



# CITY OF MANASSAS VIRGINIA



## Annual Comprehensive Financial Report for fiscal year ended June 30, 2024

**CITY OF MANASSAS, VIRGINIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**



**CITY OF MANASSAS, VIRGINIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**



**Prepared By:**

**City of Manassas, Virginia  
Finance Department**

CITY OF MANASSAS, VIRGINIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
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**City of Manassas, Virginia**

**CITY COUNCIL**

Michelle Davis-Younger, Mayor  
Pamela J. Sebesky, Vice Mayor

Theresa Coates Ellis  
Tom Osina  
Sonia Vasquez Luna

Ralph J. Smith  
Mark D. Wolfe

**INTERIM CITY MANAGER**

Douglas W. Keen

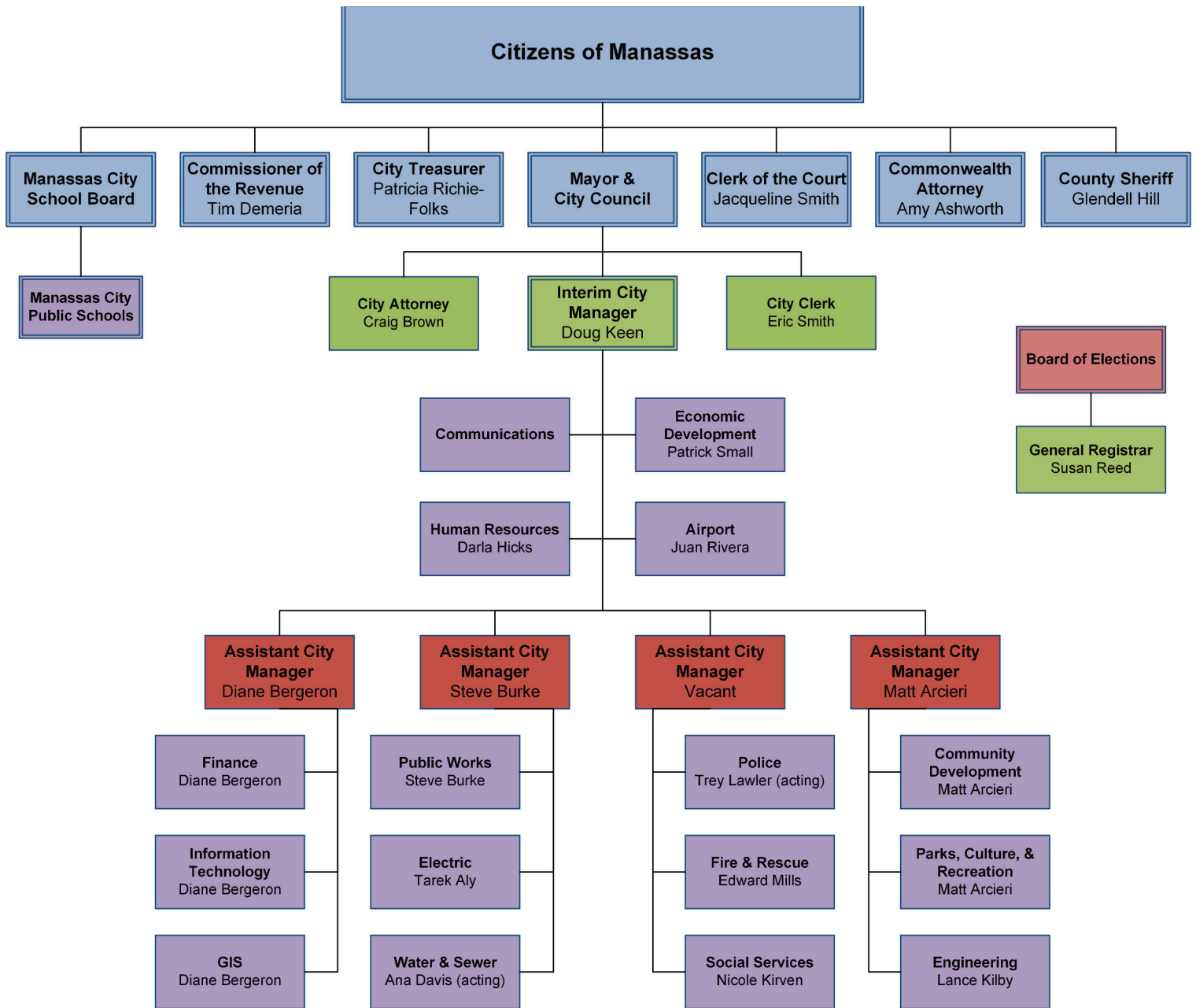
**MANASSAS CITY PUBLIC SCHOOLS SCHOOL BOARD**

Suzanne W. Seaberg, Chair  
Lisa A. Stevens, Vice Chair  
Christina Brooks  
Sara Brescia  
Carl Hollingsworth  
Jill Spall  
Robyn R. Williams

**SUPERINTENDENT OF SCHOOLS**

Dr. Kevin Newman

# CITY ORGANIZATIONAL CHART







December 9, 2024

Honorable Mayor Davis-Younger, City Council Members and Residents  
City of Manassas  
Manassas, Virginia:

The Annual Comprehensive Financial Report (ACFR) of the City of Manassas, Virginia, (the City) for the fiscal year ended June 30, 2024, is hereby submitted. The Code of the Commonwealth of Virginia requires that all local governments shall be audited annually with a report to the governing body by December 15th. This report is published to fulfill that requirement.

As management, we assume full responsibility for the completeness and reliability of all the information contained in this report. To provide a reasonable basis for making these representations, we have established a comprehensive internal control framework that is established for this purpose. Because the cost of internal controls should not outweigh their benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City's financial statements have been audited by Robinson, Farmer, Cox Associates, a firm of licensed certified public accountants. **The independent auditor has issued an unmodified ("clean") opinion on the City's financial statements for the fiscal year ended June 30, 2024.** The independent auditor's report is located at the front of the Financial Section of the ACFR.

Management's Discussion and Analysis (MD&A) is found immediately following the independent auditor's report. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The independent audit of the financial statements of the City was part of a broader federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. These reports are available in the Single Audit Section of the ACFR.

### **Profile of the City**

The City of Manassas is a community of approximately 42,696 residents located in Northern Virginia within the Washington, D. C. Metropolitan Statistical Area. Surrounded by Prince William County, the City is thirty miles southwest of the Nation's Capital and encompasses a land area of ten square miles. The Town of Manassas received its charter in 1873 and operated as a town in Prince William County until May 1, 1975, when it became an independent City of the Commonwealth of Virginia. The City is a regional employment and activity center with a strong employment base in advanced manufacturing, technology, defense contracting, and healthcare. Manassas is a transportation, economic, and cultural hub built around a thriving historic downtown established near a strategic railroad junction.

## **Governmental Organization**

The City of Manassas government is organized under a charter, adopted by the General Assembly of Virginia, and amended from time-to-time, which authorizes a council-manager form of government. The governing body, the Mayor and a six-member City Council, is elected at-large for staggered four-year terms and makes policies for administration of the City. The City Council appoints a City Manager to act as Chief Administrative Officer of the City. The City Manager serves at the pleasure of the City Council, carries out its policies, directs business procedures and appoints and may remove all employees, including the heads of the departments as provided by the City Charter.

The City Treasurer and the Commissioner of the Revenue are constitutional officers elected at-large by the voters. The General Registrar is appointed by the three-member Electoral Board. Elected officials shared with Prince William County and the City of Manassas Park are the Commonwealth's Attorney, Clerk of the Court and Sheriff. The Judges of the Circuit Court, General District Court, and Juvenile and Domestic Relations Court are appointed by the State Legislature.

The seven City School Board members are elected at-large for staggered four-year terms. The City Council must, to the extent required by applicable law and is otherwise appropriate, appropriate all funds of the School Board and issue debt to finance school capital projects. The Auditor of Public Accounts for the Commonwealth of Virginia has determined that school board financial statements must be displayed as discretely presented component units in the annual comprehensive financial reports of the primary governments in the Commonwealth which have responsibility for school systems. The Manassas City School Board does not issue its own financial statements.

The Economic Development Authority (EDA) of the City of Manassas, Virginia, is a political subdivision of the Commonwealth of Virginia that was originally established as The Industrial Development Authority of the Town of Manassas, Virginia in 1972, under the Industrial Development and Revenue Bond Act. In fiscal year 2017, certain criteria were met under Generally Accepted Accounting Principle (GASB) 14, that required the City to report the EDA as a component unit in the comprehensive annual financial reports. There are no other entities in the report.

## **Operations of the City**

The City of Manassas provides the full range of municipal services including public safety (police, fire and rescue), highway and streets, health and social services, public improvements, planning and zoning, recreation and cultural services, and general administrative services. The City also operates six proprietary functions: the electric, water, sewer and stormwater utilities, solid waste collection, and a regional airport.

In the fiscal year 2024 adopted budget, the City Council included a 3% increase in the annual appropriation for the Schools, resulting in a total budget of \$64.9 million, which includes \$6.2 million that was placed into debt reserve to fund present and future school capital needs, and local contributions for operational support of \$58.7 million. On December 11, 2023, City Council approved an additional transfer to the schools of \$750,000 to assist in the funding of teacher compensation for the remainder of FY 2024.

The annual operating budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit their recommended budgets to the City Manager in the December/January timeframe. The City Manager uses these recommendations as the starting point for developing his proposed budget. The City Manager presents his proposed budget to the City Council, usually in the beginning of March. The School Board presents the proposed budget

for MCPS to the City Council by April 1st. The City Council holds numerous public work sessions on the budget in March and April. City Council is required to hold a public hearing and adopt a budget by June 30th for the fiscal year beginning July 1st. The MCPS budget is appropriated and controlled at the total budget level. The City's appropriated operating budget is controlled at the fund level and annual Capital Improvement Plan (CIP) budget is controlled at the total annual appropriation level.

## **Local Economy and Long-term Financial Planning**

In fiscal year 2024, the City continued a pattern of economic growth and stability.

The taxable real estate assessed values for the 2024 tax year (values as of January 1, 2023) increased 10.8%; the average residential assessment increased 10.6% and the average commercial assessment increased 11.1%. Residential assessment increases were due largely to the new Jefferson Square residential subdivision, and the strong real estate market brought on by the high demand for larger suburban homes, limited supply of homes for sale because they were locked-in at historically low mortgage rates, and the attractiveness of the local market due to business investments in the area. Commercial assessment increases are due primarily to market increases. The 2024 residential / commercial assessment ratio is 68.0 / 32.0, a slight decrease from the 2023 ratio of 68.1 / 31.9. Combined general property tax revenues among all classes of properties increased 3.8% in fiscal year 2024 (\$4.0 million), due to new construction and increased assessments for both real and personal property, despite a flat real property tax rate. Other local tax revenues saw an increase of 5.3% in 2024 (\$1.5 million). Business, Professional & Occupational License (BPOL) tax increased 9.8% and Meals tax increased 6.4%, indicating local economic growth and stability, which is further evidenced by the City's unemployment rate, which is only 2.8% as of June 2024; below the Virginia rate of 3.0% and national rate of 4.3%.

**In October 2024, Standard & Poor's affirmed the City's general obligation bond rating of AAA with a stable outlook and Moody's upgraded their Aa1 bond rating to Aaa for the City.** Bond ratings were updated prior to the upcoming issuance of \$50.36 million in general obligation public improvement bonds, expected before the end of calendar year 2024.

## **Relevant Financial Policies and Major Initiatives**

City Council has adopted comprehensive financial policies to ensure City assets and resources are prudently safeguarded and properly accounted for, to manage City finances wisely, and to plan for the adequate funding of services desired by the public, including the provision and maintenance of public facilities and infrastructure, parks and recreation options, transportation mobility, and quality education. Per City policy, one-time revenues and one-time expenditure savings are to be used for non-recurring expenditures rather than ongoing operations. In March 2021, the City's fund balance policy was modified to maintain an unassigned general fund balance of no less than 15% of actual general fund operating revenues; the percentage may be increased at City Staff's discretion. **At the end of the fiscal year, the unassigned general fund balance was \$32.3 million, which represents 20%, and is within the policy guidelines.**

In order to deliver better services and facilities to the community, the City's five-year capital improvement plan includes several major projects for customer service, culture and recreation and public safety, and transportation mobility and utility infrastructure improvements, and other parks, culture and recreation initiatives. The projects include Grant Avenue street improvements, Water, Sewer and Stormwater infrastructure improvements, Sudley Road widening, Mathis Ave improvements, enhancements at Dean Park and Annaburg Park, new Marsteller Park and Community Center, and continued sidewalk and trail improvements. Several CIP projects were



substantially completed during fiscal year 2024, including the City Hall renovation, Annaburg stabilization, Dean Drive extension, Godwin shared-use path, new fire-rescue and police radios and 911-calling system, and HVAC building management system.

In March 2021 the American Rescue Plan Act (ARPA) became law and established the Coronavirus State and Local Fiscal Recovery Funds. Significant planning by City personnel and City Council has developed a plan for this one-time funding of \$50.6 million over the limited performance period. The CIP budget has utilized ARPA funding primarily on utility infrastructure projects and Dean Park, which are anticipated for completion within the required performance period.

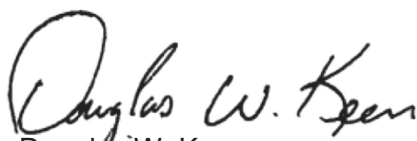
## **Awards and Acknowledgements**

**The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Manassas for its ACFR for the fiscal year ended June 30, 2023.** This was the forty-first consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current ACFR continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City of Manassas also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2023 (FY 2024) and July 1, 2024 (FY 2025). To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device. A Distinguished Budget Presentation Award is valid for a period of one year only. We believe our current budget continues to meet the Distinguished Budget Presentation Award Program requirements and we have submitted it to the GFOA to determine its eligibility for another award.

The preparation of this report could not be accomplished without the skill, effort, and dedicated services of the entire staff of the Finance Department, with the effort spearheaded by the Accounting Division. We would like to express our appreciation to all members of the Department and most especially to Stephanie Scherer, Accounting Manager, for her role in the preparation of the ACFR. We wish to thank all City Departments and the Manassas City Public Schools for their assistance in providing the data necessary to prepare this report. The Mayor and the members of the City Council are to be commended for their support in strategically planning and managing the fiscal policies of the City.

Respectfully submitted,



Douglas W. Keen  
Interim City Manager



Diane V. Bergeron  
Assistant City Manager/Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Manassas  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morrell*

Executive Director/CEO

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**Independent Auditors' Report**

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**To the Honorable Members of  
the City Council  
City of Manassas, 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 units, each major fund, and the aggregate remaining fund information of the City of Manassas, 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, Virginia, as of and for the year ended June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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, 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, 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, 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, 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 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.

## ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Manassas, 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 do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2024, on our consideration of City of Manassas, 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, 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, Virginia's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Fredericksburg, Virginia

November 15, 2024

## CITY OF MANASSAS, VIRGINIA

### Management's Discussion and Analysis (UNAUDITED) For The Year Ended June 30, 2024

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The Management's Discussion and Analysis (MD&A) section of the City of Manassas, Virginia (City), Annual Comprehensive Financial Report (ACFR) provides a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2024. The MD&A should be read in conjunction with our letter of transmittal found in the Introductory Section of this report, and the City's Financial Statements that follow this section.

The MD&A identifies the City as the Primary Government. We have also included information about the "Total Reporting Unit", which is the City and its component units, the Manassas City Public Schools (MCPS) and the Economic Development Authority (EDA). Due to the material relationship between the City and MCPS, we believe that Total Reporting Unit information more accurately reflects the financial condition of the City of Manassas.

#### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Total Reporting Unit including Component Units exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$695,399,376 (net position), a 16% increase over prior year. The Total Reporting Unit's net position invested in capital assets is \$449,739,791 and \$32,579,941 is restricted in its use. The remaining net position, \$213,079,644, is unrestricted.
- The assets and deferred outflows of resources for the City (Governmental and Business Activities) exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$659,009,212 (net position), a 15% increase over prior year. The City's net position invested in capital assets is \$412,827,162 with \$32,448,003 restricted in its use, and the remaining balance of \$213,734,047 is unrestricted. The unrestricted net position of the Governmental Activities includes bonds issued by the City for MCPS. This debt is reflected as a liability of the City; however, the schools that are built with the bond proceeds are shown as assets of MCPS. At year-end, the City has \$30,601,155 of debt outstanding relating to MCPS (excluding unamortized bond premiums and deferred charges of \$3,115,407).
- The unassigned fund balance for the City's general fund at June 30, 2024 was \$32,320,489. This amount is 20% of total general fund actual operating revenues of \$159,625,525 for fiscal year 2024. General fund unassigned fund balance as a percent of general fund revenues is in accordance with the City's Unassigned Fund Balance Policy.
- The fund balance of the general fund increased \$15,871,288 over the prior year, a 16% increase. Aside from the fund balance unassigned per policy, the remaining fund balance of \$82 million has been committed for specific uses such as future capital projects, transportation improvements, public safety, and employee pension and OPEB benefits.
- The majority of the general fund balance increase is due primarily to an unbudgeted \$11 million of interest income, as interest rates continued to be raised by the Federal Reserve to combat inflation and interest was earned on significant one-time funds including ARPA Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) grant funds and bond proceeds, and due to other one-time revenues associated with the construction of data centers. Expenses also came in under budget due to salary and other departmental savings.
- The City's Business Activities saw a significant increase in capital grant revenue in FY 2024, as ARPA, EPA, SLAF, and FAA/VDOA-funded infrastructure projects commenced. In addition, the City sold 20 acres of land adjacent to the Airport for the construction of a data center for a net of \$30 million, and recognized \$7 million of investment earnings.

CITY OF MANASSAS, VIRGINIA  
Management's Discussion and Analysis  
(UNAUDITED)  
For The Year Ended June 30, 2024

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**OVERVIEW OF THE FINANCIAL STATEMENTS:**

**Government-wide Statements**

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

The **government-wide financial statements** are designed to provide readers with a broad overview of the City's finances using the economic resources measurement focus and the accrual basis of accounting, in a manner similar to a private-sector business.

The **statement of net position** presents information on all of the City's assets, liabilities and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Additionally, to assess the overall financial health of the City one must also consider non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

The **statement of activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, health and human services, and culture, recreation, community and economic development. The business-type activities of the City include electric, water, sewer and stormwater utilities, solid waste collection and a regional airport.

The government-wide financial statements include not only the City (known as the *primary government*), but also a legally separate school district, Manassas City Public Schools (MCPS), for which the City is financially accountable, and a legally separate Economic Development Authority (EDA). Financial information for the two component units (MCPS and EDA) are reported separately from the financial information presented for the primary government itself.

**Fund Financial Statements**

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

**Governmental Funds** - Most of the City's basic services are included in governmental funds. These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

CITY OF MANASSAS, VIRGINIA

Management's Discussion and Analysis  
(UNAUDITED)  
For The Year Ended June 30, 2024

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OVERVIEW OF THE FINANCIAL STATEMENTS: (CONTINUED)

Fund Financial Statements: (Continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These funds are reported on the modified accrual basis of accounting, which measures cash and other liquid assets that can be readily converted to cash.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major general fund, general capital projects fund, and NVTa capital projects fund. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the annual appropriated budget. The City also adopts annual appropriated budgets for four non-major governmental funds - Social Services, PEG, Owens Brooke district, and Fire and Rescue. Budgetary comparisons for these funds have also been provided.

**Proprietary Funds** - The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, sewer and stormwater utilities, solid waste collection and the regional airport.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for maintaining its fleet of vehicles, building and grounds maintenance, and its information technology systems. Because these services predominantly benefit governmental rather than external business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as business-type activities in the government-wide financial statements, only in more detail. Proprietary funds are reported using the full accrual basis of accounting method. The proprietary fund financial statements provide separate information for the electric, water, sewer and stormwater utilities and regional airport which are considered to be major funds of the City. The other enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements. As there is currently only one non-major enterprise fund, solid waste collection, the combining statement shown represents its information. The internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds and the internal service funds is provided in the form of combining statements elsewhere in this report.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.



CITY OF MANASSAS, VIRGINIA

Management's Discussion and Analysis  
(UNAUDITED)  
For The Year Ended June 30, 2024

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**OVERVIEW OF THE FINANCIAL STATEMENTS: (CONTINUED)**

**Other Information** - In addition to the basic financial statements, this report also presents certain required supplementary information (RSI) concerning the City's progress in funding its obligation to provide pension and other post-employment benefits (OPEB) to its employees. Schedules of funding progress for the City's defined benefit pension and OPEB plans are provided. The combining statements referred to earlier in connection with non-major governmental and enterprise funds and internal service funds are presented immediately following the RSI.

The City's component units do not issue separate financial statements. Therefore, you will find fund statements for MCPS and for the EDA near the end of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

An analysis of the City's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the City's net position and changes therein. It should be noted that the City's financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

The City's governmental activities' net position increased by \$33,260,525 in fiscal year 2024, which represents 9%. This increase is due primarily to unanticipated investment earnings of \$12 million, and due to \$15 million of required net accounting adjustments for capital assets, to depreciate capital assets over their useful lives instead of expensing in the year of payment. Significant FY 2024 capital additions were recorded for the completed City Hall renovation (\$7.8 million), police radio replacements (\$1.8 million), Annaburg Manor improvements (\$1 million), in addition to progress made on the renovation of Dean Park (\$5.7 million), Grant Ave improvements (\$2.4 million), and several trail and sidewalk projects, which are anticipated for completion in FY 2025.

The net position of the business-type activities increased \$52,791,116 in fiscal year 2024, which represents 25%; all funds except Solid Waste increased their net position in FY 2024, meaning revenues and contributions exceeded expenses. \$29.6 million of the increase is due to proceeds from the sale of land at the Airport. Capital contributions and grants totaled \$14.4 million; including \$6.2 million of FAA/VDOA funding, \$3 million of ARPA-CLSFRF funding, \$1.8 million of EPA funding, and \$1 million of Stormwater Local Assistance Fund (SLAF) funding from VA DEQ. Investment earnings for FY 2024 totaled \$6.6 million, which increased as a result of interest rate increases during the year coupled with additional cash reserves for unspent bond proceeds. A 4% electric rate increase in FY 2024 helped to cover the budgeted increase to operating costs due to inflation and the City's effort to remain competitive in the labor marketplace; other utility rates remained flat.

The net position of MCPS has increased \$7,913,215 in fiscal year 2024, which represents 28%. MCPS saw a \$5.1 million reduction in pension and OPEB expense, a \$1.1 million State contribution to OPEB and pension plans, and unbudgeted investment earnings of \$1.2 million.

The net position of the EDA decreased \$81,927, or 20% in fiscal year 2024, due primarily to expenses incurred related to the purchase of Manassas Shopping Center in FY 2025, for future redevelopment.

**CITY OF MANASSAS, VIRGINIA**

**Management's Discussion and Analysis  
(UNAUDITED)  
For The Year Ended June 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS: (CONTINUED)**

The following tables summarize the Statement of Net Position for the reporting unit as of June 30, 2024.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024
Current assets	227,562,600	232,188,963	175,292,518	217,946,057	402,855,118	450,135,020
Capital assets	334,470,697	348,789,085	165,285,813	187,253,911	499,756,510	536,042,996
<b>Total Assets</b>	<b>562,033,297</b>	<b>580,978,048</b>	<b>340,578,331</b>	<b>405,199,968</b>	<b>902,611,628</b>	<b>986,178,016</b>
<b>Total deferred outflows of resources</b>	<b>9,173,789</b>	<b>9,645,876</b>	<b>2,458,876</b>	<b>2,533,252</b>	<b>11,632,665</b>	<b>12,179,128</b>
Current liabilities	54,663,388	47,589,864	8,893,372	12,726,317	63,556,760	60,316,181
Long term liabilities	144,746,959	140,451,895	72,941,855	69,589,541	217,688,814	210,041,436
<b>Total liabilities</b>	<b>199,410,347</b>	<b>188,041,759</b>	<b>81,835,227</b>	<b>82,315,858</b>	<b>281,245,574</b>	<b>270,357,617</b>
<b>DEFERRED INFLOWS</b>						
<b>Total deferred inflows of resources</b>	<b>14,546,598</b>	<b>12,071,499</b>	<b>45,494,550</b>	<b>56,918,816</b>	<b>60,041,148</b>	<b>68,990,315</b>
<b>NET POSITION</b>						
Net investment in capital assets	270,100,468	280,532,448	125,130,633	138,359,335	388,867,628	412,827,162
Restricted	1,099,631	1,635,651	16,400	30,812,352	1,116,031	32,448,003
Unrestricted (deficit)	86,050,042	108,342,567	90,560,397	99,326,859	182,973,912	213,734,047
<b>Total net position</b>	<b>357,250,141</b>	<b>390,510,666</b>	<b>215,707,430</b>	<b>268,498,546</b>	<b>572,957,571</b>	<b>659,009,212</b>

NOTE: The sum of net investment in capital assets of the Governmental and Business Activities does not equal the net investment in capital assets of the total primary government, because debt related to the governmental activities is reflected in the business activities, reducing unrestricted net position. The assets are reflected in the governmental activities as net investment in capital assets. The total primary government matches the assets with the debt and reports the net amount of the investment in capital assets. The total adjustment was \$6,363,473 in FY 2023 and \$6,064,621 in FY 2024.

**CITY OF MANASSAS, VIRGINIA**

**Management's Discussion and Analysis  
(UNAUDITED)  
For The Year Ended June 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS: (CONTINUED)**

	MCPS		EDA		Total Reporting Unit	
	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024
Current assets	45,066,239	44,731,712	451,427	354,560	448,372,784	495,221,292
Capital assets	77,099,064	79,964,338	-	-	576,855,574	616,007,334
<b>Total Assets</b>	<b>122,165,303</b>	<b>124,696,050</b>	<b>451,427</b>	<b>354,560</b>	<b>1,025,228,358</b>	<b>1,111,228,626</b>
<b>Total deferred outflows of resources</b>	<b>23,908,680</b>	<b>27,334,197</b>	<b>-</b>	<b>-</b>	<b>35,541,345</b>	<b>39,513,325</b>
Current liabilities	8,666,196	9,728,886	37,399	22,459	72,260,355	70,067,526
Long term liabilities	90,356,479	95,244,295	-	-	308,045,293	305,285,731
<b>Total liabilities</b>	<b>99,022,675</b>	<b>104,973,181</b>	<b>37,399</b>	<b>22,459</b>	<b>380,305,648</b>	<b>375,353,257</b>
<b>DEFERRED INFLOWS</b>						
<b>Total deferred inflows of resources</b>	<b>18,906,460</b>	<b>10,999,003</b>	<b>-</b>	<b>-</b>	<b>78,947,608</b>	<b>79,989,318</b>
<b>NET POSITION</b>						
Net investment in capital assets	67,954,133	70,629,191	-	-	418,684,476	449,739,791
Restricted	3,689,436	131,938	-	-	4,805,467	32,579,941
Unrestricted (deficit)	(43,498,721)	(34,703,066)	414,028	332,101	178,026,504	213,079,644
<b>Total net position</b>	<b>28,144,848</b>	<b>36,058,063</b>	<b>414,028</b>	<b>332,101</b>	<b>601,516,447</b>	<b>695,399,376</b>

NOTE: The sum of net investment in capital assets of the primary government and the component unit (MCPS) does not equal the net investment in capital assets of the total reporting unit, because the debt related to the component unit is reflected in the primary government's general governmental activities, reducing unrestricted net position. The assets are reflected in the component unit as net investment in capital assets. The total reporting unit matches the assets with the debt and reports the net amount of the investment in capital assets. The total adjustment was \$38,137,285 in FY 2023 and \$33,716,562 in FY 2024.

**CITY OF MANASSAS, VIRGINIA**

**Management's Discussion and Analysis  
(UNAUDITED)  
For The Year Ended June 30, 2024**

The following tables summarize the changes in net position for the reporting unit for the year ended June 30, 2024.

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>FY 2024</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2023</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 7,067,939	\$ 6,060,846	\$ 92,360,242	\$ 89,409,007	\$ 99,428,181	\$ 95,469,853
Operating grants, contributions	11,759,784	10,861,736	80,028	75,426	11,839,812	10,937,162
Capital grants, contributions	10,424,157	10,610,055	14,429,949	3,442,361	24,854,106	14,052,416
General Revenues:						
Property Taxes	108,473,276	105,572,227	-	-	108,473,276	105,572,227
Other Taxes	29,475,618	27,974,969	-	-	29,475,618	27,974,969
Unrestricted grants	7,975,469	7,824,407	-	-	7,975,469	7,824,407
City appropriation to component unit	-	-	-	-	-	-
Other	15,784,236	10,930,481	36,328,685	4,287,909	52,112,921	15,218,390
Total revenues	\$ 190,960,479	\$ 179,834,721	\$ 143,198,904	\$ 97,214,703	\$ 334,159,383	\$ 277,049,424
<b>Expenses:</b>						
General government	\$ 13,073,748	\$ 11,932,013	\$ -	\$ -	\$ 13,073,748	\$ 11,932,013
Public safety	45,935,394	39,982,094	-	-	45,935,394	39,982,094
Public works	15,986,888	15,652,690	-	-	15,986,888	15,652,690
Health and human services	11,418,063	10,748,291	-	-	11,418,063	10,748,291
Culture, rec, development	9,818,038	8,754,553	-	-	9,818,038	8,754,553
Interest on long-term debt	3,560,928	3,445,895	-	-	3,560,928	3,445,895
Electric	-	-	48,189,320	47,551,696	48,189,320	47,551,696
Water	-	-	12,049,097	11,811,756	12,049,097	11,811,756
Sewer	-	-	15,649,321	15,063,501	15,649,321	15,063,501
Airport	-	-	5,549,155	4,917,691	5,549,155	4,917,691
Stormwater	-	-	2,852,708	2,191,713	2,852,708	2,191,713
Solid Waste	-	-	4,405,171	4,090,477	4,405,171	4,090,477
Education	59,619,911	57,165,053	-	-	59,619,911	57,165,053
Economic Development	-	-	-	-	-	-
Total expenses	\$ 159,412,970	\$ 147,680,589	\$ 88,694,772	\$ 85,626,834	\$ 248,107,742	\$ 233,307,423
Increase (decrease) in net position before transfers	\$ 31,547,509	\$ 32,154,132	\$ 54,504,132	\$ 11,587,869	\$ 86,051,641	\$ 43,742,001
Transfers	1,713,016	746,351	(1,713,016)	(746,351)	-	-
Change in net position	\$ 33,260,525	\$ 32,900,483	\$ 52,791,116	\$ 10,841,518	\$ 86,051,641	\$ 43,742,001
Net position beginning	357,250,141	324,349,658	215,707,430	204,865,912	572,957,571	529,215,570
Net position ending	\$ 390,510,666	\$ 357,250,141	\$ 268,498,546	\$ 215,707,430	\$ 659,009,212	\$ 572,957,571

**CITY OF MANASSAS, VIRGINIA**

**Management's Discussion and Analysis  
(UNAUDITED)  
For The Year Ended June 30, 2024**

The following tables summarize the changes in net position for the reporting unit for the year ended June 30, 2024.

	MCPS		EDA		Total Reporting Unit	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Program revenues:						
Charges for services	\$ 543,841	\$ 642,674	\$ 10,073	\$ 10,103	\$ 99,982,095	\$ 96,122,630
Operating grants, contributions	86,481,116	86,924,190	-	237,605	98,320,928	98,098,957
Capital grants, contributions	-	-	-	-	24,854,106	14,052,416
General Revenues:					-	-
Property Taxes	-	-	-	-	108,473,276	105,572,227
Other Taxes	-	-	-	-	29,475,618	27,974,969
Unrestricted grants	-	-	-	-	7,975,469	7,824,407
City appropriation to component unit	59,619,911	57,165,053	-	-	59,619,911	57,165,053
Other	2,060,189	1,678,161	10,733	9,783	54,183,843	16,906,334
Total revenues	\$ 148,705,057	\$ 146,410,078	\$ 20,806	\$ 257,491	\$ 482,885,246	\$ 423,716,993
Expenses:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 13,073,748	\$ 11,932,013
Public safety	-	-	-	-	45,935,394	39,982,094
Public works	-	-	-	-	15,986,888	15,652,690
Health and human services	-	-	-	-	11,418,063	10,748,291
Culture, rec, development	-	-	-	-	9,818,038	8,754,553
Interest on long-term debt	-	-	-	-	3,560,928	3,445,895
Electric	-	-	-	-	48,189,320	47,551,696
Water	-	-	-	-	12,049,097	11,811,756
Sewer	-	-	-	-	15,649,321	15,063,501
Airport	-	-	-	-	5,549,155	4,917,691
Stormwater	-	-	-	-	2,852,708	2,191,713
Solid Waste	-	-	-	-	4,405,171	4,090,477
Education	140,791,842	126,104,448	-	-	200,411,753	183,269,501
Economic Development	-	-	102,733	75,006	102,733	75,006
Total expenses	\$ 140,791,842	\$ 126,104,448	\$ 102,733	\$ 75,006	\$ 389,002,317	\$ 359,486,877
Increase (decrease) in net position before transfers	\$ 7,913,215	\$ 20,305,630	\$ (81,927)	\$ 182,485	\$ 93,882,929	\$ 64,230,116
Transfers	-	-	-	-	-	-
Change in net position	\$ 7,913,215	\$ 20,305,630	\$ (81,927)	\$ 182,485	\$ 93,882,929	\$ 64,230,116
Net position beginning	28,144,848	7,839,218	414,028	231,543	601,516,447	537,286,331
Net position ending	\$ 36,058,063	\$ 28,144,848	\$ 332,101	\$ 414,028	\$ 695,399,376	\$ 601,516,447



CITY OF MANASSAS, VIRGINIA

Management's Discussion and Analysis  
(UNAUDITED)  
For The Year Ended June 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS: (CONTINUED)

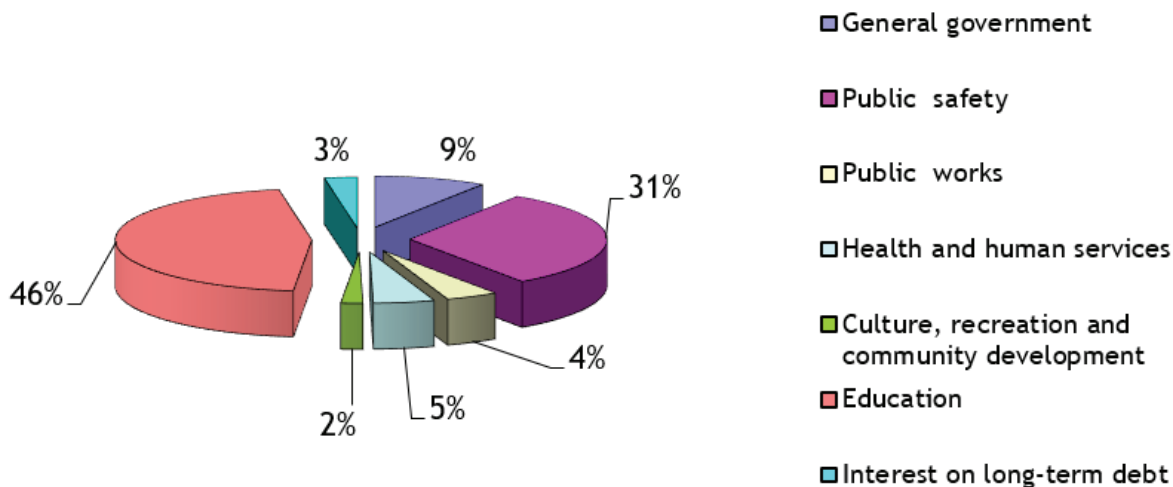
**Governmental Activities**

The table below details the governmental activities' expenses and program revenues showing the net cost by program/function. The total governmental activities' net program/function costs were \$130 million, an increase of \$10 million over last fiscal year, or 8%. A large portion of the change is due to an increase of \$5.2 million to the Public Safety net program cost, from increased public safety salaries and benefits in response to marketplace changes and new positions added, and increased PWC shared services costs. Public works' net program cost increase of \$4.9 million is from a decrease of State and Federal funding for transportation, as projects were completed. General government's net program cost increase of \$2.1 million is due to increased salaries and benefits to remain competitive and retain employees, and no land sale proceeds received in FY 2024. Education cost reflects a budgeted 3% increase of \$2.5 million in program expenses; the City's general fund has also transferred \$6.2 million to its debt service fund for MCPS' current and future debt service. If added to the \$59.6 million shown below, this amount would reflect Education expenses of \$65.8 million. Community development's decrease of \$5.1 million in net program cost is primarily due to Federal ARPA-CLSFRF funding for park projects serving qualified census tracts.

**Governmental Activities Expenses and Program Revenues**

	Program Expenses FY 2024	Program Revenues FY 2024	Net Program Cost FY 2024	Net Program Cost FY 2023
General government	\$ 13,073,748	\$ 1,160,089	\$ 11,913,659	\$ 9,832,674
Public safety	45,935,394	5,312,017	40,623,377	35,411,477
Public works	15,986,888	10,389,865	5,597,023	714,344
Health and human services	11,418,063	4,891,933	6,526,130	6,194,321
Culture, recreation and community development	9,818,038	7,497,976	2,320,062	7,384,188
Education	59,619,911	-	59,619,911	57,165,053
Interest on long-term debt	3,560,928	-	3,560,928	3,445,895
Total	\$ 159,412,970	\$ 29,251,880	\$ 130,161,090	\$ 120,147,952

**Governmental Activities Net Program Costs**



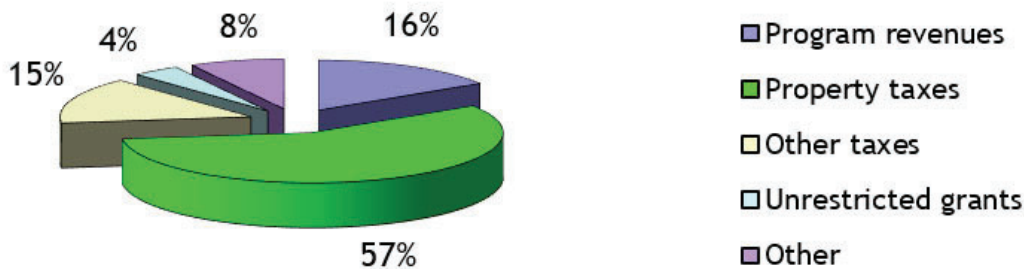
## CITY OF MANASSAS, VIRGINIA

### Management's Discussion and Analysis (UNAUDITED) For The Year Ended June 30, 2024

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS: (CONTINUED)

In addition to program revenues of \$29.3 million, there are also general revenues in the governmental activities, which are revenues that are not attributed to any specific program/function. The total general revenues in fiscal year 2024 are \$161.7 million, or 85% of total governmental activities' revenues of \$191 million. Governmental activities' general revenues in fiscal year 2024 increased \$9.4 million over fiscal year 2023. As discussed in previous sections, this change is due mostly to a \$5.1 million increase in investment earnings due to market rate increases and larger cash balances, increases in property and real estate taxes from new construction and higher assessed values totaling \$2.9 million, and increased BPOL, meals, and sales & use taxes of \$1.5 million, further indicating a strong local economy. The chart below indicates that property taxes continue to be the largest source of revenue for the governmental activities.

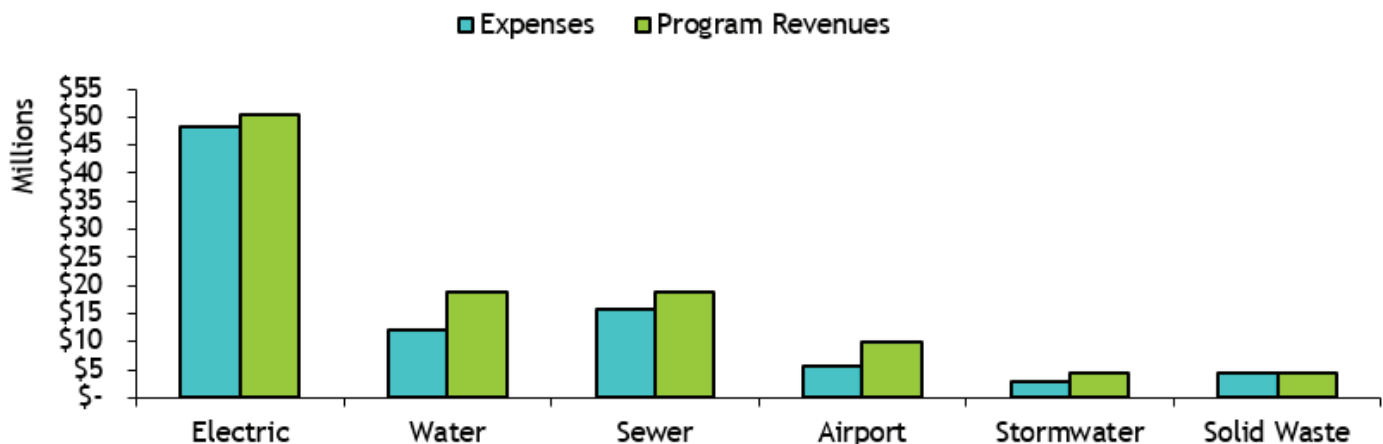
#### Governmental Activities Revenues



#### Business-type Activities

For the City's business-type activities, total net position increased \$52.8 million to \$268.5 million for the fiscal year. The net (expenses)/revenues for total business-type activities were positive with program revenues of \$106.9 million exceeding expenses of \$88.7 million by \$18.2 million, indicating healthy business activities for the City. As depicted in the chart below, program revenues offset the cost of doing business for most funds; Solid Waste expenses slightly exceeded their program revenues. The Airport Fund received capital grants of \$6.2 million, to assist with the completion of runway rehabilitation and taxiway construction and rehab, along with airport master/layout plan. The Stormwater and Water funds received capital grants totaling \$5.8 million, to fund infrastructure improvement projects. The business-activities funds received capital contributions of \$2.4 million to assist with the funding of significant infrastructure improvements.

#### Business-type Activities Expenses and Program Revenues



CITY OF MANASSAS, VIRGINIA

Management's Discussion and Analysis  
(UNAUDITED)  
For The Year Ended June 30, 2024

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**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting and financial reporting focuses on short-term spendable resources and balances of spendable resources available at year end.

***Governmental Funds***

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

At the end of fiscal year 2024, the City's governmental funds reported combined ending fund balances of \$166,832,614, an increase of \$10,109,318 from fiscal year 2023. As detailed in the Financial Highlights section, the fund balance of the general fund increased \$15,871,288, due primarily to revenue increases. The fund balance of the General Capital Projects fund decreased \$5,234,037 in fiscal year 2024, due to projects that received their funding in prior years but significant work has crossed into FY 2024, primarily the City Hall renovation. The fund balance of the NVT Capital Projects fund decreased \$63,375 in FY 2024. The fund balance of nonmajor governmental funds decreased \$464,558, primarily due to a decrease of \$1.1 million in the Gateway Capital Projects fund balance because of projects that received their funding in prior years, but work has crossed into FY 2024, including stabilization work at Annaburg Manor, offset by a \$394K increase in the Fire Rescue Fund, due to continued long lead times for the manufacture and delivery of a new fire truck and other fire and rescue equipment.

The general fund is the main operating fund of the City. At the end of fiscal year 2024 total fund balance of the general fund was \$114,239,163, and the unassigned fund balance was \$32,320,488. As noted in the beginning of this document, per City policy, the unassigned fund balance represents 20% of total 2024 general fund revenues. The remainder of fund balance is either nonspendable, restricted, committed or assigned to indicate that it is: 1) not in spendable form (\$422,042); 2) legally required to be maintained intact; 3) restricted for particular purposes (\$1,464,787); 4) committed for particular purposes (\$66,000,000); or 5) assigned for particular purposes (\$14,031,846). Committed fund balance has increased in FY 2024 as the City remains diligent in its long-term financial planning efforts to ensure stability if additional funding is needed for capital and infrastructure projects, or employee benefits.

***Proprietary Funds***

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The total of net position at the end of fiscal year 2024 for the Electric, Water, Sewer, Airport, Stormwater, and the only non-major enterprise fund, Solid Waste, was \$268,498,546. The \$99,326,859 unrestricted portion of net position increased \$8,766,462 from FY 2023. The remaining \$138,359,335 is invested in capital assets net of related debt, and \$30,812,352 is restricted for Airport and Stormwater capital projects. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

## CITY OF MANASSAS, VIRGINIA

### Management's Discussion and Analysis (UNAUDITED) For The Year Ended June 30, 2024

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#### GENERAL FUND BUDGETARY HIGHLIGHTS

In fiscal year 2024, the City's general fund revenues exceeded the revised revenue budget by \$17 million. Total expenditures and other financing sources ended the year under the revised budget by \$16 million. The net change in general fund balance was \$16 million. Details of the budget results can be seen in Exhibit 7 of the basic financial statements.

Some of the highlights of comparing the final budget-to-actual for the fiscal year include the following, some of which have been previously discussed:

- General fund expenditures and other financing sources were \$16 million less than budgeted in FY 2024. This is due primarily to \$9 million of items budgeted, but not complete by June 30<sup>th</sup> that will carry-over to the next fiscal year for completion, including housing initiatives, future economic development, and other incomplete projects. There is also \$5 million savings in overall departmental expenditures, approximately 8.7%, due primarily to salary and benefits savings from staffing vacancies and benefit changes throughout the year. There were additional savings of approximately \$2 million for adult detention center repair costs that were not incurred, and anticipated shared services cost increases which were delayed.
- General fund revenues were \$17 million greater than budgeted in FY 2024. Approximately \$3 million of this increase is due to revenues from personal property, meals and BPOL tax, NVTa recordation and lodging taxes, and permit fees exceeding budget, most of which is one-time revenues associated with data center construction. Investment income was \$11 million over budget as the Federal Reserve continued increasing rates to combat inflation and interest was earned on a significant amount of one-time funds including the ARPA Coronavirus State and Local Fiscal Recovery Fund grant and bond proceeds. Several of the City's other smaller revenue sources in total were \$3 million greater than budget, including an increase to State-provided highway maintenance funds, increased fines from red-light and speed camera violations, and increased proffers as local growth continues.
- An additional \$17 million was placed in the general fund balance committed for capital improvements.

#### CAPITAL ASSET AND DEBT ADMINISTRATION

##### *Capital Assets*

The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2024 is \$413 million, an increase of \$24 million from June 30, 2023. Net investment in capital assets is calculated as net capital assets minus outstanding bonds for capital improvements and the associated unamortized bond premiums, plus the associated unamortized deferred charges on bond refundings, plus any unspent bond proceeds, and minus lease and SBITA liabilities. The most significant changes in net investment in capital assets for the year includes the increases to governmental net assets due to completed projects like the City Hall renovation, Dean Drive extension, radio upgrades, Annaburg stabilization, Godwin shared-use path, and progress made towards the Dean Park renovation and Grant Ave improvements. Increases to business-activities' investment-in-plant include the progress made on and completion of airport, stormwater, water, and electric infrastructure improvements; including taxiways A & B rehab, Lucasville stormwater management pond, Cannon Branch stream restoration, water main replacements, water plant improvements, electric substation upgrades, and moving electric lines underground.

**CITY OF MANASSAS, VIRGINIA**

**Management's Discussion and Analysis  
(UNAUDITED)  
For The Year Ended June 30, 2024**

**CAPITAL ASSET AND DEBT ADMINISTRATION: (CONTINUED)**

The following tables summarize the capital assets of the City and MCPS. Additional information on the capital assets is found in Note 6 to the basic financial statements.

	Capital Assets FY 2024	Accumulated Depreciation FY 2024	Capital Assets net of Accumulated Depreciation FY 2024	FY 2023	Net Increase (Decrease) Capital Assets
<b>GOVERNMENTAL ACTIVITIES</b>					
Land	\$ 123,389,568	\$ -	\$ 123,389,568	\$ 123,630,303	\$ (240,735)
Construction in progress	14,335,711	-	14,335,711	20,341,348	(6,005,637)
Buildings and improvements	120,675,590	(38,770,674)	81,904,916	67,509,014	14,395,902
Leased buildings and improvements	1,178,053	(1,050,976)	127,077	484,414	(357,337)
Subscription-based IT assets	3,584,750	(683,149)	2,901,601	822,251	2,079,350
Machinery and equipment	40,333,455	(21,134,750)	19,198,705	16,316,505	2,882,200
Infrastructure	224,105,188	(117,173,681)	106,931,507	105,366,862	1,564,645
Total	<u>\$ 527,602,315</u>	<u>\$ (178,813,230)</u>	<u>\$ 348,789,085</u>	<u>\$ 334,470,697</u>	<u>\$ 14,318,388</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Land	\$ 14,840,903	\$ -	\$ 14,840,903	\$ 14,840,903	\$ -
Construction in progress	30,427,273	-	30,427,273	12,340,796	18,086,477
Investment in plant	296,389,538	(184,312,533)	112,077,005	108,326,433	3,750,572
Infrastructure	29,526,532	(14,299,208)	15,227,324	14,954,196	273,128
Leased infrastructure	47,853	(24,974)	22,879	31,219	(8,340)
Machinery and equipment	6,604,858	(5,250,786)	1,354,072	1,144,430	209,642
Purchased capacity	35,373,346	(22,068,891)	13,304,455	13,647,836	(343,381)
Total	<u>\$ 413,210,303</u>	<u>\$ (225,956,392)</u>	<u>\$ 187,253,911</u>	<u>\$ 165,285,813</u>	<u>\$ 21,968,098</u>
<b>TOTAL PRIMARY GOVERNMENT</b>					
Land	\$ 138,230,471	\$ -	\$ 138,230,471	\$ 138,471,206	\$ (240,735)
Construction in progress	44,762,984	-	44,762,984	32,682,144	12,080,840
Buildings and improvements	120,675,590	(38,770,674)	81,904,916	67,509,014	14,395,902
Investment in plant	296,389,538	(184,312,533)	112,077,005	108,326,433	3,750,572
Machinery and equipment	46,938,313	(26,385,536)	20,552,777	17,460,935	3,091,842
Leased capital assets	1,225,906	(1,075,950)	149,956	515,633	(365,677)
Subscription-based IT assets	3,584,750	(683,149)	2,901,601	822,251	2,079,350
Infrastructure	253,631,720	(131,472,889)	122,158,831	120,321,058	1,837,773
Purchased capacity	35,373,346	(22,068,891)	13,304,455	13,647,836	(343,381)
Total	<u>\$ 940,812,618</u>	<u>\$ (404,769,622)</u>	<u>\$ 536,042,996</u>	<u>\$ 499,756,510</u>	<u>\$ 36,286,486</u>
<b>MCPS</b>					
Land	\$ 2,336,649	\$ -	\$ 2,336,649	\$ 2,336,649	\$ -
Construction in progress	3,933,184	-	3,933,184	2,201,271	1,731,913
Buildings and improvements	207,357,096	(143,549,513)	63,807,583	63,499,575	308,008
Leased buildings and improvements	3,468,591	(825,080)	2,643,511	3,316,798	(673,287)
Leased machinery and equipment	2,081,684	(228,747)	1,852,937	330,697	1,522,240
Subscription-based IT assets	1,003,704	(529,180)	474,524	817,985	(343,461)
Machinery and equipment	12,903,486	(7,987,536)	4,915,950	4,596,089	319,861
Total	<u>\$ 233,084,394</u>	<u>\$ (153,120,056)</u>	<u>\$ 79,964,338</u>	<u>\$ 77,099,064</u>	<u>\$ 2,865,274</u>



**CITY OF MANASSAS, VIRGINIA**

**Management's Discussion and Analysis  
(UNAUDITED)  
For The Year Ended June 30, 2024**

**CAPITAL ASSET AND DEBT ADMINISTRATION: (CONTINUED)**

***Long-Term Obligations***

The following tables summarize the long-term debt of the City and MCPS. Additional information on long-term debt is found in Note 8 to the basic financial statements.

	<b>Governmental Activities</b>		<b>Business Activities</b>		<b>Total Primary Government</b>	
	<b>FY 2024</b>	<b>FY2023</b>	<b>FY 2024</b>	<b>FY2023</b>	<b>FY 2024</b>	<b>FY2023</b>
General obligation bonds	\$ 89,908,465	\$ 98,296,460	\$ 55,116,535	\$ 58,638,540	\$ 145,025,000	\$ 156,935,000
Premium on bonds	9,374,853	10,339,776	5,356,957	5,815,409	14,731,810	16,155,185
Capital leases	-	-	-	-	-	-
Lease liabilities	136,182	518,036	19,980	29,543	156,162	547,579
SBITA liabilities	2,818,827	778,408	-	-	2,818,827	778,408
Compensated absences	4,787,803	4,411,302	1,477,363	1,361,145	6,265,166	5,772,447
Arbitrage liability	1,102,570	376,239	-	-	1,102,570	376,239
Net OPEB liability	10,878,962	11,435,040	1,997,547	2,167,254	12,876,509	13,602,294
Net Pension liability	21,444,233	18,591,698	5,621,159	4,929,964	27,065,392	23,521,662
	<u>\$ 140,451,895</u>	<u>\$ 144,746,959</u>	<u>\$ 69,589,541</u>	<u>\$ 72,941,855</u>	<u>\$ 210,041,436</u>	<u>\$ 217,688,814</u>

	<b>MCPS</b>		<b>Total Reporting Unit</b>	
	<b>FY 2024</b>	<b>FY2023</b>	<b>FY 2024</b>	<b>FY2023</b>
General obligation bonds	\$ -	\$ -	\$ 145,025,000	\$ 156,935,000
Premium on bonds	-	-	14,731,810	16,155,185
Capital leases	3,752,403	4,060,987	3,752,403	4,060,987
Lease liabilities	4,608,438	3,704,296	4,764,600	4,251,875
SBITA liabilities	128,507	253,258	2,947,334	1,031,666
Compensated absences	2,921,893	2,924,659	9,187,059	8,697,106
Arbitrage liability	-	-	1,102,570	376,239
Net OPEB liability	14,752,331	13,972,492	27,628,840	27,574,786
Net Pension liability	69,080,723	65,440,787	96,146,115	88,962,449
	<u>\$ 95,244,295</u>	<u>\$ 90,356,479</u>	<u>\$ 305,285,731</u>	<u>\$ 308,045,293</u>

The City's long-term obligations of \$210 million include outstanding general obligation (GO) bonds of \$145 million and bond premiums of \$14.7 million. The total reflects a decrease of \$13.3 million of annual debt service payments and premium amortization. Based upon actuarial reports received from VRS and the City's OPEB actuary, the City's net pension liability increased by \$3.5 million, offset by a decrease of \$725,785 in the total net OPEB liabilities. Lease obligations of \$156,162 reflect a decrease of \$391,417 in FY 2024 due to amortization. GASB 96, SBITA, was implemented in FY 2023, and an initial SBITA obligation of \$778,408 was recorded. The FY 2024 balance of \$2.8 million includes additions of \$2.6 million for a body-worn camera contract, net of \$567,010 amortization. Arbitrage liability of \$376,239 was recorded in FY 2023, due to interest earned on tax-exempt bonds creating a potential future rebate due to the IRS, and was increased to \$1.1 million in FY 2024 based upon an analysis performed by the Virginia State Non-Arbitrage Program (SNAP).

The net increase to the MCPS' total long-term obligations is \$4.9 million, primarily as a result of a \$3.6 million increase in net pension liability, a \$779,839 increase in net OPEB liabilities, and a \$904,142 increase in GASB 87 lease obligations, mainly due to a new lease of electric buses.

In October 2024, Standard & Poor's affirmed the City's bond rating of AAA and assigned a stable outlook, and Moody's upgraded the City's Aa1 bond rating to Aaa. This reflects the City's very strong financial position and prudent fiscal management.

## CITY OF MANASSAS, VIRGINIA

### Management's Discussion and Analysis (UNAUDITED) For The Year Ended June 30, 2024

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#### CAPITAL ASSET AND DEBT ADMINISTRATION: (CONTINUED)

##### *Long-Term Obligations (continued)*

The Code of the Commonwealth of Virginia, as amended, (Virginia Code) limits the amount of general obligation debt the City may issue to 10% of the assessed valuation of the real estate subject to taxation. The assessed valuation of the real estate subject to taxation in the City as of January 1, 2023 was \$6,901,711,800, making the 2024 legal debt limitation of the City \$690,171,180. The City's general obligation debt applicable to the limit is \$145,025,000, leaving a legal debt margin for creation of additional debt of \$545,146,180.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The unemployment rate for the City as of June 2024 was 2.8%, which is slightly lower than the state rate (3.0%) and below the national rate (4.3%). The City's rate is slightly higher than the June 2023 rate of 2.5%, following the State and national trends as unemployment rates and inflation continue to rise.
- Real property taxable assessed values increased 10.79% percent in January 2023 (used for fiscal year 2024 tax levies) to \$6,901,711,800 up by \$672,373,000 over the previous year. Real property taxable assessed values increased 6.49% percent in January 2024 (to be used for fiscal year 2025 tax levies) to \$7,349,772,357 up by \$448,060,557 over the previous year. The fiscal year 2024 total direct real property tax rate had no change, remaining flat at \$1.260 per \$100 of value in fiscal year 2024.
- The City is projecting assessed values to continue increasing marginally in 2025 and has taken this factor into consideration in the projection of the FY 2025 Budget and the development of the FY 2026 Budget which is currently underway.

#### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 9027 Center Street, Manassas, VA, 20110. General information relating to the City of Manassas is available on the City's website <http://www.manassasva.gov>.

## **BASIC FINANCIAL STATEMENTS**

## **Government-wide Financial Statements**

Statement of Net Position  
June 30, 2024

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-type Activities	Total	Manassas City Public Schools	Economic Development Authority
<b>ASSETS</b>					
Cash and investments	\$ 210,333,242	\$ 94,232,828	\$ 304,566,070	\$ 40,686,583	\$ 151,920
Cash and investments - restricted	7,462,688	42,781,037	50,243,725	56,673	200,000
Receivables (net of allowance for uncollectibles):					
Taxes, including penalties	5,049,363	-	5,049,363	-	-
Accounts	1,397,448	12,921,962	14,319,410	193,681	2,640
Leases receivable	1,237,841	59,251,697	60,489,538	-	-
Due from other governments	5,356,220	5,121,124	10,477,344	3,662,837	-
Prepaid items	1,352,161	-	1,352,161	-	-
Inventories	-	3,637,409	3,637,409	-	-
Pension asset	-	-	-	131,938	-
Capital assets:					
Nondepreciable	137,725,279	45,268,176	182,993,455	6,269,833	-
Depreciable, net	211,063,806	141,985,735	353,049,541	73,694,505	-
Total assets	\$ 580,978,048	\$ 405,199,968	\$ 986,178,016	\$ 124,696,050	\$ 354,560
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred loss on refunding	\$ 84,547	\$ 285,877	\$ 370,424	\$ -	\$ -
OPEB related deferred outflows	1,715,055	190,637	1,905,692	3,702,209	-
Pension related deferred outflows	7,846,274	2,056,738	9,903,012	23,631,988	-
Total deferred outflows of resources	\$ 9,645,876	\$ 2,533,252	\$ 12,179,128	\$ 27,334,197	\$ -
<b>LIABILITIES</b>					
Accounts payable and other current liabilities	\$ 10,795,689	\$ 10,571,587	\$ 21,367,276	\$ 9,713,813	\$ 22,459
Deposits	3,348,754	1,162,305	4,511,059	-	-
Accrued interest payable	1,596,494	957,726	2,554,220	-	-
Due to other governments	90,165	-	90,165	-	-
Unearned revenue	31,758,762	34,699	31,793,461	15,073	-
Long-term liabilities:					
Net OPEB liability - due in more than one year	10,878,962	1,997,547	12,876,509	14,752,331	-
Net pension liability - due in more than one year	21,444,233	5,621,159	27,065,392	69,080,723	-
Arbitrage liability - due in more than one year	1,102,570	-	1,102,570	-	-
Due within one year	10,673,446	4,365,494	15,038,940	1,701,951	-
Due in more than one year	96,352,684	57,605,341	153,958,025	9,709,290	-
Total liabilities	\$ 188,041,759	\$ 82,315,858	\$ 270,357,617	\$ 104,973,181	\$ 22,459
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Leases related	\$ 4,965,164	\$ 55,481,053	\$ 60,446,217	\$ -	\$ -
OPEB related deferred inflows	4,016,406	627,801	4,644,207	1,765,617	-
Pension related deferred inflows	3,089,929	809,962	3,899,891	9,233,386	-
Total deferred inflows of resources	\$ 12,071,499	\$ 56,918,816	\$ 68,990,315	\$ 10,999,003	\$ -
<b>NET POSITION</b>					
Net investment in capital assets	\$ 280,532,448	\$ 138,359,335	\$ 412,827,162	\$ 70,629,191	\$ -
Restricted for:					
Nonexpendable Cemetery principal	100,000	-	100,000	-	-
Expendable Cemetery principal	516,775	-	516,775	-	-
Future capital projects	-	30,812,352	30,812,352	-	-
Net pension asset	-	-	-	131,938	-
Opioid settlement	1,018,876	-	1,018,876	-	-
Unrestricted	108,342,567	99,326,859	213,734,047	(34,703,066)	332,101
Total net position	\$ 390,510,666	\$ 268,498,546	\$ 659,009,212	\$ 36,058,063	\$ 332,101

The sum of the primary government columns does not equal the Total column by a difference of \$6,064,621 because the bonds payable related to the Governmental Activities are reflected in the Business-type Activities column reducing unrestricted net position. The assets are reflected in the Governmental Activities column as net investment in capital assets. The Total column matches the assets with the debt and reports the net amount of the net investment in capital assets.

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



Statement of Activities  
For the Year Ended June 30, 2024

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 13,073,748	\$ 688,588	\$ 471,501	\$ -
Public safety	45,935,394	4,127,557	1,026,701	157,759
Public works	15,986,888	608,760	5,241,299	4,539,806
Health and human services	11,418,063	-	4,891,933	-
Culture, recreation and community development	9,818,038	1,643,034	128,350	5,726,592
Education	59,619,911	-	-	-
Interest on long-term debt	3,560,928	-	-	-
Total government activities	<u>\$ 159,412,970</u>	<u>\$ 7,067,939</u>	<u>\$ 11,759,784</u>	<u>\$ 10,424,157</u>
Business-type activities:				
Electric	\$ 48,189,320	\$ 49,501,186	\$ 1,764	\$ 998,193
Water	12,049,097	13,223,345	809	5,672,875
Sewer	15,649,321	18,847,220	253	44,861
Airport	5,549,155	3,681,519	59,284	6,272,430
Stormwater	2,852,708	2,829,889	95	1,441,590
Solid Waste	4,405,171	4,277,083	17,823	-
Total business-type activities	<u>\$ 88,694,772</u>	<u>\$ 92,360,242</u>	<u>\$ 80,028</u>	<u>\$ 14,429,949</u>
Total primary government	<u>\$ 248,107,742</u>	<u>\$ 99,428,181</u>	<u>\$ 11,839,812</u>	<u>\$ 24,854,106</u>
COMPONENT UNITS:				
Manassas City Public Schools	\$ 140,791,842	\$ 543,841	\$ 86,481,116	\$ -
Economic Development Authority	102,733	10,073	-	-
Total component units	<u>\$ 140,894,575</u>	<u>\$ 553,914</u>	<u>\$ 86,481,116</u>	<u>\$ -</u>

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

Statement of Activities  
For the Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	Manassas City Public Schools	Economic Development Authority
<b>PRIMARY GOVERNMENT:</b>					
Governmental activities:					
General government	\$ (11,913,659)		\$ (11,913,659)		
Public safety	(40,623,377)		(40,623,377)		
Public works	(5,597,023)		(5,597,023)		
Health and human services	(6,526,130)		(6,526,130)		
Culture, recreation and community development	(2,320,062)		(2,320,062)		
Education	(59,619,911)		(59,619,911)		
Interest on long-term debt	(3,560,928)		(3,560,928)		
Total government activities	<u>\$ (130,161,090)</u>		<u>\$ (130,161,090)</u>		
Business-type activities:					
Electric		\$ 2,311,823	\$ 2,311,823		
Water		6,847,932	6,847,932		
Sewer		3,243,013	3,243,013		
Airport		4,464,078	4,464,078		
Stormwater		1,418,866	1,418,866		
Solid Waste		(110,265)	(110,265)		
Total business-type activities		<u>\$ 18,175,447</u>	<u>\$ 18,175,447</u>		
Total primary government			<u>\$ (111,985,643)</u>		
<b>COMPONENT UNITS:</b>					
Manassas City Public Schools				\$ (53,766,885)	\$ -
Economic Development Authority				-	(92,660)
Total component units				<u>\$ (53,766,885)</u>	<u>\$ (92,660)</u>
General revenues:					
General property taxes	\$ 108,473,276	\$ -	\$ 108,473,276	\$ -	\$ -
Local sales and use taxes	12,933,547	-	12,933,547	-	-
Business licenses	5,663,788	-	5,663,788	-	-
Meals taxes	6,191,145	-	6,191,145	-	-
Other local taxes	4,687,138	-	4,687,138	-	-
Unrestricted grants	7,975,469	-	7,975,469	-	-
Unrestricted investment earnings	12,045,731	6,644,132	18,689,863	1,199,062	10,733
Other unrestricted revenues	3,505,977	121,008	3,626,985	861,127	-
Gain on disposal of capital assets	232,528	29,563,545	29,796,073	-	-
Payments from City	-	-	-	59,619,911	-
Transfers	1,713,016	(1,713,016)	-	-	-
Total general revenues and transfers	<u>\$ 163,421,615</u>	<u>\$ 34,615,669</u>	<u>\$ 198,037,284</u>	<u>\$ 61,680,100</u>	<u>\$ 10,733</u>
Change in net position	<u>\$ 33,260,525</u>	<u>\$ 52,791,116</u>	<u>\$ 86,051,641</u>	<u>\$ 7,913,215</u>	<u>\$ (81,927)</u>
Net position - beginning	357,250,141	215,707,430	572,957,571	28,144,848	414,028
Net position - ending	<u>\$ 390,510,666</u>	<u>\$ 268,498,546</u>	<u>\$ 659,009,212</u>	<u>\$ 36,058,063</u>	<u>\$ 332,101</u>

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

## **Fund Financial Statements**

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

	<u>General</u>	<u>General Capital Projects Fund</u>	<u>NVTA Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Cash and investments	\$ 151,936,563	\$ 7,069,636	\$ 15,591,779	\$ 26,730,347	\$ 201,328,325
Cash and investments - restricted	2,745,913	1,000,000	3,100,000	616,775	7,462,688
Receivables (net of allowance for uncollectibles):					
Taxes, including penalties	4,726,672	-	-	322,691	5,049,363
Accounts	1,396,776	-	-	-	1,396,776
Leases receivable	1,237,841	-	-	-	1,237,841
Prepaid items	-	-	-	969,184	969,184
Due from other governments	3,232,954	-	1,473,461	649,805	5,356,220
Due from other funds	422,042	-	-	-	422,042
Total assets	<u>\$ 165,698,761</u>	<u>\$ 8,069,636</u>	<u>\$ 20,165,240</u>	<u>\$ 29,288,802</u>	<u>\$ 223,222,439</u>
<b>Liabilities:</b>					
Accounts payable and accrued expenses	\$ 6,281,085	\$ 2,143,263	\$ 1,175,648	\$ 389,505	\$ 9,989,501
Retainage payable	-	486,875	110,289	-	597,164
Deposits	3,348,754	-	-	-	3,348,754
Unearned revenue	31,758,762	-	-	-	31,758,762
Due to other governments	90,165	-	-	-	90,165
Due to other funds	-	-	-	422,042	422,042
Total liabilities	<u>\$ 41,478,766</u>	<u>\$ 2,630,138</u>	<u>\$ 1,285,937</u>	<u>\$ 811,547</u>	<u>\$ 46,206,388</u>
<b>Deferred inflows of resources:</b>					
Unavailable revenue - property taxes	\$ 3,710,788	\$ -	\$ -	\$ 202,605	\$ 3,913,393
Unavailable revenue - opioid settlements	740,646	-	-	-	740,646
Leases related	5,529,398	-	-	-	5,529,398
Total deferred inflows of resources	<u>\$ 9,980,832</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,605</u>	<u>\$ 10,183,437</u>
<b>Fund balances:</b>					
Nonspendable	\$ 422,042	\$ -	\$ -	\$ 1,069,184	\$ 1,491,226
Restricted	1,464,787	1,000,000	3,100,000	6,496,380	12,061,167
Committed	66,000,000	4,439,498	15,779,303	19,153,090	105,371,891
Assigned	14,031,846	-	-	1,555,996	15,587,842
Unassigned	32,320,488	-	-	-	32,320,488
Total fund balances	<u>\$ 114,239,163</u>	<u>\$ 5,439,498</u>	<u>\$ 18,879,303</u>	<u>\$ 28,274,650</u>	<u>\$ 166,832,614</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 165,698,761</u>	<u>\$ 8,069,636</u>	<u>\$ 20,165,240</u>	<u>\$ 29,288,802</u>	<u>\$ 223,222,439</u>

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

**Reconciliation of the Balance Sheet of Governmental Funds  
To the Statement of Net Position  
June 30, 2024**

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Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 166,832,614

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 337,978,490

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 5,218,273

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 14,629,168

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

Deferred charge on refunding	\$ 84,547	
Pension related items	7,234,433	
OPEB related items	<u>1,659,052</u>	8,978,032

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable	\$ (89,908,465)	
Premium on bonds payable	(9,374,853)	
Accrued interest on debt	(1,596,494)	
Arbitrage liability	(1,102,570)	
Lease liabilities	(95,455)	
Net pension liability	(19,772,043)	
Net OPEB liability	<u>(10,292,138)</u>	(132,142,018)

Compensated absences are not reported as fund liabilities. (4,302,939)

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

Pension related items	\$ (2,848,980)	
OPEB related items	<u>(3,831,974)</u>	(6,680,954)

Net position of governmental activities \$ 390,510,666

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

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

	General	General Capital Projects Fund	NVTA Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
General property taxes	\$ 95,498,945	\$ -	\$ -	\$ 13,168,508	\$ 108,667,453
Other local taxes	29,540,453	-	-	-	29,540,453
Permits, fees and licenses	1,435,483	-	-	170,065	1,605,548
Fines and forfeitures	1,843,509	-	-	-	1,843,509
Revenue from the use of money and property	11,621,743	-	4,884	239,845	11,866,472
Charges for services	1,051,256	-	-	1,072,697	2,123,953
Recovered costs	3,244,150	-	-	-	3,244,150
Miscellaneous	1,010,411	172,433	-	145,886	1,328,730
Intergovernmental	14,379,575	5,711,918	4,467,109	5,270,286	29,828,888
Total revenues	<u>\$ 159,625,525</u>	<u>\$ 5,884,351</u>	<u>\$ 4,471,993</u>	<u>\$ 20,067,287</u>	<u>\$ 190,049,156</u>
<b>EXPENDITURES</b>					
Current:					
General government administration	\$ 11,792,854	\$ 43,092	\$ 659,532	\$ -	\$ 12,495,478
Public safety	30,054,751	-	-	13,318,967	43,373,718
Public works	9,594,176	-	152,224	7,452	9,753,852
Health and human services	3,581,723	-	-	7,639,624	11,221,347
Culture, recreation, and community development	8,586,444	96,598	-	14,735	8,697,777
Education	59,619,911	-	-	-	59,619,911
Capital outlay	2,837,160	18,041,897	4,589,462	1,475,386	26,943,905
Debt service:					
Principal retirement	140,257	-	-	8,669,882	8,810,139
Interest and other fiscal charges	280,082	-	-	3,638,213	3,918,295
Total expenditures	<u>\$ 126,487,358</u>	<u>\$ 18,181,587</u>	<u>\$ 5,401,218</u>	<u>\$ 34,764,259</u>	<u>\$ 184,834,422</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 33,138,167</u>	<u>\$ (12,297,236)</u>	<u>\$ (929,225)</u>	<u>\$ (14,696,972)</u>	<u>\$ 5,214,734</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ 3,329,800	\$ 7,063,199	\$ 865,850	\$ 14,992,949	\$ 26,251,798
Transfers out	(20,646,579)	-	-	(760,535)	(21,407,114)
Subscriptions	49,900	-	-	-	49,900
Total other financing sources (uses)	<u>\$ (17,266,879)</u>	<u>\$ 7,063,199</u>	<u>\$ 865,850</u>	<u>\$ 14,232,414</u>	<u>\$ 4,894,584</u>
Net change in fund balances	\$ 15,871,288	\$ (5,234,037)	\$ (63,375)	\$ (464,558)	\$ 10,109,318
Fund balances - beginning	98,367,875	10,673,535	18,942,678	28,739,208	156,723,296
Fund balances - ending	<u>\$ 114,239,163</u>	<u>\$ 5,439,498</u>	<u>\$ 18,879,303</u>	<u>\$ 28,274,650</u>	<u>\$ 166,832,614</u>

The notes to the 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  
For the Year Ended June 30, 2024**

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		\$ 10,109,318
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 capital outlays exceeded depreciation in the current period.		
Capital outlays	\$ 26,993,509	
Depreciation	<u>(11,468,804)</u>	15,524,705
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		(70,540)
The transfer of capital assets from enterprise funds to governmental activities are reported as transfers in the government-wide statement of activities.		105,571
The transfer of capital assets from governmental activities to enterprise fund are reported as transfers out in the government-wide statement of activities.		(3,734,163)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		296,272
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 issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments	\$ 8,810,139	
Proceeds from issuance of subscriptions	(49,900)	
Amortization of bond premium	964,923	
Amortization of deferred charge on refunding	<u>(64,999)</u>	9,660,163
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.		
Compensated absences	\$ (306,957)	
OPEB expense	76,096	
Pension expense	260,883	
Arbitrage	(726,331)	
Accrued interest	<u>210,047</u>	(486,262)
Special contributions received from the Commonwealth for the pension and OPEB cost sharing pools are not reported in governmental funds.		11,853
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		<u>1,843,608</u>
Change in net position of governmental activities		<u>\$ 33,260,525</u>

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

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

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 95,040,000	\$ 95,040,000	\$ 95,498,945	\$ 458,945
Other local taxes	28,350,000	28,350,000	29,540,453	1,190,453
Permits, fees, and licenses	500,000	500,000	1,435,483	935,483
Fines and forfeitures	857,000	857,000	1,843,509	986,509
Revenue from the use of money and property	550,000	550,000	11,621,743	11,071,743
Charges for services	640,000	640,000	1,051,256	411,256
Recovered costs	3,244,150	3,244,150	3,244,150	-
Proffers	-	-	465,724	465,724
Miscellaneous	60,000	142,170	544,687	402,517
Intergovernmental revenues:				
Commonwealth:				
PPTRA	3,786,000	3,786,000	3,786,634	634
Communications tax	2,000,000	2,000,000	2,037,456	37,456
Highway maintenance	4,400,000	4,400,000	5,239,987	839,987
Other	2,114,500	2,524,737	2,744,979	220,242
Federal	860,000	729,841	570,519	(159,322)
Total revenues	<u>\$ 142,401,650</u>	<u>\$ 142,763,898</u>	<u>\$ 159,625,525</u>	<u>\$ 16,861,627</u>
EXPENDITURES				
Departmental:				
City council	\$ 422,210	\$ 422,210	\$ 416,289	\$ 5,921
Clerk's office	379,600	379,600	308,211	71,389
City manager	1,896,220	1,896,220	1,502,976	393,244
City attorney	551,960	551,960	500,897	51,063
Electoral board	545,240	618,899	606,305	12,594
Treasurer	1,113,670	1,113,670	1,079,743	33,927
Commissioner of the revenue	1,782,080	1,792,092	1,784,733	7,359
Finance and administration	2,646,540	2,838,540	2,318,548	519,992
Human resources	2,477,730	2,945,509	2,227,860	717,649
Police	22,669,570	23,227,059	22,723,341	503,718
Engineering	1,641,760	1,641,760	1,389,045	252,715
Public works	11,027,310	11,120,822	10,399,114	721,708
Economic development	1,140,430	1,417,907	1,242,452	175,455
Community development	5,182,150	6,243,113	5,797,442	445,671
Contingency	1,800,000	1,050,000	-	1,050,000
Total departmental expenditures	<u>\$ 55,276,470</u>	<u>\$ 57,259,361</u>	<u>\$ 52,296,956</u>	<u>\$ 4,962,405</u>
Shared services	\$ 15,076,110	\$ 16,076,110	\$ 14,047,141	\$ 2,028,969
Interest and fees on long-term debt	-	-	274,647	(274,647)
Contributions	175,000	175,000	175,000	-
Grants and donations	850,000	310,121	-	310,121
Community investment	2,350,000	4,330,252	42,118	4,288,134
Pandemic	-	31,585	31,585	-
Education	58,712,000	59,462,000	59,619,911	(157,911)
Total expenditures	<u>\$ 132,439,580</u>	<u>\$ 137,644,429</u>	<u>\$ 126,487,358</u>	<u>\$ 11,157,071</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 9,962,070</u>	<u>\$ 5,119,469</u>	<u>\$ 33,138,167</u>	<u>\$ 28,018,698</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,564,800	\$ 2,564,800	\$ 3,329,800	\$ 765,000
Transfers out	(23,526,870)	(25,155,069)	(20,646,579)	4,508,490
Subscriptions	-	-	49,900	49,900
Total other financing sources (uses)	<u>\$ (20,962,070)</u>	<u>\$ (22,590,269)</u>	<u>\$ (17,266,879)</u>	<u>\$ 5,323,390</u>
Net change in fund balances	<u>\$ (11,000,000)</u>	<u>\$ (17,470,800)</u>	<u>\$ 15,871,288</u>	<u>\$ 33,342,088</u>
Fund balances - beginning			98,367,875	
Fund balances - ending			<u>\$ 114,239,163</u>	

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

Statement of Net Position  
Proprietary Funds  
June 30, 2024

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Airport Fund
<b>ASSETS</b>				
Current assets:				
Cash and investments - unrestricted	\$ 23,711,279	\$ 26,747,019	\$ 24,173,267	\$ 12,559,741
Cash and investments - restricted	-	5,884,221	3,760,196	30,727,116
Accounts receivable, net	7,460,180	2,054,177	2,761,558	184,034
Leases receivable - current portion	-	94,385	-	1,243,817
Due from other governments	-	1,817,713	-	2,196,915
Prepaid items	-	-	-	-
Inventories	2,932,496	656,676	48,237	-
Total current assets	\$ 34,103,955	\$ 37,254,191	\$ 30,743,258	\$ 46,911,623
Noncurrent assets:				
Leases receivable - noncurrent portion	\$ -	\$ 243,285	\$ -	\$ 57,670,210
Capital assets:				
Nondepreciable	2,612,118	17,524,472	1,985,989	14,461,400
Depreciable, net	27,585,344	44,335,022	27,540,835	27,211,819
Total capital assets, net	\$ 30,197,462	\$ 61,859,494	\$ 29,526,824	\$ 41,673,219
Total noncurrent assets	\$ 30,197,462	\$ 62,102,779	\$ 29,526,824	\$ 99,343,429
Total assets	\$ 64,301,417	\$ 99,356,970	\$ 60,270,082	\$ 146,255,052
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on refunding	\$ -	\$ 22,538	\$ 248,431	\$ 14,908
OPEB related deferred outflows	103,451	47,420	14,825	16,516
Pension related deferred outflows	1,111,978	475,316	213,052	182,781
Total deferred outflows of resources	\$ 1,215,429	\$ 545,274	\$ 476,308	\$ 214,205
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 3,113,777	\$ 2,581,201	\$ 36,121	\$ 2,364,295
Retainage payable	-	341,416	-	241,760
Deposits	801,576	192,565	-	168,164
Accrued interest payable	21,872	557,732	284,225	6,075
Unearned revenue	-	1,650	8,050	24,999
Compensated absences - current portion	130,360	58,810	15,016	14,815
Subscription liabilities - current portion	-	-	-	-
Lease liabilities - current portion	9,845	-	-	-
Bonds payable and other obligations - current portion	258,126	1,765,024	1,591,922	200,000
Total current liabilities	\$ 4,335,556	\$ 5,498,398	\$ 1,935,334	\$ 3,020,108
Noncurrent liabilities:				
Bonds payable and other obligations - noncurrent portion	\$ 2,868,808	\$ 33,003,966	\$ 14,111,159	\$ 205,000
Compensated absences - noncurrent portion	738,705	333,257	85,091	83,954
Subscription liabilities - noncurrent portion	-	-	-	-
Lease liabilities - noncurrent portion	10,135	-	-	-
Net OPEB liability	1,083,997	496,863	155,332	173,056
Net pension liability	3,039,089	1,299,060	582,281	499,549
Total noncurrent liabilities	\$ 7,740,734	\$ 35,133,146	\$ 14,933,863	\$ 961,559
Total liabilities	\$ 12,076,290	\$ 40,631,544	\$ 16,869,197	\$ 3,981,667
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Leases related	\$ -	\$ 324,178	\$ -	\$ 55,156,875
OPEB related deferred inflows	340,684	156,157	48,819	54,388
Pension related deferred inflows	437,907	187,184	83,902	71,981
Total deferred inflows of resources	\$ 778,591	\$ 667,519	\$ 132,721	\$ 55,283,244
<b>NET POSITION</b>				
Net investment in capital assets	\$ 26,923,076	\$ 36,622,309	\$ 17,819,457	\$ 38,715,582
Restricted for future capital projects	-	-	-	30,727,116
Unrestricted	25,738,889	21,980,872	25,925,015	17,761,648
Total net position	\$ 52,661,965	\$ 58,603,181	\$ 43,744,472	\$ 87,204,346

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

Statement of Net Position  
Proprietary Funds  
June 30, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities
	Stormwater Fund	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments - unrestricted	\$ 4,927,978	\$ 2,113,544	\$ 94,232,828	\$ 9,004,917
Cash and investments - restricted	2,409,504	-	42,781,037	-
Accounts receivable, net	162,636	299,377	12,921,962	672
Leases receivable - current portion	-	-	1,338,202	-
Due from other governments	1,106,496	-	5,121,124	-
Prepaid items	-	-	-	382,977
Inventories	-	-	3,637,409	-
Total current assets	\$ 8,606,614	\$ 2,412,921	\$ 160,032,562	\$ 9,388,566
Noncurrent assets:				
Leases receivable - noncurrent portion	\$ -	\$ -	\$ 57,913,495	\$ -
Capital assets:				
Nondepreciable	8,684,197	-	45,268,176	79,607
Depreciable, net	15,276,722	35,993	141,985,735	10,730,988
Total capital assets, net	\$ 23,960,919	\$ 35,993	\$ 187,253,911	\$ 10,810,595
Total noncurrent assets	\$ 23,960,919	\$ 35,993	\$ 245,167,406	\$ 10,810,595
Total assets	\$ 32,567,533	\$ 2,448,914	\$ 405,199,968	\$ 20,199,161
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on refunding	\$ -	\$ -	\$ 285,877	\$ -
OPEB related deferred outflows	5,581	2,844	190,637	56,003
Pension related deferred outflows	55,653	17,958	2,056,738	611,841
Total deferred outflows of resources	\$ 61,234	\$ 20,802	\$ 2,533,252	\$ 667,844
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 1,436,388	\$ 263,691	\$ 9,795,473	\$ 205,680
Retainage payable	192,938	-	776,114	3,344
Deposits	-	-	1,162,305	-
Accrued interest payable	87,822	-	957,726	-
Unearned revenue	-	-	34,699	-
Compensated absences - current portion	1,944	659	221,604	72,730
Subscription liabilities - current portion	-	-	-	328,177
Lease liabilities - current portion	-	-	9,845	10,016
Bonds payable and other obligations - current portion	318,973	-	4,134,045	-
Total current liabilities	\$ 2,038,065	\$ 264,350	\$ 17,091,811	\$ 619,947
Noncurrent liabilities:				
Bonds payable and other obligations - noncurrent portion	\$ 6,150,514	\$ -	\$ 56,339,447	\$ -
Compensated absences - noncurrent portion	11,019	3,733	1,255,759	412,134
Subscription liabilities - noncurrent portion	-	-	-	2,490,650
Lease liabilities - noncurrent portion	-	-	10,135	30,711
Net OPEB liability	58,490	29,809	1,997,547	586,824
Net pension liability	152,102	49,078	5,621,159	1,672,190
Total noncurrent liabilities	\$ 6,372,125	\$ 82,620	\$ 65,224,047	\$ 5,192,509
Total liabilities	\$ 8,410,190	\$ 346,970	\$ 82,315,858	\$ 5,812,456
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Leases related	\$ -	\$ -	\$ 55,481,053	\$ -
OPEB related deferred inflows	18,384	9,369	627,801	184,432
Pension related deferred inflows	21,916	7,072	809,962	240,949
Total deferred inflows of resources	\$ 40,300	\$ 16,441	\$ 56,918,816	\$ 425,381
<b>NET POSITION</b>				
Net investment in capital assets	\$ 18,242,918	\$ 35,993	\$ 138,359,335	\$ 7,947,697
Restricted for future capital projects	85,236	-	30,812,352	-
Unrestricted	5,850,123	2,070,312	99,326,859	6,681,471
Total net position	\$ 24,178,277	\$ 2,106,305	\$ 268,498,546	\$ 14,629,168

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

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

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Airport Fund
<b>OPERATING REVENUES</b>				
Charges for services	\$ 43,899,329	\$ 12,534,179	\$ 17,693,109	\$ 3,681,519
Service reimbursements	5,450,682	-	-	-
Connection charges	151,175	689,166	1,154,111	-
Total operating revenues	<u>\$ 49,501,186</u>	<u>\$ 13,223,345</u>	<u>\$ 18,847,220</u>	<u>\$ 3,681,519</u>
<b>OPERATING EXPENSES</b>				
Personal services	\$ 6,748,479	\$ 3,620,494	\$ 1,004,318	\$ 1,262,232
Contractual services	3,336,320	422,376	163,089	551,247
Supplies	1,692,346	2,871,543	80,850	153,507
Internal and other services	2,070,547	2,095,075	1,128,738	593,148
Purchased power	31,774,706	-	-	-
Contract treatment charges	-	-	11,939,452	-
Depreciation and amortization	2,470,063	2,132,687	862,843	2,961,963
Total operating expenses	<u>\$ 48,092,461</u>	<u>\$ 11,142,175</u>	<u>\$ 15,179,290</u>	<u>\$ 5,522,097</u>
Operating income (loss)	<u>\$ 1,408,725</u>	<u>\$ 2,081,170</u>	<u>\$ 3,667,930</u>	<u>\$ (1,840,578)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental grants/revenue	\$ 1,764	\$ 809	\$ 253	\$ 59,284
Investment earnings	1,092,105	1,103,818	1,026,059	3,036,825
Gain (loss) on sale of assets	(114,847)	-	-	29,563,545
Other/insurance recoveries	89,953	4,886	20,892	5,133
Interest expense and fiscal charges	(87,583)	(906,922)	(470,031)	(27,058)
Total nonoperating revenues (expenses)	<u>\$ 981,392</u>	<u>\$ 202,591</u>	<u>\$ 577,173</u>	<u>\$ 32,637,729</u>
Income before contributions and transfers	<u>\$ 2,390,117</u>	<u>\$ 2,283,761</u>	<u>\$ 4,245,103</u>	<u>\$ 30,797,151</u>
Capital contributions	\$ 3,021,747	\$ 6,941,911	\$ 94,084	\$ 6,664,780
Transfers in	-	-	-	-
Transfers out	(2,467,472)	(1,226,572)	(647,564)	-
Change in net position	<u>\$ 2,944,392</u>	<u>\$ 7,999,100</u>	<u>\$ 3,691,623</u>	<u>\$ 37,461,931</u>
Total net position - beginning	49,717,573	50,604,081	40,052,849	49,742,415
Total net position - ending	<u>\$ 52,661,965</u>	<u>\$ 58,603,181</u>	<u>\$ 43,744,472</u>	<u>\$ 87,204,346</u>

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

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

	Business-type Activities - Enterprise Funds			Governmental Activities
	Stormwater Fund	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,761,053	\$ 4,277,083	\$ 84,846,272	\$ 13,064,461
Service reimbursements	-	-	5,450,682	-
Connection charges	68,836	-	2,063,288	-
Total operating revenues	<u>\$ 2,829,889</u>	<u>\$ 4,277,083</u>	<u>\$ 92,360,242</u>	<u>\$ 13,064,461</u>
<b>OPERATING EXPENSES</b>				
Personal services	\$ 370,931	\$ 171,098	\$ 13,177,552	\$ 3,881,740
Contractual services	937,401	3,918,541	9,328,974	2,439,970
Supplies	9,099	9,828	4,817,173	2,273,804
Internal and other services	676,758	296,843	6,861,109	1,451,385
Purchased power	-	-	31,774,706	-
Contract treatment charges	-	-	11,939,452	-
Depreciation and amortization	713,223	8,861	9,149,640	2,247,805
Total operating expenses	<u>\$ 2,707,412</u>	<u>\$ 4,405,171</u>	<u>\$ 87,048,606</u>	<u>\$ 12,294,704</u>
Operating income (loss)	<u>\$ 122,477</u>	<u>\$ (128,088)</u>	<u>\$ 5,311,636</u>	<u>\$ 769,757</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental grants/revenue	\$ 95	\$ 17,823	\$ 80,028	\$ 955
Investment earnings	294,376	90,949	6,644,132	352,151
Gain (loss) on sale of assets	-	-	29,448,698	232,528
Other/insurance recoveries	-	144	121,008	17,566
Interest expense and fiscal charges	(145,296)	-	(1,636,890)	(26,273)
Total nonoperating revenues (expenses)	<u>\$ 149,175</u>	<u>\$ 108,916</u>	<u>\$ 34,656,976</u>	<u>\$ 576,927</u>
Income before contributions and transfers	<u>\$ 271,652</u>	<u>\$ (19,172)</u>	<u>\$ 39,968,612</u>	<u>\$ 1,346,684</u>
Capital contributions	\$ 1,441,590	\$ -	\$ 18,164,112	\$ -
Transfers in	-	-	-	496,924
Transfers out	(1,000,000)	-	(5,341,608)	-
Change in net position	<u>\$ 713,242</u>	<u>\$ (19,172)</u>	<u>\$ 52,791,116</u>	<u>\$ 1,843,608</u>
Total net position - beginning	<u>23,465,035</u>	<u>2,125,477</u>	<u>215,707,430</u>	<u>12,785,560</u>
Total net position - ending	<u><u>\$ 24,178,277</u></u>	<u><u>\$ 2,106,305</u></u>	<u><u>\$ 268,498,546</u></u>	<u><u>\$ 14,629,168</u></u>

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



**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Airport Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers and users	\$ 49,165,507	\$ 13,022,340	\$ 18,534,832	\$ 2,539,620
Cash paid to suppliers	(38,212,876)	(3,100,639)	(12,207,069)	(710,980)
Cash paid to and for employees	(7,007,822)	(3,586,732)	(1,073,678)	(1,094,937)
Payments for interfund services used	(2,070,547)	(2,095,075)	(1,128,738)	(593,148)
Net cash provided by (used for) operating activities	\$ 1,874,262	\$ 4,239,894	\$ 4,125,347	\$ 140,555
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to other funds	\$ (2,467,472)	\$ (1,226,572)	\$ (647,564)	\$ -
Transfers from other funds	-	-	-	-
Nonoperating grants received	1,764	809	253	41,243
Net cash provided by (used for) noncapital financing activities	\$ (2,465,708)	\$ (1,225,763)	\$ (647,311)	\$ 41,243
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	\$ (4,626,550)	\$ (6,892,259)	\$ (199,387)	\$ (7,121,397)
Capital grants and contributions received (issued)	892,622	3,855,162	44,861	4,922,505
Proceeds from issuance of debt	-	-	-	-
Principal paid on debt	(240,418)	(1,486,150)	(1,345,000)	(195,000)
Other/insurance recoveries	89,953	4,886	20,892	5,133
Interest paid on debt	(103,835)	(1,169,216)	(605,075)	(14,929)
Proceeds from sales of capital assets	-	-	-	29,955,895
Net cash provided by (used for) capital and related financing activities	\$ (3,988,228)	\$ (5,687,577)	\$ (2,083,709)	\$ 27,552,207
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	\$ 1,092,105	\$ 1,103,818	\$ 1,026,059	\$ 3,036,825
Net cash provided by (used for) investing activities	\$ 1,092,105	\$ 1,103,818	\$ 1,026,059	\$ 3,036,825
Net increase (decrease) in cash and cash equivalents	\$ (3,487,569)	\$ (1,569,628)	\$ 2,420,386	\$ 30,770,830
Cash and investments - beginning - including restricted	27,198,848	34,200,868	25,513,077	12,516,027
Cash and investments - ending - including restricted	\$ 23,711,279	\$ 32,631,240	\$ 27,933,463	\$ 43,286,857
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 1,408,725	\$ 2,081,170	\$ 3,667,930	\$ (1,840,578)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation expense	2,470,063	2,132,687	862,843	2,961,963
Changes in assets and liabilities:				
Accounts receivable	(360,732)	(209,583)	(312,388)	93,406
Leases receivable	-	(177,438)	-	(13,093,464)
Prepaid items	-	-	-	-
Inventories	139,469	12,603	93	-
Deferred outflows of resources - pension related items	(41,443)	(58,194)	(7,977)	(65,739)
Deferred outflows of resources - OPEB related items	6,542	775	3,183	(3,737)
Accounts payable and accrued expenses	(1,548,973)	180,677	(23,771)	(6,226)
Deposits	25,053	15,655	-	34,545
Unearned revenue	-	(1,667)	-	(11,878)
Compensated absences	40,897	39,591	12,214	13,204
Net pension liability	226,854	203,303	43,560	192,086
Net OPEB liability	(125,185)	(32,958)	(42,630)	32,580
Deferred inflows of resources - leases related	-	172,028	-	11,835,492
Deferred inflows of resources - pension related items	(383,649)	(132,927)	(73,478)	(17,840)
Deferred inflows of resources - OPEB related items	16,641	14,172	(4,232)	16,741
Net cash provided by (used for) operating activities	\$ 1,874,262	\$ 4,239,894	\$ 4,125,347	\$ 140,555
Noncash investing, capital, and financing activities:				
Capital contributions	\$ 2,023,554	\$ 1,269,036	\$ 49,223	\$ 392,350

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

Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2024

	Enterprise Funds			Internal
	Stormwater	Other	Total	Service
	Fund	Nonmajor	Enterprise	Funds
		Enterprise Funds	Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers and users	\$ 2,835,759	\$ 4,275,097	\$ 90,373,155	\$ 13,074,868
Cash paid to suppliers	(924,466)	(3,929,169)	(59,085,199)	(4,720,468)
Cash paid to and for employees	(361,577)	(171,896)	(13,296,642)	(3,821,364)
Payments for interfund services used	(676,758)	(296,843)	(6,861,109)	(1,451,385)
Net cash provided by (used for) operating activities	\$ 872,958	\$ (122,811)	\$ 11,130,205	\$ 3,081,651
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to other funds	\$ (1,000,000)	\$ -	\$ (5,341,608)	\$ -
Transfers from other funds	-	-	-	496,924
Nonoperating grants received	95	17,823	61,987	955
Net cash provided by (used for) noncapital financing activities	\$ (999,905)	\$ 17,823	\$ (5,279,621)	\$ 497,879
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	\$ (4,106,889)	\$ -	\$ (22,946,482)	\$ (4,749,548)
Capital grants and contributions received (issued)	335,094	-	10,050,244	-
Proceeds from issuance of debt	-	-	-	2,557,529
Principal paid on debt	(265,000)	-	(3,531,568)	(526,720)
Other/insurance recoveries	-	144	121,008	17,566
Interest paid on debt	(185,894)	-	(2,078,949)	(26,273)
Proceeds from sales of capital assets	-	-	29,955,895	232,528
Net cash provided by (used for) capital and related financing activities	\$ (4,222,689)	\$ 144	\$ 11,570,148	\$ (2,494,918)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	\$ 294,376	\$ 90,949	\$ 6,644,132	\$ 352,151
Net cash provided by (used for) investing activities	\$ 294,376	\$ 90,949	\$ 6,644,132	\$ 352,151
Net increase (decrease) in cash and cash equivalents	\$ (4,055,260)	\$ (13,895)	\$ 24,064,864	\$ 1,436,763
Cash and investments - beginning - including restricted	11,392,742	2,127,439	112,949,001	7,568,154
Cash and investments - ending - including restricted	\$ 7,337,482	\$ 2,113,544	\$ 137,013,865	\$ 9,004,917
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 122,477	\$ (128,088)	\$ 5,311,636	\$ 769,757
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation expense	713,223	8,861	9,149,640	2,247,805
Changes in assets and liabilities:				
Accounts receivable	5,870	(1,986)	(785,413)	10,407
Leases receivable	-	-	(13,270,902)	-
Prepaid items	-	-	-	(44,452)
Inventories	-	-	152,165	-
Deferred outflows of resources - pension related items	(5,174)	(1,521)	(180,048)	(69,644)
Deferred outflows of resources - OPEB related items	(308)	51	6,506	219
Accounts payable and accrued expenses	22,034	(800)	(1,377,059)	37,758
Deposits	-	-	75,253	-
Unearned revenue	-	-	(13,545)	-
Compensated absences	8,813	1,499	116,218	69,544
Net pension liability	19,494	5,898	691,195	247,864
Net OPEB liability	507	(2,021)	(169,707)	(31,252)
Deferred inflows of resources - leases related	-	-	12,007,520	-
Deferred inflows of resources - pension related items	(16,824)	(5,542)	(630,260)	(175,149)
Deferred inflows of resources - OPEB related items	2,846	838	47,006	18,794
Net cash provided by (used for) operating activities	\$ 872,958	\$ (122,811)	\$ 11,130,205	\$ 3,081,651
Noncash investing, capital, and financing activities:				
Capital contributions	\$ -	\$ -	\$ 3,734,163	\$ -

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

CITY OF MANASSAS, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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**Note 1–Summary of Significant Accounting Policies**

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**Financial Reporting Entity**

The City of Manassas, Virginia (the “City”) is a municipal corporation governed by an elected mayor and six-member council. The City Council appoints a City Manager who is the City’s chief administrative officer and executes the Council’s policies and programs. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable.

The City has two discretely presented component units, the Manassas City Public Schools (“MCPS”), and the Economic Development Authority (“EDA”) which are reported in separate columns in the government-wide financial statements to emphasize each is legally separate from the City.

MCPS is responsible for elementary and secondary education within the City. MCPS is governed by an elected seven-member School Board. The City is financially accountable for MCPS because the City Council approves MCPS’s budget, levies taxes to support MCPS’s budget and issues debt for MCPS. MCPS has a June 30 year end and does not issue separate financial statements.

The EDA was created as a political subdivision of the Commonwealth of Virginia by ordinance of the City on February 7, 1972, pursuant to the provisions of the Industrial Development and Revenue Bond Act (Chapter 33, Section 15.1-1373, et seq., of the Code of Virginia (1950) as amended. The Authority is governed by seven directors appointed by the City. It is authorized to attract, retain, generate, and assist in the expansion of high-quality businesses, institutions of higher education, medical facilities, and non-profit organizations to ensure the continued existence of a vibrant, stable, and diverse economy within the City and the Commonwealth of Virginia through the use of Industrial Development Bond financing as well as loans and grants. The EDA’s projects and activities are closely aligned with City priorities and City staff is responsible for EDA financial transactions and reporting. Due to the relationship between the two entities and their financial integration, management believes the EDA should be included as a discretely presented component unit to ensure the financial statements are not misleading. The EDA has a June 30 year end and does not issue separate financial statements.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. *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 the legally separate *component units* for which the primary government is financially accountable.

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*.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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

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**Government-Wide and Fund Financial Statements: (Continued)**

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**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. Grant and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. 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 of the current period. 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 subscriptions assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases and subscriptions are reported as other financing sources.

Property taxes, sales taxes and other local taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property are recorded as revenues and receivables when billed, net of allowances for the uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenues. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general-purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when the government receives cash.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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

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

*Governmental funds* account for the expendable financial resources, other than those accounted for in proprietary and fiduciary fund. The governmental funds use the modified accrual basis of accounting where the measurement focus is upon determination of financial position and changes in financial position rather than on net income determination as would apply to a commercial enterprise. The City reports the following governmental funds:

The *General Fund* is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required be accounted for in another fund. The General Fund is considered a major fund for financial reporting purposes.

*Special Revenue Funds* account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds consist of the Social Services Fund, PEG Fund, Owens Brooke District Fund, Fire Rescue Fund, and Merchant Museum Fund.

The *Capital Projects Funds* account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. Capital Projects Funds consist of the General Capital Projects Fund, Gateway Capital Projects Fund, Transportation Capital Projects Fund, and the NVTa Capital Projects Fund. The General Capital Projects Fund and NVTa Capital Projects Fund are considered major funds for financial reporting purposes.

The *Debt Service Fund* is used to account for and report the resources accumulated and payments made for principal and interest on long-term general obligation debt.

The *Cemetery Maintenance Fund* is the government’s only permanent fund. It accounts for and reports resources that are restricted such that only earnings may be used for the intended purposes.

*Proprietary funds* account for operations that are financed in a manner similar to private business enterprises. The proprietary funds utilize the accrual basis of accounting where the measurement focus is upon determination of net income. Proprietary funds consist of enterprise and internal service funds. The government reports the following proprietary funds:

*Enterprise funds* account for operations where the intent of the City is that the cost of provided services to the general public be financed and recovered through user charges. Enterprise funds consist of Electric, Water and Sewer Funds, which account for the operation of the City’s electric distribution service, water distribution service, and sewer distribution service. The Airport fund accounts for the activities of the Manassas Regional Airport. The Stormwater fund accounts for and reports stormwater utility operations. These are all considered major funds for financial reporting purposes. The City also has one nonmajor enterprise fund, the Solid Waste fund.

*Internal service funds* account for vehicle maintenance, building maintenance, and information technology services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. Internal service funds consist of the Building Maintenance Fund, Vehicle Maintenance Fund, and the Information Technology Fund.



NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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

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

*Fiduciary funds* (Trust and Custodial Funds) account for assets held by the government in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds and utilize the accrual basis of accounting. These funds include private-purpose trust funds which are reported using the accrual basis of accounting. MCPS' two trust funds are used to account for assets held by MCPS under a trust agreement for individuals and are not available to support the MCPS's programs.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payment-in-lieu of taxes and other charges between the government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary 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 electric, water, sewer, airport, stormwater and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting the operating definition are reported as nonoperating revenues and expenses.

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position**

*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.

*Investments*

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

*Fair Value Measurements*

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



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

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**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)**

*Receivables and Payables*

Activity between funds that is 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 inter-fund loans) or “advances to/from other funds” (i.e., the noncurrent portion of inter-fund loans). If any residual balances are outstanding between the governmental activities and business-type activities, they are reported in the government-wide financial statements as “internal balances.”

*Inventories and Prepaid Items*

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories in the enterprise and internal service funds consist of expendable supplies held for consumption and are accounted for under the consumption method. The cost is recorded as an expense at the time the individual inventory items are used.

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

*Property Taxes*

Property values are assessed as of January 1 by the Commissioner of the Revenue and are based on 100% of fair market value. Property taxes become a lien at the commencement of the tax year for which they were assessed, July 1<sup>st</sup>. The real estate tax levy is divided into two billings: the first billing is due December 5 and the second billing is due June 5. The machinery and tools personal property tax levy is due September 5. All other personal property tax levies are due October 5. The City Code of Ordinances requires the Treasurer to give notice to all taxpayers at least two weeks prior to the due dates. This is done in the form of billings mailed to taxpayers approximately six weeks prior to the due dates listed above. All billings are considered past due the day after the due date, at which time penalties and interest are assessed. The City has a legally enforceable claim to real estate taxes and personal property taxes upon assessment.

*Allowance for Uncollectible Accounts*

The City calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. At year end, the allowance for doubtful accounts is \$467,705 in the general fund, \$10,134 in the fire rescue fund, \$54,981 in the electric fund, \$13,304 in the water fund, \$20,773 in the sewer fund, \$1,229 in the stormwater fund and \$2,262 in the nonmajor enterprise fund.

*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.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

*Capital Assets*

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, subscriptions, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the City and MCPS as assets with an initial, individual cost of more than \$15,000 and an estimated useful life in excess of one year. For infrastructure assets the same estimated minimum useful life is used (in excess of one year).

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

Land and construction in progress are not depreciated. The other tangible and intangible property, plant equipment, lease assets, subscription assets, and infrastructure of the 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>
Investment in plant	
Electric systems	20-50
Water systems	20-50
Sewer systems	20-50
Buildings and improvements	5-40
Machinery, equipment and software	3-25
Infrastructure	10-50
Purchased Capacity	20-50
Subscription Assets	2-10
Lease Buildings and Improvements	5-40
Lease Infrastructure	10-50
Lease Machinery, equipment and software	2-25

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

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**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)**

*Compensated Absences*

It is the policy of the City and MCPS to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay benefits and the portion of sick pay benefits which are paid to employees when they separate from service with the City and MCPS are accrued when incurred in the government-wide and proprietary fund financial statements.

*Long-term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

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

*Fund Balances*

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’s governmental funds report the five categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes:

- **Nonspendable** - Amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.
- **Restricted** - 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** - Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council through adoption of a resolution. Only City Council may modify or rescind the commitment.
- **Assigned** - Amounts are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City management based on governing body direction through adoption or amendment of the budget or through ordinance or resolution.
- **Unassigned** - Amounts that are available for any purpose; positive amounts are reported only in the general fund.

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

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**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)**

*Restricted Amounts*

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

*Minimum Fund Balance Policy*

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year-end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). With adoption of its fund balance policy, the City Council formalized their decision not to assign fund balances or grant that authority to any individual. In the general fund, the City maintains an unassigned fund balance to be used for unanticipated emergencies of at least 15% of the actual current year GAAP basis operating revenues exclusive of other financing sources. The City's policy was amended at the end for FY2020 to allow staff to increase the general fund unassigned fund balance at their discretion.

*Encumbrances*

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Significant encumbrances as of June 30, 2024 include \$5,470,031 in the general capital project fund, and \$10,404,320 in the NVTa capital projects fund.

*Net Position*

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

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

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

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**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)**

*Deferred Outflows and Inflows of Resources*

In addition to assets, the statements which present financial position report a separate section for deferred outflows of resources. These items represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then.

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

- Deferred loss on refunding. A deferred loss on refunding results from the difference in 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. Due to the relationship with outstanding debt, these deferred outflows are included in the calculation of net position, net investment in capital assets.
- Contributions subsequent to the measurement date for pensions and OPEB; this will be applied to the net pension or net OPEB liability in the next fiscal year.
- Differences between expected and actual experience for economic/demographic factors and changes of assumptions in the measurement of the total pension and OPEB liability. These differences will be recognized in pension or OPEB expense over the average expected remaining service lives of all employees provided with benefits. This may be reported as a deferred outflow or deferred inflow as appropriate.
- Changes in proportionate share that will be recognized in the pension or OPEB expense over the average expected remaining service lives of all employees provided with benefits. This may be reported as a deferred outflow or deferred inflow as appropriate.
- Difference between projected and actual earnings on pension and OPEB plan investments. This difference will be recognized in pension or OPEB expense over the closed five year period and may be reported as a deferred outflow or inflow as appropriate.
- The governmental funds report unavailable revenue from property taxes and other receivables not collected within 60 days of year end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- The City reports deferred inflows of resources in the government-wide and governmental fund financial statements. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

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

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**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)**

*Pensions and Other Postemployment Benefits (OPEB)*

For purposes of measuring all financial statement elements related to pension and OPEB plans, information about the fiduciary net position of the City and MCPS' Plans and the additions to/deductions from the City and MCPS' 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.

*MCPS Debt/Capital Asset Reporting*

The City issues debt to finance the construction of school facilities because MCPS does not have borrowing or taxing authority. The City reports this debt, whereas MCPS reports the related capital assets. As a result, in the Statement of Net Position (Exhibit 1), the school related debt reduces unrestricted net position for the primary government, while the capital assets are reported in net investment in capital assets for MCPS.

*Leases and Subscription-Based IT Arrangements*

The City and MCPS have 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 and MCPS recognize 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.

*Lessor*

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



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

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**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)**

*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.

*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 and MCPS use 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 and MCPS use their estimated incremental borrowing rate as the discount rate for leases and subscriptions.
- The lease and subscription terms include the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease or subscription incentives and certain other payments are included in the measurement of the lease receivable (lessor), lease liability (lessee) or subscription liability.

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

**Note 2–Stewardship, Compliance, and Accountability**

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**Budgetary Information**

The City Council adopts and appropriates annual budgets for the following governmental funds: General fund, Social Services Fund, PEG Fund, Owens Brooke District Fund, Fire and Rescue Fund and Debt Service Fund. The City Council also adopts and appropriates an annual budget for the Permanent Cemetery Fund and for MCPS. These annual budgets are adopted on a basis consistent with generally accepted accounting principles; modified accrual basis of accounting.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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**Note 2–Stewardship, Compliance, and Accountability (Continued)**

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**Budgetary Information (Continued)**

On or before April 1 of each year, the City Manager and the School Board of MCPS submit to the City Council proposed operating budgets for the fiscal year commencing July 1. The operating budgets include proposed expenditures and estimated revenues. After numerous Council work sessions and a public hearing, the budgets are adopted and appropriated through passage of a resolution prior to June 30.

The City’s appropriated budget is prepared by fund and department. Appropriations are legally controlled at the fund level. The City Council must approve transfers between funds. The budget is administratively controlled at the department level. The City Manager may approve transfers between departments within a fund. The City’s department heads may transfer budgeted appropriations within a department within a fund. Appropriations to MCPS are legally controlled at the total appropriation level.

**Note 3–Deposits and Investments**

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**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**

The City’s investments are subject to credit risk, concentration of credit risk, and interest rate risk as described below. The City’s investments are not subject to custodial risk or foreign currency risk.

*Credit Risk* - Statutes authorize the City 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 and certain corporate notes, bankers acceptances, repurchase agreements, the State Treasurer’s Local Government Investment Pool (LGIP), the State Non-Arbitrage Program (SNAP), and the Virginia Investment Pool (VIP). LGIP, SNAP, and VIP are pooled investment funds, and are not registered with the SEC. LGIP and SNAP are overseen by the Treasurer of Virginia and the State Treasury Board. The fair value of the City’s position in the pools is the same as the value of the pool shares and is reported within the guidelines of GASB Statement 79. The City has no investment policy that would further limit its investment choices.

*Interest Rate Risk* - The primary goal of the investment policy is to maximize return on investment while minimizing risk to the investment. The City will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The City may reject an investment with a higher yield when it is felt it carries an element of risk. Speculative investments will not be allowed. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, bids will be requested for instruments which meet the maturity requirement. If no specific maturity is required, a yield curve analysis will be conducted to determine which maturities would be most advantageous.

CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 3–Deposits and Investments: (Continued)

Investments: (Continued)

For the purposes of this disclosure, investments include negotiable certificates of deposit.

As of June 30, the City’s and MCPS’s investments consisted of the following:

Investment Type	Carrying Value	S&P Credit Rating	Weighted Average Maturity*
LGIP	\$ 156,898,846	AAAm	0.10
SNAP	18,714,598	AAAm	0.15
VIP	179,866,785	AAAm/AA+f	0.57
U.S. Treasury Securities	29,760	AA+	3.10
Money Market Funds	124,939	N/A	N/A
Corporate Notes	340,089	BBB to AA-	4.49
Common Stocks	1,329,499	Various	N/A
Mutual Funds	51,283	Various	N/A
Total investments	\$ 357,355,799		

\*Average maturity in years

Fair Value

The City and MCPS categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City and MCPS have the following recurring fair value measurements as of June 30, 2024:

	Level 1	Level 2	Total
Common stocks/equity securities:			
Large Cap	\$ 1,195,002	\$ -	\$ 1,195,002
Mid Cap	108,233	-	108,233
International	26,264	-	26,264
Mutual funds	51,283	-	51,283
Debt securities:			
U.S. Treasury securities	29,760	-	29,760
Corporate Notes	340,089	-	340,089
Total	\$ 1,750,631	\$ -	\$ 1,750,631

CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 3–Deposits and Investments: (Continued)

Fair Value: (Continued)

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

Concentration of Credit Risk:

The City and did not have any individual investments at June 30 that exceeded five percent of the total investment balance.

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

	Primary Government	MCPS	EDA
Deposit and investments:			
Deposits	\$ (670,434)	\$ 40,743,256	\$ 351,920
Investments	355,480,229	-	-
Investments held in trust	-	1,875,570	-
Total	<u>\$ 354,809,795</u>	<u>\$ 42,618,826</u>	<u>\$ 351,920</u>
Statement of Net Position:			
Cash and investments	\$ 304,566,070	\$ 40,686,583	\$ 151,920
Cash and investments - restricted	50,243,725	56,673	200,000
Fiduciary funds cash and investments	-	1,875,570	-
Total	<u>\$ 354,809,795</u>	<u>\$ 42,618,826</u>	<u>\$ 351,920</u>

Cash and Investments - Restricted:

Restricted cash and investments consist of unspent bond proceeds related to bond issuances and funds restricted for expenditures for cemetery maintenance, and tap fees restricted for capital purposes.

CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

**Note 4–Due From Other Governments**

The following amounts represent amounts due from other governments at June 30:

	<b>Primary Government</b>	<b>MCPS</b>
State sales tax	\$ -	\$ 1,654,651
Title VI-B	-	240,162
Title I/IV	-	361,762
COVID grants	-	278,104
Title III	-	213,799
Child nutrition grants	-	457,430
Other federal and state school funds	-	456,929
Local sales tax	2,380,330	-
Prince William County	121,869	-
Transportation capital grants	1,490,316	-
Welfare grants	592,785	-
Communication tax	296,064	-
Airport grants	2,196,915	-
Water grants	1,808,235	-
Stormwater grants	1,106,496	-
Other federal, state and local funds	484,334	-
Total	<u>\$ 10,477,344</u>	<u>\$ 3,662,837</u>

**Note 5–Interfund Receivables, Payables, and Transfers:**

Interfund balances at June 30, consisted of the following:

**Primary Government**

Due to general fund from:

Nonmajor governmental funds      \$ 422,042

The balance above consists of interfund loans from the general fund to the social services fund, which are short term obligations at June 30, 2024.

CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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**Note 5–Interfund Receivables, Payables, and Transfers: (Continued)**

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

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 3,329,800	\$ 20,646,579
General Capital Projects fund	7,063,199	-
NVTA Capital Projects fund	865,850	-
Nonmajor governmental funds	14,992,949	760,535
Electric fund	-	2,467,472
Water fund	-	1,226,572
Sewer fund	-	647,564
Stormwater fund	-	1,000,000
Internal Service	496,924	-
	<u>\$ 26,748,722</u>	<u>\$ 26,748,722</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs, (3) close the residual balances of certain funds into other funds.

CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 6—Capital Assets:

Primary Government

A summary of the changes in the City's capital assets for governmental activities is as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
<u>Governmental Activities</u>				
Capital asset, not being depreciated:				
Land and land rights	\$ 123,630,303	\$ 151,615	\$ (392,350)	\$ 123,389,568
Construction in progress	20,341,348	24,436,379	(30,442,016)	14,335,711
Total capital assets not being depreciated	<u>\$ 143,971,651</u>	<u>\$ 24,587,994</u>	<u>\$ (30,834,366)</u>	<u>\$ 137,725,279</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 103,057,715	\$ 17,735,515	\$ (117,640)	\$ 120,675,590
Lease buildings and improvements	1,178,053	-	-	1,178,053
Subscription assets	977,321.00	2,607,429	-	3,584,750
Machinery, equipment and software	35,557,276	6,398,681	(1,622,502)	40,333,455
Infrastructure	<u>217,465,671</u>	<u>7,610,284</u>	<u>(970,767)</u>	<u>224,105,188</u>
Total capital assets being depreciated	<u>\$ 358,236,036</u>	<u>\$ 34,351,909</u>	<u>\$ (2,710,909)</u>	<u>\$ 389,877,036</u>
Accumulated depreciation:				
Buildings and improvements	\$ (35,548,701)	\$ (3,276,191)	\$ 54,218	\$ (38,770,674)
Lease buildings and improvements	(693,639)	(357,337)	-	(1,050,976)
Subscription assets	(155,070)	(528,079)	-	(683,149)
Machinery, equipment and software	(19,240,771)	(3,510,958)	1,616,979	(21,134,750)
Infrastructure	<u>(112,098,809)</u>	<u>(6,044,044)</u>	<u>969,172</u>	<u>(117,173,681)</u>
Total accumulated depreciation	<u>\$ (167,736,990)</u>	<u>\$ (13,716,609)</u>	<u>\$ 2,640,369</u>	<u>\$ (178,813,230)</u>
Total capital assets being depreciated, net	<u>\$ 190,499,046</u>	<u>\$ 20,635,300</u>	<u>\$ (70,540)</u>	<u>\$ 211,063,806</u>
Governmental activities capital assets, net	<u>\$ 334,470,697</u>	<u>\$ 45,223,294</u>	<u>\$ (30,904,906)</u>	<u>\$ 348,789,085</u>



## CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

## Note 6–Capital Assets: (Continued)

Depreciation expense was charged to functions/programs of the City’s governmental activities as follows:

Governmental activities:	
General government	\$ 906,563
Public safety	2,865,320
Public works	6,371,399
Health and human services	269,234
Culture and recreation	1,056,288
Internal services funds amounts charged to functions based on usage	2,247,805
Total depreciation expense - governmental activities	<u>\$ 13,716,609</u>

A summary of the changes in the City’s capital assets for business-type activities is as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
<b><u>Business-type Activities</u></b>				
Capital asset, not being depreciated:				
Land and land rights	\$ 14,840,903	\$ 392,350	\$ (392,350)	\$ 14,840,903
Construction in progress	12,340,796	27,233,046	(9,146,569)	30,427,273
Total capital assets not being depreciated	<u>\$ 27,181,699</u>	<u>\$ 27,625,396</u>	<u>\$ (9,538,919)</u>	<u>\$ 45,268,176</u>
Capital assets, being depreciated:				
Investment in plant	\$ 285,263,757	\$ 11,502,252	\$ (376,471)	\$ 296,389,538
Infrastructure	28,541,516	985,016	-	29,526,532
Lease infrastructure	47,853	-	-	47,853
Machinery and equipment	6,137,297	553,268	(85,707)	6,604,858
Purchased capacity	35,373,346	-	-	35,373,346
Total capital assets being depreciated	<u>\$ 355,363,769</u>	<u>\$ 13,040,536</u>	<u>\$ (462,178)</u>	<u>\$ 367,942,127</u>
Accumulated depreciation:				
Investment in plant	\$ (176,937,324)	\$ (7,742,405)	\$ 367,196	\$ (184,312,533)
Infrastructure	(13,587,320)	(711,888)	-	(14,299,208)
Lease infrastructure	(16,634)	(8,340)	-	(24,974)
Machinery and equipment	(4,992,867)	(343,626)	85,707	(5,250,786)
Purchased capacity	(21,725,510)	(343,381)	-	(22,068,891)
Total accumulated depreciation	<u>\$ (217,259,655)</u>	<u>\$ (9,149,640)</u>	<u>\$ 452,903</u>	<u>\$ (225,956,392)</u>
Total capital assets being depreciated, net	<u>\$ 138,104,114</u>	<u>\$ 3,890,896</u>	<u>\$ (9,275)</u>	<u>\$ 141,985,735</u>
Business-type activities capital assets, net	<u>\$ 165,285,813</u>	<u>\$ 31,516,292</u>	<u>\$ (9,548,194)</u>	<u>\$ 187,253,911</u>

CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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**Note 6–Capital Assets: (Continued)**

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Depreciation expense was charged to functions/programs of the City’s business-type activities as follows:

Electric fund	\$ 2,470,063
Water fund	2,132,687
Sewer fund	862,843
Airport fund	2,961,963
Stormwater fund	713,223
Nonmajor enterprise funds	8,861
Total	<u>\$ 9,149,640</u>

Purchased Water Rights and Purchased Capacity:

The City purchased water rights from Prince William County Service Authority in 1998 and 2002 totaling \$9,553,340. Purchased water capacity is recognized as an asset and is amortized in the water fund over 20 years which is based on management’s estimates since the term of the agreement was not explicitly stated.

The cost to the City in 1990 of its initial share of the Upper Occoquan Sewage Authority (UOSA) was \$597,051. This cost is recognized as purchased sewer treatment capacity. In December 2007, the City purchased from Fairfax County an additional one (1) million gallons per day (MGD) of UOSA sewer treatment capacity for \$17,002,658. In 2020, the city purchased from Fairfax County an additional .5 million gallons per day (MGD) of UOSA sewer treatment capacity for \$8,220,207 plus the remaining debt associated with the UOSA existing bonds component. The purchased sewer treatment capacity is recognized as an asset and is amortized over 50 years which is based on management’s estimates since the term of the agreement was not explicitly stated. Amortization expense in the sewer fund in the current fiscal year totaled \$343,381.

Construction Commitments:

The City and MCPS have active construction projects related to various items. At year end, the City and MCPS’ commitments with contractors on the projects are as follows:

General capital projects	\$ 5,684,188
Streets capital projects	11,501,897
Stormwater management	2,568,861
Sewer capital projects	182,767
Water capital projects	17,025,406
Electric capital projects	480,972
Airport capital projects	4,213,010
MCPS capital projects	9,310,709
Total	<u>\$ 50,967,810</u>

## CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

## Note 6—Capital Assets: (Continued)

Summaries of the changes in the Discretely Presented Component Unit - MCPS are as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
<b>MCPS</b>				
Capital asset, not being depreciated:				
Land and land rights	\$ 2,336,649	\$ -	\$ -	\$ 2,336,649
Construction in progress	2,201,271	3,755,989	(2,024,076)	3,933,184
Total capital assets not being depreciated	<u>\$ 4,537,920</u>	<u>\$ 3,755,989</u>	<u>\$ (2,024,076)</u>	<u>\$ 6,269,833</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 200,415,915	\$ 6,961,305	\$ (20,124)	\$ 207,357,096
Lease buildings and improvements	4,286,383	-	(817,792)	3,468,591
Lease machinery and equipment	371,684	1,710,000	-	2,081,684
Subscription assets	1,003,704	-	-	1,003,704
Machinery and equipment	11,813,725	1,303,822	(214,061)	12,903,486
Total capital assets being depreciated	<u>\$ 217,891,411</u>	<u>\$ 9,975,127</u>	<u>\$ (1,051,977)</u>	<u>\$ 226,814,561</u>
Accumulated depreciation:				
Buildings and improvements	\$ (136,916,340)	\$ (6,647,260)	\$ 14,087	\$ (143,549,513)
Lease buildings and improvements	(969,585)	(673,287)	817,792	(825,080)
Lease machinery and equipment	(40,987)	(187,760)	-	(228,747)
Subscription assets	(185,719)	(343,461)	-	(529,180)
Machinery and equipment	(7,217,636)	(897,791)	127,891	(7,987,536)
Total accumulated depreciation	<u>\$ (145,330,267)</u>	<u>\$ (8,749,559)</u>	<u>\$ 959,770</u>	<u>\$ (153,120,056)</u>
Total capital assets being depreciated, net	<u>\$ 72,561,144</u>	<u>\$ 1,225,568</u>	<u>\$ (92,207)</u>	<u>\$ 73,694,505</u>
MCPS capital assets, net	<u>\$ 77,099,064</u>	<u>\$ 4,981,557</u>	<u>\$ (2,116,283)</u>	<u>\$ 79,964,338</u>

Depreciation expense of \$8,749,559 was charged to functions/programs of the respective Component Unit MCPS' governmental activities.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 7–Unavailable Revenue, Unearned Revenue, and Deferred Inflows of Resources

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities in the current period. Governmental funds also include unearned revenue amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. At year end, the various components of unavailable and unearned revenue reported in the governmental funds were as follows:

	Governmental Funds
Unavailable property tax revenue, representing uncollected tax billings (General Fund)	\$ 3,119,095
Leases related	5,529,398
Opiod settlements	740,646
Unavailable vehicle license taxes, meal taxes and other items (General Fund)	<u>591,693</u>
Total deferred inflows of resources for the general fund	\$ <u>9,980,832</u>
Unavailable property tax revenue, representing uncollected tax billings (Special Revenue Funds)	<u>202,605</u>
Total deferred inflows of resources	\$ <u><u>10,183,437</u></u>

Unearned revenue in the general fund represents resources received in advance, but not yet earned.

Unearned revenue in the enterprise funds represents water and sewer fund prepaid connection fees, prepaid rent and other receipts in advance of being earned. In addition, deferred inflows of resources related to leases total \$55,481,053 in the enterprise funds.

## CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)**Note 8—Long-Term Debt:**Changes in Long-Term Debt

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

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Due Within One year
<b><u>Governmental Activities</u></b>					
General obligation bonds	\$ 98,296,460	\$ -	\$ 8,387,995	\$ 89,908,465	\$ 8,570,835
Premium on bonds	10,339,776	-	964,923	9,374,853	950,793
Lease liabilities	518,036	-	381,854	136,182	105,471
Subscription liabilities	778,408	2,607,429	567,010	2,818,827	328,177
Compensated absences	4,411,302	4,583,266	4,206,765	4,787,803	718,170
Governmental activities long-term liabilities	\$ 114,343,982	\$ 7,190,695	\$ 14,508,547	\$ 107,026,130	\$ 10,673,446
<b><u>Business-type Activities</u></b>					
General obligation bonds	\$ 58,638,540	\$ -	\$ 3,522,005	\$ 55,116,535	\$ 3,689,165
Premium on bonds	5,815,409	-	458,452	5,356,957	444,880
Lease liabilities	29,543	-	9,563	19,980	9,845
Compensated absences	1,361,145	1,262,678	1,146,460	1,477,363	221,604
Business-type activities long-term activities	\$ 65,844,637	\$ 1,262,678	\$ 5,136,480	\$ 61,970,835	\$ 4,365,494
Total Primary Government	\$ 180,188,619	\$ 8,453,373	\$ 19,645,027	\$ 168,996,965	\$ 15,038,940

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At June 30, \$484,864 of internal service funds compensated absences is included in the above amounts. Also, for the governmental activities, compensated absences, pension liabilities, and OPEB liabilities are generally liquidated by the general fund.

The Code of the Commonwealth of Virginia as amended, limits the amount of general obligation debt the City may issue to 10% of the assessed valuation of the real estate subject to taxation. Based upon the City's valuation of real estate subject to taxation, the 2024 legal debt limit is \$690,171,180. With general obligation debt applicable to the limit of \$145,025,000, the City has a legal debt margin of \$545,146,180.

## CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

## Note 8—Long-Term Debt: (Continued)

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

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Due Within One year
<b>MCPS</b>					
Lease liabilities	\$ 3,704,296	\$ 1,710,000	\$ 805,858	\$ 4,608,438	\$ 803,652
Subscription liabilities	253,258	-	124,751	128,507	128,507
Energy performance contract	4,060,987	-	308,584	3,752,403	331,508
Compensated absences	2,924,659	1,420,739	1,423,505	2,921,893	438,284
Governmental activities long-term liabilities	<u>\$ 10,943,200</u>	<u>\$ 3,130,739</u>	<u>\$ 2,662,698</u>	<u>\$ 11,411,241</u>	<u>\$ 1,701,951</u>

General obligation bonds and other obligations outstanding as of June 30 are totaled below:

Series	Maturity Date	Interest Rates	Governmental Activities	Business-Type Activities
General obligation bonds:				
Series 2010D	07/01/2024	2.00 - 5.00%	\$ 142,800	\$ 137,200
Series 2010 D Refunding	07/01/2024	2.00 - 5.00%	1,555,000	-
Series 2014A	05/01/2034	3.00 - 5.00%	5,707,565	2,297,435
Series 2014C Refunding	07/01/2030	2.00 - 5.00%	854,250	5,150,750
Series 2014C	07/01/2034	2.00 - 5.00%	22,195,000	-
Series 2014D Refunding	07/01/2025	0.50 - 3.00%	-	405,000
Series 2016	07/01/2036	2.00 - 5.00%	10,585,000	4,445,000
Series 2016 Refunding	07/01/2025	2.00 - 5.00%	2,565,000	-
Series 2019	07/01/2039	3.00 - 5.00%	21,230,000	20,480,000
Series 2021	01/01/2042	1.75 - 5.00%	24,345,000	21,235,000
Series 2021 Refunding	01/01/2030	5.00%	728,850	966,150
Total general obligation bonds			<u>\$ 89,908,465</u>	<u>\$ 55,116,535</u>
Description	Fiscal Year Lease Ends	Discount Rate	Governmental Activities	Business-Type Activities
Leases:				
9327 West Main Street Lease	2028	2.00%	\$ 40,727	\$ -
Piedmont Family Services Lease	2025	3.00%	71,801	-
Piedmont /Public Works Lease	2025	7.43%	23,654	-
NOVEC Fiber Lease	2026	2.95%	-	19,980
Total lease liabilities			<u>\$ 136,182</u>	<u>\$ 19,980</u>
Description	Fiscal Year Agreement Ends	Discount Rate	Governmental Activities	
Subscription liabilities:				
Cartegraph Asset Management	2025	3.68%	\$ 60,030	
Axon Body Cameras	2027	3.31%	515,637	
Axon Body Cameras	2033	3.31%	2,243,160	
Imagine Learning	2025	3.01%	-	
Total subscription liabilities			<u>\$ 2,818,827</u>	



## CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

## Note 8—Long-Term Debt: (Continued)

Annual requirements to amortize long-term debt and related interest for governmental and business-type activities are as follows:

Fiscal Year Ending June 30	General Obligation Bonds			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 8,570,835	\$ 3,148,596	\$ 3,689,165	\$ 1,903,323
2026	7,199,395	2,764,715	3,860,605	1,723,779
2027	6,013,670	2,445,191	3,826,330	1,539,278
2028	6,144,380	2,160,210	4,010,620	1,352,334
2029	6,263,655	1,887,792	2,971,345	1,191,102
2030-2034	31,951,530	5,682,038	15,588,470	4,003,303
2035-2039	18,390,000	1,623,163	15,265,000	1,687,544
2040-2044	5,375,000	182,703	5,905,000	197,081
Total	\$ 89,908,465	\$ 19,894,408	\$ 55,116,535	\$ 13,597,744
Fiscal Year Ending June 30	Lease Liabilities			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 105,471	\$ 1,376	\$ 9,845	\$ 589
2026	10,435	519	10,135	299
2027	10,866	306	-	-
2028	9,410	86	-	-
Total	\$ 136,182	\$ 2,287	\$ 19,980	\$ 888
Fiscal Year Ending June 30	Subscription Liabilities			
	Governmental Activities			
	Principal	Interest		
2025	\$ 328,177	\$ 93,525		
2026	277,023	82,441		
2027	286,193	73,271		
2028	295,666	63,798		
2029	305,452	54,012		
2030-2034	1,326,316	111,539		
Total	\$ 2,818,827	478,586		

## CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

## Note 8—Long-Term Debt: (Continued)

Leases and subscriptions outstanding as of June 30 are totaled below:

Description	Fiscal Year Lease Ends	Discount Rate	MCPS
Leases:			
Central Office Lease - Extension	2028	3.00%	\$ 2,826,679
Security Cameras	2026	3.03%	185,759
Electric Buses	2038	3.00%	1,596,000
Total lease liabilities			\$ 4,608,438

Description	Fiscal Year Agreement Ends	Discount Rate	MCPS
Subscription liabilities:			
Imagine Learning	2025	3.01%	\$ 128,507

## Energy Performance Contract - MCPS

An equipment purchase agreement totaling \$5,378,195 was executed by MCPS in February 2018 in connection with an energy performance contract. The purpose of the agreement is to finance the purchase and installation of certain energy saving equipment and other services for identified properties and buildings owned by MCPS. MCPS has recorded a liability for this agreement since eligible costs have been incurred. The obligation bears interest at 3.13% with principal and interest due annually from February 2019 through 2033.

The following is a schedule of annual requirements to amortize long-term debt and related interest for MCPS:

MCPS						
	Energy Performance Contract		Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 331,508	\$ 119,150	\$ 803,652	\$ 129,521	\$ 128,507	\$ 3,868
2026	355,554	108,624	853,366	104,818	-	-
2027	380,769	97,334	808,422	78,595	-	-
2028	407,203	85,243	859,917	53,723	-	-
2029	399,223	72,313	93,665	38,492	-	-
2030-2034	1,878,146	153,767	576,590	146,100	-	-
2035-2039	-	-	612,826	47,361	-	-
Total	\$ 3,752,403	\$ 636,431	\$ 4,608,438	\$ 598,610	\$ 128,507	\$ 3,868

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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**Note 9–Contingent Liabilities and Commitments:**

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Federal programs in which the City participates were audited in accordance with provisions of the Uniform Guidance. Pursuant to the provisions of this document, all major programs were tested for compliance with applicable grant requirements. While no matters of material 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.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

The City is a member of the Virginia Municipal Electric Association (VMEA) which is an organization created to purchase electricity from Dominion Virginia Power for resale to its members. The City's contract provides for periodic true-ups based on actual costs incurred by Dominion Virginia Power. Such true-ups could result in an increase or reduction of expenses previously recognized. The City's policy is to recognize the true-up when known due to a lack of information to estimate such an amount. The true-up calculation generally is proposed approximately six months after the calendar year end, therefore the true-up amount each calendar year may not be recorded until the next fiscal year.

The City's agreement with Prince William Manassas Regional Adult Detention Center (PWMRADDC) requires periodic true-ups based on actual costs incurred for the City's prisoner day percentage, shared overhead costs and shared repairs. The final true-up for fiscal year 2024 was paid to the County in April 2024. The fiscal year 2024 amount has not been finalized as of the date of this report. Amounts are subject to change for the most recent year based on verification by PWMRADDC.

**Note 10–Joint Ventures:**

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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 17.0172%.

CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 10–Joint Ventures: (Continued)

Upper Occoquan Sewage Authority (UOSA): (Continued)

UOSA’s current operating costs and annual debt service is funded by each of the participants based on their allocated capacity with certain modifications. UOSA currently has nine Sewage System Revenue Bond issues outstanding: one issued in 2010, two issued in 2011, one issued in 2013, two in 2016, one issued in 2019, one issued in 2020, and one issued in 2022. The sewer enterprise fund is funding 100 percent of the City’s share of the debt issues. As of June 30, 2024, the City’s committed share of UOSA’s remaining debt service (including interest) is as follows:

	Principal	Interest
2025 \$	2,213,540	\$ 1,756,525
2026	2,880,229	1,691,601
2027	2,407,979	1,616,014
2028	2,468,131	1,553,465
2029	2,535,220	1,488,521
2030-2034	12,602,841	6,480,198
2035-2039	13,989,571	4,503,880
2040-2044	9,898,113	2,246,209
2045-2049	4,849,367	1,111,122
2050-2054	3,464,406	345,527
Total	\$ 57,309,397	\$ 22,793,062

In addition to the debt service above the City is responsible for total debt service of \$4,027,431 through 2043 related to the 2020 purchase of additional capacity.

The sewer fund made scheduled payments in fiscal year 2024 for its share of UOSA’s operating costs and debt service costs of \$7,899,116 and \$3,972,016, respectively.

The sewer fund capitalizes its share of UOSA’s construction costs. These costs are amortized over 20 years, the estimated useful life of the system constructed. No construction costs were paid or capitalized in 2024.

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 5.88%.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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**Note 10–Joint Ventures: (Continued)**

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Potomac and Rappahannock Transportation Commission (PRTC) (Continued)

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.

**Note 11–Jointly Governed Organization:**

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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. In FY2019, the grantor’s tax was removed from NVTa collections and is now being sent directly to the localities. 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 \$2,838,310 of these taxes, representing the 30% funds and \$0 representing the 70% funds.

**Note 12–Pension Plans:**

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***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.

**Note 12–Pension Plans: (Continued)**

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***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 plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

***Average Final Compensation and Service Retirement Multiplier***

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



NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 12–Pension Plans: (Continued)

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

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

*Employees Covered by Benefit Terms*

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

	Primary Government	Component Unit School Board (Nonprofessional)
Inactive members or their beneficiaries currently receiving benefits	322	105
Inactive members:		
Vested inactive members	95	33
Non-vested inactive members	163	38
Long-term disability (LTD)	-	-
Inactive members active elsewhere in VRS	170	53
Total inactive members	428	124
Active members	459	106
Total covered employees	1,209	335

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 employer contribution rate for the year ended June 30, 2024 was 14.06% 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 \$5,593,924 and \$4,967,512 for the years ended June 30, 2024 and June 30, 2023, respectively.

**Note 12–Pension Plans: (Continued)**

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***Employees Covered by Benefit Terms (Continued)***

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2024 was 4.59% 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 \$211,922 and \$159,246 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 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 and rolled forward to the measurement date of June 30, 2023.

***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 expenses, including inflation

**Mortality rates:**

- All Others (Non-10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service-related
- Pre-Retirement:
  - Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
- Post-Retirement:
  - Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
- Post-Disablement:
  - Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 12–Pension Plans: (Continued)

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

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

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

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

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

**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 expenses, including inflation

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 12–Pension Plans: (Continued)

*Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (Continued)*

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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-
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

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 12–Pension Plans: (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 45<sup>th</sup> 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%.

## CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

## Note 12—Pension Plans: (Continued)

*Discount Rate*

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

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 181,775,144	\$ 158,253,482	\$ 23,521,662
Changes for the year:			
Service cost	\$ 4,211,376	\$ -	\$ 4,211,376
Interest	12,249,728	-	12,249,728
Differences between expected and actual experience	3,912,307	-	3,912,307
Contributions - employer	-	4,967,512	(4,967,512)
Contributions - employee	-	1,746,245	(1,746,245)
Net investment income	-	10,212,990	(10,212,990)
Benefit payments, including refunds	(9,018,136)	(9,018,136)	-
Administrative expenses	-	(101,178)	101,178
Other changes	-	4,112	(4,112)
Net changes	\$ 11,355,275	\$ 7,811,545	\$ 3,543,730
Balances at June 30, 2023	\$ 193,130,419	\$ 166,065,027	\$ 27,065,392



NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 12–Pension Plans: (Continued)

*Changes in Net Pension Liability: (Continued)*

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 20,718,473	\$ 21,602,296	\$ (883,823)
Changes for the year:			
Service cost	\$ 332,756	\$ -	\$ 332,756
Interest	1,384,422	-	1,384,422
Differences between expected and actual experience	753,480	-	753,480
Contributions - employer	-	159,245	(159,245)
Contributions - employee	-	199,158	(199,158)
Net investment income	-	1,373,830	(1,373,830)
Benefit payments, including refunds	(1,082,542)	(1,082,542)	-
Administrative expenses	-	(14,010)	14,010
Other changes	-	550	(550)
Net changes	\$ 1,388,116	\$ 636,231	\$ 751,885
Balances at June 30, 2023	\$ 22,106,589	\$ 22,238,527	\$ (131,938)

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

The following presents the net pension liability 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 would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Primary Government			
Net Pension Liability (Asset)	\$ 54,307,776	\$ 27,065,392	\$ 4,959,150
Component Unit School Board (Nonprofessional)			
Net Pension Liability (Asset)	\$ 2,698,780	\$ (131,938)	\$ (2,502,940)

CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 12–Pension Plans: (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 \$5,216,999 and \$104,524, 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	\$ 2,848,732	\$ 1,433,203	\$ 423,006	\$ 87,648
Change in assumptions	1,460,356	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	2,466,688	-	350,676
Employer contributions subsequent to the measurement date	5,593,924	-	211,922	-
Total	<u>\$ 9,903,012</u>	<u>\$ 3,899,891</u>	<u>\$ 634,928</u>	<u>\$ 438,324</u>

\$5,593,924 and \$211,922 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 fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (Nonprofessional)
2025	\$ 21,150	\$ (7,942)
2026	(2,437,425)	(330,427)
2027	2,747,857	311,164
2028	77,615	11,887

*Pension Plan Data*

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

**Note 12—Pension Plans: (Continued)**

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**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 is 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 \$11,609,732 and \$10,789,176 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 operating grants and contributions of 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 Manassas City Public Schools division reported a liability of \$69,080,723 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 Manassas City Public Schools proportion of the Net Pension Liability was based on the Manassas City Public School'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 contributions for all participating employers. At June 30, 2023, the school division's proportion was .68348% as compared to .68736% at June 30, 2022.

For the year ended June 30, 2024, the Manassas City Public Schools recognized pension expense of \$7,213,735. 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.

CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 12–Pension Plans: (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)*

At June 30, 2024, the Manassas City Public Schools 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	\$ 5,934,093	\$ 2,695,825
Change in assumptions	3,131,671	-
Net difference between projected and actual earnings on pension plan investments	-	4,491,641
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,321,564	1,607,596
Employer contributions subsequent to the measurement date	11,609,732	-
Total	<u>\$ 22,997,060</u>	<u>\$ 8,795,062</u>

\$11,609,732 reported as deferred outflows of resources related to pensions resulting from the Manassas City Public School's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (738,972)
2026	(3,239,559)
2027	5,288,524
2028	1,282,273
2029	-

**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 expenses, including inflation

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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Note 12–Pension Plans: (Continued)

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Component Unit School Board (Professional) (Continued)

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

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

Note 12–Pension Plans: (Continued)

Component Unit School Board (Professional) (Continued)

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.

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		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 122,455,483	\$ 69,080,723	\$ 25,202,280

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 12–Pension Plans: (Continued)

Component Unit School Board (Professional) (Continued)

*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 <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.

Primary Government and Component Unit School Board

*Aggregate Pension Information*

		Primary Government			
		Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:					
Primary Government	\$	9,903,012	\$ 3,899,891	\$ 27,065,392	\$ 5,216,999
Totals	\$	9,903,012	\$ 3,899,891	\$ 27,065,392	\$ 5,216,999
		Component Unit School Board			
		Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:					
School Board Nonprofessional	\$	634,928	\$ 438,324	\$ (131,938)	\$ 104,524
School Board Professional		22,997,060	8,795,062	69,080,723	7,213,735
Totals	\$	23,631,988	\$ 9,233,386	\$ 68,948,785	\$ 7,318,259

Note 13–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.



**Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

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***Plan Description (Continued)***

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.

***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 Primary Government were \$228,261 and \$201,348 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions to the School Professional Plan were \$395,473 and \$367,968 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions to the School Nonprofessional Plan were \$29,666 and \$23,239 for the years ended June 30, 2024 and June 30, 2023, respectively.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 13–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

*Contributions (Continued)*

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

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

At June 30, 2024, the Primary Government, School Board (Professional), and School Board (Nonprofessional) reported liabilities of \$1,898,393, \$3,469,494, and \$219,115 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 Primary Government, School Board (Professional), and School Board (Nonprofessional)'s proportions were .1583%, .2893%, and .0183% respectively, as compared to .1554%, .2949%, and .0183% at June 30, 2022.

For the year ended June 30, 2024, the Primary Government, School Board (Professional), and School Board (Nonprofessional) recognized GLI OPEB expense of \$86,455, \$116,741, and \$5,270, 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.

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	\$ 189,603	\$ 57,626	\$ 346,518	\$ 105,317	\$ 21,884	\$ 6,651
Net difference between projected and actual earnings on GLI OPEB plan investments	-	76,288	-	139,424	-	8,805
Change in assumptions	40,579	131,528	74,162	240,380	4,684	15,181
Changes in proportion	67,367	64,214	160,861	176,729	7,335	4,808
Employer contributions subsequent to the measurement date	228,261	-	395,473	-	29,666	-
Total	\$ 525,810	\$ 329,656	\$ 977,014	\$ 661,850	\$ 63,569	\$ 35,445

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 13–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

\$228,261, \$395,473, and \$29,666 reported as deferred outflows of resources related to the GLI OPEB resulting from the respective Primary Government, 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	\$ (15,535)	\$ (25,032)	\$ (1,759)
2026	(77,968)	(138,013)	(8,228)
2027	37,353	74,636	5,618
2028	(819)	(14,523)	746
2029	24,862	22,623	2,081
Thereafter	-	-	-

**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 Annual Report.

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

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 (Continued)**

**Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

**Actuarial Assumptions: (Continued)**

**Mortality Rates - Teachers (Continued)**

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

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

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

**Note 13–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

**Actuarial Assumptions: (Continued)**

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

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

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

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 13–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

NET GLI OPEB Liability

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

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

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 13–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

**NET GLI OPEB Liability (Continued)**

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.

**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 45<sup>th</sup> 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%.



NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 13–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

*Discount Rate*

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 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.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Proportionate share of the GLI Plan Net OPEB Liability:			
Primary Government	\$ 2,814,012	\$ 1,898,393	\$ 1,158,110
School Professional	5,142,874	3,469,494	2,116,555
School Nonprofessional	324,796	219,115	133,670

**Note 13–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

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***GLI Plan Fiduciary Net Position***

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

**Note 14–Line of Duty Act (LODA) Program:**

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***Plan Description***

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

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

***Eligible Employees***

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

***Benefit Amounts***

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

**Note 14—Line of Duty Act (LODA) Program: (Continued)**

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***Benefit Amounts: (Continued)***

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. Individuals receiving the health insurance benefits must continue to meet eligibility requirements as defined by LODA.

***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 \$128,235 and \$99,549 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

At June 30, 2024, the entity reported a liability of \$3,007,345 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 .7501% as compared to .7961% at June 30, 2022.

For the year ended June 30, 2024, the entity recognized LODA OPEB expense of \$346,656. 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.

CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 14—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)*

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 160,416	\$ 566,281
Net difference between projected and actual earnings on LODA OPEB program investments	-	8,798
Change in assumptions	667,966	620,131
Change in proportionate share	7,207	347,270
Employer contributions subsequent to the measurement date	<u>128,235</u>	<u>-</u>
Total	<u>\$ 963,824</u>	<u>\$ 1,542,480</u>

\$128,235 reported as deferred outflows of resources related to the LODA OPEB resulting from the entity's contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (71,298)
2026	(71,022)
2027	(54,133)
2028	(59,685)
2029	(88,516)
Thereafter	(362,235)

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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Note 14–Line of Duty Act (LODA) Program: (Continued)

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*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.

**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

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 14–Line of Duty Act (LODA) Program: (Continued)

Actuarial Assumptions: (Continued)

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

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

Net LODA OPEB Liability

The net OPEB liability (NOL) for the LODA Program represents the program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, NOL amounts for the LODA Program are 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)	\$ 400,900
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.

Note 14–Line of Duty Act (LODA) Program: (Continued)

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.

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%)
Primary Government's proportionate share of the LODA Net OPEB Liability	\$	3,371,950	\$ 3,007,345	\$ 2,698,896

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%)
Primary Government's proportionate share of the LODA Net OPEB Liability	\$	2,550,331	\$ 3,007,345	\$ 3,573,658

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.



**Note 15–Health Insurance Credit (HIC) Plan (OPEB Plan):**

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***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 HIC 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 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.

The specific information about the Political Subdivision HIC 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, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 15–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:

	Primary Government	School Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	185	58
Inactive members:		
Vested inactive members	11	9
Inactive members active elsewhere in VRS	158	53
Total inactive members	354	120
Active members	422	106
Total covered employees	776	226

*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 Primary Government and School Board (Nonprofessional) contractually required employer contribution rates for the year ended June 30, 2024 were .19% and .49% of covered employee compensation, respectively. 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 Primary Government to the HIC Plan were \$73,744 and \$65,565 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions from the School Board (Nonprofessional) to the HIC Plan were \$26,899 and \$21,014 for the years ended June 30, 2024 and June 30, 2023, respectively.

*Net HIC OPEB Liability*

The net HIC OPEB liability was measured as of June 30, 2023. The total HIC OPEB liability 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.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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Note 15–Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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*Actuarial Assumptions*

The total HIC 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.

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
- 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

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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Note 15–Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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**Note 15–Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

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*Actuarial Assumptions: (Continued)*

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

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. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-
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

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 15–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	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 45<sup>th</sup> 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%.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 15–Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

*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 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*

	Primary Government		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 1,146,665	\$ 679,585	\$ 467,080
Changes for the year:			
Service cost	\$ 15,579	\$ -	\$ 15,579
Interest	75,827	-	75,827
Differences between expected and actual experience	21,681	-	21,681
Contributions - employer	-	65,294	(65,294)
Net investment income	-	41,005	(41,005)
Benefit payments	(77,749)	(77,749)	-
Administrative expenses	-	(979)	979
Other changes	-	477	(477)
Net changes	\$ 35,338	\$ 28,048	\$ 7,290
Balances at June 30, 2023	\$ 1,182,003	\$ 707,633	\$ 474,370



## CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

## Note 15–Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

*Changes in Net HIC OPEB Liability: (Continued)*

	School Nonprofessional		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 433,215	\$ 224,945	\$ 208,270
Changes for the year:			
Service cost	\$ 4,508	\$ -	\$ 4,508
Interest	28,660	-	28,660
Differences between expected and actual experience	54,911	-	54,911
Contributions - employer	-	21,014	(21,014)
Net investment income	-	12,869	(12,869)
Benefit payments	(26,274)	(26,274)	-
Administrative expenses	-	(295)	295
Other changes	-	637	(637)
Net changes	\$ 61,805	\$ 7,951	\$ 53,854
Balances at June 30, 2023	\$ 495,020	\$ 232,896	\$ 262,124

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

The following presents the Primary Government and School Board (Nonprofessional)'s HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the Primary Government and School Board (Nonprofessional)'s net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Net HIC OPEB Liability:			
Primary Government	\$ 608,617	\$ 474,370	\$ 361,460
School Nonprofessional	318,890	262,124	214,252

## CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

## Note 15—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

*HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to HIC Plan OPEB*

For the year ended June 30, 2024, the Primary Government and School Board (Nonprofessional) recognized HIC Plan OPEB expense of \$53,909 and \$39,583, respectively. At June 30, 2024, the Primary Government and School Board (Nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the Primary Government and School Board (Nonprofessional)'s HIC Plan from the following sources:

	Primary Government		School Nonprofessional	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 31,617	\$ 32,353	\$ 42,291	\$ 35,739
Net difference between projected and actual earnings on HIC OPEB plan investments	-	7,532	-	1,875
Change in assumptions	56,724	380	49,949	-
Employer contributions subsequent to the measurement date	73,744	-	26,899	-
Total	<u>\$ 162,085</u>	<u>\$ 40,265</u>	<u>\$ 119,139</u>	<u>\$ 37,614</u>

\$73,744 and \$26,899 reported as deferred outflows of resources related to the HIC OPEB resulting from the Primary Government and School Board (Nonprofessional)'s 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	Primary Government	School Nonprofessional
2025	\$ 10,221	\$ 21,568
2026	5,104	18,470
2027	22,346	13,322
2028	8,747	1,266
2029	1,658	-

**Note 15–Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

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***HIC Plan Data***

Information about the VRS Political Subdivision HIC 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 <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.

**Note 16–Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):**

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***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.

The specific information for the Teacher HIC OPEB, including eligibility, coverage, and benefits is 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.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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**Note 16–Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

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***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, 2024 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 \$885,134 and \$823,212 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$4 million to the VRS Teacher HIC Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The school division's proportionate share is reflected in the operating grants and contributions of the financial statements.

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

At June 30, 2024, the Manassas City Public Schools reported a liability of \$8,265,622 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2023 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC 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 school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the Manassas City Public School's actuarially determined employer contributions to the VRS Teacher Employee HIC 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 Manassas City Public School's proportion of the VRS Teacher Employee HIC was .68231% as compared to .68806% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC OPEB expense of \$578,973. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)**Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)*****Teacher Employee HIC OPEB Liabilities, Teacher Employee HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB: (Continued)***

At June 30, 2024, the Manassas City Public Schools reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 363,812
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	4,148	-
Change in assumptions	192,410	8,329
Change in proportionate share and differences between actual and expected contributions	358,025	395,721
Employer contributions subsequent to the measurement date	<u>885,134</u>	<u>-</u>
Total	<u>\$ 1,439,717</u>	<u>\$ 767,862</u>

\$885,134 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:

Year Ended June 30

2025	\$ (88,912)
2026	(40,510)
2027	10,443
2028	(10,271)
2029	(56,177)
Thereafter	(27,852)

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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Note 16–Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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*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
- 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

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 16–Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Mortality Rates - Teachers: (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 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%

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.



**Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)*****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:

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

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

\*\*On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45<sup>th</sup> 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 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

**Note 16–Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

***Discount Rate: (Continued)***

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 Manassas City Public School’s Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate***

The following presents the Manassas City Public School’s proportionate share of the VRS Teacher Employee HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the Manassas City Public School’s proportionate share of the net HIC 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	\$	9,349,342	\$ 8,265,622	\$ 7,347,264

***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.

**Note 17–Other-Post-Employee Benefits Liability - City Local Plan (OPEB Plan):**

***Plan Description and Benefits Provided***

In addition to the pension benefits described in Note 12, the City administers a single-employer defined benefit healthcare plan, The City of Manassas Retiree Health Insurance Plan. The plan does not issue a publicly available financial report.

The City provides post-retirement health care insurance benefits for employees who are eligible for retirement benefits and who retire from the City. There is no provision for deferral of benefits for employees who separate from City employment without retiring.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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Note 17–Other-Post-Employee Benefits Liability - City Local Plan (OPEB Plan): (Continued)

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*Plan Description and Benefits Provided: (Continued)*

The City of Manassas Retiree Health Insurance Plan is a single-employer defined benefit postemployment healthcare plan for retired City employees. It is administered by the City and was approved by the City Council with policy P-2009-03. Any employee who retires from the City is allowed to remain on the City’s healthcare policy until the age of sixty-five (65) with the same medical coverage (including dependent coverage) as regular full-time employees. Retirees with less than fifteen (15) years of service are responsible for the full cost of the monthly premium. For retirees who were employed with the City on or before June 30, 2009 and who were vested with VRS on or before June 30, 2009, the City provides a monthly subsidy of \$100 to retirees with fifteen to nineteen (15-19) years of service or a \$200 monthly subsidy to retirees with more than twenty (20) years of service. There are no benefits after the retiree attains age sixty-five (65). There is no provision for deferral of benefits for employees who separate from City employment without retiring. Separate audited financial statements are not available for the plan.

*Plan Membership*

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

Total active employees	\$	463
Total retirees		24
Total spouses of retirees		9
Total beneficiaries of retirees		<u>2</u>
Total	\$	<u><u>498</u></u>

*Contributions*

The City 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 City. The amount paid by the City for OPEB as the benefits came due during the year ended June 30, 2024 was \$379,891.

*Total OPEB Liability*

The City’s total OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed July 1, 2023.

CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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**Note 17—Other-Post-Employee Benefits Liability - City Local Plan (OPEB Plan): (Continued)**

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***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	Varies based on years of service
Discount Rate	3.93%

Mortality rates were based on the Pub-2010 employee rates.

The most recent actuarial experience study for which significant assumptions were based was conducted for the four-year period ending June 30, 2020.

***Discount Rate***

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

***Changes in Total OPEB Liability***

Changes in Net OPEB Liability - Primary Government		
		Total OPEB Liability
Balances at June 30, 2023	\$	8,251,653
Changes for the year:		
Service cost		340,366
Interest		306,737
Economic/demographic gains or losses		(740,352)
Changes in assumptions		(282,112)
Benefit payments		(379,891)
Net changes		(755,252)
Balances at June 30, 2024	\$	7,496,401

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

**Note 17—Other-Post-Employee Benefits Liability - City Local Plan (OPEB Plan): (Continued)**

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

The following amounts present the total OPEB liability of the City, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current discount rate:

	Rate		
	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	\$ 8,199,309	\$ 7,496,401	\$ 6,864,949

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

The following presents the total OPEB liability of the City, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower 5.50% decreasing to an ultimate rate of 2.90%) or one percentage point higher (7.50% decreasing to an ultimate rate of 4.90%) than the current healthcare cost trend rates:

	Rates		
	1% Decrease (5.50% decreasing to 2.90%)	Healthcare Cost Trend (6.50% decreasing to 3.90%)	1% Increase (7.50% decreasing to 4.90%)
Total OPEB liability	\$ 6,677,820	\$ 7,496,401	\$ 8,463,347

***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 \$122,518. 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	\$ -	\$ 1,954,881
Changes in assumptions	253,973	776,925
Total	\$ 253,973	\$ 2,731,806

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

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**Note 17–Other-Post-Employee Benefits Liability - City Local Plan (OPEB Plan): (Continued)**

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

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

<u>Year Ended June 30</u>	
2025	\$ (532,543)
2026	(532,543)
2027	(511,998)
2028	(466,147)
2029	(341,652)
Thereafter	(92,950)

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 18–Other-Post-Employee Benefits Liability - MCPS Local Plan (OPEB Plan):**

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***Plan Description and Benefits Provided***

In addition to the pension benefits described in Note 12, MCPS administers a single-employer defined benefit healthcare plan, The MCPS Retiree Health Insurance Plan. The plan does not issue a publicly available financial report.

MCPS provides post-retirement health care insurance benefits for employees who are eligible for retirement benefits and who retire from MCPS. There is no provision for deferral of benefits for employees who separate from MCPS employment without retiring.

The MCPS Retiree Health Insurance Plan is a single-employer defined benefit post-employment healthcare plan for retired MCPS employees who retired prior to July 1, 2013 with at least fifteen (15) years of service. It is administered by MCPS and was approved by the MCPS School Board. An employee who retires from MCPS with an unreduced VRS retirement is allowed to remain on MCPS's healthcare policy until eligible for Medicare. Retirees are responsible for the full cost of the monthly premium. MCPS pays 40% of the monthly premium for eligible retirees who retired prior to July 1, 2013 with at least fifteen (15) years of service. There are no benefits after the retiree attains age sixty-five (65). There is no provision for deferral of benefits for employees who separate from MCPS employment without retiring. Separate audited financial statements are not available for the plan.

MCPS establishes employer contribution rates for plan participants as part of the budgetary process each year. MCPS also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Again, this is determined annually as part of the budgetary process.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 18–Other-Post-Employee Benefits Liability - MCPS Local Plan (OPEB Plan): (Continued)

Plan Membership

At April 1, 2024 (valuation date), the following employees were covered by the benefit terms:

Total active employees	\$	768
Total retirees		28
Spouses		9
Total	\$	<u>805</u>

Contributions

MCPS 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 MCPS. The amount paid by MCPS for OPEB as the benefits came due during the year ended June 30, 2024 was \$199,662.

Total OPEB Liability

MCPS’s total OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation Performed April 1, 2024.

Actuarial Assumptions

The total OPEB liability in the April 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary Increases	Varies based on years of service
Discount Rate	3.86%

Mortality rates were based on the SOA Pub-2010 Teacher Employees Headcount weighted mortality with MP-2021.

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



NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 18–Other-Post-Employee Benefits Liability - MCPS Local Plan (OPEB Plan): (Continued)

Discount Rate

The discount rate was based on the index rate for 20-year tax exempt general obligation municipal bonds with average rating of AA/Aa or higher using the Bond Buyer GO 20-year Bond Municipal Bond Index.

Changes in Total OPEB Liability

Changes in Net OPEB Liability - MCPS		Total OPEB Liability
Balances at June 30, 2023	\$	1,399,043
Changes for the year:		
Service cost		39,508
Interest		49,492
Differences between expected and actual experience		619,646
Changes in assumptions		627,949
Benefit payments		(199,662)
Net changes		1,136,933
Balances at June 30, 2024	\$	2,535,976

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

The following amounts present the total OPEB liability of MCPS, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) than the current discount rate:

	Rate		
	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Total OPEB liability	\$ 2,728,454	\$ 2,535,976	\$ 2,356,454

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

**Note 18—Other-Post-Employee Benefits Liability - MCPS Local Plan (OPEB Plan): (Continued)**

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

The following presents the total OPEB liability of MCPS, 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 (6.50% decreasing to an ultimate rate of 3.04%) or one percentage point higher (8.50% decreasing to an ultimate rate of 5.04%) than the current healthcare cost trend rates:

	Rates		
	1% Decrease (6.50% decreasing to 3.04%)	Healthcare Cost Trend (7.50% decreasing to 4.04%)	1% Increase (8.50% decreasing to 5.04%)
Total OPEB liability	\$ 2,325,873	\$ 2,535,976	\$ 2,780,986

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

For the year ended June 30, 2024, MCPS recognized OPEB expense in the amount of \$198,963. At June 30, 2024, MCPS 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	\$ 552,312	\$ 44,699
Changes in assumptions	544,676	218,147
Employer contributions subsequent to the measurement date	5,782	-
Total	\$ 1,102,770	\$ 262,846

\$5,782 reported as deferred outflows of resources related to OPEB resulting from MCPS's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2025. 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	\$ 102,172
2026	232,932
2027	249,519
2028	249,519
2029	-

## CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)**Note 18–Other-Post-Employee Benefits Liability - MCPS Local Plan (OPEB Plan): (Continued)*****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)***

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

**Note 19–Summary of Net OPEB Liability, Deferred Inflows and Deferred Outflows - OPEB Plans:**

	OPEB Plans:			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
<b>Primary Government</b>				
GLI Plan (Note 13)	\$ 525,810	\$ 329,656	\$ 1,898,393	\$ 86,455
LODA Plan (Note 14)	963,824	1,542,480	3,007,345	346,656
HIC Plan (Note 15)	162,085	40,265	474,370	53,909
City Local Plan (Note 17)	253,973	2,731,806	7,496,401	122,518
Totals	<u>\$ 1,905,692</u>	<u>\$ 4,644,207</u>	<u>\$ 12,876,509</u>	<u>\$ 609,538</u>
<b>Component Unit School Board</b>				
<b>VRS Pension Plans:</b>				
GLI Plan - Professional (Note 13)	\$ 977,014	\$ 661,850	\$ 3,469,494	\$ 116,741
GLI Plan - Nonprofessional (Note 13)	63,569	35,445	219,115	5,270
HIC Plan - Nonprofessional (Note 15)	119,139	37,614	262,124	39,583
Teacher HIC Plan (Note 16)	1,439,717	767,862	8,265,622	578,973
MCPS Local Plan (Note 18)	1,102,770	262,846	2,535,976	198,963
Totals	<u>\$ 3,702,209</u>	<u>\$ 1,765,617</u>	<u>\$ 14,752,331</u>	<u>\$ 939,530</u>

**Note 20–Risk Management:**

The City is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has obtained public liability insurance with a maximum coverage of \$11,000,000. Employee-related health benefits, unemployment, workman's compensation, and property are also covered by commercial insurance arrangements. The City has not had a significant reduction in insurance coverage and settlements have not exceeded insurance coverage in the past four fiscal years.

## CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)**Note 21–Fund Balances:**

Fund Balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on the general fund balance and other governmental funds balance are presented below:

	General Fund	General Capital Projects	NVTA Capital Projects	Other Governmental Funds
<b>Nonspendable:</b>				
Cemetery fund principal	\$ -	\$ -	\$ -	\$ 100,000
Prepays	-	-	-	969,184
Long-term advances due from other funds	422,042	-	-	-
Total nonspendable	\$ 422,042	\$ -	\$ -	\$ 1,069,184
<b>Restricted for:</b>				
Public safety	\$ 335,530	\$ -	\$ -	\$ -
Proffers for development	851,027	-	-	-
Opioid abatement funds	278,230	-	-	42,069
Bond proceeds and escrows not yet spent	-	1,000,000	3,100,000	-
Communication systems	-	-	-	1,497,766
Fire and rescue system	-	-	-	4,195,247
Road maintenance	-	-	-	217,555
Museum system	-	-	-	26,968
Cemetery maintenance	-	-	-	516,775
Total restricted	\$ 1,464,787	\$ 1,000,000	\$ 3,100,000	\$ 6,496,380
<b>Committed to:</b>				
Capital reserve	\$ 44,000,000	\$ -	\$ -	\$ -
Employee benefits	15,000,000	-	-	-
Council priorities	7,000,000	-	-	-
City Debt service	-	-	-	6,997,362
School Debt Service	-	-	-	8,242,898
Capital projects	-	4,439,498	15,779,303	3,912,830
Total committed	\$ 66,000,000	\$ 4,439,498	\$ 15,779,303	\$ 19,153,090
<b>Assigned to:</b>				
Transportation	\$ 10,000,000	\$ -	\$ -	\$ -
Subsequent year appropriation	3,496,020	-	-	-
Public safety	535,826	-	-	-
Fire and rescue system	-	-	-	1,555,996
Total assigned	\$ 14,031,846	\$ -	\$ -	\$ 1,555,996
<b>Unassigned</b>	\$ 32,320,488	\$ -	\$ -	\$ -
Total fund balance	\$ 114,239,163	\$ 5,439,498	\$ 18,879,303	\$ 28,274,650

## CITY OF MANASSAS, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (Continued)

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#### **Note 22–Major Customer:**

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The City has one major sewer and water customer. This customer accounted for approximately 18% of total sewer fund revenues and approximately 21% of total water fund revenues.

#### **Note 23–Landing at Cannon Branch Project:**

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During 2017, the EDA finalized an agreement with the City and Buchanan Manassas, LLC regarding the sale of land. The City conveyed land to the EDA in November 2016 and subsequently the EDA sold this land for \$5,790,000. The EDA received \$2,894,202, net of expenses, from the sale which was then remitted to the City as a part of the agreement. The EDA also entered into a note receivable with Manassas Gateway LLC, a related company of Buchanan Manassas, LLC, for the remaining portion of the sale which amounted to \$2,895,000. The note bears interest at 4% with payment of principal and interest commencing in May 2017 for a period of eight quarterly installments. The note recorded with the EDA was paid off in FY2020.

In 2017, the City recorded the proceeds noted above as well as the first payment on the note receivable in the Gateway Capital Projects Fund in the amount of \$3,256,077. At June 30, 2020, the note was paid in full.

In a similar transaction, the City conveyed land to the EDA in September 2018 and subsequently the EDA sold this land for \$5,680,000. The EDA received \$3,565,204, net of expenses and including the 2017 note payoff of \$723,750 plus interest, from the sale which was then remitted to the City as a part of the agreement. The EDA also entered into a note receivable with Manassas Gateway, LLC, for the remaining portion of the sale which amounted to \$2,840,000. The note bears interest at 4% with payment of principal and interest commencing in March 2019 for a period of eight quarterly installments. The note was paid in full during FY2021.

In October 2019, the EDA finalized an agreement with Manassas Gateway Hotel, LLC regarding the sale of land. In June 2019, the City conveyed land to the EDA that was subsequently sold to Manassas Gateway Hotel, LLC, for \$1,176,000. The EDA received \$755,768, net of expenses and development fee, from the sale. These funds were remitted to the City as a part of the agreement, after retaining \$350,000 to fund an Economic Development Incentive Grant (EDIG) provided to the developer, per the First Amendment to Cooperation Agreement for Manassas Gateway, between the City and EDA. The EDA has recorded a payable to the City of \$350,000 related to the EDIG, until the developer payment requirements are met. No balance remains due on this as of June 30, 2023.

In October 2019 the City conveyed land to the EDA and subsequently the EDA sold this land to The Landing Office LLC for \$602,500. The EDA received \$395,548, net of expenses and development fee from the sale. These funds were remitted to the City as part of the agreement and were recorded in the Gateway Capital Projects Fund.

In June 2022, the City conveyed land to the EDA and subsequently the EDA sold this land for \$1,056,300 to Buchanan Landing LLC. The EDA received \$276,633, net of expenses and site work reimbursement, for the sale. These funds were remitted to the City per their agreement and were recorded in the Gateway Capital Projects Fund.

## CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

## Note 24–Lease Receivable

The City leases property to third parties. The following summarizes the balances related to these leases for the year ended June 30, 2024:

Lease Description	Governmental Activities		
	Discount Rate	Lease Receivable June 30, 2024	Deferred Inflow of Resources June 30, 2024
USPS	1.92%	\$ 65,729	\$ 65,796
Amazon 3795 lf of 30 - 2" conduits	5.00%	-	1,469,965
Amazon 6088 lf of 18 - 2" conduits	5.00%	-	1,414,885
Fiberlight - ROW user fee	5.00%	661,903	571,756
Above Net Communications	5.00%	510,209	440,227
Metro Duct	5.00%	-	485,792
Metro Duct	5.00%	-	516,743
Total		\$ 1,237,841	\$ 4,965,164
Lease Description	Business-type Activities		
	Discount Rate	Lease Receivable June 30, 2024	Deferred Inflow of Resources June 30, 2024
Verizon WTP Lease	3.00%	\$ 56,010	\$ 51,399
Lamar - site access	1.61%	44,255	40,336
T-Mobile Prince William Water Tank	4.00%	237,405	232,443
Aerographics (Encompass Industries)	2.83%	213,334	200,730
Aerosolutions	2.90%	317,821	292,871
Manassas FBO, LLC (APP Jet Center) Area A	2.90%	6,049,040	5,571,579
Manassas FBO, LLC (APP Jet Center) Area D	2.90%	1,529,720	1,408,977
Manassas FBO, LLC (APP Jet Center) Areas B&C	3.77%	3,404,484	3,055,912
Manassas FBO, LLC (10520 Wakeman Drive)Pcl4	2.90%	6,179,133	5,681,480
Manassas FBO, LLC (old Colgan)(AviationLn-Pcl 5)	2.90%	1,020,681	940,549
Boeing 10447 Wakeman Drive	2.90%	1,668,158	1,536,801
Aurora Flight Sciences (E-7 Area 2 Land)	2.90%	1,729,119	1,592,783
Delta Fox - Parcel N-3	2.90%	1,598,151	1,471,736
Flightworks (Lot N-1)	2.90%	1,790,754	1,649,737
Manassas Condo Hangar 16A-1 (1.2520 ac)	2.84%	168,167	157,305
Manassas Condo Hangar 16A (1.4030 ac)	2.84%	197,561	184,681
Manassas Condo Hangar 16B -2	2.90%	513,610	477,499
MJ Colgan Associates (E-4-A) (Area 2)	2.90%	841,577	775,291
MJ Colgan Associates (E-4-A) (Area 1)	2.85%	834,263	769,734
Optical Air Data Systems (lot N-2)	2.90%	1,138,739	1,049,066
Manassas FBO, LLC (APP Jet)(Airport Dev.)(FrkMshlLn)	2.90%	994,731	915,856
Aurora - CNOVA 9950 Wakeman Drive LLC (E7 Area 1 Bldg)	2.90%	169,371	168,077
Aurora Flight Sciences - A Boeing Company (E7-Area 1 Land)	2.87%	620,151	571,708
Chantilly Air II (Parcels 5/6)	2.90%	2,584,645	2,378,622
Chantilly Air II (10660 Skyview)	2.90%	9,200,030	8,458,915
Chantilly Air II (N-4)	2.90%	2,232,147	2,055,591
Manassas FBO, LLC - Area B (9998 Wakeman)	2.90%	8,216,978	8,135,788
Manassas FBO, LLC - Areas B & C Land Rent	2.90%	5,701,662	5,655,587
Total		\$ 59,251,697	\$ 55,481,053

CITY OF MANASSAS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 (Continued)

Note 24–Lease Receivable: (Continued)

Lease revenue totaled \$357,727 and \$2,383,757 for the Governmental and Business-type Activities respectively for the year ended June 30, 2024. Lease interest revenue totaled \$62,129 and \$1,671,000 for the Governmental and Business-type Activities respectively for the year ended June 30, 2024.

Expected future payments, which are included in the measurement of the lease receivable at June 30, 2024 are as follows:

Fiscal Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 87,475	\$ 58,622	\$ 1,246,564	\$ 1,732,568
2026	97,857	54,636	1,313,659	1,694,500
2027	109,079	50,129	1,333,504	1,655,638
2028	116,649	45,067	1,454,409	1,614,367
2029	115,852	39,633	1,491,193	1,570,298
2030-2034	306,615	134,817	8,693,373	7,133,860
2035-2039	318,311	72,656	12,453,200	5,595,118
2040-2044	86,003	4,299	16,893,165	3,407,130
2045-2049	-	-	5,497,703	1,594,803
2045-2054	-	-	4,328,325	977,862
2055-2059	-	-	4,506,752	306,365
2060	-	-	39,850	96
Total	\$ 1,237,841	\$ 459,859	\$ 59,251,697	\$ 27,282,605

Note 25–New Accounting Standards:

The Governmental Accounting Standards Board has issued the following statement which are not yet effective.

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.



## CITY OF MANASSAS, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (Continued)

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#### Note 26–COVID-19:

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##### CARES Act Funding

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was passed by the federal government to alleviate some of the effects of the sharp economic downturn due to the COVID-19 pandemic, which included direct aid for state and local governments from the federal Coronavirus Relief Fund (CRF).

Each locality received its CRF allocations based on population in two equal payments, with the second and final round of funding being received during fiscal year 2021. During fiscal year 2021 the City received total CRF funding of \$3,964,323. In addition, the School Board received CRF funding from the Virginia Department of Education in the amount of \$1,335,845. As a condition of receiving CRF funds, any funds unexpended as of December 31, 2021 will be returned to the federal government. All CRF funds were spent as of June 30, 2021.

##### 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. The City received an additional allotment in 2022 with the final payment 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 \$31,683,762 are reported as unearned revenue as of June 30, 2024.

##### ESF Funding

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

#### Note 27-Subsequent Events

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On July 9, 2024 the City purchased property for a sales price of \$9,999,999.

On August 22, 2024 the EDA purchased property for a sales price of \$16,000,000.

### **REQUIRED SUPPLEMENTARY INFORMATION**

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

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
<b>Total pension liability</b>					
Service cost	\$ 4,211,376	\$ 3,843,118	\$ 3,761,361	\$ 3,687,277	\$ 3,348,683
Interest	12,249,728	11,957,766	10,770,446	10,228,666	9,967,112
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	3,912,307	(3,181,011)	389,503	2,056,312	(1,188,795)
Changes of assumptions	-	-	7,077,109	-	4,715,768
Benefit payments	(9,018,136)	(8,307,396)	(8,195,823)	(7,695,960)	(7,692,616)
<b>Net change in total pension liability</b>	<b>\$ 11,355,275</b>	<b>\$ 4,312,477</b>	<b>\$ 13,802,596</b>	<b>\$ 8,276,295</b>	<b>\$ 9,150,152</b>
<b>Total pension liability - beginning</b>	<b>181,775,144</b>	<b>177,462,667</b>	<b>163,660,071</b>	<b>155,383,776</b>	<b>146,233,624</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 193,130,419</b>	<b>\$ 181,775,144</b>	<b>\$ 177,462,667</b>	<b>\$ 163,660,071</b>	<b>\$ 155,383,776</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 4,967,512	\$ 4,123,336	\$ 4,038,225	\$ 3,496,335	\$ 3,397,643
Contributions - employee	1,746,245	1,597,919	1,624,425	1,595,404	1,541,055
Net investment income	10,212,990	(165,130)	35,044,511	2,448,747	8,153,026
Benefit payments	(9,018,136)	(8,307,396)	(8,195,823)	(7,695,960)	(7,692,616)
Administrator charges	(101,178)	(100,014)	(87,202)	(83,724)	(81,453)
Other	4,112	3,719	3,306	(2,901)	(5,149)
<b>Net change in plan fiduciary net position</b>	<b>\$ 7,811,545</b>	<b>\$ (2,847,566)</b>	<b>\$ 32,427,442</b>	<b>\$ (242,099)</b>	<b>\$ 5,312,506</b>
<b>Plan fiduciary net position - beginning</b>	<b>158,253,482</b>	<b>161,101,048</b>	<b>128,673,606</b>	<b>128,915,705</b>	<b>123,603,199</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 166,065,027</b>	<b>\$ 158,253,482</b>	<b>\$ 161,101,048</b>	<b>\$ 128,673,606</b>	<b>\$ 128,915,705</b>
<b>City of Manassas's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ 27,065,392</b>	<b>\$ 23,521,662</b>	<b>\$ 16,361,619</b>	<b>\$ 34,986,465</b>	<b>\$ 26,468,071</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>85.99%</b>	<b>87.06%</b>	<b>90.78%</b>	<b>78.62%</b>	<b>82.97%</b>
<b>Covered payroll</b>	<b>\$ 37,203,972</b>	<b>\$ 33,692,654</b>	<b>\$ 32,965,603</b>	<b>\$ 31,886,653</b>	<b>\$ 30,792,053</b>
<b>City of Manassas's net pension liability (asset) as a percentage of covered payroll</b>	<b>72.75%</b>	<b>69.81%</b>	<b>49.63%</b>	<b>109.72%</b>	<b>85.96%</b>

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
<b>Total pension liability</b>					
Service cost	\$ 3,281,414	\$ 3,282,771	\$ 3,290,768	\$ 3,146,516	\$ 3,172,984
Interest	9,355,438	9,240,455	8,867,229	8,777,037	8,352,384
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	3,307,708	(3,055,659)	(84,432)	(4,724,636)	-
Changes of assumptions	-	(906,327)	-	-	-
Benefit payments	(6,720,110)	(7,117,141)	(6,366,376)	(5,454,561)	(5,463,217)
<b>Net change in total pension liability</b>	<b>\$ 9,224,450</b>	<b>\$ 1,444,099</b>	<b>\$ 5,707,189</b>	<b>\$ 1,744,356</b>	<b>\$ 6,062,151</b>
<b>Total pension liability - beginning</b>	<b>137,009,174</b>	<b>135,565,075</b>	<b>129,857,886</b>	<b>128,113,530</b>	<b>122,051,379</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 146,233,624</b>	<b>\$ 137,009,174</b>	<b>\$ 135,565,075</b>	<b>\$ 129,857,886</b>	<b>\$ 128,113,530</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 3,374,925	\$ 3,290,895	\$ 3,842,806	\$ 3,837,337	\$ 3,549,681
Contributions - employee	1,476,196	1,488,053	1,436,792	1,424,567	1,357,566
Net investment income	8,606,814	12,859,256	1,828,870	4,649,051	13,881,967
Benefit payments	(6,720,110)	(7,117,141)	(6,366,376)	(5,454,561)	(5,463,217)
Administrator charges	(74,302)	(74,990)	(65,416)	(62,878)	(74,624)
Other	(7,672)	(11,350)	(858)	(1,239)	985
<b>Net change in plan fiduciary net position</b>	<b>\$ 6,655,851</b>	<b>\$ 10,434,723</b>	<b>\$ 675,818</b>	<b>\$ 4,392,277</b>	<b>\$ 13,252,358</b>
<b>Plan fiduciary net position - beginning</b>	<b>116,947,348</b>	<b>106,512,625</b>	<b>105,836,807</b>	<b>101,444,530</b>	<b>88,192,172</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 123,603,199</b>	<b>\$ 116,947,348</b>	<b>\$ 106,512,625</b>	<b>\$ 105,836,807</b>	<b>\$ 101,444,530</b>
<b>City of Manassas's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ 22,630,425</b>	<b>\$ 20,061,826</b>	<b>\$ 29,052,450</b>	<b>\$ 24,021,079</b>	<b>\$ 26,669,000</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>84.52%</b>	<b>85.36%</b>	<b>78.57%</b>	<b>81.50%</b>	<b>79.18%</b>
<b>Covered payroll</b>	<b>\$ 30,139,672</b>	<b>\$ 29,415,449</b>	<b>\$ 28,400,292</b>	<b>\$ 27,994,452</b>	<b>\$ 28,181,695</b>
<b>City of Manassas's net pension liability (asset) as a percentage of covered payroll</b>	<b>75.09%</b>	<b>68.20%</b>	<b>102.30%</b>	<b>85.81%</b>	<b>94.63%</b>

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
<b>Total pension liability</b>					
Service cost	\$ 332,756	\$ 316,746	\$ 323,712	\$ 310,307	\$ 300,745
Interest	1,384,422	1,374,121	1,252,783	1,204,682	1,185,656
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	753,480	(537,124)	83,528	38,963	(316,678)
Changes of assumptions	-	-	727,780	-	530,099
Benefit payments	(1,082,542)	(951,736)	(862,156)	(820,552)	(760,701)
<b>Net change in total pension liability</b>	<b>\$ 1,388,116</b>	<b>\$ 202,007</b>	<b>\$ 1,525,647</b>	<b>\$ 733,400</b>	<b>\$ 939,121</b>
<b>Total pension liability - beginning</b>	<b>20,718,473</b>	<b>20,516,466</b>	<b>18,990,819</b>	<b>18,257,419</b>	<b>17,318,298</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 22,106,589</b>	<b>\$ 20,718,473</b>	<b>\$ 20,516,466</b>	<b>\$ 18,990,819</b>	<b>\$ 18,257,419</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 159,245	\$ 163,370	\$ 155,561	\$ 150,637	\$ 151,855
Contributions - employee	199,158	182,296	179,852	166,996	166,518
Net investment income	1,373,830	(16,234)	4,861,701	342,572	1,148,942
Benefit payments	(1,082,542)	(951,736)	(862,156)	(820,552)	(760,701)
Administrator charges	(14,010)	(13,954)	(12,286)	(11,909)	(11,549)
Other	550	496	456	(404)	(722)
<b>Net change in plan fiduciary net position</b>	<b>\$ 636,231</b>	<b>\$ (635,762)</b>	<b>\$ 4,323,128</b>	<b>\$ (172,660)</b>	<b>\$ 694,343</b>
<b>Plan fiduciary net position - beginning</b>	<b>21,602,296</b>	<b>22,238,058</b>	<b>17,914,930</b>	<b>18,087,590</b>	<b>17,393,247</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 22,238,527</b>	<b>\$ 21,602,296</b>	<b>\$ 22,238,058</b>	<b>\$ 17,914,930</b>	<b>\$ 18,087,590</b>
<b>School Division's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ (131,938)</b>	<b>\$ (883,823)</b>	<b>\$ (1,721,592)</b>	<b>\$ 1,075,889</b>	<b>\$ 169,829</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>100.60%</b>	<b>104.27%</b>	<b>108.39%</b>	<b>94.33%</b>	<b>99.07%</b>
<b>Covered payroll</b>	<b>\$ 4,288,617</b>	<b>\$ 3,982,238</b>	<b>\$ 3,747,987</b>	<b>\$ 3,572,271</b>	<b>\$ 3,509,934</b>
<b>School Division's net pension liability (asset) as a percentage of covered payroll</b>	<b>-3.08%</b>	<b>-22.19%</b>	<b>-45.93%</b>	<b>30.12%</b>	<b>4.84%</b>

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
<b>Total pension liability</b>					
Service cost	\$ 322,077	\$ 348,188	\$ 433,172	\$ 444,147	\$ 448,462
Interest	1,155,111	1,169,530	1,130,232	1,046,485	986,400
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(266,528)	(915,888)	(288,681)	348,312	-
Changes of assumptions	-	(29,443)	-	-	-
Benefit payments	(787,909)	(768,817)	(657,835)	(627,286)	(525,710)
<b>Net change in total pension liability</b>	<b>\$ 422,751</b>	<b>\$ (196,430)</b>	<b>\$ 616,888</b>	<b>\$ 1,211,658</b>	<b>\$ 909,152</b>
<b>Total pension liability - beginning</b>	<b>16,895,547</b>	<b>17,091,977</b>	<b>16,475,089</b>	<b>15,263,431</b>	<b>14,354,279</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 17,318,298</b>	<b>\$ 16,895,547</b>	<b>\$ 17,091,977</b>	<b>\$ 16,475,089</b>	<b>\$ 15,263,431</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 222,228	\$ 234,665	\$ 293,302	\$ 327,770	\$ 371,110
Contributions - employee	161,710	182,986	187,296	210,271	213,775
Net investment income	1,217,722	1,829,777	261,358	662,902	1,971,754
Benefit payments	(787,909)	(768,817)	(657,835)	(627,286)	(525,710)
Administrator charges	(10,647)	(10,701)	(9,371)	(9,037)	(10,484)
Other	(1,080)	(1,621)	(111)	244	(280)
<b>Net change in plan fiduciary net position</b>	<b>\$ 802,024</b>	<b>\$ 1,466,289</b>	<b>\$ 74,639</b>	<b>\$ 564,864</b>	<b>\$ 2,020,165</b>
<b>Plan fiduciary net position - beginning</b>	<b>16,591,223</b>	<b>15,124,934</b>	<b>15,050,295</b>	<b>14,485,431</b>	<b>12,465,266</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 17,393,247</b>	<b>\$ 16,591,223</b>	<b>\$ 15,124,934</b>	<b>\$ 15,050,295</b>	<b>\$ 14,485,431</b>
<b>School Division's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ (74,949)</b>	<b>\$ 304,324</b>	<b>\$ 1,967,043</b>	<b>\$ 1,424,794</b>	<b>\$ 778,000</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>100.43%</b>	<b>98.20%</b>	<b>88.49%</b>	<b>91.35%</b>	<b>94.90%</b>
<b>Covered payroll</b>	<b>\$ 3,413,924</b>	<b>\$ 3,453,646</b>	<b>\$ 3,782,730</b>	<b>\$ 4,211,076</b>	<b>\$ 4,279,686</b>
<b>School Division's net pension liability (asset) as a percentage of covered payroll</b>	<b>-2.20%</b>	<b>8.81%</b>	<b>52.00%</b>	<b>33.83%</b>	<b>18.18%</b>

Schedule of Employer's Share of Net Pension Liability (Asset) VRS Teacher Retirement Plan  
Pension Plans  
For the Measurement Dates of June 30, 2014 through June 30, 2023

Measurement Date	Employer's Proportionate of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.68%	\$ 69,080,723	68,034,058	101.54%	82.45%
2022	0.69%	65,440,787	64,128,603	102.05%	82.61%
2021	0.70%	54,134,407	61,698,503	87.74%	85.46%
2020	0.66%	95,652,956	57,828,741	165.41%	71.47%
2019	0.66%	89,016,768	57,015,810	156.13%	73.51%
2018	0.66%	77,572,000	53,634,976	144.63%	74.81%
2017	0.70%	86,057,000	55,574,821	154.85%	72.92%
2016	0.72%	100,786,000	54,849,789	183.75%	68.28%
2015	0.73%	91,429,000	52,454,673	174.30%	70.68%
2014	0.72%	86,628,000	50,935,105	170.08%	70.88%



Schedule of Employer Contributions  
Pension Plans

For the 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)
<b>Primary Government</b>					
2024	\$ 5,593,924	\$ 5,593,924	\$ -	\$ 42,241,163	13.24%
2023	4,967,512	4,967,512	-	37,203,972	13.35%
2022	4,130,443	4,130,443	-	33,692,654	12.26%
2021	4,038,225	4,038,225	-	32,965,603	12.25%
2020	3,496,335	3,496,335	-	31,886,653	10.96%
2019	3,395,127	3,395,127	-	30,792,053	11.03%
2018	3,374,925	3,374,925	-	30,139,672	11.20%
2017	3,290,895	3,290,895	-	29,415,449	11.19%
2016	3,843,566	3,843,566	-	28,400,292	13.53%
2015	3,680,000	3,680,000	-	27,994,452	13.15%
<b>Component Unit School Board (Nonprofessional)</b>					
2024	\$ 211,922	\$ 211,922	\$ -	\$ 5,489,736	3.86%
2023	159,246	159,246	-	4,288,617	3.71%
2022	163,471	163,471	-	3,982,238	4.11%
2021	155,481	155,481	-	3,747,987	4.15%
2020	150,746	150,746	-	3,572,271	4.22%
2019	151,985	151,985	-	3,509,934	4.33%
2018	225,042	225,042	-	3,413,924	6.59%
2017	231,849	231,849	-	3,453,646	6.71%
2016	293,120	293,120	-	3,782,730	7.75%
2015	329,000	329,000	-	4,211,076	7.81%
<b>Component Unit School Board (Professional)</b>					
2024	\$ 11,609,732	\$ 11,609,732	\$ -	\$ 73,151,586	15.87%
2023	10,789,176	10,789,176	-	68,034,058	15.86%
2022	10,211,141	10,211,141	-	64,128,603	15.92%
2021	9,855,830	9,855,830	-	61,698,503	15.97%
2020	8,730,860	8,730,860	-	57,828,741	15.10%
2019	8,661,861	8,661,861	-	57,015,810	15.19%
2018	8,521,423	8,521,423	-	53,634,976	15.89%
2017	7,956,390	7,956,390	-	55,574,821	14.32%
2016	7,608,549	7,608,549	-	54,849,789	13.87%
2015	7,570,000	7,570,000	-	52,454,673	14.43%

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

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

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**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
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-
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
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, 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)
<b>Primary Government</b>					
2023	0.1583%	\$ 1,898,393	\$ 37,286,750	5.09%	69.30%
2022	0.1554%	1,870,564	33,792,972	5.54%	67.21%
2021	0.1602%	1,865,396	33,078,522	5.64%	67.45%
2020	0.1555%	2,595,040	32,001,776	8.11%	52.64%
2019	0.1576%	2,564,734	30,792,053	8.33%	52.00%
2018	0.1600%	2,423,000	30,335,422	7.99%	51.22%
2017	0.1600%	2,391,000	29,308,367	8.16%	48.86%
<b>Component Unit School Board (nonprofessional)</b>					
2023	0.0183%	\$ 219,115	\$ 4,303,562	5.09%	69.30%
2022	0.0183%	220,470	3,982,238	5.54%	67.21%
2021	0.0181%	211,315	3,747,987	5.64%	67.45%
2020	0.0174%	289,710	3,572,271	8.11%	52.64%
2019	0.0179%	291,281	3,509,934	8.30%	52.00%
2018	0.0200%	275,000	3,442,556	7.99%	51.22%
2017	0.0200%	283,000	3,471,158	8.15%	48.86%
<b>Component Unit School Board (professional)</b>					
2023	0.2893%	\$ 3,469,494	\$ 68,142,287	5.09%	69.30%
2022	0.2949%	3,550,519	64,142,499	5.54%	67.21%
2021	0.2990%	3,481,404	61,737,314	5.64%	67.45%
2020	0.2811%	4,690,598	57,844,644	8.11%	52.64%
2019	0.2914%	4,741,203	57,115,351	8.30%	52.00%
2018	0.2300%	4,296,000	53,777,496	7.99%	51.22%
2017	0.3000%	4,562,000	55,909,265	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  
 For the Years Ended June 30, 2018 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)
<b>Primary Government</b>					
2024	\$ 228,261	\$ 228,261	\$ -	\$ 42,270,644	0.54%
2023	201,348	201,348	-	37,286,750	0.54%
2022	182,482	182,482	-	33,792,972	0.54%
2021	178,624	178,624	-	33,078,522	0.54%
2020	166,403	166,403	-	32,001,776	0.52%
2019	160,658	160,658	-	30,792,053	0.52%
2018	157,744	157,744	-	30,335,422	0.52%
<b>Component Unit School Board (nonprofessional)</b>					
2024	\$ 29,666	\$ 29,666	\$ -	\$ 5,493,635	0.54%
2023	23,239	23,239	-	4,303,562	0.54%
2022	21,504	21,504	-	3,982,238	0.54%
2021	20,239	20,239	-	3,747,987	0.54%
2020	18,576	18,576	-	3,572,271	0.52%
2019	18,253	18,253	-	3,509,934	0.52%
2018	17,901	17,901	-	3,442,556	0.52%
<b>Component Unit School Board (professional)</b>					
2023	\$ 395,473	\$ 395,473	\$ -	\$ 73,235,704	0.54%
2023	367,968	367,968	-	68,142,287	0.54%
2022	346,369	346,369	-	64,142,499	0.54%
2021	333,381	333,381	-	61,737,314	0.54%
2020	300,792	300,792	-	57,844,644	0.52%
2019	296,997	296,997	-	57,115,351	0.52%
2018	279,643	279,643	-	53,777,496	0.52%

Schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

Notes to Required Supplementary Information  
Group Life Insurance (GLI) Plan  
For the 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 Employer's Share of Net LODA OPEB Liability  
Line of Duty Act (LODA) Program  
For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net 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	0.7501%	\$ 3,007,345	\$ Not Applicable	Not Applicable	1.31%
2022	0.7961%	3,012,997	Not Applicable	Not Applicable	1.87%
2021	0.8167%	3,601,491	Not Applicable	Not Applicable	1.68%
2020	0.8205%	3,436,548	Not Applicable	Not Applicable	1.02%
2019	0.8571%	3,075,336	Not Applicable	Not Applicable	0.79%
2018	0.8536%	2,676,000	Not Applicable	Not Applicable	0.60%
2017	0.9000%	2,371,000	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, which is the total payroll of employees in the OPEB plan, is not applicable.

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

For the Years Ended June 30, 2018 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	\$ 128,235	\$ 128,235	\$ -	\$ Not Applicable	Not Applicable
2023	99,549	99,549	-	Not Applicable	Not Applicable
2022	108,852	108,852	-	Not Applicable	Not Applicable
2021	112,439	112,439	-	Not Applicable	Not Applicable
2020	111,512	111,512	-	Not Applicable	Not Applicable
2019	115,040	115,040	-	Not Applicable	Not Applicable
2018	90,921	90,921	-	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, which is the total payroll of employees in the OPEB plan, is not applicable.

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.



Notes to Required Supplementary Information  
Line of Duty Act (LODA) Program  
For the Year Ended June 30, 2024

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**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 the City of Manassas, Virginia's Net OPEB Liability and Related Ratios  
 Health Insurance Credit (HIC) - Primary Government  
 For the Measurement Dates of June 30, 2017 through June 30, 2023

	2023	2022	2021
<b>Total HIC OPEB Liability</b>			
Service cost	\$ 15,579	\$ 21,202	\$ 21,494
Interest	75,827	74,019	70,872
Differences between expected and actual experience	21,681	(41,037)	(6,144)
Changes of assumptions	-	56,513	17,387
Benefit payments	(77,749)	(78,810)	(77,576)
<b>Net change in total HIC OPEB liability</b>	<b>\$ 35,338</b>	<b>\$ 31,887</b>	<b>\$ 26,033</b>
<b>Total HIC OPEB Liability - beginning</b>	<b>1,146,665</b>	<b>1,114,778</b>	<b>1,088,745</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 1,182,003</b>	<b>\$ 1,146,665</b>	<b>\$ 1,114,778</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 65,294	\$ 59,894	\$ 58,501
Net investment income	41,005	1,137	145,988
Benefit payments	(77,749)	(78,810)	(77,576)
Administrator charges	(979)	(1,164)	(1,682)
Other	477	8,795	-
<b>Net change in plan fiduciary net position</b>	<b>\$ 28,048</b>	<b>\$ (10,148)</b>	<b>\$ 125,231</b>
<b>Plan fiduciary net position - beginning</b>	<b>679,585</b>	<b>689,733</b>	<b>564,502</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 707,633</b>	<b>\$ 679,585</b>	<b>\$ 689,733</b>
<b>City of Manassas's net HIC OPEB liability - ending (a) - (b)</b>	<b>\$ 474,370</b>	<b>\$ 467,080</b>	<b>\$ 425,045</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	<b>59.87%</b>	<b>59.27%</b>	<b>61.87%</b>
<b>Covered payroll</b>	<b>\$ 34,507,765</b>	<b>\$ 31,522,769</b>	<b>\$ 30,928,221</b>
<b>City of Manassas's net HIC OPEB liability as a percentage of covered payroll</b>	<b>1.37%</b>	<b>1.48%</b>	<b>1.37%</b>

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 Changes in the City of Manassas, Virginia's Net OPEB Liability and Related Ratios  
Health Insurance Credit (HIC) - Primary Government  
For the Measurement Dates of June 30, 2017 through June 30, 2023

	2020	2019	2018	2017
<b>Total HIC OPEB Liability</b>				
Service cost	\$ 22,035	\$ 20,493	\$ 21,187	\$ 21,716
Interest	67,788	67,420	66,503	66,592
Differences between expected and actual experience	32,959	2,062	(545)	-
Changes of assumptions	-	25,958	-	(27,092)
Benefit payments	(76,609)	(73,009)	(75,077)	(49,915)
<b>Net change in total HIC OPEB liability</b>	<b>\$ 46,173</b>	<b>\$ 42,924</b>	<b>\$ 12,068</b>	<b>\$ 11,301</b>
<b>Total HIC OPEB Liability - beginning</b>	<b>1,042,572</b>	<b>999,648</b>	<b>987,580</b>	<b>976,279</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 1,088,745</b>	<b>\$ 1,042,572</b>	<b>\$ 999,648</b>	<b>\$ 987,580</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 57,329	\$ 55,729	\$ 49,319	\$ 47,773
Net investment income	11,346	35,076	38,174	56,707
Benefit payments	(76,609)	(73,009)	(75,077)	(49,915)
Administrator charges	(1,071)	(756)	(873)	(915)
Other	(5)	(41)	(2,882)	2,882
<b>Net change in plan fiduciary net position</b>	<b>\$ (9,010)</b>	<b>\$ 16,999</b>	<b>\$ 8,661</b>	<b>\$ 56,532</b>
<b>Plan fiduciary net position - beginning</b>	<b>573,512</b>	<b>556,513</b>	<b>547,852</b>	<b>491,320</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 564,502</b>	<b>\$ 573,512</b>	<b>\$ 556,513</b>	<b>\$ 547,852</b>
<b>City of Manassas's net HIC OPEB liability - ending (a) - (b)</b>	<b>\$ 524,243</b>	<b>\$ 469,060</b>	<b>\$ 443,135</b>	<b>\$ 439,728</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	<b>51.85%</b>	<b>55.01%</b>	<b>55.67%</b>	<b>55.47%</b>
<b>Covered payroll</b>	<b>\$ 30,179,573</b>	<b>\$ 29,320,079</b>	<b>\$ 29,006,150</b>	<b>\$ 28,065,796</b>
<b>City of Manassas's net HIC OPEB liability as a percentage of covered payroll</b>	<b>1.74%</b>	<b>1.60%</b>	<b>1.53%</b>	<b>1.57%</b>

Schedule of Changes in the City of Manassas, Virginia's Net OPEB Liability and Related Ratios  
 Health Insurance Credit (HIC) - Component Unit School Board (Nonprofessional)  
 For the Measurement Dates of June 30, 2017 through June 30, 2023

	2023	2022	2021
<b>Total HIC OPEB Liability</b>			
Service cost	\$ 4,508	\$ 3,662	\$ 4,211
Interest	28,660	18,014	17,541
Changes in benefit terms	-	140,823	-
Differences between expected and actual experience	54,911	(57,588)	2,254
Changes of assumptions	-	78,400	2,847
Benefit payments	(26,274)	(26,623)	(20,378)
<b>Net change in total HIC OPEB liability</b>	<b>\$ 61,805</b>	<b>\$ 156,688</b>	<b>\$ 6,475</b>
<b>Total HIC OPEB Liability - beginning</b>	<b>433,215</b>	<b>276,527</b>	<b>270,052</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 495,020</b>	<b>\$ 433,215</b>	<b>\$ 276,527</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 21,014	\$ 16,725	\$ 9,376
Net investment income	12,869	478	47,602
Benefit payments	(26,274)	(26,623)	(20,378)
Administrator charges	(295)	(385)	(535)
Other	637	11,888	-
<b>Net change in plan fiduciary net position</b>	<b>\$ 7,951</b>	<b>\$ 2,083</b>	<b>\$ 36,065</b>
<b>Plan fiduciary net position - beginning</b>	<b>224,945</b>	<b>222,862</b>	<b>186,797</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 232,896</b>	<b>\$ 224,945</b>	<b>\$ 222,862</b>
<b>School Board's net HIC OPEB liability - ending (a) - (b)</b>	<b>\$ 262,124</b>	<b>\$ 208,270</b>	<b>\$ 53,665</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	<b>47.05%</b>	<b>51.92%</b>	<b>80.59%</b>
<b>Covered payroll</b>	<b>\$ 4,288,617</b>	<b>\$ 3,982,238</b>	<b>\$ 3,747,987</b>
<b>School Board's net HIC OPEB liability as a percentage of covered payroll</b>	<b>6.11%</b>	<b>5.23%</b>	<b>1.43%</b>

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 Changes in the City of Manassas, Virginia's Net OPEB Liability and Related Ratios  
Health Insurance Credit (HIC) - Component Unit School Board (Nonprofessional)  
For the Measurement Dates of June 30, 2017 through June 30, 2023

	2020	2019	2018	2017
<b>Total HIC OPEB Liability</b>				
Service cost	\$ 4,048	\$ 3,914	\$ 4,356	\$ 5,061
Interest	16,188	16,419	16,223	15,904
Changes in benefit terms	9,412	-	-	-
Differences between expected and actual experience	10,707	(3,647)	(2,030)	-
Changes of assumptions	-	6,062	-	(3,347)
Benefit payments	(20,243)	(14,734)	(16,752)	(9,367)
<b>Net change in total HIC OPEB liability</b>	<b>\$ 20,112</b>	<b>\$ 8,014</b>	<b>\$ 1,797</b>	<b>\$ 8,251</b>
<b>Total HIC OPEB Liability - beginning</b>	<b>249,940</b>	<b>241,926</b>	<b>240,129</b>	<b>231,878</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 270,052</b>	<b>\$ 249,940</b>	<b>\$ 241,926</b>	<b>\$ 240,129</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 7,859	\$ 7,721	\$ 8,790	\$ 9,073
Net investment income	3,848	12,003	13,103	19,367
Benefit payments	(20,243)	(14,734)	(16,752)	(9,367)
Administrator charges	(355)	(259)	(300)	(314)
Other	(2)	(14)	(982)	982
<b>Net change in plan fiduciary net position</b>	<b>\$ (8,893)</b>	<b>\$ 4,717</b>	<b>\$ 3,859</b>	<b>\$ 19,741</b>
<b>Plan fiduciary net position - beginning</b>	<b>195,690</b>	<b>190,973</b>	<b>187,114</b>	<b>167,373</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 186,797</b>	<b>\$ 195,690</b>	<b>\$ 190,973</b>	<b>\$ 187,114</b>
<b>School Board's net HIC OPEB liability - ending (a) - (b)</b>	<b>\$ 83,255</b>	<b>\$ 54,250</b>	<b>\$ 50,953</b>	<b>\$ 53,015</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	<b>69.17%</b>	<b>78.29%</b>	<b>78.94%</b>	<b>77.92%</b>
<b>Covered payroll</b>	<b>\$ 3,572,271</b>	<b>\$ 3,509,934</b>	<b>\$ 3,416,924</b>	<b>\$ 3,453,646</b>
<b>School Board's net HIC OPEB liability as a percentage of covered payroll</b>	<b>2.33%</b>	<b>1.55%</b>	<b>1.49%</b>	<b>1.54%</b>

## Schedule of Employer Contributions

## Health Insurance Credit (HIC)

For the Years Ended June 30, 2018 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)
<b>Primary Government</b>					
2024	\$ 73,744	\$ 73,744	\$ -	\$ 38,812,652	0.1900%
2023	65,565	65,565	-	34,507,765	0.1900%
2022	59,893	59,893	-	31,522,769	0.1900%
2021	58,764	58,764	-	30,928,221	0.1900%
2020	57,329	57,329	-	30,179,573	0.1900%
2019	55,729	55,729	-	29,320,079	0.1901%
2018	49,319	49,319	-	29,006,150	0.1700%
<b>Component Unit School Board (nonprofessional)</b>					
2024	\$ 26,899	\$ 26,899	\$ -	\$ 5,489,736	0.4900%
2023	21,014	21,014	-	4,288,617	0.4900%
2022	9,956	9,956	-	3,982,238	0.2500%
2021	9,370	9,370	-	3,747,987	0.2500%
2020	7,859	7,859	-	3,572,271	0.2200%
2019	7,722	7,722	-	3,509,934	0.2200%
2018	8,794	8,794	-	3,416,924	0.2574%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only two years of data are available. Additional years will be included as they become available.

Notes to Required Supplementary Information  
Health Insurance Credit (HIC)  
For the Year Ended June 30, 2023

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

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

**Non-Largest Ten Locality Employers - General Employees**

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

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

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



Schedule of City of Manassas School Board's Share of Net OPEB Liability  
Teacher Employee Health Insurance Credit (HIC)  
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	0.6823%	\$ 8,265,622	\$ 68,034,058	12.15%	17.90%
2022	0.6881%	8,594,190	64,128,603	13.40%	15.08%
2021	0.6976%	8,954,692	61,698,503	14.51%	13.15%
2020	0.6596%	8,605,113	57,828,741	14.88%	9.95%
2019	0.6798%	8,898,720	57,015,810	15.61%	8.97%
2018	0.6632%	8,421,000	53,638,846	15.70%	8.08%
2017	0.7041%	8,935,000	55,584,463	16.07%	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)  
For the Years Ended June 30, 2018 through June 30, 2024

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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	\$ 885,134	\$ 885,134	\$ -	\$ 73,151,586	1.21%
2023	823,212	823,212	-	68,034,058	1.21%
2022	775,956	775,956	-	64,128,603	1.21%
2021	746,552	746,552	-	61,698,503	1.21%
2020	693,945	693,945	-	57,828,741	1.20%
2019	684,189	684,189	-	57,015,810	1.20%
2018	659,758	659,758	-	53,638,846	1.23%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only three years of data are available. Additional years will be included as they become available.

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

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**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 Total OPEB Liability (Asset) and Related Ratios

## Primary Government Local OPEB Plan

For the Years Ended June 30, 2018 through June 30, 2024

	2024	2023	2022
<b>Total OPEB liability</b>			
Service cost	\$ 340,366	\$ 354,861	\$ 455,637
Interest	306,737	280,024	222,241
Changes in assumptions	(282,112)	231,045	(888,140)
Differences between expected and actual experience	(740,352)	-	(1,743,241)
Benefit payments	(379,891)	(336,483)	(313,454)
<b>Net change in total OPEB liability</b>	<b>\$ (755,252)</b>	<b>\$ 529,447</b>	<b>\$ (2,266,957)</b>
<b>Total OPEB liability - beginning</b>	<b>8,251,653</b>	<b>7,722,206</b>	<b>9,989,163</b>
<b>Total OPEB liability - ending</b>	<b>\$ 7,496,401</b>	<b>\$ 8,251,653</b>	<b>\$ 7,722,206</b>
 <b>Covered-employee payroll</b>	 <b>\$ 38,067,906</b>	 <b>\$ 33,734,572</b>	 <b>\$ 33,734,572</b>
 <b>Primary Governments' total OPEB liability (asset) as a percentage of covered-employee payroll</b>	 <b>19.69%</b>	 <b>24.46%</b>	 <b>22.89%</b>

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

## Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios

## Primary Government Local OPEB Plan

For the Years Ended June 30, 2018 through June 30, 2024

	2021	2020	2019	2018
<b>Total OPEB liability</b>				
Service cost	\$ 478,651	\$ 383,403	\$ 368,592	\$ 383,873
Interest	219,344	351,232	359,308	323,594
Changes in assumptions	43,014	214,552	354,860	(347,338)
Differences between expected and actual experience	-	(774,515)	-	-
Benefit payments	(394,388)	(364,744)	(328,893)	(283,663)
<b>Net change in total OPEB liability</b>	<b>\$ 346,621</b>	<b>\$ (190,072)</b>	<b>\$ 753,867</b>	<b>\$ 76,466</b>
<b>Total OPEB liability - beginning</b>	<b>9,642,542</b>	<b>9,832,614</b>	<b>9,078,747</b>	<b>9,002,281</b>
<b>Total OPEB liability - ending</b>	<b>\$ 9,989,163</b>	<b>\$ 9,642,542</b>	<b>\$ 9,832,614</b>	<b>\$ 9,078,747</b>
 <b>Covered-employee payroll</b>	 \$ 32,502,185	 \$ 31,012,306	 \$ 29,645,000	 \$ 29,645,000
 <b>Primary Governments' total OPEB liability (asset) as a percentage of covered-employee payroll</b>	 30.73%	 31.09%	 33.17%	 30.62%

Notes to Required Supplementary Information - Primary Government Local OPEB Plan  
For the Year Ended June 30, 2024

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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 level % of salary
Discount Rate	3.93%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.50% in 2024 and gradually decreases to 3.90% by the year 2072
Salary Increase Rates	Varies based on years of service
Retirement Age	Between 50 and 65 with a service requirement
Mortality Rates	The mortality rates were calculated using the PUB-2010 Employee Rates. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios  
 Component Unit School Board Local OPEB Plan  
 For the Years Ended June 30, 2018 through June 30, 2024

	2024	2023	2022
<b>Total OPEB liability</b>			
Service cost	\$ 39,508	\$ 54,993	\$ 108,220
Interest	49,492	30,023	51,864
Changes in assumptions	627,949	(193,081)	(421,119)
Differences between expected and actual experience	619,646	37,137	(178,793)
Benefit payments	(199,662)	(150,273)	(135,289)
<b>Net change in total OPEB liability</b>	<b>\$ 1,136,933</b>	<b>\$ (221,201)</b>	<b>\$ (575,117)</b>
<b>Total OPEB liability - beginning</b>	<b>1,399,043</b>	<b>1,620,244</b>	<b>2,195,361</b>
<b>Total OPEB liability - ending</b>	<b>\$ 2,535,976</b>	<b>\$ 1,399,043</b>	<b>\$ 1,620,244</b>
 <b>Covered-employee payroll</b>	 \$ 78,641,322	 \$ 72,322,675	 \$ 68,110,841
 <b>Manassas City Public School's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	 3.22%	 1.93%	 2.38%

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



## Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios

## Component Unit School Board Local OPEB Plan

For the Years Ended June 30, 2018 through June 30, 2024

	2021	2020	2019	2018
<b>Total OPEB liability</b>				
Service cost	\$ 90,807	\$ 85,738	\$ 83,229	\$ 93,415
Interest	62,778	70,559	71,604	63,823
Changes in assumptions	126,949	(97,977)	(7,003)	(134,493)
Differences between expected and actual experience	7,455	213,263	53,776	
Benefit payments	(189,146)	(223,520)	(252,776)	(325,000)
<b>Net change in total OPEB liability</b>	<b>\$ 98,843</b>	<b>\$ 48,063</b>	<b>\$ (51,170)</b>	<b>\$ (302,255)</b>
<b>Total OPEB liability - beginning</b>	<b>2,096,518</b>	<b>2,048,455</b>	<b>2,099,625</b>	<b>2,401,880</b>
<b>Total OPEB liability - ending</b>	<b>\$ 2,195,361</b>	<b>\$ 2,096,518</b>	<b>\$ 2,048,455</b>	<b>\$ 2,099,625</b>
 <b>Covered-employee payroll</b>	 \$ 65,446,490	 \$ 61,401,012	 \$ 63,886,718	 \$ 62,362,862
 <b>Manassas City Public School's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	 3.35%	 3.41%	 3.21%	 3.37%

Notes to Required Supplementary Information - Component Unit School Board Local OPEB Plan  
For the Year Ended June 30, 2024

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Valuation Date: 4/1/2024

Measurement Date: 6/30/2023

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.86%
Inflation	2.60%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 7.50% in 2024 and gradually decreases to 4.04% by the year 2075
Salary Increase Rates	.90% to 3.35% based on years of service
Retirement Age	Between 50 and 65 with a service requirement
Mortality Rates	The mortality rates for healthy pre-retirement employees was calculated using the SOA Pub-2010 Teacher Employees Headcount-Weighted Mortality with MP-2021, healthy post-retirement employees was calculated using the P SOA Pub-2010 Teacher Employees Headcount-Weighted Mortality with MP-2021 and the disabled was calculated using the SOA Pub-2010 Teacher Disabled Retirees Headcount-Weighted Mortality with MP-2021.

**OTHER SUPPLEMENTARY INFORMATION**

***Combining and Individual Fund Financial Statements and Schedules***

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

**Social Services Fund** - to account for and report revenues from the Federal government and the Commonwealth that are restricted for social services, housing, and human services programs.

**PEG Fund** - to account for and report revenue received for cable surcharge fees and restricted by the contract with the cable companies for communications.

**Owens Brooke District Fund** - to account for and report real estate tax revenues levied and collected for maintaining the roads of the Owens Brooke District.

**Fire Rescue Fund** - to account for and report real estate tax revenues levied and collected for expenditures of the fire and rescue function.

**Merchant Museum Fund** - to account for and report donations received from the Merchant family which are restricted by contract for expenditures of the Museum System.

### **CAPITAL PROJECTS FUNDS**

**Gateway Capital Projects Fund** - to account for and report federal and state grants and bonds which are restricted and local funds which City Council has committed for expenditures to develop Manassas Landing and projects funded by Gateway land sale proceeds.

**Transportation Capital Projects Fund** - to account for and report federal and state grants and bonds which are restricted and local funds which City Council has committed for expenditures to construct new streets and highways.

**DEBT SERVICE FUND** - to account for and report the resources accumulated and payments made for principal and interest on long-term general obligation debt.

### **PERMANENT FUND**

**Cemetery Maintenance Fund** - to account for and report fees from the sale of cemetery plots which are invested in a perpetual care fund established in the City Code of Ordinances. The Code stipulates that \$100,000 of the fees are to remain intact and any amount in excess of \$100,000 is restricted for expenditures for cemetery maintenance.

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2024

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Cemetery Maintenance Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 7,522,160	\$ 3,912,830	\$ 15,295,357	\$ -	\$ 26,730,347
Cash and investments - restricted	-	-	-	616,775	616,775
Receivables (net of allowance for uncollectibles):					
Taxes	322,691	-	-	-	322,691
Prepaid items	969,184	-	-	-	969,184
Due from other governments	649,805	-	-	-	649,805
Total assets	<u>\$ 9,463,840</u>	<u>\$ 3,912,830</u>	<u>\$ 15,295,357</u>	<u>\$ 616,775</u>	<u>\$ 29,288,802</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 334,408	\$ -	\$ 55,097	\$ -	\$ 389,505
Due to other funds	422,042	-	-	-	422,042
Total liabilities	<u>\$ 756,450</u>	<u>\$ -</u>	<u>\$ 55,097</u>	<u>\$ -</u>	<u>\$ 811,547</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	<u>\$ 202,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,605</u>
<b>FUND BALANCES</b>					
Nonspendable	\$ 969,184	\$ -	\$ -	\$ 100,000	\$ 1,069,184
Restricted	5,979,605	-	-	516,775	6,496,380
Committed	-	3,912,830	15,240,260	-	19,153,090
Assigned	1,555,996	-	-	-	1,555,996
Total fund balances	<u>\$ 8,504,785</u>	<u>\$ 3,912,830</u>	<u>\$ 15,240,260</u>	<u>\$ 616,775</u>	<u>\$ 28,274,650</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,463,840</u>	<u>\$ 3,912,830</u>	<u>\$ 15,295,357</u>	<u>\$ 616,775</u>	<u>\$ 29,288,802</u>

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

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Cemetery Maintenance Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>					
General property taxes	\$ 13,168,508	\$ -	\$ -	\$ -	\$ 13,168,508
Permits, fees, and licenses	170,065	-	-	-	170,065
Revenue from the use of money and property	215,104	-	-	24,741	239,845
Charges for services	1,027,697	-	-	45,000	1,072,697
Miscellaneous	145,886	-	-	-	145,886
Intergovernmental	5,270,286	-	-	-	5,270,286
Total revenues	<u>\$ 19,997,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,741</u>	<u>\$ 20,067,287</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	\$ 13,318,967	\$ -	\$ -	\$ -	\$ 13,318,967
Public works	7,452	-	-	-	7,452
Health and human services	7,639,624	-	-	-	7,639,624
Cultural, recreation, and community development	-	14,735	-	-	14,735
Capital outlay	423,419	1,051,967	-	-	1,475,386
Debt service:					
Principal	281,887	-	8,387,995	-	8,669,882
Interest and fiscal charges	6,756	-	3,631,457	-	3,638,213
Total expenditures	<u>\$ 21,678,105</u>	<u>\$ 1,066,702</u>	<u>\$ 12,019,452</u>	<u>\$ -</u>	<u>\$ 34,764,259</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,680,559)</u>	<u>\$ (1,066,702)</u>	<u>\$ (12,019,452)</u>	<u>\$ 69,741</u>	<u>\$ (14,696,972)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ 3,093,510	\$ -	\$ 11,899,439	\$ -	\$ 14,992,949
Transfers out	(744,569)	(15,966)	-	-	(760,535)
Total other financing sources (uses)	<u>\$ 2,348,941</u>	<u>\$ (15,966)</u>	<u>\$ 11,899,439</u>	<u>\$ -</u>	<u>\$ 14,232,414</u>
Net change in fund balances	\$ 668,382	\$ (1,082,668)	\$ (120,013)	\$ 69,741	\$ (464,558)
Fund balances - beginning	7,836,403	4,995,498	15,360,273	547,034	28,739,208
Fund balances - ending	<u>\$ 8,504,785</u>	<u>\$ 3,912,830</u>	<u>\$ 15,240,260</u>	<u>\$ 616,775</u>	<u>\$ 28,274,650</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Debt Service Fund  
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	\$ 8,387,990	\$ 8,387,990	\$ 8,387,995	\$ (5)
Interest and other fiscal charges	3,621,880	3,621,880	3,631,457	(9,577)
Total expenditures	<u>\$ 12,009,870</u>	<u>\$ 12,009,870</u>	<u>\$ 12,019,452</u>	<u>\$ (9,582)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (12,009,870)</u>	<u>\$ (12,009,870)</u>	<u>\$ (12,019,452)</u>	<u>\$ (9,582)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 11,924,870	\$ 11,924,870	\$ 11,899,439	\$ (25,431)
Total other financing sources (uses)	<u>\$ 11,924,870</u>	<u>\$ 11,924,870</u>	<u>\$ 11,899,439</u>	<u>\$ (25,431)</u>
Net change in fund balances	<u><u>\$ (85,000)</u></u>	<u><u>\$ (85,000)</u></u>	<u><u>\$ (120,013)</u></u>	<u><u>\$ (35,013)</u></u>



Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Permanent Cemetery Maintenance Fund  
 For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 24,741	\$ 24,741
Charges for services	-	-	45,000	45,000
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,741</u>	<u>\$ 69,741</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 69,741	\$ 69,741
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ (60,000)	\$ (60,000)	\$ -	\$ 60,000
Total other financing sources (uses)	<u>\$ (60,000)</u>	<u>\$ (60,000)</u>	<u>\$ -</u>	<u>\$ 60,000</u>
Net change in fund balances	<u><u>\$ (60,000)</u></u>	<u><u>\$ (60,000)</u></u>	<u><u>\$ 69,741</u></u>	<u><u>\$ 129,741</u></u>

Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2024

	Social Services Fund	PEG Fund	Owens Brooke District Fund	Fire Rescue Fund	Merchant Museum Fund	Total
<b>ASSETS</b>						
Cash and investments	\$ -	\$ 1,497,766	\$ 217,863	\$ 5,779,563	\$ 26,968	\$ 7,522,160
Receivables (net of allowance for uncollectibles):						
Taxes receivable	-	-	772	321,919	-	322,691
Prepaid items	59,376	-	-	909,808	-	969,184
Due from other governments	592,785	-	-	57,020	-	649,805
Total assets	<u>\$ 652,161</u>	<u>\$ 1,497,766</u>	<u>\$ 218,635</u>	<u>\$ 7,068,310</u>	<u>\$ 26,968</u>	<u>\$ 9,463,840</u>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 128,674	\$ -	\$ 308	\$ 205,426	\$ -	\$ 334,408
Due to other funds	422,042	-	-	-	-	422,042
Total liabilities	<u>\$ 550,716</u>	<u>\$ -</u>	<u>\$ 308</u>	<u>\$ 205,426</u>	<u>\$ -</u>	<u>\$ 756,450</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	\$ -	\$ -	\$ 772	\$ 201,833	\$ -	\$ 202,605
<b>FUND BALANCES</b>						
Nonspendable	\$ 59,376	\$ -	\$ -	\$ 909,808	\$ -	\$ 969,184
Restricted	42,069	1,497,766	217,555	4,195,247	26,968	5,979,605
Assigned	-	-	-	1,555,996	-	1,555,996
Total fund balances	<u>\$ 101,445</u>	<u>\$ 1,497,766</u>	<u>\$ 217,555</u>	<u>\$ 6,661,051</u>	<u>\$ 26,968</u>	<u>\$ 8,504,785</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 652,161</u>	<u>\$ 1,497,766</u>	<u>\$ 218,635</u>	<u>\$ 7,068,310</u>	<u>\$ 26,968</u>	<u>\$ 9,463,840</u>

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

	Social Services Fund	PEG Fund	Owens Brooke District Fund	Fire Rescue Fund	Merchant Museum Fund	Total
<b>REVENUES</b>						
General property taxes	\$ -	\$ -	\$ 39,761	\$ 13,128,747	\$ -	\$ 13,168,508
Permits, fees and licenses	-	-	-	170,065	-	170,065
Revenue from the use of money and property	-	59,864	8,181	146,293	766	215,104
Charges for services	-	-	-	1,027,697	-	1,027,697
Miscellaneous	2,600	127,300	-	3,732	12,254	145,886
Intergovernmental	4,866,353	-	-	403,933	-	5,270,286
Total revenues	<u>\$ 4,868,953</u>	<u>\$ 187,164</u>	<u>\$ 47,942</u>	<u>\$ 14,880,467</u>	<u>\$ 13,020</u>	<u>\$ 19,997,546</u>
<b>EXPENDITURES</b>						
Current:						
Public safety	\$ -	\$ -	\$ -	\$ 13,318,967	\$ -	\$ 13,318,967
Public works	-	-	7,452	-	-	7,452
Health and human services	7,639,624	-	-	-	-	7,639,624
Capital outlay	-	-	-	423,419	-	423,419
Debt service:						
Principal retirement	281,887	-	-	-	-	281,887
Interest and other fiscal charges	6,756	-	-	-	-	6,756
Total expenditures	<u>\$ 7,928,267</u>	<u>\$ -</u>	<u>\$ 7,452</u>	<u>\$ 13,742,386</u>	<u>\$ -</u>	<u>\$ 21,678,105</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (3,059,314)</u>	<u>\$ 187,164</u>	<u>\$ 40,490</u>	<u>\$ 1,138,081</u>	<u>\$ 13,020</u>	<u>\$ (1,680,559)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ 3,093,510	\$ -	\$ -	\$ -	\$ -	\$ 3,093,510
Transfers out	-	-	-	(744,569)	-	(744,569)
Total other financing sources (uses)	<u>\$ 3,093,510</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (744,569)</u>	<u>\$ -</u>	<u>\$ 2,348,941</u>
Net change in fund balances	\$ 34,196	\$ 187,164	\$ 40,490	\$ 393,512	\$ 13,020	\$ 668,382
Fund balances - beginning	67,249	1,310,602	177,065	6,267,539	13,948	7,836,403
Fund balances - ending	<u>\$ 101,445</u>	<u>\$ 1,497,766</u>	<u>\$ 217,555</u>	<u>\$ 6,661,051</u>	<u>\$ 26,968</u>	<u>\$ 8,504,785</u>

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

	Social Services Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
General property taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-
Miscellaneous	-	-	2,600	2,600
Intergovernmental	5,480,290	5,522,359	4,866,353	(656,006)
Total revenues	\$ 5,480,290	\$ 5,522,359	\$ 4,868,953	\$ (653,406)
EXPENDITURES				
Current:				
General government administration	\$ -	\$ -	\$ -	\$ -
Public works	-	-	-	-
Health and human services	7,793,647	7,842,456	7,639,624	202,832
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	281,887	281,887	281,887	-
Interest and other fiscal charges	6,756	6,756	6,756	-
Total expenditures	\$ 8,082,290	\$ 8,131,099	\$ 7,928,267	\$ 202,832
Excess (deficiency) of revenues over (under) expenditures	\$ (2,602,000)	\$ (2,608,740)	\$ (3,059,314)	\$ (450,574)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,602,000	\$ 2,602,000	\$ 3,093,510	\$ 491,510
Total other financing sources (uses)	\$ 2,602,000	\$ 2,602,000	\$ 3,093,510	\$ 491,510
Net change in fund balances	\$ -	\$ (6,740)	\$ 34,196	\$ 40,936

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

	PEG Fund				Owens Brooke District Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ 40,200	\$ 40,200	\$ 39,761	\$ (439)
Revenue from the use of money and property	-	-	59,864	59,864	-	-	8,181	8,181
Miscellaneous	150,000	150,000	127,300	(22,700)	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Total revenues	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 187,164</u>	<u>\$ 37,164</u>	<u>\$ 40,200</u>	<u>\$ 40,200</u>	<u>\$ 47,942</u>	<u>\$ 7,742</u>
<b>EXPENDITURES</b>								
Current:								
General government administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public works	-	-	-	-	40,200	40,200	7,452	32,748
Health and human services	-	-	-	-	-	-	-	-
Capital outlay	150,000	150,000	-	150,000	-	-	-	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and other fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ 40,200</u>	<u>\$ 40,200</u>	<u>\$ 7,452</u>	<u>\$ 32,748</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,164</u>	<u>\$ 187,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,490</u>	<u>\$ 40,490</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,164</u>	<u>\$ 187,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,490</u>	<u>\$ 40,490</u>

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

	Fire Rescue Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
General property taxes	\$ 13,140,000	\$ 13,140,000	\$ 13,128,747	\$ (11,253)
Permits, fees and licenses	100,000	100,000	170,065	70,065
Revenue from the use of money and property	15,000	15,000	146,293	131,293
Charges for services	700,000	700,000	1,027,697	327,697
Miscellaneous	-	-	3,732	3,732
Intergovernmental	400,000	480,291	403,933	(76,358)
Total revenues	<u>\$ 14,355,000</u>	<u>\$ 14,435,291</u>	<u>\$ 14,880,467</u>	<u>\$ 445,176</u>
EXPENDITURES				
Current:				
Public safety	\$ 13,350,000	\$ 13,437,225	\$ 13,318,967	\$ 118,258
Capital outlay	500,000	2,640,494	423,419	2,217,075
Total expenditures	<u>\$ 13,850,000</u>	<u>\$ 16,077,719</u>	<u>\$ 13,742,386</u>	<u>\$ 2,335,333</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 505,000</u>	<u>\$ (1,642,428)</u>	<u>\$ 1,138,081</u>	<u>\$ 2,780,509</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>\$ (770,000)</u>	<u>\$ (770,000)</u>	<u>\$ (744,569)</u>	<u>\$ 25,431</u>
Total other financing sources (uses)	<u>\$ (770,000)</u>	<u>\$ (770,000)</u>	<u>\$ (744,569)</u>	<u>\$ 25,431</u>
Net change in fund balances	<u>\$ (265,000)</u>	<u>\$ (2,412,428)</u>	<u>\$ 393,512</u>	<u>\$ 2,805,940</u>

Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2024

	Gateway Capital Projects Fund	Transportation Capital Projects Fund	Total
<b>ASSETS</b>			
Cash and investments	\$ 3,912,830	\$ -	\$ 3,912,830
Total assets	<u>\$ 3,912,830</u>	<u>\$ -</u>	<u>\$ 3,912,830</u>
<b>FUND BALANCES</b>			
Committed	\$ 3,912,830	\$ -	\$ 3,912,830
Total fund balances	<u>\$ 3,912,830</u>	<u>\$ -</u>	<u>\$ 3,912,830</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,912,830</u>	<u>\$ -</u>	<u>\$ 3,912,830</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended June 30, 2024

	Gateway Capital Projects Fund	Transportation Capital Projects Fund	Total
<b>EXPENDITURES</b>			
Current:			
Culture, recreation, and community development	\$ 14,735	\$ -	\$ 14,735
Capital outlay	1,051,967	-	1,051,967
Total expenditures	<u>\$ 1,066,702</u>	<u>\$ -</u>	<u>\$ 1,066,702</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,066,702)</u>	<u>\$ -</u>	<u>\$ (1,066,702)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ -	\$ -
Transfers out	-	(15,966)	(15,966)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ (15,966)</u>	<u>\$ (15,966)</u>
Net change in fund balances	\$ (1,066,702)	\$ (15,966)	\$ (1,082,668)
Fund balances - beginning	4,979,532	15,966	4,995,498
Fund balances - ending	<u><u>\$ 3,912,830</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,912,830</u></u>



## NONMAJOR ENTERPRISE FUNDS

**Solid Waste Fund** - to account for and report provision of solid waste collection for the residents of the City.

Statement of Net Position  
Nonmajor Enterprise Funds  
June 30, 2024

	<u>Solid Waste Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 2,113,544
Accounts receivable, net	299,377
Total current assets	<u>\$ 2,412,921</u>
Noncurrent assets:	
Capital assets:	
Depreciable, net	\$ 35,993
Total capital assets, net	<u>\$ 35,993</u>
Total assets	<u>\$ 2,448,914</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
OPEB related deferred outflows	\$ 2,844
Pension related deferred outflows	17,958
Total deferred outflows of resources	<u>\$ 20,802</u>
 <b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued expenses	\$ 263,691
Compensated absences - current portion	659
Total current liabilities	<u>\$ 264,350</u>
Noncurrent liabilities:	
Compensated absences - noncurrent portion	\$ 3,733
Net OPEB liability	29,809
Net pension liability	49,078
Total noncurrent liabilities	<u>\$ 82,620</u>
Total liabilities	<u>\$ 346,970</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
OPEB related deferred inflows	\$ 9,369
Pension related deferred inflows	7,072
Total deferred inflows of resources	<u>\$ 16,441</u>
 <b>NET POSITION</b>	
Net investment in capital assets	\$ 35,993
Unrestricted	2,070,312
Total net position	<u><u>\$ 2,106,305</u></u>

**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2024**

	<b>Solid Waste Fund</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 4,277,083
Total operating revenues	<u>\$ 4,277,083</u>
<b>OPERATING EXPENSES</b>	
Personal services	\$ 171,098
Contractual services	3,918,541
Supplies	9,828
Internal and other services	296,843
Depreciation and amortization	8,861
Total operating expenses	<u>\$ 4,405,171</u>
Operating income (loss)	<u>\$ (128,088)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Intergovernmental grants/revenue	\$ 17,823
Investment earnings	90,949
Other/insurance recoveries	144
Total nonoperating revenues (expenses)	<u>\$ 108,916</u>
Change in net position	<u>\$ (19,172)</u>
Total net position - beginning	2,125,477
Total net position - ending	<u><u>\$ 2,106,305</u></u>

**Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2024**

	<b>Solid Waste Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers and users	\$ 4,275,097
Cash paid to suppliers	(3,929,169)
Cash paid to and for employees	(171,896)
Payments for interfund services used	(296,843)
Net cash provided by (used for) operating activities	\$ (122,811)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Nonoperating grants received	\$ 17,823
Net cash provided by (used for) noncapital financing activities	\$ 17,823
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Other/insurance recoveries	\$ 144
Net cash provided by (used for) capital and related financing activities	\$ 144
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment income	\$ 90,949
Net cash provided by (used for) investing activities	\$ 90,949
Net increase (decrease) in cash and cash equivalents	\$ (13,895)
Cash and investments - beginning	2,127,439
Cash and investments - ending	\$ 2,113,544
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>	
Operating income (loss)	\$ (128,088)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation expense	8,861
Changes in assets and liabilities:	
Accounts receivable	(1,986)
Deferred outflows of resources - pension related items	(1,521)
Deferred outflows of resources - OPEB related items	51
Accounts payable and accrued expenses	(800)
Compensated absences	1,499
Net pension liability	5,898
Net OPEB liability	(2,021)
Deferred inflows of resources - pension related items	(5,542)
Deferred inflows of resources - OPEB related items	838
Total adjustments	\$ 5,277
Net cash provided by (used for) operating activities	\$ (122,811)

## INTERNAL SERVICE FUNDS

**Building Maintenance Fund** - to account for and report costs related to the operation and maintenance of city owned buildings used by city departments and agencies. Revenue is derived primarily from user charges to recover actual costs.

**Vehicle Maintenance Fund** - to account for and report the costs related to the operation and maintenance of equipment used by city departments and agencies. The acquisition and replacement of equipment is accounted for in this fund. Revenue is derived primarily from user charges to recover actual costs which include depreciation of equipment.

**Information Technology Fund** - to account for and report costs of providing information technology services to city departments and agencies. Revenue is derived primarily from user charges which are based on the use of the City's computers and the actual costs of operating this facility.

Combining Statement of Net Position  
Internal Service Funds  
June 30, 2024

	Building Maintenance Fund	Vehicle Maintenance Fund	Information Technology Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 1,268,131	\$ 4,026,874	\$ 3,709,912	\$ 9,004,917
Accounts receivable, net	-	672	-	672
Prepaid items	-	-	382,977	382,977
Total current assets	<u>\$ 1,268,131</u>	<u>\$ 4,027,546</u>	<u>\$ 4,092,889</u>	<u>\$ 9,388,566</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	\$ -	\$ 79,607	\$ -	\$ 79,607
Depreciable, net	1,013,716	5,239,143	4,478,129	10,730,988
Total capital assets, net	<u>\$ 1,013,716</u>	<u>\$ 5,318,750</u>	<u>\$ 4,478,129</u>	<u>\$ 10,810,595</u>
Total assets	<u>\$ 2,281,847</u>	<u>\$ 9,346,296</u>	<u>\$ 8,571,018</u>	<u>\$ 20,199,161</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
OPEB related deferred outflows	\$ 7,395	\$ 16,319	\$ 32,289	\$ 56,003
Pension related deferred outflows	79,096	160,153	372,592	611,841
Total deferred outflows of resources	<u>\$ 86,491</u>	<u>\$ 176,472</u>	<u>\$ 404,881</u>	<u>\$ 667,844</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 42,148	\$ 30,715	\$ 132,817	\$ 205,680
Retainage payable	3,344	-	-	3,344
Compensated absences - current portion	7,839	22,788	42,103	72,730
Subscription liabilities - current portion	-	-	328,177	328,177
Lease liabilities - current portion	10,016	-	-	10,016
Total current liabilities	<u>\$ 63,347</u>	<u>\$ 53,503</u>	<u>\$ 503,097</u>	<u>\$ 619,947</u>
Noncurrent liabilities:				
Compensated absences - noncurrent portion	\$ 44,422	\$ 129,129	\$ 238,583	\$ 412,134
Subscription liabilities - noncurrent portion	-	-	2,490,650	2,490,650
Lease liabilities - noncurrent portion	30,711	-	-	30,711
Net OPEB liability	77,497	170,995	338,332	586,824
Net pension liability	216,173	437,706	1,018,311	1,672,190
Total noncurrent liabilities	<u>\$ 368,803</u>	<u>\$ 737,830</u>	<u>\$ 4,085,876</u>	<u>\$ 5,192,509</u>
Total liabilities	<u>\$ 432,150</u>	<u>\$ 791,333</u>	<u>\$ 4,588,973</u>	<u>\$ 5,812,456</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
OPEB related deferred inflows	\$ 24,357	\$ 53,743	\$ 106,332	\$ 184,432
Pension related deferred inflows	31,149	63,070	146,730	240,949
Total deferred inflows of resources	<u>\$ 55,506</u>	<u>\$ 116,813</u>	<u>\$ 253,062</u>	<u>\$ 425,381</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 969,645	\$ 5,318,750	\$ 1,659,302	\$ 7,947,697
Unrestricted	911,037	3,295,872	2,474,562	6,681,471
Total net position	<u><u>\$ 1,880,682</u></u>	<u><u>\$ 8,614,622</u></u>	<u><u>\$ 4,133,864</u></u>	<u><u>\$ 14,629,168</u></u>

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Internal Service Funds  
For the Year Ended June 30, 2024

	Building Maintenance Fund	Vehicle Maintenance Fund	Information Technology Fund	Total
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,254,550	\$ 5,198,643	\$ 5,611,268	\$ 13,064,461
Total operating revenues	<u>\$ 2,254,550</u>	<u>\$ 5,198,643</u>	<u>\$ 5,611,268</u>	<u>\$ 13,064,461</u>
<b>OPERATING EXPENSES</b>				
Personal services	\$ 567,856	\$ 1,010,168	\$ 2,303,716	\$ 3,881,740
Contractual services	755,304	211,046	1,473,620	2,439,970
Supplies	180,918	1,484,942	607,944	2,273,804
Internal and other services	615,042	480,849	355,494	1,451,385
Depreciation and amortization	97,869	1,453,003	696,933	2,247,805
Total operating expenses	<u>\$ 2,216,989</u>	<u>\$ 4,640,008</u>	<u>\$ 5,437,707</u>	<u>\$ 12,294,704</u>
Operating income (loss)	<u>\$ 37,561</u>	<u>\$ 558,635</u>	<u>\$ 173,561</u>	<u>\$ 769,757</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental grants/revenue	\$ 126	\$ 278	\$ 551	\$ 955
Investment earnings	65,589	128,855	157,707	352,151
Gain (loss) on sale of capital assets	-	232,528	-	232,528
Other/insurance recoveries	-	9,781	7,785	17,566
Interest expense and fiscal charges	(919)	-	(25,354)	(26,273)
Total nonoperating revenues (expenses)	<u>\$ 64,796</u>	<u>\$ 371,442</u>	<u>\$ 140,689</u>	<u>\$ 576,927</u>
Income before transfers	<u>\$ 102,357</u>	<u>\$ 930,077</u>	<u>\$ 314,250</u>	<u>\$ 1,346,684</u>
Transfers in	\$ -	\$ 496,924	\$ -	\$ 496,924
Change in net position	<u>\$ 102,357</u>	<u>\$ 1,427,001</u>	<u>\$ 314,250</u>	<u>\$ 1,843,608</u>
Total net position - beginning	1,778,325	7,187,621	3,819,614	12,785,560
Total net position - ending	<u>\$ 1,880,682</u>	<u>\$ 8,614,622</u>	<u>\$ 4,133,864</u>	<u>\$ 14,629,168</u>

**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2024**

	Building Maintenance Fund	Vehicle Maintenance Fund	Information Technology Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers and users	\$ 2,261,130	\$ 5,202,470	\$ 5,611,268	\$ 13,074,868
Cash paid to suppliers	(1,004,732)	(1,692,883)	(2,022,853)	(4,720,468)
Cash paid to and for employees	(546,981)	(1,066,160)	(2,208,223)	(3,821,364)
Payments for interfund services used	(615,042)	(480,849)	(355,494)	(1,451,385)
Net cash provided by (used for) operating activities	\$ 94,375	\$ 1,962,578	\$ 1,024,698	\$ 3,081,651
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	\$ -	\$ 496,924	\$ -	\$ 496,924
Nonoperating grants received	126	278	551	955
Net cash provided by (used for) noncapital financing activities	\$ 126	\$ 497,202	\$ 551	\$ 497,879
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	\$ (386,337)	\$ (1,541,527)	\$ (2,821,684)	\$ (4,749,548)
Principal paid on debt	(9,610)	-	(517,110)	(526,720)
Interest paid on debt	(919)	-	(25,354)	(26,273)
Proceeds from issuance of debt	-	-	2,557,529	2,557,529
Other/insurance recoveries	-	9,781	7,785	17,566
Proceeds from sales of capital assets	-	232,528	-	232,528
Net cash provided by (used for) capital and related financing activities	\$ (396,866)	\$ (1,299,218)	\$ (798,834)	\$ (2,494,918)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	\$ 65,589	\$ 128,855	\$ 157,707	\$ 352,151
Net cash provided by (used for) investing activities	\$ 65,589	\$ 128,855	\$ 157,707	\$ 352,151
Net increase (decrease) in cash and cash equivalents	\$ (236,776)	\$ 1,289,417	\$ 384,122	\$ 1,436,763
Cash and investments - beginning - including restricted	1,504,907	2,737,457	3,325,790	7,568,154
Cash and investments - ending - including restricted	\$ 1,268,131	\$ 4,026,874	\$ 3,709,912	\$ 9,004,917
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 37,561	\$ 558,635	\$ 173,561	\$ 769,757
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation expense	\$ 97,869	\$ 1,453,003	\$ 696,933	\$ 2,247,805
Changes in assets and liabilities:				
Accounts receivable	6,580	3,827	-	10,407
Prepaid expenses	-	-	(44,452)	(44,452)
Deferred outflows of resources - pension related items	(12,971)	9,609	(66,282)	(69,644)
Deferred outflows of resources - OPEB related items	(311)	67	463	219
Accounts payable and accrued expenses	(68,510)	3,105	103,163	37,758
Compensated absences	8,186	13,460	47,898	69,544
Net pension liability	42,465	(8,252)	213,651	247,864
Net OPEB liability	(382)	(9,135)	(21,735)	(31,252)
Deferred inflows of resources - pension related items	(19,597)	(67,211)	(88,341)	(175,149)
Deferred inflows of resources - OPEB related items	3,485	5,470	9,839	18,794
Total adjustments	56,814	1,403,943	851,137	2,311,894
Net cash provided by (used for) operating activities	\$ 94,375	\$ 1,962,578	\$ 1,024,698	\$ 3,081,651



## **DISCRETELY PRESENTED COMPONENT UNIT - MANASSAS CITY PUBLIC SCHOOLS**

### **MAJOR GOVERNMENTAL FUNDS**

**Operating Fund** - to account for and report revenues from the Federal government and the Commonwealth that are restricted and local funds which are committed by City Council for expenditures for the City's public school system.

**Capital Projects Fund** - to account for and report for bond proceeds and other local budget allocations contributed by the City which are restricted for the purchase and/or construction of major school facilities and other capital improvements.

**Food Service Fund** - to account for and report revenues from the Federal government and the Commonwealth and collected from the sales of school lunches that are restricted for expenditures of the cafeteria program in the City's schools.

**School Student Activity Fund** - to account for and report funds collected at the schools in connecton with student athletics, clubs, various fundraising activities and private donations.

### **FIDUCIARY FUNDS**

**Private Purpose Trust Funds** - to account for monies donated for the Nancy Lyons and E. Shreve Brent Scholarships.

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

	School Operating Fund	School Capital Projects Fund	School Food Service Fund	School Student Activity Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 32,590,010	\$ 6,335,598	\$ 1,233,761	\$ 527,214	\$ 40,686,583
Cash and cash equivalents - restricted	-	-	-	56,673	56,673
Receivables (net of allowance for uncollectibles):					
Accounts receivable	162,716	-	5,826	25,139	193,681
Due from other governmental units	3,205,407	-	457,430	-	3,662,837
Total assets	<u>\$ 35,958,133</u>	<u>\$ 6,335,598</u>	<u>\$ 1,697,017</u>	<u>\$ 609,026</u>	<u>\$ 44,599,774</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 8,623,449	\$ 811,158	\$ 243,815	\$ 750	\$ 9,679,172
Retainage payable	-	34,641	-	-	34,641
Unearned revenue	15,073	-	-	-	15,073
Total liabilities	<u>\$ 8,638,522</u>	<u>\$ 845,799</u>	<u>\$ 243,815</u>	<u>\$ 750</u>	<u>\$ 9,728,886</u>
<b>FUND BALANCES</b>					
Restricted	\$ 2,742,668	\$ -	\$ -	\$ 608,276	\$ 3,350,944
Assigned	24,576,943	5,489,799	1,453,202	-	31,519,944
Total fund balances	<u>\$ 27,319,611</u>	<u>\$ 5,489,799</u>	<u>\$ 1,453,202</u>	<u>\$ 608,276</u>	<u>\$ 34,870,888</u>
Total liabilities and fund balances	<u>\$ 35,958,133</u>	<u>\$ 6,335,598</u>	<u>\$ 1,697,017</u>	<u>\$ 609,026</u>	<u>\$ 44,599,774</u>

Reconciliation of the Balance Sheet of Governmental Funds  
 To the Statement of Net Position  
 Discretely Presented Component Unit School Board  
 June 30, 2024

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Total fund balances per Exhibit 46 - Balance Sheet - Governmental Funds	\$	34,870,888	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			79,964,338
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			131,938
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.			
Pension related items	\$	23,631,988	
OPEB related items		<u>3,702,209</u>	27,334,197
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Energy performance contract	\$	(3,752,403)	
Lease liabilities		(4,608,438)	
Subscription IT liabilities		(128,507)	
Net pension liability		(69,080,723)	
Net OPEB liability		<u>(14,752,331)</u>	(92,322,402)
Compensated absences are not reported as fund liabilities.			(2,921,893)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items	\$	(9,233,386)	
OPEB related items		<u>(1,765,617)</u>	<u>(10,999,003)</u>
Net position of governmental activities	\$		<u><u>36,058,063</u></u>

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

	School Operating Fund	School Capital Projects Fund	School Food Service Fund	School Student Activity Fund	Total Governmental Funds
<b>REVENUES</b>					
Fines and forfeitures	\$ 225,100	\$ -	\$ -	\$ -	\$ 225,100
Revenue from the use of money and property	1,199,062	-	-	36,985	1,236,047
Charges for services	369,158	-	174,683	-	543,841
Miscellaneous	-	-	-	599,042	599,042
Intergovernmental revenues:					
Local government	56,462,000	3,157,911	-	-	59,619,911
Commonwealth	74,574,248	-	111,879	-	74,686,127
Federal	6,588,730	-	4,139,892	-	10,728,622
Total revenues	<u>\$ 139,418,298</u>	<u>\$ 3,157,911</u>	<u>\$ 4,426,454</u>	<u>\$ 636,027</u>	<u>\$ 147,638,690</u>
<b>EXPENDITURES</b>					
Current:					
Education	\$ 131,692,589	\$ 154,541	\$ 4,313,188	\$ 647,937	\$ 136,808,255
Capital outlay	2,582,134	9,081,934	42,971	-	11,707,039
Debt service:					
Principal retirement	1,239,193	-	-	-	1,239,193
Interest and other fiscal charges	239,535	-	-	-	239,535
Total expenditures	<u>\$ 135,753,451</u>	<u>\$ 9,236,475</u>	<u>\$ 4,356,159</u>	<u>\$ 647,937</u>	<u>\$ 149,994,022</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,664,847</u>	<u>\$ (6,078,564)</u>	<u>\$ 70,295</u>	<u>\$ (11,910)</u>	<u>\$ (2,355,332)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of lease	\$ 1,710,000	\$ -	\$ -	\$ -	\$ 1,710,000
Subscriptions	-	-	-	-	-
Total other financing sources and uses	<u>\$ 1,710,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,710,000</u>
Net change in fund balances	\$ 5,374,847	\$ (6,078,564)	\$ 70,295	\$ (11,910)	\$ (645,332)
Fund balances - beginning	21,944,764	11,568,363	1,382,907	620,186	35,516,220
Fund balances - ending	<u>\$ 27,319,611</u>	<u>\$ 5,489,799</u>	<u>\$ 1,453,202</u>	<u>\$ 608,276</u>	<u>\$ 34,870,888</u>

Reconciliation of Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
Discretely Presented Component Unit School Board  
For the Year Ended June 30, 2024

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (645,332)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period.

Capital outlays	\$ 11,707,039	
Depreciation	<u>(8,749,558)</u>	2,957,481

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	(92,207)
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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 issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments	1,239,193	
Issuance of lease	<u>(1,710,000)</u>	(470,807)

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.

Compensated absences	\$ 2,766	
OPEB expense	591,554	
Pension expense	<u>4,503,393</u>	5,097,713

Special contributions received from the Commonwealth for the pension and OPEB cost sharing pools are not reported in governmental funds.	<u>1,066,367</u>
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Change in net position of governmental activities	<u><u>\$ 7,913,215</u></u>
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**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Discretely Presented Component Unit School Board**  
**For the Year Ended June 30, 2024**

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
REVENUES				
Fines and forfeitures	\$ -	\$ 200,000	\$ 225,100	\$ 25,100
Revenue from the use of money and property	-	638,500	1,199,062	560,562
Charges for services	593,750	260,250	369,158	108,908
Local government	57,212,000	57,421,957	56,462,000	(959,957)
Commonwealth	71,277,061	72,325,772	74,574,248	2,248,476
Federal	4,088,003	6,387,624	6,588,730	201,106
Total revenues	\$ 133,170,814	\$ 137,234,103	\$ 139,418,298	\$ 2,184,195
EXPENDITURES				
Current:				
Instruction	\$ 99,006,742	\$ 99,561,058	\$ 99,584,464	\$ (23,406)
Administration, attendance, and health	9,698,794	8,824,826	8,861,018	(36,192)
Pupil Transportation	5,191,059	5,774,592	7,546,922	(1,772,330)
Operation and maintenance	9,557,048	10,574,324	10,292,005	282,319
Technology	7,364,843	7,826,820	7,649,710	177,110
Facilities	722,763	1,024,840	239,673	785,167
Food services	-	214,383	100,931	113,452
Contingency	840,999	190,999	-	190,999
Debt service:				
Principal retirement	788,566	551,532	1,239,193	(687,661)
Interest and other fiscal charges	-	-	239,535	(239,535)
Total expenditures	\$ 133,170,814	\$ 134,543,374	\$ 135,753,451	\$ (1,210,077)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 2,690,729	\$ 3,664,847	\$ 974,118
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ -	\$ -
Issuance of lease	-	-	1,710,000	1,710,000
Subscriptions	-	-	-	-
Total other financing sources and uses	\$ -	\$ -	\$ 1,710,000	\$ 1,710,000
Net change in fund balances	\$ -	\$ 2,690,729	\$ 5,374,847	\$ 2,684,118
Fund balances - beginning			21,944,764	
Fund balances - ending			\$ 27,319,611	

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

	School Food Service Fund			Variance with Final Budget Positive Negative
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-
Charges for services	366,880	366,880	174,683	(192,197)
Local government	-	-	-	-
Commonwealth	146,016	146,016	111,879	(34,137)
Federal	3,749,500	3,749,500	4,139,892	390,392
Total revenues	\$ 4,262,396	\$ 4,262,396	\$ 4,426,454	\$ 164,058
EXPENDITURES				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Administration, attendance, and health	-	-	-	-
Pupil Transportation	-	-	-	-
Operation and maintenance	-	-	-	-
Technology	52,300	52,300	37,833	14,467
Facilities	-	-	-	-
Food services	4,146,501	4,146,501	4,318,326	(171,825)
Contingency	125,000	125,000	-	125,000
Debt service:				
Principal retirement	-	-	-	-
Interest and other fiscal charges	-	-	-	-
Total expenditures	\$ 4,323,801	\$ 4,323,801	\$ 4,356,159	\$ (32,358)
Excess (deficiency) of revenues over (under) expenditures	\$ (61,405)	\$ (61,405)	\$ 70,295	\$ 131,700
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ -	\$ -
Issuance of lease	-	-	-	-
Subscriptions	-	-	-	-
Total other financing sources and uses	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ (61,405)	\$ (61,405)	\$ 70,295	\$ 131,700
Fund balances - beginning			1,382,907	
Fund balances - ending			\$ 1,453,202	

Statement of Fiduciary Net Position  
Discretely Presented Component Unit School Board  
June 30, 2024

	Private-Purpose Trust Funds		
	Nancy Lyons Scholarship Fund	E. Shreve Brent Scholarship Fund	Total
ASSETS			
Cash and investments	\$ 51,555	\$ 1,824,015	\$ 1,875,570
NET POSITION			
Restricted:			
Held in trust for scholarships	\$ 51,555	\$ 1,824,015	\$ 1,875,570



Statement of Changes in Fiduciary Net Position  
Discretely Presented Component Unit School Board  
For the Year Ended June 30, 2024

	Private-Purpose Trust Funds		
	Nancy Lyons Scholarship Fund	E. Shreve Brent Scholarship Fund	Total
<b>ADDITIONS</b>			
Investment earnings	\$ 7,891	\$ 310,659	\$ 318,550
Total additions	\$ 7,891	\$ 310,659	\$ 318,550
<b>DEDUCTIONS</b>			
Scholarships	\$ 8,000	\$ 7,500	\$ 15,500
Total deductions	\$ 8,000	\$ 7,500	\$ 15,500
Change in net position	\$ (109)	\$ 303,159	\$ 303,050
Net position - beginning	51,664	1,520,856	1,572,520
Net position - ending	\$ 51,555	\$ 1,824,015	\$ 1,875,570

**DISCRETELY PRESENTED COMPONENT UNIT - ECONOMIC DEVELOPMENT  
AUTHORITY OF THE CITY OF MANASSAS, VIRGINIA**

**ENTERPRISE FUND**

**EDA Fund** - to account for and report activities of the Manassas Economic Development Authority.

Statement of Net Position  
Economic Development Authority  
June 30, 2024

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**ASSETS**

## Current assets:

Cash and investments	\$	151,920
Cash and investments - restricted		200,000
Accounts receivable, net		2,640
Total assets	\$	<u>354,560</u>

**LIABILITIES**

## Current liabilities:

Accounts payable and accrued expenses	\$	<u>22,459</u>
Total current liabilities	\$	<u>22,459</u>

**NET POSITION**

Unrestricted	\$	<u>332,101</u>
Total net position	\$	<u><u>332,101</u></u>

Statement of Revenues, Expenses, and Changes in Fund Net Position  
Economic Development Authority  
For the Year Ended June 30, 2024

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**OPERATING REVENUES**

Charges for services	\$ 10,073
Total operating revenues	<u>\$ 10,073</u>

**OPERATING EXPENSES**

Contractual services	\$ 83,856
Grants	16,500
Internal and other services	2,377
Total operating expenses	<u>\$ 102,733</u>

Operating income (loss)	<u>\$ (92,660)</u>
-------------------------	--------------------

**NONOPERATING REVENUES (EXPENSES)**

Investment earnings	\$ 10,733
Total nonoperating revenues (expenses)	<u>\$ 10,733</u>

Change in net position	\$ (81,927)
------------------------	-------------

Total net position - beginning	414,028
Total net position - ending	<u><u>\$ 332,101</u></u>

**Statement of Cash Flows**  
**Economic Development Authority**  
**For the Year Ended June 30, 2024**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers and users	\$ 7,433
Cash paid to suppliers	(101,173)
Cash paid to grantees	(16,500)
Other receipts (payments)	(100,000)
Net cash provided by (used for) operating activities	\$ <u>(210,240)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest earnings	\$ 10,733
Net cash provided by (used for) investing activities	\$ <u>10,733</u>

Net increase (decrease) in cash and cash equivalents \$ (199,507)

Cash and investments - beginning - including restricted	351,427
Cash and investments - ending - including restricted	\$ <u><u>151,920</u></u>

**Reconciliation of operating income (loss) to net cash**  
**provided by (used for) operating activities:**

Operating income (loss)	\$ (92,660)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Accounts payable	(14,940)
Accounts receivable	(2,640)
Due to/from primary government	(100,000)
Total adjustments	\$ <u>(117,580)</u>
Net cash provided by (used for) operating activities	\$ <u><u>(210,240)</u></u>

## STATISTICAL SECTION

This part of the City of Manassas's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### Contents

#### ***Financial Trends - Tables 1 - 5***

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

#### ***Revenue Capacity - Tables 6 - 10***

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

#### ***Debt Capacity - Tables 11 - 13***

These schedules contain trend information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

#### ***Demographic and Economic Information - Tables 14 - 15***

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

#### ***Operating Information - Tables 16 - 18***

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

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

**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2015	2016	2017	2018 (1)	2019
<b>Governmental activities</b>					
Net Investment in capital assets	\$ 237,659,136	\$ 238,106,151	\$ 224,620,939	\$ 225,362,179	\$ 224,763,548
Restricted	961,775	321,190	253,104	244,257	252,492
Unrestricted	(59,515,691)	(44,183,664)	(27,689,919)	(21,326,052)	3,855,731
Total governmental activities net position	<u>\$ 179,105,220</u>	<u>\$ 194,243,677</u>	<u>\$ 197,184,124</u>	<u>\$ 204,280,384</u>	<u>\$ 228,871,771</u>
<b>Business-type activities</b>					
Net Investment in capital assets	\$ 91,747,931	\$ 90,521,955	\$ 100,501,797	\$ 105,057,529	\$ 107,578,521
Restricted	1,116,832	1,170,439	2,138,217	2,017,150	820,295
Unrestricted	41,056,499	42,640,924	49,382,877	56,076,216	64,449,485
Total business-type activities net position	<u>\$ 133,921,262</u>	<u>\$ 134,333,318</u>	<u>\$ 152,022,891</u>	<u>\$ 163,150,895</u>	<u>\$ 172,848,301</u>
<b>Total primary government</b>					
Net Investment in capital assets	\$ 329,407,067	\$ 328,628,106	\$ 325,122,736	\$ 330,419,708	\$ 332,342,069
Restricted	2,078,607	1,491,629	2,391,321	2,261,407	1,072,787
Unrestricted	(18,459,192)	(1,542,740)	21,692,958	34,750,164	68,305,216
Total primary government net position	<u>\$ 313,026,482</u>	<u>\$ 328,576,995</u>	<u>\$ 349,207,015</u>	<u>\$ 367,431,279</u>	<u>\$ 401,720,072</u>
<b>Component unit - Manassas City Public Schools</b>					
Net Investment in capital assets	\$ 50,714,094	\$ 74,381,016	\$ 79,206,749	\$ 78,653,662	\$ 74,572,858
Restricted	35,840,374	11,233,318	4,985,005	1,400,803	1,104,005
Unrestricted	(84,983,251)	(85,381,758)	(86,202,600)	(96,312,429)	(86,847,342)
Total component unit net position	<u>\$ 1,571,217</u>	<u>\$ 232,576</u>	<u>\$ (2,010,846)</u>	<u>\$ (16,257,964)</u>	<u>\$ (11,170,479)</u>
<b>Component unit - Manassas Economic Development Authority</b>					
Unrestricted	\$ -	\$ -	\$ 591,714	\$ 531,905	\$ 492,931
Total component unit net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 591,714</u>	<u>\$ 531,905</u>	<u>\$ 492,931</u>
<b>Total reporting unit</b>					
Net Investment in capital assets	\$ 347,183,884	\$ 353,220,439	\$ 347,433,079	\$ 352,238,218	\$ 353,724,897
Restricted	37,918,981	12,724,947	7,376,326	3,662,210	2,176,792
Unrestricted	(70,505,166)	(37,135,815)	(7,021,522)	(4,285,208)	35,140,835
Total reporting unit net position	<u>\$ 314,597,699</u>	<u>\$ 328,809,571</u>	<u>\$ 347,787,883</u>	<u>\$ 351,615,220</u>	<u>\$ 391,042,524</u>

Source: City of Manassas Annual Comprehensive Financial Report

Notes: (1) GASB Statement No. 75 was adopted in fiscal year 2018.

Fiscal year 2015 is presented as restated.

The sum of Net investment in capital assets of the primary government and the component unit does not equal Net investment in capital assets of the total reporting unit, because the debt related to the component unit is reflected in the primary government's general governmental activities reducing Unrestricted net position. The assets are reflected in the component unit as Net investment in capital assets. The total reporting unit matches the assets with the debt and reports the net amount of the Net investment in capital assets. The total adjustment was \$33,716,562 in FY24, \$38,137,285 in FY23, \$42,304,389 in FY22, \$46,371,558 in FY21, \$50,361,107 in FY20, \$53,190,030 in FY19, \$56,745,152 in FY 2018, \$56,896,406 in FY 2017, \$49,788,683 in FY 2016, and \$32,206,777 in FY 2015.

**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2020	2021	2022	2023	2024
<b>Governmental activities</b>					
Net Investment in capital assets	\$ 229,559,573	\$ 235,226,731	\$ 250,655,968	\$ 270,100,468	\$ 280,532,448
Restricted	313,230	378,547	469,337	1,099,631	1,635,651
Unrestricted	22,268,145	40,411,721	73,224,353	86,050,042	108,342,567
Total governmental activities net position	<u>\$ 252,140,948</u>	<u>\$ 276,016,999</u>	<u>\$ 324,349,658</u>	<u>\$ 357,250,141</u>	<u>\$ 390,510,666</u>
<b>Business-type activities</b>					
Net Investment in capital assets	\$ 112,827,298	\$ 120,740,539	\$ 123,711,751	\$ 125,130,633	\$ 138,359,335
Restricted	993,404	1,712,956	1,639,193	16,400	30,812,352
Unrestricted	76,653,958	78,002,790	79,514,968	90,560,397	99,326,859
Total business-type activities net position	<u>\$ 190,474,660</u>	<u>\$ 200,456,285</u>	<u>\$ 204,865,912</u>	<u>\$ 215,707,430</u>	<u>\$ 268,498,546</u>
<b>Total primary government</b>					
Net Investment in capital assets	\$ 342,386,871	\$ 355,967,270	\$ 367,773,733	\$ 388,867,628	\$ 412,827,162
Restricted	1,306,634	2,091,503	2,108,530	1,116,031	32,448,003
Unrestricted	98,922,103	118,414,511	159,333,307	182,973,912	213,734,047
Total primary government net position	<u>\$ 442,615,608</u>	<u>\$ 476,473,284</u>	<u>\$ 529,215,570</u>	<u>\$ 572,957,571</u>	<u>\$ 659,009,212</u>
<b>Component unit - Manassas City Public Schools</b>					
Net Investment in capital assets	\$ 71,568,424	\$ 69,796,038	\$ 68,091,997	\$ 67,954,133	\$ 70,629,191
Restricted	-	-	1,721,592	3,689,436	131,938
Unrestricted	(79,140,372)	(75,829,564)	(61,974,371)	(43,498,721)	(34,703,066)
Total component unit net position	<u>\$ (7,571,948)</u>	<u>\$ (6,033,526)</u>	<u>\$ 7,839,218</u>	<u>\$ 28,144,848</u>	<u>\$ 36,058,063</u>
<b>Component unit - Manassas Economic Development Authority</b>					
Unrestricted	\$ 341,682	\$ 240,690	\$ 231,543	\$ 414,028	\$ 332,101
Total component unit net position	<u>\$ 341,682</u>	<u>\$ 240,690</u>	<u>\$ 231,543</u>	<u>\$ 414,028</u>	<u>\$ 332,101</u>
<b>Total reporting unit</b>					
Net Investment in capital assets	\$ 363,594,188	\$ 379,391,750	\$ 393,561,341	\$ 418,684,476	\$ 449,739,791
Restricted	1,306,634	2,091,503	3,830,122	4,805,467	32,579,941
Unrestricted	70,484,520	89,197,195	139,894,868	178,026,504	213,079,644
Total reporting unit net position	<u>\$ 435,385,342</u>	<u>\$ 470,680,448</u>	<u>\$ 537,286,331</u>	<u>\$ 601,516,447</u>	<u>\$ 695,399,376</u>

Source: City of Manassas Annual Comprehensive Financial Report

Notes: (1) GASB Statement No. 75 was adopted in fiscal year 2018.

Fiscal year 2015 is presented as restated.

The sum of Net investment in capital assets of the primary government and the component unit does not equal Net investment in capital assets of the total reporting unit, because the debt related to the component unit is reflected in the primary government's general governmental activities reducing Unrestricted net position. The assets are reflected in the component unit as Net investment in capital assets. The total reporting unit matches the assets with the debt and reports the net amount of the Net investment in capital assets. The total adjustment was \$33,716,562 in FY24, \$38,137,285 in FY23, \$42,304,389 in FY22, \$46,371,558 in FY21, \$50,361,107 in FY20, \$53,190,030 in FY19, \$56,745,152 in FY 2018, \$56,896,406 in FY 2017, \$49,788,683 in FY 2016, and \$32,206,777 in FY 2015.

The sum of the primary government columns do not equal the Total column by a difference of \$6,064,621 in FY24, \$6,363,473 in FY23 and \$6,593,986 in FY22 because the bonds payable related to the Governmental Activities are reflected in the Business-type Activities column reducing unrestricted net position. The assets are reflected in the Governmental Activities column as net investment in capital assets. The Total column matches the assets with the debt and reports the net amount of the net investment in capital assets.



**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2015	2016	2017	2018	2019
<b>Expenses</b>					
Governmental activities:					
General government	\$ 9,713,211	\$ 9,416,657	\$ 9,317,421	\$ 9,113,451	\$ 9,436,777
Public safety	29,046,682	29,590,090	29,347,211	30,135,534	31,294,979
Public works	10,021,004	10,271,259	11,242,030	12,362,448	12,544,115
Health and human services	8,226,526	7,803,369	8,094,092	8,416,497	8,504,736
Culture, recreation, development	5,922,737	6,674,897	7,909,986	7,507,275	7,335,760
Education	90,297,919	53,559,758	57,870,687	56,477,145	58,212,570
Interest on long term debt	2,652,212	2,895,236	2,899,640	2,801,905	2,637,240
Bond issuance costs	456,903	-	393,281	-	181,966
Total governmental activities	\$ 156,337,194	\$ 120,211,266	\$ 127,074,348	\$ 126,814,255	\$ 130,148,143
Business-type activities:					
Electric	\$ 49,418,170	\$ 39,930,487	\$ 37,573,386	\$ 37,636,140	\$ 38,196,702
Water	6,530,807	7,963,709	7,870,578	8,031,152	7,800,929
Sewer	12,833,037	13,041,741	15,974,768	12,653,486	13,125,506
Airport	4,172,683	4,014,417	4,277,596	3,990,689	4,240,422
Solid Waste	3,400,730	3,346,175	2,769,954	2,879,907	3,072,480
City Square Pavilion	302,350	-	-	-	-
Candy Factory	198,763	-	-	-	-
Parking Garage	42,383	-	-	-	-
Stormwater	348,923	616,603	1,178,358	1,766,011	1,603,506
Total business-type activities	\$ 77,247,846	\$ 68,913,132	\$ 69,644,640	\$ 66,957,385	\$ 68,039,545
Total primary government	\$ 233,585,040	\$ 189,124,398	\$ 196,718,988	\$ 193,771,640	\$ 198,187,688
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 794,125	\$ 793,509	\$ 211,599	\$ 229,448	\$ 145,676
Public safety	2,038,460	1,850,687	1,682,680	1,915,546	1,852,043
Public works	632,645	502,017	427,517	1,374,423	1,531,692
Health and human services	35,950	35,946	35,946	35,946	-
Culture, recreation, development	621,092	312,517	1,313,428	1,050,364	1,310,200
Operating grants/contributions	7,659,004	7,619,603	8,003,903	8,797,776	8,774,906
Capital grants/contributions	2,338,510	3,516,026	2,636,725	2,159,714	3,663,593
Total governmental activities	\$ 14,119,786	\$ 14,630,305	\$ 14,311,798	\$ 15,563,217	\$ 17,278,110
Business-type activities:					
Charges for services:					
Electric	\$ 49,504,961	\$ 41,435,005	\$ 40,796,452	\$ 43,482,903	\$ 43,560,183
Water	9,145,951	9,763,189	10,139,090	10,692,383	10,451,828
Sewer	14,000,269	13,849,101	15,161,560	16,046,193	15,153,685
Airport	2,411,487	2,343,785	2,779,185	2,842,173	3,198,829
Solid Waste	3,297,110	3,399,806	3,409,022	3,426,120	3,533,728
City Square Pavilion	26,482	-	-	-	-
Candy Factory	27,984	-	-	-	-
Parking Garage	28,292	-	-	-	-
Stormwater	582,275	1,170,288	1,177,660	1,299,839	1,421,254
Operating grants/contributions	61,649	126,842	65,507	88,789	94,763
Capital grants/contributions	6,730,158	2,591,237	3,591,414	2,774,579	2,241,678
Total business-type activities	\$ 85,816,618	\$ 74,679,253	\$ 77,119,890	\$ 80,652,979	\$ 79,655,948
Total primary government	\$ 99,936,404	\$ 89,309,558	\$ 91,431,688	\$ 96,216,196	\$ 96,934,058

Source: City of Manassas Annual Comprehensive Financial Report

Note: Because information to restate prior years is not readily available, the prior year comparative information included in this discussion and analysis related to pensions, OPEB, leases, and SBITA has not been restated. Stormwater utility enterprise fund commenced January 1, 2015.

**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2020	2021	2022	2023	2024
<b>Expenses</b>					
Governmental activities:					
General government	\$ 9,356,293	\$ 11,006,912	\$ 10,976,583	\$ 11,932,013	\$ 13,073,748
Public safety	33,193,071	34,099,231	35,766,225	39,982,094	45,935,394
Public works	12,766,927	13,639,534	13,974,928	15,652,690	15,986,888
Health and human services	8,950,995	9,914,759	9,296,420	10,748,291	11,418,063
Culture, recreation, development	7,831,470	8,937,553	7,434,504	8,754,553	9,818,038
Education	59,656,355	59,531,330	55,341,610	57,165,053	59,619,911
Interest on long term debt	3,240,926	2,989,404	3,403,424	3,445,895	3,560,928
Bond issuance costs	-	-	195,863	-	-
Total governmental activities	\$ 134,996,037	\$ 140,118,723	\$ 136,389,557	\$ 147,680,589	\$ 159,412,970
Business-type activities:					
Electric	\$ 38,159,210	\$ 36,408,785	\$ 39,445,854	\$ 47,551,696	\$ 48,189,320
Water	8,836,130	9,404,179	10,734,745	11,811,756	12,049,097
Sewer	14,331,358	14,399,612	15,085,095	15,063,501	15,649,321
Airport	4,154,611	4,613,173	4,789,597	4,917,691	5,549,155
Solid Waste	3,201,691	3,574,079	3,520,097	4,090,477	4,405,171
City Square Pavilion	-	-	-	-	-
Candy Factory	-	-	-	-	-
Parking Garage	-	-	-	-	-
Stormwater	1,552,999	1,628,618	2,130,035	2,191,713	2,852,708
Total business-type activities	\$ 70,235,999	\$ 70,028,446	\$ 75,705,423	\$ 85,626,834	\$ 88,694,772
Total primary government	\$ 205,232,036	\$ 210,147,169	\$ 212,094,980	\$ 233,307,423	\$ 248,107,742
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 205,226	\$ 182,706	\$ 520,147	\$ 694,297	\$ 688,588
Public safety	2,103,177	2,343,229	3,431,236	3,605,245	4,127,557
Public works	1,065,136	901,433	337,859	570,640	608,760
Health and human services	-	-	-	-	-
Culture, recreation, development	786,525	778,539	961,212	1,190,664	1,643,034
Operating grants/contributions	9,196,248	12,387,798	19,398,061	10,861,736	11,759,784
Capital grants/contributions	4,885,373	4,566,255	11,777,883	10,610,055	10,424,157
Total governmental activities	\$ 18,241,685	\$ 21,159,960	\$ 36,426,398	\$ 27,532,637	\$ 29,251,880
Business-type activities:					
Charges for services:					
Electric	\$ 40,548,844	\$ 38,674,579	\$ 44,406,871	\$ 49,774,913	\$ 49,501,186
Water	11,537,736	11,575,915	11,706,089	12,465,673	13,223,345
Sewer	16,439,217	16,090,178	16,815,785	16,994,028	18,847,220
Airport	3,303,853	3,420,116	3,680,614	3,627,393	3,681,519
Solid Waste	3,575,018	3,631,000	3,613,596	3,770,770	4,277,083
City Square Pavilion	-	-	-	-	-
Candy Factory	-	-	-	-	-
Parking Garage	-	-	-	-	-
Stormwater	1,843,621	2,562,397	2,206,915	2,776,230	2,829,889
Operating grants/contributions	268,525	309,691	562,185	75,426	80,028
Capital grants/contributions	9,083,333	7,092,161	2,582,449	3,442,361	14,429,949
Total business-type activities	\$ 86,600,147	\$ 83,356,037	\$ 85,574,504	\$ 92,926,794	\$ 106,870,219
Total primary government	\$ 104,841,832	\$ 104,515,997	\$ 122,000,902	\$ 120,459,431	\$ 136,122,099

Source: City of Manassas Annual Comprehensive Financial Report

Note: Because information to restate prior years is not readily available, the prior year comparative information included in this discussion and analysis related to pensions, OPEB, leases, and SBITA has not been restated. Stormwater utility enterprise fund commenced January 1, 2015.

**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2015	2016	2017	2018	2019
<b>Net revenue (expenses)</b>					
Governmental activities	\$ (142,217,408)	\$ (105,580,961)	\$ (112,762,550)	\$ (111,251,038)	\$ (112,870,033)
Business-type activities	8,568,772	5,766,121	7,475,250	13,695,594	11,616,403
Total primary government	<u>\$ (133,648,636)</u>	<u>\$ (99,814,840)</u>	<u>\$ (105,287,300)</u>	<u>\$ (97,555,444)</u>	<u>\$ (101,253,630)</u>
<b>General revenues and other</b>					
Governmental activities:					
Taxes	\$ 91,654,559	\$ 96,104,367	\$ 100,087,789	\$ 102,129,438	\$ 107,753,210
Unrestricted grants	8,090,939	8,104,957	8,032,305	7,980,187	7,837,841
Other	2,737,775	3,699,314	3,623,874	4,953,013	13,202,970
Payment from MCPS	5,000,876	7,341,400	7,255,184	7,357,675	5,752,841
Special Item	-	-	5,789,202	-	-
Transfers	493,575	5,469,380	(9,884,832)	4,351,560	2,914,558
Total governmental activities	<u>\$ 107,977,724</u>	<u>\$ 120,719,418</u>	<u>\$ 114,903,522</u>	<u>\$ 126,771,873</u>	<u>\$ 137,461,420</u>
Business-type activities:					
Unrestricted investment earnings	\$ 51,716	\$ 96,549	\$ 237,030	\$ 500,672	\$ 937,942
Other	1,955,666	18,766	92,461	76,194	57,619
Transfers	(493,575)	(5,469,380)	9,884,832	(4,351,560)	(2,914,558)
Total business-type activities	<u>\$ 1,513,807</u>	<u>\$ (5,354,065)</u>	<u>\$ 10,214,323</u>	<u>\$ (3,774,694)</u>	<u>\$ (1,918,997)</u>
Total primary government	<u>\$ 109,491,531</u>	<u>\$ 115,365,353</u>	<u>\$ 125,117,845</u>	<u>\$ 122,997,179</u>	<u>\$ 135,542,423</u>
<b>Changes in Net Position</b>					
Governmental activities	\$ (34,239,684)	\$ 15,138,457	\$ 2,140,972	\$ 15,520,835	\$ 24,591,387
Business-type activities	10,082,579	412,056	17,689,573	9,920,900	9,697,406
Total primary government	<u>\$ (24,157,105)</u>	<u>\$ 15,550,513</u>	<u>\$ 19,830,545</u>	<u>\$ 25,441,735</u>	<u>\$ 34,288,793</u>

Source: City of Manassas Annual Comprehensive Financial Report

Note: Because information to restate prior years is not readily available, the prior year comparative information included in this discussion and analysis related to pensions, OPEB, leases, and SBITA has not been restated. Stormwater utility enterprise fund commenced January 1, 2015.

**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2020	2021	2022	2023	2024
<b>Net revenue (expenses)</b>					
Governmental activities	\$ (116,754,352)	\$ (118,958,763)	\$ (99,963,159)	\$ (120,147,952)	\$ (130,161,090)
Business-type activities	16,364,148	13,327,591	9,869,081	7,299,960	18,175,447
Total primary government	<u>\$ (100,390,204)</u>	<u>\$ (105,631,172)</u>	<u>\$ (90,094,078)</u>	<u>\$ (112,847,992)</u>	<u>\$ (111,985,643)</u>
<b>General revenues and other</b>					
Governmental activities:					
Taxes	\$ 115,850,972	\$ 121,602,756	\$ 127,890,232	\$ 133,547,196	\$ 137,948,894
Unrestricted grants	11,408,455	7,789,313	7,635,256	7,824,407	7,975,469
Other	7,667,499	4,344,113	2,760,201	10,930,481	15,784,236
Payment from MCPS	5,679,809	5,593,671	3,000,000	-	-
Special Item	-	-	-	-	-
Transfers	16,206	3,504,961	7,010,129	746,351	1,713,016
Total governmental activities	<u>\$ 140,622,941</u>	<u>\$ 142,834,814</u>	<u>\$ 148,295,818</u>	<u>\$ 153,048,435</u>	<u>\$ 163,421,615</u>
Business-type activities:					
Unrestricted investment earnings	\$ 644,451	\$ 91,224	\$ 1,468,992	\$ 4,150,942	\$ 6,644,132
Other	34,554	67,771	81,683	136,967	29,684,553
Transfers	(16,206)	(3,504,961)	(7,010,129)	(746,351)	(1,713,016)
Total business-type activities	<u>\$ 662,799</u>	<u>\$ (3,345,966)</u>	<u>\$ (5,459,454)</u>	<u>\$ 3,541,558</u>	<u>\$ 34,615,669</u>
Total primary government	<u>\$ 141,285,740</u>	<u>\$ 139,488,848</u>	<u>\$ 142,836,364</u>	<u>\$ 156,589,993</u>	<u>\$ 198,037,284</u>
<b>Changes in Net Position</b>					
Governmental activities	\$ 23,868,589	\$ 23,876,051	\$ 48,332,659	\$ 32,900,483	\$ 33,260,525
Business-type activities	17,026,947	9,981,625	4,409,627	10,841,518	52,791,116
Total primary government	<u>\$ 40,895,536</u>	<u>\$ 33,857,676</u>	<u>\$ 52,742,286</u>	<u>\$ 43,742,001</u>	<u>\$ 86,051,641</u>

Source: City of Manassas Annual Comprehensive Financial Report

Note: Because information to restate prior years is not readily available, the prior year comparative information included in this discussion and analysis related to pensions, OPEB, leases, and SBITA has not been restated. Stormwater utility enterprise fund commenced January 1, 2015.

**Program Revenues by Function/Program**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2015	2016	2017	2018	2019
<b>Primary Government:</b>					
Governmental activities:					
General government	\$ 1,109,629	\$ 1,094,316	\$ 480,971	\$ 513,881	\$ 431,433
Public safety	2,519,179	2,272,860	2,131,198	2,440,825	2,479,089
Public works	6,512,926	7,694,846	6,810,694	7,535,871	9,082,014
Health and human services	3,321,128	3,207,416	3,389,161	3,837,530	3,778,403
Culture, recreation, development	656,924	360,867	1,499,774	1,235,110	1,507,171
Total governmental activities	<u>\$ 14,119,786</u>	<u>\$ 14,630,305</u>	<u>\$ 14,311,798</u>	<u>\$ 15,563,217</u>	<u>\$ 17,278,110</u>
Business-type activities:					
Electric	\$ 49,191,776	\$ 41,435,005	\$ 40,797,765	\$ 43,482,903	\$ 43,560,183
Water	9,178,718	10,249,905	10,752,433	10,887,855	11,338,935
Sewer	14,050,269	14,191,079	15,406,686	16,511,344	15,516,785
Airport	8,694,904	4,205,969	3,689,615	5,013,953	4,273,682
Solid waste	3,305,418	3,408,207	3,417,116	3,434,013	3,545,109
Stormwater	582,275	1,189,088	3,056,275	1,322,911	1,421,254
Other business-type activities	82,758	-	-	-	-
Total business-type activities	<u>\$ 85,086,118</u>	<u>\$ 74,679,253</u>	<u>\$ 77,119,890</u>	<u>\$ 80,652,979</u>	<u>\$ 79,655,948</u>
Total primary government	<u>\$ 99,205,904</u>	<u>\$ 89,309,558</u>	<u>\$ 91,431,688</u>	<u>\$ 96,216,196</u>	<u>\$ 96,934,058</u>
<b>Component unit:</b>					
Manassas city public schools	\$ 52,919,173	\$ 54,042,434	\$ 56,485,887	\$ 57,456,694	\$ 58,983,452
Manassas economic development authority	-	-	184,312	6,624	278,623
Total component unit	<u>\$ 52,919,173</u>	<u>\$ 54,042,434</u>	<u>\$ 56,670,199</u>	<u>\$ 57,463,318</u>	<u>\$ 59,262,075</u>
	Fiscal Year				
	2020	2021	2022	2023	2024
<b>Primary Government:</b>					
Governmental activities:					
General government	\$ 525,470	\$ 599,299	\$ 881,105	\$ 2,099,339	\$ 1,160,089
Public safety	3,109,348	5,525,829	13,713,747	4,570,617	5,312,017
Public works	9,756,332	9,280,803	16,591,735	14,938,346	10,389,865
Health and human services	3,717,129	4,458,624	4,200,833	4,553,970	4,891,933
Culture, recreation, development	1,133,406	1,295,405	1,038,978	1,370,365	7,497,976
Total governmental activities	<u>\$ 18,241,685</u>	<u>\$ 21,159,960</u>	<u>\$ 36,426,398</u>	<u>\$ 27,532,637</u>	<u>\$ 29,251,880</u>
Business-type activities:					
Electric	\$ 40,548,844	\$ 38,812,159	\$ 45,638,048	\$ 49,780,313	\$ 50,501,143
Water	12,907,050	12,984,587	12,096,211	14,422,422	18,897,029
Sewer	22,338,710	16,324,211	16,946,011	17,263,142	18,892,334
Airport	5,352,117	9,033,638	5,062,386	4,728,950	10,013,233
Solid waste	1,863,404	2,562,397	3,624,933	3,784,505	4,294,906
Stormwater	3,590,022	3,639,045	2,206,915	2,947,462	4,271,574
Total business-type activities	<u>\$ 86,600,147</u>	<u>\$ 83,356,037</u>	<u>\$ 85,574,504</u>	<u>\$ 92,926,794</u>	<u>\$ 106,870,219</u>
Total primary government	<u>\$ 104,841,832</u>	<u>\$ 104,515,997</u>	<u>\$ 122,000,902</u>	<u>\$ 120,459,431</u>	<u>\$ 136,122,099</u>
<b>Component unit:</b>					
Manassas city public schools	\$ 60,989,925	\$ 67,544,775	\$ 76,101,215	\$ 87,566,864	\$ 87,024,957
Manassas economic development authority	78,183	505,026	103,696	247,708	10,073
Total component units	<u>\$ 61,068,108</u>	<u>\$ 68,049,801</u>	<u>\$ 76,204,911</u>	<u>\$ 87,814,572</u>	<u>\$ 87,035,030</u>

Source: City of Manassas Annual Comprehensive Financial Report

**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year				
	2015	2016	2017	2018	2019
<b>General fund</b>					
Nonspendable	\$ 574,599	\$ 1,421,998	\$ 89,610	\$ 203,183	\$ 304,439
Restricted	2,142,060	1,618,882	840,093	984,556	710,692
Committed	5,535,887	6,107,607	10,743,996	13,004,378	14,872,919
Assigned	109,024	1,582,285	2,644,758	2,545,999	4,997,705
Unassigned	13,145,824	15,842,498	16,768,856	17,211,952	18,190,341
Total general fund	\$ 21,507,394	\$ 26,573,270	\$ 31,087,313	\$ 33,950,068	\$ 39,076,096
<b>All other governmental funds</b>					
Nonspendable:					
Permanent fund principal	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Other	-	-	3,056	-	-
Restricted, reported in:					
Special revenue funds	4,777,208	5,522,790	5,740,288	5,126,749	5,636,050
Capital projects funds	2,231,656	360,254	10,402,581	7,837,968	36,155,953
Permanent fund	161,775	171,190	153,104	144,257	152,492
Committed, reported in:					
Special revenue funds	281,008	-	-	-	-
Capital projects funds	6,097,446	10,328,432	16,077,960	17,488,450	21,183,153
Debt service fund	-	68,051	674,932	3,155,030	6,091,342
Assigned, reported in:					
Special revenue funds	-	-	-	38,570	35,650
Capital projects funds	-	-	-	3,457,693	7,726,381
Unassigned	(3,632)	-	-	-	(36,229)
Total all other governmental funds	\$ 13,645,461	\$ 16,550,717	\$ 33,151,921	\$ 37,348,717	\$ 77,044,792
	Fiscal Year				
	2020	2021	2022	2023	2024
<b>General fund</b>					
Nonspendable	\$ 249,415	\$ 130,381	\$ 843,919	\$ 478,823	\$ 422,042
Restricted	776,207	822,784	916,691	1,119,096	1,464,787
Committed	17,486,364	26,627,497	42,514,091	51,500,009	66,000,000
Assigned	9,286,778	10,701,445	14,038,182	15,393,775	14,031,846
Unassigned	26,370,748	26,952,982	28,857,727	29,876,172	32,320,488
Total general fund	\$ 54,169,512	\$ 65,235,089	\$ 87,170,610	\$ 98,367,875	\$ 114,239,163
<b>All other governmental funds</b>					
Nonspendable:					
Permanent fund principal	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Other/Prepays	-	-	909,808	977,057	969,184
Restricted, reported in:					
Special revenue funds	4,677,488	4,011,106	5,336,856	6,024,167	5,979,605
Capital projects funds	30,557,056	15,502,024	30,509,445	10,789,374	4,100,000
Permanent fund	213,230	278,547	369,337	447,034	516,775
Committed, reported in:					
Capital projects funds	25,955,590	29,015,716	27,853,645	23,822,337	24,131,631
Debt service fund	8,171,140	11,853,578	9,290,288	7,307,358	6,997,362
Debt service fund-MCPS			6,578,544	8,052,915	8,242,898
Assigned, reported in:					
Special revenue funds	129,557	7,416	141,099	835,179	1,555,996
Capital projects funds	3,076,971	11,733	7,446	-	-
Total all other governmental funds	\$ 72,881,032	\$ 60,780,120	\$ 81,096,468	\$ 58,355,421	\$ 52,593,451

Source: City of Manassas Annual Comprehensive Financial Report

**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2015	2016	2017	2018	2019
<b>Revenues</b>					
General property taxes	\$ 73,313,910	\$ 76,770,693	\$ 78,422,645	\$ 83,648,432	\$ 86,027,503
Other local taxes	17,944,186	19,123,123	20,162,055	18,878,986	21,768,072
Permits, fees, licenses	944,973	654,822	1,154,234	877,351	1,120,144
Fines and forfeitures	668,975	751,006	713,756	713,993	733,095
Use of money and property	307,417	405,509	662,021	1,098,388	2,739,637
Charges for services	1,194,458	1,267,011	1,193,427	1,394,714	1,237,790
Payment in lieu of debt service	5,000,876	7,341,400	7,255,184	7,357,675	5,752,841
Recovered costs	2,101,870	2,230,720	2,451,271	3,419,610	3,670,420
Miscellaneous	1,601,879	1,534,506	1,212,603	2,203,690	2,191,221
Contribution from component unit	-	-	3,256,077	1,447,500	5,390,595
Intergovernmental	18,052,021	19,162,831	18,460,027	18,662,441	20,056,734
<b>Total Revenues</b>	<b>\$ 121,130,565</b>	<b>\$ 129,241,621</b>	<b>\$ 134,943,300</b>	<b>\$ 139,702,780</b>	<b>\$ 150,688,052</b>
<b>Expenditures</b>					
General government administration	\$ 9,041,926	\$ 9,039,441	\$ 8,924,147	\$ 8,964,728	\$ 9,464,498
Public safety	28,398,747	29,109,653	28,891,462	30,322,441	31,396,131
Public works	4,328,697	4,423,503	6,241,717	7,316,492	7,053,705
Health and human services	8,277,227	7,937,132	8,108,642	8,582,141	8,673,595
Culture, recreation, development	5,558,630	6,098,669	7,222,524	7,015,552	6,764,268
Education	90,297,919	53,559,758	57,870,687	56,477,145	58,212,570
Non Departmental					
Capital outlay	5,042,455	7,014,122	6,869,322	7,907,676	9,050,382
Debt service					
Principal retirement	5,123,293	6,073,653	6,286,702	6,827,540	5,082,155
Interest and fiscal charges	2,049,473	3,287,943	3,017,724	3,245,467	2,955,145
Bond Issuance costs	472,373	-	393,281	-	181,966
<b>Total expenditures</b>	<b>\$ 158,590,740</b>	<b>\$ 126,543,874</b>	<b>\$ 133,826,208</b>	<b>\$ 136,659,182</b>	<b>\$ 138,834,415</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ (37,460,175)</b>	<b>\$ 2,697,747</b>	<b>\$ 1,117,092</b>	<b>\$ 3,043,598</b>	<b>\$ 11,853,637</b>
<b>Other financing sources (uses)</b>					
Transfers in	6,776,635	11,361,929	9,936,264	13,703,998	15,402,668
Transfers out	(6,469,955)	(6,416,211)	(6,833,878)	(9,688,045)	(12,116,168)
Issuance of bonds	46,101,800	-	23,400,000	-	26,550,000
Premium on issuance on bonds	4,401,863	-	2,977,002	-	3,131,966
Payment to refunded bond escrow agent	(12,794,921)	-	(9,518,194)	-	-
Other	33,196	327,608	36,961	-	-
<b>Total other financing sources (uses)</b>	<b>\$ 38,048,618</b>	<b>\$ 5,273,326</b>	<b>\$ 19,998,155</b>	<b>\$ 4,015,953</b>	<b>\$ 32,968,466</b>
<b>Net change in fund balance</b>	<b>\$ 588,443</b>	<b>\$ 7,971,073</b>	<b>\$ 21,115,247</b>	<b>\$ 7,059,551</b>	<b>\$ 44,822,103</b>
Debt service as a percentage of noncapital expenditures	4.7%	7.8%	7.3%	7.8%	6.2%

Source: City of Manassas Annual Comprehensive Financial Report



**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2020	2021	2022	2023	2024
<b>Revenues</b>					
General property taxes	\$ 91,739,864	\$ 96,973,951	\$ 98,961,253	\$ 104,694,634	\$ 108,667,453
Other local taxes	23,885,186	25,280,495	28,391,669	28,062,650	29,540,453
Permits, fees, licenses	812,023	793,862	930,758	1,117,509	1,605,548
Fines and forfeitures	783,836	974,534	1,802,176	1,558,444	1,843,509
Use of money and property	3,744,079	660,771	(1,062,522)	6,933,776	11,866,472
Charges for services	1,403,655	1,421,085	1,775,528	1,809,773	2,123,953
Payment in lieu of debt service	5,679,809	5,593,671	3,000,000	-	-
Recovered costs	3,142,180	3,217,390	3,233,450	3,233,450	3,244,150
Miscellaneous	1,801,856	1,596,690	787,650	1,125,298	1,328,730
Contribution from component unit	1,815,548	669,479	204,759	-	-
Intergovernmental	24,868,452	24,467,335	38,521,049	28,060,898	29,828,888
<b>Total Revenues</b>	<b>\$ 159,676,488</b>	<b>\$ 161,649,263</b>	<b>\$ 176,545,770</b>	<b>\$ 176,596,432</b>	<b>\$ 190,049,156</b>
<b>Expenditures</b>					
General government administration	\$ 8,861,359	\$ 10,262,434	\$ 10,368,936	\$ 10,964,866	\$ 12,495,478
Public safety	32,426,545	32,230,985	33,954,634	38,291,730	43,373,718
Public works	7,301,787	8,271,016	8,422,880	9,727,740	9,753,852
Health and human services	8,915,127	9,615,441	9,297,314	10,368,287	11,221,347
Culture, recreation, development	6,854,163	7,981,159	6,966,564	7,963,535	8,697,777
Education	59,656,355	59,531,330	55,341,610	57,165,053	59,619,911
Non Departmental					
Capital outlay	18,456,821	28,141,946	38,384,658	43,118,147	26,943,905
Debt service					
Principal retirement	5,189,280	6,602,840	7,036,511	8,553,725	8,810,139
Interest and fiscal charges	3,524,684	3,686,657	3,848,993	4,013,581	3,918,295
Bond Issuance costs	-	-	195,863	-	-
<b>Total expenditures</b>	<b>\$ 151,186,121</b>	<b>\$ 166,323,808</b>	<b>\$ 173,817,963</b>	<b>\$ 190,166,664</b>	<b>\$ 184,834,422</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 8,490,367</b>	<b>\$ (4,674,545)</b>	<b>\$ 2,727,807</b>	<b>\$ (13,570,232)</b>	<b>\$ 5,214,734</b>
<b>Other financing sources (uses)</b>					
Transfers in	12,551,381	16,768,972	24,299,810	24,812,265	26,251,798
Transfers out	(10,112,092)	(13,129,762)	(15,470,740)	(24,179,815)	(21,407,114)
Issuance of bonds	-	-	28,104,200	-	-
Premium on issuance on bonds	-	-	3,550,473	-	-
Payment to refunded bond escrow agent	-	-	(1,254,581)	-	-
Other	-	-	294,900	1,394,000	49,900
<b>Total other financing sources (uses)</b>	<b>\$ 2,439,289</b>	<b>\$ 3,639,210</b>	<b>\$ 39,524,062</b>	<b>\$ 2,026,450</b>	<b>\$ 4,894,584</b>
<b>Net change in fund balance</b>	<b>\$ 10,929,656</b>	<b>\$ (1,035,335)</b>	<b>\$ 42,251,869</b>	<b>\$ (11,543,782)</b>	<b>\$ 10,109,318</b>
Debt service as a percentage of noncapital expenditures	6.6%	7.4%	8.0%	8.5%	8.1%

Source: City of Manassas Annual Comprehensive Financial Report



**Governmental Fund Tax Revenue by Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year				
	2015	2016	2017	2018	2019
Real property	\$ 59,628,262	\$ 62,822,691	\$ 64,772,066	\$ 67,854,301	\$ 70,202,780
Personal property	11,819,907	11,931,371	12,283,198	13,437,344	13,818,310
Other	1,865,741	2,016,631	1,367,381	2,356,787	2,006,413
Total property taxes	<u>\$ 73,313,910</u>	<u>\$ 76,770,693</u>	<u>\$ 78,422,645</u>	<u>\$ 83,648,432</u>	<u>\$ 86,027,503</u>
Sales	\$ 7,555,344	\$ 8,055,065	\$ 8,489,013	\$ 7,136,019	\$ 8,981,502
Business licenses	3,075,033	3,290,009	3,549,629	3,594,471	4,112,321
Meals	3,406,893	3,728,988	3,944,186	4,185,343	4,421,024
Other	3,906,916	4,049,061	4,179,227	3,963,153	4,253,225
Total other local taxes	<u>\$ 17,944,186</u>	<u>\$ 19,123,123</u>	<u>\$ 20,162,055</u>	<u>\$ 18,878,986</u>	<u>\$ 21,768,072</u>
Total tax revenues	<u>\$ 91,258,096</u>	<u>\$ 95,893,816</u>	<u>\$ 98,584,700</u>	<u>\$ 102,527,418</u>	<u>\$ 107,795,575</u>

	Fiscal Year				
	2020	2021	2022	2023	2024
Real property	\$ 73,986,067	\$ 77,958,354	\$ 79,379,599	\$ 81,855,659	\$ 85,372,735
Personal property	15,427,733	16,211,582	16,958,650	20,298,629	20,724,215
Other	2,326,064	2,804,015	2,623,004	2,540,346	2,570,503
Total property taxes	<u>\$ 91,739,864</u>	<u>\$ 96,973,951</u>	<u>\$ 98,961,253</u>	<u>\$ 104,694,634</u>	<u>\$ 108,667,453</u>
Sales	\$ 10,358,471	\$ 10,847,233	\$ 12,324,357	\$ 12,637,152	\$ 12,933,547
Business licenses	4,481,252	5,069,828	5,366,607	5,172,199	5,681,463
Meals	4,244,380	4,518,921	5,574,688	5,869,128	6,246,415
Other	4,801,083	4,844,513	5,126,017	4,384,171	4,679,028
Total other local taxes	<u>\$ 23,885,186</u>	<u>\$ 25,280,495</u>	<u>\$ 28,391,669</u>	<u>\$ 28,062,650</u>	<u>\$ 29,540,453</u>
Total tax revenues	<u>\$ 115,625,050</u>	<u>\$ 122,254,446</u>	<u>\$ 127,352,922</u>	<u>\$ 132,757,284</u>	<u>\$ 138,207,906</u>

Source: City of Manassas Annual Comprehensive Financial Report

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

Tax Year	Real Property			Total Direct Tax Rate	Real & Personal Property Public Service	Personal Property		Total Assessed & Actual Value	Total Taxable Assessed & Actual Value
	Residential	Commercial	Tax Exempt			Tangible Personal Property	Machinery & Tools		
2015	\$ 2,774,454,700	\$ 1,653,210,000	\$ 707,811,100	1.368	\$ 90,146,639	\$ 329,700,680	\$ 770,440,390	\$ 6,325,763,509	\$ 5,617,952,409
2016	2,915,314,100	1,698,553,200	750,641,100	1.388	104,485,326	343,870,765	709,057,065	6,521,921,556	5,771,280,456
2017	3,000,312,000	1,714,687,700	752,803,800	1.403	122,124,893	352,664,077	711,304,770	6,653,897,240	5,901,093,440
2018	3,074,547,700	1,733,207,300	801,341,500	1.440	130,530,000	362,010,910	708,224,590	6,809,862,000	6,008,520,500
2019	3,174,398,300	1,714,622,100	798,982,200	1.460	106,921,207	373,471,810	700,545,390	6,868,941,007	6,069,958,807
2020	3,340,809,700	1,722,936,300	805,217,200	1.480	107,612,030	394,334,890	528,424,390	6,899,334,510	6,094,117,310
2021	3,531,364,160	1,871,721,080	809,110,800	1.460	132,102,900	409,536,970	552,920,000	7,306,755,910	6,497,645,110
2022	3,783,990,400	1,896,918,600	809,577,300	1.429	136,088,900	448,123,170	587,487,910	7,662,186,280	6,852,608,980
2023	4,243,351,000	1,985,987,800	851,170,600	1.342	136,641,200	603,579,700	677,699,040	8,498,429,340	7,647,258,740
2024	4,694,649,200	2,207,062,600	934,328,200	1.260	132,562,752	547,437,440	747,657,510	9,263,697,702	8,329,369,502

Source: City of Manassas Commissioner of the Revenue  
Virginia Department of Taxation Annual Reports

Notes: Property is assessed at actual value; therefore, the assessed values are equal to actual values.  
Property in the City is reassessed each year.  
Tax rates are per \$100 of assessed value.  
Real Property is assessed on January 1 preceeding the fiscal year which begins July 1.

Property Tax Rates  
Last Ten Years

Tax Year	General	Fire Rescue Levy	Total Direct Real Property	Personal Property	Machinery and Tools
2015	1.190	0.178	1.368	3.250	2.100
2016	1.210	0.178	1.388	3.250	2.100
2017	1.220	0.183	1.403	3.250	2.100
2018	1.253	0.187	1.440	3.600	2.100
2019	1.268	0.192	1.460	3.600	2.100
2020	1.283	0.197	1.480	3.600	2.100
2021	1.263	0.197	1.460	3.600	2.100
2022	1.222	0.207	1.429	3.600	2.100
2023	1.135	0.207	1.342	3.600	2.100
2024	1.070	0.190	1.260	3.600	2.100

Source: City of Manassas Commissioner of the Revenue

Notes: Tax rates are per \$100 of assessed value.

Owens Brooke is a special taxing district in addition to the real property tax noted above.

Business computer equipment is taxed at different rate than the personal property rate noted above.

Semiconductor manufacturing machinery & tools is taxed at a different rate than that noted above.

*Go to [www.manassasva.gov](http://www.manassasva.gov) for more detailed tax rate information*

Principal Real Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Taxable Real Property Assessed Value	Rank	Percentage of Total Taxable Real Property Assessed Value	Taxable Real Property Assessed Value	Rank	Percentage of Total Taxable Real Property Assessed Value
Micron Technology Inc.	\$ 250,100,700	1	3.6%	\$ 98,066,200	2	2.2%
Lockheed Martin Federal System	86,416,800	2	1.3%	100,543,400	1	2.3%
UDR Wellington Place LLC	81,906,600	3	1.2%	62,033,100	3	1.4%
Battery Heights Associates	72,601,300	4	1.1%	53,066,000	4	1.2%
Fairfield Village Square LP	40,131,900	5	0.6%	25,348,200	9	0.6%
Davis Ford Crossings LLC	36,416,800	6	0.5%	27,286,000	7	0.6%
Liberia Development Corp.	34,649,000	7	0.5%			
Van Metre Barrington Park Apts	32,168,400	8	0.5%	23,748,700	10	0.5%
Tilden Manassas Courts Apts LLC	31,990,100	9	0.5%			
Prince William Hospital Corp.	30,881,300	10	0.4%	31,744,600	5	0.7%
Verizon South				27,400,315	6	0.6%
WT/CAP Manassas Courts Apt.				26,634,400	8	0.6%
Totals	\$ 697,262,900		10.2%	\$ 475,870,915		10.7%

Source: City of Manassas Commissioner of the Revenue

Notes: Total Taxable Real Property Assessed values were obtained from Table 7 (excludes tax exempt and public service):

\$4,427,664,700 - 2015

\$6,901,711,800 - 2024

Real Property Tax Levies and Collections  
Last Ten 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		Delinquent Taxes	
		Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2015	\$ 59,630,272	\$ 58,540,515	98.17%	\$ 1,089,736	\$ 59,630,251	100.00%	\$ 1,089,757	1.83%
2016	62,924,270	61,837,236	98.27%	1,085,021	62,922,257	100.00%	1,087,034	1.73%
2017	64,894,082	63,227,350	97.43%	1,656,484	64,883,834	99.98%	1,666,732	2.57%
2018	69,576,985	68,393,375	98.30%	1,177,211	69,570,586	99.99%	1,183,610	1.70%
2019	71,545,244	70,483,643	98.52%	1,061,601	71,545,244	100.00%	1,061,601	1.48%
2020	75,128,654	73,742,376	98.15%	1,349,046	75,091,422	99.95%	1,386,278	1.85%
2021	79,647,969	78,111,978	98.07%	1,492,280	79,604,258	99.95%	1,535,991	1.93%
2022	81,658,740	80,264,304	98.29%	1,264,029	81,528,333	99.84%	1,394,436	1.71%
2023	83,918,539	82,380,341	98.17%	1,158,228	83,538,569	99.55%	1,538,198	1.83%
2024	87,029,380	85,338,256	98.06%	-	85,338,256	98.06%	1,691,124	1.94%

Source: City of Manassas Finance Department, Commissioner of the Revenue, and City Treasurer

Notes: Tax Levy reported is based on the original assessed value attained on fiscal year end of each year.

Delinquent taxes reflect the amount delinquent as of fiscal year end for the initial year levied.

The taxes are due December 5 and June 5.

The tax year is the same as the fiscal year, beginning on July 1 and ending on June 30.

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	SBITA Liabilities	Lease Liabilities	Capital Leases	General Obligation Bonds	Lease Liabilities	Other Obligations			
2015	\$ 88,280,016	\$ -	\$ -	\$ 156,427	\$ 27,963,701	\$ -	\$ 1,568,000	\$ 117,968,144	5.61%	\$ 2,825
2016	81,871,780	-	-	78,953	25,776,513	-	1,568,000	109,295,246	5.13%	2,635
2017	91,902,652	-	-	149,686	32,005,136	-	-	124,057,474	5.65%	2,989
2018	84,473,285	-	-	100,024	29,468,358	-	-	114,041,667	5.01%	2,739
2019	108,445,333	-	-	50,561	51,685,507	-	-	160,181,401	6.92%	3,899
2020	102,475,769	-	-	-	49,510,553	-	-	151,986,322	5.94%	3,553
2021	95,092,647	-	-	-	46,543,985	-	-	141,636,632	5.28%	3,316
2022	117,812,047	-	819,227	-	68,276,512	38,831	-	186,946,617	6.88%	4,384
2023	108,636,236	778,408	518,036	-	64,453,949	29,543	-	174,416,172	5.99%	4,085
2024	99,283,318	2,818,827	136,182	-	60,473,492	19,980	-	162,731,799	n/a	n/a

Source: City of Manassas Annual Comprehensive Financial Report

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

Outstanding Bonds include bond premium.

Lease liabilities were included after the implementation of GASB 87, *Leases*. Prior years were not restated.

Subscription based information technology liabilities were included after the implementation of GASB 96, SBITA. Prior years were not restated.

Personal income and population data is found in Table 14.

n/a = not available

**Ratios of General Bonded Debt Outstanding Supported by Taxpayers  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Outstanding General Obligation Bonds</b>	<b>Outstanding State Literary Loans</b>	<b>Total Outstanding Bonds Supported by Taxpayers</b>	<b>Percentage of Actual Value of Real Property</b>	<b>Outstanding Bonds Per Capita</b>
2015	\$ 116,243,717	\$ -	\$ 116,243,717	2.63%	\$ 2,783
2016	107,648,293	-	107,648,293	2.33%	2,595
2017	123,907,788	-	123,907,788	2.63%	2,986
2018	113,941,643	-	113,941,643	2.37%	2,736
2019	160,130,840	-	160,130,840	3.28%	3,898
2020	151,986,322	-	151,986,322	3.00%	3,553
2021	141,636,632	-	141,636,632	2.62%	3,316
2022	186,088,559	-	186,088,559	3.28%	4,364
2023	173,090,185	-	173,090,185	2.78%	4,054
2024	159,756,810	-	159,756,810	2.31%	n/a

Source: City of Manassas Annual Comprehensive Financial Report

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

Taxable Assessed and Actual Value of Real Property is found in Table 7.

Calculation excludes tax exempt, public service and personal property.

Population data is found in Table 14.

n/a = not available

**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt limit	\$ 442,766,470	\$ 461,386,730	\$ 471,499,970	\$ 480,775,500	\$ 488,902,040
Total net debt applicable to limit	107,394,064	99,374,521	113,000,577	103,824,209	145,202,358
Legal debt margin	<u>\$ 335,372,406</u>	<u>\$ 362,012,209</u>	<u>\$ 358,499,393</u>	<u>\$ 376,951,291</u>	<u>\$ 343,699,682</u>
Total net debt applicable to limit as a percent of debt limit	24.26%	21.54%	23.97%	21.60%	29.70%
	Fiscal Year				
	2020	2021	2022	2023	2024
Debt limit	\$ 506,374,600	\$ 540,308,524	\$ 568,090,900	\$ 622,933,880	\$ 690,171,180
Total net debt applicable to limit	138,146,973	128,886,415	168,510,000	156,934,999	145,025,000
Legal debt margin	<u>\$ 368,227,627</u>	<u>\$ 411,422,109</u>	<u>\$ 399,580,900</u>	<u>\$ 465,998,881</u>	<u>\$ 545,146,180</u>
Total net debt applicable to limit as a percent of debt limit	27.28%	23.85%	29.66%	25.19%	21.01%

**Legal Debt Margin Calculation for Fiscal Year 2024**

Real property assessed value January 1, 2023, used for FY2024 (7/1/2023 - 6/30/2024)	\$ 7,836,040,000
Less exempt real property assessed value	(934,328,200)
Total taxable real property assessed value	<u>6,901,711,800</u>
Debt limit (10% of taxable real property assessed value)	690,171,180
Total net debt applicable to limit June 30, 2024	145,025,000
Legal debt margin	<u>\$ 545,146,180</u>

Source: City of Manassas Annual Comprehensive Financial Report

Notes: The debt limit is ten percent of the total assessed real property value subject to taxation found in Table 7.

The calculation excludes public service and tax exempt property.

Under Virginia statute, the City's outstanding obligation debt may not exceed ten percent of the assessed valuation of the real estate in the city subject to taxation.

The debt applicable to the debt margin is the primary government's general obligation bonds and library literacy loans found in Table 11 (net of outstanding bond premiums included in Table 11).



**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Year</b>	<b>Population (1)</b>	<b>Personal Income (5)</b>	<b>Per Capita Personal Income (2)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
2015	41,764 \$	2,101,356,000 \$	50,315	7,442	4.1%
2016	41,483	2,128,617,000	51,313	7,678	3.4%
2017	41,501	2,196,606,000	52,929	7,771	3.4%
2018	41,641	2,276,430,000	54,668	7,695	2.8%
2019	41,085	2,315,797,000	56,366	7,613	2.6%
2020	42,772	2,558,279,000	59,812	7,778	8.8%
2021	42,708	2,682,489,000	62,810	7,587	4.4%
2022	42,642	2,716,338,000	63,701	7,548	2.7%
2023	42,696	2,910,330,000	68,164	7,672	2.5%
2024	n/a	n/a	n/a	7,689	2.8%

Source: (1) U. S. Census Bureau  
 (2) U. S. Department of Commerce, Bureau of Economic Analysis for Prince William,  
 Manassas and Manassas Park, VA  
 (3) Manassas City Public Schools  
 (4) U. S. Department of Labor, Bureau of Labor Statistics and  
 Virginia Employment Commission  
 (5) Based on population and per capita income estimates

Note: n/a = not available

Principal Employers  
Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	Percentage of total City Employment	Employees	Rank	Percentage of total City Employment
UVA Health System (formerly Novant and Prince William Health System)	1,342	1	6.2%	643	4	3.0%
Micron Technology	1,312	2	6.1%	1,560	1	7.3%
Lockheed Martin	1,100	3	5.1%	962	3	4.5%
Manassas City Public Schools (FTE)	1,073	4	5.0%	1,054	2	5.0%
Aurora Flight Sciences	505	5	2.3%	188	10	0.9%
City of Manassas (FTE)	475	6	2.2%	441	5	2.1%
American Disposal Service	419	7	1.9%	439	6	2.1%
S.W.I.F.T.	334	8	1.5%	213	8	1.0%
BAE Systems	310	9	1.4%	265	7	1.2%
ARS (American Residential Services)	158	10	0.7%	193	9	0.9%
Battlefield Ford				136	11	0.6%
CGI (Oberon Assoc)				82	12	0.4%
Totals	7,028		32.51%	6,176		29.1%
Total City Employment	21,617			21,227		

Sources: City of Manassas Economic Development Department  
Virginia Employment Commission

Notes: Calendar year 2023 is the most current year available  
FTE - full time equivalents

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Function</b>										
<b>General Government</b>										
City Clerk	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00
City Manager/Communications	10.00	10.00	11.00	12.00	5.00	5.00	5.00	5.00	8.00	8.00
City Attorney (1)	-	-	-	-	1.00	2.00	3.00	3.00	3.00	3.00
Voter Registration	2.05	2.05	2.15	2.75	2.75	3.00	3.00	3.00	4.00	4.00
Treasurer	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00
Commissioner of the Revenue	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	12.00
Finance and Administration	25.30	25.30	26.30	25.30	26.30	27.55	27.55	29.55	30.50	30.50
Human Resources (2)	-	-	-	-	7.00	7.00	7.00	7.00	8.00	8.00
<b>Public Safety</b>										
Police	127.25	126.50	127.00	129.25	130.25	130.25	131.75	136.75	138.75	138.00
Fire and Rescue	60.00	60.00	62.00	64.00	66.00	66.00	66.00	69.00	72.00	72.00
<b>Public Works</b>	50.50	51.50	53.00	46.00	46.00	46.00	47.00	47.00	47.00	47.00
<b>Engineering (3)</b>				14.00	14.00	9.00	11.00	10.00	11.00	11.00
<b>Culture, Recreation, Development</b>										
Museum System (4)	6.50	6.50	6.50	-	-	-	-	-	-	-
Community Development	27.25	27.25	27.25	33.75	34.25	35.25	35.25	35.25	35.30	35.30
Economic Development	2.50	2.50	2.50	2.50	3.00	3.00	3.00	3.00	3.00	3.00
<b>Health and Human Services</b>										
Social Services	37.48	37.48	37.48	37.98	37.00	40.00	42.00	45.50	45.50	45.50
<b>Utilities</b>										
Sewer	11.00	11.00	11.00	11.00	11.00	11.00	10.00	10.00	10.00	10.00
Water	24.50	26.50	24.00	23.00	23.00	25.00	24.00	24.00	25.00	25.00
Electric	35.00	35.00	35.00	31.00	31.00	34.00	35.00	35.00	35.00	35.00
Utility Admin & Services (5)	22.00	20.00	21.00	21.00	21.00	21.00	21.00	21.00	22.00	22.00
Airport	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00	9.00	9.00
Solid Waste	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50
Vehicle Maintenance	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00
<b>Total primary government</b>	<b>478.33</b>	<b>478.58</b>	<b>483.18</b>	<b>490.53</b>	<b>495.55</b>	<b>501.05</b>	<b>509.05</b>	<b>521.55</b>	<b>538.55</b>	<b>538.80</b>

Source: City of Manassas Adopted Annual Operating Budget

(1) New City Attorney department was established in FY19

(2) Separate Human Resources department was established in FY19

(3) Separate Engineering department was established in FY18, with staff from Utilities and Public Works; includes Stormwater.

(4) Museum staff are included in Parks, Culture & Recreation department under Community Development starting FY18.

(5) Includes utility billing, customer service, metering, and finance and administration positions within Utilities.

**Operating Indicators by Function**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Function</b>										
<b>General Government</b>										
Business licenses issued	2,600	2,775	2,750	2,407	2,449	2,374	2,606	2,652	2,481	2,456
Property returns processed	34,000	37,081	37,343	39,676	36,776	44,157	43,469	43,508	41,442	41,980
<b>Public Safety</b>										
Traffic citations	8,400	6,000	7,000	7,000	6,340	5,993	5,691	7,827	8,709	6,239
Criminal arrests	3,000	2,000	2,100	2,150	2,310	2,014	1,598	2,126	2,977	2,874
Police calls for service	63,000	55,000	58,000	57,000	56,371	64,746	69,087	74,988	70,116	65,765
<b>Engineering / Development Services</b>										
Site plans reviewed	55	64	67	70	96	107	119	129	86	81
<b>Public Works</b>										
Building permits issued	570	476	537	1,288	1,040	457	383	535	442	543
Acres mowed	365	365	365	365	370	375	375	375	385	385
<b>Health and Human Services</b>										
Family services										
Customers served (3)	121,837	111,941	97,115	41,422	34,984	26,769	36,280	20,789	31,088	34,921
Section 8 vouchers/mo.	288	295	290	294	303	288	296	300	318	335
<b>Sewer Utility</b>										
Wastewater processed (1)	2.39	2.36	2.20	2.20	2.50	2.30	2.47	2.32	2.21	2.19
<b>Water Utility</b>										
Drinking water produced (1)	4.74	4.70	4.68	4.41	4.20	4.40	4.50	4.20	4.60	4.70
<b>Electric Utility</b>										
Load management savings	\$871K	\$1.2M	\$1.8M	\$2.3M	\$2.6M	\$1.6M	\$1.4M	\$2.1M	\$1.9M	\$2.2M
<b>Airport</b>										
Total operations (2)	79,550	83,815	89,654	80,714	83,130	75,316	92,784	107,270	106,919	102,777
Based aircraft	418	410	410	389	395	392	410	413	429	429
<b>Information Technology</b>										
Devices supported	1,340	1,330	1,461	1,461	1,461	1,453	1,317	1,467	1,496	1,528
Visitors to city website (4)	1,200,000	1,200,000	1,121,558	927,146	1,002,647	1,192,718	929,256	1,278,029	1,058,401	1,209,356

Source: City of Manassas Annual Operating Budget

Notes: n/a = not available

(1) Billions of gallons per year

(2) Take-offs and landings

(3) On-line applications decreased figures starting in FY18; decrease beginning FY20 due to offices closed during the pandemic.

(4) New web-hosting effective Feb 2021. Data for Feb-June was annualized for FY 2021.

**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Government</b>										
City Hall	1	1	1	1	1	1	1	1	1	1
Town Hall	1	1	1	1	1	1	1	1	1	1
Community Srvc Ctr (1)	0	0	0	0	0	0	0	1	1	1
Parking lots (in spaces)	827	827	827	827	825	825	823	820	819	817
Vehicles in fleet	448	449	457	463	462	482	485	490	501	524
<b>Public Safety (2)</b>										
Police/Public safety bldg	1	1	1	1	1	1	1	1	2	2
Fire stations	1	1	1	1	1	1	2	2	2	2
Rescue stations	1	1	1	1	1	1	0	0	0	0
<b>Public Works</b>										
Streets (miles)	245	249	249	249	249	255	255	253	253	253
Street lights	2,719	3,045	3,045	3,065	2,901	2,903	2,929	2,964	2,962	3,029
Traffic signals (3)	62	62	62	62	62	63	63	63	63	62
<b>Culture, Recreation, Development</b>										
Museums	1	1	1	1	1	1	1	1	1	1
Restored historic buildings:										
Railroad Depot	1	1	1	1	1	1	1	1	1	1
Candy Factory	1	1	1	1	1	1	1	1	1	1
Parks (4)	12	12	17	17	17	18	18	18	18	21
Park acreage (4)	194	194	234	234	271	264	264	264	264	260
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts (4)	22	22	22	22	22	23	23	23	26	34
Skate parks	1	1	1	1	1	1	1	1	1	1
Outdoor pavilion	1	1	1	1	1	1	1	1	1	1
<b>Sewer Utility</b>										
Sewer main (miles)	115	142	142	142	142	142	142	142	142	138
Storm sewers (miles)	72	72	72	72	72	72	72	112	114.6	115.5
Treatment capacity (5)	8.69	8.69	8.69	8.69	8.69	9.19	9.19	9.19	9.19	9.19
<b>Water Utility</b>										
Water connections	11,178	11,200	11,242	11,272	11,385	11,437	11,466	11,466	11,475	11,478
Water mains (miles)	152	170	170	170	170	170	170	172	172	172
Water plant capacity (5)	14	14	14	14	14	14	14	14	14	14
<b>Electric Utility</b>										
Distribution stations	6	6	6	6	6	6	6	6	6	6
Peaking generators	20	20	20	20	17	17	17	17	15	15
Electric capacity (6)	40	40	40	40	34	36	36	36	28	28
<b>Airport</b>										
Airport acreage (7)	897	897	891	891	891	891	891	891	889	869
Number of runways	2	2	2	2	2	2	2	2	2	2

Source: City of Manassas Finance, Public Works, Utilities, Vehicle Maintenance, and Parks Culture Recreation Departments

Notes: (1) Community Service Center on Godwin Drive temporarily placed in service FY22 during City Hall renovation.

(2) Fire station 21 was completed in FY21, and the GMVRS building was decommissioned. New public safety building opened FY23, with 911-Dispatch maintaining operations from the prior police station until FY24.

(3) Prior year data for traffic signals was corrected in FY20.

(4) FY17 parks assessment added historic sites to parks definition as passive recreation sites. Tennis courts include school sites, and racquetball or pickleball courts. FY21 data was corrected to exclude undeveloped parks.

(5) Millions of gallons per day

(6) Megawatts

(7) Airport parcel map updated with FAA in FY19.



ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

**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***

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**To the Honorable Members of the City Council  
City of Manassas, 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 units, each major fund, and the aggregate remaining fund information of the City of Manassas, 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, Virginia's basic financial statements, and have issued our report thereon dated November 15, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Manassas, 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, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Manassas, Virginia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Manassas, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of This Report

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

*Robinson, Farmer, Cox Associates*

Fredericksburg, Virginia

November 15, 2024



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

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**To the Honorable Members of the City Council  
City of Manassas, Virginia**

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited City of Manassas, 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, Virginia's major federal programs for the year ended June 30, 2024. City of Manassas, 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, Virginia's complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of City of Manassas, Virginia's 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, 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, 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, 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, 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, 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, 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, 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.

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.

## Report on Internal Control over Compliance (Continued)

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

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

*Robinson, Farmer, Cox Associates*

Fredericksburg, Virginia

November 15, 2024

## CITY OF MANASSAS, 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
<b>Primary Government:</b>			
<b>Department of the Treasury:</b>			
Pass-through Payments:			
Virginia Department of Social Services:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	21027-765-10	\$ 38,413
Virginia Department of Accounts:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	VA0113	8,986,294
Total 21.027			\$ 9,024,707
Total Department of the Treasury			\$ 9,024,707
<b>Department of Housing and Urban Development:</b>			
Pass-through Payments:			
Virginia Housing Development Authority:			
Section 8 Project-Based Cluster:			
Section 8 Housing Assistance Payments Program	14.195	14195-165-10	\$ 248,821
Total Section 8 Project-Based Cluster			\$ 248,821
Total Department of Housing and Urban Development			\$ 248,821
<b>Department of Justice:</b>			
Direct Payments:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 11,583
State Criminal Alien Assistance Program	16.606	N/A	153,075
Public Safety Partnership and Community Policing Grants	16.710	N/A	10,333
Congressionally Recommended Awards	16.753	N/A	25,513
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	12,647
Total Department of Justice			\$ 213,151
<b>Environmental Protection Agency:</b>			
Direct Payments:			
Congressionally Mandated Projects -			
Fitzgerald Way Transmission Main	66.202	N/A	\$ 1,808,235
Geographic Programs-Chesapeake Bay Program			
(Stormwater Watershed Resources Master Plan)	66.466	N/A	40,881
Total Environmental Protection Agency			\$ 1,849,116
<b>Department of Transportation:</b>			
Direct Payments: Federal Aviation Administration			
Airport Improvement Program	20.106	CF-0030-55/CF-0030-54 CF-0030-51/CF-0030-52 CF-0030-56	\$ 5,590,626
Pass-through Payments:			
Virginia Department of Motor Vehicles:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	BSC-2023-53096-23096/ BPT-2024-54300-24300	21,970
Total Highway Safety Cluster			\$ 21,970
Virginia Department of Transportation:			
Highway Planning and Construction	20.205	UPC-118700/UPC-109293 UPC-96721/UPC-112477 UPC-124628	\$ 337,555
Total Department of Transportation			\$ 5,950,151

CITY OF MANASSAS, VIRGINIA

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

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>Primary Government: (Continued)</b>			
<b>Department of Homeland Security:</b>			
Pass-through Payments:			
Department of Emergency Management:			
Homeland Security Grant Program	97.067	22UASI596-01/ 23UASI596-01	\$ 159,127
Emergency Management Performance Grants	97.042	81	7,297
Total Department of Homeland Security			\$ 166,424
<b>Department of Health and Human Services:</b>			
Pass-through Payments:			
Virginia Department of Education:			
COVID-19 - Public Health Crisis Response	93.354	93354-197-10	\$ 10,352
Virginia Department of Social Services:			
Temporary Assistance for Needy Families	93.558	93558-765-10	\$ 236,689
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	93596-765-10	58,757
Total CCDF Cluster			\$ 58,757
Medicaid Cluster:			
Medical Assistance Program	93.778	93778-765-10	\$ 689,706
Total Medicaid Cluster			\$ 689,706
Mary Lee Allen Promoting Safe and Stable Families Program	93.556	93556-765-10	\$ 19,717
Guardianship assistance	93.090	93090-765-10	651
Title IV-E Prevention Program	93.472	93472-765-10	12,852
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	93566-765-10	6,030
Low-Income Home Energy Assistance	93.568	93568-765-10	42,719
Stephanie Tubbs Jones Child Welfare Services Program	93.645	93645-765-10	400
Foster Care - Title IV-E	93.658	93658-765-10	238,006
Adoption Assistance	93.659	93659-765-10	188,671
Social Services Block Grant	93.667	93667-765-10	224,632
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	93674-765-10	3,666
Children's Health Insurance Program	93.767	93767-765-10	7,993
Total Department of Health and Human Services			\$ 1,740,841

## CITY OF MANASSAS, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and Discretely Presented Component Unit  
Year Ended June 20, 2024 (Continued)

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>Department of Agriculture:</b>			
Pass-through Payments:			
Virginia Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	10561-765-10	\$ 880,416
Total SNAP Cluster			\$ 880,416
Virginia Department of Education:			
Pandemic EBT Administrative Costs	10.649	10649-301-10	\$ 6,180
Virginia Department of Agriculture:			
Child Nutrition Cluster:			
National School Lunch Program - Food Distribution Service	10.555	00-571	\$ 288,948
Virginia Department of Education:			
National School Lunch Program	10.555	10555-301-10	2,932,381
Total 10.555			\$ 3,221,329
School Breakfast Program	10.553	10553-301-10	\$ 818,267
Virginia Department of Agriculture:			
Summer Food Service Program for Children - Food Distribution Service	10.559	00-571	3,793
Virginia Department of Education:			
Summer Food Service Program for Children	10.559	10559-301-10	\$ 31,136
Total 10.559			\$ 34,929
Total Child Nutrition Cluster			\$ 4,074,525
Child and Adult Care Food Program	10.558	10558-301-10	\$ 59,187
Total Department of Agriculture			\$ 5,020,308
<b>Department of Education:</b>			
Pass-through Payments:			
Virginia Department of Education:			
Title I Grants to Local Educational Agencies	84.010	84010-197-10	\$ 1,545,195
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	84027-197-10	\$ 1,979,912
Special Education - Preschool Grants	84.173	84173-197-10	46,992
Total Special Education Cluster (IDEA)			\$ 2,026,904
COVID-19 Education Stabilization Fund - Elementary and Secondary Emergency Relief (ARP ESSER) Fund	84.425U	84425-197-10	1,949,262
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	84334-197-10	61,142
English Language Acquisition State Grants	84.365	84365-197-10	379,443
Student Support and Academic Enrichment Program	84.424	84424-197-10	211,414
Career and Technical Education - Basic Grants to States	84.048	84048-197-10	141,627
Supporting Effective Instruction State Grants	84.367	84367-197-10	263,391
Total Department of Education			\$ 6,578,378
Total Expenditures of Federal Awards			\$ 30,791,897

See accompanying notes to the Schedule of Expenditures of Federal Awards.

## CITY OF MANASSAS, VIRGINIA

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

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#### 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, 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, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash

#### 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 minimus 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 - Loan Balances

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

#### Note 4 - Relationship to Financial Statements

Listed below is a reconciliation of federal revenue and the Schedule of Expenditures of Federal Awards:

Federal revenue	\$ 30,849,617
Less:	
Federal funds which are not subject to single audit (rental of building for post office, tower rentals at the airport, and reimbursements from federal agencies)	<u>(57,720)</u>
Total Federal Expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 30,791,897</u>

## CITY OF MANASSAS, VIRGINIA

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

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#### Section I - Summary of Auditors' Results

##### Financial Statements

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

##### Federal Awards

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

Assistance Listing #	Name of Federal Program or Cluster
66.202	Congressionally Mandated Projects - Fitzgerald Way Transmission Main
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
84.425U	COVID-19 Education Stabilization Fund - Elementary and Secondary Emergency Relief (ARP ESSER) Fund
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$923,757
Auditee qualified as low-risk auditee?	Yes

#### Section II - Financial Statement Findings

There are no financial statement findings to report.

#### Section III - Federal Award Findings and Questioned Costs

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

**CITY OF MANASSAS, VIRGINIA**

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

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There were no prior year audit findings.