

City of Manassas, Virginia  
Auditor's Presentation  
Fiscal Year Ended June 30, 2019



# Introduction

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# Comprehensive Annual Financial Report (CAFR)

- ❖ Above and beyond financial statements.
- ❖ Includes Letter of Transmittal and Statistical Section
- ❖ The City files the CAFR with the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting.
- ❖ The City received the Certificate for fiscal year 2018.

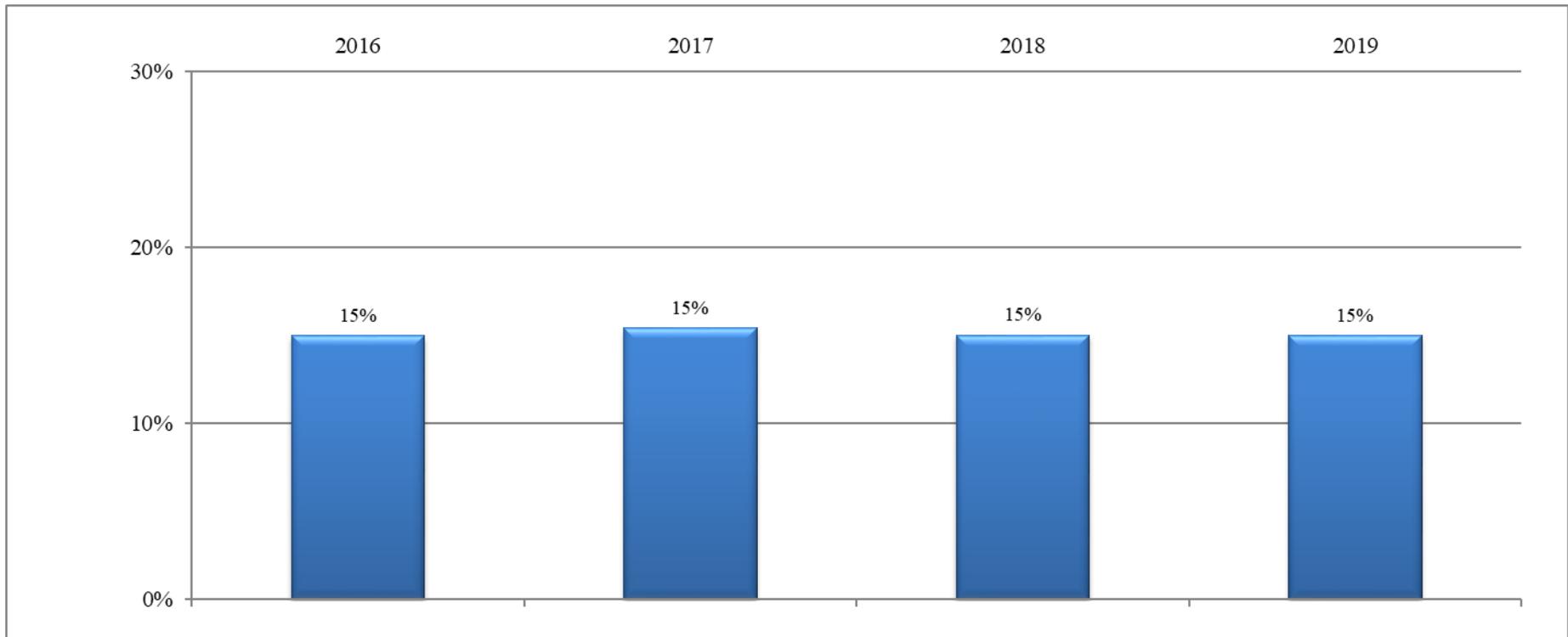
# Auditor's Report

- ❖ An unmodified (clean) opinion.
- ❖ This indicates reasonable, but not absolute, assurance that the financial statements are materially correct.

# Level of Budgetary Fund Balance

How does our budgetary carryover position look?

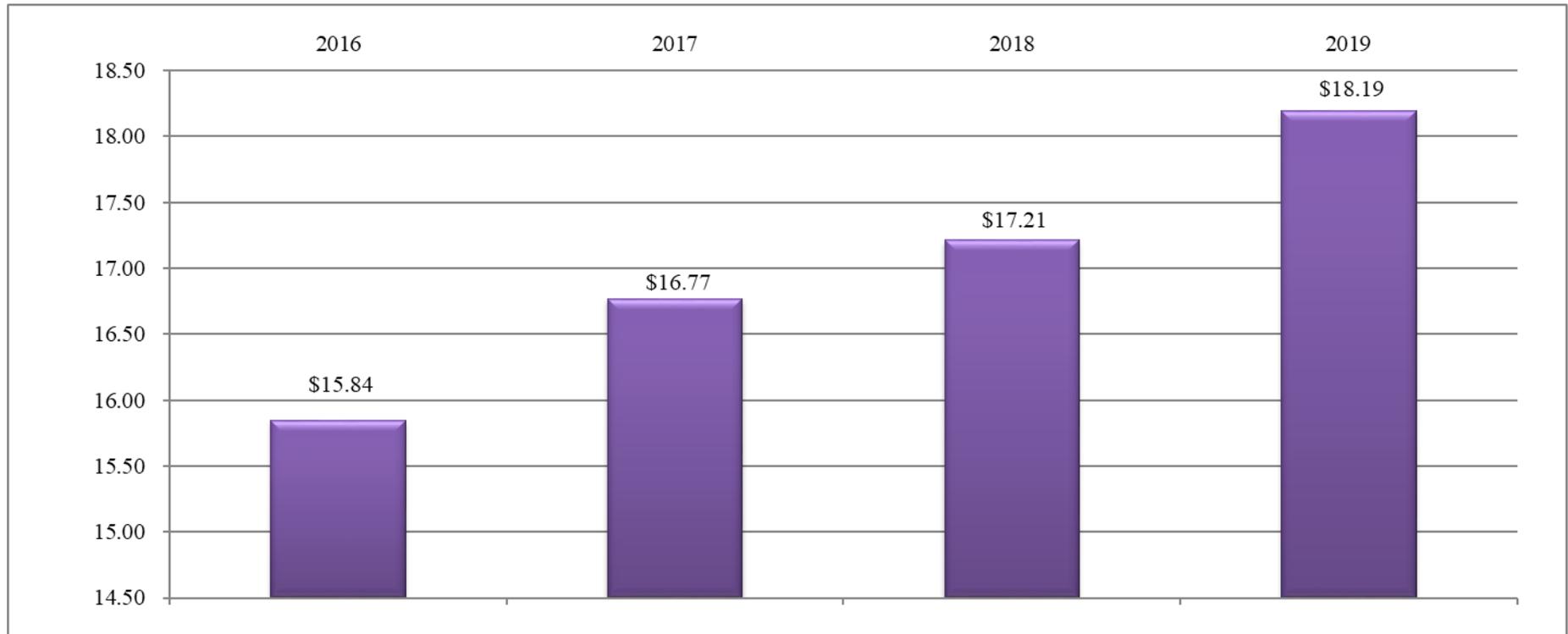
General Fund Budgetary Unassigned Fund Balance as a Percentage of Annual Revenues



# Level of Budgetary Fund Balance

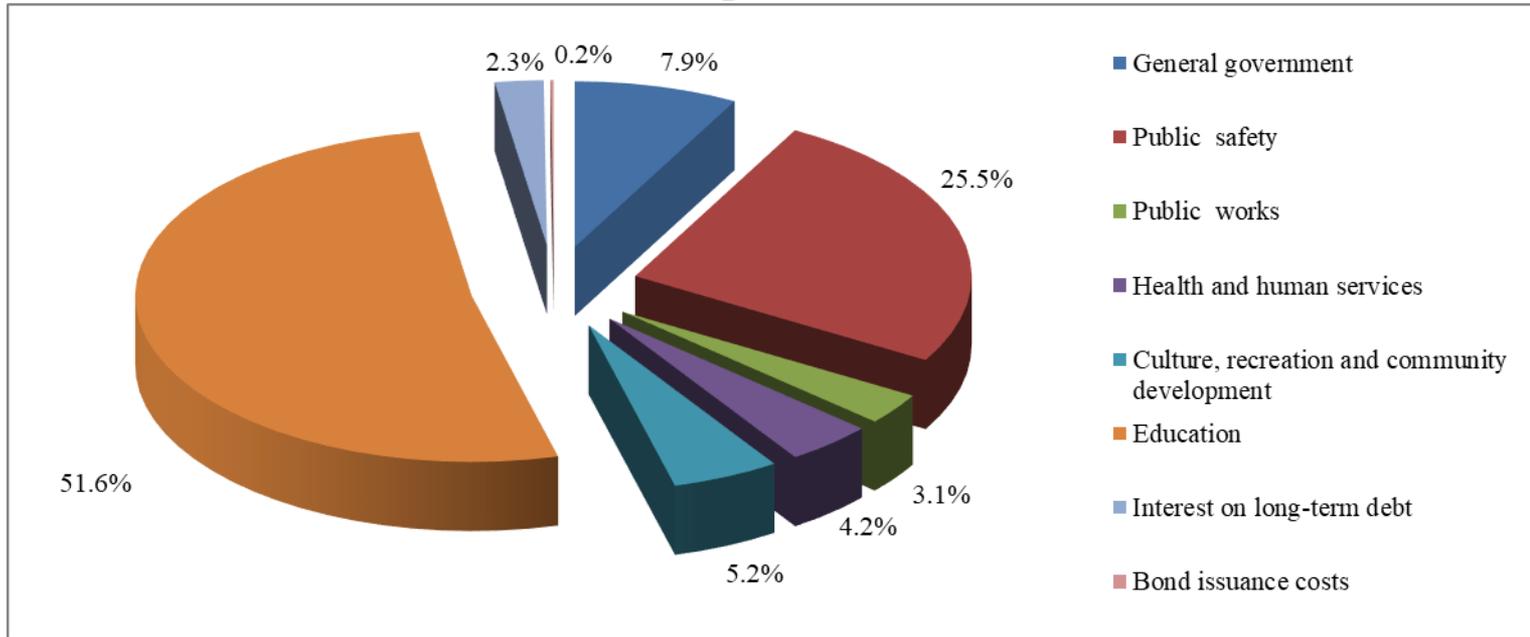
How does our budgetary carryover position look?

Balance of Unassigned Fund Balance - General Fund (in millions)



The level of budgetary 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.

# Net Program Costs

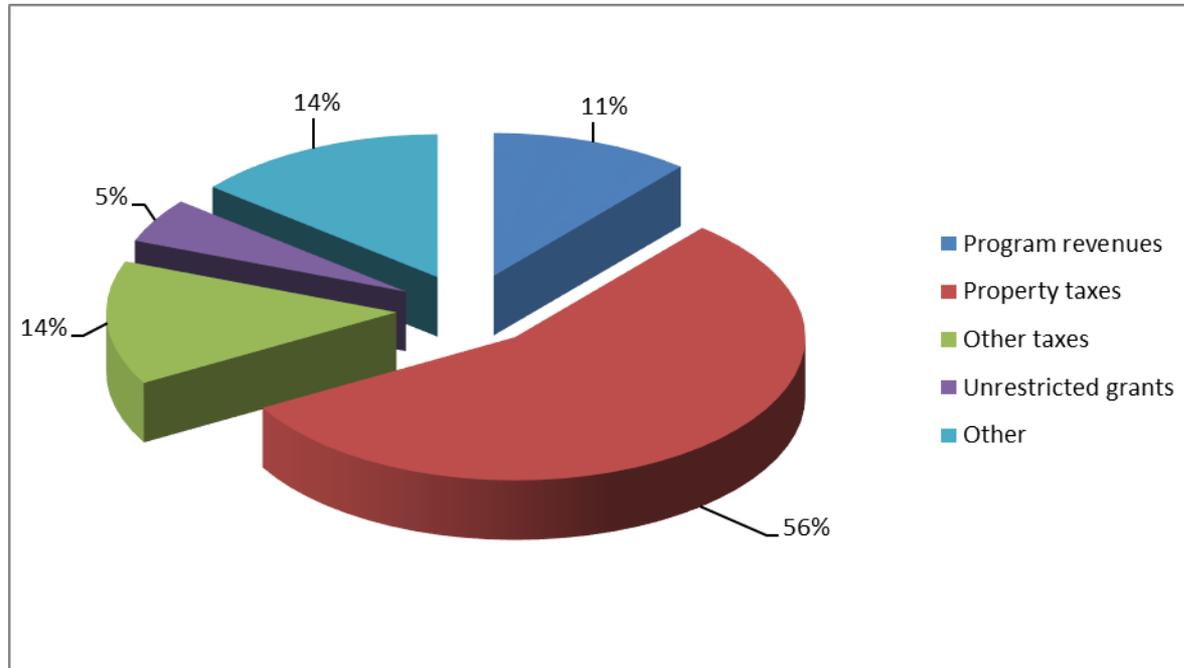


		Net Program Cost FY 2019	
General government	7.9%	\$	9,005,344
Public safety	25.5%		28,815,890
Public works	3.1%		3,462,101
Health and human services	4.2%		4,726,333
Culture, recreation and community developmen	5.2%		5,828,589
Education	51.6%		58,212,570
Interest on long-term debt	2.3%		2,637,240
Bond issuance costs	0.2%		181,966
<b>Total</b>	<b>100%</b>	<b>\$</b>	<b>112,870,033</b>

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

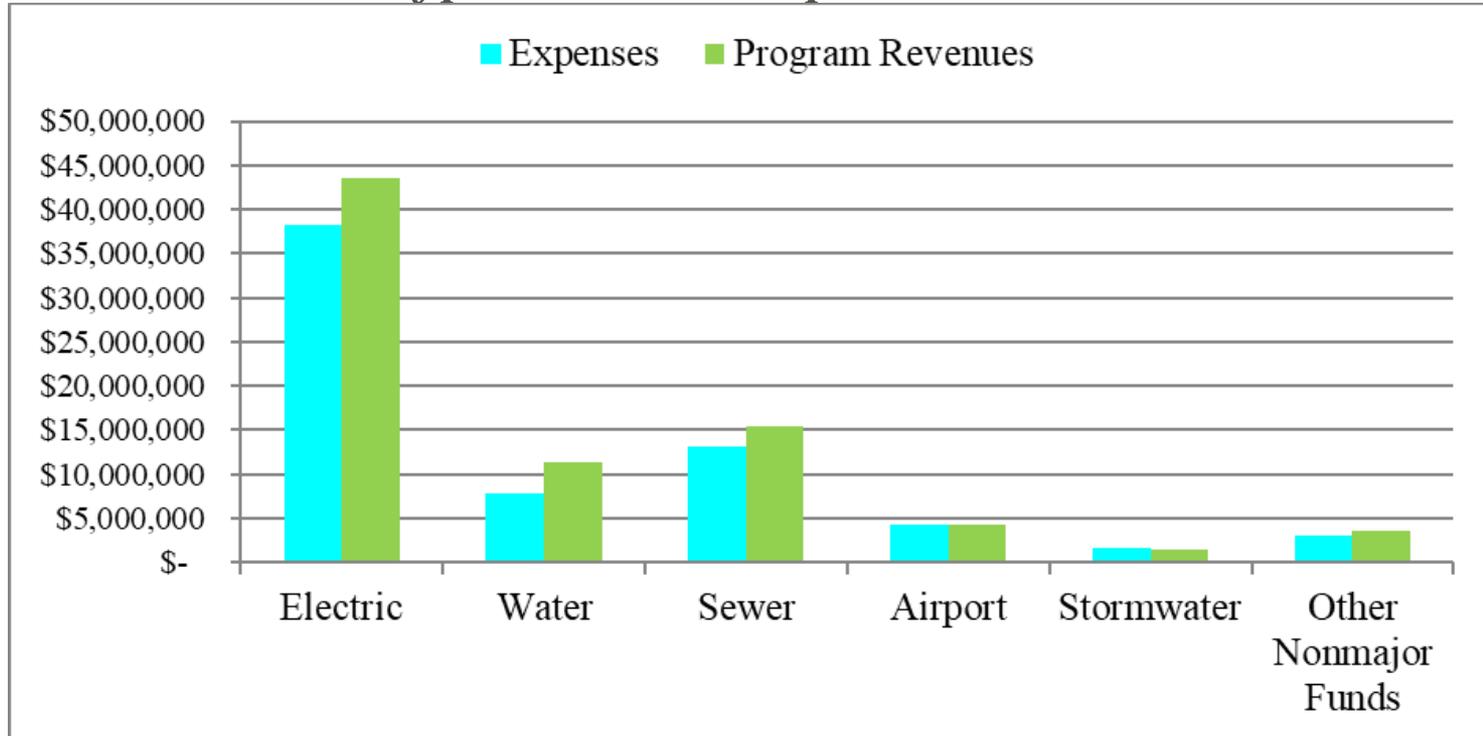


### Type of Revenues

Program revenues	11%	\$	17,278,110
Property taxes	56%		86,061,837
Other taxes	14%		21,691,373
Unrestricted grants	5%		7,837,841
Other	14%		21,870,369
Total revenues		\$	<u>154,739,530</u>

# Governmental and Business-Type Activities Analysis

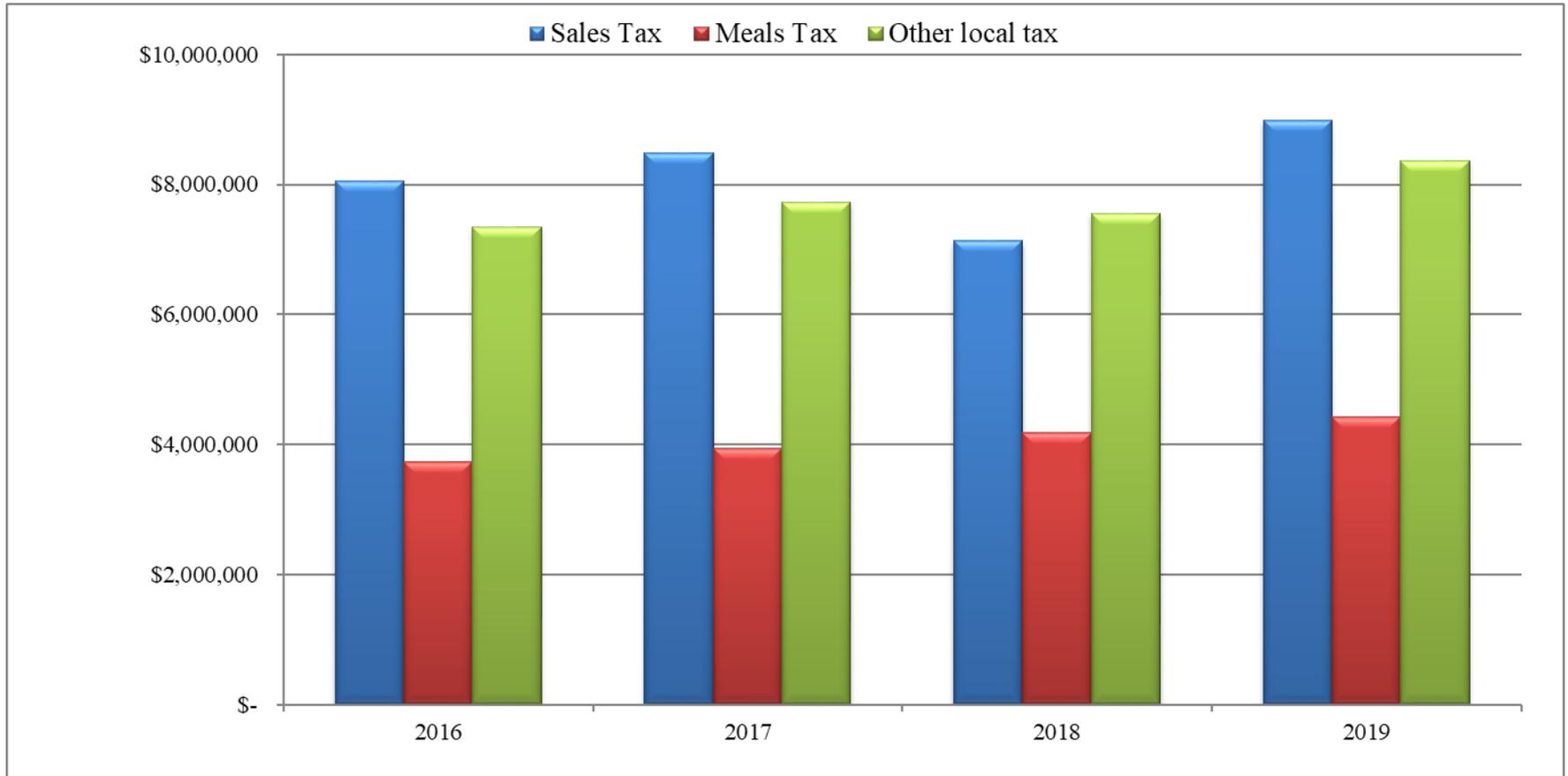
## Business-type Activities Expenses and Revenue



	<u>Expenses</u>	<u>Program Revenues</u>
Electric	\$ 38,196,702	\$ 43,560,183
Water	7,800,929	11,338,935
Sewer	13,125,506	15,516,785
Airport	4,240,422	4,273,682
Stormwater	1,603,506	1,421,254
Other Nonmajor Funds	3,072,480	3,545,109
<b>Total</b>	<b>\$ 68,039,545</b>	<b>\$ 79,655,948</b>

# Sales Tax, Meals Tax, Other Local Tax Growth

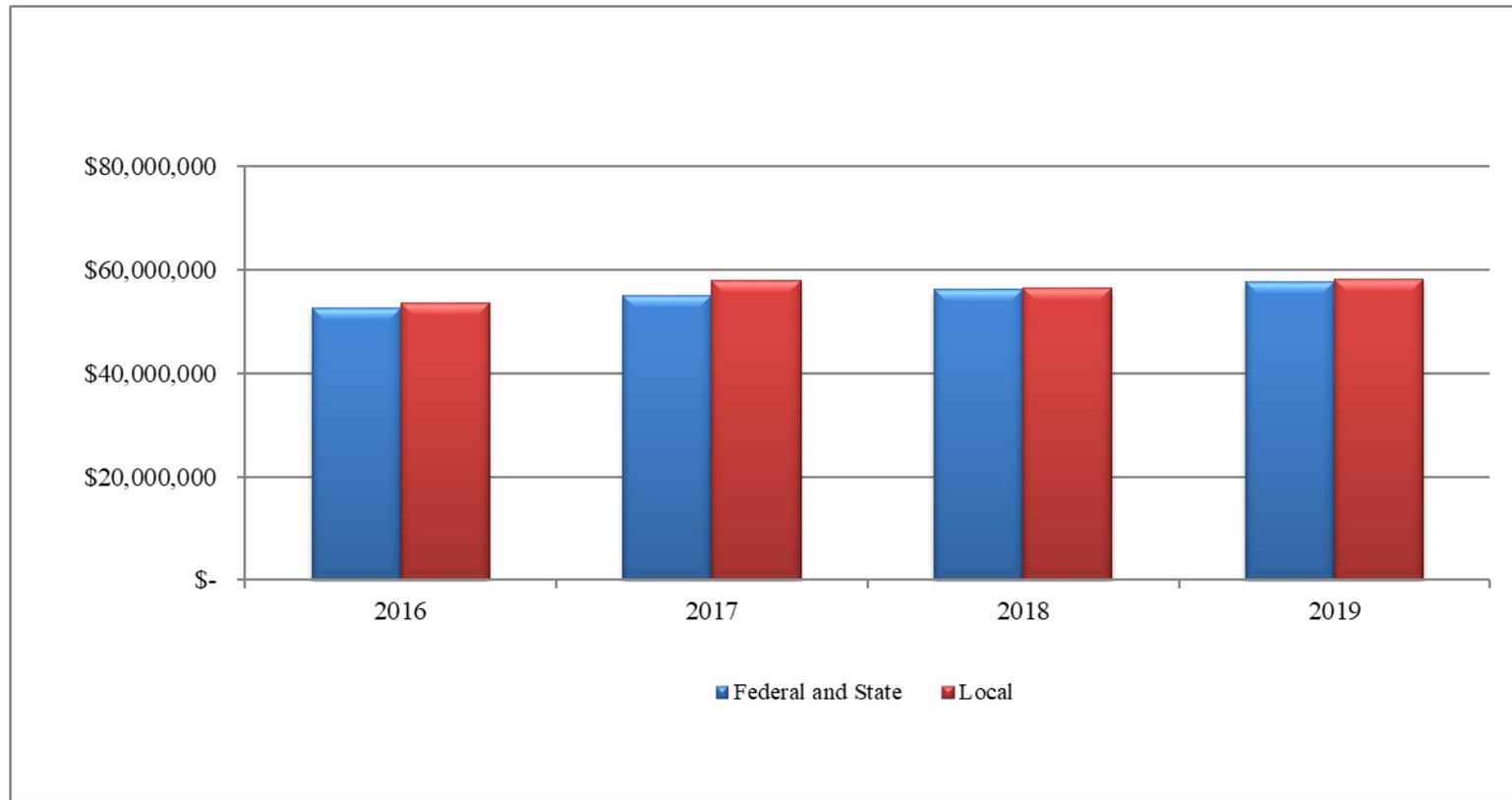
## What is the state of our local economy?



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.

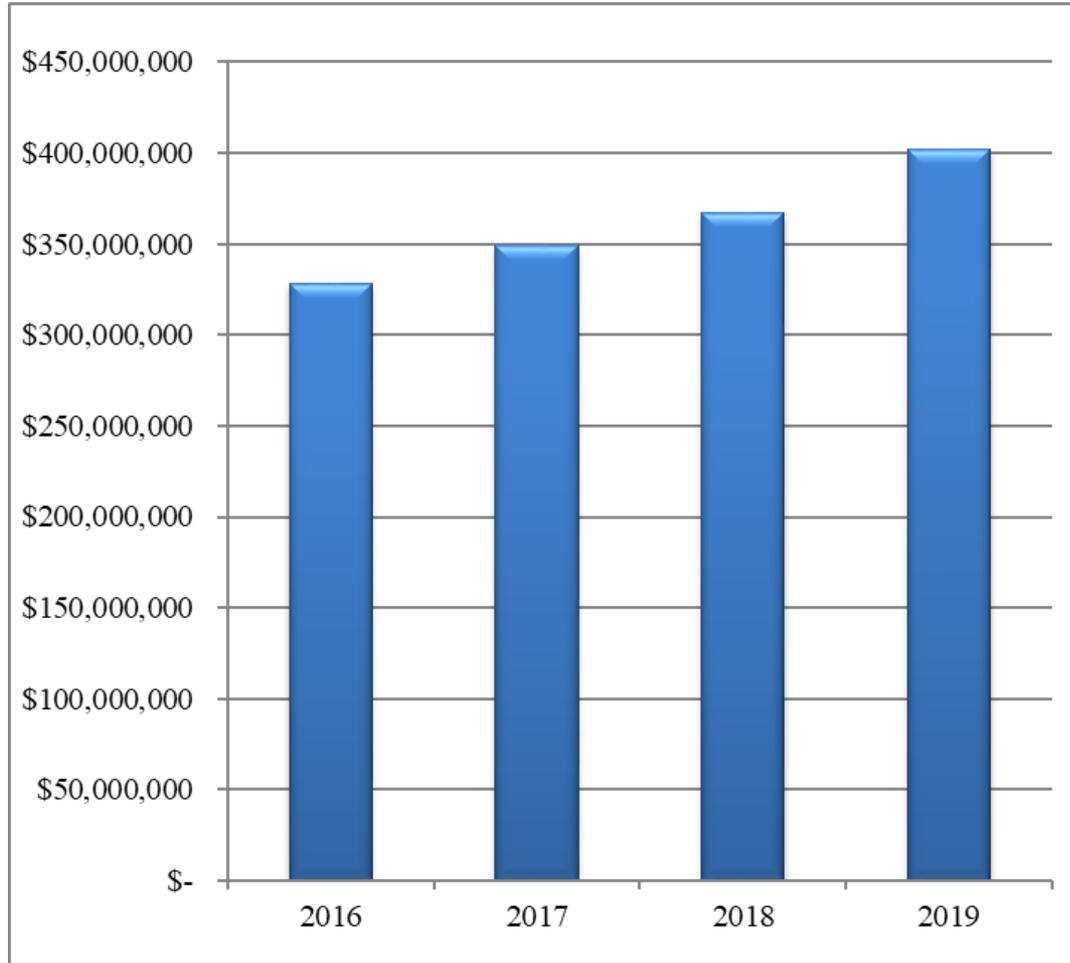
# MCPS Intergovernmental Support

What are the sources of our school's intergovernmental support?



# Change in Net Position

Did our overall financial condition improve, decline, or remain steady?



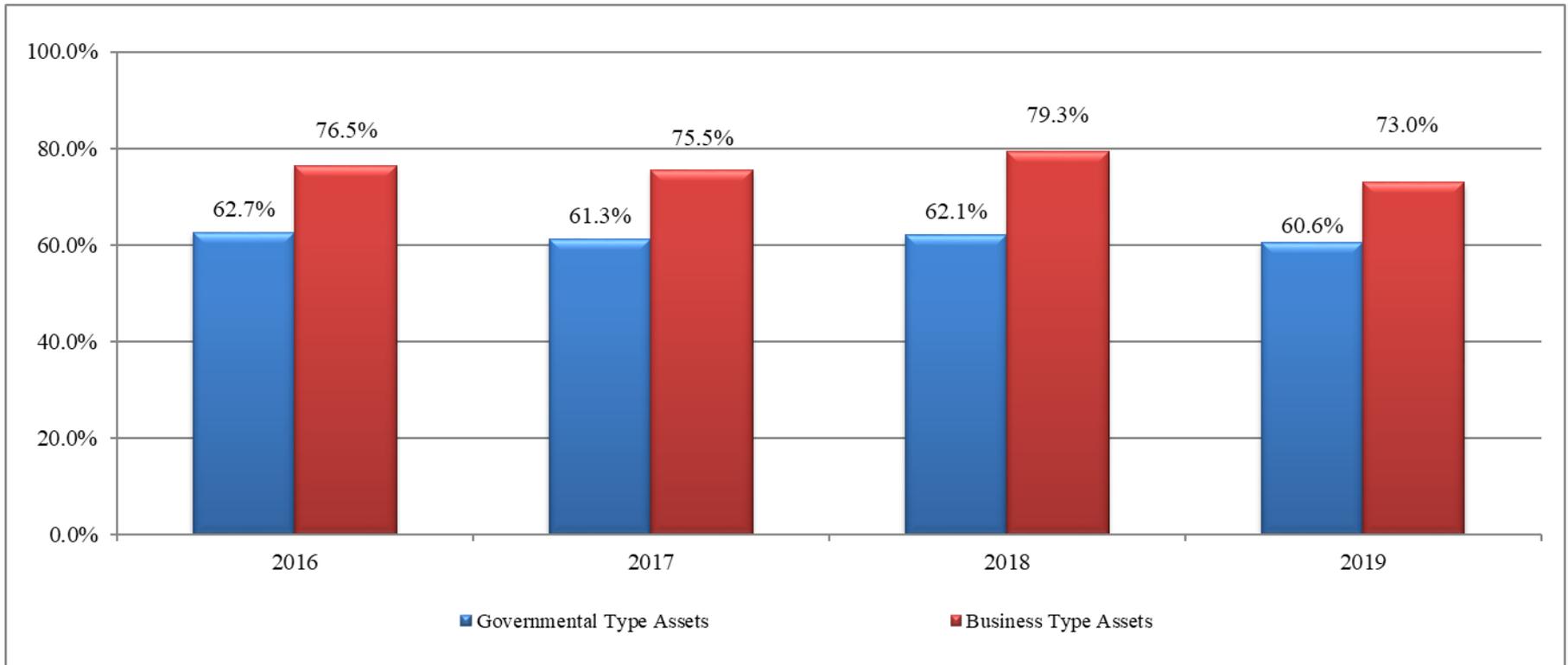
Net position includes all assets of the City, except for fiduciary funds held for the benefit of others and component units. It is measured as the difference between total assets, including capital assets, deferred outflows of resources, total liabilities, including long-term debt and deferred inflows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

For 2019, total net position increased by \$34.2 million or 9.8% 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 other revenue including capital grants and the sale of land.

# Assets to Liabilities

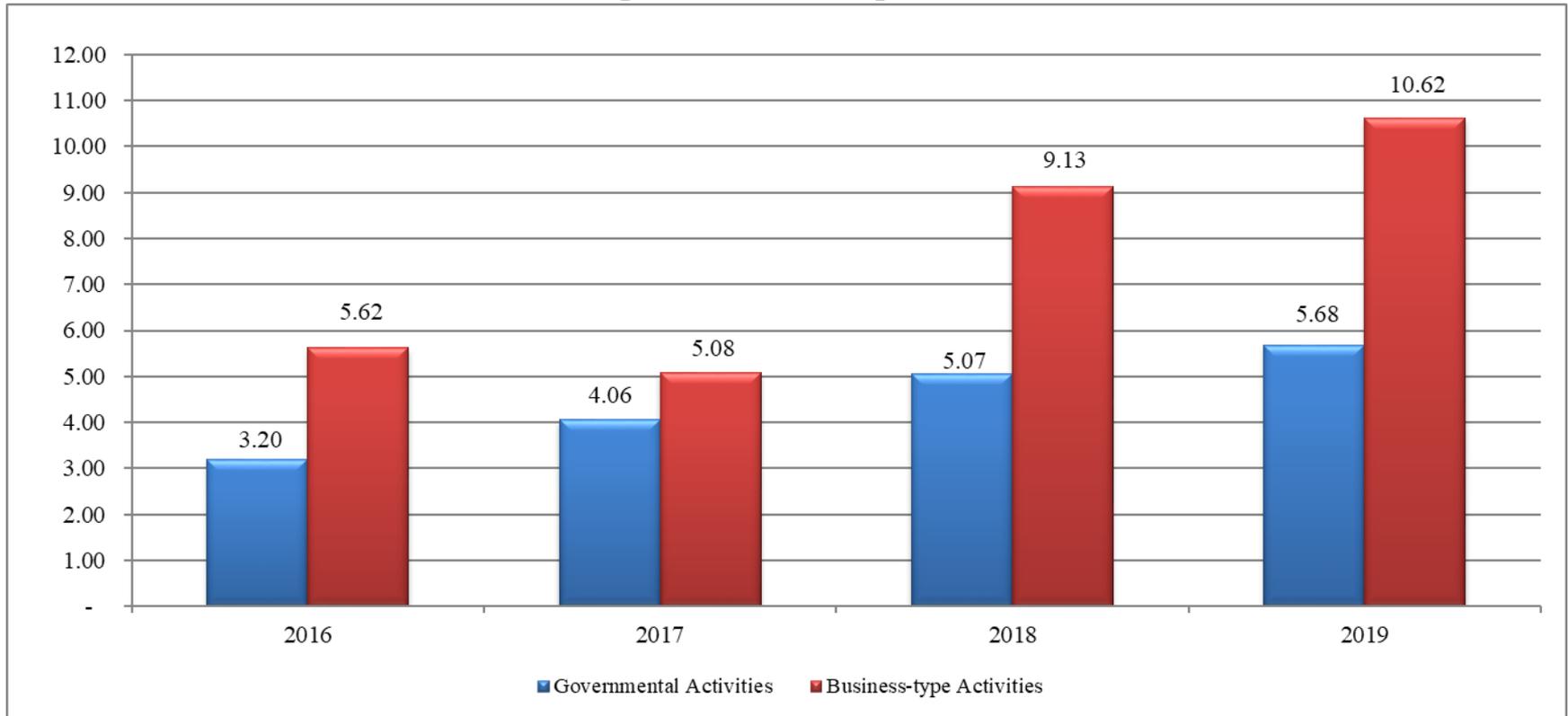
Who really owns the Government?

## Percentages of Equity



# Quick Ratio

How do our quickly convertible assets compare to our current obligations?  
Governmental Activities and Business-type Activities  
Cash and Cash Equivalents Compared to Current Liabilities

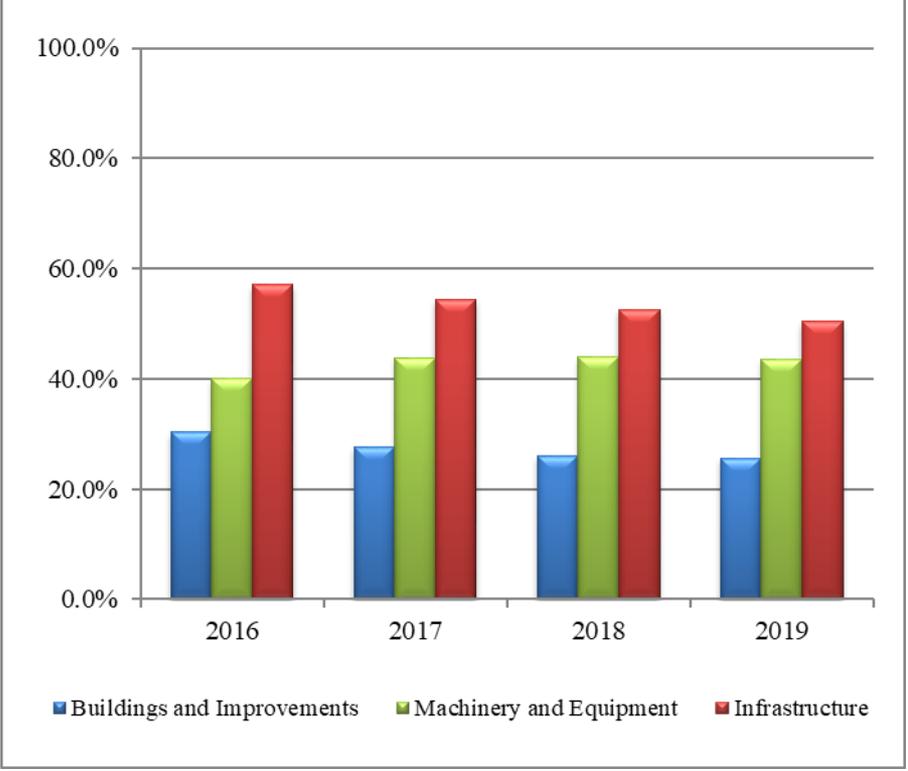


The quick ratio is one way to measure the government's ability to pay its short-term obligations. The quick ratio compares total current assets, less any inventory and other assets which are not currently convertible to cash, to current liabilities. A quick ratio of 1 to 1 or higher indicates good current liquidity and an ability to meet the short-term obligations. The increase in business-type activities in 2018 was due to UOSA obligations which were paid in 2018 and were reflected as a liability at the end of 2017.

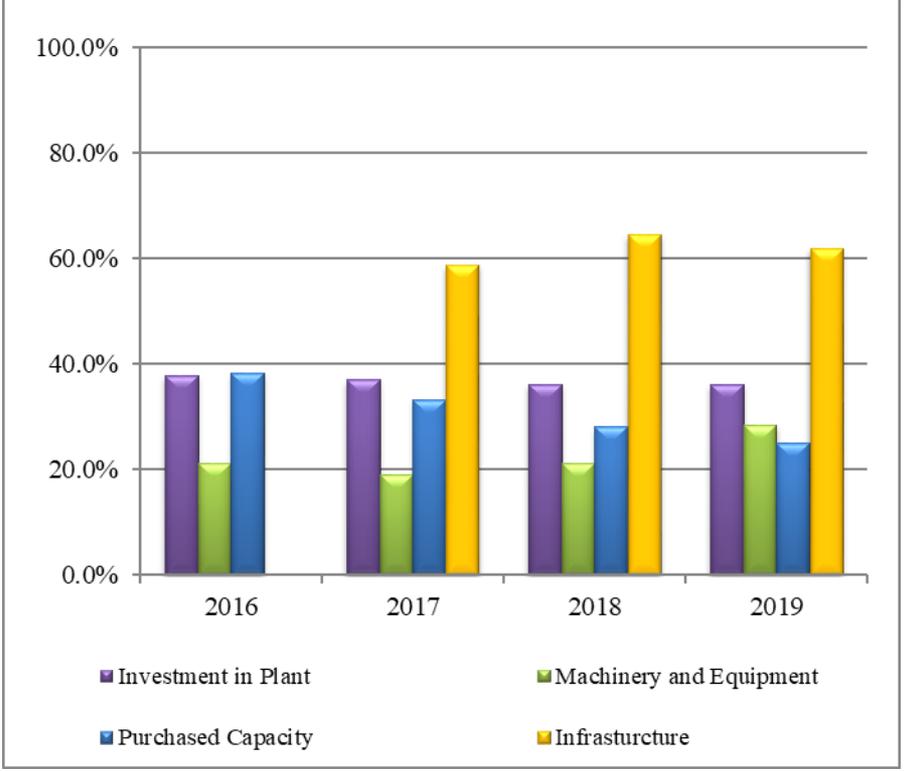
# Capital Asset Condition-Primary Government

How much useful life do we have left in our capital assets?

Percentage of Capital Assets' Useful Life Remaining – Governmental Activities



Percentage of Capital Assets' Useful Life Remaining – Business-type Activities



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 decrease in buildings and improvements in the business-type activities was due to the transfer of assets from closed enterprise funds to governmental activities. The increase in infrastructure in the business-type activities in 2017 was due to the transfer of assets from governmental activities to the stormwater fund.

Questions?

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# Brown Edwards

## *The Right Firm*

- ❖ Personal, timely, and quality service at a competitive price
- ❖ Local governments is a core focus of our Firm
- ❖ Efficient and effective audit process
- ❖ Value-added service
  - ❖ Comprehensive management letter/financial highlights
  - ❖ Government seminar

