CITY OF MANASSAS, VIRGINIA

December 14, 2020

FOR THE YEAR ENDED JUNE 30, 2020

PRESENTED BY:
ANDREW P. GROSSNICKLE, CPA, CFE

ROBINSON, FARMER, COX ASSOCIATES
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Engagement Summary

• You engaged us to perform a financial statement audit for the year ended June 30, 2020.

• The audit was subject to:
  • Auditing standards generally accepted in the United States of America
  • The Specifications for Audits of Counties, Cities, and Towns issued by the Auditor of Public Accounts (APA)
  • The standards for financial audits contained in the Government Auditing Standards issued by the Comptroller General
  • The provisions of the Uniform Guidance
Audit and Attestation Results

• We expressed an unmodified opinion the financial statements as of and for the year ended June 30, 2020

• Internal Control over Financial Reporting and on Compliance – No Material Weaknesses or Significant Deficiencies Reported

• Compliance for Each Major Program and on Internal Control over Compliance (Uniform Guidance) – No Material Weaknesses or Significant Deficiencies Reported
Communication Items

• Communication with Those Charged with Governance
• Management letter
The level of unassigned fund balance is an indication of the amount of unexpended and available resources the government has at a given point in time to carryover into the next fiscal year to fund budgetary emergencies, shortfalls, or other unexpected needs.
The level of unassigned fund balance is an indication of the amount of unexpended and available resources the government has at a given point in time to carryover into the next fiscal year to fund budgetary emergencies, shortfalls, or other unexpected needs.
The table above details the governmental activities expenses and program revenues showing the net cost by program/function.
# Governmental and Business-Type Activities Analysis

## Governmental Activities Revenue

<table>
<thead>
<tr>
<th>Types of Revenues</th>
<th>Percentage</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Revenues</td>
<td>11.5%</td>
<td>$18,241,685</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>57.8%</td>
<td>$91,905,721</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>15.1%</td>
<td>$23,945,251</td>
</tr>
<tr>
<td>Unrestricted Grants</td>
<td>7.2%</td>
<td>$11,408,455</td>
</tr>
<tr>
<td>Other</td>
<td>8.4%</td>
<td>$13,347,308</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>$158,848,420</strong></td>
</tr>
</tbody>
</table>
Governmental and Business-Type Activities Analysis

Business-type Activities Expenses and Revenue

<table>
<thead>
<tr>
<th>Type</th>
<th>Expenses (in $)</th>
<th>Program Revenues (in $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric</td>
<td>38,159,210</td>
<td>40,548,844</td>
</tr>
<tr>
<td>Water</td>
<td>8,836,130</td>
<td>12,907,050</td>
</tr>
<tr>
<td>Sewer</td>
<td>14,331,358</td>
<td>22,338,710</td>
</tr>
<tr>
<td>Airport</td>
<td>4,154,611</td>
<td>5,352,117</td>
</tr>
<tr>
<td>Stormwater</td>
<td>1,552,999</td>
<td>1,863,404</td>
</tr>
<tr>
<td>Other Nonmajor Funds</td>
<td>3,201,691</td>
<td>3,590,022</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$70,235,999</strong></td>
<td><strong>$86,600,147</strong></td>
</tr>
</tbody>
</table>

![Bar chart showing expenses and program revenues for different types of activities.]
Sales tax, meals tax and other local tax growth is a measure of the state of the local economy by comparing revenue collected in the prior year to the current year.
What are the sources of the City school’s intergovernmental support?

MCPS Intergovernmental Support

2017 2018 2019 2020

Federal and State  Local

$5,000,000  $20,000,000  $35,000,000  $50,000,000  $65,000,000
Net position includes all assets of the City except for fiduciary funds held for the benefit of others and component units. It is measured as the difference between total assets, including capital assets, deferred outflows of resources, total liabilities, including long-term debt and deferred inflows of resources.

For 2020, total net position increased by $40.9 million or 9.2% from the prior year. This increase is primarily a result of an increase in property tax revenue, increases in other local taxes and increases in operating and capital grants and contributions.
The assets to liabilities ratio measures the extent to which the government has funded its assets with debt and other liabilities. The higher the percentage, the more equity the government has in its assets.
The capital asset condition ratio compares depreciable capital asset cost to accumulated depreciation to determine the overall percentage of useful life remaining. A low percentage could indicate an upcoming need to replace a significant amount of capital assets. The increase in the purchase capacity in the business-type activities in 2020 was due to the purchase of additional capacity in the fiscal year.
Contact

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