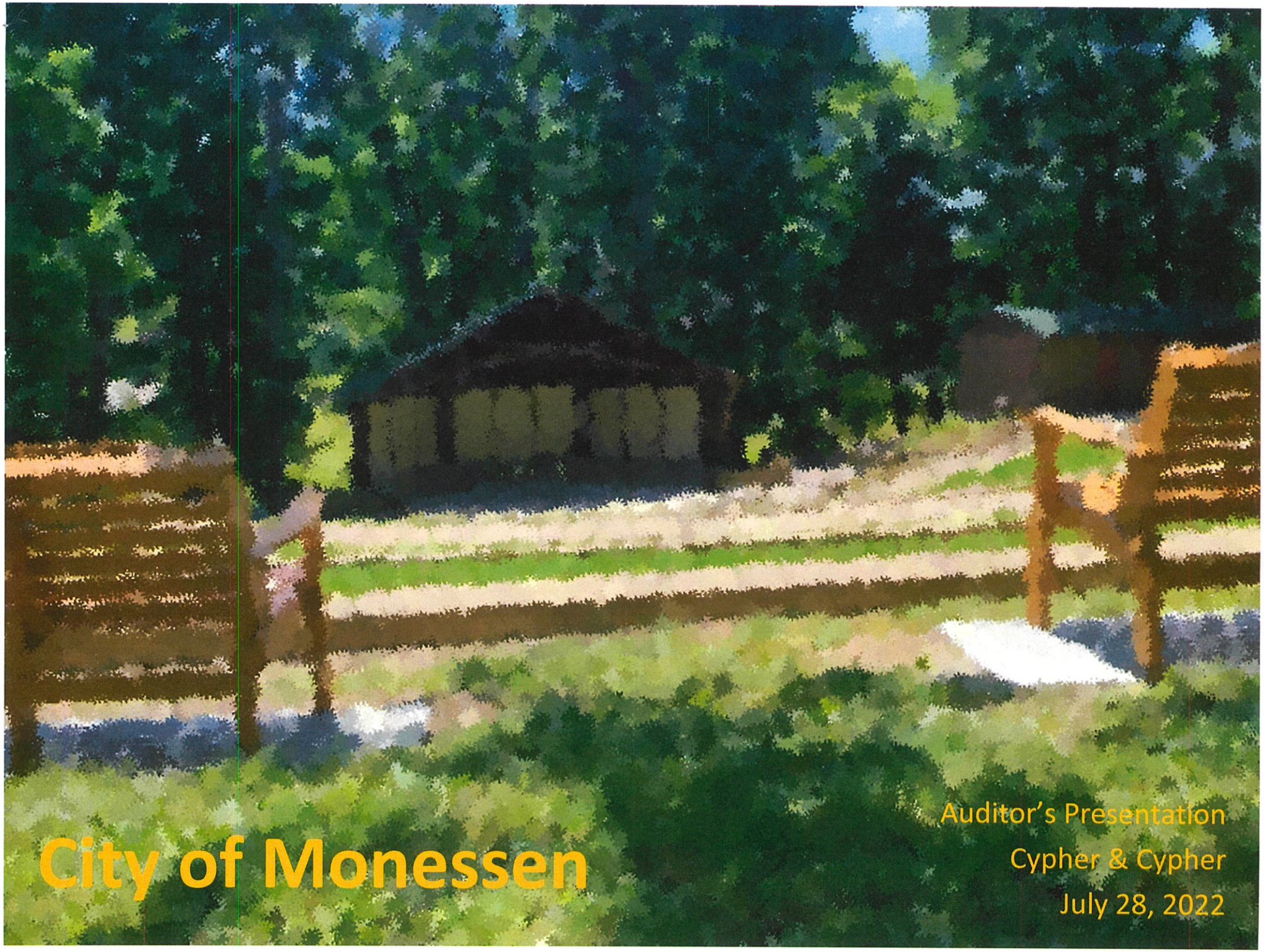


City of Monessen

Auditor's Presentation

Cypher & Cypher

July 28, 2022

City of Monessen

Auditor's Report

- Audit covered the Financial Statements for the year ended December 31, 2021
- The financial statements are the responsibility of City management.
- We conducted the audit in accordance with U.S. auditing standards.
- The auditor's opinion is unmodified.
- Communication of Material Weaknesses

City of Monessen

Communication of Material Weaknesses resulting in noncompliance with the 3rd Class City Code

- **Financial and Compliance Finding 2021-001**

- Details City Administration's failure to implement and have in place proper internal controls, and to adhere to the 3rd City Code resulting in a compliance failure with the Code.
  - City Administration acted singularly, and at times, cohesively to borrow funds and execute transfers without approval of Council.

- **Financial and Compliance Finding 2021-002**

- Details $209,000 of unapproved borrowings during 2021 from the Line Usage Fund by the General Fund without approval of Council.

City of Monessen

Fund Level Statements – Pages 3 to 12

- Focus is on Major Funds
- Major Funds are
  - General Fund
  - Line Usage Fund
  - Capital Projects Fund
- Focus is on the short term.
  - What Happened This Year with the General Fund and the Budget.
  - What Happened This Year with Other Funds.

City of Monessen

Fund Level Statements

- General Fund
  - Total Revenues and financing sources of $4,358,776
  - Total Expenses and financing uses of $4,777,421
  - Net Change in Fund Balance of $(418,645)

- General Fund - Fund Balance is $(875,551)
- Non-spendable fund balance totals $14,239
- Unassigned fund balance totals $(889,790)

- Line Usage Fund
  - Total Revenues and financing sources of $1,047,368.
  - Total Expenses and financing uses of $750,140.
  - Net Change in Fund Balance of $297,228

- Line Usage Fund - Fund Balance is $531,374 – all assigned for Sewer Repair and Maintenance

City of Monessen

Fund Level Statements

- Capital Projects Fund
  - Total Revenues and financing sources of $1,480
  - Total Expenses and financing uses of $-0-
  - Net Change in Fund Balance of $1,480

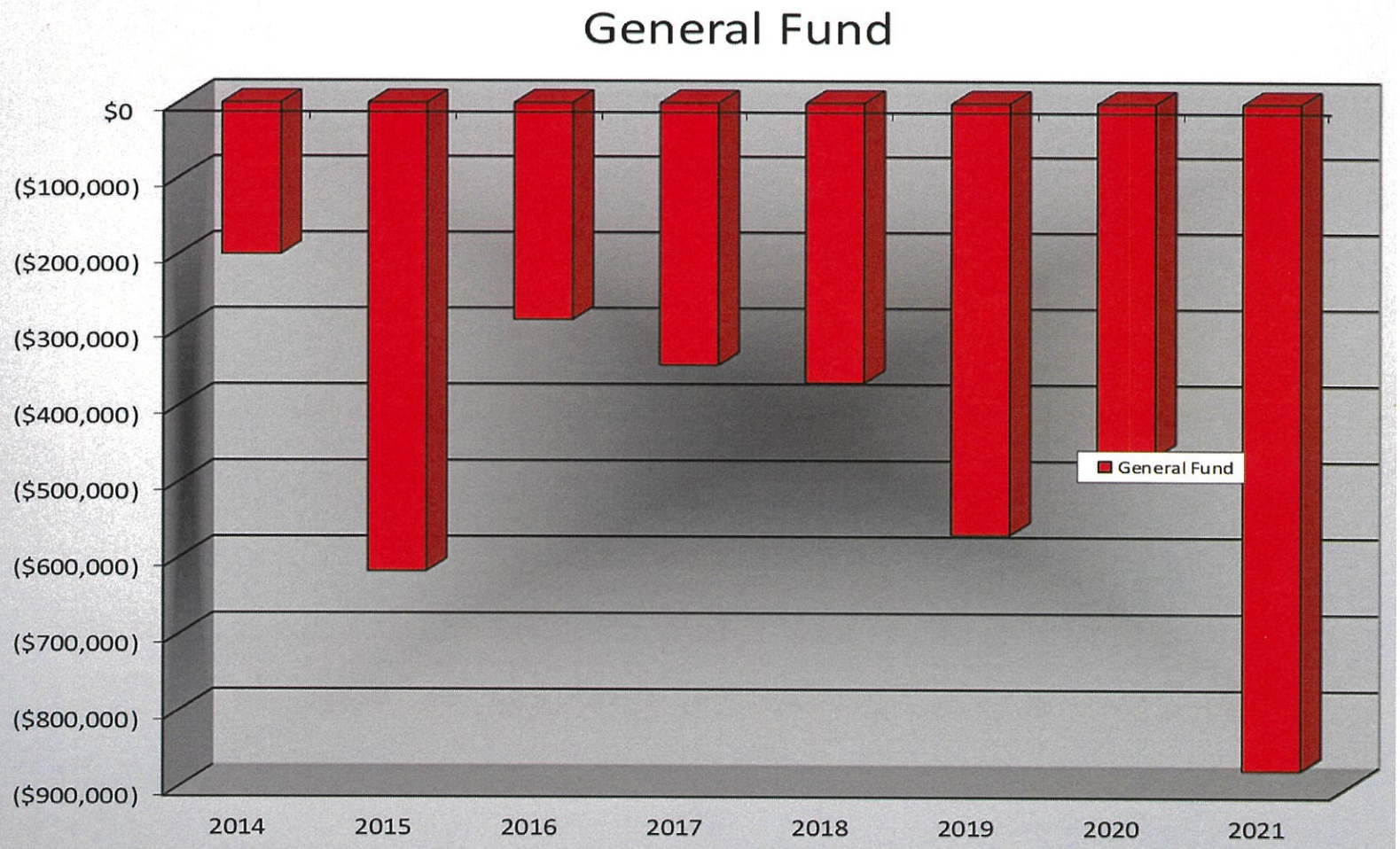
- Capital Projects Fund - Fund Balance is $60,431

- Non-Major Funds
  - Total Revenues and financing sources of $1,626,015.
  - Total Expenses and financing uses of $1,760,260.
  - Net Change in Fund Balance of $(134,245)

- Fund Balances - $88,863 – various assignments

City of Monessen

History of Fund Balance – General Fund only



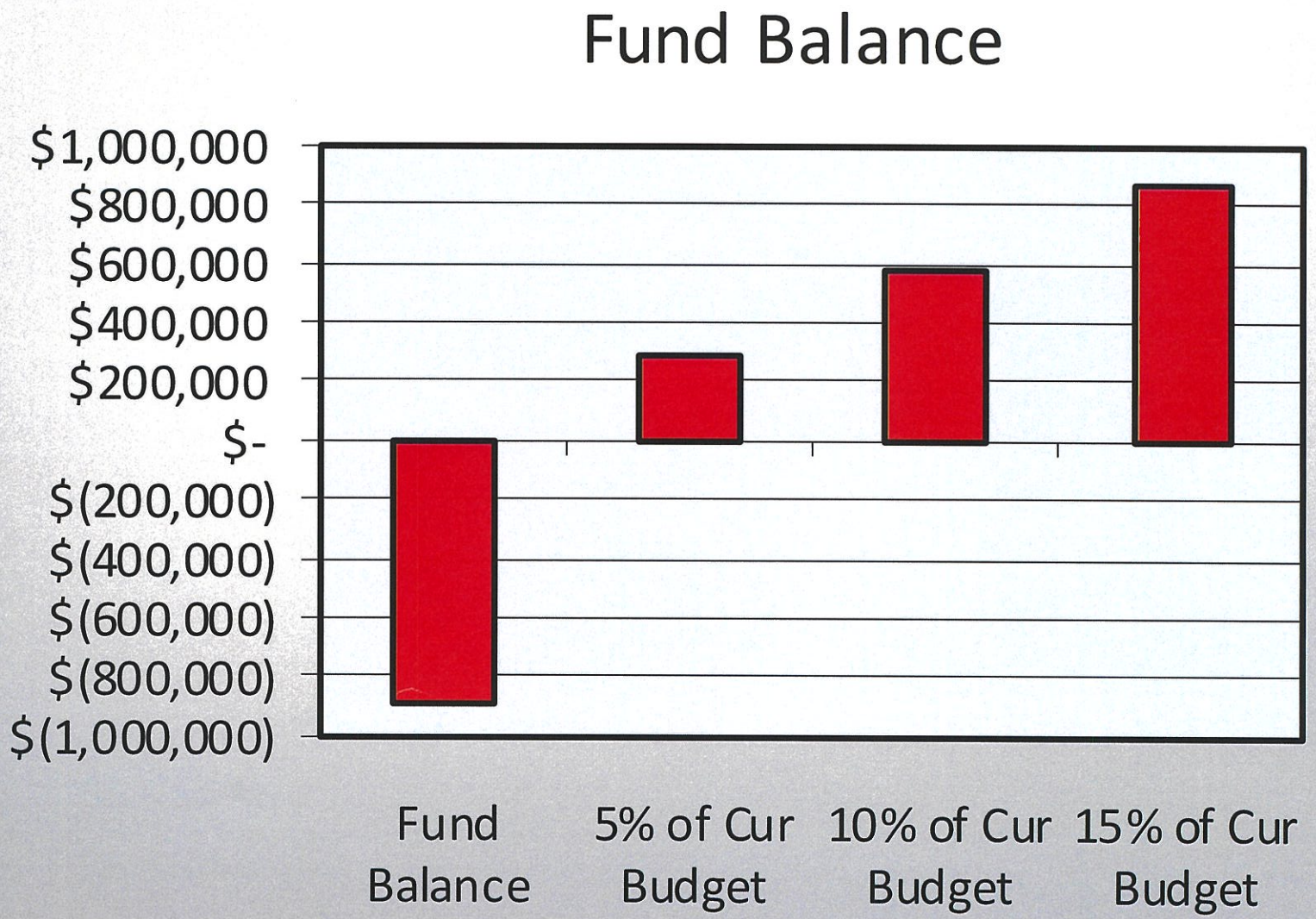
City of Monessen

Why is a Fund Balance Important?

- A fund balance is your working capital.
- A fund balance is your contingency fund.
- A fund balance gives the Mayor and Council the ability to plan for tomorrow.

City of Monessen

Recommended General Fund – Fund Balance



City of Monessen

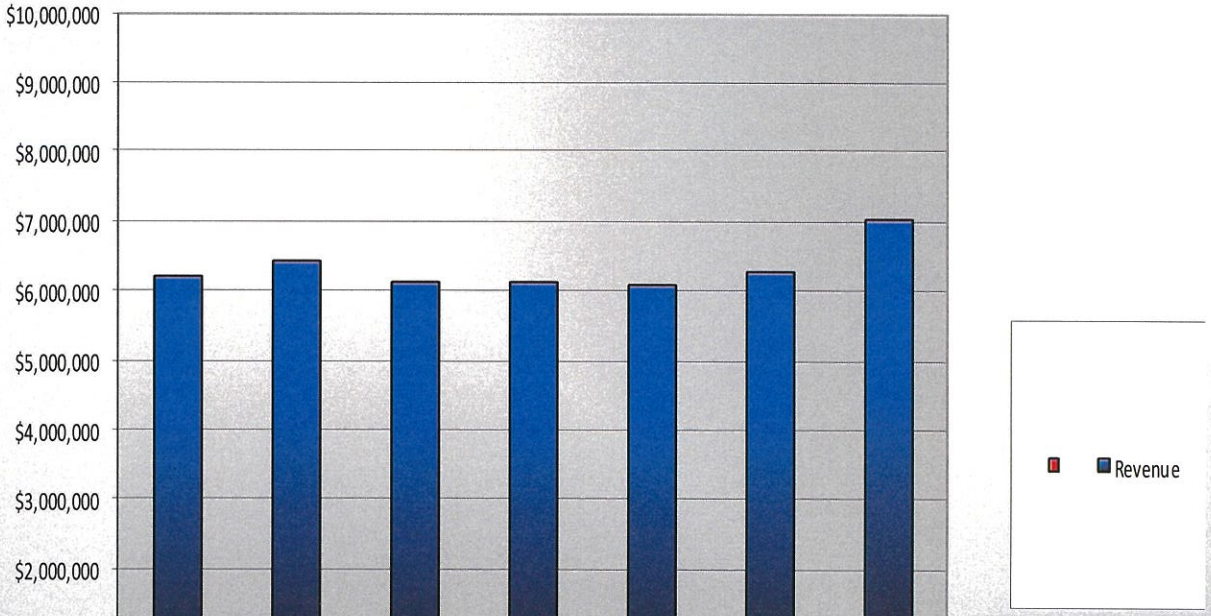
Fund Level Statements – Budgetary Performance

- General Fund actual revenues were $(362,436) under budgeted revenues.
  - Largest variances noted in real estate taxes and intergovernmental revenues

- General Fund actual expenditures were $93,779 over budgeted expenditures.
  - Largest over budget variances were in general government, public safety, and health and sanitation.
  - Largest under budget variances were in highways, community development and debt service.

City of Monessen

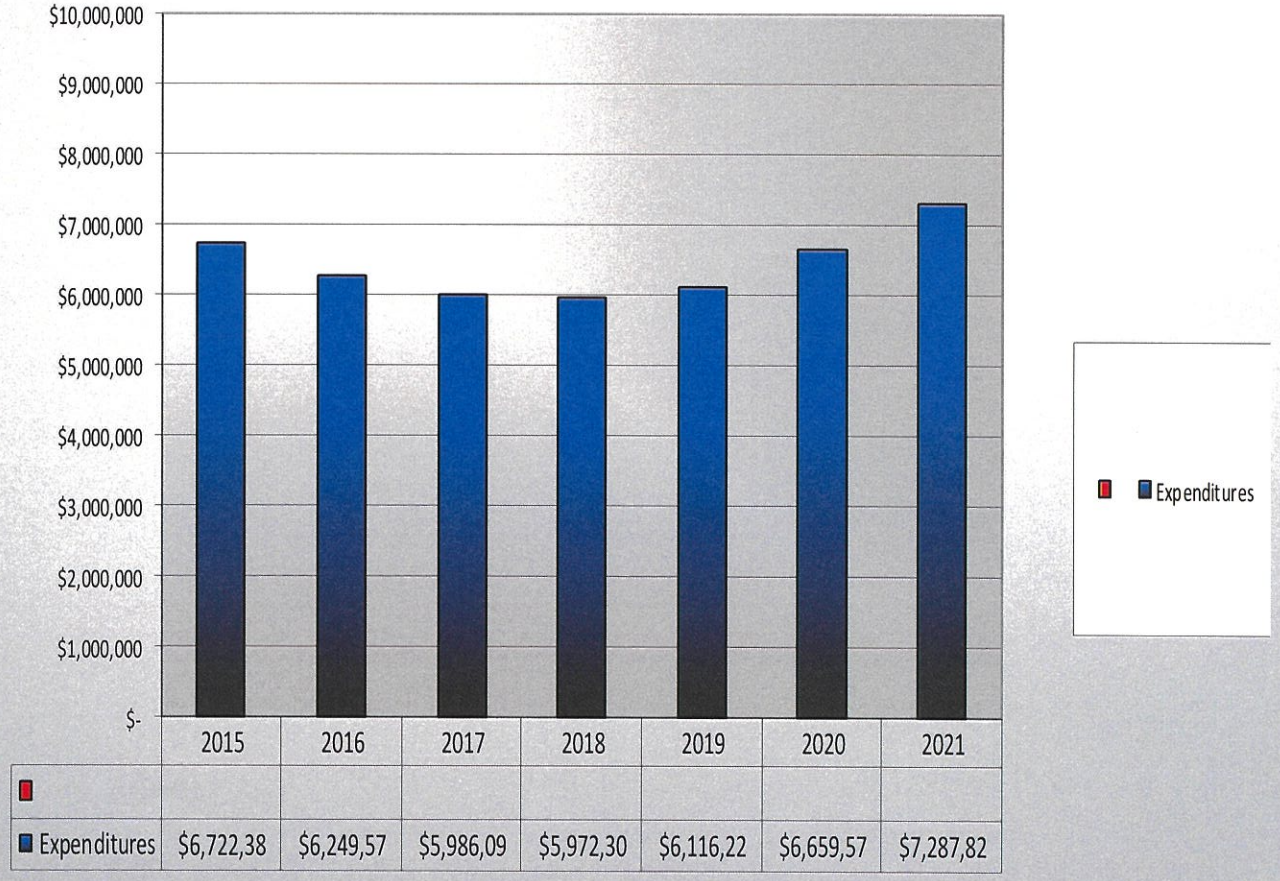
Overall City Revenue History



	2015	2016	2017	2018	2019	2020	2021
Revenue	$6,197,60	$6,417,46	$6,113,29	$6,127,57	$6,094,24	$6,258,29	$7,033,63

City of Monessen

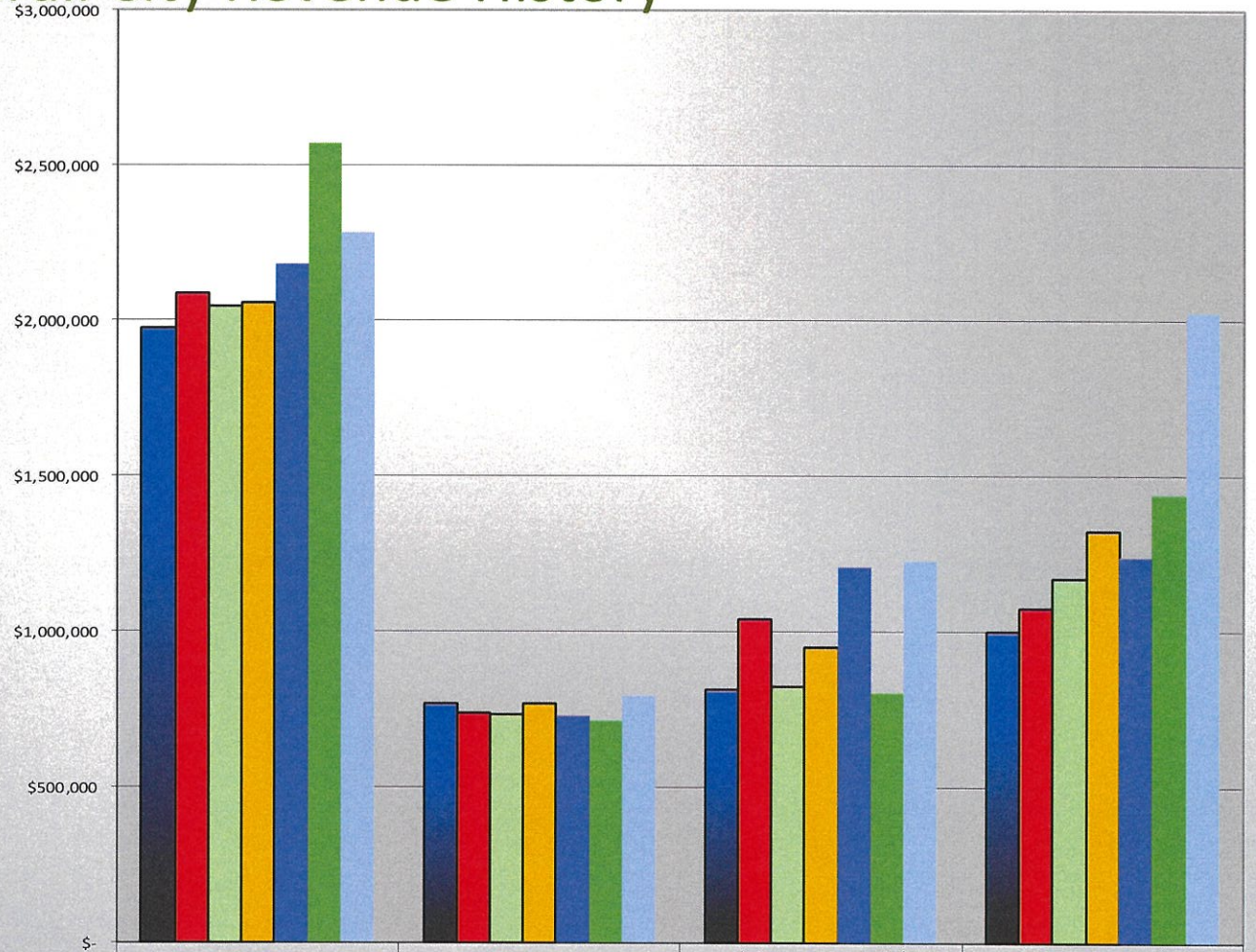
Overall City Expenditure History



	2015	2016	2017	2018	2019	2020	2021
Expenditures	$6,722,38	$6,249,57	$5,986,09	$5,972,30	$6,116,22	$6,659,57	$7,287,82

City of Monessen

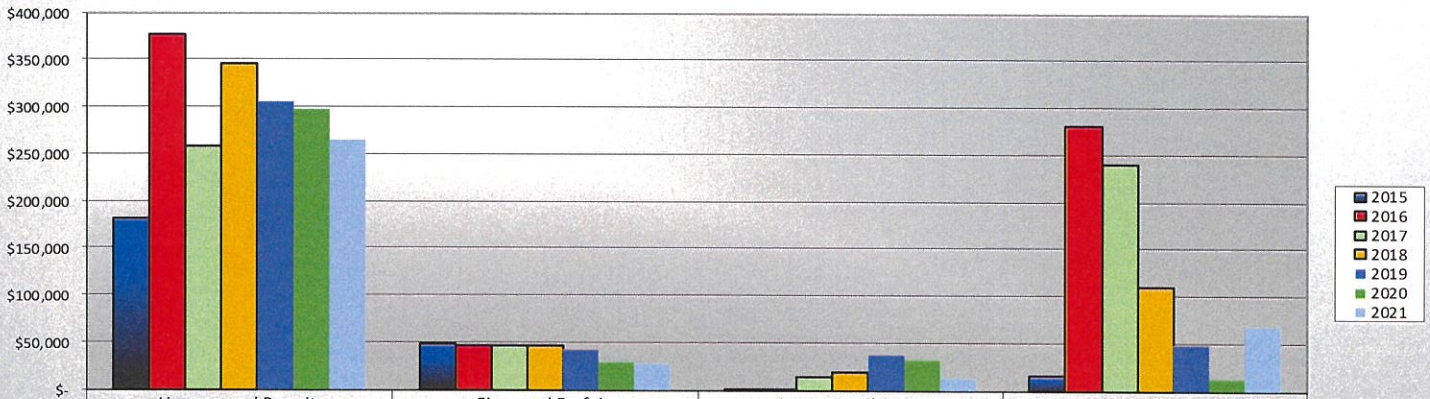
Overall City Revenue History



	Real Estate Taxes	Local Enabling Taxes	Intergovernmental Revenues	Departmental Earnings
2015	$1,976,157	$769,048	$811,387	$998,111
2016	$2,083,979	$737,792	$1,039,082	$1,077,005
2017	$2,043,451	$731,143	$824,236	$1,172,516
2018	$2,054,929	$768,113	$946,994	$1,321,856
2019	$2,183,028	$729,527	$1,208,018	$1,238,820
2020	$2,574,620	$713,402	$806,507	$1,442,620
2021	$2,284,208	$793,971	$1,230,961	$2,025,585

City of Monessen

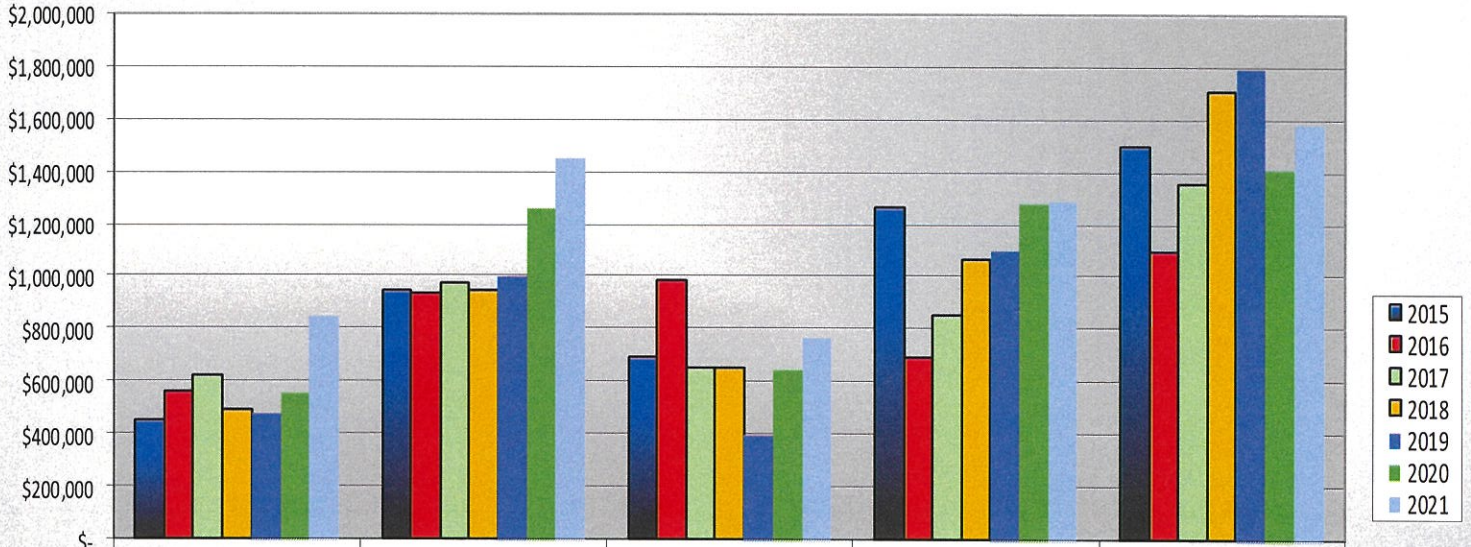
Overall City Revenue History



	Licenses and Permits	Fines and Forfeits	Interest and Rents	Miscellaneous
2015	$181,494	$48,713	$415	$15,886
2016	$376,213	$46,709	$431	$281,411
2017	$258,089	$47,209	$13,966	$240,271
2018	$346,042	$46,797	$19,602	$109,708
2019	$306,524	$42,490	$37,452	$49,308
2020	$297,389	$29,795	$33,299	$13,378
2021	$265,612	$27,414	$13,019	$68,028

City of Monessen

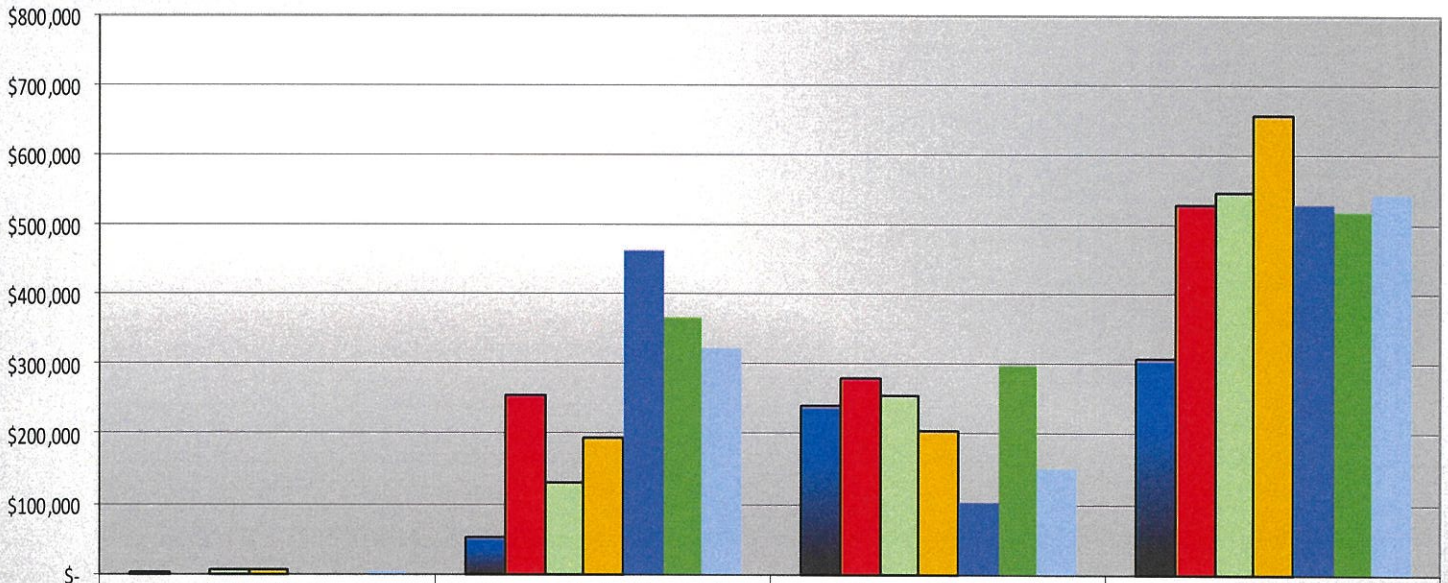
Overall City Expenditure History



	General Government	Public Safety	Health and Sanitation	Highways and Streets	Employee Benefits, Insurance, and Miscellaneous
2015	$449,697	$947,852	$693,008	$1,263,695	$1,497,166
2016	$568,377	$937,595	$987,570	$699,185	$1,096,763
2017	$626,951	$976,799	$659,413	$855,924	$1,352,672
2018	$491,117	$943,526	$653,519	$1,069,485	$1,701,795
2019	$483,122	$1,001,349	$402,412	$1,102,600	$1,789,135
2020	$557,775	$1,260,476	$650,744	$1,282,660	$1,411,546
2021	$852,176	$1,450,613	$770,462	$1,290,399	$1,575,987

City of Monessen

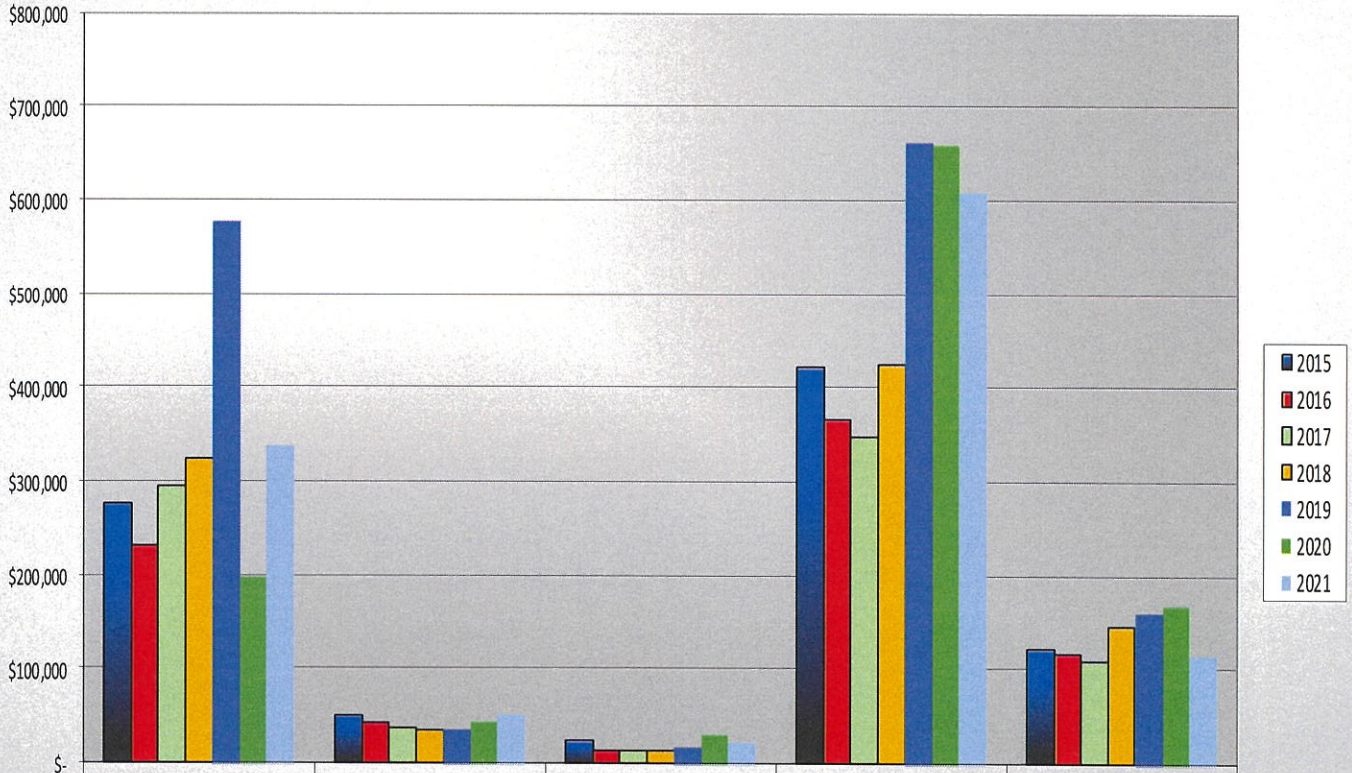
Overall City Expenditure History



	Public Works	Community Development	Culture and Recreation	Debt Service
2015	$3,864	$50,673	$240,516	$308,755
2016	$-	$253,845	$279,916	$529,197
2017	$7,338	$131,067	$254,055	$545,308
2018	$4,260	$193,641	$206,331	$657,677
2019	$-	$461,886	$103,439	$529,062
2020	$-	$367,553	$300,196	$519,569
2021	$4,932	$323,435	$152,629	$546,147

City of Monessen

Employee Benefit History



	M.M.O. Police	M.M.O. Non-Uniform	M.M.O. Fire	Hospitalization, Dental, Prescription	Healthcare Debit Cards
2015	$276,263	$49,634	$23,928	$420,968	$123,033
2016	$232,385	$41,738	$13,200	$367,226	$116,732
2017	$294,954	$37,123	$13,200	$348,133	$109,801
2018	$323,534	$34,030	$13,200	$425,627	$146,721
2019	$578,131	$36,949	$16,390	$663,398	$162,138
2020	$199,079	$42,840	$30,687	$659,178	$168,092
2021	$338,790	$52,300	$22,011	$608,315	$114,458

City of Monessen

Management Letter

- Fund Balance
- Investments and Cash Management
- Internal Control
  - Segregation of Duties
- Bookkeeping Matters
  - Interfund Balance
  - Interfund Transfers
  - Payroll Liabilities
  - Prior Period Adjustment
- Police and Fire Minimum Municipal Obligation