CITY OF MONESSEN

WESTMORELAND COUNTY, PENNSYLVANIA

ANNUAL FINANCIAL REPORT
AS OF DECEMBER 31, 2024



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CITY OF MONESSEN

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of City Council
City of Monessen
Westmoreland County, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Monessen as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Monessen'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 respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Monessen, as of December 31, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Monessen 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 the City of Monessen'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.

Auditor's 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 auditor's 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 the City of Monessen'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 the City of Monessen'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 the supplementary pension disclosures on pages i-vii and 36-37 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 the City of Monessen's basic financial statements. The accompanying combining and individual nonmajor fund financial statements 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 nonmajor fund financial statements 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2025 on our consideration of the City of Monessen'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 the City of Monessen'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 the City of Monessen's internal control over financial reporting and compliance.

CYPHER & CYPHER

Cypher & Cypher

CERTIFIED PUBLIC ACCOUNTANTS

Canonsburg, Pennsylvania
August 15, 2025

Management's Discussion & Analysis

CITY OF MONESSEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

As management of the City of Monessen (City), Pennsylvania, we offer readers of the City's financial statements this narrative overview and analysis of the financial performance of the City for the fiscal year ended December 31, 2024. Please read this Management's Discussion and Analysis in conjunction with the financial statements which follow in order to obtain a thorough understanding of the City's financial condition at December 31, 2024.

FINANCIAL HIGHLIGHTS

- The City's net position, as presented, was $(5,429,249) at December 31, 2024, an improvement from $(6,486,666) in 2023. This continued improvement demonstrates the progress being made after decades of rampant spending and stagnant growth that left the City financially distressed. Careful fiscal management, combined with collaboration with Westmoreland County and the Commonwealth, is reversing those trends.

- At the end of the current fiscal year, the City had total bonds, notes, and leases outstanding of $17,623,749.

- The real estate tax millage rate did not change from 2023 and remained at 43.11 mills for 2024.

NET POSITION AND HISTORICAL CONTEXT

The City's net position, while still negative, reflects steady improvement and financial stabilization. For many years, Monessen endured a history of excessive spending, weak growth, and financial decline. Today, that narrative is changing. Through disciplined budgeting, effective use of state and federal programs, and strategic partnerships, the City has begun to restore financial health.

Working with Westmoreland County, the City has demolished over **175 blighted properties**, removing dangerous structures and clearing land for future development. While population decline has been a challenge, **tax revenues have actually increased**, demonstrating that revitalization efforts are taking hold. This trend underscores the urgent need for renewed **business development** to diversify the tax base and create new opportunities for residents.

To guide this effort, the City partnered with the County to prepare an updated **Comprehensive Plan**, ensuring that development priorities are aligned with long-term growth. In addition, the City is actively working with the **Department of Community and Economic Development (DCED)** through the **Strategic Management Planning Program (STMP)** and launching a **Neighborhood Partnership Program (NPP)**. These initiatives are tightly focused, coordinated, and designed to drive business growth, neighborhood revitalization, and fiscal stability in the years ahead.

OVERVIEW OF THE FINANCIAL STATEMENTS

This overview is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to financial statements. This report also contains other required supplementary information and supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements report on the City's net position and how it has changed.

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows 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.

The *statement of activities* presents information showing how the City's net position changed during the 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.

The government-wide financial statements indicate that the functions of the City are principally supported by taxes and intergovernmental revenue (*governmental activities.)* The governmental activities of the City encompass general government, public safety, public works, culture and recreation, and debt service activities.

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 government agencies, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The City reports governmental funds and fiduciary funds.

Governmental Funds – *Governmental 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 financial requirements.

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 funds balance sheet and the governmental funds

statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City maintained ten governmental funds during 2024. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, the Line Usage Fee Fund, the Capital Projects Fund and the Debt Service Fund, which are considered major funds. The other governmental funds are the Liquid Fuels Fund, Police Fund, Library Fund, Parks Fund, Small Communities Projects Fund, and the Recreation Board Fund. Data from these other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for some of its governmental funds. A budgetary comparison statement has been provided for the major fund to demonstrate compliance with this budget.

The governmental financial statements can be found on pages 1 through 7 of this report.

Proprietary Funds – The City did not maintain a proprietary fund during 2024.

Fiduciary Funds – *Fiduciary funds* are used to account for assets held in a trustee capacity. The City's fiduciary fund consists of its pension funds.

Fiduciary funds are reported on the accrual basis of accounting whereas revenues are recorded when earned and expenses are recorded when a liability is incurred.

The fiduciary funds financial statements can be found on pages 8 through 9 of this report.

Notes to 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. The notes to financial statements can be found on pages 10 through 35 of this report.

FINANCIAL ANALYSIS OF THE CITY

As noted earlier, net position may serve over time as a useful indicator of a government agency's financial position. Net position increases when revenues exceed expenses. In the case of the City, liabilities exceeded assets by $(5,429,249) at the close of the fiscal year.

A condensed summary of the City's net position at December 31, 2024, and 2023 is as follows.

	2024	2023	Variance
Assets and Deferred Outflows of Resources			
Assets:			
Current Assets	$ 4,457,644	$ 4,567,482	$ (109,838)
Capital non-current assets	21,444,728	12,900,374	8,544,354
Total Assets	25,902,372	17,467,856	8,434,516
Deferred Outflows of Resources	2,915,538	5,297,412	(2,381,874)
Total Assets and Deferred Outflows of Resources	$ 28,817,910	$ 22,765,268	$ 6,052,642
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities:			
Current and other liabilities	$ 771,140	$ 921,059	$ (149,919)
Non-current liabilities	23,832,597	17,490,850	6,341,747
Total Liabilities	24,603,737	18,411,909	6,191,828
Deferred Inflows of Resources	9,643,422	10,840,025	(1,196,603)
Net Position:			
Net Investment in capital assets	3,821,702	3,046,291	775,411
Restricted	813,451	853,083	(39,632)
Unrestricted	(10,064,402)	(10,386,040)	321,638
Total Net Position	(5,429,249)	(6,486,666)	1,057,417
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 28,817,910	$ 22,765,268	$ 6,052,642

Total assets increased from the prior year, mainly related to fixed assets. The Deferred Outflows and Deferred Inflows are for the Police and Fire Truck Driver's Pension Plans that was added with the implementation of GASB Statement No. 68 in 2015 and the OPEB plan with the implementation of GASB 75 in 2018.

The City has short-term obligations, and they include accounts payable, unearned revenues, liabilities payable from restricted assets, other postemployment benefits and long-term liabilities that come due within one year. The change in current and other liabilities from the prior year was principally due to reduced unearned revenue related to the previously unspent American Rescue Plan funds.

The increase in non-current liabilities is mainly due to an increase in the City's bonds payable outstanding.

A condensed summary of the City's change in net position for the fiscal years ended December 31, 2024, and 2023 for all funds is as follows:

	Governmental Activities		Totals	
	2024	**2023**	**2024**	**2023**
Program Revenues:				
Charges for Services	$ 1,606,856	$ 1,910,906	$ 1,606,856	$ 1,910,906
Grants and Contributions	1,262,604	891,253	1,262,604	891,253
General revenues and transfers:				
Real estate taxes	2,295,936	2,245,148	2,295,936	2,245,148
Earned income taxes and other taxes	925,793	946,561	925,793	946,561
Investment earnings	190,498	142,660	190,498	142,660
Miscellaneous Income	487,679	360,214	487,679	360,214
Total Revenues	6,769,366	6,496,742	6,769,366	6,496,742
Program Expenses:				
Depreciation - Unallocated	529,706	447,084	529,706	447,084
General Government	713,012	583,920	713,012	583,920
Public Safety	1,357,330	1,368,163	1,357,330	1,368,163
Health and Sanitation	655,277	657,932	655,277	657,932
Highways and Streets	504,451	530,729	504,451	530,729
Public Works	2,855	2,719	2,855	2,719
Culture and Recreation	103,958	260,269	103,958	260,269
Community Development	94,331	88,466	94,331	88,466
Employee Benefits, Insurance & Misc.	973,120	932,494	973,120	932,494
Interest on Long-Term Debt	777,909	477,593	777,909	477,593
Total Program Expenses	5,711,949	5,349,369	5,711,949	5,349,369
Change in Net Position	1,057,417	1,147,373	1,057,417	1,147,373
Net Position - beginning	(6,486,666)	(7,634,039)	(6,486,666)	(7,634,039)
Net Position - ending	$ (5,429,249)	$ (6,486,666)	$ (5,429,249)	$ (6,486,666)

Overall, the City had an increase in revenue, as there was an increase in grants receiving compared to 2023. Expenses increased in 2024, with expenses related to the City's additional debt issuances ending higher than the prior year being a driving factor in this increase.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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 agency's net resources available for spending at the end of the fiscal year.

As of the end of 2024, the City's governmental funds reported combined ending fund balance of $2,687,955. $387,852 of this amount constitutes *unassigned fund balance.*

BUDGETARY HIGHLIGHTS

During the year, actual General Fund revenues were (7.6)%, or $313,568, more than budgetary estimates; expenditures were more than budgetary estimates by $323,756 or 7.6%. The net change in fund balance had an improvement of $41,127 (actual versus budget) after calculating other financing sources (uses).

A detailed budgetary comparison statement for the General Fund can be found on page 7 of this report.

Revenue variances are the result of the city spending previously received American Rescue Plan grant proceeds and a large increase in street permits. Expenditure variances are the result of expenditure totals ending higher than budgeted amounts in several functional areas.

DEBT ADMINISTRATION

Long-Term Debt – At the end of the current fiscal year, the City had total bonds, loans, and leases outstanding of $17,623,749. This debt is substantial and reflects the City's long-term commitment to addressing critical infrastructure needs. More detailed information about the City's debt activity can be found in Note 4 to the financial statements.

It is important to emphasize that this debt is not the result of discretionary spending but rather of mandatory compliance with the Pennsylvania Department of Environmental Protection (DEP) **Corrective Action Plan**. The DEP required Monessen to address its failing 125-year-old sewer and stormwater infrastructure through this plan. The project had been deferred for decades by prior administrations. Without compliance, the DEP could have imposed severe fines and penalties or, worse, allowed system failures to continue that would have rendered the City uninhabitable, essentially turning Monessen into a ghost town.

Through the issuance of bonds and other financing, the City has been able to invest in sewer separation projects, line replacements, and stormwater management systems necessary to bring the City into compliance. This work is essential to protecting public health, maintaining property values, and securing Monessen's future viability. While the $17.6M debt is significant, it must be viewed as an unavoidable and responsible investment in the City's survival and recovery, rather than as discretionary borrowing.

The City remains committed to carefully managing this debt while continuing to seek state and federal support for ongoing infrastructure upgrades.

CAPITAL ASSETS

Capital assets can be found in Note 3 to the financial statements.

ECONOMIC OUTLOOK

As is the case with most local governments, the City faces challenges in continuing to provide its citizens with the same level of service that they have come to expect over the years. However, the City Council has taken great strides toward restoring Monessen to a better economic condition. The City is keeping a close eye on the state of the economy and its effect on the City's budget. The majority of the City's tax base is residential.

The City has obtained commitment from Westmoreland County to assist in the removal of up to 70% of our blight. The City has contacted academic, community, and philanthropic groups and is embarking upon ways to reduce the blight, improve employment, and enhance the quality of life for all residents. The well-coordinated efforts undertaken include political interaction with County and State elected officials, establishment of a Task Force to evaluate blight for both demolition and rehabilitation, and the organization of local pastors under the Nehemiah of Monessen CDC to provide emotional and economic support for residents. In the same spirit, the City has a Blighted Property Review Board, and a Planning Commission underwent a rewrite of our zoning ordinance.

While the risks associated with the County's efforts to reduce blight include limited control over demolition sequencing, the City works closely with the County to ensure timely and efficient progress. The Redevelopment Authority (RDA) also plays a role in encouraging investment and participation in the renovation of Monessen.

A more contemporary action being pursued is the empowerment of community leaders (mostly pastors of local churches) through the Nehemiah of Monessen CDC. This group serves as an intermediary between philanthropic agencies and neighborhood residents, ensuring that those most impacted by blight receive assistance and guidance. The possibility of success with this model is excellent as long as the public continues to see unity and cohesion among leadership.

Community Development Block Grant (CDBG) money is being invested in parks, activities for children, and much-needed street repairs. Street maintenance not covered by CDBG is being supplemented with ARP funds. All of these plans are aimed at augmenting the quality of life and achieving the overarching goal of "Equality and Prosperity for All."

The City Council and management continue to meet the challenges of securing revenues and controlling expenditures to provide outstanding service at a reasonable cost. The City offers many services, including police and fire protection, parks and recreation, public works, finance, and planning. The community benefits from the coordination of these services and strong leadership.

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Ron Mozer, Mayor
City of Monessen
557 Donner Avenue
Monessen, PA 15062

Basic Financial Statements

CITY OF MONESSEN
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 2,825,559
Investments	33,073
Delinquent Taxes Receivable	1,469,213
Other Taxes Receivable	43,481
Due from Other Governments	
Other Receivables (Net)	86,318
Right to Use Intangible Lease Asset	8,423
Capital Assets (Net)	21,436,305
TOTAL ASSETS	25,902,372
DEFERRED OUTFLOWS OF RESOURCES	
Pension and OPEB Related	2,915,538
Total Deferred Outflows of Resources	2,915,538
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 28,817,910
LIABILITIES	
Accounts Payable	$ 199,531
Accrued Salaries and Benefits	5,614
Accrued Interest Payable	18,618
Unearned Revenues	65,687
Other Current Liabilities	29,644
Long-Term Liabilities:	
Portions Due or Payable Within One Year:	
Bonds and Notes Payable	410,004
Lease Purchase Obligations	33,366
Operating Leases Payable	8,676
Portions Due or Payable After One Year:	
Bonds and Notes Payable	17,125,779
Lease Purchase Obligations	45,454
Operating Leases Payable	470
Compensated Absences Payable	110,531
Net Pension Liability	1,310,101
Other Post-Employment Benefit Liability	5,240,262
Total Liabilities	24,603,737
DEFERRED INFLOWS OF RESOURCES	
Pension Related	9,643,422
Total Deferred Inflows of Resources	9,643,422
NET POSITION	
Net Investment In Capital Assets	3,821,702
Restricted for:	
Other Reserves	813,451
Unrestricted	(10,064,402)
TOTAL NET POSITION	(5,429,249)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 28,817,910

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CITY OF MONESSEN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities				
Depreciation - unallocated	$ 529,706	$	$	$ (529,706)
General Government	713,012	94,059	262,860	(356,093)
Public Safety	1,357,330	156,315	53,841	(1,147,174)
Health and Sanitation	655,277	1,342,654		687,377
Highways and Streets	504,451	18	700,383	195,950
Public Works	2,855			(2,855)
Culture and Recreation	103,958	13,810	19,024	(71,124)
Community Development	94,331			(94,331)
Employee Benefits, Insurance, and Miscellaneous	973,120		226,496	(746,624)
Debt Service	777,909			(777,909)
Total Governmental Activities	5,711,949	1,606,856	1,262,604	(2,842,489)
General Revenues				
Taxes				
Property Taxes				2,295,936
Other Taxes				925,793
Investment Earnings				190,498
Miscellaneous Income				487,679
Total General Revenues				3,899,906
Change in Net Position				1,057,417
Net Position - Beginning - Restated				(6,486,666)
Net Position - Ending				$ (5,429,249)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CITY OF MONESSEN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Governmental Funds					
	General Fund	Line Usage Fund	Capital Projects Fund	Debt Service Fund	Non-Major Funds	Totals
ASSETS						
Cash and Cash Equivalents	$ 776,828	$ 1,037,953	$ 108,155	$ 790,756	$ 111,867	$ 2,825,559
Investments (At Fair Value)	30,110				2,963	33,073
Taxes Receivable (Net)	1,512,694					1,512,694
Garbage Receivable (Net of Allowances)						
Accounts Receivable (Net of Allowances)	2,916	83,402				86,318
Interfund Receivable	120,152	263,058		26,548	10,812	420,570
TOTAL ASSETS	$ 2,442,700	$ 1,384,413	$ 108,155	$ 817,304	$ 125,642	$ 4,878,214
LIABILITIES AND FUND BALANCES						
Liabilities:						
Interfund Payable	$ 300,418	$	$ 45,705	$	$ 74,447	$ 420,570
Accounts Payable	195,788				3,743	199,531
Accrued Salaries and Benefits	5,614					5,614
Unearned Revenues	1,483,595				51,305	1,534,900
Other Current Liabilities	29,644					29,644
Total Liabilities	2,015,059		45,705		129,495	2,190,259
Fund Balances:						
Assigned to:						
Streets and Highways					1,559	1,559
Police					8,371	8,371
Monessen Public Library					2,765	2,765
Small Community Projects					21,790	21,790
Sewer Repair and Maintenance		1,121,355				1,121,355
Interfund Receivable		263,058				263,058
Recreation Board					1,451	1,451
Debt Service				817,304		817,304
Capital Projects			62,450			62,450
Unassigned	427,641				(39,789)	387,852
Total Fund Balances	427,641	1,384,413	62,450	817,304	(3,853)	2,687,955
TOTAL LIABILITIES AND FUND BALANCES	$ 2,442,700	$ 1,384,413	$ 108,155	$ 817,304	$ 125,642	$ 4,878,214

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CITY OF MONESSEN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total Fund Balances - Governmental Funds	$ 2,687,955
Capital Assets used in Governmental Activities are not accounted for in the Governmental Fund financial statements. The costs of the assets are $28,888,459 and the accumulated depreciation is $7,452,154.	21,436,305
Right to Use Intangible Lease Assets are not reported as assets in the governmental funds.	8,423
Long-term liabilities, including notes payable and lease purchase agreements, are not due and payable in the current period and are not reported as liabilities in the funds.	(17,614,603)
Long-term liabilities, including accumulated compensated absences, are not due and payable in the current period and are not reported as liabilities in the funds.	(110,531)
Long-term liabilities, including leases payable, are not due and payable in the current period and are not reported as liabilities in the funds.	(9,146)
Accrued interest expense on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(18,618)
Delinquent property taxes receivable will be collected, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	1,469,213
Net Pension Obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(1,310,101)
Other Post-Employment Benefit Obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(5,240,262)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions and OPEB.	2,915,538
Deferred inflows of resources related to pensions and OPEB.	(9,643,422)
Net Position - Governmental Activities	$ (5,429,249)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CITY OF MONESSEN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Governmental Funds					
	General Fund	Line Usage Fund	Capital Projects Fund	Debt Service Fund	Non-Major Funds	Totals
Revenues						
Real Estate Taxes	$ 1,693,188	$	$	$ 377,126	$ 188,315	$ 2,258,629
Local Enabling Taxes	925,794					925,794
Licenses and Permits	433,581				2,700	436,281
Fines and Forfeits	16,959					16,959
Interest and Rents	62,386	51,415	1,274	48,078	19,895	183,048
Intergovernmental Revenues	582,299				680,305	1,262,604
Departmental Earnings	662,882	914,531				1,577,413
Miscellaneous	38,191				21,825	60,016
Total Revenues	4,415,280	965,946	1,274	425,204	913,040	6,720,744
Expenditures						
General Government	629,016				91,335	720,351
Public Safety	1,431,692				6,573	1,438,265
Health and Sanitation	655,277					655,277
Highways and Streets	283,883	8,717,158			487,178	9,488,219
Public Works	2,855					2,855
Culture and Recreation	53,235				78,003	131,238
Community Development	21,138				73,193	94,331
Employee Benefits, Insurance, and Miscellaneous	1,456,688	19,841			567	1,477,096
Debt Service						
Principal and Interest	36,684	159,744		804,272	42,709	1,043,409
Total Expenditures	4,570,468	8,896,743		804,272	779,558	15,051,041
Excess (Deficiency) of Revenues Over Expenditures	(155,188)	(7,930,797)	1,274	(379,068)	133,482	(8,330,297)
Other Financing Sources (Uses)						
Proceeds from Tax Anticipation Notes	500,000					500,000
Repayment of Tax Anticipation Note	(500,000)					(500,000)
Proceeds from Issuance of Debt		8,271,230				8,271,230
Sale of Fixed Assets	11,315					11,315
Interfund Transfers In	185,000			354,528		539,528
Interfund Transfers (Out)		(389,528)			(150,000)	(539,528)
Total Other Financing Sources (Uses)	196,315	7,881,702		354,528	(150,000)	8,282,545
Net Change in Fund Balances	41,127	(49,095)	1,274	(24,540)	(16,518)	(47,752)
Fund Balances - Beginning - Restated	386,514	1,433,508	61,176	841,844	12,665	2,735,707
Fund Balances - Ending	$ 427,641	$ 1,384,413	$ 62,450	$ 817,304	$ (3,853)	$ 2,687,955

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CITY OF MONESSEN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Total Net Change in Fund Balances - Governmental Funds		$ (47,752)
Depreciation Expense		(529,706)
Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		9,082,061
Some delinquent property taxes will not be collected for several months after the City's fiscal year ends. They are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased by this amount this year.		37,306
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as the interest accrues regardless of when it is due.		41
Notes issued during the current year are reported in the governmental funds as revenues and expenditures. These items are not reported in the statement of activities. They constitute long-term liabilities in the statement of net position.		(8,271,230)
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, these items are measured by the amounts paid.		8,272
Repayment of note and lease purchase agreement principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.		502,457
Amortization of lease assets and interest expense related to lease liabilities.		(8,001)
Governmental funds report City pension and other post-employment benefit (OPEB) contributions as expenditures. However, in the Statement of Activities, the cost of pension and other post-employment benefits earned net of employee contributions is reported as pension and other post employment benefit expense.		
City pension and OPEB contributions	679,691	
Cost of benefits earned	(395,722)	283,969
Change in Net Position - Governmental Activities		$ 1,057,417

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CITY OF MONESSEN
BUDGETARY COMPARISON SCHEDULE
BUDGET VS ACTUAL – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual (Budgetary Basis)	Over (Under) Budget - Final
Revenues				
Real Estate Taxes	$ 1,767,000	$ 1,767,000	$ 1,693,188	$ (73,812)
Local Enabling Taxes	865,878	865,878	925,794	59,916
Licenses and Permits	280,400	280,400	433,581	153,181
Fines and Forfeits	23,423	23,423	16,959	(6,464)
Interest and Rents	45,000	45,000	62,386	17,386
Intergovernmental Revenues	279,950	279,950	582,299	302,349
Departmental Earnings	813,061	813,061	662,882	(150,179)
Miscellaneous	27,000	27,000	38,191	11,191
Total Revenues	4,101,712	4,101,712	4,415,280	313,568
Expenditures				
General Government	593,102	593,102	629,016	35,914
Public Safety	1,182,631	1,182,631	1,431,692	249,061
Health and Sanitation	657,600	657,600	655,277	(2,323)
Highways and Streets	389,913	389,913	283,883	(106,030)
Public Works	2,855	2,855	2,855	
Culture and Recreation			53,235	53,235
Community Development			21,138	21,138
Employee Benefits, Insurance, and Miscellaneous	1,368,751	1,368,751	1,456,688	87,937
Debt Service				
Principal and Interest	51,860	51,860	36,684	(15,176)
Total Expenditures	4,246,712	4,246,712	4,570,468	323,756
Excess (Deficiency) of Revenues Over Expenditures	(145,000)	(145,000)	(155,188)	(10,188)
Other Financing Sources (Uses)				
Proceeds of Tax Anticipation Note	500,000	500,000	500,000	
Repayment of Tax Anticipation Note	(500,000)	(500,000)	(500,000)	
Disposal of Fixed Assets	60,000	60,000	11,315	(48,685)
Interfund Transfers In	85,000	85,000	185,000	100,000
Interfund Transfers (Out)				
Total Other Financing Sources (Uses)	145,000	145,000	196,315	51,315
Net Change in Fund Balances			41,127	41,127
Fund Balances - Beginning	386,514	386,514	386,514	
Fund Balances - Ending	$ 386,514	$ 386,514	$ 427,641	$ 41,127

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CITY OF MONESSEN
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2024

	Pension Trust Funds			
	Non-Uniform	Fire	Police	Total
ASSETS				
Cash and Cash Equivalents	$	$	$	$
Investments	1,663,807	215,381	5,946,097	7,825,285
Due from Other Funds			3,867	3,867
Other Receivables	19,825		39,781	59,606
TOTAL ASSETS	$ 1,683,632	$ 215,381	$ 5,989,745	$ 7,888,758
LIABILITIES				
Due to Other Funds	$ -	$ 3,867	$ -	$ 3,867
Other Current Liabilities	-	-	1,746	1,746
Total Liabilities		3,867	1,746	5,613
NET POSITION				
Unrestricted	1,683,632	211,514	5,987,999	7,883,145
Total Net Position	1,683,632	211,514	5,987,999	7,883,145
TOTAL LIABILITIES AND NET POSITION	$ 1,683,632	$ 215,381	$ 5,989,745	$ 7,888,758

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CITY OF MONESSEN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Pension Trust Funds			
	Non-Uniform	Fire	Police	Total
Additions				
Investment Earnings	$ 125,670	$ 25,671	$ 630,274	$ 781,615
Contributions	87,819	7,831	403,155	498,805
Total Additions	213,489	33,502	1,033,429	1,280,420
Deductions				
Distributions	249,825	22,738	541,005	813,568
Other Deductions	7,208	1,870	33,810	42,888
Total Deductions	257,033	24,608	574,815	856,456
Changes in Net Position	(43,544)	8,894	458,614	423,964
Net Position - Beginning of the Year - Restated	1,727,176	202,620	5,529,385	7,459,181
Net Position - End of the Year	$ 1,683,632	$ 211,514	$ 5,987,999	$ 7,883,145

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

City of Monessen
Notes to the Basic Financial Statements
Year Ended December 31, 2024

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the City of Monessen conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

The City is organized under laws of the Commonwealth of Pennsylvania. The City of Monessen was incorporated September 16, 1921, under the provisions of the Third Class City Code, as amended. And as such, the City is an independent entity.

A. Reporting Entity

The City is a primary government organized within the laws of the Commonwealth of Pennsylvania. The City is governed by an elected City Council. It has the power of taxation and the ability to incur long-term debt.

In evaluating the City as a primary government in accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, "The Financial Reporting Entity," management has addressed all potential component units. Consistent with this Statement, the criteria used by the City to evaluate possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. Upon review of this criteria, the City determined that there were no potential component units that met the criteria for inclusion in the reporting entity.

B. Basis of Presentation

The financial statements of the City of Monessen have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Following are the more significant of the City's accounting policies.

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at fiscal year-end. The statement of activities presents a comparison

between direct expenses and program revenues for each program or function of the City's governmental activities and business-type activity. Direct expenses are those that are specifically associated with a service program or department and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the City.

In the process of aggregating data for the statement of net position and the statement of activities, some amounts that are reported as interfund activity and balances are eliminated.

2. Fund Financial Statements

During the fiscal year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

C. Fund Accounting

The City uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

1. Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The General Fund, Line Usage Fee Fund, the Capital Projects Fund, and the Debt Service Fund are the City's major governmental funds.

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources, except for those required to be accounted for in another fund.

The Line Usage Fee Fund accounts for fees levied for the purpose of maintaining and repairing sanitary sewer lines, as well as grants for the same purpose. The Capital Projects fund accounts for resources which are expended for various projects. The Debt Service fund accounts for resources accumulated to provide for payment of general long-term debt principal and interest.

The other governmental funds of the City are used to account for other resources. These include the Library Fund, the Small Community Projects Fund, the Police Fund, the Liquid Fuels Fund, the Recreation Board Fund, and the Park Fund whose uses are restricted to particular purposes.

2. Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The City does not have any proprietary funds.

3. Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are not available to support the Township's own programs. Custodial funds are custodial in nature and are used to account for fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The City maintains three pension trust funds.

Trust Funds

Pension Trust Funds – Police Pension Fund, Fireman Pension Fund, and Non-Uniform Pension Fund – These are trust funds established to account for revenues and pension expenditures to the City's defined benefit plans and defined contribution plan. Pension trust funds are accounted for in essentially the same manner as governmental funds.

D. Fixed Assets and Long-Term Liabilities:

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operation statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

E. Basis of Accounting:

Basis of Accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds and Fiduciary Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

F. Budgets and Budgetary Accounting:
The City follows these procedures in establishing the budgetary data reflected in the financial statements.

Prior to December 31, the budget is legally enacted through passage of a resolution.

Formal budgetary integration is employed as a management control device during the year for the General Fund.

The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles.

The City is not permitted to amend the budget during the year to change the original appropriation. The control level at which the budget must report is function and object. The General Fund is the only fund for which a budget is required to be adopted.

At December 31st of each year, appropriations lapse and may not be carried forward.

Encumbrances are utilized to the extent necessary for the City to maintain proper control over the budget. Open encumbrances at year-end lapse and are reappropriated in the next year's budget.

G. Cash and Investments:
For purposes of the statement of cash flows, the proprietary fund considers all liquid investments with a maturity of three months or less when purchased and pooled funds investments subject to daily withdrawal to be cash equivalents.

Custodial Credit Risk – The City is permitted to invest funds consistent with sound business practices in the following types of investments, certain money market mutual funds, and deposit accounts:

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Act 20, a Pennsylvania law enacted in June of 1995, expands the allowable investment vehicles to include certain money market mutual funds rated as "AAA" whose investments are limited to those mentioned in the previous paragraph.

Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.

Interest Rate Risk – The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk – The City places no limit on the amount it may invest in any one issue.

Method to Estimate Fair Value – Investments are stated at fair market value.

Deposits

Below is a summary of the City's deposits which are insured by the Federal Depository Insurance Company, and those which are not insured or collateralized in the City's name, but collateralized in accordance with Act 72 of the Pennsylvania State Legislature, which requires the financial institution to pool collateral for all government deposits and have the collateral held by an approved custodian in the institution's name.

	FDIC Insured	Pooled Collateral	Bank Balance	Carrying Amount
Cash and Deposits	$367,807	$2,552,643	$2,920,450	$2,825,559

Investments

The investments of the City have been categorized to indicate the level of risk assumed by the City. All investments are either investments, signifying that all are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the City's name; or pooled investment funds which cannot be classified by risk category because they are not evidenced by securities that exist in physical or book entry form.

Because the investment securities below are uninsured, unregistered, and in the possession of the counterparty or its safekeeping department, the investment securities are subject to custodial credit risk.

The City's investments at December 31, 2024 consist of:

	Carrying Amount	Fair Value/Contract Value
Pennsylvania Local Government Investment Trust	$ 33,073	$ 33,073
Corebridge Financial	5,460	5,460
Charles Schwab	6,161,478	6,161,478
Voya Financial	1,658,347	1,658,347
Total	$ 7,858,358	$ 7,858,358

The City Council has designated Charles Schwab, Huntington Bank, Voya Financial and Corebridge Financial Services as custodial and trustee of the City's retirement assets. The City Council also has designated the Pennsylvania Local Government Investment Trust to hold non-retirement assets for the City.

The Council has authorized investments in U.S. Government and agency securities, foreign government bonds denominated in U.S. dollars and rated "AA," corporate bonds rated "A" or better, equity securities, direct real estate, and real estate commingled funds allowing for equity participation. The Council specifically prohibits investments in commodities, mineral rights, and options. Additionally, short-selling and margin purchase transactions are prohibited.

Corebridge Financial
For the portion of city pension assets invested with Corebridge Financial, the valuation method of investments measures its investments at contract value. GASB Statement No. 72 explicitly states that investments measured at contract value are not to be measured at fair value. The contract value is the account value at the end of the year without any market value adjustments applied.

Charles Schwab, Voya Financial and Huntington Bank
For the portion of city pension assets invested with Charles Schwab, Voya Financial and Huntington Bank, the market valuation method is used. These guidelines recognize a three-tiered fair value hierarchy as follows:

• Level 1 inputs: Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets. A quoted price for an identical asset or liability in an active market (e.g., an equity security traded on a major exchange) provides the most reliable fair value measurement and, if available, should be used to measure the fair value in that particular market.

• Level 2 inputs: The categorization of an asset/liability as Level 1 requires that it is traded in an active market. If an instrument is not traded in an active market, it may fall to Level 2. Level 2 inputs are inputs that are observable, either directly or indirectly, but do not qualify as Level 1.

• Level 3 inputs: Reporting entities may use unobservable inputs to measure fair value if relevant observable inputs are not available, thereby allowing for situations in which there is little, if any market activity for the asset or liability at the measurement date. These unobservable inputs are considered Level 3.

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Short-term investments are reported at amortized cost.

At December 31, 2024, the following table reflects the City's total investment portfolio as well as the valuation methods used:

MONESSEN INVESTMENT PORTFOLIO

As of December 31, 2024

FAIR VALUE MEASUREMENTS USING INVESTMENTS BY FAIR VALUE LEVEL	2024	Level 1	Level 2	Level 3
Mutual Funds (Voya Financial)	$ 1,658,347	$ 1,658,347		
Mutual Funds (Charles Schwab)	1,016,964	1,016,964		
Exchange Traded Products (Charles Schwab)	5,046,491	5,046,491		
Total investments by fair value level	7,721,802	7,721,802		
INVESTMENTS MEASURED AT CONTRACT VALUE				
Mutual Funds (Corebridge)	5,460			
Total investments measured at Contract Value	**5,460**			
INVESTMENTS AT OTHER THAN FAIR VALUE				
Cash equivalents	98,023			
Total investments at other than fair value	**98,023**			
Total investments	**$ 7,825,285**			

Custodial Credit Risk

Custodial credit risk is the risk of loss resulting from the failure of the custodian such that the trustee would not be able to recover the value of its investments or collateral securities in the possession of the custodian.

The trustee is exposed to the risk of loss of investments due to errors and omissions on behalf of its advisors is covered by the contractual obligation for the advisors to maintain errors and omissions insurance. The investment managers also must provide proof of a fidelity bond covering the advisor, the office, and its employees.

Credit Risk Concentration

Credit risk concentration is the risk of loss attributed to investments (other than those issued or guaranteed by the U.S. Government) in any one organization that represented five percent or more of the plan's net position. The City had no single issuer that exceeded five percent of total investments at December 31, 2024. Investment in mutual funds, external investment pools and other pooled investments were excluded in accordance with GASB.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a fixed income investment. The City had no actively managed long-term fixed income investments.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

H. Interfund Receivables/Payables

During the course of operations, transactions sometime occur between individual funds for goods provided or services rendered. These receivables and payables, to the extent they exist, are classified as "Interfund Receivable" or "Interfund Payable" on the balance sheet.

I. 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.

J. Fund Balances

In accordance with Governmental Accounting Standards Board Statement #54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

- Non-spendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as non-spendable at December 31, 2024 by the City are non-spendable in form.
- Restricted – includes amounts that are restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to formal action taken by the City Council, the City's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the City Council.
- Assigned – includes amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Amounts may be assigned by the Administration and/or the Board of Supervisors.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Board of Supervisors has provided otherwise in its commitment or assignment actions.

Fund balances in the City's major funds are $427,641 for the general fund, all of which is unassigned for daily operational needs of the City, $1,384,413 in the Line Usage Fund of which $1,121,355 is assigned for sewer repair and maintenance and $263,058 is assigned for interfund receivables, $62,450 assigned for capital projects and infrastructure improvement for the Capital Projects Fund, and $817,304 assigned for debt service.

Fund balances in the City's non-major funds consist of assigned amounts of $8,371 for police expenses, $2,765 for libraries, $1,451 for the recreation board, $1,559 for streets and highways and $21,790 for small community projects. The Parks fund includes a deficit of $(39,789) that is unassigned fund balance.

K. Subsequent Events

The City evaluated subsequent events for recognition and disclosure through August 15, 2025, the date the financial statements were available to be issued.

Note 2 – Property Taxes

Property taxes attach as an enforceable lien on property as of January 15 of the following year. Taxes are levied on April 1 of the prior year and are payable in one installment. The City bills and collects its own property taxes through a locally elected tax collector. The tax levy for 2024 was based on assessed values on January 1, 2024 of $56,690,540. The City tax rate for the year ended December 31, 2024 of 43.11 mills as levied by the City, was allocated as follows: 29.99 mills for the General Fund, 8.14 mills for Debt Service, 0.87 mills for the Library, and 4.11 mills for the Parks Fund.

Taxes may be paid at a 2% discount until June 1, at face until August 1, and at a 10% penalty until January 15 of the following year, at that time, they will be liened with the County, who then are responsible for their collections.

The City, in accordance with GAAP, recognized the delinquent and unpaid taxes receivable reduced by an allowance for uncollectible taxes as determined by the administration. A portion of the net amount estimated to be collectible, which was measurable and available within 60 days, was recognized as revenue and the balance deferred in the fund financial statements. This balance, net of allowances, is $43,481.

Note 3 – Changes in Capital Assets

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities				
Depreciable Assets				
Land improvements	1,839,847			1,839,847
Buildings	5,578,814	18,000		5,596,814
Infrastructure	10,428,244	8,896,044		19,324,288
Equipment	609,323	22,390		631,713
Vehicles	1,350,170	145,627		1,495,797
Totals at historical cost	19,806,398	9,082,061	-	28,888,459
Less accumulated depreciation for:				
Accumulated Depreciation	(6,922,448)	(529,706)		(7,452,154)
Total accumulated depreciation	(6,922,448)	(529,706)	-	(7,452,154)
Governmental activities capital assets, net	$ 12,883,950	$ 8,552,355	$ -	$ 21,436,305

Depreciation expense was charged to governmental functions as follows:	
General Government	
Public Safety	
Health and Sanitation	
Highways and Streets	
Unallocated-Governmental Funds	$ 529,706
Total depreciation expense	$ 529,706

In the 2024 year, infrastructure, equipment, and vehicle purchases and building upgrades added $9,082,061 to the historical cost of governmental activities. Depreciation expense for that same time period was $529,706 for governmental activities. No assets were disposed of during the year. This resulted in a total net book value increase of $8,552,355 for the governmental activities.

Note 4 – General Long-Term Debt

Changes in the City's long-term obligations during the year 2024 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General Obligation Notes	$ 9,665,105	$ 8,271,230	$ (400,552)	$ 17,535,783	$ 410,004
Lease Purchase Agreement	172,554		(93,734)	78,820	33,366
Compensated Absences	118,803		(8,272)	110,531	
OPEB Liability	6,347,186	1,850,591	(2,957,515)	5,240,262	
Net Pension Liability	1,672,416	995,687	(1,358,002)	1,310,101	
Total Governmental Activities	17,976,064	11,117,508	(4,818,075)	24,275,497	443,370
Total Long-term liabilities	$ 17,976,064	$ 11,117,508	$ (4,818,075)	$ 24,275,497	$ 443,370

Lease Purchase Agreements

The City entered into a lease purchase agreement with KS State Bank on April 16, 2020 for the purchase of an ARM Tractor in the amount of $69,647 with interest at the rate of 3.95%. The lease included annual payments of $19,164 and matured April 16, 2024. This lease has a balance of $-0- at December 31, 2024.

The City entered into a lease purchase agreement with KS State Bank on June 1, 2020 for the purchase of a street sweeper in the amount of $123,980 with interest at the rate of 3.94%. The lease included annual payments of $34,107 and matured June 1, 2024. This lease has a balance of $-0- at December 31, 2024.

The City entered into a lease purchase agreement with Deere Credit on June 26, 2020 for the purchase of a Wheel Loader in the amount of $145,333 with interest at the rate of 3.20%. The lease includes annual payments of $23,545 and matures June 26, 2027. This lease has a balance of $66,285 at December 31, 2024.

The City entered into a lease purchase agreement with KS State Bank on September 30, 2020 for the purchase of a Police radios in the amount of $54,652 with interest at the rate of 6.636%. The lease includes annual payments of $13,200 and matures September 30, 2025. This lease has a balance of $12,535 at December 31, 2024.

The City entered into a lease purchase agreement with Laurel Mountain Leasing on July 14, 2021 for the purchase of a 2021 Ford Utility Vehicle in the amount of $37,450 with interest at the rate of 4.464%. The lease includes annual payments of $10,196. This lease has a balance of $-0- at December 31, 2024.

The amounts necessary to amortize the outstanding lease purchase agreements to maturity are:

	Principal	Interest	Total
2025	$ 33,366	$ 2,150	$ 35,516
2026	22,596	1,456	24,052
2027	22,858	739	23,597
Total	$ 78,820	$ 4,345	$ 83,165

General Obligation Bonds and Notes

The City issued general obligation bonds, Series of 2010, with 5.50% interest payable through 2035. Bond proceeds were used for the purpose of providing funds for improvements to the fire department, police department, public library, and various other improvements, funding a capitalized interest account with respect to the bonds, and paying costs of issuance. This bond was refunded in full on March 1, 2018.

The City issued general obligation bonds, Series of 2012, with up to 4% interest payable through 2040. Bond proceeds were used for the purpose of providing funds for improvements to the fire department, public library, and various other improvements, funding a capitalized interest account with respect to the bonds, and paying costs of issuance. This bond was refunded in full on March 1, 2018.

The City issued general obligation notes, Series A of 2018, with 2.990% interest payable through 2027 and 4.500% interest payable through 2035. Bond proceeds were used for refunding the Series of 2010 and Series of 2012 bonds, including all costs of refinancing and issuance, with the remaining proceeds to be deposited into the City of Monessen Construction Fund and Debt Service reserve account. The balance of these bonds on December 31, 2024 is $3,131,500.

The City issued general obligation notes, Series B of 2018, with 2.990% interest payable through 2027 and 4.250% interest payable through 2040. Bond proceeds were used for refunding the Series of 2010 and Series of 2012 bonds, including all costs of refinancing and issuance, with the remaining proceeds to be deposited into the City of Monessen Construction Fund and Debt Service reserve account. The balance of these bonds on December 31, 2024 is $2,406,100.

The City entered into a loan with PennVest for a sewage project. The loan bears interest at the rate of 1.00%. The balance of this note totaled $1,673,311 at December 31, 2024.

The City entered into a loan with the USDA for a sewage project. The balance of this note totaled $10,008,732 at December 31, 2024. The final amortization schedule is not available and is not included in the amounts below as of December 31, 2024.

The amounts necessary to amortize these outstanding notes payable to maturity are:

	Principal	Interest	Total
2025	$ 410,004	$ 181,807	$ 591,811
2026	420,003	171,720	591,723
2027	434,813	161,356	596,169
2028	380,635	214,381	595,016
2029	392,267	201,245	593,512
2030-2034	2,178,626	789,798	2,968,424
2035-2039	2,530,663	374,040	2,904,703
2040	463,900	19,716	483,616
Total	$ 7,210,911	$ 2,114,063	$ 9,324,974

Note 5 – Lease Liabilities

Operating Leases Payable

During October 2020, the City entered into a lease with Xerox Financial Services for the use of copy equipment. The lease was for a 60-month period, requires monthly payments of $259.19 and is set to expire during October 2025.

During October 2020, the City entered into a lease with Xerox Financial Services for the use of copy equipment. The lease was for a 60-month period, requires monthly payments of $259.19 and is set to expire during October 2025.

During May 2021, the City entered into a lease with Quadient Leasing USA for the use of copy equipment. The lease was for a 63-month period, requires monthly payments of $186.68 and is set to expire during January 2026.

During September 2021, the City entered into a lease with Guardian Protection Services for the use of security equipment. The lease was for a 60-month period, requires monthly payments of $44.00 and is set to expire during September 2026.

Below is a summary of the lease expenses recognized by the City during the 2024 year, along with the balances of the lease assets and liabilities as of December 31, 2024. These assets and liabilities are recognized on the Statement of Net Position as Right to Use Intangible Lease Assets and Leases Payable.

Lease expense	Year Ending 12/31/2024
Amortization expense by class of underlying asset	
Equipment	$ 2,456
Copy Machine	5,546
Total amortization expense	8,002
Interest on lease liabilities	776
Total	$ 8,778

Lease Assets	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year	Amounts Due Within One Year
Equipment	$ 10,243	-	-	-	$ 10,243	
Copy Machine	22,183	-	-	-	22,183	
	32,426	-	-	-	32,426	
Less: Accumulated Amortization						
Equipment	(4,912)	(2,456)			(7,368)	
Copy Machine	(11,090)	(5,545)		-	(16,635)	
	(16,002)	(8,001)	-	-	(24,003)	
Total Lease Assets, net	16,424	(8,001)	-	-	8,423	
Lease Liabilities	$ 17,318	$ -	$ -	$ (8,172)	$ 9,146	$ 8,676

Maturity Analysis	Principal	Interest	Total Payments
2025	$ 8,676	$ 313	$ 8,989
2026	470	14	484
Total Future Payments	$ 9,146	$ 327	$ 9,473

Note 6 – Compensated Absences

The City has made retirement benefits available to certain employees. The benefit is payment for unused sick days at retirement. With respect to other employees that do not meet the criteria established by the City for retirement, these employees are not eligible to receive payment for their unused sick days at retirement. The General Fund has been used to accumulate funds to provide for the payment of these liabilities. The dollar amounts of the benefits are as follows:

	Sick Day Liability	Total
December 31, 2023 Balance	$ 118,803	$ 118,803
Increase/(Decrease) in value	(8,272)	(8,272)
December 31, 2024 Balance	$ 110,531	$ 110,531

Note 7 – Loans and Fees Receivable

Loans and fees receivable at December 31, 2024 consist of the following:

	Community Projects	General Fund
Rehabilitation Loans Outstanding - Small Communities Projects	$ 334,485	
Garbage Fees Receivable		1,398,317
Installment Sales		
Allowance	(334,485)	(1,398,317)
Net Loan Receivable	$ -	$ -

Loans granted through the Small Communities Projects Fund are for the rehabilitation of owner occupied properties in need of repair. Interest rates vary from interest free to four percent based on the recipient's income and family size. The loans have a 20-year term and are collateralized by the recipient's property.

Garbage fees receivable represent delinquent garbage fees owed to the City by its residents. Allowance was adjusted in 2024 to match the receivable balance.

Note 8 – Unearned Revenue

Unearned revenue at December 31, 2024 consists of $14,382 of 2024 garbage fees collected in 2025. There is $1,469,213 of delinquent tax funds considered as unearned in the fund level statements because those funds are unavailable to finance current expenditures.

Note 9 – Pension – Defined Benefit Plan

Summary of Significant Accounting Policies

Financial information of the City's retirement plans is presented on the accrual basis of accounting. Employer contributions to the plans are recognized when due as required by Act 205 and Act 600. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans. Investments of the plans are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. The plans did not have any investment transactions with related parties during the year.

Plan Description

The City sponsors and administers two single-employer, contributory defined benefit pension plans. These two plans are known as the Police Pension Plan (covers all of the City's police officers) and the Fire Truck Drivers' Pension Plan (covers retired fire truck drivers – this plan is closed to new entrants). The financial statements of these plans are included as fiduciary funds in the City's financial statements. No separate financial statements are issued for the plans.

Plan provisions are established by ordinance of the City's Council with the authority for contributions required by Act 205 of 1984 of the Commonwealth of Pennsylvania. Under the Act, the City is eligible to receive state aid to fund the amortization of its unfunded accrued actuarial liability over a 40-year period. The City Council acts as the Pension Board, and the plan provisions and contribution requirements are established and may be amended by the City Council. The City has delegated authority to manage certain plan assets of the Police Pension Plan and Fire Pension Plan to Charles Schwab Trust Bank.

Participation – Any police officer employed by the City on a regular, full-time basis is covered by the Police Plan from the participant's date of hire. Participants in the Police Plan and Fire Truck Drivers' Plan *Retirement Benefit are* entitled to begin receiving retirement benefits after completing 20 years of service and attaining age 50. The scheduled monthly retirement benefit is 50% of the participant's average compensation at retirement, plus a Service Increment of 1/40 of Normal Retirement Benefit for each year of completed service in excess of 20 years, up to a maximum increment of $100 per month.

	Police	Fire Truck Drivers'
Active plan members	11	0
Retirees and beneficiaries currently receiving benefits	19	1
Terminated plan members entitled to but not yet receiving benefits	1	0
Total plan members	31	1

Benefits Provided – Police Plan

Vesting – 100% after 12 years of service.

Retirement Benefit – A monthly benefit equal to 50% of average compensation at retirement, plus a Service Increment of 1/40 of Normal Retirement Benefit for each year of completed service in excess of 20 years, excluding service after 65, up to a maximum increment of $100 per month.

Disability Benefit – Service Related: For total and permanent disablement, a monthly benefit equal to 50% of average compensation is payable. Non-Service Related: After completion of 10 years of service, a monthly benefit equal to 50% of compensation is payable. Prior to the completion of 10 years of service, 25% of compensation is payable.

Death Benefit – For Members Killed-in-Service: A monthly benefit equal to 50% of average compensation is payable to the participant's spouse until death. Upon death of spouse (or no spouse when participant dies), each of the participant's dependent children will receive an equal share of the benefit until age 18. Non-Service Related Death Before Completion of 10 Years of Service: A monthly benefit equal to 25% of average compensation is payable to the spouse until the youngest child attains age 18, then the benefit drops to one-half of that amount, and is payable until the spouse's death. If the spouse dies prior to the youngest child attaining age 18, the children will share the 25% of average compensation benefit until the youngest attains age 18, at which time no further benefits will be payable. Non-Service Related Death After Completion of 10 Years of Service but Before Retirement Eligibility: Same as before ten years of service, but monthly benefit is 50% of average compensation. Non-Service Related Death After Retirement Eligibility: A monthly benefit equal to 50% of the pension the participant was receiving or entitled to receive on the day

of the participant's death is payable to the participant's spouse for life. Upon death of spouse, each of the participant's dependent children will receive an equal share of the benefit until age 18. Other: If there is no spouse or children under age 18 at the time of death, then a refund of contributions is payable to the beneficiary (less any benefits already paid, if the participant is retired).

Benefits Provided – Fire Truck Drivers' Plan

Vesting – 100% after completed of 12 years of service.

Retirement Benefit – A monthly benefit equal to 50% of final monthly compensation (or average compensation over the highest continuous five years, if greater) plus a service increment of 1/40 of pension benefit for each year of service in excess of 20 years, but excluding service after age 65. Maximum increment is $100.

Disability Benefit – Service Related: For total and permanent disablement, a monthly benefit equal to 50% of final monthly compensation (or Average Compensation, if greater) will be payable, reduced by any disability benefits received. Non-Service Related: None.

Death Benefit – Before Retirement Eligibility: Refund of Contributions without interest. After Retirement Eligibility or for Members Killed-in-Service: The spouse will receive the amount the participant was receiving or entitled to receive for life. In the event of the spouse's death, the participant's children under 18 will share the benefit.

Contributions

PA Act 205 and City Council ordinances assign the authority to establish and amend the benefit provisions of the plans.

Changes in the Net Pension Liability – The changes in the net pension liability of the City for the Police Plan for the year ended December 31, 2024 were as follows:

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balances at 12/31/2023	$ 7,177,106	$ 5,529,377	$ 1,647,729
Changes for the year:			
Service Cost	175,985		175,985
Interest	478,373		478,373
Contributions - employer		362,252	(362,252)
Contributions - employee		40,903	(40,903)
Net investment income		630,283	(630,283)
Benefit Payments and refunds of employee contributions	(541,006)	(541,006)	-
Administrative Expense		(33,810)	33,810
Net changes	113,352	458,622	(345,270)
Balances at 12/31/2024	$ 7,290,458	$ 5,987,999	$ 1,302,459

The changes in the net pension liability of the City for the Fire Truck Drivers' Plan for the year ended December 31, 2024 were as follows:

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balances at 12/31/2023	$ 227,307	$ 202,620	$ 24,687
Changes for the year:			
Interest	14,588		14,588
Contributions - employer		7,831	(7,831)
Net investment income		25,671	(25,671)
Benefit Payments and refunds of employee contributions	(22,738)	(22,738)	-
Administrative expense		(1,869)	1,869
Net changes	(8,150)	8,895	(17,045)
Balances at 12/31/2024	$ 219,157	$ 211,515	$ 7,642

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2023 and rolled forward to the reporting date using the following significant actuarial assumptions applied to all periods included in the measurement:

	Police	Fire Truck Drivers'
Actuarial Assumptions:		
Investment Rate of Return	6.75%	6.75%
Projected Salary Increases	3.75%	N/A
Includes inflation - at	2.75%	2.50%

Pre-retirement mortality – 2010 Public Plan-Public Safety Mortality
Post-retirement mortality – 2010 Public Plan-Public Safety Mortality

As required by Paragraph 202(b) of Act 205 of 1984, all actuarial assumptions were determined based on agreement between the Plan's actuary and the municipality.

Police Plan
PubS-2010 Public Safety mortality tables projected from the year 2020 with rates derived from the Long-Range Demographic Assumptions for the 2020 SSA's Trustee Report.

Fire Truck Drivers' Plan
PubS-2010 Public Safety mortality tables with no mortality improvements.

Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the Plan and funded through the MMO and/or plan earnings.

Investment Policy – The Plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. According to an investment policy agreement with Raylient Asset Management dated January 28, 2019, the Plan's target asset allocation is as follows:

Asset Class	Target Percentage
Equities	54.10%
Bonds	35.20%
Money Markets	10.70%

Rate of Return – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2024, the annual money-weighted rate of return on the Fire Truck Drivers' and Police Plan investments, net of investment expense not funded through the MMO, was 13.04% and 11.88%, respectively.

Concentrations – Neither the Fire Truck Drivers' Plan nor the Police Plan had any individual investments that composed greater than 5% of the Plans' fiduciary net position at December 31, 2024.

Discount Rate – The discount rate used to measure the total pension liability for the Fire Truck Drivers' Plan and Police Plan was 6.75% and 6.75%, respectively. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that the City's contributions will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the Fire Truck Drivers' Plan and Police Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current members for each plan. Therefore, the long-term expected rate of return on both pension plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Plans calculated using the discount rates described above, as well as what the Plans' net pension liabilities would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Fire Truck Drivers'	$ 22,813	$ 7,642	$ (5,885)
Police	$ 2,133,647	$ 1,302,461	$ 607,726

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

For the year ended December 31, 2024, the City recognized pension expense for the Fire Truck Drivers' Plan and Police Plan of $3,317 and $335,760, respectively.

At December 31, 2024 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Fire Truck Driver's Plan		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		$ -	$ -
Net difference between projected and actual earnings on pension plan investments		20,412	19,361
	Total	$ 20,412	$ 19,361

Police Plan		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		$ 51,933	$ 58,543
Changes in assumptions		95,287	
Net difference between projected and actual earnings on pension plan investments		488,978	519,544
	Total	$ 636,198	$ 578,087

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31:	
2025	$ 94,780
2026	184,154
2027	(144,146)
2028	(70,303)
2029	(5,323)
Thereafter	
Total	$ 59,162

Note 10 – Pension – Defined Contribution Plan

Summary of Significant Accounting Policies

Financial information of the City's defined contribution retirement plan is presented on the accrual basis of accounting. Employer contributions to the plans are recognized when due as required by Act 205 and Act 600. Refunds are recognized when due and payable in accordance with the terms of the plan. Investments of the plans are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. The plan did not have any investment transactions with related parties during the year.

Plan Description

The City sponsors and administers one single-employer, defined contribution pension plan covering substantially all the City's employees except for those covered under the Police Pension Plan and the Fire Truck Driver's Pension Plan. This plan is known as the Non-uniformed Pension Plan. The financial statements of this plan are included as a fiduciary fund in the City's financial statements. No separate financial statements are issued for the plan.

Plan provisions are established by ordinance of the City's Council with the authority for contributions required by Act 205 of 1984 of the Commonwealth of Pennsylvania. The City Council acts as the Pension Board, and the plan provisions and contribution requirements are established and may be amended by the City Council. For the plan, the City has delegated authority to manage certain assets to VOYA Financial Advisors.

Participation – Any individual employed by the City on a regular, full-time basis (not covered under the Police Plan or the Fire Truck Driver's Plan) is covered by the Plan from the participant's date of hire.

Contributions

PA Act 205 and City Council ordinances assign the authority to establish and amend the benefit provisions of the plan. The plan is funded by the City, whose contribution rate is 8% of participating employees' compensation. Employees are required to contribute 5% of compensation. The City recognized pension expense of $54,003 for the year ended December 31, 2024.

Note 11 – Other Postemployment Benefits

Plan Description

The City provides certain healthcare benefits for employees who retire.

Police Employees

Police employees who retire from the police pension plan before December 31, 2020 with full normal retirement benefits (age 50 with 20 years of service) or with a Disability Retirement Benefit receive medical, dental, and vision coverage (including premiums, deductibles and co-pays) to the retiree, the retiree's spouse and dependents until the earlier of eligibility for equal or better medical coverage with another employer or the retiree's death. Police employees who retire on or after December 31, 2020, receive medical, dental, and vision coverage (including premiums and deductibles) provided to the retiree and the retiree's spouse (only if the spouse was eligible for health insurance coverage with the City of Monessen before the employee's retirement date) until

the earlier of eligibility for equal or better medical coverage with another employer or the retiree's Medicare eligibility. If a retiree should lose his/her post-retirement health insurance, (s)he may return to the City's healthcare insurance program until the earlier of seven years have expired or the retiree's Medicare eligibility. Upon the death of the retiree (or if an officer dies before retirement), the City will continue to provide medical, dental, and vision coverage to the surviving spouse and dependent children for three years if they were eligible for the City's healthcare insurance coverage before the death of the member. Retiree contributions for those retiring after December 31, 2020 are $1,560 annually in 2024 and $1,680 annually in 2025.

For those retired on or before August 31, 2004, a life insurance policy is provided with a death benefit of $5,000. For those retired after August 31, 2004, a life insurance policy is provided with a death benefit of $8,000.

Fire Employees

Fire employees who retire from the fire pension plan with full normal retirement benefit (age 55 with 20 years of service), receive medical, dental, and vision coverage as in effect at the time of retirement to the retiree until the retiree's death. A life insurance policy is provided with a death benefit of $5,000.

Non-Uniformed Employees

Non-Uniformed employees who retire with a minimum of 20 years of service with the City are eligible for benefits.

Those who retire from the non-uniformed employees' pension plan before December 31, 2021 receive medical, dental, and vision coverage (including premiums, deductibles and co-pays) to the retiree, the retiree's spouse and dependents until the earlier of eligibility for equal or better medical coverage with another employer or the retiree's death. Those who retire on or after December 31, 2021 receive medical, dental, and vision coverage (including premiums and deductibles) for the retiree and the retiree's spouse (only if the retiree's spouse was eligible for health insurance coverage with the City before the employee's retirement date) until the earlier of eligibility for equal or better medical coverage with another employer or the retiree's Medicare eligibility. Coverage for the spouse will end upon the earlier of either the spouse's or retiree's Medicare eligibility. If a retiree should lose his/her post-retirement health insurance, (s)he may return to the City's health care insurance program until the earlier of seven years have expired or the retiree's Medicare eligibility.

Upon the death of the retiree (or if an eligible employee dies before retirement), the City will continue to provide medical, dental, and vision coverage to the surviving spouse and dependent children for three years if they were eligible for the City's healthcare insurance coverage before the death of the member.

A life insurance policy is provided with a death benefit of $8,000. Retirees who retired under older contracts may have differing death benefit amounts.

<u>Funding Policy</u>

Contribution requirements also are negotiated between the City and union representatives. The required contribution is based on pay as you go financing. The City will pay a hundred percent of premiums for the retiree's coverage, except as noted above.

Projection of Changes in the Net OPEB Liability

This schedule shows the projected changes in the OPEB liability as of January 1, 2024, the date of the most recent actuarial valuation.

Fiscal Year Beginning	**1/1/2024**
Total OPEB Liability	
Service Cost	$ 138,035
Benefit Payments	(309,607)
Interest	220,008
Changes in Assumptions or Other Inputs	(755,811)
Difference Between Expected and Actual Experience	(399,549)
Net Change in Total OPEB Liability	(1,106,924)
Total OPEB Liability - Fiscal Year Beginning	6,347,186
Total OPEB Liability - Fiscal Year Ending	$ 5,240,262
Plan Fiduciary Net Position	$ -
Net OPEB Liability	$ 5,240,262

Funded Status and Funding Progress

As of January 1, 2024, the most recent valuation date, the plan was unfunded. The accrued liability for benefits was $5,240,262 for the City and the value of assets was $0 for each plan, resulting in an unfunded accrued liability (UAL) of $5,240,262 for the City.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following are the actuarial assumptions used for the January 1, 2024 valuation:

1. Annual Trend Rates:

Year	Pre Age 65 Medical/Rx	Post Age 65 Medical/Rx	Dental/Vision
2024	7.75%	5.00%	3.50%
2025	7.25%	4.75%	3.50%
2026	6.75%	4.75%	3.50%
2027	6.25%	4.75%	3.50%
2028	5.75%	4.75%	3.50%
2029	5.25%	4.75%	3.50%
2030 and later	4.75%	4.75%	3.50%

2. Inflation: 2.75%
3. Discount Rate: 4.25% per year
   The discount rate was based on a survey of 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.
4. Mortality: Police and Fire: 2010 Public Retirement Plan – Public Safety mortality tables (PubS-2010)
   Non-Uniformed: Public Retirement Plan – General Employees mortality tables (PubG-2010)
5. Mortality Improvement: Projected from the year 2020 with rates derived from the Long-Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report (No improvement assumed for fire participants.)
6. Withdrawal: Police: None assumed
   Non-Uniformed: Table T-2, *Actuary's Pension Handbook*
7. Disablement: Police: Rates of disablement based on the Social Security Administration's 2020 projections of disability incidence (ultimate rates only)
   Non-Uniformed: None assumed
8. Retirement Age: Police: OPEB-eligible participants with at least 20 years of Service are assumed to retire based on the following rates:

Age	Percentage
50-54	30%
55-57	50%
58+	100%

   Non-Uniformed: Age 62 with 20 years of service
9. Participation: 100%

10. Coverage Election:
    Future Retirees: 90% husband/wife; 10% individual
    Current Retirees: Continuation of current coverage level for duration of eligibility. Current retirees with family coverage are assumed to have one child who remains on coverage until the earlier of age 26 or the retiree's Medicare eligibility
11. Spouse Characteristics: Spouses are assumed to be opposite sex. The female spouse assumed to be 3 years younger than male spouse.
12. Current Premium Schedules: The following are the reported applicable annual rates for medical (including prescription drug), dental and vision coverage:

    Medical PPO: Rates vary based on age and coverage level
    Teamsters Dental/Vision: $828.00 for all levels
    AFSCME Dental/Vision: $609.84 for all levels
    Post-65 Medical: Current retirees: actual rates for retiree's current plan. Future retirees: assumed to be $2,117.

13. Age Adjustments: A table of age-based rates was provided by the carrier. The following amounts represent the cost of pre-65 medical coverage at select ages:

Children	$3,402
Age 45	$6,421
Age 50	$7,975
Age 55	$9,916
Age 60	$12,069
Age 64	$13,341

Premiums for post-65 medical benefits, dental, vision are not age-dependent, and therefore not age-adjusted.

14. Deductible and Co-pays To approximate the cost of self-funding the deductible and other out-of-pocket costs, it is assumed that the City pays 85% of the current deductible per adult participant. Post-65 participants are assumed to have copays and deductibles equal to those on the UPMC Gold $2,500 plan. This amount is assumed to increase annually based on medical trend rates (limited to the total deductible for non-uniformed retirees).

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current rate.

Fiscal Year Ending	**12/31/2024**
Current Discount Rate	$ 5,240,262
1% Decrease	$ 5,801,151
1% Increase	$ 4,761,360

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% higher or lower than the current rate.

Fiscal Year Ending	**12/31/2024**
Current Trend Rates	$ 5,240,262
1% Decrease	$ 4,760,311
1% Increase	$ 5,803,684

At December 31, 2024, the OPEB Plan reports the following deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,710,197	$ 8,066,551
Changes of assumptions	548,731	979,423
Total	$ 2,258,928	$ 9,045,974

Amounts reported as deferred outflows of resources (+) and deferred inflows (-) of resources related to pension will be recognized in OPEB expense as follows:

Year ended December 31:	
2025	$ (301,398)
2026	(2,149,606)
2027	(2,354,966)
2028	(1,700,991)
2029	(175,055)

Note 12 – Deferred Compensation Plan

The City offers its employees a deferred compensation plan (plan) created in accordance with Internal Revenue Code Section 457 (Deferred compensation plans with respect to service for State and Local Governments), which is considered a defined contribution pension plan. As part of its fiduciary role, the City has an obligation of due care in selecting the third party administrator.

The plan, available to all employees, permits them to defer a portion of their salary until future years. The City does not contribute to the plan or match employees' contributions. Participation in the plan is optional. The funds are not available to employees until termination, retirement, death, or unforeseeable emergency. At December 31, 2024, all amounts of compensation deferred under the plan were held in trust solely for the benefit of the participants. Investments are managed by the plan's trustee under several investment options selected by the participant. Deferred compensation assets at December 31, 2024 totaled $73,737. Under the provisions of GASB Statement No. 32, "Accounting and Financial Reporting for *Internal Revenue Code Section 457 Deferred Compensation Plans,"* the plan is not required to be included in the City's financial statements.

Note 13 – Contingent Liabilities and Events

The City of Monessen participates in grant programs sponsored by other governments. The programs are subject to program compliance audits by the grantor agencies or their representatives. The audits of some of these programs for and including the year ended December 31, 2024 have not yet been conducted. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts to be immaterial.

The COVID-19 pandemic has continued to impact the City. As a response to COVID-19, the Coronavirus Aid, Relief and Economics Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and the American Rescue Plan (ARP) Act were enacted by Congress to provide budgetary relief to governmental agencies. This funding is reflected in these financial statements.

Note 14 – Interfund Balances

Individual fund interfund receivable and payable balances at December 31, 2024 were:

Interfund Receivable	Amount	Interfund Payable	Amount
Line Usage Fund	$ 263,058	General Fund	$ 300,418
General Fund	120,152	Capital Projects Fund	45,705
Debt Service Fund	26,548	Parks Fund	74,447
Small Communities Projects Fund	8,047	Fire Pension Fund	3,867
Uniform Pension Fund	3,867		
Library Fund	2,765		
	$ 424,437		$ 424,437

The interfund receivable and payable balances noted above represent principally the paying of expenditures by one fund that are the responsibility of another fund.

During the year ended December 31, 2024, the following fund level transfers were made:

Expending Fund	Amount	Receiving Fund	Amount
Line Usage Fund	$ 389,528	Debt Service Fund	$ 354,528
		General Fund	35,000
	$ 389,528		$ 389,528

The above transfer to the Debt Service Fund represents amounts being set aside for future repayment of the USDA loan.

Note 15 – Risk Management and Litigation

The City is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets: errors and omissions; injuries to employees; and natural disasters. The City manages most risk through the general fund with the purchase of commercial insurance coverage. There has been no reduction in insurance coverage from the previous year, nor have amounts of settlements exceeded coverage levels in the past three years.

The City estimates that the amount of actual or potential claims against the City as of December 31, 2024, will not materially affect the financial condition of the City and will be covered under the present insurance coverage.

Note 16 – Prior Period Restatement

The City adjusted the beginning fund balance of the Small Communities Projects Fund by $1,426 to adjust a prior year accounts receivable balance. A prior period adjustment of $51,207 was made in the pension fund to adjust the beginning balance of a receivable.

Required Supplementary Information

City of Monessen
Fire Pension Plan
Required Supplementary Disclosures
December 31, 2024

Schedule of Changes in Net Pension Liability and Related Ratios – Fire Truck Drivers'

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	14,588	15,104	19,412	20,068	20,218	21,593	21,150	22,621	23,007	24,279
Differences between expected and actual experience	-	(60,495)	-	22,193	-	24,313	-	17,985	-	-
Changes of assumptions	-	-	-	5,019	-	14,279	-	5,500	-	-
Benefit Payments, including refunds of employee contributions	(22,738)	(22,738)	(22,738)	(36,607)	(41,230)	(41,230)	(44,666)	(41,230)	(41,230)	(41,230)
Net change in total pension liability	(8,150)	(68,129)	(3,326)	10,673	(21,012)	18,955	(23,516)	4,876	(18,223)	(16,951)
Total pension liability - beginning	227,307	295,436	298,762	288,089	309,101	290,146	313,662	308,786	327,009	343,960
Total pension liability - ending (a)	$ 219,157	$ 227,307	$ 295,436	$ 298,762	$ 288,089	$ 309,101	$ 290,146	$ 313,662	$ 308,786	$ 327,009
Plan fiduciary net position										
Contributions - employer	$ 7,831	$ 18,873	$ 21,807	$ 23,610	$ 17,619	$ 16,390	$ 13,200	$ 13,200	$ 13,200	$ 23,928
Net investment income	25,671	23,947	(36,029)	23,074	30,223	29,447	(13,107)	37,033	19,160	(5,956)
Benefit payments, including refunds of employee contributions	(22,738)	(22,738)	(22,738)	(36,607)	(41,230)	(41,230)	(44,666)	(41,230)	(41,230)	(41,230)
Administrative expense	(1,869)	(1,015)	(1,046)	(1,067)	(3,822)	(6,830)	(6,568)	(5,393)	(4,799)	(8,438)
Net change in fiduciary net postion	8,895	19,067	(38,006)	9,010	2,790	(2,223)	(51,141)	3,610	(13,669)	(31,696)
Plan fiduciary net position - beginning	202,620	183,553	221,559	212,549	209,759	211,982	263,123	259,513	273,182	304,878
Plan fiduciary net position - ending (b)	$ 211,515	$ 202,620	$ 183,553	$ 221,559	$ 212,549	$ 209,759	$ 211,982	$ 263,123	$ 259,513	$ 273,182
Net pension liability - ending (a) - (b)	$ 7,642	$ 24,687	$ 111,883	$ 77,203	$ 75,540	$ 99,342	$ 78,164	$ 50,539	$ 49,273	$ 53,827
Plan fiduciary net position as a percentage of the total pension liability	96.5%	89.1%	62.1%	74.2%	73.8%	67.9%	73.1%	83.9%	84.0%	83.5%
Covered employee payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net pension liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions - Fire

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 7,831	$ 18,873	$ 21,516	$ 21,516	$ 16,390	$ 16,390	$ 13,200	$ 13,200	$ 13,200	$ 23,928
Contributions in relation to the actuarially determined contribution	7,831	18,873	21,516	-	-	16,390	13,200	13,200	13,200	23,928
Contribution Deficiency	-	-	-	21,516 *	16,390 *	-	-	-	-	-
Covered Payroll	-	-	-	-	-	-	-	-	-	-
Contribution as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* = paid in the following year with applicable interest

Schedule of Investment Returns - Fire

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	13.04%	13.22%	-16.25%	12.22%	15.75%	15.15%	-5.54%	16.04%	7.99%	-2.21%

City of Monessen
Police Pension Plan
Required Supplementary Disclosures
December 31, 2024

Schedule of Changes in Net Pension Liability and Related Ratios – Police

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ 175,985	$ 169,624	$ 168,235	$ 162,154	$ 135,058	$ 129,552	$ 136,546	$ 130,979	$ 123,904	$ 118,004
Interest	478,373	470,533	468,416	459,389	450,023	437,699	440,422	428,108	407,894	398,953
Differences between expected and actual experience	-	(85,153)	-	155,797	-	(220,042)	-	(76,219)	-	132,422
Changes of assumptions	-	-	-	285,867	-		-	396,042	-	-
Benefit Payments, including refunds of employee contributions	(541,006)	(520,065)	(522,960)	(465,761)	(444,647)	(362,333)	(411,774)	(378,408)	(405,580)	(401,777)
Net change in total pension liability	113,352	34,939	113,691	597,446	140,434	(15,124)	165,194	500,502	126,218	247,602
Total pension liability - beginning	7,177,106	7,142,167	7,028,476	6,431,030	6,290,596	6,305,720	6,140,526	5,640,024	5,513,806	5,266,204
Total pension liability - ending (a)	$ 7,290,458	$ 7,177,106	$ 7,142,167	$ 7,028,476	$ 6,431,030	$ 6,290,596	$ 6,305,720	$ 6,140,526	$ 5,640,024	$ 5,513,806
Plan fiduciary net position										
Contributions - employer	$ 362,252	$ 422,266	$ 411,431	$ 339,369	$ 371,033	$ 405,474	$ 336,702	$ 294,954	$ 232,385	$ 276,263
Contributions - employee	40,903	41,351	40,122	40,669	34,675	26,416	23,009	27,324	26,835	28,539
Net investment income	630,283	676,920	(832,257)	775,854	554,131	623,889	(238,059)	592,952	289,358	(80,748)
Benefit payments, including refunds of employee contributions	(541,006)	(520,065)	(522,960)	(465,761)	(444,647)	(362,333)	(411,774)	(378,408)	(405,580)	(401,777)
Administrative expense	(33,810)	(26,098)	(27,054)	(26,554)	(26,037)	(26,508)	(23,483)	(43,248)	(44,589)	(41,061)
Other	-	-	-	(5,314)	-	(528)	-	-	-	-
Net change in fiduciary net postion	458,622	594,374	(930,718)	658,263	489,155	666,410	(313,605)	493,574	98,409	(218,784)
Plan fiduciary net position - beginning	5,529,377	4,935,003	5,865,721	5,207,458	4,718,303	4,051,893	4,365,498	3,871,924	3,773,515	3,992,299
Plan fiduciary net position - ending (b)	$ 5,987,999	$ 5,529,377	$ 4,935,003	$ 5,865,721	$ 5,207,458	$ 4,718,303	$ 4,051,893	$ 4,365,498	$ 3,871,924	$ 3,773,515
Net pension liability - ending (a) - (b)	$ 1,302,459	$ 1,647,729	$ 2,207,164	$ 1,162,755	$ 1,223,572	$ 1,572,293	$ 2,253,827	$ 1,775,028	$ 1,768,100	$ 1,740,291
Plan fiduciary net position as a percentage of the total pension liability	82.1%	77.0%	69.1%	83.5%	81.0%	75.0%	64.3%	71.1%	68.7%	68.4%
Covered employee payroll	$ 879,495	$ 847,521	$ 809,316	$ 866,909	$ 730,593	$ 626,774	$ 656,335	$ 673,839	$ 646,191	$ 663,990
Net pension liability as a percentage of covered employee payroll	148.1%	194.4%	272.7%	134.1%	167.5%	250.9%	343.4%	263.4%	273.6%	262.1%

Schedule of Employer Contributions - Police

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 362,252	$ 422,266	$ 378,379	$ 319,031	$ 341,651	$ 380,908	$ 323,534	$ 294,954	$ 232,385	$ 276,263
Contributions in relation to the actuarially determined contribution	362,252	422,266	407,218	158,310	137,867	-	141,385	294,954	232,385	276,263
Contribution Deficiency	-	-	(28,839)	160,721	203,784	380,908	182,149	-	-	-
Covered Payroll	879,495	847,521	809,316	866,909	730,944	626,774	656,335	673,839	646,191	663,990
Contribution as a percentage of covered payroll	41.2%	49.8%	50.3%	18.3%	18.9%	0.0%	21.5%	43.8%	36.0%	41.6%

Schedule of Investment Returns - Police

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	11.88%	14.41%	-14.69%	16.00%	12.89%	18.68%	-5.86%	16.49%	8.27%	-2.15%

Supplementary Information

CITY OF MONESSEN
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Liquid Fuels Fund	Police Fund	Library Fund	Parks Fund	Small Communities Projects Fund	Recreation Board Fund	Total
ASSETS							
Cash	$	$ 8,371	$	$ 35,805	$ 65,048	$ 2,643	$ 111,867
Investments	2,963						2,963
Due From Other Funds			2,765		8,047		10,812
Taxes Receivable							
TOTAL ASSETS	$ 2,963	$ 8,371	$ 2,765	$ 35,805	$ 73,095	$ 2,643	$ 125,642
LIABILITIES AND FUND BALANCES							
Liabilities							
Interfund Payable	$	$	$	$ 74,447	$	$	$ 74,447
Accounts Payable	1,404			1,147		1,192	3,743
Unearned Revenue					51,305		51,305
Total Liabilities	1,404			75,594	51,305	1,192	129,495
Fund Balances							
Fund Balances							
Assigned to Streets and Highways	1,559						1,559
Assigned to Police		8,371					8,371
Assigned to the Monessen Public Library			2,765				2,765
Assigned to Small Community Projects					21,790		21,790
Assigned to Recreation Board						1,451	1,451
Unassigned				(39,789)			(39,789)
Total Fund Balances	1,559	8,371	2,765	(39,789)	21,790	1,451	(3,853)
TOTAL LIABILITIES AND FUND BALANCES	$ 2,963	$ 8,371	$ 2,765	$ 35,805	$ 73,095	$ 2,643	$ 125,642

CITY OF MONESSEN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Liquid Fuels Fund	Police Fund	Library Fund	Parks Fund	Small Communities Projects Fund	Recreation Board Fund	Total
Revenues							
Real Estate Taxes	$	$	$	$ 188,315	$	$	$ 188,315
Licenses and Permits				2,700			2,700
Interest and Rents	4,881			5,058	1,749	8,207	19,895
Intergovernmental Revenues	263,651				416,654		680,305
Miscellaneous	176	4,169		17,320		160	21,825
Total Revenues	268,708	4,169		213,393	418,403	8,367	913,040
Expenditures							
General Government	14,804			141	76,376	14	91,335
Public Safety		6,573					6,573
Highways and Streets	239,387				247,791		487,178
Culture and Recreation				48,040	19,295	10,668	78,003
Community Development					73,193		73,193
Employee Benefits, Insurance, and Miscellaneous			567				567
Debt Service							
Principal and Interest	23,545			19,164			42,709
Total Expenditures	277,736	6,573	567	67,345	416,655	10,682	779,558
Excess (Deficiency) of Revenues Over Expenditures	(9,028)	(2,404)	(567)	146,048	1,748	(2,315)	133,482
Other Financing Sources (Uses)							
Interfund Transfers In							
Interfund Transfers (Out)				(150,000)			(150,000)
Total Other Financing Sources (Uses)				(150,000)			(150,000)
Net Change in Fund Balances	(9,028)	(2,404)	(567)	(3,952)	1,748	(2,315)	(16,518)
Fund Balances - Beginning - Restated	10,587	10,775	3,332	(35,837)	20,042	3,766	12,665
Fund Balances - Ending	$ 1,559	$ 8,371	$ 2,765	$ (39,789)	$ 21,790	$ 1,451	$ (3,853)

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

To the Mayor and Members of City Council
City of Monessen
Westmoreland County, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Monessen, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Monessen's basic financial statements, and have issued our report thereon dated August 15, 2025.

Report on Internal Control over Financial Reporting

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

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Wexford Office 6000 Babcock Blvd. Pittsburgh, PA 15237 Tel 412.369.9992 Fax 412.774.2218

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 Monessen'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 determination of financial statement amounts. 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CYPHER & CYPHER

Cypher & Cypher

CERTIFIED PUBLIC ACCOUNTANTS

Canonsburg, Pennsylvania
August 15, 2025

Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance

To the Mayor and Members of City Council
City of Monessen
Westmoreland County, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Monessen'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 the City of Monessen's major federal programs for the year ended December 31, 2024. The City of Monessen's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Monessen complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Monessen 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 the City of Monessen's compliance with the compliance requirements referred to above.

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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 the City of Monessen's federal programs.

Auditor's 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 the City of Monessen'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 the City of Monessen'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 the City of Monessen'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 the City of Monessen'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 the City of Monessen'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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CYPHER & CYPHER

Cypher & Cypher

CERTIFIED PUBLIC ACCOUNTANTS

Canonsburg, Pennsylvania
August 15, 2025

City of Monessen
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

Section 1 – Summary of Auditor's Results

Financial Statements:		
i.	Type of auditor's report issued	Unmodified
ii.	Internal control over financial reporting:	
	Material weakness(es) identified?	No
	Significant deficiencies identified?	None reported
iii.	Noncompliance material to financial statements noted?	No

Federal Awards:		
iv.	Internal control over major programs:	
	Material weakness(es) identified?	No
	Significant deficiencies identified?	None reported
v.	Type of auditor's report issued on compliance for major programs:	Unmodified
vi.	Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

vii.	Major programs:	
	CFDA Number(s)	Name of Federal Program or Cluster
	10.760	Water and Waste Disposal Systems for Rural Communities
viii.	Dollar threshold used to distinguish between type A and type B programs:	$750,000
ix.	Auditee qualify as low-risk auditee?	Yes

Section 2 – Findings Related to Financial Statements Required to Be Reported Under GAGAS

None.

Section 3 – Findings and Questioned Costs for Federal Awards

None.

Section 4 – Summary of Prior Audit Findings

None.

CITY OF MONESSEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Project Title Or Grant Name	Funding Source	Federal CFDA #	Pass Through Grantor #	Program Years	Program Grant Award	Cash Received In 2024	Accrued/ Deferred Revenue 12/31/23	Revenues Recognized 2024	Expenditures Recognized 2024	Accrued/ Deferred Revenue 12/31/24	Carryover To 2025
US Department of Treasury											
Passed From Commonwealth of Pennsylvania											
America Rescue Plan Act	I	21.019	013-20-0077	2022	$ 381,140.52	$ -	$ (239,279.91)	$ 239,279.91	$ 239,279.91	$ -	$ -
					$ 381,140.52	$ -	$ (239,279.91)	$ 239,279.91	$ 239,279.91	$ -	$ -
US Department of Agriculture											
Passed From Department of Agriculture											
Priortized System Rehabilitation	I	10.760		2022	$ 19,876,400.00	$ 7,834,948.53	$ -	$ 7,834,948.53	$ 7,834,948.53	$ -	$ -
Total Prioritized System Rehabilitation Wastewater project					$ 19,876,400.00	$ 7,834,948.53	$ -	$ 7,834,948.53	$ 7,834,948.53	$ -	$ -
Grand Total					$ 19,876,400.00	$ 7,834,948.53	$ -	$ 7,834,948.53	$ 7,834,948.53	$ -	$ -
US Department of Housing and Urban Development											
Passed From Commonwealth of Pensylvania											
Community Development Block Grant Program	I	14.228		2024	$ 467,959.38	$ 467,959.38	$ -	$ 416,654.43	$ 416,654.43	$ (51,304.95)	$ 51,304.95
Total Community Development Block Grant Program					$ 467,959.38	$ 467,959.38	$ -	$ 416,654.43	$ 416,654.43	$ (51,304.95)	$ 51,304.95
Grand Total					$ 20,725,499.90	$ 8,302,907.91	$ (239,279.91)	$ 8,490,882.87	$ 8,490,882.87	$ (51,304.95)	$ 51,304.95

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

City of Monessen
Notes to Schedule of Expenditures of Federal Awards for the Year Ended December 31, 2024

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes federal award activity of the City of Monessen (the "City") under programs of the federal government for the year ended December 31, 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 Monessen, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Monessen.

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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

(2) Pass-through entity identifying numbers are presented where available.

Note 3 – Indirect Cost Rates

The City has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.