

CITY OF MANASSAS PARK, VIRGINIA

Annual Comprehensive Financial Report



Year Ended June 30, 2024

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Year Ended June 30, 2024

PREPARED BY:

Joshua McNeal IV, Director of Finance

CITY OF MANASSAS PARK, VIRGINIA

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CITY OF MANASSAS PARK

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City Manager:
Carl Cole

City Clerk:
Lana A. Conner

City Attorney:
Brian Lubkeman

Mayor:
Alanna Mensing

Vice Mayor:
Darryl Moore

Council Members:
Haseeb Javed
Yesy Amaya
Michael Carrera
Stacy Seiberling

DRAFT

Honorable Mayor, Members of City Council, and Residents 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, 2024 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 Department of Finance has prepared this report in accordance with the following minimum standards:

- ☐ Generally Accepted Accounting Principles in the United States of America (GAAP)
- ☐ Governmental accounting and financial reporting statements, interpretations, and technical bulletins issued by the Governmental Accounting Standards Board (GASB)
- ☐ Uniform financial reporting standards for counties, cities, and towns issued by the Commonwealth of Virginia's Auditor of Public Accounts (APA); and
- ☐ Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

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, if any, are included in the compliance section of this report.

The fiscal year 2024 budget was adopted based on the City Council's established strategic goal to achieve long-term budget sustainability in addition to its established 2021-2024 strategic focus areas of:

- ☐ Economic Development
- ☐ Balanced Slicing of Pie (Tax cuts, core services, pay raises, and FTE growth)
- ☐ Community maintenance issues
- ☐ Infrastructure (transportation, facilities, trails, funding safety risks, etc.)
- ☐ Financial management, and
- ☐ Service delivery enhancement

Below is a high-level summary of the city budget process in brief.

- ☐ Prior to April 1, the City Manager prepares and submits to the City Council a proposed operating and capital project for the fiscal year beginning on July 1st and ending in June of the subsequent year. The operating budget includes proposed expenditures, the means of financing them, and forecasted revenues for all funds. These funds include General Fund, Debt Service Fund, Capital Projects Fund, the Non-major Special Revenue Funds, School Operation 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.
- ☐ The budget is prepared on a basis of generally accepted accounting principles, applicable GASB statements, rules, and regulations.
- ☐ Public hearings are held to obtain resident comments.
- ☐ Prior to the start of the fiscal year, the budget is legally adopted for all funds via a passage of an ordinance.
- ☐ All amendments 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.
- ☐ Quarterly budget appropriations, including any revisions, are presented to and approved by City Council at the fund level. Several supplemental appropriations are necessary during the fiscal year depending on business needs and operations. All appropriations lapse at year-end except for capital project funds where appropriations carry forward for the duration of the project.

For specific details of the budget process, refer to the FY2024 Budget calendar below:

FY 2024 BUDGET SCHEDULE

Date (2023)	Activity	Topic
Pre Jan 13	Internal Management	CIP Templates filled out and reviewed
January 13	Internal Management	Budget Templates provided to Departments
February 8	Planning Commission	Draft CIP Presentation
February 10	Internal Management	Department Budgets Due to City Manager
February-March	Internal Management	City Manager meetings with Departments to develop departmental budgets
February 17	Regular Governing Body Meeting	Discussion of Governing Body (GB) Priorities as needed
March 7	Regular Governing Body Meeting	Discussion of Governing Body (GB) Priorities as needed
March 21	Regular Governing Body Meeting	
Late March	Internal Management	City Manager receives Draft Assessment Data from Assessors
Late March	Internal Management	City Manager Finalizes Budget
April 4	Regular Governing Body Meeting	City Manager Presents Budget Recommendation School Board Presents Budget Recommendation
April 11	Governing Body Work Session	City Department Directors Present to GB
April 12	Planning Commission	Vote on CIP Recommendation to GB
April 18	Regular Governing Body Meeting	Public Budget Input Session CIP Presentation
April 25	Governing Body Work Session	City Department Directors Present to GB
May 2	Governing Body Work Session	Final School Board Budget Work Session/ Further Budget Presentations/Discussions as needed
May 9	Regular Governing Body Meeting	Governing Body Selection of Budget/CIP Parameters for Public Hearing Advertisement; Approve Resolution for Not to Exceed Tax Rate/Fees; Vote on School Board Budget
Early thru Mid-May	Advertisement	Advertisement of Budget and Tax Rates/Fees in Newspaper
May 16	Regular Governing Body Mtg.	Refinement of Budget/CIP (if needed)
June 6	Public Hearing	Public Hearing held on Budget
June 13	Regular Governing Body Meeting	Regular Governing Body Meeting, Refinement of Budget/CIP (if needed)
June 20, 27	Special Meeting or Governing Body Work Session (if either is needed)	Adoption: Budget, CIP, Tax Rates and Fees
June 30	Last Day of Fiscal Year	Latest Date to Adopt Budget

For a summary of the FY2024 City Budget for General Fund with key highlights, see below:

- ☐ 1.5-cent reduction in our Real Estate Tax Rate, which equates to \$351K in tax relief to our residents (on top of last year's tax relief of \$2.6M to our residents).
- ☐ Personal Property Tax Rate flat at \$3.00 after 50 cents reduction per \$100 of assessed value in FY 23, despite declining vehicle values in FY 24.

- ☐ General Fund debt payments increase by \$93K in FY 24.

Budget line items of revenues and expenditures for the fiscal year are presented below:

City of Manassas Park General Fund Budget		
Revenue Category	FY 23A1	FY 24
PROPERTY TAXES	\$ 40,360,002	\$ 42,455,001
ECONOMIC DEV TAX REVENUES	\$ 5,201,406	\$ 5,596,327
POLICE	\$ 3,503,889	\$ 2,736,846
FIRE	\$ 464,184	\$ 1,697,968
EMERGENCY MANAGEMENT	\$ 7,500	\$ 7,500
COMMUNITY DEVELOPMENT	\$ 1,476,668	\$ 1,450,881
SOCIAL SERVICES	\$ 1,836,866	\$ 2,363,234
PARKS & REC & LIBRARY	\$ 1,377,354	\$ 1,346,441
MISCELLANEOUS & OTHER	\$ 3,155,396	\$ 3,308,259
FUND TRANSFERS	\$ 10,919,109	\$ 8,485,147
CAPITAL BUDGET REVENUE	\$ 18,252,178	\$ 16,819,336
TOTAL REVENUES	\$ 86,554,552	\$ 86,266,941
Expenditure Category	FY 23 A1	FY 24
GB/CLERK/ATTORNEY	\$ 1,003,366	\$ 1,047,891
CONSTITUTIONAL OFFICERS/ REGISTRAR	\$ 1,907,926	\$ 2,188,809
CITY ADMINISTRATION (CM/HR/FINANCE/IT GS)	\$ 3,896,469	\$ 4,308,139
POLICE	\$ 6,462,146	\$ 6,942,666
FIRE	\$ 4,348,000	\$ 5,983,481
COMMUNITY DEVELOPMENT	\$ 3,784,949	\$ 3,829,495
HEALTH & HUMAN SERVICES	\$ 5,113,199	\$ 5,397,427
PARKS & REC & LIBRARY	\$ 4,751,634	\$ 4,911,548
TRANSFER TO DEBT, CAPITAL & RESERVES	\$ 19,480,077	\$ 18,533,623
TRANSFER TO SCHOOLS	\$ 14,619,949	\$ 13,300,000
CONTRIBUTIONS TO COUNTY	\$ 2,757,273	\$ 2,823,636
LEGAL SUPPORT/DUES	\$ 177,386	\$ 180,890
CAPITAL BUDGET	\$ 18,252,178	\$ 16,819,336
TOTAL EXPENDITURES	\$ 86,554,552	\$ 86,266,941
NET INCOME (SURPLUS/DEFICIT)	\$ -	\$ -

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 3.03 square miles in size and has a population of about 17,219 people per the latest U.S. Census with about 22.7% population growth since 2010. 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 near 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 is the 85th largest city in the commonwealth of Virginia.

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, 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, administering 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

FY2024 was a pivotal year of transition and planning for the City of Manassas Park, as we worked to enhance internal capacity and modernize our operations.

The City experienced several key leadership changes. The Director of Finance left in the first quarter of FY2024, prompting the City to contract with two consulting firms—one to provide interim accounting and financial reporting services, and another to support operational finance functions. These partnerships helped the City maintain continuity in its financial operations, complete essential tasks like bank reconciliations and audit preparations, and build an internal structure for long-term financial sustainability.

Additionally, the City Manager role changed during the fiscal year, leading to the appointment of an Interim City Manager to ensure stability while conducting a nationwide search. The City also began formal planning for a multi-phase implementation of new enterprise systems, including replacements for tax collection, utility billing, financial management, and human resources platforms.

This modernization initiative aims to improve data integration, service delivery, and transparency, setting the City up for greater operational efficiency in upcoming years. These developments underscore the City's ongoing commitment to responsive governance, professional administration, and long-term financial and organizational health.

DEMOGRAPHICS

According to the most recent U.S. Census data, the racial composition of Manassas Park was:

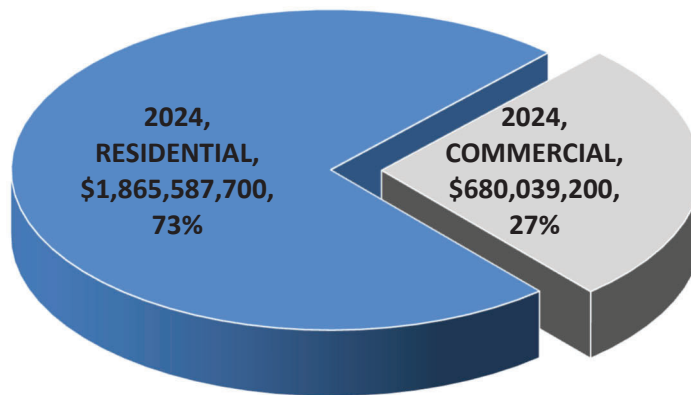
- Hispanic 45.3%
- Caucasian 30.6%

- Black or African American 12.4%
- Asian 10.7%
- American Indian and Alaska Native 1.0%
- Native American 0.1%

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 (\$1,865,587,700 or about 73% of the total taxable base).

2024 Real Property Assessment Residential vs. Commercial



The recent US Census shows Manassas Park residents as of June 2024 with a median household income of \$100,668 (in 2023 Inflation-Adjusted Dollars). See graphs below.

Income and Poverty

Income and Earnings

\$100,668 ± \$10,127

Median Household Income in Manassas Park city, Virginia

\$89,931 ± \$970

Median Household Income in Virginia

S1901 | 2023 American Community Survey 5-Year Estimates

Median Income by Types of Families in Manassas Park city, Virginia

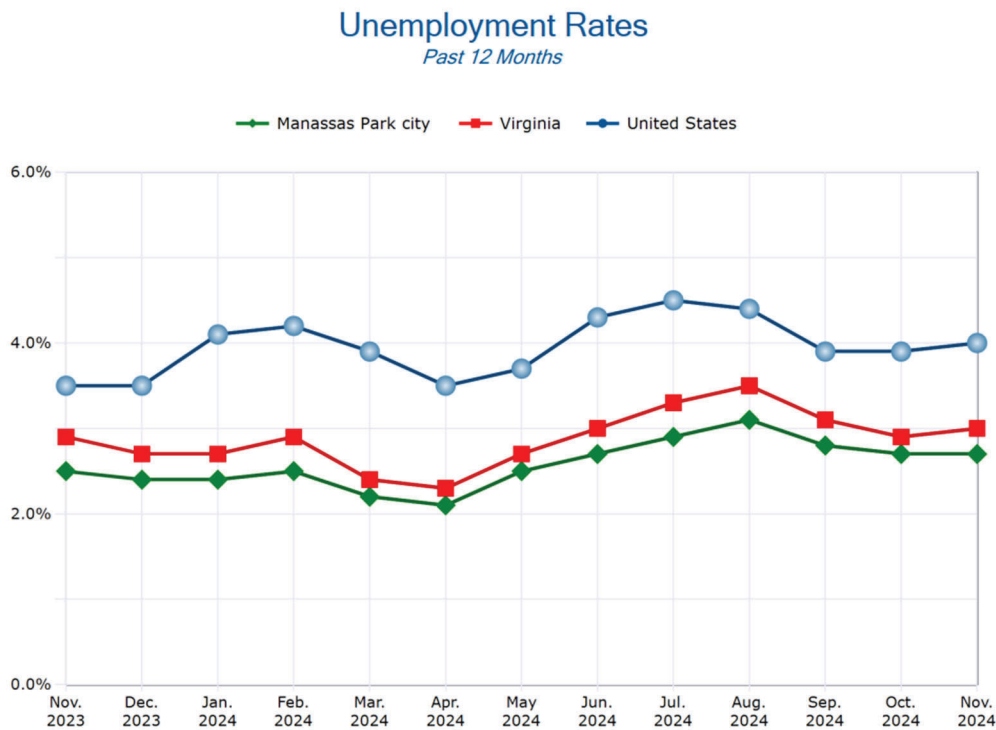
Families - \$103,326

Married-couple families - \$109,158

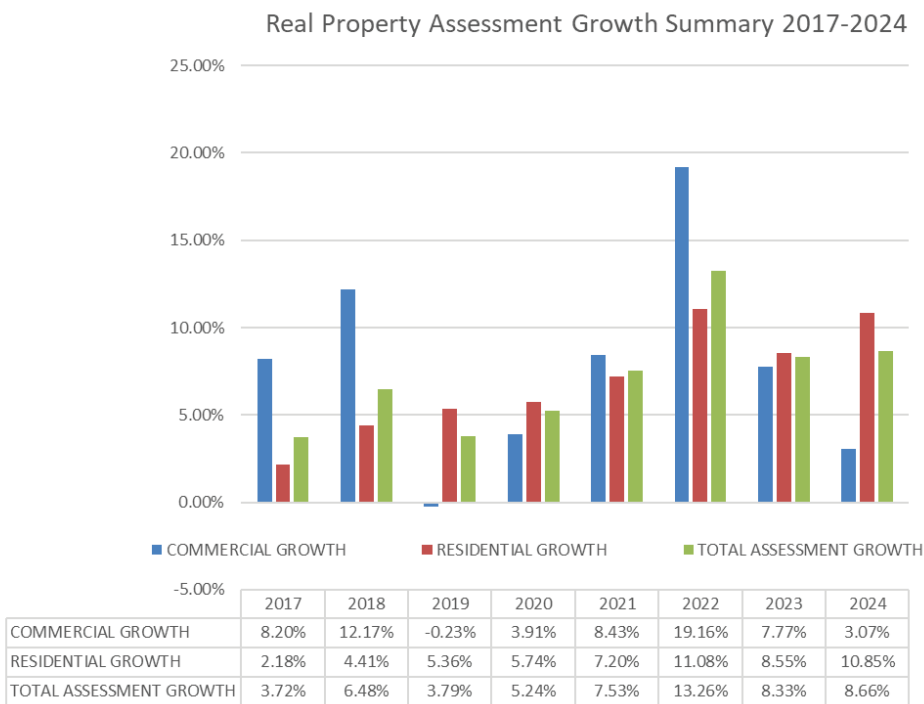
Nonfamily households - \$77,800

\$0 \$20K \$40K \$60K \$80K \$100K \$120K

LOCAL UNEMPLOYMENT RATES COMPARED TO THE STATE & UNITED STATES



A comparative table of real estate assessment from 2017 to 2024 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 2017 to 2024 and their yearly growth by property types





City of Manassas Park, Virginia
2024 Real Property Assessment Summary
as of March 2024

Real Property Classification		equalized				
		2023	2024	\$ Amount	Total	2023%
Locally-assessed Taxable Real Property		Assessments	Assessments	Of Change	Change	of Total
				2024 vs. 2023		
Residential Real Property						
1	Single Family Detached Home (Class 10)	1,045,675,000	1,146,061,900	100,386,900	9.60%	45.0%
2	Single Family Townhouse (Class 20)	420,243,300	457,761,000	37,517,700	8.93%	18.0%
3	Residential Condominium (Class 30)	206,420,700	251,570,700	45,150,000	21.87%	9.9%
4				-		
5	Subtotal Residential	1,672,339,000	1,855,393,600	183,054,600	10.95%	72.9%
6				-		
7	Vacant Land - Residential (Class 60 & 69)	10,621,100	10,194,100	(427,000)	-4.02%	0.4%
8						
9	Total Residential Real Property	1,682,960,100	1,865,587,700	182,627,600	10.85%	73.3%
10						
11	Commercial/Industrial Real Property					
12						
13	Commercial (Class 41, 43, 44, 47 & 48)	94,645,100	103,158,000	8,512,900	8.99%	4.1%
14	Multi-family Apartment (Class 42, 45 & Ne	321,158,400	318,797,800	(2,360,600)	-0.74%	12.5%
15	Industrial (Class 40, 50 & 52)	225,200,100	238,307,300	13,107,200	5.82%	9.4%
16	Vacant Land - Commercial (Class 63)	10,846,300	9,987,800	(858,500)	-7.92%	0.4%
17	Vacant Land - Industrial (Class 65)	7,952,900	9,788,300	1,835,400	23.08%	0.4%
18						
19	Total Commercial/Industrial Real Proper	659,802,800	680,039,200	20,236,400	3.07%	26.7%
20						
21	Total Locally-assessed Taxable Real Pro	2,342,762,900	2,545,626,900	202,864,000	8.66%	100.0%

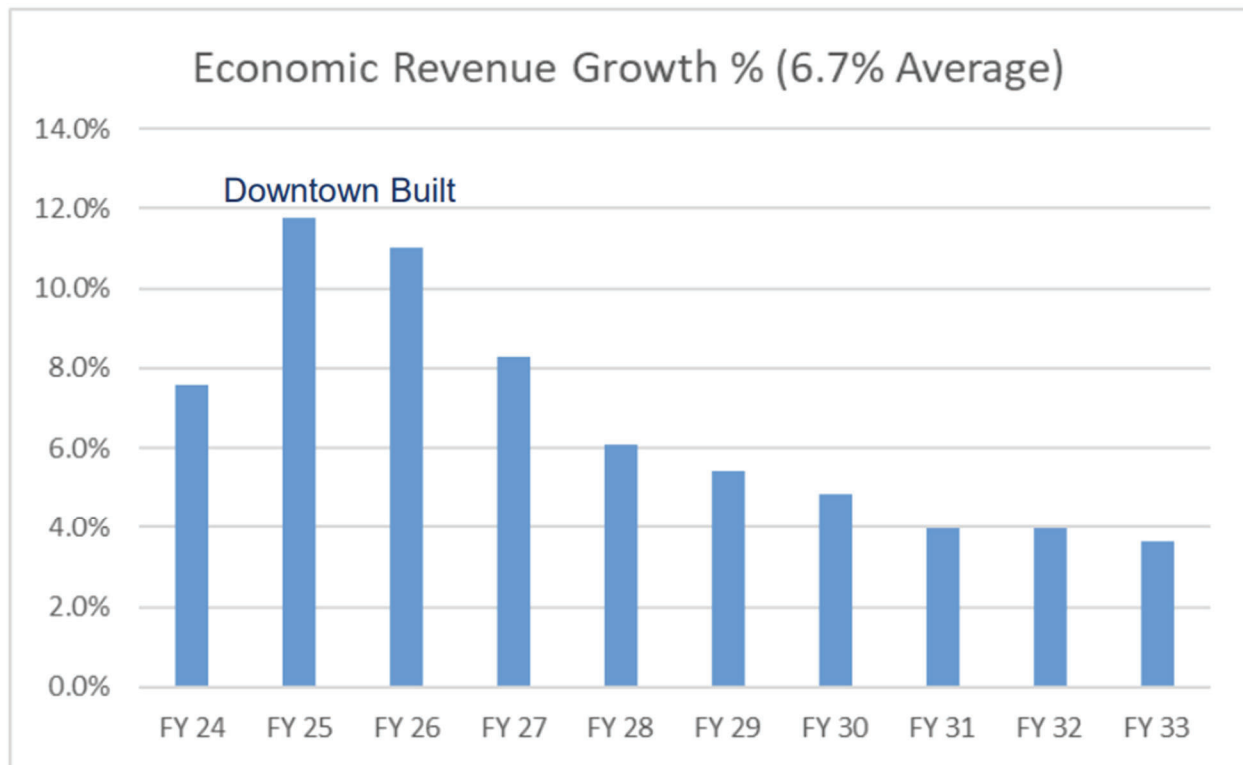
DOWNTOWN DEVELOPMENT ECONOMIC IMPACT

FY 24 Growth reflects economic rebound Meals Tax revenue inflationary pressures on Sales Tax revenues. We expect to see strong growth in the economy over next few years as we build out our downtown and Route 28 projects. As presented in the City Manager's FY2024 Budget

Overview, below are the tables showing the economic growth rates over the 10 years model with and without the downtown developments:

Some achievements related to Economic Development through FY2024 include:

- ☐ Market analysis performed and concept planning for a market feasible downtown development.
- ☐ Improved downtown parking infrastructure (both location and volume) to support retail and restaurant investments.
- ☐ Established a downtown public plaza as a central gathering place for community and for community events.
- ☐ Oversaw the small business grants program and the resident voucher program, investing hundreds of thousands of dollars to help our residents and restaurants during COVID-19.
- ☐ Opened first ever restaurant business in Parq 170 in Spring 2024.
- ☐ Established a new brand and logo for our City and Downtown.
- ☐ Established downtown events program.
- ☐ Strongest growth in restaurant sales and business sales from 2018-2023 when compared to our sister cities.



ACCOMPLISHMENTS

See below for governing body priorities and accomplishments through the end of FY2023 for those with green check marks:

Governing Body Priorities: 2021-2024	
1. Economic Development	4. Infrastructure
a) 75% Leased Downtown Commercial 	a) Transportation (roads, sidewalks, curbs, etc.) 
b) Any Necessary Expenditures for Econ. Dev. 	b) Facilities (including roofs) 
c) Business Attraction Program (Marketing Plan/Small Biz) 	c) Funding Safety Risks- Culverts, Water Quality, etc. 
d) Downtown Dev + Rte. 28 Dev + Kent Village Dev. 	d) Trails 
2. Balanced Slicing of Pie	5. Financial Management
a) Tax Cuts, Core Services (Education, Police, and Fire & Rescue), Pay Raises/COLA/Min. Wage, and FTE Growth. 	a) Continuing to Build Reserves 
	b) ERP Enhancement 
3. Community Maintenance Issues	c) Growing City Revenues in addition to development 
a) Code Enforcement (including Blighted Properties) 	6. Service Delivery Enhancement
b) Parking Enforcement 	a) FTE Buildup (Triage + Unfreezing- no <u>1 person</u> div.) 
c) Zoning and Buildings Enforcement 	b) Customer Service Representative 

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 \$21.5 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
	\$ 21,528,613.00	

The City of Manassas Park was also awarded and received on 12/30/2021 \$44,194.83 in ARPA funds from the State of Virginia- Department of Housing and Community Development for continuing Utility/Water assistance.

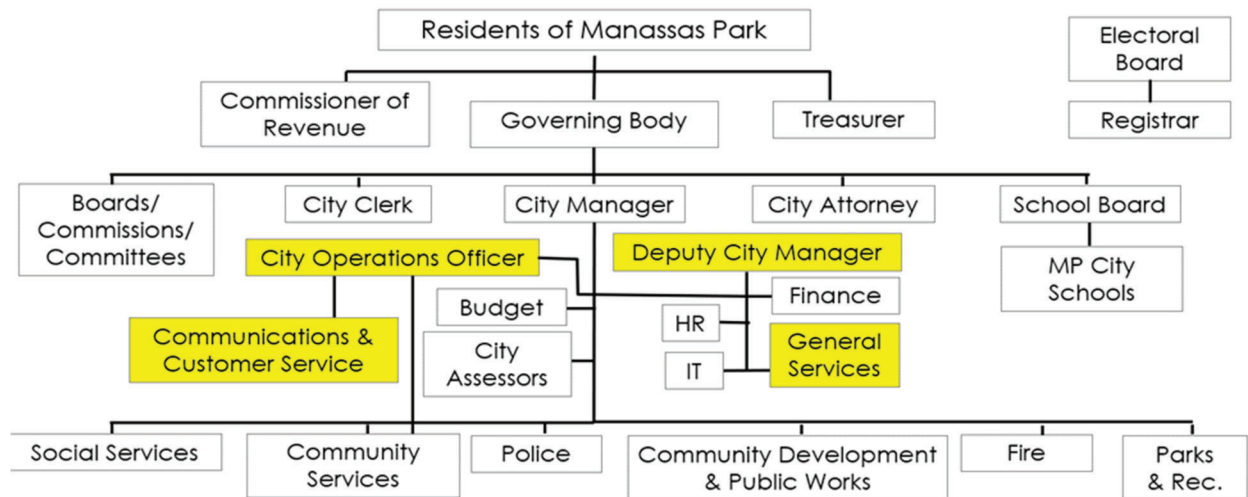
With the passing of the Infrastructure Investment and Job Act (IIJA) bill, and the Build Back Better (BBB) bill, the City of Manassas Park was awarded funds and is in good standing to help the city residents by providing more efficient public transportation, housing assistance, clean drinking water, 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.



Regards,

X

Joshua McNeal IV
Director of Finance / CFO

CITY OF MANASSAS PARK, VIRGINIA

June 30, 2024

Governing Body

Jeanette Rishell, Mayor

Alanna Mensing, Vice-Mayor

Darryl Moore

Laura Hampton

Yesy Amaya

Haseeb Javed

Michael Carrera

Other Officials

Keith Nguyen, Interim City Manager

Lana A. Conner, City Clerk

Debra D. Wood, Commissioner of the Revenue

Patricia Dellinger, Treasurer

Dr. Melissa Saunders, Superintendent of Schools

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, 2024, 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

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 September 12, 2025, 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

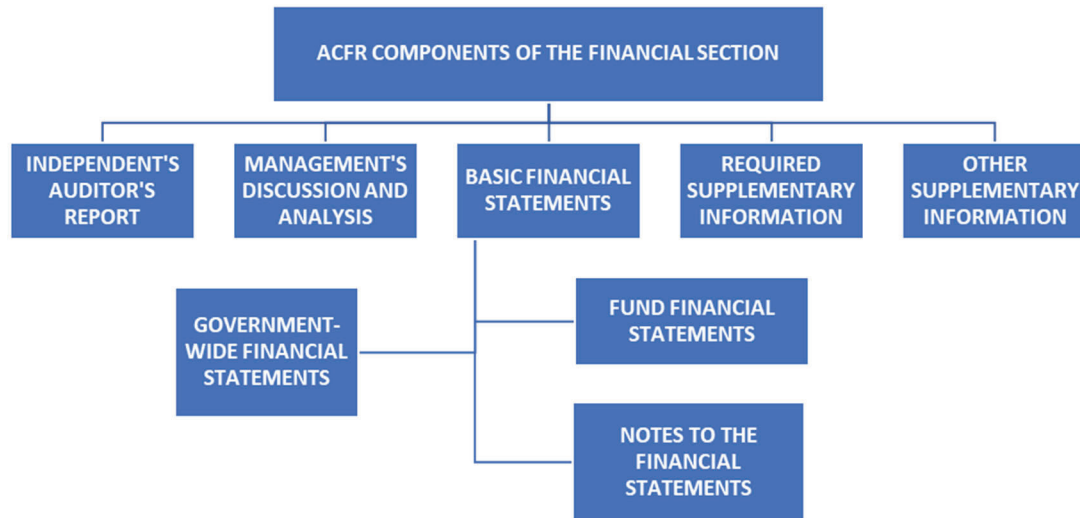
Fredericksburg, Virginia
September 12, 2025

CITY OF MANASSAS PARK
Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) provides readers of the City of Manassas Park's financial statements with a narrative overview and analysis of the City's financial activities for the fiscal year ending June 30, 2024. This information should be considered alongside the information in the letter of transmittal and the financial section.

COMPONENTS OF THE ACFR FINANCIAL SECTION

The chart below illustrates the format of the ACFR and explains how to navigate its different components.



FINANCIAL HIGHLIGHTS

Overall, the City has positive financial news to share regarding the FY2024 financial activities compared to previous fiscal years.

GOVERNMENT-WIDE FINANCIAL STATEMENTS (EXHIBIT 1)

The government-wide financial statements (Exhibit 1, first page under the financial section) present information about the City using the economic resources measurement focus and accrual basis of accounting. The total net position of the primary government reports a net asset position of \$63.0 million as of June 30, consisting of \$26 million in net investment in capital assets, \$0.1 million in restricted amounts, and \$36.8 million in unrestricted assets, while the School Board reports a positive net position of \$22.2 million. Below are the financial highlights of key changes by financial statement elements.

Total Assets (Capital Assets and Other Assets): Governmental activities report a decrease of \$6.9 million in total assets: 1) a decrease of \$7.5 million in current assets, and 2) increase of \$0.6 million in capital assets. The decline in current assets was mainly due to investments, which fell by \$3.9 million in FY2024.

Total Deferred Outflows of resources:

- Directional changes of pension OPEB-related items are expected from the net impact when the interest rate changes. There was no change in discount rate of 3.86%, resulting in a small decrease of deferred outflows or resources of \$97,508 (Note 21). This is the net effect of \$9,526 from differences between actual and expected experience and \$87,982 from changes in assumptions or other inputs. See Note 23 for further explanation of deferred items. The table of Note 23 is shown below for the primary government. The same explanation applies to the deferred items for the School Board component unit.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,526	\$ 101,805
Changes in assumptions	87,982	59,746
Total	<u>\$ 97,508</u>	<u>\$ 161,551</u>

	Net OPEB (Asset) Liability	Deferred Outflows	Deferred Inflows	OPEB Expense
Primary Government				
City Pay-as-you-go (Note 21)	\$ 2,157,020	\$ 97,508	\$ 161,551	\$ 222,108
City LODA (Note 20)	1,091,689	405,433	599,349	130,990
Group Life (Note 17)	698,480	269,899	102,476	52,622
Total	<u>\$ 3,947,189</u>	<u>\$ 772,840</u>	<u>\$ 863,376</u>	<u>\$ 405,720</u>

- The Economic Development Authority of the City of Manassas Park issued \$27.1 million in revenue bonds on March 23, 2021, to support the City's downtown development. Refer to the long-term debt section for more details. These refunding activities caused additional deferred items for the primary government. Per Note 6 on Long-term Obligations, the principal payments for the EDA debt service will not start until FY 2026.

Total Liabilities

Long-term obligations and leases for the fiscal year ending June 30 include, but are not limited to, the City's governmental obligation activities. Note 6 on long-term obligations provides more detailed information on these activities. This does not include the Economic Development Authority (EDA) lease revenue bond issued on March 23, 2021, for the City's downtown development. Some highlights of the long-term obligations are as follows:

- 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.
- Governmental activities for long-term obligations include \$6.7 million in principal payments, \$70,000 in State Literary Fund Loans for Schools, and \$430,986 in direct borrowings. For specific details, refer to Note 6. The school's state literacy loan was issued in the City's name, and this loan has been paid with the City government's resources.
- Eligible callable securities are regularly reviewed with the City's financial advisors and bond counsels for refunding. In FY2024, there were no eligible callable securities.
- Below is a graphical presentation of the City's general obligation bonds funded by general property tax revenues, depending on the healthy real estate assessment value. This graph excludes the EDA downtown lease revenue bonds. This will help put things in perspective for the long-term financial vision.

Total Deferred Inflows of Resources:

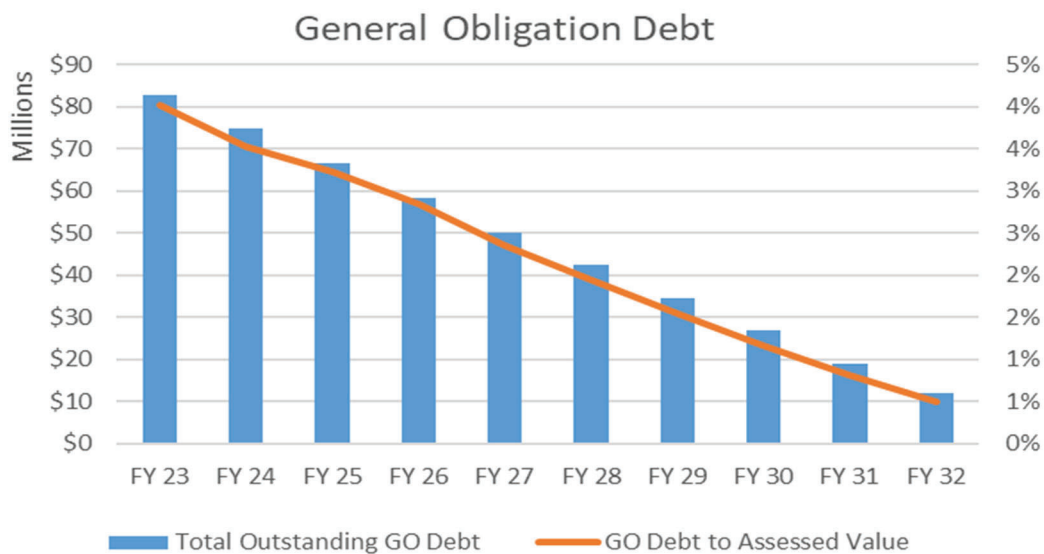
Both pension and OPEB-related deferred inflows of resources increased FY2024 from the net effect of the interest rate change.

- The Federal Reserve increased interest rates in FY2024. The hike in interest rates devalued the total deferred inflows of resources in FY2024 due to the inverse relationship between interest rates and this deferred item.

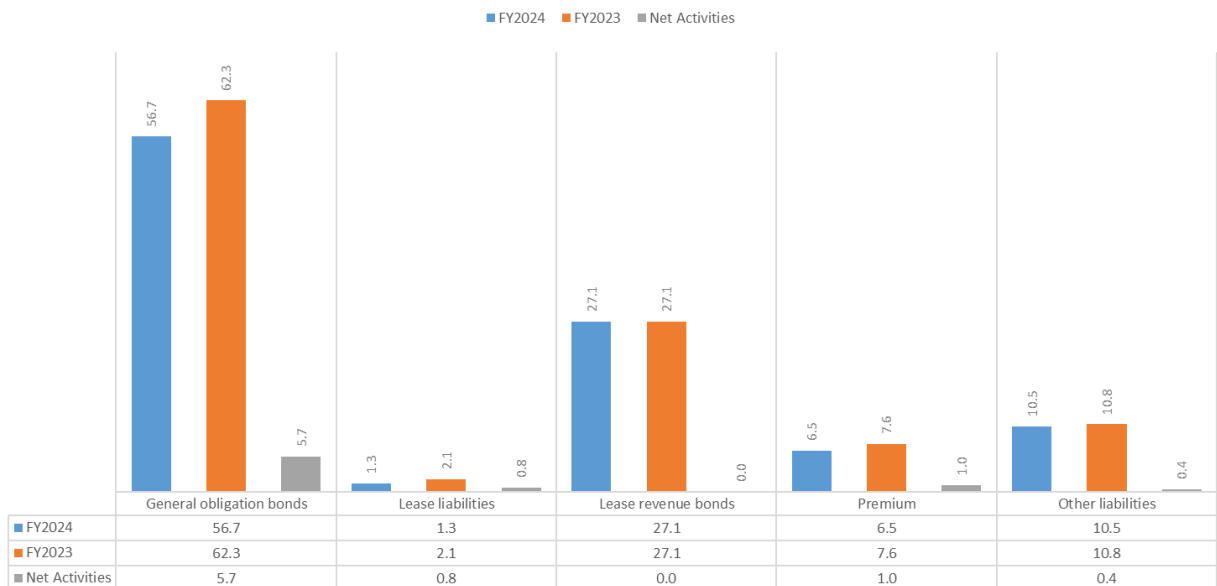
Change in Net Position:

- The Primary Government's net position and the School Board's net position both rose by \$8.6 million and \$4.7 million, respectively (see "Change in net position" on Exhibit 2).
- The net position of governmental activities increased to \$42.8 million from \$34.1 million, while the net position of business-type activities decreased to \$20.3 million from \$20.7 million (see Exhibit 2). The \$8.6 million change in the net position of governmental activities (see details in Exhibit 5) results from the net effect of:
 - \$1.1 million, the net changes in fund balances for total governmental funds
 - \$2.8 million, net capital outlay,
 - \$6.6 million net debt service principal retirement on general obligation bonds, offset by the net decrease in the
 - \$(2.2) million in a transfer of joint tenancy assets

	Balance July 1, 2023	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2024	Due Within One Year
Governmental Funds					
General Obligation Bonds	\$ 49,652,841	\$ -	\$ 5,173,791	\$ 44,479,050	\$ 4,911,119
Notes payable	2,723,808	525,000	306,127	2,942,681	393,699
Lease liabilities	2,083,157	-	750,861	1,332,296	402,435
Lease Revenue Bonds	27,130,000	-	-	27,130,000	-
Direct Borrowings and Direct placements:					
General Obligation Bonds	5,629,744	-	430,986	5,198,758	956,495
State Literary Fund Loans	7,065,000	-	70,000	6,995,000	70,000
Other Liabilities:					
Compensated Absences	1,652,732	211,678	165,273	1,699,137	169,914
Net OPEB liability	3,793,193	1,618,052	1,648,953	3,762,292	-
Net Pension Liability	557,015	6,327,314	4,836,978	2,047,351	-
Premium on bonds	7,596,141	-	1,048,813	6,547,328	942,884
Total	\$ 107,883,631	\$ 8,682,044	\$ 14,431,782	\$ 102,133,893	\$ 7,846,546



GOVERNMENTAL ACTIVITIES - LONG-TERM OBLIGATIONS FY2024 VS. FY2023 (\$ IN MILLIONS)



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 the modified accrual basis of accounting.

- The City’s governmental funds reported a total fund balance of \$29.8 million, up from \$28.6 million. This increase occurred in all funds except the capital project and proffer funds.
- On June 30, the General Fund, which supports the City’s main operations, reported an ending fund balance of \$30.4 million, showing an increase of \$10.9 million from June 30, 2023. The unassigned portion of the General Fund’s balance was \$30.3 million, available for future expenses at the City’s discretion. (See “Total fund balances less Non-spendable and Restricted fund balances” on Exhibit 3). The General Fund had total revenues of \$64.9 million, excluding transfers in. (See Exhibit 4).
- The Capital Projects Fund ended fiscal year 2024 with a fund balance of \$(8.4) million, a net decrease of \$10.6 million over the prior fiscal year.

- **OVERVIEW OF THE FINANCIAL STATEMENTS**

The Management's Discussion and Analysis presents the City's primary financial statements, including government-wide financial statements, fund financial statements, and notes to the financial statements. It also includes additional supplementary information alongside the basic financial statements.

As shown in Exhibit 1, the City's total assets of approximately \$181.5 million decreased by \$8.3 million, with current assets declining by \$8.2 million and capital assets decreasing by about \$0.6 million.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements, like those used by private-sector companies, present information about the City. One of the main 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, provide details about the City's finances overall 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 method used by most private-sector companies. All revenues and expenses are considered, regardless of when cash is received or paid. These statements include both short-term resources that are immediately spendable, as well as capital assets and long-term obligations.

The Statement of Net Position and the Statement of Activities show the City's net position and how assets change. The City's net position—the difference between assets and liabilities—is a key measure of the City's financial health or overall financial condition. Over time, changes in net position reveal whether the City's financial situation is getting better or worse.

Refer to the Statement of Net Position (Exhibit 1) and the Statement of Activities (Exhibit 2).

Governmental activities – Most of the City's core services listed here include general government, public safety, public works, health and welfare, parks and recreation, and community development. These activities are primarily funded through property taxes, other local taxes, and intergovernmental revenue.

Business-type activities – The financial operations for water and sewer, solid waste management, and stormwater enterprises are outlined here. The City charges a fee to customers to help cover all or most of the costs of these services. There have been no changes to water service fee rates since FY2021.

Component unit – The City also reports on a separate legal entity, the School Board. Although legally independent, the School Board does not have taxing authority and depends on the City for funding its debt service and annual operations, in addition to federal and state funding.

The government-wide financial statements are available in the basic financial statements section of this report.

FUND FINANCIAL STATEMENTS

Traditional readers of government financial statements will find the presentation of the fund financial statements more familiar. The focus is on the City's primary operating fund and its main funds. A fund is a group of related accounts used to keep track of resources set aside for specific activities or goals. The City uses fund accounting to show and maintain financial accountability. This includes the accounting for governmental, proprietary, and fiduciary funds. For more detailed information about the City's most important funds, see the basic financial statement section and the related note disclosures.

Governmental Funds

Governmental funds are used to report the same functions shown as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund statements provide a short-term view of the City's finances, helping the reader assess whether there will be more or fewer

financial resources available soon to support City programs. The basic Governmental Funds financial statements can be found in the table of contents.

Proprietary Funds

Proprietary funds must report the same functions listed as business-type activities in the government-wide financial statements. These funds are classified as either enterprise or internal service funds. Enterprise funds are used to report activities for which a fee is charged to external users for goods or services. Internal service funds, on the other hand, 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 stormwater operations. It does not maintain internal service funds. The basic Proprietary Funds financial statements can be found in the table of contents.

Notes to the financial statements

The notes provide essential information for fully understanding the data in the government-wide and fund financial statements, and they are available on pages 57-139.

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 shows the City’s comparative net position in millions:

Summary of Net Position (000,000s omitted)												
	Governmental Activities			Business-type Activities			Total Primary Government			Component Unit School Board		
	2024	2023	Difference	2024	2023	Difference	2024	2023	Difference	2024	2023	Difference
ASSETS												
Current & other assets	\$ 45.1	52.7	-7.6	13.8	14.5	-0.7	\$ 58.9	67.2	-8.3	12.7	11.5	1.2
Capital assets	108.8	108.2	0.6	13.9	14.5	-0.7	122.7	122.7	-0.1	45.7	44.6	1.1
Total assets	154.0	160.9	-7.0	27.6	29.0	-1.4	181.6	189.9	-8.3	58.4	56.2	2.3
DEFERRED OUTFLOWS OF RESOURCES												
Total deferred outflows of resources	5.8	5.8	0.1	0.5	0.5	0.0	6.4	6.3	0.1	9.9	8.0	1.9
LIABILITIES												
Long-term debt outstanding	102.1	107.9	-5.7	7.2	8.0	-0.8	109.3	115.8	-6.5	33.9	32.0	1.8
Other liabilities	13.2	21.9	-8.7	0.7	0.8	-0.1	13.9	22.7	-8.8	7.2	7.6	-0.4
Total liabilities	115.3	129.8	-14.5	7.8	8.7	-0.9	123.2	138.6	-15.4	41.0	39.6	1.4
DEFERRED INFLOWS OF RESOURCES												
Total deferred inflows of resources	1.7	2.7	-1.0	0.1	0.1	-0.1	1.7	2.8	-1.1	4.7	7.0	-2.3
NET POSITION:												
Invested in capital assets	19.0	9.2	9.8	7.5	7.3	0.2	26.5	16.5	10.0	45.5	44.2	1.3
Unrestricted (deficit)	23.8	25.0	-1.2	12.7	13.4	-0.6	36.6	38.4	-1.8	-23.0	-26.7	3.7
Total net position	42.8	34.2	8.6	20.3	20.7	-0.4	63.0	54.9	8.2	22.5	17.5	5.0

The City’s net position shows a net position increase of \$8.5 million for the Primary Government and \$4.8 million for the Component Unit. Below are explanations of key drivers for this increase:

1. Total assets declined by \$8.3 million for the primary government and increased by \$2.1 million for the component unit.
2. Total liabilities decreased by \$15.4 million for the primary government and increased by \$1.5 million for the component unit.
3. Business activities showed a \$0.4 million decline in total net position.

Statement of Activities (Exhibit 2) – The comparative City’s total revenues and expenses for governmental, business-type, and School Board activities for FY2024 and FY2023 are shown below, followed by an explanation of key changes in revenues and expenditures:

Statement of Activities (Exhibit 2)
Changes in Net Position (000s omitted)
For Fiscal Years Ending June 30, 2024 and 2023

	Governmental Activities		Total Primary Government		Component Unit School Board	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 3,408	3,336	\$ 15,546	\$ 14,927	\$ 12	12
Operating grants and contributions	7,202	6,547	7,202	6,547	43,948	43,529
Capital grants and contributions	4,025	5,733	4,025	5,733	-	-
General revenues:						
Property taxes	40,803	38,338	40,803	38,338	-	-
Other taxes	7,299	6,707	7,299	6,707	-	-
Payment from City of Manassas Park	-	-	-	-	15,433	14,168
Grants and contributions not restricted to specific programs	1,990	2,928	1,990	2,928	-	-
Gain on sale of capital assets	-	3,191	-	3,191	-	-
Other	2,624	995	2,831	1,151	923	832
Total Revenues	\$ 67,351	54,434	\$ 79,696	\$ 79,523	\$ 60,316	\$ 58,541
Expenses:						
General government	\$ 8,609	5,832	\$ 8,609	\$ 5,832	\$ -	\$ -
Judicial administration	712	669	712	669	-	-
Public safety	14,963	11,791	14,963	11,791	-	-
Public works	4,223	3,210	4,223	3,210	-	-
Health and welfare	6,149	5,594	6,149	5,594	-	-
Education	16,822	15,958	16,822	15,958	-	-
Parks recreation and cultural	5,408	5,130	5,408	5,130	-	-
Community development	1,144	1,051	1,144	1,051	-	-
Interest on long-term debt	2,668	3,212	2,668	3,212	-	-
Water and Sewer/Storm Water/Solid W	-	-	10,819	9,149	-	-
School Board	-	-	-	-	55,551	51,882
Total Expenses	\$ 60,698	52,447	\$ 71,517	\$ 61,596	\$ 55,551	\$ 51,882
Increase in net position before						
Transfers	\$ 6,653	-	\$ 8,179	\$ 17,926	\$ 4,765	\$ 6,659
Transfers	1,942	1,629	-	-	-	-
Increase In net position	\$ 8,595	835	\$ 8,179	\$ 10,757	\$ 4,765	\$ 6,659
Net Position - beginning	34,181	16,389	54,855	36,929	17,502	10,843
Net Position - ending	\$ 42,776	17,224	\$ 63,034	\$ 54,855	\$ 22,267	\$ 17,502

Governmental Activities: FY2024 governmental activities reported positive net changes in net position, up \$8.1 million (\$8.6 million for primary governmental activities and \$-0.4 million for business activities), while the Schools Board had \$5 million increase.

Business Activities: Net position in FY2024 decreased by \$-0.4 million compared to FY2023.

Component Unit: Contributions to the net increase in the entity position were mainly from operating grants and the city contributions.

Fund Financial Statements (Exhibit 3 and 4)

General Fund reported a net positive change in fund balance of \$10.9 million. Below is a quick snapshot of the increase in total revenues and expenses.

- Total general fund revenues before transfers (from \$65 million to \$64.3 million) increased by \$2.7 million.
- Total expenses increased by \$4.5 million, driven by public safety and public welfare.

Business-type Activities:

Below is a high-level summary of total revenues and expenses for the year. Overall, business-type activities resulted in a net position decrease of \$416,505 (vs. \$968,645 in FY2023) across all funds in FY2024. Refer to Exhibit 7 or the business-type activities of Exhibit 2 for further details.

Governmental Activities

Revenues – Governmental Activities

For FY 2024, revenues from governmental activities totaled \$67 million. General Revenues, specifically Property Taxes and Other Local Taxes, are the largest components of revenues (about 60.3 percent). General Property Tax revenues were about \$40.9 million.

The City received a total of \$40.9 million in general property taxes, of which \$6.4 million was for Personal Property Taxes. This is the second largest revenue source from taxes collected on automobiles, business personal property, machinery, and tools. The city also received a reimbursement from the Commonwealth of Virginia of about \$1.3 million for tax relief on personal automobiles, commonly known as PPTRA. This tax relief amount is an annual fixed sum.

General revenues from other local taxes and other sources totaled approximately \$6.8 million, an increase of \$425K from FY2023. See below for the itemized list of taxes (listed in thousands) and their changes from the previous fiscal year. Business license taxes, which make up 17% of the total other taxes, saw the largest increase of \$427K in FY2024 compared to FY2023. Local sales and use taxes decreased by 43% in FY24, marking the second consecutive year of decline.

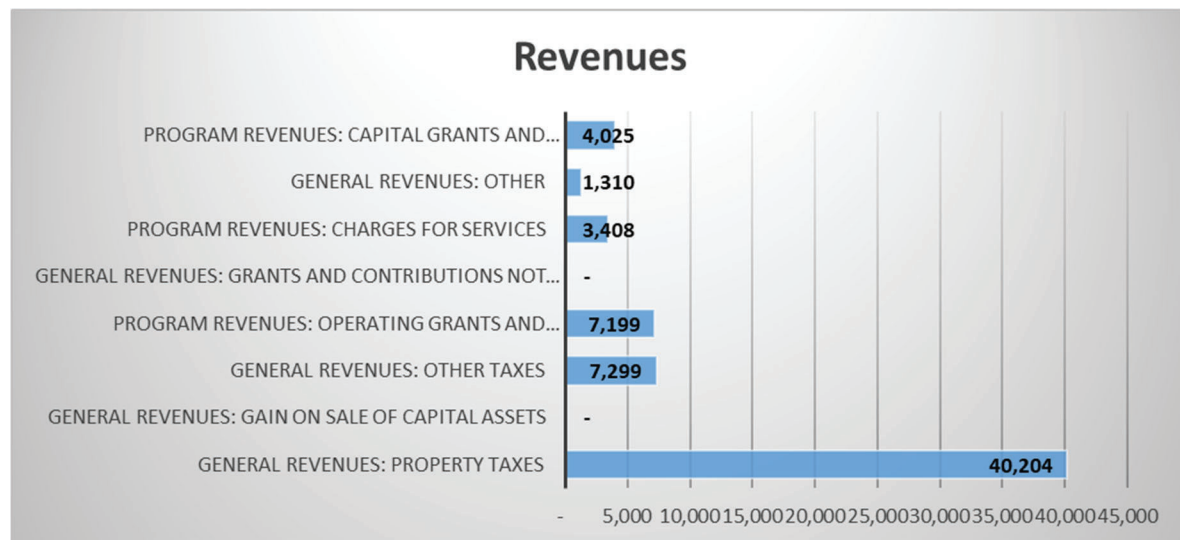
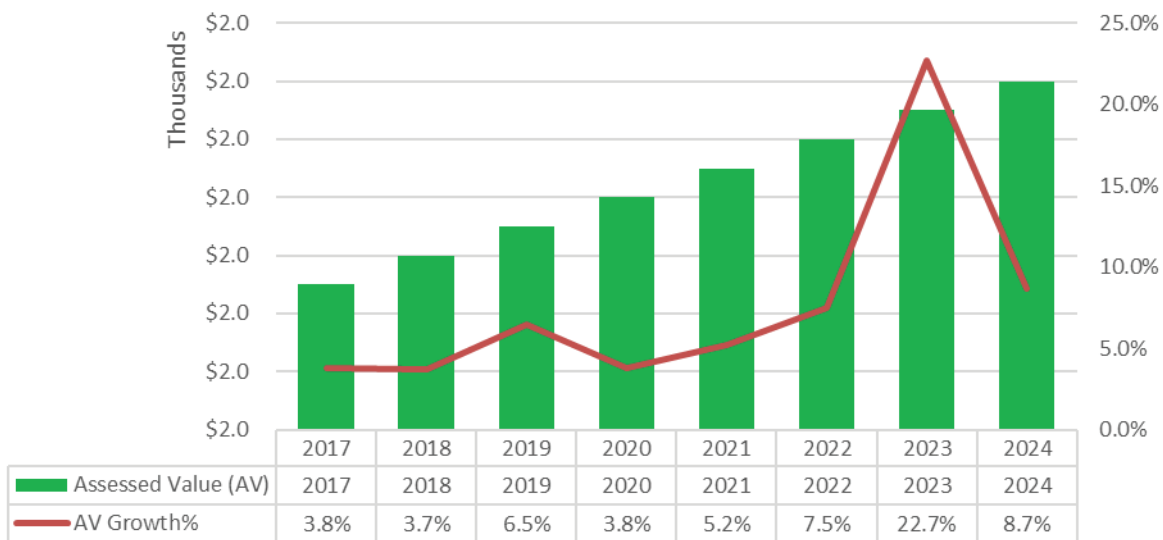
<i>Itemized list of other taxes:</i>	FY2024		FY2023		FY24 vs. FY23
Local sales and use taxes	2,652	44%	3,105	43%	(453)
Consumer utility taxes	854	12%	801	11%	53
Business license taxes	1,574	17%	1,147	16%	427
Motor vehicle licenses	502	7%	517	7%	(15)
Recordation taxes	329	3%	494	7%	(165)
Meal tax	580	8%	466	6%	114
Cigarette taxes	176	3%	216	3%	(40)
Other taxes	133	6%	479	7%	(346)
	<u>6,800</u>	100%	<u>7,225</u>	100%	<u>(425)</u>

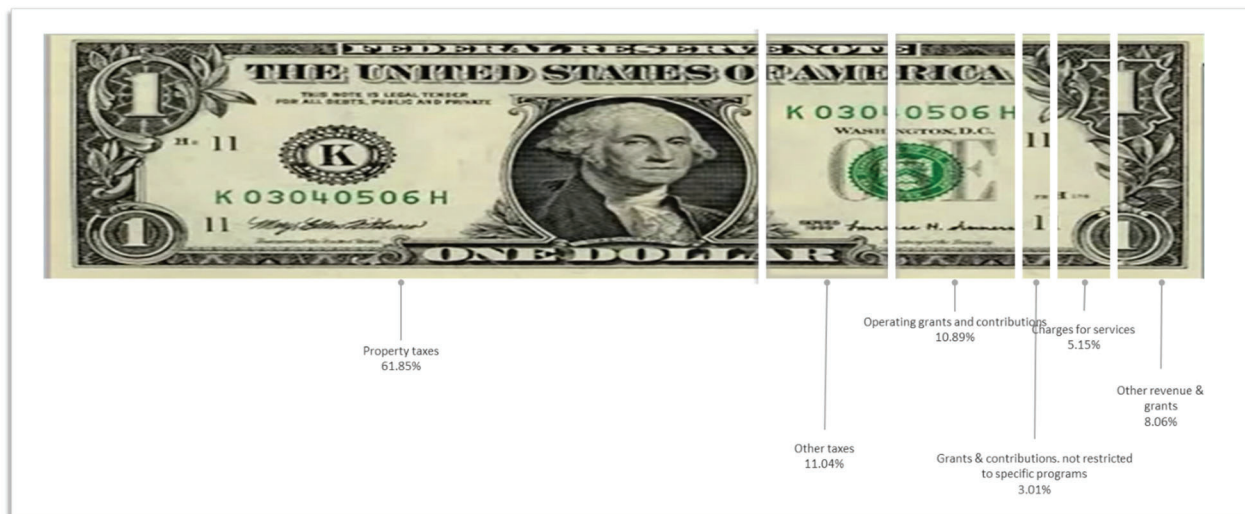
Revenue by Source - Governmental Activities

General property tax revenues remain the main source of income for the City's daily operations. This includes taxes on real and personal property. The real estate tax rate was lowered from 1.45 to 1.435 per \$100 of assessed home value. The personal property tax rate stays the same in fiscal year 2024 at \$3.00 per \$100 of assessed personal property value but will be reduced to \$3.00 in the following fiscal year.

Total revenues increased across most categories, including a 4.9% rise in general property tax collections. The housing market remains strong and continues to grow. With the Governing Body approving long-term downtown development, the City is hopeful for an ongoing improvement in the real estate market. This positive trend has already enabled a tax cut for residents earlier than initially planned. Decreases in other local taxes mainly include \$280K in local sales and use tax, followed by a \$35K drop in cigarette taxes, as shown in the table above. See the charts below for the trend of locally assessed taxable real property values from 2016 to 2024, and the overall revenue composition in the subsequent table. For every dollar collected, 60.2 cents come from property taxes and 10.93 cents from other taxes. About 71% of each dollar is from taxes.

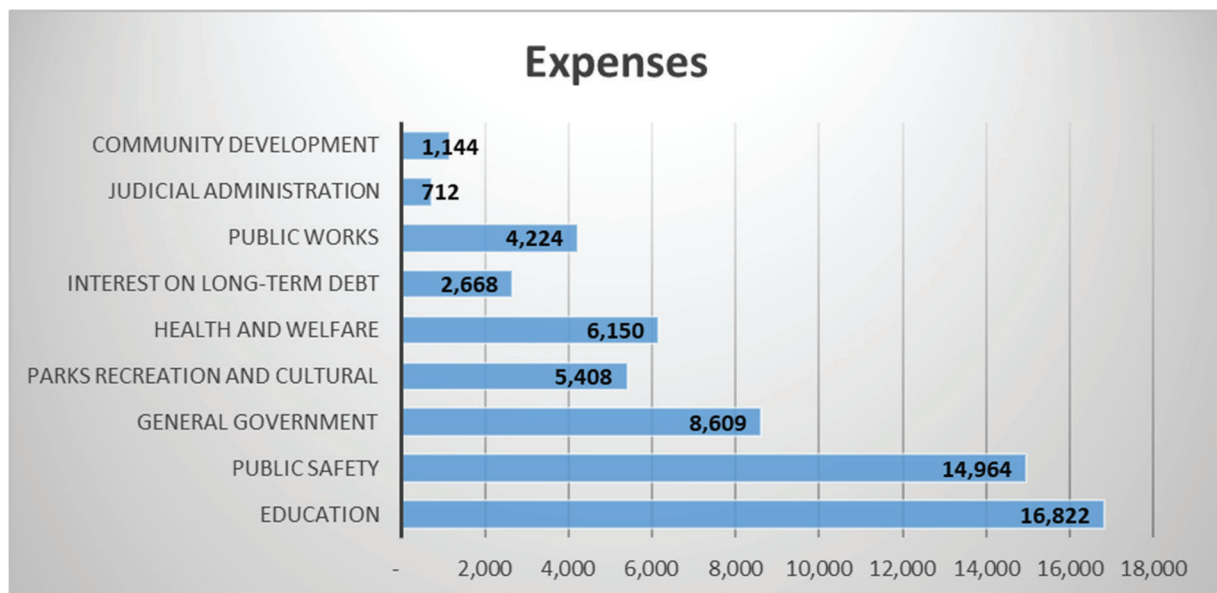
Locally-assessed Taxable Real Property Value (\$ in billions)



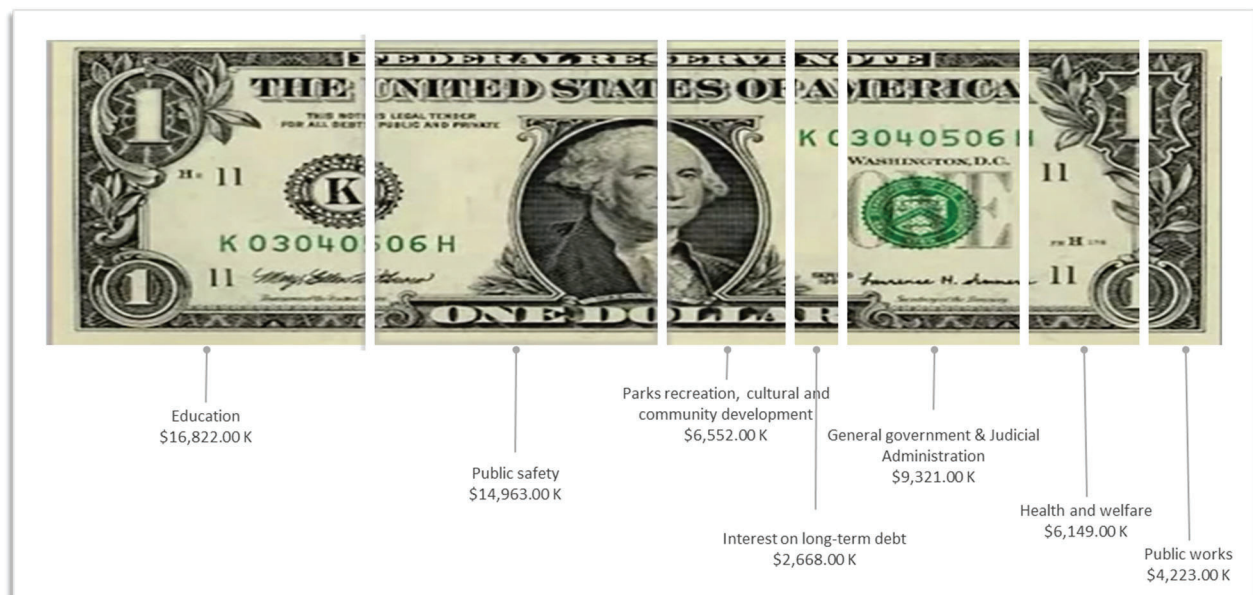


Expenses – Governmental Activities

FY 2024 expenditures for governmental activities totaled \$60.7 million, up from \$52.447 million. The City's six largest funded programs are 1) Education (28%), 2) Public safety (25%), 3) General government (16%), 4) Parks and Recreation (11%), 5) Health and welfare (9%), and 6) Public Works (7%). Education and public safety remain among the City's highest priorities. This year, community development continued to be a top focus, with funds spent to economically develop the downtown area by attracting restaurants and new businesses. Education ranked first among the priorities. These six major programs accounted for about ninety-three percent of the total expenditures.

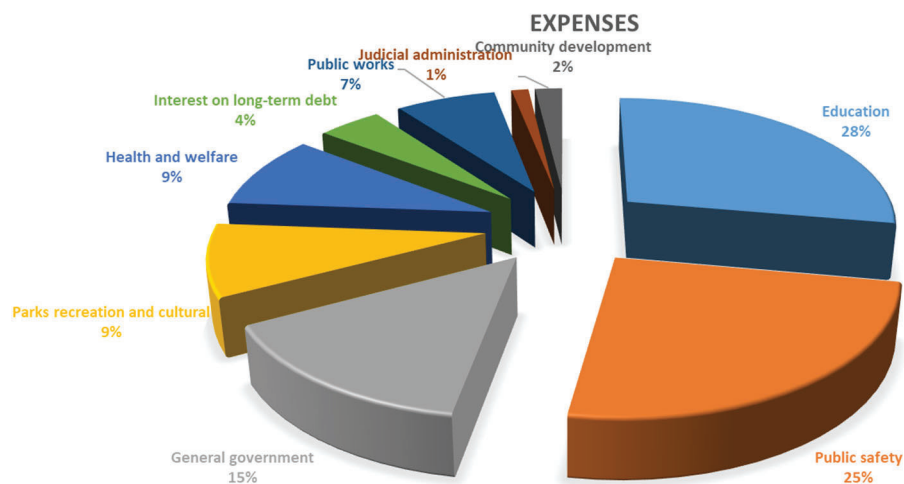
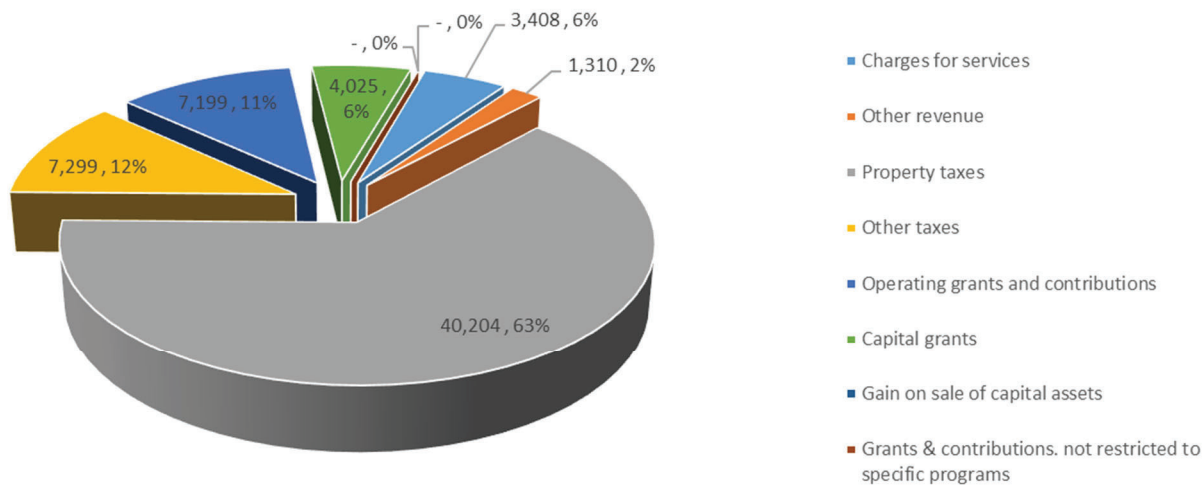


	Governmental Activities		GA			Governmental Activities	
	2024	2023	2023 vs. 2022			2023	2022
Expenses:				-			
General government	\$ 8,609	5,832	33.7%	2,776.55	48%	14%	11%
Judicial administration	712	669	0.5%	43.35	6%	1%	1%
Public safety	14,963	11,791	38.4%	3,172.26	27%	25%	22%
Public works	4,223	3,210	12.3%	1,013.32	32%	7%	6%
Health and welfare	6,149	5,594	6.7%	554.58	10%	10%	11%
Education	16,822	15,958	10.5%	864.30	5%	28%	30%
Parks recreation and cultural	5,408	5,130	3.4%	277.64	5%	9%	10%
Community development	1,144	1,051	1.1%	93.24	9%	2%	2%
Interest on long-term debt	2,668	3,212	-6.6%	(544.22)	###	4%	6%
Water and Sewer/Storm Water/Solid W	-	-	0.0%	-		0%	0%
School Board	-	-	0.0%	-		0%	0%
Total Expenses	\$ 60,698	52,447	100.0%	8,251.00	16%	100%	100%



The table below provides a different view of the program expenses and revenues for governmental activities in millions (Exhibit 2):

Revenue by Source - Governmental Activities (Exhibit 2)



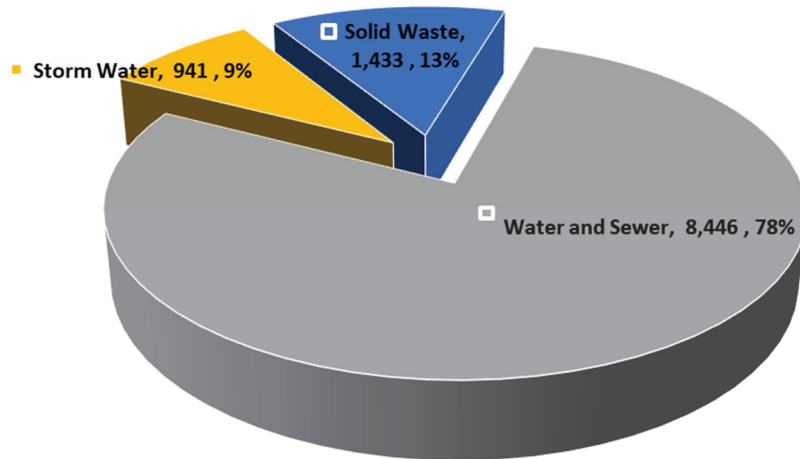
Business-Type Activities

The City's business-type activities consist of enterprise funds for water and sewer, solid waste management, and stormwater operations. As of June 30, the total net position for these activities was \$20.2 million, with \$7.5 million invested in capital assets. (Exhibit 1, page 55).

Revenues – Business Activities

Revenues from business activities increased by \$0.548 million due to service charges. The city collected \$1.2 million in tap fees in FY2024, slightly higher than last year.

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

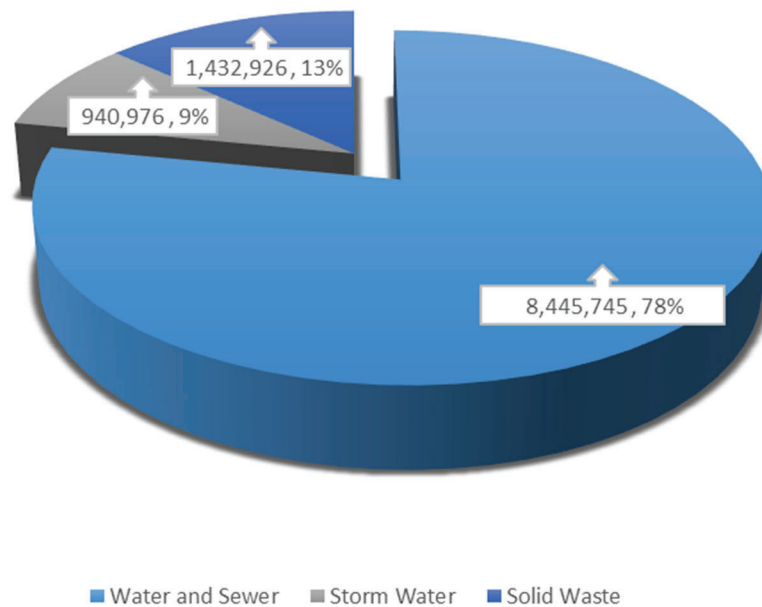


Expenses - Business Activities

Expenses, including interest expense, totaled \$10.819 million, an increase of \$1.6 million from the previous fiscal year. The City's Proprietary Fund financial statements provide the same information as the government-wide financial statements for business-type activities, but with more detail. Please refer to the applicable table of contents for additional information.

	FY2024	FY2023	
<u>Business-type activities</u>	<u>Expenses</u>	<u>Expenses</u>	<u>Diff</u>
Water and Sewer	8,445,745	7,156,746	1,288,999
Storm Water	940,976	742,012	198,964
Solid Waste	1,432,926	1,250,613	182,313
	<u>10,819,647</u>	<u>9,149,371</u>	<u>1,670,276</u>

Business-type Expenses (Exhibit 2)



Component Unit - School Board

Charges for services for schools decreased to \$11,782 from \$12,212, while operating grants and contributions increased from \$43,528,514 to \$43,948,213.

FUND FINANCIAL ANALYSIS:

Governmental Funds

Governmental Funds consist of 1) General Fund, 2) Capital Projects Fund, 3) Debt Service Fund, 4) Proffer, and 5) Nonmajor Governmental Funds. An overview of the revenue and expenditure highlights for each governmental fund will be provided in the sections below.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information helps assess the City's financing needs. Specifically, the unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of FY 2024, the City's governmental funds reported a fund balance of \$29.7 million, an increase of \$1.1 million. The capital project fund experienced a decrease in fund balance of \$10.6 million. Typical sources of funds for non-major funds include NVTa 30% Locality Revenue and a Commercial & Industrial special tax transfer-in from the Proffer Fund. See net changes in fund balances on Exhibit 4 (page 50).

A. General Fund

The General Fund reported an improvement in the total fund balance, driven by an increase in total revenues, primarily from local property taxes and local sales and use taxes.

Revenues – General Fund

Total general fund revenues increased by about \$2.6 million, with the most significant rise in property taxes. The housing market remains strong and continues to grow. With the Governing Body approving long-term downtown development, the City is optimistic about maintaining an improved real estate market. If this positive trend

persists, it could lead to a tax cut for residents sooner than initially planned. Year-over-year changes in other local taxes, like recordation and utility consumption taxes, continue to increase from the prior fiscal year.

In FY2024, the city transferred \$433,340 to NVT, and the 30% local revenue share received this fiscal year was about \$669K. The \$433,340 transfer between funds 303 and 304 was part of the Commercial and Industrial (C&I) tax equivalent requirement. This was calculated based on the real estate assessment for commercial and industrial properties, excluding multi-family apartment properties, at a 12.5% tax rate per \$100 assessed value.

	FY2024					
	General	Capital Project	Debt Service	Proffer Fund	Nonmajor Funds	Total
Revenues						
General property taxes	40,896,177					40,896,177
Other local taxes	6,800,782	498,357				7,299,139
Permits, privilege fees and regulatory licenses	496,856					496,856
Fines and forfeitures	1,233,466					1,233,466
Revenue from use of money and property	1,139,840	178,494	-			1,318,334
Charges for services	1,677,732					1,677,732
Miscellaneous	377,128	4		196,000	669,024	1,242,156
Intergovernmental:						-
Commonwealth	5,621,121	905,750				6,526,871
Federal	6,687,835					6,687,835
Total revenues	64,930,937	1,582,605	-	196,000	669,024	67,378,566
	FY2023					
	General	Capital Project	Debt Service	Proffer Fund	Nonmajor Funds	Total
Revenues						
General property taxes	37,790,421					37,790,421
Other local taxes	6,420,375	286,784				6,707,159
Permits, privilege fees and regulatory licenses	367,389					367,389
Fines and forfeitures	1,357,734					1,357,734
Revenue from use of money and property	741,692	192,166	75			933,933
Charges for services	1,611,287					1,611,287
Miscellaneous	239,729	160		103,332	671,187	1,014,408
Intergovernmental:						-
Commonwealth	5,232,165	494,216				5,726,381
Federal	8,032,564	500,000				8,532,564
Total revenues	61,793,356	1,473,326	75	103,332	671,187	64,041,276
	Changes - FY2024 VS. FY2023					
	General	Capital Project	Debt Service	Proffer Fund	Nonmajor Funds	Total
Revenues						
General property taxes	3,105,756	-	-	-	-	3,105,756
Other local taxes	380,407	211,573	-	-	-	591,980
Permits, privilege fees and regulatory licenses	129,467	-	-	-	-	129,467
Fines and forfeitures	(124,268)	-	-	-	-	(124,268)
Revenue from use of money and property	398,148	(13,672)	(75)	-	-	384,401
Charges for services	66,445	-	-	-	-	66,445
Miscellaneous	137,399	(156)	-	92,668	(2,163)	227,748
Intergovernmental:	-	-	-	-	-	-
Commonwealth	388,956	411,534	-	-	-	800,490
Federal	(1,344,729)	(500,000)	-	-	-	(1,844,729)
Total revenues	3,137,581	109,279	(75)	92,668	(2,163)	3,337,290

General Fund Revenue – Budget vs. Actual

The total actual revenues of \$64.332 million for the general fund fell short of the total budgeted revenues by \$4.463 million, primarily due to under-collecting revenue in real estate tax by about \$607K, fines and forfeitures by about \$686K, and unrealized federal funding of \$2.944 million. The most favorable budget-to-actual variance was for revenue from the use of money and property, which was \$216,554 over budget for the fiscal year.

Expenditures – General Fund

Total general fund expenditures, not including transfers-out, can be found on Exhibit 4 (page 50) where all came under the budget.

Fund Balance – General Fund

The fund balance for the General Fund increased by \$10.9 million. Net changes in general fund balances by GASB Statement #54 classifications are highlighted below.

- Non-spendable fund balance \$72,218
- Spendable fund balance increased primarily from taxes

Fund Balance – Other Governmental Funds

- All other governmental funds have their fund balances committed, with \$-8.4 million in capital projects, \$0.5 million in debt service, \$2.9 million in proffer, and \$4.2 million in nonmajor governmental funds.
-

Proprietary Funds

The City of Manassas Park's proprietary fund statements (Exhibits 6 and 7, pages 52-53) provide the same type of information found in the government-wide financial statements but in greater detail. The City maintains three proprietary funds: water and sewer, solid waste management, and stormwater.

FY2024 total net positions for the Water and Sewer, Storm Water, and Solid Waste Management Funds are shown below for easy reference. For the fiscal year ending June 30, 2024, the Water and Sewer, Storm Water, and Solid Waste Management Funds had net positions of \$17.4 million, \$2.9 million, and \$-157K, respectively, with all but one fund reporting a positive change in their net position.

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

CAPITAL ASSETS

As of June 30, 2024, the City's investment in capital assets for governmental activities totaled \$108,811 million, net of accumulated depreciation and amortization. This reflects a net increase of \$608K, or 0.56%, over the previous year. The increase is primarily in 1) infrastructure (\$4.9 million) and 2) equipment (\$0.919 million).

The following summarizes capital assets as of June 30, 2024:

Noncurrent Assets					
1 Land	7.862	7.2%	7.862	7.3%	0.000
2 Intangibles	0.109	0.1%	0.109	0.1%	0.000
3 Infrastructure	13.366	12.3%	8.549	7.9%	4.817
4 Buildings and improvements	27.185	25.0%	27.860	25.7%	-0.675
5 Equipment	3.924	3.6%	3.005	2.8%	0.919
6 Lease equipment	1.274	1.2%	1.833	1.7%	-0.558
7 Jointly owned assets	19.190	17.6%	22.230	20.5%	-3.040
8 Construction in progress	35.902	33.0%	36.756	34.0%	-0.854
Total Capital Assets	108.812	100.0%	108.204	100.0%	0.608

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.

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

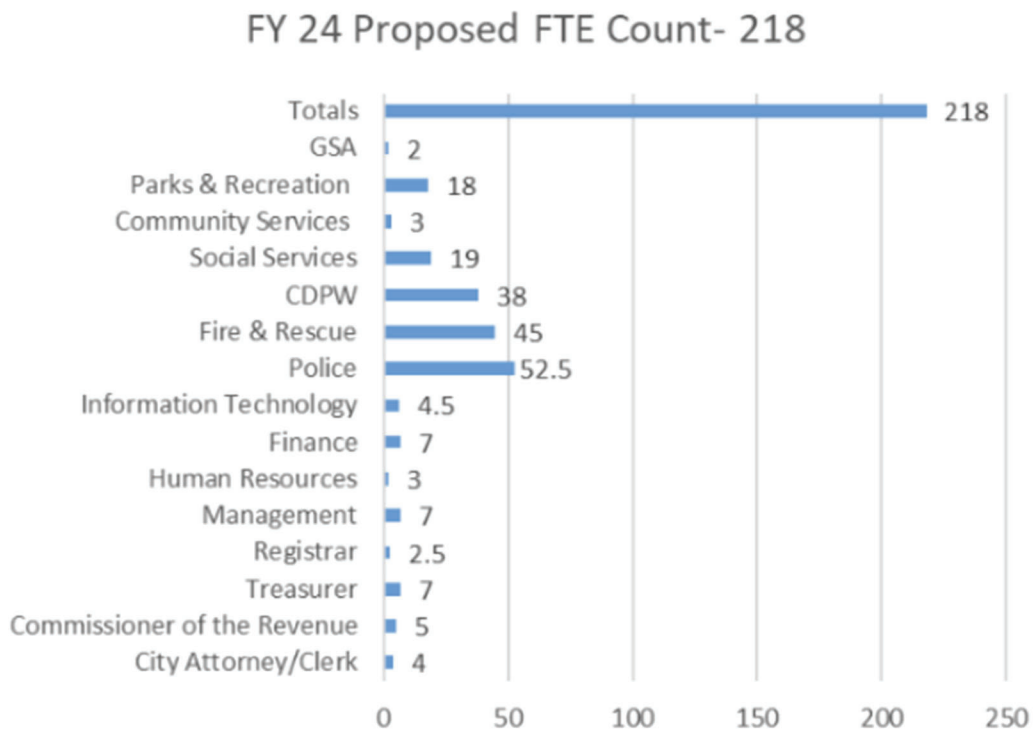
Refer to the capital assets table for detailed components and changes for the year.

LONG-TERM OBLIGATIONS

The city did not perform any refunding, whether current or advanced, in the fiscal year of FY2024. Per pages 88-89 of the ACFR on long-term obligation note disclosure, all existing general obligations carry current interest rates ranging from less than 2.00% to as high as 5.00%. These rates are mostly lower than the current market interest rates. Additionally, the currently callable issuances are not qualified for call back for refunding.

ADDITIONAL CHART INFORMATION

Proposed FTE increased 8.5, from 209.5 to 218:



Fiscal Year 2024 Budget and Rates

The tax rate for real property for the 2024 tax year is 1.435¢ per \$100 of assessed value, a decrease of 0.015¢ from 1.45¢. The personal property tax rate stays the same at \$3.00 per \$100 of assessed value. Details on the tax rates are provided in Table 6 of the statistical section of this report.

BUDGET TO ACTUAL VARIANCE ANALYSIS:

REVENUES – BUDGET VS. ACTUAL:

Fund, Function, Activity, Element	General Fund			
	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Revenues:				
General property taxes	\$ 40,574,068	\$ 40,968,568	\$ 40,297,370	\$ (671,198)
Other local taxes	7,387,967	6,912,505	6,800,782	(111,723)
Permits, privilege fees and regulatory licenses	680,612	448,924	496,856	47,932
Fines and forfeitures	1,747,900	1,919,628	1,233,466	(686,162)
Revenue from use of money and property	539,286	923,286	1,139,840	216,554
Charges for services	1,720,595	1,731,995	1,677,732	(54,263)
Miscellaneous	454,488	458,289	373,428	(84,861)
Intergovernmental:				
Commonwealth	5,369,629	5,800,330	5,621,121	(179,209)
Federal	9,023,222	9,632,345	6,691,535	(2,940,810)
Total revenues	\$ 67,497,767	\$ 68,795,870	\$ 64,332,130	\$ (4,463,740)

- Intergovernmental (Federal) – \$2,944,510 loss due to significantly lower-than-expected activity in grant programs.
- General property taxes – Budget shortfall of \$671,198 caused by unrealized real estate collections.
- Other local taxes – underspent by \$111,723, mainly driven by a decline in local sales tax.
- Fines and forfeitures – underspent by \$686,162 due to lower collection in camera violation programs (red light and speeding).

EXPENDITURES – BUDGET VS. ACTUAL

When considering the bottom line, all departmental expenses were under budget. Here are some of the departments that contributed to the underspending:

- Total General Government Administration – \$828,093
- Management Services – \$307,802
- Department of Finance – \$180,273
- Treasurer – \$165,638
- Information Technology – \$110,146

REQUESTS FOR INFORMATION

This financial report provides a general overview of the City's finances for anyone interested. For questions about the information in this report or requests for additional financial details, contact the Director of Finance at the City of Manassas Park, City Hall, 100 Park Central Plaza, Manassas Park, VA 20111, or email j.mcneal@manassasparkva.gov. You can also visit the city's website at Manassas Park, Virginia (manassasparkva.gov).

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position
At June 30, 2024

	Primary Government			Component Unit
	Governmental	Business-	Total	School
	Activities	type		Board
	Activities	Activities		
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 35,805,952	\$ 10,277,767	\$ 46,083,719	\$ 8,648,486
Investments	2,075,361	-	2,075,361	-
Receivables (net of allowance for uncollectibles):				
Property taxes	2,242,164	-	2,242,164	-
Accounts receivable	625,936	3,481,138	4,107,074	104,719
Notes receivable	990,597	-	990,597	-
Due from other governments	1,987,626	-	1,987,626	2,334,235
Pension asset	-	-	-	1,417,001
Net OPEB asset	-	-	-	4,712
Inventory	-	-	-	17,066
Prepaid items	72,218	-	72,218	184,126
Due from component unit - School Board	1,340,530	-	1,340,530	-
Capital assets (net of accumulated depreciation):				
Land	7,861,527	-	7,861,527	1,637,491
Intangibles	108,699	-	108,699	-
Infrastructure	13,366,226	-	13,366,226	-
Utility plant and equipment	-	13,851,865	13,851,865	-
Buildings and improvements	27,184,977	-	27,184,977	41,981,443
Equipment	3,923,515	-	3,923,515	1,777,445
Lease equipment	1,274,424	-	1,274,424	-
Subscription assets	-	-	-	196,176
Jointly owned assets	19,190,498	-	19,190,498	-
Construction in progress	35,901,973	-	35,901,973	-
Total capital assets	\$ 108,811,839	\$ 13,851,865	\$ 122,663,704	\$ 45,592,555
Total Assets	\$ 153,952,223	\$ 27,610,770	\$ 181,562,993	\$ 58,302,900
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	\$ 2,524,596	\$ 175,018	\$ 2,699,614	\$ 8,866,468
OPEB related items	749,069	23,771	772,840	1,109,444
Deferred charge on refunding	2,572,414	338,673	2,911,087	-
Total deferred outflows of resources	\$ 5,846,079	\$ 537,462	\$ 6,383,541	\$ 9,975,912
LIABILITIES				
Accounts payable	\$ 794,011	\$ 269,923	\$ 1,063,934	\$ 1,434,736
Customer deposits	-	185,099	185,099	-
Accrued liabilities	1,734,619	132,403	1,867,022	4,386,266
Due to primary government	-	-	-	1,340,530
Amounts held for others	533,790	-	533,790	-
Unearned revenue	9,349,691	10,821	9,360,512	4,281
Accrued interest payable	796,817	66,764	863,581	-
Long-term liabilities:				
Due within one year	7,846,546	974,922	8,821,468	92,055
Due in more than one year	94,287,347	6,187,844	100,475,191	33,933,839
Total Liabilities	\$ 115,342,821	\$ 7,827,776	\$ 123,170,597	\$ 41,191,707
DEFERRED INFLOWS OF RESOURCES				
Pension related items	\$ 833,563	\$ 45,922	\$ 879,485	\$ 3,717,183
OPEB related items	846,287	17,089	863,376	1,028,351
Total deferred inflows of resources	\$ 1,679,850	\$ 63,011	\$ 1,742,861	\$ 4,745,534
NET POSITION				
Net investment in capital assets	\$ 18,505,960	\$ 7,510,256	\$ 26,016,216	\$ 45,499,572
Restricted:				
Net OPEB asset	-	-	-	4,712
Opioid settlement	181,766	-	181,766	-
School construction	-	-	-	1,358,689
Net pension asset	-	-	-	1,417,001
Unrestricted assets	24,087,905	12,747,189	36,835,094	(25,938,403)
Total Net Position	\$ 42,775,631	\$ 20,257,445	\$ 63,033,076	\$ 22,341,571

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

Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 8,609,222	\$ 19,832	\$ 1,179,768	\$ 401,730
Judicial administration	712,042	1,233,838	77,528	-
Public safety	14,963,352	321,561	951,583	1,129,478
Public works	4,223,616	457,379	937,946	1,942,684
Health and welfare	6,149,604	-	3,560,174	-
Education	16,822,695	-	-	-
Parks, recreation, and cultural	5,408,111	1,234,894	125,319	551,440
Community development	1,144,669	140,550	370,510	-
Interest on long-term debt	2,668,342	-	-	-
Total governmental activities	<u>\$ 60,701,653</u>	<u>\$ 3,408,054</u>	<u>\$ 7,202,828</u>	<u>\$ 4,025,332</u>
Business-type activities:				
Water and sewer	\$ 8,445,745	\$ 9,359,908	\$ -	\$ -
Storm Water	940,976	1,311,850	-	-
Solid Waste	1,432,926	1,466,508	-	-
Total business-type activities	<u>\$ 10,819,647</u>	<u>\$ 12,138,266</u>	<u>\$ -</u>	<u>\$ -</u>
Total Primary Government	<u>\$ 71,521,300</u>	<u>\$ 15,546,320</u>	<u>\$ 7,202,828</u>	<u>\$ 4,025,332</u>
COMPONENT UNITS:				
School Board	\$ 55,478,751	\$ 11,782	\$ 43,948,213	\$ -

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

Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			Component Unit
	Primary Government			School Board
	Governmental Activities	Business- type Activities	Total	
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ (7,007,892)	\$ -	\$ (7,007,892)	\$ -
Judicial administration	599,324	-	599,324	-
Public safety	(12,560,730)	-	(12,560,730)	-
Public works	(885,607)	-	(885,607)	-
Health and welfare	(2,589,430)	-	(2,589,430)	-
Education	(16,822,695)	-	(16,822,695)	-
Parks, recreation, and cultural	(3,496,458)	-	(3,496,458)	-
Community development	(633,609)	-	(633,609)	-
Interest on long-term debt	(2,668,342)	-	(2,668,342)	-
Total governmental activities	<u>\$ (46,065,439)</u>	<u>\$ -</u>	<u>\$ (46,065,439)</u>	<u>\$ -</u>
Business-type activities:				
Water and sewer	\$ -	\$ 914,163	\$ 914,163	\$ -
Storm Water	-	370,874	370,874	-
Solid Waste	-	33,582	33,582	-
Total business-type activities	<u>\$ -</u>	<u>\$ 1,318,619</u>	<u>\$ 1,318,619</u>	<u>\$ -</u>
Total Primary Government	<u>\$ (46,065,439)</u>	<u>\$ 1,318,619</u>	<u>\$ (44,746,820)</u>	<u>\$ -</u>
COMPONENT UNITS:				
School Board				\$ (11,518,756)
General revenues:				
General property taxes	\$ 40,803,164	\$ -	\$ 40,803,164	\$ -
Local sales and use taxes	2,651,847	-	2,651,847	-
Consumer utility taxes	853,801	-	853,801	-
Business license taxes	1,574,415	-	1,574,415	-
Motor vehicle licenses	501,595	-	501,595	-
Recordation taxes	329,478	-	329,478	-
Meals tax	580,149	-	580,149	-
Cigarette taxes	176,652	-	176,652	-
Other local taxes	631,202	-	631,202	-
Grants and contributions not restricted to specific programs	1,990,246	-	1,990,246	-
Unrestricted revenues from use of money and property	1,318,334	-	1,318,334	1,204
City contribution to School Board	-	-	-	15,433,541
Miscellaneous	1,306,298	207,312	1,513,610	923,109
Transfers	1,942,436	(1,942,436)	-	-
Total general revenues and transfers	<u>\$ 54,659,617</u>	<u>\$ (1,735,124)</u>	<u>\$ 52,924,493</u>	<u>\$ 16,357,854</u>
Change in net position	<u>\$ 8,594,178</u>	<u>\$ (416,505)</u>	<u>\$ 8,177,673</u>	<u>\$ 4,839,098</u>
Net position - beginning	<u>34,181,453</u>	<u>20,673,950</u>	<u>54,855,403</u>	<u>17,502,473</u>
Net position - ending	<u>\$ 42,775,631</u>	<u>\$ 20,257,445</u>	<u>\$ 63,033,076</u>	<u>\$ 22,341,571</u>

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

Fund Financial Statements

Balance Sheet - Governmental Funds
At June 30, 2024

	Governmental Funds					
	General	Capital Projects Fund	Debt Service Fund	Proffer Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 39,050,714	\$ -	\$ 494,680	\$ 2,980,649	\$ 4,291,006	\$ 46,817,049
Investments	-	2,075,361	-	-	-	2,075,361
Receivables (Net of allowance for uncollectibles):						
Taxes, including penalties	2,242,164	-	-	-	-	2,242,164
Accounts	625,936	-	-	-	-	625,936
Note receivable	-	990,597	-	-	-	990,597
Due from component unit - School Board	1,340,530	-	-	-	-	1,340,530
Due from other governmental units	1,061,019	926,607	-	-	-	1,987,626
Prepaid items	72,218	-	-	-	-	72,218
Total assets	\$ 44,392,581	\$ 3,992,565	\$ 494,680	\$ 2,980,649	\$ 4,291,006	\$ 56,151,481
LIABILITIES						
Reconciled overdraft	\$ -	\$ 11,011,097	\$ -	\$ -	\$ -	\$ 11,011,097
Accounts payable	380,161	413,850	-	-	-	794,011
Accrued liabilities	1,733,022	1,597	-	-	-	1,734,619
Amounts held for others	533,790	-	-	-	-	533,790
Unearned revenue	9,324,926	24,765	-	-	-	9,349,691
Total liabilities	\$ 11,971,899	\$ 11,451,309	\$ -	\$ -	\$ -	\$ 23,423,208
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	\$ 1,830,746	\$ -	\$ -	\$ -	\$ -	\$ 1,830,746
Unavailable revenue - other	155,667	990,597	-	-	-	1,146,264
Total deferred inflows of resources	1,986,413	990,597	-	-	-	2,977,010
FUND BALANCES						
Nonspendable	\$ 72,218	\$ -	\$ -	\$ -	\$ -	\$ 72,218
Restricted	58,478	-	-	-	-	58,478
Committed	-	-	494,680	2,980,649	4,291,006	7,766,335
Unassigned	30,303,573	(8,449,341)	-	-	-	21,854,232
Total fund balances	\$ 30,434,269	\$ (8,449,341)	\$ 494,680	\$ 2,980,649	\$ 4,291,006	\$ 29,751,263
Total liabilities, deferred inflows of resources and fund balances	\$ 44,392,581	\$ 3,992,565	\$ 494,680	\$ 2,980,649	\$ 4,291,006	\$ 56,151,481

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

Total fund balances, balance sheet, governmental funds	\$ 29,751,263
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.	108,811,839
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.	5,846,079
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.	2,977,010
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(1,679,850)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(796,817)
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.	(102,133,893)
Net position of governmental activities	\$ 42,775,631

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

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

	Governmental Funds					Total Governmental Funds
	General	Capital Projects Fund	Debt Service Fund	Proffer Fund	Nonmajor Governmental Funds	
Revenues:						
General property taxes	\$ 40,896,177	\$ -	\$ -	\$ -	\$ -	\$ 40,896,177
Other local taxes	6,800,782	498,357	-	-	-	7,299,139
Permits, privilege fees and regulatory licenses	496,856	-	-	-	-	496,856
Fines and forfeitures	1,233,466	-	-	-	-	1,233,466
Revenue from use of money and property	1,139,840	178,494	-	-	-	1,318,334
Charges for services	1,677,732	-	-	-	-	1,677,732
Miscellaneous	373,428	4	-	196,000	669,024	1,238,456
Intergovernmental:						
Commonwealth	5,621,121	905,750	-	-	-	6,526,871
Federal	6,691,535	-	-	-	-	6,691,535
Total revenues	\$ 64,930,937	\$ 1,582,605	\$ -	\$ 196,000	\$ 669,024	\$ 67,378,566
Expenditures:						
Current:						
General government administration	\$ 7,246,343	\$ 871,676	\$ -	\$ -	\$ -	\$ 8,118,019
Judicial administration	712,042	-	-	-	-	712,042
Public safety	13,031,481	2,084,613	-	-	-	15,116,094
Public works	2,551,801	4,014,859	-	-	-	6,566,660
Health and welfare	6,144,202	95,759	-	-	-	6,239,961
Education	12,000,374	3,642,104	-	-	-	15,642,478
Parks, recreation, and cultural	4,464,367	818,787	-	-	-	5,283,154
Community development	1,144,059	-	-	-	-	1,144,059
Debt service:						
Principal retirement	-	1,056,988	5,674,777	-	-	6,731,765
Interest and other fiscal charges	-	693,008	2,426,363	-	-	3,119,371
Total expenditures	\$ 47,294,669	\$ 13,277,794	\$ 8,101,140	\$ -	\$ -	\$ 68,673,603
Excess (deficiency) of revenues over (under) expenditures	\$ 17,636,268	\$ (11,695,189)	\$ (8,101,140)	\$ 196,000	\$ 669,024	\$ (1,295,037)
Other financing sources (uses):						
Transfers in	\$ 1,942,438	\$ 541,050	\$ 8,159,910	\$ -	\$ 433,340	\$ 11,076,738
Transfers out	(8,700,962)	-	-	(433,340)	-	(9,134,302)
Issuance of debt	-	525,000	-	-	-	525,000
Total other financing sources (uses)	\$ (6,758,524)	\$ 1,066,050	\$ 8,159,910	\$ (433,340)	\$ 433,340	\$ 2,467,436
Net changes in fund balances	\$ 10,877,744	\$ (10,629,139)	\$ 58,770	\$ (237,340)	\$ 1,102,364	\$ 1,172,399
Fund balances at beginning of year	19,556,525	2,179,798	435,910	3,217,989	3,188,642	28,578,864
Fund balances at end of year	\$ 30,434,269	\$ (8,449,341)	\$ 494,680	\$ 2,980,649	\$ 4,291,006	\$ 29,751,263

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, 2024

		<u>Primary Government Governmental Funds</u>
Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds	\$	1,172,399
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	\$ 6,406,614	
Depreciation expense	<u>(3,587,001)</u>	2,819,613
Transfer of joint tenancy assets from Primary Government to the Component Unit School Board		(2,212,081)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(93,013)	
Opioid settlement	<u>67,842</u>	(25,171)
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	\$ (525,000)	
Amortization of bond premium	1,048,813	
Amortization of deferred amount on refunding	(611,188)	
Principal retired on general obligation bonds	5,674,777	
Principal retired on lease liabilities	750,861	
Principal retired on notes payable	<u>306,127</u>	6,644,390
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	\$ (46,405)	
Pension expense	404,946	
OPEB expense	(176,917)	
Change in accrued interest payable	<u>13,404</u>	195,028
Change in net position of governmental activities	\$	<u>8,594,178</u>

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

Statement of Net Position - Proprietary Funds
At June 30, 2024

	Enterprise Funds			
	Water and Sewer Fund	Storm Water Fund	Solid Waste Management Fund	Total
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 7,600,811	\$ 2,871,936	\$ -	\$ 10,472,747
Receivables (net of allowance for uncollectibles):				
Accounts receivable	3,304,911	24,958	151,269	3,481,138
Total Current Assets	\$ 10,905,722	\$ 2,896,894	\$ 151,269	\$ 13,953,885
Noncurrent Assets				
Capital assets:				
Utility plant and equipment	\$ 29,133,959	\$ 470,276	\$ -	\$ 29,604,235
Accumulated depreciation	(15,498,383)	(253,987)	-	(15,752,370)
Total Capital Assets	\$ 13,635,576	\$ 216,289	\$ -	\$ 13,851,865
Total Noncurrent Assets	\$ 13,635,576	\$ 216,289	\$ -	\$ 13,851,865
Total Assets	\$ 24,541,298	\$ 3,113,183	\$ 151,269	\$ 27,805,750
DEFERRED OUTFLOWS OF RESOURCES:				
Pension related items	\$ 175,018	\$ -	\$ -	\$ 175,018
OPEB related items	23,771	-	-	23,771
Deferred charge on refunding	338,673	-	-	338,673
Total deferred outflows of resources	\$ 537,462	\$ -	\$ -	\$ 537,462
LIABILITIES				
Current Liabilities				
Reconciled overdraft	\$ -	\$ -	\$ 194,980	\$ 194,980
Accounts payable	121,842	38,064	110,017	269,923
Accrued liabilities	62,371	66,651	3,381	132,403
Customer deposits	185,099	-	-	185,099
Unearned revenue	-	10,821	-	10,821
Accrued interest payable	66,764	-	-	66,764
Long-term obligations - current portion	974,093	829	-	974,922
Total Current Liabilities	\$ 1,410,169	\$ 116,365	\$ 308,378	\$ 1,834,912
Noncurrent Liabilities				
Long-term obligations - noncurrent portion	6,180,382	7,462	-	6,187,844
Total Liabilities	\$ 7,590,551	\$ 123,827	\$ 308,378	\$ 8,022,756
DEFERRED INFLOWS OF RESOURCES				
Pension related items	\$ 45,922	\$ -	\$ -	\$ 45,922
OPEB related items	17,089	-	-	17,089
Total deferred inflows of resources	\$ 63,011	\$ -	\$ -	\$ 63,011
NET POSITION				
Net Investment in capital assets	\$ 7,293,967	\$ 216,289	\$ -	\$ 7,510,256
Unrestricted	10,131,231	2,773,067	(157,109)	12,747,189
Total Net Position	\$ 17,425,198	\$ 2,989,356	\$ (157,109)	\$ 20,257,445

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, 2024

	Enterprise Funds			
	Water and Sewer Fund	Storm Water Fund	Solid Waste Management Fund	Total
Operating revenues:				
Charges for services	\$ 8,131,717	\$ 1,311,850	\$ 1,466,508	\$ 10,910,075
Other revenues	207,312	-	-	207,312
Total operating revenues	\$ 8,339,029	\$ 1,311,850	\$ 1,466,508	\$ 11,117,387
Operating expenses:				
Personnel services	\$ 776,951	\$ 358,543	\$ 48,177	\$ 1,183,671
Fringe benefits	198,593	110,213	13,007	321,813
Contractual services	262,144	139,682	1,350,622	1,752,448
Depreciation	667,519	20,866	-	688,385
Other operating expenses	4,455,151	311,672	21,120	4,787,943
Total operating expenses	\$ 6,360,358	\$ 940,976	\$ 1,432,926	\$ 8,734,260
Net income (loss) from operations	\$ 1,978,671	\$ 370,874	\$ 33,582	\$ 2,383,127
Nonoperating revenues (expenses):				
Availability/connection fees	\$ 1,228,191	\$ -	\$ -	\$ 1,228,191
UOSA debt service	(1,825,330)	-	-	(1,825,330)
Interest expense	(260,057)	-	-	(260,057)
Total nonoperating revenues (expenses)	\$ (857,196)	\$ -	\$ -	\$ (857,196)
Net income (loss) before transfers	\$ 1,121,475	\$ 370,874	\$ 33,582	\$ 1,525,931
Transfers:				
Transfers out	\$ (1,697,952)	\$ (106,197)	\$ (138,287)	\$ (1,942,436)
Total transfers	\$ (1,697,952)	\$ (106,197)	\$ (138,287)	\$ (1,942,436)
Change in net position	\$ (576,477)	\$ 264,677	\$ (104,705)	\$ (416,505)
Net position, beginning of year	\$ 18,001,675	\$ 2,724,679	\$ (52,404)	\$ 20,673,950
Net position, end of year	\$ 17,425,198	\$ 2,989,356	\$ (157,109)	\$ 20,257,445

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

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

	Enterprise Funds			
	Water and Sewer Fund	Storm Water Fund	Solid Waste Management Fund	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 7,316,185	\$ 1,310,600	\$ 1,406,400	\$ 10,033,185
Payments to and for employees	(920,577)	(494,521)	(62,927)	(1,478,025)
Payments to suppliers	(4,842,190)	(412,709)	(1,205,186)	(6,460,085)
Net cash provided by operating activities	\$ 1,553,418	\$ 403,370	\$ 138,287	\$ 2,095,075
Cash flows from non-capital financing activities:				
Availability/connection fees	\$ 1,228,191	\$ -	\$ -	\$ 1,228,191
Transfers in (out)	(1,697,952)	(106,197)	(138,287)	(1,942,436)
Net cash provided by (used for) non-capital financing activities	\$ (469,761)	\$ (106,197)	\$ (138,287)	\$ (714,245)
Cash flows from capital and related financing activities:				
Construction and acquisition of capital assets	\$ -	\$ (27,117)	\$ -	\$ (27,117)
Retirement of indebtedness	(851,209)	-	-	(851,209)
UOSA debt service	(1,825,330)	-	-	(1,825,330)
Interest expense	(286,251)	-	-	(286,251)
Net cash provided by (used for) capital and related financing activities	\$ (2,962,790)	\$ (27,117)	\$ -	\$ (2,989,907)
Net increase (decrease) in cash and cash equivalents	\$ (1,879,133)	\$ 270,056	\$ -	\$ (1,609,077)
Cash and cash equivalents at beginning of year	9,479,944	2,601,880	-	12,081,824
Cash and cash equivalents at end of year	\$ 7,600,811	\$ 2,871,936	\$ -	\$ 10,472,747
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Cash flows from operations:				
Income (loss) from operations	\$ 1,978,671	\$ 370,874	\$ 33,582	\$ 2,383,127
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	667,519	20,866	-	688,385
Changes in operating items:				
(Increase) decrease in accounts receivable	(1,043,783)	43,899	(60,108)	(1,059,992)
(Increase) deferred outflows - pension related items	(55,778)	-	-	(55,778)
(Increase) decrease in deferred outflows - OPEB related items	1,443	-	-	1,443
(Increase) decrease in prepaid items	5,511	4,948	-	10,459
Increase (decrease) in reconciled overdraft	-	-	162,799	162,799
Increase (decrease) in accounts payable	(130,406)	33,697	3,757	(92,952)
Increase (decrease) in accrued liabilities	11,765	2,188	(1,743)	12,210
Increase (decrease) in unearned revenue	-	(45,149)	-	(45,149)
Increase (decrease) in customer deposits	20,939	-	-	20,939
Increase (decrease) in net pension liability	103,393	-	-	103,393
Increase (decrease) in net OPEB liability	(633)	-	-	(633)
Increase (decrease) in deferred inflows - pension related items	(68,768)	-	-	(68,768)
Increase (decrease) in deferred inflows - OPEB related items	7,407	-	-	7,407
Increase (decrease) in compensated absences	56,138	(27,953)	-	28,185
Net cash provided by operating activities	\$ 1,553,418	\$ 403,370	\$ 138,287	\$ 2,095,075

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

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

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

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, 2024

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

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, 2024

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, 2024 (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, 2024.

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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, 2024 (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 and subscription assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through lease and subscriptions 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

CITY OF MANASSAS PARK, VIRGINIA

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

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

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

1. Governmental Funds: (Continued)

Unit School Board. The General Fund is considered a major fund for reporting purposes.

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 three special revenue funds, the Proffer Fund, Gang Task Force Fund and the Special Transportation Fund. The Proffer fund accounts for revenues and expenditures from various residential developments. 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 Proffer fund is considered a major fund 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, 2024 (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, 2024 (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, 2024.
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, 2024 (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 \$1,272,326 at June 30, 2024 and is comprised of the following:

Property taxes	\$ 1,107,108
Water & sewer accounts	<u>165,218</u>
Total	<u>\$ 1,272,326</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, lease, subscription 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 lease and subscription 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, subscription 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
Subscription assets	3-5
Lease equipment	1-5

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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 multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30 and is deferred and recognized as an inflow of resources in the period that the amount becomes available. In addition, certain 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, 2024 (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, 2024 (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, 2024 (Continued)

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

T. Fund Equity

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance.” City/County/Town’s governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes:

- 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.

CITY OF MANASSAS PARK, VIRGINIA

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

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

T. 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. Lease and Subscription-Based IT Arrangements

The City has various lease assets and subscription-based IT arrangements (SBITAs) requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Lessee

The 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.

Subscriptions

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

CITY OF MANASSAS PARK, VIRGINIA

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

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

V. Lease and Subscription-Based IT Arrangements: (Continued)

Key Estimates and Judgments

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

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

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

W. Fair Value Measurements:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The City maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

CITY OF MANASSAS PARK, VIRGINIA

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

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

W. Fair Value Measurements: (Continued)

The City has the following recurring fair value measurements as of June 30, 2024:

Investment	Fair Value June 30, 2024	Fair Value Measurement Using Quoted Prices in Active Markets for Identical Assets (Level 1)
Money Market Mutual Funds	\$ 2,075,361	\$ 2,075,361
Total	\$ 2,075,361	\$ 2,075,361

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.

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, 2024 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	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Money Market Funds	\$ 2,075,361
Total	\$ 2,075,361

CITY OF MANASSAS PARK, VIRGINIA

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

Note 2—Deposits and Investments: (Continued)

Interest Rate Risk

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

Note 3—Due From Other Governments:

At June 30, 2024, the City and School Board had receivables from other governments as follows:

	<u>Primary Government</u>	<u>Discretely Presented Component Unit School Board</u>
Commonwealth of Virginia:		
State sales taxes	\$ -	\$ 661,704
Local sales taxes	430,207	-
Communications tax	75,007	-
Department of transportation	902,432	-
Shared expenses	18,605	-
CSA	121,802	-
Other	127,453	1,450
Federal Government:		
School funds	-	1,671,081
Public safety	145,522	-
Public assistance	166,598	-
Totals	<u>\$ 1,987,626</u>	<u>\$ 2,334,235</u>

Note 4—Interfund Transfers/Balances:

Interfund transfers for the year ended June 30, 2024 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 1,942,438	\$ 8,700,962
Debt Service Fund	8,159,910	-
Proffer Fund	-	433,340
Water and Sewer Fund	-	1,697,952
Storm Water Fund	-	106,197
Solid Waste Management Fund	-	138,287
Special Transportation Fund	433,340	-
Capital Projects Fund	541,050	-
Total	<u>\$ 11,076,738</u>	<u>\$ 11,076,738</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, 2024 (Continued)

Note 4—Interfund Transfers/Balances: (Continued)

Due to/from balances for the year ended June 30, 2024 consisted of the following:

<u>Fund</u>	<u>Due From Component Unit</u>	<u>Due to Primary Government</u>
General	\$ 1,340,530	\$ -
School Board	-	1,340,530
Totals	<u>\$ 1,340,530</u>	<u>\$ 1,340,530</u>

Note 5—Capital Assets:

The following is a summary of capital asset activity for the year ended June 30, 2024:

Primary Government:

	<u>Beginning Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2024</u>
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 7,861,527	\$ -	\$ -	\$ 7,861,527
Intangibles	108,699	-	-	108,699
Construction in progress	<u>36,756,258</u>	<u>4,512,058</u>	<u>5,366,343</u>	<u>35,901,973</u>
Total capital assets not being depreciated	<u>\$ 44,726,484</u>	<u>\$ 4,512,058</u>	<u>\$ 5,366,343</u>	<u>\$ 43,872,199</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 42,166,729	\$ 220,797	\$ -	\$ 42,387,526
Equipment	14,736,597	1,548,260	43,984	16,240,873
Lease equipment	3,351,960	-	1,064,074	2,287,886
Subscription assets	106,091	-	106,091	-
Infrastructure	24,628,413	5,491,842	-	30,120,255
Jointly owned assets	<u>34,806,689</u>	<u>-</u>	<u>3,300,284</u>	<u>31,506,405</u>
Total capital assets being depreciated	<u>\$ 119,796,479</u>	<u>\$ 7,260,899</u>	<u>\$ 4,514,433</u>	<u>\$ 122,542,945</u>
Accumulated depreciation:				
Buildings and improvements	\$ 14,306,302	\$ 896,247	\$ -	\$ 15,202,549
Equipment	11,731,829	629,513	43,984	12,317,358
Lease equipment	1,519,085	558,451	1,064,074	1,013,462
Subscription assets	106,091	-	106,091	-
Infrastructure	16,079,034	674,995	-	16,754,029
Jointly owned assets	<u>12,576,315</u>	<u>827,795</u>	<u>1,088,203</u>	<u>12,315,907</u>
Total accumulated depreciation	<u>\$ 56,318,656</u>	<u>\$ 3,587,001</u>	<u>\$ 2,302,352</u>	<u>\$ 57,603,305</u>
Total capital assets being depreciated, net	<u>\$ 63,477,823</u>	<u>\$ 3,673,898</u>	<u>\$ 2,212,081</u>	<u>\$ 64,939,640</u>
Governmental activities capital assets, net	<u>\$ 108,204,307</u>	<u>\$ 8,185,956</u>	<u>\$ 7,578,424</u>	<u>\$ 108,811,839</u>

CITY OF MANASSAS PARK, VIRGINIA

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

Note 5—Capital Assets: (Continued)

Primary Government: (Continued)

	Beginning Balance July 1, 2023	Additions	Deletions	Ending Balance June 30, 2024
Business-type activities:				
Capital assets being depreciated:				
Utility plant and equipment	\$ 29,577,118	\$ 27,117	\$ -	\$ 29,604,235
Accumulated depreciation:				
Utility plant and equipment	\$ 15,063,985	\$ 688,385	\$ -	\$ 15,752,370
Total capital assets being depreciated, net	\$ 14,513,133	\$ (661,268)	\$ -	\$ 13,851,865
Business-type activities capital assets, net	\$ 14,513,133	\$ (661,268)	\$ -	\$ 13,851,865

Discretely Presented Component Unit—School Board:

	Beginning Balance July 1, 2023	Additions	Deletions	Ending Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 1,637,491	\$ -	\$ -	\$ 1,637,491
Construction in progress	9,532	1,073,850	1,083,382	-
Total capital assets not being depreciated	\$ 1,647,023	\$ 1,073,850	\$ 1,083,382	\$ 1,637,491
Capital assets, being depreciated:				
Buildings and improvements	\$ 69,481,742	\$ 4,383,666	\$ -	\$ 73,865,408
Subscription assets	411,518	-	-	411,518
Equipment	6,893,500	296,476	-	7,189,976
Total capital assets being depreciated	\$ 76,786,760	\$ 4,680,142	\$ -	\$ 81,466,902
Accumulated depreciation:				
Buildings and improvements	\$ 28,625,458	\$ 3,258,507	\$ -	\$ 31,883,965
Subscription assets	101,832	113,510	-	215,342
Equipment	5,074,503	338,028	-	5,412,531
Total accumulated depreciation	\$ 33,801,793	\$ 3,710,045	\$ -	\$ 37,511,838
Total capital assets being depreciated, net	\$ 42,984,967	\$ 970,097	\$ -	\$ 43,955,064
School Board capital assets, net	\$ 44,631,990	\$ 2,043,947	\$ 1,083,382	\$ 45,592,555

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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	\$ 273,866
Public safety	1,107,620
Public works	768,060
Health and Welfare	21,069
Education	827,795
Parks, recreation and cultural	580,836
Community development	<u>7,755</u>
Total	\$ <u>3,587,001</u>
Water and Sewer	\$ 667,519
Storm Water	<u>20,866</u>
Business-type	\$ <u>688,385</u>
Component Unit-School Board:	
Depreciation expense	\$ 2,621,842
Accumulated depreciation on Joint tenancy asset transfer	<u>1,088,203</u>
Total increase in accumulated depreciation, page 74	\$ <u>3,710,045</u>

CITY OF MANASSAS PARK, VIRGINIA

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

	Balance July 1, 2023	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2024	Due Within One Year
<u>Governmental Funds</u>					
General Obligation Bonds	\$ 49,652,841	\$ -	\$ 5,173,791	\$ 44,479,050	\$ 4,911,119
Notes payable	2,723,808	525,000	306,127	2,942,681	393,699
Lease liabilities	2,083,157	-	750,861	1,332,296	402,435
Lease Revenue Bonds	27,130,000	-	-	27,130,000	-
Direct Borrowings and Direct placements:					
General Obligation Bonds	5,629,744	-	430,986	5,198,758	956,495
State Literary Fund Loans	7,065,000	-	70,000	6,995,000	70,000
Other Liabilities:					
Compensated Absences	1,652,732	211,678	165,273	1,699,137	169,914
Net OPEB liability	3,793,193	1,618,052	1,648,953	3,762,292	-
Net Pension Liability	557,015	6,327,314	4,836,978	2,047,351	-
Premium on bonds	7,596,141	-	1,048,813	6,547,328	942,884
Total	\$ 107,883,631	\$ 8,682,044	\$ 14,431,782	\$ 102,133,893	\$ 7,846,546

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
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	\$ 5,198,758	\$ 458,167	\$ 6,995,000	\$ 1,756,650

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ -	\$ 1,070,950	\$ 393,699	\$ 99,043	\$ 4,911,119	\$ 1,808,022	\$ 402,435	\$ 65,831
2026	525,000	1,057,825	338,078	84,723	5,167,235	1,567,319	418,122	43,753
2027	550,000	1,030,950	350,255	72,546	5,439,563	1,313,870	406,589	20,675
2028	580,000	1,002,700	362,875	59,925	5,723,950	1,047,187	105,150	1,504
2029	610,000	972,950	368,962	46,839	5,997,152	778,586	-	-
2030	640,000	941,700	268,692	34,558	6,329,179	515,097	-	-
2031	670,000	912,300	277,505	25,745	4,950,626	282,538	-	-
2032	695,000	885,000	286,607	16,643	2,060,296	133,859	-	-
2033	725,000	856,600	296,008	7,241	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	<u>\$ 27,130,000</u>	<u>\$ 18,230,675</u>	<u>\$ 2,942,681</u>	<u>\$ 447,263</u>	<u>\$ 44,479,050</u>	<u>\$ 7,604,823</u>	<u>\$ 1,332,296</u>	<u>\$ 131,763</u>

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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%	\$ 3,490,000	\$ 520,000
\$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%	688,758	336,495
\$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%	4,510,000	615,000
\$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%	2,130,553	170,831
\$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%	423,497	85,288
\$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%	1,785,000	220,000
\$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%	12,875,000	1,990,000
\$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%	2,640,000	5,000
\$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%	18,770,000	1,915,000
\$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%	2,365,000	10,000
Total General Obligation Bonds	\$ <u>49,677,808</u>	\$ <u>5,867,614</u>
<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%	\$ <u>6,995,000</u>	\$ <u>70,000</u>

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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>
<u>Lease Revenue Bonds:</u>		
\$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 2028 at discount rates ranging from .7270% to 7.97%.	\$ 1,332,296	\$ 402,435
<u>Notes Payable:</u>		
\$87,566 obligation due in monthly installments of \$1,597 through November 1, 2024, interest payable at 3.74%, secured by equipment	\$ 5,201	\$ 5,201
\$2,576,000 obligation due in semi-annual installments of \$151,625 through February 1, 2033, interest payable annually at 3.25%, secured by equipment	2,349,570	228,653
\$306,238 obligation due in annual installments of \$64,667 through April 15, 2025, interest payable annually at 2.793%, secured by equipment	62,910	62,910
\$525,000 obligation due in annual installments of \$59,775 through January 1, 2025, interest payable annually at 4.30%, secured by equipment	525,000	96,935
Total Notes Payable	\$ 2,942,681	\$ 393,699
<u>Other Liabilities:</u>		
Compensated Absences	\$ 1,699,137	\$ 169,914
Premium on bonds	\$ 6,547,328	\$ 942,884
Net OPEB liability	\$ 3,762,292	\$ -
Net Pension Liability	\$ 2,047,351	\$ -
Total governmental activities long-term obligations	\$ 102,133,893	\$ 7,846,546

CITY OF MANASSAS PARK, VIRGINIA

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

<u>Proprietary Funds</u>	<u>Balance July 1, 2023</u>	<u>Increases/ Issuances</u>	<u>Decreases/ Retirements</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
General Obligation Bonds	\$ 7,292,158	\$ -	\$ 851,209	\$ 6,440,949	\$ 893,881
Net OPEB liability	185,530	38,169	38,802	184,897	-
Net pension liability	38,469	438,540	335,147	141,862	-
Compensated Absences	127,540	40,939	12,754	155,725	15,573
Premium on bonds	315,021	-	75,688	239,333	65,468
Total	<u>\$ 7,958,718</u>	<u>\$ 517,648</u>	<u>\$ 1,313,600</u>	<u>\$ 7,162,766</u>	<u>\$ 974,922</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>
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>\$ 6,440,949</u>	<u>\$ 867,218</u>

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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%	\$ 1,174,445	\$ 94,169
\$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%	296,504	59,712
\$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>4,970,000</u>	<u>740,000</u>
Total General Obligation Bonds	\$ <u>6,440,949</u>	\$ <u>893,881</u>
<u>Other Liabilities:</u>		
Compensated absences	\$ <u>155,725</u>	\$ <u>15,573</u>
Premium on bonds	\$ <u>239,333</u>	\$ <u>65,468</u>
Net OPEB liability	\$ <u>184,897</u>	\$ -
Net Pension Liability	\$ <u>141,862</u>	\$ -
Total business-type long-term obligations	\$ <u><u>7,162,766</u></u>	\$ <u><u>974,922</u></u>

Component Unit School Board:

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

	<u>Balance July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2024</u>	<u>Amounts Due Within One Year</u>
Net OPEB liabilities	\$ 6,960,297	\$ 1,480,282	\$ 1,877,620	\$ 6,562,959	\$ -
Net pension liability	24,424,144	12,742,202	10,504,551	26,661,795	-
Subscription liabilities	168,493	-	75,510.00	92,983	42,660
Compensated absences	493,954	263,598.00	49,395.00	708,157	49,395
Total	\$ <u><u>32,046,888</u></u>	\$ <u><u>14,486,082</u></u>	\$ <u><u>12,507,076</u></u>	\$ <u><u>34,025,894</u></u>	\$ <u><u>92,055</u></u>

CITY OF MANASSAS PARK, VIRGINIA

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

Note 6—Long-Term Obligations: (Continued)

Component Unit School Board: (Continued)

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

Year Ending June 30,	Subscription Liabilities	
	Principal	Interest
2025	\$ 42,660	\$ 2,087
2026	35,665	1,142
2027	14,658	347
Total	\$ <u>92,983</u>	\$ <u>3,576</u>

Details of long-term obligations are as follows:

	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
<u>Subscription Liabilities:</u>		
Various subscriptions payable through 2027 at discount rates ranging from .69% to 3.27%	\$ <u>92,983</u>	\$ <u>42,660</u>
Compensated Absences	\$ <u>708,157</u>	\$ <u>49,395</u>
Net OPEB liability	\$ <u>6,562,959</u>	\$ <u>-</u>
Net Pension Liability	\$ <u>26,661,795</u>	\$ <u>-</u>
Total	\$ <u>34,025,894</u>	\$ <u>92,055</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>1,699,137</u>
Proprietary Funds	\$ <u>155,725</u>
Component Unit School Board	\$ <u>708,157</u>

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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	\$ 9,144,039	\$ -
Unearned revenue - other	205,652	10,821
Total	<u>\$ 9,349,691</u>	<u>\$ 10,821</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.	\$ 1,830,746	
Other - unavailable revenue representing opioid settlement and property sale proceeds.	1,146,264	
Total unavailable	<u>\$ 2,977,010</u>	
Unearned revenue:		
Unearned revenue - other	\$ 205,652	
Unearned revenue - state and federal funds not yet expended	9,144,039	
Total unearned	<u>\$ 9,349,691</u>	
Total	<u>\$ 12,326,701</u>	

Note 9—Litigation:

At June 30, 2024, 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, 2024 (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, 2024 is 5.40%.

UOSA's financial condition as of June 30, 2024 (latest available financial information) and operating results for the year then ended is summarized as follows:

Total Assets and Deferred Outflows	\$	536,203,485
Total Liabilities and Deferred Inflows		515,877,169
Net Equity	\$	<u>20,326,316</u>
Total Revenues	\$	70,061,814
Total Expenses		68,827,149
Net (Loss)	\$	<u>1,234,665</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 2024 as follows:

Operating and reserve maintenance costs	\$	1,919,750
Debt service		1,825,330
Total	\$	<u>3,745,080</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, 2024 (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, 2024 (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 2024, the City received \$669,025 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, 2024 (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, 2024 (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, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Primary Government</u>	<u>Component Unit School Board (Nonprofessional)</u>
Inactive members or their beneficiaries currently receiving benefits	128	34
Inactive members:		
Vested inactive members	45	14
Non-vested inactive members	83	45
Inactive members active elsewhere in VRS	<u>96</u>	<u>22</u>
Total inactive members	224	81
Active members	<u>180</u>	<u>75</u>
Total covered employees	<u><u>532</u></u>	<u><u>190</u></u>

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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, 2024 was 10.40% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the City were \$1,525,830 and \$1,322,377 for the years ended June 30, 2024 and June 30, 2023, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2024 was 0.0% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$0 and \$0 for the years ended June 30, 2024 and June 30, 2023, 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, 2023. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.35%
Investment rate of return	6.75%, net of pension plan investment 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, 2024 (Continued)

Note 13–Pension Plan: (Continued)

Actuarial Assumptions – General Employees: (Continued)

Mortality Rates: (Continued)

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

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

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

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the City’s Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% – 4.75%
Investment rate of return	6.75%, net of pension plan investment 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, 2024 (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, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) – 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, 2024 (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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

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

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

Discount Rate

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

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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, 2022	\$ 48,611,317	\$ 48,015,833	\$ 595,484
Changes for the year:			
Service cost	\$ 1,623,777	\$ -	\$ 1,623,777
Interest	3,320,102	-	3,320,102
Differences between expected and actual experience	1,791,429	-	1,791,429
Contributions - employer	-	1,322,314	(1,322,314)
Contributions - employee	-	714,390	(714,390)
Net investment income	-	3,134,036	(3,134,036)
Benefit payments, including refunds of employee contributions	(2,096,806)	(2,096,806)	-
Administrative expenses	-	(30,426)	30,426
Other changes	-	1,265	(1,265)
Net changes	\$ 4,638,502	\$ 3,044,773	\$ 1,593,729
Balances at June 30, 2023	\$ 53,249,819	\$ 51,060,606	\$ 2,189,213

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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, 2022	\$ 4,138,740	\$ 5,140,545	\$ (1,001,805)
Changes for the year:			
Service cost	\$ 109,555	\$ -	\$ 109,555
Interest	280,187	-	280,187
Differences between expected and actual experience	(415,317)	-	(415,317)
Contributions - employer	-	-	-
Contributions - employee	-	64,204	(64,204)
Net investment income	-	328,598	(328,598)
Benefit payments, including refunds of employee contributions	(194,755)	(194,755)	-
Administrative expenses	-	(3,306)	3,306
Other changes	-	125	(125)
Net changes	\$ (220,330)	\$ 194,866	\$ (415,196)
Balances at June 30, 2023	\$ 3,918,410	\$ 5,335,411	\$ (1,417,001)

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)	\$ 10,035,135	\$ 2,189,213	\$ (4,302,572)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	\$ (897,489)	\$ (1,417,001)	\$ (1,807,405)

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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, 2024, the City and Component Unit School Board (nonprofessional) recognized pension expense of \$1,099,668 and (\$167,141), respectively. At June 30, 2024, 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:

	Primary Government		Component Unit School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,173,695	\$ 148,401	\$ 9,699	\$ 268,562
Change in assumptions	-	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	89	89	-	-
Net difference between projected and actual earnings on pension plan investments	-	730,995	-	82,521
Employer contributions subsequent to the measurement date	<u>1,525,830</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,699,614</u>	<u>\$ 879,485</u>	<u>\$ 9,699</u>	<u>\$ 351,083</u>

\$1,525,830 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (Nonprofessional)
2025	\$ (65,754)	\$ (196,107)
2026	(346,855)	(222,112)
2027	686,104	74,059
2028	20,804	2,776

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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 2023 Annual Comprehensive Financial Report (ACFR). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

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, 2024 was 16.62% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits 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 \$4,599,722 and \$4,164,116 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Retirement Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. The school division's proportionate share is reflected in the financial statements.

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

At June 30, 2024, the school division reported a liability of \$26,661,795 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The 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, 2023, relative to the total of the actuarially determined employer

CITY OF MANASSAS PARK, VIRGINIA

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

contributions for all participating employers. At June 30, 2023, the school division's proportion was .26379% as compared to .25654% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized pension expense of \$2,754,193. 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. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2024, 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	\$ 2,290,271	\$ 1,040,457
Change in assumptions	1,208,673	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	758,103	592,088
Net difference between projected and actual earnings on pension plan investments	-	1,733,555
Employer contributions subsequent to the measurement date	<u>4,599,722</u>	<u>-</u>
Total	<u>\$ 8,856,769</u>	<u>\$ 3,366,100</u>

\$4,599,722 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2025	\$ (447,038)
2026	(1,448,284)
2027	2,146,057
2028	640,212

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.95%
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 standard rates

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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, 2023, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan
Total Pension Liability	\$	57,574,609
Plan Fiduciary Net Position		47,467,405
Employers' Net Pension Liability (Asset)	\$	10,107,204
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		82.45%

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, 2024 (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)	\$ 47,261,854	\$ 26,661,795	\$ 9,726,853

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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	\$ 2,699,614	\$ 879,485	\$ 2,189,213	\$ 1,099,668
Totals	\$ 2,699,614	\$ 879,485	\$ 2,189,213	\$ 1,099,668
Component Unit School Board				
School Board Nonprofessional	\$ 9,699	\$ 351,083	\$ (1,417,001)	\$ (167,141)
School Board Professional	8,856,769	3,366,100	26,661,795	2,754,193
Totals	\$ 8,866,468	\$ 3,717,183	\$ 25,244,794	\$ 2,587,052

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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>
Virginia Risk Sharing Association Liability Coverage	\$ 1,000,000
Virginia Municipal League School Board Employees Blanket Bond	1,000,000

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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 \$9,254 as of June 30, 2024.

CITY OF MANASSAS PARK, VIRGINIA

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

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024, was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were \$85,428 and \$74,079 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions to School Professional Plan were \$158,588 and \$144,392 for the years ended June 30, 2023 and June 30, 2022, respectively. Contributions to the School Nonprofessional Plan were \$9,588 and \$8,115 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$30.410.1 million to the Group Life Insurance Plan. This special payment was authorized by a budget amendment included in Chapter 12 of the 2022 Appropriation Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-special employer contribution. The entity's proportionate share is reflected in the financial statements.

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

At June 30, 2024, the City, School Board (Professional) and School Board (Nonprofessional) reported liabilities of \$698,480, \$1,361,461, and \$76,516, for their proportionate share of the Net GLI OPEB Liability, respectively. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was .05824%, .11352% and .00638% respectively, as compared to .05260%, .11290% and .00690% at June 30, 2022.

For the year ended June 30, 2024, the City, School Board (Professional) and School Board (Nonprofessional) recognized GLI OPEB expense of \$52,622, \$55,639, and \$2,061 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, 2024 (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, 2024, 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	\$ 69,761	\$ 21,202	\$ 135,977	\$ 41,327	\$ 7,642	\$ 2,323
Net difference between projected and actual earnings on GLI OPEB plan investments	-	28,069	-	54,711	-	3,075
Change in assumptions	14,930	48,393	29,102	94,327	1,636	5,301
Changes in proportionate share	99,780	4,812	23,869	38,539	1,609	7,131
Employer contributions subsequent to the measurement date	<u>85,428</u>	<u>-</u>	<u>158,588</u>	<u>-</u>	<u>9,588</u>	<u>-</u>
Total	<u>\$ 269,899</u>	<u>\$ 102,476</u>	<u>\$ 347,536</u>	<u>\$ 228,904</u>	<u>\$ 20,475</u>	<u>\$ 17,830</u>

\$85,428, \$158,588, and \$9,588 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	School Professional	School Nonprofessional
2025	\$ 15,345	\$ (11,373)	\$ (1,722)
2026	(6,609)	(59,040)	(4,427)
2027	34,294	20,345	462
2028	20,279	(4,661)	(930)
2029	18,686	14,773	(326)

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS 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, 2024 (Continued)

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

Actuarial Assumptions: (Continued)

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

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, 2024 (Continued)

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

Actuarial Assumptions: (Continued)

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

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, 2024 (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, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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
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, 2022, NOL amounts for the GLI Program is as follows (amounts expressed in thousands):

		Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$	3,907,052
Plan Fiduciary Net Position		2,707,739
GLI Net OPEB Liability (Asset)	\$	<u>1,199,313</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		69.30%

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

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

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

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

Discount Rate

The discount rate used to measure the total 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, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Proportionate share of the Group Life Insurance Plan			
Net OPEB Liability:			
Primary Government	\$ 1,035,366	\$ 698,480	\$ 426,106
School Professional	2,018,110	1,361,461	830,555
School Nonprofessional	113,421	76,516	46,678

GLI Program Fiduciary Net Position

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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, 2024 (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, 2023 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate 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 \$355,355 and \$323,544 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$12 million to the VRS Teacher HIC Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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, 2023, the school division reported a liability of \$3,248,658 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, 2022 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion of the VRS Teacher Employee HIC Plan was .2682% as compared to .2635% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$234,681. 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 proportionate share and difference between actual and expected contributions.

At June 30, 2023, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,630	\$ 142,990
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	-
Change in assumptions	75,623	3,274
Change in proportionate share and differences between actual and expected contributions	91,231	104,610
Employer contributions subsequent to the measurement date	355,355	-
Total	<u>\$ 523,839</u>	<u>\$ 250,874</u>

CITY OF MANASSAS PARK, VIRGINIA

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

\$323,544 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, 2025. 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>	
2025	\$ (23,733)
2026	(13,251)
2027	(5,730)
2028	(15,800)
2029	(22,250)
Thereafter	(1,626)

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

Inflation	2.50%
Salary increases, including inflation:	3.50%-5.95%
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, 2024 (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, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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, 2023, 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	\$	1,475,471
Plan Fiduciary Net Position		264,054
Teacher Employee Net HIC OPEB Liability (Asset)	\$	1,211,417
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		17.90%

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

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

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

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, 2023, 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, 2023 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		\$ 3,674,595	\$ 3,248,658	\$ 2,887,713

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 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

CITY OF MANASSAS PARK, VIRGINIA

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

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

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	School Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	8
Inactive members:	
Vested inactive members	3
Non-vested inactive members	-
Inactive members active elsewhere in VRS	22
Total inactive members	25
Active members	75
Total covered employees	108

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, 2024 was .06% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 \$1,065 and \$902 for the years ended June 30, 2024 and June 30, 2023, respectively.

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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, 2023. The total Health Insurance Credit OPEB asset was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions

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

Inflation	2.50%
Salary increases, including inflation:	
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, 2024 (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, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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, 2024 (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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	<u>100.00%</u>		<u>5.75%</u>
		Inflation	2.50%
		Expected arithmetic nominal return**	<u>8.25%</u>

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

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

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, 2023, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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 (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 59,817	\$ 67,110	\$ (7,293)
Changes for the year:			
Service cost	\$ 1,500	\$ -	\$ 1,500
Interest	4,079	-	4,079
Differences between expected and actual experience	1,892	-	1,892
Contributions - employer	-	902	(902)
Net investment income	-	4,025	(4,025)
Benefit payments	(1,784)	(1,784)	-
Administrative expenses	-	(97)	97
Other changes	-	60	(60)
Net changes	\$ 5,687	\$ 3,106	\$ 2,581
Balances at June 30, 2023	\$ 65,504	\$ 70,216	\$ (4,712)

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	\$ 3,885	\$ (4,712)	\$ (11,850)

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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, 2024, the School Nonprofessional plan recognized Health Insurance Credit Plan OPEB expense of \$2,151. At June 30, 2024, 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	\$ 3,365	\$ 1,285
Net difference between projected and actual earnings on HIC OPEB plan investments	-	607
Change in assumptions	9,158	90
Employer contributions subsequent to the measurement date	1,065	-
Total	<u>\$ 13,588</u>	<u>\$ 1,982</u>

\$1,065 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, 2025. 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
2024	\$ 2,030
2025	1,716
2026	3,118
2027	2,149
2028	1,528
Thereafter	-

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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, 2024 (Continued)

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

Contributions

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2024 was \$830 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the entity were \$51,460 and \$36,138 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

At June 30, 2024, the City reported a liability of \$1,091,689 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2023 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The entity's proportion of the Net LODA OPEB Liability was based on the entity's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2023 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2023, the entity's proportion was .27230% as compared to .28850% at June 30, 2022.

For the year ended June 30, 2024, the entity recognized LODA OPEB expense of \$130,990. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 58,232	\$ 205,564
Net difference between projected and actual earnings on LODA OPEB plan investments	-	3,194
Change in assumptions	242,477	225,112
Change in proportionate share	53,264	165,479
Employer contributions subsequent to the measurement date	51,460	-
Total	\$ 405,433	\$ 599,349

CITY OF MANASSAS PARK, VIRGINIA

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

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

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

\$51,460 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (20,731)
2026	(20,631)
2027	(19,605)
2028	(25,701)
2029	(27,285)
Thereafter	(131,423)

Actuarial Assumptions

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

Inflation	2.50%
Salary increases, including inflation:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.00%-4.75%
Ages 65 and older	5.25%-4.75%
Year of ultimate trend rate	
Under age 65	Fiscal year ended 2028
Ages 65 and older	Fiscal year ended 2023
Investment rate of return	3.86%, including inflation*

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

CITY OF MANASSAS PARK, VIRGINIA

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

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

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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, 2023, NOL amounts for the LODA Program is as follows (amounts expressed in thousands):

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

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

Long-Term Expected Rate of Return

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

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 3.86%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, 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, 2024 (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 3.86%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) than the current rate:

	Discount Rate		
	1% Decrease (2.86%)	Current (3.86%)	1% Increase (4.86%)
City's proportionate share of the LODA Net OPEB Liability	\$ 1,224,043	\$ 1,091,689	\$ 979,719

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	\$ 925,789	\$ 1,091,689	\$ 1,297,264

LODA OPEB Fiduciary Net Position

Detailed information about the LODA Program Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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, 2023 (valuation date), the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	\$	3
Active employees		<u>117</u>
Total	\$	<u><u>120</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, 2024 was \$77,789.

CITY OF MANASSAS PARK, VIRGINIA

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

Actuarial Assumptions

The total OPEB liability in the July 1, 2023 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	3.97%
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, 2024 Fidelity General Obligation AA 20-Year Yield. The final equivalent single discount rate used for this year’s valuation is 3.97% as of the end of the fiscal year with the expectation that the 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, 2023	\$	2,253,576
Changes for the year:		
Service cost		107,026
Interest		89,609
Difference between expected and actual experience		(135,740)
Changes in assumptions		(79,662)
Benefit payments		(77,789)
Net changes		(96,556)
Balances at June 30, 2024	\$	2,157,020

CITY OF MANASSAS PARK, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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 (3.86%) or one percentage point higher (4.86%) than the current discount rate:

Rate		
1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
\$ 2,405,837	\$ 2,157,020	\$ 1,938,410

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 (21.70% decreasing to an ultimate rate of 4.0%) or one percentage point higher (23.70% decreasing to an ultimate rate of 6.0%) than the current healthcare cost trend rates:

Rates		
1% Decrease	Healthcare Cost Trend	1% Increase
\$ 1,866,576	\$ 2,157,020	\$ 2,507,497

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

For the year ended June 30, 2024, the City recognized OPEB expense in the amount of \$222,108. At June 30, 2024, 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	\$ 9,526	\$ 101,805
Changes in assumptions	87,982	59,746
Total	\$ 97,508	\$ 161,551

CITY OF MANASSAS PARK, VIRGINIA

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

Year Ended June 30	
2025	\$ 43,658
2026	(53,850)
2027	(53,850)
2028	-
2029	-
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, 2024 (Continued)

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

Plan Membership

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

Inactive employees currently receiving benefit payments	\$	34
Active employees		<u>303</u>
Total	\$	<u><u>337</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, 2024 was \$160,113.

Total OPEB Liability

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

Actuarial Assumptions

The total OPEB liability in the July 1, 2023 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	3.97%
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.

CITY OF MANASSAS PARK, VIRGINIA

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

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

Discount Rate

The discount rate was based on the June 30, 2024 Fidelity General Obligation AA 20-Year Yield. The final equivalent single discount rate used for this year's valuation is 3.97% as of the end of the fiscal year with the expectation that the School Board will continue paying the pay-go cost.

Changes in Total OPEB Liability

Changes in Net OPEB Liability - School Board		Total OPEB Liability
Balances at June 30, 2023	\$	2,227,292
Changes for the year:		
Service cost		97,646
Interest		86,643
Difference between expected and actual experience		(259,177)
Changes in assumptions		(115,968)
Benefit payments		(160,113)
Net changes		(350,969)
Balances at June 30, 2024	\$	1,876,323

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 (2.97%) or one percentage point higher (4.97%) than the current discount rate:

Rate		
1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
\$ 2,049,883	\$ 1,876,323	\$ 1,719,158

CITY OF MANASSAS PARK, VIRGINIA

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

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

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		
Healthcare Cost		
1% Decrease	Trend	1% Increase
\$ 1,660,559	\$ 1,876,323	\$ 2,137,313

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

For the year ended June 30, 2024, the School Board recognized OPEB expense in the amount of \$1,812. At June 30, 2024, the School Board 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	\$ 143,217	\$ 197,593
Changes in assumptions	60,789	331,168
Total	\$ 204,006	\$ 528,761

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

Year Ended June 30	
2025	\$ (182,478)
2026	(48,490)
2027	(93,786)
2028	-
2029	-
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, 2024 (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)	\$ 2,157,020	\$ 97,508	\$ 161,551	\$ 222,108
City LODA (Note 20)	1,091,689	405,433	599,349	130,990
Group Life (Note 17)	698,480	269,899	102,476	52,622
Total	<u>\$ 3,947,189</u>	<u>\$ 772,840</u>	<u>\$ 863,376</u>	<u>\$ 405,720</u>
Component Unit School Board				
School Pay-as-you-go (Note 22)	\$ 1,876,323	\$ 204,006	\$ 528,761	\$ 1,812
Teacher Group Life (Note 17)	1,361,461	347,536	228,904	55,639
Nonprofessional Group Life (Note 17)	76,516	20,475	17,830	2,061
Nonprofessional HIC Program (Note 19)	(4,712)	13,588	1,982	2,151
Teacher HIC Program (Note 18)	3,248,658	523,839	250,874	234,681
Total	<u>\$ 6,558,246</u>	<u>\$ 1,109,444</u>	<u>\$ 1,028,351</u>	<u>\$ 296,344</u>

Note 24—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 \$8,913,008.28 are reported as unearned revenue as of June 30.

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.

CITY OF MANASSAS PARK, VIRGINIA

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

Note 25—New Accounting Pronouncements

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

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

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

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

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, 2024

Fund, Function, Activity, Element	General Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
General property taxes	\$ 40,574,068	\$ 40,968,568	\$ 40,896,177	\$ (72,391)
Other local taxes	7,387,967	6,912,505	6,800,782	(111,723)
Permits, privilege fees and regulatory licenses	680,612	448,924	496,856	47,932
Fines and forfeitures	1,747,900	1,919,628	1,233,466	(686,162)
Revenue from use of money and property	539,286	923,286	1,139,840	216,554
Charges for services	1,720,595	1,731,995	1,677,732	(54,263)
Miscellaneous	454,488	458,289	373,428	(84,861)
Intergovernmental:				
Commonwealth	5,369,629	5,800,330	5,621,121	(179,209)
Federal	9,023,222	9,632,345	6,691,535	(2,940,810)
Total revenues	\$ 67,497,767	\$ 68,795,870	\$ 64,930,937	\$ (3,864,933)
Expenditures:				
General government administration:				
Legislative:				
City council	\$ 956,995	\$ 997,875	\$ 940,814	\$ 57,061
General and financial administration:				
Management services	\$ 2,551,773	\$ 2,481,559	\$ 2,173,757	\$ 307,802
Legal services	134,908	134,908	83,553	51,355
Human resources	382,937	399,037	403,617	(4,580)
Commissioner of the Revenue	498,842	512,842	495,383	17,459
Treasurer	818,732	829,732	664,094	165,638
Information technology	1,389,772	1,494,647	1,384,501	110,146
Department of finance	994,555	1,009,038	828,765	180,273
Total general and financial administration	\$ 6,771,519	\$ 6,861,763	\$ 6,033,670	\$ 828,093
Board of Elections:				
Electoral board and officials	\$ 321,235	\$ 321,235	\$ 271,859	\$ 49,376
Total board of elections	\$ 321,235	\$ 321,235	\$ 271,859	\$ 49,376
Total general government administration	\$ 8,049,749	\$ 8,180,873	\$ 7,246,343	\$ 934,530
Judicial administration:				
Courts:				
Courts	\$ 256,177	\$ 256,177	\$ 250,966	\$ 5,211
Sheriff	461,074	461,074	461,076	(2)
Total courts	\$ 717,251	\$ 717,251	\$ 712,042	\$ 5,209
Total judicial administration	\$ 717,251	\$ 717,251	\$ 712,042	\$ 5,209

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

Fund, Function, Activity, Element	General Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Public safety:				
Law enforcement and traffic control:				
Police department	\$ 5,831,931	\$ 5,992,931	\$ 5,995,886	\$ (2,955)
E-911	1,029,734	1,090,718	923,826	166,892
Total law enforcement and traffic control	\$ 6,861,665	\$ 7,083,649	\$ 6,919,712	\$ 163,937
Fire and rescue services:				
Fire department	\$ 5,998,481	\$ 6,279,564	\$ 5,464,793	\$ 814,771
Total fire and rescue services	\$ 5,998,481	\$ 6,279,564	\$ 5,464,793	\$ 814,771
Correction and detention:				
Juvenile detention home	\$ 90,000	\$ 90,000	\$ 75,133	\$ 14,867
County jail	550,000	550,000	482,328	67,672
Total correction and detention	\$ 640,000	\$ 640,000	\$ 557,461	\$ 82,539
Other protection:				
Animal control	\$ 81,000	\$ 91,240	\$ 89,515	\$ 1,725
Total other protection	\$ 81,000	\$ 91,240	\$ 89,515	\$ 1,725
Total public safety	\$ 13,581,146	\$ 14,094,453	\$ 13,031,481	\$ 1,062,972
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streets	\$ 1,306,503	\$ 1,306,503	\$ 1,160,481	\$ 146,022
Maintenance of general buildings and grounds:				
General properties	\$ 855,228	\$ 907,000	\$ 851,165	\$ 55,835
Fleet	553,244	595,418	540,155	55,263
Total maintenance of general buildings and grounds	\$ 1,408,472	\$ 1,502,418	\$ 1,391,320	\$ 111,098
Total public works	\$ 2,714,975	\$ 2,808,921	\$ 2,551,801	\$ 257,120
Health and welfare:				
Health:				
Local health department	\$ 65,572	\$ 65,572	\$ 83,240	\$ (17,668)
Mental health and mental retardation:				
Community services board	\$ 1,160,043	\$ 1,160,043	\$ 1,160,040	\$ 3

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

Fund, Function, Activity, Element	General Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Welfare:				
Administration and public assistance	\$ 2,676,667	\$ 2,830,567	\$ 2,559,514	\$ 271,053
Agency on aging	129,646	129,646	129,648	(2)
Other social services programs	70,725	70,725	70,727	(2)
Tax relief for the elderly	550,000	550,100	598,807	(48,707)
Childrens services	1,235,000	1,535,000	1,542,226	(7,226)
Total welfare	\$ 4,662,038	\$ 5,116,038	\$ 4,900,922	\$ 215,116
Total health and welfare	\$ 5,887,653	\$ 6,341,653	\$ 6,144,202	\$ 197,451
Education:				
Contributions to community colleges	\$ 40,399	\$ 40,399	\$ 40,399	\$ -
Contribution to Component Unit School Board	13,300,000	13,300,000	11,959,975	1,340,025
Total education	\$ 13,340,399	\$ 13,340,399	\$ 12,000,374	\$ 1,340,025
Parks, recreation and cultural:				
Parks and recreation:				
Administration and maintenance	\$ 4,911,548	\$ 4,964,138	\$ 4,464,367	\$ 499,771
Total parks and recreation	\$ 4,911,548	\$ 4,964,138	\$ 4,464,367	\$ 499,771
Community development:				
Planning and community development:				
Economic development	\$ 550,760	\$ 560,224	\$ 411,744	\$ 148,480
Planning and zoning	1,114,519	1,331,885	688,132	643,753
Community organizations	45,982	45,982	44,183	1,799
Total planning and community development	\$ 1,711,261	\$ 1,938,091	\$ 1,144,059	\$ 794,032
Total community development	\$ 1,711,261	\$ 1,938,091	\$ 1,144,059	\$ 794,032
Total expenditures	\$ 50,913,982	\$ 52,385,779	\$ 47,294,669	\$ 5,091,110
Excess (deficiency) of revenues over (under) expenditures	\$ 16,583,785	\$ 16,410,091	\$ 17,636,268	\$ 1,226,177
Other financing sources (uses):				
Operating transfers in	\$ 1,942,437	\$ 1,942,437	\$ 1,942,438	\$ 1
Operating transfers (out)	(17,817,061)	(22,058,728)	(8,700,962)	13,357,766
Total other financing sources (uses)	\$ (15,874,624)	\$ (20,116,291)	\$ (6,758,524)	\$ 13,357,767
Net changes in fund balance	\$ 709,161	\$ (3,706,200)	\$ 10,877,744	\$ 14,583,944
Fund balance at beginning of year	(709,161)	3,706,200	19,556,525	15,850,325
Fund balance at end of year	\$ -	\$ -	\$ 30,434,269	\$ 30,434,269

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Primary Government
Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 1,623,777	\$ 1,212,019	\$ 1,140,858	\$ 1,144,175	\$ 1,093,842
Interest	3,320,102	3,171,359	2,912,843	2,749,694	2,626,325
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	1,791,429	(519,401)	(1,272,782)	422,890	63,827
Changes of assumptions	-	-	1,811,774	-	1,324,705
Benefit payments	(2,096,806)	(2,047,460)	(1,902,256)	(1,897,221)	(1,885,611)
Net change in total pension liability	\$ 4,638,502	\$ 1,816,517	\$ 2,690,437	\$ 2,419,538	\$ 3,223,088
Total pension liability - beginning	48,611,317	46,794,800	44,104,363	41,684,825	38,461,737
Total pension liability - ending (a)	<u>\$ 53,249,819</u>	<u>\$ 48,611,317</u>	<u>\$ 46,794,800</u>	<u>\$ 44,104,363</u>	<u>\$ 41,684,825</u>
Plan fiduciary net position					
Contributions - employer	\$ 1,322,314	\$ 1,072,050	\$ 970,559	\$ 812,881	\$ 781,421
Contributions - employee	714,390	535,764	493,342	519,535	446,893
Net investment income	3,134,036	(65,215)	10,526,781	729,827	2,425,835
Benefit payments	(2,096,806)	(2,047,460)	(1,902,256)	(1,897,221)	(1,885,611)
Administrator charges	(30,426)	(30,063)	(25,896)	(24,805)	(23,988)
Other	1,265	1,128	996	(868)	(1,531)
Net change in plan fiduciary net position	\$ 3,044,773	\$ (533,796)	\$ 10,063,526	\$ 139,349	\$ 1,743,019
Plan fiduciary net position - beginning	48,015,833	48,549,629	38,486,103	38,346,754	36,603,735
Plan fiduciary net position - ending (b)	<u>\$ 51,060,606</u>	<u>\$ 48,015,833</u>	<u>\$ 48,549,629</u>	<u>\$ 38,486,103</u>	<u>\$ 38,346,754</u>
County's net pension liability (asset) - ending (a) - (b)	\$ 2,189,213	\$ 595,484	\$ (1,754,829)	\$ 5,618,260	\$ 3,338,071
Plan fiduciary net position as a percentage of the total pension liability	95.89%	98.78%	103.75%	87.26%	91.99%
Covered payroll	\$ 13,718,321	\$ 11,436,792	\$ 10,281,795	\$ 9,969,151	\$ 9,428,847
County's net pension liability as a percentage of covered payroll	15.96%	5.21%	-17.07%	56.36%	35.40%

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Primary Government
Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 1,058,351	\$ 1,076,036	\$ 1,117,218	\$ 1,047,779	\$ 1,064,478
Interest	2,503,017	2,397,777	2,248,299	2,206,192	2,055,476
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(159,090)	(312,326)	153,035	(1,460,317)	-
Changes of assumptions	-	(281,172)	-	-	-
Benefit payments	(1,395,865)	(1,357,907)	(1,408,375)	(975,881)	(957,870)
Net change in total pension liability	\$ 2,006,413	\$ 1,522,408	\$ 2,110,177	\$ 817,773	\$ 2,162,084
Total pension liability - beginning	36,455,324	34,932,916	32,822,739	32,004,966	29,842,882
Total pension liability - ending (a)	<u>\$ 38,461,737</u>	<u>\$ 36,455,324</u>	<u>\$ 34,932,916</u>	<u>\$ 32,822,739</u>	<u>\$ 32,004,966</u>
Plan fiduciary net position					
Contributions - employer	\$ 850,234	\$ 826,406	\$ 993,265	\$ 1,018,190	\$ 994,568
Contributions - employee	450,450	504,197	427,962	468,005	563,442
Net investment income	2,530,731	3,733,931	532,420	1,312,006	3,821,021
Benefit payments	(1,395,865)	(1,357,907)	(1,408,375)	(975,881)	(957,870)
Administrator charges	(21,511)	(21,163)	(18,428)	(17,208)	(19,878)
Other	(2,272)	(3,342)	(223)	(281)	201
Net change in plan fiduciary net position	\$ 2,411,767	\$ 3,682,122	\$ 526,621	\$ 1,804,831	\$ 4,401,484
Plan fiduciary net position - beginning	34,191,968	30,509,846	29,983,225	28,178,394	23,776,910
Plan fiduciary net position - ending (b)	<u>\$ 36,603,735</u>	<u>\$ 34,191,968</u>	<u>\$ 30,509,846</u>	<u>\$ 29,983,225</u>	<u>\$ 28,178,394</u>
County's net pension liability - ending (a) - (b)	\$ 1,858,002	\$ 2,263,356	\$ 4,423,070	\$ 2,839,514	\$ 3,826,572
Plan fiduciary net position as a percentage of the total pension liability	95.17%	93.79%	87.34%	91.35%	88.04%
Covered payroll	\$ 9,410,600	\$ 9,065,489	\$ 8,783,631	\$ 8,948,073	\$ 8,246,555
County's net pension liability as a percentage of covered payroll	19.74%	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, 2023

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 109,555	\$ 101,163	\$ 98,558	\$ 104,187	\$ 101,330
Interest	280,187	265,909	241,134	235,217	226,702
Differences between expected and actual experience	(415,317)	29,493	(7,380)	(30,644)	22,012
Changes of assumptions	-	-	143,889	-	96,761
Benefit payments	(194,755)	(192,107)	(228,559)	(213,639)	(187,785)
Net change in total pension liability	\$ (220,330)	\$ 204,458	\$ 247,642	\$ 95,121	\$ 259,020
Total pension liability - beginning	4,138,740	3,934,282	3,686,640	3,591,519	3,332,499
Total pension liability - ending (a)	<u>\$ 3,918,410</u>	<u>\$ 4,138,740</u>	<u>\$ 3,934,282</u>	<u>\$ 3,686,640</u>	<u>\$ 3,591,519</u>
Plan fiduciary net position					
Contributions - employer	\$ -	\$ -	\$ -	\$ 5,118	\$ 3,604
Contributions - employee	64,204	64,729	61,072	60,185	59,793
Net investment income	328,598	(4,702)	1,155,675	82,845	276,690
Benefit payments	(194,755)	(192,107)	(228,559)	(213,639)	(187,785)
Administrator charges	(3,306)	(3,291)	(2,958)	(2,886)	(2,799)
Other	125	121	108	(97)	(174)
Net change in plan fiduciary net position	\$ 194,866	\$ (135,250)	\$ 985,338	\$ (68,474)	\$ 149,329
Plan fiduciary net position - beginning	5,140,545	5,275,795	4,290,457	4,358,931	4,209,602
Plan fiduciary net position - ending (b)	<u>\$ 5,335,411</u>	<u>\$ 5,140,545</u>	<u>\$ 5,275,795</u>	<u>\$ 4,290,457</u>	<u>\$ 4,358,931</u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (1,417,001)	\$ (1,001,805)	\$ (1,341,513)	\$ (603,817)	\$ (767,412)
Plan fiduciary net position as a percentage of the total pension liability	136.16%	124.21%	134.10%	116.38%	121.37%
Covered payroll	\$ 1,502,813	\$ 1,501,537	\$ 1,420,707	\$ 1,380,392	\$ 1,364,905
School Division's net pension liability as a percentage of covered payroll	-94.29%	-66.72%	-94.43%	-43.74%	-56.22%

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, 2023

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 95,824	\$ 118,908	\$ 115,671	\$ 180,689	\$ 188,357
Interest	219,224	212,429	227,053	211,793	197,750
Differences between expected and actual experience	(14,114)	(35,247)	(376,333)	36,444	-
Changes of assumptions	-	(7,214)	-	-	-
Benefit payments	(200,405)	(183,217)	(167,380)	(254,481)	(116,497)
Net change in total pension liability	\$ 100,529	\$ 105,659	\$ (200,989)	\$ 174,445	\$ 269,610
Total pension liability - beginning	3,231,970	3,126,311	3,327,300	3,152,855	2,883,245
Total pension liability - ending (a)	\$ 3,332,499	\$ 3,231,970	\$ 3,126,311	\$ 3,327,300	\$ 3,152,855
Plan fiduciary net position					
Contributions - employer	\$ 14,610	\$ 15,831	\$ 76,655	\$ 72,948	\$ 136,003
Contributions - employee	57,601	56,932	57,741	54,851	74,450
Net investment income	295,471	446,619	63,921	162,457	491,115
Benefit payments	(200,405)	(183,217)	(167,380)	(254,481)	(116,497)
Administrator charges	(2,605)	(2,633)	(2,271)	(2,320)	(2,539)
Other	(261)	(395)	(27)	(33)	26
Net change in plan fiduciary net position	\$ 164,411	\$ 333,137	\$ 28,639	\$ 33,422	\$ 582,558
Plan fiduciary net position - beginning	4,045,191	3,712,054	3,683,415	3,649,993	3,067,435
Plan fiduciary net position - ending (b)	\$ 4,209,602	\$ 4,045,191	\$ 3,712,054	\$ 3,683,415	\$ 3,649,993
School Division's net pension liability (asset) - ending (a) - (b)	\$ (877,103)	\$ (813,221)	\$ (585,743)	\$ (356,115)	\$ (497,138)
Plan fiduciary net position as a percentage of the total pension liability	126.32%	125.16%	118.74%	110.70%	115.77%
Covered payroll	\$ 1,304,629	\$ 1,270,252	\$ 1,271,597	\$ 1,182,769	\$ 1,505,991
School Division's net pension liability as a percentage of covered payroll	-67.23%	-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, 2023

	2023	2022	2021	2020	2019
Employer's Proportion of the Net Pension Liability (Asset)	0.26379%	0.25654%	0.26428%	0.26140%	0.26187%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 26,661,795	\$ 24,424,144	\$ 20,516,314	\$ 38,044,930	\$ 34,463,580
Employer's Covered Payroll	26,739,172	24,554,957	24,102,201	23,582,831	22,529,313
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	99.71%	99.47%	85.12%	161.32%	152.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.45%	82.61%	85.46%	71.47%	73.51%

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, 2023

	2018	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	0.26485%	0.26070%	0.27855%	0.26507%	0.23397%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 31,147,000	\$ 32,060,000	\$ 39,036,000	\$ 33,363,000	\$ 29,448,000
Employer's Covered Payroll	21,907,252	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	142.18%	152.70%	183.80%	169.29%	165.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.81%	72.92%	68.28%	70.68%	70.88%

Schedule of Employer Contributions - Pension
Pension Plans
Years Ended June 30, 2014 through June 30, 2024

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2024	\$ 1,525,830	\$ 1,525,830	\$ -	\$ 15,765,397	9.68%
2023	1,322,377	1,322,377	-	13,718,321	9.64%
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%
Component Unit School Board (nonprofessional)					
2024	\$ -	\$ -	\$ -	\$ 1,775,471	0.00%
2023	-	-	-	1,502,813	0.00%
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%
Component Unit School Board (professional)					
2024	\$ 4,599,722	\$ 4,599,722	\$ -	\$ 29,368,153	15.66%
2023	4,164,116	4,164,116	-	26,739,172	15.57%
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.

Notes to Required Supplementary Information - Pension
Pension Plans
Year Ended June 30, 2024

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

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

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

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, 2023

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2023	0.05824% \$	698,480 \$	13,718,321	5.09%	69.30%
2022	0.05260%	633,114	11,436,792	5.54%	67.21%
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)					
2023	0.00638% \$	76,516 \$	1,502,813	5.09%	69.30%
2022	0.00690%	83,083	1,501,537	5.53%	67.21%
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)					
2023	0.11352% \$	1,361,461 \$	26,739,172	5.09%	69.30%
2022	0.11290%	1,359,184	24,554,957	5.54%	67.21%
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, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2024	\$ 85,428	\$ 85,428	-	\$ 15,819,954	0.54%
2023	74,079	74,079	-	13,718,321	0.54%
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%
Component Unit School Board (nonprofessional)					
2024	\$ 9,588	\$ 9,588	-	\$ 1,775,471	0.54%
2023	8,115	8,115	-	1,502,813	0.54%
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%
Component Unit School Board (professional)					
2024	\$ 158,588	\$ 158,588	-	\$ 29,368,153	0.54%
2023	144,392	144,392	-	26,739,172	0.54%
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%

Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
Year Ended June 30, 2024

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

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

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, 2023

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)
2023	0.26820%	\$ 3,248,658	\$ 26,739,172	12.15%	17.90%
2022	0.26346%	3,290,738	24,554,957	13.40%	15.08%
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, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	\$ 355,355	\$ 355,355	\$ -	\$ 29,368,153	1.21%
2023	323,544	323,544	-	26,739,172	1.21%
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%

Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
Year Ended June 30, 2024

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

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

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, 2024

	School Nonprofessional						
	2023	2022	2021	2020	2019	2018	2017
Total HIC OPEB Liability							
Service cost	\$ 1,500	\$ 1,884	\$ 2,103	\$ 2,034	\$ 1,853	\$ 1,682	\$ 2,018
Interest	4,079	3,045	2,825	2,603	2,027	2,615	2,425
Changes of benefit terms	-	-	-	416	-	-	-
Differences between expected and actual experience	0	271	(1,096)	385	6,327	(10,935)	-
Changes of assumptions	1,892	12,567	(162)	-	1,166	-	(525)
Benefit payments	(1,784)	(2,358)	(2,220)	(2,092)	(1,434)	(2,096)	(318)
Net change in total HIC OPEB liability	\$ 5,687	\$ 15,409	\$ 1,450	\$ 3,346	\$ 9,939	\$ (8,734)	\$ 3,600
Total HIC OPEB Liability - beginning	59,817	44,408	42,958	39,612	29,673	38,407	34,807
Total HIC OPEB Liability - ending (a)	\$ 65,504	\$ 59,817	\$ 44,408	\$ 42,958	\$ 39,612	\$ 29,673	\$ 38,407
Plan fiduciary net position							
Contributions - employer	\$ 902	\$ 1,781	\$ 1,705	\$ 829	\$ 819	\$ 1,826	\$ 1,788
Net investment income	4,025	83	13,935	1,070	3,268	3,422	4,908
Benefit payments	(1,784)	(2,358)	(2,220)	(2,092)	(1,434)	(2,096)	(318)
Administrator charges	(97)	(116)	(165)	(102)	(71)	(81)	(82)
Other	60	1,113	-	0	(3)	(243)	243
Net change in plan fiduciary net position	\$ 3,106	\$ 503	\$ 13,255	\$ (295)	\$ 2,579	\$ 2,828	\$ 6,539
Plan fiduciary net position - beginning	67,110	66,607	53,352	53,647	51,068	48,240	41,701
Plan fiduciary net position - ending (b)	\$ 70,216	\$ 67,110	\$ 66,607	\$ 53,352	\$ 53,647	\$ 51,068	\$ 48,240
Net HIC OPEB liability (asset) - ending (a) - (b)	\$ (4,712)	\$ (7,293)	\$ (22,199)	\$ (10,394)	\$ (14,035)	\$ (21,395)	\$ (9,833)
Plan fiduciary net position as a percentage of the total HIC OPEB liability	107.19%	112.19%	149.99%	124.20%	135.43%	172.10%	125.60%
Covered payroll	\$ 1,502,813	\$ 1,501,537	\$ 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	-0.31%	-0.49%	-1.56%	-0.75%	-1.03%	-1.64%	-0.77%

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
Health Insurance Credit (HIC) Plan
Years Ended June 30, 2014 through June 30, 2023

		Contributions in Relation to				Contributions as a % of
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll	
Date	(1)	(2)	(3)	(4)	(5)	
Component Unit School Board (nonprofessional)						
2024	\$ 1,065	\$ 1,065	\$ -	\$ 1,775,471	0.06%	
2023	902	902	-	1,502,813	0.06%	
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%	

Notes to Required Supplementary Information
 Health Insurance Credit (HIC) Plan
 Year Ended June 30, 2024

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

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

Non-Largest Ten Locality Employers - General Employees

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

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, 2023

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)
2023	0.27230%	\$ 1,091,689	\$ Not Applicable	Not Applicable	1.31%
2022	0.28850%	1,092,033	Not Applicable	Not Applicable	1.87%
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. Information prior to the 2017 valuation is not 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, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Covered- Employee Payroll * (4)	Contributions as a % of Covered - Employee Payroll (5)
2024	\$ 51,460	\$ 51,460	-	\$ Not Applicable	Not Applicable
2023	36,138	36,138	-	Not Applicable	Not Applicable
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, 2024

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

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

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

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

Schedule of Changes in Total OPEB Liability and Related Ratios
Primary Government Pay-As-You-Go Plan
Years Ended June 30, 2018 through June 30, 2024

	Primary Government						
	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 107,026	\$ 93,231	\$ 96,168	\$ 92,737	\$ 43,473	\$ 38,146	\$ 37,035
Interest	89,609	71,356	37,326	47,717	50,719	44,696	51,643
Changes in assumptions	(79,662)	263,947	(25,034)	116,113	11,214	106,607	-
Differences between expected and actual experience	(135,740)	28,578	(29,519)	(173,080)	251,096	67,193	(14,131)
Benefit payments	(77,789)	(90,461)	(79,091)	(102,625)	(51,334)	(88,127)	(63,123)
Net change in total OPEB liability	\$ (96,556)	\$ 366,651	\$ (150)	\$ (19,138)	\$ 305,168	\$ 168,515	\$ 11,424
Total OPEB liability - beginning	<u>2,253,576</u>	<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>	<u>1,421,106</u>
Total OPEB liability - ending	<u>\$ 2,157,020</u>	<u>\$ 2,253,576</u>	<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	\$ 9,645,961	\$ 8,524,829	\$ 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	22.36%	26.44%	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, 2024

Valuation Date: 7/1/2023
Measurement Date: 6/30/2024

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal
Discount Rate	3.97%
Inflation	3.00%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 22.70% in 2024 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 and Related Ratios
Component Unit School Board Pay-As-You-Go Plan
Years Ended June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 97,646	\$ 96,336	\$ 181,695	\$ 170,916	\$ 116,525	\$ 114,764	\$ 111,421
Interest	86,643	81,188	53,032	60,036	58,655	73,508	83,554
Changes in assumptions	(115,968)	(45,084)	(886,602)	137,618	89,495	167,321	-
Differences between expected and actual experience	(259,117)	52,208	303,825	123,471	(19,259)	(87,558)	41,414
Benefit payments	(160,113)	(125,075)	(129,135)	(253,382)	(233,497)	(210,378)	(192,887)
Net change in total OPEB liability	\$ (350,909)	\$ 59,573	\$ (477,185)	\$ 238,659	\$ 11,919	\$ 57,657	\$ 43,502
Total OPEB liability - beginning	2,227,292	2,167,719	2,644,904	2,406,245	2,394,326	2,336,669	2,293,167
Total OPEB liability - ending	\$ 1,876,383	\$ 2,227,292	\$ 2,167,719	\$ 2,644,904	\$ 2,406,245	\$ 2,394,326	\$ 2,336,669
Covered-employee payroll	\$ 19,972,496	\$ 19,398,811	\$ 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	9.39%	11.48%	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, 2024

Valuation Date: 7/1/2023
Measurement Date: 6/30/2024

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal
Discount Rate	3.97%
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 requirements
Mortality Rates	The mortality rates are based on the PubT.H-2010 Employee Mortality Tables.

OTHER SUPPLEMENTARY INFORMATION

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, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Revenues:				
Revenue from local sources:				
Other local taxes	\$ 141,153	\$ 341,153	\$ 498,357	\$ 157,204
Revenue from use of money and property	450,000	-	178,494	178,494
Miscellaneous	470,716	120,000	4	(119,996)
Intergovernmental:				
Commonwealth	1,541,042	862,917	905,750	42,833
Total revenues	\$ 2,602,911	\$ 1,324,070	\$ 1,582,605	\$ 258,535
Expenditures:				
Capital outlay:				
General government administration:				
Equipment additions	\$ 2,095,988	\$ 2,414,296	\$ 641,516	\$ 1,772,780
Total general government administration	\$ 2,095,988	\$ 2,414,296	\$ 641,516	\$ 1,772,780
Public safety:				
Vehicle and equipment additions	\$ 1,330,091	\$ 2,231,505	\$ 1,446,435	\$ 785,070
Total public safety	\$ 1,330,091	\$ 2,231,505	\$ 1,446,435	\$ 785,070
Public works:				
Miscellaneous capital outlays	\$ 258,911	\$ 258,911	\$ 124,768	\$ 134,143
Total public works	\$ 258,911	\$ 258,911	\$ 124,768	\$ 134,143
Health and welfare:				
Equipment additions	\$ 155,000	\$ 105,000	\$ 95,759	\$ 9,241
Total health and welfare	\$ 155,000	\$ 105,000	\$ 95,759	\$ 9,241
Parks, recreation and cultural:				
Equipment additions	\$ 14,000	\$ 14,000	\$ 14,000	\$ -
Total parks, recreation and cultural	\$ 14,000	\$ 14,000	\$ 14,000	\$ -
Capital projects:				
General government administration:				
City hall construction	\$ 1,647,303	\$ 1,677,841	\$ 230,160	\$ 1,447,681
Other projects	100,000	125,000	-	125,000
Total general government administration	\$ 1,747,303	\$ 1,802,841	\$ 230,160	\$ 1,572,681
Public safety:				
Public safety projects	\$ 1,033,135	\$ 1,743,202	\$ 638,178	\$ 1,105,024
Total public safety	\$ 1,033,135	\$ 1,743,202	\$ 638,178	\$ 1,105,024
Public works:				
Road, traffic and other projects	\$ 6,402,413	\$ 6,467,232	\$ 3,890,091	\$ 2,577,141
Total public works projects	\$ 6,402,413	\$ 6,467,232	\$ 3,890,091	\$ 2,577,141

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual

Year Ended June 30, 2024 (Continued)

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Expenditures: (Continued)				
Capital projects: (Continued)				
Education:				
School security projects	\$ 350,716	\$ 745,165	\$ 2,380,619	\$ (1,635,454)
Contribution to Component Unit School Board	637,485	1,262,331	1,261,485	846
Total education	\$ 988,201	\$ 2,007,496	\$ 3,642,104	\$ (1,634,608)
Parks and recreation:				
Parks and recreation projects	\$ 891,000	\$ 1,004,256	\$ 804,787	\$ 199,469
Debt service:				
Principal retirement	\$ 1,495,294	\$ 1,495,294	\$ 1,056,988	\$ 438,306
Interest and other fiscal charges	41,484	41,484	693,008	(651,524)
Total debt service	\$ 1,536,778	\$ 1,536,778	\$ 1,749,996	\$ (213,218)
Total expenditures	\$ 16,452,820	\$ 19,585,517	\$ 13,277,794	\$ 6,307,723
Excess (deficiency) of revenues over (under) expenditures	\$ (13,849,909)	\$ (18,261,447)	\$ (11,695,189)	\$ 6,566,258
Other financing sources (uses):				
Transfers in	\$ 9,546,355	\$ 16,414,142	\$ 541,050	\$ (15,873,092)
Issuance of notes payable	-	-	525,000	525,000
Total other financing sources (uses):	\$ 9,546,355	\$ 16,414,142	\$ 1,066,050	\$ (15,348,092)
Net changes in fund balance	\$ (4,303,554)	\$ (1,847,305)	\$ (10,629,139)	\$ (8,781,834)
Fund balance at beginning of year	4,303,554	1,847,305	2,179,798	332,493
Fund balance at end of year	\$ -	\$ -	\$ (8,449,341)	\$ (8,449,341)

Proffer Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual

Year Ended June 30, 2024

	<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	\$ 1,197,303	\$ 1,197,303	\$ 196,000	\$ (1,001,303)
Total revenues	\$ 1,197,303	\$ 1,197,303	\$ 196,000	\$ (1,001,303)
Excess (deficiency) of revenues over (under) expenditures	\$ 1,197,303	\$ 1,197,303	\$ 196,000	\$ (1,001,303)
Other financing sources (uses):				
Transfers (out)	\$ (732,034)	\$ (866,680)	\$ (433,340)	\$ 433,340
Total other financing sources (uses):	\$ (732,034)	\$ (866,680)	\$ (433,340)	\$ 433,340
Net changes in fund balance	\$ 465,269	\$ 330,623	\$ (237,340)	\$ (567,963)
Fund balance at beginning of year	(465,269)	(330,623)	3,217,989	3,548,612
Fund balance at end of year	\$ -	\$ -	\$ 2,980,649	\$ 2,980,649

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual

Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Positive (Negative)</u>
Expenditures:				
Debt service:				
Principal retirement	\$ 5,674,777	\$ 5,674,777	\$ 5,674,777	\$ -
Interest and other fiscal charges	<u>2,485,133</u>	<u>2,485,133</u>	<u>2,426,363</u>	<u>58,770</u>
Total debt service	\$ <u>8,159,910</u>	\$ <u>8,159,910</u>	\$ <u>8,101,140</u>	\$ <u>58,770</u>
Total expenditures	\$ <u>8,159,910</u>	\$ <u>8,159,910</u>	\$ <u>8,101,140</u>	\$ <u>58,770</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(8,159,910)</u>	\$ <u>(8,159,910)</u>	\$ <u>(8,101,140)</u>	\$ <u>58,770</u>
Other financing sources (uses):				
Transfers in	\$ <u>8,159,910</u>	\$ <u>8,159,910</u>	\$ <u>8,159,910</u>	\$ -
Net changes in fund balance	\$ -	\$ -	\$ 58,770	\$ 58,770
Fund balance at beginning of year	-	-	435,910	435,910
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 494,680</u>	<u>\$ 494,680</u>

Combing Balance Sheet
 Nonmajor Special Revenue Funds
 At June 30, 2024

	Gang Task Force Fund	Special Transportation Fund	Total
ASSETS			
Cash and cash equivalents	\$ <u>20</u>	\$ <u>4,290,986</u>	\$ <u>4,291,006</u>
Total assets	\$ <u><u>20</u></u>	\$ <u><u>4,290,986</u></u>	\$ <u><u>4,291,006</u></u>
FUND BALANCES			
Committed	\$ <u>20</u>	\$ <u>4,290,986</u>	\$ <u>4,291,006</u>
Total fund balances	\$ <u>20</u>	\$ <u>4,290,986</u>	\$ <u>4,291,006</u>
Total liabilities and fund balances	\$ <u><u>20</u></u>	\$ <u><u>4,290,986</u></u>	\$ <u><u>4,291,006</u></u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 Year Ended June 30, 2024

	Gang Task Force Fund	Special Transportation Fund	Total
Revenues:			
Miscellaneous	\$ -	\$ 669,024	\$ 669,024
Other financing sources (uses):			
Transfers in	\$ -	\$ 433,340	\$ 433,340
Total other financing sources (uses):	\$ -	\$ 433,340	\$ 433,340
Net changes in fund balance	\$ -	\$ 1,102,364	\$ 1,102,364
Fund balance at beginning of year	20	3,188,622	3,188,642
Fund balance at end of year	<u>\$ 20</u>	<u>\$ 4,290,986</u>	<u>\$ 4,291,006</u>

Schedule of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual
 Nonmajor Special Revenue Funds
 Year Ended June 30, 2024

	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	\$ -	\$ -	\$ -	\$ -	\$ 606,250	\$ 650,000	\$ 669,024	\$ 19,024
Other financing sources (uses):								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ 366,517	\$ 433,340	\$ 433,340	\$ -
Total other financing sources (uses):	\$ -	\$ -	\$ -	\$ -	\$ 366,517	\$ 433,340	\$ 433,340	\$ -
Net changes in fund balance	\$ -	\$ -	\$ -	\$ -	\$ 972,767	\$ 1,083,340	\$ 1,102,364	\$ 19,024
Fund balance at beginning of year	-	-	20	20	(972,767)	(1,083,340)	3,188,622	4,271,962
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,290,986</u>	<u>\$ 4,290,986</u>

Discretely Presented Component Unit-School Board

Balance Sheet - Discretely Presented Component Unit - School Board
At June 30, 2024

	<u>School Operating</u>	<u>School Cafeteria</u>	<u>School Activity Funds</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 7,450,541	\$ 775,504	\$ 422,441	\$ 8,648,486
Receivables (Net of allowance for uncollectibles):				
Accounts	104,017	-	702	104,719
Inventories		17,066	-	17,066
Prepaid items	178,051	6,075		184,126
Due from other governmental units	<u>2,299,382</u>	<u>34,853</u>	<u>-</u>	<u>2,334,235</u>
 Total assets	 <u>\$ 10,031,991</u>	 <u>\$ 833,498</u>	 <u>\$ 423,143</u>	 <u>\$ 11,288,632</u>
LIABILITIES				
Accounts payable	\$ 1,433,963	\$ 773	\$ -	\$ 1,434,736
Accrued liabilities	4,311,698	74,568	-	4,386,266
Unearned revenue	-	4,281	-	4,281
Due to primary government	<u>1,340,530</u>	<u>-</u>	<u>-</u>	<u>1,340,530</u>
 Total liabilities	 <u>\$ 7,086,191</u>	 <u>\$ 79,622</u>	 <u>\$ -</u>	 <u>\$ 7,165,813</u>
FUND BALANCES				
Nonspendable - prepaid items and inventory	\$ 178,051	\$ 23,141	\$ -	\$ 201,192
Restricted	1,358,689	-	423,143	1,781,832
Committed - cafeteria	-	730,735	-	730,735
Committed - health insurance	221,718	-	-	221,718
Unassigned	<u>1,187,342</u>	<u>-</u>	<u>-</u>	<u>1,187,342</u>
 Total fund balances	 <u>\$ 2,945,800</u>	 <u>\$ 753,876</u>	 <u>\$ 423,143</u>	 <u>\$ 4,122,819</u>
 Total liabilities and fund balances	 <u>\$ 10,031,991</u>	 <u>\$ 833,498</u>	 <u>\$ 423,143</u>	 <u>\$ 11,288,632</u>

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

Total fund balances, balance sheet, governmental funds	\$ 4,122,819
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.	45,592,555
The Net Pension and OPEB Assets are not an available resources and, therefore are not reported in the funds.	1,421,713
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.	9,975,912
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(4,745,534)
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.	(34,025,894)
Net position of Governmental Activities	<u>\$ 22,341,571</u>

Statement of Revenues, Expenditures and Changes in Fund Balances -
Discretely Presented Component Unit - School Board
Year Ended June 30, 2024

	<u>School Operating</u>	<u>School Cafeteria</u>	<u>School Activity Funds</u>	<u>Total</u>
Revenues:				
Revenue from use of money and property	\$ 684	\$ 520	\$ -	\$ 1,204
Charges for services	-	11,782	-	11,782
Miscellaneous	553,938	21,598	347,573	923,109
Intergovernmental:				
County contribution to School Board	13,221,460	-	-	13,221,460
Commonwealth	38,132,136	73,242	-	38,205,378
Federal	3,085,990	2,199,760	-	5,285,750
Total revenues	<u>\$ 54,994,208</u>	<u>\$ 2,306,902</u>	<u>\$ 347,573</u>	<u>\$ 57,648,683</u>
Expenditures:				
Current:				
Education	\$ 53,537,283	\$ 2,545,898	\$ 282,049	\$ 56,365,230
Debt service:				
Principal retirement	75,510	-	-	75,510
Interest and fiscal charges	3,635	-	-	3,635
Total expenditures	<u>\$ 53,616,428</u>	<u>\$ 2,545,898</u>	<u>\$ 282,049</u>	<u>\$ 56,444,375</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,377,780</u>	<u>\$ (238,996)</u>	<u>\$ 65,524</u>	<u>\$ 1,204,308</u>
Net changes in fund balances	\$ 1,377,780	\$ (238,996)	\$ 65,524	\$ 1,204,308
Fund balances at beginning of year	<u>1,568,020</u>	<u>992,872</u>	<u>357,619</u>	<u>2,918,511</u>
Fund balances at end of year	<u><u>\$ 2,945,800</u></u>	<u><u>\$ 753,876</u></u>	<u><u>\$ 423,143</u></u>	<u><u>\$ 4,122,819</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, 2024

		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	\$	1,204,308
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	\$ 1,370,326	
Depreciation expense	<u>(2,621,842)</u>	(1,251,516)
Transfer of joint tenancy assets from Primary Government to the Component Unit School Board		2,212,081
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 and similar items. A summary of items supporting this adjustment is as follows:		
Principal retired on subscription liabilities		75,510
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	\$ 2,012,670	
OPEB expense	388,368	
Change in compensated absences	<u>(214,203)</u>	2,186,835
Special contributions received from the Commonwealth for the pension OPEB sharing pools are not reported in governmental funds.		<u>411,880</u>
Change in net position of governmental activities	\$	<u><u>4,839,098</u></u>

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
Governmental Funds
Year Ended June 30, 2024

	School Operating Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Revenue from use of money and property	\$ 12	\$ 12	\$ 684	\$ 672
Charges for services	-	-	-	-
Miscellaneous	336,111	336,111	553,938	217,827
Intergovernmental:				
County contribution to School Board	14,937,485	14,561,485	13,221,460	(1,340,025)
Commonwealth	36,437,755	37,188,417	38,132,136	943,719
Federal	2,130,100	3,187,152	3,085,990	(101,162)
Total revenues	\$ 53,841,463	\$ 55,273,177	\$ 54,994,208	\$ (278,969)
Expenditures:				
Current:				
Instruction	\$ 38,201,960	\$ 38,946,940	\$ 38,297,377	\$ 649,563
Administration, attendance and health	4,247,151	4,329,975	4,257,759	72,216
Pupil transportation	2,633,822	2,685,185	2,640,401	44,784
Operation and maintenance	5,301,021	5,404,396	5,314,261	90,135
School food service costs	4,453	4,540	4,464	76
Technology	2,936,344	2,995,150	3,023,021	(27,871)
Total education	\$ 53,324,751	\$ 54,366,186	\$ 53,537,283	\$ 828,903
Debt service:				
Principal retirement	\$ 75,510	\$ 75,510	\$ 75,510	\$ -
Interest and fiscal charges	3,635	3,635	3,635	-
Total debt service	\$ 79,145	\$ 79,145	\$ 79,145	\$ -
Total expenditures	\$ 53,403,896	\$ 54,445,331	\$ 53,616,428	\$ 828,903
Excess (deficiency) of revenues over (under) expenditures	\$ 437,567	\$ 827,846	\$ 1,377,780	\$ 549,934
Net changes in fund balances	\$ 437,567	\$ 827,846	\$ 1,377,780	\$ 549,934
Fund balances at beginning of year	213,697	2,192,867	1,568,020	(624,847)
Fund balances at end of year	\$ 651,264	\$ 3,020,713	\$ 2,945,800	\$ (74,913)

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
Governmental Funds
Year Ended June 30, 2024

	School Cafeteria Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Revenue from use of money and property	\$ 740	\$ 740	\$ 520	\$ (220)
Charges for services	11,750	11,750	11,782	32
Miscellaneous	18,500	18,500	21,598	3,098
Intergovernmental:				
County contribution to School Board	-	-	-	-
Commonwealth	30,000	30,000	73,242	43,242
Federal	2,102,617	2,102,617	2,199,760	97,143
Total revenues	\$ 2,163,607	\$ 2,163,607	\$ 2,306,902	\$ 143,295
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Administration, attendance and health	-	-	-	-
Pupil transportation	-	-	-	-
Operation and maintenance	-	-	-	-
School food service costs	2,629,179	2,629,179	2,545,898	83,281
Technology	-	-	-	-
Total education	\$ 2,629,179	\$ 2,629,179	\$ 2,545,898	\$ 83,281
Debt service:				
Principal retirement	\$ -	\$ -	\$ -	\$ -
Interest and fiscal charges	-	-	-	-
Total debt service	\$ -	\$ -	\$ -	\$ -
Total expenditures	\$ 2,629,179	\$ 2,629,179	\$ 2,545,898	\$ 83,281
Excess (deficiency) of revenues over (under) expenditures	\$ (465,572)	\$ (465,572)	\$ (238,996)	\$ 226,576
Net changes in fund balances	\$ (465,572)	\$ (465,572)	\$ (238,996)	\$ 226,576
Fund balances at beginning of year	\$ 1,067,954	\$ 992,881	\$ 992,872	\$ (9)
Fund balances at end of year	\$ 602,382	\$ 527,309	\$ 753,876	\$ 226,567

Supporting Schedules

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2024

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	\$ 33,909,894	\$ 34,174,894	\$ 33,587,258	\$ (587,636)
Public service taxes	472,428	472,428	453,200	(19,228)
Personal property taxes	5,741,626	5,871,126	6,380,620	509,494
Machinery and tools taxes	32,000	32,000	14,600	(17,400)
Penalties	296,651	296,651	347,842	51,191
Interest	121,469	121,469	112,657	(8,812)
Total general property taxes	\$ 40,574,068	\$ 40,968,568	\$ 40,896,177	\$ (72,391)
Other local taxes:				
Local sales and use taxes	\$ 3,300,000	\$ 3,000,000	\$ 2,651,847	\$ (348,153)
Consumer utility taxes	966,000	966,000	853,801	(112,199)
Business license taxes	1,272,327	1,272,327	1,574,415	302,088
Motor vehicle licenses	544,540	469,078	501,595	32,517
Bank franchise taxes	145,000	145,000	109,421	(35,579)
Recordation taxes	200,000	200,000	329,478	129,478
Cigarette taxes	230,000	230,000	176,652	(53,348)
Meals tax	700,000	600,000	580,149	(19,851)
Cable TV franchise fees	30,000	30,000	15,884	(14,116)
Other	100	100	7,540	7,440
Total other local taxes	\$ 7,387,967	\$ 6,912,505	\$ 6,800,782	\$ (111,723)
Permits, privilege fees and regulatory licenses:				
Animal licenses	\$ 1,000	\$ 1,000	\$ 855	\$ (145)
Building and related permits	587,688	356,000	431,648	75,648
Cell tower fees	18,246	18,246	19,832	1,586
Fire and rescue permits	51,000	51,000	18,790	(32,210)
Other permits and licenses	22,678	22,678	25,731	3,053
Total permits, privilege fees and regulatory licenses	\$ 680,612	\$ 448,924	\$ 496,856	\$ 47,932
Fines and Forfeitures:				
Fines and forfeitures	\$ 1,747,900	\$ 1,919,628	\$ 1,233,466	\$ (686,162)
Revenue from use of money and property:				
Revenue from use of money	\$ 516,000	\$ 900,000	\$ 1,134,004	\$ 234,004
Revenue from use of property	23,286	23,286	5,836	(17,450)
Total revenue from use of money and property	\$ 539,286	\$ 923,286	\$ 1,139,840	\$ 216,554

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2024 (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	\$ 140,550	\$ 140,550	\$ 140,550	\$ -
Courthouse maintenance fees	400	400	372	(28)
Charges for EMS	340,000	340,000	301,916	(38,084)
Charges for parks and recreation	1,239,645	1,251,045	1,234,894	(16,151)
Total charges for services	\$ 1,720,595	\$ 1,731,995	\$ 1,677,732	\$ (54,263)
Miscellaneous:				
Miscellaneous	\$ 335,488	\$ 339,289	\$ 260,132	\$ (79,157)
Other refunds	69,000	69,000	70,531	1,531
Rebates and refunds from schools	50,000	50,000	42,765	(7,235)
Total miscellaneous	\$ 454,488	\$ 458,289	\$ 373,428	\$ (84,861)
Total revenue from local sources	\$ 53,104,916	\$ 53,363,195	\$ 52,618,281	\$ (744,914)
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 4,000	\$ 4,000	\$ 4,567	\$ 567
Recordation tax	100,000	70,000	94,158	24,158
Auto rental tax	60,600	50,000	46,272	(3,728)
Communication tax	510,000	510,000	476,856	(33,144)
PPTRA	1,368,393	1,368,393	1,368,393	-
Total noncategorical aid	\$ 2,042,993	\$ 2,002,393	\$ 1,990,246	\$ (12,147)
Categorical aid:				
Shared expenses:				
Commissioner of the Revenue	\$ 88,395	\$ 97,000	\$ 113,432	\$ 16,432
Treasurer	89,096	92,000	99,618	7,618
Registrar/electoral board	82,837	82,837	90,552	7,715
Total shared expenses	\$ 260,328	\$ 271,837	\$ 303,602	\$ 31,765
Other categorical aid:				
Welfare administration and assistance	\$ 533,094	\$ 533,094	\$ 441,297	\$ (91,797)
Aid to localities with police departments	525,000	539,922	539,922	-
Library grant	106,686	125,195	125,319	124
Children's services	658,196	884,956	895,739	10,783
Street maintenance	795,269	937,342	937,946	604

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2024 (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	\$ 70,000	\$ 77,528	\$ 77,528	\$ -
Other categorical aid	378,063	428,063	309,522	(118,541)
Total other categorical aid	\$ 3,066,308	\$ 3,526,100	\$ 3,327,273	\$ (198,827)
Total categorical aid	\$ 3,326,636	\$ 3,797,937	\$ 3,630,875	\$ (167,062)
Total revenue from the Commonwealth	\$ 5,369,629	\$ 5,800,330	\$ 5,621,121	\$ (179,209)
Revenue from the federal government:				
Categorical aid:				
Welfare administration and assistance	\$ 1,140,967	\$ 1,231,197	\$ 1,345,450	\$ 114,253
Law enforcement grants	1,332,045	1,493,045	844,548	(648,497)
American Rescue Plan	6,542,710	6,900,603	4,497,837	(2,402,766)
Other categorical aid	7,500	7,500	3,700	(3,800)
Total revenue from the federal government	\$ 9,023,222	\$ 9,632,345	\$ 6,691,535	\$ (2,940,810)
Total General Fund	\$ 67,497,767	\$ 68,795,870	\$ 64,930,937	\$ (3,864,933)
Capital Projects Fund:				
Revenue from local sources:				
Other local taxes:				
Grantors tax	\$ 125,000	\$ 125,000	\$ 198,208	\$ 73,208
Gasoline taxes	16,153	216,153	300,149	83,996
Total other local taxes	\$ 141,153	\$ 341,153	\$ 498,357	\$ 157,204
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 178,494	\$ 178,494
Revenue from use of property	450,000	-	-	-
Total revenue from use of money and property	\$ 450,000	\$ -	\$ 178,494	\$ 178,494
Miscellaneous:				
Donations	-	-	-	-
Proffers	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Photo enforcement revenue	350,716	-	-	-
Miscellaneous	20,000	20,000	4	(19,996)
Total miscellaneous	\$ 470,716	\$ 120,000	\$ 4	\$ (119,996)
Total revenue from local sources	\$ 611,869	\$ 461,153	\$ 676,855	\$ 215,702
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
VDOT grants	\$ 1,541,042	\$ 862,917	\$ 905,750	\$ 42,833
Total revenue from the Commonwealth	\$ 1,541,042	\$ 862,917	\$ 905,750	\$ 42,833
Total Capital Projects Fund	\$ 2,152,911	\$ 1,324,070	\$ 1,582,605	\$ 258,535

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Primary Government: (Continued)				
Proffer Fund:				
Revenue from local sources:				
Miscellaneous:				
Proffers	\$ 1,197,303	\$ 1,197,303	\$ 196,000	\$ (1,001,303)
Special Transportation Fund:				
Miscellaneous:				
Northern Virginia Transportation Authority	\$ 606,250	\$ 650,000	\$ 669,024	\$ 19,024
Grand Total Revenues -- Primary Government	\$ 71,454,231	\$ 71,967,243	\$ 67,378,566	\$ (4,588,677)
Component Unit -- School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	\$ 12	\$ 12	\$ 24	\$ 12
Revenue from use of property	-	-	660	660
Total revenue from use of money and property	\$ 12	\$ 12	\$ 684	\$ 672
Miscellaneous:				
Miscellaneous	\$ 118,732	\$ 118,732	\$ 215,804	\$ 97,072
Other reimbursements and recoveries	217,379	217,379	338,134	120,755
Total miscellaneous	\$ 336,111	\$ 336,111	\$ 553,938	\$ 217,827
Total revenue from local sources	\$ 336,123	\$ 336,123	\$ 554,622	\$ 218,499
Intergovernmental:				
County contribution to School Board	\$ 14,937,485	\$ 14,561,485	\$ 13,221,460	\$ (1,340,025)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 4,304,564	\$ 3,921,794	\$ 4,082,164	\$ 160,370
Basic school aid	13,880,176	14,333,096	14,510,526	177,430
English as a second language	1,694,249	1,625,515	1,625,515	-
Textbook payments	304,388	307,342	310,505	3,163
Special education	1,322,127	1,334,955	1,348,694	13,739
Fringe benefits	2,687,942	2,702,414	2,730,226	27,812
Lottery	923,737	940,306	949,762	9,456
K-3 primary class size reduction	734,910	750,879	750,879	-
Prevention, intervention, and remediation	694,404	701,142	708,358	7,216
At risk	1,002,570	2,435,125	888,709	(1,546,416)
School construction	1,505,515	-	-	-
Hold harmless	760,748	760,748	760,748	-
Other state funds	6,622,425	7,375,101	9,466,050	2,090,949
Total categorical aid	\$ 36,437,755	\$ 37,188,417	\$ 38,132,136	\$ 943,719
Total revenue from the Commonwealth	\$ 36,437,755	\$ 37,188,417	\$ 38,132,136	\$ 943,719

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2024 (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	\$ 412,757	\$ 486,523	\$ 486,183	\$ (340)
Title VI - B	760,670	760,670	745,834	(14,836)
Title III	150,918	150,918	104,681	(46,237)
Coronavirus relief fund	-	600,000	620,000	20,000
Education stabilization funds	654,735	1,038,021	869,304	(168,717)
Title II - A	88,732	88,732	101,743	13,011
Other federal assistance	62,288	62,288	158,245	95,957
Total categorical aid	\$ 2,130,100	\$ 3,187,152	\$ 3,085,990	\$ (101,162)
Total revenue from the federal government	\$ 2,130,100	\$ 3,187,152	\$ 3,085,990	\$ (101,162)
Total School Operating Fund	\$ 53,841,463	\$ 55,273,177	\$ 54,994,208	\$ (278,969)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	\$ 740	\$ 740	\$ 520	\$ (220)
Charges for services:				
Cafeteria sales	\$ 11,750	\$ 11,750	\$ 11,782	\$ 32
Miscellaneous:				
Miscellaneous	\$ 18,500	\$ 18,500	\$ 21,598	\$ 3,098
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food	\$ 30,000	\$ 30,000	\$ 73,242	\$ 43,242
Revenue from the federal government:				
Categorical aid:				
School food	\$ 2,102,617	\$ 2,102,617	\$ 2,199,760	\$ 97,143
Total School Cafeteria Fund	\$ 2,163,607	\$ 2,163,607	\$ 2,306,902	\$ 143,295

CITY OF MANASSAS PARK, VIRGINIA

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

	2015	2016	2017	2018	2019
Governmental activities:					
Net investment in capital assets	\$ 1,377,597	\$ (659,469)	\$ 1,577,177	\$ 1,257,453	\$ 1,835,598
Restricted	-	-	-	-	-
Unrestricted	(3,217,713)	(2,771,801)	(1,069,313)	(1,654,146)	(242,532)
Total governmental activities net position	<u>\$ (1,840,116)</u>	<u>\$ (3,431,270)</u>	<u>\$ 507,864</u>	<u>\$ (396,693)</u>	<u>\$ 1,593,066</u>
Business-type activities:					
Net investment in capital assets	\$ 5,080,344	\$ 4,425,297	\$ 4,757,274	\$ 5,510,752	\$ 5,910,610
Restricted	-	-	-	-	-
Unrestricted	8,364,649	9,289,985	10,612,624	11,239,410	11,436,493
Total business-type net position	<u>\$ 13,444,993</u>	<u>\$ 13,715,282</u>	<u>\$ 15,369,898</u>	<u>\$ 16,750,162</u>	<u>\$ 17,347,103</u>
Primary government:					
Net investment in capital assets	\$ 6,457,941	\$ 3,765,828	\$ 6,334,451	\$ 6,768,205	\$ 7,746,208
Restricted	-	-	-	-	-
Unrestricted	5,146,936	6,518,184	9,543,311	9,585,264	11,193,961
Total primary government net position	<u>\$ 11,604,877</u>	<u>\$ 10,284,012</u>	<u>\$ 15,877,762</u>	<u>\$ 16,353,469</u>	<u>\$ 18,940,169</u>

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

	2020	2021	2022	2023	2024
Governmental activities:					
Net investment in capital assets	\$ 1,690,291	\$ 10,730,463	\$ 5,090,901	\$ 9,038,696	\$ 18,505,960
Restricted	-	-	1,755,311	116,143	181,766
Unrestricted	2,602,559	5,759,296	10,377,533	25,026,614	24,087,905
Total governmental activities net position	<u>\$ 4,292,850</u>	<u>\$ 16,489,759</u>	<u>\$ 17,223,745</u>	<u>\$ 34,181,453</u>	<u>\$ 42,775,631</u>
Business-type activities:					
Net investment in capital assets	\$ 6,237,972	\$ 6,639,399	\$ 7,125,339	\$ 7,304,438	\$ 7,510,256
Restricted	-	-	110,731	-	-
Unrestricted	11,639,212	11,492,007	12,469,235	13,369,512	12,747,189
Total business-type net position	<u>\$ 17,877,184</u>	<u>\$ 18,131,406</u>	<u>\$ 19,705,305</u>	<u>\$ 20,673,950</u>	<u>\$ 20,257,445</u>
Primary government:					
Net investment in capital assets	\$ 7,928,263	\$ 17,369,862	\$ 12,216,240	\$ 16,343,134	\$ 26,016,216
Restricted	-	-	1,866,042	116,143	181,766
Unrestricted	14,241,771	17,251,303	22,846,768	38,396,126	36,835,094
Total primary government net position	<u>\$ 22,170,034</u>	<u>\$ 34,621,165</u>	<u>\$ 36,929,050</u>	<u>\$ 54,855,403</u>	<u>\$ 63,033,076</u>

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental activities:										
General government administration	\$ 3,510,406	\$ 3,494,109	\$ 3,412,539	\$ 3,393,795	\$ 3,376,110	\$ 4,433,992	\$ 6,682,773	\$ 4,018,781	\$ 5,832,455	\$ 8,609,222
Judicial administration	424,601	418,957	477,386	513,265	543,362	554,513	582,085	644,959	668,655	712,042
Public safety	7,619,134	8,311,741	8,603,687	8,334,813	8,375,359	9,043,057	9,661,800	9,517,782	11,790,743	14,963,352
Public works	1,620,357	2,635,148	2,347,810	2,322,877	2,479,810	2,345,369	2,699,216	3,451,525	3,209,682	4,223,616
Health and welfare	2,760,795	3,509,747	3,835,012	3,888,770	3,744,925	3,993,852	4,146,666	4,575,256	5,594,424	6,149,604
Education	11,226,765	16,069,968	14,918,955	17,046,767	16,698,362	17,152,343	16,135,058	20,005,514	15,957,697	16,822,695
Parks, recreation, and cultural	3,691,420	3,918,221	4,122,190	3,818,159	3,865,018	4,237,785	3,564,600	3,826,096	5,130,364	5,408,111
Community development	1,769,014	254,517	532,461	467,237	404,487	533,027	613,754	5,325,829	1,050,758	1,144,669
Interest on long-term debt	7,503,698	4,744,844	4,014,767	4,058,604	3,795,080	3,049,485	3,755,429	3,642,018	3,212,224	2,668,342
Total governmental activities expenses	\$ 40,126,189	\$ 43,357,252	\$ 42,264,807	\$ 43,844,287	\$ 43,282,513	\$ 45,343,423	\$ 47,841,381	\$ 55,007,760	\$ 52,447,002	\$ 60,701,653
Business-type activities:										
Solid Waste Management	\$ 846,022	\$ 768,538	\$ 807,545	\$ 857,410	\$ 881,674	\$ 913,676	\$ 974,183	\$ 960,947	\$ 742,012	\$ 1,432,926
Storm Water	152,761	229,347	197,463	409,628	339,417	419,275	469,836	700,895	1,250,613	940,976
Water and sewer	6,418,896	6,635,548	6,894,305	6,418,196	7,030,609	6,995,099	7,119,654	6,810,298	7,156,746	8,445,745
Total business-type activities expenses	\$ 7,417,679	\$ 7,633,433	\$ 7,899,313	\$ 7,685,234	\$ 8,251,700	\$ 8,328,050	\$ 8,563,673	\$ 8,472,140	\$ 9,149,371	\$ 10,819,647
Total primary government expenses	\$ 47,543,867	\$ 50,990,685	\$ 50,164,120	\$ 51,529,521	\$ 51,534,213	\$ 53,671,473	\$ 56,405,054	\$ 63,479,900	\$ 61,596,373	\$ 71,521,300
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 346,570	\$ -	\$ -	\$ 50,800	\$ 14,616	\$ 15,056	\$ 15,182	\$ 15,485	\$ 19,412	\$ 19,832
Judicial administration	228,659	209,859	262,554	245,075	184,953	344,696	421,335	1,331,018	1,358,035	1,233,838
Public safety	293,905	247,265	232,007	265,599	231,326	288,535	256,309	341,177	356,203	321,561
Public works	-	357,787	278,451	107,796	111,264	169,371	263,888	360,351	328,570	457,379
Health and welfare	108,697	-	-	-	-	-	-	-	-	-
Parks, recreation, and cultural	1,041,027	1,119,794	1,314,845	1,246,552	1,277,332	735,395	505,739	1,085,932	1,140,333	1,234,894
Community development	44,400	96,152	99,886	104,880	110,124	115,631	121,412	127,483	133,857	140,550
Operating grants and contributions	1,925,199	2,775,829	3,169,565	3,081,815	3,183,244	3,507,904	5,842,163	4,266,696	6,546,891	7,202,828
Capital grants and contributions	704,787	644,168	2,895,472	271,459	176,999	31,509	499,676	1,614,463	5,732,949	4,025,332
Total governmental activities program revenues	\$ 4,693,243	\$ 5,450,854	\$ 8,252,780	\$ 5,373,976	\$ 5,289,858	\$ 5,208,097	\$ 7,925,704	\$ 9,142,605	\$ 15,616,250	\$ 14,636,214
Business-type activities:										
Charges for services:										
Solid Waste Management	\$ 752,572	\$ 686,157	\$ 802,996	\$ 991,776	\$ 1,125,550	\$ 1,141,994	\$ 1,177,720	\$ 1,199,387	\$ 1,312,441	\$ 1,466,508
Storm Water	233,221	238,569	237,270	862,123	784,020	1,060,923	1,059,172	1,070,893	1,143,542	1,311,850
Water and Sewer	9,231,577	7,895,844	9,872,102	8,548,073	7,830,190	7,967,535	8,003,128	8,743,295	9,134,609	9,359,908
Grants and contributions	-	22,000	-	-	-	-	86,011	81,005	-	-
Total business-type activities program revenues	\$ 10,217,370	\$ 8,842,570	\$ 10,912,368	\$ 10,401,972	\$ 9,739,760	\$ 10,170,452	\$ 10,326,031	\$ 11,094,580	\$ 11,590,592	\$ 12,138,266
Total primary government program revenues	\$ 14,910,613	\$ 14,293,424	\$ 19,165,148	\$ 15,775,948	\$ 15,029,618	\$ 15,378,549	\$ 18,251,735	\$ 20,237,185	\$ 27,206,842	\$ 26,774,480
Net (expense) / revenue										
Governmental activities	\$ (35,432,946)	\$ (37,906,398)	\$ (34,012,027)	\$ (38,470,311)	\$ (37,992,655)	\$ (40,135,326)	\$ (39,915,677)	\$ (45,865,155)	\$ (36,830,752)	\$ (46,065,439)
Business-type activities	2,799,691	1,209,137	3,013,055	2,716,738	1,488,060	1,842,402	1,762,358	2,622,440	2,441,221	1,318,619
Total primary government net expense	\$ (32,633,254)	\$ (36,697,261)	\$ (30,998,972)	\$ (35,753,573)	\$ (36,504,595)	\$ (38,292,924)	\$ (38,153,319)	\$ (43,242,715)	\$ (34,389,531)	\$ (44,746,820)

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 24,098,409	\$ 25,293,814	\$ 27,151,030	\$ 28,255,204	\$ 29,914,550	\$ 31,453,276	\$ 32,022,263	\$ 34,729,645	\$ 38,338,314	\$ 40,803,164
Other local taxes	4,752,567	4,851,707	5,543,183	5,542,658	5,669,860	6,140,250	6,561,059	7,224,965	6,707,159	7,299,139
Unrestricted grants and contributions	2,357,913	2,216,212	2,240,002	2,210,021	2,199,435	2,151,043	2,161,142	2,102,989	1,994,075	1,990,246
Unrestricted revenues from use of money and property	514,342	93,395	52,715	47,270	107,715	645,697	72,321	24,256	933,933	1,318,334
Miscellaneous	2,388,347	2,862,709	1,356,214	2,202,896	947,236	1,006,978	798,332	1,209,348	994,883	1,306,298
Gain on sale of capital assets	-	-	-	-	-	-	7,318,765	247	3,191,389	-
Transfers	1,141,487	997,407	1,608,017	1,389,308	1,143,618	1,437,866	1,377,837	1,408,478	1,628,707	1,942,436
Total governmental activities	\$ 35,253,065	\$ 36,315,244	\$ 37,951,161	\$ 39,647,357	\$ 39,982,414	\$ 42,835,110	\$ 50,311,719	\$ 46,699,928	\$ 53,788,460	\$ 54,659,617
Business-type activities:										
Miscellaneous	\$ -	\$ 58,501	\$ 249,498	\$ 151,850	\$ 252,211	\$ 125,343	\$ 40,824	\$ 359,914	\$ 156,105	\$ 207,312
Unrestricted revenues from use of money and property	-	58	80	178	288	202	22	23	26	-
Transfers	(1,141,487)	(997,407)	(1,608,017)	(1,389,308)	(1,143,618)	(1,437,866)	(1,377,837)	(1,408,478)	(1,628,707)	(1,942,436)
Total business-type activities	\$ (1,141,487)	\$ (938,848)	\$ (1,358,439)	\$ (1,237,280)	\$ (891,119)	\$ (1,312,321)	\$ (1,336,991)	\$ (1,048,541)	\$ (1,472,576)	\$ (1,735,124)
Total primary government	\$ 34,111,578	\$ 35,376,396	\$ 36,592,722	\$ 38,410,077	\$ 39,091,295	\$ 41,522,789	\$ 48,974,728	\$ 45,651,387	\$ 52,315,884	\$ 52,924,493
Change in Net Position										
Governmental activities	\$ (179,880)	\$ (1,591,154)	\$ 3,939,134	\$ 1,177,046	\$ 1,989,759	\$ 2,699,784	\$ 10,396,042	\$ 834,773	\$ 16,957,708	\$ 8,594,178
Business-type activities	1,658,204	270,289	1,654,616	1,479,458	596,941	530,081	425,367	1,573,899	968,645	(416,505)
Total primary government	\$ 1,478,324	\$ (1,320,865)	\$ 5,593,750	\$ 2,656,504	\$ 2,586,700	\$ 3,229,865	\$ 10,821,409	\$ 2,408,672	\$ 17,926,353	\$ 8,177,673

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

	2015	2016	2017	2018	2019
General Fund					
Nonspendable	\$ -	\$ 109,084	\$ 179,974	\$ 191,146	\$ 191,146
Restricted	-	-	-	-	-
Committed	-	1,095,863	-	-	-
Assigned	4,353,131	-	-	-	-
Unassigned	(239,548)	982,760	4,143,244	5,439,473	5,439,473
Total general fund	<u>\$ 4,113,583</u>	<u>\$ 2,187,707</u>	<u>\$ 4,323,218</u>	<u>\$ 5,630,619</u>	<u>\$ 5,630,619</u>
All other Governmental Funds					
Nonspendable	\$ -	\$ 1,751	\$ 839,044	\$ 47,636	\$ 47,636
Assigned	796,192	-	-	-	-
Committed	-	3,465,785	2,953,606	3,715,518	3,715,518
Unassigned, reported in:					
Capital projects funds	2,555,127	(2,139,769)	(3,742,190)	(4,363,045)	(4,363,045)
General Fund	-	-	-	-	-
Total all other governmental funds	<u>\$ 3,351,319</u>	<u>\$ 1,327,767</u>	<u>\$ 50,460</u>	<u>\$ (599,891)</u>	<u>\$ (599,891)</u>

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

	2020	2021	2022	2023	2024
General Fund					
Nonspendable	\$ 174,179	\$ 78,390	\$ 64,490	\$ 261,172	\$ 72,218
Restricted	-	-	3,863	28,318	58,478
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	8,164,920	10,911,937	15,299,063	19,267,035	30,303,573
Total general fund	<u>\$ 8,339,099</u>	<u>\$ 10,990,327</u>	<u>\$ 15,367,416</u>	<u>\$ 19,556,525</u>	<u>\$ 30,434,269</u>
All other Governmental Funds					
Nonspendable	\$ -	\$ 9,968	\$ 9,698	\$ -	\$ -
Assigned	-	-	-	-	-
Committed	3,688,896	32,584,018	8,449,031	9,022,339	7,766,335
Unassigned, reported in:					
Capital projects funds	(4,120,892)	-	-	-	(8,449,341)
General Fund	-	-	-	-	-
Total all other governmental funds	<u>\$ (431,996)</u>	<u>\$ 32,593,986</u>	<u>\$ 8,458,729</u>	<u>\$ 9,022,339</u>	<u>\$ (683,006)</u>

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

	2015	2016	2017	2018	2019
Revenues:					
General property taxes	\$ 24,098,409	\$ 25,056,546	\$ 26,884,651	\$ 28,202,325	\$ 29,613,116
Other local taxes	4,752,567	4,851,707	5,543,183	5,542,658	5,669,860
Permits, privilege fees and regulatory licenses	346,570	359,877	281,011	161,106	146,130
Fines and forfeitures	228,659	209,522	262,165	244,775	184,569
Revenue from use of money and property	514,342	93,395	52,715	47,270	107,715
Charges for services	1,488,028	1,461,458	1,644,567	1,614,821	1,598,916
Miscellaneous	2,388,347	2,862,709	1,080,788	2,202,896	947,236
Intergovernmental:					
Commonwealth	5,071,100	4,753,555	5,563,329	4,592,414	4,550,370
Federal	29,584	882,654	2,741,710	970,881	1,009,308
Total revenues	\$ 38,917,606	\$ 40,531,423	\$ 44,054,119	\$ 43,579,146	\$ 43,827,220
Expenditures:					
General government administration	\$ 3,106,395	\$ 3,745,225	\$ 3,355,199	\$ 3,354,651	\$ 3,342,495
Judicial administration	424,601	418,957	477,386	513,265	543,362
Public safety	7,619,134	8,793,006	9,138,160	8,451,367	8,477,920
Public works	1,620,357	3,978,948	5,012,098	1,904,503	1,911,342
Health and welfare	2,760,795	3,479,493	4,034,451	3,989,987	3,828,012
Education	11,226,765	13,016,385	11,527,708	12,138,881	11,878,310
Parks, recreation, and cultural	3,691,420	3,555,956	3,675,348	3,360,738	3,370,727
Community development	219,906	253,044	566,579	491,873	422,119
Capital projects	1,769,014	-	-	-	-
Debt service:					
Principal	2,298,633	4,204,532	4,223,100	6,336,589	7,381,604
Interest and other fiscal charges	5,205,065	4,759,334	4,250,359	4,064,682	3,806,544
Total expenditures	\$ 39,942,083	\$ 46,204,880	\$ 46,260,388	\$ 44,606,536	\$ 44,962,435
Excess of revenues over (under) expenditures	\$ (1,024,477)	\$ (5,673,457)	\$ (2,206,269)	\$ (1,027,390)	\$ (1,135,215)
Other financing sources (uses):					
Transfers in	\$ 15,852,887	\$ 10,608,836	\$ 10,588,062	\$ 12,181,948	\$ 13,266,455
Transfers (out)	(14,711,400)	(9,611,429)	(8,980,045)	(10,792,640)	(12,122,837)
Premium on bonds issued	-	264,671	-	-	-
Payment to refunded bond escrow agent	-	(10,914,582)	(23,581,666)	-	-
Issuance of long-term debt	-	10,775,000	23,840,000	-	-
Issuance of leases	-	292,783	922,696	213,974	426,608
Sale of capital assets	-	308,750	275,426	-	-
Total other financing sources (uses)	\$ 1,141,487	\$ 1,724,029	\$ 3,064,473	\$ 1,603,282	\$ 1,570,226
Net changes in fund balances	\$ 117,010	\$ (3,949,428)	\$ 858,204	\$ 575,892	\$ 435,011
Debt service as a percentage of noncapital expenditures	19.17%	20.82%	20.48%	25.37%	25.33%

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

	2020	2021	2022	2023	2024
Revenues:					
General property taxes	\$ 31,050,759	\$ 32,244,594	\$ 34,953,892	\$ 37,790,421	\$ 40,896,177
Other local taxes	6,140,250	6,561,059	7,224,965	6,707,159	7,299,139
Permits, privilege fees and regulatory licenses	221,882	301,300	392,352	367,389	496,856
Fines and forfeitures	344,323	420,958	1,330,635	1,357,734	1,233,466
Revenue from use of money and property	645,697	72,321	24,256	933,933	1,318,334
Charges for services	1,102,479	861,607	1,538,459	1,611,287	1,677,732
Miscellaneous	814,128	798,332	1,101,998	1,014,408	1,238,456
Intergovernmental:					
Commonwealth	4,421,748	5,034,331	4,735,970	5,726,381	6,526,871
Federal	1,268,708	3,468,650	3,248,178	8,532,564	6,691,535
Total revenues	\$ 46,009,974	\$ 49,763,152	\$ 54,550,705	\$ 64,041,276	\$ 67,378,566
Expenditures:					
General government administration	\$ 4,132,347	\$ 6,612,597	\$ 28,059,388	\$ 11,743,197	\$ 8,118,019
Judicial administration	554,513	582,085	644,959	668,655	712,042
Public safety	8,280,131	8,551,454	10,244,455	12,172,494	15,116,094
Public works	2,144,044	9,753,068	4,220,256	7,963,225	6,566,660
Health and welfare	3,913,204	4,043,752	4,684,637	5,642,547	6,239,961
Education	11,863,141	11,734,577	13,263,132	13,707,889	15,642,478
Parks, recreation, and cultural	3,658,120	3,045,551	3,832,438	4,865,065	5,283,154
Community development	521,149	583,111	959,759	1,083,226	1,144,059
Capital projects	-	-	-	-	-
Debt service:					
Principal	7,295,199	6,649,410	7,117,967	6,312,440	6,731,765
Interest and other fiscal charges	3,718,845	4,201,670	4,219,345	3,763,032	3,119,371
Total expenditures	\$ 46,080,693	\$ 55,757,275	\$ 77,246,336	\$ 67,921,770	\$ 68,673,603
Excess of revenues over (under) expenditures	\$ (70,719)	\$ (5,994,123)	\$ (22,695,631)	\$ (3,880,494)	\$ (1,295,037)
Other financing sources (uses):					
Transfers in	\$ 12,649,614	\$ 12,316,507	\$ 15,199,907	\$ 19,031,007	\$ 11,076,738
Transfers (out)	(11,211,748)	(10,938,670)	(13,791,429)	(17,402,300)	(9,134,302)
Premium on bonds issued	4,259,640	4,157,258	56,249	-	-
Payment to refunded bond escrow agent	(35,290,606)	-	(2,637,974)	-	-
Issuance of long-term debt	31,460,000	27,130,000	2,675,000	2,576,000	525,000
Issuance of leases	452,333	306,238	1,330,980	1,628,236	-
Sale of capital assets	192,850	8,700,000	105,000	2,800,000	-
Total other financing sources (uses)	\$ 2,512,083	\$ 41,671,333	\$ 2,937,733	\$ 8,632,943	\$ 2,467,436
Net changes in fund balances	\$ 2,441,364	\$ 35,677,210	\$ (19,757,898)	\$ 4,752,449	\$ 1,172,399
Debt service as a percentage of noncapital expenditures	24.50%	23.02%	22.72%	18.85%	18.18%

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
2024	\$ 2,339,934	\$ 228,372	\$ 417	\$ 28,547	\$ 2,597,270	\$ 2,597,270	100%	1.71
2023	2,345,729	228,373	417	30,401	2,604,919	2,604,919	100%	1.71
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
2012	1,144,328	109,624	1,219	27,369	1,282,540	1,282,540	100%	1.82
2011	1,006,426	114,600	128	28,787	1,149,941	1,149,941	100%	1.83
2010	1,100,695	110,082	961	27,995	1,239,732	1,239,732	100%	1.82
2008	1,612,469	124,044	1,032	26,304	1,763,849	1,763,849	100%	1.31
2007	1,767,459	127,797	1,111	24,175	1,920,542	1,920,542	100%	1.30
2006	1,472,023	124,133	936	24,420	1,621,512	1,621,512	100%	1.37
2005	1,103,796	106,877	929	20,987	1,232,589	1,232,589	100%	1.50

⁽¹⁾ Assessed values are established by the State Corporation Commission
Source: Manassas Park Commissioner of Revenue

2024	90.09%	8.79%	0.02%	1.10%	100.00%
2023	90.05%	8.77%	0.02%	1.17%	100.00%
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%

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Public Service
2024	1.43	3.00	3.50	1.53
2023	1.45	3.00	3.50	1.53
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

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools
2024	\$ 1.43	\$ 3.00	\$ 3.50	\$ 3.50
2023	1.45	3.00	3.50	3.50
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

(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 2024	
	Assessed Valuation	% of Total Assessed Valuation
PARK STATION LLC	\$ 86,641,000	3.69%
PP PALISADES INVESTORS LLC	79,766,400	3.40%
SCHOOL BOARD CITY OF MANASSAS PARK	43,774,300	1.87%
MANASSAS PARK CITY SCHOOL BOARD	40,792,700	1.74%
GH CITY CENTER LLC	33,095,200	1.41%
GH CITY CENTER LLC	32,633,900	1.39%
CITY OF MANASSAS PARK	31,836,900	1.36%
MANASSAS PARK APARTMENTS LLC	23,022,000	0.98%
CENTRUM-MANASSAS PARK LIMITED PARTN	20,872,000	0.89%
JERAX ENTERPRISES	12,008,700	0.51%
Total	<u>\$ 404,443,100</u>	<u>17.24%</u>

Taxpayer	Fiscal Year 2014	
	Assessed Valuation	% of Total Assessed Valuation
Harverhill LLC	\$ 55,750,000	4.61%
Reiv Hotel LLC	45,857,200	3.79%
Centrum - Manassas Park	16,950,000	1.40%
Jerax Enterprises	8,000,000	0.66%
Oxford Palisades Apartments, LLC	7,296,000	0.60%
HCW Conner Center LLC	5,787,600	0.48%
Twenty-two SAC Self-Storage Corp.	4,765,600	0.39%
The Sills Famil Ltd. Partnership	4,388,200	0.36%
RPC of Manassas Park LLC	4,001,600	0.33%
Charles & J.M. Leopold	3,756,700	0.31%
Total	<u>\$ 156,552,900</u>	<u>12.95%</u>

Levies and Collections
on Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	34,174,894	32,988,451	96.53%	156,336	33,144,787	96.99%
2023	31,389,617	30,566,554	97.38%	184,337	30,750,891	97.97%
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%

Source: Manassas Park Treasurer's Collection

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-type Activities			Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Lease Revenue Bonds	Literary Fund Loans	Lease Liabilities	Notes Payable	General Obligations Bonds	Notes Payable	Total Primary Government		
2024	\$ 49,677,808	\$ 27,130,000	\$ 6,995,000	\$ 1,332,296	\$ 2,942,681	\$ 6,440,949	\$ -	\$ 94,518,734	14.88%	\$ 5,559
2023	59,178,808	30,829,918	7,065,000	2,083,157	2,723,808	7,607,179	-	109,487,870	17.24%	6,440
2022	65,388,826	31,035,208	7,130,000	1,239,034	245,306	8,508,191	-	113,546,565	18.75%	6,678
2021	72,648,729	31,240,498	7,195,000	-	688,889	9,658,272	-	121,431,388	20.54%	7,052
2020	79,950,190	-	7,255,000	-	842,417	10,771,454	56,003	98,875,064	18.00%	5,657
2019	86,683,222	-	7,315,000	-	741,916	11,863,539	110,564	106,714,241	21.78%	6,166
2018	94,356,847	-	7,370,000	-	712,658	12,927,842	163,722	115,531,069	23.58%	6,990
2017	101,117,151	-	7,400,000	-	844,868	13,965,824	215,513	123,543,356	25.81%	7,446
2016	104,128,386	-	7,500,000	-	461,760	14,944,488	-	127,034,634	27.82%	8,026
2015	107,165,329	-	625,000	-	357,721	14,040,000	-	122,188,050	17.40%	7,760

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.

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)
2024	\$ 56,118,757	\$ 6,995,000	\$ 63,113,757	\$ 494,680	\$ 62,619,077	2.40%	\$ 3,683
2023	66,785,987	7,065,000	73,850,987	435,910	73,415,077	2.82%	4,318
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

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.

Legal Debt Margin Information (in thousands)
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 135,907	\$ 164,260	\$ 169,830	\$ 180,422	\$ 189,794	\$ 196,566	\$ 211,391	\$ 238,111	\$ 260,492	\$ 259,727
Total net debt applicable to limit	94,565	126,323	122,174	114,313	105,530	97,642	89,160	80,645	73,415	73,415
Legal debt margin	\$ <u>41,342</u>	\$ <u>37,937</u>	\$ <u>47,656</u>	\$ <u>66,109</u>	\$ <u>84,264</u>	\$ <u>98,924</u>	\$ <u>122,231</u>	\$ <u>157,466</u>	\$ <u>187,077</u>	\$ <u>186,312</u>
Total net debt applicable to the limit as a percentage of the debt limit	69.58%	76.90%	71.94%	63.36%	55.60%	49.67%	42.18%	33.87%	28.18%	28.27%
Assessed value										\$ 2,597,270
Debt limit (10% of total assessed value)										\$ 259,727
Net debt applicable to limit										73,415
Legal debt margin										\$ <u>186,312</u>

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

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	
2024	\$ 9,567,220	\$ 5,692,839	\$ 3,874,381	\$ 851,209	\$ 260,057	\$ 1,111,266	3.49
2023	9,290,740	4,346,027	4,944,713	815,597	321,945	1,137,542	4.35
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

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 Income	School Enrollment	Unemployment Rate
2024	17,537	\$ 765,700,494	\$ 43,662	3,750	3.10%
2023	17,002	635,245,726	37,363	3,434	2.50%
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%

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, 2024
Principal Employers

Rank	Employer	Rank
1	Realtime Peo II, LLC	1
2	Manassas Park City School Board	2
3	City of Manassas Park	3
4	Labor ReadyMid-Atlantic, Inc.	4
5	C.W. Strittmatter, Inc.	5
6	Capital Executive Limousine Service	6
7	Atlas Plumbing LLC	7
8	Patriot Disposal Inc.	8
9	QMT Associates	9
10	James River Equipment	10

Source: infogroup

Full-time Equivalent City Government Employees by Function
Last Five Fiscal Years

Function/Program	2018	2019	2020	2021	2022	2023	2024
City Attorney/Clerk/Council/Electoral Board	2	2	2	4	5	5	5
General overnment							
Management Services & Economic Development	3	3	3	4	6	8	8
Finance	7	7	7	5	6	6	6
Human Resources	1	1	1	1	3	2	2
Information Technology	3	3	3	4	5	6	6
Police							
Officers	42.5	42.5	42.5	35	40	41	41
Fire							
Firefighters and officers	29	29	29	33	30	28	28
Emergency Operations	N/A	N/A	N/A	8	8	8	8
Social Services	17	17	17	20	22	16	16
Community Development & Public Works	26.5	26.5	26.5	31	31	37	37
Engineering / staff							
Parks and recreation							
Staff	16	16	16	18	18	17	17
Treasurer's Office ^a	6	6	6	5	6	6	6
Registrar's Office	2	2	2	2	3	3	3
Commissioner of Revenue	4	4	4	4	6	5	5
Totals	<u>159</u>	<u>159</u>	<u>159</u>	<u>174</u>	<u>189</u>	<u>188</u>	<u>188</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 Four Fiscal Years

Function	2021	2022	2023	2024
Number of Computers				
General government	16	17	17	17
Commissioner of Revenue	5 3	4 3	4 3	4
Finance Department	12	12	6	6
Registrar's Office	3	3	3	3
Treasurer's Office	7	6	6	6
Police department	95	95	95	95
Parks and recreation	41	36	36	36
Fire Department	21	17	17	17
Social Services	3	3	3	3
Public works	25	17	17	17
Information Technology	4	5	5	5
Emergency Operations Center	4	-	-	-
Library	16	56	56	56
Purchased Laptops	26	13	13	13
Spares	<u>22</u>	<u>4</u>	<u>4</u>	<u>4</u>
Total	<u><u>300</u></u>	<u><u>288</u></u>	<u><u>282</u></u>	<u><u>282</u></u>

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, 2024, 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 September 12, 2025.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 - 2024-007 that we consider to be material weaknesses.

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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items 2024-008.

City of Manassas Park, Virginia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on City of Manassas Park, Virginia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. City of Manassas Park, Virginia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
September 12, 2025

**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, 2024. 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, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of 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
September 12, 2025

CITY OF MANASSAS PARK, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Unit
Year Ended June 30, 2024

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>DEPARTMENT OF JUSTICE:</u>			
<u>Direct payments:</u>			
Public Safety Partnership and Community Policing Grants	16.710	Not applicable	\$ 118,859
<u>Pass through payments:</u>			
Virginia Department of Criminal Justice Services: Edward Byrne Memorial Justice Assistance Grant Program	16.738	122611	\$ 4,446
Total Department of Justice			\$ 123,305
<u>DEPARTMENT OF TRANSPORTATION:</u>			
<u>Pass through payments:</u>			
Virginia Department of Motor Vehicles: Alcohol Open Container Requirements	20.607	ENF-AL-2023-53115-23115	\$ 13,045
Highway Safety Cluster: State and Community Highway Safety	20.600	BPT-2023-53246-23246 BPT-2024-54194-24194	24,434
Total Highway Safety Cluster			\$ 24,434
Total Department of Transportation			\$ 37,479
<u>DEPARTMENT OF HOMELAND SECURITY:</u>			
<u>Direct payments:</u>			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	Not applicable	\$ 516,764
Total Department of Homeland Security			\$ 516,764
<u>DEPARTMENT OF THE TREASURY:</u>			
<u>Pass through payments:</u>			
Virginia Department of Accounts: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	12110	\$ 4,497,837
Virginia Department of Criminal Justice Services: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	122373	167,000
Virginia Department of Social Services: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	9122222	57,289
Virginia Tourism Corporation: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Available	3,700
Virginia Department of Education: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP1026	620,000
Total 21.027			\$ 5,345,826
Total Department of the Treasury			\$ 5,345,826
<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	0400123/0400124	\$ 99,215
CCDF Cluster: Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760123/0760124	\$ 26,452
Total CCDF Cluster			\$ 26,452
Medicaid Cluster: Medical assistance program	93.778	1200123/1200124	\$ 295,117
Total Medicaid Cluster			\$ 295,117

CITY OF MANASSAS PARK, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Unit
Year Ended June 30, 2023 (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	1110123/1110124	264
Title IV-E Prevention Program	93.472	1140123/1140124	3,806
Adoption and Legal Guardianship Incentive Payments	93.603	1130122	2,409
Foster Care-Title IV-E	93.658	110023/01100124	243,746
Adoption Assistance	93.659	1120123/1120124	50,633
Chafee Education and Training Vouchers Program	93.599	9160122/9160123	528
Mary Lee Allen Safe and Stable Families Program	93.556	0950122/0950123	44,738
Refugee And Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500123/0500124	4,623
Low-Income Home Energy Assistance	93.568	0600423/0600424	19,577
Social Services Block Grant	93.667	1000123/1000124	94,497
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900122/0900123	182
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122/9150123	8,808
Children's Health Insurance Program	93.767	0540123/0540124	3,240
Total Department of Health and Human Services			\$ 897,835
DEPARTMENT OF AGRICULTURE:			
Virginia Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010123/0010124 0040123/0040124	\$ 390,326
Total SNAP Cluster			\$ 390,326
Pass through payments:			
Virginia Department of Education:			
COVID-19 - Pandemic EBT Administrative Costs	10.649	202323S900941	\$ 3,259
Child and Adult Care Food Program (CACFP)	10.558	202423N11994 1/ 202323N11994 1/ 202424N11994 1/ 202424N20204 1	5,527
Child Nutrition Cluster:			
Virginia Department of Agriculture and Consumer Services:			
Food Distribution - National School Lunch Program	10.555	202424N119941	\$ 167,951
Virginia Department of Education:			
National School Lunch Program	10.555	202323N11994 1/ 202424N11994 1/ 202322N89034 1/ 202323N89034 1	1,422,163
Total 10.555			\$ 1,590,114
Virginia Department of Agriculture and Consumer Services:			
Summer Food Service Program for Children	10.559	202323N11994 1	12,039
School breakfast program	10.553	202323N11994 1/ 202424N11994 1	588,821
Total Child Nutrition Cluster			\$ 2,190,974
Total Department of Agriculture			\$ 2,590,086
DEPARTMENT OF EDUCATION:			
Virginia Department of Education:			
Title I Grants to Local Educational Agencies	84.010	S010A220046/ S010A230046	\$ 486,183
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	H027A210107/ H027A220107	745,834
Special Education - Preschool Grants	84.173	H173A230112	13,321
Total Special Education Cluster (IDEA)			\$ 759,155
COVID-19 Education Stabilization Fund:			
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425D	S425D210008	\$ 93,286
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210008	776,018
Total Education Stabilization Fund			\$ 869,304
English language acquisition state grants	84.365	S365A220046/ S365A230046	\$ 104,681
Supporting Effective Instruction State Grants	84.367	S367A220044/ S367A230044	101,743
Career and Technical Education - Basic Grants to States	84.048	V048A220046/ V048A230046	48,533
Student Support and Academic Enrichment Program	84.424	S424A220048/ S424A230048	96,391
Total Department of Education			\$ 2,465,990
Total Expenditures of Federal Awards			\$ 11,977,285

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, 2024

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, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the 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, 2024.

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	\$ 6,691,535
Total primary government	<u>\$ 6,691,535</u>
Component Unit School Board:	
School Operating Fund	\$ 3,085,990
School Cafeteria Fund	<u>2,199,760</u>
Total component unit school board	<u>\$ 5,285,750</u>
Total federal expenditures per basic financial statements	<u>\$ 11,977,285</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 11,977,285</u></u>

CITY OF MANASSAS PARK, VIRGINIA

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
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
84.425	COVID-19 Education Stabilization Fund

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

CITY OF MANASSAS PARK, VIRGINIA

Schedule of Findings and Questioned Costs Year Ended June 30, 2024 (Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS:

2024-001 Material Weakness- Material Audit Adjustments Proposed by the External Auditor

Criteria: Identification of a material adjustment to the financial statements that was not detected by the entity's internal controls indicates that a material weakness may exist.

Condition: The financial statements required material adjustments by the Auditor to ensure such statements complied with Generally Accepted Accounting Principles (GAAP). Material audit adjustments were proposed to a multitude of accounts and financial statement groups including cash and cash equivalents, investments, receivables, due from other governments, accrued liabilities, capital assets, unearned revenue, debt and revenue and expenditure accounts to be in accordance with Generally Accepted Accounting Principles.

Cause: The City's internal controls in place to capture and record all necessary balances in the automated accounting system were not adequate for the year ended June 30, 2024.

Effect: There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the entity's internal controls over financial reporting.

Recommendation:

We recommend that the City strengthen internal controls to capture and record all balances accurately in accordance with General Accepted Accounting Principles and eliminate the need for material audit adjustments. In addition, capturing and recording all necessary balances in the accounting system will assist Management and those charged with governance in their decision making for the City.

Management Response: Agreed. The recommended strengthening of internal controls has been implemented to review all financial records/components/statements to ensure completeness, accuracy and compliance with GAAP.

2024-002 Material Weakness - Bank Reconciliations

Criteria: The timely reconciliation of material cash balances in the automated accounting system to a detailed bank statement is a critical internal control for the prevention of material misstatements in the financial statements.

Condition: The main bank account of the City was not reconciled in a timely manner. For example, the month of June 2024 was not completed until February 2025. The delays in the bank reconciliation process resulted in transactions not being recorded in the automated accounting system in a timely and/or accurate manner.

Cause: Internal controls over the bank account reconciliation process were not operating effectively.

Effect: There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the entity's internal controls over financial reporting.

CITY OF MANASSAS PARK, VIRGINIA

Schedule of Findings and Questioned Costs Year Ended June 30, 2024 (Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS:

Recommendation:

We recommend the City make improvements to the bank account reconciliation process to make the reconciliations as timely, efficient and accurate as possible. All reconciling items should be investigated and, if needed, any necessary adjustments posted in the automated accounting system. This entire process should be completed within 15 days of month end to ensure that all bank account balances are properly recorded in the automated accounting system.

Management Response: Agreed.

2024-003 Material Weakness - Reconciliation of Investment Accounts

Criteria: All existing assets should be accurately recorded in the financial statements in accordance with Generally Accepted Accounting Principles.

Condition: The US Bank and Wilmington Trust investment account balances had not been reconciled and adjusted in the automated accounting system as of June 30, 2024.

Cause: Internal controls over the investment account reconciliation process were not operating effectively.

Effect: There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the entity's internal controls over financial reporting.

Recommendation:

We recommend the City make improvements to the investment account reconciliation process to make the reconciliations as timely, efficient and accurate as possible. All reconciling items should be investigated and, if needed, any necessary adjustments posted in the automated accounting system. This entire process should be completed within 15 days of month end to ensure that all investment balances are properly recorded in the automated accounting system.

Management Response: Agreed.

2024-004 Material Weakness - Utility Billings and Receivable Reconciliation

Criteria: The utility billing subsidiary ledger and unbilled receivables should be reconciled to the general ledger on a timely basis at fiscal year-end.

Condition: The City was not reconciling the utilities billing subsidiary ledger and unbilled receivables to the general ledger at fiscal year-end.

Cause: The City does not currently reconcile utility billings and unbilled receivables to the receivable line in the general ledger.

Effect: There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the entity's internal controls over financial reporting.

CITY OF MANASSAS PARK, VIRGINIA

Schedule of Findings and Questioned Costs Year Ended June 30, 2024 (Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS:

Recommendation:

We recommend the City reconciles utility billings to receivable accounts in the general ledger. We recommend the City implement procedures to ensure the utility billing subsidiary system reconciles to the General Ledger and any differences noted during the reconciliation are documented and corrected.

Management Response: Agreed.

2024-005 Material Weakness - Unrecorded Debt Issuance

Criteria: All existing liabilities should be recorded in the financial statements in accordance with Generally Accepted Accounting Principles.

Condition: Our audit procedures disclosed a note payable in the amount of \$525,000 issued during the fiscal year ending June 30, 2024 was not recorded by the City.

Cause: The City's internal controls in place to capture and record all necessary balances in the automated accounting system were not adequate for the year ended June 30, 2024.

Effect: There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the entity's internal controls over financial reporting.

Recommendation:

We recommend the City implement procedures to ensure all debt issuances are identified and recorded in the financial statements as required by Generally Accepted Accounting Principles.

Management Response: Agreed.

2024-006 Material Weakness - State and Federal Revenue Reconciliation

Criteria: A state and federal revenue reconciliation to the general ledger should be completed each fiscal year.

Condition: The City was not reconciling state and federal revenue revenues to the general ledger adequately.

Cause: Internal controls over the State and Federal revenue reconciliation process were not operating effectively.

Effect: There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the entity's internal controls over financial reporting.

Recommendation:

We recommend the City strengthen internal controls to reconcile state and federal revenue in the accounting system. Any differences should be investigated and corrected.

CITY OF MANASSAS PARK, VIRGINIA

Schedule of Findings and Questioned Costs Year Ended June 30, 2024 (Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS:

Management Response: Agreed.

2024-007 Material Weakness - Fiscal Year-end Financial Closing Procedures

Criteria: Processes, policies, procedures should in place for identifying year-end accruals at fiscal year-end.

Condition: The City processes, policies and procedures in place for identifying and capturing fiscal year-end accruals were not adequate for the year ended June 30, 2024.

Cause: The processes, policies and procedures in place by the City for identifying and capturing all necessary balances in the general ledger was not adequate.

Effect: There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the entity's internal controls over financial reporting.

Recommendation:

We recommend the City strengthen internal controls for process, policies and procedures necessary to capture and record all necessary year-end accruals in the general ledger.

Management Response: Agreed.

2024-008 Compliance Finding - Unclaimed Property

Criteria: The Virginia Disposition of Unclaimed Property Act §55.1-2500 in the Code of Virginia requires local governments to file an annual report with the State Treasurer listing all unclaimed property.

Condition: An unclaimed property report was not remitted to the Virginia State Treasurer in accordance with The Virginia Disposition of Unclaimed Property Act for applicable outstanding checks.

Cause: The City did not have procedures in place to prepare and file the required report with the State Treasurer.

Effect: Unclaimed property may not have been remitted properly to the State in accordance with the Unclaimed Property Act.

We recommend the Treasurer file an unclaimed property report with the State Treasurer on an annual basis and if necessary remit any unclaimed property to the State Treasurer for final disposition.

Management Response: Agreed.

CITY OF MANASSAS PARK, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024 (Continued)

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

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

CITY OF MANASSAS PARK, VIRGINIA

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024 (Continued)

There were no prior year audit findings.