

CITY OF MANASSAS PARK, VIRGINIA

Annual Comprehensive Financial Report



Year Ended June 30, 2022

CITY OF MANASSAS PARK, VIRGINIA

**Annual Comprehensive
Financial Report**

Year Ended June 30, 2022

PREPARED BY:

Pon Yusuf, Director of Finance

CITY OF MANASSAS PARK, VIRGINIA

Annual Comprehensive Financial Report Year Ended June 30, 2022

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CITY OF MANASSAS PARK

City Hall • 100 Park Central Plaza • Manassas Park, Virginia 20111-2395
(703) 335-8800 • Fax (703) 335-0053
www.manassasparkva.gov

Mayor:
Jeanette Rishell
Vice Mayor:
Alanna Mensing

City Manager:
Laszlo A. Palko

Director of Finance / CFO:
Pon Chen Yusuf, CPA

Council Members:
Laura Hampton
Haseeb Javed
Darryl Moore
Alanna Mensing
Yesy Amaya

December 12, 2022

To the Honorable Governing Body of the City of Manassas Park, Virginia:

The Annual Comprehensive Financial Report (ACFR) of the City of Manassas Park for the year ended June 30, 2022 is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of Manassas Park issue annually a report on its financial position and activity, and that an independent firm of certified public accountants audited this report. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is 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 and component units of the City of Manassas Park. All disclosures necessary for readers to understand the City of Manassas Park's activities have been included.

The ACFR is presented in four sections: introductory, financial, statistical and compliance. The introductory section, which is unaudited, includes this letter of transmittal, an organizational chart, and a list of the City of Manassas Park's principal elected and appointed officials. The financial section includes Independent Auditors' Report, Management's Discussion and Analysis, the basic financial statements, required supplementary information, and supporting schedules. The unaudited statistical section includes selected multi-year financial and demographic information.

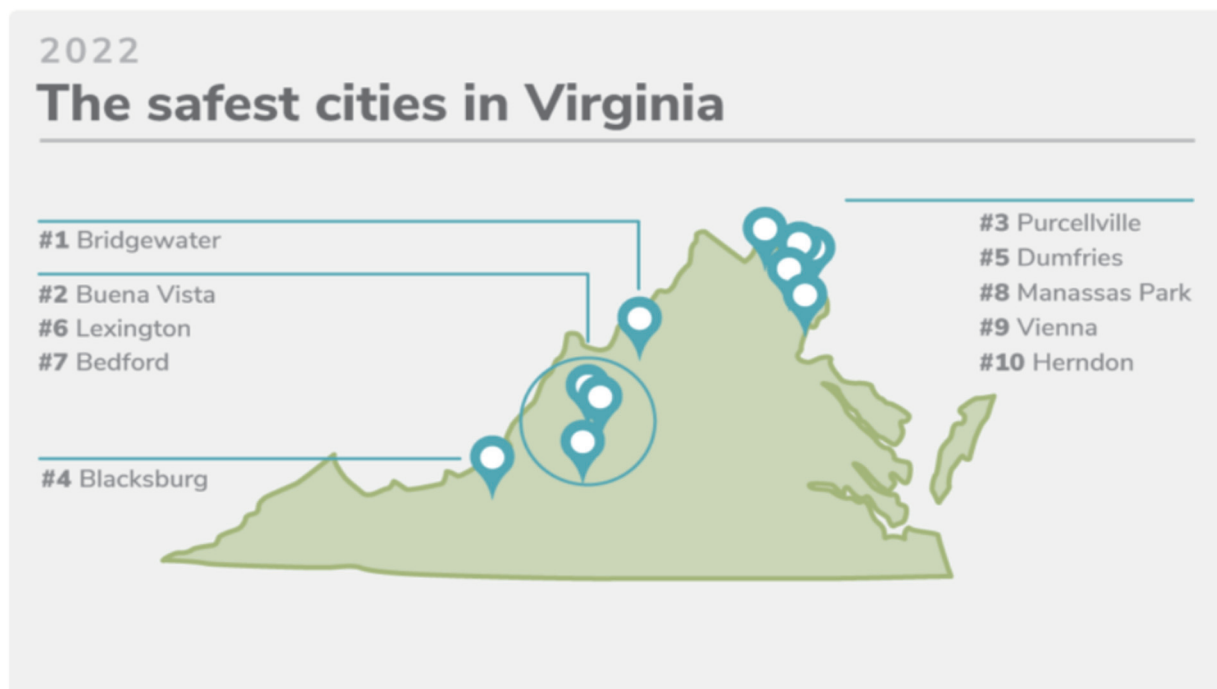
The City of Manassas Park is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 (as amended in 1997) and the U.S. Office of Management and Budget's Uniform Guidance. Information related to this single audit, including a schedule of expenditures of federal awards, the regulations, and a schedule of findings and questioned costs are included in the compliance section of this report.

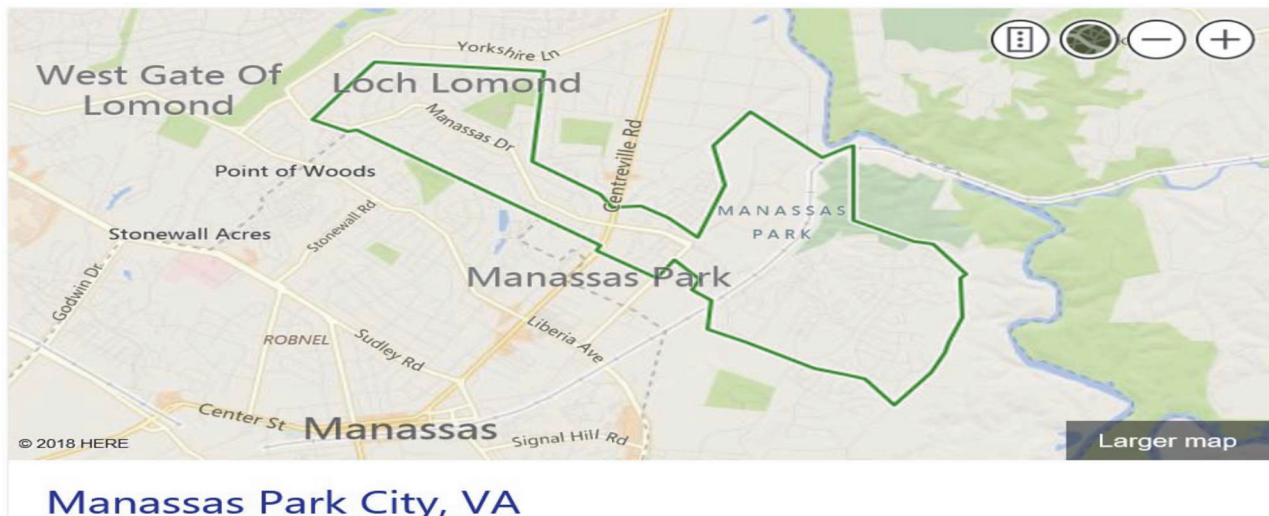
Robinson, Farmer, and Cox Associates, Certified Public Accountants, were engaged to Perform an audit of the City's financial statements since the fiscal year ended FY2016; and they have issued an unmodified opinion on the City of Manassas Park's financial statements for each fiscal year since June 30, 2017. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it. A lot of information to follow includes the information on local economy, real estate assessment, change management, and awarded federal funds to facilitate the continuing provision of governmental services.

PROFILE OF THE GOVERNMENT

The City of Manassas Park (see the map below) is located within the Washington, D.C. Metropolitan area. The City is 2.53 square miles in size and has a 2021 population of about 17,219 people. Manassas Park was incorporated as an independent city in 1975, the last such incorporation to occur in Virginia. Previously, Manassas Park was a town within Prince William County. The City is primarily residential in nature, however comprised a mix of industrial, retail, and office properties in the city core, and in close proximity to interstate and railway transportation into the heart of the Greater Metropolitan DC area. The Manassas Park School System is comprised of: Cougar Elementary School, Manassas Park Middle School, Manassas Park Elementary School, and Manassas Park High School. The City, the 1753rd largest city in the United States of America, was named in 2020 and continued to be one of Virginia's top safest cities in 2022 as shown below.





A seven-member Governing Body (see their photos presented below) governs the City. Six council members are elected to staggered, four-year terms. The Mayor is elected to a four-year term. The Governing Body is responsible for establishing tax rates, appropriating funds, and setting municipal policies and appointing certain City officials. The Governing Body appoints a City Clerk, City Attorney, City Assessor and City Manager. The City Manager serves at the pleasure of the Governing Body and is responsible for the execution of policies approved by the Governing Body, including making recommendation for changes to municipal policies, preparing proposed budgets, administrating City staff, and managing day-to-day operations.



The financial reporting entity (the government) includes all funds of the primary government (i.e., the City of Manassas Park as legally defined), as well as all of its component units. The government provides a full range of services including police and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; recreational activities; cultural events; and welfare services.

Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial

position, results of operations and cash flows from those of the primary government. The discretely presented component unit included in this report is the Manassas Park School Board. Additionally, the Potomac and Rappahannock Transportation venture in which the City has an equity interest. However, the Industrial Development Authority, a related organization of the City of Manassas Park and the Upper Occoquan Sewage Authority, a jointly governed organization, has not met the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

CHANGE MANAGEMENT

Following a catastrophic failure of its financial System and records in 2015, the City had significant changes in Senior Management and engaged a new accounting firm to provide the City with its audit services of financial statements. The City managed to come out of these circumstances and got back on track being current with each audit since FY2019 with a clean opinion.

In addition to being current with the current fiscal year's audit, the City was informed that both Standard & Poor's Financial Services LLC ("S&P") and Moody's reinstated the City's credit rating in late October of 2019 to where it was in the prior year. Other good changes include the establishment of the new fiscal management and the release from the state fiscal distress declaration in 2019.

Laszlo Palko, the City Manager, joined the City in June of 2017 while Pon Chen Yusuf joined the City as Director of Finance / CFO In November of 2016.

Mr. Palko came to City of Manassas Park from Lovettsville after serving two tours with the U.S. Army in Afghanistan. He has degrees in criminal justice, psychology, international relations and public policy, public administration and financial management, and has worked as a corporate analyst with IBM and Booz Allen Hamilton. His Master of Public Administration degree is from Harvard University.

Ms. Yusuf came to City of Manassas Park from Fairfax County Public Schools. She holds many professional certifications. Namely, she is a Certified Public Accountant (CPA), Master Government Treasurer (MGT), Chartered Global Management Accountant (CGMA), and Certified in Financial Forensics (CFF). She has a Master in Accounting / Taxation from the George Washington University School of Business. She also studied laws back in her home town.

New to FY2021-FY2022, the City of Manassas Park created a Department of Community Services under the Office of the City Manager. This Department includes, an Economic Development Coordinator, Housing Support Coordinator, Public Health Administrator. All of these positions are fully funded via the U.S. Department of Treasury - American Rescue Plan Act in our nation's fight against the spread of COVID-19 and the many associated implications (i.e. increased unemployment rates, homelessness, and emergency management events). They are tasked with future economic development, providing housing, rent, utilities assistance, monitoring, responding, and coordinating public health.

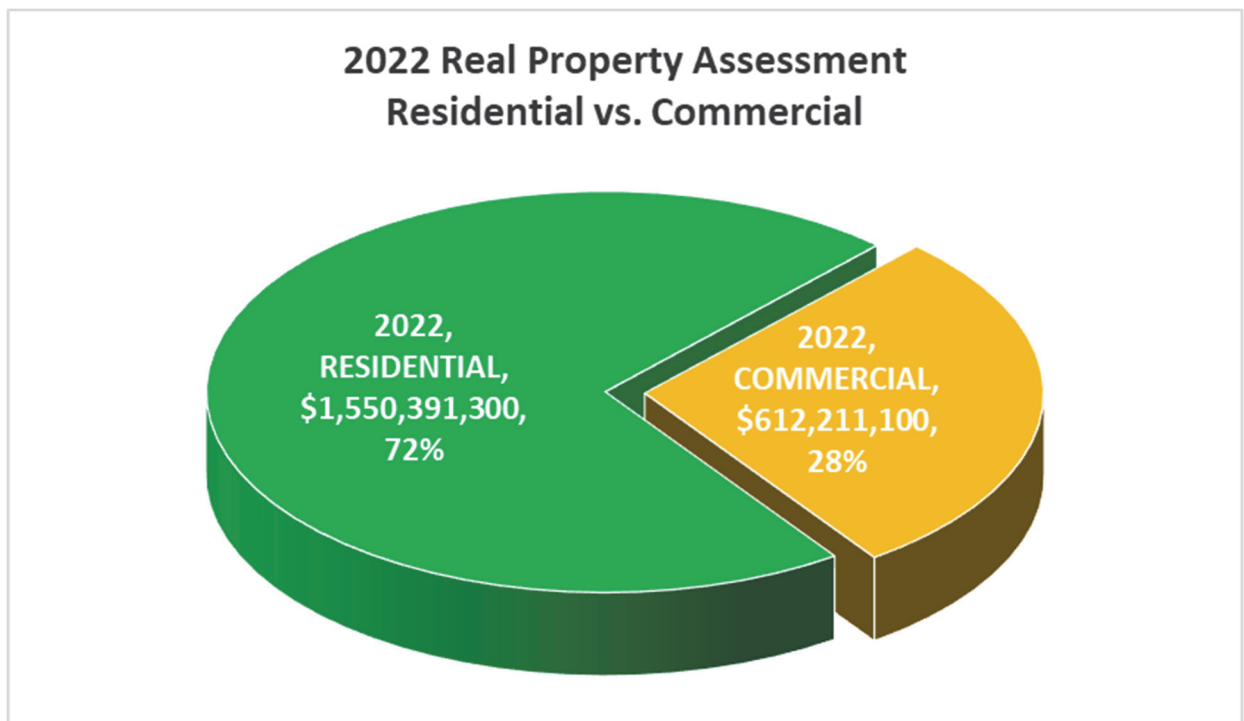
DEMOGRAPHICS

According to the most recent ACS, the racial composition of Manassas Park was:

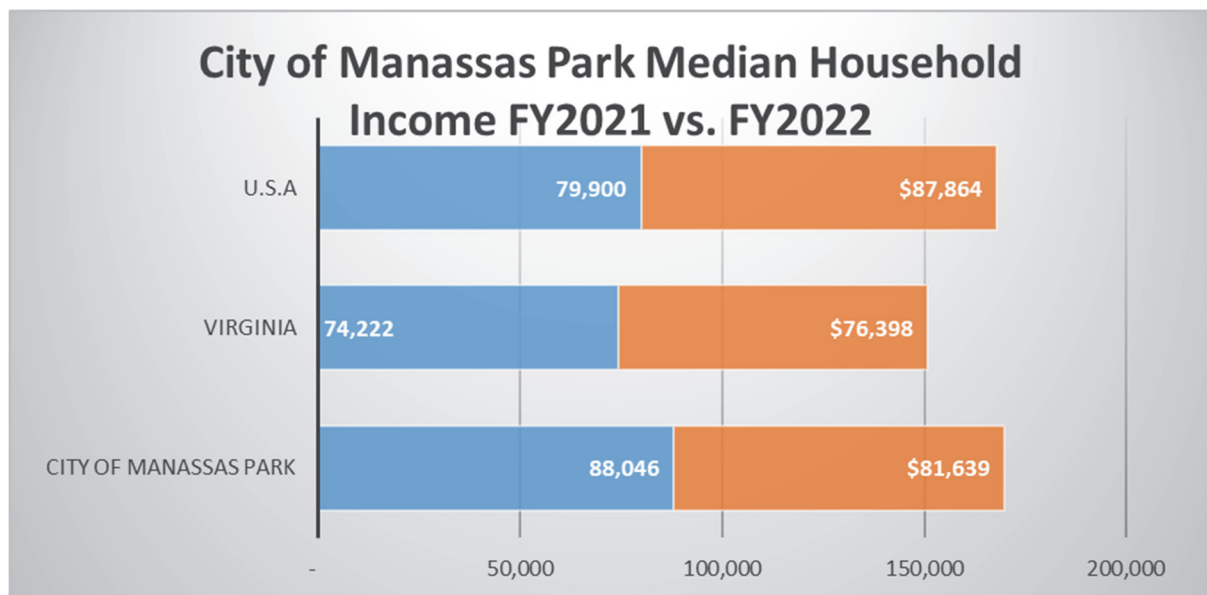
- Hispanic 39.7%
- White Alone, not Hispanic or Latino 33.1%
- Black or African American 15.3%
- Asian 11.1%
- Two or more races 3.9%
- Native American 0.1%
- Native Hawaiian or Pacific Islander 0.0%

LOCAL ECONOMY

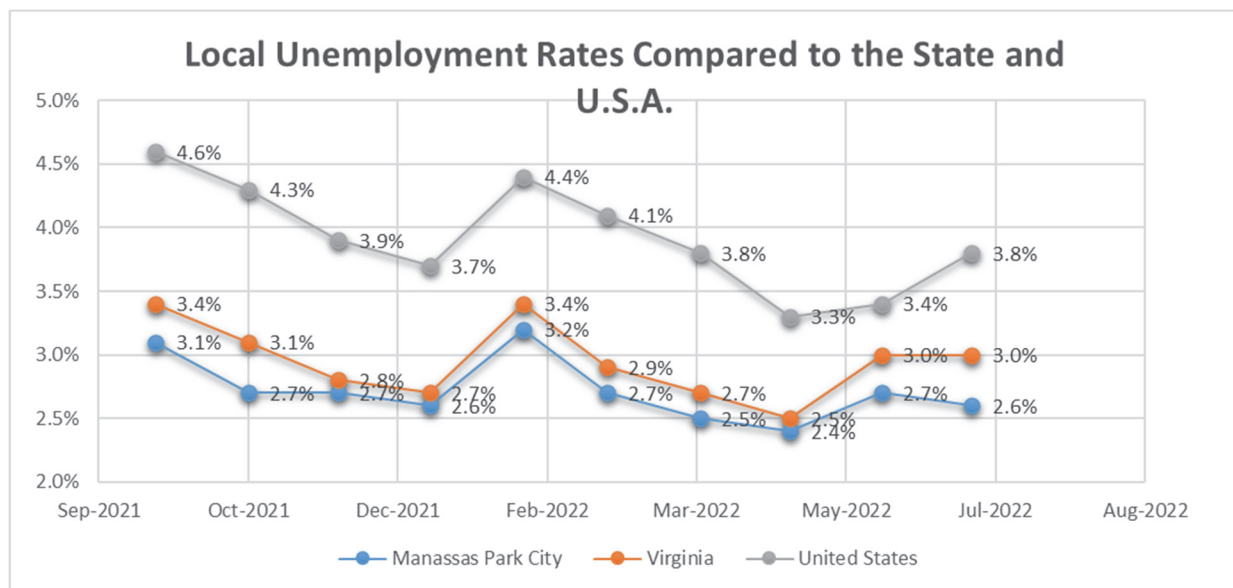
The City has built a viable community with a quarter of commercial tax base, a good quality educational system, and an attractive community that tens of thousands are choosing to call home. The tax base is primarily residential (\$1.6 billion or about 72%).



The recent US Census shows Manassas Park residents as of June 2022 with a median household income of \$81,639 (2022 dollars), down from \$88,046, but favorably compared to the latest available Virginia median house-hold income of \$76,398 and about \$6K lower than the United State median of \$87,864 in 2022. See graphs below.

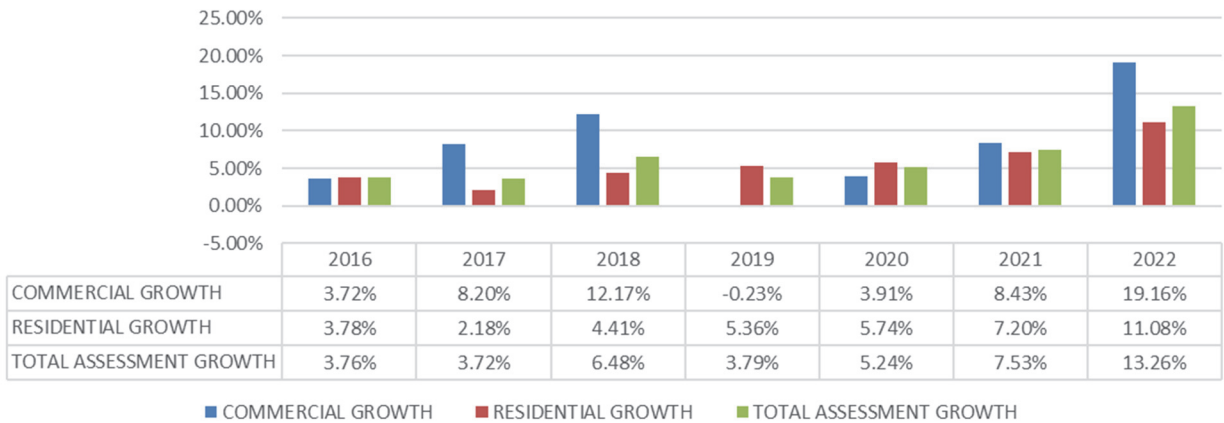


The City's unemployment rate was 2.6% as of June 2022, which was lower than the State's unemployment rate of 3.0% and less than the national unemployment rate of 3.8%.

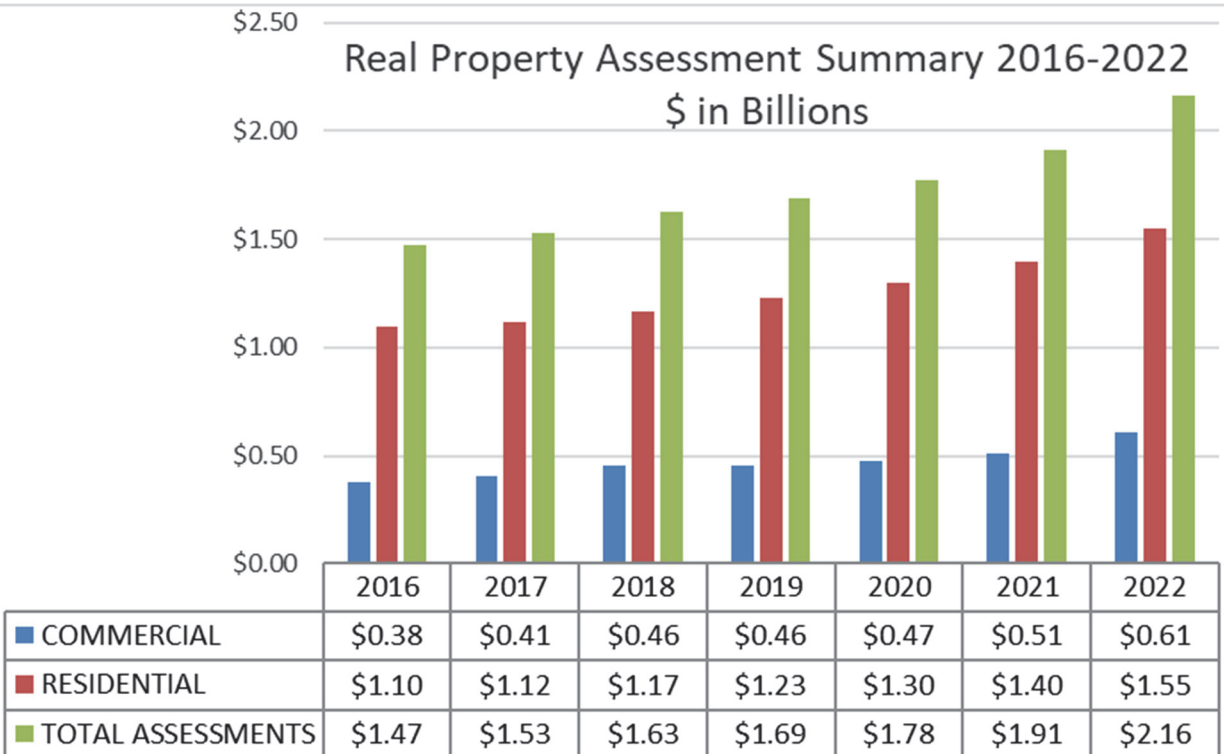


A comparative table of real estate assessment from 2016 to 2022 shows a consistent upward change in residential values. The graphical presentation of historical treasury rates for both short- and long-term and their changes helped explain the directional change of the real estate assessment value and the City's financial performance and its local economy. Below are graphical presentations of the City real estate assessment values from 2016 to 2022 and their yearly growth by property types.

Real Property Assessment Growth Summary 2016-2022



Real Property Assessment Summary 2016-2022 \$ in Billions

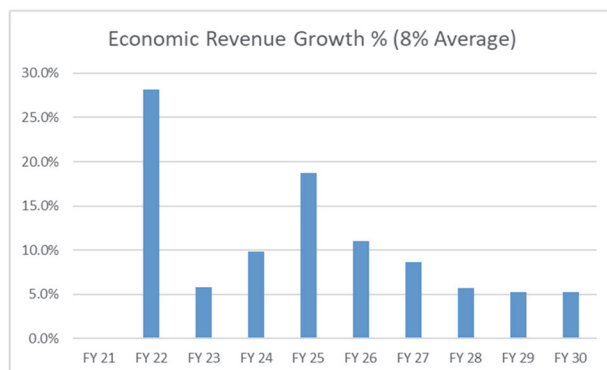


City of Manassas Park, Virginia											
Office of the City Assessor											
2022 Real Property Assessment Summary											
as of March 21, 2022											
F:\Real Property Assessment Summary\2015-2022 Real Property Assessment Summary 12-08-2022 edited.xls]Sheet 1											
										Total	
	Real Property Classification	2016	2017	2018	2019	2020	2021	2022	\$ Amount	%	2022%
	Locally-assessed Taxable Real Property	Assessments	Assessments	Assessments	Assessments	Assessments	Assessments	Assessments	Of Change	Change	of Total
									2022 vs. 2021		
	Residential Real Property										
1	Single Family Detached Home (Class 10)	706,268,800	722,414,600	756,678,300	797,024,500	842,795,200	900,965,300	999,249,400	98,284,100	10.91%	46.2%
2	Single Family Townhouse (Class 20)	282,597,000	287,069,000	296,485,000	310,130,500	327,228,200	345,144,400	382,112,900	36,968,500	10.71%	17.7%
3	Residential Condominium (Class 30)	106,070,000	109,286,200	114,933,500	123,584,900	131,038,800	137,502,700	164,455,600	26,952,900	19.60%	7.6%
4											
5	Subtotal Residential	1,094,935,800	1,118,769,800	1,168,096,800	1,230,739,900	1,301,062,200	1,383,612,400	1,545,817,900	162,205,500	11.72%	71.5%
6											
7	Vacant Land - Residential (Class 60 & 69)	520,000	520,000	520,000	546,500	860,900	12,080,500	4,573,400	(7,507,100)	-62.14%	0.2%
8											
9	Total Residential Real Property	1,095,455,800	1,119,289,800	1,168,616,800	1,231,286,400	1,301,923,100	1,395,692,900	1,550,391,300	154,698,400	11.08%	71.7%
10											
11	Commercial/Industrial Real Property										
12											
13	Commercial (Class 41, 43, 44, 47 & 48)	83,953,400	84,479,700	94,055,500	95,081,400	100,483,000	105,808,500	121,825,000	16,016,500	15.14%	5.6%
14	Multi-family Apartment (Class 42, 45 & Neig	175,865,100	204,286,600	236,482,800	227,721,000	227,721,000	257,781,400	308,999,900	51,218,500	19.87%	14.3%
15	Industrial (Class 40, 50 & 52)	106,925,100	109,247,900	115,703,600	121,826,200	133,759,300	137,346,400	166,628,500	29,282,100	21.32%	7.7%
16	Vacant Land - Commercial (Class 63)	3,429,700	3,429,700	4,808,200	5,048,700	5,452,800	5,889,200	6,772,800	883,600	15.00%	0.3%
17	Vacant Land - Industrial (Class 65)	6,406,400	6,018,800	6,018,800	6,320,500	6,428,700	6,942,900	7,984,900	1,042,000	15.01%	0.4%
18											
19	Total Commercial/Industrial Real Property	376,579,700	407,462,700	457,068,900	455,997,800	473,844,800	513,768,400	612,211,100	98,442,700	19.16%	28.3%
20											
21	Total Locally-assessed Taxable Real Prop	1,472,035,500	1,526,752,500	1,625,685,700	1,687,284,200	1,775,767,900	1,909,461,300	2,162,602,400	253,141,100	13.26%	100.0%

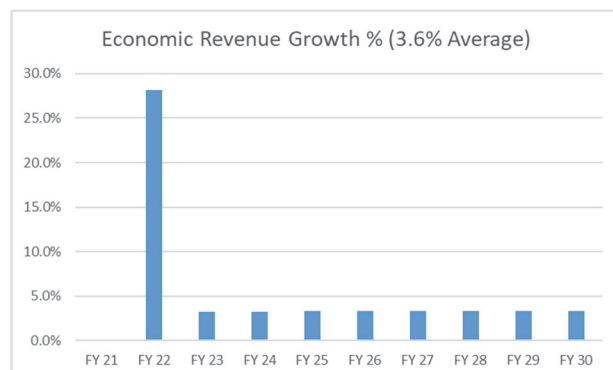
DOWNTOWN DEVELOPMENT ECONOMIC IMPACT

While economic revenues grew by nearly 10% in FY 20, largely fueled by an increase in Sales Tax Revenues from a continuously growing national GDP above 2.5%; while high, is still below historic national GDP growth from 1947-2015 of 3.2%. In FY 21-22 while economic revenues were expected to decline due to the COVID-19 recession the City performed well in local sales and use tax and underperformed in business licenses and other local tax areas. While the economy is expected to rebound in FY 23, lingering revenue impacts from the Real Estate market may linger on. As presented in the City Manager's FY2022 Budget Overview, below are the tables showing the economic growth rates over the 10 years model with and without the downtown developments:

With Downtown



No Downtown



Below is the photo the City village as approved by Governing Body. The City Hall has been relocated to this new location in August of 2022.



City of Manassas Park Approves Village at Manassas Park ...

FINANCIAL INFORMATION

The management of the City of Manassas Park is responsible for developing, establishing and maintaining its internal controls to ensure the protection of the City assets. In developing and evaluating the City of Manassas Park's accounting system, consideration is given to the adequacy of internal accounting controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. The current financial management focus is on cash and debt management.

The City of Manassas Park was awarded \$3,049,776 in CARES Act funds to respond to the COVID-19 pandemic via the U.S. Department of Treasury. This award was received in two tranches, with the first tranche of \$1,524,888 received in FY2020 and the second tranche of \$1,524,888 received on 8/12/2020 in FY2021. \$432,000 of this award was used in FY2020 and the remaining award amount of \$2,617,776 used in FY2021. Over 25% of the \$3 million award or about \$762K was spent on the four different programs to include 1) food program (program #1), 2) housing support including utilities program (program #3), 3) public health expenses program (program #7), and 4) small business assistance program (program #2).

In addition, the City of Manassas Park was awarded federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funds pursuant to the Appropriation Act mandated State Corporation Commission application process in the amount of \$156,172.64 to assist with municipal utility customer relief for all eligible customers of City of Manassas Park. Of this awarded amount the \$33,351.85 unspent fund was returned by December 1st of 2021 to the Virginia Department of Housing and Community Development (DHCD): Utility Assistance Program in which we helped over 250 residents with delinquency water bills. More recently, the City of Manassas Park was awarded collectively \$21 million in American Rescue Plan Act (ARPA) funds via the U.S. Department of Treasury from the county and non-entitlement shares. See the table below for the ARPA funds awarded and received:

Received Date ▼	Amount ▼	Comment ▼
6/30/2021	\$ 9,066,858.00	Non-Entitlement Unit
7/22/2022	\$ 9,066,858.00	Non-Entitlement Unit
6/21/2022	\$ 1,697,448.50	County share
6/1/2021	\$ 1,697,448.50	County share

The City of Manassas Park was also awarded another \$44k in ARPA funds for continuing Utility/Water assistance via the State of Virginia- Department of Housing and Community Development.

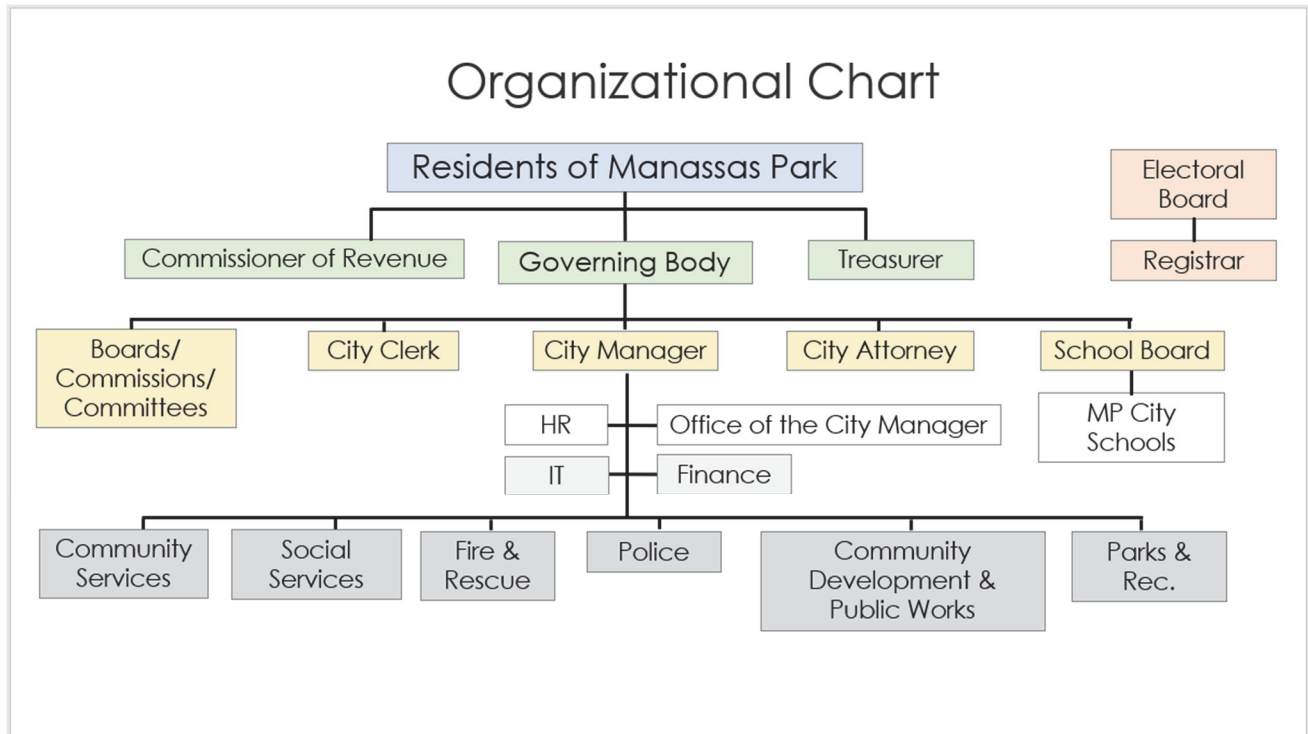
With the passing of the Infrastructure Investment and Job Act (IIJA) bill, another large set of funding (tens of billions) will be given to the State and issued out to counties, cities, and towns via discretionary and formula grants. Similarly, in late Winter / early Spring, another large multi-billion dollars of grant funds will reach the State via the Build Back Better (BBB) bill. For both the IIJA and BBB, the City of Manassas Park is in good standing to help the City residents by providing more efficient public transportation, housing assistance, clean drinking water, electric vehicle charging stations, roads and bridge improvements, reliable broadband / high-speed internet, and improved infrastructure regarding extreme weather events and cyber-attacks.

OTHER INFORMATION

Acknowledgements

Without the leadership and support of the Mayor, Governing Body and City Manager, the preparation of this report would not have been possible. The preparation of this annual financial report could not have been accomplished without the support of appointed / elected officials and staff, School Board Finance Director, and the members of their staff. Staff efforts over the past years toward reviewing, developing and enhancing data / processes in support of the accounting and financial reporting systems of the City of Manassas Park have led substantially to the improved quality of the information being reported by the City of Manassas Park.

Below is the updated organizational chart of the City Leadership Team. Community Services Department was newly added in FY2021 to help the City with community outreach and services as well as attaining the American Rescue Plan Act goals.



Sincerely,

P. Yusuf

Pon Chen Yusuf, CPA

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Manassas Park
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrell

Executive Director/CEO

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CITY OF MANASSAS PARK, VIRGINIA

June 30, 2022

Governing Body

Jeanette Rishell, Mayor

Alanna Mensing, Vice-Mayor

Darryl Moore

Laura Hampton

Yesy Amaya

Haseeb Javed

Other Officials

Laszlo Palko, City Manager

Lana A. Conner, City Clerk

Debra D. Wood, Commissioner of the Revenue

Patricia Trimble, Treasurer

Dr. Melissa Saunders, Superintendent of Schools

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Independent Auditors' Report

**To the Honorable Members of City Council
City of Manassas Park, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Manassas Park, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Manassas Park, Virginia, as of and for the year ended June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Manassas Park, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principles

As described in Note 1 to the financial statements, in 2022, the City adopted new accounting guidance, GASB Statement Nos. 87, *Leases*, and 92, *Omnibus*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 1 to the financial statements, in 2022, the City restated beginning balances to reflect the requirements of GASB Statement No. 87. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Manassas Park, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Manassas Park, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Manassas Park, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022, on our consideration of City of Manassas Park, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Manassas Park, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Manassas Park, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia
December 12, 2022

CITY OF MANASSAS PARK Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) offers readers of the City of Manassas Park's financial statements a narrative overview and analysis of the financial activities of the City for the fiscal year June 30, 2022. This information should be considered in conjunction with information provided in the letter of transmittal and financial section.

FINANCIAL HIGHLIGHTS

Overall, the City has great financial news to share with regards to the FY2022 financial activities when compared to prior fiscal years given national economic challenges post the COVID-19 recession.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (Exhibit 1, first page under the financial section) report information about the City using the economic resources measurement focus and accrual basis of accounting. The total net position of the primary government reports the net asset position as of June 30 of \$36.9 million, comprised of \$12.2 million net investment in capital assets, \$1.8 million of restricted net assets and \$22.9 million of unrestricted assets while the School Board reports a net positive position of \$10.8 million. Below are financial highlights of key changes by financial statement elements.

Assets:

- Cash and cash equivalents report an increase of \$5.3 million driven primarily from 1) the receipt of the first tranche of the American Rescue Plan award of about \$11 million, 2) the back tax collection of about \$0.3 million and 3) the increase in locally assessed taxable real estate assessment value of 13.3% with at least 95% collection.
- The Primary Government's net position and the School Board's net position both increased by \$2.4 million and 11.4 million, respectively (see "Change in net position" on Exhibit 2 on page 28-29). Same reasons as above.
- Net position of governmental activities increased to \$17.223 million from \$16.389 million while net position of business-type activities increased to \$19.705 million from \$18.131 million (see Exhibit 2 on page 28-29). The \$0.8334 million change in the net position of governmental activities (see details on Exhibit 5) is from the net effect of the net changes in fund balances for total governmental funds primarily offset by the net increase in the capital outlay of \$24.1 million from the construction of the new city hall.

Deferred Outflows of resources:

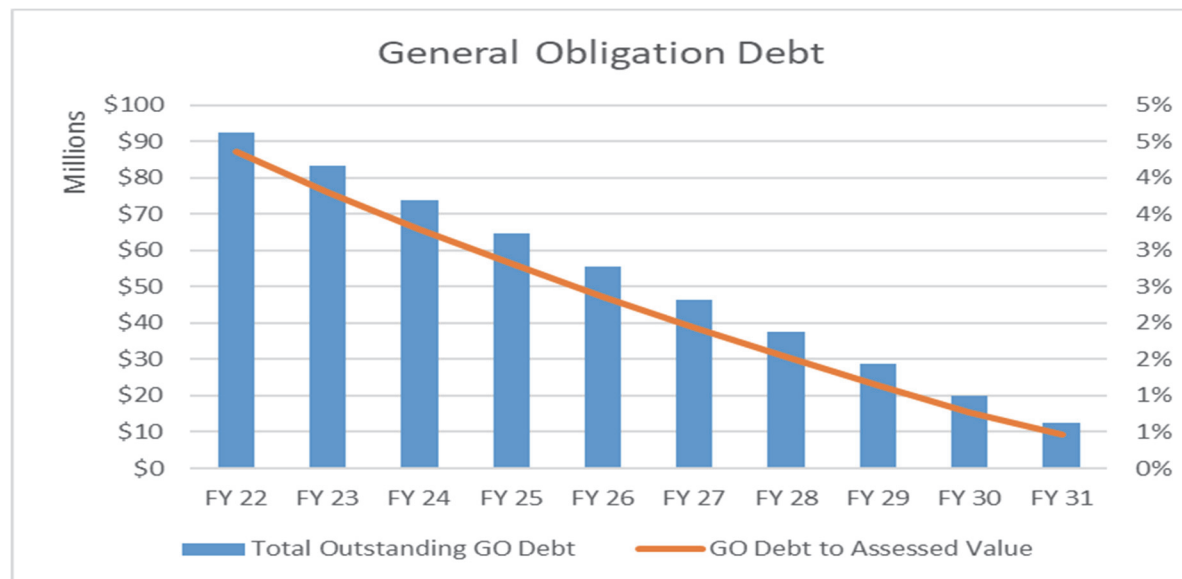
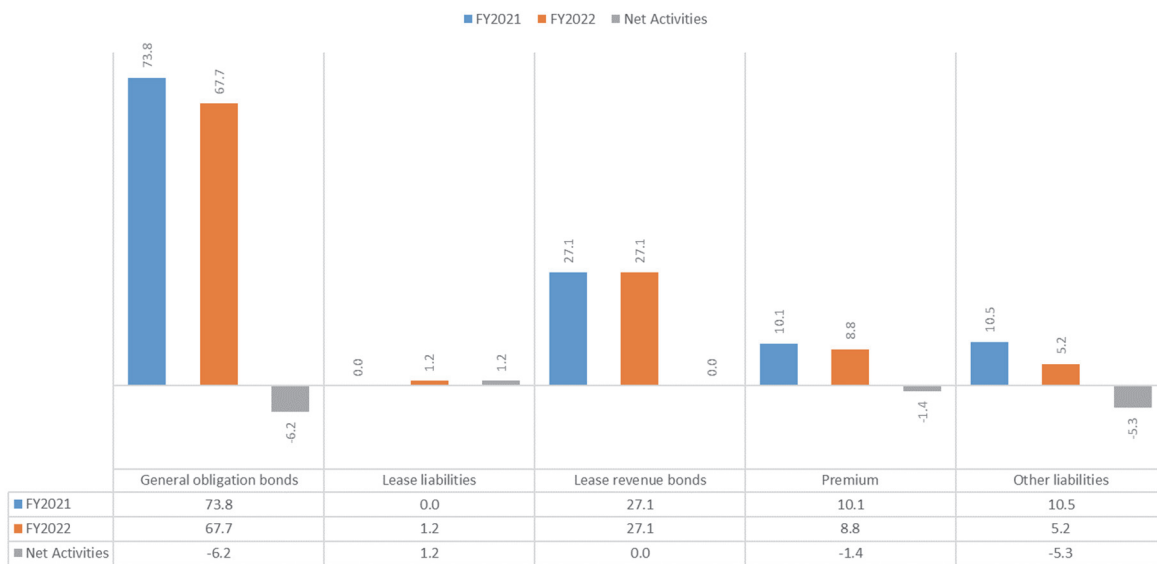
- With the interest rate hit the historical low, directional changes of both pension OPEB related items were expected from the net impact of the interest rate change. The discount rate increased to 3.69% from 1.92% and this resulted in the increase of deferred outflows or resources of \$38,704 (Note 21). This is the net effect of \$0 from differences between actual and expected experience and \$38,704 from changes of assumptions or other inputs.
- The Economic Development Authority of the City of Manassas Park issued \$27.1 million in revenue bonds in support of the City downtown development on March 23, 2021. Refer to the long-term debt section for more details. These refunding activities resulted in additional deferred items for the primary government.

Liabilities

Long-term obligations and capital leases, for the fiscal year ended on June 30 include but are not limited to the following City's governmental obligation activities. Note 6 on long-term obligations also report on these activities at a more summarized level. This does not include the Economic Development Authority (EDA) lease revenue bond issued on March 23, 2021 for the City downtown development. Some highlights for the long-term obligations include:

- The City issued via EDA a lease revenue bond with a par amount of \$27,130,000 at a premium of \$4,157,258 in March of 2021 to fund the downtown development
- Paid down about \$8.4 million in principal amount to include \$65,000 in State Literary Fund Loans for Schools net of \$2.675 million in the unrefunded amount. For specific details refer to Note 6. The school state literacy loan was issued in the City name and this loan has been paid with the City government resources.
- Eligible callable securities are regularly reviewed with the City financial advisors and bond counsels for refunding.
- In FY2022 the City refunded VPFP 2015A taxable and tax-exempt securities with VRA in the public finance market.
- Below is a graphical presentation of the City's general obligation bonds relative to the real estate assessment value over time. This graph excludes the EDA downtown lease revenue bonds. This will help put things in perspective for the long-term financial vision.

**GOVERNMENTAL ACTIVITIES - LONG-TERM OBLIGATIONS
FY2022 VS. FY2021
(\$ IN MILLIONS)**



Deferred Inflows of Resources:

- Changes in deferred inflows for both pension and OPEB were driven primarily by the change in interest rates. The FED increased the interest rates in FY2022 and will continue to increase these rates in FY2023.

FUND FINANCIAL STATEMENTS

The fund financial statements (Exhibits 3 and 4) provide detailed information about the City's major funds using the current financial resources measurement focus and modified accrual basis of accounting.

- The City's governmental funds reported a combined fund balance of \$23.8 million, down from \$43.6 million. This decrease is comprised mainly of \$4.4 million from general fund, \$40.222k from debt service fund, \$40.222k from debt service fund, net of \$-23.3 million from capital project fund, \$-0.2 million from proffer fund, and \$-0.6 million from non-major fund.
- On June 30 the General Fund, which accounts for the main operating activities of the City, reported an ending fund balance of \$15.4 million, an increase of \$4.4 million from June 30, 2021. The unassigned portion of the General Fund's fund balance was \$15.3 million, which is available for future spending at the City's discretion. (See "Total fund balances less Non-spendable" on Exhibit 3 on page 33). The General Fund had total revenues of \$51.7 million. (See Exhibit 4 on page 34).
- The Capital Projects Fund ended fiscal year 2022 with a fund balance of \$5 million, a net decrease of \$23.3 million over prior fiscal year. This is restricted for downtown construction projects in progress.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis serves as an introduction to the City's basic financial statements that include the government-wide financial statements, fund financial statements, and notes to the financial statements. Other supplementary information is also provided in addition to the basic financial statements.

The City's total assets of about \$144.2 million decreased by \$1.5 million with the current assets down by \$15.3 and capital assets up by about \$13.8 million. Downtown development transactions contributed to the decrease of the current assets to \$10.6 million in investment and the decrease of land by \$3.8 million. Refer to the downtown development section in the letter of transmittal and Note 6 on the long-term obligations for further details.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements, similar to those used by private-sector companies, report information about the City. One of the most important questions asked about the City's finances is; "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which are the government-wide statements, report information about City finances as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities on the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the revenues and expenses are taken into account regardless of when cash is received or paid. These statements combine short-term spendable resources with capital assets and long-term obligations.

The Statement of Net Position and the Statement of Activities report the City's net position and changes in assets. One can think of the City's net position—the difference between assets and liabilities—as a way to measure the City's financial health, or financial position. Over time, increases or decreases in net position help determine whether the City's financial position is improving or deteriorating.

Refer to the *Statement of Net Position* and the *Statement of Activities* as well as the condensed table below for the current and noncurrent assets information.

ASSETS:	FY 2022	FY 2021	FY 2022 vs. FY 2021
<i>Current Assets</i>			
Cash and cash equivalents	26.5	21.2	5.3
Investments	10.6	30.4	-19.9
Internal balances			0.0
Receivables - property taxes	1.7	1.9	-0.3
Receivables - accounts receivable	1.0	3.5	-2.5
Due from other governments	1.0	0.9	0.1
Pension assets	1.6		1.6
Due from School Board	1.2	0.9	0.3
Prepaid items	0.1	0.1	0.0
Total Current Assets	43.7	59.0	-15.3
<i>Noncurrent Assets</i>			
Land	8.5	12.3	-3.8
Intangibles	0.1	0.1	0.0
Infrastructure	8.8	8.8	0.0
Utility plan and equipment			0.0
Buildings and improvements	28.8	29.4	-0.6
Equipment	2.5	2.2	0.3
Lease equipment	1.2		1.2
Jointly owned assets	25.2	31.9	-6.7
Construction in progress	25.5	2.0	23.5
Total Capital Assets	100.5	86.8	13.8
Total assets	144.2	145.8	-1.5

Governmental activities - Most of the City's basic services are reported here: general government, public safety, public works, health and welfare, parks and recreation, and community development. These activities are primarily funded with property taxes, other local tax revenue and intergovernmental revenue.

Business-type activities - The financial activities of the water and sewer, solid waste management, and storm water enterprises are reported here. The City charges a fee to customers to cover all or most of the cost of services it provides for these activities. There have been no changes in service fee rates for water since FY2021.

Component unit - The City also includes a separate legal entity, the School Board, in its report. While legally separate, the School Board does not have a taxing authority and depends financially on the City to fund its debt service and annual operations beyond its funding from federal and state.

The government-wide financial statements can be found on the basic financial statements section of this report.

FUND FINANCIAL STATEMENTS

Traditional readers of government financial statements will find the fund financial statement presentation more familiar. The focus is on the City's chief operating fund and its major funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to demonstrate and ensure fiscal accountability. This includes the fund accounting for governmental, proprietary, and fiduciary funds. For more detailed information about the City's most significant funds, refer to the basic financial statement section and the related note disclosure.

Governmental Funds

Governmental funds are to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements provide a short-term view of the City's finances that helps the reader determine whether there are more or less financial resources that can be spent in the near future to finance City programs. The basic Governmental Funds financial statements can be found on the table of contents.

Proprietary Funds

Proprietary funds are to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds are classified as either enterprise or internal service funds. Enterprise funds may be used to report activity for which a fee is charged to external users for goods or services. Internal service funds account for goods and services provided on a cost reimbursement basis for activities within the government. The City maintains three proprietary funds, water and sewer, solid waste management, and storm water operations. The City does not maintain internal service funds. The basic Proprietary Funds financial statements can be found on the table of contents.

Notes to the financial statements

The notes provide information that is essential to a full understanding of the data in the government-wide and fund financial statements and they can be found on pages 41-124.

Other information

In addition to the basic financial statements and accompanying notes, supplementary information is also provided.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position - The following table reflects condensed information on the City's net position:

Summary of Net Position (000,000s omitted)												
	Governmental Activities			Business-type Activities			Total Primary Government			Component Unit School Board		
	2022	2021	Difference	2022	2021	Difference	2022	2021	Difference	2022	2021	Difference
ASSETS												
Current & other assets	\$ 43.7	\$ 59.0	\$ -15.3	\$ 13.9	\$ 12.7	\$ 1.2	\$ 57.6	\$ 71.7	\$ -14.1	\$ 9.8	\$ 7.8	\$ 2.0
Capital assets	100.5	86.8	13.8	15.2	15.8	-0.6	115.7	102.5	13.2	43.6	37.1	6.5
Total assets	144.2	145.8	-1.5	29.1	28.5	0.6	173.3	174.3	-1.0	53.4	44.9	8.5
DEFERRED OUTFLOWS OF RESOURCES												
Total deferred outflows of resources	7.0	7.9	-1.0	0.6	0.8	-0.2	7.6	8.8	-1.1	9.3	11.0	-1.7
LIABILITIES												
Long-term debt outstanding	110.0	113.8	-3.8	8.8	9.3	-0.5	118.8	123.1	-4.3	28.1	46.6	-18.5
Other liabilities	17.6	22.9	-5.3	0.7	1.9	-1.2	18.3	24.8	-6.4	6.6	6.3	0.3
Total liabilities	127.6	136.8	-9.1	9.5	11.1	-1.6	137.2	147.9	-10.7	34.7	52.9	-18.2
DEFERRED INFLOWS OF RESOURCES												
Total deferred inflows of resources	6.3	0.5	5.9	0.0	0.0	0.0	6.3	0.5	5.9	17.2	3.5	13.7
NET POSITION:												
Invested in capital assets	5.1	10.7	-5.6	7.1	6.6	0.5	12.2	17.4	-5.2	43.4	37.1	6.3
Restricted	1.7	-	1.7	0.1	-	0.1	1.9	0.0	1.9	1.4	0.6	0.7
Unrestricted (deficit)	10.4	5.8	4.6	12.5	11.5	1.0	22.8	17.3	5.6	-34.0	-38.3	4.3
Total net position	17.2	16.5	0.7	19.7	18.1	1.6	36.9	34.6	2.3	10.8	-0.5	11.4
Discussion reference #	#4	#5	#6 & 9	#7 & 8	#2	#1				#3		

The City's combined net position for the primary government reflects primarily the downtown development transactions to include the \$27.1 million funding, the \$8.7 million disposition of the City land Lot 4A net with the acquisitions of land Lots 5A, 5B, 5C and 1A. Below is a detailed list of activities reflected in the City's net position:

1. Increase in the net position of the primary government from \$34.6 million at the end of FY2021 to
2. \$36.9 million on June 30, 2022. The City's net position of governmental activities invested in capital assets also includes streets, drainage, construction in progress, buildings, equipment, etc. The capital assets are net of the outstanding principal of the debt associated with their acquisition. These assets are not available for

future expenditures since they will not be sold. As explained in Exhibit 5, government funds report capital outlays as expenditures while the cost of these assets is allocated over their estimated useful lives and reported net of depreciation expense. For FY2022 there was a net capital outlay of \$25.5 million and a net sum of proceeds from issuance of long-term obligations of \$24.5 million.

3. The Component Unit School Board's net position improved by \$11.4 million, reflected the transfer of joint tenancy assets from Primary Government to the Component Unit School Board.
4. The net position of the City's governmental activities is \$17.2 million, collectively reflecting the net activities of the previously items as explained.
5. an increase of \$0.7 million from \$16.5 million in FY2021 to \$17.2 million (substantially done with the construction of the city hall)
6. while the net position of the City's business-type activities is \$19.7 million also reflects
7. an increase of \$1.6 million. As with the governmental activities, most of the net position is invested in capital assets. The city uses these assets to provide services to its citizens.
8. The unrestricted net position of the business-type activities increased \$1 million to
9. \$12.5 million as of June 30, 2022, driven mainly by an increase in tap fee revenue.

Statement of Activities (Exhibit 2)- The City's total revenues and expenses for governmental, business-type and School Board activities are highlighted below:

Below are highlights of key changes in the Statement of Activities:

Governmental Activities:

FY2022 governmental activities reported positive net changes in fund balance. General Fund reported a net positive change in fund balance of \$4.4 million. This was driven mainly by an increase of 13.3% in the tax base of property values. Below is a quick snapshot of the increase in total revenues and expenses.

- Total general fund revenues before transfers (from \$48 million to \$51.7 million) increased by \$3.7 million while governmental fund revenue on a full accrual basis down by \$2.7 million (from \$56.9 million to \$54.4 million) because last year reported a net big disposition gain of over \$7 million and \$1.5 million better in operating grants and contributions netted with increasing in general property taxes.
- Total expenses increased by \$7.2 million driven by two major increases, education up by \$3.9 million and community development up by \$4.7 million. These are all for the development of downtown and local economy along with the education and safety of local children.

Governmental Activities					
	2022		2021		2022 vs. 2021
Expenses:					
General government	\$ 4,019	7.3%	6,683	14.0%	(2,664)
Judicial administration	645	1.2%	582	1.2%	63
Public safety	9,518	17.3%	9,662	20.2%	(144)
Public works	3,452	6.3%	2,699	5.6%	752
Health and welfare	4,575	8.3%	4,147	8.7%	429
Education	20,006	36.4%	16,135	33.7%	3,870
Parks recreation and cultural	3,826	7.0%	3,565	7.5%	261
Community development	5,326	9.7%	614	1.3%	4,712
Interest on long-term debt	3,642	6.6%	3,755	7.8%	(113)
Water and Sewer	-	0.0%	-	0.0%	-
School Board	-	0.0%	-	0.0%	-
Total Expenses	\$ 55,008	100.0%	47,841	100.0%	7,166

Business-type Activities:

To help the City's residents cope with the COVID-19 recession there was no major increase other than in storm water management fees in FY2021 and FY2022. Part of the water service fee was funded by the CARES ACT Municipal Utility Relief fund for customers with delinquent account balances. About 250 delinquent customers applied and received financial assistance with their delinquent water service accounts. Below is a high-level summary of total revenues and expenses for the year. Overall, business-type activities resulted in a net position increase of \$1,573,899 (vs. \$425,367 in FY2021) across all funds in FY2022. About \$920K of the increase was from tap fee revenue. Refer to Exhibit 7 or business-type activities of Exhibit 2 for further details.

Governmental Activities

Revenues – Governmental Activities

For FY 2022, revenues from governmental activities totaled \$54.4 million. General Revenues, specifically Property Taxes and Other Local Taxes, are the largest components of revenues (about 56.3 percent). General Property Tax revenues were about \$34.7 million, including \$0.5 million in penalty and interest. Real Property Tax, the City's largest single source of revenue, accounted for \$29.6 million, which represents about more than half of total revenues.

The City received a total \$34.7 million in general property taxes, of which \$5.1 million was for Personal Property Taxes. This is the second largest revenue source of taxes collected on automobiles, business personal property, machinery, and tools. The city also received a reimbursement from the Commonwealth of Virginia of about \$1.4 million for tax relief on personal automobiles or commonly known as PPTRA. This tax relief number is an annual fixed amount.

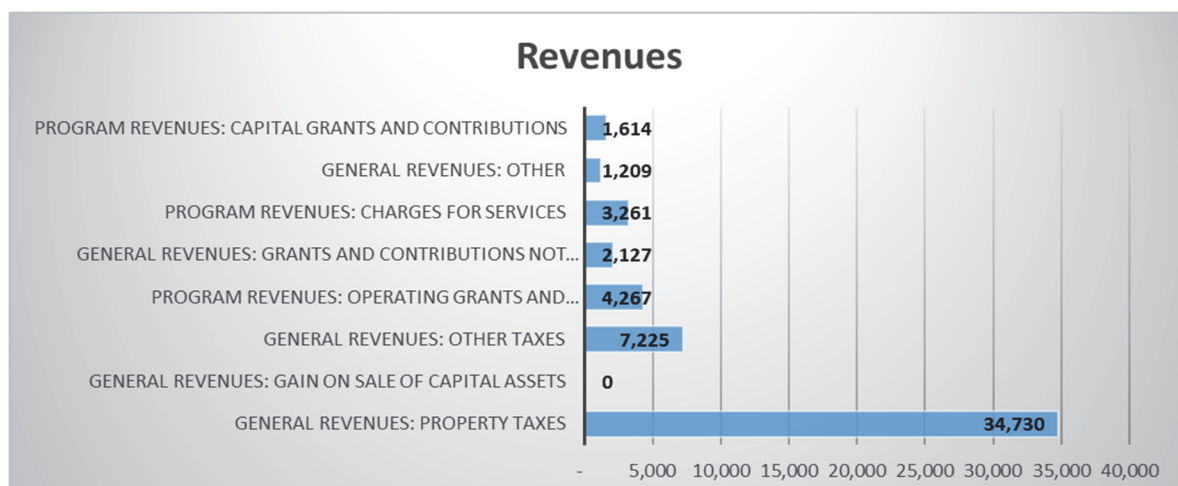
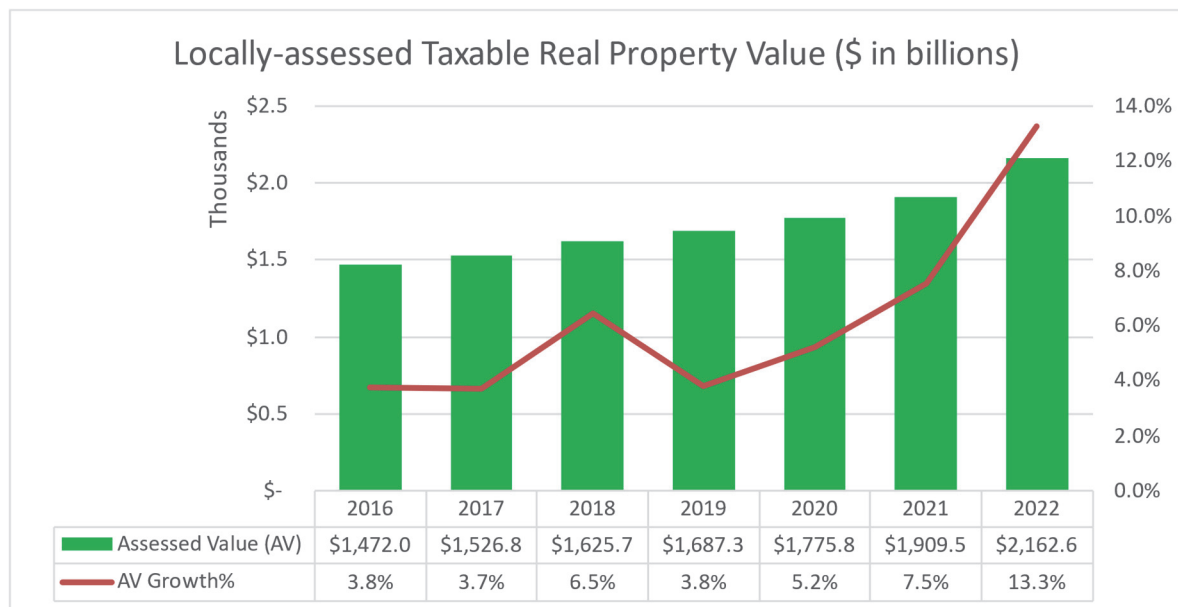
General revenues from other local taxes and other revenues were about \$7.225 million, \$664k up from FY2021. See below for the itemized list of taxes (presented in thousands) and how much they changed from the prior fiscal year. Local sales and use taxes, 43% of the total other taxes, had the most increase of \$478K in FY2022 when compared to FY2021. Business license taxes and recordation taxes also continued to be a big contributor to other taxes, reflecting the continuing stronger local economy.

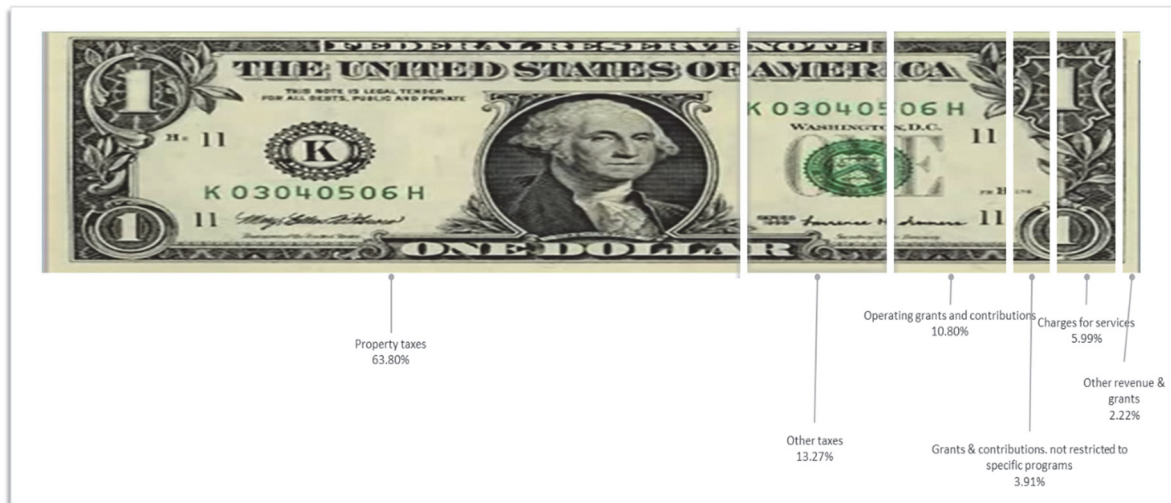
<i>Itemized list of other taxes:</i>	FY2022		FY2021		FY22 vs. FY21	
Local sales and use taxes	3,105	43%	2,628	40%	478	72%
Consumer utility taxes	801	11%	833	13%	(32)	-5%
Business license taxes	1,147	16%	1,005	15%	142	21%
Motor vehicle licenses	517	7%	426	6%	91	14%
Recordation taxes	494	7%	356	5%	137	21%
Meal tax	466	6%	370	6%	96	14%
Cigarette taxes	216	3%	215	3%	2	0%
Other taxes	479	7%	728	11%	(249)	-37%
	<u>7,225</u>	100%	<u>6,561</u>	100%	<u>664</u>	100%

Revenue by Source - Governmental Activities

General property tax revenues continue to be the primary source of revenue for the City's day-to-day operation. This includes real and personal property taxes. Real estate tax rate was reduced by 2 cents to 1.53 per \$100 of the assessed home value. The personal property tax rate remains unchanged in fiscal year 2022 at \$3.50 per \$100 of assessed personal property value but reduced to \$3.00 in the subsequent fiscal year.

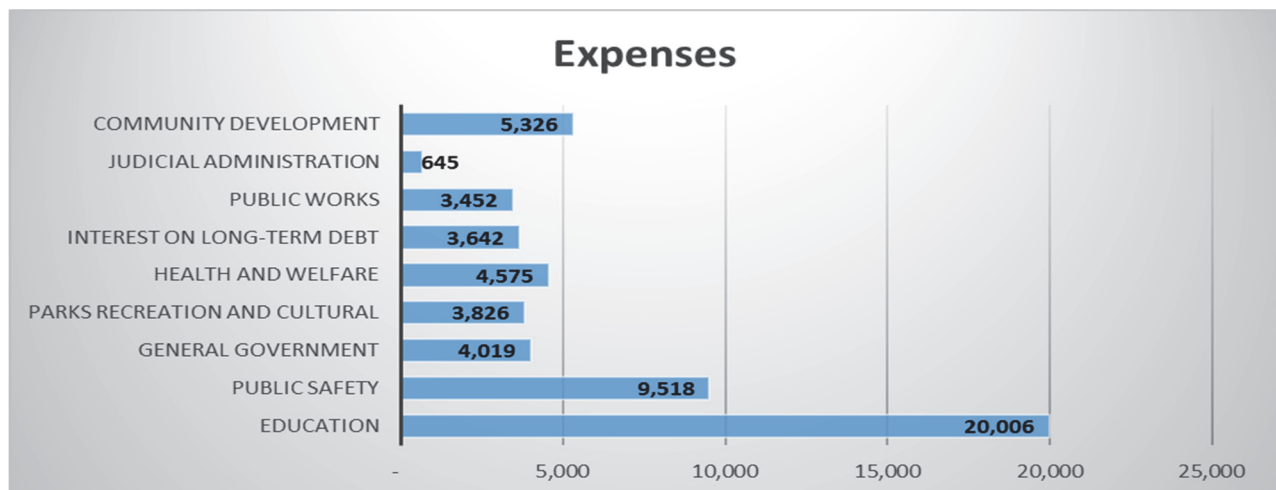
For total revenues excluding gain on sale of capital assets, all but operating grants and contributions went up where the most increase was from general property tax and other taxes. This reflects an increase in the real estate assessment of 13.26% or \$253.1 million (\$7 million of which represents growth from new development and \$246.1 million appreciation in existing stock). The housing market has been strong and is still growing. With the Governing Body approved long-term city downtown development, the City is hoping a continually improved real estate market. This improving trend already allowed for a tax cut for residents sooner than planned for. Increases in other local taxes include primarily \$478K in local sales and use tax, followed by an increase of \$142K in business license taxes, and \$137K in recordation taxes as shown in the table above. See the charts below for locally assessed taxable real property value increasing trend from 2016 to 2022 and the overall revenue composition in the subsequent table. For every dollar collected 62.8 cents are from property taxes and 13.3 cents from other taxes. About three quarters of a dollar are from taxes.



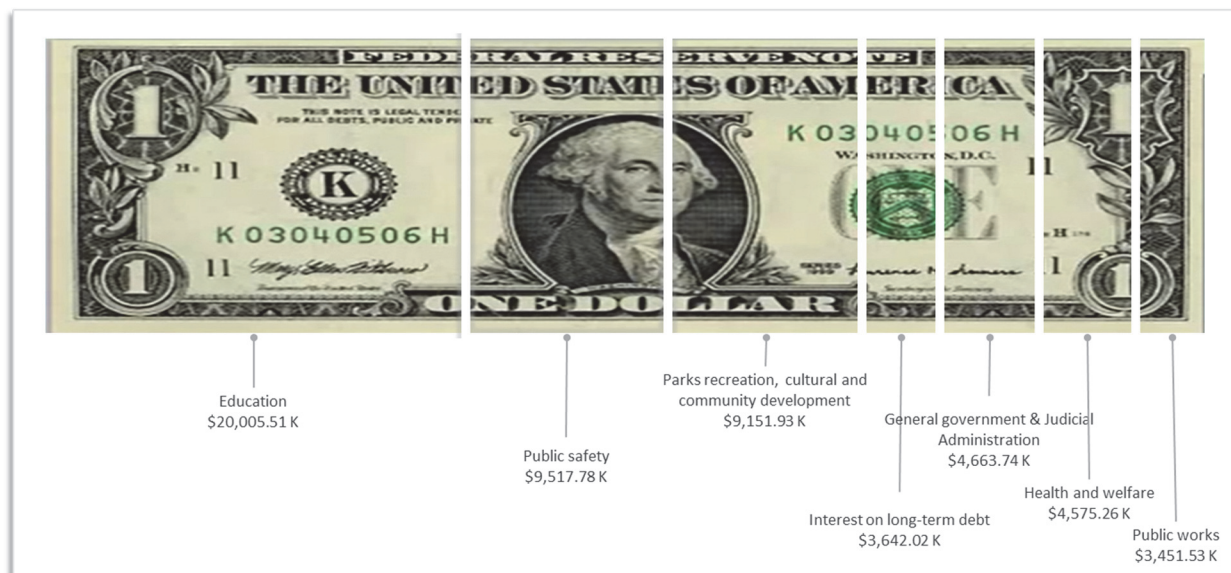


Expenses – Governmental Activities

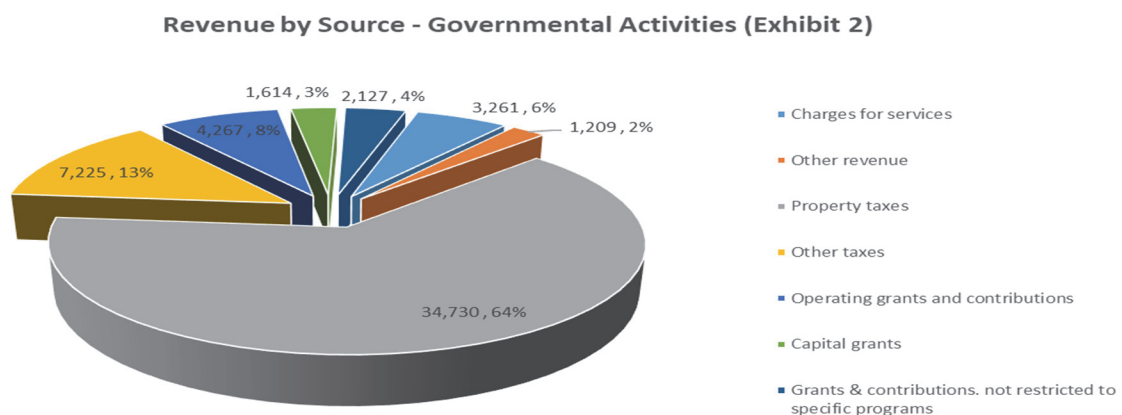
FY 2022 expenditures for governmental activities totaled \$55.008 million up from \$47.841 million. The City's six largest funded programs are 1) Education (36.4%), 2) Public safety (17.3%), 3) Community development (9.7%), 4) Health and welfare (8.3%), 5) General government (7.3%), and 6) Parks and Recreation (7%). Education and public safety continue to be one of the City's highest priorities. This year, community development became one of the top three priorities where about 10 percent was spent to economically develop the city downtown to bring in restaurants and new businesses. The City's education expenditures increased to \$20 million net of the return of \$1.1 million of fund balance to the City. These six major programs made up about eighty-six percent of the total expenditures. Debt incurred primarily for building schools for our children. There are four schools in the city.

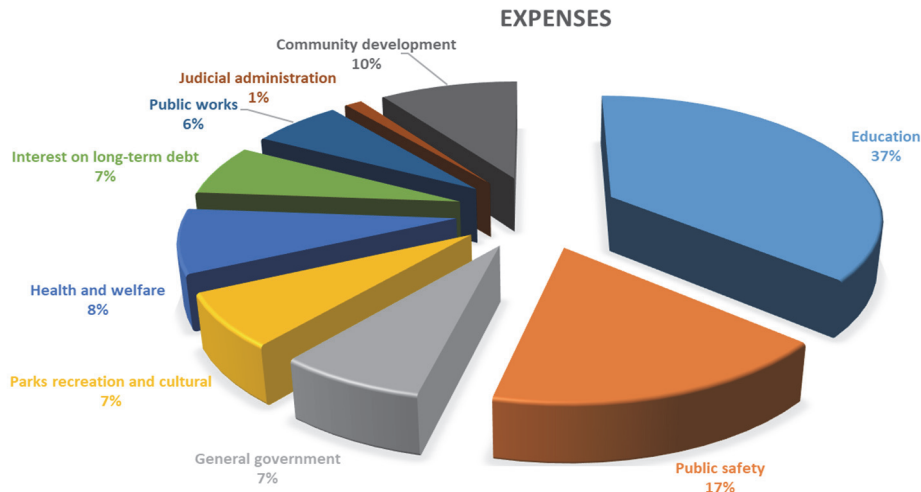


	Governmental Activities				GA DIFF	
	2022		2021		2022 vs. 2021	
Expenses:						
General government	\$ 4,019	7.3%	6,683	14.0%	(2,664)	-37.2%
Judicial administration	645	1.2%	582	1.2%	63	0.9%
Public safety	9,518	17.3%	9,662	20.2%	(144)	-2.0%
Public works	3,452	6.3%	2,699	5.6%	752	10.5%
Health and welfare	4,575	8.3%	4,147	8.7%	429	6.0%
Education	20,006	36.4%	16,135	33.7%	3,870	54.0%
Parks recreation and cultural	3,826	7.0%	3,565	7.5%	261	3.6%
Community development	5,326	9.7%	614	1.3%	4,712	65.8%
Interest on long-term debt	3,642	6.6%	3,755	7.8%	(113)	-1.6%
Total Expenses	\$ 55,008	100.0%	47,841	100.0%	7,166	100.0%



The table below shows a different look at the program expenses and revenues for governmental activities in millions (exhibit 2):





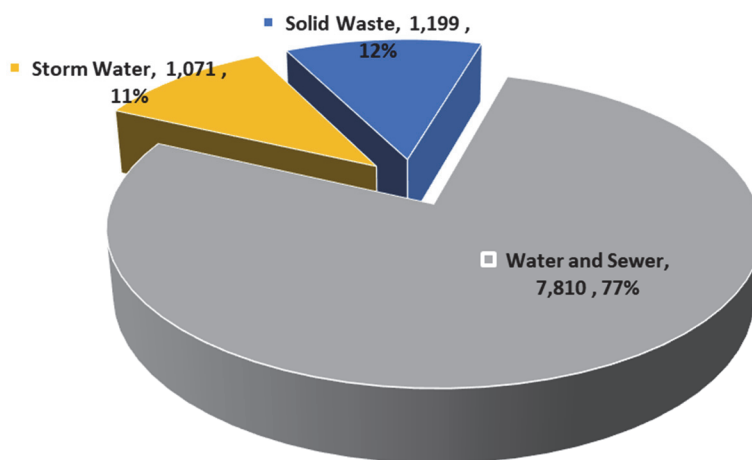
Business-Type Activities

The City's business-type activity is composed of enterprise funds for water and sewer, solid waste management, and storm water operations. Net position of business-type activity increased by \$1.6 million. The increase in net position is, in part, the result of a rise in charges for services from the previous year. As of June 30, total net position for business-type activities was \$19.7 million, of which \$7.1 million is invested in capital assets. \$12.5 million is unrestricted and available to provide funding for future operations (Exhibit 1, page 27).

Revenues – Business Activities

Revenues for business activities went up by \$1.1 million, \$0.8 million from charges for services and \$0.3 million from other program revenues. The city collected \$920,000 in tap fees in FY2022, up from \$9,152 thanks to increasing downtown development.

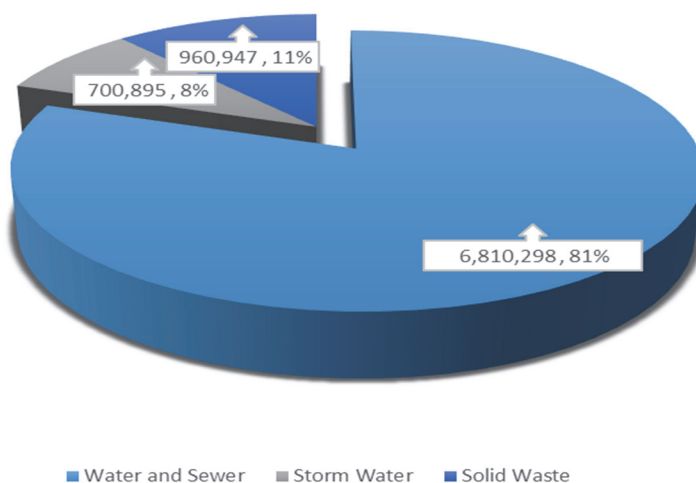
Revenue by Source - Business-type Activities - Charges for Services (Exhibit 2)



Expenses - Business Activities

Expenses, including interest expense, totaled \$8.472 million, down \$92K from the prior fiscal year. However, the operating costs for water went up by \$200k due to water purchase. The City's Proprietary Fund financial statements provide the same type of information found in the government-wide financial statements for business-type activities but in more detail. Please refer to the applicable table of contents for more details.

Business-type Expenses (Exhibit 2)



Component Unit - School Board

Charges for services for Schools were up from \$427 to \$10,998 while operating grants and contributions up from \$33,106,110 to \$35,975,897.

FUND FINANCIAL ANALYSIS:

Governmental Funds

Governmental Funds are comprised of the General Fund and Other Governmental Funds. The other funds include the Debt Service Fund, Capital Projects Fund and non-major Funds.

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

At the end of FY 2022, the City's governmental funds reported a fund balance of \$23.8 million, down \$19.8 million from capital outlay. Capital project fund had the most decrease in fund balance of \$23.3 million, driven mainly from the downtown transactions (funding and property transactions). In this fiscal year general fund had a net increase in fund balance of \$4.4 million (driven mainly from the 13.3% increase in taxable real property assessment value) while proffer and non-major funds had a net decrease. Typical sources of funds for non-major funds include NVT 30% Locality Revenue plus a Commercial & Industrial special tax transfer-in from Proffer Fund). The City did not receive any additional proffer money in FY2022. See net changes in fund balances on Exhibit 4 (page 34).

General Fund

The General Fund reported a betterment in the total fund balance resulted from the increase in total revenues, mostly from the general property local tax revenues and local sale and use tax.

Revenues – General Fund

Total general fund revenues went up \$3.7 million or 12% where the most increase of \$2.7 million or 8.0 % is from the general property taxes. This reflects a 13.3% increase in the real estate assessment. The housing market has been strong and is still growing. With the Governing Body approved long-term city downtown development, the City is hoping a continually improved real estate market. This improving trend when continued will allow for a tax cut for residents sooner than planned for. Taxes represent the major source of revenues (roughly 75-80%).

Year over year changes in other local taxes like recordation and utility consumption taxes are the top two with the most increase from the prior fiscal year.

Revenues	FY2022						
	General	Capital Project	Debt Service	Proffer Fund	Nonmajor Funds	Total	
General property taxes	34,953,892					34,953,892	
Other local taxes	6,916,216	308,749				7,224,965	
Permits, privilege fees and regulatory licenses	392,352					392,352	
Fines and forfeitures	1,330,635					1,330,635	
Revenue from use of money and property	24,188		68			24,256	
Charges for services	1,538,459		44,564	8,485		1,591,508	
Miscellaneous	170,427				878,522	1,048,949	
Intergovernmental:						-	
Commonwealth	4,575,815	160,155				4,735,970	
Federal	1,793,870	1,454,308				3,248,178	
Total revenues	51,695,854	1,923,212	44,632	8,485	878,522	54,550,705	
Revenues	FY2021						
	General	Capital Project	Debt Service	Proffer Fund	Nonmajor Funds	Total	
General property taxes	32,244,594					32,244,594	
Other local taxes	5,922,293	638,766				6,561,059	
Permits, privilege fees and regulatory licenses	301,300					301,300	
Fines and forfeitures	420,958					420,958	
Revenue from use of money and property	71,895	356	70			72,321	
Charges for services	861,607					861,607	
Miscellaneous	205,800	22			(592,510)	(386,688)	
Intergovernmental:							
Commonwealth	4,534,655	499,676				5,034,331	
Federal	3,468,650					3,468,650	
Total revenues	48,031,752	1,138,820	70	-	(592,510)	48,578,132	
Revenues	Changes - FY2022 VS. FY2021						% Changes
	General	Capital Project	Debt Service	Proffer Fund	Nonmajor Funds	Total	
General property taxes	2,709,298	-	-	-	-	2,709,298	8%
Other local taxes	993,923	(330,017)	-	-	-	663,906	10%
Permits, privilege fees and regulatory licenses	91,052	-	-	-	-	91,052	30%
Fines and forfeitures	909,677	-	-	-	-	909,677	216%
Revenue from use of money and property	(47,707)	(356)	(2)	-	-	(48,065)	-66%
Charges for services	676,852	-	44,564	8,485	-	729,901	85%
Miscellaneous	(35,373)	(22)	-	-	1,471,032	1,435,637	-371%
Intergovernmental:	-	-	-	-	-	-	
Commonwealth	41,160	(339,521)	-	-	-	(298,361)	-6%
Federal	(1,674,780)	1,454,308	-	-	-	(220,472)	-6%
Total revenues	3,664,102	784,392	44,562	8,485	1,471,032	5,972,573	12%

General Fund Revenue – Budget vs. Actual

The total actual revenues for general fund when compared to the budgeted revenues came under by \$5.4 million, due primarily due to the delay in receiving expected federal funding. General property taxes were higher than the budgeted amount by the back tax collection including penalty and interest.

Expenditures – General Fund

Total general fund expenditures, not including transfers-out can be found on Exhibit 4 (page 34) all came under the budget. The reduction in debt service payments reflects primarily the low interest rate savings from debt refunding in FY2022.

FY 2022 General Fund Budgetary Highlights (000s omitted)

	Original Budget	Amended Budget	Actual	Amended vs Actual
Revenues, & Other Sources:				
Taxes	40,639	41,460	41,870	410
Intergovernmental	5,685	12,331	6,370	(5,961)
Other	2,881	3,319	3,456	137
Issuance of debt	-	-	-	-
Total	49,205	57,110	51,696	(5,414)
Expenditures, Transfers & Other Uses:				
Expenditures	38,229	41,096	37,195	3,901
Transfers & other uses	10,892	15,805	10,124	5,681
Total	49,121	56,901	47,319	9,583
Change in Fund Balance	84	208	4,377	4,169
Fund balances at beginning of year			10,990	
Fund balances at end of year			15,367	

Fund Balance – General Fund

The fund balance for General Fund increased by \$4.4 million. Net changes in general fund balances by GASB Statement #54 classifications are highlighted below:

- Non-spendable fund balance - \$64,490 from a net prepaid items
- Spendable fund balance increased primarily from taxes

Fund Balance – Other Governmental Funds

- All other governmental funds report a net change in committed fund balances. The net change in committed fund balance for the capital project fund is from the downtown funding. The capital projects fund has a small portion in non-spendable fund balance from prepaid items.

Proprietary Funds

The City of Manassas Park's proprietary fund statements (Exhibits 6 and 7, pages 36-37) provide the same type of information found in the government-wide financial statements but in more details. The City maintains three proprietary funds, water and sewer, solid waste management, and storm water.

FY2022 total net position for the Water and Sewer, Storm Water, and Solid Waste Management Funds are presented below for easy reference. For the fiscal year ended June 30, 2022, the Water and Sewer, Storm Water, and Solid Waste Management Funds ended the fiscal year with a net position of \$17.3 million, \$2.4 million, and \$(0.3) k, respectively where all funds reported a positive change in their net position.

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

CAPITAL ASSETS

As of June 30, 2022, the City's investment in capital assets for governmental activities totaled \$100,513 million, net of accumulated depreciation and amortization. This represents a net increase in capital assets of \$13,759 million, or 15.9% percent over the prior year. The increase is in 1) equipment (+\$.307 million), 2) lease equipment (+1.182 million), and 3) construction in progress (+23.517 million). This fiscal year's noncurrent assets highlighted the near complete construction of the city hall and the implementation of lease equipment per GASB Statement No. 87 on leases. The change in land (-\$3.8 million) and jointly owned assets (-\$6.7 million) were all related to the construction of the new city hall and downtown development transactions.

The following summarizes capital assets as of June 30, 2022:

Governmental	FY 2022		FY 2021		Change from FY 2021	
Noncurrent Assets						
1 Land	8.461	8.4%	12.299	14.2%	-3.838	-27.9%
2 Intangibles	0.109	0.1%	0.109	0.1%	0.000	0.0%
3 Infrastructure	8.805	8.8%	8.834	10.2%	-0.028	-0.2%
4 Buildings and improvements	28.752	28.6%	29.390	33.9%	-0.638	-4.6%
5 Equipment	2.510	2.5%	2.202	2.5%	0.307	2.2%
6 Lease equipment	1.182	1.2%		0.0%	1.182	8.6%
7 Jointly owned assets	25.175	25.0%	31.917	36.8%	-6.742	-49.0%
8 Construction in progress	25.520	25.4%	2.002	2.3%	23.517	170.9%
Total Capital Assets	100.513	100.0%	86.754	100.0%	13.759	100.0%

Additional detailed information regarding the City's capital assets, including the current year's activity, can be found in note 5 – Capital Assets in the section of notes to the financial statements. Below is a recap of land transactions related to the downtown as disclosed in last year's ACFR.

Detailed information on the City's Capital Assets can be found in the related note disclosure of this report.

Refer to the capital assets table for detailed components and changes for the year.

LONG-TERM OBLIGATIONS

On October 28, 2021, the City refunded the Virginia Resources Authority 2015A Bonds. See the snapshot of sources and uses of funds below. Additional detailed information regarding long-term obligations, including the current year's activity, can be found in Note 6 on Long-Term Obligations in the notes to the financial statements (page 60).

Sources and Uses of Funds

Virginia Resources Authority - 2021 Fall Pool City of Manassas Park Refunding of VRA 2015A Bonds (Taxable) Final Numbers

Sources:

Bond Proceeds:

Par Amount	2,675,000.00
Premium	56,249.00
	<u>2,731,249.00</u>

Uses:

Refunding Escrow Deposits:

Escrow Deposit	2,637,973.66
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Delivery Date Expenses:

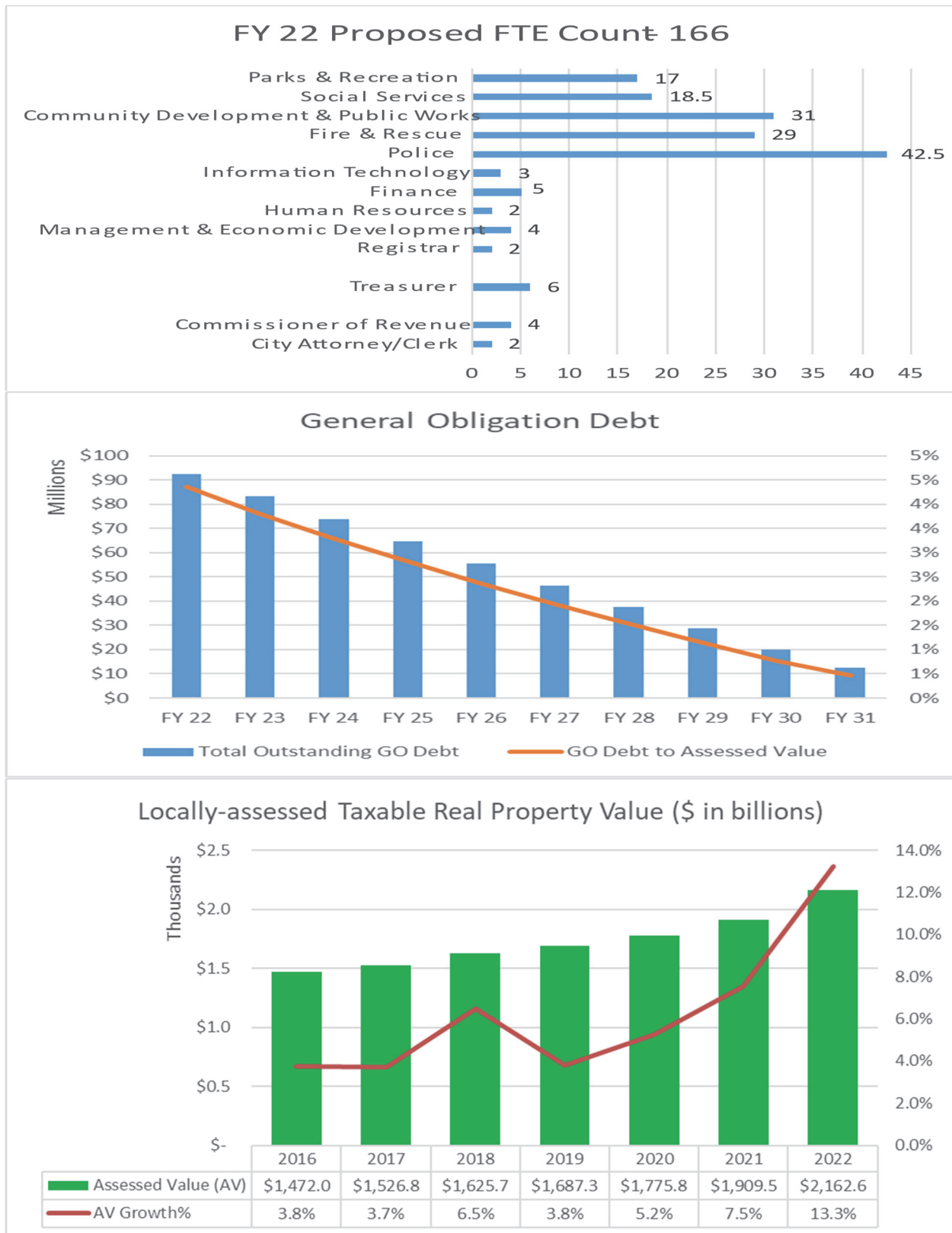
Local Cost of Issuance	50,000.00
Cost of Issuance	30,447.83
Underwriter's Discount	<u>4,562.69</u>
	85,010.52

Other Uses of Funds:

Additional Proceeds	8,264.82
	<u>2,731,249.00</u>

First Interest Payment Date	4/1/2022
All-In True Interest Cost of Borrower Bonds	2.555833%

ADDITIONAL CHART INFORMATION



The above chart on FY22 FTE reports a total count of 166, up 4 from FY21 where 1.5 is in Social Services and 2.5 is with Community Development and Public Works.

Locally assessed taxable real property shows an upward trend between 2 to 13.3% increase facilitating the debt payment and improving local economy. As shown on the general obligation debt chart, the annual principal paydown is about ten percent.

BUDGET TO ACTUAL VARIANCE ANALYSIS:

REVENUES – BUDGET VS. ACTUAL:

Actual revenues came under for the following selective areas:

- Revenue from use of money and property – driven by a drop in interest rates by federal government
- General property taxes – collection this year was slightly lower than expected
- Intergovernmental Commonwealth – Under the budget, due to much lower-than-expected activities and delay in receiving the state reimbursement for certain social service programs and Comprehensive Service Act Reimbursement
- Intergovernmental Federal – due to the delay in receiving the second tranche of American Rescue Plan from the U.S. Treasury Department.

EXPENDITURES – BUDGET VS. ACTUAL

Overall, all departmental expenditures (Exhibit 11) came under budget. All but Fire and Rescue department's expenditures came under the FY2022 budget. The Fire Department slightly went over by \$24K.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Manassas Park, City Hall, 100 Park Central Plaza, Manassas Park, VA 20111 or p.yusuf@manassasparkva.gov.

BASIC FINANCIAL STATEMENTS

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Government-wide Financial Statements

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Statement of Net Position
At June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 26,523,418	\$ 11,977,607	\$ 38,501,025	\$ 6,019,042
Investments	10,580,053	12,140	10,592,193	-
Receivables (net of allowance for uncollectibles):				
Property taxes	1,651,044	-	1,651,044	-
Accounts receivable	1,024,810	1,797,038	2,821,848	135,036
Due from other governments	1,047,181	-	1,047,181	1,839,488
Pension asset	1,644,098	110,731	1,754,829	1,341,513
Net OPEB asset	-	-	-	22,199
Inventory	-	-	-	10,771
Prepaid items	74,458	-	74,458	412,017
Due from component unit - School Board	1,167,270	-	1,167,270	-
Capital assets (net of accumulated depreciation):				
Land	8,460,735	-	8,460,735	1,637,491
Intangibles	108,699	-	108,699	-
Infrastructure	8,805,320	-	8,805,320	-
Utility plant and equipment	-	15,170,702	15,170,702	-
Buildings and improvements	28,752,123	-	28,752,123	38,846,823
Equipment	2,509,778	-	2,509,778	1,638,890
Lease equipment	1,181,568	-	1,181,568	-
Jointly owned assets	25,174,844	-	25,174,844	-
Construction in progress	25,519,721	-	25,519,721	1,519,755
Total capital assets	\$ 100,512,788	\$ 15,170,702	\$ 115,683,490	\$ 43,642,959
Total Assets	\$ 144,225,120	\$ 29,068,218	\$ 173,293,338	\$ 53,423,025
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	\$ 2,302,968	\$ 152,772	\$ 2,455,740	\$ 7,962,801
OPEB related items	813,636	16,933	830,569	1,373,385
Deferred charge on refunding	3,861,214	462,828	4,324,042	-
Total deferred outflows of resources	\$ 6,977,818	\$ 632,533	\$ 7,610,351	\$ 9,336,186
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 2,966,884	\$ 252,940	\$ 3,219,824	\$ 1,340,955
Retainage payable	1,121,120	-	1,121,120	151,976
Customer deposits	-	137,634	137,634	-
Accrued liabilities	1,419,531	202,765	1,622,296	3,946,966
Due to primary government	-	-	-	1,167,270
Amounts held for others	448,765	-	448,765	-
Unearned revenue	10,802,303	20,519	10,822,822	4,531
Accrued interest payable	883,071	86,305	969,376	-
Long-term liabilities:				
Due within one year	7,232,817	913,401	8,146,218	48,514
Due in more than one year	102,771,869	7,918,995	110,690,864	28,058,046
Total Liabilities	\$ 127,646,360	\$ 9,532,559	\$ 137,178,919	\$ 34,718,258
DEFERRED INFLOWS OF RESOURCES				
Pension related items	\$ 5,697,811	\$ 436,263	\$ 6,134,074	\$ 15,728,579
OPEB related items	635,022	26,624	661,646	1,469,119
Total deferred inflows of resources	\$ 6,332,833	\$ 462,887	\$ 6,795,720	\$ 17,197,698
NET POSITION				
Net investment in capital assets	\$ 5,090,901	\$ 7,125,339	\$ 12,216,240	\$ 43,441,254
Restricted:				
Net OPEB asset	-	-	-	22,199
Opioid settlement	111,213	-	111,213	-
Net pension asset	1,644,098	110,731	1,754,829	1,341,513
Unrestricted assets	10,377,533	12,469,235	22,846,768	(33,961,711)
Total Net Position	\$ 17,223,745	\$ 19,705,305	\$ 36,929,050	\$ 10,843,255

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

CITY OF MANASSAS PARK, VIRGINIA

Statement of Activities
Year Ended June 30, 2022

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 4,018,781	\$ 15,485	\$ 511,137	\$ 241,943
Judicial administration	644,959	1,331,018	-	-
Public safety	9,517,782	341,177	703,729	383,682
Public works	3,451,525	360,351	746,286	988,838
Health and welfare	4,575,256	-	1,863,390	-
Education	20,005,514	-	-	-
Parks, recreation, and cultural	3,826,096	1,085,932	118,213	-
Community development	5,325,829	127,483	323,941	-
Interest on long-term debt	3,642,018	-	-	-
Total governmental activities	<u>\$ 55,007,760</u>	<u>\$ 3,261,446</u>	<u>\$ 4,266,696</u>	<u>\$ 1,614,463</u>
Business-type activities:				
Water and sewer	\$ 6,810,298	\$ 8,743,295	\$ 81,005	\$ -
Storm Water	700,895	1,070,893	-	-
Solid Waste	960,947	1,199,387	-	-
Total business-type activities	<u>\$ 8,472,140</u>	<u>\$ 11,013,575</u>	<u>\$ 81,005</u>	<u>\$ -</u>
Total Primary Government	<u>\$ 63,479,900</u>	<u>\$ 14,275,021</u>	<u>\$ 4,347,701</u>	<u>\$ 1,614,463</u>
COMPONENT UNITS:				
School Board	\$ 44,460,046	\$ 10,998	\$ 35,975,897	\$ -
General revenues:				
General property taxes				
Local sales and use taxes				
Consumer utility taxes				
Business license taxes				
Motor vehicle licenses				
Recordation taxes				
Meals tax				
Cigarette taxes				
Other local taxes				
Grants and contributions not restricted to specific programs				
Unrestricted revenues from use of money and property				
Gain on sale of capital assets				
County contribution to School Board				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning, as restated				
Net position - ending				

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Total	School Board	
\$ (3,250,216)	\$ -	\$ (3,250,216)	\$ -	-
686,059	-	686,059	-	-
(8,089,194)	-	(8,089,194)	-	-
(1,356,050)	-	(1,356,050)	-	-
(2,711,866)	-	(2,711,866)	-	-
(20,005,514)	-	(20,005,514)	-	-
(2,621,951)	-	(2,621,951)	-	-
(4,874,405)	-	(4,874,405)	-	-
(3,642,018)	-	(3,642,018)	-	-
<u>\$ (45,865,155)</u>	<u>\$ -</u>	<u>\$ (45,865,155)</u>	<u>\$ -</u>	<u>-</u>
\$ -	\$ 2,014,002	\$ 2,014,002	\$ -	-
-	369,998	369,998	-	-
-	238,440	238,440	-	-
<u>\$ -</u>	<u>\$ 2,622,440</u>	<u>\$ 2,622,440</u>	<u>\$ -</u>	<u>-</u>
<u>\$ (45,865,155)</u>	<u>\$ 2,622,440</u>	<u>\$ (43,242,715)</u>	<u>\$ -</u>	<u>-</u>
			<u>\$ (8,473,151)</u>	
\$ 34,729,645	\$ -	\$ 34,729,645	\$ -	-
3,105,224	-	3,105,224	-	-
801,137	-	801,137	-	-
1,146,669	-	1,146,669	-	-
516,701	-	516,701	-	-
493,910	-	493,910	-	-
465,662	-	465,662	-	-
216,362	-	216,362	-	-
479,300	-	479,300	-	-
2,102,989	-	2,102,989	-	-
24,256	23	24,279	1,017	-
247	-	247	-	-
-	-	-	19,021,992	-
1,209,348	359,914	1,569,262	829,503	-
1,408,478	(1,408,478)	-	-	-
<u>\$ 46,699,928</u>	<u>\$ (1,048,541)</u>	<u>\$ 45,651,387</u>	<u>\$ 19,852,512</u>	<u>-</u>
<u>\$ 834,773</u>	<u>\$ 1,573,899</u>	<u>\$ 2,408,672</u>	<u>\$ 11,379,361</u>	<u>-</u>
<u>16,388,972</u>	<u>18,131,406</u>	<u>34,520,378</u>	<u>(536,106)</u>	<u>-</u>
<u>\$ 17,223,745</u>	<u>\$ 19,705,305</u>	<u>\$ 36,929,050</u>	<u>\$ 10,843,255</u>	<u>-</u>

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Fund Financial Statements

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Balance Sheet - Governmental Funds
At June 30, 2022

	Governmental Funds						
	General	Capital Projects Fund	Debt Service Fund	Proffer Fund	Nonmajor Governmental Funds	Total Governmental Funds	
ASSETS							
Cash and cash equivalents	\$ 25,553,037	\$ -	\$ 346,948	\$ 693,671	\$ 2,343,216	\$ 28,936,872	
Investments	-	10,544,616	35,437	-	-	10,580,053	
Receivables (Net of allowance for uncollectibles):							
Taxes, including penalties	1,651,044	-	-	-	-	1,651,044	
Accounts	968,605	-	-	-	56,205	1,024,810	
Due from component unit - School Board	1,167,270	-	-	-	-	1,167,270	
Due from other governmental units	1,022,579	24,602	-	-	-	1,047,181	
Prepaid items	64,490	9,968	-	-	-	74,458	
Total assets	<u>\$ 30,427,025</u>	<u>\$ 10,579,186</u>	<u>\$ 382,385</u>	<u>\$ 693,671</u>	<u>\$ 2,399,421</u>	<u>\$ 44,481,688</u>	
LIABILITIES							
Reconciled overdraft	\$ -	\$ 2,413,454	\$ -	\$ -	\$ -	\$ 2,413,454	
Accounts payable	905,794	2,061,090	-	-	-	2,966,884	
Retainage payable	-	1,121,120	-	-	-	1,121,120	
Accrued liabilities	1,419,531	-	-	-	-	1,419,531	
Amounts held for others	448,765	-	-	-	-	448,765	
Unearned revenue	10,802,303	-	-	-	-	10,802,303	
Total liabilities	<u>\$ 13,576,393</u>	<u>\$ 5,595,664</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,172,057</u>	
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	\$ 1,375,866	\$ -	\$ -	\$ -	\$ -	\$ 1,375,866	
Unavailable revenue - opioid settlement	107,350	-	-	-	-	107,350	
Total deferred inflows of resources	<u>1,483,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,483,216</u>	
FUND BALANCES							
Nonspendable	\$ 64,490	\$ 9,968	\$ -	\$ -	\$ -	\$ 74,458	
Restricted	3,863	-	-	-	-	3,863	
Committed	-	4,973,554	382,385	693,671	2,399,421	8,449,031	
Unassigned	15,299,063	-	-	-	-	15,299,063	
Total fund balances	<u>\$ 15,367,416</u>	<u>\$ 4,983,522</u>	<u>\$ 382,385</u>	<u>\$ 693,671</u>	<u>\$ 2,399,421</u>	<u>\$ 23,826,415</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,427,025</u>	<u>\$ 10,579,186</u>	<u>\$ 382,385</u>	<u>\$ 693,671</u>	<u>\$ 2,399,421</u>	<u>\$ 44,481,688</u>	

Detailed explanation of adjustments from fund statements to government-wide statement of net position:

Total fund balances, balance sheet, governmental funds \$ 23,826,415

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the position of the City as a whole. 100,512,788

Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds. 6,977,818

The Net Pension and OPEB Assets are not an available resources and, therefore are not reported in the funds. 1,644,098

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay current-period expenditures. Those assets (for example, receivables) are offset by unavailable revenues in the governmental funds and thus are not included in the fund balance. 1,483,216

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. (6,332,833)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (883,071)

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities--both current and long-term--are reported in the statement of net position. (110,004,686)

Net position of governmental activities \$ 17,223,745

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

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

	Governmental Funds					Total Governmental Funds
	General	Capital Projects Fund	Debt Service Fund	Proffer Fund	Nonmajor Governmental Funds	
Revenues:						
General property taxes	\$ 34,953,892	\$ -	\$ -	\$ -	\$ -	\$ 34,953,892
Other local taxes	6,916,216	308,749	-	-	-	7,224,965
Permits, privilege fees and regulatory licenses	392,352	-	-	-	-	392,352
Fines and forfeitures	1,330,635	-	-	-	-	1,330,635
Revenue from use of money and property	24,188	-	68	-	-	24,256
Charges for services	1,538,459	-	-	-	-	1,538,459
Miscellaneous	170,427	-	44,564	8,485	878,522	1,101,998
Intergovernmental:						
Commonwealth	4,575,815	160,155	-	-	-	4,735,970
Federal	1,793,870	1,454,308	-	-	-	3,248,178
Total revenues	\$ 51,695,854	\$ 1,923,212	\$ 44,632	\$ 8,485	\$ 878,522	\$ 54,550,705
Expenditures:						
Current:						
General government administration	\$ 5,375,331	\$ 22,684,057	\$ -	\$ -	\$ -	\$ 28,059,388
Judicial administration	644,959	-	-	-	-	644,959
Public safety	8,641,023	1,603,432	-	-	-	10,244,455
Public works	1,923,946	2,296,310	-	-	-	4,220,256
Health and welfare	4,613,002	71,635	-	-	-	4,684,637
Education	11,679,132	1,584,000	-	-	-	13,263,132
Parks, recreation, and cultural	3,283,922	548,516	-	-	-	3,832,438
Community development	940,525	19,234	-	-	-	959,759
Debt service:						
Principal retirement	-	578,823	6,539,144	-	-	7,117,967
Interest and other fiscal charges	-	1,085,893	3,011,278	-	-	4,097,171
Bond issuance costs	93,275	28,899	-	-	-	122,174
Total expenditures	\$ 37,195,115	\$ 30,500,799	\$ 9,550,422	\$ -	\$ -	\$ 77,246,336
Excess (deficiency) of revenues over (under) expenditures	\$ 14,500,739	\$ (28,577,587)	\$ (9,505,790)	\$ 8,485	\$ 878,522	\$ (22,695,631)
Other financing sources (uses):						
Transfers in	\$ 1,408,479	\$ 3,925,432	\$ 9,546,012	\$ -	\$ 319,984	\$ 15,199,907
Transfers out	(11,625,404)	-	-	(319,984)	(1,846,041)	(13,791,429)
Proceeds from the sale of capital assets	-	-	-	105,000	-	105,000
Payment to refunded bond escrow agent	(2,637,974)	-	-	-	-	(2,637,974)
Issuance of leases	-	1,330,980	-	-	-	1,330,980
Issuance of refunding bonds	2,675,000	-	-	-	-	2,675,000
Bond premium	56,249	-	-	-	-	56,249
Total other financing sources (uses)	\$ (10,123,650)	\$ 5,256,412	\$ 9,546,012	\$ (214,984)	\$ (1,526,057)	\$ 2,937,733
Net changes in fund balances	\$ 4,377,089	\$ (23,321,175)	\$ 40,222	\$ (206,499)	\$ (647,535)	\$ (19,757,898)
Fund balances at beginning of year	10,990,327	28,304,697	342,163	900,170	3,046,956	43,584,313
Fund balances at end of year	\$ 15,367,416	\$ 4,983,522	\$ 382,385	\$ 693,671	\$ 2,399,421	\$ 23,826,415

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

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

		Primary Government Governmental Funds
Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds	\$	(19,757,898)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period. The following details support this adjustment:		
Capital outlay	\$ 27,888,910	
Depreciation expense	<u>(3,764,265)</u>	24,124,645
Transfer of joint tenancy assets from Primary Government to the Component Unit School Board		(5,797,941)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(4,509,964)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(224,247)	
Opioid settlement	<u>107,350</u>	(116,897)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items. A summary of items supporting this adjustment is as follows:		
Proceeds from issuance of long-term obligations	\$ (2,675,000)	
Lease proceeds	(1,330,980)	
Premium on bonds	(56,249)	
Payment to refunded bond escrow agent	2,637,974	
Amortization of bond premium	1,283,356	
Amortization of deferred amount on refunding	(800,598)	
Principal retired on general obligation bonds	6,539,144	
Principal retired on lease liabilities	484,690	
Principal retired on notes payable	<u>94,133</u>	6,176,470
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. The following is a summary of items supporting this adjustment:		
Change in compensated absences	\$ (26,503)	
Pension expense	795,225	
OPEB expense	(146,933)	
Change in accrued interest payable	<u>94,569</u>	716,358
Change in net position of governmental activities	\$	<u>834,773</u>

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

Statement of Net Position - Proprietary Funds
At June 30, 2022

	Enterprise Funds			
	Water and Sewer Fund	Storm Water Fund	Solid Waste Management Fund	Total
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 9,631,170	\$ 2,398,773	\$ -	\$ 12,029,943
Investments	12,140	-	-	12,140
Receivables (net of allowance for uncollectibles):				
Accounts receivable	1,623,875	41,041	132,122	1,797,038
Total Current Assets	\$ 11,267,185	\$ 2,439,814	\$ 132,122	\$ 13,839,121
Noncurrent Assets				
Capital assets:				
Utility plant and equipment	\$ 29,127,459	\$ 393,163	\$ -	\$ 29,520,622
Accumulated depreciation	(14,134,954)	(214,966)	-	(14,349,920)
Total Capital Assets	\$ 14,992,505	\$ 178,197	\$ -	\$ 15,170,702
Pension asset	\$ 110,731	\$ -	\$ -	\$ 110,731
Total Noncurrent Assets	\$ 15,103,236	\$ 178,197	\$ -	\$ 15,281,433
Total Assets	\$ 26,370,421	\$ 2,618,011	\$ 132,122	\$ 29,120,554
DEFERRED OUTFLOWS OF RESOURCES:				
Pension related items	\$ 152,772	\$ -	\$ -	\$ 152,772
OPEB related items	16,933	-	-	16,933
Deferred charge on refunding	462,828	-	-	462,828
Total deferred outflows of resources	\$ 632,533	\$ -	\$ -	\$ 632,533
LIABILITIES				
Current Liabilities				
Reconciled overdraft	\$ -	\$ -	\$ 52,336	\$ 52,336
Accounts payable	161,264	14,622	77,054	252,940
Accrued liabilities	60,260	137,055	5,450	202,765
Customer deposits	137,634	-	-	137,634
Unearned revenue	-	20,519	-	20,519
Accrued interest payable	86,305	-	-	86,305
Long-term obligations - current portion	911,052	2,349	-	913,401
Total Current Liabilities	\$ 1,356,515	\$ 174,545	\$ 134,840	\$ 1,665,900
Noncurrent Liabilities				
Long-term obligations - noncurrent portion	7,897,858	21,137	-	7,918,995
Total Liabilities	\$ 9,254,373	\$ 195,682	\$ 134,840	\$ 9,584,895
DEFERRED INFLOWS OF RESOURCES				
Pension related items	\$ 436,263	\$ -	\$ -	\$ 436,263
OPEB related items	26,624	-	-	26,624
Total deferred inflows of resources	\$ 462,887	\$ -	\$ -	\$ 462,887
NET POSITION				
Net Investment in capital assets	\$ 6,947,142	\$ 178,197	\$ -	\$ 7,125,339
Restricted - net pension asset	110,731	-	-	110,731
Unrestricted	10,227,821	2,244,132	(2,718)	12,469,235
Total Net Position	\$ 17,285,694	\$ 2,422,329	\$ (2,718)	\$ 19,705,305

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

Statement of Revenues, Expenses and Change in Net Position -
Proprietary Fund
Year Ended June 30, 2022

	Enterprise Funds			
	Water and Sewer Fund	Storm Water Fund	Solid Waste Management Fund	Total
Operating revenues:				
Charges for services	\$ 7,809,735	\$ 1,070,893	\$ 1,199,387	\$ 10,080,015
Other revenues	359,914	-	-	359,914
Total operating revenues	\$ 8,169,649	\$ 1,070,893	\$ 1,199,387	\$ 10,439,929
Operating expenses:				
Personnel services	\$ 532,543	\$ 269,007	\$ 18,177	\$ 819,727
Fringe benefits	119,143	72,048	4,956	196,147
Contractual services	181,681	47,513	937,334	1,166,528
Depreciation	756,535	45,001	-	801,536
Other operating expenses	2,996,219	267,326	480	3,264,025
Total operating expenses	\$ 4,586,121	\$ 700,895	\$ 960,947	\$ 6,247,963
Net income (loss) from operations	\$ 3,583,528	\$ 369,998	\$ 238,440	\$ 4,191,966
Nonoperating revenues (expenses):				
Interest income	\$ 23	\$ -	\$ -	\$ 23
Intergovernmental grants	81,005	-	-	81,005
Utility relief program	(81,005)	-	-	(81,005)
Availability/connection fees	933,560	-	-	933,560
UOSA debt service	(1,848,320)	-	-	(1,848,320)
Interest expense	(294,852)	-	-	(294,852)
Total nonoperating revenues (expenses)	\$ (1,209,589)	\$ -	\$ -	\$ (1,209,589)
Net income (loss) before transfers	\$ 2,373,939	\$ 369,998	\$ 238,440	\$ 2,982,377
Transfers:				
Transfers in	\$ -	\$ 650,018	\$ 7,500	\$ 657,518
Transfers out	(1,220,887)	(739,248)	(105,861)	(2,065,996)
Total transfers	\$ (1,220,887)	\$ (89,230)	\$ (98,361)	\$ (1,408,478)
Change in net position	\$ 1,153,052	\$ 280,768	\$ 140,079	\$ 1,573,899
Net position, beginning of year	16,132,642	2,141,561	(142,797)	18,131,406
Net position, end of year	\$ 17,285,694	\$ 2,422,329	\$ (2,718)	\$ 19,705,305

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

Statement of Cash Flows - Proprietary Fund
Year Ended June 30, 2022

	Enterprise Funds			
	Water and Sewer Fund	Storm Water Fund	Solid Waste Management Fund	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 7,891,550	\$ 1,091,482	\$ 1,212,789	\$ 10,195,821
Payments to and for employees	(664,604)	(333,731)	(23,003)	(1,021,338)
Payments to suppliers	(3,075,768)	(308,090)	(1,091,425)	(4,475,283)
Net cash provided by operating activities	\$ 4,151,178	\$ 449,661	\$ 98,361	\$ 4,699,200
Cash flows from non-capital financing activities:				
Availability/connection fees	\$ 933,560	\$ -	\$ -	\$ 933,560
Transfers in (out)	(1,220,887)	(89,230)	(98,361)	(1,408,478)
Net cash provided by non-capital financing activities	\$ (287,327)	\$ (89,230)	\$ (98,361)	\$ (474,918)
Cash flows from capital and related financing activities:				
Construction and acquisition of capital assets	\$ (131,864)	\$ (78,672)	\$ -	\$ (210,536)
Retirement of indebtedness	(1,055,000)	-	-	(1,055,000)
UOSA debt service	(1,848,320)	-	-	(1,848,320)
Interest expense	(326,582)	-	-	(326,582)
Net cash provided by (used for) capital and related financing activities	\$ (3,361,766)	\$ (78,672)	\$ -	\$ (3,440,438)
Net increase (decrease) in cash and cash equivalents	\$ 502,085	\$ 281,759	\$ -	\$ 783,844
Cash and cash equivalents at beginning of year	9,129,085	2,117,014	-	11,246,099
Cash and cash equivalents at end of year	\$ 9,631,170	\$ 2,398,773	\$ -	\$ 12,029,943
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Cash flows from operations:				
Income (loss) from operations	\$ 3,583,528	\$ 369,998	\$ 238,440	\$ 4,191,966
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	756,535	45,001	-	801,536
Changes in operating items:				
(Increase) decrease in accounts receivable	(219,787)	70	13,402	(206,315)
(Increase) decrease in net pension asset	(110,731)	0	0	(110,731)
(Increase) deferred outflows - pension related items	92,586	-	-	92,586
(Increase) decrease in deferred outflows - OPEB related items	10,779	-	-	10,779
Increase (decrease) in reconciled overdraft	-	-	(77,253)	(77,253)
Increase (decrease) in accounts payable	102,132	6,749	(76,358)	32,523
Increase (decrease) in accrued liabilities	10,946	5,860	130	16,936
Increase (decrease) in unearned revenue	(70,162)	20,519	-	(49,643)
Increase (decrease) in customer deposits	11,850	-	-	11,850
Increase (decrease) in net pension liability	(456,202)	-	-	(456,202)
Increase (decrease) in net OPEB liability	(16,048)	-	-	(16,048)
Increase (decrease) in deferred inflows - pension related items	435,479	-	-	435,479
Increase (decrease) in deferred inflows - OPEB related items	14,193	-	-	14,193
Increase (decrease) in compensated absences	6,080	1,464	-	7,544
Net cash provided by operating activities	\$ 4,151,178	\$ 449,661	\$ 98,361	\$ 4,699,200

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

Statement of Fiduciary Net Position - Fiduciary Funds
At June 30, 2022

		<div>Custodial Fund</div> <div>CDA Fund</div>
ASSETS		
Cash and cash equivalents	\$	<div>16,290</div>
Total assets	\$	<div>16,290</div>
NET POSITION		
Restricted	\$	<div>16,290</div>

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

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
 Year Ended June 30, 2022

	Custodial Fund <hr/> CDA Fund <hr/>
Additions:	
Contributions	\$ <u>-</u>
Deductions:	
Other charges	\$ <u>-</u>
Change in net position	\$ -
Net Position:	
Balance, beginning of year	<u>16,290</u>
Balance end of year	\$ <u><u>16,290</u></u>

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

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements As of June 30, 2022

Note 1–Summary of Significant Accounting Policies:

The City of Manassas Park, Virginia (“City”, “government”) is a municipal corporation governed by an elected mayor and six-member City Council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

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

Financial Statement Presentation

Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government’s activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Statement of Net Position - The Statement of Net Position is designed to display financial position of the primary government (governmental and business-type activities) and its discretely presented component unit. Governments will report all capital assets, in the government-wide Statement of Net Position and will report depreciation expense - the cost of “using up” capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

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

CITY OF MANASSAS PARK, VIRGINIA

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

Note 1—Summary of Significant Accounting Policies: (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Budgetary comparison schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Governments provide budgetary comparison information in their annual reports, including the original budget, final budget, and actual results.

A. Financial Reporting Entity:

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the City of Manassas Park, Virginia (the primary government) and its component unit. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is both legally separate from the government.

B. Individual Component Unit Disclosures:

Blended Component Units – The City has no blended component units for the fiscal year ended June 30, 2022.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 1—Summary of Significant Accounting Policies: (Continued)

B. Individual Component Unit Disclosures: (Continued)

Discretely Presented Component Units

School Board

The Manassas Park City School Board operates the elementary and secondary public schools in the City. School Board members are appointed by the Governing Body. The School Board is fiscally dependent upon the City because the City approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. A separate financial report for the Manassas Park City School Board is not prepared. The financial statements of the School Board are presented as a discrete presentation of the City financial statements.

Other Related Organizations

A related organization is an organization for which a primary government is not financially accountable because it does not impose will or have a financial benefit or burden relationship even though the primary government appoints a voting majority of the organization's governing board. The Industrial Development Authority of Manassas Park is a related organization of the City.

The City has organized the Industrial Development Authority of Manassas Park to promote and develop commercial and industrial enterprise within the City. The Authority issues bonds to enterprises who locate within the City as a means of attracting business. Although the Authority's members are appointed by City Council, the Authority is not a part of the City's reporting entity because the City has no accountability for fiscal matters. The bonds are not obligations of the City or the Commonwealth of Virginia but are secured solely by revenues received from the businesses on whose behalf they are issued.

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

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 1—Summary of Significant Accounting Policies: (Continued)

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

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues, (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Major sources of revenue susceptible to accrual include but are not limited to state and local sales tax, PPTRA, and other local taxes. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The government reports the following major governmental funds:

a. General Fund

The General Fund is the primary operating fund of the City. This fund is used to account for and report all financial transactions and resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues is used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for reporting purposes.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 1—Summary of Significant Accounting Policies: (Continued)

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

1. Governmental Funds: (Continued)

b. Capital Projects Funds

The Capital Projects Fund and the Proffer Fund account for and reports financial resources that are restricted or committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The Capital Projects Fund and Proffer Fund are considered major funds.

c. Debt Service Fund

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds, including public improvement bonds and obligations issued through the Virginia Public School Authority. The Debt Service Fund is considered a major fund.

d. Special Revenue Funds

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The City has two special revenue funds, the Gang Task Force Fund and the Special Transportation Fund. The Gang Task Force Fund accounts for revenues and expenditures of the Gang Task Force grant while the Special Transportation Fund accounts for activity related to the Northern Virginia Transportation Authority. The Gang Task Force Fund and the Special Transportation Fund are considered nonmajor funds.

2. Proprietary Funds - account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds.

Enterprise Funds

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 1—Summary of Significant Accounting Policies: (Continued)

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

2. Governmental Funds: (Continued)

The City reports the following major enterprise funds:

Water and Sewer Fund - This fund accounts for the activities and operations of the sewage treatment plants, sewage pumping stations and collection systems, and the water distribution system.

Solid Waste Management Fund – This fund accounts for the resources used for garbage collection activities.

Storm Water Fund – This Fund accounts for activities designed to meet storm water quality and quantity standards by implementing ordinances, programs, and practices mandated by the State.

3. Fiduciary Funds (Trust and Custodial Funds) - account for assets held by the City unit in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements. Custodial funds consists of the CDA Fund.

D. Budgets and Budgetary Accounting:

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

1. Prior to April 1, the City Manager submits to the City Council a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of an ordinance.
4. All revisions to the budget at the fund level must be approved by the City Council. Management may transfer budgeted amounts between functions without approval by City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General, Debt Service, Capital Projects and Water and Sewer Funds.
6. Budgets for all funds are legally adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF MANASSAS PARK, VIRGINIA

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

Note 1—Summary of Significant Accounting Policies: (Continued)

D. Budgets and Budgetary Accounting: (Continued)

7. Quarterly appropriations are made by City Council at the fund level. Appropriations can be revised only by City Council. Several supplemental appropriations were necessary during this fiscal year. All appropriations lapse at year-end except for capital projects funds where appropriations carry forward the duration of the project.
8. All budgetary data presented in the accompanying financial statements is the legally amended or revised budget for the year ended June 30, 2022.
9. The following funds have legally adopted budgets: General Fund, Debt Service Fund, Capital Projects Fund, the Non-major Special Revenue Funds, School Operating Fund, and the School Cafeteria Fund. The legal level of control, the level on which expenditures may not legally exceed appropriations, is the fund level.

E. Cash and Cash Equivalents:

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

F. Investments:

State statutes authorize the City government and the School Board to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the Local Government Investment Pool.

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

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). All other outstanding balances between funds are reported as "advances to/from other funds."

CITY OF MANASSAS PARK, VIRGINIA

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

Note 1—Summary of Significant Accounting Policies: (Continued)

G. Receivables and Payables: (Continued)

All trade and property tax receivables are shown net of an allowance for uncollectibles. The City calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$1,027,369 at June 30, 2022 and is comprised of the following:

Property taxes	\$ 856,161
Water & sewer accounts	<u>171,208</u>
Total	<u>\$ 1,027,369</u>

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are payable in two installments on June 5th and December 5th. Personal property taxes are due and collectible annually on October 5th. The City bills and collects its own property taxes.

H. Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as land, buildings, road registered vehicles, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost (except for intangible right-to-use assets (lease assets), the measurement of which is discussed in more detail below) or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20-50
Structures, lines and accessories	40
Infrastructure	30
Machinery and equipment	5-10
Lease machinery and equipment	1-5

CITY OF MANASSAS PARK, VIRGINIA

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

Note 1—Summary of Significant Accounting Policies: (Continued)

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources, represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Another item is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has items that qualify for reporting in this category. These items consist of certain items related to pension, opioid settlement, and OPEB. For more detailed information on these items, reference the related notes.

J. Compensated Absences:

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

Upon retirement, City employees are reimbursed for accumulated vacation days and accumulated sick leave. A liability for these amounts is reported in governmental funds if they have matured, for example, as a result of employee resignations and retirements. For City Governmental Funds, the cost of accumulated vacation and sick leave expected to be paid in the next 12 months is recorded as a fund liability and amounts expected to be paid after 12 months are recorded in the entity-wide statements. For City Proprietary Funds, the cost of vacation and sick leave is recorded as a liability when earned.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 1—Summary of Significant Accounting Policies: (Continued)

K. Pensions

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

L. Long-term Obligations:

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued and premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

N. Prepaid Connection Fees:

Prepaid connection fees are non-refundable deposits received in advance for water and/or sewer connection fees. The amounts are recorded as revenue when the connection is made.

O. Net Position

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 1—Summary of Significant Accounting Policies: (Continued)

O. Net Position: (Continued)

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

P. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Q. Prepaid Items

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

R. Inventory

Purchases of materials and supplies are recorded as an expenditure at the time purchased except for school commodities which are valued at cost using the first-in/first-out method.

S. Component Unit-School Board Capital Asset and Debt Presentation

By law, the School Board does not have taxing authority and, therefore, it cannot incur debt through general obligation bonds to fund the acquisition, construction or improvement of its capital assets. That responsibility lies with the City who issues the debt on behalf of the School Board. However, the Code of Virginia requires the School Board to hold title to the capital assets (buildings and equipment) due to their responsibility for maintaining the asset.

In the Statement of Net Position, this scenario presents a unique situation for the City. Debt issued on behalf of the School Board is reported as a liability of the primary government, thereby reducing the net position of the City. The corresponding capital assets are reported as assets of the Component Unit-School Board (title holder), thereby increasing its net position.

The Virginia General Assembly amended the Code of Virginia to allow a tenancy in common with the School Board whenever the locality incurs a financial obligation which is payable over more than one fiscal year for any school property. The tenancy in common terminates when the associated debt has been paid in full. For financial reporting purposes, the legislation permits the locality to report the portion of the school property related to any outstanding financial obligation, thus eliminating a potential deficit from financing capital assets with debt.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 1—Summary of Significant Accounting Policies: (Continued)

T. Fund Equity

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

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

When fund balance resources are available for a specific purpose in more than one classification, it is the City's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the City Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes). The City's Fund Balance Policy adopted by the Governing Body delegates the authority to assign fund balances for specific purposes to the City Manager. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the City.

Note 1—Summary of Significant Accounting Policies: (Continued)

U. Other Postemployment Benefits (OPEB)

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

V. Leases

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

Lessee

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

Key Estimates and Judgments

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

- The City uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the City uses their estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease liability (lessee).

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

CITY OF MANASSAS PARK, VIRGINIA

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

Note 1—Summary of Significant Accounting Policies: (Continued)

W. Adoption of Accounting Principles

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

	<u>Governmental Activities</u>
Leasee activity:	
Lease assets	\$ 392,744
Lease liabilities	<u>\$ 392,744</u>

The implementation of this Statement resulted in the following restatement of net position:

	<u>Governmental Activities Net Position</u>
July 1, 2021, as previously reported	\$ 16,489,759
Implementation of GASB 84	<u>(100,787)</u>
July 1, 2021, as restated	<u>\$ 16,388,972</u>

Note 2—Deposits and Investments:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by 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.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 2—Deposits and Investments: (Continued)

Investments

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

Credit Risk of Debt Securities

The City does not have a policy related to credit risk of debt securities.

The City’s rated debt investments as of June 30, 2022 were rated by Standard and Poor’s and the ratings are presented below using Standard and Poor’s rating scale.

City’s Rated Debt Investments’ Values	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAAm</u>
State Non-Arbitrage Pool	\$ 47,625
Money Market Funds	10,544,616
Total	\$ <u>10,592,241</u>

Interest Rate Risk

The City does not have a policy related to interest rate risk.

Investment Maturities (in years)		
<u>Investment Type</u>	<u>Fair Value June 30, 2022</u>	<u>Within 1 Year</u>
State Non-Arbitrage Pool	\$ 47,625	\$ 47,625
Total	\$ <u>47,625</u>	\$ <u>47,625</u>

External Investment Pools

The fair value of the positions in the external investment pools (State Non-Arbitrage Pool) is the same as the value of the pool shares. As SNAP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. SNAP is amortized cost basis portfolios. There are no withdrawal limitations or restrictions imposed on participants.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 3—Due From Other Governments:

At June 30, 2022, the City and School Board had receivables from other governments as follows:

	Primary Government	Discretely Presented Component Unit School Board
Commonwealth of Virginia:		
State sales taxes	\$ -	\$ 387,888
Local sales taxes	506,660	-
Communications tax	83,596	-
Public assistance	40,369	-
Department of transportation	4,521	-
Shared expenses	15,043	-
CSA	239,542	-
Other	38,456	-
Federal Government:		
School funds	-	1,451,600
Public safety	32,280	-
Public assistance	86,714	-
Totals	\$ <u>1,047,181</u>	\$ <u>1,839,488</u>

Note 4—Interfund Transfers/Balances:

Interfund transfers for the year ended June 30, 2022 consisted of the following:

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	\$ 1,408,479	\$ 11,625,404
Debt Service Fund	9,546,012	-
Proffer Fund	-	319,984
Water and Sewer Fund	-	1,220,887
Storm Water Fund	650,018	739,248
Solid Waste Management Fund	7,500	105,861
Special Transportation Fund	319,984	1,846,041
Capital Projects Fund	3,925,432	-
Total	\$ <u>15,857,425</u>	\$ <u>15,857,425</u>

Transfers are used to (1) move revenue from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 4—Interfund Transfers/Balances: (Continued)

Due to/from balances for the year ended June 30, 2022 consisted of the following:

<u>Fund</u>	<u>Due From Component Unit</u>	<u>Due to Primary Government</u>
General	\$ 1,167,270	\$ -
School Board	-	1,167,270
Totals	<u>\$ 1,167,270</u>	<u>\$ 1,167,270</u>

Note 5—Capital Assets:

The following is a summary of capital asset activity for the year ended June 30, 2022:

Primary Government:

	<u>Beginning Balance July 1, 2021 As Restated</u>	<u>GASB 87 Implementation</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2022</u>
<u>Governmental Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 12,298,832	\$ -	\$ 671,867	\$ 4,509,964	\$ 8,460,735
Intangibles	108,699	-	-	-	108,699
Construction in progress	<u>2,002,241</u>	<u>-</u>	<u>24,267,641</u>	<u>750,161</u>	<u>25,519,721</u>
Total capital assets not being depreciated	<u>\$ 14,409,772</u>	<u>\$ -</u>	<u>\$ 24,939,508</u>	<u>\$ 5,260,125</u>	<u>\$ 34,089,155</u>
Capital assets being depreciated:					
Buildings and improvements	\$ 41,922,941	\$ -	\$ 244,088	\$ -	\$ 42,167,029
Equipment	12,182,641	-	1,394,179	-	13,576,820
Lease equipment	-	392,744	1,330,980	-	1,723,724
Infrastructure	23,438,163	-	730,316	-	24,168,479
Jointly owned assets	<u>44,963,369</u>	<u>-</u>	<u>-</u>	<u>7,098,868</u>	<u>37,864,501</u>
Total capital assets being depreciated	<u>\$ 122,507,114</u>	<u>\$ 392,744</u>	<u>\$ 3,699,563</u>	<u>\$ 7,098,868</u>	<u>\$ 119,107,809</u>
Accumulated depreciation:					
Buildings and improvements	\$ 12,532,568	\$ -	\$ 882,338	\$ -	\$ 13,414,906
Equipment	10,430,520	-	636,522	-	11,067,042
Lease equipment	-	-	542,156	-	542,156
Infrastructure	14,604,351	-	758,808	-	15,363,159
Jointly owned assets	<u>13,046,143</u>	<u>-</u>	<u>944,441</u>	<u>1,300,927</u>	<u>12,689,657</u>
Total accumulated depreciation	<u>\$ 50,613,582</u>	<u>\$ -</u>	<u>\$ 3,764,265</u>	<u>\$ 1,300,927</u>	<u>\$ 53,076,920</u>
Total capital assets being depreciated, net	<u>\$ 71,893,532</u>	<u>\$ 392,744</u>	<u>\$ (64,702)</u>	<u>\$ 5,797,941</u>	<u>\$ 66,423,633</u>
Governmental activities capital assets, net	<u>\$ 86,303,304</u>	<u>\$ 392,744</u>	<u>\$ 24,874,806</u>	<u>\$ 11,058,066</u>	<u>\$ 100,512,788</u>

CITY OF MANASSAS PARK, VIRGINIA

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

Note 5—Capital Assets: (Continued)

Primary Government: (Continued)

	Beginning Balance July 1, 2021	Additions	Deletions	Ending Balance June 30, 2022
<u>Business-type activities:</u>				
Capital assets being depreciated:				
Utility plant and equipment	\$ 29,310,085	\$ 210,537	\$ -	\$ 29,520,622
Accumulated depreciation:				
Utility plant and equipment	\$ 13,548,384	\$ 801,536	\$ -	\$ 14,349,920
Total capital assets being depreciated, net	\$ 15,761,701	\$ (590,999)	\$ -	\$ 15,170,702
Business-type activities capital assets, net	\$ 15,761,701	\$ (590,999)	\$ -	\$ 15,170,702

Discretely Presented Component Unit—School Board:

	Beginning Balance July 1, 2021	Additions	Deletions	Ending Balance June 30, 2022
Capital assets not being depreciated:				
Land	\$ 1,637,491	\$ -	\$ -	\$ 1,637,491
Construction in progress	-	1,519,755	-	1,519,755
Total capital assets not being depreciated	\$ 1,637,491	\$ 1,519,755	\$ -	\$ 3,157,246
Capital assets, being depreciated:				
Buildings and improvements	\$ 56,665,178	\$ 7,714,758	\$ -	\$ 64,379,936
Equipment	6,302,157	92,520	-	6,394,677
Total capital assets being depreciated	\$ 62,967,335	\$ 7,807,278	\$ -	\$ 70,774,613
Accumulated depreciation:				
Buildings and improvements	\$ 23,104,687	\$ 2,428,426	\$ -	\$ 25,533,113
Equipment	4,396,311	359,476	-	4,755,787
Total accumulated depreciation	\$ 27,500,998	\$ 2,787,902	\$ -	\$ 30,288,900
Total capital assets being depreciated, net	\$ 35,466,337	\$ 5,019,376	\$ -	\$ 40,485,713
School Board capital assets, net	\$ 37,103,828	\$ 6,539,131	\$ -	\$ 43,642,959

CITY OF MANASSAS PARK, VIRGINIA

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

Note 5—Capital Assets: (Continued)

Depreciation expense was charged to functions/programs of the primary government and component unit as follows:

Governmental activities:	
General government	\$ 150,295
Public safety	1,259,571
Public works	858,300
Health and Welfare	22,027
Education	944,441
Parks, recreation and cultural	528,659
Community development	972
Total	<u>\$ 3,764,265</u>
Component Unit-School Board	<u>\$ 1,486,975</u>
Water and Sewer	\$ 756,535
Storm Water	<u>45,001</u>
Business-type	<u>\$ 801,536</u>
(1) Depreciation expense	\$ 1,486,975
Accumulated depreciation on Joint tenancy asset transfer	<u>1,300,927</u>
Total increase in accumulated depreciation, page 58	<u>\$ 2,787,902</u>

CITY OF MANASSAS PARK, VIRGINIA

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

Note 6—Long-Term Obligations:

Governmental Activities:

The following is a summary of changes in long-term obligation transactions of the City for the year ended June 30, 2022:

	Balance July 1, 2021 As Restated	GASB 87 Implementation	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2022	Due Within One Year
Governmental Funds						
General Obligation Bonds	\$ 60,192,243	\$ -	\$ 2,675,000	\$ 8,379,999	\$ 54,487,244	\$ 4,834,403
Notes payable	339,439	-	-	94,133	245,306	97,498
Lease liabilities	-	392,744	1,330,980	484,690	1,239,034	522,903
Lease Revenue Bonds	27,130,000	-	-	-	27,130,000	-
Direct Borrowings and Direct placements:						
General Obligation Bonds	6,459,224	-	-	404,145	6,055,079	425,335
State Literary Fund Loans	7,195,000	-	-	65,000	7,130,000	65,000
Other Liabilities:						
Compensated Absences	1,294,577	-	155,961	129,458	1,321,080	132,108
Net OPEB liability	3,718,872	-	1,303,011	1,376,651	3,645,232	-
Net Pension Liability	5,162,058	-	5,621,317	10,783,375	-	-
Premium on bonds	10,107,760	-	56,249	1,412,298	8,751,711	1,155,570
Total	\$ 121,599,173	\$ 392,744	\$ 11,142,518	\$ 23,129,749	\$ 110,004,686	\$ 7,232,817

The general fund revenues are used to liquidate compensated absences, pension liabilities and OPEB liabilities.

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

Year Ending June 30,	Governmental Activities			
	Direct Borrowings and Direct Placements			
	General Obligation Bonds		State Literary Fund Loans	
	Principal	Interest	Principal	Interest
2023	\$ 425,335	\$ 173,898	\$ 65,000	\$ 213,900
2024	430,986	155,795	70,000	211,950
2025	956,495	132,034	70,000	209,850
2026	962,263	101,686	70,000	207,750
2027	635,000	78,621	75,000	205,650
2028	640,000	62,627	75,000	203,400
2029	655,000	45,692	80,000	201,150
2030	665,000	28,003	80,000	198,750
2031	685,000	9,504	1,035,000	196,350
2032	-	-	1,785,000	165,300
2033	-	-	1,835,000	111,750
2034	-	-	1,890,000	56,700
Total	\$ 6,055,079	\$ 787,860	\$ 7,130,000	\$ 2,182,500

CITY OF MANASSAS PARK, VIRGINIA

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

Note 6—Long-Term Obligations: (Continued)

Governmental Activities: (Continued)

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

Year Ending June 30,	Governmental Activities							
	Lease		Notes Payable		General Obligation Bonds		Lease Liabilities	
	Revenue Bonds							
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ -	\$ 1,070,950	\$ 97,498	\$ 7,635	\$ 4,834,403	\$ 2,292,950	\$ 522,903	\$ 43,589
2024	-	1,070,950	79,697	4,139	5,173,791	2,051,977	456,911	27,802
2025	-	1,070,950	68,111	1,831	4,911,119	1,808,022	93,070	11,463
2026	525,000	1,057,825	-	-	5,167,235	1,567,319	97,959	6,573
2027	550,000	1,030,950	-	-	5,439,563	1,313,870	68,191	1,730
2028	580,000	1,002,700	-	-	5,723,950	1,047,187	-	-
2029	610,000	972,950	-	-	5,997,152	778,586	-	-
2030	640,000	941,700	-	-	6,329,179	515,097	-	-
2031	670,000	912,300	-	-	4,950,626	282,538	-	-
2032	695,000	885,000	-	-	2,060,296	133,859	-	-
2033	725,000	856,600	-	-	2,199,134	87,641	-	-
2034	755,000	827,000	-	-	486,411	38,784	-	-
2035	785,000	796,200	-	-	600,581	23,837	-	-
2036	820,000	764,100	-	-	613,804	8,083	-	-
2037	850,000	730,700	-	-	-	-	-	-
2038	885,000	696,000	-	-	-	-	-	-
2039	920,000	659,900	-	-	-	-	-	-
2040	960,000	622,300	-	-	-	-	-	-
2041	1,000,000	583,100	-	-	-	-	-	-
2042	1,035,000	547,575	-	-	-	-	-	-
2043	1,065,000	516,075	-	-	-	-	-	-
2044	1,100,000	483,600	-	-	-	-	-	-
2045	1,130,000	450,150	-	-	-	-	-	-
2046	1,175,000	409,700	-	-	-	-	-	-
2047	1,220,000	361,800	-	-	-	-	-	-
2048	1,270,000	312,000	-	-	-	-	-	-
2049	1,320,000	260,200	-	-	-	-	-	-
2050	1,375,000	206,300	-	-	-	-	-	-
2051	1,430,000	150,200	-	-	-	-	-	-
2052	1,490,000	91,800	-	-	-	-	-	-
2053	1,550,000	31,000	-	-	-	-	-	-
Total	\$ 27,130,000	\$ 20,372,575	\$ 245,306	\$ 13,605	\$ 54,487,244	\$ 11,949,750	\$ 1,239,034	\$ 91,157

CITY OF MANASSAS PARK, VIRGINIA

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

Note 6—Long-Term Obligations: (Continued)

Governmental Activities: (Continued)

Details of Long-Term Obligations are as follows:

	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
<u>General Obligation Bonds:</u>		
\$9,145,000 General Obligation Bonds, dated November 10, 2004, payable in various annual installments through July 15, 2029, interest payable semiannually at rates ranging from 4.10% to 5.60%	\$ 4,455,000	\$ 470,000
\$6,134,536 VPSA General Obligation Bonds, dated November 10, 2005, payable in various annual installments through July 2026, interest payable semiannually at rates ranging from 4.60% to 5.10%	1,355,079	330,335
\$4,780,000 General Obligation Bonds, dated October 20, 2020, payable in various installments through October 1, 2030, interest payable semiannually at rates ranging from 1.975% to 2.775%	4,700,000	95,000
\$8,920,000, General Obligation Refunding Bonds, dated May 28, 2015, due in various annual installments through October 2035, interest payable semiannually at rates ranging from 3.0125% to 5.125%	2,452,876	157,938
\$8,955,000, General Obligation Refunding Bonds, dated May 28, 2015, due in various annual installments through October 2028, interest payable semiannually at rates ranging from .656% to 4.508%	579,368	76,465
\$11,385,000 General Obligation Refunding Bonds, dated April 4, 2013, due in various annual installments through October 1, 2030, interest payable semiannually at rates ranging from 2.46% to 4.83%	3,175,000	675,000
\$23,575,000 General Obligation Refunding Bonds, dated May 9, 2013, due in various annual installments through July 15, 2030, interest payable semiannually at rates ranging from 3.05% to 5.05%	16,565,000	1,800,000
\$2,675,000 VRA Refunding Bonds, dated October 28, 2021, due in various annual installments through October 1, 2035, interest payable semiannually at rates ranging from 1.896% to 2.805%	2,675,000	35,000
\$26,680,000 General Obligation Refunding Bonds, dated October 3, 2019, due in various annual installments through June 30, 2033, interest payable semiannually at rates ranging from 2.00% to 5.00%	22,200,000	1,610,000
\$3,275,000 VPSA General Obligation Refunding Bonds, dated November 19, 2015, payable in various installments through August 1, 2030, interest payable semiannually at rates ranging from 2.00% to 5.00%	2,385,000	10,000
Total General Obligation Bonds	\$ 60,542,323	\$ 5,259,738
<u>State Literary Fund Loans:</u>		
\$7,500,000, dated November 19, 2015, due in various annual installments through August 1, 2034, interest at 3%	\$ 7,130,000	\$ 65,000

CITY OF MANASSAS PARK, VIRGINIA

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

Note 6—Long-Term Obligations: (Continued)

Governmental Activities: (Continued)

Details of Long-Term Obligations: (Continued)

	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
Lease Revenue Bonds:		
\$27,130,000 Lease Revenue Bonds issued March 23, 2021 payable in various principal annual installments from December 15, 2025 to December 15, 2052, interest ranging from 3.00% to 5.00%	\$ 27,130,000	\$ -
<u>Lease Liabilities:</u>		
Various leases secured by equipment payable through 2027 at discount rates ranging from .7270% to 6.38%.	\$ 1,239,034	\$ 522,903
<u>Notes Payable:</u>		
\$87,566 lease obligation due in monthly installments of \$1,597 through November 1, 2024, interest payable at 3.74%, secured by equipment	\$ 41,515	\$ 17,818
\$95,090 lease obligation due in annual installments of \$21,298 through August 1, 2022, interest payable annually at 5.597%, secured by equipment	20,142	20,142
\$306,238 lease obligation due in annual installments of \$64,667 through April 15, 2025, interest payable annually at 2.793%, secured by equipment	183,649	59,538
Total Capital Leases	\$ 245,306	\$ 97,498
<u>Other Liabilities:</u>		
Compensated Absences	\$ 1,321,080	\$ 132,108
Premium on bonds	\$ 8,751,711	\$ 1,155,570
Net OPEB liability	\$ 3,645,232	\$ -
Total governmental activities long-term obligations	\$ 110,004,686	\$ 7,232,817

CITY OF MANASSAS PARK, VIRGINIA

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

Note 6—Long-Term Obligations: (Continued)

Business-type Activities:

The following is a summary of changes in long-term obligation of the Business-type Activities for the year ended June 30, 2022:

<u>Proprietary Funds</u>	<u>Balance July 1, 2021</u>	<u>Increases/ Issuances</u>	<u>Decreases/ Retirements</u>	<u>Balance June 30, 2022</u>	<u>Due Within One Year</u>
General Obligation Bonds	\$ 9,162,755	\$ -	\$ 1,055,000	\$ 8,107,755	\$ 815,597
Net OPEB liability	216,365	28,518	44,566	200,317	-
Net pension liability	456,202	371,745	827,947	-	-
Compensated Absences	116,344	19,178	11,634	123,888	12,389
Premium on bonds	495,517	-	95,081	400,436	85,415
Total	<u>\$ 10,447,183</u>	<u>\$ 419,441</u>	<u>\$ 2,034,228</u>	<u>\$ 8,832,396</u>	<u>\$ 913,401</u>

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

<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 815,597	\$ 321,945
2024	851,209	284,823
2025	893,881	245,753
2026	937,765	202,054
2027	980,437	155,955
2028	1,021,050	109,899
2029	1,047,848	69,719
2030	1,035,820	35,442
2031	124,374	16,865
2032	129,704	12,507
2033	40,866	9,429
2034	138,588	6,049
2035	44,419	2,651
2036	46,197	895
Total	<u>\$ 8,107,755</u>	<u>\$ 1,473,986</u>

CITY OF MANASSAS PARK, VIRGINIA

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

Note 6—Long-Term Obligations: (Continued)

Business-type Activities: (Continued)

Details of long-term obligations are as follows:

	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
<u>General Obligation Bonds:</u>		
\$8,920,000, General Obligation Refunding Bonds, dated May 28, 2015, due in various annual installments through October 2035, interest payable semiannually at rates ranging from 3.0125% to 5.125%	\$ 1,352,122	\$ 87,062
\$8,955,000, General Obligation Refunding Bonds, dated May 28, 2015, due in various annual installments through October 2028, interest payable semiannually at rates ranging from .656% to 4.508%	405,633	53,535
\$10,400,000, General Obligation Refunding Bonds, dated April 3, 2014, payable in various principal annual installments through October 1, 2029, interest payable semiannually at rates ranging from 2.72% to 4.83%	<u>6,350,000</u>	<u>675,000</u>
Total General Obligation Bonds	\$ <u>8,107,755</u>	\$ <u>815,597</u>
<u>Other Liabilities:</u>		
Compensated absences	\$ <u>123,888</u>	\$ <u>12,389</u>
Premium on bonds	\$ <u>400,436</u>	\$ <u>85,415</u>
Net OPEB liability	\$ <u>200,317</u>	\$ <u>-</u>
Total business-type long-term obligations	\$ <u><u>8,832,396</u></u>	\$ <u><u>913,401</u></u>

CITY OF MANASSAS PARK, VIRGINIA

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

Note 6—Long-Term Obligations: (Continued)

Component Unit School Board:

The following is a summary of long-term obligations for the fiscal year ended June 30, 2022:

	<u>Balance July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2022</u>	<u>Amounts Due Within One Year</u>
Net OPEB liabilities	\$ 8,178,353	\$ 1,561,769	\$ 2,635,019	\$ 7,105,103	\$ -
Net pension liability	38,044,930	7,404,556	24,933,172	20,516,314	-
Compensated absences	<u>450,255</u>	<u>79,914</u>	<u>45,026</u>	<u>485,143</u>	<u>48,514</u>
Total	<u>\$ 46,673,538</u>	<u>\$ 9,046,239</u>	<u>\$ 27,613,217</u>	<u>\$ 28,106,560</u>	<u>\$ 48,514</u>

Details of long-term obligations are as follows:

	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
Compensated Absences	\$ <u>485,143</u>	\$ <u>48,514</u>
Net OPEB liability	\$ <u>7,105,103</u>	\$ <u>-</u>
Net Pension Liability	\$ <u>20,516,314</u>	\$ <u>-</u>
Total	<u>\$ 28,106,560</u>	<u>\$ 48,514</u>

Note 7—Compensated Absences:

The City has accrued the liability arising from outstanding claims and judgments and compensated absences.

City employees earn vacation and sick leave at various rates. The City had outstanding accrued vacation pay as follows:

Governmental Funds	\$ <u>1,321,080</u>
Proprietary Funds	\$ <u>123,888</u>
Component Unit School Board	\$ <u>485,143</u>

CITY OF MANASSAS PARK, VIRGINIA

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

Note 8—Deferred/Unavailable/Unearned Revenue:

Deferred/unavailable/unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Deferred/unavailable/unearned is comprised of the following:

	Government-wide Statements	
	Governmental Activities	Business-type Activities
Unearned revenue - state and federal funds not yet expended	\$ 10,672,609	\$ 20,519
Unearned revenue - other	129,694	-
Total	<u>\$ 10,802,303</u>	<u>\$ 20,519</u>
	Balance Sheet	
	Governmental Funds	
Unavailable revenue:		
Property Tax - unavailable revenue representing uncollected property tax billings for which revenue recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures.	\$ 1,375,866	
Other - unavailable revenue representing opioid settlement	107,350	
Total unavailable	<u>\$ 1,483,216</u>	
Unearned revenue:		
Unearned revenue - other	\$ 129,694	
Unearned revenue - state and federal funds not yet expended	10,672,609	
Total unearned	<u>\$ 10,802,303</u>	
Total	<u>\$ 12,285,519</u>	

Note 9—Litigation:

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

CITY OF MANASSAS PARK, VIRGINIA

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

Note 10—Joint Ventures:

Upper Occoquan Sewage Authority (UOSA)

The UOSA was created under the provisions of the Virginia Water and Sewer Authorities Act to be the single regional entity to construct, finance, and operate the regional sewage treatment facility. UOSA is a joint venture formed on March 3, 1971 by a concurrent resolution of the governing bodies of Fairfax and Prince William Counties and the Cities of Manassas and Manassas Park. The governing body of UOSA is an eight-person Board of Directors consisting of two members appointed to four-year terms by the governing body of each participating jurisdiction. In turn, the UOSA Board adopts an annual operating budget based on projected sewage flows. Each jurisdiction has a percentage share of UOSA's capacity. The City does not recognize an investment in UOSA because the participants do not have an equity interest. The City's percentage share of UOSA's capacity as of June 30, 2022 is 5.40%.

UOSA's financial condition as of June 30, 2022 (latest available financial information) and operating results for the year then ended is summarized as follows:

Total Assets and Deferred Outflows	\$	543,092,198
Total Liabilities and Deferred Inflows		522,980,892
Net Equity	\$	<u>20,111,306</u>
Total Revenues	\$	58,178,727
Total Expenses		65,345,285
Net (Loss)	\$	<u>(7,166,558)</u>

The City is obligated under a cost sharing agreement with UOSA to fund the City's current allocated share of UOSA's annual operating costs and debt service. Accordingly, the City made payments to UOSA in fiscal year 2022 as follows:

Operating and reserve maintenance costs	\$	1,399,874
Debt service		1,848,320
Total	\$	<u>3,248,194</u>

The City's share of construction costs was determined based on their portion of estimated capacity rights of the facilities. The City funds its obligations to UOSA through payments from the Enterprise Fund. Operation and maintenance charges are paid to UOSA monthly and debt service is paid quarterly.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 10—Joint Ventures: (Continued)

Upper Occoquan Sewage Authority (UOSA) (continued)

UOSA currently has seven sewage system revenue bonds outstanding. Terms of the issuances are as follows:

<u>Issue</u>		<u>Original Amount</u>	<u>Maturity</u>	<u>Interest</u>
2010B Revenue	\$	85,180,000	July 1, 2043	3.50% to 6.00%
2013A Revenue		101,615,000	July 1, 2026	.35% to 2.90%
2016A Revenue		20,915,000	July 1, 2048	3.00% to 5.00%
2016B Revenue		41,030,000	July 1, 2038	3.00% to 4.00%
2019 Revenue		52,440,000	July 1, 2052	3.00% to 5.00%
2020 Revenue		199,755,000	July 1, 2041	.29% to 2.55%

Information regarding UOSA is provided in UOSA's separate, published, financial statements which are available to the general public from its offices at 14631 Compton Road, Centreville, Virginia 20121.

Potomac and Rappahannock Transportation Commission (PRTC)

The Potomac and Rappahannock Transportation Commission (PRTC) was created on June 19, 1986 to account for a 2.1% fuel tax authorized by the Commonwealth of Virginia. The PRTC, a joint venture with the contiguous jurisdictions of Prince William, Spotsylvania and Stafford Counties and the Cities of Manassas, Manassas Park and Fredericksburg, was established to improve transportation systems composed of transit facilities, public highways, and other modes of transport. While each jurisdiction effectively controls PRTC's use of motor fuel tax proceeds from that jurisdiction, they do not have an explicit measurable equity interest in PRTC.

The governing body of each member jurisdiction appoints, from among its members, its representatives to act as Commissioners. The Commission has 16 members and one ex-officio representative from the Virginia Department of Rail and Public Transportation. The City's percentage membership is 6.67%.

Each Commission member, including the Virginia Department of Rail and Public Transportation representative, is entitled to one vote in all matters requiring action by the Commission. A majority vote of the Commission members present and voting and a majority of the jurisdictions represented is required to act. For purposes of determining the number of jurisdictions present, Virginia Department of Rail and Public Transportation is not counted as a separate jurisdiction.

Information regarding PRTC is provided in PRTC's separate, published, financial statements which are available to the general public from its offices at 14700 Potomac Mills Road, Woodbridge, Virginia 22192.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 11—Jointly Governed Organizations:

Northern Virginia Transportation Authority (NVTa)

The NVTa was established under the provisions of the Code of Virginia, Title 15.2, Chapter 48.2 with the cities of Alexandria, Fairfax, Manassas, Manassas Park, and Falls Church and the counties of Arlington, Fairfax, Loudoun, and Prince William. The Authority is responsible for long-range transportation planning for regional transportation projects in Northern Virginia and sets regional transportation policies and priorities for regional transportation projects. While the jurisdictions have representatives as members of the governing body of the Authority, the jurisdictions do not have an explicit measurable equity interest in NVTa. Beginning in 2014, House Bill 2313 gave the Authority responsibility over the collection and distribution of certain dedicated taxes for transportation including 1% additional sales tax, 2% additional transient and occupancy tax and 1.5% additional grantor's tax. By law, 30% of these additional revenues are distributed to the jurisdictions provided they implement the commercial and industrial tax of 12.5 cents or dedicate some other funds towards transportation. The other 70% will be used towards regional transportation projects approved by the Authority and implemented by the jurisdictions. In 2022, the City received \$878,521 of these taxes.

Note 12—Water and Water Treatment Agreements:

Water Treatment Capacity Purchase Agreement

By agreement dated February 12, 2001, the City of Manassas Park purchased 1 mgd of water treatment capacity from the City of Manassas at the Lake Manassas Water Treatment Plant. The purchase price of this capacity was \$3,750,000, payable from April 23, 2001 through April 23, 2006.

While the City has no ownership rights in the treatment plant, it will obtain future benefits from its ownership in the facility. Accordingly, the \$3,750,000 has been established as an asset to be amortized using the straight-line method over 40 years.

Water Agreements

The Cities also entered into a wholesale water rate agreement whereas Manassas Park agrees to purchase from Manassas 182.4 million gallons per year of treated water whether Manassas Park uses the water or not. The agreed upon minimum increases to 212.4 million gallons per year on the fifth anniversary of the water rate agreement. The rate is determined based upon a "Cost of Service Model" developed by Manassas and agreed to by both parties. The City has also entered into a supplemental agreement with the City of Manassas dated August 13, 1981, for 600,000 gallons per day of the City's capacity. The City of Manassas Park received a total of \$3,375,000 in connection with this sale.

The City has entered into a second supplemental agreement with City of Fairfax dated October 30, 1986, for the sale of 600,000 gallons per day of the City's capacity. The City has paid the City of Fairfax \$2,942,148 for the purchase of this capacity.

The City has entered into a third supplemental agreement with Prince William County Service Authority dated November 13, 2008, for the sale of 1,400,000 gallons per day of the Authority's capacity. The City has paid the Prince William County Service Authority \$9,870,000 for the purchase of this capacity.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 13—Pension Plan:

Plan Description

All full-time, salaried permanent employees of the City and (nonprofessional) employees of public school divisions are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Benefit Structures

The System administers three different benefit structures for covered employees – Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age and service equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age and service equal 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 13—Pension Plan: (Continued)

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total creditable service. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board (Nonprofessional)
Inactive members or their beneficiaries currently receiving benefits	120	34
Inactive members:		
Vested inactive members	39	11
Non-vested inactive members	73	41
Inactive members active elsewhere in VRS	95	17
Total inactive members	207	69
Active members	158	67
Total covered employees	485	170

CITY OF MANASSAS PARK, VIRGINIA

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

Note 13—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 City's contractually required contribution rate for the year ended June 30, 2022 was 10.05% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the City were \$1,072,050 and \$968,067 for the years ended June 30, 2022 and June 30, 2021, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2022 was 0.0% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$0 and \$0 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position.

The City's and Component Unit School Board's (nonprofessional) net pension liabilities were measured as of June 30, 2021. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2020, rolled forward to the measurement date of June 30, 2021.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 13—Pension Plan: (Continued)

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the City's and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

Mortality Rates

All Others (Non-10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service-related
Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

CITY OF MANASSAS PARK, VIRGINIA

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

Note 13—Pension Plan: (Continued)

Actuarial Assumptions – General Employees: (Continued)

Mortality Rates: (Continued)

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

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

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

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the City's Retirement Plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.50%
Salary increases, including inflation	3.50% – 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates:

All Others (Non-10 Largest) – Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years

CITY OF MANASSAS PARK, VIRGINIA

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

Note 13—Pension Plan: (Continued)

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

Mortality rates: (Continued)

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement:

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

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

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

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

CITY OF MANASSAS PARK, VIRGINIA

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

Note 13—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)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return*	<u>7.39%</u>

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher

CITY OF MANASSAS PARK, VIRGINIA

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

Note 13—Pension Plan: (Continued)

Discount Rate: (Continued)

employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2021, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2020	\$ 44,104,363	\$ 38,486,103	\$ 5,618,260
Changes for the year:			
Service cost	\$ 1,140,858	\$ -	\$ 1,140,858
Interest	2,912,843	-	2,912,843
Changes of assumptions	1,811,774	-	1,811,774
Differences between expected and actual experience	(1,272,782)	-	(1,272,782)
Contributions - employer	-	970,559	(970,559)
Contributions - employee	-	493,342	(493,342)
Net investment income	-	10,526,781	(10,526,781)
Benefit payments, including refunds of employee contributions	(1,902,256)	(1,902,256)	-
Administrative expenses	-	(25,896)	25,896
Other changes	-	996	(996)
Net changes	\$ 2,690,437	\$ 10,063,526	\$ (7,373,089)
Balances at June 30, 2021	\$ 46,794,800	\$ 48,549,629	\$ (1,754,829)

CITY OF MANASSAS PARK, VIRGINIA

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

Note 13—Pension Plan: (Continued)

Changes in Net Pension Liability: (Asset)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at June 30, 2020	\$ 3,686,640	\$ 4,290,457	\$ (603,817)
Changes for the year:			
Service cost	\$ 98,558	\$ -	\$ 98,558
Interest	241,134	-	241,134
Changes of assumptions	143,889	-	143,889
Differences between expected and actual experience	(7,380)	-	(7,380)
Contributions - employer	-	-	-
Contributions - employee	-	61,072	(61,072)
Net investment income	-	1,155,675	(1,155,675)
Benefit payments, including refunds of employee contributions	(228,559)	(228,559)	-
Administrative expenses	-	(2,958)	2,958
Other changes	-	108	(108)
Net changes	\$ 247,642	\$ 985,338	\$ (737,696)
Balances at June 30, 2021	\$ 3,934,282	\$ 5,275,795	\$ (1,341,513)

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

The following presents the net pension liability (asset) of the City and Component Unit School Board (nonprofessional) using the discount rate of 6.75%, as well as what the City's and Component Unit School Board's (nonprofessional) 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:

	Rate		
	(5.75%)	(6.75%)	(7.75%)
City Net Pension Liability (Asset)	\$ 5,033,799	\$ (1,754,829)	\$ (7,278,282)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	\$ (895,715)	\$ (1,341,513)	\$ (1,713,204)

CITY OF MANASSAS PARK, VIRGINIA

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

Note 13—Pension Plan: (Continued)

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

For the year ended June 30, 2022, the City and Component Unit School Board (nonprofessional) recognized pension expense of \$240,449 and (\$99,002), respectively. At June 30, 2022, the City and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Primary Government</u>		<u>Component Unit School Board (Nonprofessional)</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 136,184	\$ 824,619	\$ 1,048	\$ 15,601
Change in assumptions	1,173,825	-	98,009	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	73,681	73,681	-	-
Net difference between projected and actual earnings on pension plan investments	-	5,235,774	-	571,658
Employer contributions subsequent to the measurement date	<u>1,072,050</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,455,740</u>	<u>\$ 6,134,074</u>	<u>\$ 99,057</u>	<u>\$ 587,259</u>

\$1,072,050 and \$0 reported as deferred outflows of resources related to pensions resulting from the City's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (Nonprofessional)</u>
2023	\$ (901,009)	\$ (90,147)
2024	(1,039,264)	(90,585)
2025	(1,221,191)	(133,108)
2026	(1,588,920)	(174,362)

CITY OF MANASSAS PARK, VIRGINIA

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

Note 13—Pension Plan: (Continued)

Pension Plan Data

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

Component Unit School Board (professional)

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system). Additional information related to the plan description can be included in the first section of this note.

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 provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined 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 school division were \$3,811,150 and \$3,738,778 for the years ended June 30, 2022 and June 30, 2021, respectively.

In June 2021, the Commonwealth made a special contribution of approximately \$61.3 million to the VRS Teacher Retirement Plan. This special payment was authorized by a budget amendment included in Chapter 552 of the 2021 Appropriation Act, and is classified as a non-employer contribution.

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

At June 30, 2022, the school division reported a liability of \$20,516,314 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion was .26428% as compared to .26140% at June 30, 2020.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 13—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

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

For the year ended June 30, 2022, the school division recognized pension expense of \$138,665. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,747,455
Change in assumptions	3,594,404	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	458,190	465,033
Net difference between projected and actual earnings on pension plan investments	-	12,928,832
Employer contributions subsequent to the measurement date	<u>3,811,150</u>	<u>-</u>
Total	<u>\$ 7,863,744</u>	<u>\$ 15,141,320</u>

\$3,811,150 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30

2023	\$ (2,735,752)
2024	(2,243,502)
2025	(2,555,284)
2026	(3,558,464)
2027	4,276

CITY OF MANASSAS PARK, VIRGINIA

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

Note 13–Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates:

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

CITY OF MANASSAS PARK, VIRGINIA

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

Note 13—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions (continued)

Mortality Rates: (continued)

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

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2021, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan
Total Pension Liability	\$	53,381,141
Plan Fiduciary Net Position		45,617,878
Employers' Net Pension Liability (Asset)	\$	<u>7,763,263</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		85.46%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 13—Pension Plan: (Continued)

Net Pension Liability: (Continued)

The long-term expected rate of return and discount rate information previously described also apply to this plan.

Sensitivity of the School Division's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS			
Teacher Employee Retirement Plan			
Net Pension Liability (Asset)	\$ 39,595,375	\$ 20,516,314	\$ 4,821,238

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Primary Government and Component Unit School Board

Aggregate Pension Information

	VRS Pension Plans:			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Primary Government				
Primary Government	\$ 2,455,740	\$ 6,134,074	\$ (1,754,829)	\$ 240,449
Totals	\$ 2,455,740	\$ 6,134,074	\$ (1,754,829)	\$ 240,449
Component Unit School Board				
School Board Nonprofessional	\$ 99,057	\$ 587,259	\$ (1,341,513)	\$ (99,002)
School Board Professional	7,863,744	15,141,320	20,516,314	138,665
Totals	\$ 7,962,801	\$ 15,728,579	\$ 19,174,801	\$ 39,663

CITY OF MANASSAS PARK, VIRGINIA

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

Note 14–Risk Management:

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance.

The City is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The City pays Virginia Municipal Group contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The City continues to carry commercial insurance for all other risks of losses. During the last three fiscal years, settled claims from these risks have not exceeded commercial coverage.

Note 15–Commitments and Contingencies:

Federal programs in which the City and its component units participate were audited in accordance with the provisions of Title 2, Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements Cost Principles and Audit Requirements for Federal Awards. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

Note 16–Surety Bond:

	<u>Amount</u>
Fidelity and Deposit Company of Maryland - Surety	
Treasurer	\$ 200,000
Above constitutional officers' employees	50,000
Director of Social Services	100,000
Virginia Municipal League	
School Board Employees Blanket Bond	1,000,000

CITY OF MANASSAS PARK, VIRGINIA

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

Note 17—Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,722 as of June 30, 2022.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 17—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Contributions

The contribution requirements for the GLI Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Program from the City were \$61,579 and \$55,547 for the years ended June 30, 2022 and June 30, 2021, respectively. Contributions to School Professional Plan were \$132,597 and \$130,152 for the years ended June 30, 2022 and June 30, 2021, respectively. Contributions to the School Nonprofessional Plan were \$8,108 and \$7,672 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022, the City, School Board (Professional) and School Board (Nonprofessional) reported a liabilities of \$580,040, \$1,359,171, and \$80,102, for their proportionate share of the Net GLI OPEB Liability, respectively. The Net GLI OPEB Liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was .04980%, .11670% and .00690% respectively, as compared to .04844% .11459% and .00671% at June 30, 2020.

For the year ended June 30, 2022, the City, School Board (Professional) and School Board (Nonprofessional) recognized GLI OPEB expense of \$25,828, \$49,648, and \$2,678 respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 17—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

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

At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Primary Government		School Professional		School Nonprofessional	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 66,156	\$ 4,420	\$ 155,018	\$ 10,356	\$ 9,136	\$ 610
Net difference between projected and actual earnings on GLI OPEB plan investments	-	138,443	-	324,405	-	19,119
Change in assumptions	31,977	79,362	74,931	185,963	4,416	10,960
Changes in proportionate share	23,691	11,586	33,108	21,821	2,510	3,439
Employer contributions subsequent to the measurement date	61,759	-	132,597	-	8,108	-
Total	<u>\$ 183,583</u>	<u>\$ 233,811</u>	<u>\$ 395,654</u>	<u>\$ 542,545</u>	<u>\$ 24,170</u>	<u>\$ 34,128</u>

\$61,759, \$132,597, and \$8,108 reported as deferred outflows of resources related to the GLI OPEB resulting from the respective City, School Board (Professional) and School Board (Nonprofessional)'s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	School Professional	School Nonprofessional
2023	\$ (26,510)	\$ (72,993)	\$ (4,550)
2024	(20,443)	(50,989)	(3,416)
2025	(21,034)	(46,382)	(3,172)
2026	(39,529)	(95,373)	(6,082)
2027	(4,471)	(13,751)	(846)

CITY OF MANASSAS PARK, VIRGINIA

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

Note 17—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS ACFR.

Inflation	2.50%
Salary increases, including inflation:	
Teachers	3.50%-5.95%
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates – Teachers

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

CITY OF MANASSAS PARK, VIRGINIA

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

Note 17—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

CITY OF MANASSAS PARK, VIRGINIA

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

Note 17—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

CITY OF MANASSAS PARK, VIRGINIA

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

Note 17—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees: (Continued)

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

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2021, NOL amounts for the GLI Program is as follows (amounts expressed in thousands):

		Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$	3,577,346
Plan Fiduciary Net Position		2,413,074
GLI Net OPEB Liability (Asset)	\$	<u>1,164,272</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.45%

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

CITY OF MANASSAS PARK, VIRGINIA

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

Note 17—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

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

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

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

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that 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 ended June 30, 2021, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 17—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Proportionate share of the Group Life Insurance Plan Net OPEB Liability:			
Primary Government	\$ 847,460	\$ 580,040	\$ 364,087
School Professional	1,985,798	1,359,171	853,141
School Nonprofessional	117,032	80,102	50,280

GLI Program Fiduciary Net Position

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 18—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Plan. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 18—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Plan Description: (Continued)

The specific information for the Teacher HIC Plan OPEB, including eligibility, coverage, and benefits are described below:

Eligible Employees

The Teacher Employee Retiree HIC Plan was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees include full-time permanent (professional) salaried employees of public school divisions covered under VRS. These employees are enrolled automatically upon employment.

Benefit Amounts

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$297,115 and \$291,637 for the years ended June 30, 2022 and June 30, 2021, respectively.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 18—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB

At June 30, 2022, the school division reported a liability of \$3,498,111 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2021 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net VRS Teacher Employee HIC Plan OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion of the VRS Teacher Employee HIC Plan was .27253% as compared to .2690% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$271,365. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Plan OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 61,042
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	46,081
Change in assumptions	94,560	14,059
Change in proportionate share	68,695	67,227
Employer contributions subsequent to the measurement date	<u>297,115</u>	<u>-</u>
Total	\$ <u><u>460,370</u></u>	\$ <u><u>188,409</u></u>

CITY OF MANASSAS PARK, VIRGINIA

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

Note 18—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Teacher Employee Health Insurance Credit Plan OPEB Liabilities, Teacher Employee Health Insurance Credit Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee Health Insurance Credit Plan OPEB: (Continued)

\$297,115 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ (17,808)
2024	(18,332)
2025	(8,823)
2026	1,670
2027	9,356
Thereafter	8,783

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.50%
Salary increases, including inflation:	3.50%-5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates – Teachers

- Pre-Retirement:
 - Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
- Post-Retirement:
 - Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement:
 - Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

CITY OF MANASSAS PARK, VIRGINIA

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

Note 18—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers: (Continued)

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

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

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2021, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,477,874
Plan Fiduciary Net Position		194,305
Teacher Employee Net HIC OPEB Liability (Asset)	\$	1,283,569
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		13.15%

CITY OF MANASSAS PARK, VIRGINIA

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

Note 18—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Net Teacher Employee HIC OPEB Liability: (Continued)

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

Long-Term Expected Rate of Return

The long-term expected rate of return on the VRS 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 VRS System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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

CITY OF MANASSAS PARK, VIRGINIA

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

Note 18—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB 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 Teacher Employee HIC OPEB liability.

Sensitivity of the School Division's Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate

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

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability		\$ 3,937,904	\$ 3,498,111	\$ 3,125,942

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee HIC Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 19—Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information about the Political Subdivision Health Insurance Credit Plan OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

Benefit Amounts

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 19—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>School Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	<u>4</u>
Inactive members:	
Vested inactive members	-
Non-vested inactive members	-
Inactive members active elsewhere in VRS	-
Total inactive members	<u>-</u>
Active members	67
Total covered employees	<u><u>71</u></u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Nonprofessional contractually required employer contribution rate for the year ended June 30, 2022 was .12% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board for the Nonprofessional plan were \$1,802 and \$1,705 for the years ended June 30, 2022 and June 30, 2021, respectively.

During the 2020 session, House Bill 1513 was enacted. This bill required the addition of Health Insurance Credit benefits for non-teacher employees effective July 1, 2021. While benefit payments became effective July 1, 2021, employers were required to pre-fund the benefits beginning July 1, 2020. The bill impacted 95 employers and resulted in approximately \$2.5 million of additional employer contributions in FY 2021.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 19—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Net HIC OPEB Liability (Asset)

The School Nonprofessional Plan Net Health Insurance Credit OPEB asset was measured as of June 30, 2021. The total Health Insurance Credit OPEB asset was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions

The total HIC OPEB asset was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

CITY OF MANASSAS PARK, VIRGINIA

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

Note 19—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates – Non-Largest Ten Locality Employers – General Employees: (Continued)

Pre-Retirement:

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

CITY OF MANASSAS PARK, VIRGINIA

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

Note 19—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

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

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

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

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2021, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be

CITY OF MANASSAS PARK, VIRGINIA

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

Note 19—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate: (Continued)

available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability (Asset)

	School Nonprofessional Plan		
	Increase (Decrease)		
	Total HIC OPEB Liability	Plan Fiduciary Net Position	Net HIC OPEB Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at June 30, 2020	\$ 42,958	\$ 53,352	\$ (10,394)
Changes for the year:			
Service cost	\$ 2,103	\$ -	\$ 2,103
Interest	2,825	-	2,825
Benefit changes	-	-	-
Differences between expected and actual experience	(1,096)	-	(1,096)
Assumption changes	(162)	-	(162)
Contributions - employer	-	1,705	(1,705)
Net investment income	-	13,935	(13,935)
Benefit payments	(2,220)	(2,220)	-
Administrative expenses	-	(165)	165
Net changes	\$ 1,450	\$ 13,255	\$ (11,805)
Balances at June 30, 2021	\$ 44,408	\$ 66,607	\$ (22,199)

Sensitivity of the Health Insurance Credit Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the School Nonprofessional Health Insurance Credit Plan net HIC OPEB liability (asset) using the discount rate of 6.75%, as well as what the net HIC OPEB 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:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School Nonprofessional's Net HIC OPEB Liability	\$ (16,057)	\$ (22,199)	\$ (27,310)

CITY OF MANASSAS PARK, VIRGINIA

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

Note 19—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Health Insurance Credit Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Health Insurance Credit Plan OPEB

For the year ended June 30, 2022, the School Nonprofessional plan recognized Health Insurance Credit Plan OPEB expense of (\$1,184). At June 30, 2022, the School Nonprofessional plan reported deferred outflows of resources and deferred inflows of resources related to their Health Insurance Credit Plan from the following sources:

	School Nonprofessional	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,712	\$ 5,027
Net difference between projected and actual earnings on HIC OPEB plan investments	-	6,685
Change in assumptions	635	233
Employer contributions subsequent to the measurement date	1,802	-
Total	<u>\$ 6,149</u>	<u>\$ 11,945</u>

\$1,802 reported by the School Nonprofessional plan as deferred outflows of resources related to the HIC OPEB resulting from the contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	School Nonprofessional
2023	\$ (2,312)
2024	(2,223)
2025	(1,227)
2026	(1,541)
2027	(141)
Thereafter	(154)

CITY OF MANASSAS PARK, VIRGINIA

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

Note 19—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Health Insurance Credit Plan Data

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

Note 20—Line of Duty Act (LODA) Program:

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

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

CITY OF MANASSAS PARK, VIRGINIA

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

Note 20—Line of Duty Act (LODA) Program: (Continued)

Contributions

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2022 was \$722.55 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the entity were \$39,740 and \$43,039 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022, the City reported a liability of \$1,378,584 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2021 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The entity's proportion of the Net LODA OPEB Liability was based on the entity's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2021, the entity's proportion was .31260% as compared to .29602% at June 30, 2020.

For the year ended June 30, 2022, the entity recognized LODA OPEB expense of \$126,588. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2022, the entity reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 114,937	\$ 208,730
Net difference between projected and actual earnings on LODA OPEB plan investments	-	7,983
Change in assumptions	381,500	65,944
Change in proportionate share	72,105	51,116
Employer contributions subsequent to the measurement date	39,740	-
Total	<u>\$ 608,282</u>	<u>\$ 333,773</u>

CITY OF MANASSAS PARK, VIRGINIA

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

Note 20—Line of Duty Act (LODA) Program: (Continued)

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

\$39,740 reported as deferred outflows of resources related to the LODA OPEB resulting from the entity's contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

Year Ended June 30

2023	\$	31,311
2024		31,678
2025		31,786
2026		31,901
2027		33,396
Thereafter		74,697

Actuarial Assumptions

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.00%-4.75%
Ages 65 and older	5.375%-4.75%
Year of ultimate trend rate	
Under age 65	Fiscal year ended 2029
Ages 65 and older	Fiscal year ended 2024
Investment rate of return	2.16%, including inflation*

* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 2.16% was used since it approximates the risk-free rate of return.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 20—Line of Duty Act (LODA) Program: (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

CITY OF MANASSAS PARK, VIRGINIA

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

Note 20—Line of Duty Act (LODA) Program: (Continued)

Net LODA OPEB Liability

The net OPEB liability (NOL) for the LODA Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2021, NOL amounts for the LODA Program is as follows (amounts expressed in thousands):

	<u>LODA Program</u>
Total LODA OPEB Liability	\$ 448,542
Plan Fiduciary Net Position	<u>7,553</u>
LODA Net OPEB Liability (Asset)	<u><u>\$ 440,989</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	 1.68%

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

Long-Term Expected Rate of Return

The long-term expected rate of return on LODA OPEB Program's investments was set at 2.16% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 2.16% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2021.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 2.16%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 20—Line of Duty Act (LODA) Program: (Continued)

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

The following presents the covered employer's proportionate share of the net LODA OPEB liability using the discount rate of 2.16%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current rate:

	Discount Rate		
	1% Decrease (1.16%)	Current (2.16%)	1% Increase (3.16%)
City's proportionate share of the LODA Net OPEB Liability	\$ 1,585,877	\$ 1,378,584	\$ 1,213,873

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

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

	Health Care Trend Rates		
	1% Decrease (6.00% decreasing to 3.75%)	Current (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
City's proportionate share of the LODA Net OPEB Liability	\$ 1,131,163	\$ 1,378,584	\$ 1,695,829

LODA OPEB Fiduciary Net Position

Detailed information about the LODA Program Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 21—Health Insurance – Pay-As-You-Go (OPEB Plan) – City:

Plan Description

In addition to the pension benefits described in Note 13, the City administers a single-employer defined benefit healthcare plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the City’s pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

The City of Manassas Park provides post-retirement medical, prescription drug, and dental insurance benefits on behalf of its eligible retirees and their dependents. The City maintains two fully-insured medical and dental plans and a fully insured vision plan, which are offered to current and retired employees and their dependents that are under 65. To be eligible to continue coverage under the City’s plan, employees must be eligible for and receive an immediate retirement benefit from VRS. Retirees are required to contribute the full premium rate.

Plan Membership

At July 1, 2021 (valuation date), the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	\$	5
Active employees		<u>125</u>
Total	\$	<u><u>130</u></u>

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The City establishes employer contribution rates for plan participants as part of the budgetary process each year. The City also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. This is determined annually as part of the budgetary process. The amount paid by the City for OPEB as the benefits came due during the year ended June 30, 2022 was \$79,091.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 21—Health Insurance – Pay-As-You-Go (OPEB Plan) – City: (Continued)

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2021.

Actuarial Assumptions

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary Increases	3.00%
Discount Rate	3.69%
Investment Rate of Return	N/A

Mortality rates were based on the PubG.H-2010 tables for nonhazardous duty and PubS.H-2010 tables for hazardous duty, Generational with MP-2021 for males or females, as appropriate. Employee tables used for active employees, Retiree tables for retirees, and Disabled Retiree tables for disabled retirees.

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the June 30, 2022 Fidelity General Obligation AA 20-Year Yield. The final equivalent single discount rate used for this year's valuation is 3.69% as of the end of the fiscal year with the expectation that the City will continue paying the pay-go cost.

Changes in Total OPEB Liability

Changes in Net OPEB Liability - City		Primary Government Total OPEB Liability
Balances at June 30, 2021	\$	1,887,075
Changes for the year:		
Service cost		96,168
Interest		37,326
Difference between expected and actual experience		(29,519)
Changes in assumptions		(25,034)
Benefit payments		(79,091)
Net changes		(150)
Balances at June 30, 2022	\$	1,886,925

CITY OF MANASSAS PARK, VIRGINIA

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

Note 21—Health Insurance – Pay-As-You-Go (OPEB Plan) – City: (Continued)

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

The following amounts present the total OPEB liability of the City, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.69%) or one percentage point higher (4.69%) than the current discount rate:

Rate		
1% Decrease (.2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
\$ 2,092,279	\$ 1,886,925	\$ 1,704,395

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

The following presents the total OPEB liability of the City, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.50% decreasing to an ultimate rate of 4.0%) or one percentage point higher (7.5% decreasing to an ultimate rate of 6.0%) than the current healthcare cost trend rates:

Rates		
1% Decrease	Healthcare Cost Trend	1% Increase
\$ 1,646,170	\$ 1,886,925	\$ 2,173,662

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

For the year ended June 30, 2022, the City recognized OPEB expense in the amount of \$183,757. At June 30, 2022, the City 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	\$ -	\$ 77,373
Changes in assumptions	38,704	16,689
Total	\$ 38,704	\$ 94,062

CITY OF MANASSAS PARK, VIRGINIA

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

Note 21—Health Insurance – Pay-As-You-Go (OPEB Plan) – City: (Continued)

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

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

<u>Year Ended June 30</u>		
2023	\$	(37,173)
2024		(18,185)
2025		-
2026		-
2027		-
Thereafter		-

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

Note 22—Health Insurance – Pay-As-You-Go (OPEB Plan) – School Board:

Plan Description

In addition to the pension benefits described in Note 13, the School Board administers a single-employer defined benefit healthcare plan. The Plan is a single-employer defined benefit healthcare plan which offers health insurance for retired employees. The plan is administered by the School Board. To be eligible to continue coverage under the School Board's plan, employees must (1) be age 55 with five years of service or age 50 with ten years of service with the School Board; (2) be eligible for and receive an immediate retirement benefit from VRS; and (3) be employed by the School Board at the time of retirement and have been covered under the medical and/or dental plan for at least two full years prior to retirement. The plan has no separate financial report.

Benefits Provided

The School Board establishes employer contribution rates for plan participants as part of the budgetary process each year. The School Board also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. This is determined annually as part of the budgetary process. The City of Manassas Park School Board provides post-retirement medical, prescription drug, and dental insurance benefits on behalf of its eligible retirees and their dependents. The School Board maintains three fully-insured medical and dental plans, which are offered to current and retired employees and their dependents that are under 65. The School Board also maintains a separate fully-insured medical and dental plan for retirees over the age of 65. Retirees are required to contribute the full premium rate. Current retirees were assumed to continue receiving their actual years of service subsidy. This subsidy is assumed to continue to age 65. Future retirees are not eligible for the subsidy.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 22—Health Insurance – Pay-As-You-Go (OPEB Plan) – School Board: (Continued)

Plan Membership

At July 1, 2021 (valuation date), the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	\$	35
Active employees		<u>334</u>
Total	\$	<u><u>369</u></u>

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School for OPEB as the benefits came due during the year ended June 30, 2022 was \$129,135.

Total OPEB Liability

The School Board's total OPEB liability was measured as of June 30, 2022.

Actuarial Assumptions

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.00%
Discount Rate	3.69%
Investment Rate of Return	N/A

Mortality Rates:

- Mortality rates for active employees were based on the PubG.H-2010 (general employees) and PubT.H-2010 (teachers) Employee Mortality Tables, Generational with Projection Scale MP-2021 for males or females.
- Mortality rates for retirees were based on the PubT.H-2010 Healthy Retiree Mortality Table, Generational with Projection Scale MP-2021 for males or females.
- Mortality rates for disabled retirees were based on the PubT.H-2010 Disabled Retiree Mortality Table, Generational with Projection Scale MP-2021 for males or females.

Discount Rate

The discount rate was based on the June 30, 2022 Fidelity General Obligation AA 20-Year Yield. The final equivalent single discount rate used for this year's valuation is 3.69% as of the end of the fiscal year with the expectation that the School Board will continue paying the pay-go cost.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 22—Health Insurance – Pay-As-You-Go (OPEB Plan) – School Board: (Continued)

Changes in Total OPEB Liability

Changes in Net OPEB Liability - School Board		Total OPEB Liability
Balances at June 30, 2021	\$	2,644,904
Changes for the year:		
Service cost		181,695
Interest		53,032
Difference between expected and actual experience		303,825
Changes in assumptions		(886,602)
Benefit payments		(129,135)
Net changes		(477,185)
Balances at June 30, 2022	\$	2,167,719

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

The following amounts present the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.69%) or one percentage point higher (4.69%) than the current discount rate:

Rate		
1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
\$ 2,420,698	\$ 2,167,719	\$ 2,019,501

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

The following presents the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

Rates		
1% Decrease	Healthcare Cost Trend	1% Increase
\$ 1,949,105	\$ 2,167,719	\$ 2,526,853

CITY OF MANASSAS PARK, VIRGINIA

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

Note 22—Health Insurance – Pay-As-You-Go (OPEB Plan) – School Board: (Continued)

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

For the year ended June 30, 2022, the School Board recognized OPEB expense in the amount of \$167,108. At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 317,085	\$ 27,141
Changes in assumptions	169,957	664,951
Total	<u>\$ 487,042</u>	<u>\$ 692,092</u>

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

<u>Year Ended June 30</u>	
2023	\$ (67,618)
2024	(90,473)
2025	(90,473)
2026	43,514
2027	-
Thereafter	-

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

CITY OF MANASSAS PARK, VIRGINIA

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

Note 23—Summary of Net OPEB Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources:

	Net OPEB (Asset) Liability	Deferred Outflows	Deferred Inflows	OPEB Expense
Primary Government				
City Pay-as-you-go (Note 21)	\$ 1,886,925	\$ 38,704	\$ 94,062	\$ 183,757
City LODA (Note 20)	1,378,584	608,282	333,773	126,588
Group Life (Note 17)	580,040	183,583	233,811	25,828
Total	<u>\$ 3,845,549</u>	<u>\$ 830,569</u>	<u>\$ 661,646</u>	<u>\$ 336,173</u>
Component Unit School Board				
School Pay-as-you-go (Note 22)	\$ 2,167,719	\$ 487,042	\$ 692,092	\$ 129,135
Teacher Group Life (Note 17)	1,359,171	395,654	542,545	49,648
Nonprofessional Group Life (Note 17)	80,102	24,170	34,128	2,678
Nonprofessional HIC Program (Note 19)	(22,199)	6,149	11,945	(1,184)
Teacher HIC Program (Note 18)	3,498,111	460,370	188,409	271,365
Total	<u>\$ 7,082,904</u>	<u>\$ 1,373,385</u>	<u>\$ 1,469,119</u>	<u>\$ 451,642</u>

Note 24—Line of Credit:

The City entered into an agreement on a line of credit. Advances of up to \$4,000,000 of principal may be taken on this Note. Interest on draws is payable at the Prime Rate (as published in *The Wall Street Journal* and rounded up to the nearest .125% minus 1% provided, however, that in no event shall the interest rate be less than 3.25% per annum. No draws were made on this line during the year ended June 30, 2022 and there was no balance outstanding on the Note at June 30, 2022.

Note 25—COVID-19 Pandemic:

ARPA Funding

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

In June 2021, the City received its share of the first half of the CSLFRF funds. Additional ARPA funds of \$1,697,449 were received in fiscal year 2022 and \$9,066,858 was received in July 2022. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$10,332,645 from the initial allocation are reported as unearned revenue as of June 30.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 25—COVID-19 Pandemic: (Continued)

ESF Funding

The CARES Act also established the Education Stabilization Fund (ESF) and allocated \$30.75 billion to the U.S. Department of Education. The ESF is composed of three primary emergency relief funds: (1) a Governor's Emergency Education Relief (GEER) Fund, (2) an Elementary and Secondary School Emergency Relief (ESSER) Fund, and (3) a Higher Education Emergency Relief (HEER) Fund. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) was signed into law on December 27, 2020 and added \$81.9 billion to the ESF. In March 2021, the American Rescue Plan Act (ARP Act), in support of ongoing state and institutional COVID-19 recovery efforts, added more than \$170 billion to the ESF. The School Board is receiving this funding from the Virginia Department of Education on a reimbursement basis.

Note 26—New Accounting Pronouncements

Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

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

Statement No. 99, *Omnibus 2022*, enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to reporting periods beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 26—New Accounting Pronouncements: (Continued)

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

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

Note 27—Debt Refunding

On October 28, 2021 the City issued \$2,675,000 in VRA Refunding Bonds with interest rates ranging from 1.896% to 2.858%. The bonds were issued to refund \$2,310,000 of 2015 Bonds. The bonds will be repaid in various installments from October 1, 2022 to October 1, 2035. As a result, the refunded bonds are considered to be defeased in substance and the liability for those bonds has been removed from the financial statements. The reacquisition price exceeded the carrying amount of the old debt by \$327,974. The refunding reduced the total debt service payments over the next 14 years by \$196,069 and resulted in an economic gain of \$186,274.

Note 28—Subsequent Events:

On August 24, 2022 the City sold land in the amount of \$2,800,000.

On September 1, 2022 the City entered into a lease agreement for a fire engine. The total lease payments over the term of the lease will be \$918,404.

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

Presented budgets were prepared on the modified accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America.

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual - General Fund
 Year Ended June 30, 2022

Fund, Function, Activity, Element	General Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
General property taxes	\$ 34,830,144	\$ 35,281,711	\$ 34,953,892	\$ (327,819)
Other local taxes	5,809,055	6,178,485	6,916,216	737,731
Permits, privilege fees and regulatory licenses	712,890	527,590	392,352	(135,238)
Fines and forfeitures	332,150	870,350	1,330,635	460,285
Revenue from use of money and property	119,840	74,644	24,188	(50,456)
Charges for services	1,385,188	1,385,188	1,538,459	153,271
Miscellaneous	330,652	460,892	170,427	(290,465)
Intergovernmental:				
Commonwealth	4,726,552	4,744,813	4,575,815	(168,998)
Federal	958,633	7,585,887	1,793,870	(5,792,017)
Total revenues	\$ 49,205,104	\$ 57,109,560	\$ 51,695,854	\$ (5,413,706)
Expenditures:				
General government administration:				
Legislative:				
City council	\$ 739,420	\$ 776,520	\$ 792,243	\$ (15,723)
General and financial administration:				
Management services	\$ 578,729	\$ 2,088,076	\$ 1,179,654	\$ 908,422
Legal services	96,900	131,500	105,252	26,248
Human resources	336,059	394,667	280,946	113,721
Commissioner of the Revenue	367,768	367,768	353,308	14,460
Treasurer	579,201	629,201	612,541	16,660
Information technology	875,840	975,055	943,601	31,454
Department of finance	768,437	924,308	917,062	7,246
Total general and financial administration	\$ 3,602,934	\$ 5,510,575	\$ 4,392,364	\$ 1,118,211
Board of Elections:				
Electoral board and officials	\$ 219,230	\$ 235,204	\$ 190,724	\$ 44,480
Total board of elections	\$ 219,230	\$ 235,204	\$ 190,724	\$ 44,480
Total general government administration	\$ 4,561,584	\$ 6,522,299	\$ 5,375,331	\$ 1,146,968

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual - General Fund
 Year Ended June 30, 2022 (Continued)

Fund, Function, Activity, Element	General Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Judicial administration:				
Courts:				
Courts	\$ 292,269	\$ 292,269	\$ 269,560	\$ 22,709
Sheriff	375,399	375,399	375,399	-
Total courts	\$ 667,668	\$ 667,668	\$ 644,959	\$ 22,709
Total judicial administration	\$ 667,668	\$ 667,668	\$ 644,959	\$ 22,709
Public safety:				
Law enforcement and traffic control:				
Police department	\$ 4,028,126	\$ 4,112,422	\$ 3,910,080	\$ 202,342
E-911	693,190	706,490	604,886	101,604
Total law enforcement and traffic control	\$ 4,721,316	\$ 4,818,912	\$ 4,514,966	\$ 303,946
Fire and rescue services:				
Fire department	\$ 3,516,114	\$ 3,521,843	\$ 3,545,563	\$ (23,720)
Total fire and rescue services	\$ 3,516,114	\$ 3,521,843	\$ 3,545,563	\$ (23,720)
Correction and detention:				
Juvenile detention home	\$ 167,475	\$ 167,475	\$ 66,597	\$ 100,878
County jail	500,000	500,000	437,697	62,303
Total correction and detention	\$ 667,475	\$ 667,475	\$ 504,294	\$ 163,181

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual - General Fund
 Year Ended June 30, 2022 (Continued)

Fund, Function, Activity, Element	General Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Public safety: (continued)				
Other protection:				
Animal control	\$ 75,000	\$ 75,000	\$ 76,200	\$ (1,200)
Total other protection	\$ 75,000	\$ 75,000	\$ 76,200	\$ (1,200)
Total public safety	\$ 8,979,905	\$ 9,083,230	\$ 8,641,023	\$ 442,207
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streets	\$ 995,689	\$ 1,001,700	\$ 839,807	\$ 161,893
Maintenance of general buildings and grounds:				
General properties	\$ 689,276	\$ 698,578	\$ 600,761	\$ 97,817
Fleet	455,038	455,038	483,378	(28,340)
Total maintenance of general buildings and grounds	\$ 1,144,314	\$ 1,153,616	\$ 1,084,139	\$ 69,477
Total public works	\$ 2,140,003	\$ 2,155,316	\$ 1,923,946	\$ 231,370
Health and welfare:				
Health:				
Local health department	\$ 28,344	\$ 56,688	\$ 43,165	\$ 13,523
Mental health and mental retardation:				
Community services board	\$ 1,030,055	\$ 1,030,055	\$ 1,030,055	\$ -
Welfare:				
Administration and public assistance	\$ 1,898,626	\$ 2,053,555	\$ 2,040,995	\$ 12,560
Agency on aging	133,496	133,496	133,496	-
Other social services programs	63,110	63,110	63,115	(5)
Tax relief for the elderly	470,000	470,000	470,599	(599)
Childrens services	1,018,837	1,118,837	831,577	287,260
Total welfare	\$ 3,584,069	\$ 3,838,998	\$ 3,539,782	\$ 299,216
Total health and welfare	\$ 4,642,468	\$ 4,925,741	\$ 4,613,002	\$ 312,739

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual - General Fund
 Year Ended June 30, 2022 (Continued)

Fund, Function, Activity, Element	General Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Education:				
Contributions to community colleges	\$ 39,081	\$ 39,081	\$ 39,081	\$ -
Contribution to Component Unit School Board	12,700,000	12,807,321	11,640,051	1,167,270
Total education	\$ 12,739,081	\$ 12,846,402	\$ 11,679,132	\$ 1,167,270
Parks, recreation and cultural:				
Parks and recreation:				
Administration and maintenance	\$ 3,611,107	\$ 3,690,625	\$ 3,283,922	\$ 406,703
Total parks and recreation	\$ 3,611,107	\$ 3,690,625	\$ 3,283,922	\$ 406,703
Community development:				
Planning and community development:				
Economic development	\$ 30,600	\$ 324,583	\$ 331,832	\$ (7,249)
Planning and zoning	816,233	839,959	571,667	268,292
Community organizations	40,469	40,469	37,026	3,443
Total planning and community development	\$ 887,302	\$ 1,205,011	\$ 940,525	\$ 264,486

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual - General Fund
 Year Ended June 30, 2022 (Continued)

Fund, Function, Activity, Element	General Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Total community development	\$ 887,302	\$ 1,205,011	\$ 940,525	\$ 264,486
Debt service:				
Bond issuance costs	\$ -	\$ -	\$ 93,275	\$ (93,275)
Total debt service	\$ -	\$ -	\$ 93,275	\$ (93,275)
Total expenditures	\$ 38,229,118	\$ 41,096,292	\$ 37,195,115	\$ 3,901,177
Excess (deficiency) of revenues over (under) expenditures	\$ 10,975,986	\$ 16,013,268	\$ 14,500,739	\$ (1,512,529)
Other financing sources (uses):				
Issuance of refunding bonds	\$ -	\$ -	\$ 2,675,000	\$ 2,675,000
Bond premium	-	-	56,249	56,249
Payment to refunded bond escrow agent	-	-	(2,637,974)	(2,637,974)
Operating transfers in	1,419,045	1,419,045	1,408,479	(10,566)
Operating transfers (out)	(12,311,128)	(17,224,141)	(11,625,404)	5,598,737
Total other financing sources (uses)	\$ (10,892,083)	\$ (15,805,096)	\$ (10,123,650)	\$ 5,681,446
Net changes in fund balance	\$ 83,903	\$ 208,172	\$ 4,377,089	\$ 4,168,917
Fund balance at beginning of year	(83,903)	(208,172)	10,990,327	11,198,499
Fund balance at end of year	\$ -	\$ -	\$ 15,367,416	\$ 15,367,416

Schedule of Changes in Net Pension Liability and Related Ratios
Primary Government
Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019	2018
Total pension liability				
Service cost	\$ 1,140,858	\$ 1,144,175	\$ 1,093,842	\$ 1,058,351
Interest	2,912,843	2,749,694	2,626,325	2,503,017
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(1,272,782)	422,890	63,827	(159,090)
Changes of assumptions	1,811,774	-	1,324,705	-
Benefit payments	(1,902,256)	(1,897,221)	(1,885,611)	(1,395,865)
Net change in total pension liability	\$ 2,690,437	\$ 2,419,538	\$ 3,223,088	\$ 2,006,413
Total pension liability - beginning	44,104,363	41,684,825	38,461,737	36,455,324
Total pension liability - ending (a)	<u>\$ 46,794,800</u>	<u>\$ 44,104,363</u>	<u>\$ 41,684,825</u>	<u>\$ 38,461,737</u>
Plan fiduciary net position				
Contributions - employer	\$ 970,559	\$ 812,881	\$ 781,421	\$ 850,234
Contributions - employee	493,342	519,535	446,893	450,450
Net investment income	10,526,781	729,827	2,425,835	2,530,731
Benefit payments	(1,902,256)	(1,897,221)	(1,885,611)	(1,395,865)
Administrator charges	(25,896)	(24,805)	(23,988)	(21,511)
Other	996	(868)	(1,531)	(2,272)
Net change in plan fiduciary net position	\$ 10,063,526	\$ 139,349	\$ 1,743,019	\$ 2,411,767
Plan fiduciary net position - beginning	38,486,103	38,346,754	36,603,735	34,191,968
Plan fiduciary net position - ending (b)	<u>\$ 48,549,629</u>	<u>\$ 38,486,103</u>	<u>\$ 38,346,754</u>	<u>\$ 36,603,735</u>
County's net pension liability (asset) - ending (a) - (b)	\$ (1,754,829)	\$ 5,618,260	\$ 3,338,071	\$ 1,858,002
Plan fiduciary net position as a percentage of the total pension liability	103.75%	87.26%	91.99%	95.17%
Covered payroll	\$ 10,281,795	\$ 9,969,151	\$ 9,428,847	\$ 9,410,600
County's net pension liability as a percentage of covered payroll	-17.07%	56.36%	35.40%	19.74%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Changes in Net Pension Liability and Related Ratios
Primary Government
Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 1,076,036	\$ 1,117,218	\$ 1,047,779	\$ 1,064,478
Interest	2,397,777	2,248,299	2,206,192	2,055,476
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(312,326)	153,035	(1,460,317)	-
Changes of assumptions	(281,172)	-	-	-
Benefit payments	(1,357,907)	(1,408,375)	(975,881)	(957,870)
Net change in total pension liability	\$ 1,522,408	\$ 2,110,177	\$ 817,773	\$ 2,162,084
Total pension liability - beginning	34,932,916	32,822,739	32,004,966	29,842,882
Total pension liability - ending (a)	\$ 36,455,324	\$ 34,932,916	\$ 32,822,739	\$ 32,004,966
Plan fiduciary net position				
Contributions - employer	\$ 826,406	\$ 993,265	\$ 1,018,190	\$ 994,568
Contributions - employee	504,197	427,962	468,005	563,442
Net investment income	3,733,931	532,420	1,312,006	3,821,021
Benefit payments	(1,357,907)	(1,408,375)	(975,881)	(957,870)
Administrator charges	(21,163)	(18,428)	(17,208)	(19,878)
Other	(3,342)	(223)	(281)	201
Net change in plan fiduciary net position	\$ 3,682,122	\$ 526,621	\$ 1,804,831	\$ 4,401,484
Plan fiduciary net position - beginning	30,509,846	29,983,225	28,178,394	23,776,910
Plan fiduciary net position - ending (b)	\$ 34,191,968	\$ 30,509,846	\$ 29,983,225	\$ 28,178,394
County's net pension liability - ending (a) - (b)	\$ 2,263,356	\$ 4,423,070	\$ 2,839,514	\$ 3,826,572
Plan fiduciary net position as a percentage of the total pension liability	93.79%	87.34%	91.35%	88.04%
Covered payroll	\$ 9,065,489	\$ 8,783,631	\$ 8,948,073	\$ 8,246,555
County's net pension liability as a percentage of covered payroll	24.97%	50.36%	31.73%	46.40%

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Component Unit School Board (nonprofessional)
Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019	2018
Total pension liability				
Service cost	\$ 98,558	\$ 104,187	\$ 101,330	\$ 95,824
Interest	241,134	235,217	226,702	219,224
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(7,380)	(30,644)	22,012	(14,114)
Changes of assumptions	143,889	-	96,761	-
Benefit payments	(228,559)	(213,639)	(187,785)	(200,405)
Net change in total pension liability	\$ 247,642	\$ 95,121	\$ 259,020	\$ 100,529
Total pension liability - beginning	3,686,640	3,591,519	3,332,499	3,231,970
Total pension liability - ending (a)	\$ 3,934,282	\$ 3,686,640	\$ 3,591,519	\$ 3,332,499
Plan fiduciary net position				
Contributions - employer	\$ -	\$ 5,118	\$ 3,604	\$ 14,610
Contributions - employee	61,072	60,185	59,793	57,601
Net investment income	1,155,675	82,845	276,690	295,471
Benefit payments	(228,559)	(213,639)	(187,785)	(200,405)
Administrator charges	(2,958)	(2,886)	(2,799)	(2,605)
Other	108	(97)	(174)	(261)
Net change in plan fiduciary net position	\$ 985,338	\$ (68,474)	\$ 149,329	\$ 164,411
Plan fiduciary net position - beginning	4,290,457	4,358,931	4,209,602	4,045,191
Plan fiduciary net position - ending (b)	\$ 5,275,795	\$ 4,290,457	\$ 4,358,931	\$ 4,209,602
School Division's net pension liability (asset) - ending (a) - (b)	\$ (1,341,513)	\$ (603,817)	\$ (767,412)	\$ (877,103)
Plan fiduciary net position as a percentage of the total pension liability	134.10%	116.38%	121.37%	126.32%
Covered payroll	\$ 1,420,707	\$ 1,380,392	\$ 1,364,905	\$ 1,304,629
School Division's net pension liability as a percentage of covered payroll	-94.43%	-43.74%	-56.22%	-67.23%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
 Component Unit School Board (nonprofessional)
 Pension Plans
 For the Measurement Dates of June 30, 2014 through June 30, 2021

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 118,908	\$ 115,671	\$ 180,689	\$ 188,357
Interest	212,429	227,053	211,793	197,750
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(35,247)	(376,333)	36,444	-
Changes of assumptions	(7,214)	-	-	-
Benefit payments	(183,217)	(167,380)	(254,481)	(116,497)
Net change in total pension liability	\$ 105,659	\$ (200,989)	\$ 174,445	\$ 269,610
Total pension liability - beginning	3,126,311	3,327,300	3,152,855	2,883,245
Total pension liability - ending (a)	\$ 3,231,970	\$ 3,126,311	\$ 3,327,300	\$ 3,152,855
Plan fiduciary net position				
Contributions - employer	\$ 15,831	\$ 76,655	\$ 72,948	\$ 136,003
Contributions - employee	56,932	57,741	54,851	74,450
Net investment income	446,619	63,921	162,457	491,115
Benefit payments	(183,217)	(167,380)	(254,481)	(116,497)
Administrator charges	(2,633)	(2,271)	(2,320)	(2,539)
Other	(395)	(27)	(33)	26
Net change in plan fiduciary net position	\$ 333,137	\$ 28,639	\$ 33,422	\$ 582,558
Plan fiduciary net position - beginning	3,712,054	3,683,415	3,649,993	3,067,435
Plan fiduciary net position - ending (b)	\$ 4,045,191	\$ 3,712,054	\$ 3,683,415	\$ 3,649,993
School Division's net pension liability (asset) - ending (a) - (b)	\$ (813,221)	\$ (585,743)	\$ (356,115)	\$ (497,138)
Plan fiduciary net position as a percentage of the total pension liability	125.16%	118.74%	110.70%	115.77%
Covered payroll	\$ 1,270,252	\$ 1,271,597	\$ 1,182,769	\$ 1,505,991
School Division's net pension liability as a percentage of covered payroll	-64.02%	-46.06%	-30.11%	-33.01%

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.26428%	0.26140%	0.26187%	0.26485%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 20,516,314	\$ 38,044,930	\$ 34,463,580	\$ 31,147,000
Employer's Covered Payroll	24,102,201	23,582,831	22,529,313	21,907,252
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	85.12%	161.32%	152.97%	142.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.46%	71.47%	73.51%	74.81%

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	0.26070%	0.27855%	0.26507%	0.23397%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 32,060,000	\$ 39,036,000	\$ 33,363,000	\$ 29,448,000
Employer's Covered Payroll	20,995,217	21,238,250	19,707,662	17,820,060
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	152.70%	183.80%	169.29%	165.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.92%	68.28%	70.68%	70.88%

Schedule of Employer Contributions - Pension
Pension Plans
Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2022	\$ 1,072,050	\$ 1,072,050	\$ -	\$ 11,436,792	9.37%
2021	968,067	968,067	-	10,281,795	9.42%
2020	814,574	814,574	-	9,969,151	8.17%
2019	784,249	784,249	-	9,428,847	8.32%
2018	848,922	848,922	-	9,410,600	9.02%
2017	848,530	848,530	-	9,065,489	9.36%
2016	1,005,726	1,005,726	-	8,783,631	11.45%
2015	1,024,554	1,024,554	-	8,948,073	11.45%
2014	995,359	995,359	-	8,246,555	12.07%
2013	1,004,562	1,004,562	-	8,322,803	12.07%
2012	756,732	756,732	-	7,932,203	9.54%
Component Unit School Board (nonprofessional)					
2022	\$ -	\$ -	\$ -	\$ 1,501,537	0.00%
2021	-	-	-	1,420,707	0.00%
2020	-	-	-	1,380,392	0.00%
2019	1,347	1,347	-	1,364,905	0.10%
2018	13,544	13,544	-	1,304,629	1.04%
2017	23,881	23,881	-	1,270,252	1.88%
2016	76,655	76,655	-	1,271,597	6.03%
2015	77,235	77,235	-	1,182,769	6.53%
2014	137,347	137,347	-	1,505,991	9.12%
2013	137,353	137,353	-	1,506,063	9.12%
Component Unit School Board (professional) (1)					
2022	\$ 3,811,150	\$ 3,811,150	\$ -	\$ 24,554,957	15.52%
2021	3,738,778	3,738,778	-	24,102,201	15.51%
2020	3,474,004	3,474,004	-	23,582,831	14.73%
2019	3,355,913	3,355,913	-	22,529,313	14.90%
2018	3,425,402	3,425,402	-	21,907,252	15.64%
2017	2,966,471	2,966,471	-	20,995,217	14.13%
2016	2,986,098	2,986,098	-	21,238,250	14.06%
2015	2,857,611	2,857,611	-	19,707,662	14.50%

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

(1) Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information - Pension
Pension Plans
Year Ended June 30, 2022

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

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

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of City of Manassas Park, Virginia's Share of Net OPEB Liability
 Group Life Insurance GLI (Plan)
 For the Measurement Dates of June 30, 2017 through June 30, 2021

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2021	0.04980% \$	580,040 \$	10,286,437	5.64%	67.45%
2020	0.04844%	808,385	9,969,151	8.11%	52.64%
2019	0.04810%	782,715	9,428,847	8.30%	52.00%
2018	0.04949%	752,000	9,410,600	7.99%	51.22%
2017	0.04917%	740,000	9,069,906	8.16%	48.86%
Component Unit School Board (nonprofessional)					
2021	0.00690% \$	80,102 \$	1,420,707	5.64%	67.45%
2020	0.00671%	111,979	1,380,392	8.11%	52.64%
2019	0.00698%	113,584	1,364,905	8.32%	52.00%
2018	0.00693%	105,000	1,317,613	7.97%	51.22%
2017	0.00689%	104,000	1,270,252	8.19%	48.86%
Component Unit School Board (professional)					
2021	0.11670% \$	1,359,171 \$	24,102,201	5.64%	67.45%
2020	0.11460%	1,912,320	23,582,831	8.11%	52.64%
2019	0.11492%	1,870,054	22,529,313	8.30%	52.00%
2018	0.11494%	1,746,000	21,855,662	7.99%	51.22%
2017	0.11386%	1,713,000	21,001,265	8.16%	48.86%

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

Schedule of Employer Contributions
 Group Life Insurance (GLI) Plan
 Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2022	\$ 61,759	\$ 61,759	-	\$ 11,436,792	0.54%
2021	55,547	55,547	-	10,286,437	0.54%
2020	51,840	51,840	-	9,969,151	0.52%
2019	49,000	49,000	-	9,428,847	0.52%
2018	48,935	48,935	-	9,410,600	0.52%
2017	47,164	47,164	-	9,069,906	0.52%
2016	42,161	42,161	-	8,783,631	0.48%
2015	42,951	42,951	-	8,948,073	0.48%
2014	39,661	39,661	-	8,262,605	0.48%
2013	40,060	40,060	-	8,345,900	0.48%
Component Unit School Board (nonprofessional)					
2022	\$ 8,108	\$ 8,108	-	\$ 1,501,537	0.54%
2021	7,672	7,672	-	1,420,707	0.54%
2020	7,178	7,178	-	1,380,392	0.52%
2019	7,000	7,000	-	1,364,905	0.51%
2018	6,852	6,852	-	1,317,613	0.52%
2017	6,605	6,605	-	1,270,252	0.52%
2016	6,130	6,130	-	1,276,991	0.48%
2015	5,690	5,690	-	1,185,336	0.48%
2014	7,437	7,437	-	1,549,445	0.48%
2013	7,229	7,229	-	1,506,063	0.48%
Component Unit School Board (professional)					
2022	\$ 132,597	\$ 132,597	-	\$ 24,554,957	0.54%
2021	130,152	130,152	-	24,102,201	0.54%
2020	122,631	122,631	-	23,582,831	0.52%
2019	117,000	117,000	-	22,529,313	0.52%
2018	113,649	113,649	-	21,855,662	0.52%
2017	109,207	109,207	-	21,001,265	0.52%
2016	102,260	102,260	-	21,304,163	0.48%
2015	95,043	95,043	-	19,800,640	0.48%
2014	85,775	85,775	-	17,869,876	0.48%
2013	80,385	80,385	-	16,746,965	0.48%
2012	44,227	44,227	-	15,795,461	0.28%

Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
Year Ended June 30, 2022

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of Manassas Park School Board's Share of Net OPEB Liability
Teacher Employee Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2021

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2021	0.27253% \$	3,498,111 \$	24,102,201	14.51%	13.15%
2020	0.26900%	3,509,150	23,582,831	14.88%	9.95%
2019	0.26860%	3,516,235	22,529,313	15.61%	8.97%
2018	0.27024%	3,431,000	21,855,662	15.70%	8.08%
2017	0.26603%	3,375,000	20,995,217	16.08%	7.04%

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

Schedule of Employer Contributions
Teacher Employee Health Insurance Credit (HIC) Plan
Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	\$ 297,115	\$ 297,115	-	\$ 24,554,957	1.21%
2021	291,637	291,637	-	24,102,201	1.21%
2020	282,994	282,994	-	23,582,831	1.20%
2019	270,000	270,000	-	22,529,313	1.20%
2018	268,825	268,825	-	21,855,662	1.23%
2017	233,049	233,049	-	20,995,217	1.11%
2016	225,125	225,125	-	21,238,249	1.06%
2015	208,901	208,901	-	19,707,659	1.06%
2014	197,803	197,803	-	17,820,061	1.11%
2013	185,905	185,905	-	16,748,191	1.11%

Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
Year Ended June 30, 2022

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

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

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

Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2021

	School Nonprofessional 2021	School Nonprofessional 2020	School Nonprofessional 2019	School Nonprofessional 2018	School Nonprofessional 2017
Total HIC OPEB Liability					
Service cost	\$ 2,103	\$ 2,034	\$ 1,853	\$ 1,682	\$ 2,018
Interest	2,825	2,603	2,027	2,615	2,425
Changes of benefit terms	-	416	-	-	-
Differences between expected and actual experience	(1,096)	385	6,327	(10,935)	-
Changes of assumptions	(162)	-	1,166	-	(525)
Benefit payments	(2,220)	(2,092)	(1,434)	(2,096)	(318)
Net change in total HIC OPEB liability	\$ 1,450	\$ 3,346	\$ 9,939	\$ (8,734)	\$ 3,600
Total HIC OPEB Liability - beginning	42,958	39,612	29,673	38,407	34,807
Total HIC OPEB Liability - ending (a)	\$ 44,408	\$ 42,958	\$ 39,612	\$ 29,673	\$ 38,407
Plan fiduciary net position					
Contributions - employer	\$ 1,705	\$ 829	\$ 819	\$ 1,826	\$ 1,788
Net investment income	13,935	1,070	3,268	3,422	4,908
Benefit payments	(2,220)	(2,092)	(1,434)	(2,096)	(318)
Administrator charges	(165)	(102)	(71)	(81)	(82)
Other	-	-	(3)	(243)	243
Net change in plan fiduciary net position	\$ 13,255	\$ (295)	\$ 2,579	\$ 2,828	\$ 6,539
Plan fiduciary net position - beginning	53,352	53,647	51,068	48,240	41,701
Plan fiduciary net position - ending (b)	\$ 66,607	\$ 53,352	\$ 53,647	\$ 51,068	\$ 48,240
Net HIC OPEB liability (asset) - ending (a) - (b)	\$ (22,199)	\$ (10,394)	\$ (14,035)	\$ (21,395)	\$ (9,833)
Plan fiduciary net position as a percentage of the total HIC OPEB liability	149.99%	124.20%	135.43%	172.10%	125.60%
Covered payroll	\$ 1,420,707	\$ 1,380,392	\$ 1,364,905	\$ 1,304,629	\$ 1,270,252
Net HIC OPEB liability as a percentage of covered payroll	-1.56%	-0.75%	-1.03%	-1.64%	-0.77%

Schedule is intended to show information for 10 years. Information prior to the 2018 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plan
 Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Component Unit School Board (nonprofessional)					
2022	\$ 1,802	\$ 1,802	\$ -	\$ 1,501,537	0.12%
2021	1,705	1,705	-	1,420,707	0.12%
2020	828	828	-	1,380,392	0.06%
2019	819	819	-	1,364,905	0.06%
2018	1,826	1,826	-	1,304,629	0.14%
2017	1,778	1,778	-	1,270,252	0.14%
2016	1,526	1,526	-	1,271,597	0.12%
2015	1,419	1,419	-	1,182,769	0.12%
2014	3,163	3,163	-	1,505,991	0.21%
2013	3,163	3,163	-	1,506,065	0.21%

Notes to Required Supplementary Information
 Health Insurance Credit (HIC) Plan
 Year Ended June 30, 2022

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

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

Non-Largest Ten Locality Employers - General Employees

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

Schedule of Employer's Share of Net OPEB Liability - LODA
Line of Duty Act (LODA) Program
For the Measurement Dates of June 30, 2017 through June 30, 2021

Date (1)	Employer's Proportion of the Net LODA OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) (3)	Covered- Employee Payroll * (4)	Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total LODA OPEB Liability (6)
2021	0.31260% \$	1,378,584 \$	Not Applicable	Not Applicable	1.68%
2020	0.29602%	1,239,777	Not Applicable	Not Applicable	1.02%
2019	0.29448%	1,056,553	Not Applicable	Not Applicable	0.79%
2018	0.31900%	1,002,000	Not Applicable	Not Applicable	0.60%
2017	0.31038%	815,000	Not Applicable	Not Applicable	1.30%

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan. However, when volunteers and part-time employees make up a significant percentage of the employer's members in the plan, the employer may determine that covered-employee payroll is misleading and, therefore, not applicable for disclosure.

Schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, only one year of data is available. However, additional years will be included as they become available.

Schedule of Employer Contributions

Line of Duty Act (LODA) Program

Years Ended June 30, 2017 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Covered- Employee Payroll * (4)	Contributions as a % of Covered - Employee Payroll (5)
2022	\$ 39,740	\$ 39,740	-	\$ Not Applicable	Not Applicable
2021	43,039	43,039	-	Not Applicable	Not Applicable
2020	40,229	40,229	-	Not Applicable	Not Applicable
2019	40,000	40,000	-	Not Applicable	Not Applicable
2018	34,000	34,000	-	Not Applicable	Not Applicable
2017	35,000	35,000	-	Not Applicable	Not Applicable

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of employees in the OPEB plan. However, when volunteers and part-time employees make up a significant percentage of the employer's members in the plan, the employer may determine that covered-employee payroll is misleading and, therefore, not applicable for disclosure.

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

Notes to Required Supplementary Information
Line of Duty Act (LODA) Program
Year Ended June 30, 2022

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

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

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

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

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Primary Government Pay-As-You-Go Plan
Years Ended June 30, 2018 through June 30, 2022

	Primary Government 2022	Primary Government 2021	Primary Government 2020	Primary Government 2019	Primary Government 2018
Total OPEB liability					
Service cost	\$ 96,168	\$ 92,737	\$ 43,473	\$ 38,146	\$ 37,035
Interest	37,326	47,717	50,719	44,696	51,643
Changes in assumptions	(25,034)	116,113	11,214	106,607	-
Differences between expected and actual experience	(29,519)	(173,080)	251,096	67,193	(14,131)
Benefit payments	(79,091)	(102,625)	(51,334)	(88,127)	(63,123)
Net change in total OPEB liability	\$ (150)	\$ (19,138)	\$ 305,168	\$ 168,515	\$ 11,424
Total OPEB liability - beginning	1,887,075	1,906,213	1,601,045	1,432,530	1,421,106
Total OPEB liability - ending	<u>\$ 1,886,925</u>	<u>\$ 1,887,075</u>	<u>\$ 1,906,213</u>	<u>\$ 1,601,045</u>	<u>\$ 1,432,530</u>
 Covered-employee payroll	 \$ 8,276,533	 \$ 7,902,018	 \$ 7,671,862	 \$ 8,091,178	 \$ 7,855,512
 School Board's total OPEB liability (asset) as a percentage of covered-employee payroll	 22.80%	 23.88%	 24.85%	 19.79%	 18.24%

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

Notes to Required Supplementary Information
 Primary Government Pay-As-You Go OPEB Plan
 Year Ended June 30, 2022

Valuation Date: 7/1/2021
 Measurement Date: 6/30/2022

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal
Discount Rate	3.69%
Inflation	3.00%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.50% in 2022 and gradually decreases to 5.0% after 5 years
Salary Increase Rates	3.00%
Retirement Age	Based in VRS eligibility and service requirements
Mortality Rates	The mortality rates are based on the PibG.H.-2010 Employee Mortality Tables.

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
 Component Unit School Board Pay-As-You-Go Plan
 Years Ended June 30, 2018 through June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 181,695	\$ 170,916	\$ 116,525	\$ 114,764	\$ 111,421
Interest	53,032	60,036	58,655	73,508	83,554
Changes in assumptions	(886,602)	137,618	89,495	167,321	-
Differences between expected and actual experience	303,825	123,471	(19,259)	(87,558)	41,414
Benefit payments	(129,135)	(253,382)	(233,497)	(210,378)	(192,887)
Net change in total OPEB liability	\$ (477,185)	\$ 238,659	\$ 11,919	\$ 57,657	\$ 43,502
Total OPEB liability - beginning	2,644,904	2,406,245	2,394,326	2,336,669	2,293,167
Total OPEB liability - ending	\$ 2,167,719	\$ 2,644,904	\$ 2,406,245	\$ 2,394,326	\$ 2,336,669
 Covered-employee payroll	 \$ 18,833,797	 \$ 17,330,496	 \$ 16,825,724	 \$ 16,073,976	 \$ 15,605,802
 School Board's total OPEB liability (asset) as a percentage of covered-employee payroll	 11.51%	 15.26%	 14.30%	 14.90%	 14.97%

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

Notes to Required Supplementary Information - Component Unit School Board Pay-As-You Go OPEB Plan
Year Ended June 30, 2022

Valuation Date: 7/1/2021
Measurement Date: 6/30/2022

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal
Discount Rate	3.69%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumptions start at 0% to 8.15% in 2022 based on the medical plan and gradually decreases to 5.00% after 5 years
Salary Increase Rates	3.00%
Retirement Age	Based in VRS eligibility and service requirments
Mortality Rates	The mortality rates are based on the PubT.H-2010 Employee Mortality Tables.

OTHER SUPPLEMENTARY INFORMATION

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Combining and Individual Fund Financial Statements and Schedules

Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Revenues:				
Revenue from local sources:				
Other local taxes	\$ 215,375	\$ 690,593	\$ 308,749	\$ (381,844)
Miscellaneous	20,000	20,000	-	(20,000)
Intergovernmental:				
Commonwealth	211,999	560,755	160,155	(400,600)
Federal	-	4,406,020	1,454,308	(2,951,712)
Total revenues	\$ 447,374	\$ 5,677,368	\$ 1,923,212	\$ (3,754,156)
Expenditures:				
Capital outlay:				
General government administration:				
Equipment additions	\$ 499,086	\$ 1,096,823	\$ 528,153	\$ 568,670
Total general government administration	\$ 499,086	\$ 1,096,823	\$ 528,153	\$ 568,670
Public safety:				
Vehicle and equipment additions	\$ 220,059	\$ 640,209	\$ 1,579,449	\$ (939,240)
Total public safety	\$ 220,059	\$ 640,209	\$ 1,579,449	\$ (939,240)
Public works:				
Miscellaneous capital outlays	\$ 43,680	\$ 69,289	\$ 123,697	\$ (54,408)
Total public works	\$ 43,680	\$ 69,289	\$ 123,697	\$ (54,408)
Health and welfare:				
Equipment additions	\$ -	\$ -	\$ 71,635	\$ (71,635)
Parks, recreation and cultural:				
Equipment additions	\$ -	\$ -	\$ 33,303	\$ (33,303)
Community development:				
Equipment additions	\$ -	\$ -	\$ 19,234	\$ (19,234)
Capital projects:				
General government administration:				
City hall construction	\$ -	\$ 630,000	\$ 22,155,904	\$ (21,525,904)
Other projects	14,000	14,000	-	14,000
Total general government administration	\$ 14,000	\$ 644,000	\$ 22,155,904	\$ (21,511,904)
Public safety:				
Public safety projects	\$ 150,000	\$ 143,983	\$ 23,983	\$ 120,000
Total public safety	\$ 150,000	\$ 143,983	\$ 23,983	\$ 120,000
Public works:				
Road, traffic and other projects	\$ 4,300,319	\$ 11,367,322	\$ 1,500,746	\$ 9,866,576
Land acquisition	-	800,000	671,867	128,133
Total public works projects	\$ 4,300,319	\$ 12,167,322	\$ 2,172,613	\$ 9,994,709

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual

Year Ended June 30, 2022 (Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Positive (Negative)</u>
Expenditures: (Continued)				
Capital projects: (Continued)				
Education:				
Contribution to Component Unit School Board	\$ 1,200,000	\$ 1,584,000	\$ 1,584,000	\$ -
Total education	\$ 1,200,000	\$ 1,584,000	\$ 1,584,000	\$ -
Parks and recreation:				
Parks and recreation projects	\$ 639,000	\$ 682,000	\$ 515,213	\$ 166,787
Debt service:				
Principal retirement	\$ 413,875	\$ 450,510	\$ 578,823	\$ (128,313)
Interest and other fiscal charges	70,858	34,223	1,085,893	(1,051,670)
Bond issuance costs	-	-	28,899	(28,899)
Total debt service	\$ 484,733	\$ 484,733	\$ 1,693,615	\$ (1,208,882)
Total expenditures	\$ 7,550,877	\$ 17,512,359	\$ 30,500,799	\$ (12,988,440)
Excess (deficiency) of revenues over (under) expenditures	\$ (7,103,503)	\$ (11,834,991)	\$ (28,577,587)	\$ (16,742,596)
Other financing sources (uses):				
Transfers in	\$ 2,461,387	\$ 7,879,191	\$ 3,925,432	\$ (3,953,759)
Issuance of leases	-	-	1,330,980	1,330,980
Total other financing sources (uses):	\$ 2,461,387	\$ 7,879,191	\$ 5,256,412	\$ (2,622,779)
Net changes in fund balance	\$ (4,642,116)	\$ (3,955,800)	\$ (23,321,175)	\$ (19,365,375)
Fund balance at beginning of year	4,642,116	3,955,800	28,304,697	24,348,897
Fund balance at end of year	\$ -	\$ -	\$ 4,983,522	\$ 4,983,522

Proffer Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual
Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Positive (Negative)</u>
Revenues:				
Revenue from local sources:				
Miscellaneous	\$ 1,869,595	\$ 3,955,800	\$ 8,485	\$ (3,947,315)
Total revenues	\$ 1,869,595	\$ 8,361,820	\$ 8,485	\$ (8,353,335)
Excess (deficiency) of revenues over (under) expenditures	\$ 1,869,595	\$ 8,361,820	\$ 8,485	\$ (8,353,335)
Other financing sources (uses):				
Transfers (out)	\$ (793,136)	\$ (793,136)	\$ (319,984)	\$ 473,152
Proceeds from the sale of capital assets	-	-	105,000	105,000
Total other financing sources (uses):	\$ (793,136)	\$ (793,136)	\$ (214,984)	\$ 578,152
Net changes in fund balance	\$ 1,076,459	\$ 7,568,684	\$ (206,499)	\$ (7,775,183)
Fund balance at beginning of year	(1,076,459)	(3,162,664)	900,170	4,062,834
Fund balance at end of year	\$ -	\$ 4,406,020	\$ 693,671	\$ (3,712,349)

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual
Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Positive (Negative)</u>
Revenues:				
Revenue from local sources:				
Revenue from use of money and property	\$ -	\$ -	\$ 68	\$ 68
Miscellaneous	-	-	44,564	44,564
Total revenues	\$ -	\$ 4,406,020	\$ 44,632	\$ (4,361,388)
Expenditures:				
Debt service:				
Principal retirement	\$ 6,539,144	\$ 6,539,144	\$ 6,539,144	\$ -
Interest and other fiscal charges	2,999,463	3,006,868	3,011,278	(4,410)
Total debt service	\$ 9,538,607	\$ 9,546,012	\$ 9,550,422	\$ (4,410)
Total expenditures	\$ 9,538,607	\$ 9,546,012	\$ 9,550,422	\$ (4,410)
Excess (deficiency) of revenues over (under) expenditures	\$ (9,538,607)	\$ (5,139,992)	\$ (9,505,790)	\$ (4,365,798)
Other financing sources (uses):				
Transfers in	\$ 9,538,607	\$ 9,546,012	\$ 9,546,012	\$ -
Net changes in fund balance	\$ -	\$ 4,406,020	\$ 40,222	\$ (4,365,798)
Fund balance at beginning of year	-	-	342,163	342,163
Fund balance at end of year	\$ -	\$ 4,406,020	\$ 382,385	\$ (4,023,635)

Combing Balance Sheet
 Nonmajor Special Revenue Funds
 At June 30, 2022

	Gang Task Force Fund	Special Transportation Fund	Total
ASSETS			
Cash and cash equivalents	\$ 20	\$ 2,343,196	\$ 2,343,216
Receivables:			
Accounts	<u>-</u>	<u>56,205</u>	<u>56,205</u>
Total assets	<u>\$ 20</u>	<u>\$ 2,399,401</u>	<u>\$ 2,399,421</u>
FUND BALANCES			
Committed	<u>\$ 20</u>	<u>\$ 2,399,401</u>	<u>\$ 2,399,421</u>
Total fund balances	<u>\$ 20</u>	<u>\$ 2,399,401</u>	<u>\$ 2,399,421</u>
Total liabilities and fund balances	<u>\$ 20</u>	<u>\$ 2,399,401</u>	<u>\$ 2,399,421</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 Year Ended June 30, 2022

	Gang Task Force Fund	Special Transportation Fund	Total
Revenues:			
Miscellaneous	\$ -	\$ 878,522	\$ 878,522
Other financing sources (uses):			
Transfers in	\$ -	\$ 319,984	\$ 319,984
Transfers (out)	-	(1,846,041)	(1,846,041)
Total other financing sources (uses):	\$ -	\$ (1,526,057)	\$ (1,526,057)
Net changes in fund balance	\$ -	\$ (647,535)	\$ (647,535)
Fund balance at beginning of year	20	3,046,936	3,046,956
Fund balance at end of year	\$ 20	\$ 2,399,401	\$ 2,399,421

Schedule of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual
 Nonmajor Special Revenue Funds
 Year Ended June 30, 2022

	Gang Task Force Fund				Special Transportation Fund			
	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Revenues:								
Revenue from local sources:								
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ 466,283	\$ 466,283	\$ 878,522	\$ 412,239
Other financing sources (uses):								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ 326,852	\$ 326,852	\$ 319,984	\$ (6,868)
Transfers (out)	-	-	-	-	-	-	(1,846,041)	(1,846,041)
Total other financing sources (uses):	\$ -	\$ -	\$ -	\$ -	\$ 326,852	\$ 326,852	\$ (1,526,057)	\$ (1,852,909)
Net changes in fund balance	\$ -	\$ -	\$ -	\$ -	\$ 793,135	\$ 793,135	\$ (647,535)	\$ (1,440,670)
Fund balance at beginning of year	-	-	20	20	(793,135)	(793,135)	3,046,936	3,840,071
Fund balance at end of year	\$ -	\$ -	\$ 20	\$ 20	\$ -	\$ -	\$ 2,399,401	\$ 2,399,401

Discretely Presented Component Unit-School Board

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Balance Sheet - Discretely Presented Component Unit - School Board
At June 30, 2022

	School Operating	School Cafeteria	School Activity Funds	Total
ASSETS				
Cash and cash equivalents	\$ 4,496,835	\$ 1,209,090	\$ 313,117	\$ 6,019,042
Receivables (Net of allowance for uncollectibles):				
Accounts	135,036	-	-	135,036
Inventories		10,771		10,771
Prepaid items	412,017	-		412,017
Due from other governmental units	1,735,136	104,352	-	1,839,488
Total assets	\$ 6,779,024	\$ 1,324,213	\$ 313,117	\$ 8,416,354
LIABILITIES				
Accounts payable	\$ 1,323,183	\$ 16,248	\$ 1,524	\$ 1,340,955
Retainage payable	151,976	-	-	151,976
Accrued liabilities	3,895,252	51,714	-	3,946,966
Unearned revenue	-	4,531	-	4,531
Due to primary government	1,167,270	-	-	1,167,270
Total liabilities	\$ 6,537,681	\$ 72,493	\$ 1,524	\$ 6,611,698
FUND BALANCES				
Nonspendable - prepaid items and inventory	\$ 412,017	\$ 10,771	\$ -	\$ 422,788
Restricted	-	-	311,593	311,593
Committed - cafeteria	-	1,240,949	-	1,240,949
Committed - health insurance	241,343	-	-	241,343
Unassigned	(412,017)	-	-	(412,017)
Total fund balances	\$ 241,343	\$ 1,251,720	\$ 311,593	\$ 1,804,656
Total liabilities and fund balances	\$ 6,779,024	\$ 1,324,213	\$ 313,117	\$ 8,416,354

Detailed explanation of adjustments from fund statements to government-wide statement of net position:

Total fund balances, balance sheet, governmental funds \$ 1,804,656

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the School Board as a whole.

43,642,959

The Net Pension and OPEB Assets are not an available resources and, therefore are not reported in the funds.

1,363,712

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

9,336,186

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

(17,197,698)

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities--both current and long-term--are reported in the statement of net position.

(28,106,560)

Net position of Governmental Activities \$ 10,843,255

Statement of Revenues, Expenditures and Changes in Fund Balances -
Discretely Presented Component Unit - School Board
Year Ended June 30, 2022

	School Operating	School Cafeteria	School Activity Funds	Total
Revenues:				
Revenue from use of money and property	\$ 275	\$ 742	\$ -	\$ 1,017
Charges for services	-	10,998	-	10,998
Miscellaneous	531,876	15,515	282,112	829,503
Intergovernmental:				
County contribution to School Board	13,224,051	-	-	13,224,051
Commonwealth	30,411,432	45,115		30,456,547
Federal	2,463,040	2,894,189	-	5,357,229
Total revenues	<u>\$ 46,630,674</u>	<u>\$ 2,966,559</u>	<u>\$ 282,112</u>	<u>\$ 49,879,345</u>
Expenditures:				
Current:				
Education	<u>\$ 46,630,674</u>	<u>\$ 2,141,513</u>	<u>\$ 249,388</u>	<u>\$ 49,021,575</u>
Total expenditures	<u>\$ 46,630,674</u>	<u>\$ 2,141,513</u>	<u>\$ 249,388</u>	<u>\$ 49,021,575</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 825,046</u>	<u>\$ 32,724</u>	<u>\$ 857,770</u>
Net changes in fund balances	<u>\$ -</u>	<u>\$ 825,046</u>	<u>\$ 32,724</u>	<u>\$ 857,770</u>
Fund balances at beginning of year	<u>241,343</u>	<u>426,674</u>	<u>278,869</u>	<u>946,886</u>
Fund balances at end of year	<u><u>\$ 241,343</u></u>	<u><u>\$ 1,251,720</u></u>	<u><u>\$ 311,593</u></u>	<u><u>\$ 1,804,656</u></u>

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities - Discretely Presented Component Unit - School Board
Year Ended June 30, 2022

		Component Unit School Board
Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds	\$	857,770
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which the depreciation exceeded capital outlays in the current period is computed as follows:		
Capital additions	\$ 2,228,165	
Depreciation expense	<u>(1,486,975)</u>	741,190
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. The following is a summary of the items supporting this adjustment:		
Pension expense	\$ 3,775,268	
OPEB expense	79,959	
Change in compensated absences	<u>(34,888)</u>	3,820,339
Special contributions received from the Commonwealth for the teacher cost sharing pool are not reported in governmental funds.		162,121
Transfer of joint tenancy assets from Primary Government to the Component Unit School Board		<u>5,797,941</u>
Change in net position of governmental activities	\$	<u><u>11,379,361</u></u>

CITY OF MANASSAS PARK, VIRGINIA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
Governmental Funds
Year Ended June 30, 2022

	School Operating Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Revenue from use of money and property	\$ 700	\$ 700	\$ 275	\$ (425)
Charges for services	-	-	-	-
Miscellaneous	450,215	458,665	531,876	73,211
Intergovernmental:				
County contribution to School Board	12,686,862	13,886,862	13,224,051	(662,811)
Commonwealth	30,166,902	30,249,415	30,411,432	162,017
Federal	1,883,370	5,405,408	2,463,040	(2,942,368)
Total revenues	\$ 45,188,049	\$ 50,001,050	\$ 46,630,674	\$ (3,370,376)
Expenditures:				
Current:				
Instruction	\$ 30,894,234	\$ 36,552,023	\$ 32,323,856	\$ 4,228,167
Administration, attendance and health	2,565,637	2,615,585	3,536,539	(920,954)
Pupil transportation	2,179,309	2,159,309	2,356,687	(197,378)
Operation and maintenance	4,381,597	6,573,461	5,759,306	814,155
School food service costs	-	-	-	-
Technology	3,165,528	2,790,510	2,654,286	136,224
Total education	\$ 43,186,305	\$ 50,690,888	\$ 46,630,674	\$ 4,060,214
Excess (deficiency) of revenues over (under) expenditures	\$ 2,001,744	\$ (689,838)	\$ -	\$ 689,838
Net changes in fund balances	\$ 2,001,744	\$ (689,838)	\$ -	\$ 689,838
Fund balances at beginning of year	\$ (2,001,744)	\$ 689,838	\$ 241,343	\$ (448,495)
Fund balances at end of year	\$ -	\$ -	\$ 241,343	\$ 241,343

Exhibit 42

School Cafeteria Fund			
Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
\$ 11,400	\$ 11,400	\$ 742	\$ (10,658)
432,000	432,000	10,998	(421,002)
35,000	35,000	15,515	(19,485)
-	-	-	-
55,449	56,670	45,115	(11,555)
1,581,000	1,581,000	2,894,189	1,313,189
<u>\$ 2,114,849</u>	<u>\$ 2,116,070</u>	<u>\$ 2,966,559</u>	<u>\$ 850,489</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
2,017,344	2,160,839	2,141,513	19,326
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,017,344</u>	<u>\$ 2,160,839</u>	<u>\$ 2,141,513</u>	<u>\$ 19,326</u>
\$ 97,505	\$ (44,769)	\$ 825,046	\$ 869,815
\$ 97,505	\$ (44,769)	\$ 825,046	\$ 869,815
<u>\$ (97,505)</u>	<u>\$ 44,769</u>	<u>\$ 426,674</u>	<u>\$ 381,905</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,251,720</u>	<u>\$ 1,251,720</u>

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Supporting Schedules

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2022

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 29,394,304	\$ 29,746,304	\$ 28,999,202	\$ (747,102)
Public service taxes	493,843	493,843	747,262	253,419
Personal property taxes	4,644,143	4,675,710	4,729,667	53,957
Machinery and tools taxes	34,354	34,354	24,535	(9,819)
Penalties	162,000	230,000	303,998	73,998
Interest	101,500	101,500	149,228	47,728
Total general property taxes	\$ 34,830,144	\$ 35,281,711	\$ 34,953,892	\$ (327,819)
Other local taxes:				
Local sales and use taxes	\$ 2,467,980	\$ 2,600,000	\$ 3,105,224	\$ 505,224
Consumer utility taxes	894,078	894,078	801,137	(92,941)
Business license taxes	991,066	1,058,476	1,146,669	88,193
Motor vehicle licenses	533,287	533,287	516,701	(16,586)
Bank franchise taxes	69,644	69,644	146,853	77,209
Recordation taxes	300,000	400,000	493,910	93,910
Cigarette taxes	230,000	230,000	216,362	(13,638)
Meals tax	300,000	370,000	465,662	95,662
Cable TV franchise fees	23,000	23,000	23,698	698
Total other local taxes	\$ 5,809,055	\$ 6,178,485	\$ 6,916,216	\$ 737,731
Permits, privilege fees and regulatory licenses:				
Animal licenses	\$ 1,800	\$ 1,500	\$ 873	\$ (627)
Building and related permits	613,589	453,589	323,544	(130,045)
Cell tower fees	15,092	15,092	15,485	393
Fire and rescue permits	55,000	30,000	15,640	(14,360)
Other permits and licenses	27,409	27,409	36,810	9,401
Total permits, privilege fees and regulatory licenses	\$ 712,890	\$ 527,590	\$ 392,352	\$ (135,238)
Fines and Forfeitures:				
Fines and forfeitures	\$ 332,150	\$ 870,350	\$ 1,330,635	\$ 460,285
Revenue from use of money and property:				
Revenue from use of money	\$ 65,000	\$ 65,000	\$ 14,003	\$ (50,997)
Revenue from use of property	54,840	9,644	10,185	541
Total revenue from use of money and property	\$ 119,840	\$ 74,644	\$ 24,188	\$ (50,456)

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services:				
Commuter rail parking fees	\$ 127,483	\$ 127,483	\$ 127,483	\$ -
Courthouse maintenance fees	400	400	383	(17)
Charges for EMS	240,000	240,000	324,661	84,661
Charges for parks and recreation	1,017,305	1,017,305	1,085,932	68,627
Total charges for services	\$ 1,385,188	\$ 1,385,188	\$ 1,538,459	\$ 153,271
Miscellaneous:				
Miscellaneous	\$ 254,652	\$ 332,737	\$ -	\$ (332,737)
Other refunds	26,000	78,155	121,178	43,023
Rebates and refunds from schools	50,000	50,000	49,249	(751)
Total miscellaneous	\$ 330,652	\$ 460,892	\$ 170,427	\$ (290,465)
Total revenue from local sources	\$ 43,519,919	\$ 44,778,860	\$ 45,326,169	\$ 547,309
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 4,000	\$ 4,000	\$ 3,821	\$ (179)
Recordation tax	70,000	100,000	155,597	55,597
Auto rental tax	98,900	98,900	52,577	(46,323)
Game of skill tax	73,008	-	-	-
Communication tax	551,800	551,800	522,601	(29,199)
PPTRA	1,368,393	1,368,393	1,368,393	-
Total noncategorical aid	\$ 2,166,101	\$ 2,123,093	\$ 2,102,989	\$ (20,104)
Categorical aid:				
Shared expenses:				
Commissioner of the Revenue	\$ 86,653	\$ 86,653	\$ 92,837	\$ 6,184
Treasurer	87,341	87,341	84,169	(3,172)
Registrar/electoral board	46,056	58,361	72,084	13,723
Total shared expenses	\$ 220,050	\$ 232,355	\$ 249,090	\$ 16,735
Other categorical aid:				
Welfare administration and assistance	\$ 354,045	\$ 324,939	\$ 337,714	\$ 12,775
Aid to localities with police departments	466,900	466,900	466,946	46
Library grant	70,108	70,057	70,057	-
Children's services	563,486	605,486	504,779	(100,707)
Street maintenance	733,582	733,582	746,286	12,704

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Other categorical aid: (Continued)				
Fire programs	\$ 55,000	\$ 57,770	\$ 57,770	\$ -
Other categorical aid	97,280	130,631	40,184	(90,447)
Total other categorical aid	\$ 2,340,401	\$ 2,389,365	\$ 2,223,736	\$ (165,629)
Total categorical aid	\$ 2,560,451	\$ 2,621,720	\$ 2,472,826	\$ (148,894)
Total revenue from the Commonwealth	\$ 4,726,552	\$ 4,744,813	\$ 4,575,815	\$ (168,998)
Revenue from the federal government:				
Categorical aid:				
Welfare administration and assistance	\$ 840,633	\$ 902,749	\$ 1,003,473	\$ 100,724
Law enforcement grants	110,500	129,250	99,278	(29,972)
American Rescue Plan	-	6,472,422	679,469	(5,792,953)
Other categorical aid	7,500	81,466	11,650	(69,816)
Total revenue from the federal government	\$ 958,633	\$ 7,585,887	\$ 1,793,870	\$ (5,792,017)
Total General Fund	\$ 49,205,104	\$ 57,109,560	\$ 51,695,854	\$ (5,413,706)
Capital Projects Fund:				
Revenue from local sources:				
Other local taxes:				
Grantors tax	\$ 200,000	\$ 263,259	\$ 304,361	\$ 41,102
Gasoline taxes	15,375	427,334	4,388	(422,946)
Total other local taxes	\$ 215,375	\$ 690,593	\$ 308,749	\$ (381,844)
Miscellaneous:				
Miscellaneous	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Total miscellaneous	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Total revenue from local sources	\$ 235,375	\$ 710,593	\$ 308,749	\$ (401,844)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
VDOT grants	\$ 211,999	\$ 560,755	\$ 160,155	\$ (400,600)
Total revenue from the Commonwealth	\$ 211,999	\$ 560,755	\$ 160,155	\$ (400,600)
Revenue from the federal government:				
Categorical aid:				
American Rescue Plan	\$ -	\$ 4,406,020	\$ 1,454,308	\$ (2,951,712)
Total revenue from the federal government	\$ -	\$ 4,406,020	\$ 1,454,308	\$ (2,951,712)
Total Capital Projects Fund	\$ 447,374	\$ 5,677,368	\$ 1,923,212	\$ (3,754,156)

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Primary Government: (Continued)				
Debt Service Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 68	\$ 68
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 44,564	\$ 44,564
Total Debt Service Fund	\$ -	\$ -	\$ 44,632	\$ 44,632
Proffer Fund:				
Revenue from local sources:				
Miscellaneous:				
Proffers	\$ 1,869,595	\$ 3,955,800	\$ 8,485	\$ (3,947,315)
Special Transportation Fund:				
Miscellaneous:				
Northern Virginia Transportation Authority	\$ 466,283	\$ 466,283	\$ 878,522	\$ 412,239
Grand Total Revenues -- Primary Government	\$ 51,988,356	\$ 67,209,011	\$ 54,550,705	\$ (12,658,306)
Component Unit -- School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	\$ 700	\$ 700	\$ 39	\$ (661)
Revenue from use of property	-	-	236	236
Total revenue from use of money and property	\$ 700	\$ 700	\$ 275	\$ (425)
Miscellaneous:				
Miscellaneous	\$ 32,000	\$ 40,450	\$ 63,333	\$ 22,883
Other reimbursements and recoveries	418,215	418,215	468,543	50,328
Total miscellaneous	\$ 450,215	\$ 458,665	\$ 531,876	\$ 73,211
Total revenue from local sources	\$ 450,915	\$ 459,365	\$ 532,151	\$ 72,786
Intergovernmental:				
County contribution to School Board	\$ 12,686,862	\$ 13,886,862	\$ 13,224,051	\$ (662,811)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 3,690,887	\$ 4,177,810	\$ 4,434,702	\$ 256,892
Basic school aid	13,932,649	13,519,026	13,185,429	(333,597)
English as a second language	1,318,996	1,370,032	1,370,032	-
Textbook payments	261,383	260,425	257,362	(3,063)
Special education	1,274,445	1,269,775	1,254,840	(14,935)
Fringe benefits	2,629,151	2,619,517	2,588,706	(30,811)
Lottery	983,457	987,062	973,229	(13,833)
K-3 primary class size reduction	730,258	705,688	705,688	-
Prevention, intervention, and remediation	668,840	666,390	658,552	(7,838)
At risk	579,339	577,097	570,372	(6,725)
No loss funding	-	32,559	308,390	275,831
Other state funds	4,097,497	4,064,034	4,104,130	40,096
Total categorical aid	\$ 30,166,902	\$ 30,249,415	\$ 30,411,432	\$ 162,017
Total revenue from the Commonwealth	\$ 30,166,902	\$ 30,249,415	\$ 30,411,432	\$ 162,017

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Component Unit -- School Board: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 400,000	\$ 359,072	\$ 329,450	\$ (29,622)
Title VI - B	640,000	659,936	742,524	82,588
Title III	225,000	139,396	111,273	(28,123)
Education stabilization funds	483,000	4,111,634	1,111,414	(3,000,220)
Title II - A	75,700	75,700	67,812	(7,888)
Other federal assistance	59,670	59,670	100,567	40,897
Total categorical aid	<u>\$ 1,883,370</u>	<u>\$ 5,405,408</u>	<u>\$ 2,463,040</u>	<u>\$ (2,942,368)</u>
Total revenue from the federal government	<u>\$ 1,883,370</u>	<u>\$ 5,405,408</u>	<u>\$ 2,463,040</u>	<u>\$ (2,942,368)</u>
Total School Operating Fund	<u>\$ 45,188,049</u>	<u>\$ 50,001,050</u>	<u>\$ 46,630,674</u>	<u>\$ (3,370,376)</u>
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	\$ 11,400	\$ 11,400	\$ 742	\$ (10,658)
Charges for services:				
Cafeteria sales	\$ 432,000	\$ 432,000	\$ 10,998	\$ (421,002)
Miscellaneous:				
Miscellaneous	\$ 35,000	\$ 35,000	\$ 15,515	\$ (19,485)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food	\$ 55,449	\$ 56,670	\$ 45,115	\$ (11,555)
Revenue from the federal government:				
Categorical aid:				
School food	\$ 1,581,000	\$ 1,581,000	\$ 2,894,189	\$ 1,313,189
Total School Cafeteria Fund	<u>\$ 2,114,849</u>	<u>\$ 2,116,070</u>	<u>\$ 2,966,559</u>	<u>\$ 850,489</u>

CITY OF MANASSAS PARK, VIRGINIA

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CITY OF MANASSAS PARK, VIRGINIA

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities:				
Net investment in capital assets	\$ 1,628,248	\$ 1,092,294	\$ 1,377,597	\$ (659,469)
Restricted	-	-	-	-
Unrestricted	8,164,504	14,051,662	(3,217,713)	(2,771,801)
Total governmental activities net position	<u>\$ 9,792,752</u>	<u>\$ 15,143,956</u>	<u>\$ (1,840,116)</u>	<u>\$ (3,431,270)</u>
Business-type activities:				
Net investment in capital assets	\$ 5,530,973	\$ 5,562,531	\$ 5,080,344	\$ 4,425,297
Restricted	-	-	-	-
Unrestricted	5,562,921	8,875,134	8,364,649	9,289,985
Total business-type net position	<u>\$ 11,093,894</u>	<u>\$ 14,437,665</u>	<u>\$ 13,444,993</u>	<u>\$ 13,715,282</u>
Primary government:				
Net investment in capital assets	\$ 7,159,221	\$ 6,654,825	\$ 6,457,941	\$ 3,765,828
Restricted	-	-	-	-
Unrestricted	13,727,425	22,926,796	5,146,936	6,518,184
Total primary government net position	<u>\$ 20,886,646</u>	<u>\$ 29,581,621</u>	<u>\$ 11,604,877</u>	<u>\$ 10,284,012</u>

Table 1

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 1,577,177	\$ 1,257,453	\$ 1,835,598	\$ 1,690,291	\$ 10,730,463	\$ 5,090,901
-	-	-	-	-	1,755,311
(1,069,313)	(1,654,146)	(242,532)	2,602,559	5,759,296	10,377,533
<u>\$ 507,864</u>	<u>\$ (396,693)</u>	<u>\$ 1,593,066</u>	<u>\$ 4,292,850</u>	<u>\$ 16,489,759</u>	<u>\$ 17,223,745</u>
\$ 4,757,274	\$ 5,510,752	\$ 5,910,610	\$ 6,237,972	\$ 6,639,399	\$ 7,125,339
-	-	-	-	-	110,731
10,612,624	11,239,410	11,436,493	11,639,212	11,492,007	12,469,235
<u>\$ 15,369,898</u>	<u>\$ 16,750,162</u>	<u>\$ 17,347,103</u>	<u>\$ 17,877,184</u>	<u>\$ 18,131,406</u>	<u>\$ 19,705,305</u>
\$ 6,334,451	\$ 6,768,205	\$ 7,746,208	\$ 7,928,263	\$ 17,369,862	\$ 12,216,240
-	-	-	-	-	1,866,042
9,543,311	9,585,264	11,193,961	14,241,771	17,251,303	22,846,768
<u>\$ 15,877,762</u>	<u>\$ 16,353,469</u>	<u>\$ 18,940,169</u>	<u>\$ 22,170,034</u>	<u>\$ 34,621,165</u>	<u>\$ 36,929,050</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental activities:										
General government administration	\$ 3,179,850	\$ 3,256,686	\$ 3,510,406	\$ 3,494,109	\$ 3,412,539	\$ 3,393,795	\$ 3,376,110	\$ 4,433,992	\$ 6,682,773	\$ 4,018,781
Judicial administration	432,654	440,062	424,601	418,957	477,386	513,265	543,362	554,513	582,085	644,959
Public safety	7,035,619	7,841,255	7,619,134	8,311,741	8,603,687	8,334,813	8,375,359	9,043,057	9,661,800	9,517,782
Public works	1,409,808	1,515,720	1,620,357	2,635,148	2,347,810	2,322,877	2,479,810	2,345,369	2,699,216	3,451,525
Health and welfare	2,602,329	2,845,422	2,760,795	3,509,747	3,835,012	3,888,770	3,744,925	3,993,852	4,146,666	4,575,256
Education	10,475,632	11,403,318	11,226,765	16,069,968	14,918,955	17,046,767	16,698,362	17,152,343	16,135,058	20,005,514
Parks, recreation, and cultural	2,838,718	3,406,151	3,691,420	3,918,221	4,122,190	3,818,159	3,865,018	4,237,785	3,564,600	3,826,096
Community development	126,305	149,703	1,769,014	254,517	532,461	467,237	404,487	533,027	613,754	5,325,829
Interest on long-term debt	5,842,574	3,892,389	7,503,698	4,744,844	4,014,767	4,058,604	3,795,080	3,049,485	3,755,429	3,642,018
Total governmental activities expenses	\$ 33,943,489	\$ 34,750,705	\$ 40,126,189	\$ 43,357,252	\$ 42,264,807	\$ 43,844,287	\$ 43,282,513	\$ 45,343,423	\$ 47,841,381	\$ 55,007,760
Business-type activities:										
Solid Waste Management	\$ 700,115	\$ 778,891	\$ 846,022	\$ 768,538	\$ 807,545	\$ 857,410	\$ 881,674	\$ 913,676	\$ 974,183	\$ 960,947
Storm Water	174,325	137,995	152,761	229,347	197,463	409,628	339,417	419,275	469,836	700,895
Water and sewer	6,081,746	6,370,507	6,418,896	6,635,548	6,894,305	6,418,196	7,030,609	6,995,099	7,119,654	6,810,298
Total business-type activities expenses	\$ 6,956,186	\$ 7,287,394	\$ 7,417,679	\$ 7,633,433	\$ 7,899,313	\$ 7,685,234	\$ 8,251,700	\$ 8,328,050	\$ 8,563,673	\$ 8,472,140
Total primary government expenses	\$ 40,899,674	\$ 42,038,099	\$ 47,543,867	\$ 50,990,685	\$ 50,164,120	\$ 51,529,521	\$ 51,534,213	\$ 53,671,473	\$ 56,405,054	\$ 63,479,900
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 182,473	\$ 193,446	\$ 346,570	\$ -	\$ -	\$ 50,800	\$ 14,616	\$ 15,056	\$ 15,182	\$ 15,485
Judicial administration	307,560	284,341	228,659	209,859	262,554	245,075	184,953	344,696	421,335	1,331,018
Public safety	272,597	267,502	293,905	247,265	232,007	265,599	231,326	288,535	256,309	341,177
Public works	-	-	-	357,787	278,451	107,796	111,264	169,371	263,888	360,351
Health and welfare	199,721	145,095	108,697	-	-	-	-	-	-	-
Parks, recreation, and cultural	849,185	1,031,779	1,041,027	1,119,794	1,314,845	1,246,552	1,277,332	735,395	505,739	1,085,932
Community development	167,332	14,970	44,400	96,152	99,886	104,880	110,124	115,631	121,412	127,483
Operating grants and contributions	1,944,670	1,552,698	1,925,199	2,775,829	3,169,565	3,081,815	3,183,244	3,507,904	5,842,163	4,266,696
Capital grants and contributions	669,533	94,835	704,787	644,168	2,895,472	271,459	176,999	31,509	499,676	1,614,463
Total governmental activities program revenues	\$ 4,593,069	\$ 3,584,666	\$ 4,693,243	\$ 5,450,854	\$ 8,252,780	\$ 5,373,976	\$ 5,289,858	\$ 5,208,097	\$ 7,925,704	\$ 9,142,605
Business-type activities:										
Charges for services:										
Solid Waste Management	\$ 713,658	\$ 788,931	\$ 752,572	\$ 686,157	\$ 802,996	\$ 991,776	\$ 1,125,550	\$ 1,141,994	\$ 1,177,720	\$ 1,199,387
Storm Water	232,162	229,933	233,221	238,569	237,270	862,123	784,020	1,060,923	1,059,172	1,070,893
Water and Sewer	8,448,695	10,129,798	9,231,577	7,895,844	9,872,102	8,548,073	7,830,190	7,967,535	8,003,128	8,743,295
Grants and contributions	-	-	-	22,000	-	-	-	-	86,011	81,005
Total business-type activities program revenues	\$ 9,394,515	\$ 11,148,662	\$ 10,217,370	\$ 8,842,570	\$ 10,912,368	\$ 10,401,972	\$ 9,739,760	\$ 10,170,452	\$ 10,326,031	\$ 11,094,580
Total primary government program revenues	\$ 13,987,584	\$ 14,733,328	\$ 14,910,613	\$ 14,293,424	\$ 19,165,148	\$ 15,775,948	\$ 15,029,618	\$ 15,378,549	\$ 18,251,735	\$ 20,237,185
Net (expense) / revenue										
Governmental activities	\$ (29,350,420)	\$ (31,166,039)	\$ (35,432,946)	\$ (37,906,398)	\$ (34,012,027)	\$ (38,470,311)	\$ (37,992,655)	\$ (40,135,326)	\$ (39,915,677)	\$ (45,865,155)
Business-type activities	2,438,330	3,861,268	2,799,691	1,209,137	3,013,055	2,716,738	1,488,060	1,842,402	1,762,358	2,622,440
Total primary government net expense	\$ (26,912,090)	\$ (27,304,771)	\$ (32,633,254)	\$ (36,697,261)	\$ (30,998,972)	\$ (35,753,573)	\$ (36,504,595)	\$ (38,292,924)	\$ (38,153,319)	\$ (43,242,715)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 22,177,590	\$ 22,339,972	\$ 24,098,409	\$ 25,293,814	\$ 27,151,030	\$ 28,255,204	\$ 29,914,550	\$ 31,453,276	\$ 32,022,263	\$ 34,729,645
Other local taxes	4,223,238	4,478,885	4,752,567	4,851,707	5,543,183	5,542,658	5,669,860	6,140,250	6,561,059	7,224,965
Unrestricted grants and contributions	2,250,465	1,538,462	2,357,913	2,216,212	2,240,002	2,210,021	2,199,435	2,151,043	2,161,142	2,102,989
Unrestricted revenues from use of money and property	-	134,713	514,342	93,395	52,715	47,270	107,715	645,697	72,321	24,256
Miscellaneous	675,890	7,134,984	2,388,347	2,862,709	1,356,214	2,202,896	947,236	1,006,978	798,332	1,209,348
Gain on sale of capital assets	-	-	-	-	-	-	-	-	7,318,765	247
Transfers	1,002,633	890,228	1,141,487	997,407	1,608,017	1,389,308	1,143,618	1,437,866	1,377,837	1,408,478
Total governmental activities	\$ 30,329,816	\$ 36,517,244	\$ 35,253,065	\$ 36,315,244	\$ 37,951,161	\$ 39,647,357	\$ 39,982,414	\$ 42,835,110	\$ 50,311,719	\$ 46,699,928
Business-type activities:										
Miscellaneous	\$ -	\$ -	\$ -	\$ 58,501	\$ 249,498	\$ 151,850	\$ 252,211	\$ 125,343	\$ 40,824	\$ 359,914
Unrestricted revenues from use of money and property	4,836	2,591	-	58	80	178	288	202	22	23
Transfers	(1,002,633)	(890,228)	(1,141,487)	(997,407)	(1,608,017)	(1,389,308)	(1,143,618)	(1,437,866)	(1,377,837)	(1,408,478)
Total business-type activities	\$ (997,797)	\$ (887,637)	\$ (1,141,487)	\$ (938,848)	\$ (1,358,439)	\$ (1,237,280)	\$ (891,119)	\$ (1,312,321)	\$ (1,336,991)	\$ (1,048,541)
Total primary government	\$ 29,332,020	\$ 35,629,608	\$ 34,111,578	\$ 35,376,396	\$ 36,592,722	\$ 38,410,077	\$ 39,091,295	\$ 41,522,789	\$ 48,974,728	\$ 45,651,387
Change in Net Position										
Governmental activities	\$ 979,397	\$ 5,351,205	\$ (179,880)	\$ (1,591,154)	\$ 3,939,134	\$ 1,177,046	\$ 1,989,759	\$ 2,699,784	\$ 10,396,042	\$ 834,773
Business-type activities	1,440,533	2,973,632	1,658,204	270,289	1,654,616	1,479,458	596,941	530,081	425,367	1,573,899
Total primary government	\$ 2,419,930	\$ 8,324,837	\$ 1,478,324	\$ (1,320,865)	\$ 5,593,750	\$ 2,656,504	\$ 2,586,700	\$ 3,229,865	\$ 10,821,409	\$ 2,408,672

CITY OF MANASSAS PARK, VIRGINIA

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ 109,084
Restricted	-	-	-	-
Committed	-	-	-	1,095,863
Assigned	4,353,131	5,071,294	4,353,131	-
Unassigned	1,570,580	2,251,715	(239,548)	982,760
Total general fund	<u>\$ 5,923,711</u>	<u>\$ 7,323,009</u>	<u>\$ 4,113,583</u>	<u>\$ 2,187,707</u>
All other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ 1,751
Assigned	1,269,946	2,078,311	796,192	-
Committed	-	-	-	3,465,785
Unassigned, reported in:				
Capital projects funds	1,100,622	3,279,419	2,555,127	(2,139,769)
General Fund	86,917	-	-	-
Total all other governmental funds	<u>\$ 2,457,485</u>	<u>\$ 5,357,730</u>	<u>\$ 3,351,319</u>	<u>\$ 1,327,767</u>

Table 3

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 179,974	\$ 191,146	\$ 202,546	\$ 174,179	\$ 78,390	\$ 64,490
-	-	-	-	-	3,863
-	-	-	-	-	-
-	-	-	-	-	-
4,143,244	5,439,473	5,838,880	8,164,920	10,911,937	15,299,063
<u>\$ 4,323,218</u>	<u>\$ 5,630,619</u>	<u>\$ 6,041,426</u>	<u>\$ 8,339,099</u>	<u>\$ 10,990,327</u>	<u>\$ 15,367,416</u>
\$ 839,044	\$ 47,636	\$ -	\$ -	\$ 9,968	\$ 9,698
-	-	-	-	-	-
2,953,606	3,715,518	3,547,376	3,688,896	32,584,018	8,449,031
(3,742,190)	(4,363,045)	(4,123,063)	(4,120,892)	-	-
-	-	-	-	-	-
<u>\$ 50,460</u>	<u>\$ (599,891)</u>	<u>\$ (575,687)</u>	<u>\$ (431,996)</u>	<u>\$ 32,593,986</u>	<u>\$ 8,458,729</u>

CITY OF MANASSAS PARK, VIRGINIA

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

	2013	2014	2015	2016
Revenues:				
General property taxes	\$ 22,177,590	\$ 22,339,972	\$ 24,098,409	\$ 25,056,546
Other local taxes	4,223,238	4,478,885	4,752,567	4,851,707
Permits, privilege fees and regulatory licenses	52,565	193,446	346,570	359,877
Fines and forfeitures	307,560	284,341	228,659	209,522
Revenue from use of money and property	112,400	134,713	514,342	93,395
Charges for services	1,506,341	1,459,346	1,488,028	1,461,458
Miscellaneous	794,179	7,134,984	2,388,347	2,862,709
Recovered costs	149,129	19,643	-	-
Intergovernmental:				
Commonwealth	4,329,217	3,134,473	5,071,100	4,753,555
Federal	1,308,163	752,956	29,584	882,654
Total revenues	\$ 34,960,384	\$ 39,932,760	\$ 38,917,606	\$ 40,531,423
Expenditures:				
General government administration	\$ 3,179,850	\$ 3,036,165	\$ 3,106,395	\$ 3,745,225
Judicial administration	432,654	413,760	424,601	418,957
Public safety	7,035,619	7,485,424	7,619,134	8,793,006
Public works	1,409,808	1,425,129	1,620,357	3,978,948
Health and welfare	2,602,329	2,675,359	2,760,795	3,479,493
Education	10,475,632	10,721,772	11,226,765	13,016,385
Parks, recreation, and cultural	2,838,718	3,202,575	3,691,420	3,555,956
Community development	126,305	140,755	219,906	253,044
Capital projects	455,720	1,515,845	1,769,014	-
Debt service:				
Principal	947,652	1,463,813	2,298,633	4,204,532
Interest and other fiscal charges	5,531,931	4,172,838	5,205,065	4,759,334
Total expenditures	\$ 35,036,217	\$ 36,253,435	\$ 39,942,083	\$ 46,204,880
Excess of revenues over (under) expenditures	\$ (75,833)	\$ 3,679,325	\$ (1,024,477)	\$ (5,673,457)
Other financing sources (uses):				
Transfers in	\$ 7,636,155	\$ 9,633,334	\$ 15,852,887	\$ 10,608,836
Transfers (out)	(6,633,522)	(8,993,962)	(14,711,400)	(9,611,429)
Premium on bonds issued	-	-	-	264,671
Payment to refunded bond escrow agent	-	-	-	(10,914,582)
Issuance of long-term debt	-	-	-	10,775,000
Issuance of leases	-	-	-	292,783
Sale of capital assets	-	-	-	308,750
Total other financing sources (uses)	\$ 1,002,633	\$ 639,372	\$ 1,141,487	\$ 1,724,029
Net changes in fund balances	\$ 926,800	\$ 4,318,697	\$ 117,010	\$ (3,949,428)
Debt service as a percentage of noncapital expenditures	18.69%	16.00%	19.17%	20.82%

Table 4

2017		2018		2019		2020		2021		2022	
\$	26,884,651	\$	28,202,325	\$	29,613,116	\$	31,050,759	\$	32,244,594	\$	34,953,892
	5,543,183		5,542,658		5,669,860		6,140,250		6,561,059		7,224,965
	281,011		161,106		146,130		221,882		301,300		392,352
	262,165		244,775		184,569		344,323		420,958		1,330,635
	52,715		47,270		107,715		645,697		72,321		24,256
	1,644,567		1,614,821		1,598,916		1,102,479		861,607		1,538,459
	1,080,788		2,202,896		947,236		814,128		798,332		1,101,998
	-		-		-		-		-		-
	5,563,329		4,592,414		4,550,370		4,421,748		5,034,331		4,735,970
	2,741,710		970,881		1,009,308		1,268,708		3,468,650		3,248,178
\$	<u>44,054,119</u>	\$	<u>43,579,146</u>	\$	<u>43,827,220</u>	\$	<u>46,009,974</u>	\$	<u>49,763,152</u>	\$	<u>54,550,705</u>
\$	3,355,199	\$	3,354,651	\$	3,342,495	\$	4,132,347	\$	6,612,597	\$	28,059,388
	477,386		513,265		543,362		554,513		582,085		644,959
	9,138,160		8,451,367		8,477,920		8,280,131		8,551,454		10,244,455
	5,012,098		1,904,503		1,911,342		2,144,044		9,753,068		4,220,256
	4,034,451		3,989,987		3,828,012		3,913,204		4,043,752		4,684,637
	11,527,708		12,138,881		11,878,310		11,863,141		11,734,577		13,263,132
	3,675,348		3,360,738		3,370,727		3,658,120		3,045,551		3,832,438
	566,579		491,873		422,119		521,149		583,111		959,759
	-		-		-		-		-		-
	4,223,100		6,336,589		7,381,604		7,295,199		6,649,410		7,117,967
	4,250,359		4,064,682		3,806,544		3,718,845		4,201,670		4,219,345
\$	<u>46,260,388</u>	\$	<u>44,606,536</u>	\$	<u>44,962,435</u>	\$	<u>46,080,693</u>	\$	<u>55,757,275</u>	\$	<u>77,246,336</u>
\$	<u>(2,206,269)</u>	\$	<u>(1,027,390)</u>	\$	<u>(1,135,215)</u>	\$	<u>(70,719)</u>	\$	<u>(5,994,123)</u>	\$	<u>(22,695,631)</u>
\$	10,588,062	\$	12,181,948	\$	13,266,455	\$	12,649,614	\$	12,316,507	\$	15,199,907
	(8,980,045)		(10,792,640)		(12,122,837)		(11,211,748)		(10,938,670)		(13,791,429)
	-		-		-		4,259,640		4,157,258		56,249
	(23,581,666)		-		-		(35,290,606)		-		(2,637,974)
	23,840,000		-		-		31,460,000		27,130,000		2,675,000
	922,696		213,974		426,608		452,333		306,238		1,330,980
	275,426		-		-		192,850		8,700,000		105,000
\$	<u>3,064,473</u>	\$	<u>1,603,282</u>	\$	<u>1,570,226</u>	\$	<u>2,512,083</u>	\$	<u>41,671,333</u>	\$	<u>2,937,733</u>
\$	<u>858,204</u>	\$	<u>575,892</u>	\$	<u>435,011</u>	\$	<u>2,441,364</u>	\$	<u>35,677,210</u>	\$	<u>(19,757,898)</u>
	20.48%		25.37%		25.33%		24.50%		23.02%		22.97%

Assessed Value and Estimated Actual Value of Taxable Property (in thousands)
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Public Service ⁽¹⁾	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
2022	\$ 2,162,602	\$ 181,223	\$ 701	\$ 36,583	\$ 2,381,110	\$ 2,381,110	100%	1.71
2021	1,909,461	166,888	982	29,510	2,106,840	2,106,840	100%	1.71
2020	1,775,768	160,028	1,265	28,597	1,965,659	1,965,659	100%	1.71
2019	1,717,178	149,864	1,002	29,893	1,897,936	1,897,936	100%	1.71
2018	1,625,686	149,864	1,002	27,667	1,804,219	1,804,219	100%	1.72
2017	1,526,753	145,244	1,080	25,220	1,698,297	1,698,297	100%	1.73
2016	1,472,036	144,010	1,103	25,453	1,642,601	1,642,601	100%	1.72
2015	1,332,539	134,539	1,063	26,531	1,494,672	1,494,672	100%	1.73
2014	1,210,409	113,067	1,107	26,021	1,350,604	1,350,604	100%	1.81
2013	1,144,328	114,934	1,361	27,369	1,287,992	1,287,992	100%	1.82

⁽¹⁾ Assessed values are established by the State Corporation Commission
Source: Manassas Park Commissioner of Revenue

2022	90.82%	7.61%	0.03%	1.54%	100.00%
2021	90.63%	7.92%	0.05%	1.40%	100.00%
2020	90.34%	8.14%	0.06%	1.45%	100.00%
2019	90.48%	7.90%	0.05%	1.58%	100.00%
2018	90.10%	8.31%	0.06%	1.53%	100.00%
2017	89.90%	8.55%	0.06%	1.49%	100.00%
2016	89.62%	8.77%	0.07%	1.55%	100.00%
2015	89.15%	9.00%	0.07%	1.78%	100.00%
2014	89.62%	8.37%	0.08%	1.93%	100.00%
2013	88.85%	8.92%	0.11%	2.12%	100.00%

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Public Service
2022	\$ 1.53	\$ 3.50	\$ 3.50	\$ 1.53
2021	1.55	3.50	3.50	1.55
2020	1.55	3.50	3.50	1.55
2019	1.55	3.50	3.50	1.55
2018	1.55	3.50	3.50	1.55
2017	1.55	3.50	3.50	1.55
2016	1.55	3.50	3.50	1.55
2015	1.55	3.50	3.50	1.55
2014	1.65	3.50	3.50	1.65
2013	1.65	3.50	3.50	1.65

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools
2022	\$ 1.53	\$ 3.50	\$ 3.50	\$ 3.50
2021	1.55	3.50	3.50	3.50
2020	1.55	3.50	3.50	3.50
2019	1.55	3.50	3.50	3.50
2018	1.55	3.50	3.50	3.50
2017	1.55	3.50	3.50	3.50
2016	1.55	3.50	3.50	3.50
2015	1.55	3.50	3.50	3.50
2014	1.65	3.50	3.50	3.50
2013	1.65	3.50	3.50	3.50

(1) Per \$100 of assessed value

Source: Manassas Park Commissioner of Revenue

Principal Property Taxpayers - Current Year and the Period Nine Years Prior

Taxpayer	Fiscal Year 2022	
	Assessed Valuation	% of Total Assessed Valuation
PARK STATION LLC	\$ 86,641,000	4.01%
PP PALISADES INVESTORS LLC	79,766,400	3.69%
SCHOOL BOARD CITY OF MANASSAS PARK	43,774,300	2.02%
MANASSAS PARK CITY SCHOOL BOARD	40,792,700	1.89%
GH CITY CENTER LLC	33,095,200	1.53%
GH CITY CENTER LLC	32,633,900	1.51%
CITY OF MANASSAS PARK	31,836,900	1.47%
MANASSAS PARK APARTMENTS LLC	23,022,000	1.06%
CENTRUM-MANASSAS PARK LIMITED PARTN	20,872,000	0.97%
JERAX ENTERPRISES	12,008,700	0.56%
Total	<u>\$ 404,443,100</u>	<u>18.70%</u>

Taxpayer	Fiscal Year 2013	
	Assessed Valuation	% of Total Assessed Valuation
Harverhill LLC	\$ 51,500,500	3.64%
Reiv Hotel LLC	41,492,200	2.93%
Centrum - Manassas Park	16,700,000	1.18%
Jerax Enterprises	6,216,500	0.44%
HCW Conner Center LLC	5,512,000	0.39%
Twenty-Two SAC Self Storage Corp	4,538,600	0.32%
The Sills Family LTD Partnership	4,139,800	0.29%
Digital Park LLC	4,046,900	0.29%
RPC of Manassas Park LLC	3,811,000	0.27%
Leopold, Charles & Jacqueline M.	3,577,800	0.25%
Total	<u>\$ 141,535,300</u>	<u>10.00%</u>

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Collected Within the Fiscal Year of the Levy				Total Collections to Date		
	Total Tax Levy for Fiscal Year			Collections in Subsequent			
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2022	\$ 29,143,484	\$ 28,406,145	97.47%	\$ 192,543	\$ 28,598,688	98.13%	
2021	27,085,883	26,625,956	98.30%	175,942	26,801,898	98.95%	
2020	26,152,611	25,271,259	96.63%	337,536	25,608,794	97.92%	
2019	25,198,128	24,435,219	96.97%	214,809	24,650,027	97.82%	
2018	25,471,926	24,054,559	94.44%	178,451	24,233,010	95.14%	
2017	23,664,664	22,421,679	94.75%	653,940	23,075,618	97.51%	
2016	22,816,550	22,255,426	97.54%	561,125	22,816,551	100.00%	
2015	23,468,509	22,997,577	97.99%	399,027	23,396,604	99.69%	
2014	22,510,377	21,855,905	97.09%	456,338	22,312,243	99.12%	
2013	21,259,845	20,667,022	97.21%	592,823	21,259,845	100.00%	

Source: Manassas Park Treasurer's Collection

CITY OF MANASSAS PARK, VIRGINIA

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Notes Payable
	General Obligation Bonds	Lease Revenue Bonds	Literary Fund Loans	Lease Liabilities		
2022	\$ 65,388,826	\$ 31,035,208	\$ 7,130,000	\$ 1,239,034.00	\$ 245,306	
2021	72,648,729	31,240,498	7,195,000	\$ -	688,889	
2020	79,950,190	-	7,255,000	-	842,417	
2019	86,683,222	-	7,315,000	-	741,916	
2018	94,356,847	-	7,370,000	-	712,658	
2017	101,117,151	-	7,400,000	-	844,868	
2016	104,128,386	-	7,500,000	-	461,760	
2015	107,165,329	-	625,000	-	357,721	
2014	109,463,962	-	625,000	-	-	
2013	107,014,175	-	4,875,000	-	-	

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

(1) See the Schedule of Demographic and Economic Statistics - Table 13.

Table 9

Business-type Activities					
	General		Total	Percentage	
	Obligations	Notes	Primary	of Personal	Per
	Bonds	Payable	Government	Income (1)	Capita (1)
\$	8,508,191	\$ -	\$ 113,546,565	18.75%	\$ 6,678
	9,658,272	-	121,431,388	20.54%	7,052
	10,771,454	56,003	98,875,064	18.00%	5,657
	11,863,539	110,564	106,714,241	21.78%	6,166
	12,927,842	163,722	115,531,069	23.58%	6,990
	13,965,824	215,513	123,543,356	25.81%	7,446
	14,944,488	-	127,034,634	27.82%	8,026
	14,040,000	-	122,188,050	17.40%	7,760
	14,040,000	-	124,128,962	17.88%	8,180
	14,800,000	-	126,689,175	30.23%	8,538

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

Fiscal Year	General Obligation Bonds	Literary Fund Loans	Gross Bonded Debt	Less Amounts Reserved for Debt Service (4)	Net Bonded Debt (3)	Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
2022	\$ 73,897,017	\$ 7,130,000	\$ 81,027,017	\$ 382,385	\$ 80,644,632	3.39%	\$ 4,743
2021	82,307,001	7,195,000	89,502,001	342,163	89,159,838	4.22%	\$ 5,178
2020	90,721,644	7,255,000	97,976,644	334,280	97,642,364	4.97%	5,587
2019	98,546,761	7,315,000	105,861,761	331,683	105,530,078	5.56%	6,098
2018	107,284,689	7,370,000	114,654,689	342,116	114,312,573	6.34%	6,916
2017	115,082,975	7,400,000	122,482,975	309,413	122,173,562	7.19%	7,364
2016	119,072,874	7,500,000	126,572,874	249,609	126,323,265	7.69%	7,982
2015	121,205,329	625,000	94,565,329	-	94,565,329	6.35%	6,023
2014	123,503,962	625,000	96,653,962	-	96,653,962	7.16%	6,370
2013	121,814,175	4,875,000	98,249,175	-	98,249,175	7.63%	6,621

Sources:

- (1) Population data can be found in the table of Demographic and Economic Statistics - Table 13.
- (2) See the table of Assessed Value and Estimated Actual Value of Taxable Property - Table 5.
- (3) Includes all long-term general obligation bonded debt, Literary Fund Loans, and excludes revenue bonds, capital leases, and compensated absences.
- (4) Committed fund balance of the debt service fund.

CITY OF MANASSAS PARK, VIRGINIA

Legal Debt Margin Information (in thousands) Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 117,170	\$ 123,643	\$ 135,907	\$ 164,260	\$ 169,830
Total net debt applicable to limit	<u>98,249</u>	<u>96,654</u>	<u>94,565</u>	<u>126,323</u>	<u>122,174</u>
Legal debt margin	<u>\$ 18,921</u>	<u>\$ 26,989</u>	<u>\$ 41,342</u>	<u>\$ 37,937</u>	<u>\$ 47,656</u>
Total net debt applicable to the limit as a percentage of the debt limit	83.85%	78.17%	69.58%	76.90%	71.94%

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

Table 11

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 180,422	\$ 189,794	\$ 196,566	\$ 211,391	\$ 238,111
<u>114,313</u>	<u>105,530</u>	<u>97,642</u>	<u>89,160</u>	<u>80,645</u>
<u>\$ 66,109</u>	<u>\$ 84,264</u>	<u>\$ 98,924</u>	<u>\$ 122,231</u>	<u>\$ 157,466</u>
63.36%	55.60%	49.67%	42.18%	33.87%
Assessed value			\$ 2,381,110	
Debt limit (10% of total assessed value)			\$ 238,111	
Net debt applicable to limit			<u>80,645</u>	
Legal debt margin			<u>\$ 157,466</u>	

Pledged-Revenue Coverage
Last Ten Fiscal Years

Water & Sewer Bonds								
Fiscal Year	Water & Sewer Activities			Debt Service			Debt Service Coverage	
	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Principal	Interest	Total Debt Service		
2022	\$ 9,184,237	\$ 3,829,586	\$ 5,354,651	\$ 1,055,000	\$ 326,582	\$ 1,381,582	3.88	
2021	8,129,985	4,124,684	4,005,301	1,037,399	405,685	1,443,084	2.78	
2020	8,093,080	4,094,312	3,998,768	979,308	440,929	1,420,237	2.82	
2019	8,082,689	4,105,633	3,977,056	943,110	474,095	1,417,205	2.81	
2018	8,700,101	3,499,036	5,201,065	906,911	513,565	1,420,476	3.66	
2017	10,121,686	4,105,860	6,015,826	839,010	547,376	1,386,386	4.34	
2016	7,954,359	3,874,001	4,080,358	637,178	552,026	1,189,204	3.43	
2015	9,231,577	5,768,980	3,492,596	-	-	-	1.00	
2014	10,129,798	564,199	4,465,599	-	170,976	170,976	26.12	
2013	8,448,695	4,570,960	3,877,735	-	838,176	838,176	4.63	

N/M= Not meaningful

(1) Includes all revenues

(2) Total operating expenses exclusive of depreciation

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Total Personal Income (1)	Per Capita Personal	School Enrollment	Unemployment Rate
2022	17,002	\$ 605,577,236	\$ 35,618	3,508	2.40%
2021	17,219	591,059,394	34,326	3,421	4.30%
2020	17,478	549,158,760	31,420	3,641	9.90%
2019	17,307	512,996,787	29,641	3,724	2.10%
2018	16,528	489,906,448	29,641	3,724	2.70%
2017	16,591	478,666,941	28,851	3,588	3.40%
2016	15,827	456,624,777	28,851	3,443	3.90%
2015	15,625	440,062,500	28,164	3,359	4.40%
2014	14,992	420,585,568	28,054	3,216	4.50%
2013	15,125	407,528,000	26,944	3,123	5.02%

Source: Weldon Cooper Center, Virginia Employment Commission, Annual School Report

Source for School Enrollment: Virginia Department of Education

http://www.doe.virginia.gov/statistics_reports/enrollment/fall_membership/report_data.shtml

June 30, 2022

Principal Employers

Rank	Employer	Number of Employees	Rank
1	Realtime Peo II, LLC	250-499	1
2	QMT Associates	100-249	2
3	C.W. Strittmatter, Inc.	100-249	3
4	Atlas Plumbing LLC	100-249	4
5	Labor ReadyMid-Atlantic, Inc.	100-249	5
6	Titan Erosion Control	50-99	6
7	James River Equipment	50-99	7
8	Patriot Disposal Inc	50-99	8
9	Strittmatter Contrac LLC	20-49	9
10	Guapos of Manassas Inc	20-49	10

Source: infogroup

Full-time Equivalent City Government Employees by Function
Last Four Fiscal Years

Function/Program	2017	2018	2019	2020	2021	2022
City Attorney/Clerk/Council/Electoral Board	2	2	2	2	4	5
General overnment						
Management Services & Economic Development	3	3	3	3	4	6
Finance	7	7	7	7	5	6
Human Resources	1	1	1	1	1	3
Information Technology	3	3	3	3	4	5
Police						
Officers	42.5	42.5	42.5	42.5	35	40
Fire						
Firefighters and officers	29	29	29	29	33	30
Emergency Operations	N/A	N/A	N/A	N/A	8	8
Social Services	17	17	17	17	20	22
Community Development & Public Works Engineering / staff	26.5	26.5	26.5	26.5	31	31
Parks and recreation						
Staff	16	16	16	16	18	18
Treasurer's Office ^a	6	6	6	6	5	6
Registrar's Office	2	2	2	2	2	3
Commissioner of Revenue	4	4	4	4	4	6
Totals	<u>159</u>	<u>159</u>	<u>159</u>	<u>159</u>	<u>174</u>	<u>189</u>

^aThe Treasurer's Office began the hiring of additional tellers in 2019 to staff collection positions.

Source: City Records

Note: Information is only available for the last four fiscal years.

Capital Asset and Operating Indicators
Last Ten Fiscal Years

Function	2020	2021	2022
Number of Computers			
General government	10	16	17
Commissioner of Revenue	4	5	4
Finance Department	10	12	12
Registrar's Office	3	3	3
Treasurer's Office	7	7	6
Police department	95	95	95
Parks and recreation	41	41	36
Fire Department	17	21	17
Social Services	3	3	3
Public works	25	25	17
Information Technology	4	4	5
Emergency Operations Center	4	4	-
Library	N/A	16	56
Purchased Laptops	N/A	26	13
Spares	6	22	4
Total	229	300	288

Note: Information is only available for the last three years.

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

**To the Honorable Members of City Council
City of Manassas Park, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Manassas Park, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Manassas Park, Virginia's basic financial statements, and have issued our report thereon dated December 12, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Manassas Park, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Manassas Park, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Manassas Park, Virginia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Manassas Park, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia
December 12, 2022



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

**To the Honorable Members of City Council
City of Manassas Park, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Manassas Park, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Manassas Park, Virginia's major federal programs for the year ended June 30, 2022. City of Manassas Park, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Manassas Park, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance: (Continued)

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

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

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

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia
December 12, 2022

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CITY OF MANASSAS PARK, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Unit
Year Ended June 30, 2022

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
PRIMARY GOVERNMENT:			
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES:</u>			
<u>Pass through payments:</u>			
Library of Virginia:			
COVID-19 - LSTA to states	45.310	142001	\$ 4,166
<u>DEPARTMENT OF JUSTICE:</u>			
<u>Pass through payments:</u>			
Virginia Department of Criminal Justice Services:			
Edward Byrne memorial justice assistance grant program	16.738	CJS7101601	\$ 77,063
Total Department of Justice			\$ 77,063
<u>DEPARTMENT OF TRANSPORTATION:</u>			
<u>Pass through payments:</u>			
Virginia Department of Motor Vehicles:			
Alcohol open container requirements	20.607	154AL-21-51019/ 154AL-22-52072	\$ 6,609
Highway Safety Cluster:			
State and community highway safety	20.600	FSC-21-51020/ FOP-22-521845/ FOP-22-52184	15,606
Total Highway Safety Cluster			\$ 15,606
Total Department of Transportation			\$ 22,215
<u>DEPARTMENT OF HOMELAND SECURITY:</u>			
<u>Pass through payments:</u>			
Virginia Department of Emergency Management:			
Emergency management performance grants	97.042	117463	\$ 7,484
Total Department of Homeland Security			\$ 7,484
<u>DEPARTMENT OF THE TREASURY:</u>			
<u>Pass through payments:</u>			
<u>Virginia Department of Accounts:</u>			
COVID-19 - Coronavirus Relief Fund (CRF)	21.019	SLT0022	\$ 36,810
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	12110	2,177,972
Virginia Department of Education:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP1026	81,974
Total 21.019			\$ 2,259,946
Total Department of the Treasury			\$ 2,296,756
<u>DEPARTMENT OF AGRICULTURE:</u>			
<u>Pass Through Payments:</u>			
Virginia Department of Social Services:			
SNAP Cluster:			
State administrative matching grants for the supplemental nutrition assistance program	10.561	0010121/0010122 0040121/0040122	\$ 342,568
Total SNAP Cluster			\$ 342,568
Total Department of Agriculture			\$ 342,568
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
<u>Pass Through Payments:</u>			
Virginia Department of Social Services:			
Temporary assistance for needy families	93.558	0400122/0400121	\$ 95,566
Virginia Department of Education:			
Temporary assistance for needy families	93.558	2101VATANF	31,658
Total 93.558			\$ 127,224
CCDF Cluster:			
Child care mandatory and matching funds of the child care and development fund	93.596	0760122/0760121	\$ 22,426
COVID-19 - child care and development block grant	93.575	0773121	1,139
Total CCDF Cluster			\$ 23,565
Medicaid Cluster:			
Medical assistance program	93.778	1200122/1200121	\$ 179,072
Total Medicaid Cluster			\$ 179,072

CITY OF MANASSAS PARK, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Unit
Year Ended June 30, 2022 (Continued)

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES: (Continued)			
Guardianship assistance	93.090	1110121/1110122	181
Title IV-E prevention program	93.472	1140122	2,441
Community-based child abuse prevention grants	93.590	9560121	1,000
Adoption and legal guardianship incentive payments	93.603	1130119	2,219
Foster care-title IV-E	93.658	110022/01100121	142,435
Adoption assistance	93.659	1120122/1120121	27,097
Mary Lee Allen safe and stable families program	93.556	0950121/0950120	15,024
Refugee and entrant assistance state/replacement designee administered programs	93.566	0500122	514
Low-income home energy assistance	93.568	0600422/0600421	14,641
Social services block grant	93.667	1000122/1000121	116,908
Stephanie Tubbs Jones child welfare services program	93.645	0900121/0900122	254
John H. Chafee foster care program for successful transition to adulthood	93.674	9150121/9150121	1,048
COVID-19 - elder abuse prevention intervention program	93.747	8000221	5,490
Children's health insurance program	93.767	0540122/0540121	1,792
Total Department of Health and Human Services			\$ 660,905
DEPARTMENT OF AGRICULTURE:			
Pass through payments:			
COVID-19 - EBT administrative cost grants	10.649	202121S900941	\$ 3,063
Child nutrition discretionary grants limited availability	10.579	201919N810341	13,456
Child Nutrition Cluster:			
Virginia Department of Agriculture and Consumer Services:			
Food distribution - national school lunch program	10.555	202222N119941	\$ 156,676
Virginia Department of Education:			
COVID-19 - national school lunch program	10.555	202121H170341	97,181
National school lunch program	10.555	202121N119941/ 202222N119941	1,853,794
Total 10.555			\$ 2,107,651
Virginia Department of Agriculture and Consumer Services:			
Summer Food Service Program for Children	10.559	202121N119941	70,170
School breakfast program			
	10.553	202121N119941/ 202222N119941	699,849
Total Child Nutrition Cluster			\$ 2,877,670
Total Department of Agriculture			\$ 2,894,189
DEPARTMENT OF EDUCATION:			
Virginia Department of Education:			
Title I grants to local educational agencies	84.010	S010A200046/ S010A210046	\$ 329,450
Special Education Cluster (IDEA):			
Special education - grants to states	84.027	H027A210107/ H027A200107	742,524
Special education - preschool grants	84.173	H173A210112	24,787
Total Special Education Cluster (IDEA)			\$ 767,311
COVID-19 Education Stabilization Fund:			
Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425D	S425D210008	\$ 311,965
Governor's Emergency Education Relief (GEER)	84.425C	S425C210008	59,680
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210008	657,794
Total Education Stabilization Fund			\$ 1,029,439
English language acquisition state grants			
	84.365	S365A200046/ S365A210046	\$ 111,273
Supporting Effective Instruction State Grants			
	84.367	S367A200043/ S367A210043	67,812
Student support and academic enrichment program			
	84.424	S424A190048	24,782
Career and technical education - basic grants to states			
	84.048	V048A200046/ V048A210046	50,999
Total Department of Education			\$ 2,381,066
Total Expenditures of Federal Awards			\$ 8,686,412

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CITY OF MANASSAS PARK, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Manassas Park, Virginia under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Manassas Park, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Manassas Park, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

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

(4) The City did not pass any federal awards through to sub-recipients during the year ended June 30, 2022.

Note 3 - Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of commodities received and disbursed.

Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:	
General Fund	\$ 1,793,870
Capital Projects Fund	1,454,308
Proprietary Fund	<u>81,005</u>
Total primary government	\$ <u>3,329,183</u>
Component Unit School Board:	
School Operating Fund	\$ 2,463,040
School Cafeteria Fund	2,894,189
Total component unit school board	\$ <u>5,357,229</u>
Total federal expenditures per basic financial statements	\$ <u><u>8,686,412</u></u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>8,686,412</u></u>

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CITY OF MANASSAS PARK, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR, Section 200.516 (a)? No

Identification of major .510 programs:

Assistance Listing	Name of Federal Program or Cluster
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
84.425D/84.425U/84.425C	COVID-19 Education Stabilization Fund
84.027/84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

CITY OF MANASSAS PARK, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022 (Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS:

There are no financial statement findings to report.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

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

SECTION IV – PRIOR AUDIT FINDINGS:

There were no prior audit findings.