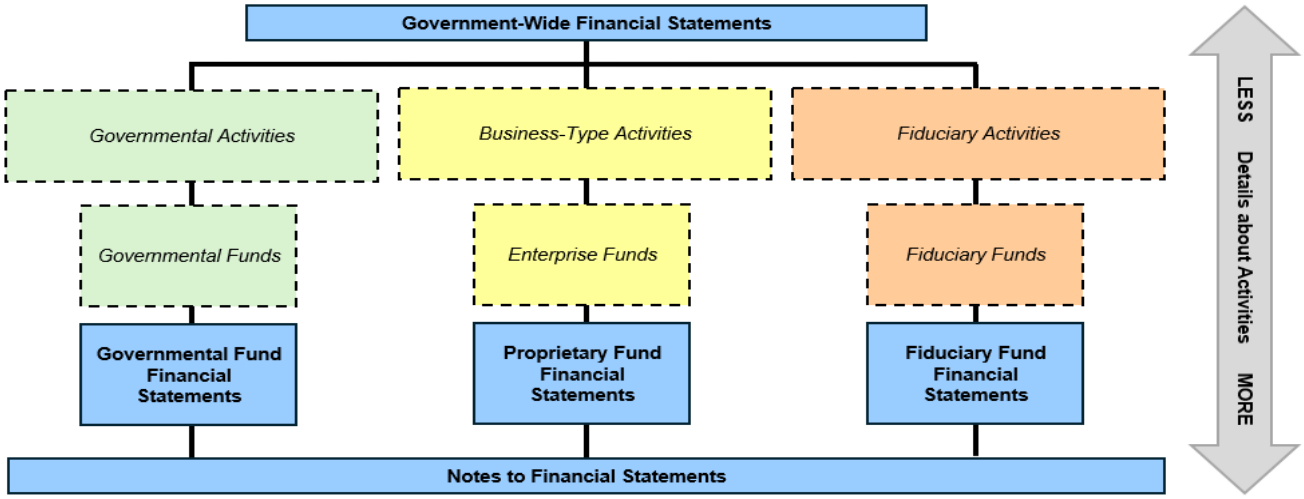
Both government-wide financial statements divide the functions of the town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a substantial portion of their expenses through user fees and charges (business-type activities). The government-wide financial statements are divided as follows:

Governmental Activities - Many of the activities, programs and services traditionally identified with government are reported here. These activities and services are legislature, administration, town attorney, parks and recreation, finance, community development, public safety, and public works. These activities are financed primarily through property taxes, other local taxes, charges for services, and intergovernmental revenues (federal, state, and local grants).

Business-type Activities – Are intended to recover all or a significant portion of their expenditures through charges for services or user fees to customers - water and sewer utility, municipal golf course, and municipal cemetery.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Contents of the Town's Basic Financial Statements



The fund financial statements provide more detailed information about the town's major funds. A "fund" is a grouping of related accounts that is used to maintain control over resources which have been segregated for specific activities or purposes. The town, like other states and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Most of the town's basic services are included in governmental funds which focus on near-term inflows and outflows of spendable resources using the *current financial resources measurement focus and modified accrual basis of accounting*. This focus shows (1) how cash, and other financial assets that can be readily converted to cash, flow in and out, and (2) the balances remaining at fiscal year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader in determining whether there are more or fewer financial resources that can be spent in the near future to finance the town's programs. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending on capital outlays. The town's governmental funds include the General Fund, Capital Projects Fund, Stormwater Management Fund, American Rescue Plan Act (ARPA) Fund, and Chestnut Grove Cemetery Perpetual Care Fund.

Proprietary Funds – These funds are reported using the accrual basis of accounting and focus on the determination of operating income, changes in net position, and cash flows. They are used to account for the operations that are financed in a manner like private business enterprises in which costs are recovered primarily through user charges. Proprietary fund financial statements provide both short-term and long-term financial information. The town uses *enterprise funds* (one type of proprietary fund) to account for the activities of the Water and Sewer Fund, Golf Course Fund, and Chestnut Grove Cemetery Fund.

Fiduciary Funds – These funds are used to account for resources held for the benefit of parties outside of town government and are not included in the government-wide financial statements. The town is responsible for ensuring the assets reported in the fund are used for their intended purposes. The town's fiduciary activities are reported in a separate statement of fiduciary net position. The Police Supplemental Retirement Pension Trust Fund is the sole fiduciary fund.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The town uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements. The notes to financial statements can be found in the section titled "Notes to Financial Statements" of this report which immediately follows the basic financial statements.

FINANCIAL SUMMARY AND DETAILED ANALYSES

Analysis of the Town's Finances

The following table presents the condensed Statement of Net Position (Exhibit A-1) in comparative format:

Table 1
Summary Statement of Net Position
Comparison as of June 30 (thousands)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2026	2025	2026	2025	2026	2025	2026-2025
Current and other assets	$ 68,051	$ 69,981	$ 31,893	$ 31,317	$ 99,944	$ 101,298	-1.3%
Capital assets, net	111,872	115,114	30,470	26,924	142,342	142,038	0.2%
Total assets	**179,923**	**185,095**	**62,363**	**58,241**	**242,286**	**243,336**	**-0.4%**
Deferred outflows of resources	**5,409**	**4,045**	**678**	**493**	**6,087**	**4,538**	**34.1%**
Other liabilities	11,638	10,674	2,429	2,685	14,067	13,359	5.3%
Long-term liabilities	13,551	14,729	9,036	9,551	22,587	24,280	-7.0%
Total liabilities	**25,189**	**25,403**	**11,465**	**12,236**	**36,654**	**37,639**	**-2.6%**
Deferred inflows of resources	**19,675**	**19,211**	**2,789**	**2,285**	**22,464**	**21,496**	**4.5%**
Net Position:							
Net investment in capital assets	104,293	106,866	21,918	17,427	126,211	124,293	1.5%
Restricted	4,109	3,632	57	89	4,166	3,721	12.0%
Unrestricted	32,065	34,029	26,813	26,696	58,878	60,725	-3.0%
Total net position	**$ 140,467**	**$ 144,527**	**$ 48,788**	**$ 44,212**	**$ 189,255**	**$ 188,739**	**0.3%**

Net position may serve overtime as a useful indicator of the town's financial position. Table 1 above shows that as of June 30, 2026, the town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $189.2 million, representing an increase of $0.5 million from the prior year. This increase is primarily due to increases in net investment in capital assets in business-type activities. About 31 percent of the town's net position is unrestricted ($58.9 million) and available to meet the town's ongoing obligations to citizens and creditors.

FINANCIAL SUMMARY AND DETAILED ANALYSES (Continued)

The larger net position sub-component, labeled "Net investment in capital assets" ($126.2 million) reflects the town's investment in capital assets (e.g., land, infrastructure, buildings, improvements, machinery and equipment, intangible assets, and construction in progress), net of accumulated depreciation and amortization and outstanding debt associated with acquisitions. The town uses its capital assets to provide services to its citizens; consequently, these assets are not readily available for future spending. Although the town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets would not likely be used to liquidate these liabilities. The following sections of MD&A analyze the finances of the governmental activities and business-type activities separately.

The following table summarizes Changes in Net Position (Exhibit A-2) in comparative format:

Table 2
Summary of Changes in Net Position
Comparison for the fiscal year ended June 30 (thousands)

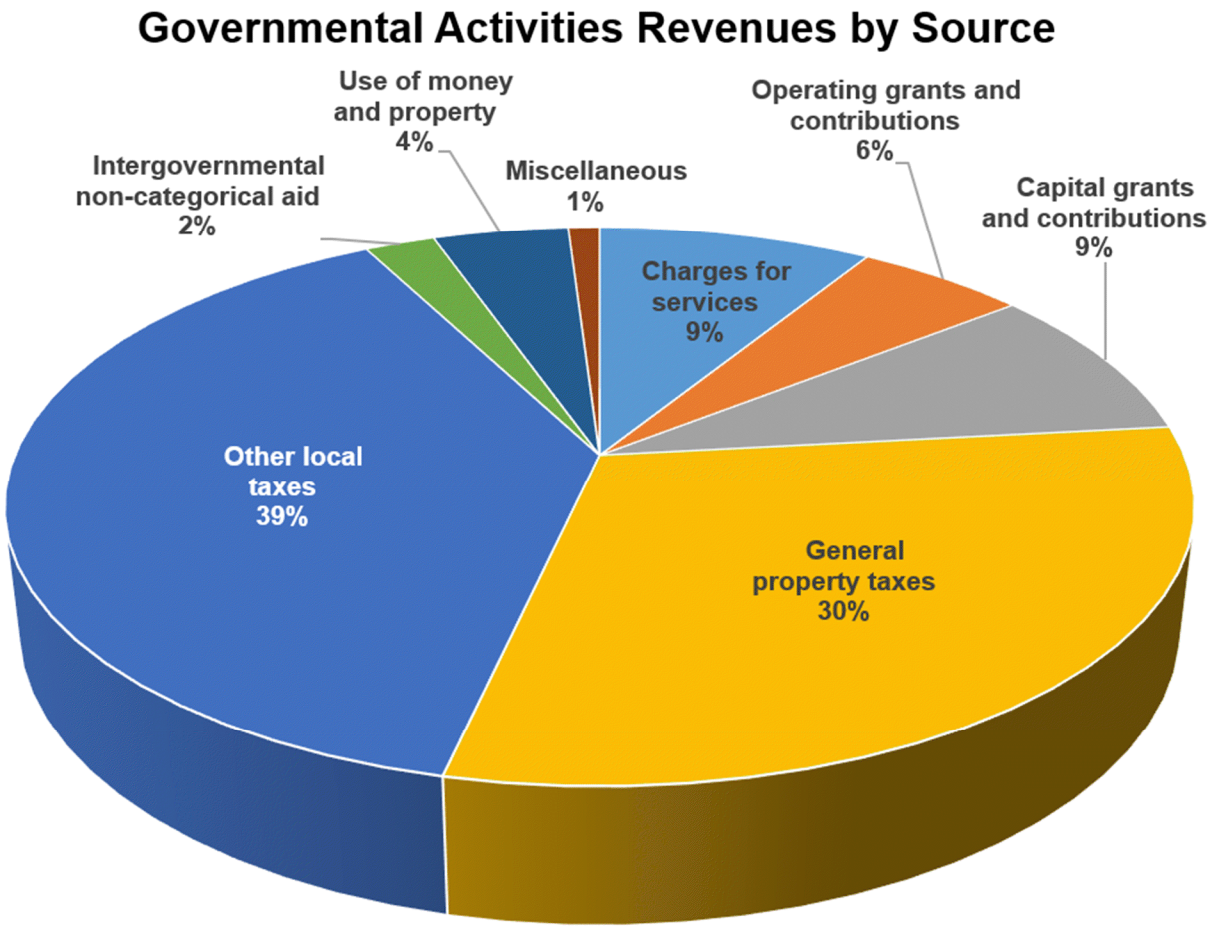
	Governmental Activities		Business-type Activities		Total		Total Percentage Change
Revenues:	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026-2025**
Program revenues:							
Charges for services	$ 4,502	$ 4,246	$ 14,986	$ 14,539	$ 19,488	$ 18,785	3.7%
Operating grants and contributions	2,800	2,393	-	-	2,800	2,393	17.0%
Capital grants and contributions	4,496	9,304	3,979	7,128	8,475	16,432	-48.4%
Total program revenues	11,798	15,943	18,965	21,667	30,763	37,610	-18.2%
General revenues:							
General property taxes	15,307	14,004	-	-	15,307	14,004	9.3%
Other local taxes	19,643	17,813	-	-	19,643	17,813	10.3%
Intergovernmental non-categorical aid	1,151	1,179	75	250	1,226	1,429	-14.2%
Use of money and property	2,227	2,834	1,019	1,018	3,246	3,852	-15.7%
Miscellaneous	515	657	221	210	736	867	-15.1%
Total general revenues	38,843	36,487	1,315	1,478	40,158	37,965	5.8%
Total revenues	**50,641**	**52,430**	**20,280**	**23,145**	**70,921**	**75,575**	**-6.2%**
Expenses:							
General government administration	9,647	9,376	-	-	9,647	9,376	2.9%
Parks and recreation	5,835	5,072	-	-	5,835	5,072	15.0%
Community development	3,226	2,492	-	-	3,226	2,492	29.5%
Public safety	13,306	13,241	-	-	13,306	13,241	0.5%
Public works	22,487	18,694	-	-	22,487	18,694	20.3%
Interest	169	176	-	-	169	176	-4.0%
Water and sewer	-	-	12,553	11,318	12,553	11,318	10.9%
Golf course	-	-	2,360	2,266	2,360	2,266	4.1%
Chestnut Grove cemetery	-	-	822	829	822	829	-0.8%
Total expenses	**54,670**	**49,051**	**15,735**	**14,413**	**70,405**	**63,464**	**10.9%**
Excess (deficiency) before transfers	(4,029)	3,379	4,545	8,732	516	12,111	-95.7%
Transfers	(31)	(15)	31	15	-	-	0.0%
Change in net position	**(4,060)**	**3,364**	**4,576**	**8,747**	**516**	**12,111**	**-95.7%**
Net position, July 1	144,527	141,163	44,212	35,465	188,739	176,628	6.9%
Net position, June 30	**$140,467**	**$144,527**	**$48,788**	**$44,212**	**$189,255**	**$188,739**	**0.3%**

FINANCIAL SUMMARY AND DETAILED ANALYSES (Continued)

Governmental Activities

Table 2 above shows that town total revenues slightly exceed total expenses in the current fiscal year by $0.5 million, resulting in a small increase in total net position for the town. However, the total net position of governmental activities was $140.5 million which is a $4.1 million decrease from 2025 as expenses and transfers exceeded revenues. Many events contributed to this decrease in governmental activities' net position, however, the three primary factors affecting the change are as follows:

(1) Total program revenues decreased because of declines in ARPA and Capital Projects Fund revenue recognition due to less project spending as the ARPA Fund nears completion.
(2) General revenues increased due to rising real estate values coupled with a tax rate increase, higher local business gross receipts, and an increase in the meals tax rate.
(3) Increases in expenses for all functions and services with the largest increase in Public Works.



FINANCIAL SUMMARY AND DETAILED ANALYSES (Continued)

Program revenues and intergovernmental capital grant revenues declined

For the current fiscal year ending June 30, 2026, revenues from governmental activities totaled $50.6 million, a decrease of $1.8 million or a three percent decrease from the prior fiscal year. Total program revenues decreased by $4.2 million or 26% and total general revenues increased by $2.4 million or six percent.

The decrease in total program revenues from governmental activities was driven by a $4.8 million or 52% decrease in capital grants and contributions. This decrease is primarily due to decreases in ARPA intergovernmental grant revenues of $5.7 million offset by increases in the Stormwater and Capital Projects Funds of $0.6 million and $0.3 million, compared to the prior year, respectively. During the fiscal year, ARPA intergovernmental revenues were $1.3 million as shown in Exhibit B-2. The ARPA Fund spent less this year compared to last year because most of the ARPA capital projects have been completed, thus, less revenue was recorded. See the "Currently Known Facts" section at the end of this MD&A for more information about the status of ARPA projects.

Slightly offsetting some of the decrease in program revenues, was a $0.2 increase in charges for services, a $0.4 million increase in operating grants and contributions compared to the previous fiscal year. The charges for services revenue stream are comprised of revenues generated by Parks and Recreation and Public Works programs and services whereby each experienced an increase of $0.1 million. Operating grants increased by $0.4 million primarily due to the increase in police grants and contributions.

General revenues increase

Governmental Activities general revenues increased $2.4 million from the prior fiscal year, driven primarily by increases in property taxes and other local taxes.

General property taxes, the town's single largest revenue source, were $15.3 million, which increased $1.3 million from the prior fiscal year due to increased assessed values and an increase in the tax rate. The taxable assessed value of real property within the town, including Public Service Corporations (PSCs), for calendar year 2025 (fiscal year 2026) were $5.8 billion, an increase of 4.6 percent over the prior year's taxable assessed values. Residential property values increased by 6.6 percent, commercial property values increased by 0.6 percent, and PSCs increased by 13.8 percent. The town's real estate tax rate was increased by one penny to $0.270 per $100 of assessed value.

Other local taxes, the town's largest combined revenue source was $19.6 million, which increased $1.8 million from the prior fiscal year. The increase was primarily due to a $1.0 million increase in business license tax and a $0.9 million increase in meals tax revenues from last year. Business license gross receipts for the ten largest businesses in the town increased, which accounted for the increase in business license revenue as these revenues returned to their fiscal year 2024 levels as shown in Statistical Table 5. Most of the meals tax revenue increase is due to the town increasing the meals tax rate 0.75% at the start of the fiscal year to 4.5%. The town's other local tax rates remained unchanged from the prior year.

Use of money and property decreased $0.6 million from the prior fiscal year primarily due to the impact of lower interest rates resulting from Federal Reserve interest rate reductions throughout the fiscal year. The town's investments in Local Government Investment Pool (LGIP) had an average monthly yield of 3.77% as of June 30, 2026, compared to 4.39% as of June 30, 2025.

FINANCIAL SUMMARY AND DETAILED ANALYSES (Continued)

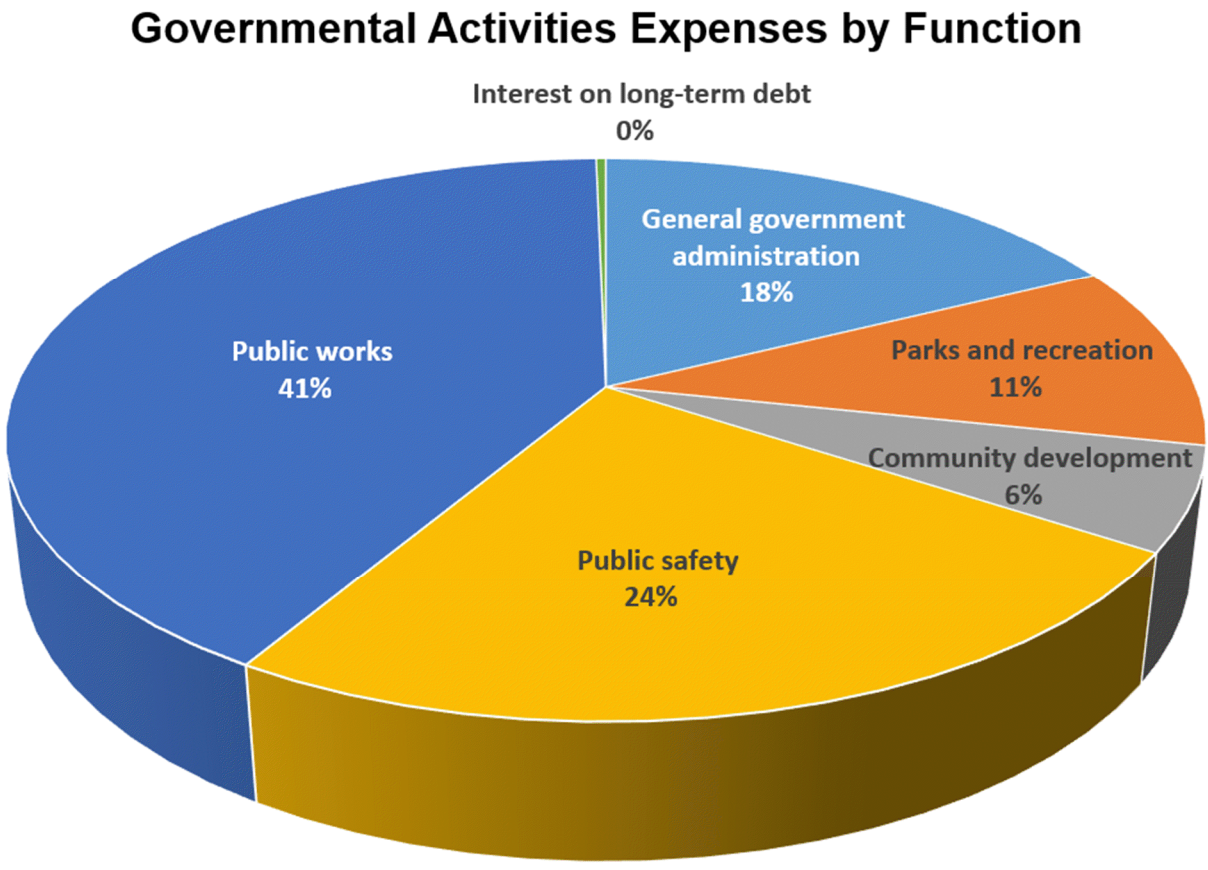
Growth in expenses for all functions and services

For the current fiscal year end, expenses for governmental activities totaled $54.7 million, an increase of $5.6 million or 11 percent from the prior fiscal year. Although expenses increased in all the town's functions, the largest increase, $3.8 million, was in Public Works expenses. Public Works capital outlay expenses increased $3.1 million from the prior year, of which $1.3 million was related to the new energy conservation and facilities renewal project and $1.2 million related to the purchase of fleet vehicles as discussed further in the "Capital Assets" section below.

The town's three largest functions and services, other than general government administration, are public works, public safety, and parks and recreation. These three programs comprise 76 percent of total governmental expenses as seen in the pie chart below.

Expenses related to employee salaries and benefits across all town governmental activity programs increased $2.1 million or 6.8%. This increase was driven by two factors: increased pay rates of approximately five percent for pay for performance and market rate adjustments and increased full-time equivalent (FTE) employment. The town had five more FTEs than the prior year but is still below pre-pandemic levels of fiscal year 2019 as shown in Statistical Table 16.

Also, most functions experienced additional depreciation expense over the prior fiscal year related to new fleet vehicles, equipment, and park improvements. Parks and Recreation had the largest increase, $0.5 million of the total $0.8 million increase over the prior year. See Note 6 Capital Assets for additional details of depreciation expense.



FINANCIAL SUMMARY AND DETAILED ANALYSES (Continued)

Governmental funds

The town reports two major funds individually in the governmental fund financial statements. Those funds are the General Fund and Capital Projects Fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. The town has three non-major governmental funds - the Chestnut Grove Cemetery Perpetual Care Fund, the Stormwater Management Fund, and the ARPA Fund. See Note 1 in the notes to financial statements section for further information on the town's funds.

The following table summarizes the two major funds' total revenues, expenditures, and changes in fund balances (Exhibit A-5) in comparative format:

Table 3
Revenues, Expenditures, and Changes in Fund Balances
Comparison as of June 30 (thousands)

	General Fund		Capital Projects Fund	
	2026	**2025**	**2026**	**2025**
Total revenues	$ 47,124	$ 43,425	$ 628	$ 354
Total expenditures	48,104	44,882	2,690	231
Excess (deficiency) of revenues over expenditures	**(980)**	**(1,457)**	**(2,062)**	**123**
Other Financing Sources (Uses)				
Other debt activity (net)	273	451	-	-
Proceeds from the sale of capital assets	157	323	-	-
Transfers in	-	-	764	-
Transfers out	(764)	-	-	-
Total other finances sources	**(334)**	**774**	**764**	**-**
Net change in fund balance	**(1,314)**	**(683)**	**(1,298)**	**123**
Fund balances, July 1	33,490	34,173	4,038	3,915
Fund balances, June 30	**$ 32,176**	**$ 33,490**	**$ 2,740**	**$ 4,038**

Fund balance represents the financial standing of a governmental fund as of the end of the fiscal year from a short-term perspective.

General fund

The town's General Fund balance decreased by $1.3 million because expenditures and transfers out exceeded revenues and other financing sources. Expenditures rose by $3.2 million from the prior year, primarily because of inflation and one-time capital outlays, including the replacement of Public Works fleet vehicles and police vehicles. See the "Significant Capital Assets" section below, under "Machinery and Equipment," for additional details. Unlike the prior year, the town also transferred $0.8 million from the General Fund to the Capital Projects Fund to support planned improvements to sidewalks, parks and recreation facilities, and police infrastructure. Despite these planned investments, the General Fund

FINANCIAL SUMMARY AND DETAILED ANALYSES (Continued)

Unassigned Fund balance of $18.3 million remains healthy as it represents approximately 38 percent of the General Fund's total expenditures, excluding transfers out.

Capital Projects fund

The number of projects with activity in the Capital Projects Fund increased compared to prior year because the funding for capital projects from the ARPA Fund has declined. The fund balance decreased $1.3 million during the year because management has elected to pay a portion of the Energy Conservation and Facility Renewal project on a pay-as-you-go basis. This project is a multi-year project that replaces aging mechanical systems with high-efficiency HVAC units throughout multiple town buildings. Phase 1 includes the Town Shop, Herndon Municipal Center, and Herndon Council Chambers.

Business-type activities and enterprise funds

During the current fiscal year, total net position of the town's business-type activities' increased by $4.6 million to $48.8 million primarily due to the favorable performance at all three business-type activities: Water & Sewer, Golf Course and Chestnut Grove Cemetery. This compares to the prior year $8.7 million increase, which included $6.2 million in unusually high availability fee revenue in the Water & Sewer Fund due to a new large multifamily residential development at 555 Herndon Parkway in the Herndon Transit Oriented Core zoning district. See the proprietary fund financial Statement of Revenues, Expenses and Changes in Net Position in Exhibit A-8 for more details.

The following table summarizes revenues, expenditures, and changes in net position (Exhibit A-8) in comparative format:

Table 4
Revenues, Expenditures, and Changes in Fund Net Position
Comparison as of June 30 (thousands)

	Water & Sewer		Golf		Cemetery	
	2026	**2025**	**2026**	**2025**	**2026**	**2025**
Total operating revenues	$10,919	$16,447	$ 3,173	$ 2,977	$ 1,152	$ 1,543
Total operating expenses	12,249	10,997	2,354	2,258	815	817
Operating income (loss)	**(1,330)**	**5,450**	**819**	**719**	**337**	**726**
Noncapital Subsidies						
Intergovernmental	74	250	-	-	-	-
Transfers in	-	-	-	-	87	100
Transfers out	-	-	-	-	(56)	(84)
Total noncapital subsidies	74	250	-	-	31	16
Operating income (loss) and noncapital	**(1,256)**	**5,700**	**819**	**719**	**368**	**742**
Other Nonoperating Revenues (Expenses)						
Earnings on investments	754	699	114	161	152	158
Interest expense	(304)	(320)	(6)	(9)	(6)	(7)
Resources from disposal of capital assets	2	12	16	8	10	10
Capital contributions	3,736	875	-	-	176	-
Total other nonoperating revenues (expenses)	4,188	1,266	124	160	332	161
Increase (decrease) in fund net position	**2,932**	**6,966**	**943**	**879**	**700**	**903**
Total fund net position, July 1	32,069	25,103	6,654	5,775	5,490	4,587
Total fund net position, June 30	**$35,001**	**$32,069**	**$ 7,597**	**$ 6,654**	**$ 6,190**	**$ 5,490**

FINANCIAL SUMMARY AND DETAILED ANALYSES (Continued)

Among the three enterprise funds, only the Water & Sewer Fund had a negative financial performance from operations in fiscal year 2026. Water & Sewer Fund operating revenues decreased $5.5 million from the prior year because availability fees decreased $6.2 million. Excluding availability fees, operating revenues increased $0.7 million during the fiscal year, which was driven by town water and sewer rate increases. The town increased water rates by 17.4% and sewer rates by 8.0% as recommended by the water and sewer financial rate-model consultants.

Despite these rate increases, the Fund had a $1.3 million operating loss, which was primarily driven by a 33% rate increase in sewer conveyance charges from Fairfax County due to increased costs at the Blue Plains Wastewater Treatment Plant (BPWTP). Last year the sewer conveyance rate charged to the town increased 39%. Thus, over the past two years, DC Water, the operator of BPWTP, has been passing along soaring cost increases to its wholesale end users such as Fairfax County and the town due to several core operational, regulatory, and economic factors. Absent the fiscal year 2026 DC Water 33% sewer rate increase, the town's sewer costs would have been $1.2 million less during the fiscal year.

Offsetting the $1.3 million-dollar operating loss was a $3.7 million one-time capital contribution from the ARPA Fund which caused the net position of the Water & Sewer Fund to increase $2.9 million for this fiscal year. This nonoperating capital contribution funded needed water and sewer line improvements along with water pump station and vault improvements.

The net position of the Golf Fund increased $0.9 million during the fiscal year to $7.6 million, which is consistent with last year's increase. The number of rounds played was 49,578, which represents a 2.5% increase from the previous year as shown in Statistical Table 17. Operating revenues increased $0.2 million while operating expenses and operating income increased $0.1 million each. In addition to increased rounds played, an across-the-board rate increase took effect May 1st, 2026, for green fees, cart fees, and annual passes which contributed to the increase in operating revenues and operating income.

The Cemetery Fund's net position increased by $0.7 million to $6.2 million, compared with a $0.9 million increase in the prior year. Operating revenues and operating income each decreased by $0.4 million because fewer interment rights were sold and fewer interments were performed, as shown in Statistical Table 17. Operating expenses remained consistent with the prior year. The cemetery sold its remaining sites during the fiscal year, and the town expects revenues to decline until the cemetery development project is completed.

All three funds experienced increases in operating expenses related to employee salaries, benefits and general economic inflation of all materials and services used in operating each of these businesses.

SIGNIFICANT CAPITAL ASSETS AND LONG-TERM FINANCING

As of June 30, 2026, the town had invested approximately $142.3 million, an increase of $0.3 million from the prior fiscal year, in a variety of capital assets as reflected in Table 5 below. This amount represents the carrying value of capital assets – original cost minus accumulated depreciation. More detailed information on capital assets can be found in Note 6 of the notes to the financial statements. However, that small increase does not completely capture the substantial amount of capital investment activity that occurred in 2026.

Table 5
Summary of Capital Assets
Comparison as of June 30 (thousands)

	Governmental Activities		Business-type Activities		Total	
	2026	2025	2026	2025	2026	2025
Land	$ 34,909	$ 27,705	$ 2,540	$ 2,540	$ 37,449	$ 30,245
Construction in progress	2,349	12,068	572	2,602	2,921	14,670
Infrastructure	110,148	109,477	-	-	110,148	109,477
Buildings	48,835	48,011	3,969	3,916	52,804	51,927
Improvements other than buildings	20,840	19,530	45,983	39,644	66,823	59,174
Machinery and equipment	18,346	17,123	6,125	5,432	24,471	22,555
Machinery and equipment - Leases	97	96	24	19	121	115
Subscriptions	993	855	-	-	993	855
Intangibles and purchased capacity	587	587	15,370	15,370	15,957	15,957
Furniture and fixtures	1,202	1,071	-	-	1,202	1,071
Accumulated depreciation	(126,434)	(121,409)	(44,113)	(42,599)	(170,547)	(164,008)
Total capital assets, net	**$ 111,872**	**$ 115,114**	**$ 30,470**	**$ 26,924**	**$ 142,342**	**$ 142,038**

The net increase in the town's capital asset investment is attributable to the increase in new investments of $6.8 million exceeding an additional accumulated depreciation of $6.5 million. The town had $14.6 million in its total beginning balance of construction in progress with another $3.7 million in capital projects started during the fiscal year. Of those amounts, the town put $15.4 million into operations during the fiscal year, thus reclassifying that amount to other capital asset classifications such as land, infrastructure, improvements, machinery and equipment. This resulted in a total ending balance of construction in progress of $2.9 million. Many of the completed and ongoing capital projects are a part of the town's adopted six-year Capital Improvement Program (CIP). More detailed information on future capital improvements can be found in the town's CIP on its website.

Total new spending of $3.7 million covered approximately 20 projects, with less than $1 million spent on each project. At fiscal year-end, 16 projects remained in progress, led by the $1.3 million Energy Conservation and Facility Renewal project. Two business-type projects accounted for nearly $0.6 million, including $0.5 million for the Cemetery Fund development project. The Herndon Municipal Center storefront project was the only project remaining in the ARPA Fund and spending was less than fifty thousand dollars. This project is expected to be completed by the end of the calendar year.

Construction on these projects continued into fiscal year 2027 along with significant design and specifications, right-of-way acquisition, and utility relocation efforts on other critical transportation projects with East Elden Street being the largest of these projects.

SIGNIFICANT CAPITAL ASSETS AND LONG-TERM FINANCING ACTIVITY (continued)

Land increased by $7.2 million due to the town reclassifying the land cost basis of the downtown redevelopment project parcels from construction in progress to land because this project has been cancelled. See the "Currently Known Facts" section below for further details regarding the downtown redevelopment project.

Improvements other than buildings increased by $7.6 million of which $1.3 million was governmental activities and $6.3 million was business type activities. The above ground fuel storage tanks located at the Town Shop were the town's largest governmental activity project that was placed in service at a cost of $1.2 million. For business type activities, the Water & Sewer Fund had $4.6 million in completed improvement projects, the Golf Fund added $1.5 million from completion of the tee box and stormwater drainage improvement projects, and the Cemetery Fund added $0.2 million related to the cemetery development project.

Machinery and equipment increased by $1.9 million of which $1.2 were governmental activities and $0.7 million were business type activities. The primary increase in governmental activities was from the purchase of four new police vehicles, four new stormwater vehicles, and 28 new public works fleet vehicles. From business activities, the Water & Sewer Fund purchased a new truck and a Vactor truck while the Golf Fund purchased several new vehicles such as mowers, a grinder, a spreader, a riding turf sprayer, and club cars. The Cemetery Fund added a new compact excavator.

The following table summarizes Long-Term Debt information (Note 8) in comparative format.

Table 6
Summary of General Obligation Bonds and Other Obligations
Comparison as of June 30 (thousands)

	Governmental Activities		Business-type Activities		Total	
	2026	2025	2026	2025	2026	2025
General obligation (GO) bonds	$ 6,138	$ 7,056	$ 6,506	$ 6,840	$ 12,644	$ 13,896
Fairfax Water obligations	-	-	1,469	1,640	1,469	1,640
GO bonds - premiums	100	107	-	-	100	107
Notes payable	-	-	120	180	120	180
Leases	61	81	21	2	82	83
Subscriptions	130	169	-	-	130	169
Total long-term outstanding debt	**$ 6,429**	**$ 7,413**	**$ 8,116**	**$ 8,662**	**$ 14,545**	**$ 16,075**

At the end of fiscal year 2026, the town had $14.5 million in outstanding long-term general obligations bonds, other obligations, and premiums, as reflected in Table 6 above. This represents a decrease of $1.5 million from the prior fiscal year, driven by debt service payments during the normal course of business. The town did not issue any new bonds or refund any of the existing bonds during 2026.

The town's issuer rating from the three credit ratings agencies remained as follows: Aaa from Moody's Investor Service, Inc, and AAA from Fitch Investor Service, and Standard and Poor's Corporation. These are the highest ratings available from each of these firms. More detailed information on long-term debt can be found in Note 8 of the notes to the financial statements.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The town is aware of three factors that could significantly affect the town's financial position in the future:

1. Litigation surrounding the downtown redevelopment
2. The current and future status of projects funded by ARPA
3. The pace of other significant land-use development projects and the capital improvement program

Downtown redevelopment litigation

The Herndon Downtown Redevelopment Project, a PPEA partnership between the town and Comstock Herndon Venture LC, ended via notification by Comstock on December 10, 2024. Comstock Herndon Venture LC refused to transfer title to the real estate pursuant to the terms of the contract and the Town filed a petition in Fairfax County Circuit Court to resolve this issue. The court issued an interim ruling on September 24, 2026, in favor of the developer. The town filed an appeal of this ruling to the Virginia Court of Appeals on October 7, 2026.

ARPA funded project status

The town received funding from the US Treasury as part of the American Rescue Plan Act. The town received two installments of $12.7 million each, June 2021 and July 2022. Projects were approved that focused on operational maintenance back log items and capital projects that were halted in fiscal years 2020-21 due to the COVID-19 pandemic. All project funds were fully obligated by the federal deadline of December 31, 2024. The town completed spending of $1.3 million in fiscal year 2026 and $25.2 million to-date. All remaining spending is expected to be completed by the federal deadline of December 31, 2026. After this date, future capital projects will have to be funded by town funds, other grants, and general obligation bonds.

The pace of land-use development projects and capital improvement programs

There are several significant land-use projects in various stages of review. These projects will provide over 2,000 residential units, and over 25,000SF of retail and other commercial space in town. Additional mixed-use development applications are expected in 2027, continuing a phase of rapid development and population growth for the town.

The Herndon Town Council adopted a Capital Improvement Program in April 2026 which includes transportation and infrastructure project spending anticipated for 2027 – 2032. Most of the transportation projects included in the Program are expected to be funded with regional, state and federal grant funding. In 2026 the town embarked on Phase 1 of the town-wide Energy Conservation and Facility Renewal project. Phase 1 of this multi-year initiative has been approved for a total of $8.0 million.

Factors used to develop next year's budget

The total adopted fiscal year 2027 budget (all funds), including inter-fund transfers, is $99.8 million which is about 4.3 percent higher than the original budget for fiscal year 2026. This $4.1 million increase is the result of additions to governmental funds of $4.8 million and a decrease to proprietary funds of $0.7 million. The town's real estate tax rate remained the same at $0.270 per $100 of assessed value.

The meals tax rate remained the same at 4.5%, and the solid waste fee was updated to include a two-rate structure: residential rate of $30 per quarter, and multi-family rate or the units of five specific properties of $51 per quarter. All other excise taxes and fees town-wide remain unchanged from fiscal year 2026.

Due to soaring sewer operating costs in the Water & Sewer Fund, the Town Council adopted increases in the charges for services in the Water & Sewer Fund by increasing the utility billing rates in the fiscal year 2027 budget as recommended by the town's financial consultants.

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BASIC FINANCIAL STATEMENTS

TOWN OF HERNDON, VIRGINIA

Exhibit A-1

STATEMENT OF NET POSITION
June 30, 2026

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash, cash equivalents, and investments (Note 2)	$ 39,309,053	$ 26,513,330	$ 65,822,383
Receivables, net:			
Property taxes (Note 3)	15,823,689	-	15,823,689
Trade and other accounts (Note 3)	1,177,606	2,861,082	4,038,688
Accrued interest	3,518	6,919	10,437
Due from other governments (Note 3)	5,069,980	-	5,069,980
Inventories	216,118	55,237	271,355
Prepaid costs	30,860	-	30,860
Cash, cash equivalents, and investments - restricted (Note 2)	5,959,521	-	5,959,521
Leases receivable (Note 4)	48,984	2,407,677	2,456,661
Net pension asset (Note 9)	411,455	48,539	459,994
Capital assets: (Note 6)			
Nondepreciable	37,257,538	3,112,527	40,370,065
Depreciable, net	74,614,320	27,357,743	101,972,063
Total assets	179,922,642	62,363,054	242,285,696
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions (Note 9)	5,028,023	620,430	5,648,453
Deferred outflows related to other postemployment benefits (Notes 11,12, and 13)	380,974	57,873	438,847
Total deferred outflows of resources	5,408,997	678,303	6,087,300
LIABILITIES			
Accounts payable	2,781,297	1,869,896	4,651,193
Accrued payroll	711,685	213,442	925,127
Accrued liabilities - other	1,785,679	87,822	1,873,501
Accrued interest	67,451	-	67,451
Unearned revenue (Note 7)	4,576,693	31,960	4,608,653
Customer deposits	1,714,757	225,640	1,940,397
Noncurrent liabilities:			
Due within one year (Note 8)	2,560,480	786,121	3,346,601
Net other postemployment benefit liability due within one year (Note 11)	160,232	18,071	178,303
Due in more than one year (Note 8)	6,986,126	7,794,547	14,780,673
Net other postemployment benefit liability (Notes 11, 12, and 13)	3,844,341	437,460	4,281,801
Total liabilities	25,188,741	11,464,959	36,653,700
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions (Note 9)	3,321,006	391,772	3,712,778
Deferred inflows related to other postemployment benefits (Notes 11, 12, and 13)	534,147	90,060	624,207
Lease-related deferred inflows	46,028	2,306,706	2,352,734
Property taxes (Note 7)	15,774,305	-	15,774,305
Total deferred inflows of resources	19,675,486	2,788,538	22,464,024
NET POSITION			
Net investment in capital assets	104,293,530	21,917,546	126,211,076
Restricted:			
Lateral program	-	8,349	8,349
Cemetery Perpetual Care Fund - expendable	2,195,975	-	2,195,975
Stormwater	1,501,672		1,501,672
Pensions	411,455	48,539	459,994
Unrestricted	32,064,780	26,813,426	58,878,206
Total net position	**$ 140,467,412**	**$ 48,787,860**	**$ 189,255,272**

The Notes to Financial Statements are an integral part of this Statement.

TOWN OF HERNDON, VIRGINIA

Exhibit A-2

STATEMENT OF ACTIVITIES
Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Totals
Governmental activities:							
Legislative	$ 595,926	$ -	$ -	$ -	$ (595,926)		$ (595,926)
Administration	5,656,213	2,389	-	-	(5,653,824)		(5,653,824)
Town attorney	1,269,448	-	-	-	(1,269,448)		(1,269,448)
Parks and recreation	5,834,757	2,320,251	-	-	(3,514,506)		(3,514,506)
Finance	2,125,056	-	-	-	(2,125,056)		(2,125,056)
Community development	3,225,552	-	40,000	-	(3,185,552)		(3,185,552)
Police	13,305,857	415,620	1,233,170	-	(11,657,067)		(11,657,067)
Public works	22,487,469	1,763,423	1,527,383	4,496,322	(14,700,341)		(14,700,341)
Interest	169,498	-	-	-	(169,498)		(169,498)
Total governmental activities	54,669,776	4,501,683	2,800,553	4,496,322	(42,871,218)		(42,871,218)
Business-type activities:							
Water and sewer	12,553,413	10,826,821	-	3,803,405		$ 2,076,813	2,076,813
Golf course	2,360,259	3,084,603	-	-		724,344	724,344
Chestnut Grove cemetery	821,445	1,073,974	-	175,851		428,380	428,380
Total business-type activities	15,735,117	14,985,398	-	3,979,256		3,229,537	3,229,537
Total government	$ 70,404,893	$ 19,487,081	$ 2,800,553	$ 8,475,578	(42,871,218)	3,229,537	(39,641,681)
General Revenues:							
Taxes:							
General property					15,306,704	-	15,306,704
Business licenses					6,913,491	-	6,913,491
Transient occupancy					2,166,598	-	2,166,598
Meals					5,434,680	-	5,434,680
Local sales					2,930,443	-	2,930,443
Consumer utility					841,939	-	841,939
Bank stock tax					663,274	-	663,274
Motor vehicle licenses					474,931	-	474,931
Other local taxes					217,956	-	217,956
Revenues not restricted to specific programs					79,686	-	79,686
Intergovernmental, non-categorical aid					1,150,716	74,580	1,225,296
Use of money and property					2,227,112	1,019,457	3,246,569
Gain on sale of capital assets					156,815	28,813	185,628
Miscellaneous income					278,122	192,194	470,316
Transfers					(30,564)	30,564	-
Total general revenues and transfers					38,811,903	1,345,608	40,157,511
Change in net position					(4,059,315)	4,575,145	515,830
Net position, July 1					144,526,727	44,212,715	188,739,442
Net position, June 30					**$ 140,467,412**	**$ 48,787,860**	**$ 189,255,272**

The Notes to Financial Statements are an integral part of this statement.

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2026

	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash, cash equivalents, and investments	$ 35,606,137	$ 3,702,916	$ -	$ 39,309,053
Receivables (net of allowance for doubtful accounts):				
Property taxes	15,823,689	-	-	15,823,689
Trade and other accounts	1,176,094	-	1,512	1,177,606
Leases	48,984	-	-	48,984
Accrued interest	3,518	-	-	3,518
Due from other governments	805,097	4,184,874	80,009	5,069,980
Inventories	210,722	-	5,396	216,118
Prepaid costs	30,860	-	-	30,860
Cash, cash equivalents, and investments - restricted	-	-	5,959,521	5,959,521
Total assets	**$ 53,705,101**	**$ 7,887,790**	**$ 6,046,438**	**$ 67,639,329**

(Continued)
The Notes to Financial Statements are an integral part of this statement.

TOWN OF HERNDON, VIRGINIA

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2026

	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 1,726,581	$ 851,369	$ 203,347	$ 2,781,297
Accrued payroll	691,856	-	19,829	711,685
Accrued liabilities - other	1,266,300	519,379	-	1,785,679
Accrued Interest - leases and subscription arrangements	7,217	-	-	7,217
Unearned revenue	118,361	3,776,691	681,641	4,576,693
Customer deposits	1,714,757	-	-	1,714,757
Total liabilities	5,525,072	5,147,439	904,817	11,577,328
Deferred inflows of resources:				
Unavailable revenue - property taxes	15,908,623	-	-	15,908,623
Unavailable revenue - other	49,172	-	-	49,172
Lease related deferred inflows	46,028	-	-	46,028
Total deferred inflows of resources	16,003,823	-	-	16,003,823
Fund Balances:				
Nonspendable:				
Inventories	210,722	-	5,396	216,118
Prepaid costs	30,860	-	-	30,860
Restricted:				
Cemetery perpetual care	-	-	2,195,975	2,195,975
Stormwater	-	-	1,496,276	1,496,276
Assigned:				
Revenue stabilization	2,200,000	-	-	2,200,000
Operating and capital costs	2,319,718	2,128,555	871,288	5,319,561
Capital reserve	6,874,000	-	-	6,874,000
Contingency reserve	1,200,000	-	-	1,200,000
e-Summons	63,941	-	-	63,941
Subsequent years' expenditures for:				
General Fund	972,550	-	-	972,550
Capital Projects Fund	-	611,796	-	611,796
ARPA Fund	-	-	572,686	572,686
Unassigned:				
General Fund	18,304,415	-	-	18,304,415
Total fund balances	32,176,206	2,740,351	5,141,621	40,058,178
Total liabilities, deferred inflows of resources, and fund balances	**$ 53,705,101**	**$ 7,887,790**	**$ 6,046,438**	**$ 67,639,329**

The Notes to Financial Statements are an integral part of this statement.

TOWN OF HERNDON, VIRGINIA

Exhibit A-4

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2026

Total fund balances - governmental funds		$ 40,058,178
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		111,871,858
Unavailable revenue represents amounts that were not available to fund current expenditures and, therefore, is not reported as revenue in the governmental funds.		183,490
Financial statement elements related to other postemployment benefits and pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows related to:		
Pensions	$ 5,028,023	
Other postemployment benefits	380,974	
		5,408,997
Deferred inflows related to:		
Pensions	(3,321,006)	
Other postemployment benefits	(534,147)	
		(3,855,153)
Net pension asset		411,455
Net other post employment benefits liability		(4,004,573)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Bonds, leases, and SBITAs payable, including unamortized premiums	(6,429,325)	
Compensated absences	(3,117,281)	
Interest payable	(60,234)	
		(9,606,840)
Net position of governmental activities		**$ 140,467,412**

The Notes to Financial Statements are an integral part of this statement.

TOWN OF HERNDON, VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2026

	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
General property taxes	$ 15,324,248	$ -	$ -	$ 15,324,248
Other local taxes	19,837,346	-	-	19,837,346
Permits, privilege fees, and regulatory licenses	1,188,594	-	7,490	1,196,084
Fines and forfeitures	438,033	-	-	438,033
Use of money and property	1,802,395	183,959	240,758	2,227,112
Charges for services	2,954,742	-	-	2,954,742
Miscellaneous	107,003	35,742	-	142,745
Intergovernmental	5,471,162	408,184	2,560,755	8,440,101
Total revenues	47,123,523	627,885	2,809,003	50,560,411
Expenditures:				
Current:				
Legislative	571,382	-	-	571,382
Administration	5,380,564	-	-	5,380,564
Town attorney	1,302,403	-	-	1,302,403
Parks and recreation	5,135,579	-	636	5,136,215
Finance	2,178,583	-	-	2,178,583
Community development	3,348,040	-	-	3,348,040
Police	13,371,010	-	-	13,371,010
Public works	15,452,154	-	1,348,571	16,800,725
Grants	59,055	-	-	59,055
Non-departmental	(41,728)	-		(41,728)
Capital outlay	-	2,689,760	2,083,292	4,773,052
Debt service:				
Principal	1,163,067	-	-	1,163,067
Interest and fiscal charges	183,850	-	-	183,850
Total expenditures	48,103,959	2,689,760	3,432,499	54,226,218
Excess (deficiency) of revenues over (under) expenditures	(980,436)	(2,061,875)	(623,496)	(3,665,807)

(Continued)
The Notes to Financial Statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2026

	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses):				
Proceeds from sale of capital assets	$ 156,815	$ -	$ -	$ 156,815
Issuance of leases and subscription arrangements	138,071	-	-	138,071
Insurance recoveries	135,377	-	-	135,377
Transfers in	-	763,816	56,468	820,284
Transfers out	(763,816)	-	(87,032)	(850,848)
Total other financing sources (uses), net	(333,553)	763,816	(30,564)	399,699
Net change in fund balances	(1,313,989)	(1,298,059)	(654,060)	(3,266,108)
Fund balances, July 1	33,490,195	4,038,410	5,795,681	43,324,286
Fund balances, June 30	**$ 32,176,206**	**$ 2,740,351**	**$ 5,141,621**	**$ 40,058,178**

The Notes to Financial Statements are an integral part of this statement.

TOWN OF HERNDON, VIRGINIA

Exhibit A-6

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2026

Net change in fund balances - total governmental funds		$ (3,266,108)
Reconciliation of amounts reported for governmental activities in the Statement of Activities:		
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 and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.		
Expenditure for capital assets	$ 6,161,110	
Less: depreciation and amortization expense	(5,604,092)	
Excess of capital outlay over depreciation and amortization		557,018
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and transfers) is to decrease net position:		
Book value of capital assets disposed and transferred		(3,847,685)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue		(211,578)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.		
Issuance of leases and SBITAs		(138,071)
Principal repayments		1,163,067
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Employer pension contributions		1,849,165
Pension expense		(415,041)
Governmental funds report employer other postemployment benefit contributions as expenditures. However, in the statement of activities the cost of these benefits earned, net of employee contributions, is reported as other postemployment benefit expense.		
Employer other postemployment benefit contributions		139,956
Other postemployment benefit expense		138,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued interest	6,693	
Compensated absences	(42,390)	
Amortization of premiums and discounts	7,659	(28,038)
Change in net position of governmental activities		**$ (4,059,315)**

The Notes to Financial Statements are an integral part of this statement.

TOWN OF HERNDON, VIRGINIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2026

	Business-type Activities - Enterprise Funds			
	Major Funds			
	Water and Sewer	Golf Course	Chestnut Grove Cemetery	Totals
ASSETS				
Current Assets:				
Cash, cash equivalents, and investments	$ 18,773,572	$ 3,486,423	$ 4,253,335	$ 26,513,330
Receivables (net of allowance for doubtful accounts):	2,857,232	3,850	-	2,861,082
Accrued interest	6,460	459	-	6,919
Inventories	10,222	45,015	-	55,237
Leases receivable - current portion	262,593	30,732	-	293,325
Total current assets	21,910,079	3,566,479	4,253,335	29,729,893
Noncurrent Assets:				
Leases receivable	2,032,548	81,804	-	2,114,352
Net pension asset	28,828	13,495	6,216	48,539
Capital assets:				
Land	200,000	1,621,574	718,500	2,540,074
Buildings	-	2,627,934	1,340,694	3,968,628
Improvements other than buildings	39,385,009	4,766,020	1,832,090	45,983,119
Machinery and equipment	3,812,340	2,043,757	268,560	6,124,657
Machinery and equipment - leases	23,758	-	-	23,758
Intangibles	15,370,173	-	-	15,370,173
Construction in progress	73,833	-	498,620	572,453
Less: accumulated depreciation and amortization	(35,751,462)	(6,198,804)	(2,162,326)	(44,112,592)
Total capital assets (net of accumulated depreciation and amortization)	23,113,651	4,860,481	2,496,138	30,470,270
Total noncurrent assets	25,175,027	4,955,780	2,502,354	32,633,161
Total assets	47,085,106	8,522,259	6,755,689	62,363,054
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related deferred outflows	376,189	169,309	74,932	620,430
OPEB-related deferred outflows	36,771	16,623	4,479	57,873
Total deferred outflows of resources	412,960	185,932	79,411	678,303

(Continued)

The Notes to Financial Statements are an integral part of this statement.

TOWN OF HERNDON, VIRGINIA

Exhibit A-7
Page 2

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2026

	Business-type Activities - Enterprise Funds			
	Major Funds			
	Water and Sewer	Golf Course	Chestnut Grove Cemetery	Totals
LIABILITIES				
Current Liabilities:				
Accounts payable	$ 1,797,660	$ 39,946	$ 32,290	$ 1,869,896
Accrued payroll	121,862	67,719	23,861	213,442
Accrued liabilities - other	78,133	6,671	3,018	87,822
Due to other governments	181,624	-	-	181,624
Unearned revenue	-	31,960	-	31,960
Compensated absences	128,557	71,432	14,765	214,754
Customer deposits	225,090	550	-	225,640
Current obligations payable	154,552	110,175	125,016	389,743
Total current liabilities	2,687,478	328,453	198,950	3,214,881
Noncurrent Liabilities:				
Compensated absences	138,261	100,769	10,175	249,205
Due to other governments	1,287,055	-	-	1,287,055
Net other post employment benefit liability	225,904	209,791	19,836	455,531
Long-term obligations payable, net	5,691,829	205,051	361,407	6,258,287
Total noncurrent liabilities	7,343,049	515,611	391,418	8,250,078
Total liabilities	10,030,527	844,064	590,368	11,464,959
DEFERRED INFLOWS OF RESOURCES				
Pension-related deferred inflows	232,683	108,920	50,169	391,772
OPEB-related deferred inflows	36,683	48,214	5,163	90,060
Lease related deferred inflows	2,197,418	109,288	-	2,306,706
Total deferred inflows of resources	2,466,784	266,422	55,332	2,788,538
NET POSITION				
Net Position:				
Net investment in capital assets	15,414,893	4,522,562	1,980,091	21,917,546
Restricted, lateral program	8,349	-	-	8,349
Restricted, pension	28,828	13,495	6,216	48,539
Unrestricted	19,548,685	3,061,648	4,203,093	26,813,426
Total net position	$ 35,000,755	$ 7,597,705	$ 6,189,400	$ 48,787,860

The Notes to Financial Statements are an integral part of this statement.

TOWN OF HERNDON, VIRGINIA

Exhibit A-8
Page 1

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2026

	Business-type Activities - Enterprise Funds			
	Major Funds			
	Water and Sewer	Golf Course	Chestnut Grove Cemetery	Totals
Operating revenues:				
Sale of water	$ 4,455,574	$ -	$ -	$ 4,455,574
Sewer service charges	5,864,240	-	-	5,864,240
Late payment charges	105,527	-	-	105,527
Sale of commodities	6,433	-	-	6,433
Rents and leases	395,047	44,500	-	439,547
Greens fees	-	2,311,631	-	2,311,631
Golf cart revenue	-	394,900	-	394,900
Golf pro shop sales	-	136,803	-	136,803
Driving range fees	-	210,044	-	210,044
Cemetery sites	-	-	564,676	564,676
Interment services	-	-	292,100	292,100
Merchandise sales	-	-	217,198	217,198
Miscellaneous	21,394	75,414	61,344	158,152
Availability fees	67,306	-	-	67,306
Insurance recoveries	3,638	-	17,129	20,767
Total operating revenues	10,919,159	3,173,292	1,152,447	15,244,898
Operating expenses:				
Finance	417,177	-	-	417,177
Water services	3,111,386	-	-	3,111,386
Sewer services	6,457,262	-	-	6,457,262
Contractual services	781,844	61,493	35,139	878,476
Golf course operations	-	933,554	-	933,554
Golf course clubhouse	-	1,012,345	-	1,012,345
Cemetery operations	-	-	707,881	707,881
Nondepartmental:				
Depreciation and amortization	1,429,557	308,830	64,032	1,802,419
Miscellaneous	52,163	37,747	8,473	98,383
Total operating expenses	12,249,389	2,353,969	815,525	15,418,883
Operating income (loss)	(1,330,230)	819,323	336,922	(173,985)

(Continued)

The Notes to Financial Statements are an integral part of this statement.

TOWN OF HERNDON, VIRGINIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2026

	Business-type Activities - Enterprise Funds			
	Major Funds			
	Water and Sewer	Golf Course	Chestnut Grove Cemetery	Totals
Noncapital subsidies:				
Intergovernmental	74,580	-	-	74,580
Transfers in	-	-	87,032	87,032
Transfers out	-	-	(56,468)	(56,468)
Total noncapital subsidies:	74,580	-	30,564	105,144
Operating Income (Loss) and noncapital subsidies:	(1,255,650)	819,323	367,486	(68,841)
Other nonoperating revenues (expenses):				
Investment earnings, net	753,702	113,961	151,794	1,019,457
Interest expense	(304,024)	(6,290)	(5,920)	(316,234)
Capital contributions	3,736,099	-	175,851	3,911,950
Gain on disposal of capital assets	1,994	16,475	10,344	28,813
Total other nonoperating revenues, net	4,187,771	124,146	332,069	4,643,986
Increase in fund net position	2,932,121	943,469	699,555	4,575,145
Total net position, July 1	32,068,634	6,654,236	5,489,845	44,212,715
Total net position, June 30	**$ 35,000,755**	**$ 7,597,705**	**$ 6,189,400**	**$ 48,787,860**

The Notes to Financial Statements are an integral part of this statement.

TOWN OF HERNDON, VIRGINIA

Exhibit A-9
Page 1

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2026

	Business-type Activities - Enterprise Funds			
	Major Funds			
	Water and Sewer	Golf Course	Chestnut Grove Cemetery	Totals
Operating Activities:				
Receipts from customers	$ 10,895,212	$ 3,173,162	$ 1,152,447	$ 15,220,821
Payments to suppliers for goods and services	(8,010,648)	(785,373)	(277,560)	(9,073,581)
Payments to employees for services	(2,700,146)	(1,309,168)	(476,613)	(4,485,927)
Net cash provided by operating activities	184,418	1,078,621	398,274	1,661,313
Noncapital Financing Activities:				
Transfers in from other funds	-	-	87,032	87,032
Transfers out to other funds	-	-	(56,468)	(56,468)
Other receipts	74,580	-	-	74,580
Net cash provided by noncapital financing activities	74,580	-	30,564	105,144
Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(871,414)	(802,703)	(179,722)	(1,853,839)
Proceeds from the sale of capital assets	647	19,541	10,344	30,532
Principal paid on bonds and leases	(125,815)	(113,905)	(134,310)	(374,030)
Principal paid to Fairfax Water	(171,360)	-	-	(171,360)
Interest paid on bonds and leases	(306,743)	(6,523)	(7,679)	(320,945)
Net cash used in capital and related financing activities	(1,474,685)	(903,590)	(311,367)	(2,689,642)
Investing Activities:				
Interest received on investment securities	753,702	113,961	151,794	1,019,457
Net cash provided by investing activities	753,702	113,961	151,794	1,019,457
Net increase (decrease) in cash, cash equivalents, and investments	(461,985)	288,992	269,265	96,272
Cash, Cash Equivalents, and Investments:				
Beginning	19,235,557	3,197,431	3,984,070	26,417,058
Ending	**$ 18,773,572**	**$ 3,486,423**	**$ 4,253,335**	**$ 26,513,330**

The Notes to Financial Statements are an integral part of this statement.

TOWN OF HERNDON, VIRGINIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2026

	Business-type Activities - Enterprise Funds			
	Major Funds			
	Water and Sewer	Golf Course	Chestnut Grove Cemetery	Totals
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ (1,330,230)	$ 819,323	$ 336,922	$ (173,985)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	1,429,557	308,830	64,032	1,802,419
Pension expense net of employer contributions	(120,103)	(47,614)	(21,011)	(188,728)
Other postemployment benefit expense net of employer contributions	8,925	(8,312)	(4,386)	(3,773)
Changes in assets and liabilities:				
(Increase) decrease in:				
Receivables	(261,903)	(3,850)	-	(265,753)
Due from other governments	250,000	-	-	250,000
Lease receivables	(489,973)	32,234	-	(457,739)
Inventories	39,737	3,147	-	42,884
Increase (decrease) in:				
Accounts payable, accrued liabilities, and compensated absences	180,478	3,377	22,717	206,572
Unearned revenue	-	2,711	-	2,711
Leases related deferred inflows	474,684	(31,225)	-	443,459
Deposits	3,246	-	-	3,246
Net cash provided by operating activities	**$ 184,418**	**$ 1,078,621**	**$ 398,274**	**$ 1,661,313**
Schedule of Non-cash Capital and Related Financing Activities:				
Capital assets acquired through accounts payable	**$ 383,698**	**$ 22,693**	**$ 29,624**	**$ 436,015**
Capital contributions	**$ 3,736,099**	**$ -**	**$ 175,851**	**$ 3,911,950**
Acquisition of right-to-use asset through lease	**$ 23,758**	**$ -**	**$ -**	**$ 23,758**

The Notes to Financial Statements are an integral part of this statement.

TOWN OF HERNDON, VIRGINIA

Exhibit A-10

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2026
(With Comparative Amounts for 2025)

	Pension Trust Fund	
	Police Supplemental Retirement Pension Trust Fund	
	2026	**2025**
ASSETS		
Money Market (Note 2)	$ 28,383	$ 17,703
Mutual funds (Note 2)	5,145,682	4,421,862
Total assets	5,174,065	4,439,565
NET POSITION		
Restricted:		
Net position restricted for pensions	**$ 5,174,065**	**$ 4,439,565**

The Notes to Financial Statements are an integral part of this statement.

TOWN OF HERNDON, VIRGINIA

Exhibit A-11

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
Year Ended June 30, 2026
(With Comparative Amounts for 2025)

	Pension Trust Fund	
	Police Supplemental Retirement Pension Trust Fund	
	2026	**2025**
Additions:		
Employer contributions	$ 231,903	$ 226,142
Investment income:		
Net increase in the fair value of investments	835,510	553,547
Total additions, net	1,067,413	779,689
Deductions:		
Benefit payments	332,913	402,661
Change in net position	734,500	377,028
Net position, July 1	4,439,565	4,062,537
Net position, June 30	**$ 5,174,065**	**$ 4,439,565**

The Notes to Financial Statements are an integral part of this statement.

Note 1. Summary of Significant Accounting Policies

A. The Financial Reporting Entity

The Town of Herndon, Virginia (the "town"), located in the County of Fairfax, Virginia, was incorporated in 1879 under the provisions of the constitution and general statutes of the Commonwealth of Virginia.

The town is governed under the Town Manager-Council form of government. The town engages in a comprehensive range of municipal services, including general government administration; public safety and administration of justice; refuse collection; street and sidewalk maintenance; street lighting; zoning enforcement; education, health, welfare, and human service programs; planning, community development and recreation; and cultural and historic activities. Other municipal services including public education; technical and special education services; health and social services; mental health assistance; fire and ambulance services; judicial services; correctional facilities; and additional recreation services and facilities are provided by the County of Fairfax, Virginia. As required by GAAP, these financial statements present the Town's financial position. The town does not have any component units, entities for which the Town is considered to be financially accountable or blended component units, legally separate entities, which are in substance part of the Town's operations.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements:

The Statement of Net Position and the Statement of Activities display information about the Town. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the government and business-type activities of the Town. *Governmental activities* generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. *Business-type activities* are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. *Direct expenses* are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. *Program revenues* include: (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as *general revenues*.

Note 1. Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements:

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, of which each is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary funds distinguish *operating* revenues and expenses from *noncapital subsidies*, and other *nonoperating* revenues and expenses. Nonoperating revenues and expenses are any (1) contributions to permanent and term endowments; (2) finance related revenues and expenses; (3) gain and losses from disposals of capital assets and inventory; (4) investment income and expenses; and (5) subsidies received and provided.

A *subsidy* represents amounts received from or provided to another party or fund of the Town. Amounts received from another party or fund are considered a subsidy if it is unrelated to the services provided by the proprietary fund and keeps the fees charged at the same amount or lower if the subsidy was not received. Amounts provided to the other party or fund are considered a subsidy if it is unrelated to the goods or services provided by those parties and will generally result in the proprietary charging higher fees in the future. All revenues and expenses not meeting the definitions of nonoperating revenues and expenses are reported as operating revenues and expenses.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Fiduciary funds account for assets held by the Town in a trustee capacity or as agent or custodian for individuals and utilize the accrual basis of accounting. These funds include the Police Supplemental Retirement Pension Trust fund, which is reported using the economic resources measurement focus.

(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental Fund Financial Statements: Governmental funds are reported using *the current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when measurable and available. The town considers all revenues reported in the governmental funds to be available if the revenues are collected within 75 days after year-end, except property taxes, which are recognized as revenue if they have been collected within the Town's availability period, which is 60 days. All taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases and subscriptions are reported as other financing sources.

The town reports the following major governmental funds:

The *General Fund* is the general operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund.

The *Capital Projects Fund* accounts for all financial resources used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

The *Chestnut Grove Cemetery Perpetual Care Fund, Stormwater Management Fund* and the *American Rescue Plan Act Fund* are used to account for specific revenues that are legally committed by legislative imposition by the Herndon Town Council to expenditure for particular purposes. They are reported as special revenue funds.

The town reports the following major proprietary funds:

The *Water and Sewer Fund* accounts for services to the general public, which are financed primarily by charges to users of those services.

The *Golf Course Fund* accounts for the operation and maintenance of the golf course.

The *Chestnut Grove Cemetery Fund* accounts for operations of the cemetery.

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Additionally, the Town reports the *Police Supplemental Retirement Trust Fund.* The purpose of this fund is to provide retirement benefits in addition to the benefits provided by the Virginia Retirement System and Social Security. The town has contracted with various financial institutions and insurance carriers to provide fiscal agent services including the accounting, investment, and disbursement services related to this fund.

D. Budgets and Budgetary Accounting

The *Code of Virginia* makes a clear distinction between budgets and appropriations. Budgets are for informational and fiscal planning purposes, whereas appropriations are authorizations to incur expenditures.

Prior to April 1, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. Annual budgets for the General Fund, and the enterprise funds are adopted at the department level. Capital projects are budgeted on a project basis. The operating and capital budgets include proposed expenditures and the means of financing them. A brief synopsis of the proposed budget is published at least once in a newspaper with general circulation within the Town. Additionally, notice is given of one or more public hearings at least ten days prior to the public hearing. The public hearing provides any citizen the opportunity to comment on the budget.

Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution. This resolution appropriates all budgeted amounts. The Appropriations Resolution places legal restrictions on expenditures for each department or category level.

Department heads and directors are authorized to transfer/reallocate/redistribute any amount, up to $100,000, of the approved operations, maintenance and capital funding between approved expenditure accounts within their respective departments in the General Fund and Enterprise Funds only, except for salary and benefit accounts. Proposed transfers from salary or benefits accounts of any amount must be submitted to the Town manager for review and approval. Requirements in excess of $100,000 and up to $200,000 must be submitted to the Town manager for review and approval, while requirements exceeding $200,000 must be submitted to the Town manager for review and to the Town council for final approval. The town manager is authorized to approve the transfer/reallocation/redistribution of governmental and enterprise fund monies within a department or between departments in the same fund. Actions may be within or between the personnel, operations and maintenance and capital outlays/projects accounts. The total amount of each approval shall not exceed $200,000 and multiple transfers to the same account cannot exceed a total of $200,000. Requirements in excess of $200,000 must be submitted by resolution to the Town Council for approval. The dollar limitation effectively lowers the legal level of budgetary control to the department level. All increases or decreases to the approved budget must be approved by the Town Council before being made. During the year, the Town Council approves additional appropriations, as needed, in the form of Budget Amendments.

(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgets and Budgetary Accounting (Continued)

During the year ended June 30, 2026, budget revisions to the general fund were made, which resulted in an approximate $6,900,000 increase in budgeted expenditures.

All budgets are adopted on a basis consistent with GAAP. Appropriations lapse June 30 unless specifically encumbered, committed, or assigned. At year-end, the Town Council meets to encumber these appropriations for the next fiscal year.

All budget data presented in the accompanying financial statements is the revised budget as of June 30 and includes the budget revisions disclosed previously. Unfavorable variances reported herein should not be interpreted to represent violations of laws as the legal level of fiscal control is based on total appropriated expenditures by fund.

E. Deposits and Investments

Cash resources of the governmental and proprietary funds are combined to form a pool of deposits and investments to maximize interest earnings potential. The pool consists primarily of certificates of deposit, repurchase agreements, government securities, and a local government investment pool. The government securities are stated at fair value based on quoted market prices and the investment in the local government investment pool is reported at the pool's share price in accordance with GASB Statement 79.

For purposes of the Statement of Cash Flows, the Town's enterprise funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

F. Fair Value Measurements

The government categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Level 2 investments are valued using a matrix pricing technique, which is based on the investments' benchmark quoted prices.

G. Receivables and Payables

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

(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

G. Receivables and Payables (Continued)

Advances between funds, as reported in the fund financial statements, are shown as a nonspendable fund balance in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Water and sewer receivables are shown net of an allowance for uncollectibles and consist of billed and unbilled utility receivables. Unbilled receivables are an estimate of utility services provided but not billed by year-end.

Allowances for uncollectible accounts receivable (real estate taxes and utility billings) are calculated using historical collection data, specific account analysis, and management's judgment.

The town levies real estate taxes, as of January 1, on all real property in the Town on a calendar year basis at a rate enacted by Town Council. The levies are based on the assessed value of property as determined by the Director of Real Estate Assessments of Fairfax County. All property is assessed at 100 percent of appraised value and reassessed each year as of January 1. Real estate taxes are collected in equal installments due July 28 and December 5. Lien dates are 190 days after the due date. The tax rate during 2026 per $100 of assessed value was $.270. No discounts are allowed. A late penalty of ten percent is charged after July 28 and December 5. Interest of ten percent on tax and penalty is charged from August 1 for the first half real estate taxes and from January 1 for second half real estate taxes.

The Town reports real estate taxes (net of allowances) assessed for calendar year 2026 as receivables, net of payments received in advance of the due date, and deferred tax revenue because the Town has an enforceable legal claim to these resources at June 30, 2026; however, these resources will not be available to the Town until fiscal year 2027.

The town did not assess personal property taxes during fiscal year 2026.

The portion of taxes receivable that is not collected within 60 days after June 30 is shown as unavailable revenue.

H. Inventories

Inventories in the proprietary funds are recorded at the lower of cost (first-in, first-out) or net realizable value. These inventories consist primarily of parts held for consumption.

Inventory in the General Fund consists of expendable supplies held for consumption and is recorded at cost (determined on a first-in, first-out basis). The cost is recorded as an expenditure when consumed.

Note 1. Summary of Significant Accounting Policies (Continued)

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements using the consumption method.

J. Restricted Cash

In accordance with the agreements resulting in the issuance of debt, certain funds may have a portion of their cash balance restricted and shown as “Cash with fiscal agent” or restricted cash on the Governmental Funds’ Balance Sheet and the Statement of Net Position. This restriction on cash balances is due to the intended use, as prescribed in the applicable bond covenants. Amounts also consist of funds to be used for future capital projects and amounts accumulated for use in the Chestnut Grove Cemetery Perpetual Care Fund and Stormwater Management Fund.

K. Deferred Outflows and Inflows of Resources

In addition to assets, the statements that present net position report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements, which present financial position report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

- Contributions subsequent to the measurement date for pensions and OPEB; this will be applied to the net pension liability and net OPEB liability in the next fiscal year.

- One item occurs only under the modified accrual basis of accounting; this item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes and other receivables not collected within 60 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Another item represents taxes billed and, in some cases, collected before the period they are eligible for use.

- Differences between expected and actual experience for economic/demographic factors and changes of assumptions in the measurement of the total pension and OPEB liability. These differences will be recognized in pension or OPEB expense over the average expected remaining service lives of all employees provided with benefits. This may be reported as a deferred outflow or inflow as appropriate.

Note 1. Summary of Significant Accounting Policies (Continued)

K. Deferred Outflows and Inflows of Resources (Continued)

- Changes in the proportionate share that will be recognized in the OPEB expense over the average expected remaining service lives of all employees provided with benefits. This may be reported as a deferred outflow or inflow as appropriate.
- Difference between projected and actual earnings on pension and OPEB plan investments. This difference will be recognized in pension or OPEB expense over the closed five-year period and may be reported as a deferred outflow or inflow as appropriate.
- Lease-related amounts are recognized at the inception of leases in which the Town is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that related to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

L. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets and infrastructure are defined by the Town as assets with an initial, individual cost of more than $5,000 and $20,000, respectively, and an estimated useful life in excess of two years. The town has included all infrastructure assets of the Town, including assets acquired before June 30, 1980.

The town's intangible right-to-use assets consist of land easements and software, which were previously recorded and classified as machinery and equipment. Land easements have indefinite useful lives and thus are not subject to amortization.

Intangible right-to-use lease and subscription assets are amortized over the shorter of the lease or subscription term or useful life of the underlying asset. In leases where a purchase option is reasonably certain of being exercised the asset is amortized over the useful life, unless the underlying asset is nondepreciable, in which the asset is not amortized.

Note 1. Summary of Significant Accounting Policies (Continued)

L. Capital Assets (Continued)

Capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Infrastructure	20-50 years
Buildings	10-50 years
Improvements other than buildings	5-50 years
Machinery and equipment	2-20 years
Furniture and fixtures	10-20 years
Intangibles and purchased capacity	5-40 years

Maintenance, repairs, and minor renewals are charged to operations when incurred. Expenses which materially increase values, change capacities, or extend useful lives are capitalized.

M. Compensated Absences

Vacation can be accumulated up to 37.5 days for all employees except department heads who can accumulate 40 days. Unused accumulated vacation is paid upon termination, death, or retirement. Employees may utilize their sick leave benefit to the extent sickness causes employees to be absent. Upon retirement under the VRS, employees are considered 25% vested in sick leave benefits and are paid the vested portion up to $10,000. Upon termination of employment except for dismissals, non-probationary full-time employees are considered 25% vested in sick leave benefits and are paid the vested portion up to $2,500. A prorated amount shall be paid to non-probationary part-time employees. The vested amount is accrued in compensated absences. Compensatory time is accrued for any time over 40 hours in lieu of overtime and is eligible for full-time employees. At termination, 100% of the balance is paid out to non-exempt sworn employees. Accrued compensatory time cannot exceed 120 hours at any point throughout the year and any excess hours are either paid out or lapsed.

Compensated absences are accrued when earned in the entity-wide and proprietary funds statements and reported as a fund liability. The General Fund is responsible for paying the liability for compensated absences for General Government employees and has been used in prior years to liquidate the Governmental Funds' liability.

Compensated absences that are expected to be liquidated with expendable available resources are reported as expenditures and fund liabilities of the governmental fund that will pay it. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Note 1. Summary of Significant Accounting Policies (Continued)

N. Long-Term Obligations

In the government-wide financial statements, proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums, discounts, and deferred losses on refunding are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Fund Balance

In the fund financial statements, governmental funds report classifications of fund balance as follows:

- **Nonspendable** – amounts that are not in a spendable form or are required to be maintained intact (such as prepaid items, inventory, and advances between funds).

- **Restricted** – amounts constrained to specific purposes by their providers (such as grantors, creditors, or laws and regulations of other governments), or by law through constitutional provisions or enabling legislation.

- **Committed** – amounts constrained to specific purposes by the Town Council. To be reported as committed, amounts cannot be used for any other purpose unless the Town Council takes the action to remove or change the constraint.

- **Assigned** – amounts constrained by the Town's intent but are neither restricted nor committed. Encumbrances outstanding at year-end are designated by management, as allowed by the Town's financial policies. Re-appropriations are then formally adopted by the Town Council in the following fiscal year through a budget amendment. Amounts designated for subsequent years' expenditures are adopted by a resolution of the Town Council, which is retroactive to fiscal year-end. The action normally takes place during the month of July, which is after fiscal year-end. These amounts are also formally re-appropriated by the Town Council in the following fiscal year through a budget amendment.

- **Unassigned** – residual balance of the General Fund that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Note 1. Summary of Significant Accounting Policies (Continued)

O. Fund Balance (Continued)

Town Council, as the highest level of authority within the Town, establishes the commitment of fund balance to purposes through the approval of the annual budget plan by resolution, in conjunction with the resolutions associated with the establishment of fee and tax rates, and acceptance or appropriation of funds. All subsequent changes to the budget plan to add, reduce, or redirect resources to other purposes are also accomplished by Council resolution. As a result, all unrestricted amounts directed toward a purpose are shown as committed. Balances shown as assigned in the General Fund represent encumbrances, which would otherwise be unassigned.

The Town Council considers restricted balances to be expended first in cases where both restricted and unrestricted amounts are available. When utilizing unrestricted balances, committed balances are applied first, followed by assigned then unassigned balances.

Town Council established a Revenue Stabilization Fund in 2012 within the assigned portion of the General Fund Balance. At the close of each audited fiscal year, after certifying that the Unassigned Fund Balance is in compliance with these policies, the Revenue Stabilization Fund shall receive a minimum of 25 percent of the prior year's surplus, if any, as calculated in the prior fiscal year audit. Balances in the Revenue Stabilization Fund will be allowed to accumulate until they reach an amount equal to 5.0 percent of General Fund Operating Revenues. Transfers to the Revenue Stabilization Fund may also be made as part of the adopted operating budget.

Withdrawals from the Revenue Stabilization Fund can only be considered if there is an unexpected General Fund recurring revenue decline of at least three percent below the original budget projections for the current fiscal year.

No more than half of the Revenue Stabilization Fund can be withdrawn in any one fiscal year except in the event that using no more than half of the balance would result in Unassigned Fund Balance falling below the 20 percent threshold noted herein. In such an instance, the withdrawal shall be the lesser of the amount needed to maintain the 20 percent Unassigned Fund Balance policy level or the remaining balance in the Revenue Stabilization Fund.

P. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Significant encumbrances as of June 30, 2026, include $972,550 in the general fund and $611,796 in the general capital project fund and $572,686 in the ARPA fund.

Note 1. Summary of Significant Accounting Policies (Continued)

Q. Pensions and Other Post-employment Benefits (OPEB)

For purposes of measuring all financial elements related to pensions and OPEB, information about the fiduciary net position of the Town's Plans and the additions to or deductions from the Town's Plans 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.

R. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

S. Change in Accounting Principle

During fiscal year 2026, the Town adopted GASB Statement No. 103, *Financial Reporting Model Improvements.* This new standard redefined operating and nonoperating revenues and expenses, definitions of which are included in Note 1, letter B. As a result, certain prior year amounts have been reclassified with the current year presentation.

Note 2. Deposits and Investments

The town maintains a cash and investment pool that is available for use by all funds. Investment income is allocated to certain designated funds based on the percentage of the fund's cash and investments at month-end to the total pool. The General Fund and Capital Projects Fund have specific designated investments, as well as having equity in pooled cash and investments.

Note 2. Deposits and Investments (Continued)

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act"), Section 2.2-4400 et., seq. of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and, depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Custodial Credit Risk

This is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The town's investment policy requires all deposits to be insured under FDIC or comply with the Act. At year-end, none of the Town's deposits were exposed to custodial credit risk.

Investments

Investment Policy:

The State Treasurer's Local Government Investment Pool (LGIP) is a professionally managed money market fund, which invests in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 of the *Code of Virginia,* the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The fair value of the position of the LGIP is the same as the value of the pool shares, i.e., the LGIP maintains a stable net asset value of $1 per share and is reported based on guidance in GASB Statement 79.

State statutes and the Town's policy 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, "prime-quality" commercial paper and certain corporate notes, bankers acceptances, repurchase agreements, open-end investment funds (mutual funds), certificates of deposit and the LGIP. The town has investments in the LGIP, and the maturity of the LGIP is less than one year and is rated AAAm by Standard & Poor's.

Note 2. Deposits and Investments (Continued)

Investments (Continued)

Investment Policy: (Continued)

The town's investment policy establishes the maximum percentages of the portfolio permitted in each of the following instruments:

U. S. Treasury Obligations	100% maximum
U. S. Government Agency Securities and Instruments of Government Sponsored Corporations	100% maximum
Open-End Investment Funds (Mutual Funds)	100% maximum
Bankers' Acceptances	50% maximum
Repurchase Agreements	25% maximum
Certificate of Deposits – Virginia Qualified Commercial Banks, Savings and Loan Associations	75% maximum
Commercial Paper	35% maximum
Local Government Investment Pool	100% maximum
Virginia State Non-Arbitrage Program	100% maximum

Further, of the total portfolio, no more than 25% can be invested with any one institution for Bankers' Acceptances, 10% with any one institution for Repurchase Agreements, 33% with any one institution for Certificates of Deposit, and no more than 5% with any one institution for Commercial Paper.

Interest Rate Risk:

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting exposure to fair value losses arising from rising interest rates, the Town's policy limits the investment of operating funds to investments with a stated maturity of no more than five years from the date of purchase, except for investments of capital projects, long-term reserve and other escrow funds that will be timed to meet contractors' payments, debt service or other anticipated financial obligations. In such cases, the Town may invest reserve and escrow funds in securities maturing up to ten years from the date of purchase.

As of June 30, 2026, the Town's investments consisted of the following:

Type	Value	S & P Credit Rating	Weighted Average Maturity*
LGIP	$ 68,683,555	AAA	0.22
Money Market	28,383	N/A	N/A
Mutual Funds	5,145,682	Various	N/A
Total investments	**$ 73,857,620**		

* - Average Maturity in Years

(Continued)

Note 2. Deposits and Investments (Continued)

Investments (Continued)

Concentration of Credit Risk:

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. If certain investments in any one issuer represent 5% of total investments, there must be a disclosure for the amount and issuer. At June 30, 2026, the portion of the Town's portfolio that exceed 5% of the total portfolio are as follows:

LGIP	100%

Fair Value:

The town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The town has the following recurring fair value measurements as of June 30, 2026:

	Level 1	Level 2	Level 3	Total
Mutual funds – Police Retirement Plan:				
Cohen + Steers Instl Realty Shares	$ 82,492	$ -	$ -	$ 82,492
DFA Emerging Markets Core Equity I	102,342	-	-	102,342
DFA International Core Equity I	170,482	-	-	170,482
DFA US Core Equity 2 I	296,869	-	-	296,869
Fidelity Advisor Total Bond Z	111,295	-	-	111,295
Fidelity Mid Cap	21,485	-	-	21,485
Fidelity Large Cap	45,985	-	-	45,985
Fidelity 500 Index	284,005	-	-	284,005
Fidelity US Bond Index	7,030	-	-	7,030
Great Gray CIT III Met Life 25554 CL J	42,944	-	-	42,944
Vanguard Target Retirement 2055 Fund	218,343	-	-	218,343
Vanguard Target Retirement 2050 Fund	281,764	-	-	281,764
Vanguard Target Retirement 2040 Fund	1,161,935	-	-	1,161,935
Vanguard REIT Index Adm	5,188	-	-	5,188
Vanguard Target Retirement 2065 Fund	53,027	-	-	53,027
Vanguard Target Retirement 2030 Fund	5,641	-	-	5,641
Vanguard Target Retirement Income Fund	2,958	-	-	2,958
Vanguard Target Retirement 2045 Fund	612,796	-	-	612,796
Vanguard Target Retirement 2035 Fund	948,282	-	-	948,282
Vanguard Target Retirement 2060 Fund	169,536	-	-	169,536
Vanguard Target Retirement 2025 Fund	509,753	-	-	509,753
Vanguard Target Retirement 2020 Fund	11,530	-	-	11,530
	$ 5,145,682	**$ -**	**$ -**	**$ 5,145,682**

(Continued)

Note 2. Deposits and Investments (Continued)

Investments (Continued)

Fair Value: (Continued)

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Federal agency notes and bonds are classified in Level 2 of the fair value hierarchy and are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Deposits and investments are reflected in the financial statements as follows:

Deposits and investments:	
Deposits	$ 3,098,349
Investments	68,683,555
Investments held in trust	5,174,065
	$ 76,955,969
Statement of Net Position:	
Cash and investments	$ 65,822,383
Cash and investments – restricted	5,959,521
Fiduciary fund cash and investments	5,174,065
	$ 76,955,969

Cash with Fiscal Agent and Other Restricted Cash and Investments:

Restricted cash and investments consist of cash restricted for future capital projects and funds accumulated for use in the Chestnut Grove Cemetery Perpetual Care Fund, Stormwater Management Fund, and American Rescue Plan Act Fund.

Note 3. Receivables and Due from Other Governments

Receivables are as follows:

	Governmental Activities	Business - Type Activities	Total
Receivables:			
Property tax	$ 15,831,123	$ -	$ 15,831,123
Meal tax	862,011	-	862,011
Transient occupancy tax	234,087	-	234,087
Trade and other accounts	410,329	2,873,999	3,284,328
Gross receivables	17,337,550	2,873,999	20,211,549
Less: allowance for uncollectible	(336,255)	(12,917)	(349,172)
Receivables, net	**$ 17,001,295**	**$ 2,861,082**	**$ 19,862,377**
Due from other governments:			
Commonwealth of Virginia	$ 257,319	$ -	$ 257,319
Counties	4,812,661	-	4,812,661
Total due from other governments	**$ 5,069,980**	**$ -**	**$ 5,069,980**

Note 4. Leases Receivable

The town is the lessor of three buildings in the general fund with lease terms that expire through 2027. The water and sewer and the golf course funds include leased equipment, water tower space, and land and buildings with varying lease terms that expire through 2039.

Lease and interest revenue in the general fund was $345,258 and $2,439 respectively, and $370,094 and $34,746 in the business-type activities, respectively, for 2026.

The lease receivables are due as follows:

Year Ending	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2027	$ 48,984	$ 60	$ 293,325	$ 61,222
2028	-	-	251,503	56,274
2029	-	-	253,215	51,512
2030	-	-	173,754	46,920
2031	-	-	149,799	43,576
Thereafter	-	-	1,286,081	212,363
	$ 48,984	**$ 60**	**$ 2,407,677**	**$ 471,867**

Note 5. Interfund Receivables, Payables, and Transfers

A summary of interfund transfer activity is presented as follows:

	Capital Projects Fund	Nonmajor Governmental Fund	Chestnut Grove Cemetery Fund	Total Transferred In
Transferred out:				
Primary government:				
Governmental activities:				
Nonmajor governmental fund	$ -	$ -	$ 87,032	$ 87,032
General fund	763,816	-	-	763,816
Business-type activities:				
Chestnut Grove Cemetery Fund	-	56,468	-	56,468
Total Transferred Out	**$ 763,816**	**$ 56,468**	**$ 87,032**	**$ 907,316**

The transfer from the Nonmajor governmental funds is for interest and investment income, net from the Perpetual Care Fund.

The transfer from the Chestnut Grove Cemetery Fund to Nonmajor Governmental Funds represents 10% of cemetery site revenues transferred to the Perpetual Care Fund.

The transfer to the Capital Projects Fund from the General Fund is to fund capital spending funded by General Fund revenues.

Note 6. Capital Assets

Capital asset activity for the year ended June 30 is as follows:

Governmental Activities:	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Capital asset, not depreciated:				
Land	$ 23,826,753	$ 7,203,911	$ -	$ 31,030,664
Easements	3,878,207	-	-	3,878,207
Construction in progress	12,067,923	3,318,946	(13,038,202)	2,348,667
Total capital assets not depreciated	39,772,883	10,522,857	(13,038,202)	37,257,538
Capital assets, depreciated and amortized:				
Infrastructure	109,476,646	671,527	-	110,148,173
Buildings	48,010,857	824,300	-	48,835,157
Improvements other than buildings	19,529,585	1,310,533	-	20,840,118
Machinery and equipment	17,122,871	1,747,860	(524,303)	18,346,428
Machinery and equipment – Right-to-use leases	96,564	-	-	96,564
Right-to-use subscriptions	854,614	186,306	(48,235)	992,685
Intangibles	587,369	-	-	587,369
Furniture and fixtures	1,071,534	137,832	(7,309)	1,202,057
Total capital assets	196,750,040	4,878,358	(579,847)	201,048,551
Less: accumulated depreciation and amortization:				
Infrastructure	(73,148,107)	(1,778,036)	-	(74,926,143)
Buildings	(27,050,633)	(1,702,861)	-	(28,753,494)
Improvements other than buildings	(12,177,538)	(539,337)	-	(12,716,875)
Machinery and equipment	(7,110,612)	(1,277,834)	522,940	(7,865,506)
Machinery and equipment – Right-to-use leases	(18,369)	(19,313)	-	(37,682)
Right-to-use subscriptions	(636,356)	(238,731)	48,235	(826,852)
Intangibles	(587,433)	(18)	-	(587,451)
Furniture and fixtures	(679,575)	(47,962)	7,309	(720,228)
Total accumulated depreciation and amortization	(121,408,623)	(5,604,092)	578,484	(126,434,231)
Total capital assets, depreciated and amortized, net	75,341,417	(725,734)	(1,363)	74,614,320
Governmental activities capital assets, net	**$ 115,114,300**	**$ 9,797,123**	**$ (13,039,565)**	**$ 111,871,858**

(Continued)

Note 6. Capital Assets (Continued)

Business-Type Activities:	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Capital asset, not depreciated:				
Land	$ 2,540,074	$ -	$ -	$ 2,540,074
Construction in progress	2,601,508	383,903	(2,412,958)	572,453
Total capital assets not depreciated	5,141,582	383,903	(2,412,958)	3,112,527
Capital assets, depreciated and amortized:				
Buildings	3,916,441	52,187	-	3,968,628
Improvements other than buildings	39,643,525	6,339,594	-	45,983,119
Machinery and equipment	5,431,465	997,829	(304,637)	6,124,657
Machinery and equipment – Right-to-use leases	19,419	23,758	(19,419)	23,758
Intangibles and purchased capacity	15,370,173	-	-	15,370,173
Total capital assets	64,381,023	7,413,368	(324,056)	71,470,335
Less: accumulated depreciation and amortization:				
Buildings	(2,613,582)	(101,367)	-	(2,714,949)
Improvements other than buildings	(29,863,176)	(1,127,180)	-	(30,990,356)
Machinery and equipment	(2,524,808)	(363,952)	269,190	(2,619,570)
Machinery and equipment – Right-to-use leases	(17,072)	(3,627)	19,419	(1,280)
Intangibles and purchased capacity	(7,580,144)	(206,293)	-	(7,786,437)
Total accumulated depreciation and amortization	(42,598,782)	(1,802,419)	288,609	(44,112,592)
Total capital assets, depreciated and amortized, net	21,782,241	5,610,949	(35,447)	27,357,743
Business-type activities capital assets, net	**$ 26,923,823**	**$ 5,994,852**	**$(2,448,405)**	**$ 30,470,270**

Note 6. Capital Assets (Continued)

Primary Government

Depreciation and amortization expense was charged to functions/programs as follows:

Governmental activities:	
Legislative	$ 38,772
Administration	149,400
Parks and Recreation	1,005,840
Finance	57,077
Community Development	41,445
Police	593,367
Public Works	3,387,792
Town Attorney	72,356
Non-Departmental	258,043
	$ 5,604,092
Business-type activities:	
Water and Sewer	$ 1,429,557
Golf Course	308,830
Chestnut Grove Cemetery	64,032
	$ 1,802,419

Note 7. Unavailable and Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue were as follows:

	Unavailable	Unearned
Delinquent property tax receivable	$ 134,318	$ -
Advance billing of 2026 taxes	15,774,305	15,774,305
Intergovernmental	-	118,361
Other	49,172	4,458,332
	$ 15,957,795	**$ 20,350,998**

The golf fund showed $31,960 of unearned revenue from the annual passes sold by year end.

Note 8. Long-Term Debt

Primary Government

The following is a summary of the long-term debt activity for the year ended June 30:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within One Year
Governmental Activities:					
General obligation bonds	$ 7,056,136	$ -	$ (917,785)	$ 6,138,351	$ 873,809
Plus deferred amount for bond premiums	107,232	-	(7,659)	99,573	-
Leases	80,918	-	(19,396)	61,522	19,437
Subscriptions	169,469	186,431	(226,021)	129,879	129,879
	7,413,755	186,431	(1,170,861)	6,429,325	1,023,125
Compensated absences	3,074,891	42,390	-	3,117,281	1,537,355
	$ 10,488,646	**$ 228,821**	**$ (1,170,861)**	**$ 9,546,606**	**$ 2,560,480**
Business-Type Activities:					
General obligation bonds	$ 6,839,864	$ -	$ (333,216)	$ 6,506,648	$ 325,191
Financed Purchase	180,000	-	(60,000)	120,000	60,000
Fairfax Water	1,640,039	-	(171,360)	1,468,679	181,624
Leases	2,196	23,758	(4,572)	21,382	4,552
	8,662,099	23,758	(569,148)	8,116,709	571,367
Compensated absences	414,998	48,961	-	463,959	214,754
	$ 9,077,097	**$ 72,719**	**$ (569,148)**	**$ 8,580,668**	**$ 786,121**

For the governmental activities, compensated absences, pension liabilities, and OPEB liabilities are generally liquidated by the general fund. Changes in compensated absences in the above tables represent net changes.

The town is subject to a legal debt margin based on the Constitution of Virginia. Based upon the Fairfax County valuation, the direct debt limit is $579,583,775. With total exempt debt of $6,429,325 the Town has a legal debt margin of $573,154,451.

Note 8. Long-Term Debt (Continued)

Primary Government (Continued)

Annual requirements to amortize long-term debt, the related interest and other obligations are as follows:

	Governmental Activities					
	General Obligations		Lease Liabilities		Subscription Liabilities	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2027	$ 873,809	$ 160,614	$ 19,437	$ 1,740	$ 129,879	$ 1,322
2028	852,211	143,025	19,589	887	-	-
2029	867,481	125,265	17,451	404	-	-
2030	889,850	107,148	4,666	44	-	-
2031	260,000	88,006	379	6	-	-
2032-2036	1,430,000	291,113	-	-	-	-
2037-2041	965,000	63,538	-	-	-	-
	$ 6,138,351	**$ 978,709**	**$ 61,522**	**$ 3,081**	**$ 129,879**	**$ 1,322**

	Business-Type Activities Total					
	General Obligations and Fairfax Water		Lease Liabilities		Financed Purchases	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2027	$ 506,815	$ 296,158	$ 4,552	$ 478	$ 60,000	$ 2,817
2028	519,294	275,959	4,664	366	60,000	939
2029	543,560	254,692	4,778	252		
2030	410,028	232,202	4,895	135	-	-
2031	253,455	218,110	2,493	23	-	-
2032-2036	1,433,199	923,111	-	-	-	-
2037-2041	1,558,976	632,754	-	-	-	-
2042-2046	1,425,000	382,913	-	-	-	-
2047-2050	1,325,000	117,950	-	-	-	-
	$ 7,975,327	**$ 3,333,849**	**$ 21,382**	**$ 1,254**	**$ 120,000**	**$ 3,756**

Note 8. Long-Term Debt (Continued)

Primary Government (Continued)

Details of Long-Term Indebtedness

	Interest Rates	Date Issued	Maturity Date	Amount of Original Issue	Governmental Activities	Business-Type Activities
General Obligation Public Improvement Bonds	2.00-5.00	2018	2050	$ 11,135,000	$ 3,575,000	$ 5,825,000
General Obligation Public Refunding Bonds	1.04	2020	2030	5,229,000	2,563,351	681,648
Fairfax Water 1994 Agreement	0.00	1994	2029	2,085,419	-	403,167
Fairfax Water 1999 Agreement	0.00	1999	2039	2,452,622	-	1,065,512
Financed Purchase	3.13	2023	2027	300,000	-	120,000
					$ 6,138,351	**$ 8,095,327**
Leases for equipment	Various	2020	2029	157,058	$ 61,522	$ 21,382
Subscriptions	Various	2022	2027	540,548	129,879	-
					$ 191,401	**$ 21,382**

The Town has leases for various equipment such as copiers and postage machines for periods expiring between years ended 2027 and 2030. The value of right to use lease asset balances and related accumulated amortization as of year-end are disclosed in Note 6. The related debt, as well as principal and interest requirements to maturity are disclosed in the note above.

The town has SBITAs for various software platforms. The value of the right-to-use subscription asset and related accumulated amortization as of year-end are disclosed in Note 6. The related debt, as well as principal and interest requirements to maturity are disclosed in the note above.

The town uses its estimated incremental borrowing rate as the discount rate for leases and subscriptions.

Note 9. Defined Benefit Pension Plan

Plan Description

All full-time, salaried permanent employees of the Town of Herndon, (the "Political Subdivision") are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan is 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.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at:

- https://www.varetire.org/members/benefits/defined-benefit/plan1.asp,
- https://www.varetire.org/members/benefits/defined-benefit/plan2.asp,
- https://www.varetirement.org/hybrid.html.

Employees Covered by Benefit Terms

As of the June 30, 2024, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	197
Inactive members:	
Vested inactive members	67
Non-vested inactive members	122
Inactive members active elsewhere in VRS	54
Total inactive members	440
Active members	248
Total covered employees	**688**

Note 9. Defined Benefit Pension Plan (Continued)

Contributions

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

The Political Subdivision's contractually required contribution rate for the year ended June 30, 2026, was 8.45% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Political Subdivision were $2,094,590 and $1,947,608 for the years ended June 30, 2026, and June 30, 2025, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $119,795 for the year ended June 30, 2026. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $183,070 for the year ended June 30, 2026. The total Hybrid plan participant covered payroll totaled $11,979,525 for the year ended June 30, 2026.

Net Pension Liability (Asset)

The net pension liability (asset) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For Political Subdivisions, the net pension liability (asset) was measured as of June 30, 2025. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2024, rolled forward to the measurement date of June 30, 2025.

Note 9. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The total pension liability for General Employees and Public Safety Employees with Hazardous Duty benefits in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2024, 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, 2025.

Inflation	2.50%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 – 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service-related. Public Safety Employees – 45% to 70% of deaths are assumed to be service-related. Mortality is projected using the applicable Pub-2010 Mortality Table and a Modified MP-2021 Improvement Scale with various set backs or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2024, valuation were rolled forward to a measurement date as of June 30, 2025, and were based on the results of an actuarial experience study for the period from July 1, 2020, through June 30, 2024, except the change in the discount rate. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General Employees – Metro – Non-Hazardous Duty: Maintained mortality table with adjustments; moved retirement and termination rates to the way of the observed experience; moved disability rates to the way of the observed experience to maintain margin; increased Merit & longevity on the salary scale; no change to discount rate.

Public Safety Employees – Metro– Hazardous Duty: Maintained mortality table with adjustments; moved retirement and termination rates to the way of the observed experience; moved disability rates to the way of the observed experience to maintain margin; increased Merit & Longevity on the salary scale; and no change to discount rate.

(Continued)

Note 9. Defined Benefit Pension 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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	32.00 %	6.60 %	2.11 %
Fixed-Income	16.00	5.09	0.81
Credit Strategies	16.00	8.21	1.31
Real Assets	15.00	7.10	1.07
Private Equity	15.00	8.60	1.29
PIP – Private Investment Partnership	1.00	7.95	0.08
Diversifying Strategies	6.00	6.82	0.41
Cash	2.00	4.07	0.08
Leverage	(3.00)	4.57	(0.14)
Total	100.00 %		**7.02 %**
*Expected arithmetic nominal return			**7.02 %**

*The above allocation provides for a one-year return of 7.02% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.06%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which is 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%.

Note 9. Defined Benefit Pension 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. For the year ended June 30, 2025, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2024, actuarial valuations. From July 1, 2025, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (Asset) (a) – (b)**
Balances at June 30, 2024	$ 110,663,669	$ 110,275,909	$ 387,760
Service cost	2,311,261	-	2,311,261
Interest	7,431,972	-	7,431,972
Differences between expected and actual experience	3,278,227	-	3,278,227
Assumption Changes	731,416		731,416
Contributions – employer	-	1,971,437	(1,971,437)
Contributions – employee	-	1,140,147	(1,140,147)
Net investment income	-	11,552,310	(11,552,310)
Benefit payments, including refunds of employee contributions	(5,743,268)	(5,743,268)	-
Administrative expenses	-	(66,250)	66,250
Other changes	-	2,986	(2,986)
Net changes	8,009,608	8,857,362	(847,754)
Balances at June 30, 2025	**$ 118,673,277**	**$ 119,133,271**	**$ (459,994)**

Note 9. Defined Benefit Pension Plan (Continued)

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

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

	1.00% Decrease (5.75%)	Current Discount Rate	1.00% Increase (7.75%)
Political Subdivision's net pension liability (asset)	$ **14,267,476**	**$ (459,994)**	**$ (12,734,593)**

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

For the year ended June 30, 2026, the Political Subdivision recognized pension expense of $495,564. At June 30, 2026, the Political Subdivision 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	$ 3,081,814	$ -
Change in assumptions	472,049	-
Net difference between projected and actual earnings on pension plan investments	-	3,712,778
Employer contributions subsequent to the measurement date	2,094,590	-
Total	**$ 5,648,453**	**$ 3,712,778**

Note 9. Defined Benefit Pension Plan (Continued)

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

The $2,094,590 reported as deferred outflows of resources related to pensions resulting from the political subdivision'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, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Effect on Pension Expense
2027	$ 2,365,581
2028	(232,275)
2029	(1,452,294)
2030	(839,927)
2031	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2025 Annual Report. A copy of the 2025 VRS annual report may be downloaded from the VRS website at https://www.varetire.org/publications/?category=annual, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

At June 30, 2026, $271,323 was payable to the Virginia Retirement System for the legally required contributions related to June 2026 payroll.

Note 10. Defined Contribution Plan – Police Retirement

Plan Description

The Town of Herndon Police Supplemental Retirement Plan (Plan) is a defined contribution plan established by the Town to provide retirement benefits, supplemental to VRS, for town police officers. The Plan is administered by the Town. The town contributes an amount equal to four percent of the officer's wages; the officers make no contribution. The Plan was established by Town Council and any amendments to the plan must be approved by the Council. The Plan does not issue a stand-alone financial report.

The town's police officers are enrolled in the Law Enforcement Officers retirement program within the VRS. The police officers are provided benefits equivalent to those provided for State police officers as set out in Section 51.1-138 of the *Code of Virginia*.

There were 111 participants in the Plan at June 30, 2026. The Plan has eight distribution options available to the officers upon retirement, separation from service, death, disability, or termination of the Plan. Town contributions recorded as pension expenditure totaled $231,903 for the fiscal year ended June 30, 2026. Data concerning the value of vested and non-vested benefits as of June 30, 2026, is as follows:

Vested benefits	$	4,786,984
Non-vested benefits		358,698
	$	**5,145,682**

Vesting

Contributions by the Town will vest to the benefit of the officer for which they are made according to the following schedule:

Years of Service as Herndon Police Officer	Vested Percentage
Fewer than 3 years	None
3 years but fewer than 4	20
4 years but fewer than 5	40
5 years but fewer than 6	60
6 years but fewer than 7	80
7 years or more	100

Significant Accounting Policies

Basis of Accounting: The Plan financial statements are prepared using the accrual basis of accounting.

Note 10. Defined Contribution Plan – Police Retirement (Continued)

Significant Accounting Policies (Continued)

Reporting: The Plan is accounted for as a trust fund of the Town.

Investment Valuation and Income Recognition: Shares of registered investment companies (mutual funds) are reported at fair value based on the quoted market price of the mutual fund, which represents the net asset value of the shares held by the Plan.

Payment of Benefits: Benefits are recorded when paid.

In addition, State statutes authorize the Town to purchase other investments for pension funds that meet the standard of judgment and care set forth in the *Code of Virginia.* These additional investments may include obligations of other states, political subdivisions thereof, or mutual funds.

Concentrations

At June 30, 2026, Plan assets were comprised of mutual funds investing in stocks, bonds, guaranteed investment contracts, and U.S. government securities. Single investments representing more than 5% of the Plan's net assets as of June 30, 2026, are separately identified in the fair value measurements table in Note 2.

Note 11. Other Post-Employment Benefits – Local Plan

Plan Description

OPEB provided by the Town includes a single-employer, defined benefit retiree health insurance premium plan. No assets are accumulated in a trust to pay benefits to the plan.

A retiree, eligible for the plan, is defined as a full-time employee who is participating in the employer's medical and dental program, and may elect coverage if the employee is: (a) eligible for VRS retirement (i.e. General Employees; earlier of age 50 and 10 years of service or age 55 and 5 years of service; Hazardous Duty Employees: age 50 and 7 years of service, or (b) disabled employees who qualify for VRS disability (no age or service requirement in VRS). The plan was established by Town Council and any amendments to the plan must be approved by the Council. The plan does not issue stand-alone financial reports.

Benefits Provided

Benefits include medical, dental, and vision insurance. Participating retirees pay monthly premiums to continue with the Town's insurance plans. Benefits end at the earlier of the retiree's death or attainment of age 65.

Note 11. Other Post-Employment Benefits Liability– Local Plan (Continued)

Employees Covered by Benefit Terms

As of the July 1, 2025, actuarial valuation, the following employees were covered by the benefit terms of the plan:

	Number
Inactive employees or beneficiaries:	
Currently receiving benefits	60
Entitled to but not yet receiving benefits	-
Total inactive employees	60
Active plan members	234
	294

Total OPEB Liability

The town's total OPEB liability of $3,453,846 was measured as of July 1, 2025, and was determined based on an actuarial valuation performed as of July 1, 2024.

Actuarial Assumptions and other inputs

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

Discount Rate	4.71%
Salary increases, including inflation	2.5%, plus productivity component of 1.25%
Healthcare cost trend rates	11.69% for fiscal year end 2025 (to reflect actual experience), then 7.00% for fiscal year end 2026, decreasing 0.25% per year to an ultimate rate of 5.00%
Retirees' share of benefit-related costs	Same as Healthcare Trend

Mortality rates: Pub-2010 Mortality Table, with improvement scale MP-2021 fully generational.

The actuarial assumptions used in the July 1, 2025, valuation were based on the results of an actuarial experience study for the period from July 1, 2024, through June 30, 2025.

Note 11. Other Postemployment Benefits Liability – Local Plan (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2025	$ 3,374,965
Changes for the year:	
Service cost	207,386
Interest	142,908
Differences between expected and actual experience	156,968
Benefit payments	(178,303)
Assumption changes	(55,137)
Net changes	273,822
Balance at June 30, 2026	**$ 3,648,787**

Benefit payments above represent amounts paid by the Town sufficient to satisfy benefit payment requirements to participants.

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

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.71%) or one percentage point higher (5.71%) than the current discount rate:

	1.00% Decrease (3.71%)	Current Discount Rate (4.71%)	1.00% Increase (5.71%)
Total OPEB liability	**$ 3,969,709**	**$ 3,648,787**	**$ 3,360,695**

Note 11. Other Postemployment Benefits Liability – Local Plan (Continued)

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 Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current healthcare cost trend rates:

	1.00% Decrease (5.50%)	Current Healthcare Cost Trend Rates (6.50%)	1.00% Increase (7.50%)
Total OPEB liability	**$ 3,293,237**	**$ 3,648,787**	**$ 4,063,952**

OPEB Benefit and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2026, the Town recognized OPEB expense of $35,538. At June 30, 2026, 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	$ 124,603	$ 270,002
Change in assumptions	-	172,775
Employer contributions subsequent to measurement date	43,244	-
Total	**$ 167,847**	**$ 442,777**

Note 11. Other Postemployment Benefits Liability – Local Plan (Continued)

The $43,244 reported as deferred outflows of resources related to OPEB resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB Liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Effect on OPEB Expense
2027	$ (268,976)
2028	(42,005)
2029	(25,036)
2030	17,843
2031	-
Thereafter	-

OPEB Benefit and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The plan is not administered through a trust, thus, a portion of the total OPEB liability is reported on the government-wide statements as current, representing the full amount of benefit payments expected to be paid within one year. A reconciliation of the total plan liabilities is reported below.

	Governmental Activities	Business-Type Activities
Current portion	$ 160,232	$ 18,071
Noncurrent portion	3,118,748	351,736
Total OPEB liability	**$ 3,278,980**	**$ 369,807**

Note 12. Other Postemployment Benefits Liability – Virginia Retirement System Plans

In addition to their participation in the pension plans offered through the VRS, the Town also participates in a cost-sharing multiple employer other postemployment benefit plan, described as follows.

Plan Descriptions

Group Life Insurance Program

All full-time employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

In addition to the Basic Group Life Insurance Benefit, members are also eligible to elect additional coverage for themselves, as well as a spouse or dependent children through the Optional Group Life Insurance Program. 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 program, it is not included as part of the GLI Program OPEB.

Specific information for the GLI is available at https://www.varetire.org/benefits-and-programs/benefits/life-insurance/.

The GLI is administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. This plan is considered multiple-employer, cost-sharing plan.

Note 12. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2023. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability, with the exception of GLI which was also combined with employee contributions. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program

Governed by:	*Code of Virginia* 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2026 Contribution	$117,068
June 30, 2025 Contribution	$109,260

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

The net OPEB liabilities were measured as of June 30, 2025, and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2024, and rolled forward to the measurement date of June 30, 2025. The covered employer's proportion of the net OPEB liabilities, were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2025, relative to the total of the actuarially determined employer contributions for all participating employers.

Note 12. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

Group Life Insurance Program

June 30, 2026 proportionate share of liability	$811,317
June 30, 2025 proportion	0.08432%
June 30, 2024 proportion	0.08529%
June 30, 2026 revenue	$15,926

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amounts from changes in proportion.

At June 30, 2026, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 143,924	$ 15,271
Changes of assumptions	-	26,545
Net difference between projected and actual earnings on OPEB plan investments	-	113,534
Changes in proportion	10,008	26,080
Employer contributions subsequent to the measurement date	117,068	-
Total	**$ 271,000**	**$ 181,430**

Note 12. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

Group Life Insurance Program (Continued)

The $117,068 reported as deferred outflows of resources related to OPEB resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the Fiscal Year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

Year Ending June 30,	Effect on OPEB Expense
2027	$ (7,643)
2028	(17,620)
2029	(6,086)
2030	(813)
2031	4,664
Thereafter	-

Note 12. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2024, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025:

Inflation	2.5%
Salary increases, including inflation:	
• Locality – general employees	3.5 – 5.35%
• Locality – hazardous duty employees	3.5 – 4.75%
Investment rate of return, net of expenses, including inflation	6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail in Note 9.

Note 12. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Net OPEB Liabilities

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2025, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program
Total OPEB Liability	$ 4,433,282
Plan fiduciary net position	$ 3,471,094
Net OPEB liability (asset)	$ 962,188
Plan fiduciary net position as a percentage of total OPEB liability	78.30%

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

Note 12. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Long-Term Expected Rate of Return

Group Life Insurance

The long-term expected rate of return is the same as those used by the VRS pension plans. The long-term expected rate of return is detailed in Note 9.

Discount Rate

The discount rate used to measure the GLI OPEB 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 Guidance 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. Through the fiscal year ending June 30, 2025, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 117% of the actuarially determined contribution rate for GLI and 100% of the actuarially determined contribution rate for all other OPEB plans. From July 1, 2025 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' 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 OPEB liability.

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability	**$ 1,368,657**	**$ 811,317**	**$ 361,675**

Note 12. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2025 Annual Report. A copy of the 2025 VRS may be downloaded from the VRS website at https://www.varetire.org/publications/?category=annual, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 13. Summary of Other Post Employment Benefit Elements

	Governmental Activities	Business-Type Activities	Total Primary Government
Deferred outflows of resources - OPEB			
Local plan	$ 139,956	$ 27,891	$ 167,847
VRS GLI	241,018	29,982	271,000
Total deferred outflows of resources - OPEB	**$ 380,974**	**$ 57,873**	**$ 438,847**
Net OPEB liability			
Local plan	$ 3,278,980	$ 369,807	$ 3,648,787
VRS GLI	725,593	85,724	811,317
Total net OPEB liability	**$ 4,004,573**	**$ 455,531**	**$ 4,460,104**
Deferred inflows of resources - OPEB			
Local plan	$ 371,879	$ 70,898	$ 442,777
VRS GLI	162,268	19,162	181,430
Total deferred inflows of resources - OPEB	**$ 534,147**	**$ 90,060**	**$ 624,207**
OPEB expense (revenue)			
Local plan	$ 20,351	$ 15,187	$ 35,538
VRS GLI	(14,243)	(1,683)	(15,926)
Total OPEB expense	**$ 6,108**	**$ 13,504**	**$ 19,612**

Note 14. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees and others; and natural disasters. To reduce insurance costs and the need for self-insurance, the Town has joined with other municipalities in the Commonwealth of Virginia in several public entity risk pools that operate as common risk management and insurance programs for member municipalities. The town is not self-insured.

The Town has coverage with the Virginia Risk Sharing Association program (the “Pool”) for all insurable risks identified by the Town. Each Pool member jointly and severally agrees to assume, pay and discharge any liability. The town pays the Pool contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Pool and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Pool may assess all members in the proportion, which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The town contributes to carry commercial insurance for all other risks of losses. Settled claims from these risks have not exceeded commercial coverage in any of the last three fiscal years.

Note 15. Commitments and Contingencies

Federal and State-Assisted Programs

The Town has received proceeds from several federal and state grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

Litigation

The Town is contingently liable with respect to lawsuits and other claims, which arise in the ordinary course of operations. It is the opinion of town management that any losses not covered by insurance, which may ultimately be incurred as a result of the suits and claims, will not be material to the financial position of the Town.

(Continued)

Note 16. Subsequent Event

The Herndon Downtown Redevelopment Project, a PPEA partnership between the Town and Comstock Herndon Venture LC, ended via notification by Comstock on December 10, 2024. Comstock Herndon Venture LC refused to transfer title to the real estate pursuant to the terms of the contract and the Town filed a petition in Fairfax County Circuit Court to resolve this issue. The court issued an interim ruling on September 24, 2026, in favor of the developer. The town filed an appeal of this ruling to the Virginia Court of Appeals on October 7, 2026.

Note 17. New Accounting Standards

In December 2025, the GASB issued Statement **No. 105, Subsequent Events**. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing the consistency in their application and better meeting the information needs of financial statement users. This statement also clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this Statement are effective for reporting periods beginning after June 15, 2026.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

(Continued)

TOWN OF Herndon VIRGINIA

www.herndon-va.gov

REQUIRED SUPPLEMENTARY INFORMATION

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REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget - Over (Under)	Actual Amounts Budgetary (and GAAP)	Variance with Final Budget - Over (Under)
	Original	Final	Final Budget	Basis Amounts	Actual Amounts
Budgetary Revenues:					
General property taxes	$ 15,294,340	$ 15,294,340	$ -	$ 15,324,248	$ 29,908
Other local taxes	19,866,896	19,866,896	-	19,837,346	(29,550)
Permits, privilege fees, and regulatory licenses	758,500	758,500	-	1,188,594	430,094
Fines and forfeitures	405,600	405,600	-	438,033	32,433
Use of money and property	2,047,697	2,047,697	-	1,802,395	(245,302)
Charges for services	2,691,269	2,691,269	-	2,954,742	263,473
Miscellaneous	78,000	138,000	60,000	107,003	(30,997)
Intergovernmental	5,445,373	5,622,373	177,000	5,471,162	(151,211)
Total budgetary revenues	46,587,675	46,824,675	237,000	47,123,523	298,848
Budgetary Expenditures:					
Current:					
Legislative	779,764	779,764	-	571,382	(208,382)
Administration	5,362,281	6,152,824	790,543	5,380,564	(772,260)
Town attorney	1,241,755	1,240,455	(1,300)	1,302,403	61,948
Parks and recreation	5,368,849	5,621,375	252,526	5,135,579	(485,796)
Finance	2,123,659	2,179,318	55,659	2,178,583	(735)
Community development	3,186,153	4,534,260	1,348,107	3,348,040	(1,186,220)
Police	13,517,867	13,700,451	182,584	13,371,010	(329,441)
Public works	16,467,826	17,761,952	1,294,126	15,452,154	(2,309,798)
Grants	19,738	19,738	-	59,055	39,317
Non-departmental	(267,994)	2,676,437	2,944,431	(41,728)	(2,718,165)
Debt service:					
Principal	1,134,455	1,134,455	-	1,163,067	28,612
Interest and fiscal charges	180,061	180,061	-	183,850	3,789
Total budgetary expenditures	49,114,414	55,981,090	6,866,676	48,103,959	(7,877,131)
Budgetary excess (deficiency) of revenues over (under) expenditures	**(2,526,739)**	**(9,156,415)**	**(6,629,676)**	**(980,436)**	**8,175,979**

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under)	Actual Amounts Budgetary (and GAAP)	Variance with Final Budget Over (Under)
	Original	Final	Final Budget	Basis Amounts	Actual Amounts
Budgetary other financing sources (uses):					
Proceeds from sale of capital assets	$ 150,000	$ 150,000	$ -	$ 156,815	$ 6,815
Issuance of leases and subscription arrangements	-	-	-	138,071	138,071
Insurance recoveries	75,000	75,000	-	135,377	60,377
Transfers out	(1,323,811)	(1,323,811)	-	(763,816)	559,995
Total budgetary other financing sources (uses), net	(1,098,811)	(1,098,811)	-	(333,553)	765,258
Net change in fund balance	(3,625,550)	(10,255,226)	(6,629,676)	(1,313,989)	8,941,237
Budgetary fund balance, beginning of period	31,549,256	24,167,031	(7,382,225)	33,490,195	9,323,164
Budgetary fund balance, end of period	**$ 27,923,706**	**$ 13,911,805**	**$ (14,011,901)**	**$ 32,176,206**	**$ 18,264,401**

RECONCILIATION TO GAAP BASIS

Total fund balance GAAP basis	$ 32,176,206

TOWN OF HERNDON, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO BUDGETARY COMPARISON SCHEDULEGENERAL FUND
YEAR ENDED JUNE 30, 2026

	Original Budget	Final Budget	Variance with Original Budget - over (under) Final Budget	Differences - Original Budget to Final Budget
BUDGETARY EXPENDITURES				
Differences - original budget to final budget				
Current:				
Administration	$ 5,362,281	$ 6,152,824	$ 790,543	The increase to the original budget includes reappropriations of prior year IT costs related to the ongoing transformation initiative, combined with the impact of added employee headcount.
Community development	3,186,153	4,534,260	1,348,107	The original budget was amended for ongoing professional fees related to the multi-year 2050 Comprehensive Plan, as well as for ongoing tree maintenance.
Non-departmental	(267,994)	2,676,437	2,944,431	The original budget was amended for reappropriation of the anticipated Downtown Redevelopment Project.

	Final Budget	Actual Amounts Budgetary (and GAAP) Basis	Variance with Fiscal Budget - over (under) Actual Amounts	Differences - Final Budget to Actual
BUDGETARY EXPENDITURES				
Differences - final budget to actual				
Administration	$ 6,152,824	$ 5,380,564	$ (772,260)	Actual expenditures were below budget, primarily due to the timing of ongoing IT transformation initiatives and other professional services costs, as well as savings from vacant positions.
Community Development	4,534,260	3,348,040	(1,186,220)	Actual expenditures were below budget, primarily due to the timing of professional services and other costs associated with the multi-year 2050 Comprehensive Plan, as well as savings from vacant positions.
Public Works	17,761,952	15,452,154	(2,309,798)	Actual expenditures were below budget, primarily due to savings from vacant positions, the timing of asset purchases, and lower than anticipated fuel, building maintenance, and repair costs.
Non-departmental	2,676,437	(41,728)	(2,718,165)	The anticipated Downtown Redevelopment Project has been canceled.

	Final Budget	Actual Amounts Budgetary (and GAAP) Basis	Variance with Fiscal Budget to Actual Amounts	Differences - Final Budget to Actual
BUDGETARY OTHER FINANCING SOURCES (USES)				
Differences - final budget to actual				
Transfers Out	$ (1,323,811)	$ (763,816)	$ 559,995	Actuals reflect lower capital and stormwater management project spending.

Scope used for variances: $497,300 and 10%

TOWN OF HERNDON, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS - LOCAL PLAN
Year Ended June 30, 2026

	Plan Year								
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Total OPEB Liability									
Service cost	$ 207,386	$ 210,308	$ 207,900	$ 315,158	$ 255,058	$ 235,451	$ 205,822	$ 132,301	$ 127,335
Interest on total OPEB liability	142,908	138,563	128,372	98,923	107,304	161,075	172,343	120,406	116,391
Difference between actual and expected experience	156,968	(241,660)	-	(1,010,712)	112,727	(1,201,366)	(73,408)	1,209,950	-
Changes of assumptions	(55,137)	(21,001)	(50,473)	(769,221)	456,570	238,046	201,946	(70,475)	-
Benefit payments	(178,303)	(179,589)	(175,365)	(225,528)	(212,840)	(225,137)	(77,967)	(95,969)	(175,191)
Net change in total OPEB liability	273,822	(93,379)	110,434	(1,591,380)	718,819	(791,931)	428,736	1,296,213	68,535
Total OPEB liability (beginning)	3,374,965	3,468,344	3,357,910	4,949,290	4,230,471	5,022,402	4,593,666	3,297,453	3,228,918
Total OPEB liability (ending)	$ 3,648,787	$ 3,374,965	$ 3,468,344	$ 3,357,910	$ 4,949,290	$ 4,230,471	$ 5,022,402	$ 4,593,666	$ 3,297,453
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	$ 22,237,043	$ 22,237,043	$ 18,769,623	$ 18,769,623	$ 16,823,189	$ 16,823,189	$ 17,382,513	$ 17,382,513	$ 10,855,369
Total OPEB liability as a percentage of of covered employee payroll	16.41%	15.18%	18.48%	17.89%	29.42%	25.15%	28.89%	26.43%	30.38%

This schedule is intended to show information for 10 years. Since fiscal year 2018 (plan year 2017) is the first year for this presentation, no earlier data is available. Additional years will be included as they become available.
No assets are accumulated in a trust to pay benefits to the Local Plan.

TOWN OF HERNDON, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS
June 30, 2026

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
VRS Group Term Life Insurance					
2026	$ 117,068	$ 117,068	$ -	$ 24,913,552	0.47 %
2025	109,260	109,260	-	23,246,951	0.47
2024	118,694	118,694	-	21,900,793	0.54
2023	106,927	106,927	-	19,801,684	0.54
2022	99,538	99,538	-	18,433,108	0.54
2021	96,206	96,206	-	17,816,619	0.54
2020	94,122	94,122	-	18,385,923	0.51
2019	91,104	91,104	-	17,518,246	0.52
2018	87,898	87,898	-	16,718,150	0.53

This schedule is intended to show information for 10 years. Since fiscal year 2018 was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year - i.e., the covered payroll on which required contributions were based for the same year.

TOWN OF HERNDON, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY

June 30, 2026

Plan Fiscal Year Ended June 30	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
VRS Group Term Life Insurance					
2025	0.08 %	$ 811,317	$ 23,246,951	3.49 %	78.30 %
2024	0.09	951,770	21,900,793	4.35	73.41
2023	0.08	1,008,143	19,801,684	5.09	69.30
2022	0.08	1,020,351	18,433,108	5.54	67.21
2021	0.09	1,004,766	17,816,619	5.64	67.45
2020	0.09	1,468,409	18,385,923	7.99	52.64
2019	0.09	1,454,124	17,518,246	8.30	52.00
2018	0.09	1,350,000	16,718,150	8.08	51.22
2017	0.09	1,362,000	16,663,134	8.17	48.86

This schedule is intended to show information for 10 years. Since fiscal year 2018 (plan year 2017) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the entity's fiscal year, the covered payroll on which required contributions were based for the same year.

TOWN OF HERNDON, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
Year Ended June 30, 2026

	Plan Year									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Total Pension Liability										
Service cost	$ 2,311,261	$ 2,149,529	$ 1,955,303	$ 1,811,464	$ 1,929,833	$ 1,915,044	$ 1,796,601	$ 1,723,180	$ 1,780,019	$ 1,775,184
Interest on total pension liability	7,431,972	6,968,762	6,710,646	6,526,562	6,017,056	5,681,425	5,501,837	5,263,541	5,143,537	4,887,085
Benefit payments, including refunds of employee contributions	(5,743,268)	(5,517,552)	(4,967,451)	(4,938,600)	(4,199,471)	(3,945,737)	(3,592,462)	(2,978,005)	(2,984,230)	(2,474,947)
Difference between actual and expected experience	3,278,227	3,212,770	206,258	(801,670)	(1,098,497)	1,448,447	(482,342)	(297,252)	(1,706,344)	(269,073)
Changes of assumptions	731,416	-	-	-	3,457,423	-	2,524,588	-	(521,761)	-
Net change in total pension liability	8,009,608	6,813,509	3,904,756	2,597,756	6,106,344	5,099,179	5,748,222	3,711,464	1,711,221	3,918,249
Total pension liability (beginning)	110,663,669	103,850,160	99,945,404	97,347,648	91,241,304	86,142,125	80,393,903	76,682,439	74,971,218	71,052,969
Total pension liability (ending)	$ 118,673,277	$ 110,663,669	$ 103,850,160	$ 99,945,404	$ 97,347,648	$ 91,241,304	$ 86,142,125	$ 80,393,903	$ 76,682,439	$ 74,971,218
Plan Fiduciary Net Position										
Contributions - employer	$ 1,971,437	$ 1,720,542	$ 1,583,248	$ 1,405,099	$ 1,376,014	$ 1,126,210	$ 1,062,239	$ 1,239,811	$ 1,256,634	$ 1,548,518
Contributions - employee	1,140,147	1,002,890	911,680	871,165	937,873	859,817	842,610	813,625	876,797	800,721
Net investment income (loss)	11,552,310	9,931,599	6,352,548	(73,782)	22,278,449	1,554,123	5,217,554	5,485,075	8,184,878	1,164,925
Benefit payments, including refunds of employee contributions	(5,743,268)	(5,517,552)	(4,967,451)	(4,938,600)	(4,199,471)	(3,945,737)	(3,592,462)	(2,978,005)	(2,984,230)	(2,474,947)
Administrative expenses	(66,250)	(67,840)	(64,015)	(64,104)	(55,765)	(53,891)	(52,294)	(47,214)	(47,240)	(40,637)
Other	2,986	1,967	2,554	2,335	2,097	(1,845)	(3,286)	(4,893)	(7,263)	(490)
Net change in plan fiduciary net position	8,857,362	7,071,606	3,818,564	(2,797,887)	20,339,197	(461,323)	3,474,361	4,508,399	7,279,576	998,090
Plan fiduciary net position - beginning	110,275,909	103,204,303	99,385,739	102,183,626	81,844,429	82,305,752	78,831,391	74,322,992	67,043,416	66,045,326
Plan fiduciary net position - ending	$ 119,133,271	$ 110,275,909	$ 103,204,303	$ 99,385,739	$ 102,183,626	$ 81,844,429	$ 82,305,752	$ 78,831,391	$ 74,322,992	$ 67,043,416
Net pension liability (asset) - ending	$ (459,994)	$ 387,760	$ 645,857	$ 559,665	$ (4,835,978)	$ 9,396,875	$ 3,836,373	$ 1,562,512	$ 2,359,447	$ 7,927,802
Plan fiduciary net position as a percentage of total pension liability	100.39%	99.65%	99.38%	99.44%	104.97%	89.70%	95.55%	98.06%	96.92%	89.43%
Covered payroll	$ 23,246,951	$ 21,900,793	$ 19,801,684	$ 18,433,108	$ 17,816,619	$ 18,385,923	$ 17,501,069	$ 16,835,121	$ 16,663,134	$ 16,563,441
Net pension liability (asset) as a percentage of covered payroll	-1.98%	1.77%	3.26%	3.04%	-27.14%	51.11%	21.92%	9.28%	14.16%	47.86%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2017 information was presented in the entity's fiscal year 2018 financial report.

TOWN OF HERNDON, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
June 30, 2026

Fiscal Year Ended June 30	Contractually Determined Contribution	Contributions in Relation to Contractually Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Primary Government					
2026	$ 2,094,590	$ 2,094,590	$ -	$ 24,913,552	8.41 %
2025	1,947,608	1,947,608	-	23,246,951	8.38
2024	1,720,542	1,720,542	-	21,900,793	7.86
2023	1,583,248	1,583,248	-	19,801,684	8.00
2022	1,397,530	1,397,530	-	18,433,108	7.58
2021	1,357,946	1,357,946	-	17,816,619	7.62
2020	1,124,256	1,124,256	-	18,385,923	6.11
2019	1,062,239	1,062,239	-	17,501,069	6.07
2018	1,239,811	1,239,811	-	16,835,121	7.36
2017	1,256,634	1,256,634	-	16,663,134	7.54

The covered payroll amounts above are for the entity's fiscal year - i.e., the covered payroll on which required contributions were based for the same year.

Note 1 – Changes of Benefit Terms

Pension

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

Other Postemployment Benefits (OPEB)

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

No assets are accumulated in a trust to pay benefits to the Local Plan.

Note 2 – Changes of Assumptions

The actuarial assumptions used in the June 30, 2024, valuation were rolled forward to a measurement date of June 30, 2025, and were based on the results of an actuarial experience study for the period from July 1, 2020, through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows for all VRS Pension and OPEB plans:

Metro – Non-Hazardous Duty, Metro – Hazardous Duty/Public Safety Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ≈25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ≈25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ≈50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit and Longevity 50 basis points
Discount Rate	No change

Group Life Insurance

Retiree liability estimation for Life Only	Change from 1.618% to 2.0%

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TOWN OF Herndon VIRGINIA

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OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally committed by legislative imposition by the Herndon Town Council to expenditure for particular purposes. The town's special revenue funds are the Chestnut Grove Cemetery Perpetual Care Fund, the Stormwater Management Fund, and the American Rescue Plan Act Fund.

TOWN OF HERNDON, VIRGINIA

Exhibit B-1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

	Special Revenue			
	Chestnut Grove Cemetery Perpetual Care Fund	Stormwater Management Fund	ARPA Fund	Total Nonmajor Governmental funds
ASSETS				
Cash, cash equivalents, and investments - restricted	$ 2,195,975	$ 2,372,108	$ 1,391,438	$ 5,959,521
Receivables - other accounts	-	1,512	-	1,512
Due from other governments		80,009		80,009
Inventories	-	5,396	-	5,396
Total assets	$ 2,195,975	$ 2,459,025	$ 1,391,438	$ 6,046,438
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ 60,323	$ 143,024	$ 203,347
Accrued payroll	-	19,829	-	19,829
Unearned revenue	-	432,463	249,178	681,641
Total liabilities	-	512,615	392,202	904,817
Fund balances:				
Nonspendable				
Inventories	-	5,396	-	5,396
Restricted:				
Cemetery perpetual care	2,195,975	-	-	2,195,975
Stormwater	-	1,496,276	-	1,496,276
Assigned:				
Operating and capital costs	-	444,738	426,550	871,288
Subsequent years' expenditures	-	-	572,686	572,686
Total fund balances	2,195,975	1,946,410	999,236	5,141,621
Total liabilities and fund balances	$ 2,195,975	$ 2,459,025	$ 1,391,438	$ 6,046,438

TOWN OF HERNDON, VIRGINIA

Exhibit B-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2026

	Special Revenue			
	Chestnut Grove Cemetery Perpetual Care Fund	Stormwater Management Fund	ARPA Fund	Total Nonmajor Governmental funds
Revenues:				
Revenue from local sources:				
Permits	$ -	$ 7,490	$ -	$ 7,490
Use of money and property	87,032	84,644	69,082	240,758
Intergovernmental	-	1,224,585	1,336,170	2,560,755
Total revenues	87,032	1,316,719	1,405,252	2,809,003
Expenditures:				
Personnel services	-	385,949	-	385,949
Operations and maintenance	-	327,680	635,578	963,258
Capital outlay	-	467,401	1,615,891	2,083,292
Total expenditures	-	1,181,030	2,251,469	3,432,499
Excess (deficiency) of revenues over expenditures	87,032	135,689	(846,217)	(623,496)
Other financing sources (uses):				
Transfers in	56,468	-	-	56,468
Transfers out	(87,032)	-	-	(87,032)
Total other financing sources, net	(30,564)	-	-	(30,564)
Net change in fund balances	56,468	135,689	(846,217)	(654,060)
Fund balances, July 1	2,139,507	1,810,721	1,845,453	5,795,681
Fund balances, June 30	$ 2,195,975	$ 1,946,410	$ 999,236	$ 5,141,621

GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
Year Ended June 30, 2026

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenue from local sources:				
General property taxes:				
Real estate taxes	$ 15,176,385	$ 15,176,385	$ 15,116,674	$ (59,711)
Public service corporation taxes	350,000	350,000	381,182	31,182
Elderly tax relief exemption	(277,045)	(277,045)	(222,551)	54,494
Penalties and interest	45,000	45,000	48,943	3,943
Total general property taxes	15,294,340	15,294,340	15,324,248	29,908
Other local taxes:				
Consumer utility tax	810,000	810,000	841,939	31,939
Right-of-way use fees	95,000	95,000	88,507	(6,493)
Cigarette tax	141,075	141,075	134,110	(6,965)
Transient occupancy tax	2,243,133	2,243,133	2,166,598	(76,535)
Meals tax	5,487,617	5,487,617	5,434,680	(52,937)
Bank stock tax	600,000	600,000	663,274	63,274
Cable TV franchise tax	120,000	120,000	105,237	(14,763)
Business licenses (BPOL)	7,000,000	7,000,000	6,915,898	(84,102)
Utility consumption tax	90,000	90,000	81,729	(8,271)
Motor vehicle licenses	560,000	560,000	474,931	(85,069)
Local sales tax	2,720,071	2,720,071	2,930,443	210,372
Total other local taxes	19,866,896	19,866,896	19,837,346	(29,550)
Permits, privilege fees, and regulatory licenses:				
Residential parking permits	500	500	530	30
Planning fees	200,000	200,000	254,395	54,395
State stormwater management fees	3,000	3,000	-	(3,000)
Building inspection fees	540,000	540,000	919,141	379,141
Right-of-way permit fees	15,000	15,000	14,528	(472)
Total permits, privilege fees, and regulatory licenses	758,500	758,500	1,188,594	430,094
Fines and forfeitures:				
Parking fines	69,000	69,000	111,285	42,285
Court fees - Fairfax County	310,000	310,000	297,023	(12,977)
Court maintenance fees	6,000	6,000	7,312	1,312
E-Summons fees	20,000	20,000	20,363	363
Zoning fines	600	600	2,050	1,450
Total fines and forfeitures	405,600	405,600	438,033	32,433

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
Year Ended June 30, 2026

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenue from local sources: (Continued)				
Use of money and property:				
Interest on investments	$ 1,702,439	$ 1,702,439	$ 1,473,105	$ (229,334)
Rental income	-	-	1,449	1,449
Lease revenue	345,258	345,258	327,841	(17,417)
Total use of money and property	2,047,697	2,047,697	1,802,395	(245,302)
Charges for services:				
Franchise lease	77,368	77,368	79,686	2,318
Special refuse collection	15,000	15,000	22,592	7,592
Recycling collection	502,000	502,000	529,824	27,824
Recreation program fees	1,375,051	1,375,051	1,669,089	294,038
Admission fees	272,800	272,800	234,455	(38,345)
Park operation	36,500	36,500	54,905	18,405
Concession	12,800	12,800	10,863	(1,937)
Rental income - parks & recreation	166,100	166,100	155,839	(10,261)
Tennis/multi-use facility	220,000	220,000	195,100	(24,900)
Sale of recyclable materials	-	-	5,821	5,821
Annual parking space maintenance fee	13,650	13,650	(3,432)	(17,082)
Total charges for services	2,691,269	2,691,269	2,954,742	263,473
Miscellaneous	78,000	138,000	107,003	(30,997)
Total revenue from local sources	41,142,302	41,202,302	41,652,361	450,059
Intergovernmental:				
County of Fairfax:				
Contribution toward tourism and economic development	40,000	40,000	40,000	-
Total from County of Fairfax	40,000	40,000	40,000	-

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
Year Ended June 30, 2026

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Intergovernmental: (Continued)				
Commonwealth:				
Non-categorical aid:				
Police reimbursement (Section 599)	$ 752,860	$ 752,860	$ 733,539	$ (19,321)
Communications sales and use tax	1,132,857	1,132,857	1,075,153	(57,704)
Vehicle rental taxes	72,756	72,756	68,073	(4,683)
Total non-categorical aid	1,958,473	1,958,473	1,876,765	(81,708)
Categorical aid:				
Fire fund program	126,000	126,000	137,992	11,992
Litter control grant	10,900	10,900	9,847	(1,053)
Dept. of Criminal Justice Service -				
NOVA regional ICAC grant	45,000	45,000	48,862	3,862
State seized assets	100,000	100,000	59,055	(40,945)
Forestry grant	91,000	203,000	-	(203,000)
Arts grant	4,500	4,500	-	(4,500)
Street and highway maintenance allocation	2,700,000	2,700,000	2,799,010	99,010
Total categorical aid	3,077,400	3,189,400	3,054,766	(134,634)
Total from the Commonwealth	5,035,873	5,147,873	4,931,531	(216,342)
Federal government:				
Categorical aid:				
Dept. of Transportation/ National Highway Safety Administration - Selective Enforcement Grant	19,500	19,500	10,437	(9,063)
US Dept. of Justice/ Criminal Division Office				
Byrne Justice Assistance (JAG) Grant	-	65,000	58,842	(6,158)
Bullet Proof Vest Grant	5,000	5,000	10,829	5,829
Miscellaneous	160,000	160,000	188,499	28,499
Community Development Block Grant	185,000	185,000	74,806	(110,194)
Community Development Master Plan	-	-	156,218	156,218
Total from the Federal government	369,500	434,500	499,631	65,131
Total intergovernmental revenue	5,445,373	5,622,373	5,471,162	(151,211)
Other financing sources:				
Proceeds from sale of surplus property	150,000	150,000	156,815	6,815
Insurance recoveries	75,000	75,000	135,377	60,377
Issuance of leases and subscription arrangements	-	-	138,071	138,071
Total other financing sources	225,000	225,000	430,263	205,263
Total General Fund revenues	$ 46,812,675	$ 47,049,675	$ 47,553,786	$ 504,111

TOWN OF HERNDON, VIRGINIA

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 2026

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Legislative:				
Personnel services	$ 679,878	$ 679,878	$ 495,947	$ 183,931
Operations and maintenance	99,886	99,886	75,435	24,451
Total legislative	779,764	779,764	571,382	208,382
Administration:				
Communications & Economic Development:				
Personnel services	476,742	506,742	553,019	(46,277)
Operations and maintenance	357,624	390,396	224,486	165,910
	834,366	897,138	777,505	119,633
Town manager:				
Personnel services	726,668	726,668	554,844	171,824
Operations and maintenance	21,766	61,766	66,355	(4,589)
	748,434	788,434	621,199	167,235
Human resources:				
Personnel services	744,582	744,582	862,357	(117,775)
Operations and maintenance	231,304	233,714	217,659	16,055
	975,886	978,296	1,080,016	(101,720)
Information services:				
Personnel services	1,148,748	1,148,748	1,148,915	(167)
Operations and maintenance	1,432,997	2,097,516	1,519,058	578,458
Capital outlay	221,850	242,692	233,871	8,821
	2,803,595	3,488,956	2,901,844	587,112
Total administration	5,362,281	6,152,824	5,380,564	772,260
Town attorney:				
Personnel services	888,778	888,778	925,205	(36,427)
Operations and maintenance	352,977	351,677	377,198	(25,521)
Total town attorney	1,241,755	1,240,455	1,302,403	(61,948)

(Continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 2026

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Parks and recreation:				
Administration:				
Personnel services	$ 880,913	$ 880,913	$ 809,069	$ 71,844
Operations and maintenance	128,954	140,954	141,132	(178)
	1,009,867	1,021,867	950,201	71,666
Recreation programs:				
Personnel services	984,378	984,378	912,207	72,171
Operations and maintenance	270,157	386,359	300,050	86,309
	1,254,535	1,370,737	1,212,257	158,480
Community center operations:				
Personnel services	936,761	936,761	925,220	11,541
Operations and maintenance	545,600	620,131	555,651	64,480
Capital outlay	29,600	46,402	25,053	21,349
	1,511,961	1,603,294	1,505,924	97,370
Aquatics programs and operations:				
Personnel services	969,295	969,295	924,884	44,411
Operations and maintenance	190,152	190,152	169,603	20,549
Capital outlay	20,000	20,000	15,231	4,769
	1,179,447	1,179,447	1,109,718	69,729
Park operations and development:				
Personnel services	125,231	125,231	103,521	21,710
Operations and maintenance	284,308	287,299	228,228	59,071
Capital outlay	3,500	33,500	25,730	7,770
	413,039	446,030	357,479	88,551
Total parks and recreation	5,368,849	5,621,375	5,135,579	485,796

(Continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 2026

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Finance:				
Personnel services	$ 2,001,936	$ 2,001,936	$ 1,996,113	$ 5,823
Operations and maintenance	118,723	177,382	182,470	(5,088)
Capital outlay	3,000	-	-	-
Total finance	2,123,659	2,179,318	2,178,583	735
Community development:				
Administration:				
Personnel services	2,366,563	2,366,563	2,221,989	144,574
Operations and maintenance	520,865	1,871,835	844,450	1,027,385
Capital outlay	9,000	6,137	-	6,137
	2,896,428	4,244,535	3,066,439	1,178,096
Community inspections:				
Personnel services	280,605	280,605	276,087	4,518
Operations and maintenance	9,120	9,120	5,514	3,606
	289,725	289,725	281,601	8,124
Total community development	3,186,153	4,534,260	3,348,040	1,186,220

(Continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 2026

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Police:				
Field operations:				
Personnel services	$ 6,570,969	$ 6,570,969	$ 6,334,647	$ 236,322
Operations and maintenance	75,100	75,100	74,994	106
Capital outlay	311,600	415,368	327,205	88,163
	6,957,669	7,061,437	6,736,846	324,591
Support services:				
Personnel services	5,263,398	5,263,398	5,571,826	(308,428)
Operations and maintenance	1,110,800	1,115,916	847,049	268,867
Capital outlay	186,000	259,700	215,289	44,411
	6,560,198	6,639,014	6,634,164	4,850
Total police	13,517,867	13,700,451	13,371,010	329,441
Public Works:				
Fleet:				
Personnel services	612,172	612,172	641,412	(29,240)
Operations and maintenance	562,878	624,057	515,233	108,824
	1,175,050	1,236,229	1,156,645	79,584
Operations Integration:				
Personnel services	469,636	469,636	373,935	95,701
Operations and maintenance	239,620	263,768	211,179	52,589
Capital outlay	1,604,000	2,120,477	1,167,975	952,502
	2,313,256	2,853,881	1,753,089	1,100,792
Administration:				
Personnel services	1,390,136	1,390,136	1,241,263	148,873
Operations and maintenance	19,175	63,082	54,082	9,000
	1,409,311	1,453,218	1,295,345	157,873
Engineering:				
Personnel services	1,105,450	1,105,450	800,223	305,227
Operations and maintenance	127,010	453,556	265,832	187,724
	1,232,460	1,559,006	1,066,055	492,951
Program management:				
Personnel services	344,490	344,490	616,462	(271,972)
Operations and maintenance	252,500	365,199	205,463	159,736
Capital outlay	400,000	400,000	202,203	197,797
	996,990	1,109,689	1,024,128	85,561

(Continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 2026

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Public Works: (Continued)				
Building inspections:				
Personnel services	$ 674,285	$ 674,285	$ 613,757	$ 60,528
Operations and maintenance	139,106	139,106	149,141	(10,035)
	813,391	813,391	762,898	50,493
Building maintenance:				
Personnel services	626,066	626,066	625,641	425
Operations and maintenance	1,288,761	1,294,094	1,159,108	134,986
	1,914,827	1,920,160	1,784,749	135,411
Grounds maintenance:				
Personnel services	885,718	885,718	834,871	50,847
Operations and maintenance	183,709	183,709	164,618	19,091
	1,069,427	1,069,427	999,489	69,938
Street maintenance:				
Personnel services	999,050	999,050	928,207	70,843
Operations and maintenance	1,136,288	1,170,295	1,005,606	164,689
	2,135,338	2,169,345	1,933,813	235,532
Refuse/recycling:				
Personnel services	1,527,848	1,527,848	1,540,106	(12,258)
Operations and maintenance	714,575	813,353	871,669	(58,316)
	2,242,423	2,341,201	2,411,775	(70,574)
Traffic engineering:				
Personnel services	344,746	344,746	384,011	(39,265)
Operations and maintenance	348,424	361,572	333,381	28,191
Capital outlay	90,000	147,905	147,905	-
	783,170	854,223	865,297	(11,074)

(Continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 2026

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Public Works: (Continued)				
Right-of-way inspections:				
Personnel services	$ 355,500	$ 355,499	$ 373,150	$ (17,651)
Operations and maintenance	6,683	6,683	5,887	796
Capital outlay	20,000	20,000	19,834	166
	382,183	382,182	398,871	(16,689)
Total public works	16,467,826	17,761,952	15,452,154	2,309,798
Grants:				
Operations	19,738	19,738	59,055	(39,317)
Total grants	19,738	19,738	59,055	(39,317)
Non-departmental				
Operations	(267,994)	2,676,437	(41,728)	2,718,165
Total non-departmental	(267,994)	2,676,437	(41,728)	2,718,165
Debt service:				
Principal	1,134,455	1,134,455	1,163,067	(28,612)
Interest and fiscal charges	180,061	180,061	183,850	(3,789)
Total debt service	1,314,516	1,314,516	1,346,917	(32,401)
Other financing uses:				
Transfers out	1,323,811	1,323,811	763,816	559,995
Total other financing uses	1,323,811	1,323,811	763,816	559,995
Total General Fund expenditures	$ 50,438,225	$ 57,304,901	$ 48,867,775	$ 8,437,126

TOWN OF HERNDON, VIRGINIA

Exhibit B-5

GOVERNMENTAL FUND TYPE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
CAPITAL PROJECTS FUND
Year Ended June 30, 2026

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues:				
Use of money and property	$ 150,000	$ 150,000	$ 183,959	$ 33,959
Miscellaneous	-	-	35,742	35,742
Intergovernmental	520,000	2,444,000	408,184	(2,035,816)
Total revenues	670,000	2,594,000	627,885	(1,966,115)
Capital Outlay:				
Administration	324,000	324,000	19,872	304,128
Parks & recreation	420,000	429,537	423,664	5,873
Police	254,000	290,000	278,711	11,289
Public works:				
Admin, buildings, and grounds	3,100,000	3,562,500	1,327,629	2,234,871
Streets, sidewalks, and trails	1,792,627	4,051,381	639,884	3,411,497
Other infrastructure	50,000	40,463	-	40,463
Total expenditures	5,940,627	8,697,881	2,689,760	6,008,121
Revenues over (under) expenditures	(5,270,627)	(6,103,881)	(2,061,875)	4,042,006
Other financing sources:				
Bond Proceeds	3,000,000	3,000,000	-	(3,000,000)
Transfers in	1,213,000	1,213,000	763,816	(449,184)
Total other financing sources	4,213,000	4,213,000	763,816	(3,449,184)
Net change in fund balance	$ (1,057,627)	$ (1,890,881)	$ (1,298,059)	$ 592,822

TOWN OF Herndon VIRGINIA

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STATISTICAL SECTION

TOWN OF HERNDON, VIRGINIA
STATISTICAL SECTION

TABLE OF CONTENTS

This part of the Town of Herndon's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends – Tables 1 – 4

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. 89-94

Revenue Capacity – Tables 5 – 9

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax, as well as other revenue sources. 95-99

Debt Capacity – Tables 10 – 13

These tables present information to help the reader assess the affordability of the Town's current level of outstanding debt and the Town's ability to issue additional debt in the future. 100-103

Demographic and Economic Information – Tables 14 – 15

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. 104-105

Operating Information – Tables 16 – 18

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and activities it performs. 106-109

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

TOWN OF HERNDON, VIRGINIA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Table 1

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Governmental activities:										
Net investment in capital assets	$ 71,246,008	$ 71,885,582	$ 70,826,382	$ 73,311,591	$ 76,256,170	$ 85,163,306	$ 92,390,332	$ 102,658,840	$ 106,865,989	$ 104,293,530
Restricted	1,618,442	2,132,077	2,542,708	1,781,483	1,847,341	6,310,998	2,359,144	2,055,317	2,139,507	4,109,102
Unrestricted	8,499,347	10,633,283	14,016,685	15,761,317	21,402,934	19,288,384	28,568,561	36,449,035	35,521,231	32,064,780
Total governmental activities net position	$ 81,363,797	$ 84,650,942	$ 87,385,775	$ 90,854,391	$ 99,506,445	$ 110,762,688	$ 123,318,037	$ 141,163,192	$ 144,526,727	$ 140,467,412
Business-type activities:										
Net investment in capital assets	$ 16,771,452	$ 16,649,854	$ 16,512,129	$ 17,092,331	$ 14,818,995	$ 14,191,182	$ 14,578,598	$ 14,929,160	$ 17,427,484	$ 21,917,546
Restricted	$ 151,114	161,671	172,116	155,747	160,515	558,821	91,592	91,566	88,847	56,888
Unrestricted	14,653,463	15,559,458	15,985,051	16,082,595	13,426,076	14,327,549	16,680,263	20,443,886	26,696,384	26,813,426
Total business-type activities net position	$ 31,576,029	$ 32,370,983	$ 32,669,296	$ 33,330,673	$ 28,405,586	$ 29,077,552	$ 31,350,453	$ 35,464,612	$ 44,212,715	$ 48,787,860
Primary government:										
Net investment in capital assets	$ 88,017,460	$ 88,535,436	$ 87,338,511	$ 90,403,922	$ 91,075,165	$ 99,354,488	$ 106,968,930	$ 117,588,000	$ 124,293,473	$ 126,211,076
Restricted	1,769,556	2,293,748	2,714,824	1,937,230	2,007,856	6,869,819	2,450,736	2,146,883	2,228,354	4,165,990
Unrestricted	23,152,810	26,192,741	30,001,736	31,843,912	34,829,010	33,615,933	45,248,824	56,892,921	62,217,615	58,878,206
Total primary government net position	$ 112,939,826	$ 117,021,925	$ 120,055,071	$ 124,185,064	$ 127,912,031	$ 139,840,240	$ 154,668,490	$ 176,627,804	$ 188,739,442	$ 189,255,272
	(1)				(2)		(3)	(3)	(3)	

Source:
Town of Herndon Finance Department - Exhibit A-1

Notes:
(1) Fiscal Year 2017 net position was restated for the implementation of GASB Statement No. 75 which reduced net position by $2,058,806.

(2) Fiscal Year 2021 the Downtown Parking Fund net position of $725,872 was reclassified from business-type activities to governmental activities.

(3) Fiscal Year 2025 the town discovered that several banks within the town were sending bank franchise tax to Fairfax County for several years. Fairfax County returned the last three years of bank franchise tax to the town which resulted in a restatement of net position.

TOWN OF HERNDON, VIRGINIA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Table 2

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Expenses:										
Governmental activities:										
Legislative	$ 745,753	$ 706,048	$ 734,671	$ 551,445	$ 566,955	$ 521,966	$ 625,269	$ 674,807	$ 695,695	$ 595,926
Administration	3,304,796	3,017,512	3,093,764	3,716,194	3,423,026	3,253,326	3,715,691	3,866,263	5,707,995	5,656,213
Town attorney	606,758	612,209	612,349	837,152	1,001,496	822,127	897,125	1,243,907	1,091,720	1,269,448
Parks and recreation	5,012,560	4,879,803	5,280,626	4,649,822	3,312,797	4,024,864	4,434,240	4,678,985	5,071,686	5,834,757
Finance	1,492,031	1,710,148	1,501,718	1,585,696	1,588,972	1,462,517	1,654,259	1,976,186	1,880,391	2,125,056
Community development	1,672,244	1,699,935	1,896,791	2,205,030	2,318,909	1,578,231	2,474,048	2,368,395	2,492,111	3,225,552
Police	10,079,277	10,242,016	10,390,551	11,141,097	10,801,750	10,013,133	10,805,123	12,788,646	13,240,999	13,305,857
Public works	12,594,496	11,337,194	11,598,171	12,810,607	11,860,528	13,588,564	15,538,878	15,663,061	18,694,196	22,487,469
Interest	258,075	257,963	491,896	327,914	305,188	245,028	230,704	204,229	176,254	169,498
Total governmental activities	35,765,990	34,462,828	35,600,537	37,824,957	35,179,621	35,509,756	40,375,337	43,464,479	49,051,047	54,669,776
Business-type activities:										
Water and sewer	7,606,887	6,999,142	8,090,566	7,245,711	7,461,338	8,224,221	8,151,096	8,652,814	11,317,870	12,553,413
Golf course	1,559,749	1,572,043	1,503,005	1,516,523	1,684,876	1,633,991	1,899,298	2,197,969	2,266,575	2,360,259
Chestnut Grove cemetery	708,383	668,944	703,935	682,704	784,405	758,540	688,507	714,784	828,770	821,445
Downtown parking	111,913	133,985	110,788	61,674	101,603	-	-	-	-	-
Total business-type activities	9,986,932	9,374,114	10,408,294	9,506,612	10,032,222	10,616,752	10,738,901	11,565,567	14,413,215	15,735,117
Total government expenses	45,752,922	43,836,942	46,008,831	47,331,569	45,211,843	46,126,508	51,114,238	55,030,046	63,464,262	70,404,893
Program revenue:										
Governmental activities:										
Charges for services:										
Administration	41,075	35,976	6,892	3,205	8,485	52,176	20,273	27,280	23,269	2,389
Parks and recreation	2,767,730	2,767,916	2,873,136	1,399,288	472,882	1,603,104	1,800,092	1,750,028	2,171,915	2,320,251
Finance	571,700	588,333	588,333	583,894	583,894	-	-	-	-	-
Police	397,691	430,685	460,288	332,689	259,372	335,707	319,681	407,157	454,338	415,620
Public works	710,671	749,504	1,208,825	821,113	898,653	1,066,314	1,016,307	1,230,640	1,596,144	1,763,423
Operating grants and contributions:										
Community development	40,000	40,000	40,000	40,000	140,000	40,000	78,940	40,000	40,000	40,000
Police	707,588	864,195	745,352	2,530,623	3,208,911	778,758	1,191,527	672,074	795,060	1,233,170
Public works	1,178,505	1,046,761	1,080,054	1,194,716	1,234,256	1,145,267	1,266,252	1,419,895	1,557,638	1,527,383
Capital grants and contributions:										
Public works	2,168,349	2,765,821	2,658,343	4,945,608	2,167,274	10,904,664	11,323,314	17,625,379	9,304,088	4,496,322
Total governmental activities program revenue	8,583,309	9,289,191	9,661,223	11,851,136	8,973,727	15,925,990	17,016,386	23,172,453	15,942,452	11,798,558

TOWN OF HERNDON, VIRGINIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (1)
(accrual basis of accounting)
(Unaudited)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Program revenues (Continued):										
Business-type activities:										
Charges for services:										
Water and sewer	$ 6,506,438	$ 6,935,184	$ 7,170,706	$ 6,900,460	$ 6,342,651	$ 6,861,887	$ 7,874,004	$ 9,057,751	$ 10,171,542	$ 10,826,821
Golf course	1,497,289	1,372,186	1,389,986	1,183,263	2,216,761	2,335,733	2,620,230	2,817,775	2,900,057	3,084,603
Chestnut Grove cemetery	890,165	967,731	905,155	821,964	1,144,677	1,298,235	1,146,629	1,164,493	1,467,144	1,073,974
Downtown parking	26,903	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
Water and sewer	-	-	-	-	-	130,228	84,070	1,237,668	7,128,714	3,803,405
Golf course	-	-	-	-	-	-	-	-	-	-
Chestnut Grove cemetery	-	-	-	-	-	-	-	167,517	-	175,851
Total business-type activities program revenues	8,920,795	9,275,101	9,465,847	8,905,687	9,704,089	10,626,083	11,724,933	14,445,204	21,667,457	18,964,654
Total government program revenues	17,504,104	18,564,292	19,127,070	20,756,823	18,677,816	26,552,073	28,741,319	37,617,657	37,609,909	30,763,212
Net (expense) revenue (1):										
Governmental activities	(27,182,681)	(25,173,637)	(25,939,314)	(25,973,821)	(26,205,894)	(19,583,766)	(23,358,951)	(20,292,026)	(33,108,595)	(42,871,218)
Business-type activities	(1,066,137)	(99,013)	(942,447)	(600,925)	(328,133)	9,331	986,032	2,879,637	7,254,242	3,229,537
Total government net expense	(28,248,818)	(25,272,650)	(26,881,761)	(26,574,746)	(26,534,027)	(19,574,435)	(22,372,919)	(17,412,389)	(25,854,353)	(39,641,681)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
General property	11,218,438	11,416,010	11,690,750	12,255,705	12,837,288	12,868,724	13,723,835	13,914,320	14,004,007	15,306,704
Business license	5,569,516	5,732,161	4,930,755	5,871,507	6,786,720	5,881,836	6,523,651	7,146,880	5,949,145	6,913,491
Transient occupancy	2,199,410	2,286,397	2,345,943	1,607,031	855,309	1,512,110	1,681,394	2,053,220	2,106,052	2,166,598
Meals	2,215,677	2,266,761	2,308,551	2,975,487	2,876,751	3,590,406	4,203,292	4,401,059	4,549,985	5,434,680
Local sales	1,798,728	1,818,023	1,871,909	1,897,945	2,033,030	2,326,918	2,391,096	2,666,736	2,806,121	2,930,443
Other local taxes	2,393,966	2,361,383	2,293,183	2,127,774	2,154,418	2,507,525	2,638,077	2,649,575	2,401,602	2,198,100
Revenues not restricted to specific programs	93,362	102,243	66,330	58,203	73,470	70,798	72,926	75,114	77,368	79,686
Intergovernmental, non-categorical aid	2,067,279	1,583,697	1,482,539	1,460,834	1,304,101	1,281,151	1,248,438	1,182,849	1,178,678	1,150,716
Use of money and property	909,502	688,957	1,355,800	1,078,968	555,187	548,544	2,666,203	3,537,262	2,834,239	2,227,112
Gain on sale of capital assets	-	-	65,954	19,727	80,168	60,312	57,512	163,797	323,250	156,815
Miscellaneous and lease income	206,101	350,137	481,258	101,558	104,917	120,117	715,221	387,272	257,250	278,122
Transfers	(155,593)	(144,987)	(218,825)	(12,302)	5,196,589	71,568	(7,345)	(40,903)	(15,567)	(30,564)
Total governmental activities	28,516,386	28,460,782	28,674,147	29,442,437	34,857,948	30,840,009	35,914,300	38,137,181	36,472,130	38,811,903

TOWN OF HERNDON, VIRGINIA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
General revenues and other changes in net position: (Continued)										
Business-type activities:										
Intergovernmental, non-categorical aid	$ -	$ -	$ -	$ 449,725	$ 14,220	$ 1,373	$ -	$ -	$ 250,000	$ 74,580
Use of money and property	68,405	132,979	369,224	224,571	22,505	60,622	630,914	930,910	1,018,072	1,019,457
Gain on sale of capital assets	6,370	33,556	12,904	10,800	-	60,760	20,079	93,750	20,126	28,813
Miscellaneous	511,630	582,445	639,807	564,904	562,910	611,448	628,531	168,959	190,096	192,194
Transfers	155,593	144,987	218,825	12,302	(5,196,589)	(71,568)	7,345	40,903	15,567	30,564
Total business-type activities	741,998	893,967	1,240,760	1,262,302	(4,596,954)	662,635	1,286,869	1,234,522	1,493,861	1,345,608
Total primary government	29,258,384	29,354,749	29,914,907	30,704,739	30,260,994	31,502,644	37,201,169	39,371,703	37,965,991	40,157,511
Changes in net position:										
Governmental activities	1,333,705	3,287,145	2,734,833	3,468,616	8,652,054	11,256,243	12,555,349	17,845,155	3,363,535	(4,059,315)
Business-type activities	(324,139)	794,954	298,313	661,377	(4,925,087)	671,966	2,272,901	4,114,159	8,748,103	4,575,145
Total primary government	$ 1,009,566	$ 4,082,099	$ 3,033,146	$ 4,129,993	$ 3,726,967	$ 11,928,209	$ 14,828,250	$ 21,959,314	$ 12,111,638	$ 515,830
							(2)	(2)	(2)	

Source:
Town of Herndon Finance Department - Exhibit A-2

Notes:
(1) Net (expense) revenue is the difference between the expenses and program revenues. This difference indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. Numbers in a parentheses are net expenses indicating that expenses were greater than program revenues, and the revenues were needed to finance that function or program. Numbers without parentheses are net revenues, demonstrating that program revenues were more than sufficient to cover expenses.

(2) Fiscal Year 2025 the town discovered that several banks within the town were sending bank franchise tax to Fairfax County for several years. Fairfax County returned the last three years of bank franchise tax to the town which resulted in a restatement of net position.

TOWN OF HERNDON, VIRGINIA **Table 3**

FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
General Fund:										
Nonspendable	$ 338,093	$ 252,186	$ 211,510	$ 166,659	$ 258,029	$ 354,739	$ 289,246	$ 335,367	$ 263,480	$ 241,582
Restricted	3,228	310,000	-	2,224	1,095,266	1,097,996	1,053,197	-	-	-
Committed	1,200,000	1,400,000	-	-	-	-	-	-	-	-
Assigned	2,859,002	2,869,397	5,581,134	5,338,176	6,114,606	10,606,684	11,541,956	13,329,127	14,054,019	13,630,209
Unassigned	9,345,836	10,196,779	10,537,670	13,293,488	19,560,379	17,283,627	* 17,930,955	* 20,508,664	* 19,172,695	18,304,415
Total General Fund	$ 13,746,159	$ 15,028,362	$ 16,330,314	$ 18,800,547	$ 27,028,280	$ 29,343,046	$ 30,815,354	$ 34,173,158	$ 33,490,194	$ 32,176,206
All Other Governmental Funds:										
Nonspendable	$ 25,000	$ 25,000	$ 25,000	$ -	$ -	$ 5,000	$ 5,000	$ -	$ -	$ 5,396
Restricted	1,764,513	2,132,077	6,073,939	6,293,607	6,353,031	6,307,965	3,668,703	3,896,236	3,631,646	3,692,251
Assigned	6,510,193	6,335,363	6,944,452	5,308,565	4,640,086	2,955,830	5,768,212	5,640,429	6,202,446	4,184,325
Unassigned	(330,872)	(206,498)	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 7,968,834	$ 8,285,942	$ 13,043,391	$ 11,602,172	$ 10,993,117	$ 9,268,795	$ 9,441,915	$ 9,536,665	$ 9,834,092	$ 7,881,972

Source:
Town of Herndon Finance Department - Exhibit A-3

Notes:
(*) 2022 - 2024 Unassigned Fund Balance was restated due to subsequent collection of past year's bank franchise tax.

TOWN OF HERNDON, VIRGINIA **Table 4**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenues:										
General property taxes	$ 11,214,419	$ 11,367,365	$ 11,691,186	$ 12,241,266	$ 12,822,398	$ 12,914,409	$ 13,805,589	$ 13,931,052	$ 14,052,877	$ 15,324,248
Other local taxes	14,177,297	14,463,451	13,750,341	14,212,059	14,562,162	15,128,514	17,468,036	18,692,471	17,766,668	19,837,346
Permits, privilege fees and regulatory licenses	559,488	603,773	1,057,412	585,191	457,719	613,968	572,280	791,911	1,147,673	1,196,084
Fines and forfeitures	423,335	452,965	485,008	353,593	281,512	359,468	342,056	430,153	478,568	438,033
Use of money and property	909,502	688,957	1,355,800	1,078,968	555,187	548,544	2,666,203	3,537,262	2,834,239	2,227,112
Charges for services	3,599,406	3,619,194	3,662,069	2,248,267	1,525,312	2,157,122	2,356,037	2,268,154	2,700,209	2,954,742
Miscellaneous	206,101	350,137	258,073	51,691	9,985	58,915	400,765	231,752	83,734	142,745
Intergovernmental	6,161,721	6,300,473	6,006,287	10,171,781	8,054,541	14,149,839	14,738,259	21,310,408	12,872,048	8,440,101
Total revenues	37,251,269	37,846,315	38,266,176	40,942,816	38,268,816	45,930,779	52,349,225	61,193,163	51,936,016	50,560,411
Expenditures:										
Legislative	698,951	699,202	713,209	500,752	507,091	507,879	613,312	653,438	687,290	571,382
Administration	3,131,313	2,863,707	3,006,360	2,978,610	2,775,022	3,111,207	3,357,954	3,583,077	4,226,822	5,380,564
Town attorney	476,844	489,362	471,179	676,293	726,639	776,886	833,754	1,227,454	1,139,896	1,302,403
Parks and recreation	4,288,848	4,449,527	4,675,180	3,934,039	2,665,348	3,569,187	3,961,843	4,039,609	4,462,589	5,136,215
Finance	1,518,192	1,716,122	1,532,617	1,508,139	1,477,878	1,517,999	1,646,904	1,993,944	1,957,301	2,178,583
Community development	1,686,329	1,736,736	1,947,330	2,102,628	1,912,361	2,019,189	2,671,606	2,613,920	2,868,894	3,348,040
Police	9,603,136	10,074,661	10,222,766	10,328,678	9,849,301	9,730,969	10,601,772	12,345,300	12,519,963	13,371,010
Public works	10,735,437	10,239,065	9,767,767	10,432,212	9,225,472	11,022,952	13,122,731	12,884,499	14,573,677	16,800,725
Grants	74,628	151,977	69,523	84,490	278,570	43,525	8,363	41,746	140,360	59,055
Non-departmental				457,223	377,676	58,646	68,781	(8,515)	1,276,626	(41,728)
Capital outlay	3,040,310	3,109,930	1,755,189	5,220,582	1,522,495	12,201,731	13,322,378	17,524,766	7,872,517	4,773,052
Debt service:										
Principal	1,090,629	1,256,739	1,344,287	1,189,054	5,877,930	1,015,683	1,236,103	1,293,277	1,163,440	1,163,067
Interest and fiscal charges	283,733	283,989	457,264	558,394	396,744	261,940	247,829	221,686	190,430	183,850
Total expenditures	36,628,350	37,071,017	35,962,671	39,971,094	37,592,527	45,837,793	51,693,330	58,414,201	53,079,805	54,226,218
Excess of revenues over (under) expenditures	622,919	775,298	2,303,505	971,722	676,289	92,986	655,895	2,778,962	(1,143,789)	(3,665,807)
Other financing sources (uses):										
Transfers in	1,535,807	1,335,013	827,525	234,281	1,816,456	819,463	2,461,548	316,384	84,190	820,284
Transfers out	(1,691,400)	(1,480,000)	(1,046,350)	(246,583)	(141,416)	(747,895)	(2,468,893)	(357,287)	(99,757)	(850,848)
Issuance of debt	-	969,000	3,686,266	-	-	1,538	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	5,087,915	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of property	-	-	65,954	19,727	84,502	78,731	306,273	205,470	323,250	156,815
Issuance of leases and subscriptions	-	-	-	-	-	-	86,887	56,422	277,053	138,071
Insurance recoveries	-	-	222,501	49,867	94,932	61,202	314,456	155,520	173,516	135,377
Total other financing sources (uses), net	(155,593)	824,013	3,755,896	57,292	6,942,389	213,039	700,271	376,509	758,252	399,699
Net changes in fund balances	$ 467,326	$ 1,599,311	$ 6,059,401	$ 1,029,014	$ 7,618,678	$ 306,025	$ 1,356,166	$ 3,155,471	$ (385,537)	$ (3,266,108)
Total debt service	$ 1,374,362	$ 1,540,728	$ 1,801,551	$ 1,747,448	$ 6,274,674	$ 1,277,623	$ 1,483,932	$ 1,514,963	$ 1,353,870	$ 1,346,917
Total expenditures	$ 36,628,350	$ 37,071,017	$ 35,962,671	$ 39,971,094	$ 37,592,527	$ 45,837,793	$ 51,693,330	$ 58,414,201	$ 53,079,805	$ 54,226,218
Less: capital outlay	(3,370,996)	(3,752,903)	(1,678,206)	(5,293,568)	(1,322,688)	(11,909,025)	(13,137,562)	(16,551,980)	(7,750,428)	(6,161,110)
Noncapital expenditures	$ 33,257,354	$ 33,318,114	$ 34,284,465	$ 34,677,526	$ 36,269,839	$ 33,928,768	$ 38,555,768	$ 41,862,221	$ 45,329,377	$ 48,065,108
Debt service as a percentage of noncapital expenditures	4.13%	4.62%	5.25%	5.04%	17.30%	3.77%	3.85%	3.62%	2.99%	2.80%
							(1)	(1)	(1)	

Source:

Town of Herndon Finance Department, Exhibit A-5 and A-6 for capital outlay

Note:

(1) Fiscal Year 2025 the town discovered that several banks within the town were sending bank franchise tax to Fairfax County for several years. Fairfax County returned the last three years of bank franchise tax to the town which resulted in a restatement of net position.

TOWN OF HERNDON, VIRGINIA **Table 5**

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Fiscal Year June 30,	Property	Business License	Meals	Transient Occupancy	Local Sales	Bank Franchise	Motor Vehicle	Cigarette	Consumer Utility and Consumption	Other (1)	Total
2017	11,214,419	5,569,516	2,215,677	2,199,410	1,798,728	402,719	431,639	288,484	876,765	394,359	25,391,716
2018	11,367,364	5,732,161	2,266,761	2,286,397	1,818,023	407,637	459,417	271,983	886,500	334,572	25,830,815
2019	11,691,186	4,930,755	2,308,551	2,345,943	1,871,909	386,039	461,004	254,081	888,455	303,604	25,441,527
2020	12,241,266	5,767,393	2,845,607	1,573,340	1,897,945	288,186	455,175	209,757	874,759	299,897	26,453,325
2021	12,822,398	6,680,365	2,805,350	888,999	2,033,030	406,526	432,593	178,772	867,110	269,417	27,384,560
2022	12,914,409	5,863,537	3,447,384	1,267,569	2,326,918	768,041 *	430,872	175,432	870,086	263,094	28,327,342
2023	13,805,589	6,460,183	4,347,841	1,920,100	2,391,096	895,286 *	466,540	167,255	894,923	214,074	31,562,887
2024	13,931,052	7,195,459	4,418,731	2,059,066	2,666,736	896,044 *	490,464	154,917	893,804	214,333	32,920,606
2025	14,052,877	5,937,342	4,515,554	2,106,052	2,806,120	699,947	457,518	146,557	903,211	194,367	31,819,545
2026	15,324,248	6,915,898	5,434,680	2,166,598	2,930,443	663,274	474,931	134,110	923,668	193,744	35,161,594
Change 2017-2026	36.65%	24.17%	145.28%	-1.49%	62.92%	64.70%	10.03%	-53.51%	5.35%	-50.87%	38.48%

Source: Town of Herndon Finance Department and Exhibit B-3

Notes:

(1) Includes right of way use fees and cable TV franchise fees.

(*) Restated revenue for prior years due to collections from banks not previously filed.

TOWN OF HERNDON, VIRGINIA **Table 6**
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Unaudited)

Assessment Year	Residential Property	Commercial Property	Public Service Corporation	Tax-Exempt (Nontaxable)	Total Assessed Value (1)	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate (1)	Actual Taxable Value	Value as a Percentage of Actual Value
2017	2,348,465,120	1,848,104,770	124,886,642	239,891,960	4,561,348,492	4,321,456,532	3.0%	0.2650	4,321,456,532	100.00%
2018	2,430,186,400	1,890,348,960	119,777,904	241,876,120	4,682,189,384	4,440,313,264	2.8%	0.2650	4,440,313,264	100.00%
2019	2,546,334,900	1,971,459,740	122,069,304	252,749,430	4,892,613,374	4,639,863,944	4.5%	0.2650	4,639,863,944	100.00%
2020	2,631,535,050	2,098,506,390	123,604,788	260,867,840	5,114,514,068	4,853,646,228	4.6%	0.2650	4,853,646,228	100.00%
2021	2,742,953,080	2,051,179,410	117,428,156	255,179,930	5,166,740,576	4,911,560,646	1.2%	0.2650	4,911,560,646	100.00%
2022	3,040,609,020	2,134,122,810	120,470,511	271,536,580	5,566,738,921	5,295,202,341	7.8%	0.2650	5,295,202,341	100.00%
2023	3,222,879,610	2,110,160,790	122,445,557	288,379,870	5,743,865,827	5,455,485,957	3.0%	0.2600	5,455,485,957	100.00%
2024	3,372,724,630	2,012,217,580	123,925,244	297,596,690	5,806,464,144	5,508,867,454	1.0%	0.2600	5,508,867,454	100.00%
2025	3,596,182,790	2,024,700,490	141,086,314	315,345,270	6,077,314,864	5,761,969,594	4.6%	0.2700	5,761,969,594	100.00%
2026	3,791,399,520	2,004,438,230	135,233,483	340,105,110	6,271,176,343	5,931,071,233	2.9%	0.2700	5,931,071,233	100.00%

Sources:
Town of Herndon Finance Department
County of Fairfax Department of Tax Administration (Real Estate Division)
PSC Values from the State Corporation Commission, Certified every September

Notes:
(1) Rates are per $100 of assessed value.

TOWN OF HERNDON, VIRGINIA **Table 7**
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years
(Unaudited)

	Tax Rates - Town		Tax Rates - County		Tax Rates - Combined	
Assessment Tax Year	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property
2017	0.265	-	1.1300	4.57	1.395	4.57
2018	0.265	-	1.1500	4.57	1.415	4.57
2019	0.265	-	1.1500	4.57	1.415	4.57
2020	0.265	-	1.1500	4.57	1.415	4.57
2021	0.265	-	1.1400	4.57	1.405	4.57
2022	0.265	-	1.1100	4.57	1.375	4.57
2023	0.260	-	1.0950	4.57	1.355	4.57
2024	0.260	-	1.1250	4.57	1.385	4.57
2025	0.270	-	1.1225	4.57	1.393	4.57
2026	0.270	-	1.1200	4.57	1.390	4.57

Source:
Town of Herndon Finance Department

Notes:
(1) These rates are per $100 of assessed value for real estate and personal property.

TOWN OF HERNDON, VIRGINIA **Table 8**
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
(Unaudited)

	2026			2017		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
MREI V TOWNES LLC	$ 83,468,370	1	1.41 %	$ -	-	- %
Westerly at Worldgate Owner LLC	83,276,670	2	1.40	-	-	-
USGBF 499 Grove Street LLC	77,063,020	3	1.30	-	-	-
USGBF 399 Grove Street LLC	63,478,480	4	1.07	-	-	-
Dulles Suites LLC	52,887,440	5	0.89	-	-	-
MIVPO LLC	48,763,200	6	0.82	55,179,320	6	1.28
Stuart Woods II Project LLC	45,703,340	7	0.77	-	-	-
Stuart Woods Project LLC	45,695,250	8	0.77	-	-	-
VanMetre Dulles Apartments LLC	45,498,560	9	0.77	-	-	-
661 Dulles Park Ct Owner LLC	44,386,230	10	0.75	-	-	-
BP New Dominion Technology	-	-	-	75,120,260	1	1.74
New Dominion	-	-	-	67,316,580	2	1.56
GSG Residential Westerly AT	-	-	-	64,754,620	3	1.50
Worldgate Centre Owner LLC	-	-	-	64,097,630	4	1.48
GSG Residential Townes AT	-	-	-	61,435,150	5	1.42
Inland America Herndon Worldgate LLC	-	-	-	51,765,990	7	1.20
RREEF America Reit II Corp VVV	-	-	-	51,107,470	8	1.18
Washreit Monument II LLC	-	-	-	43,991,250	9	1.02
CLF Herndon LLC	-	-	-	40,270,700	10	0.93
Total	$ 590,220,560		9.95 %	$ 575,038,970		13.31 %

Sources:
County of Fairfax Department of Tax Administration (Real Estate Division)
Town of Herndon Finance Department (2017 ACFR)

TOWN OF HERNDON, VIRGINIA **Table 9**

REAL PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(Unaudited)

Assessment Tax Year	Taxes Levied for the Tax Year (1)	Collected Within the Tax Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	10,805,027	10,767,440	99.65%	37,587	10,805,027	100.00%
2017	11,019,662	10,999,443	99.82%	20,501	11,019,944	100.00%
2018	11,449,420	11,434,920	99.87%	14,500	11,449,420	100.00%
2019	11,965,659	11,794,199	98.57%	169,849	11,964,048	99.99%
2020	12,534,612	12,388,867	98.84%	144,134	12,533,001	99.99%
2021	12,704,453	12,617,454	99.32%	85,310	12,702,764	99.99%
2022	13,713,041	13,529,086	98.66%	181,433	13,710,519	99.98%
2023	13,865,905	13,526,299	97.55%	331,195	13,857,494	99.94%
2024	14,000,849	13,627,287	97.33%	338,492	13,965,779	99.75%
2025	15,176,389	14,767,625	97.31%	277,321	15,044,946	99.13%

Source:
Town of Herndon Finance Department

Note:
(1) Abatements and supplements, which relate to prior years are recorded as revenue collections (or refunds) in year of receipt. Records do not exist, which separate current fiscal year levy collections from prior tax year abatements and supplements.

TOWN OF HERNDON, VIRGINIA **Table 10**

RATIOS OF OUTSTANDING DEBT BY TYPE AND GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

(Unaudited)

	Governmental Activities				Business-Type Activities								
Fiscal Year June 30,	General Obligation Bonds	Leases	Subscriptions	Notes	Revenue Bonds	Financed Purchase	Fairfax Water Agreements	Leases	Total Primary Government	Percentage of Per Capita Personal Income	Debt Per Capita	General Bonded Debt Outstanding: General Obligation Bonds	Percentage of Actual Taxable Value of Property	General Bonded Debt Outstanding: Debt Per Capita
2017	$ 10,253,274	$ -	$ -	$ 78,794	$ 2,036,746	$ -	$ -	$ -	$ 12,368,814	0.66	521	$ 10,253,274	24%	432
2018	10,031,639	-	-	-	1,771,516	-	-	-	11,803,155	0.63	496	10,031,639	23%	421
2019	12,354,914	-	-	-	9,352,703	-	3,681,872	-	25,389,489	1.35	1,060	12,354,914	27%	516
2020	10,947,964	-	-	-	8,817,990	-	3,419,303	-	23,185,257	1.17	964	10,947,964	23%	455
2021	11,106,525	-	-	-	7,660,345	-	3,178,614	-	21,945,484	1.06	912	11,106,525	23%	462
2022	10,125,610	80,027	-	-	7,492,099	-	2,916,045	18,846	20,632,627	0.96	857	10,125,610	19%	421
2023	9,125,112	52,708	373,679	-	7,318,437	300,000	1,966,344	12,802	19,149,082	0.83	784	9,125,112	17%	374
2024	8,097,534	23,370	186,897	-	7,139,357	240,000	1,801,716	6,704	17,495,578	0.71	716	8,097,534	15%	331
2025	7,163,368	80,917	169,470	-	6,839,864	180,000	1,640,038	2,196	16,075,853	0.57	620	7,163,368	12%	276
2026	6,237,924	61,522	129,879	-	6,506,648	120,000	1,468,679	21,383	14,546,034	0.52	593	6,237,924	11%	254

Source:
Town of Herndon Finance Department Analysis of Long Term Debt

Notes:
(1) Details regarding the town's outstanding debt may be found in the notes to the basic financial statements.

(2) Population and personal income data can be found in table 14.

(3) See table 6 for taxable value of property.

(4) The Downtown Parking Fund debts were reclassified from business-type to governmental activities in 2021.

TOWN OF HERNDON, VIRGINIA **Table 11**
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2026
(Unaudited)

Governmental Unit	Debt Outstanding	Percentage Applicable (1)	Share of Overlapping Debt (2)
Fairfax County, Virginia	$ 3,065,754,986	1.78%	$ 54,620,662
Town Direct Debt (3)	6,429,325	100%	6,429,325
Total direct and overlapping debt	$ 3,072,184,311		$ 61,049,987

Sources:
County of Fairfax Finance Department and Town of Herndon Finance Department

Notes:
(1) The percentage of overlapping debt applicable is determined using taxable assessed property values. The Town of Herndon is located within the geographic boundaries of the County of Fairfax.

(2) Amounts for bonds are reported net of premiums and/or discounts.

(3) The town's direct debt is also presented in Table 12.

TOWN OF HERNDON, VIRGINIA **Table 12**
LEGAL DEBT MARGIN
Last Ten Fiscal Years
(Unaudited)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Debt limit	$ 419,656,989	$ 432,053,536	$ 451,779,464	$ 473,004,144	$ 479,413,249	$ 517,473,183	$ 533,304,040	$ 538,494,221	$ 562,088,328	$ 579,583,775
Total debt applicable to limit	10,332,068	10,031,639	12,354,914	10,205,637	11,106,523	10,205,637	9,551,499	8,307,802	7,413,755	6,429,325
Legal debt margin	$ 409,324,921	$ 422,021,897	$ 439,424,550	$ 462,798,507	$ 468,306,726	$ 507,267,546	$ 523,752,541	$ 530,186,419	$ 554,674,573	$ 573,154,450
Total debt applicable to the limit as a percentage of debt limit	2.46%	2.32%	2.73%	2.16%	2.32%	1.97%	1.79%	1.54%	1.32%	1.11%

Legal Debt Margin Calculation for Fiscal Year 2026:

Assessed value of real estate	$ 5,795,837,750
Debt limit (10% of assessed value) (1)	579,583,775
Total Debt applicable to limit:	6,429,325
Legal debt margin	$ 573,154,450

Summary of Outstanding Governmental Debt:

2018B General obligation bonds	$ 3,575,000
2020A Refunding bonds (2010 GO & 2014 refund)	2,563,351
Deferred bond premiums	99,573
Leases	61,522
Subscriptions	129,879
Total debt applicable to limit	$ 6,429,325

Source:
Town of Herndon Finance Department

Notes:
(1) Under the Constitution of Virginia, the town may not issue bonds in excess of 10% of assessed valuation. Self-supporting debt is not included in this calculation, therefore, debt from the business-type activities is excluded.

TOWN OF HERNDON, VIRGINIA **Table 13**
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

	Water and Sewer Fund						
Fiscal Year June 30,	Gross Revenues (1)	Operating Expenses (2)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2020	$ 7,389,157	$ 5,966,717	$ 1,422,440	$ 284,450	$ 246,885	$ 531,335	2.68
2021	6,726,135	5,615,114	1,111,021	262,569	246,887	509,456	2.18
2022	7,380,676	6,741,392	639,284	388,600	241,302	629,902	1.01
2023	8,780,030	6,637,788	2,142,242	284,766	353,934	638,700	3.35
2024	9,716,246	6,926,277	2,789,969	300,726	339,011	639,737	4.36
2025	11,142,739	9,748,130	1,394,609	306,184	323,328	629,512	2.22
2026	11,672,861	10,819,832	853,029	297,175	306,743	603,918	1.41

	Golf Course Fund						
Fiscal Year June 30,	Gross Revenues (1)	Operating Expenses (2)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2017	$ 1,510,009	$ 1,298,643	$ 211,366	$ 100,501	$ 30,848	$ 131,349	1.61
2018	1,442,234	1,313,374	128,860	103,977	26,802	130,779	0.99
2019	1,472,969	1,244,250	228,719	108,767	22,602	131,369	1.74
2020	1,247,685	1,269,174	(21,489)	111,993	22,783	134,776	(0.16)
2021	2,279,480	1,487,992	791,488	37,707	20,206	57,913	13.67
2022	2,403,318	1,423,777	979,541	19,639	3,965	23,604	41.50
2023	2,792,673	1,712,053	1,080,620	20,021	15,846	35,867	30.13
2024	3,031,262	1,971,674	1,059,588	80,020	11,253	91,273	11.61
2025	3,138,102	2,009,776	1,128,326	125,641	9,835	135,476	8.33
2026	3,287,253	2,045,139	1,242,114	113,905	6,523	120,428	10.31

	Chestnut Grove Cemetery Fund						
Fiscal Year June 30,	Gross Revenues (1)	Operating Expenses (2)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2017	$ 899,125	$ 552,130	$ 346,995	$ 207,234	$ 36,166	$ 243,400	1.43
2018	1,026,042	515,428	510,614	154,079	29,106	183,185	2.79
2019	982,863	552,786	430,077	157,946	24,947	182,893	2.35
2020	879,318	531,954	347,364	161,511	23,014	184,525	1.88
2021	1,211,864	574,258	637,606	39,033	25,164	64,197	9.93
2022	1,401,415	626,039	775,376	28,607	5,226	33,833	22.92
2023	1,302,268	622,339	679,929	29,060	5,036	34,096	19.94
2024	1,367,546	653,775	713,771	29,060	4,845	33,905	21.05
2025	1,701,453	755,687	945,766	93,852	6,059	99,911	9.47
2026	1,304,241	751,493	552,748	134,310	7,679	141,989	3.89

	Downtown Parking Fund						
Fiscal Year June 30,	Gross Revenues (1)	Operating Expenses (2)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2020	$ 36,486	$ 24,383	$ 12,103	$ 5,000	$ 38,975	43,975	0.28
2021 (4)	19,088	64,468	(45,380)	5,000	38,876	43,876	(1.03)

Source:
Town of Herndon Finance Department - Exhibits A-8 and A-9

Notes:
(1) Gross revenues includes all revenues of the fund except gains on sale of capital assets and capital grant revenue.

(2) Operating expenses do not include depreciation and amortization, interest expense and losses on sale of capital assets.

(3) See Note 8 in the Notes to the Financial Statements for detailed information regarding the bonds issued by these funds.

(4) The Downtown Parking Fund was closed at the end of fiscal year 2021.

TOWN OF HERNDON, VIRGINIA **Table 14**

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

(Unaudited)

Calendar Year	Population (1)	Per Capita Personal Income (2)	Personal Income (000) (1) * (2)	Public School Enrollment (3)	Unemployment Rates (%) (4)
2017	23,734	78,376	1,860,176	187,484	3.2
2018	23,809	78,376	1,866,054	188,403	2.7
2019	23,949	78,376	1,877,027	187,474	2.3
2020	24,042	82,441	1,982,047	188,355	7.8
2021	24,057	86,141	2,072,294	179,748	4.1
2022	24,069	88,971	2,141,443	178,421	2.5
2023	24,428	94,677	2,312,770	177,570	2.5
2024	24,428	101,400	2,476,999	180,527	2.7
2025	25,935	108,855	2,823,154	181,701	3.7
2026	24,529	114,330	2,804,401	181,091	3.6

Sources:

(1) Town of Herndon, Community Development Annual Population Estimate memo

(2) www.bea.gov Tools>Interactive Data> Regional Data>GDP & Personal Income> Personal Income and Employment (CAINC)>Fairfax County - updated November 2024

(3) Actual enrollment is obtained from FCPS Approved Budget Book at www.fcps.edu pg.16

(4) Virginia Employment Commission, www.virginiaworks.com Employment>Local Area Unemployment Statistics (LAUS) - Fairfax County June (Unadjusted)

TOWN OF HERNDON, VIRGINIA **Table 15**
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago
(Unaudited)

	2026			2017	
Employer	Number of Employees (1)	Rank	Percentage of Total Town Employment (2)	Number of Employees (3)	Rank
Serco	500-749	1	2.71%	-	-
Northwest Federal Credit Union	500-749	2	2.63%	249-499	5
Amazon Web Services	250-499	3	2.16%	-	-
Boeing Corporation	250-499	4	1.40%	100-250	10
Peraton	250-499	5	1.31%	-	-
Town of Herndon	250-499	6	1.20%	249-499	7
Smartronix Inc	100-249	7	0.92%		
Shorepoint LLC	100-249	8	0.90%	-	-
Everfox Holdings LLC	100-249	9	0.84%	-	-
Karsun Solutions	100-249	10	0.57%	-	-
Amazon Corporation LLC	-	-	-	Over 500	1
Booz Allen Hamilton Inc.	-	-	-	Over 500	2
Fannie Mae	-	-	-	Over 500	3
Harris Corporation	-	-	-	Over 500	4
Navy Federal Credit Union	-	-	-	249-499	6
Airline Pilots Association	-	-	-	100-250	8
Medical Transportation Services	-	-	-	100-250	9

Sources:

(1) Town of Herndon Communications & Economic Development and Finance Departments

(2) Fairfax County Economic Development Authority provides total town employment

(3) Town of Herndon 2017 Annual Comprehensive Financial Report

Note:

Percentage of total town employment for fiscal year 2017 is not available.

TOWN OF HERNDON, VIRGINIA
FULL-TIME TOWN GOVERNMENT EQUIVALENT EMPLOYEES BY FUNCTION / PROGRAM **Table 16**
Last Ten Fiscal Years
(Unaudited)

Function	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Legislative	3.9	3.1	2.9	3.4	3.6	3.2	2.9	3.0	2.9	2.7
Administration:										
Communications & economic engage office	2.8	2.9	3.0	2.7	2.8	2.8	2.7	2.2	2.5	3.1
Town manager	3.0	3.0	2.9	1.4	2.0	2.0	2.0	2.0	1.0	2.0
Human resources	3.7	3.8	3.7	3.8	3.8	4.3	4.6	4.8	4.8	5.5
Information services	5.5	5.9	6.3	6.2	5.2	5.4	6.1	6.2	6.6	6.7
Town attorney	2.7	2.7	2.8	4.1	4.6	4.6	4.6	4.6	4.6	4.7
Parks and recreation:										
Administration	5.8	5.8	5.8	5.6	5.6	5.4	5.2	5.0	5.6	5.4
Recreation programs	15.9	16.4	15.6	13.3	4.6	8.2	10.1	11.0	11.7	12.2
Community center operations	16.4	15.7	17.3	15.3	8.1	8.3	8.7	8.8	8.5	8.9
Aquatics programs and operations	13.4	13.9	14.0	11.1	4.8	8.8	10.3	11.0	11.8	12.5
Park operation and development	1.5	2.2	2.6	2.1	1.3	1.3	1.2	1.5	1.7	1.6
Finance	10.3	11.6	11.4	11.7	11.9	11.9	12.0	12.7	11.9	12.4
Community development	15.5	14.5	16.3	16.8	15.6	16.1	16.7	16.7	16.0	15.8
Police:										
Field operations	47.1	42.2	42.3	42.9	38.6	36.0	35.4	37.3	39.5	38.3
Support services	35.0	35.3	34.4	32.3	34.4	35.2	38.1	39.3	36.4	39.2
Public works:										
Operations integration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.8	2.6
Stormwater	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	3.5
Administration	6.5	6.5	6.3	5.9	6.0	7.3	7.7	7.7	8.1	7.3
Engineering	4.9	4.8	5.3	5.1	6.0	6.3	7.0	7.0	7.0	5.1
Program management	1.3	1.8	1.8	2.0	2.0	2.2	2.5	2.4	1.8	3.5
Building inspections	4.9	4.6	4.3	4.9	4.3	5.0	5.0	5.0	4.9	4.3
Building maintenance	7.0	7.0	6.8	6.0	4.4	5.1	5.9	7.1	5.5	5.6
Grounds maintenance	12.6	11.7	11.7	11.6	11.9	11.0	10.5	9.9	9.1	8.8
Street maintenance	10.2	9.7	8.7	8.9	9.3	8.4	7.9	8.8	8.6	8.2
Refuse/recycling	15.2	13.9	14.5	14.1	14.9	14.5	15.8	16.1	15.3	16.3
Vehicle and equipment replacement	10.0	8.9	8.9	8.0	7.6	8.5	8.6	6.5	5.2	5.0
Traffic engineering	3.1	3.0	3.0	2.6	3.0	2.8	2.2	2.7	2.8	3.0
Right-of-way inspections	3.0	3.0	3.0	2.8	3.0	3.0	2.4	2.3	3.0	3.0
Subtotal Governmental Activities	261.2	253.9	255.6	244.6	219.3	227.6	236.1	241.6	242.0	247.2

TOWN OF HERNDON, VIRGINIA
FULL-TIME TOWN GOVERNMENT EQUIVALENT EMPLOYEES BY FUNCTION / PROGRAM **Table 16**
Last Ten Fiscal Years **Page 2**
(Unaudited)

Function	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Water and Sewer:										
Customer service	4.3	3.1	2.9	2.9	2.4	2.8	2.2	2.9	3.0	2.9
Sewer service and maintenance	4.8	5.2	5.4	6.7	5.5	6.7	7.7	7.8	8.2	8.9
Water supply and maintenance	7.4	6.7	5.2	4.4	4.7	5.0	5.8	6.2	7.5	11
Golf Course:										
Maintenance	7.3	6.7	6.5	6.4	7.4	7.4	6.7	7.4	7.5	7.1
Clubhouse	5.5	5.5	5.1	4.5	6.0	5.1	6.3	6.4	6.6	6.8
Chestnut Grove Cemetery:										
Administration	4.7	4.7	5.0	4.4	4.8	4.9	4.6	4.8	4.8	4.7
Subtotal Business-type Activities	34.0	31.9	30.1	29.3	30.8	31.9	33.3	35.5	37.6	41.4
Total	295.2	285.8	285.7	273.9	250.1	259.5	269.4	277.1	279.6	288.6

Source:
Town of Herndon, Finance Department Munis report Payroll>Employee History>History Inquiry

TOWN OF HERNDON, VIRGINIA **Table 17**

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Unaudited)

Function	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Police:										
Calls for service (1)	21,967	24,253	23,246	23,102	22,332	24,020	25,518	28,590	26,400	26,933
Human Resources:										
Recruitments requests (2)	43	67	64	83	115	138	193	207	124	178
Building safety:										
Total building permits (3)	237	298	280	193	217	469	166	290	218	640
Total inspections performed (3)	3,433	3,340	4,460	3,096	2,217	2,293	2,393	2,560	2,528	3,785
Public service:										
Refuse collected (tons) (1)	6,537	6,309	6,358	6,179	6,801	5,357	5,354	5,824	5,203	4,909
Recycle collected (residential - tons) (1)	1,752	1,803	1,789	1,633	1,622	1,381	1,364	1,332	1,325	1,285
Parks and Recreation:										
Class and program attendance (4)	13,700	12,300	13,700	8,500	1,200	5,200	6,600	7,214	8,813	10,420
Herndon Festival attendance (4)	81,500	40,300	62,000	0	0	30,000	34,276	0	0	0
Water and sewer:										
New utility accounts (3)	26	75	3	3	2	3	0	33	36	17
Average daily water consumption (mgd) (3)	2.24	2.28	2.21	2.19	1.99	2.02	2.02	2.02	2.02	1.95
Average daily sewage treatment (mgd) (3)	2.67	2.88	3.36	3.02	2.95	2.86	2.82	2.59	2.75	2.52
Golf Course:										
Rounds played (18 and 9 hole) (5)	33,029	31,369	31,401	27,301	47,397	47,846	47,922	52,378	48,363	49,578
Cemetery:										
Interment rights for sites sold (1)	148	171	148	152	199	231	161	190	232	177
Interments performed (1)	133	161	140	153	175	183	162	168	189	162

Sources:
(1) Town of Herndon Town Manager's Annual Reports
(2) Town of Herndon Department of Human Resources
(3) Town of Herndon Department of Public Works
(4) Town of Herndon Parks & Recreation
(5) Herndon Centennial Golf Course

TOWN OF HERNDON, VIRGINIA **Table 18**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Unaudited)

Function	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Police:										
Stations (1)	1	1	1	1	1	1	1	1	1	1
Vehicles (1)	47	47	47	50	47	45	50	60	56	54
Refuse Collection:										
Collection trucks (2)	10	10	10	17	16	16	15	14	14	14
Other public works:										
Vehicles/equipment maintained (2)	533	567	552	514	553	527	506	431	490	455
Streets:										
Primary (miles) (2)	31.3	41.6	41.6	41.6	41.6	41.6	41.6	41.2	41.2	41.2
Secondary (miles) (2)	98.4	88.4	88.4	88.4	88.4	88.4	88.4	88.5	88.5	88.5
Parks & Recreation:										
Parks - number of acres (3)	137	137	137	137	137	137	137	137	137	137
Swimming pools (3)	1	1	1	1	1	1	1	1	1	1
Parks with playground equipment (3)	7	7	7	7	7	7	7	7	7	7
Community centers (3)	1	1	1	1	1	1	1	1	1	1
Water:										
Water lines (miles) (2)	84.7	84.9	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0
Storage capacity (million gallons) (2)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Wastewater:										
Sanitary sewers (miles) (2)	81.8	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9	81.9

Sources:

(1) Town of Herndon Police Department

(2) Town of Herndon Department of Public Works

(3) Town of Herndon Park & Recreation

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TOWN OF Herndon VIRGINIA

www.herndon-va.gov

COMPLIANCE SECTION

BROWNEDWARDS
certified public accountants

Independent Auditor's 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 Town Council
Town of Herndon, Virginia

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Herndon, Virginia (the "town"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated October 30, 2026

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing the 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 have not been identified.**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of 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 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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
October 30, 2026

TOWN OF HERNDON, VIRGINIA

SUMMARY OF COMPLIANCE MATTERS
June 30, 2026

As more fully described in the Independent Auditor's 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*, we performed tests of the Town's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

STATE COMPLIANCE MATTERS

Code of Virginia
Budget and Appropriation Laws
Cash and Investment Laws
Conflicts of Interest Act
Local Retirement Systems
Debt Provisions
Procurement Laws
Uniform Disposition of Unclaimed Property Act

State Agency Requirements
Urban Highway Maintenance
Fire Programs Aid to Localities

TOWN OF HERNDON, VIRGINIA

Schedule of Findings and Responses
June 30, 2026

A – FINDINGS – FINANCIAL STATEMENT AUDIT

None.

B – FINDINGS – COMMONWEALTH OF VIRGINIA

None.

INSERT LOCALITY LETTERHEAD

Date X, 20X*X*

Staci A. Henshaw
Auditor of Public Accounts
Commonwealth of Virginia
P. O. Box 1295
Richmond, Virginia 23218
localgovernment@apa.virginia.gov

Dear Ms. Henshaw,

I/We hereby attest, in accordance with §15.2-2510 of the Code of Virginia, the *City/County/Town* of *Locality Name's* audited financial report, for the fiscal year ended June 30, 20*XX*, has been presented to the local governing body at a public session on *Month day*, 20*XX*.

DRAFT

Local chief elected official signature	Local chief administrative officer signature
Printed Name/Title	Printed Name/Title

City/County/Town of *Locality Name*
Commonwealth of Virginia

The foregoing statement required by the laws of the Commonwealth was acknowledged before me this *XX* day of *Month*, 20*XX*, by *[Name of local official(s) or locality finance contact seeking acknowledgement]*.

Notary Public's Signature **Notary Seal**

Notary's Printed Name/Title

Notary registration number: _____

My commission expires, *Month day*, 20*XX.*



Town of Herndon, Virginia
Auditor's Presentation
Fiscal Year Ended June 30, 2026

BROWNEDWARDS
certified public accountants



Introduction

Megan Argenbright, Partner

margenbright@becpas.com

540-434-6736

Annual Comprehensive Financial Report (ACFR)

Requirements

- Above and beyond financial statements.
- Includes Letter of Transmittal and Statistical Section
- The Town files the ACFR with the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting.
- The Town received the Award and Certificate for fiscal year 2025. (51st consecutive year!)

Auditor's Report

Results of the audit

- An unmodified (clean) audit opinion.

- This indicates reasonable, but not absolute, assurance that the financial statements and disclosures are materially correct.

Other Audit Reports

Yellow Book Opinion

- A report on internal control and compliance which should be considered in relation to the financial statement opinion.
- Not an opinion on the effectiveness of internal controls but rather is required to describe any deficiencies identified in controls or compliance matters.

Single Audit Opinion – not included in this ACFR

- Compliance audit regarding federal expenditures by the Town.
- Clean (unmodified) audit opinion. (expectation)

Other Audit Letters

Comments on Internal Control and other Suggestions for your consideration: "Management Letter"

- A tool for management regarding internal control or other best practice suggestions.
- Includes upcoming changes in accounting standards and accounting projects.

Other Audit Letters

Required Communication with those Charged with Governance

- Required communication which discusses significant matters including estimates, corrected and uncorrected misstatements and other significant items.

- Includes an attachment with representations made to us by management at the end of the audit.

Contact Information:

Megan Argenbright

Partner

margenbright@becpas.com

BROWN EDWARDS
certified public accountants





Any Questions?

Agenda Item: **Resolution 26-G-60 to consider a Special Exception, SE #26-05, 757 Elden Street, to approve an indoor entertainment use within the CC, Central Commercial zoning district**

Meeting Date: November 17, 2026

Category: Public Hearings

Prepared by: Aaron Zoellick, Zoning Services Specialist

Description:

Proposed Modification	This is an application for a special exception to permit a commercial recreation/entertainment, indoor use consisting of a private event/meeting venue within the central commercial zoning district
Address	757 Elden St
Fairfax County Tax Map Number	0162 02 0084
Owners	Palo Viejo LLC
Applicant	Jeffrey Colon
Business/Organization	Herndon Hall, LLC
Property Use	Commercial Recreation/Indoor Entertainment
Zoning District	Central Commercial (CC)
Lot Size	4,565 square feet
Building Size	3,000 square feet of gross floor area
Adjacent Zoning	North: Planned Development-Downtown (PD-D) East, West, South: Central Commercial (CC)
Date of Construction:	1900
Comprehensive Plan Land Use Designation	Downtown Master Plan, CPA #10-01 Commercial and Mixed-Use – Sector 2

Background/Timing Impact:

The property is currently occupied by Design and Interiors by the Upholstery Shop and operates as a personal services and retail use. The applicant is requesting to add an indoor entertainment use. Staff and the applicant met in a pre-application meeting on February 26, 2026.

The Planning Commission discussed the application at their October 5, 2026, work session, and voted at their October 19, 2026, regular meeting, 6-0-1 to recommend approval to Town Council.

Strategic Focus Area:

Environmental and Economic Sustainability

Thriving Community

Fiscal Impact:
There is no immediate fiscal impact from this application. The proposed business may be subject to applicable taxes and fees, including the Town's BPOL tax.

Legal Impact:
The Code of Virginia Sec. 15.2-2310 and Herndon Town Code Sec. 78-155.3 outline the requirements of applications for special exceptions.

Staff Recommendation/Next Steps:
Staff recommends approval of SE #26-05 with conditions, as proposed.

Attachments:
1. Staff Report
2. Resolution (Proposed Revised 11-17-26)
3. SE 26-05 Special Exception Criteria Matrix
4. 10.19.2026 Planning Commission Resolution (Approved)
5. Herndon Hall Plans
6. Applicant Narrative
7. Updated Applicant Narrative
8. Supplemental Photographs
9. Legal Ad

STAFF REPORT

Agenda Item: Resolution, to consider a Special Exception, SE #26-05, 757 Elden Street, to approve an indoor entertainment use within the Central Commercial, CC, zoning district.

Meeting Date: November 17, 2026

Staff Contact: Aaron Zoellick, Zoning Services Specialist
aaron.zoellick@herndon-va.gov (703) 787-7380

Site Description & Background:



757 Elden Street is located near the intersection of Elden Street and Spring Street in the central commercial (CC) zoning district and is within the Historic District Overlay. Although the front facade of the building has been modified, it remains a contributing structure. The original use of the building was as a movie theater. The property is currently occupied by Design and Interiors by the Upholstery Shop and operates as a personal services and retail sales use. The property's inclusion in Herndon Downtown - Sector 2 of the Town of Herndon 2030 Comprehensive Plan, Downtown Master Plan, Comprehensive Plan Amendment #10-01 reflects the Town's intent to "[r]einforce Elden Street as the retail core by adding new mixed-use buildings and restoring certain historic buildings to accommodate viable commercial buildings." The intent of central commercial (CC) district is to "allow for a mix of office, service commercial, retail commercial, entertainment, cultural, government, and civic uses." Sec. 78-40.1.

Case Details & Proposed Operations:

The applicant seeks a special exception to convert the property to a venue for private events, including weddings, receptions, corporate meetings, private celebrations,

nonprofit gatherings, recitals, presentations, and similar scheduled functions. The Town's zoning ordinance categorizes this type of use as indoor entertainment. Sec. 78-71.8. Indoor entertainment is permitted in the central commercial zoning district by special exception. Sec. 78-40.1(c)(3).

Private events will be held on the first floor of the building. The applicant anticipates most events to occur Thursday through Sunday, primarily during the evening. The venue will host no more than one event per day. In the first year of operation, the applicant anticipates hosting 30-45 events, or approximately one per week – increasing to 60-80 events per year as the business grows. The applicant expects typical attendance to range from approximately 80 – 120 guests.

The second floor will continue to be used as a personal services and retail sales space. Design and Interiors by the Upholstery Shop will be an appointment-based design studio, sample library, showroom, sales and consultation service. Appointments for the design studio will not conflict with scheduled events. This is a continuation of the existing principal use and not part of the special exception.

The applicant is proposing the installation of a gate at either end of the property along the west elevation. Additionally, the applicant is proposing a ramp from the right-of-way to the entrance near the northwest corner of the property.

Staff Analysis:

Zoning Ordinance Compliance

Indoor entertainment is a permitted use by special exception in the central commercial zoning district. Sec. 78-40.1. Each proposed special exception use must be evaluated for compliance with the standards set forth in Sec. 78-155.3, the standard for the proposed use in Sec. 78-71, and any other relevant considerations. Sec. 78-155.3(b)(2).

Sec. 78-155.3(e) establishes general standards for all special exception uses. Staff evaluated the criteria for review of special exceptions found in Zoning Ordinance Sec. 78-155.3(e). Criteria (a)–(e), (g)–(i), and (j) were found to be applicable to the analysis. Criteria (f) and (k) – (m) were found to be not applicable to the analysis because there are minimal physical alterations to the structure proposed, and the building is not located within the floodplain overlay. Staff believes that conditions will be required to limit impacts.

The zoning ordinance requires that indoor entertainment uses in the Herndon Downtown shall be of a scale and impact harmonious with existing development and planning policy for the Herndon Downtown. Factors to be considered include traffic impact, parking availability, pedestrian access, peak period visitation for the proposed use and positive economic multipliers for existing downtown businesses. Sec. 78-71.8(d)(1).

Traffic

A traffic impact study is not required for a proposed change of use. Sec. 78-156.1. Preliminary analysis conducted by Town staff using available Institute of Traffic Engineer (ITE) data suggests that the current use generates 17 daily trips; 3 trips during the weekend peak. Using a fine dining use as an approximate comparison, ITE data estimates that the proposed indoor entertainment use could generate 226 daily trips; 28 trips during the weekend peak. These rates assume a spread arrival and departure distribution, with guests staying for at least an hour, which may not match the proposed use. Town staff performed an initial assessment of the maximum occupant load based on the revised plans provided by the applicant showing two bathrooms. The initial assessment for maximum occupant load is 171 people.

The applicant proposes creating rideshare, taxi, limousine, and car-service pick-up/drop-off locations to the north and south of Elden Street along Spring Street. Staff cannot currently support designated spaces for these services, as there is not adequate space for a vehicle to move out of the travel lane for passengers to safely enter and exit a vehicle along Spring Street. Additionally, the proximity of the proposed space south of Elden Street to the Fairfax County Fire Station creates potential for a stopped vehicle to block the egress of emergency vehicles.

The applicant is requesting that one parking space in front of 757 Elden Street be designated as a passenger-loading location. Staff recommend that this proposal not be considered as part of this special exception. Instead, the request should be directed to the Transportation Engineering Improvement Committee (TEIC). TEIC is an advisory committee that reviews and evaluates transportation plans and makes recommendations to the Town Manager.

The applicant proposes an optional valet service with a reception podium. Staff cannot support a reception podium on any public property without a license agreement approved by Town Council. The applicant could pursue an agreement with an adjacent property to host the reception podium.

The applicant states that any bus, shuttle, or unusually large vehicle movement will require advance coordination and a lawful loading location. Staff recommend that any bus, shuttle, or limousine use one of the two designated vendor parking locations leased from the adjacent lot.

The Planning Commission did not request any additional information from the applicant regarding traffic impacts and mitigation. Traffic concerns throughout the downtown are a focus of the ongoing comprehensive plan and can best be addressed through that process. Staff believes that the proposed conditions will mitigate potential traffic issues related specifically to this special exception.

Parking

As a special exception, the adequacy of required parking may be considered. Staff estimates that 24 parking spaces are required to accommodate trip generation from a fine dining use. The proposed use with scheduled events would likely create more peak demand for parking rather than spread demand seen in fine dining.

The zoning ordinance requires a flat rate of 3.3 spaces per 1,000 square feet of gross floor area, regardless of the use. Sec. 78-100.2(b). The building has 3,000 square feet of gross area. The property purchased ten spaces through the Town's Public Shared Parking program and is in compliance with zoning ordinance parking requirements.

The applicant is currently leasing six parking spaces from an adjacent property owner. Two of the spaces will be reserved for vendors. The remaining four leased parking spaces will be used for event guest parking. The current lease is for six months with an option to extend for another 6-month term.

The applicant has proposed including two parking spaces in the loading area of the property. Under Sec. 78-100.5(b)(1) of the zoning ordinance, parking stalls at a 90^0 parking angle are required to have a depth of 18 feet. The distance from the rear of the property to the property line is 16 feet. The applicant is further proposing to store six refuse/recycling carts along the rear wall that will further reduce the space for parked vehicles. The two proposed parking spaces in the loading area do not comply with the zoning ordinance and cannot be included in available parking calculations.

Available parking remains a concern of staff and members of the Planning Commission. The property is in conformance with zoning ordinance requirements for off-street parking. The additional leased parking spaces demonstrate a good faith effort by the applicant to address outstanding concerns. Staff believes the proposed conditions will

further mitigate parking issues. In the event that staff receives complaints regarding the operation not meeting approved conditions, the Town maintains the ability to revoke the special exception in accordance with Sec. 78-155.3(h).

Loading/Unloading

There are double doors at the south end of the property that lead to a loading area and public alley. The loading area is approximately 500 square feet. This area will serve as the loading and unloading area for all vendors. According to the applicant, vendors will be given building access to set up no earlier than 9:00 a.m. Events will conclude by 10:00 pm Sunday – Thursday, and 10:30 p.m. Friday – Saturday. Vendors will be expected to finish cleanup and breakdown activities by 11:00 p.m. Vendors waiting to load or unload their materials will be required by the applicant to use one of the two leased parking spaces reserved for vendors. Staff believe that the proposed conditions will mitigate any issues created by vendor loading/unloading materials for a scheduled event.

Comprehensive Plan Adherence

The current proposal is consistent, in part, with the Herndon 2030 Comprehensive Plan and Downtown Master Plan – Comprehensive Plan Amendment #10-01. While the proposal makes progress in the expressed goals of enhancing Herndon's Downtown image as an attractive entertainment destination, sufficient conditions may be necessary to assure that the goal of creating a pedestrian-friendly environment while providing reasonable traffic circulation and adequate parking is also obtainable.

Pedestrian Experience:
During the October 5 Planning Commission work session, concern was raised regarding the pedestrian experience as the property transitions from retail to indoor entertainment use. The concern was that pedestrians would see an empty storefront when events were not scheduled. The applicant has stated that a limited number of tables and chairs will remain arranged as coordinated display vignettes. Table linens, chair treatments, and other decorative elements supplied by Design and Interiors may be incorporated and changed periodically to provide visual interest. The storefront windows will remain visually open. Interior lighting will provide a warm, welcoming appearance during business and appointment hours. The intent is to provide pedestrians with a view of a finished, furnished, and actively maintained event
venue.

Fiscal Impact:

There is no immediate fiscal impact from this application. The proposed business may be subject to applicable taxes and fees, including the Town's BPOL tax.

Town Council Alternatives:

The following alternatives are available to the Town Council for its decision on SE #26-05:

1. Approve the application without conditions
2. Approve the application with the proposed conditions.
3. Deny the application. The property maintains its by-right personal services and retail sales use
4. Continuation to the December 15, 2026, regular meeting.

Staff Recommendation:

Staff recommends that the Town Council approve the application with conditions, as proposed.

Revised
11-17-26

TOWN OF HERNDON, VIRGINIA
TOWN COUNCIL

RESOLUTION

NOVEMBER 17, 2026

Resolution- to approve a Special Exception, SE #26-05, 757 Elden Street, to permit a commercial recreation/indoor entertainment use within the CC, Central Commercial zoning district.

BE IT RESOLVED by the Town Council of the Town of Herndon, Virginia that:

1. The Town Council approves Special Exception (SE) #26-05, to permit a commercial recreation/indoor entertainment use defined in the Town of Herndon Zoning Ordinance ("Zoning Ordinance") Sec. 78-71.8, within the CC, Central Commercial zoning district and shall run with the land pursuant to Sec. 78-155.3(f)(2) of the Ordinance.

2. The development of the Special Exception use described in paragraph 1 above shall be in substantial conformance with the Applicant Narrative, the Updated Applicant Narrative, and the plan set entitled "Herndon Hall", "The Upholstery Shop, 757 Elden Street, Herndon, VA 20170", dated August 24, 2026, by Gary Bills Design ("Plan") provided that the Plan will be revised to remove the area described as "Parking, Existing Parking Area to Remain". Deviations from these materials by action of the Historic District Review Board or staff administrative review shall be considered to be in substantial conformance.

3. The conditions set forth below are necessary to achieve compliance with the standards found in Sections 78-155.3(e)(1) and 78-71.8(d)(1) of the Zoning Ordinance:

   a. Occupancy is limited to 150 people.

   b. No more than one event shall be scheduled at the property per day. Appointments taking place on the second floor are not considered events for the purposes of this special exception.

   c. The applicant shall schedule all event-related deliveries in advance. Pre-event delivery and post-event pick-up of vendor materials, supplies, and equipment shall be staggered so that multiple vendors are not simultaneously queued on the public alley or rights-of-way.

d. All vendor loading and unloading shall occur in the loading zone located at the rear of the building.

e. The applicant and any event vendor shall not use public streets, sidewalks, or the public alley for staging or storage.

f. Event operations, including guest arrival/departure, vendor loading/unloading, deliveries, and temporary equipment, shall not obstruct or impede vehicular or pedestrian circulation on Elden Street, Spring Street, the public alley, or other public rights-of-way.

g. A valet reception point, podium, station, booth, or kiosk, and any associated temporary signage, shall not be located on any public property without a license agreement approved by Town Council.

h. All events and activities shall be in substantial conformance with the Town's noise ordinance, specifically but not limited to, Sec. 26-221, Loud noises prohibited, and Sec. 26-227, Sound amplifying equipment.

4. The Town reserves the right to revoke the Special Exception in accordance with Sec. 78-155.3(h) of the Zoning Ordinance.

Sec. 78-155.3(e) Special Exception Criteria Matrix
SE #26-05
757 Elden Street

Criteria Section 78-155.3(e)(1)	Assessment	Reasoning
a. Is consistent with the Comprehensive Plan.	Meets with conditions	The proposed use will be in conformance with the Comprehensive Plan policies on provision of goods and services to the local community and positive economic benefits of new businesses.
b. Is free of conflict with any provision of this chapter and related regulations or any other applicable local, state, or federal laws and regulations.	Meets	The proposed special exception uses are provisioned with the base zoning district and do not create any substantial conflicts with other regulatory requirements. The use and business operations will be conditioned to ensure the use continually meets the purpose and intent of the CC zoning district.
c. Does not adversely affect the health or safety of persons residing or working in the neighborhood of the proposed use.	Meets with conditions	The proposed use is generally compatible with the site. Conditions may be necessary to limit impacts.
d. Consistent with the purpose and intent of the zoning district in which it is located or will improve compatibility among uses and will ensure efficient development within the town.	Meets	The proposed conditions will remain compatible with the intent of the uses of the CC zoning district.
e. Minimizes adverse visual impact of the proposed use on adjacent lands.	Meets	The proposed conditions will not generate visual changes to the site.
g. Minimizes adverse impact on surrounding lands regarding service delivery, parking and loading, odors, noise, glare, and vibration, and should not create a nuisance.	Meets with conditions	Conditions may be necessary to limit impacts of parking and loading.
h. Avoids significant adverse impacts on the property values of surrounding lands or substantially and permanently injures the use of neighboring property for those uses that are permitted in the zoning district.	Meets with conditions	The proposed use potentially will impact neighboring properties related to traffic and parking. Conditions may be necessary to limit impacts.
i. Does not significantly and adversely impact the natural environment, including but not limited to, air, noise, stormwater management, wildlife, vegetation, wetlands, and the natural functioning of the environment.	Meets	The proposed conditions will not involve any expansion of floor area and minimal conversion of pervious area to impervious area.
j. Results in development that is adequately served by transportation facilities, including whether or not a substantial deterioration of the level of service on the town's transportation network would occur and whether or not the proposed use is designed to ensure safe ingress and egress on the site and safe road conditions on and around the site.	Meets with conditions	Conditions may be necessary to limit impacts.

TOWN OF HERNDON, VIRGINIA
PLANNING COMMISSION

RESOLUTION

OCTOBER 19, 2026

Resolution- to recommend approval of Special Exception (SE) #26-05, 757 Elden Street, to permit a commercial recreation/indoor entertainment use within the CC, Central Commercial zoning district.

BE IT RESOLVED by the Planning Commission of the Town of Herndon, Virginia that:

1. The Planning Commission recommends approval of Special Exception (SE) #26-05, to permit a commercial recreation/indoor entertainment use defined in the Town of Herndon Zoning Ordinance ("Zoning Ordinance") Sec. 78-71.8, within the CC, Central Commercial zoning district and shall run with the land pursuant to Sec. 78-155.3(f)(2) of the Ordinance.

2. The development of the Special Exception use described in condition 1 above shall be in substantial conformance with the Applicant Narrative, the Updated Applicant Narrative, and the plan set entitled "Herndon Hall", "The Upholstery Shop, 757 Elden Street, Herndon, VA 20170", dated August 24, 2026, by Gary Bills Design ("Plan") provided that the Plan will be revised to remove the area described as "Parking, Existing Parking Area to Remain". Deviations from these materials by action of the Historic District Review Board or staff administrative review shall be considered to be in substantial conformance.

3. The conditions set forth below are necessary to achieve compliance with the standards found in Sections 78-155.3(e)(1) and 78-71.8(d)(1) of the Zoning Ordinance:

    a. Occupancy is limited to 150 people.

    b. No more than one event shall be scheduled at the property per day. Appointments taking place on the second floor are not considered events for the purposes of this special exception.

    c. The applicant shall schedule all event-related deliveries in advance. Pre-event delivery and post-event pick-up of vendor materials, supplies, and equipment shall be staggered so that multiple vendors are not simultaneously queued on the public alley or rights-of-way.

d. All vendor loading and unloading shall occur in the loading zone located at the rear of the building.

e. The applicant and any event vendor shall not use public streets, sidewalks, or the public alley for staging or storage.

f. Event operations, including guest arrival/departure, vendor loading/unloading, deliveries, and temporary equipment, shall not obstruct or impede vehicular or pedestrian circulation on Elden Street, Spring Street, the public alley, or other public rights-of-way.

g. A valet reception point, podium, station, booth, or kiosk shall not be located on any public property without a license agreement approved by Town Council.

4. The Town reserves the right to revoke the Special Exception in accordance with Sec. 78-155.3(h) of the Zoning Ordinance.

A Copy – Teste:

Margie C. Tacci
Deputy Town Clerk

TOWN OF HERNDON, VIRGINIA 1879

MOTION: **Romeo**
SECOND: **Mundt**
RE: **Resolution 26-PC-013**
ACTION: **Adopted**

Votes
Ayes: **Beatty, Mundt, Richardson, Wichman, Yohannes, Chair Romeo**
Abstain: **Kim**
Nays: **None**
Absent from Vote: None
Absent from Meeting: None

APPLICABLE CODES

International Building Code (IBC)
National Electrical Code (NEC) – NFPA 70
International Mechanical Code (IMC)
International Plumbing Code (IPC)
International Energy Conservation Code (IECC)
International Existing Building Code (IEBC)
International Fire Code (IFC)
International Green Construction Code (IgCC)
NFPA 101 – Life Safety Code
ANSI/ASHRAE/IES Standard 90.1 – Energy Standard for Buildings Except Low-Rise Residential Buildings

1 VA BC 1030.3 Assembly Other Exits ('21)
2 VA BC 1030.2 Assembly Main Exit ('21)
3 VA FC 1001.3.1 Temporary Occupant Load Determination ('21)
4 VA FC 1001.3 Overcrowding ('21)
5 VA FC 403.2.1 Seating Plan ('21)
6 VA FC 10 Means of Egress ('21)
7 VA FC 403.11.2 Public Safety Plan for Gatherings ('21)
8 VA BC Occupant Load ('21)
9 VA BC 1004.7 Outdoor Areas ('21)
10 VA FC 3106.3.1 Occupant Load ('21)
11 VA FC Means of Egress ('21)
12 VA BC Means of Egress ('21)
13 VA BC Exit ('21)
14 VA FC 3106.3 Occupancy and Means of Egress ('21)
15 VA FC 3106.3.2 Maintenance of Emergency Egress and Escape Routes ('21)

FIRE CODES
NO SCALE

Herndon Hall – Venue Operations Plan

Operating Model
Herndon Hall will opera e as a priva e ren al venue hos ing scheduled even s

Typical Event Types
Weddings
Corpora e mee ings
Priva e celebra ions
Reci als
Nonprofi ga herings

Hours of Operation
Mos even s will occur Thursday hrough Sunday evenings wi h occasional weekday even s

Event Size
Typical even s will hos be ween 80 and 120 gues s

Food Service
Food service will be provided by licensed ou side ca ering companies

Alcohol Service
Alcohol when served will be managed by licensed ca erers or even -based permi s

Noise and Communi y Considera ions
Even s will primarily occur indoors and he venue will comply wi h local noise ordinances

1. Proposed Building Use

Area	Primary Use	Occupancy S ra egy
Main level Priva e Even / Mee ing Venue	A-3 Assembly	
Second level	Design s udio / showroom / sales office/ Business	

2. Preliminary Occupancy Planning

Assembly / Mee ing Space
Opera ional pos ure is ables-and-chairs or s ruc ured even layou s
Adap ive reuse of exis ing his oric s ruc ure as a priva e even and mee ing venue
Food service provided by licensed ou side ca erers

3. Likely Life Safety

- Pos ed occupan load signage
- Fire safe y and evacua ion plan
- Emergency ligh ing and illumina ed exi signs
- Approved means of egress and door hardware
- Fire alarm componen s as required by he building and fire of icials

4. Second-Floor

Opera ing home for Designs and n eriors by he Uphols ery Shop - a design s udio sample library and sales/showroom func ion

5. Waste Management

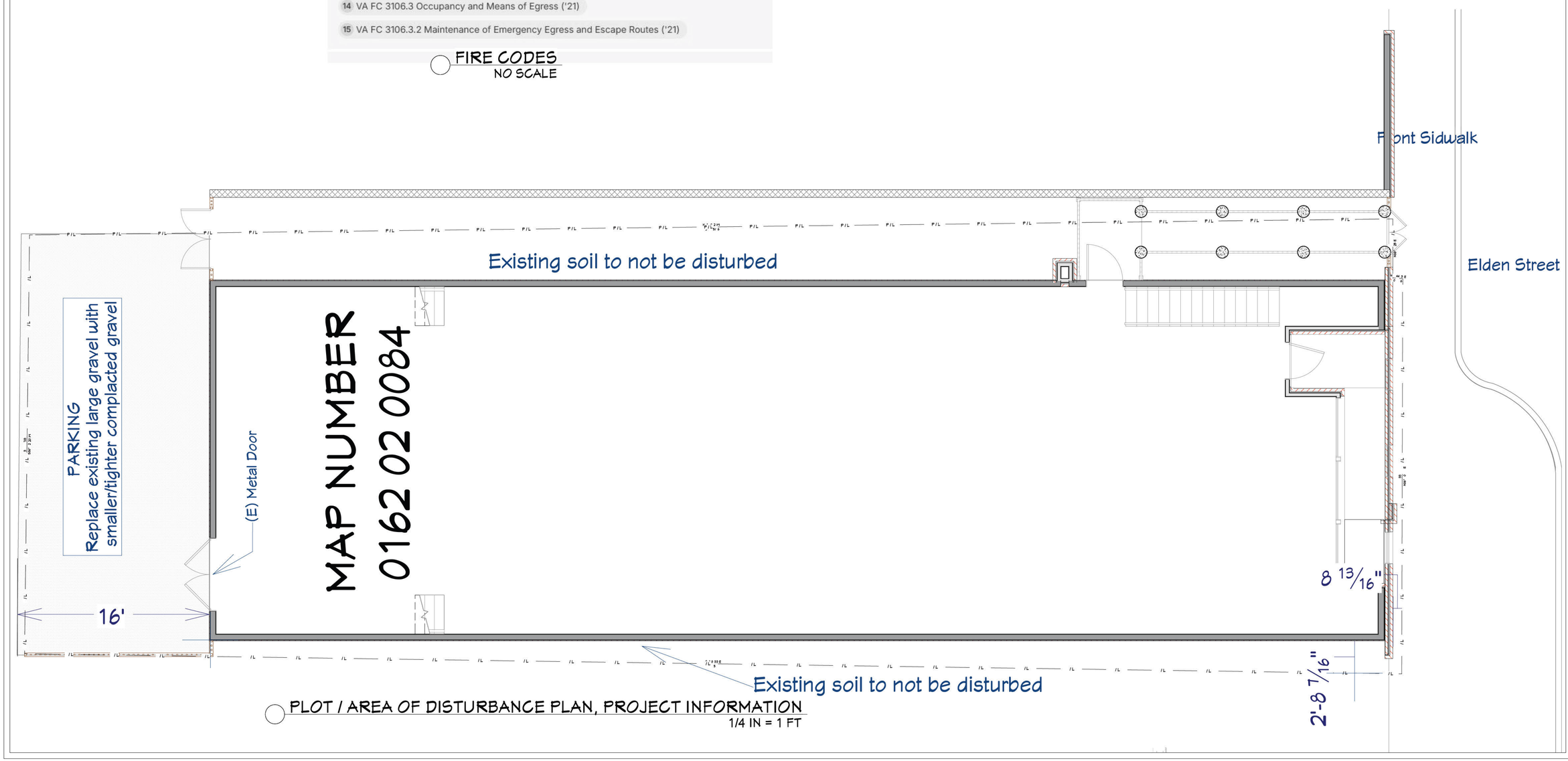
Regarding waste management and the receptacle location, we plan to maintain the status quo. The receptacle will remain in its current location, and we will schedule additional pickups with Republic Services throughout the week.

Project Information

Designer
Gary Bills Design
[redacted]

Scope
The Upholstery Shop
Herndon Hall Event Venue

Owner
Jeffery Colon
[redacted]
757 Elden Street
Herndon, VA 20170



PLOT / AREA OF DISTURBANCE PLAN, PROJECT INFORMATION
1/4 IN = 1 FT

REVISION TABLE

NUMBER	DATE	REVISED BY	DESCRIPTION

The Upholstery Shop
757 Elden Street
Herndon, VA 20170

Plot / Area of Disturbance Plan, Project Information

DRAWINGS PROVIDED BY:
Gary Bills Design
[redacted]

DATE:
6/20/2026

SCALE:

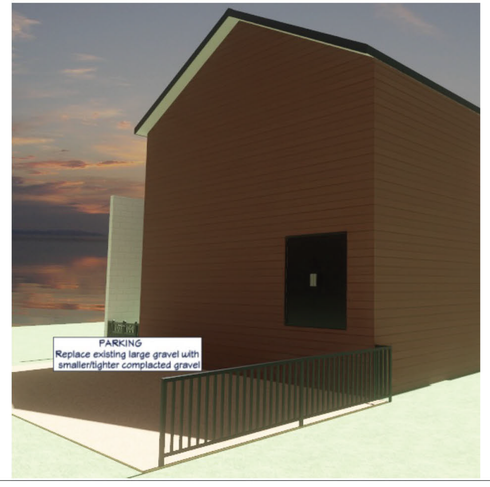
SHEET:
A-1



FENCE & GATE PLAN VIEW
1/4 IN = 1 FT







REVISION TABLE

NUMBER	DATE	REVISED BY	DESCRIPTION

The Upholstery Shop
757 Elden Street
Herndon, VA 20170

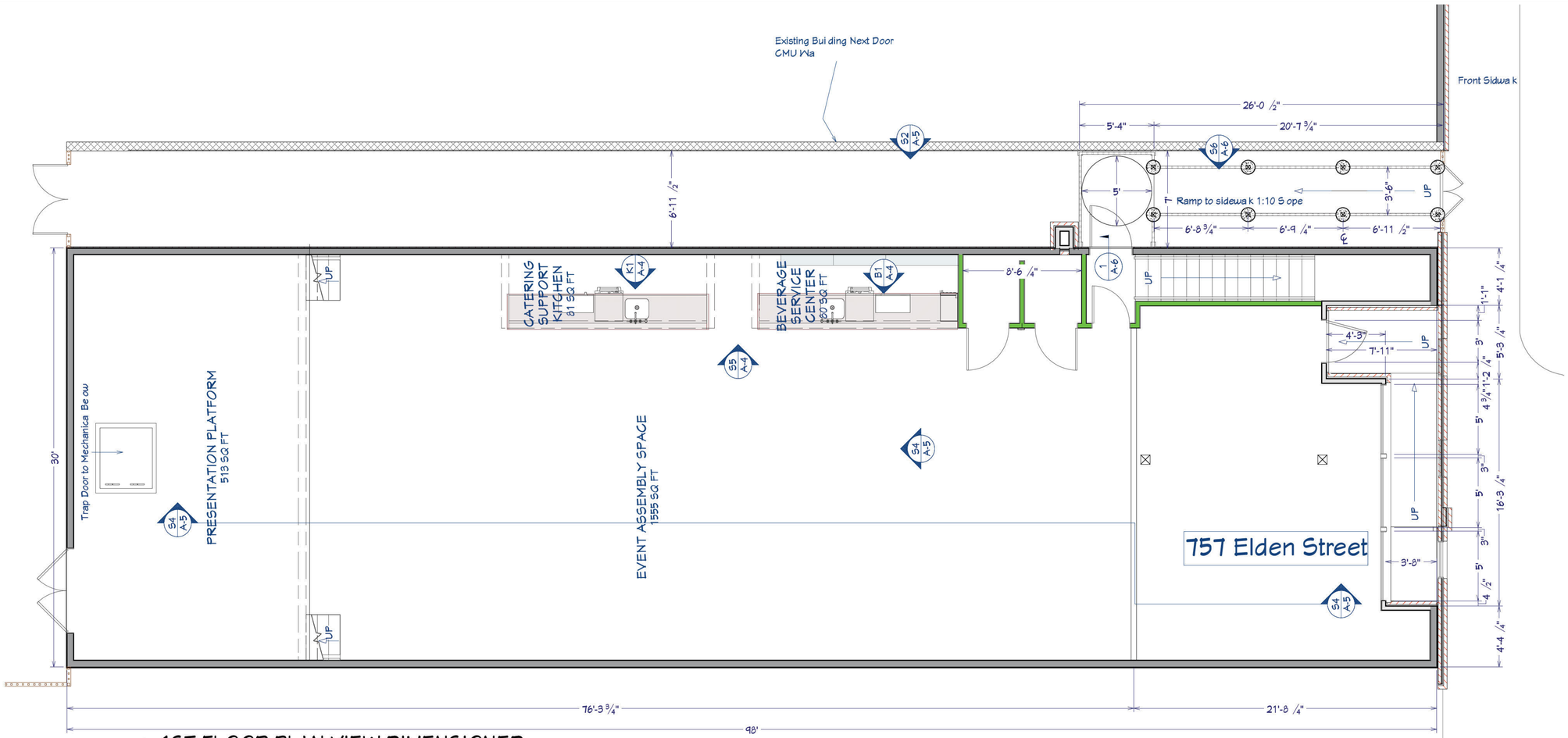
Fence & Gate Plan View

DRAWINGS PROVIDED BY:
Gary Bills Design

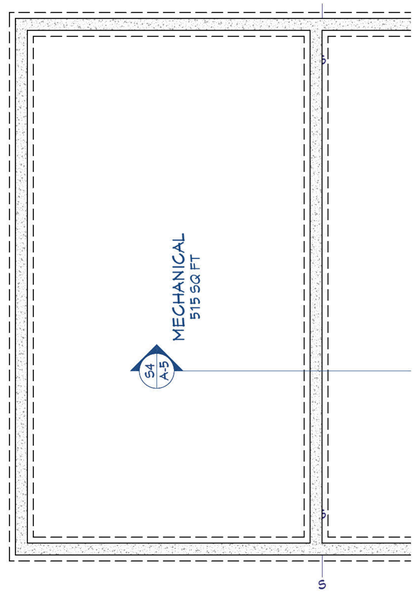
DATE:
6/20/2026

SCALE:

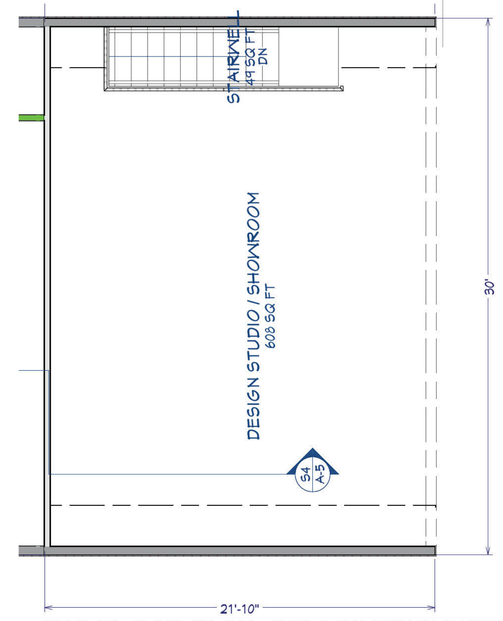
SHEET:
A-2



1ST FLOOR PLAN VIEW DIMENSIONED
1/4 IN = 1 FT



AREA UNDER PLATFORM FLOOR PLAN VIEW DIMENSIONED
1/4 IN = 1 FT



2ND FLOOR PLAN VIEW DIMENSIONED
1/4 IN = 1 FT

REVISION TABLE

NUMBER	DATE	REVISED BY	DESCRIPTION

The Upholstery Shop
757 Elden Street
Herndon, VA 20170

Flor Plan

DRAWINGS PROVIDED BY:
Gary Bills Design

DATE:
6/20/2026

SCALE:

SHEET:
A-3

CABINET SCHEDULE

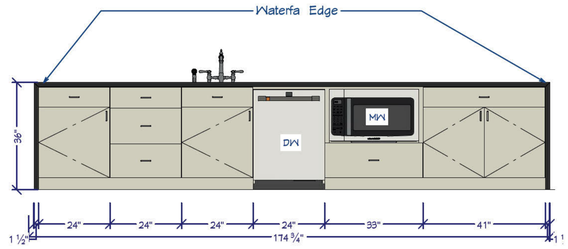
NUMBER	LABEL	QTY	FLOOR	WIDTH	DEPTH	HEIGHT	DESCRIPTION
C01	3DB27	1	1	27"	24"	34 1/2"	BASE CABINET
C02	B24L	1	1	24"	24"	34 1/2"	BASE CABINET
C03	B24R	2	1	24"	24"	34 1/2"	BASE CABINET
C04	3DB24	1	1	24"	24"	34 1/2"	BASE CABINET
C05	OB33	2	1	33"	24"	34 1/2"	BASE CABINET
C06	SB24L	1	1	24"	24"	34 1/2"	BASE CABINET
C07	SB23R	1	1	23"	24"	34 1/2"	BASE CABINET
C08	W45549	1	1	45"	9"	54"	WALL CABINET
C09	W45709	1	1	45"	9"	70"	WALL CABINET
C10	W62549	1	1	62 3/16"	9"	54"	WALL CABINET
C11	B41	1	1	41"	24"	34 1/2"	BASE CABINET

CABINET SCHEDULE
1/2 IN = 1 FT

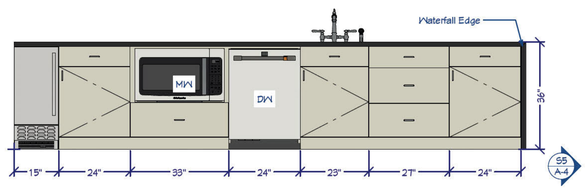
FIXTURE SCHEDULE

NUMBER	LABEL	QTY	FLOOR	WIDTH	DEPTH	HEIGHT	DESCRIPTION
A01	D/W	2	1	24"	28"	34 1/2"	161-D/W
A02	DUIM150DL	1	1	14 3/4"	26 5/16"	34 1/2"	DUIM150DL ICE MACHINE
A03	GROUP 6	1	1	52"	60"	93/16"	GROUP 6
A04	K-76520-4	2	1	17 1/2"	9 7/8"	12 5/8"	K-76520-4 ARTIFACTS DECK-MOUNT BRIDGE BAR SINK FAUCET
A05	SINGLE BASIN UNDERMOUNT SINK	2	1	20 5/16"	17 3/16"	11 7/16"	SINGLE BASIN UNDERMOUNT SINK

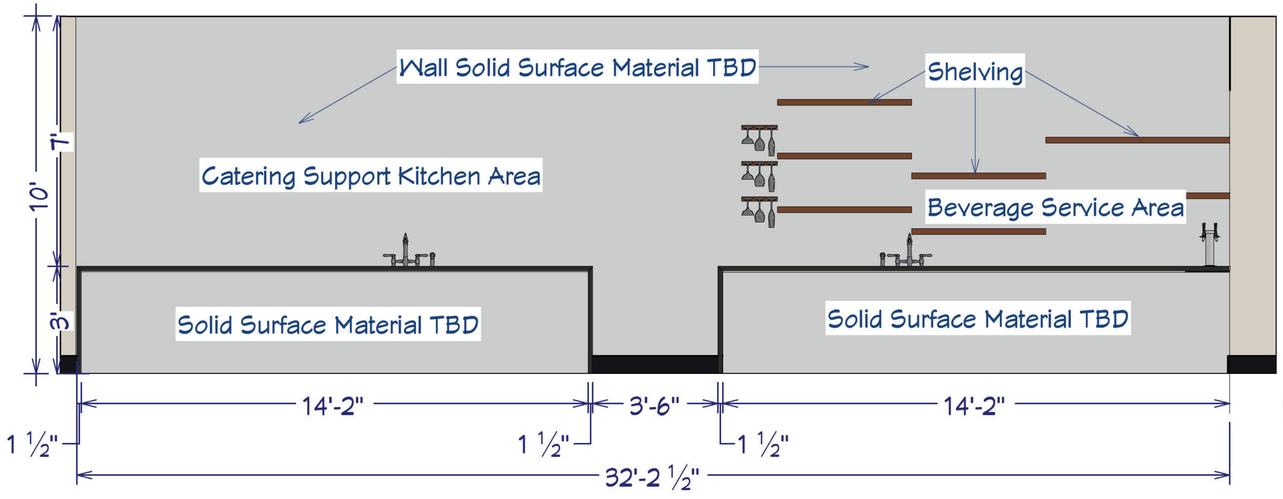
APPLIANCE SCHEDULE
1/4 IN = 1 FT



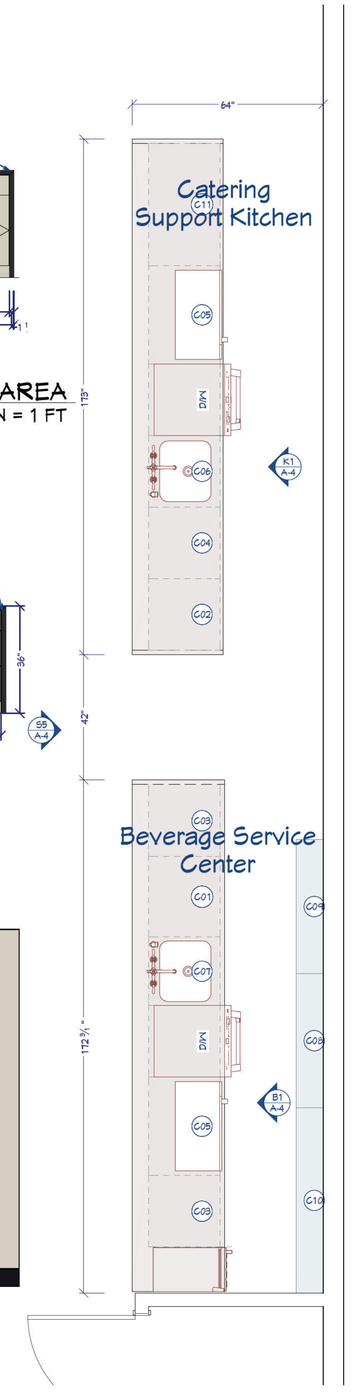
K1 CATERING SUPPORT COUNTER AREA
1/2 IN = 1 FT



B1 BEVERAGE SERVICE COUNTER
1/2 IN = 1 FT



S5 CROSS SECTION 5
1/2 IN = 1 FT



BEVERAGE CENTER/CATERING COUNTER AREA
1/2 IN = 1 FT

REVISION TABLE

NUMBER	DATE	REVISED BY	DESCRIPTION

The Upholstery Shop
757 Elden Street
Herndon, VA 20170

Beverage Center/Catering Counter Plan

DRAWINGS PROVIDED BY:
Gary Bills Design

DATE:
6/20/2026

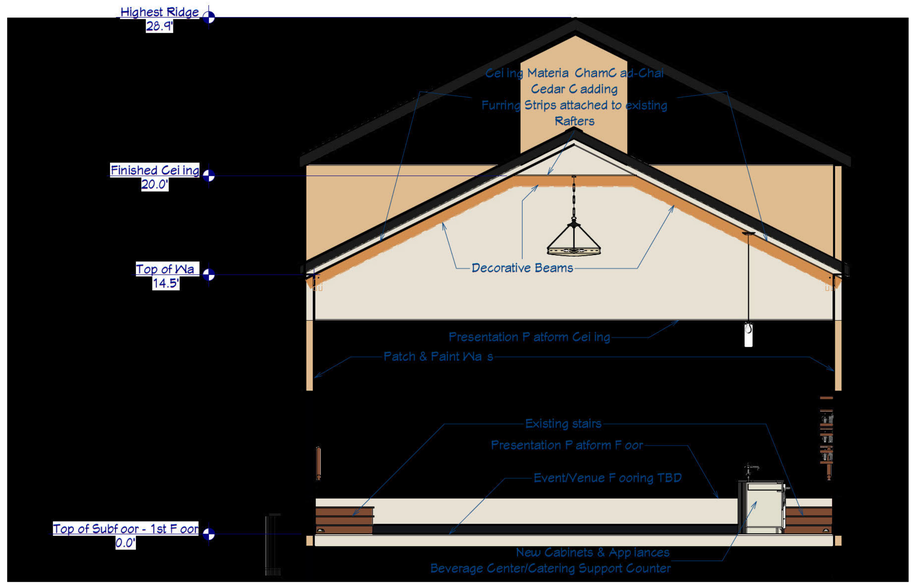
SCALE:

SHEET:
A-4

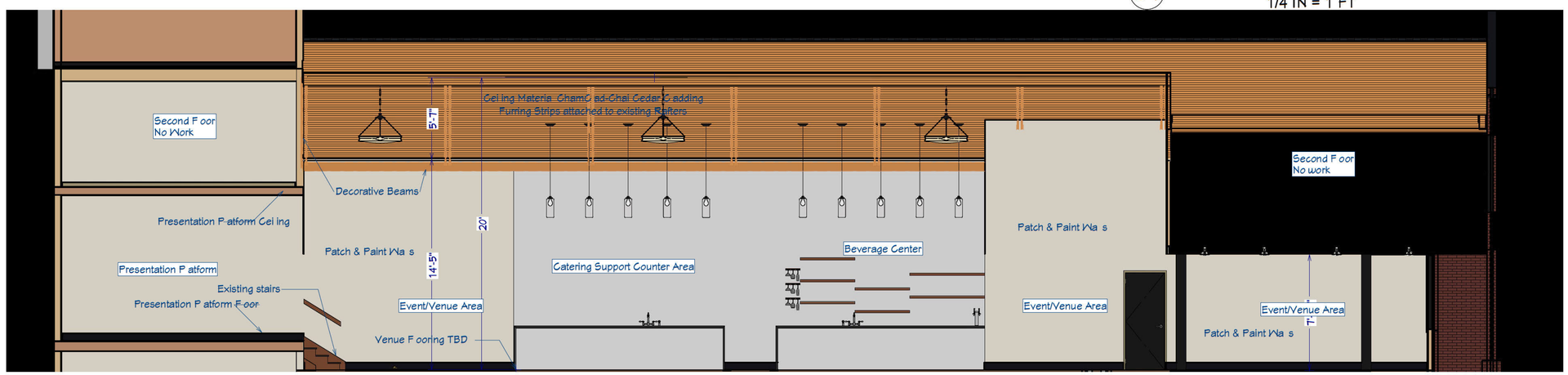




S3 FONT ELEVATION
1/4 IN = 1 FT



S4 CROSS SECTION 3
1/4 IN = 1 FT



S4 CROSS SECTION 4
1/4 IN = 1 FT

REVISION TABLE

NUMBER	DATE	REVISED BY	DESCRIPTION

The Upholstery Shop
757 Elden Street
Herndon, VA 20170

Elevations & Sections

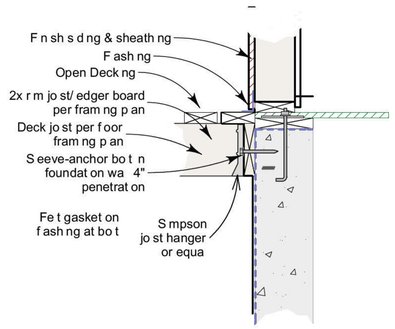
DRAWINGS PROVIDED BY:
Gary Bills Design

DATE:
6/20/2026

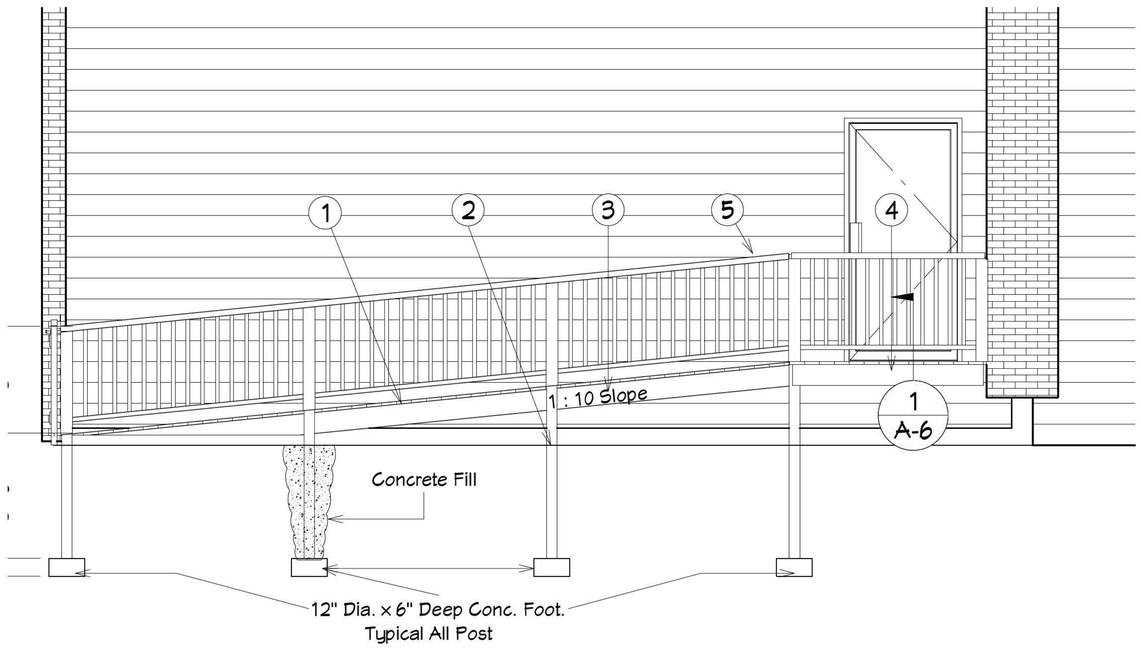
SCALE:

SHEET:
A-5

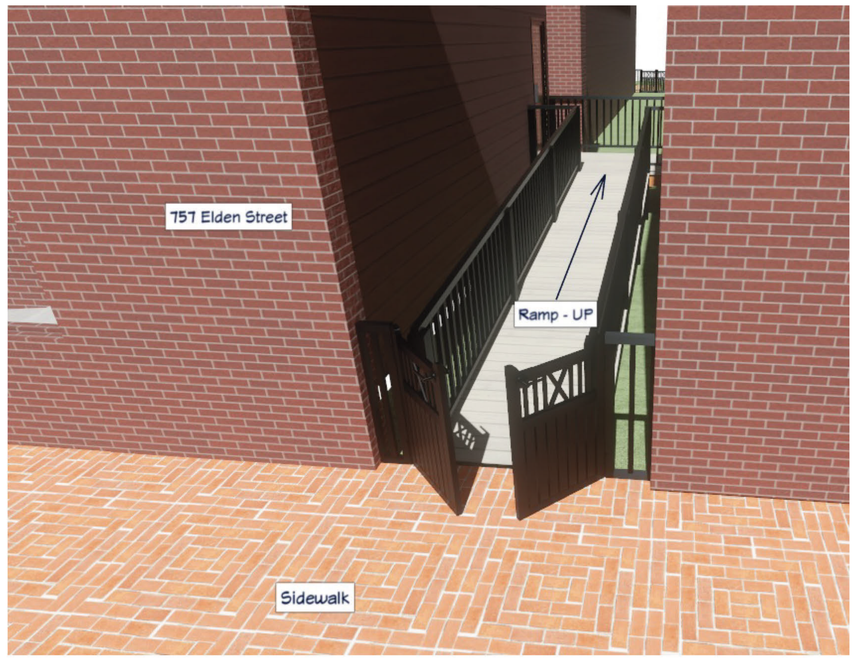
RAMP NOTE SCHEDULE	
1	LANDING #1 - 2 X 8 P.T. JOIST TREX DECKING
2	4 X 4 P.T. LUMBER - SET IN CONCRETE, W/ 6" X 12"DIA. FOOTING
3	RAMP SECTION - 1:10 SLOPE W/ TREX DECKING
4	LANDING - 2 X 8 P.T. JOIST TREX DECKING
5	BLACK METAL RAILING



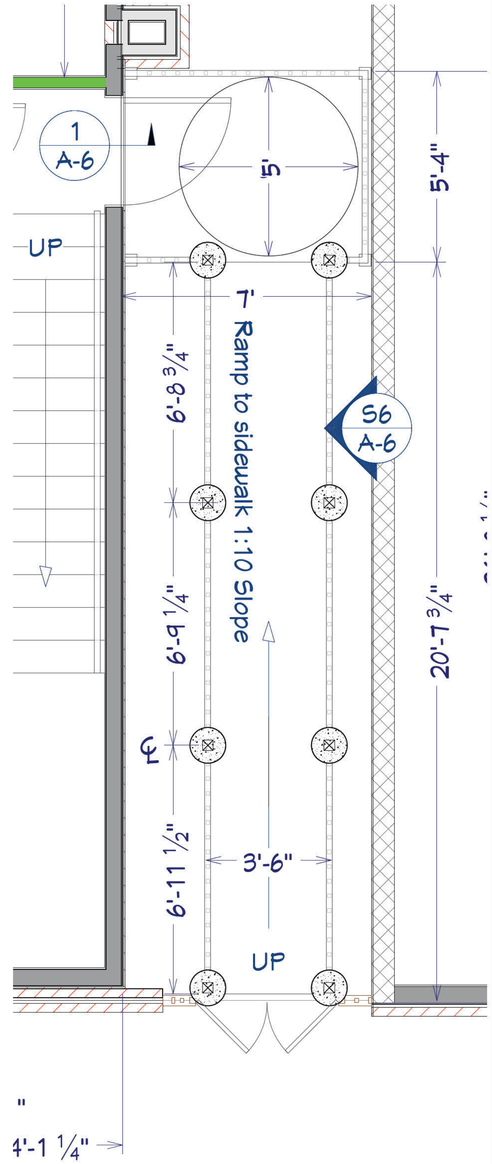
1 DECK LEDGER
1/2 IN = 1 FT



S6 CROSS SECTION 6
1/2 IN = 1 FT



ADA RAMP OVERVIEW



RAMP PLAN VIEW
1/2 IN = 1 FT

REVISION TABLE

NUMBER	DATE	REVISED BY	DESCRIPTION

The Upholstery Shop
757 Elden Street
Herndon, VA 20170

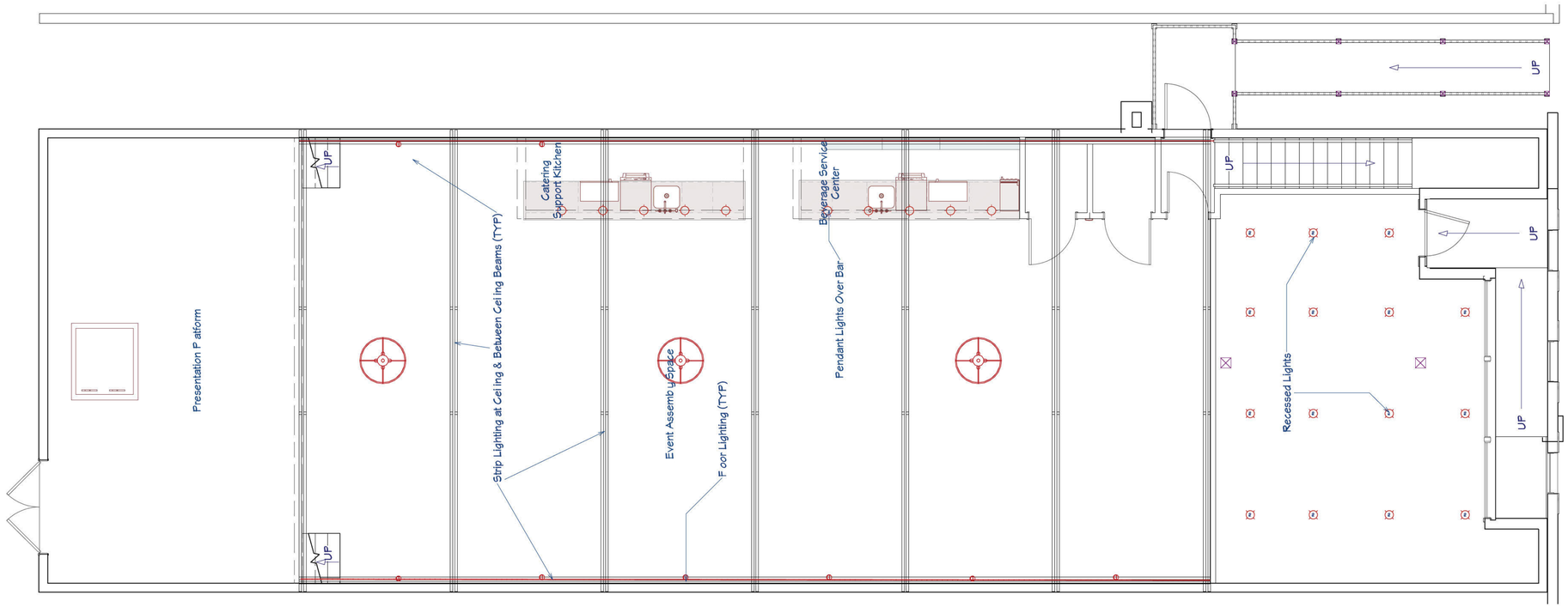
ADA Ramp Plan

DRAWINGS PROVIDED BY:
Gary Bills Design

DATE:
6/20/2026

SCALE:

SHEET:
A-6



ELECTRICAL PLAN VIEW

1/4 IN = 1 FT

ELECTRICAL SCHEDULE

2D SYMBOL	NUMBER	QTY	FLOOR	WIDTH	DEPTH	HEIGHT	ATTACHED TO
—	E01	2	1				
	E02	3	1	36"	36"	53 15/16"	CEILING
	E03	8	1	4"	4"	2 1/16"	FLOOR
	E04	10	1	8 1/2"	8 3/8"	77 1/16"	CEILING
	E05	15	1	8"	8"	5/8"	CEIL NG
	E06	4	1	16 5/8"	5 9/16"	14 5/8"	WALL
	E07	4	1	16 5/8"	5 9/16"	7"	WALL

REVISION TABLE

NUMBER	DATE	REVISED BY	DESCRIPTION

The Upholstery Shop
757 Elden Street
Herndon, VA 20170

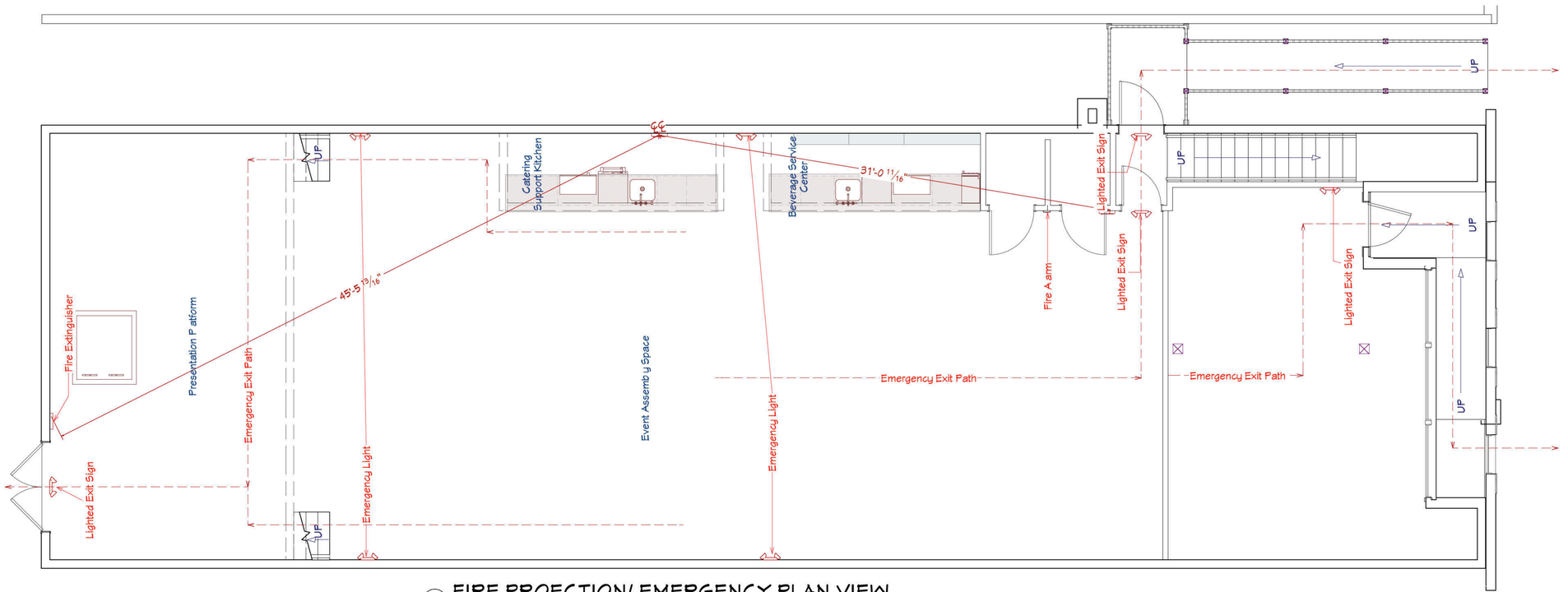
Electrical Plan

DRAWINGS PROVIDED BY:
Gary Bills Design

DATE:
6/20/2026

SCALE:

SHEET:
E-1



FIRE PROECTION/ EMERGENCY PLAN VIEW

1/4 IN = 1 FT

REVISION TABLE

NUMBER	DATE	REVISED BY	DESCRIPTION

The Upholstery Shop
757 Elden Street
Herndon, VA 20170

Electrical Plan

DRAWINGS PROVIDED BY:
Gary Bills Design
[redacted]

DATE:
6/20/2026

SCALE:

SHEET:
E-2



REVISION TABLE

NUMBER	DATE	REVISED BY	DESCRIPTION

The Upholstery Shop
757 Elden Street
Herndon, VA 20170

DRAWINGS PROVIDED BY:
Gary Bills Design [redacted]

DATE:
6/20/2026

SCALE:

SHEET:

REVISION TABLE			
NUMBER	DATE	REVISED BY	DESCRIPTION

The Upholstery Shop
757 Elden Street
Herndon, VA 20170

DRAWINGS PROVIDED BY:
Gary Bills Design [redacted]

DATE:
6/20/2026

SCALE:

SHEET:

HERNDON HALL

Venue Operations Narrative

Special Exception SE #26-05 | 757 Elden Street, Herndon, Virginia 20170

Applicant / Operator	Herndon Hall LLC
Property Owner	Palo Viejo LLC
Managing Partner	Jeffrey Colon
Proposed Main-Level Use	Private event and meeting venue; approximately 3,000 square feet
Second-Level Use	Appointment-based design studio, sample library, showroom and client consultation area for Designs and Interiors by the Upholstery Shop

1. Purpose and Operating Concept

Herndon Hall will operate as a professionally managed, advance-reservation venue for private events, meetings and celebrations. The venue is intended to provide a flexible indoor setting for weddings, receptions, corporate meetings, private celebrations, nonprofit gatherings, recitals, presentations and similar scheduled functions. It will not operate as a nightclub, public dance hall or regularly scheduled concert venue.

The operating model is based on scheduled rentals rather than continuous walk-in activity. Each event will be governed by a written rental agreement, an established event schedule and venue operating rules. A venue manager or designated representative will be responsible for coordinating access, vendor activity, guest use, cleanup and compliance with all applicable jurisdictional requirements.

2. Event Frequency, Attendance and Scheduling

Most events are anticipated to occur Thursday through Sunday, primarily during evening periods, with occasional weekday events. Typical attendance is expected to range from approximately 80 to 120 guests, subject to the final lawful occupant load.

Herndon Hall will host no more than one principal rental event per day. During the initial year of operation, the venue anticipates approximately 30 to 45 events, averaging approximately one event per week, with greater frequency during the spring, summer and fall event seasons. As the business becomes established, Herndon Hall anticipates approximately 60 to 80 events annually, generally averaging one to two events per week with occasional seasonal weeks containing up to four scheduled events.

Vendor setup and building access may begin at 9:00 a.m. Guest events will conclude by 10:00 p.m. Sunday through Thursday and 11:00 p.m. Friday and Saturday. Amplified entertainment will conclude by 9:30 p.m. Sunday through Thursday and 10:30 p.m. Friday and Saturday. Limited indoor cleanup, breakdown and managed loading may continue until 11:00 p.m. Sunday through Thursday and midnight Friday and Saturday.

Event scheduling will provide sufficient time between rentals for vendor access, cleaning, waste removal and preparation of the premises.

3. Venue Management and Staffing

At least one responsible venue manager or designated management representative will be present or immediately available during each event. Additional venue attendants will be assigned according to event size, layout, service requirements and the nature of the function. Venue staff will oversee building access, coordination with renters and vendors, compliance with venue rules, refuse handling and end-of-event closing procedures.

Outside personnel may include licensed caterers, bartenders, servers, event planners, photographers, florists, musicians, disc jockeys, security personnel and other event-specific vendors. These persons will be

employed or retained by the renter or the applicable vendor unless expressly provided by Herndon Hall. Staffing will therefore vary according to the event, while venue management will remain responsible for overall on-site coordination.

4. Relationship to the Second-Floor Design Studio

The second-floor space will be occupied by Designs and Interiors by the Upholstery Shop and used as an appointment-based design studio, sample library, showroom, sales and client consultation area. The second floor will not operate as an upholstery production workroom or manufacturing facility. No machinery-intensive furniture production or regular walk-in retail traffic is proposed for that space.

Designs and Interiors and Herndon Hall will operate as distinct but complementary businesses under coordinated ownership and management. General design appointments will be scheduled in advance and coordinated with the venue calendar. On days when a private event is scheduled, ordinary design appointments will be arranged so they do not overlap with the principal guest-arrival and event periods, thereby minimizing simultaneous customer traffic and parking demand.

Designs and Interiors may also provide optional event-related design services to Herndon Hall clients. These services may include wedding and event-design consultations, specialty linens, custom chair pads, decorative textiles and other bespoke design enhancements requested by venue clients. Such services will be separately arranged according to the needs of the event.

5. Catering Support and Beverage Service

Food service will be provided by licensed outside caterers. The areas shown on the plans as the catering support kitchen and beverage service center are intended for staging, limited warming, refrigeration, ice, beverage service, washing and temporary holding associated with catered events. They are not intended to operate as a restaurant or commercial production kitchen.

The submitted plans depict support equipment including sinks, dishwashers, an ice machine, microwaves, counters, cabinets and shelving. No commercial cooking line, fryer, range, stovetop, grill, commercial hood or similar grease-producing cooking equipment is proposed. Caterers will prepare food off-site and deliver it for service, subject to all applicable health, fire and licensing requirements.

Alcohol, when permitted for a particular event, will be furnished and served only in accordance with applicable Virginia Alcoholic Beverage Control requirements. Licensed caterers, approved service providers or event-specific licenses will be used as required.

6. Entertainment and Noise Management

The presentation platform may be used for wedding ceremonies, speeches, presentations, disc jockeys, small musical groups and other entertainment incidental to a private event. Herndon Hall is not proposed as a regularly scheduled concert establishment.

Amplified entertainment will occur indoors. No outdoor amplified music is proposed. Venue management will control amplification and require compliance with the Town of Herndon noise ordinance. Exterior doors and windows will remain closed during amplified entertainment except for ordinary ingress, egress and emergency use.

7. Loading, Unloading and Vendor Access

The rear double doors will serve as the principal loading and unloading access for caterers, florists, event planners, musicians, rental-equipment providers and other vendors. Vendor arrivals and departures will be scheduled and managed to avoid obstruction of streets, sidewalks, gates, required exits and neighboring access.

The revised plan will identify the designated loading/unloading area immediately serving the rear double doors. No refuse cart, equipment or stored material will be placed within the door swings, required landing, loading apron or required path of egress.

8. Refuse and Recycling Management

The property will continue to utilize the existing eight-cubic-yard commercial dumpster serviced by Republic Services twice weekly. Herndon Hall will maintain four 96-gallon wheeled refuse carts and two 96-gallon wheeled recycling carts as temporary event-collection containers.

The six carts will be stored in a single row against the approximately 24- to 25-foot rear wall area beside the double doors, outside all door swings, loading activity, gate clearances and required egress paths. Following each event, venue management will transfer refuse and recycling from the carts to the authorized central dumpster and recycling collection system. The carts will then be returned to the designated rear storage area with lids securely closed. No loose refuse or bags will be stored outside the carts.

Licensed caterers and outside vendors will be contractually required to remove food-service waste, grease, bulk packaging and other vendor-generated refuse at the conclusion of each event. Herndon Hall will remain responsible for ordinary guest refuse and for maintaining the cart-storage and loading areas in a clean, sanitary and orderly condition. Additional collection will be scheduled if operating experience indicates that it is necessary.

9. Parking, Arrivals and Community Compatibility

Guest and vendor activity will be managed through advance event scheduling. The second-floor appointment calendar will be coordinated with event periods to reduce simultaneous customer demand. Herndon Hall will provide event renters and vendors with arrival, loading, parking and departure instructions appropriate to the approved parking arrangements and the downtown setting.

Events will primarily occur indoors. Venue management will establish and enforce rules governing amplified sound, exterior activity, waste handling, vendor access and orderly guest departure. The intent is to operate the venue in a manner compatible with neighboring businesses, nearby properties and the historic downtown environment.

10. Building and Exterior Operations

The existing storefront windows will remain, and no removal, replacement or other exterior modification is planned. Herndon Hall values the existing appearance of the building and its prominent storefront windows, which contribute to the small-town charm and historic character of downtown Herndon.

A new HVAC system will be selected and sized to accommodate the calculated load, capacity and day-to-day operating needs of the approximately 3,000-square-foot main-level venue. The designated mechanical space beneath the presentation platform will house the new venue HVAC system and other mechanical equipment necessary for the day-to-day operation of the main-level venue. The second-floor design studio is served by a separate, dedicated HVAC system.

The proposed front and rear gates will be configured to open in the proper manner consistent with the Town's second-round review comments, so that no gate swings into a sidewalk or public right-of-way. Gates will remain entirely within the property-controlled area and will not obstruct required pedestrian, loading or emergency access.

11. Conclusion

Herndon Hall is proposed as a scheduled, professionally managed private event venue that complements the appointment-based design studio on the second floor. Coordinated scheduling, controlled vendor access, indoor entertainment, managed refuse handling and event-specific supervision are intended to minimize operational impacts while supporting a distinctive downtown event and design destination.

HERNDON HALL

Transportation, Parking, Loading and Guest Arrival Management Proposal

Special Exception SE #26-05
757 Elden Street · Herndon, Virginia

Applicant	Herndon Hall LLC
Use	Indoor entertainment / private event venue
Purpose	Response to parking, traffic, loading, vendor coordination and passenger-arrival concerns
Status	Applicant proposal for Town review; proposed curb and valet locations remain subject to approval

Planning principle. The plan is designed around a conservative maximum anticipated vendor-demand scenario while recognizing that many events will be smaller and require few or no outside vendors.

1. Purpose and Management Commitment

Herndon Hall will host private events of varying size, format and complexity. Smaller meetings, showers, workshops and intimate gatherings may require few or no outside vendors. Larger weddings and formal events may involve a caterer, florist, rental company, entertainment provider, cleaning contractor and other event-service vendors.

This proposal establishes a conservative management framework capable of handling the maximum reasonably anticipated vendor-demand scenario. The same procedures will be scaled down for simpler events. The venue manager and an event coordinator designated by the venue lessee, Herndon Hall LLC, will be responsible for preparing the schedule, communicating instructions, controlling access to the rear loading area and monitoring guest arrival and departure.

AI-Assisted Scheduling with Human Oversight

Venue management may use digital and machine-learning-assisted scheduling tools to organize vendor time windows, identify potential overlaps, estimate loading-area turnaround times and flag conflicts before an event schedule is finalized. These tools are administrative aids only. The venue manager and the event coordinator designated by Herndon Hall LLC will approve the final schedule, communicate directly with vendors and patrons, and retain responsibility for all real-time operational decisions.

Core Commitments

• No more than one principal event will be scheduled at the property per day.

• All vendors and contracted service providers will operate within the 9:00 a.m.–11:00 p.m. service window.

• Event-vendor arrivals and departures will be scheduled and staggered.

• The public alley, streets, sidewalks, crosswalks and emergency-access routes will remain unobstructed.

• The existing approximately 500-square-foot rear area will remain the sole designated vendor loading and unloading location.

• Proposed Town-controlled curb locations will not be used as exclusive or reserved facilities unless approved by the Town.

2. Parking Resources

Parking resource	Spaces	Management designation
Town Public Shared Parking Program	10	Patron/general venue parking credit
Existing spaces behind the building	2	Property parking recognized in the Town presentation
Separately leased adjacent rear lot	6	2 vendor waiting spaces + 4 supplemental/overflow spaces
Total associated parking resources	18	Combined parking resources serving venue operations

Within the separately leased six-space lot, **VP-1 and VP-2** will be designated as vendor parking and scheduled waiting spaces. They are not proposed as additional loading spaces. **OP-1 through OP-4** will provide supplemental or overflow parking. Public/shared parking will not be represented as exclusively reserved unless the applicable agreement expressly provides such authority.

3. Vendor Scheduling and Rear Loading

All event-related loading and unloading will occur in the existing approximately 500-square-foot loading area along the south elevation, accessible from the public alley. Vendors will not load, unload, queue, stage or store equipment in the public alley or other public rights-of-way.

Event-Specific Procedure

Step	Phase	Control
1	Before the event	Management prepares a written schedule identifying each vendor, vehicle type, arrival time, waiting location, authorized loading period and departure or pickup time.
2	Arrival	The vendor reports at its assigned time and, when directed, may wait in VP-1 or VP-2 without entering the public alley.
3	Loading access	Management releases the vehicle to the rear loading area only when the prior vehicle has cleared.
4	Relocation	After unloading, the vehicle immediately relocates to VP-1, VP-2, another authorized space or leaves the area.
5	Breakdown/pickup	Post-event pickup occurs in a management-controlled sequence using the same rear loading area.

Operating Window and Event Variability

The full vendor and contractor service window is 9:00 a.m.–11:00 p.m. A principal event will generally be scheduled within an eight-hour reservation period occurring inside that window. Guest-event conclusion times will follow the operating hours stated in the Special Exception materials; all vendor breakdown, cleaning, loading and departures will be completed by 11:00 p.m.

The contracted cleaning company is treated as a scheduled vendor. Depending on the event, it may complete its work that evening or receive the first assigned period beginning at 9:00 a.m. the next morning. Other deliveries may then begin at approximately 10:30 a.m. or another time assigned by management.

When no event is scheduled for the following day, management may authorize nonperishable rental equipment or decorative materials to remain secured inside the building overnight. Next-day pickup will occur during assigned periods beginning no earlier than 9:00 a.m. Nothing will be stored overnight in the exterior loading area, public alley, sidewalk or street.

Illustrative Conservative Vendor Sequence

Illustrative order	Vendor/service	Management treatment
1	Cleaning contractor	First scheduled period when next-morning cleaning is required
2	Table/chair or rental company	Assigned loading interval; vehicle relocates immediately
3	Caterer	Separate interval; no public-alley staging
4	Florist/decorator	Separate interval following clearance of loading area
5	Music/DJ or entertainment	Later assigned interval
6	Cake/specialty delivery	Short-duration scheduled interval

4. Guest Parking, Rideshare and Passenger Loading

Guests will receive advance directions identifying nearby public/shared parking and the approved walking route to 757 Elden Street. Venue communications will discourage stopping on Elden Street except at a Town-approved passenger-loading location.

Active Management of Guest Arrivals and Departures

Venue management recognizes that event traffic is concentrated around guest arrival and departure rather than distributed evenly throughout the day. Before each event, the venue manager and designated event coordinator will review the expected attendance, event format, anticipated vehicle demand, rideshare use, accessibility needs and vendor schedule. Parking and arrival instructions will be supplied to the event host for advance distribution to guests.

• For larger events, a designated venue representative will monitor the building entrance and proposed passenger-loading locations during principal arrival and departure periods.

• Guests will be directed to lawful parking areas and approved pedestrian routes; guest vehicles will not be directed into the public alley or rear vendor-loading area.

• Rideshare pickup will be requested only when the passenger is ready, reducing curbside waiting and vehicle stacking.

• At event conclusion, venue personnel may sequence announcements, rideshare requests and assisted departures to reduce a single simultaneous surge.

• Events with atypically high vendor complexity, limousine activity or anticipated rideshare demand will receive additional management personnel, adjusted vendor intervals, or an approved valet service as appropriate.

• Any bus, shuttle or unusually large vehicle movement will require advance coordination and a lawful loading location rather than unscheduled curbside activity.

Proposed Spring Street Rideshare Locations — RS-1 and RS-2

The applicant proposes principal rideshare, taxi, limousine and car-service pickup/drop-off locations along Spring Street. These locations were selected because the applicant observes wide sidewalks, existing curbs, convenient pedestrian access and comparatively low traffic activity relative to Elden Street. Final locations and any signage remain subject to Town review. Vehicles will remain only during active passenger transfer; parking, staging and queuing will be prohibited.

Requested Elden Street Passenger-Loading Space — PL-1

The applicant respectfully requests that the Town evaluate one existing space directly in front of 757 Elden Street for an active passenger-loading designation. The location would principally serve elderly guests, persons with mobility limitations and others requiring closer access. Final configuration, signage, hours and accessibility treatment will be determined with Town staff. The applicant requests that existing Town and VDOT data and field observation be considered before any applicant-funded traffic analysis is required.

Severability: Herndon Hall's underlying parking and transportation plan is not dependent upon approval of PL-1, RS-1 or RS-2. If a proposed location is not approved, management will use Town-approved alternatives and other lawful passenger-loading practices.

Passenger-Loading Controls

• Active pickup and drop-off only; no standing, unattended parking or driver waiting.

• No obstruction of travel lanes, sidewalks, crosswalks, intersections or fire access.

• Venue personnel will monitor larger-event arrivals and departures.

• Guests will be directed to the Spring Street locations whenever practicable.

• Any formally designated accessible loading zone will be configured only as approved by the Town and applicable reviewing authorities.

5. Optional Third-Party Valet Service

Herndon Hall may offer valet parking as an optional event add-on through a qualified and appropriately insured third-party operator. The conceptual reception point, **VA-1**, is proposed along Spring Street near—but clear of—the shared-parking entrance. The conceptual podium location, **VP**, will remain outside the driveway throat, clear sidewalk width and accessible route.

The operator will use numbered vehicle tickets, corresponding key tags and a secured key-control system. Staffing will be event-specific and sufficient to prevent queuing; a three-person team may serve smaller events, while the operator will increase staffing when anticipated arrivals, retrieval demand or walking distance requires it.

Valet vehicles will be stored only in spaces lawfully available to the operator. No public/shared space will be coned, reserved or represented as exclusive valet inventory without authorization. The rear vendor-loading area and public alley will not be used for valet intake, storage or queuing. Valet service will operate only under a Town-acceptable event-specific plan and any required public-space authorization.

6. Refuse, Recycling and Rear-Area Coordination

All event-generated refuse and recycling will be collected the day of the event in four 96-gallon wheeled refuse carts and two 96-gallon wheeled recycling carts maintained against the designated rear wall. Carts will remain outside door swings, required egress, loading maneuvering areas, gate clearances and emergency access. No loose bags or refuse will be stored outside the carts.

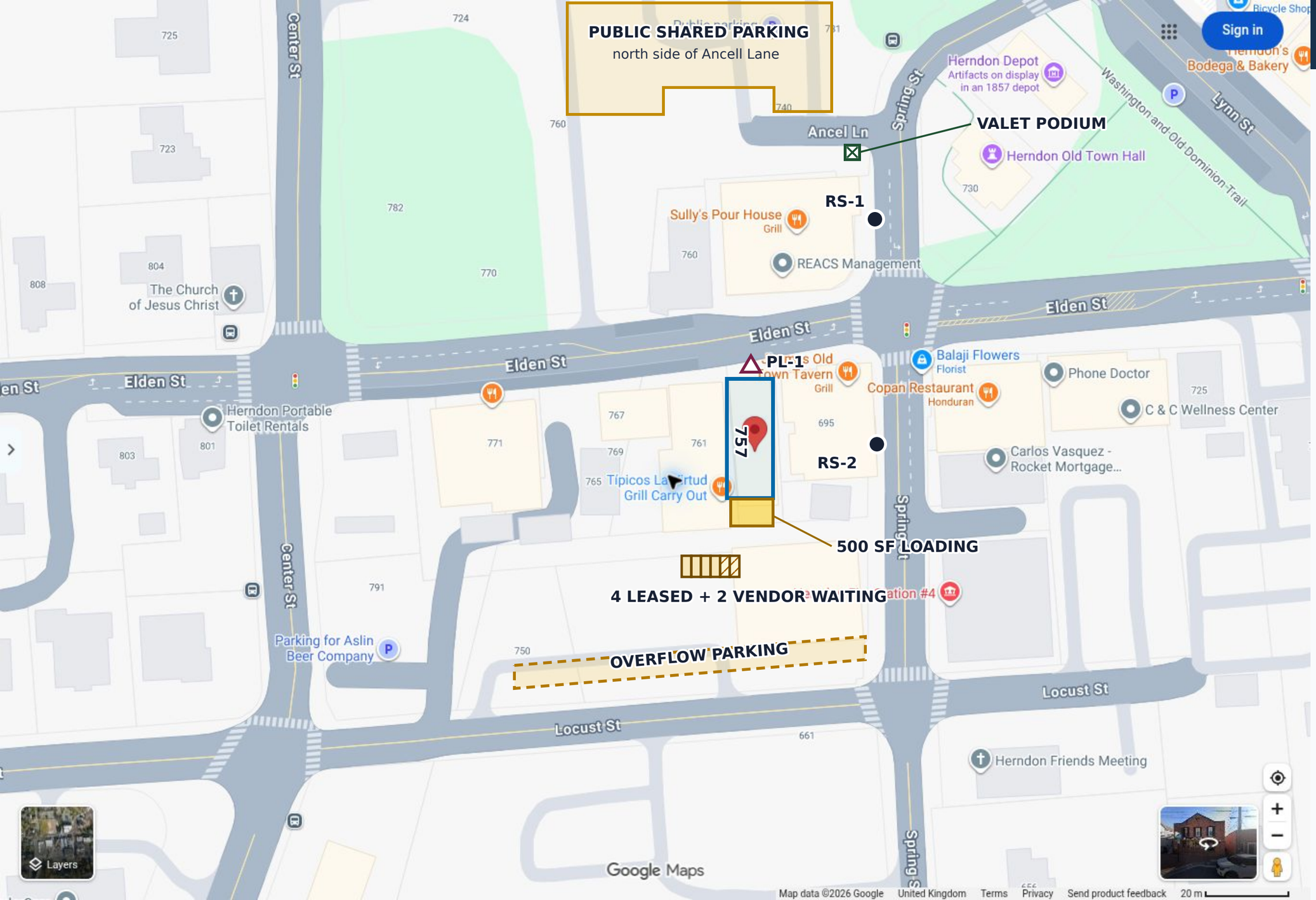
The venue manager will transport the wheeled carts to the authorized dumpster and recycling collection location, empty them and return them to the designated storage area. Transfer will be scheduled so it does not conflict with guest arrival/departure, vendor loading, pedestrian circulation or use of the public alley. Caterers and vendors will remove grease, cooking waste, bulk packaging and specialized vendor-generated materials as required by contract.

7. Response to Town Operational Concerns

Town concern / proposed condition	Applicant management response
Deliveries scheduled in advance	Written event-specific vendor schedule prepared and controlled by venue management.
No simultaneous vendor queuing	Staggered intervals; VP-1 and VP-2 used as scheduled waiting spaces; manager releases vehicles sequentially.
Loading from south elevation	All loading/unloading confined to the existing ≈500 SF rear loading area.
No staging in public areas	No equipment, vehicles or supplies staged or stored on streets, sidewalks or the public alley.
Protect vehicular/pedestrian circulation	Defined routes, monitored arrival/departure, clear egress and no obstruction of Elden, Spring or the alley.
Limited guest drop-off frontage	Proposed Spring Street rideshare locations plus requested PL-1 space for Town evaluation.
Parking adequacy	18 associated spaces documented as 10 + 2 + 6, supplemented by nearby public/shared parking.

8. Sample Event-Day Coordination Log

Vendor / service	Vehicle	Arrival	Waiting	Loading	Departure / pickup
Cleaning contractor					
Rental company					
Caterer					
Florist / decorator					
Entertainment					
Other					



CONCEPTUAL PARKING CIRCULATION

757 Elden Street

Legend

- 757 building footprint
- Approx. 500 SF loading area
- Four adjacent leased spaces
- Two vendor waiting spaces
- RS-1 / RS-2 passenger points
- PL-1 proposed curb space
- Proposed valet podium
- Shared / overflow parking

Exhibit notes

- Icons remain outside travel lanes.
- RS points are on sidewalk areas.
- Extra valet-adjacent RS dot removed.
- Six leased spaces shown as 4 + 2.
- Shared parking is shown broadly.

Conceptual applicant exhibit.
Not a survey or engineered site plan.
Town-controlled curb uses are subject to review and approval.

North Elevation along Elden Street



North Elevation along Elden Street

Existing storefront will remain



South Elevation

Showing rear double door intended for loading/unloading



South Elevation

Showing parking and loading/unloading area



East Elevation



West Elevation

Location of proposed gate and ramp to access side entrance



Town of Herndon, Virginia
Notice of Public Hearing

Notice is hereby given that the Town Council of the Town of Herndon, Virginia, will hold a public hearing on Tuesday, November 17, 2026, at 7:00 p.m. in the Herndon Police Department's Community Room located at 397 Herndon Parkway, Suite 300, Herndon, on the following items:

Resolution, to approve a Special Exception – SE #26-05, 757 Elden Street, to consider a special exception to permit an indoor entertainment use within the CC, Central Commercial zoning district. The property is located on the south side of Elden Street, west of the intersection of Spring Street and Elden Street. The building has 3,000 square feet of gross floor area and sits on a 4,565 square-foot lot. Fairfax County Tax Map Reference Number: 0162 02 0084. Applicant: Jeffrey Colon. Owner: Palo Viejo LLC.

Ordinance, to consider a Zoning Ordinance Text Amendment, ZOTA #26-07, to amend Chapter 78 (ZONING), Article VII (Use Regulations), Section 78-71.1 (Residential Use Category), Section 78-71.4 (Institutional and Community Service Use Category), and other sections as deemed necessary and appropriate to update sections for conformance with the Code of Virginia to permit mixed-use or residential projects by-right on land owned by a property tax-exempt religious organization or a 501(c)(3) property tax-exempt nonprofit organization.

Ordinance, to consider a Zoning Ordinance Text Amendment, ZOTA #26-08, to amend Chapter 78 (ZONING), Article X (Parking, Loading and Circulation), Section 78-100.2 (Minimum Off-Street Parking and Loading Standards), Section 78-100.8 (Parking Alternatives), and other sections as deemed necessary and appropriate to update sections for conformance with the Code of Virginia to cap minimum off-street parking requirements for residential, multifamily, and mixed-use development within a designated area, defined as any parcel located within one-half mile of the entrance to a mass transit or public transportation station or facility.

The public is encouraged to participate in the town's public hearing process. Individuals having an interest in the above items are invited to attend the public hearing and state their opinions. Individuals may also submit comments to town.clerk@herndon-va.gov.

The proposed items are available for examination by the public at the front counter located at 397 Herndon Parkway, Suite 100, Herndon, during normal business hours (Monday – Friday) and also available for review on the town's website www.herndon-va.gov.

The Town of Herndon supports the Americans with Disabilities Act by making reasonable accommodations for persons with disabilities so that they may participate in services, programs, or activities, offered by the town. Please call (703) 435-6804 to arrange for any accommodation that may be necessary to allow for participation.

Amanda Morrow Kertz, Town Clerk

Note to Publisher:
Publish on October 30, 2026/November 6, 2026

Agenda Item: **Ordinance 26-O-24 to approve a Zoning Ordinance Text Amendment - ZOTA #26-08, to amend Chapter 78 (ZONING), Article X (Parking, Loading and Circulation), as deemed necessary and appropriate to update conformance with the Code of Virginia to cap minimum off-street parking requirements for residential, multifamily, and mixed-use development within a designated area, defined as any parcel located within one-half mile of the entrance to a mass transit or public transportation station or facility**

Meeting Date: November 17, 2026

Category: Public Hearings

Prepared by: Aaron Zoellick, Zoning Services Specialist

Description:
HB 888, codified as §15.2-2209.4, establishes minimum off-street parking requirements for residential, multifamily, and mixed-use development within a designated area. To accomplish this, the bill does three things:

1. Defines a designated area

HB 888 defines a designated area as any parcel located within one-half mile of the entrance to a mass transit or public transportation station or facility. A mass transit or public transportation station or facility is defined as a building or enhanced structure where the public boards or disembarks from mass transit or public transportation.

ZOTA 26-08 takes the HB 888 definition and establishes a point at Herndon Station from which to measure the one-half mile radius. Additionally, the proposed ZOTA clarifies that if any portion of a residential property falls within the one-half mile radius, then the entire parcel is considered to be within the designated area. A one-half mile radius from Herndon Station falls across the PD-W, PD-R, R-10, PD-TOC, TRG1, and TRG2 zoning districts.

2. Caps minimum off-street parking requirements for residential properties in designated areas

HB 888 sets minimum off-street parking for residential properties in designated areas at:

- One-half of one parking space per dwelling unit for multifamily or mixed-use

residential development; and,
- One parking space per dwelling unit for one-family and two-family dwellings and townhouses.

ZOTA 26-08 reduces the minimum off-street parking standards for residential properties in designated areas within the PD-W, PD-R, R-10, and PD-TOC zoning districts. Strictly interpreting HB 888, about 1/3 of the TRG zoning districts would be outside the one-half mile radius and not required to meet the reduced minimum off-street parking standards. Staff believes that establishing the minimum off-street parking requirements for the entirety of the TRG zoning districts will be simpler for applicants and meets the intent of the zoning districts and HB 888.

3. Requires an administrative review process for reduced minimum off-street parking requirements beyond designated areas

HB 888 requires that localities with a population greater than 20,000 establish an administrative process allowing an applicant to request a reduction of at least 20% in minimum off-street parking requirements for residential, multifamily, or mixed-use projects that are not in designated areas.

ZOTA 26-08 allows an applicant with a qualifying project to seek a waiver from the zoning administrator for a reduction of at least 20% in minimum off-street parking requirements. For the waiver to be granted, the applicant must either demonstrate that unique characteristics of the property make the spaces proposed to be eliminated unnecessary or infeasible, or provide a written shared parking agreement that ensures availability of equivalent spaces within 1,000 feet of the subject property.

Background/Timing Impact:
§15.2-2209.4 of the Code of Virginia was codified as a result of House Bill 888 during the 2026 General Assembly session. The Planning Commission voted 7-0 to recommend approval of ZOTA #26-08 at their October 19, 2026, regular meeting.

Strategic Focus Area:
Environmental and Economic Sustainability
Good Governance

Fiscal Impact:
N/A

Legal Impact:
The provisions of this section of the Code of Virginia became effective on July 1, 2026.

Staff Recommendation/Next Steps:

Staff recommends adoption of Zoning Ordinance Text Amendment (ZOTA) #26-08, as presented.

Attachments:

1. Legal Ad
2. Ordinance (Proposed Revised 11-17-26)

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Amanda Morrow Kertz, Town Clerk

Note to Publisher:
Publish on October 30, 2026/November 6, 2026

TOWN OF HERNDON, VIRGINIA
TOWN COUNCIL

ORDINANCE

NOVEMBER 17, 2026

Ordinance- to amend Chapter 78 (ZONING), Article X (Parking, Loading and Circulation), Section 78-100.2 (Minimum off-street parking and loading standards), Section 78-100.8 (Parking alternatives), and other sections as deemed necessary and appropriate to update sections for conformance with the Code of Virginia to cap minimum off-street parking requirements for residential, multifamily, and mixed-use development within a designated area, defined as any parcel located within one-half mile of the entrance to a mass transit or public transportation station or facility.

BE IT ORDAINED by the Council for the Town of Herndon that:

1. The following sections or provisions of Chapter 78, (ZONING) of the Herndon Town Code (2000) are amended and ordained as follows

CHAPTER 78 (ZONING)

***

ARTICLE X. - PARKING, LOADING AND CIRCULATION

***

Sec. 78-100.2. - Minimum off-street parking and loading standards.

(a) Minimum number of parking spaces required in R-15, R-10, RTC, RM, CS, CO, O&LI, PD-R, PD-B, PD-W, PD-UR zoning districts. Unless otherwise expressly stated in this chapter, off-street parking spaces in the R-15, R-10, RTC, RM, CS, CO, O&LI, PD-R, PD-B, PD-W, PD-UR zoning districts shall be provided in accordance with Table 78-100.2(a): Minimum Off-Street Parking Standards, below:

TABLE 78-100.2(a): MINIMUM OFF-STREET PARKING STANDARDS FOR R-15, R-10, RTC, RM, CS, CO, O&LI, PD-R, PD-B, PD-W, PD-UR ZONING DISTRICTS	
USE TYPE	**REQUIRED NUMBER OF SPACES**
RESIDENTIAL USE CATEGORY	

Single-Family Detached Dwelling	Public Street Frontage: 2 spaces per dwelling unit with frontage on a public street;
	Private Street Frontage: 3 spaces per dwelling unit with frontage on a private street.
	Designated Area: One parking space per dwelling unit
Duplex and Townhouse Dwellings and Stacked Townhouse	2.33 spaces per dwelling unit
	Designated Area: One parking space per dwelling unit
Multi-Family Dwellings	Efficiency/Studio Unit: 1 space per unit
	One Bedroom Unit: 1.5 spaces per unit
	Two Bedrooms or more: 2 spaces per unit
	Designated Area: One-half of one parking space per dwelling unit

***

(c) Minimum number of parking spaces required in PD-TOC. Unless otherwise expressly stated in this chapter, off-street parking spaces in the PD-TOC, zoning district shall be provided in accordance with Table 78-100.2(c): Table of Parking Standards PD-TOC.

TABLE 78-100.2(c): PARKING STANDARDS PD-TOC GFA = Gross Floor Area (in square feet)				
USE	**SPACE PER UNIT OF MEASURE**	**MINIMUM PARKING LONG-TERM USE**	**MINIMUM PARKING INTERIM USE**	**MINIMUM BICYCLE PARKING**
~~Residential~~**Townhouse Dwellings and Stacked Townhouse Dwellings**	Per Dwelling Unit	1.0	1.6	0.75

Multifamily Residential	**Per Dwelling Unit**	**0.5**	**1.6**	**0.75**

***

(e) *Minimum number of parking spaces required in PD-TRG1 AND PD-TRG2 zoning districts.* Unless otherwise expressly stated in this chapter, off-street parking spaces in the PD-TRG1 and PD-TRG2 zoning districts shall be provided in accordance with Table 78-100.2(e): Minimum Off-Street Parking Standards, below:

TABLE 78-100.2(e):
MINIMUM OFF-STREET PARKING IN THE PD-TRG1 AND PD-TRG2 DISTRICTS

USE	REQUIRED NUMBER OF CAR SPACES	REQUIRED NUMBER OF BICYCLE PARKING
Townhouse Dwellings and Stacked Townhouse Dwellings	~~2~~**1** spaces per dwelling unit;	1 space per every 10 units, to be located on common area.
Multifamily Residential	~~1.25 spaces per dwelling unit; may be reduced to 1 space per dwelling unit for properties located within 0.25 miles of the Herndon Metro Station and the submission of a Transportation Demand Management Plan~~**0.5 spaces per dwelling unit**	1 space per every 5 units

***

Sec. 78-100.8. - Parking Alternatives.

~~(a) *Town council review*. For developments that are the subject of a zoning map amendment, special exception, or preliminary subdivision plan, the town council may consider, approve, or disapprove requests for the following alternatives to providing the number of required off-street parking spaces required by Table 78-100.2 Minimum Off-Street Parking Standards, in accordance with the respective standards.~~

~~(1) *Inter-parcel access*. For all developments, the town council by ordinance, may determine to approve an inter-parcel connection with a corresponding reduction of parking as to the requirements of Table 78-100.2(a) Minimum Off-street Parking Standards. Any such reduction shall be the minimum necessary to accommodate the inter-parcel connection.~~

~~(2) *Standards for inter-parcel access*. The town council shall be guided by these standards in the determination for inter-parcel access: (i) improvement in the traffic or pedestrian safety or convenience of traffic circulation; and adequate storm water management.~~

~~(3) *Inter-parcel access agreement*. Nothing in this subsection shall be construed to require an applicant landowner to achieve an inter-parcel connection agreement with another adjacent landowner. The town council however, may require that the applicant landowner make physical or planning provisions for the eventual completion of an inter-parcel connector to achieve the reduced parking to accommodate the inter-parcel connection. Any agreement to achieve inter-parcel connection must be in recordable form and recorded by the parties to the agreement in the land records of the Circuit Court of Fairfax County.~~

~~(b) *Zoning administrator review*. For developments that have not been approved under a zoning map amendment, special exception, or preliminary subdivision plan, and are the subject of a zoning inspection permit or a zoning appropriateness permit, the zoning administrator may consider requests for the following alternatives to mitigate existing conditions that may be insurmountable or too onerous to provide the number of required off-street parking spaces required by Table 78-100.2(a): Minimum Off-street Parking Standards, in accordance with the respective standards.~~

(a) *Waiver of Parking Requirements.* A waiver from the zoning administrator may be requested in accordance with subsection 78-155.6(l) for a reduction of parking requirements, in accordance with the respective standards.

(5) Standards for a reduction of off-street parking requirements for residential, multifamily, or mixed-use development.

a. Parcel shall be beyond 0.5 miles from the Herndon Metro Station.

b. Reduction of off-street parking requirements shall be at least 20%.

c. At least one of the following criteria shall be met for a waiver to be approved:

1. Unique characteristics of the site or uses on the site make the spaces proposed to be eliminated unnecessary or infeasible; or,

A. For the unique characteristics criteria to be met, two of the following shall be met:

1. Parking analysis demonstrates reduced demand;

2. Mass Transit or Public Transportation Facility located within one mile of the subject property;

3. **Walkability analysis demonstrates essential services located with ½ mile;**
4. **For multifamily or mixed-use residential, 25% of units are studio/one-bedroom units;**
5. **Minimum off-street parking requirements are unreasonable due to adaptive use of subject property.**

2. **A written shared parking agreement ensures availability of equivalent spaces within 1,000 feet of the subject property;**

d. Requests for a waiver of minimum off-street parking standards shall provide sufficient documentation to support the request. Documentation may include but is not limited to the following:

1. **Plan showing all proposed parking;**
2. **Calculation of the zoning-required parking;**
3. **Requested percentage reduction;**
4. **Parking demand analysis, where applicable;**
5. **Description of site constraints;**
6. **Documentation of Mass Transit or Public Transportation facility accessibility; and,**
7. **Proposed shared parking agreement.**

***

ARTICLE XVIII. - DEFINITIONS

***

Sec. 78-180. - Definitions.

***Designated Area*. Any parcel located within one-half mile of the entrance to the Herndon Metro Station, as measured from directly beneath the "Herndon Station" sign at the base of the escalator. If any portion of a parcel is within one-half mile of such point, the entire parcel shall be considered to be within the designated area.**

This ordinance shall be effective on and after the date of its adoption.

Town Council Regular Meeting
Agenda Item 5.c.

Agenda Item: **Ordinance 26-O-25 to adopt ZONING ORDINANCE TEXT AMENDMENT – ZOTA #26-07 to amend Chapter 78 (ZONING), Article VII (Use Regulations), Section 78-71.1 (Residential Use Category) and Section 78-71.4 (Institutional and Community Service Use Category), and other sections as deemed necessary and appropriate to update conformance with the Code of Virginia to permit mixed-use or residential projects by-right on land owned by a property tax-exempt religious organization or a 501 (c)(3) property tax-exempt nonprofit organization**

Meeting Date: November 17, 2026

Category: Public Hearings

Prepared by: David Stromberg, Zoning Administrator

Description:
This Zoning Ordinance Text Amendment is required to make the Town of Herndon Zoning Ordinance consistent with the Code of Virginia. Section 15.2-2288.9 of the Code of Virginia is a new section that mandates localities to allow mixed-use or residential projects by-right (locality cannot require a special exception or rezoning) on land that is owned by a property tax-exempt religious organization or a 501 (c)(3) property tax-exempt nonprofit organization.

A mixed-use or residential project must be allowed by-right if it meets the following key standards:

1. The property has been owned continuously by the tax-exempt religious organization or 501(c)(3) for five years.
2. At least 60 percent of the housing units are for affordable housing at 80 percent or less of the area median income for rental units and up to 120 percent of the area median income for for-sale units.
3. The affordability provisions are preserved for a minimum of 30 years.
4. The density does not exceed 20 dwelling units per acre (du/ac).
5. The height does not exceed 45 feet.
6. No more than 30 percent of the floor area of a mixed-used project is used for non-residential uses.

A mixed-use or residential project allowed under these provisions is subject to town administrative review and must comply with state stormwater management requirements. The provisions of Section 15.2-2288.9 do not apply in industrially zoned

districts. In Herndon, this includes the O&LI, Office and Light Industrial, zoning district.

Background/Timing Impact:
Section 15.2-2288.9 of the Code of Virginia was codified as a result of House Bill HB 1279 and Senate Bill SB 388 during the 2026 General Assembly session. The provisions of this section of the Code of Virginia are effective starting January 1, 2027, until January 1, 2031.

The Town Council initiated this ZOTA at its August 25, 2026, regular meeting. The Planning Commission voted 7-0 to recommend approval of this ZOTA at its regular meeting on October 19, 2026.

Timing Impact:
If adopted, this ZOTA will have an effective date of January 1, 2027.

Fiscal Impact:
Any future fiscal impact on the Town is unknown and would depend on whether the proposed amendment is adopted and the extent to which the program is used during its period of effectiveness.

Legal Impact:
The proposed Zoning Ordinance Text Amendment incorporates the mandatory provisions of Section 15.2-2288.9 of the Code of Virginia.

Staff Recommendation/Next Steps:
Staff recommends approval of Zoning Ordinance Text Amendment ZOTA #26-07.

Attachments:
1. Ordinance (Proposed)
2. Code of Virginia Section 15.2-2288.9
3. Legal Ad

TOWN OF HERNDON, VIRGINIA

TOWN COUNCIL

ORDINANCE

NOVEMBER 17, 2026

Ordinance- **to adopt Zoning Ordinance Text Amendment ZOTA #26-07 to amend Chapter 78 (ZONING), Article VII (Use Regulations), Section 78-71.1 (Residential Use Category) and Section 78-71.4 (Institutional and Community Service Use Category), and other sections as deemed necessary and appropriate to update sections for conformance with the Code of Virginia to permit mixed-use or residential projects by-right on land owned by a property tax-exempt religious organization or a 501 (c)(3) property tax-exempt nonprofit organization.**

BE IT ORDAINED by the Town Council of the Town of Herndon, Virginia that:

1. The following sections or provisions of the Herndon Town Code (2000), as amended, are amended and re-ordained as follows:

CHAPTER 78 (ZONING)

Article VII. – USE REGULATIONS

***

Sec. 78-71.1 – Residential use category

***

(d) *Residential use category specific use standards.* All uses shall comply with all applicable standards in this chapter. In addition, the following standards shall apply, unless, in the judgment of the reviewing authority, exceptional circumstances warrant adjustment:

***

(5) *Affordable housing on property that is a tax-exempt religious organization or a 501(c)3 property tax-exempt nonprofit organization.* A mixed-use or residential project is allowed by-right in all zoning districts, provided the mixed-use or

residential project complies with Section 15.2-2288.9 of the Code of Virginia, and the following standards.

(a) *Tax-exempt status*. The property has been owned continuously by the property tax-exempt religious organization or 501(c)(3) property tax-exempt organization for five years prior to the development application.

(b) *Dedicated affordable units*. At least 60 percent of the mixed use or residential project's total housing units are for affordable housing at 80 percent or less of the area median income, as defined by the U.S. Department of Housing and Urban Development income limits and rent schedules, for rental units and up to 120 percent of the area median income for for-sale units, and such affordability is recorded and preserved for a minimum of 30 years by deed restrictions or other legally binding requirements.

(c) *Maximum height.* The maximum height is the greater of 45 feet, or the height of the tallest existing building within 500 feet that was approved by-right.

(d) *Maximum density.* The maximum density is the greater of 20 dwelling units per acre, or the most intensive existing residential unit density within 500 feet of the property line of the proposed project. There is no maximum floor area ratio.

(e) *Required setback.* The maximum setback is the lesser of 10 feet, or the smallest setback allowed for any existing property within 500 feet.

(f) *Residential floor area.* A minimum of 70 percent of the gross floor area of the development shall be used for residential.

(g) *Nonresidential uses*. A maximum of 30 percent of the gross floor area of the development may consist of the following nonresidential uses.

1. Religious worship space, child day centers, health clinics, coffee shops, or other uses that are ancillary to the operation or mission of the property tax-exempt religious organization or 501(c)(3) property tax-exempt nonprofit organization.

(h) *Parking*. Notwithstanding the provisions of Section 78-100.2, Minimum off-street parking and loading standards, there shall be a minimum of one vehicle parking space per dwelling unit and one vehicle parking space per 300 square feet of nonresidential use.

(i) *Prohibited districts.* The provisions of this Section shall not apply to properties zoned O&LI, Office and Light Industrial, or properties adjacent to properties zoned O&LI. The provision of this Section shall not apply to properties with an industrial use or adjacent to an industrial use.

(j) *Historic District Overlay.* Nothing within this Section shall be construed as limiting the authority of Section 78-60.3, Historic District Overlay.

***

Sec. 78-71.4. – Institutional and community service use category.

***

(c) *Similar use types, accessory uses and prohibited use types.*

***

(5) *Affordable housing on property owned by religious organizations and other tax-exempt organizations.* Affordable housing on property owned by religious organizations and other tax-exempt organizations shall be considered a by-right use, provided the project complies with Section 78-71.1(d)(5) of the zoning ordinance and Section 15.2-2288.9 of the Code of Virginia.

***

2. This ordinance shall be effective on January 1, 2027.

Code of Virginia
Title 15.2. Counties, Cities and Towns
Subtitle II. Powers of Local Government
Chapter 22. Planning, Subdivision of Land and Zoning
Article 7. Zoning

§ 15.2-2288.9. (Effective January 1, 2027, until January 1, 2031) Affordable housing; religious organizations and other tax-exempt properties

A. Notwithstanding any contrary provision of law, general or special, any locality that has adopted a zoning ordinance pursuant to this article shall allow by right, and not require a rezoning or other legislative approval as a precondition to the review or approval of a site plan or subdivision plat, the development or construction of a mixed-use or residential project by a property tax-exempt religious organization or a 501(c)(3) property tax-exempt nonprofit organization.

B. Such mixed-use or residential project shall be permitted by right, notwithstanding the use, height, or density otherwise permitted under the local zoning ordinance. No locality shall require, as a condition of approval of a subdivision plat, site plan, or plan of development, that a special exception, special use permit, conditional use permit, or any other discretionary approval be obtained for such mixed-use or residential project. The review of such mixed-use or residential projects shall be conducted in accordance with the provisions of §§ 15.2-2258 through 15.2-2261.

C. Mixed-use or residential projects shall be permitted by right as described in subsection B, provided the proposed mixed use or residential project meets all of the following conditions:

1. The property has been owned continuously by the property tax-exempt religious organization or 501(c)(3) property tax-exempt nonprofit organization for five years prior to the development application.

2. At least 60 percent of the mixed use or residential project's total housing units are for affordable housing at 80 percent or less of the area median income, as defined by the U.S. Department of Housing and Urban Development income limits and rent schedules, for rental units and up to 120 percent of the area median income for for-sale units, and such affordability is recorded and preserved for a minimum of 30 years by deed restrictions or other legally binding requirements.

3. All housing built is subject to local real property taxation following completion.

4. The housing is open to the general public and follows nondiscrimination rules as provided by the Virginia Fair Housing Law (§ 36-96.1 et seq.).

5. The property is served by or within an area planned for public water and sewer and the mixed-use or residential project complies with all environmental, historic, siting, and archeological local, state, and federal laws and regulations applicable to similar projects, including local environmental, historic, and archaeological standards and siting provisions contained in zoning and land use codes; Department of Environmental Quality laws and regulations related to wetland protection, stormwater management, and erosion and sediment control; Department of

Transportation laws governing highway access and secondary streets; and Department of Health laws governing water and wastewater.

D. If a mixed-use or residential project meets the requirements of subsection C, local zoning ordinances shall be deemed to allow, at a minimum (i) a building height of 45 feet, or the height of the tallest existing building within 500 feet, whichever is greater, excluding any building granted any additional height above what is permitted by right in the zoning district in which that building is located via a special exception approval; however, for a property located within a designated historic district established as of January 1, 2026, the maximum permitted building height shall be controlled by the regulations governing the historic district; (ii) a density of 20 units per acre, or the most intensive existing residential unit density within 500 feet of the property line of the proposed project, whichever is greater; however, a locality may by ordinance establish higher minimum residential densities for properties within a revitalization area, transit area, or area located within a small area plan or sector plan; (iii) setbacks of 10 feet or the smallest setback allowed for any existing property within 500 feet, whichever is less; (iv) construction of mixed-use and residential developments with a variety of housing types, including detached, attached, and multifamily housing units; and (v) residential use of at least 70 percent of the gross floor area, and the remaining uses, not to exceed 30 percent of the gross floor area, may include public accessible ground-floor nonresidential facilities. Otherwise, the maximum permitted height shall be 45 feet. Permitted nonresidential uses shall include religious worship space, child day centers as defined in § 22.1-289.02, health clinics, coffee shops, or other uses that are ancillary to the operation or mission of the property tax-exempt religious organization or 501(c)(3) property tax-exempt nonprofit organization. No additional requirements shall be imposed regarding floor-area ratio, minimum unit size, or minimum lot size. Residential parking requirements shall be limited to no more than one space per residential unit, or the fewest parking spaces required for the by-right residential parking standard under the local zoning ordinance, whichever is less. Parking requirements for all other permitted nonresidential uses shall be limited to no more than one space per 300 square feet, or the fewest parking spaces required for that use type under the local zoning ordinance, whichever is less.

E. The provisions of this section shall not apply to property zoned for or adjacent to land zoned for industrial use.

F. Nothing in this section shall apply to any existing permits for a housing development on real property owned by a property tax-exempt religious organization or a 501(c)(3) property tax-exempt nonprofit organization approved by the locality prior to January 1, 2027.

G. Nothing in this section shall be construed to restrict a locality's passage prior to January 1, 2027, of an ordinance for the development of housing on real property owned by a property tax-exempt religious organization or a 501(c)(3) property tax-exempt nonprofit organization, or a subsequent amendment thereof, that substantially complies with the requirements of this section.

H. Notwithstanding the provisions of subsection A, this section shall not apply to any parcel located within the Air Installation Compatible Use Zones footprint in any locality in which a United States military air installation or an auxiliary landing field used in connection with flight operations arising from a master jet base is located. Additionally, nothing in this subsection shall be construed as limiting the authority of localities to adopt ordinances pursuant to §§ 10.1-2206.1 and 15.2-2306 designed to protect existing or future areas of historic or archaeological significance, historic sites, historic landmarks, and historic buildings and structures, or to

establish local historic districts.

I. Nothing in this section shall apply to an application for a rezoning, special exception, or special use permit that is submitted prior to July 1, 2026.

J. Any residential or mixed-use project built pursuant to this section shall be deemed to be substantially in accord with the comprehensive plan of the host locality.

2026, cc. 1009, 1096.

The chapters of the acts of assembly referenced in the historical citation at the end of this section(s) may not constitute a comprehensive list of such chapters and may exclude chapters whose provisions have expired.

Town of Herndon, Virginia
Notice of Public Hearing

Notice is hereby given that the Town Council of the Town of Herndon, Virginia, will hold a public hearing on Tuesday, November 17, 2026, at 7:00 p.m. in the Herndon Police Department's Community Room located at 397 Herndon Parkway, Suite 300, Herndon, on the following items:

Resolution, to approve a Special Exception – SE #26-05, 757 Elden Street, to consider a special exception to permit an indoor entertainment use within the CC, Central Commercial zoning district. The property is located on the south side of Elden Street, west of the intersection of Spring Street and Elden Street. The building has 3,000 square feet of gross floor area and sits on a 4,565 square-foot lot. Fairfax County Tax Map Reference Number: 0162 02 0084. Applicant: Jeffrey Colon. Owner: Palo Viejo LLC.

Ordinance, to consider a Zoning Ordinance Text Amendment, ZOTA #26-07, to amend Chapter 78 (ZONING), Article VII (Use Regulations), Section 78-71.1 (Residential Use Category), Section 78-71.4 (Institutional and Community Service Use Category), and other sections as deemed necessary and appropriate to update sections for conformance with the Code of Virginia to permit mixed-use or residential projects by-right on land owned by a property tax-exempt religious organization or a 501(c)(3) property tax-exempt nonprofit organization.

Ordinance, to consider a Zoning Ordinance Text Amendment, ZOTA #26-08, to amend Chapter 78 (ZONING), Article X (Parking, Loading and Circulation), Section 78-100.2 (Minimum Off-Street Parking and Loading Standards), Section 78-100.8 (Parking Alternatives), and other sections as deemed necessary and appropriate to update sections for conformance with the Code of Virginia to cap minimum off-street parking requirements for residential, multifamily, and mixed-use development within a designated area, defined as any parcel located within one-half mile of the entrance to a mass transit or public transportation station or facility.

The public is encouraged to participate in the town's public hearing process. Individuals having an interest in the above items are invited to attend the public hearing and state their opinions. Individuals may also submit comments to town.clerk@herndon-va.gov.

The proposed items are available for examination by the public at the front counter located at 397 Herndon Parkway, Suite 100, Herndon, during normal business hours (Monday – Friday) and also available for review on the town's website www.herndon-va.gov.

The Town of Herndon supports the Americans with Disabilities Act by making reasonable accommodations for persons with disabilities so that they may participate in services, programs, or activities, offered by the town. Please call (703) 435-6804 to arrange for any accommodation that may be necessary to allow for participation.

Amanda Morrow Kertz, Town Clerk

Note to Publisher:
Publish on October 30, 2026/November 6, 2026

Agenda Item: **Ordinance 26-O-26 to amend the Fiscal Year (FY) 2027 Adopted Budget for the General Fund and Capital Projects Fund**

Meeting Date: November 17, 2026

Category: General

Prepared by: Marjorie Sloan, Finance Director, Maria Lee, Budget Manager

Description:
The proposed FY 2027 Budget Amendment 2 is as follows:

1. **Legal Services**

Appropriate $150,000 in the General Fund to cover ongoing legal services associated with specific employment law matters. The additional funding is necessary to support these services through the remainder of the fiscal year.

2. **Gateway Sign Replacement**

Appropriate $80,000 in the Capital Projects Fund for the replacement of a damaged gateway sign. The anticipated replacement costs exceed the amount originally budgeted for routine Gateway Sign maintenance. Because the work involves replacing a damaged sign rather than conducting ordinary maintenance, an additional appropriation is requested to complete the project. Partially funded by the insurance recovery.

3. **Information Technology Transformation**

Appropriate $63,227 in the General Fund to provide the additional funding needed to fully achieve the Town's information technology transformation initiatives previously appropriated over the last two fiscal years. These initiatives are intended to improve workforce efficiency, establish more consistent and secure cloud-service standards, strengthen IT infrastructure, and improve the digital experience for constituents and employees.

Planned technology investments include a secure artificial intelligence platform; a single sign-on capability; migration of the Town's geographic information system (GIS) from an on-premises server environment to the cloud platform; and additional full software licensing for all Town staff.

Background/Timing Impact:
Spending anticipated during FY 2027 upon approval of the ordinance.

Strategic Focus Area:
Strong Fiscal Stewardship

Fiscal Impact:
The net impact to the overall budget is $293,227, funded by the insurance reimbursement, and the unrestricted fund balances. Details of the revenue/expense impact can be found in Attachment A.

Legal Impact:
Virginia Code § 15.2-2507 allows localities to amend their adopted budget. The total amount of the amendment is less than 1% of the aggregate expenditures in the currently adopted budget, and therefore falls below the threshold that triggers the statutory public notice and hearing requirements.

Staff Recommendation/Next Steps:
Staff recommends approval of the proposed ordinance to amend the Fiscal Year (FY) 2027 Adopted Budget for the General Fund and Capital Projects Fund.

Attachments:
1. Ordinance (Proposed)
2. FY27 Budget Amendment 2 ATTACH A

TOWN OF HERNDON, VIRGINIA
TOWN COUNCIL

ORDINANCE

NOVEMBER 17, 2026

Ordinance- to amend the Fiscal Year (FY) 2027 Adopted Budget for the General Fund and Capital Projects Fund.

The Town Council, in adopting this ordinance, has considered the Interim Town Manager's recommended budget modifications as described in Attachment A, FY 2027 Budget Amendment Number 2.

THEREFORE, BE IT ORDAINED by the Town Council of the Town of Herndon, Virginia that:

1. The financial adjustments to the FY 2027 budget, as described in Attachment A, FY 2027 Budget Amendment Number 2 to this ordinance, are approved.

2. This ordinance shall be effective on and after the date of its adoption.

26-O-26

TOWN OF HERNDON, VIRGINIA

FY 2027

BUDGET AMENDMENT NUMBER 2

The following appropriations and funding sources are proposed for amendment:

GENERAL FUND

Expenditure Appropriations	Amount	Revenue Source	Amount
Funds necessary to pay on-going costs for legal services associated with employment law matters	$150,000	Use of Fund Balance	$150,000
FY2027 technology upgrades will improve efficiency, security, and user experience through secure AI, single sign-on capability, GIS migration to cloud, and full licensing for all staff.	63,227	Use of Fund Balance	63,227
Total	**$213,227**		**$213,227**

CAPITAL PROJECTS FUND

Expenditure Appropriations	Amount	Revenue Source	Amount
Gateway Sign repair costs for FY 2027 have exceeded the amount originally budgeted	80,000	Insurance recovery and Use of Fund Balance	80,000
Total	**$80,000**		**$80,000**

Town Council Regular Meeting
Agenda Item 6.b.

Agenda Item: **Resolution 26-G-61 to award contract IFB #27-01, Snow Removal and Ice Control Services**

Meeting Date: November 17, 2026

Category: General

Prepared by: Tammy Chastain, Deputy Director of Public Works - Operations

Description:
This Resolution provides authorization for the Town to execute a services contract with Arthur Construction and Campbell Lawn & Irrigation for IFB #27-01, Snow Removal and Ice Control Services for a one-year contract. The Town reserves the right to renew this contract for four (4) additional years, one (1) year at a time.

Background/Timing Impact:
The Town of Herndon solicited bids from qualified firms with experienced, licensed operators to provide all labor, equipment, and materials necessary to perform snow and ice removal services on Town-maintained primary, secondary, and subdivision roads throughout the Town of Herndon. This will be in cooperation with the Town's snow and ice control operations crews. Snow Removal Season is defined as November 1st of each year through April 30th of the following year. Public Works staff will provide Town Council with a briefing of snow removal capabilities.

The advertised solicitation established award criteria that provide the Town's right to award multiple contracts for all the specified item(s) or service(s) to more than a single responsive and responsible bidder, or to award multiple contracts to the lowest responsive and responsible bidder for each required good, service or equipment.

Timing Impact:
Town Council approval is necessary to authorize the annual contract for snow and ice control services.

Strategic Focus Area:
Strong Fiscal Stewardship
Good Governance

Fiscal Impact:

The Town will pay the Contractor at the unit bid price per hour, per vehicle, for snow removal services performed on the roadway while in an active spreading and/or plowing operation. The hourly rate for each piece of equipment shall include the vehicle with snow removal equipment listed, experienced, licensed operators, fuel, tools, parts, supplies, and all incidentals as necessary for safe and efficient snow removal operation.

Equipment / Item	Arthur Construction Hourly Rate	Campbell Lawn & Irrigation Hourly Rate
Rubber tire loader	$250	n/a
Backhoe	$200	n/a
Skid loader	$150	n/a
ATV/UTV with plow	$150	n/a
Supervisor Vehicles: Each supervisor's vehicle should be a four-wheel-drive pickup truck or SUV and be equipped with appropriate rotating amber lights and means of communicating with their operators.	$100	$65
2-Ton to 5-Ton Trucks & Snow Equipment: Minimum 2-ton pick-up truck, four-wheel-drive, equipped with a minimum 8-foot contractor plow and a 2.5 cubic yard spreader.	n/a	$350
Walk behind plow	n/a	$150
Snow Shovel Laborer	n/a	$85
Equipment Operator		$90
Liquid Brine Application Unit	n/a	$250
F-250 with 8Ft Plow	n/a	$250

The Contractor will be paid a minimum of two (2) hours at the standby rate for each piece of equipment responding upon the Town's request in the event the storm fails to materialize, or the snow event is canceled.

The Town will pay an equipment mobilization and demobilization fee annually.

Equipment	Amount w/ Contractor Equipment
Single, Tandem or Multi-Axle Vehicles	$750
Backhoes	$400
Other Equipment (e.g. skid loaders and ATVs)	$750

Other Equipment: Heavy Equipment	$400

The contract is for one year with four (4) twelve-month renewal options.

Legal Impact:
This contract was procured under Town Code Chapter 30, Article VIII Fiscal Procedures, Division 2 – Procurement and requires Town Council approval as a multiyear contract expected to be in excess of $100,000.

Staff Recommendation/Next Steps:
Staff recommends approval of the Resolution to award Contract IFB #27-01, Snow Removal and Ice Control Services to Arthur Construction and Campbell Lawn & Irrigation.

Attachments:
1. Resolution (Proposed)
2. Presentation

TOWN OF HERNDON, VIRGINIA
TOWN COUNCIL

RESOLUTION

NOVEMBER 17, 2026

Resolution- to award contract IFB #27-01, Snow Removal and Ice Control Services.

In cooperation with the Town's snow removal operations, the Department of Public Works has solicited bids for an annual term contract for the services of qualified firms with licensed operators to provide all labor and equipment necessary to perform snow and ice removal services on Town-maintained primary, secondary, and subdivision roads throughout the Town of Herndon.

THEREFORE, BE IT RESOLVED by the Town Council of the Town of Herndon, Virginia that:

1. The contract for IFB #27-01 is hereby awarded to Arthur Construction and Campbell Lawn & Irrigation, for the snow removal and ice control services.

2. The contract has a one-year (1) term commencing on the date that the contract is fully executed, with four (4) one-year optional renewals.

26-G-61

Snow Briefing

Winter Season Readiness — Town of Herndon

Department of Public Works & Utilities

Prepared for the Town Council | 2026–2027 Season

Winter Operations

Equipment, staffing, and response priorities for the 2026–2027 season

WINTER OPERATIONS

Snow Fighting Equipment

Snow vehicles planned — 2026–2027 season

TOWN FLEET

2	10-Wheel Dump Trucks
3	6-Wheel Dump Trucks
9	1-Ton Dump Trucks
3	Medium Duty Pickups
1	Loader
1	Backhoe
4	Bobcats
1	Tractor

CONTRACTOR SUPPORT

3	6-Wheel Truck w/ plow & sander
1	Rubber Tire Loader
1	Backhoe
3	Skid Steer/Bobcats
4	ATV/UTV w/ 4’ plow
10	Medium Duty Pickups
6	Blowers

TOTAL AVAILABLE

52

pieces of equipment

24 Town + 28 Contractor

Personnel

Public Works & Utilities - Operations	
Snowplow Operators (CDL)	**37**
Snowplow Operators (Non-CDL)	**5**
Route Inspector	**4**
Administration/Operations	**2**
Equipment Maintenance (Mechanics)	**4**
Command Staff	**4**
Sidewalk Crew (Grounds, Refuse, Facilities)	**20**
Total	**76**

Partner / Mutual Aid Support	
Additional Snowplow Operators (CDL) – Contractor	**3**
Additional Snowplow Operators (Non-CDL) – Contractor	**10**
Sidewalk Crew	**20**
Public Information (Town PIO & HPD PIO)	**2**
Total	**35**

Roadway Clearing Conditions

How field crews classify roadway conditions during snow response

PASSABLE

Conditions which would allow a passenger vehicle to negotiate the travel path using reasonable care. This usually means that the roadway is snow and/or ice covered and reasonably level, with minimum rutting.

BARE PAVEMENT

Conditions in which 75% or more of the travel land surface shows. (Bare pavement may include isolated patches of compacted snow/ice of 1" or less.)

COMPLETED

Conditions which provide bare pavement for all travel and turning lanes, including paved shoulders (where applicable).



Service Priority

1. Pretreat primary and collector and cold spot roads prior to snow event
2. Plow and treat primary and collector roads during snowfall
3. Move to plow and treat residential roadways after snowfall ends
4. Cul-de-sacs and dead-end roadways
5. Clear all roadways to “Completed” condition

12-HOUR SHIFTS / 24 HOURS A DAY

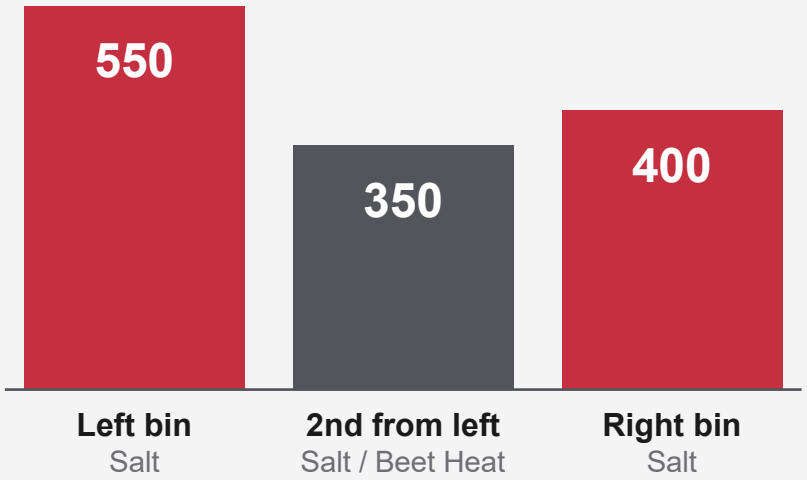
WINTER OPERATIONS

Salt Storage & Roadway Pretreatment

Materials on hand and liquid treatment capacity — 2026–2027 season

SALT IN STORAGE (TONS)

1,300 tons on hand



LIQUID STORAGE

Above-ground tanks (gallons)

4,500	Brine
4,500	Brine / Beet Heat
4,500	Calcium Chloride
13,500	**Total liquid storage**

Town-owned brine machine
Brine is produced in-house

PRETREATMENT

Liquids are used to:

1. **Pretreat roads**
   Brine or Beet Heat before the event
2. **Pre-wet salt**
   Treated before loading onto trucks
3. **Treat on the truck**
   From truck tanks / saddle bags

Material use per storm varies with temperature, timing, and precipitation type. During Winter Storm Fern, crews relied mainly on the pretreated salt / Beet Heat mix as temperatures fell; once ice set up, material had limited effect.

Communicating Road Conditions

1

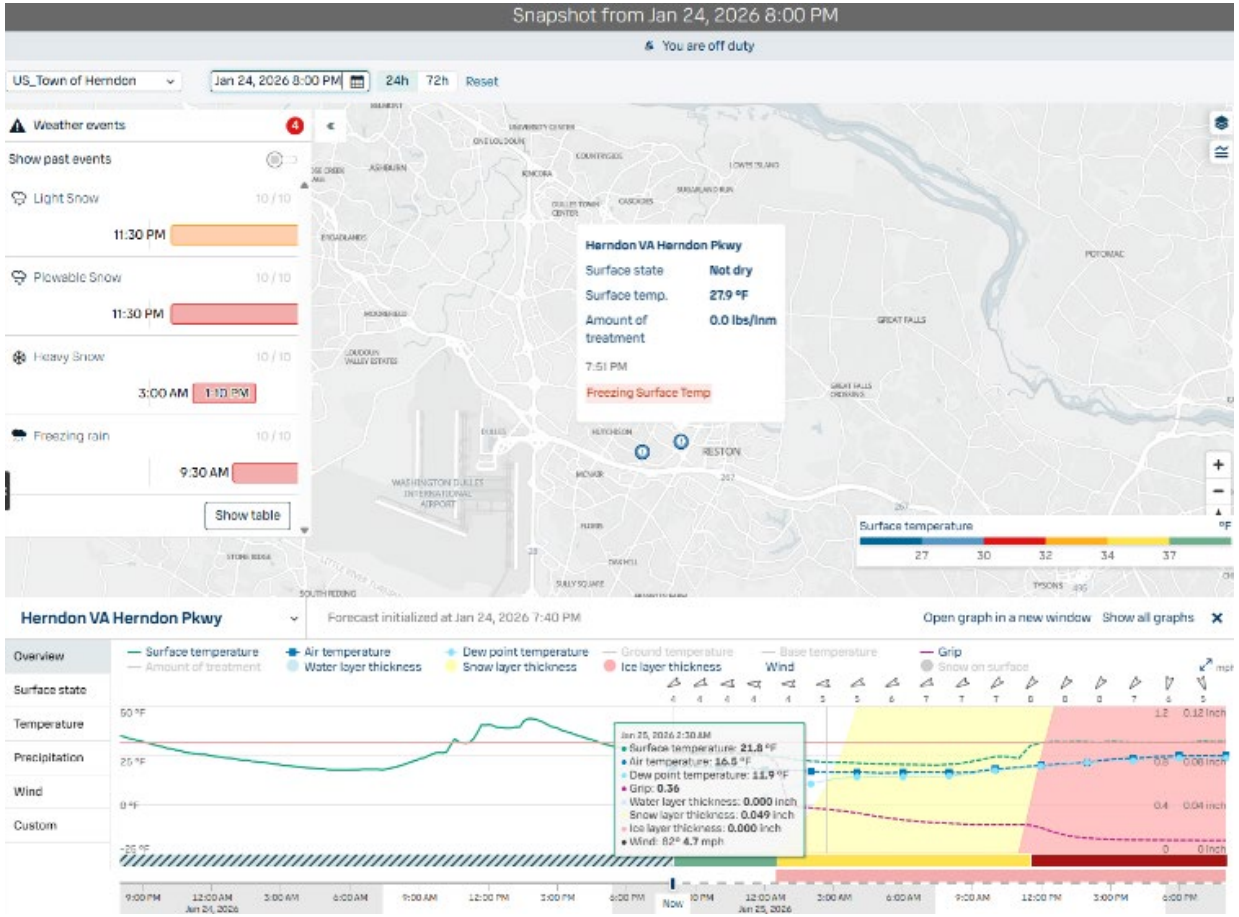
Field crews report in

Crews report road conditions to the command center twice per operational period, based on driver and inspector input. Operations team utilizes various resources along with inspections.

- Roadway sensors show temperature, surface coverage, forecasts of temperatures and precipitation
  - 5 on Town Roads
    - Herndon Parkway at Bayshire Ln
    - Herndon Parkway at Grant St
    - Lynn St at Station St
    - 397 Herndon Parkway
    - Van Buren St at Haley Smith Park
  - 5 Regional Sensors
    - Frederick, MD
    - Purcellville, VA
    - Culpeper, VA
    - Marshall, VA
    - Occoquan, VA
- Weather forecasting
  - Norcast provides specific forecasting for Herndon
  - NOAA and Meteorologists to gather general area forecasts

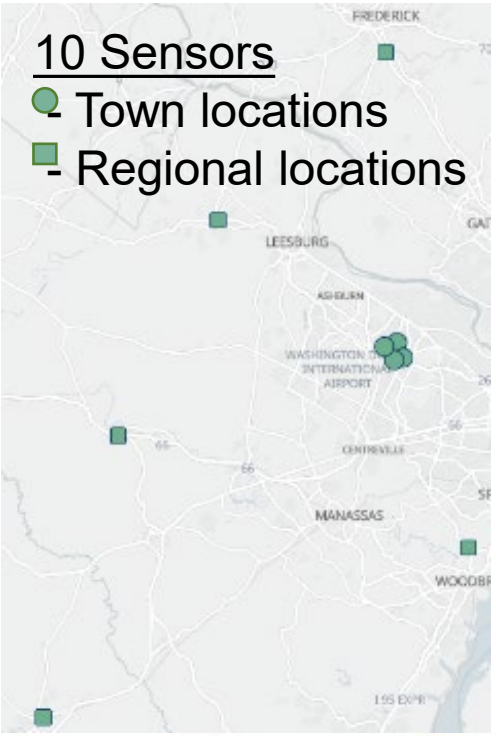
Communicating Road Conditions

2 Vaisala Roadway Sensors









Station name	Timestamp	Surface temp.
Herndon VA Herndon P...	Jan 24, 2026 7:51 PM	27.9 °F
Herndon VA Van Buren ...	Jan 24, 2026 7:53 PM	27.5 °F
Herndon VA Grant @ H...	Jan 24, 2026 7:50 PM	27.1 °F
Herndon VA Herndon P...	Jan 24, 2026 7:50 PM	27.7 °F
Herndon VA Lynn @ Sta...	Jan 24, 2026 7:55 PM	27.7 °F

Screenshot of information available through Vaisala sensors

Communicating Road Conditions

3 Norcast, NOAA, etc.

Norcast provides focused weather information
- Timely updates before and during the weather event
  - To include emails and texts
- Information is specific to Herndon

NOAA and Meteorologist
- Focus information on the general/viewing area
- Used to help formulate schedules and compare all possible predictions





Communicating Road Conditions

4

Vehicles are tracked

Automated Vehicle Location (AVL) tracks and reports individual truck status and overall progress of operations.

- Currently 7 plow trucks have AVL (Samsara), plus 26 other fleet vehicles & 2 pieces of equipment
- 10 more will be installed to capture all primary snow vehicles

5

Resources are repositioned

Command staff move resources or, if applicable, call in additional snow resources.

6

Residents are updated

Public information staff use social media, the Town website, and the Fairfax County's emergency alert system to keep residents informed of progress and instructions.

Communicating Road Conditions

7 Samsara/AVL

Samsara cameras and GPS tracking

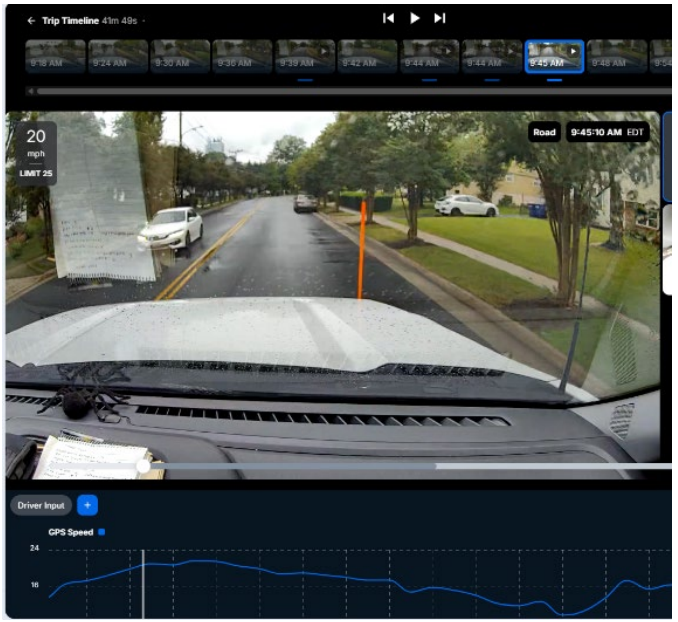
- Provides command center real time tracking/location of vehicles and equipment
- Notifications of incidents such as: harsh braking, sharp turns, inattentive/drowsy driver

In vehicle and handheld radios

- All DPW Operations vehicles have radios mounted in the cab
- Handheld radios used by equipment operators and snow contractor





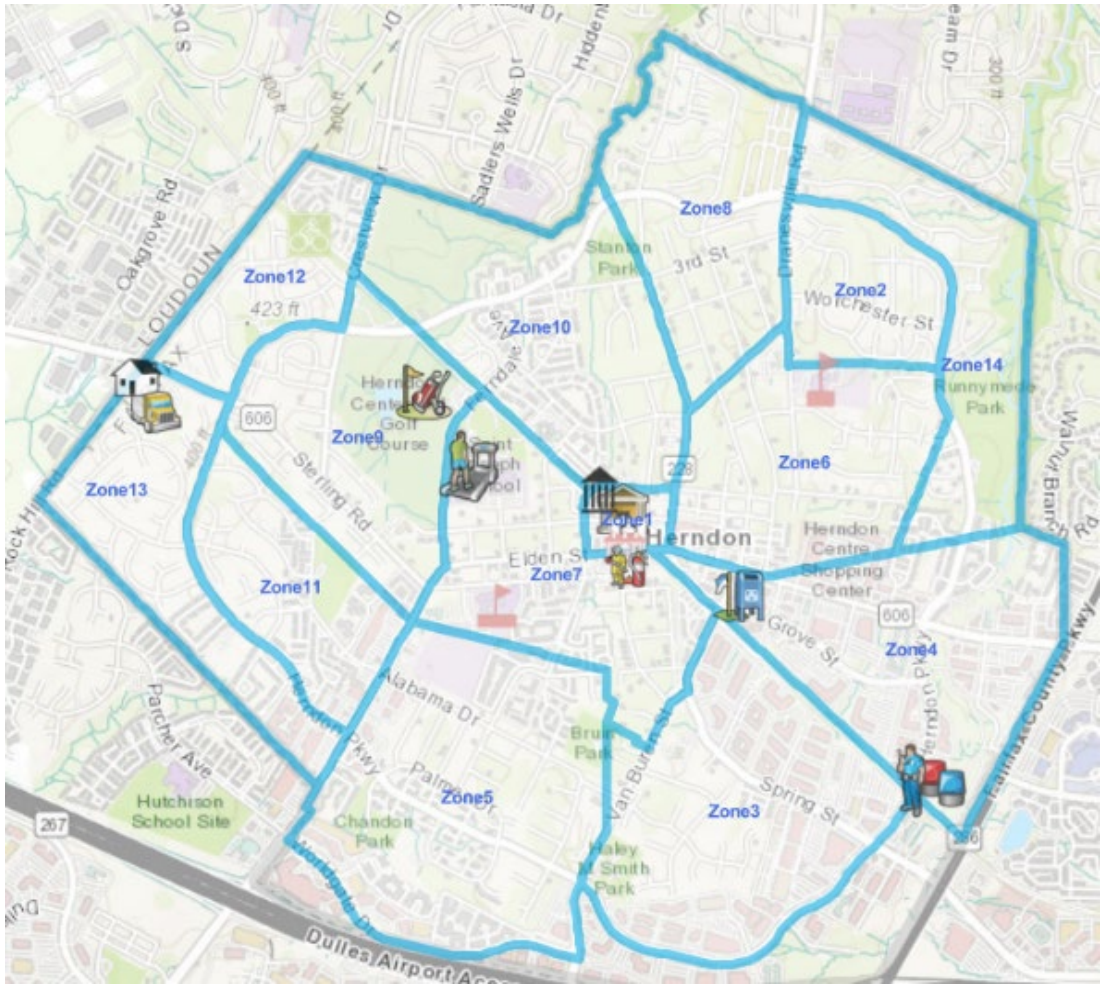


Communicating Road Conditions

8 Snow Zones

Create manageable size zones for snow removal
- Size creates similar sized residential areas
- Zone number is not used as priority or order; simply the area

Zones allow Command Staff to assign teams to a zone
- Team typically consists of 2 trucks
- Team reports starting and completing the zone
- Contractor medium duty trucks typically used in zones ahead of or along with town staff
    - Will be used for parking lots this year

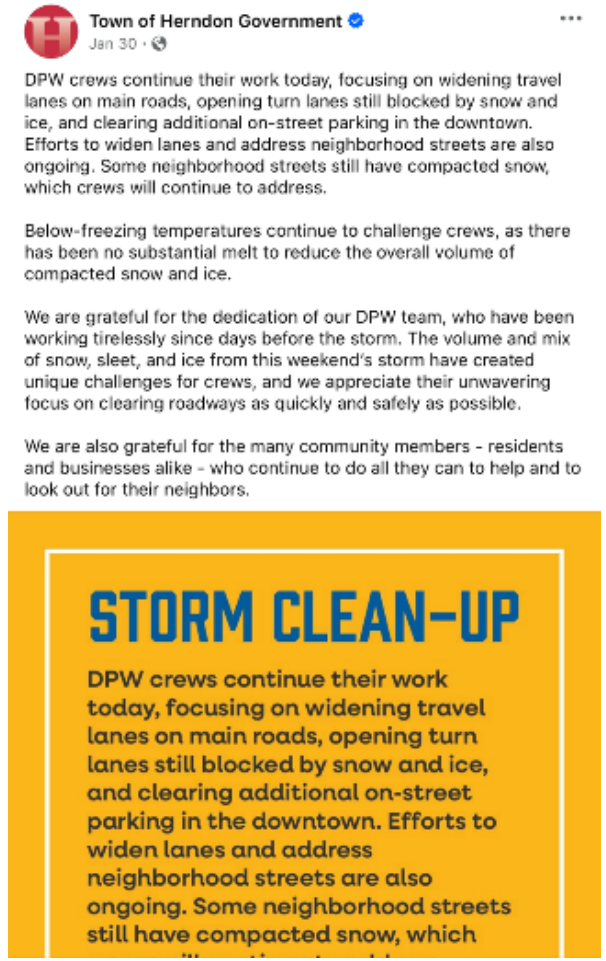


Communicating Road Conditions

9 Social Media







Important Reminders

Remove vehicles from roadways and cul-de-sacs.

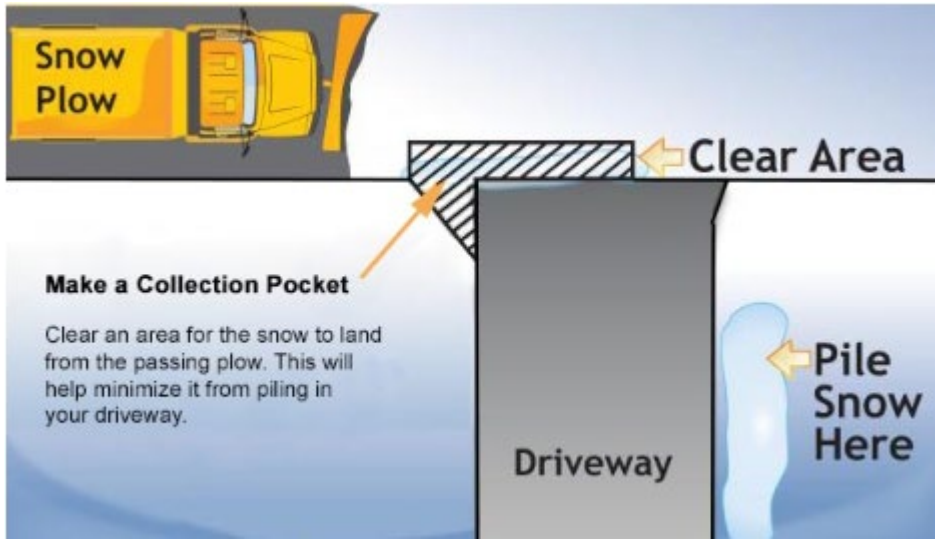
Whenever possible, park in driveways or designated off-street areas. This allows snowplow operators to clear streets more effectively and helps restore safe travel conditions sooner.

Stay informed using available technology.

Monitor Town updates through the Public Works website, Town social media channels, and local news outlets for real-time information on road conditions, snow emergency declarations, and service updates.

Driveway snow placement is unavoidable.

Snowplows must push snow to the right side of the roadway. As a result, snow may accumulate in front of driveways. Crews cannot prevent this while maintaining roadway safety.



Important Reminders (continued)

Do not stop or approach plow operators.
For your safety and theirs, please do not flag down operators or block their path. If you have concerns or service requests, contact the Public Works Department directly.

Keep children and pets away from the roadway during plowing.
Snowplows have limited visibility. Keeping the roadway clear ensures everyone's safety.

Avoid plowing snow into the street.
If contractors clearing private parking lots plow snow into the roadway, this creates hazards and will require crews to return and re-clear the roadway, delaying service to other neighborhoods.

Clear sidewalks and walkways adjacent to your property.
Residents and businesses are encouraged to help keep pedestrian paths safe after snowfall.

Avoid shoveling snow back into the street.
This creates hazards and will require crews to return and re-clear the roadway, delaying snow removal of other areas in town.

Core Services

Maintaining essential Town services during winter weather events

Core Role in Winter Operations

Our primary focus during snow emergencies is on solid waste, recycling, litter control, and environmental protection operations. Our work ensures minimal disruption to critical Town services, including:

- Regular trash and recycling collection services.
- Snow-related litter cleanup operations.
- Environmental enforcement and inspection of storm drains.

Inclement Weather Guidelines

In severe weather conditions, residents should be aware that all scheduled curbside regular trash, recycling, and yard waste collections may be delayed or suspended due to road or weather-related conditions, or to ensure the safety of staff and residents.

- Ensure proper placement of collection carts to prevent damage. Avoid placing items in snow-covered areas to minimize hazards or obstruction of snowplows.
- Secure your collection container lids and bins in the event of strong winds and rainy weather.

Snow Collection Plan: Trash First, No Saturday Collection

NORMAL SCHEDULE

Mon	Tue	Wed	Thu	Fri
Recycling	Recycling	Trash	Trash	Trash

If the storm causes…	Collection response
Recycling day canceled (Mon or Tue)	No make-up day. Residents hold recycling until the next regular recycling day. Trash routes are unaffected.
Trash day canceled (Wed–Fri)	Missed route runs the next weekday and later trash routes slide one day. Friday's route rolls to Monday and Monday recycling is suspended. Example: Wed canceled → Wed route Thu, Thu route Fri, Fri route Mon.
Multiple days canceled	Trash catches up first. Recycling stays suspended until trash is current, then resumes on its next regular day.

Ground rules

- One stream per day, never both
- Trash has priority over recycling
- Plowing comes first; collection follows
- Go/no-go by 3 PM the day before
- Residents leave carts out, clear of snowbanks
- Notice via website, social media, and alerts

TOWN OF Herndon

LIVE DIFFERENTLY.

Agenda Item: **Resolution 26-G-62 to accept a donation from Herndon Community Television (HCTV)**

Meeting Date: November 17, 2026

Category: Consent

Prepared by: Brent Heavner, Chief Communications Officer

Description:
This request proposes the adoption of a resolution authorizing the Town of Herndon to accept a donation from HCTV Corporation (HCTV). The donation includes 162 items of television production equipment valued at $112,507, in addition to approximately $10,000 in cash. The Town intends to utilize these resources for broadcasting Town Council meetings, public meetings of boards and commissions, and producing content for Herndon's Public, Educational, and Governmental (PEG) access channels.

Background/Timing Impact:
HCTV Corporation is a non-commercial, non-profit 501(c)(3) organization that has been providing government affairs, cultural, and educational programming to Herndon and the surrounding area since 1990.

On June 27, 2026, HCTV Corporation notified the Town of Herndon of its intention to dissolve as a corporate entity and requested that the Town assume the administrative responsibilities for the continued operation of Herndon's Public, Educational, and Governmental access television channels.

Accepting this responsibility will support the Town's ability to maintain these valuable sources of information, which have served local residents for the past 36 years.

Strategic Focus Area:
Good Governance
Strong Fiscal Stewardship

Fiscal Impact:

HCTV is donating assets to the Town at no cost. The continuation of services provided by HCTV Corporation will be funded by reallocating cable franchise fees that were previously provided to the HCTV Corporation through the Town.

Legal Impact:
This item is submitted in accordance with established policy requirements.

Staff Recommendation/Next Steps:
Staff recommends approval of the proposed resolution, as presented.

Attachments:
1. Resolution (Proposed)
2. HCTV Inventory (June 2026)

TOWN OF HERNDON, VIRGINIA
TOWN COUNCIL

RESOLUTION

NOVEMBER 17, 2026

Resolution- to accept a donation from Herndon Community Television (HCTV).

Herndon Community Television Corporation (HCTV) has provided government affairs, cultural, and educational programming to the Town of Herndon and the surrounding community since 1990, and has offered to donate television production equipment and cash to the Town to support the continued operation of Herndon's Public, Educational, and Governmental (PEG) access channels.

THEREFORE, BE IT RESOLVED by the Town Council of the Town of Herndon, Virginia that:

1. The donation of 162 pieces of television production equipment valued at $112,507 and approximately $10,000 in cash from Herndon Community Television Corporation is hereby accepted.

2. The equipment and cash donated by Herndon Community Television Corporation shall be used to broadcast Town Council meetings and produce content that benefits the community, including programming for Herndon’s Public, Educational, and Governmental (PEG) access channels.

3. The Mayor and Town Council of the Town of Herndon, Virginia, thank Herndon Community Television Corporation for its generous donation and 36 years of outstanding service to the community.

4. The Town Manager is hereby authorized to take any necessary actions to effectuate this donation.

26-G-62

HCTV Inventory as of June 2026

ITEM	FAIR MARKET VALUE
Camera 1	$1,500
Camera 2	$1,500
Camera 3	$1,500
Camera 4	$1,500
Sync Generator	$95
Scan converter	$750
Scan converter	$750
Video Switcher	$1,500
Computer Monitor	$40
23.8" Monitor Computer Monitor	$40
Computer	$900
Capture/playout card in computer	$500
12VDC power supply - Camera 1	$60
12VDC power supply - Camera 2	$60
12VDC power supply - Camera 3	$60
12VDC power supply - Camera 4	$60
Video return confidence monitor	$50
Speaker - Left	$100
Speaker - Right	$100
Switcher multiviewer display	$0
Router control panel	$200
Intercom User station	$75
Camera control panel	$200
Video Switcher Panel	$2,000
Network Switch	$150
Triple 5" SD Video Monitor	$0
Audio VU Meter	$0
Audio VU Meter	$0
Mount for three VU meters	$0
Waveform/Vector scope	$750
19" TV for quad	$60
Quad multiviewer	$180
DVD recorder	$0
HD-SDI to analog downconverter	$235
High Resolution video recorder	$360
H.264 Recorder	$450
H.264 Recorder	$635
Audio mixer	$250
Program HD-SDI distribution amplifier	$195
Fiber TX to town hall	$100
SFP for above	$122
Fiber TX to Granicus	$0
SFP for above	$0

Wireless Access Point (WAP)	$109
8x4 HD-SDI router	$0
Computer	$0
HDMI extender over CAT5	$0
Cox Set Top Box	$0
Fios Set Top Box	$0
Verizon return monitor	$0
Verizon cable box	$0
Verizon transmitter	$0
Audio monitor	$0
SDI to analog audio converter for audio monitor	$0
Video monitor	$0
Smart Videohub CleanSwitch 12 x 12 6G-SDI	$0
On-Air down converter	$0
Mini Converter UpDownCross	$0
HD Air DA - (1) SDI Input, (8) SDI Outputs3G/HD/SD-SDI Auto-Switching Input	$0
Playout server	$0
Infovue HDMI to SDI	$0
Background audio player for Infovue	$0
Bulletin board server	$0
Web (video) streaming server	$0
Remote production H.264 receiver	$0
Backup video player	$0
HDMI to SDI for backup video player	$0
SDI Fiber RX/TX for HMC to TH	$0
Ubiquiti Networks UniFi Dream Machine Pro	$0
Ubiquiti Networks UniFi Pro PoE 48-Port Gigabit Managed PoE Network Switch with SFP+	$0
UPS	$0
Cox return monitor	$0
Cox cable box	$0
Cox transmitter	$0
Engineering monitor	$0
H.264 HD Decoder	$0
Engineering PC	$0
SDI QUAD	$0
SDI to USB	$0
Audio streaming for engineering QC	$0
Network attached storage	$0
UPS	$0
Telvue Server	$46,054
Production switcher	$867
Display for production switcher	$75
H.264 recorder	$635
High-res recorder	$510

High-res recorder	$0
Router control panel	$212
Camera ptz control panel	$700
audio mixer	$250
Speaker	$136
Speaker	$136
DVI to SDI scan converter	$100
Dell	$315
Apple	$0
SDI PCI capture/playout cart	$90
Mac Studio Editing Suite	$2,900
PTZ Camera	$1,800
PTZ Camera	$1,800
PTZ Camera	$1,800
PTZ Camera	$1,800
Trusses	$1,250
Lighting Console	$1,390
Light Panels (6)	$1,110
Field camera	$2,300
Field camera	$2,224
Macbook Laptop	$739
Mac Laptop	$300
Remote video transmitter	$400
Field camera	$1,080
Wireless HDMI/3G-SDI Transmission kit	$900
Field camera	$800
Field camera	$800
Field camera	$800
Field camera	$380
Microphones	$4,165
Tripods	$1,870
Spiderpod	$800
Lighting, boom pole audio mixer, audio recorder	$1,210
Camplex cables	$3,200
Miscellaneous Camera Accessories	$500
Outdoor Cable protectors	$150
Portable A/C Unit	$0
Canopy Shelter	$0
Cable Ramps	$500
External Hard Drive	$330
Exec. Director's desktop PC	$840
Exec. Director Laptop	$615
DVD/CD Duplicator	$0
DVD/CD label printer	$150

Printer	$325
Refrigerator	$150
Internet router for 397	$102
Wireless Access Point (WAP)	$110
16-Port Gigabit PoE+ Compliant Managed Switch with SFP	$179
16-Port Gigabit PoE+ Compliant Managed Switch with SFP	$179
H.264 HD Encoder	$850
Camera fiber adapter	$185
Mini HD Camera	$300
16-port PoE network switch	$139
16-port PoE network switch	$139
Camera fiber adapter	$185
Camera fiber adapter	$185
Camera fiber adapter	$185
Camera CCU	$650
Camera fiber adapter	$185
12-channel 1000ft Fiber reel	$0
4-channel 500ft Fiber reel	$0
16-Input audio mixer	$350
PTZ Camera	$150
SDI card for BRC-Z330	$160
SDI card for	$160
SDI card for	$160
Audio mixer	$200
PTZ Camera controller	$190
Wireless intercom	$0
Video switcher	$650
Display	$100
SDI to HDMI converter	$60
SDI to HDMI converter	$60
Wireless Access Point (WAP)	$100

Town Council Regular Meeting
Agenda Item 7.b.

Agenda Item: **Resolution 26-G-63 to initiate consideration of a Zoning Ordinance Text Amendment ZOTA #26-09 to amend Chapter 78 (ZONING), Article IV (Business Districts), Article VII (Use Regulations), Section 78-70.2 (Table of Permitted and Allowed Uses), Section 78-71.10 (Personal Services and Retail Sales Use Category), Section 78-71.15 (Light Manufacturing Use Category), and other sections as deemed necessary and appropriate to update sections for conformance with the Code of Virginia and regulations promulgated by the Virginia Cannabis Control Authority regarding the establishment of a cannabis retail market**

Meeting Date: November 17, 2026

Category: Consent

Prepared by: David Stromberg, Zoning Administrator

Description:
This Zoning Ordinance Text Amendment is related to regulations promulgated by the Virginia Cannabis Control Authority regarding the establishment of a retail cannabis marketplace in Virginia. The Code of Virginia Section 4.1-629 states that localities retain the ability to enforce their local ordinances pertaining to zoning and business licensing. If the Town Council adopts the initiating resolution, a draft of the proposed Zoning Ordinance Text Amendment will be presented as a public hearing item at the December 14, 2026, Planning Commission regular meeting. It is expected that the Zoning Ordinance Text Amendment will be presented to the Town Council for a vote as a public hearing item at the January 26, 2027, regular meeting.

Background/Timing Impact:
A briefing regarding the specific regulations established by the Virginia Cannabis Control Authority was provided to the Town Council during the October 6, 2026, work session. A second briefing regarding the critical dates and the anticipated timeline for adopting ordinances related to the Cannabis marketplace was provided to the Town Council during the November 4, 2026, work session.

Any proposed Zoning Ordinance Text Amendments should be adopted prior to February 1, 2027, because that is the date that the Virginia Cannabis Control Authority will begin accepting license applications for marijuana establishments. Localities are limited to a 30-day period to file an objection to a license application. The town might begin receiving notifications of license applications as early as February.

Strategic Focus Area:

Secure and Interconnected Community
Thriving Community

Fiscal Impact:
The town is required to pass a local marijuana tax between 1 and 3.5 percent as a separate ordinance. Town Council is required to adopt the marijuana tax, regardless of whether any Zoning Ordinance Text Amendments are adopted.

Legal Impact:
There is no mandatory requirement in the Cannabis Control Act to adopt a local Zoning Ordinance Text Amendment.

Staff Recommendation/Next Steps:
Staff recommends adoption of the initiating resolution so that draft language can be presented to the Planning Commission.

Attachments:
1. Resolution (Proposed)

TOWN OF HERNDON, VIRGINIA
TOWN COUNCIL

RESOLUTION

NOVEMBER 17, 2026

Resolution- to initiate consideration of a Zoning Ordinance Text Amendment ZOTA #26-09 to amend Chapter 78 (ZONING), Article IV (Business Districts), Article VII (Use Regulations), Section 78-70.2 (Table of Permitted and Allowed Uses), Section 78-71.10 (Personal Services and Retail Sales Use Category) Section 78-71.15 (Light Manufacturing Use Category), and other sections as deemed necessary and appropriate to update sections for conformance with the Code of Virginia and regulations promulgated by the Virginia Cannabis Control Authority regarding the establishment of a cannabis retail market.

BE IT RESOLVED by the Town Council of the Town of Herndon, Virginia that:

1. The Town Council initiates an amendment to Chapter 78 (ZONING), Article IV (Business Districts), Article VII (Use Regulations), Section 78-71.10 (Personal Services and Retail Use Category), and Section 78-71.15 (Light Manufacturing Use Category), to update sections for conformance with the Code of Virginia, and regulations promulgated by the Virginia Cannabis Control Authority regarding the establishment of a cannabis retail market.

2. The public necessity, convenience, general welfare, and good zoning practice, require the Town Council's consideration of this proposed amendment.

3. The amendment is referred to the Planning Commission for its consideration, public hearing, and recommendation in accordance with Va. Code §15.2-2285(B) and Town Code Sec. 78-155.2(d).

26-G-63

Agenda Item: **Resolution 26-G-64 to approve the town's participation in the proposed settlement of opioid-related claims against Albertsons, and to direct the Town Manager and/or Town Attorney to execute the documents necessary to effectuate participation in the settlement**

Meeting Date: November 17, 2026

Category: Consent

Prepared by: Lesa Yeatts, Town Attorney

Description:
Town participation in the proposed settlement of opioid-related claims against Albertsons.

Background/Timing Impact:
As a part of the nationwide settlement of opioid claims, the Town participated in the following Virginia settlements with opioid manufacturers/distributors:

2021 Settlements

- McKesson
- Cardinal Health
- AmerisourceBergen
- Johnson & Johnson

2023 Settlements

- Teva
- Allergan
- Walmart
- CVS
- Walgreens

2024 Settlement

- Kroger

2025 Settlements

- The Sackler Family (Purdue Pharma)
- Alvogen
- Amneal
- Apotex
- Hikma
- Indivior
- Mylan
- Sun
- Zydus

The Resolution before you is for approval of the Town's participation in a new settlement against Albertsons and for authorization for the Town Manager and/or Town Attorney to sign the documents necessary to effectuate the Town's participation in the settlement. The amount of funds that will flow to Virginia and its localities from this settlement depends on maximizing participation by as many local government subdivisions as possible. Herndon is being asked to approve the settlement and submit participation forms because, due to the structure of the settlement agreement, towns above a certain population threshold must approve the settlement and submit participation forms in order to maximize the overall recovery for the Commonwealth and its subdivisions. Participating towns are not eligible to receive direct shares from the settlement funds. However, we may be able to apply for, request, or receive funds for opioid abatement programs through the county. Our participation will help to maximize the recovery for all of Virginia's counties, including Fairfax.

Timing Impact:
Adoption of the resolution is required to enable the submission of the required paperwork by the December 30, 2026, deadline.

Strategic Focus Area:
Good Governance
Strong Fiscal Stewardship

Fiscal Impact:
Although it is unlikely that the town will receive any funds from the settlement, a positive financial impact of accepting this settlement is anticipated for the entire Commonwealth.

Legal Impact:
The town's participation in the settlement by adoption of the resolution is required in order for the state and the county to receive the maximum amount of settlement funds.

Staff Recommendation/Next Steps:

Adoption of the Resolution as proposed.

Attachments:
1. Resolution (Proposed)

TOWN OF HERNDON, VIRGINIA
TOWN COUNCIL

RESOLUTION

NOVEMBER 17, 2026

Resolution- to approve the town's participation in the proposed settlement of opioid-related claims against Albertsons, and to direct the Town Manager and/or Town Attorney to execute the documents necessary to effectuate participation in the settlement.

The opioid epidemic that has cost thousands of human lives across the country also impacts the Commonwealth of Virginia and its counties, cities, and towns, including the Town of Herndon, by adversely impacting the delivery of emergency medical, law enforcement, criminal justice, mental health and substance abuse services, and other services by Town of Herndon's various departments and agencies.

The Commonwealth of Virginia and its counties, cities, and towns, including the Town of Herndon, have been required and will continue to be required to allocate substantial taxpayer dollars, resources, staff energy and time to address the damage the opioid epidemic has caused and continues to cause the citizens of the Commonwealth and the Town of Herndon.

A settlement proposal has been negotiated that will cause Albertsons, as defined in the Albertsons Settlement Agreement, to pay approximately $749.5 million dollars nationwide to resolve opioid-related claims against it.

The Town Attorney has reviewed the available information about the proposed settlement with Albertsons and has recommended that the Town participate in the settlement.

THEREFORE, BE IT RESOLVED by the Town Council of the Town of Herndon, Virginia that:

1. The Town's participation in the proposed settlement of opioid-related claims against Albertsons is approved.

2. The Town Council directs the Town Manager and/or Town Attorney to execute the documents necessary to effectuate the Town's participation in the settlement, including the required release of claims against Albertsons.

26-G-64

Agenda Item: **Resolution 26-G-65 to award contract RFP #27-01 Residential and Business Survey**

Meeting Date: November 17, 2026

Category: Consent

Prepared by: Brent Heavner, Chief Communications Officer

Description:
The Office of Communications & Economic Engagement seeks to award a contract for a vendor to administer resident and business sentiment surveys.

Background/Timing Impact:
The Town has historically conducted resident and business surveys every two to three years.

Strategic Focus Area:
Good Governance

Fiscal Impact:
The cost is $24,900 for the residential survey and $16,500 for the commercial survey. These funds are appropriated within the FY2027 budget.

Legal Impact:
None.

Staff Recommendation/Next Steps:
Recommend approval as presented.

Attachments:
1. Resolution (Proposed)

TOWN OF HERNDON, VIRGINIA
TOWN COUNCIL

RESOLUTION

NOVEMBER 17, 2026

Resolution- to award contract RFP #27-01 Residential and Business Survey.

The RFP was posted on the Town of Herndon website and eVA Commonwealth of Virginia procurement website on August 27, 2026.

The procurement of these services was in accordance with the procedures of the Virginia Public Procurement Act, Competitive Negotiation. Thirteen proposals were received and evaluated using the numeric scoring matrix published in the RFP. Probolsky Research was responsive and had the highest score.

THEREFORE, BE IT RESOLVED by the Town Council of the Town of Herndon, Virginia that:

1. Contract RFP #27-01, Residential and Business Survey between the Town of Herndon and Probolsky Research is awarded. The cost is $24,900 for the next iteration of the residential survey and $16,500 for the commercial survey. The contract allows for up to 4 renewals.

2. The term of the proposed contract is a period of one term of (2) years from the date of award, with optional renewals for four (4) terms of two (2) years each to total ten (10) years at the Town's discretion and upon mutual agreement.

26-G-65

Town Council Regular Meeting
Agenda Item 7.e.

Agenda Item: **Resolution 26-G-66 to amend Town of Herndon Community Donation Program Policy Statement**

Meeting Date: November 17, 2026

Category: Consent

Prepared by: Kirstyn Jovanovich, Interim Town Manager

Description:
This is a request to amend the Community Donation Program Policy Statement following discussion at the November 4, 2026, Town Council Work Session.

Background/Timing Impact:
The Town Council adopted the Community Donation Program Policy on March 24, 2026, establishing eligibility requirements and evaluation criteria for donations to qualifying nonprofit organizations. The Town has since completed its first round of applications under the program. At its November 4, 2026, work session, the Town Council requested that staff amend the policy to expand eligibility to include qualifying veterans' organizations recognized under Section 501(c)(19) of the Internal Revenue Code. The proposed amendment has been incorporated into the policy for the Town Council's consideration and adoption. All other eligibility requirements and evaluation criteria remain unchanged.

Timing Impact:
Amending the Community Donation Program Policy will allow qualifying veterans' organizations to be included in the type of non-profit organizations that can apply under the program.

Strategic Focus Area:
Strong Fiscal Stewardship
Good Governance
Thriving Community

Fiscal Impact:
Donations are discretionary and subject to Town Council approval through the annual budget process. Any funding designated for community donations will be allocated and appropriated by Town Council as part of that process. Distribution of approved funds will be administered in accordance with the Town Council–adopted Community Donation Policy and applicable administrative guidelines.

Legal Impact:
In accordance with the Code of Virginia Section 15.2-953, localities may appropriate funds to any charitable or non-profit organization if the organization provides services to the residents of the locality and if such organizations are not controlled in whole or in part by any church or sectarian society.

Staff Recommendation/Next Steps:
Recommend approval as presented.

Attachments:
1. Resolution (Proposed)
2. Policy, Amended

TOWN OF HERNDON, VIRGINIA
TOWN COUNCIL

RESOLUTION

NOVEMBER 17, 2026

Resolution- to amend Town of Herndon Community Donation Program Policy Statement.

BE IT RESOLVED by the Town Council of the Town of Herndon, Virginia that:

1. The Town of Herndon Community Donation Program Policy Statement, adopted on March 24, 2026, is hereby amended as follows:

   V. Funding and Eligibility

   ***

   3. Eligible Applicants: Nonprofit or not-for-profit organizations 501(c)(3), 501(c)(4), ~~or~~ 501(c)(6)**, or 501(c)(19)** in good legal standing, based in Virginia with address of record on file with SCC, established for a minimum of two years, providing services, programs, events, or activities that benefit the residents of the Town of Herndon. Individuals and businesses are not eligible for funding through this program. Monies will not be remitted to individuals, business entities, or announced candidates for political office. The Town does not promote or advocate political or religious events.

2. All other provisions of the Community Donation Program Policy shall remain unchanged.

3. This amendment shall be effective upon the date of adoption.

26-G-66

Town of Herndon
Community Donation Program
Policy Statement

March 24, 2026 | Amended November 17, 2026

I. Purpose

The purpose of this policy is to establish a fair, transparent, and consistent process for providing Town donations to qualified community-based nonprofit or not-for-profit organizations that deliver programs, events, and services which advance the Town's strategic priorities and enhance the quality of life in Herndon.

This policy consolidates and replaces all prior donation programs, including the Community Cultural Festivals Donation Policy (as amended, 25-G-36) and the Small (De Minimis) Donation Policy (25-G-41), creating one unified structure for annual community donations administered by Town staff under guidelines set by Town Council.

Donations and Town support are discretionary and subject to funding availability and operational capacity.

II. Policy Objectives

1. Equity and Transparency: Ensure equal opportunity for qualified organizations to apply for Town donations through a clear, time-bound, and publicly announced process.

2. Strategic Alignment: Direct Town resources toward programs that reflect the Town's strategic priorities.

3. Operational Efficiency: Empower Town staff to administer the program objectively, without requiring case-by-case Town Council action.

4. Accountability: Provide clear evaluation criteria and consistent reporting requirements.

III. Program Structure

1. Program Administration: The program is administered by Town staff under the direction of the Town Manager.

2. Town Council Role: Confirms program framework and evaluation matrix, as well as annual funding allocation through the annual budget adoption process. Town Council does not review or approve individual applications.

3. State Code Authority: In accordance with the Code of Virginia Section 15.2-953, localities may appropriate funds to any charitable or non-profit organization if the organization provides services to the residents of the locality and if such organizations are not controlled in whole or in part by any church or sectarian society.

IV. Donation Categories

1. Community Donation
    a. To support qualified community-based nonprofit or not-for-profit organizations providing community-based programs, events, educational initiatives, or services that align with the Town's strategic plan.
    b. Maximum annual funding and application requirements:
        i. Eligible organizations may submit only one application per fiscal year. An eligible organization may request funding for multiple programs, services, events, or initiatives within a single application.
        ii. Maximum donation of up to $50,000 per organization per fiscal year, regardless of the number of programs, services, or events included in the application.
        iii. Applications submitted by the same organization in excess of this limit, or outside of the single-application requirement, will not be considered.
    c. Town Facilities and Services (Cost Recovery; Subject to Availability): Town facilities and Town-provided services, including but not limited to Police, Public Works, Parks, or other operational support, are not guaranteed and are subject to staff availability, operational capacity, and approval through applicable Town processes. Organizations requesting the use of Town facilities or Town-provided services in support of an event, program, or activity must include the full cost of such facilities and services in the project budget and donation request submitted with the application. Approved donation awards may be used to pay for eligible Town facility use fees and Town-provided services on a cost-recovery basis. The Town does not waive facility fees or donate services under this policy. Town services are not donated, not waived, and not guaranteed.
    d. Donation awards will not exceed 75% of the organization's annual revenue, based on the organization's most recently completed fiscal year financial statements, and inclusive of the value of any Town facilities or services funded through the donation award.
    e. Donation requests under this category are evaluated using the Community Donation Evaluation Matrix.
    f. Awards are discretionary and subject to available funding; submission of an application does not guarantee funding.

g. Awardees are required to submit an annual summary describing fund use and program outcomes of previous year donations.

2. De Minimis (Small) Donations
    a. To provide small discretionary contributions to non-profit and not-for-profit organizations.
    b. De Minimis Donations are defined as a donation of cash, services, or items with a value per donation of less than $250.
    c. Approval of small donation requests are determined by the Town Manager.

3. Facility Use Fees
    a. The Town Manager is authorized to waive Town facility use fees for federal, state, and local elected representatives and other governmental entities when hosting official constituent of public meetings in or on Town-owned properties. The Town does not promote or advocate political or religious events or activities. This provision does not apply to nonprofit or community organizations requesting support under the Community Donation Program.
    b. For all other qualified, community-based nonprofit or not-for profit organizations, donation requests made under the Community Donation program may be used to pay for facility use fees for events or activities held on Town-owned property.
    c. Use of Town property and facilities for events funded through this program remains subject to the Town's Special Events Guidelines and Special Event Permit requirements.

V. Funding and Eligibility

1. Annual Funding: Council appropriates a total funding amount each fiscal year during budget adoption. Once funds are exhausted, no additional awards are made with the fiscal year.
2. Allocation by Request Size: To promote equitable access to town funding for organizations of varying sizes and capacity, the annual Community Donation appropriation shall be allocated as follows:
    a. Up to twenty-five percent (25%) of the total annual appropriation for Community Donations shall be reserved for eligible organization requesting $2,500 or less.
    b. The remaining seventy-five percent (75%) of the annual appropriation for Community Donations shall be available for eligible organizations requesting more than $2,500 and up to the maximum allowable request amount.

c. All applications, regardless of request size, will be evaluated using the Community Donation Evaluation Matrix.
d. If sufficient qualified applications are not received within either funding range, the Town Manager may reallocate funds between ranges to maximize community benefit and ensure full and effective use of available resources.

3. Eligible Applicants: Nonprofit or not-for-profit organizations 501(c)(3), 501(c)(4), ~~or~~ 501(c)(6), or 501(c)(19) in good legal standing, based in Virginia with address of record on file with SCC, established for a minimum of two years, providing services, programs, events, or activities that benefit the residents of the Town of Herndon. Individuals and businesses are not eligible for funding through this program. Monies will not be remitted to individuals, business entities, or announced candidates for political office. The Town does not promote or advocate political or religious events.

VI. Application and Review Process

1. Community Donation Program

During the annual open application period, organizations will submit a Community Donation Request Application. See timeline below. (Events subject to the Special Events Guidelines may also be evaluated using criteria outlined in the Special Event Rating Scale for operational and designation purposes.)

These deadlines apply to all categories of donation requests of $250 or more in value.

Step	Timeline	Responsible Party	Description
Application Period	January 1 – February 15	Applicant	Organizations submit applications with required documentation (event/program/service description, proposed budget, anticipated impact).
Staff Review & Evaluation	March 1 – May 1	Community Donation Evaluation Committee	Committee reviews and scores applications using the Council-approved evaluation matrix.
Award Determination	May 2 – June 1	Town Manager	Town Manager reviews staff recommendations and approves final awards.
Award Notification	July 1	Finance Department	Applicants notified of results; award agreements issued.

The Community Donation Evaluation Committee consists of three Town staff members appointed by the Town Manager. Committee members with a conflict of interest shall recuse themselves from scoring or discussion of the affected application.

Applications that do not include required documentation, including a complete and itemized budget accounting for Town facility and service costs where applicable, may be deemed incomplete and not eligible for funding.

2. De Minimus (Small) Donation

Organizations may request a Small Donation (value of less than $250) from the Town throughout the year; these requests are not limited to the open application period for donations of $250 or more.

Organizations may request a Small Donation by submitting the request to the Town Manager's Office and/or their designee. The Town Manager will review and either approve or deny small donation requests. The decision of the Town Manager is final.

Funding for small donations is included as part of the donation allocation made by Town Council during the annual budget process. Donation requests under this program are subject to funding availability, and on a first-come first-served basis.

VII. Evaluation Criteria Matrix

All applications for the Community Donation Program are evaluated using the following matrix:

Community Donation Evaluation Matrix

Category	Weight	Evaluation Factors	Scoring Guidance (1–5)
Community Benefit	30%	The extent to which the proposed event, program, or service is accessible to Herndon residents and promotes community participation, civic engagement, cultural celebration, education, or enrichment.	**1 (Limited):** Restricted or primarily limited to a specific membership group, organization, neighborhood, or invitation-only audience. Participation is limited or access barriers exist. Limited outreach to broader Herndon community. **3 (Moderate):** Open to the public and includes outreach to Herndon community. Participation from multiple groups or neighborhoods within the town, but primary audience is relatively targeted or the scale of the engagement is moderate. **5 (Strong):** Free or broadly accessible to the public, intentionally designed to reach a wide cross-section of Herndon residents. Includes clear outreach strategies to reach multiple community groups. Initiative promotes community interaction, civic engagement, or cultural exchange; demonstrates strong potential for community participation.

Category	Weight	Evaluation Factors	Scoring Guidance (1–5)
Alignment with Town Strategic Priorities & Brand	10%	Demonstrates direct alignment with one or more focus areas of the Town's Strategic Plan. Reinforces the Town's "Live Differently" brand.	**1 (Weak):** Does not reference specific Town Strategic Plan focus areas or the "Live Differently" brand. **3 (Moderate):** Cites at least one strategic focus area and includes the Town brand in promotional materials. **5 (Strong):** Provides a detailed plan showing how it directly implements two or more Town strategic goals and uses the town brand as a central theme.
Financial Soundness & Sustainability	15%	Financial health, realism of proposed budget, leveraged funding sources, and ability to sustain the initiative beyond Town support.	**1 (High Reliance):** Town funding accounts for 75% or more of the total initiative budget. **3 (Balanced):** Town funding accounts for 40%–60% of the initiative budget, with at least one other committed funding source (e.g., grants, sponsorships). **5 (Sustainable):** Town funding is less than 25% of the initiative budget, and a multi-year financial plan identifies secured funding for future years.
Organizational Capacity	10%	The organization's ability to successfully plan and deliver the proposed initiative, based on experience, staff/volunteer capacity, and partnerships.	**1 (Minimal):** Organization has less than two years of experience with similar initiatives and no documented partnerships. **3 (Moderate):** Organization has successfully completed at least two similar initiatives and has one or more active partners. **5 (Proven):** Organization has 5+ years of experience, a dedicated project lead, and formal written agreements with multiple community partners.
Community Reach & Impact	15%	Anticipated reach within the Town of Herndon and regional visibility. For events: expected attendance. For programs/services: measurable participation or outcomes.	**1 (Small Group):** Expected attendance for events or program participation is less than 50 people. **3 (Moderate):** Expected attendance for events or program participation is 50–500 people, with documented outreach to at least two different community demographics. **5 (Strong):** Expected event attendance or program participation exceeds 500 people or serves a regional audience with specific, measurable KPIs for impact.

Category	Weight	Evaluation Factors	Scoring Guidance (1–5)
Economic Impact	20%	For events or initiatives that attract visitors or promote local business engagement.	**1 (Minimal):** No plan for local vendor/business involvement or visitor attraction. **3 (Moderate):** Includes at least two local Herndon businesses as vendors or partners. **5 (Clear Benefit):** Documented plan to attract out-of-town visitors (e.g., hotel stays) and uses at least five local vendors/businesses.

VIII. Post-Award Requirements

Awardees must sign an agreement, use funds as stated, and submit a report within 60 days of project completion including attendance, outcomes, and financial summary.

IX. Prohibited Contributions and Repayment of Funds

1. The Town shall not waive facility use fees or donate Town services, personnel time, or resources as part of the Community Donation Program. Town facilities, staff support, and operational services (including Police, Public Works, Parks, or other departments) shall be provided on a cost-recovery basis only.

   Donation funds awarded under this policy may be used, if approved, to pay for eligible Town facility use fees and Town-provided services identified in the applicant's approved donation request and budget.

   Funds shall not be remitted to individuals, for-profit businesses, or announced candidates for political office. The Town does not promote or advocate political or religious events or activities.

2. Donation funds awarded under this policy must be used for the purposes, programs, services, or events identified in the approved application and agreement.

   If an organization fails to initiate, complete, or substantially carry out the approved program, service, or event; materially deviates from the approved use of funds without prior written approval from the Town; or otherwise uses the funds in a manner inconsistent with the approved application or agreement, the Town may require repayment of all or a portion of the donated funds.

The Town Manager shall determine whether repayment is required and the amount of repayment, based on the circumstances and documentation provided. Failure to repay funds as required may result in ineligibility for future Town donations and other remedies available to the Town.

X. Policy Amendments

The Town Manager is authorized to make non-substantive administrative updates and revisions to this policy and set administrative fees, as appropriate.

XI. Effective Date

This policy is effective upon date of adoption and replaces the Community Cultural Festivals Donation Policy as amended (Resolution 25-G-36) and the De Minimis (Small) Donation Policy (Resolution 25-G-41).

Town Council Regular Meeting
Agenda Item 7.f.

Agenda Item: **Resolution 26-G-67 to adopt the Town of Herndon's 2027 Legislative Program**

Meeting Date: November 17, 2026

Category: Consent

Prepared by: Lesa Yeatts, Town Attorney

Description:
This resolution establishes the Town of Herndon 2027 Legislative Program to provide action items for state legislators.

Background/Timing Impact:
Each year, the Town advises the Town's representatives in the General Assembly of legislation which they wish to be advanced and legislative positions on important issues in the form of its Legislative Program. The positions and information provided by the Legislative Program play an important role in informing state legislators on how the actions they take at the General Assembly will affect the community. Generally, the Legislative Program mirrors that of the Virginia Municipal League (VML) which advocates on behalf of Towns and Cities throughout the Commonwealth and occasionally includes specific requests for legislation. The VML Legislative Program was adopted at their Annual Conference last month.

This year, in addition to specific position statements, one specific request has been identified: To add the Town of Herndon to the list of jurisdictions in Code of Virginia § 58.1-3221.1 Classification of land and improvements for tax purposes, where (1) improvements to real property are declared to be a separate class of property and shall constitute a separate classification for local taxation of real property and (2) the jurisdiction may levy a tax on the property enumerated at a different rate than the tax imposed upon the land on which it is located.

The Legislative Program was discussed at the October 6, 2026, work session, and staff was directed to prepare the proposed legislative agenda as discussed that evening.

Strategic Focus Area:
Good Governance

Fiscal Impact:

N/A

Legal Impact:
Amendments adopted by the general assembly would be effective July 1, 2027.

Staff Recommendation/Next Steps:
Adoption of the Resolution as proposed.

Attachments:
1. Resolution (Proposed)
2. Attachment A
3. Attachment B
4. Attachment C

TOWN OF HERNDON, VIRGINIA
TOWN COUNCIL

RESOLUTION

NOVEMBER 17, 2026

Resolution- to adopt the Town of Herndon's 2027 Legislative Program.

The Mayor and the Town Council annually advise the Town's representatives in the General Assembly of legislation they desire to be advanced, and of legislative positions on important issues.

THEREFORE, BE IT RESOLVED by the Town Council of the Town of Herndon, Virginia that:

1. The Town generally supports the positions of the Virginia Municipal League (VML) relative to issues and legislation affecting local governments as reflected on Attachment A.

2. The Town specifically supports the positions stated on Attachment B.

3. The Town Council specifically requests that:

   - The Virginia General Assembly amend Virginia Code § 58.1-3221.1 (Attachment C), Classification of land and improvements for tax purposes, to add the Town of Herndon to the list of jurisdictions where (1) improvements to real property are declared to be a separate class of property and shall constitute a separate classification for local taxation of real property and (2) the jurisdiction may levy a tax on the property enumerated in subsection A at a different rate than the tax imposed upon the land on which it is located.

26-G-67

BETTER COMMUNITIES THROUGH SOUND GOVERNMENT

2027 VML Legislative Program
Approved Oct. 12, 2026

Legislative Program Priorities

Local Land Use

Localities must maintain control of local land use decisions. Neither the state nor the federal government should usurp or pre-empt a locality's authority to make such decisions; nor should they impose requirements that weaken planning and land use functions. This includes all types of housing, including but not limited to short-term rentals.

VML also supports local government authorities to promote affordable and mixed-income housing as well as the required infrastructure to facilitate infill development, redevelopment, and mixing of uses. Any mandate from the state should include full funding for the locality.

Local Revenue Sources

Local tax revenues are primarily derived from real estate, personal property (i.e., car tax), local sales and uses, Business, Professional, Occupational Licensing (BPOL), meals and transient occupancy taxes. These revenues are used to fund each locality's priorities that tend to focus on K-12 education and public safety. VML cannot support initiatives that phase out or eliminate sources of revenue to cities, counties, and towns without a firm commitment of ongoing general fund resources to offset local revenue losses.

Housing – Tools for Communities to Meet Housing Needs

Understanding the Commonwealth-wide need for more attainable, low-income and affordable housing, we support legislation and funding that enables localities to better meet their housing needs while respecting the critical role that local conditions and decision-making must play in development and planning.

State Assistance to Local Law Enforcement Agencies (HB 599)

Almost 70 percent of Virginians live in communities served by police departments. The State created a program of financial assistance to local police departments (HB 599) when it imposed an annexation moratorium on cities more than 30 years ago. It has increasingly de-emphasized this funding obligation as a priority but has never compromised on the annexation moratorium.

VML calls for the state to honor its commitment to local governments and public safety by funding the program as stipulated in the Code of Virginia or lift the moratorium on annexation.

Legislative Program Items (listed in alphabetical order)

CSA State and Local Funding Partnership

Local governments administer the Children's Services Act (CSA) program on behalf of the state, and local governments share in the funding responsibilities with the state. Local governments have consistently supported efforts to contain program costs, particularly the private day special education program. VML adamantly opposes the capping of state funding responsibility for this and any other component of the CSA program, which simply shifts the funding burden for mandated services onto local governments.

Fire/E911 Funding

VML supports maintaining the current distribution of aid to localities from the Virginia Fire Program Fund until a more complete examination of funding needs, administration, and distributions can be conducted; the current study is not broad enough to serve as a basis for meaningful change.

VML supports the Virginia Department of Emergency Management's request to appropriate the estimated $40M from the E-911 Wireless Fund to localities; an administrative issue in 2026 meant that this money was not appropriated to the detriment of local 911 system operations.

Local and Regional Juvenile Detention Facilities

Local and regional juvenile detention facilities play an integral role in the continuum of Virginia's juvenile justice system. A major consideration in maintaining the system of local and regional detention facilities is to serve youth closer to their families, their community support systems, the courts with which they are involved, and their legal counsel.

Any state-level discussion of the future of this system, including efforts involving closures or consolidations, must include the major stakeholders in the system, such as members of the juvenile and domestic relations courts system, detention facility managers, and youth/family advocates.

Discussions should also consider regions looking to open facilities to serve their communities and avoid sending youth long distances for placement; include examination of ways the state can improve investments in facilities to update key infrastructure; address behavioral health needs of youth and their families to improve outcomes; and find ways to effectively address state requirements for educational services.

Local Excise Taxes

VML supports the statewide authority for local governments to establish an excise tax on the sale of vaping products.

Prioritizing State Funding in Response to Changes in Federal Funding

As the federal government fundamentally changes its funding relationship with states, localities, and organizations that serve communities, VML asks that the state prioritize its resources for vital services to help protect and serve children, families, and the most vulnerable in our communities.

Referendum Authority for Towns

VML supports inclusion of towns in any legislation authorizing referenda by local governments.

Short Term Rental Registry Exemptions

Virginia Code Section 15.2-983(B)(2), enacted in 2017, created several broad exemptions from local short-term rental registry requirements. These exemptions have created health, safety, welfare, and transparency concerns for Virginia localities. VML supports narrowing or removal of these broad exemptions.

Statewide Building Code - Lis Pendens

VML supports expanding the lis pendens statute to allow a memorandum of lis pendens to be filed when there is an underlying action seeking to enforce the Virginia Statewide Building Code and to amend *Code of Virginia* Section 36-105(C)(4) to provide that if a lis pendens has been filed, a new notice of violation does not need to be issued for the same violation, and any pending non-criminal enforcement action, or enforcement appeal may continue with the new purchaser.

State-mandated Tax Policy Changes and Local Revenue

Locally elected officials understand the needs of their community as well as the burden of taxation on their constituents. The Commonwealth should refrain from encroaching upon the responsibility of local officials by imposing additional exemptions from locally generated revenues or imposing additional red tape that make it more difficult to raise revenue in their communities.

Stormwater Local Assistance Fund (SLAF)/Water Quality Improvement Fund (WQIF) Full Funding

VML supports the continued full state funding for the Stormwater Local Assistance Fund (SLAF) and the Water Quality Improvement Fund (WQIF) to include projects currently in progress.

Sovereign Immunity

Expanding liability and eroding immunities at state levels across the nation have had a chilling effect on the actions of local government officials contributing to local government insurance problems, creating immense financial risks (particularly for legal costs), and posing a substantial obstacle to the provision of needed public services. The Virginia General Assembly should strengthen and must maintain the principles of sovereign immunity for local governments and their officials.

Support Establishment of the Virginia Water Affordability Program

VML supports the establishment of the Virginia Water Affordability Program using State general funds to provide support for municipal utility customers with delinquent utility payments,

Support for Public Education

A General Assembly joint subcommittee continues to address recommendations from the 2023 Joint Legislative Audit and Review Commission (JLARC) report on the Standards of Quality (SOQ), including recommendations on updating the SOQ in the short- and long-run. VML encourages the General Assembly to expeditiously implement and fund the JLARC recommendations to more equitably share the costs of K-12 public education with local governments and to ensure the overall success of students across the Commonwealth.

VML supports innovation in public schools but opposes efforts to limit local authority or to divert state funds from the public education system.

Transportation Funding – Annual Maintenance Payments

VML supports maintaining or increasing the annual maintenance payment rates set by the Commonwealth Transportation Board; VML opposes any reduction in these payments.

Virginia Alcohol Safety Action Program (VASAP)

The *Code of Virginia* requires that individuals convicted of DUI enroll in, and successfully complete, an alcohol safety action program. The financial sustainability of the program, originally intended to be funded completely with client fee revenues, remains an open question. The Commonwealth should provide appropriate funding from its own resources and not shift responsibility for program administration and funding to localities for this state-mandated program.

Town of Herndon

2027 General Assembly Legislative Priorities and Advocacy Positions

PRIORITIES

Preserve Local Land Use and Planning Authority

Support legislation that preserves local authority over land use, zoning, development approvals, urban design, and community planning.

Oppose legislation that:

- Mandates by-right development without meaningful local review.
- Preempts local zoning authority.
- Imposes statewide housing production mandates.
- Eliminates local discretion regarding development standards, site design, density, parking, or infrastructure adequacy.

Local elected officials are best positioned to balance housing needs, transportation capacity, public facilities, environmental protection, and neighborhood compatibility.

The 2026 General Assembly continued a trend toward increasing state involvement in local housing and zoning decisions, including by-right affordable housing provisions. We can expect this trend to continue in 2027.

Advocacy Actions

- Support retention of local zoning authority.
- Support flexible tools for affordable housing implementation.
- Oppose additional state preemption of local land-use decisions.

Preserve Local Government Workforce Flexibility – Collective Bargaining

Herndon supports good-faith collective bargaining where locally adopted, but opposes any statewide structure that treats a 25,000-person town the same as Fairfax County, Virginia Beach, or a large school division.

Support the ability of local governments to recruit, retain, and fairly compensate employees while preserving local budget authority, management rights, and operational flexibility.

Support legislation that maintains collective bargaining as a locally adopted option and recognizes the substantially different capacity of smaller municipalities. For any statewide public-sector collective bargaining framework, support an exemption, opt-in structure, delayed implementation, or modified compliance path for municipalities with populations under 50,000.

At minimum, support language that:

- Preserves local ordinances adopted before any statewide framework.
- Allows small localities to define appropriate bargaining units, eligible employee groups, and negotiable subjects.
- Protects local authority over staffing levels, deployment, discipline, management rights, budget preparation, appropriations, and matters controlled by state or federal law.
- Prevents a statewide board from requiring broader bargaining units than those locally authorized.
- Provides state funding, technical assistance, and phased implementation for any new administrative, legal, or labor-relations requirements.
- Ensures that dispatch, public safety, public works, and small departments are not swept into one-size-fits-all bargaining models without local governing body approval.

Oppose Unfunded Mandates

Support legislation that provides sufficient state funding whenever new local responsibilities, programs, reporting requirements, staffing obligations, or regulatory requirements are imposed.

Oppose legislation that:

- Creates new local requirements without dedicated funding.
- Transfers state responsibilities to local governments.
- Requires significant local expenditures without state financial assistance.

Local governments continue to face increasing costs associated with environmental regulation, infrastructure maintenance, housing initiatives, public safety, and labor requirements.

Advocacy Actions

- Require fiscal impact analysis for legislation affecting local governments.
- Seek state funding for all new compliance requirements.
- Support state assumption of costs associated with state-mandated programs.

Support Local Flexibility in Housing Development

Support legislation that expands local tools to encourage housing affordability while preserving local implementation flexibility.

Support:

- Affordable dwelling unit programs.
- Workforce housing incentives.
- Rehabilitation of existing housing stock.
- Housing grants and financing assistance.

Oppose:

- Mandatory statewide or locality housing quotas.
- Development mandates that bypass infrastructure planning.

The Town supports increasing housing opportunities while retaining the ability to address local conditions and infrastructure constraints.

Protect Meaningful Local Review of Major Infrastructure Projects*

Position

Support legislation that preserves local participation in decisions regarding:

- Data centers.
- Utility corridors.
- Transmission facilities.
- Energy infrastructure.
- Battery energy storage facilities.
- Telecommunications facilities.

Northern Virginia continues to experience significant infrastructure demands associated with economic growth, technological development, and energy consumption.

Local governments should retain meaningful opportunities to evaluate impacts on:

- Neighborhoods.
- Transportation networks.
- Water resources.

- Public facilities.
- Environmental resources.

Advocacy Actions

- Support local notice and review requirements.
- Oppose broad state preemption of local infrastructure oversight.
- Support regional coordination efforts.

**Governor's September 17, 2026 Executive Order*

Support Transportation Safety and Mobility

Position

Support legislation that provides local governments with tools to improve transportation safety.

Support:

- Automated speed enforcement in appropriate locations.
- Pedestrian and bicycle safety initiatives.
- Transit-oriented infrastructure investments.
- Regional transportation funding.
- Local authority to use automated safety tools, including red-light safety cameras, school-zone speed enforcement, pedestrian safety enforcement, and other proven traffic safety measures, with appropriate due-process, signage, privacy, and reporting requirements.
- Allowing localities to retain revenues from traffic safety programs for transportation safety, pedestrian and bicycle infrastructure, Safe Routes to School, local systemic safety improvements, and roadway redesign.

Transportation safety remains a priority for residents and businesses, especially in and around Metro stations.

Advocacy Actions

- Support local flexibility in implementing transportation safety programs.
- Preserve local authority regarding traffic management tools.

Protect Local Fiscal Sustainability

Support legislation that:

- Preserves existing local revenue sources.
- Provides revenue options to address growing service demands.
- Ensures equitable distribution of state funding.

Oppose legislation that:

- Erodes local revenues.
- Shifts state costs to local governments.
- Creates fiscal obligations without corresponding resources.

Preserve Local Authority to Protect Community Character and Environmental Resources

Position

Support local authority related to:

- Open space protection.
- Historic Districts
- Tree canopy preservation.
- Urban forestry programs.
- Environmental stewardship initiatives.

Local governments should retain flexibility to balance redevelopment objectives and environmental protection goals.

Preserve Local Authority Over Cannabis, Hemp, Tobacco, and Vape Retail Uses

Support a safe, well-regulated cannabis and hemp retail framework that preserves local zoning, business licensing, public safety, code enforcement, signage, distance-separation, and land-use authority.

Support local authority to regulate the location and operation of cannabis, hemp, tobacco, vape, and related retail uses, particularly near schools, parks, day care facilities, residential neighborhoods, and youth-serving uses.

Oppose legislation or regulations that preempt local zoning, eliminate local review, or limit the Town's ability to address public safety, nuisance, signage, odor, hours of operation, clustering, or enforcement concerns.

Support local revenue authority and state enforcement resources sufficient to address inspection, licensing, public education, and illegal-market enforcement impacts.

Protect Local Authority Over Gaming, Casinos, and Skill Games

Oppose legislation authorizing casino gaming, electronic skill games, or other expanded gaming activity in Northern Virginia without meaningful local approval, regional impact analysis, and local authority over zoning, enforcement, public safety, and revenue allocation.

Oppose any casino legislation that designates Fairfax County or a Silver Line-adjacent location as eligible for casino gaming without the support of the affected local governing bodies and without analysis of transportation, public safety, economic displacement, problem-gaming, and community impacts.

If the General Assembly considers regulating electronic skill games or creating a consolidated gaming commission, support strong local opt-in/opt-out authority, zoning controls, enforcement funding, machine caps, public safety protections, and direct local revenue sharing.

Protect Ratepayers and Local Participation in Utility Decisions
Support strong State Corporation Commission review of utility mergers, acquisitions, rate cases, transmission projects, and energy infrastructure proposals that affect local governments, residents, and small businesses.

Support meaningful public participation, including accessible in-person hearings in affected regions, transparent ratepayer-impact analysis, and protections ensuring that residential customers, small businesses, and local governments do not subsidize infrastructure costs driven primarily by large high-energy users.

Oppose legislation that weakens SCC oversight, limits local participation, or shifts energy, transmission, or infrastructure costs onto local ratepayers without clear public benefit.

Support Practical Transparency and FOIA Compliance
Support transparency measures that improve public access to local government information while preserving workable procedures for small localities.

Oppose unfunded technology, posting, translation, archival, or reporting mandates that impose significant administrative burdens without state support.

Support reasonable flexibility for electronic meetings, advisory bodies, emergency meetings, agenda management, and small-board compliance.

Code of Virginia
Title 58.1. Taxation
Subtitle III. Local Taxes
Chapter 32. Real Property Tax
Article 3. Other Exemptions, Credits, Partial Abatement, Apportionments, Classifications

§ 58.1-3221.1. Classification of land and improvements for tax purposes

A. In the Cities of Charlottesville, Fairfax, Falls Church, Fredericksburg, Newport News, Poquoson, Richmond, and Roanoke, improvements to real property are declared to be a separate class of property and shall constitute a separate classification for local taxation of real property.

B. The governing body of the City of Charlottesville, the City of Fairfax, the City of Falls Church, the City of Fredericksburg, the City of Newport News, the City of Richmond, and the City of Roanoke, after giving public notice and an opportunity for the public to be heard in the manner provided in § 58.1-3007, may levy a tax on the property enumerated in subsection A at a different rate than the tax imposed upon the land on which it is located, provided that the rate of tax on the property described in subsection A shall not be zero and shall not exceed the rate of tax on the land on which it is located.

C. Nothing in this section shall be construed to permit the City of Charlottesville, Fairfax, Falls Church, Fredericksburg, Newport News, Poquoson, Richmond, or Roanoke to alter in any way its valuation of real property covered by this section.

D. The governing body of the City of Poquoson, after giving public notice and an opportunity for the public to be heard in the manner provided in § 58.1-3007, may levy a tax on the property enumerated in subsection A at a different rate than the tax imposed upon the land on which it is located, provided that the rate of tax on the property described in subsection A shall not be zero.

2002, c. 16;2003, c. 164;2011, c. 146;2020, c. 790;2026, c. 100.

The chapters of the acts of assembly referenced in the historical citation at the end of this section(s) may not constitute a comprehensive list of such chapters and may exclude chapters whose provisions have expired.

Agenda Item: **Approval of the October 6, 2026, Town Council Work Session Minutes**

Meeting Date: November 17, 2026

Category: Consent

Prepared by: Amanda Kertz, Town Clerk

Description:
This is a request for Approval of the October 6, 2026, Town Council Work Session Minutes.

Background/Timing Impact:
Town Council minutes are typically presented for approval in chronological order. Action on the minutes is an important function of the Town Council.

Strategic Focus Area:
Good Governance

Fiscal Impact:
N/A

Legal Impact:
Code of Virginia Section 2.2-3707 outlines the requirements for the recording of minutes for the governing body.

Staff Recommendation/Next Steps:
Recommend approval as presented.

Attachments:
1. Draft Minutes

HERNDON TOWN COUNCIL
Work Session Minutes
Tuesday, October 6, 2026

1. Call to Order

Mayor LeBlanc called the October 6, 2026, Town Council meeting to order at 6:00 p.m. in the Herndon Police Department's Community Room, 397 Herndon Parkway, Herndon, Virginia. In attendance were Mayor Keven LeBlanc; Vice Mayor Clark Hedrick; and Councilmembers Cesar del Aguila, Kelvin Garcia, Michael T. Lloyd, and Alex Reyes.

Mayor LeBlanc determined there was a quorum of six Councilmembers present. Councilmember Alam was absent.

2. Closed Meeting

a. A Closed Meeting pursuant to the Code of Virginia Section 2.2-3711(A)(8), consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, regarding pending litigation

Mayor LeBlanc stated that the Council needed to go into a closed meeting and that the appropriate meeting notices were provided in accordance with state law. The closed meeting was held in the Community Room of the Herndon Police Department, 397 Herndon Parkway, Herndon, Virginia.

Vice Mayor Hedrick moved that the Council convene in a closed meeting to discuss the following as permitted by Code of Virginia Section 2.2-3711(A)(8), consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, regarding pending litigation. Councilmember Garcia seconded the motion, which carried by a 6-0 roll call vote. The vote was: Councilmembers del Aguila, Garcia, Lloyd, Reyes, Vice Mayor Hedrick, and Mayor LeBlanc voting “Aye.” Councilmember Alam was absent.

The Council went into closed meeting at 6:00 p.m.

Councilmember Reyes moved to come out of the closed meeting. Vice Mayor Hedrick seconded the motion, which carried by a 6-0 roll call vote. The vote was: Councilmembers del Aguila, Garcia, Lloyd, Reyes, Vice Mayor Hedrick, and Mayor LeBlanc voting “Aye.” Councilmember Alam was absent.

The Council came out of the closed meeting at 6:45 p.m.

Vice Mayor Hedrick moved to certify that, to the best of each member's

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knowledge, in the closed meeting just concluded, nothing was discussed except the matter or matters (1) specifically identified in the motion to convene in closed meeting and (2) lawfully permitted to be discussed in a closed meeting under the provisions of the Virginia Freedom of Information Act as cited in that motion. Councilmember del Aguila seconded the motion, which carried by a 6-0 roll call vote. The vote was: Councilmembers del Aguila, Garcia, Lloyd, Reyes, Vice Mayor Hedrick, and Mayor LeBlanc voting “Aye.” Councilmember Alam was absent.

Aye: 6
Nay: 0
Absent: 1

Vote following closed session:

Mayor LeBlanc moved to appeal the ruling of Town of Herndon v. Comstock. Motion seconded by Councilmember del Aguila. The question was called on the motion, which carried by a 6-0 roll call vote. The vote was: Councilmembers del Aguila, Garcia, Lloyd, Reyes, Vice Mayor Hedrick, and Mayor LeBlanc voting “Aye.” Councilmember Alam was absent.

Recess

At 6:47 p.m. Mayor LeBlanc called a brief recess, and at 7:03 p.m., the October 6, 2026, Town Council work session meeting reconvened in the Herndon Police Department Community Room, with six Councilmembers present, and Mayor LeBlanc presiding.

Work Session

Staff present during the meeting: Kirstyn Barr Jovanovich, Interim Town Manager; Lesa Yeatts, Town Attorney; Lisa Gilleran, Director of Community Development; MJ Johnson, Director of Public Works/Public Utilities; Lauri Sigler, Deputy Town Attorney; David Stromberg, Zoning Administrator; and Amanda Kertz, Town Clerk.

Amend the Agenda

Mayor LeBlanc stated that the Council needed to add a closed meeting topic to the end of the agenda that evening.

Councilmember del Aguila moved to add a closed meeting topic at the end of the meeting pursuant to the Code of Virginia Section 2.2-3711(A)(8), consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, regarding an employment law matter, and that the agenda be so amended.

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Motion seconded by Vice Mayor Hedrick.

The question was called on the motion which carried by a 6-0 roll call vote, without comment. The vote was: Councilmembers del Aguila, Garcia, Lloyd, Reyes, Vice Mayor Hedrick, and Mayor LeBlanc voting “Aye.” Councilmember Alam was absent.

Mayor Announcements

Mayor LeBlanc announced that Council had previously met in a closed meeting, with a quorum of six members present, pursuant to State Code requirements.

3. Discussion

a. Virginia Main Street Program Discussion

Mayor LeBlanc recognized Collin Okoniewski, Economic Development Manager, for the staff presentation. Mr. Okoniewski reviewed staff’s coordination with community members and the Downtown Early Action Plan (EAP) Committee to pursue a Virginia Main Street designation. In June, the Downtown EAP recommended using the program as a framework for establishing a community-based downtown organization. He outlined the program’s four components: economic vitality, design, promotion, and organization, and its three participation tiers: Exploring Main Street, Mobilizing Main Street, and Advancing Virginia Main Street.

Mr. Okoniewski discussed the potential benefits for Herndon, including state assistance and grant funding opportunities. He then reviewed the process for establishing a local organization, forming a board of directors, and obtaining nonprofit status. He noted that Herndon would be the only active town in Fairfax County pursuing the Main Street designation and that Council could consider a resolution supporting participation in the program at its next regular meeting.

There was discussion among the Council and staff about supporting the Main Street program, including:

1. Changes in the Town since the Virginia Main Street program was last discussed several years ago.

   Ms. Jovanovich noted that previous challenges may have included needing a group to lead the effort. She stated that the Town would need to provide initial funding, with support decreasing over time as the local organization secured its own funding. Funding could be considered during the next budget process, as no funding requirements were included in this item.

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2. Assistance available through Virginia Main Street to help establish a local organization and staff's intent to coordinate with Fairfax County on the program.

3. How a Main Street program could work with a potential Business Improvement District (BID). Discussion included the possibility of a future BID in the Metro area, while the proposed Main Street program would focus on Downtown.

4. A request from Councilmember del Aguila for staff to engage businesses throughout the Town. Mr. Okoniewski stated that staff intended to be inclusive of all downtown businesses, while engaging the broader community.

5. Staff's role in supporting the local Main Street organization and the timeline for implementing the program.

6. The process for establishing a local Main Street organization, including forming a board of directors, obtaining nonprofit status, and how the organization would coordinate with the Town. Discussion included consideration of a memorandum of understanding (MOU) to establish roles, responsibilities, and financial support.

7. Potential boundaries for the downtown Main Street district, including the role of the W&OD Trail as a thoroughfare in downtown Herndon.

8. Support from the downtown business group formed last year, which staff had invited to participate in planning for the program.

Following discussion, and with the consensus of Council, staff was directed to proceed with preparing a resolution supporting participation in the Virginia Main Street program for the Consent Agenda at the next Town Council regular meeting.

b. <u>Legislative Agenda Discussion</u>

Mayor LeBlanc recognized Lesa Yeatts, Town Attorney, for the staff presentation. Ms. Yeatts reviewed the Town's draft 2027 General Assembly Legislative Priorities and Advocacy Positions. She noted that staff would return in November with a proposed legislative agenda for Council's consideration, after receiving the Virginia Municipal League's (VML) legislative positions, which are being considered at its upcoming conference. She referenced recent meetings with State representatives Delegate Irene Shin and Senator Jennifer Boysko, which were held to discuss the upcoming General Assembly session.

Ms. Yeatts reviewed the Town's proposed legislative priorities, including preserving local authority over land use, planning, workforce matters, housing,

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infrastructure, transportation, fiscal sustainability, environmental resources, regulated retail uses, gaming, and utility decisions. Additional priorities included opposing unfunded mandates and supporting transparency and Freedom of Information Act (FOIA) compliance. She noted that casino gaming legislation was expected to be considered during the upcoming General Assembly session.

Ms. Yeatts also discussed a proposal from Delegate Shin to add the Town of Herndon to the list of localities authorized to implement a land value tax in Virginia. She noted that the authority had not been exercised by eligible Virginia localities and that adding Herndon would allow Council to consider this tax structure without requiring implementation. She referred to potential benefits for redevelopment and investment and emphasized the need to study how this tax would impact taxpayers and property values.

There was discussion among the Council and staff on the proposed Legislative Program, including:

1. The potential impacts of a land value tax, including possible incentives for redevelopment, improvements to existing properties, and the development of vacant commercial properties. Discussion included potential tax implications for residential and commercial property owners, land speculation, and unintended economic impacts.

2. Discussion about the experience of other localities authorized to implement a land value tax, including why the authority had not been exercised in Virginia.

3. Vice Mayor Hedrick discussed the use of similar tax structures in other states and how it may encourage development of vacant properties.

4. The application of a land value tax to historic properties and whether the Town's Historic District could affect implementation.

5. The Town's ability to implement a land value tax independently of Fairfax County's property assessment process.

6. Potential revenue from skill games and the need to include towns in any revenue distribution processes.

During the discussion on the land value tax, Mayor LeBlanc noted that the authority could provide the Town with another option to encourage property improvements and redevelopment. He indicated that he would discuss the proposal with other local mayors at the upcoming VML Conference.

Following discussion, and with the consensus of Council, staff was asked to request Delegate Shin to add the Town of Herndon to the list of Virginia localities

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authorized to implement a land value tax. Staff was also directed to prepare the 2027 General Assembly Legislative Agenda, incorporating Council's discussion, for consideration at the Town Council's November regular meeting.

c. <u>Updates to State Law Regarding Regulation of Retail Locations for Tobacco, Nicotine, and Hemp Products and the Implementation of Virginia's Retail Cannabis Marketplace</u>

Mayor LeBlanc recognized Lauri Sigler, Deputy Town Attorney, and David Stromberg, Zoning Administrator, for the staff presentation.

Mr. Stromberg provided an overview of the state law that provided localities options for some regulation of retail tobacco, nicotine, and hemp products. He stated that localities can prohibit new establishments from operating within 1,000 feet of a public or private school or commercial daycare. He noted that the restriction would not apply retroactively and discussed commercial areas near Herndon Middle School that could be affected. He reviewed the process for adopting a Zoning Ordinance Text Amendment (ZOTA), administrative requirements, and potential impacts on businesses.

There was discussion among the Council and staff on the locality's authority to regulate retail tobacco, nicotine, and hemp, including:

1. Consideration of a 1,000-foot restriction for tobacco, nicotine, and hemp retailers. Discussion included how the distance would be measured from school property boundaries, whether the regulations would apply to schools located outside the Town's borders, and which commercial properties near Herndon Middle School could be affected.

2. How proposed restrictions would apply to existing businesses, changes in ownership, and nonconforming status.

3. Exemptions for businesses holding certain retail Virginia Alcoholic Beverage Control (ABC) licenses, and whether the proposed restrictions would apply to convenience stores or similar retail establishments.

4. The distinction between taxation on tobacco and vape retailers and the cannabis sales tax.

Lauri Sigler, Deputy Town Attorney, continued the presentation. She reviewed recent changes to state law that established the Virginia Cannabis Control Authority, new licensing requirements, and the implementation dates under the new state authority. She discussed actions required by the Town, highlighting the requirement to establish a local cannabis sales tax between one and 3.5 percent by May 1, 2027. She noted that the adoption of the tax would have to follow all budgetary public hearing requirements. She stated that the Town must also adopt

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administrative procedures under the Virginia Cannabis Control Authority regarding the reviewing of license applications. She discussed key implementation dates and the types of licenses that the state authority is going to issue.

Mr. Stromberg continued the presentation and reviewed the limitations on local authority, including the inability to prohibit cannabis businesses, being unable to establish a local cap on the number of establishments, and not being able to impose a tax rate higher than 3.5 percent. Mr. Stromberg then reviewed optional actions available to the Town, including amendments to the Zoning Ordinance addressing cannabis-related uses, setbacks, buffers, and site plan requirements. He stated that any changes to the Town's zoning ordinance should be adopted by May 1, 2027, in accordance with when the state can issue cannabis licenses.

Ms. Sigler discussed additional options to regulate public consumption, hours of sale, and the need to review existing Town ordinances for consistency with state law. She also referenced information regarding the potential water consumption of cannabis cultivation facilities versus the water consumption of data centers, citing an article in "*Cardinal News*."

There was discussion among Council and staff on the updates to the state laws pertaining to cannabis, including:

1. Actions the Town can take to regulate cannabis retail locations and those that are governed by the state authority. Ms. Sigler stated that staff will check if the Town has authority over the distance between cannabis shops. She stated that new regulations had been released for public review, and she would review them to see if such provisions were included.

2. The potential water consumption of cannabis cultivation facilities. Staff indicated that further review would be needed to determine the extent of the Town's authority.

3. The proposed local cannabis sales tax rate: Councilmember del Aguila expressed support for adopting a 3.5 percent taxation rate.

4. The timeline for adopting the required cannabis tax ordinance and any proposed zoning amendments. Discussion included the need to consider the tax rate before the Town's budget discussions and to consider potential zoning amendments by March or April 2027.

Following discussion, and with the concurrence of Council, staff was directed to bring the cannabis item forward at a future Town Council work session for further discussion of the implementation timeline and potential ordinance amendments.

d. <u>Private Pipestem/Driveway Trash Collection Policy</u>

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Mayor LeBlanc recognized Kirstyn Jovanovich, Interim Town Manager, for the staff presentation. Ms. Jovanovich stated that refuse collection from private pipestem driveways had recently been a matter of public interest. She noted that there were 54 pipestems in the Town and introduced MJ Johnson, Director of Public Works/Public Utilities, for the staff presentation.

Mr. Johnson provided an overview of the Town's refuse collection policies and procedures, explaining that the Town collects refuse from public and private streets but does not collect directly from private driveways or pipestems. He discussed concerns raised by residents regarding transporting refuse containers to the nearest public right-of-way, mobility challenges, and the Town's ability to safely provide refuse collection, snow removal, and leaf and yard waste collection services.

Mr. Johnson reviewed the Town's Backyard Collection program, which allows residents to request reasonable accommodations for the collection of household refuse, recycling, and bagged yard waste directly from their property. He stated that all residents can apply to the program by emailing the Department of Public Works. Applications are reviewed by staff for approval. The application includes authorization for staff to access the property and requires the property owner to hold the Town harmless. He noted that approved accommodations do not transfer to subsequent property owners and that residents should notify the Town if the circumstances supporting their accommodation change.

Mr. Johnson explained that the pavement on private pipestem driveways is not thick enough to safely support the weight of the Town's refuse collection trucks. Ms. Jovanovich noted that the pipestem in the Herndon Park Station neighborhood had been repaved twice in the past ten years.

There was discussion among Council and staff on pipestem trash collection, regarding:

1. Differences between public and private streets, driveways, and pipestems, including Fairfax County's construction standards for pipestems and the weight of refuse collection vehicles.

2. The Backyard Collection application process; including eligibility, property access requirements, and the ability to apply to the program without an additional fee.

3. Factors staff may consider when reviewing applications, particularly safety concerns with refuse trucks remaining in the right-of-way while staff collect refuse from residential properties.

4. Potential operational impacts when refuse trucks remain stationary while staff retrieve the containers, especially in the Herndon Park Station

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neighborhood.

5. A request to consider using smaller, lighter trucks to collect refuse from pipestems.

During the discussion of vehicle weights and the potential use of smaller collection trucks, Ms. Jovanovich noted that the Town Code includes provisions regarding refuse collection on private pipestems.

Following discussion, and with the consensus of Council, Ms. Jovanovich stated that staff would follow up with affected residents regarding the Backyard Collection application process and review any applications received. She also noted that while Council could explore other approaches to pipestem refuse collection, any changes should consider the impact on services for all 54 pipestems in the Town.

4. Roundtable

Councilmember del Aguila: no comments

Councilmember Reyes: no comments.

Councilmember Lloyd: acknowledged recent higher-profile setbacks and expressed that these events should not overshadow the positive activities and events taking place throughout the community.

Councilmember Garcia: expressed concerns regarding the Herndon Youth Soccer program, particularly its board elections and governance. He stated that he was working with residents to address their concerns and would provide updates to Council as information became available. He also noted the organization's use of Town playing fields.

Vice Mayor Hedrick: echoed Councilmember Lloyd's comments about the positive events in the community. He thanked Ms. Jovanovich for stepping into the Interim Town Manager role, along with department directors and staff for their work.

Mayor LeBlanc: stated that he is attending the Virginia Municipal League (VML) Conference and Mayors Conference starting on Saturday, October 10. He encouraged Councilmembers to share any matters they would like him to raise during the conference and noted his earlier commitment to speaking with local mayors about the land value tax item.

Kirstyn Jovanovich, Interim Town Manager: provided the updates on the following:

1. Herndon Municipal Center (HMC): The building is now closed to the public for HVAC and entrance improvements as part of the Town's Energy Savings Performance Contract (ESCO) project. Staff have been temporarily

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relocated within the 397 Herndon Parkway building, and meetings would continue at the temporary location at the Herndon Police Department Community Room through the end of the year.

2. Herndon 2050 Comprehensive Plan: Approximately 170 community members attended the recent open house at the Herndon Community Center. Ms. Jovanovich thanked attendees for their participation and recognized Community Development and other staff who supported the event. She noted that the community survey is open for submissions through October 27, 2026, and that additional outreach events were planned for the coming months.

3. Comstock Litigation: Provided an update on the litigation involving Comstock, including a motion for summary judgment, removal of the scheduled trial date, and the court's dismissal of the case. She stated earlier that evening, Council had voted to appeal the court's decision in open session following their closed session. Staff will keep Council and the public informed during the process and will post updates to the Town's website.

5. <u>Closed Meeting</u>

a. A Closed Meeting pursuant to the Code of Virginia Section 2.2-3711(A)(1), for discussion of prospective candidates relative to appointments to boards and commissions

b. A Closed Meeting pursuant to the Code of Virginia Section 2.2-3711(A)(8), consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, regarding specific public safety plans

c. A Closed Meeting pursuant to the Code of Virginia Section 2.2-3711(A)(8), consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, regarding an employment law matter

Mayor LeBlanc stated that the Council needed to go into a closed meeting, which includes the additional item that was added to the agenda earlier in the meeting. The closed meeting was held in the Herndon Police Department Community Room, 397 Herndon Parkway, Herndon, Virginia.

Vice Mayor Hedrick moved that the Council convene in a closed meeting to discuss the following as permitted by Code of Virginia:

Section 2.2-3711(A)(1), for discussion of prospective candidates relative to appointments to boards and commissions;

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Section 2.2-3711(A)(8), consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, regarding specific public safety plans; and

Section 2.2-3711(A)(8), consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, regarding an employment law matter.

Councilmember Garcia seconded the motion, which carried by a 6-0 roll call vote. The vote was: Councilmembers del Aguila, Garcia, Lloyd, Reyes, Vice Mayor Hedrick, and Mayor LeBlanc voting “Aye.” Councilmember Alam was absent.

At 9:12 p.m., Mayor LeBlanc called a brief recess, and at 9:32 p.m., the closed meeting reconvened in the Herndon Police Department Community Room, six members present, with Mayor LeBlanc presiding. Councilmember Alam was absent.

Councilmember Garcia moved to come out of the closed meeting. Motion seconded by Councilmember Reyes and carried by a 6-0 roll call vote. The vote was: Councilmembers del Aguila, Garcia, Lloyd, Reyes, Vice Mayor Hedrick, and Mayor LeBlanc voting “Aye.” Councilmember Alam was absent.

The Council came out of closed meeting at 9:54 p.m.

Vice Mayor Hedrick moved to certify that, to the best of each member's knowledge, in the closed meeting just concluded, nothing was discussed except the matter or matters (1) specifically identified in the motion to convene in closed meeting and (2) lawfully permitted to be discussed in a closed meeting under the provisions of the Virginia Freedom of Information Act as cited in that motion. Motion seconded by Councilmember del Aguila and carried by a 6-0 roll call vote. The vote was: Councilmembers del Aguila, Garcia, Lloyd, Reyes, Vice Mayor Hedrick, and Mayor LeBlanc voting “Aye.” Councilmember Alam was absent.

Aye: 6
Nay: 0
Absent: 1

6. Adjournment

There being no further business, Mayor LeBlanc adjourned the October 6, 2026, Town Council Work Session at 9:56 p.m.

Amanda M. Kertz
Town Clerk
Minutes approved by Town Council: _____

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Town Council Regular Meeting
Agenda Item 7.i.

Agenda Item: **Approval of the October 27, 2026, Town Council Regular Meeting Minutes**

Meeting Date: November 17, 2026

Category: Consent

Prepared by: Amanda Kertz, Town Clerk

Description:
This is a request for Approval of the October 27, 2026, Town Council Regular Meeting Minutes.

Background/Timing Impact:
Town Council minutes are typically presented for approval in chronological order. Action on the minutes is an important function of the Town Council.

Strategic Focus Area:
Good Governance

Fiscal Impact:
N/A

Legal Impact:
Code of Virginia Section 2.2-3707 outlines the requirements for the recording of minutes for the governing body.

Staff Recommendation/Next Steps:
Recommend approval as presented.

Attachments:
1. Draft Minutes

HERNDON TOWN COUNCIL
Regular Meeting Minutes
Tuesday, October 27, 2026

1. Call to Order

Mayor LeBlanc called the October 27, 2026, Town Council meeting to order at 7:00 p.m. in the Herndon Police Department Community Room, 397 Herndon Parkway, Herndon, Virginia. In attendance were Mayor Keven LeBlanc; Vice Mayor Clark Hedrick; and Councilmembers Cesar del Aguila, Kelvin Garcia (arrived at 7:05 p.m.); Michael T. Lloyd, and Alex Reyes.

Councilmember Naila Alam was absent.

Staff present during the meeting: Kirstyn Barr Jovanovich, Interim Town Manager; Lesa Yeatts, Town Attorney; Captain Steven Brown, Herndon Police Department; Tanya Kendrick, Chief of Staff/Director of Human Resources; Collin Okoniewski, Acting Deputy Town Manager/Economic Development Manager; and Amanda Kertz, Town Clerk.

2. Pledge of Allegiance to the Flag of the United States of America

Mayor LeBlanc led the audience in the Pledge of Allegiance to the Flag of the United States of America.

Determination of a Quorum:

Mayor LeBlanc determined there was a quorum of five Councilmembers present. Councilmember Garcia had not yet arrived, and Councilmember Alam was absent.

Mayor Announcements

Mayor LeBlanc provided updates on the following events:

1. The next Town Council work session will be held on Wednesday, November 4, 2026, due to Election Day on November 3.
2. The Town Council and Planning Commission will hold a joint workshop on Tuesday, November 10.
3. The next Town Council regular meeting is on Tuesday, November 17. Town Council meetings will be held at the Herndon Police Department Community Room through the end of the year due to ongoing repairs at the Herndon Municipal Center.
4. Election Day is on Tuesday, November 3. Early voting information, including locations and hours, is available on the Fairfax County Office of Elections website.

5. Halloween is on Saturday, October 31. Fairfax County's Halloween safety resources are available at fairfaxcounty.gov/news/guide-to-halloween.
6. The Town's "Teen Fridays" program for middle school students will begin on Friday, October 30, from 3:00 to 6:00 p.m. at the Herndon Community Center.
7. The annual Veterans Day Observance, hosted by American Legion Post 184, will be held on Wednesday, November 11, at 11:00 a.m. on the Town Green. Mayor LeBlanc would present a proclamation honoring veterans. Town offices will be closed in observance of Veterans Day.

3. Presentations/Reports/Comments

a. Town Manager Report

Kirstyn Barr Jovanovich, Interim Town Manager, provided updates on the following:

1. Parcel H: Provided an update on the Town's ongoing litigation involving Parcel H and stated that the Town's website would continue to be updated.
2. Route 606 (Sterling Road/Old Ox Road): Loudoun County and the Virginia Department of Transportation (VDOT) will hold a virtual public meeting on Wednesday, November 4, 2026, at 6:00 p.m., regarding the proposed widening of Route 606. She noted the project's potential impacts on traffic patterns, roadway safety, and multimodal access and encouraged public participation.
3. Herndon 2050 Futures Survey: The survey deadline had been extended to November 4, 2026, and she encouraged the public to participate and provide feedback on the Town's Comprehensive Plan.
4. Town Manager's Report: Beginning with the next regular meeting, a written Town Manager's Report will be included in the agenda packet. The report will provide updates on Town activities and follow up on topics raised during Council meetings to keep the Town Council and community informed.

b. Councilmember Comments

Councilmember del Aguila: requested that a discussion regarding the administrative policy for refuse collection exceptions at Herndon Park Station be included in the upcoming Town Council work session agenda.

Councilmember Reyes: encouraged voter participation in the upcoming election on Tuesday, November 3.

Councilmember Garcia: no comments.

Councilmember Lloyd: thanked those that came to the temporary meeting location at the Herndon Police Department Community Room. He noted the strong participation in the Herndon High School Homecoming Parade in October and

congratulated the award recipients. He thanked the Department of Public Works and Herndon Police Department for their efforts in ensuring a successful event.

Vice Mayor Hedrick: thanked the Town staff for their efforts in supporting a successful homecoming parade. He also expressed appreciation for the strong public attendance at the temporary meeting location.

Mayor LeBlanc: echoed comments from his colleagues regarding the Herndon High School Homecoming Parade held on Saturday, October 24. He thanked the Department of Parks and Recreation, Department of Public Works, Herndon Police Department, participating schools, and others for their contributions to the event.

Mayor LeBlanc also recognized the parade award recipients and listed the winners.

Mayor LeBlanc stated that he participated in the following community events:

1. He joined the Herndon High School principal in celebrating longtime resident Maryana James' 107th birthday. He noted that Ms. James had served as a secretary at Herndon High School, and he enjoyed talking with her about Herdon's past.
2. He attended the Mayor's Institute and the Virginia Municipal League (VML) Conference from October 9 through 12 in Norfolk, Virginia, where he met with representatives from other localities.
3. He attended the Dulles Regional Chamber of Commerce's 24th Annual Hispanic Business Reception on Wednesday, September 30. He noted that he presented the Town's National Hispanic Heritage Month proclamation, which had also been recognized at the September 22 Town Council meeting.
4. He discussed food insecurity in the region and encouraged support for Herndon Middle School's food drive, which would continue through November 19. He noted that food donations and gift cards could be delivered to Herndon Middle School to support families in the community.

4. Comments from the Audience

Mayor LeBlanc reviewed the process and asked those who wanted to provide Comments from the Audience to come forward.

The following individuals expressed concerns regarding Herndon Youth Soccer's (HYS) leadership, compliance with bylaws, board elections, financial accountability, transparency, and member participation. Several requested that the Town review its options regarding HYS's use of Town facilities:

- Halla Paskaleva, 1078 Trevino Lane, Herndon: requested the Town's assistance in addressing the concerns.

- Summer Whiteside, 304 Holly Court, Herndon: requested that the Town consider revoking the organization's use of Town facilities, if possible, should concerns not be resolved.

- Alicia Soon, 23602 Hopewell Terrace, Herndon: referenced the August 30 and October 17, 2026, board meetings and requested that the Town review its agreement with HYS.

- Noemi Romero, 1010 Tyler Street, Herndon: requested that the Town investigate the concerns and reconsider its agreement with HYS.

- Alan Balentine, 804 Potomac Ridge Court, Herndon: referenced a member petition and reported having access to organizational communications revoked.

- Aria Vanchose, address not provided: requested that the Town consider revoking HYS permits until a fair and transparent board election is held.

- Mark Lagoa, 12809 Fantasia Drive, Herndon: requested that the Town consider revoking HYS permits until the concerns were addressed.

- Ryan Turpyn, 808 Monroe Street, Herndon: asked whether the Town would consider establishing governance and financial accountability standards for organizations using Town resources.

- Victoria MacGruder, 1553 Brownsville Drive, Herndon: referenced an incident where she stated she was asked to sign a nondisclosure agreement when seeking a board nomination and requested that the Town examine its relationship with HYS.

The following individuals expressed concerns regarding the Town's use of Flock Safety cameras, including privacy, cybersecurity, data collection, and transparency. Several requested that the Town terminate or not renew its contract and remove the cameras:

- Josif Ezekilov, 12919 Alton Square, Herndon: requested that the Town terminate its contract with Flock Safety.

- Victoria Baker, 902 Park Avenue, Herndon: stated that the cameras raised privacy concerns for residents and their families and expressed opposition to their continued use in the Town.

- Ibrahim Keita, 703 Tamarack Way, Herndon: questioned the cameras' effectiveness following a vehicle break-in and requested termination of the contract.

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- Meron Yohannes, 703 Tamarack Way, Herndon - Vice Chair of the Planning Commission: requested that the Town consider suspending or terminating the contract.

- Sabrina Bruce, 11859 Dogwood Court, Herndon: understood that the contract may expire in November and encouraged the Town to consider alternatives that would maintain local control of collected data.

- Katie Andrew, 12869 Graypine Place, Herndon: requested that the Town not renew the contract or expand its use of license plate readers.

- Yasmin Shafiq, 937 Longfellow Court, Herndon: requested that the Town terminate the contract and remove the cameras.

- Elsa Yohannes, 915 Branch Drive, Herndon: requested that the Town discontinue use of the cameras and not renew the contract.

The following individuals expressed concerns regarding changes to refuse collection at Herndon Park Station, and requested the Town's assistance in resolving the matter and restoring the previous collection service:

- Denise Booth, 892 Station Street, Herndon: questioned the classification of the private drive as a pipestem and requested assistance resolving denied Backyard Collection Program applications. She also requested a staff response regarding safety and liability concerns associated with the alley.

- Qunfen Yan, 801 Park Avenue, Herndon: questioned the classification of the private drive as a pipestem, and requested assistance resolving the denied Backyard Collection Program applications. She requested that the email denying her application be entered into the record for the following week's meeting.

- Dianne Mayfield, 819 Monroe Street, Herndon: questioned the consistency of the Backyard Collection Program application process and requested a lasting resolution with the Town relative to the trash collection.

5. Consent

a. Ordinance 26-O-23 to amend Chapter 30 (Finance and Taxation), Article IX (Meals Tax), Section 30-403 (Report of Collections and Remittance of Tax) and Section 30-407 (Violations; Liability of Officers; Penalties and Interest) to clarify due dates, payment deadlines and current practices for penalties and interest calculation

On motion of Vice Mayor Hedrick, seconded by Councilmember Reyes, the Consent Agenda items were approved and carried by a 6-0 roll call vote, as

presented, without comment. The vote was: Councilmembers del Aguila, Garcia, Lloyd, Reyes, Vice Mayor Hedrick, Mayor LeBlanc voting “Aye.” Councilmember Alam was absent.

b. Resolution 26-G-58 to approve and authorize the submission of an application to the Virginia Department of Housing and Community Development for Exploring Main Street status

c. Resolution 26-G-59 to appoint a member to the Architectural and Historic District Review Boards

d. Approval of the September 8, 2026, Town Council Work Session Minutes

e. Approval of the September 22, 2026, Town Council Regular Meeting Minutes

f. Approval of the September 29, 2026, Town Council Closed Meeting — Special Meeting Minutes

6. <u>Closed Meeting</u>

a. A Closed Meeting pursuant to the Code of Virginia Section 2.2-3711(A)(8), consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, regarding an employment law matter

b. A Closed Meeting pursuant to the Code of Virginia Section 2.2-3711(A)(8), consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel regarding taxation

Mayor LeBlanc stated that the Council needed to go into a closed meeting and that the appropriate meeting notices were provided in accordance with state law. The closed meeting was held in the Conference Room at the Herndon Police Department, 397 Herndon Parkway, Herndon.

Vice Mayor Hedrick moved that the Council convene in a closed meeting to discuss the following as permitted by the Code of Virginia:

1. Section 2.2-3711(A)(8), consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, regarding an employment law matter; and
2. Section 2.2-3711(A)(8), consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, regarding taxation.

Motion seconded by Councilmember Garcia, which carried by a 6-0 roll call vote. The vote was: Councilmembers del Aguila, Garcia, Lloyd, Reyes, Vice Mayor Hedrick, Mayor LeBlanc voting “Aye.” Councilmember Alam was absent.

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At 8:09 p.m., Mayor LeBlanc called a brief recess, and at 8:20 p.m. the Council reconvened and entered closed meeting at that time in the Conference Room; six members were present, with Mayor LeBlanc presiding.

Councilmember Garcia moved to come out of the closed meeting. Motion seconded by Councilmember del Aguila, which carried by a 6-0 roll call vote. The vote was: Councilmembers del Aguila, Garcia, Lloyd, Reyes, Vice Mayor Hedrick, Mayor LeBlanc voting “Aye.” Councilmember Alam was absent.

The Council came out of a closed meeting at 8:50 p.m.

Councilmember del Aguila moved to certify that, to the best of each member's knowledge, in the closed meeting just concluded, nothing was discussed except the matter or matters (1) specifically identified in the motion to convene in closed meeting and (2) lawfully permitted to be discussed in a closed meeting under the provisions of the Virginia Freedom of Information Act as cited in that motion. Motion seconded by Councilmember Garcia, which carried by a 6-0 roll call vote. The vote was: Councilmembers del Aguila, Garcia, Lloyd, Reyes, Vice Mayor Hedrick, Mayor LeBlanc voting “Aye.” Councilmember Alam was absent.

Aye: 6
Nay: 0
Absent: 1

7. Adjournment

There being no further business, Mayor LeBlanc adjourned the October 27, 2026, Town Council Regular Meeting at 8:51 p.m.

Amanda M. Kertz
Town Clerk

Minutes approved by Town Council : _____

[Note: Approved resolutions and ordinances are on file in the Town Clerk’s office.]

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