



CITY OF HAZLETON, PENNSYLVANIA

**FINANCIAL  
STATEMENTS**

**AND SUPPLEMENTAL SCHEDULES  
TOGETHER WITH REPORTS OF  
INDEPENDENT PUBLIC ACCOUNTANTS**

FOR THE YEAR ENDED DECEMBER 31, 2023



# CITY OF HAZLETON, PENNSYLVANIA

## TABLE OF CONTENTS DECEMBER 31, 2023

INDEPENDENT AUDITORS REPORT	1
INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	3
MANAGEMENTS DISCUSSION AND ANALYSIS	5
<b>FINANCIAL STATEMENTS</b>	
Statement of Net Position	17
Statement of Activities	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	19
<b>FUND FINANCIAL STATEMENTS</b>	
Governmental Funds:	
Balance Sheet	20
Statement of Revenues, Expenditures and Changes in Fund Balance	21
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	22
Statement of Net Position (Enterprise Funds)	23
Statement of Revenues, Expenses and Changes in Net Position (Enterprise Funds)	24
Statement of Cash Flows (Enterprise Funds)	25
Fiduciary Funds:	
Statement of Fiduciary Net Position	26
Statement of Changes in Fudiciary Net Position	27
Notes to Financial Statements	31

## **REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Revenues and Expenditures - Budget (Non-GAAP Budgetary Basis) and Actual - General Fund	57
Schedule of Changes in the Net Pension Liability and Related Ratios - Police	58
Schedule of Changes in the Net Pension Liability and Related Ratios - Fire	59
Schedule of Changes in the Net Pension Liability and Related Ratios - Non-Uniformed	60
Schedule of Employer Contributions - Police Pension Plan	61
Schedule of Employer Contributions - Fire Pension Plan	62
Schedule of Employer Contributions - Non-Uniformed Pension Plan	63
Schedule of Changes in the Net OPEB Liability and Related Ratios - Police	64
Schedule of Changes in the Net OPEB Liability and Related Ratios - Fire	65
Schedule of Changes in the Net OPEB Liability and Related Ratios - Non-Uniformed	66

## **SUPPLEMENTARY INFORMATION**

Combining Balance Sheet - Non Major Funds	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non Major Funds	70
Schedule of findings and Questioned Costs	71



## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council  
City of Hazleton, Pennsylvania

### **Report on Financial Statements**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hazleton, Pennsylvania (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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'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 GAAS 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 GAAS, 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'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'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.

### ***Emphasis of Matter***

As discussed in Note 13, Distressed Municipality Status, the City was declared a distressed municipality under the Financially Distressed Municipalities Act in 1992. On June 13, 2018, the City revised and updated its Act 47 recovery plan. Our opinion is not modified with respect to this matter.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison schedule, schedule of changes in net pension liability and related ratios, schedules of employee contributions, and the schedules of changes in the net OPEB liability and related ratios as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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’s basic financial statements. The combining and individual non-major funds and other schedules as listed in the table of contents (collectively, the supplemental information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental 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. Such 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Lakewood, New Jersey  
May 19, 2025



**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***

Honorable Mayor and Members of the City Council  
City of Hazleton, 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Hazleton, State Pennsylvania (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 19, 2025.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002 and 2023-003 that we consider to be material weaknesses.

**Compliance and Other Matters**

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

**City's Response to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

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

Respectfully Submitted

HOLMAN FRENIA ALLISON, P.C.

Lakewood, New Jersey  
May 19, 2025

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

As management of the City of Hazleton, Pennsylvania (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year that ended December 31, 2023. We encourage readers to use this information in conjunction with the basic financial statements and the accompanying notes to those financial statements.

### Financial Highlights

#### Government-wide:

- The liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources as of December 31, 2023, by \$13,006,581. Governmental Activities had a deficit of \$15,801,448, while Business-type Activities had a positive balance of \$28,808,029.
- The net other post-employment benefits liability was \$43,880,213 as of December 31, 2023.
- The City's overall financial position increased \$17,079,020 during the year ended December 31, 2023, as a result of revenue in excess of expenditures.

#### Fund Level:

- The General Fund had a fund balance of \$2,202,459, an increase of \$2,013,192, during the year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary and non-required supplemental 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.

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

Both of the government-wide financial statements mentioned above distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, recreation and parks, miscellaneous, and debt service. The business-type activities of the City include the transit operations. The government-wide financial statements, which begins on page 17 of this report, can be found by referring to the table of contents.

**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 states and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary 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 financing 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 so doing, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains nine individual governmental funds, which includes the general fund and special revenue funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the governmental funds.

The City adopts an annual appropriated budget for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found by referring to the table of contents which begins on page 20 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

**Proprietary funds.** The City maintains one proprietary-type fund: an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the governmental-wide financial statements. The City uses enterprise funds to account for its Transportation activities. The basic proprietary fund financial statements, which begins on page 23 of this report, can be found by referring to the table of contents.

**Fiduciary fund.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements, which begins on page 26 of this report, can be found by referring to the table of contents.

**Notes to financial statements.** The notes to financial statements 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 are part of the basic financial statements, which begins on page 31 of this report, and can be found by referring to the table of contents.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information and other supplementary information*. This information, which begins on page 57 of this report, can be found by referring to the table of contents.

### Government-wide Financial Analysis

The City's financial statements are prepared in conformity with the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis (MD&A) - for State and Local Governments*. MD&A includes prior fiscal year results for the purpose of providing comparative information.

As noted earlier, net position may serve over time as a useful indicator of a government's overall financial condition and position. In the case of the City, liabilities and deferred outflows of resources exceeded assets and deferred inflows of resources by \$15,801,448, as of December 31, 2023. The City of Hazleton's net position are divided into three categories – net investment in capital assets, restricted net position, and unrestricted net position. The largest portion of the City's net position is in net investment in capital assets (e.g., land, improvements, buildings, machinery, equipment, vehicles, infrastructure, and sewer system), less any related debt used to acquire those assets and accumulated depreciation. As of December 31, 2023, the net investment in capital assets was \$16,868,288, net of accumulated depreciation. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

# CITY OF HAZLETON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The balance of unrestricted net position as of December 31, 2023, was a negative \$33,871,324. Thus, liabilities and deferred inflows of resources exceed assets and deferred inflows of resources and the City will have to find alternative means to fund the government's ongoing obligations to citizens and creditors. The balance of restricted net position as of December 31, 2023, was \$1,201,588, and is comprised of resources that are subject to external restrictions on how they may be used.

For the fiscal year ended December 31, 2023, the City reported the following tables to reflect the condensed statement of net position and the schedule of changes in net position for governmental and business-type activities:

### STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and Other Assets	\$ 19,403,559	\$ 15,031,982	\$ 6,934,782	\$ 4,435,618	\$ 26,338,341	\$ 19,467,600
Capital Assets	16,868,288	16,580,596	27,331,425	21,191,271	44,199,713	37,771,867
<b>Total Assets</b>	<b>36,271,847</b>	<b>31,612,578</b>	<b>34,266,207</b>	<b>25,626,889</b>	<b>70,538,054</b>	<b>57,239,467</b>
<b>Deferred Outflows of Resources</b>	<b>10,369,217</b>	<b>12,677,920</b>	<b>-</b>	<b>-</b>	<b>10,369,217</b>	<b>12,677,920</b>
<b>Liabilities</b>						
Other Liabilities	8,960,667	12,211,514	5,458,178	3,941,291	14,418,845	16,152,805
Long-Term Liabilities	52,956,414	57,837,021	-	-	52,956,414	57,837,021
<b>Total Liabilities</b>	<b>61,917,081</b>	<b>70,048,535</b>	<b>5,458,178</b>	<b>3,941,291</b>	<b>67,375,259</b>	<b>73,989,826</b>
<b>Deferred Inflow of Resources</b>	<b>525,431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525,431</b>	<b>-</b>
<b>Net Position</b>						
Net Investment in Capital Assets	16,868,288	16,580,596	27,331,425	21,191,271	44,199,713	37,771,867
Restricted	1,201,588	1,317,680	-	-	1,201,588	1,317,680
Unrestricted	(33,871,324)	(43,656,313)	1,476,604	494,327	(32,394,720)	(43,161,986)
<b>Total Net Position</b>	<b>\$ (15,801,448)</b>	<b>\$ (25,758,037)</b>	<b>\$ 28,808,029</b>	<b>\$ 21,685,598</b>	<b>\$ 13,006,581</b>	<b>\$ (4,072,439)</b>

# CITY OF HAZLETON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

### STATEMENT OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charge for Services	\$ 3,750,541	\$ 2,083,649	\$ 80,926	\$ 84,432	\$ 3,831,467	\$ 2,168,081
Operating Grants/ Contributions	9,622,258	9,876,842	9,710,761	4,838,498	19,333,019	14,715,340
<b>General Revenues:</b>						
Taxes	23,864,694	20,426,638	-	-	23,864,694	20,426,638
Miscellaneous	1,834,887	1,533,249	5,592	22,156	1,840,479	1,555,405
Unrestricted Investment Earnings	537,863	434,899	5,964	7,592	543,827	442,491
<b>Total Revenues</b>	<b>39,610,243</b>	<b>34,355,277</b>	<b>9,803,243</b>	<b>4,952,678</b>	<b>49,413,486</b>	<b>39,307,955</b>
<b>Expenses</b>						
General Government	8,277,997	10,083,665	-	-	8,277,997	10,083,665
Public Safety	10,970,664	11,175,937	-	-	10,970,664	11,175,937
Public Works	6,181,723	5,267,928	-	-	6,181,723	5,267,928
Community Development	3,945,759	1,907,235	-	-	3,945,759	1,907,235
Recreation	224,377	270,010	-	-	224,377	270,010
Interest on Long-Term Debt	53,134	87,465	-	-	53,134	87,465
Hazleton Public Transit	-	-	2,680,812	2,422,570	2,680,812	2,422,570
<b>Total Expenses</b>	<b>29,653,654</b>	<b>28,792,240</b>	<b>2,680,812</b>	<b>2,422,570</b>	<b>32,334,466</b>	<b>31,214,810</b>
<b>Change in Net Position</b>	<b>9,956,589</b>	<b>5,563,037</b>	<b>7,122,431</b>	<b>2,530,108</b>	<b>17,079,020</b>	<b>8,093,145</b>
<b>Net Position, Beginning of year</b>	<b>(25,758,037)</b>	<b>(31,321,074)</b>	<b>21,685,598</b>	<b>19,155,490</b>	<b>(4,072,439)</b>	<b>(12,165,584)</b>
<b>Net Position, End of year</b>	<b>\$ (15,801,448)</b>	<b>\$ (25,758,037)</b>	<b>\$ 28,808,029</b>	<b>\$ 21,685,598</b>	<b>\$ 13,006,581</b>	<b>\$ (4,072,439)</b>

### Governmental activities

Governmental activities net position increased by \$9,956,589. Property and income taxes, operating grants, and charges for services represent 51.48%, 33.58%, and 7.69% of the City's revenue stream, respectively. The remaining governmental revenue consists of investment earnings and other miscellaneous revenues.

The entity wide statements show that the City's total revenue from governmental activities in fiscal year 2023 was \$39,610,243, which has increased slightly from the previous year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

Governmental expenses were \$29,653,654, in fiscal year 2023, an increase of \$861,414. Public safety and general government are the two largest functional areas.

### Business-type activities

The City operates one business-type enterprise fund, Hazleton Public Transit. Business-type net position decreased by \$7,122,431. The increase is a result of operating grants.

### 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 current inflows, outflows, and balances of available, spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *committed*, *assigned*, and *unassigned* fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2023, the City's governmental funds (general fund and special revenue funds) reported a combined ending fund balance of \$4,937,567, an increase of \$2,407,443, in comparison with the prior year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,202,459. The City's General Fund total fund balance increased by \$2,013,192, during the current fiscal year.

**Proprietary fund.** The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

**Fiduciary funds.** The City maintains three pension funds: 1) Police Pension Plan, 2) Firemen Pension Plan and 3) Non-Uniformed Pension Plan. All three plans are single employer defined benefit pension plans administered by the City with responsibility for the administration and operation of the Plan vested with each individual plans Boards. All defined benefit pension plans provide pension and death and disability benefits to full-time plan members and beneficiaries.

### General Fund Budgetary Highlights

The actual revenues were over budget by \$3,421,879, and the actual expenditures were over budget by \$1,349,185.

# CITY OF HAZLETON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

### Capital Assets and Debt Administration

**Capital assets.** The City's net investment in capital assets for its governmental and business- type activities as of December 31, 2023, was \$44,199,713. This investment in capital assets includes land, buildings, improvements, machinery, equipment, furniture, fixtures, vehicles, infrastructure, and sewer system.

The following table displays the City's capital assets. Additional information can be found in Note 4 in the notes to the financial statements of this report.

#### CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land - Not Being Depreciated	\$ 2,171,360	\$ 2,171,360	\$ 684,447	\$ 684,447	\$ 2,855,807	\$ 2,855,807
Construction In Progress - Not Being Depreciated	3,904,924	3,904,924	17,215,725	10,324,981	21,120,649	14,229,905
Infrastructure	8,110,386	8,110,386	-	-	8,110,386	8,110,386
Buildings & Improvements	10,467,637	10,467,637	12,050,230	12,050,230	22,517,867	22,517,867
Equipment	10,437,501	8,776,095	7,350,086	7,350,086	17,787,587	16,126,181
Vehicles	6,289,755	6,289,755	-	-	6,289,755	6,289,755
Accumulated Depreciation	(24,513,275)	(23,139,561)	(9,969,063)	(9,218,473)	(34,482,338)	(32,358,034)
Total	\$ 16,868,288	\$ 16,580,596	\$ 27,331,425	\$ 21,191,271	\$ 44,199,713	\$ 37,771,867

**Debt administration.** The City's long-term debt as of December 31, 2023, was \$5,215,638, as follows:

#### LONG TERM - DEBT

	Governmental Activities	
	2023	2022
General Obligations Bonds	\$ 145,000	\$ 580,000
Notes from Direct Borrowings and Direct Placements	4,835,572	5,756,963
Capital Leases	235,066	326,427
Total	\$ 5,215,638	\$ 6,663,390

The City's total long-term debt for governmental activities decreased by \$1,447,752, as a result of principal payments made during the year.

# CITY OF HAZLETON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

### Economic Factors and Fiscal Year's 2023 Budgets and Rates

The economy of the City is closely tied to the economy of the Commonwealth of Pennsylvania. Property taxes will be reviewed and property tax revenue may change as reassessments are made. The costs of operating in the general and enterprise funds are expected to increase due to labor costs, health care costs, pensions, and other factors.

In 2017, the Pennsylvania Department of Community and Economic Development (DCED) declared the City a distressed municipality under the Financially Distressed Municipalities Act (the Act). DCED then appointed the Pennsylvania Economy League as coordinator to administer a recovery plan for the City pursuant to this Act.

During 2018, the City revised and updated its Act 47 Recovery Plan. The 2018 plan identifies and mandates that the City must implement to eliminate the City's operating budget deficits as projected by the Act 47 Coordinator.

The City's Act 47 Coordinator, in conjunction with the City, worked on a revision to the 2019 Recovery Plan. In October 2014, the State of Pennsylvania signed House Bill 1773 into law. The bill significantly overhauled the Municipalities Financial Recovery Act, known as Act 47. The new law placed a five-year time limit for municipalities to exit Act 47. For municipalities already under Act 47 and operating under a recovery plan, the termination date for their distressed status will be five years from the effective date of their most recent recovery plan or amendment. The 2018 Revised Recovery Plan was adopted by the City Council in May 2018.

The revised Recovery Plan and its provisions outlined below are designed to restore long-term fiscal stability, budgetary predictability, and the repair of the City's creditworthiness. The new Recovery Plan provides the fiscal framework for the City's governing bodies to follow through 2020.

The 2023 annual budget as currently designed is as follows:

All Funds	\$ 45,188,528	Airport Fund	\$ 1,764,210
General Fund	15,667,383	Debt Service	1,500,886
Pension Fund	5,513,136	Highway Aid	2,680,812
Recreation Fund	224,377		

# CITY OF HAZLETON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

### Economic Factors and Fiscal Year's 2023 Budgets and Rates (continued)

The City continues to struggle with its ability to generate new sources of substantiated revenues. This situation has placed an ever-present financial burden on the City in our efforts to maintain service and productivity levels. As such, the City is faced with few options and very difficult decisions in striving to sustain the wellbeing of our residents.

The 2023 budget tax and service fee rates are detailed below:

Property Tax -	General Fund	6.38 mills
	Debt Service	0.21 mills
	Recreation	<u>0.19 mills</u>
	Total	<u><u>6.78 Mills</u></u>
Earned Income Tax		0.75%
Act 205		<u>1.00%</u>
Total		<u><u>1.75%</u></u>
Real Estate/Transfer Tax		2.5% (1% Municipal, 0.5% School, 1% State)
Per Capital/ Resident Tax		\$10/\$5
LST		\$52
BP/Mercantile Tax		1 mill retail and Wholesale Sales
		2 mills service/rentals

### Requests for Information

This financial report is designed to provide a general overview of the City of Hazleton's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the City Administrator, City of Hazleton, 40 North Church Street, Hazleton, Pennsylvania, 18201.

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## **FINANCIAL STATEMENTS**

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**CITY OF HAZLETON, PENNSYLVANIA**

**Statement of Net Position  
As of December 31, 2023**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 14,516,378	\$ -	\$ 14,516,378
Restricted Cash and Cash Equivalents	-	3,176,078	3,176,078
Accounts Receivable, Net	181,097	2,674,288	2,855,385
Taxes Receivable	3,732	-	3,732
Notes Receivable, Net	240,156	-	240,156
Internal Balances	(1,079,068)	1,079,068	-
Due from Pension Funds	7,479	-	7,479
Prepaid Expenses	-	5,348	5,348
Inventory	28,460	-	28,460
Net Pension Assets	5,505,325	-	5,505,325
Capital Assets, not being depreciated	6,076,284	17,900,172	23,976,456
Capital Assets, net of accumulated depreciation	10,792,004	9,431,253	20,223,257
	<u>36,271,847</u>	<u>34,266,207</u>	<u>70,538,054</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension/OPEB Related	10,369,217	-	10,369,217
	<u>10,369,217</u>	<u>-</u>	<u>10,369,217</u>
<b>LIABILITIES</b>			
Accounts Payable	2,598,525	2,536,364	5,134,889
Accrued Liabilities	-	17,003	17,003
Escrow Liabilities	437,199	-	437,199
Unearned Income	5,924,943	2,904,811	8,829,754
Non-current Liabilities:			
Due within one year	1,495,459	-	1,495,459
Due in more than one year	51,460,955	-	51,460,955
	<u>61,917,081</u>	<u>5,458,178</u>	<u>67,375,259</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension/OPEB Related	525,431	-	525,431
	<u>525,431</u>	<u>-</u>	<u>525,431</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	16,868,288	27,331,425	44,199,713
Restricted	1,201,588	-	1,201,588
Unrestricted	(33,871,324)	1,476,604	(32,394,720)
	<u>(15,801,448)</u>	<u>28,808,029</u>	<u>13,006,581</u>
<b>TOTAL NET POSITION</b>	<u>\$ (15,801,448)</u>	<u>\$ 28,808,029</u>	<u>\$ 13,006,581</u>

The accompanying notes are an integral part of this financial statement.

**CITY OF HAZLETON, PENNSYLVANIA**

**Statement of Activities  
Year Ended December 31, 2023**

Functions/Programs	Program Revenues			Net (Expenses) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>PRIMARY GOVERNMENT</b>							
Governmental Activities:							
General Government	\$ 8,277,997	\$ 1,075,779	\$ 5,418,311	\$ -	\$ (1,783,907)	\$ -	\$ (1,783,907)
Public Safety	10,970,664	2,615,033	1,119,199	-	(7,236,432)	-	(7,236,432)
Public Works	6,181,723	-	881,734	-	(5,299,989)	-	(5,299,989)
Community Development	3,945,759	-	2,203,014	-	(1,742,745)	-	(1,742,745)
Recreation	224,377	59,729	-	-	(164,648)	-	(164,648)
Interest on Long-term Debt	53,134	-	-	-	(53,134)	-	(53,134)
Total Governmental Activities	<u>29,653,654</u>	<u>3,750,541</u>	<u>9,622,258</u>	<u>-</u>	<u>(16,280,855)</u>	<u>-</u>	<u>(16,280,855)</u>
Business-type Activities							
Hazleton Public Transit	2,680,812	80,926	9,710,761	-	-	7,110,875	7,110,875
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 32,334,466</u>	<u>\$ 3,831,467</u>	<u>\$ 19,333,019</u>	<u>\$ -</u>	<u>(16,280,855)</u>	<u>7,110,875</u>	<u>(9,169,980)</u>
<b>GENERAL REVENUES</b>							
Taxes:							
Property Taxes, levied for general purposes					15,333,501	-	15,333,501
Earned Income Taxes					8,531,193	-	8,531,193
Miscellaneous					1,834,887	5,592	1,840,479
Unrestricted Investment Earnings					537,863	5,964	543,827
Total General Revenues					<u>26,237,444</u>	<u>11,556</u>	<u>26,249,000</u>
<b>CHANGE IN NET POSITION</b>					9,956,589	7,122,431	17,079,020
<b>NET POSITION, BEGINNING OF YEAR</b>					(25,758,037)	21,685,598	(4,072,439)
<b>NET POSITION, END OF YEAR</b>					<u>\$ (15,801,448)</u>	<u>\$ 28,808,029</u>	<u>\$ 13,006,581</u>

The accompanying notes are an integral part of this financial statement.

**CITY OF HAZLETON, PENNSYLVANIA**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2023**

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	\$ 4,937,567
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of these assets is \$41,381,563 and the accumulated depreciation is \$24,513,275.	16,868,288
Net Deferred Outflow/Inflows of Resources Related to Pensions and OPEB	9,843,786
Net Pension Assets	5,505,325
Noncurrent liabilities are not reported as liabilities in the governmental funds.	<u>(52,956,414)</u>
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ (15,801,448)</u></u>

The accompanying notes are an integral part of this financial statement.

CITY OF HAZLETON, PENNSYLVANIA

Balance Sheet - Governmental Funds  
As of December 31, 2023

	General Fund	Office of Community Development	American Rescue Plan Fund	ACT 205 Fund	Airport	Debt Service	Other Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 2,228,283	\$ 1,126,204	\$ 5,439,822	\$ 4,975,877	\$ 351,540	\$ 106,330	\$ 288,322	\$ 14,516,378
Accounts Receivable, Net	21,840	-	-	54,219	25,909	-	79,129	181,097
Taxes Receivable	3,732	-	-	-	-	-	-	3,732
Notes Receivable, Net	-	240,156	-	-	-	-	-	240,156
Inventory	-	-	-	-	28,460	-	-	28,460
Due from Pension Funds	7,479	-	-	-	-	-	-	7,479
Due from Other Funds	7,628,979	-	-	-	-	1,252	525,282	8,155,513
<b>TOTAL ASSETS</b>	<b>\$ 9,890,313</b>	<b>\$ 1,366,360</b>	<b>\$ 5,439,822</b>	<b>\$ 5,030,096</b>	<b>\$ 405,909</b>	<b>\$ 107,582</b>	<b>\$ 892,733</b>	<b>\$ 23,132,815</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts Payable and Accrued Liabilities	\$ 1,964,445	\$ -	\$ -	\$ 420,570	\$ 146,460	\$ -	\$ 67,050	\$ 2,598,525
Due to Other Funds	5,286,210	-	13,390	3,597,749	199,163	-	138,069	9,234,581
Escrow Liabilities	437,199	-	-	-	-	-	-	437,199
Unearned Income	-	-	5,426,432	-	38,443	-	460,068	5,924,943
Total Liabilities	7,687,854	-	5,439,822	4,018,319	384,066	-	665,187	18,195,248
<b>FUND BALANCES</b>								
Nonspendable	-	240,156	-	-	28,460	-	-	268,616
Restricted	-	1,126,204	-	-	-	-	75,384	1,201,588
Assigned	-	-	-	-	-	-	456	456
Unassigned	2,202,459	-	-	1,011,777	(6,617)	107,582	151,706	3,466,907
Total Fund Balances	2,202,459	1,366,360	-	1,011,777	21,843	107,582	227,546	4,937,567
<b>TOTAL LIABILITIES AND FUND BALANCES \$</b>	<b>\$ 9,890,313</b>	<b>\$ 1,366,360</b>	<b>\$ 5,439,822</b>	<b>\$ 5,030,096</b>	<b>\$ 405,909</b>	<b>\$ 107,582</b>	<b>\$ 892,733</b>	<b>\$ 23,132,815</b>

The accompanying notes are an integral part of this financial statement.

CITY OF HAZLETON, PENNSYLVANIA

Statement of Revenues, Expenditures and Changes in Fund  
Balances - Governmental Funds  
Year Ended December 31, 2023

	General Fund	Office of Community Development	American Rescue Plan Fund	ACT 205 Fund	Airport	Debt Service	Other Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>								
Taxes Receivable	\$ 13,619,122	\$ -	\$ -	\$ 8,531,193	\$ -	\$ 1,547,585	\$ 166,794	\$ 23,864,694
Licenses and Permits	1,036,368	-	-	-	-	-	-	1,036,368
Fines and Forfeitures	457,535	-	-	-	-	-	-	457,535
Intergovernmental Revenue	587,917	2,203,014	4,830,394	1,119,199	977,014	-	881,734	10,599,272
Charges for Services	39,411	-	-	-	1,180,484	-	59,729	1,279,624
Interest and Rents	115,744	35,803	118,339	62,981	185,810	3,049	16,137	537,863
Miscellaneous	1,824,478	-	-	-	-	-	10,409	1,834,887
Total Revenues	17,680,575	2,238,817	4,948,733	9,713,373	2,343,308	1,550,634	1,134,803	39,610,243
<b>EXPENDITURES</b>								
General Government	2,622,568	-	540,775	-	-	-	36,855	3,200,198
Public Safety	9,477,661	-	2,053,065	9,191,257	-	-	-	20,721,983
Public Works	3,476,124	-	854,239	-	1,070,241	-	547,587	5,948,191
Community Development	91,030	2,354,075	1,500,654	-	-	-	-	3,945,759
Recreation	-	-	-	-	-	-	224,377	224,377
Capital Outlay	-	-	-	-	693,969	-	967,437	1,661,406
Debt Service:								
Principal	-	-	-	-	-	1,447,752	-	1,447,752
Interest	-	-	-	-	-	53,134	-	53,134
Total Expenditures	15,667,383	2,354,075	4,948,733	9,191,257	1,764,210	1,500,886	1,776,256	37,202,800
Excess (deficiency) of Revenues Over Expenditures	2,013,192	(115,258)	-	522,116	579,098	49,748	(641,453)	2,407,443
<b>OTHER FINANCING SOURCES/(USES)</b>								
Transfers In/(Out)	-	-	-	-	-	-	-	-
Net Change in Fund Balance	2,013,192	(115,258)	-	522,116	579,098	49,748	(641,453)	2,407,443
<b>FUND BALANCE, BEGINNING OF YEAR</b>	189,267	1,481,618	-	489,661	(557,255)	57,834	868,999	2,530,124
<b>FUND BALANCE, END OF YEAR</b>	\$ 2,202,459	\$ 1,366,360	\$ -	\$ 1,011,777	\$ 21,843	\$ 107,582	\$ 227,546	\$ 4,937,567

The accompanying notes are an integral part of this financial statement.

**CITY OF HAZLETON, PENNSYLVANIA**

**Reconciliation of The Governmental Funds Statement of Revenues, Expenditures  
and Changes in Fund Balances to The Statement of Activities  
Year Ended December 31, 2023**

<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUND</b>	\$	2,407,443
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$1,373,714 was exceeded by capitalized capital outlays of \$1,661,406.</p>		
		287,692
<p>Long-term debt repayments are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Long-term debt proceeds are revenue in the governmental funds, but the proceeds increase long-term liabilities in the Statement of Net Position. This is the amount of long-term debt repayments in excess of proceeds.</p>		
		1,447,752
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Changes in deferred outflows/inflows of resources related to Pension		(2,834,134)
Changes in the net OPEB liability		(193,866)
Changes in the net pension liability/asset		8,978,282
Changes in the compensated absences		(136,580)
		(136,580)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b>9,956,589</b>

The accompanying notes are an integral part of this financial statement.

**CITY OF HAZLETON, PENNSYLVANIA**

**Statement of Net Position - Proprietary Funds (Enterprise Funds)  
December 31, 2023**

<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 3,176,078
Accounts Receivable	2,674,288
Due from Other Funds	1,079,068
Prepaid Expenses	5,348
Fixed Assets, Net	<u>27,331,425</u>
 Total Assets	 <u>34,266,207</u>
 <b>LIABILITIES</b>	
Accounts Payable	2,536,364
Accrued Liabilities	17,003
Unearned Revenue	<u>2,904,811</u>
 Total Liabilities	 <u>5,458,178</u>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	27,331,425
Unrestricted	<u>1,476,604</u>
 <b>TOTAL NET POSITION</b>	 <u>\$ 28,808,029</u>

The accompanying notes are an integral part of this financial statement.

**CITY OF HAZLETON, PENNSYLVANIA**

**Statement of Revenues, Expenses and Change in Net Position  
Proprietary Funds (Enterprise Funds)  
Year Ended December 31, 2023**

<b>OPERATING REVENUES</b>	
Fare-paying Passenger Revenue	\$ 69,207
Miscellaneous Revenue	5,592
Advertising Revenue	11,719
Act 44 Assistance	1,335,822
Total Operating Revenue	1,422,340
 <b>OPERATING EXPENSES</b>	
Purchased Transportation	672,439
Salaries and Wages	143,807
Utilities	14,988
Services	1,023,284
Station and Terminal	19,452
Depreciation	750,590
Miscellaneous	56,252
Total Operating Expenses	2,680,812
<b>OPERATING LOSS</b>	(1,258,472)
 <b>NONOPERATING REVENUES</b>	
Intergovernmental	8,374,939
Investment Income	5,964
Total Nonoperating Revenues	8,380,903
Change in Net Position	7,122,431
Net Position, Beginning of Year	21,685,598
Net Position, End of Year	\$ 28,808,029

The accompanying notes are an integral part of this financial statement.

**CITY OF HAZLETON, PENNSYLVANIA**

**Statement of Cash Flows - Proprietary Funds (Enterprise Funds)  
Year Ended December 31, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Transportation Charges	\$ (189,748)
Cash Received from Operating Grants	(568,733)
Cash Received from Other Sources	17,311
Payments to Vendors	23,652
Payments to Employees	(143,807)
Net Cash Used by Operating Activities	(861,325)
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital Grants	8,374,939
Acquisition of Capital Assets	(6,890,744)
Net Cash Used by Capital and Related Financing Activities	1,484,195
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment Income	5,964
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	628,834
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	2,547,244
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 3,176,078
 <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income (Loss)	\$ (1,258,472)
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:	
Depreciation	750,590
Effects of changes in operating assets and liabilities:	
Accounts Receivable	(1,904,555)
Prepaid Expenses	3,202
Due to/from Other Funds	31,023
Accounts Payable and Accrued Liabilities	1,775,842
Unearned Revenue	(258,955)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	\$ (861,325)

The accompanying notes are an integral part of this financial statement.

**CITY OF HAZLETON, PENNSYLVANIA**

**Statement of Fiduciary Net Position  
Year Ended December 31, 2023**

	<u>Police Pension Fund</u>	<u>Firemen Pension Fund</u>	<u>Non-Uniformed Pension Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,022,214	\$ 1,063,042	\$ 350,408	\$ 3,435,664
Investments:				
Equity Funds	25,917,468	14,812,730	4,141,057	44,871,255
Fixed Income Funds	12,458,139.00	6,524,475.00	2,355,861.00	21,338,475.00
Alternative Funds	4,267,220.00	2,138,202.00	846,290.00	7,251,712.00
Total Investments	<u>42,642,827</u>	<u>23,475,407</u>	<u>7,343,208</u>	<u>73,461,442</u>
Accrued Income	21,685	12,704	3,487	37,876
Total Assets	<u>\$ 44,686,726</u>	<u>\$ 24,551,153</u>	<u>\$ 7,697,103</u>	<u>\$ 76,934,982</u>
<b>LIABILITIES</b>				
Accounts Payable	<u>\$ 3,727</u>	<u>\$ 3,752</u>	<u>\$ -</u>	<u>\$ 7,479</u>
Total Liabilities	<u>3,727</u>	<u>3,752</u>	<u>-</u>	<u>7,479</u>
<b>NET POSITION</b>				
Held in Trust for Pension Benefits	<u>44,682,999</u>	<u>24,547,401</u>	<u>7,697,103</u>	<u>76,927,503</u>
Total Liabilities & Net Position	<u>\$ 44,686,726</u>	<u>\$ 24,551,153</u>	<u>\$ 7,697,103</u>	<u>\$ 76,934,982</u>

The accompanying notes are an integral part of this financial statement.

**CITY OF HAZLETON, PENNSYLVANIA**

**Statement of Changes in Fiduciary Net Position  
Year Ended December 31, 2023**

	<u>Police Pension Fund</u>	<u>Firemen Pension Fund</u>	<u>Non-Uniformed Pension Fund</u>	<u>Total</u>
<b>ADDITIONS</b>				
Contributions:				
Employer Contributions	\$ 6,182,018	\$ 3,710,232	\$ 1,266,509	\$ 11,158,759
Employee Contributions	132,682	70,821	116,846	320,349
Total Contributions	<u>6,314,700</u>	<u>3,781,053</u>	<u>1,383,355</u>	<u>11,479,108</u>
Other Additions:				
Net Increase/(Decrease) in the Fair Value of Investments	<u>5,405,421</u>	<u>2,922,404</u>	<u>931,282</u>	<u>9,259,107</u>
Total Additions	<u>11,720,121</u>	<u>6,703,457</u>	<u>2,314,637</u>	<u>20,738,215</u>
<b>DEDUCTIONS</b>				
Benefit Payments	2,121,169	1,364,000	611,611	4,096,780
Other Expenses & Adjustments	<u>911,459</u>	<u>298,113</u>	<u>206,784</u>	<u>1,416,356</u>
Total Deductions	<u>3,032,628</u>	<u>1,662,113</u>	<u>818,395</u>	<u>5,513,136</u>
<b>CHANGE IN NET POSITION</b>	8,687,493	5,041,344	1,496,242	15,225,079
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS:</b>				
<b>BEGINNING OF YEAR</b>	<u>35,995,506</u>	<u>19,506,057</u>	<u>6,200,861</u>	<u>61,702,424</u>
<b>END OF YEAR</b>	<u>\$ 44,682,999</u>	<u>\$ 24,547,401</u>	<u>\$ 7,697,103</u>	<u>\$ 76,927,503</u>

The accompanying notes are an integral part of this financial statement.

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## **NOTES TO FINANCIAL STATEMENTS**

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## CITY OF HAZLETON

### NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2023

#### Note 1. Summary of Significant Accounting Policies

##### Reporting Entity

The City of Hazleton, Pennsylvania (the City) was incorporated in 1891 under the provisions of the constitution and general statutes of the Commonwealth of Pennsylvania. The City is a third class city, as defined by state statutes. The City operates under a Mayor/Council form of government and provides a full range of services, including public safety, roads, sanitation, health, culture and recreation, and general government services to its approximate 30,000 residents. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City (the primary government) and its component unit. The component unit, discussed in Note 2 is included in the City's reporting entity because of the significance of its operational or financial relationships with the City.

##### Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect on interfund activity has been removed from these statements. Exceptions to this general rule are the interfund activity between the government funds and the fiduciary funds. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities that are supported by customer service charges.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are clearly identifiable with a specific function or category. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, such as taxes, are reported as general revenues.

Separate financial statements are shown for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## CITY OF HAZLETON

### NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2023

#### **Note 1. Summary of Significant Accounting Policies (continued):**

##### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. The recorded amounts of enterprise fund financial instruments, including cash, investments, receivables, payables and long-term debt approximate fair value. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The City has one proprietary fund, the Hazleton Public Transit Fund. This fund is used to account for the operation of the City's public transportation system which is operated in a manner similar to a private business enterprise and is intended to be self-supporting.

The City has three fiduciary funds, the Police Pension Plan, Firemen Pension Plan, and the Non-Uniformed Pension Plan. As fiduciary funds, the pension funds are used to account for assets held by the City in a trustee capacity for individuals and retirees.

##### **Budgetary Accounting Control**

The City's budget is prepared in conformity with GAAP. Annual operating budgets are legally adopted for the General Fund.

##### **Assets, Liabilities and Net Position or Equity**

###### *Cash*

The City's cash is considered to be cash on hand and demand deposits. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair values.

###### *Investments*

The City categorizes its fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are valuations based on unadjusted quoted prices for identical assets or liabilities in active markets; Level 2 inputs are valuations based on quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in less active markets, such as dealer or broker markets; and Level 3 inputs are valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker traded transactions.

CITY OF HAZLETON

NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023

**Note 1. Summary of Significant Accounting Policies (continued):**

*Property Taxes*

The City bills and collects its own property taxes based upon assessed valuations provided by Luzerne County. All uncollected taxes are submitted to a third party who monetizes the receivable for the City and collects the uncollected tax to pay off the monetization. The City will repay the third party for any uncollected taxes. The City levied 6.78 mills per dollar of assessed valuation for general governmental, debt service, and recreational purposes upon the total taxable assessed valuation of property within the City. The 2023 property tax calendar is as follows: Issued date: March 2023; Discount period at 2%: Until April 2023; face period: April to June 2023; and Penalty period at 10%: June 2023 and thereafter.

*Restricted Assets*

Restricted assets represent resources set aside for liquidation of specific obligations. When possible, it is the City's policy to use restricted assets before unrestricted assets.

*Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The City defines capital assets, as those which cost more than \$5,000 (general capital assets) or \$10,000 (infrastructure) and have an estimated useful life in excess of one year. Such assets are valued at historical or estimated historical cost if actual historical cost is not available. Donated assets are stated at their estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or extend asset lives are not capitalized.

Expenditures for major assets and improvements are capitalized as projects are constructed. Interest on debt during the construction period is capitalized. The amount of interest to be capitalized is offset by interest income earned on investment proceeds over the same period. Exhaustible capital assets of the General Fund and Proprietary Funds are depreciated, which is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. Estimated useful lives are generally as follows:

<u>Category</u>	<u>Years</u>
Infrastructure	30-35
Improvements	20-60
Buildings	15-100
Parkes and equipment	3-40
Vehicles	5-25

## CITY OF HAZLETON

### NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2023

#### **Note 1. Summary of Significant Accounting Policies (continued):**

##### *Long-term Obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. In the governmental fund financial statements, the face amount of the debt issued is reported as other financing sources.

##### *Compensated Absences*

Vacation time must generally be used in the period earned. Sick leave may be accumulated for a maximum number of days as described in each of the respective union contracts. Fifty percent of the accumulated maximum number of days is payable upon death or when the employee retires under normal retirement provisions.

##### *Internal Balances*

Internal balances arise from inter-fund transactions and are recorded by all funds affected in the period in which the transactions are executed.

#### **Use of Estimates in Preparing Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Net Position**

The government-wide and business-type activity financial statements utilize a net asset presentation. Net position is categorized as follows:

*Net investment in capital assets* – This category groups all capital assets into one component of net assets. Accumulated depreciation and outstanding balances of debt that are attributed to the acquisition, construction or improvement of these assets, reduce the balances in this category.

*Restricted net position* – This category represents external restrictions imposed by creditors, grantors, laws and regulations of other governments.

*Unrestricted net position* – This category represents the net position of the City, not restricted for any purpose.

## CITY OF HAZLETON

### NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2023

#### **Note 1. Summary of Significant Accounting Policies (continued):**

##### **Fund Balances**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components—non-spendable, restricted, committed, assigned and unassigned.

*Non-spendable* – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted* – This component consists of amounts that are limited by external parties, or by enabling legislation.

*Committed* – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

*Assigned* – This component consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the City Manager or their designee.

*Unassigned* – This classification represents amounts that have not been restricted, committed, or assigned to specific purposes within the general fund.

##### **Receivables**

All accounts receivable are reported at gross value and, where appropriate, reduced by the estimate considered to be uncollectible.

##### **Unearned/Unavailable Revenue**

Unearned and unavailable revenue are those revenues where asset recognition criteria have been met but for which revenue recognition criteria have not been met. Unearned revenue results from revenues being collected in advance of the fiscal year to which they apply or in advance of their legal due date. Unavailable revenue results from revenue not collected within 60 days of year end.

## CITY OF HAZLETON

### NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2023

#### **Note 1. Reporting Entity**

In accordance with GAAP, Determining Whether Certain Organizations Are Component Units, the City evaluated the following entities for possible inclusion in the financial reporting entity: The Greater Hazleton Joint Sewer Authority, The Health Services Authority of Hazleton, The Hazleton City Authority, The Parking Authority of the City of Hazleton, The Housing Authority of the City of Hazleton, Lower Luzerne Solid Waste Management Authority, Tri-Area Recreation Authority, The Redevelopment Authority of the City of Hazleton.

Based upon its evaluation, the City has included the Redevelopment Authority of the City of Hazleton (the Authority) as a blended component unit, whereby the financial data for the Authority is presented in the same manner as that of the City's financial operations. The remaining entities do not meet the GASB criteria and are not included in the reporting entity.

The Authority is organized under the Commonwealth of Pennsylvania Community Redevelopment Law. The projects within each area are financed through debt which is repaid by property tax increment revenue. The Authority participates in low and moderate housing activities including rehabilitation of low and moderate income rental housing projects. The City Council is the governing body of the Authority.

#### **Note 3. Cash and Investments**

The City follows the Third Class City Code for investment of City funds. Authorized types of investments for City funds are: United States Treasury Bills, Obligations of the United States government or its agencies or instrumentalities, collateralized (through insurance or pledged collateral as allowed by law) deposits in savings accounts or time accounts or certificates of deposits, Obligations of the Commonwealth of Pennsylvania or any of its agencies or political subdivisions, shares of an investment company registered under the Securities Act of 1933, and any investment authorized by 20 Pa. C.S. Ch. 73.

In making investment of City funds, the City Council shall have authority: to permit assets pledged as collateral under subsection (d)(3), to be pooled in accordance with the act of August 6, 1971 (P.L. 281, No. 72), relating to pledges of assets to secure deposits of public funds. There is no custodial credit risk policy for deposits.

Investments of the Pension Fund are held by a fiscal agent under trust agreements that authorize the trustee to invest in any form of property, at its discretion, without restriction to investments authorized for fiduciaries, provided that the investments of the trust shall be kept separate and apart from other City funds.

**CITY OF HAZLETON**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

**Note 3. Cash and Investments (continued):**

As of December 31, 2023, the aggregate bank and book balance of bank deposits was \$91,153,898 and \$91,153,898 (including bank overdraft), respectively. As of December 31, 2023, \$2,250,000, was covered by Federal depository insurance and the remaining balance of \$88,903,898, was covered by pledged pools of assets maintained in accordance with Act No. 72 of the General Assembly that requires the institution pool collateral for all government deposits.

**Investments**

As of December 31, 2023, the City had the following investments in its fiduciary funds:

Investment Type	Fair Value
Equity Funds	\$ 44,871,255
Fixed Income Funds	21,338,475
Alternative Funds	7,251,712
Total	\$ 73,461,442

The City has no investment policy that would limit its investment choices to certain credit ratings.

City of Hazleton has the following recurring fair value measurements as of December 31, 2023:

Investment Type	Fair Value	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Input (Level 3)
Equity Funds	\$ 44,871,255	\$ 44,871,255	\$ -	\$ -
Fixed Income Funds	21,338,475	21,338,475	-	-
Alternative Funds	7,251,712	7,251,712	-	-
Total	\$ 73,461,442	\$ 73,461,442	\$ -	\$ -

**Interest Rate Risk**

Fair value fluctuates with interest rates, and increasing interest rates could cause fair values to decline below original cost. To limit the City's exposure to fair value losses arising from increasing interest rates, the City's investment policy limits the term of investment maturities except in the fiduciary funds, for which longer term maturities are allowed to match the cash flow of liabilities. City management believes the liquidity in the portfolio is adequate to meet cash flow requirements and to preclude the City from having to sell investments below original cost for that purpose.

**CITY OF HAZLETON**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

**Note 3. Cash and Investments (continued):**

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover all or a portion of the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2023, all of the City's investments were insured or registered, or for which the securities were held by the City or its agent in the City's name.

**Note 4. Changes In Capital Assets**

Additions and disposals of fixed capital assets during the year ended December 31, 2023, are shown below:

<b>GOVERNMENTAL ACTIVITIES</b>	<b>Balance January 1, 2023</b>	<b>Additions and Transfers</b>	<b>Disposals and Transfers</b>	<b>Ending Balance December 31, 2023</b>
Land - Not Being Depreciated	\$ 2,171,360	\$ -	\$ -	\$ 2,171,360
Construction in Progress - Not Being Depreciated	3,904,924	-	-	3,904,924
Infrastructure	8,110,386	-	-	8,110,386
Buildings and Improvements	10,467,637	-	-	10,467,637
Equipment	8,776,095	1,661,406	-	10,437,501
Vehicles	6,289,755	-	-	6,289,755
Total	<u>39,720,157</u>	<u>1,661,406</u>	<u>-</u>	<u>41,381,563</u>
(Less) - Accumulated Depreciation for Infrastructure	(5,348,109)	(277,524)	-	(5,625,633)
Buildings and Improvements	(6,779,675)	(610,737)	-	(7,390,412)
Equipment	(6,110,085)	(271,090)	-	(6,381,175)
Vehicles	(4,901,692)	(214,363)	-	(5,116,055)
Total	<u>(23,139,561)</u>	<u>(1,373,714)</u>	<u>-</u>	<u>(24,513,275)</u>
<b>Capital Assets, Net</b>	<u>\$ 16,580,596</u>	<u>\$ 287,692</u>	<u>\$ -</u>	<u>\$ 16,868,288</u>
<b>PROPRIETARY FUND</b>	<b>Balance January 1, 2023</b>	<b>Additions and Transfers</b>	<b>Disposals and Transfers</b>	<b>Ending Balance December 31, 2023</b>
Land - Not Being Depreciated	\$ 684,447	\$ -	\$ -	\$ 684,447
Construction in Progress - Not Being Depreciated	10,324,981	6,890,744	-	17,215,725
Buildings and Improvements	12,050,230	-	-	12,050,230
Transportation Equipment	7,213,849	-	-	7,213,849
Furniture and Equipment	136,237	-	-	136,237
Total	<u>30,409,744</u>	<u>6,890,744</u>	<u>-</u>	<u>37,300,488</u>
(Less) - Accumulated Depreciation for				
Buildings and Improvements	(4,365,855)	(346,400)	-	(4,712,255)
Transportation Equipment	(4,681,388)	(397,952)	-	(5,079,340)
Furniture and Equipment	(171,230)	(6,238)	-	(177,468)
Total	<u>(9,218,473)</u>	<u>(750,590)</u>	<u>-</u>	<u>(9,969,063)</u>
<b>Capital Assets, Net</b>	<u>\$ 21,191,271</u>	<u>\$ 6,140,154</u>	<u>\$ -</u>	<u>\$ 27,331,425</u>

**CITY OF HAZLETON**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

**Note 4. Changes In Capital Assets (continued):**

Depreciation expense was charged to function/programs of the primary government for the year ended December 31, 2023, as follows:

<b>Depreciation Expense - 12/31/2023</b>	<b><u>12/31/2023</u></b>
General Government	\$ 837,965
Public Safety	302,217
Public Works	<u>233,532</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 1,373,714</u>

**Note 5. Non-Current Liabilities**

Non-current liability transactions of the City for the year ended December 31, 2023, are presented below.

<b>GOVERNMENTAL ACTIVITIES</b>	<b>Balance January 1, 2023</b>	<b>Additions</b>	<b>Repayments</b>	<b>Balance December 31, 2023</b>	<b>Due Within One Year</b>
<u>General Obligation Bonds:</u>					
2005 General Obligation Note, 2.85% to 4.30% Interest Due in Semiannual Installments, Principal Due in Annual Installments Through December 2025	\$ 580,000	\$ -	\$ 435,000	\$ 145,000	\$ 70,000
<u>Notes From Direct Borrowings and Direct Placements:</u>					
Pennsylvania Housing Finance Agency Loan in the Amount of \$150,000 Secured by Certain Properties. The Loan is Without Interest for Five Years at Which Time the Balance will be Forgiven.	150,000	-	-	150,000	-
Series of 2015, Redevelopment Authority Guaranteed Lease Revenue Note, 2.85% Per Annum, Tax Free with a Ten Year Term; Quarterly Payments of Principal and Interest	1,795,336	-	636,391	1,158,945	655,098
2017 Loan	425,000	-	85,000	340,000	85,000
Series of 2018, Guaranteed Lease Revenue Note, 4.75% Per Annum, with an Eight Year Term; Semi-Annual Payments of Principal and Interest	1,081,000	-	1,000	1,080,000	391,000
2021 General Obligation Note, 2.40% to 7.50% Interest Due in Semiannual Installments, Principal Due in Annual Installments Through June 2033	<u>2,305,627</u>	<u>-</u>	<u>199,000</u>	<u>2,106,627</u>	<u>203,000</u>
Total Notes From Direct Borrowings and Direct Placements:	5,756,963	-	921,391	4,835,572	1,334,098
<u>Capital Leases:</u>					
Lease/Purchase Agreement, \$793,664 (Principal Portion) with Annual Principal and Interest Payment of \$113,208 Through August 2025	326,427	-	91,361	235,066	91,361
Total Capital Leases	<u>326,427</u>	<u>-</u>	<u>91,361</u>	<u>235,066</u>	<u>91,361</u>
Net Pension Liability	5,566,182	-	3,763,301	1,802,881	-
Net OPEB Liability	43,686,347	193,866	-	43,880,213	-
Compensated Absences	<u>1,921,102</u>	<u>136,580</u>	<u>-</u>	<u>2,057,682</u>	<u>-</u>
<b>Total Governmental Activity Liabilities</b>	<b><u>\$ 57,837,021</u></b>	<b><u>\$ 330,446.00</u></b>	<b><u>\$ 5,211,053</u></b>	<b><u>\$ 52,956,414</u></b>	<b><u>\$ 1,495,459</u></b>

**CITY OF HAZLETON**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

**Note 5. Non-Current Liabilities (continued):**

Debt service requirements to maturity as of December 31, 2023 was as follows:

Fiscal Year	Governmental Activities			
	General Obligation Bonds		Notes From Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2024	70,000	6,235	1,334,098	507,882
2025	75,000	3,225	1,536,848	658,221
2026	-	-	399,000	140,464
2027	-	-	304,000	32,900
2028	-	-	212,000	60,115
2029-2033	-	-	1,049,626	208,663
Total	<u>\$ 145,000</u>	<u>\$ 9,460</u>	<u>\$ 4,835,572</u>	<u>\$ 1,608,245</u>

**Note 6. Pension Plans**

The City has three single employer defined benefit pension plans covering Police, Firemen, and Non-Uniformed personnel. The plans provide for retirement, disability, vested and death benefits to plan members and their beneficiaries. Benefit provisions and their amendments are authorized by the separate pension boards.

The following table provides information concerning types of covered employees and benefit provisions for each of the plans as of January 1, 2023:

	Police Pension Plan	Firemen Pension Plan	Non-Uniformed Plan
Active Plan Members	46	23	52
Retirees and Beneficiaries Currently Receiving Benefits	55	35	29
Terminated Employees Entitled to Benefits	0	0	0
Total	<u>101</u>	<u>58</u>	<u>81</u>

**CITY OF HAZLETON**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

**Note 6. Pension Plans (continued):**

**Contributions**

Pennsylvania Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act of the Commonwealth of Pennsylvania (Act 205) requires that the annual contributions be based on the Minimum Municipal Obligation (MMO), which is based on the plan’s annual actuarial valuation. The MMO includes the normal cost, estimated administrative expenses, and an amortization of the unfunded actuarial accrued liability less estimated member contributions. The Commonwealth provides an allocation of funds which must be used for pension funding. Any financial requirements established by the MMO which exceeds Commonwealth and member contributions must be funded by the employer.

Pennsylvania Act 44 of 2009 (Act 44) clarifies the limitations on the uses of the special municipal taxing authority currently provided under Act 205, and in the case of a municipality utilizing the proceeds from the special tax to fund other post-employment benefits (OPEB), requires the inclusion of OPEB liabilities in the actuarial valuation report filed with the Commission and in the calculation of the municipality’s MMO.

Police, Firemen, and Non-Uniformed employees are required to contribute 5%, 4%, and 4% of covered payroll, respectively. These contributions are governed by the Plans governing documents and collective bargaining agreements. Administrative costs are charged to the Plans and funded through the MMO and/or investment earnings.

**Investments**

The table below summarizes the target asset class weighting, along with the allowable ranges for each class for the Police, Fire and Non-Uniformed Plans as of December 31, 2023:

<b>Police Pension Plan</b>		
<b>Investment Type</b>	<b>Target</b>	<b>Assumed Rate of Return</b>
Equity	53%	7.7% - 9.7%
Fixed Income	31%	4.3% - 5.6%
Alternatives	11%	5.7% - 9.6%
Cash	5%	2.6% - 3.1%
<b>Firemen Pension Plan</b>		
<b>Investment Type</b>	<b>Target</b>	<b>Assumed Rate of Return</b>
Equity	53%	7.7% - 9.7%
Fixed Income	31%	4.3% - 5.6%
Alternatives	11%	5.7% - 9.6%
Cash	5%	2.6% - 3.1%
<b>Non-Uniformed Pension Plan</b>		
<b>Investment Type</b>	<b>Target</b>	<b>Assumed Rate of Return</b>
Equity	53%	7.7% - 9.7%
Fixed Income	31%	4.3% - 5.6%
Alternatives	11%	5.7% - 9.6%
Cash	5%	2.6% - 3.1%

**CITY OF HAZLETON**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

**Note 6. Pension Plans (continued):**

**Actuarial Assumptions**

The plans had the following actuary assumptions and methods:

Actuarial Assumptions	Police Pension Plan	Firemen Pension Plan	Non-Uniformed Plan
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar	Level Dollar	Level Dollar, Closed
Asset Valuation Method	Fair Value	Fair Value	Fair Value
Actuarial Assumptions			
Investment Rate of Return	7.25%	7.25%	7.25%
Projected Salary Increases	3.75% - 9.00%	3.25% - 9.00%	4.00%

**Net Pension Liability**

The net pension liability is equal to the total pension liability minus the net position of the plan. The result as of December 31, 2023, was as follows:

Net Pension Liability	Police Pension Plan	Firemen Pension Plan	Non-Uniformed Pension Plan
Total Pension Liability	\$ 40,354,425	\$ 23,370,649	\$ 9,499,984
Net Position	<u>44,682,999</u>	<u>24,547,400</u>	<u>7,697,103</u>
Net Pension Liability (Asset)	<u>\$ (4,328,574)</u>	<u>\$ (1,176,751)</u>	<u>\$ 1,802,881</u>
Net Position as a Percentage of Total Pension Liability	110.73%	105.04%	81.02%

**CITY OF HAZLETON**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

**Note 6. Pension Plans (continued):**

**Police Pension Plan**

<b>Police Pension Plan</b>	<b>Increase/(Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (asset) (a) - (b)</b>
Balances as of December 31, 2022	\$ 38,083,384	\$ 35,995,506	\$ 2,087,878
Changes for the year:			
Service Cost	902,311	-	902,311
Interest	2,844,383	-	2,844,383
Difference between expected and actual experience	(329,885)	-	(329,885)
Contributions - Employer and State Aid	-	6,182,018	(6,182,018)
Contributions - Member	-	132,682	(132,682)
Net Investment Income (loss)	-	5,405,421	(5,405,421)
Change in Assumptions	975,401	-	975,401
Benefit Payments	(2,121,169)	(2,121,169)	-
Transfer Out	-	(911,459)	911,459
Net Changes	<u>2,271,041</u>	<u>8,687,493</u>	<u>(6,416,452)</u>
Balances as of December 31, 2023	<u>\$ 40,354,425</u>	<u>\$ 44,682,999</u>	<u>\$ (4,328,574)</u>

**Fireman Pension Plan**

<b>Firemen Pension Plan</b>	<b>Increase/(Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (asset) (a) - (b)</b>
Balances as of December 31, 2022	\$ 19,215,712	\$ 19,506,056	\$ (290,344)
Changes for the year:			
Service Cost	341,961	-	341,961
Interest	1,415,675	-	1,415,675
Difference between expected and actual experience	1,583,883	-	1,583,883
Contributions - Employer and State Aid	-	3,710,232	(3,710,232)
Contributions - Member	-	70,821	(70,821)
Net Investment Income (loss)	-	2,922,404	(2,922,404)
Change in Assumptions	2,177,418	-	2,177,418
Benefit Payments	(1,364,000)	(1,364,000)	-
Transfer Out	-	(298,113)	298,113
Net Changes	<u>4,154,937</u>	<u>5,041,344</u>	<u>(886,407)</u>
Balances as of December 31, 2023	<u>\$ 23,370,649</u>	<u>\$ 24,547,400</u>	<u>\$ (1,176,751)</u>

**Non-uniformed Pension Plan**

<b>Non-Uniformed Pension Plan</b>	<b>Increase/(Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (asset) (a) - (b)</b>
Balances as of December 31, 2022	\$ 9,679,165	\$ 6,200,861	\$ 3,478,304
Changes for the year:			
Service Cost	409,040	-	409,040
Interest	733,680	-	733,680
Difference between expected and actual experience	88,640	-	88,640
Contributions - Employer and State Aid	-	1,266,509	(1,266,509)
Contributions - Member	-	116,846	(116,846)
Net Investment Income (loss)	-	931,282	(931,282)
Change in Assumptions	(798,930)	-	(798,930)
Benefit Payments	(611,611)	(611,611)	-
Transfer Out	-	(206,784)	206,784
Net Changes	<u>(179,181)</u>	<u>1,496,242</u>	<u>(1,675,423)</u>
Balances as of December 31, 2023	<u>\$ 9,499,984</u>	<u>\$ 7,697,103</u>	<u>\$ 1,802,881</u>

**CITY OF HAZLETON**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

**Note 6. Pension Plans (continued):**

*Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2023, the City recognized pension expense of \$9,843,786, for the plans. As of December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

<b>Police Pension Plan</b>		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Assumption Experience	\$ 2,160,080	\$ -
Difference between Expected and Actual Liability Experience	-	24,204
Difference between Expected and Actual Asset Experience	2,359,258	-
<b>Total</b>	\$ 4,519,338	\$ 24,204

<b>Firemen Pension Plan</b>		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Assumption Experience	\$ 2,243,456	\$ -
Difference between Expected and Actual Liability Experience	1,491,947	-
Difference between Expected and Actual Asset Experience	1,489,640	-
<b>Total</b>	\$ 5,225,043	\$ -

<b>Non-Uniformed Employees Pension Plan</b>		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Assumption Experience	\$ -	\$ 501,227
Difference between Expected and Actual Liability Experience	151,277	-
Difference between Expected and Actual Asset Experience	473,559	-
<b>Total</b>	\$ 624,836	\$ 501,227

**CITY OF HAZLETON**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

**Note 6. Pension Plans (continued):**

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

The following presents the net pension liability of the plan, calculated using a discounted rate of 7.25% as well as what the plan's net pension liability would be if it were calculated using a discounted rate that is 1-percentage point lower (6.25%) or 1-percentage higher (8.25%) than the current rate:

**Police Pension Plan**

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 1,063,655	\$ (4,328,574)	\$ (8,731,335)

**Firemen Pension Plan**

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 1,648,209	\$ (1,176,751)	\$ (3,503,111)

**Non-Uniformed Pension Plan**

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 2,893,191	\$ 1,802,881	\$ 877,022

**CITY OF HAZLETON**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

**Note 7. Other Post Retirement Benefits**

The City provides a single employer defined benefit postretirement healthcare plan for five groups of employees in the City. The groups are firefighters with a minimum of 20 years of service, police officers hired before January 1, 2007 with a minimum of 20 years of service, city employees hired prior to April 27, 2000, with a minimum of 10 years of service and who are at least age 60 and management personnel hired prior to April 27, 2000, with a minimum of 15 years of service and who are at least age 55. The Plan provides post-retirement medical, prescription drug, and dental benefits as determined by contract provisions at the time of retirement. The plan is unfunded and no separate financial report is prepared.

The City has not yet established a formal policy nor has it restricted any funds for the plan. The City is currently paying the retirees' healthcare costs on a "pay-as-you-go" basis. The City paid premiums of \$10,098,083 for the year ended December 31, 2023.

Membership of the Plans consisted of the following as of January 1, 2023:

	<b>Police</b>	<b>Fire</b>	<b>Non - Uniformed</b>
Fully Eligible Active Employees	10	22	10
Other Active Employees Not Fully Eligible	0	0	0
Retirees and Beneficiaries Currently Receiving Benefits	37	27	24
<b>Total</b>	<b>47</b>	<b>49</b>	<b>34</b>

**Net OPEB Liability**

The net OPEB liability is equal to the total OPEB liability minus the net position of the plans. The result as of December 31, 2023, was as follows:

	<b>Police</b>	<b>Fire</b>	<b>Non - Uniformed</b>
Total OPEB Liability	\$ 23,591,694	\$ 18,158,714	\$ 2,129,805
Net Position	-	-	-
<b>Net OPEB Liability</b>	<b>\$ 23,591,694</b>	<b>\$ 18,158,714</b>	<b>\$ 2,129,805</b>
Net Position as a percentage of total OPEB Liability	0%	0%	0%

**CITY OF HAZLETON**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

**Note 7. Other Post Retirement Benefits (continued):**

**Non-Uniformed Plan**

*Net OPEB Liability*

The components of the net OPEB liability of the Non-Uniformed Plan as of December 31, 2023, was as follows:

*Actuarial Assumptions*

Salary Increase	5% Annually
Discount Rate	4.00%
Healthcare cost trend rate	Non-Medicare retirees - 3% during 2020, 8% during 2021, decreasing by 0.25% per year to an ultimate level of 5% per year. Medicare supplement medical and prescription drugs increase by 0% during 2020 and 5% per year thereafter. Vision costs increase by 0% during 2020 and 1.75% per year thereafter.
Actuarial cost method	Entry age normal
Mortality rates	Healthy Life Mortality - Blue Collar RP-2000 projected 17 years using Scale AA

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

The following table presents the Non-Uniformed net OPEB liability if calculated using the discount rate that is one percentage point lower or one percentage point higher.

	1% Decrease (3%)	Current Discount Rate (4%)	1% Increase (5%)
Non-Uniformed Net OPEB Liability	\$ 4,394,411	\$ 2,129,805	\$ 3,548,182

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

The following table presents the Non-Uniformed net OPEB liability if calculated using the trend rate that is one percentage point lower or one percentage point higher.

	1% Decrease	Current Trend Rate	1% Increase
Non-Uniformed Net OPEB Liability	\$ 3,739,178	\$ 2,129,805	\$ 4,090,399

**CITY OF HAZLETON**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

**Note 7. Other Post Retirement Benefits (continued):**

*Changes in Net OPEB Liability*

<b>Non-Uniformed</b>	<b>Increase/(Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (asset) (a) - (b)</b>
Balances as of December 31, 2022	\$ 3,185,262	\$ -	\$ 3,185,262
Changes for the year:			
Service Cost	48,333	225,355	(177,022)
Interest	134,564	-	134,564
Change in Benefit Terms	(12,753)	-	(12,753)
Difference between expected and actual experience	(444,747)	-	(444,747)
Change in Assumptions	(555,499)	-	(555,499)
Benefit Payments	(225,355)	(225,355)	-
Net Changes	<u>(1,055,457)</u>	<u>-</u>	<u>(1,055,457)</u>
Balances as of December 31, 2023	<u>\$ 2,129,805</u>	<u>\$ -</u>	<u>\$ 2,129,805</u>

The Non-Uniformed Plan recognized OPEB expense of \$252,889 for the year ended December 31, 2023. As of December 31, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between Expected and Actual Experience	\$ -	\$ 103,410
Changes in Assumptions	-	149,479
<b>Total</b>	<u>\$ -</u>	<u>\$ 252,889</u>

**CITY OF HAZLETON**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

**Note 7. Other Post Retirement Benefits (continued):**

**Police Plan**

*Net OPEB Liability*

The components of the net OPEB liability of the Police Plan as of December 31, 2023, was as follows:

*Actuarial Assumptions*

Salary Increase	5% Annually
Discount Rate	4.00%
Healthcare cost trend rate	Non-Medicare retirees - 3% during 2020, 8% during 2021, decreasing by 0.25% per year to an ultimate level of 5% per year. Medicare supplement medical and prescription drugs increase by 0% during 2020 and 5% per year thereafter. Vision costs increase by 0% during 2020 and 1.75% per year thereafter.
Actuarial cost method	Entry age normal
Mortality rates	Healthy Life Mortality - Blue Collar RP-2000 projected 17 years using Scale AA

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

The following table presents the Police Plan net OPEB liability if calculated using the discount rate that is one percentage point lower or one percentage point higher.

	1% Decrease (3%)	Current Discount Rate (4%)	1% Increase (5%)
Police Net OPEB Liability	\$ 35,677,957	\$ 23,591,694	\$ 26,325,958

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

The following table presents the Police Plan net OPEB liability if calculated using the healthcare cost trend rate that is one percentage point lower or one percentage point higher.

	1% Decrease	Current Trend Rate	1% Increase
Police Net OPEB Liability	\$ 26,169,762	\$ 23,591,694	\$ 35,787,983

**CITY OF HAZLETON**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

**Note 7. Other Post Retirement Benefits (continued):**

*Changes in Net OPEB Liability*

<b>Police</b>	<b>Increase/(Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (asset) (a) - (b)</b>
Balances as of December 31, 2022	\$ 23,300,511	\$ -	\$ 23,300,511
Changes for the year:			
Service Cost	337,926	-	337,926
Interest	998,012	-	998,012
Change in Benefit Terms	(123,991)		(123,991)
Difference between expected and actual experience	(383,796)	-	(383,796)
Contributions - Employer and State Aid	-	975,675	(975,675)
Change in Assumptions	438,707	-	438,707
Benefit Payments	(975,675)	(975,675)	-
Net Changes	<u>291,183</u>	<u>-</u>	<u>291,183</u>
Balances as of December 31, 2023	<u>\$ 23,591,694</u>	<u>\$ -</u>	<u>\$ 23,591,694</u>

The Police Plan recognized OPEB expense of \$130,928 for the year ended December 31, 2023. As of December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between Expected and Actual Experience	\$ -	\$ 485,733
Changes in Assumptions	354,805	-
<b>Total</b>	<u>\$ 354,805</u>	<u>\$ 485,733</u>

**CITY OF HAZLETON**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

**Note 7. Other Post Retirement Benefits (continued):**

**Firefighters Plan**

*Net OPEB Liability*

The components of the net OPEB liability of the Firefighters Plan as of December 31, 2023, was as follows:

*Actuarial Assumptions*

Salary Increase	5% Annually
Discount Rate	4.00%
Healthcare cost trend rate	Non-Medicare retirees - 3% during 2020, 8% during 2021, decreasing by 0.25% per year to an ultimate level of 5% per year. Medicare supplement medical and prescription drugs increase by 0% during 2020 and 5% per year thereafter. Vision costs increase by 0% during 2020 and 1.75% per year thereafter.
Actuarial cost method	Entry age normal
Mortality rates	Healthy Life Mortality - Blue Collar RP-2000 projected 17 years using Scale AA

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

The following table presents the Firefighters Plan net OPEB liability if calculated using the discount rate that is one percentage point lower or one percentage point higher.

	1% Decrease (3%)	Current Discount Rate (4%)	1% Increase (5%)
Firefighters Net OPEB Liability	\$ 25,959,892	\$ 18,158,714	\$ 18,939,635

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

The following table presents the Firefighters Plan net OPEB liability if calculated using the healthcare cost trend rate that is one percentage point lower or one percentage point higher.

	1% Decrease	Current Trend Rate	1% Increase
Firefighters Net OPEB Liability	\$ 18,740,652	\$ 18,158,714	\$ 26,196,757

**CITY OF HAZLETON**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

**Note 7. Other Post Retirement Benefits (continued):**

*Changes in Net OPEB Liability*

<b>Fire fighters</b>	<b>Increase/(Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (asset) (a) - (b)</b>
Balances as of December 31, 2022	\$ 17,200,574	\$ -	\$ 17,200,574
Changes for the year:			
Service Cost	679,985	577,139	102,846
Interest	758,345	-	758,345
Difference between expected and actual experience	51,697	-	51,697
Change in Assumptions	45,252	-	45,252
Benefit Payments	<u>(577,139)</u>	<u>(577,139)</u>	<u>-</u>
Net Changes	958,140	-	958,140
Balances as of December 31, 2023	<u>\$ 18,158,714</u>	<u>\$ -</u>	<u>\$ 18,158,714</u>

The Firefighters Plan recognized OPEB expense of \$624,457 for the year ended December 31, 2023. As of December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between Expected and Actual Experience	\$ -	\$ 18,221
Changes in Assumptions	-	606,236
<b>Total</b>	<u>\$ -</u>	<u>\$ 624,457</u>

**CITY OF HAZLETON**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED DECEMBER 31, 2023**

**Note 8. Interfund Receivables and Payables**

Interfund receivables and payables as of December 31, 2023, were as follows:

	General Fund	American Rescue Plan Fund	ACT 205	Airport Fund	Liquid Fuels	Special Recreation Fund	Debt Service	Grants	Transit	Total
<b>Due From Other Funds:</b>										
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 11,782	\$ -	\$ 1,252	\$ 513,500	\$ 1,079,068	\$ 1,605,602
ACT 205	3,597,749	-	-	-	-	-	-	-	-	3,597,749
Special Recreation Fund	138,069	-	-	-	-	-	-	-	-	138,069
Airport	199,163	-	-	-	-	-	-	-	-	199,163
Liquid Fuels	-	-	-	-	-	-	-	-	-	-
American Rescue Plan Fund	13,390	-	-	-	-	-	-	-	-	13,390
<b>Total</b>	<b>\$3,948,371</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,782</b>	<b>\$ -</b>	<b>\$ 1,252</b>	<b>\$ 513,500</b>	<b>\$ 1,079,068</b>	<b>\$ 5,553,973</b>
<b>Due To Other Funds:</b>										
General Fund	\$ -	\$ 13,390	\$ 3,597,749	\$ 199,163	\$ -	\$ 138,069	\$ -	\$ -	\$ -	\$ 3,948,371
Debt Service Fund	1,252	-	-	-	-	-	-	-	-	1,252
Grants Fund	513,500	-	-	-	-	-	-	-	-	513,500
Transportation Fund	1,079,068	-	-	-	-	-	-	-	-	1,079,068
<b>Total</b>	<b>\$1,605,602</b>	<b>\$ 13,390</b>	<b>\$ 3,597,749</b>	<b>\$ 199,163</b>	<b>\$ -</b>	<b>\$ 138,069</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,553,973</b>

**Note 9. Risk Management**

The City’s risk financing techniques include purchase of commercial insurance. Settled claims from these risks have not exceeded coverage for the past three fiscal years, and there has not been a reduction in insurance coverage in the past fiscal year.

**Note 10. Risk and Uncertainties**

The City’s pension plans invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment of securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Fiduciary Net Position.

**Note 11. Commitments and Contingencies**

*Grants*

The City receives grants from time to time. Expenditures from certain grants are subject to audit by the grantor, and the City is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the City’s management, no material refunds will be required as a result of disallowed expenditures.

*Other Litigation*

The City is involved in several claims and lawsuits relative to its operations. In the opinion of the City and legal counsel, the ultimate resolution of these matters is either unknown, or will not have a material adverse effect on the financial position of the City.

## CITY OF HAZLETON

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

#### **Note 11. Commitments and Contingencies (continued):**

##### *Net Position/Fund Balance Deficit*

As of December 31, 2023, the City had a net position deficit of \$33,871,324, which is largely a result of the net OPEB liability. The net OPEB liability was \$43,880,213 as of December 31, 2023. The City currently does not intend to fully fund the OPEB annual required contribution and as a result the deficit will continue. The City plans to review the OPEB cost and develop a long term strategy to fund the balance.

#### **Note 12. Implementation of New Accounting Pronouncements**

GASB has issued Statement No. 87, Leases, Statement No. 91, Conduit Debt Obligations, Statement No. 92, Omnibus 2020, Statement No. 93, Replacement of Interbank Offered Rates (IBOR), Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, Statement No. 96, Subscription-Based Information Technology Arrangements, Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans; Statement No. 99, Omnibus 2022, Statement No. 100, Accounting Changes and Error Corrections, and Statement No. 101, Compensated Absences. The City is analyzing the effects of these pronouncements and plans to adopt them as applicable by its effective date.

#### **Note 13. Distressed Municipalities Status**

The City's Act 47 Coordinator, in conjunction with the City, worked on a revision to the 2017 Recovery Plan. In October 2014, the State of Pennsylvania signed House Bill 1773 into law. The bill significantly overhauled the Municipalities Financial Recovery Act, Known as Act 47. The new law placed a five-year time limit for municipalities to exit Act 47. For municipalities already under Act 47 and operating under a recovery plan, the termination date for their distressed status will be five years from the effective date for their most recent recovery plan or amendment. The 2018 Revised Recovery Plan was adopted by City Council in June 2018.

The revised Recovery Plan and its provisions are designed to restore long term fiscal stability, budgetary predictability, and the repair of the City's governing bodies to follow through 2023.

In May of 2023, the Department of Community and Economic Development approved the City's exit from distressed municipality status under the Municipalities Financial Recovery Program, (Act 47).

## **REQUIRED SUPPLEMENTARY INFORMATION**

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CITY OF HAZLETON

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - GENERAL FUND  
YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 9,439,719	\$ 9,439,719	\$ 13,619,122	\$ 4,179,403
Licenses and Permits	1,670,763	1,670,763	1,036,368	(634,395)
Fines and Forfeitures	949,000	949,000	457,535	(491,465)
Intergovernmental Revenue	83,000	83,000	587,917	504,917
Charges for Services	250,000	250,000	115,744	(134,256)
Interest and Rents	44,010	44,010	39,411	(4,599)
Miscellaneous	1,822,204	1,822,204	1,824,478	2,274
Total Revenues	14,258,696	14,258,696	17,680,575	3,421,879
<b>EXPENDITURES</b>				
General Government	2,556,491	2,556,491	2,622,566	(66,075)
Public Safety	8,785,302	8,785,302	9,477,661	(692,359)
Public Works	2,785,265	2,785,265	3,476,124	(690,859)
Parking	191,138	191,138	91,030	100,108
Total Expenditures	14,318,196	14,318,196	15,667,381	(1,349,185)
Excess of Revenues Over Expenditures	(59,500)	(59,500)	2,013,194	2,072,694
<b>OTHER FINANCING SOURCES</b>				
Transfers In	59,500	59,500	-	(59,500)
Total Other Financing Sources	59,500	59,500	-	(59,500)
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	\$ -	\$ -	\$ 2,013,194	\$ 2,013,194

CITY OF HAZLETON

POLICE PENSION SCHEDULE OF CHANGES IN NET POSITION LIABILITY AND RELATED RATIOS  
DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service Cost	\$ 902,311	\$ 777,177	\$ 743,355	\$ 720,615	\$ 683,047	\$ 698,823	\$ 662,391	\$ 687,511	\$ 651,669	\$ 625,308
Interest	2,844,383	2,730,127	2,557,270	2,473,097	2,977,919	2,324,881	2,239,003	2,098,797	2,022,205	1,869,821
Differences Between Expected and Actual Experience	(329,885)	-	466,774	-	656,998	-	855,759	-	623,443	-
Changes of Assumptions	975,401	-	2,680,751	-	-	-	54,187	-	405,787	-
Benefit Payments, including refunds of member contributions	(2,121,169)	(2,096,864)	(1,995,450)	(2,333,130)	(2,944,780)	(2,252,915)	(2,021,695)	(1,815,430)	(1,689,195)	(1,602,647)
<b>Net Change in Total Pension Liability</b>	2,271,041	1,410,440	4,452,700	860,582	1,373,184	770,789	1,789,645	970,878	2,013,909	892,482
<b>Total Pension Liability - Beginning</b>	38,083,384	36,672,944	32,220,244	31,359,662	29,986,478	29,215,689	27,426,044	26,455,166	24,441,257	23,548,775
<b>Total Pension Liability - Ending</b>	<u>\$ 40,354,425</u>	<u>\$ 38,083,384</u>	<u>\$ 36,672,944</u>	<u>\$ 32,220,244</u>	<u>\$ 31,359,662</u>	<u>\$ 29,986,478</u>	<u>\$ 29,215,689</u>	<u>\$ 27,426,044</u>	<u>\$ 26,455,166</u>	<u>\$ 24,441,257</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 5,715,787	\$ 2,247,160	\$ 2,493,709	\$ 3,311,124	\$ 3,397,458	\$ 3,381,827	\$ 2,819,641	\$ 2,183,811	\$ 2,455,598	\$ 2,147,054
Contributions - State Aid	466,231	424,797	-	-	-	-	-	314,973	290,141	294,324
Contributions - Member	132,682	135,618	140,991	142,753	159,418	128,703	123,688	116,181	115,002	116,492
Net Investment Income	5,405,421	(6,053,942)	4,578,455	3,536,415	5,005,686	(1,792,853)	3,490,722	1,706,641	(463,527)	493,831
Benefit Payments, including refunds of member contributions	(2,121,169)	(2,096,864)	(1,995,450)	(2,335,791)	(2,944,781)	(2,252,915)	(2,021,695)	(1,815,430)	(1,689,195)	(1,602,647)
Administrative Expense	(911,459)	(1,687,552)	497,449	(150,994)	(120,847)	(31,433)	(113,337)	(115,386)	(223,695)	(170,375)
<b>Net Change in Plan Fiduciary Net Position</b>	8,687,493	(7,030,783)	5,715,154	4,503,507	5,496,934	(566,671)	4,299,019	2,390,790	484,324	1,278,679
<b>Plan Fiduciary Net Position - Beginning</b>	35,995,506	43,026,289	37,311,135	32,807,628	27,310,694	27,877,365	23,578,346	21,187,556	20,703,232	19,424,553
<b>Plan Fiduciary Net Position - Ending</b>	<u>\$ 44,682,999</u>	<u>\$ 35,995,506</u>	<u>\$ 43,026,289</u>	<u>\$ 37,311,135</u>	<u>\$ 32,807,628</u>	<u>\$ 27,310,694</u>	<u>\$ 27,877,365</u>	<u>\$ 23,578,346</u>	<u>\$ 21,187,556</u>	<u>\$ 20,703,232</u>
<b>Net Pension Liability - Ending (A)-(B)</b>	<u>\$ (4,328,574)</u>	<u>\$ 2,087,878</u>	<u>\$ (6,353,345)</u>	<u>\$ (5,090,891)</u>	<u>\$ (1,447,966)</u>	<u>\$ 2,675,784</u>	<u>\$ 1,338,324</u>	<u>\$ 3,847,698</u>	<u>\$ 5,267,610</u>	<u>\$ 3,738,025</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	110.7%	94.5%	117.3%	115.8%	104.6%	91.1%	95.4%	86.0%	80.1%	84.7%
Covered Employee Payroll	\$ 3,112,393	\$ 3,291,009	\$ 2,566,722	\$ 2,446,333	\$ 2,747,964	\$ 2,716,436	\$ 2,510,364	\$ 2,375,493	\$ 2,577,195	\$ 2,511,634
Net Pension Liability as a Percentage of Covered Payroll	-139.08%	63.44%	-247.53%	-208.10%	-52.69%	98.50%	53.31%	161.97%	204.39%	148.83%

Note to Schedule:

This information is not available for years prior to 2014.

CITY OF HAZLETON

FIREFIGHTERS PENSION SCHEDULE OF CHANGES IN NET POSITION LIABILITY AND RELATED RATIOS  
DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service Cost	\$ 341,961	\$ 301,555	\$ 304,524	\$ 319,520	\$ 302,863	\$ 328,438	\$ 311,316	\$ 297,203	\$ 281,709	\$ 271,143
Interest	1,415,675	1,381,633	1,272,933	1,241,394	1,519,170	1,216,131	1,180,893	1,160,057	1,133,001	1,020,605
Differences Between Expected and Actual Experience	1,583,883	-	591,761	-	(115,301)	-	(110,419)	-	706,057	-
Changes of Assumptions	2,177,418	-	1,456,930	-	-	-	44,091	-	505,597	-
Benefit Payments, including refunds of member contributions	(1,364,000)	(1,175,399)	(1,050,720)	(1,252,660)	(1,542,381)	(1,225,879)	(1,201,715)	(1,087,480)	(1,096,510)	(1,121,531)
<b>Net Change in Total Pension Liability</b>	<b>4,154,937</b>	<b>507,789</b>	<b>2,575,428</b>	<b>308,254</b>	<b>164,351</b>	<b>318,690</b>	<b>224,166</b>	<b>369,780</b>	<b>1,529,854</b>	<b>170,217</b>
<b>Total Pension Liability - Beginning</b>	<b>19,215,712</b>	<b>18,707,923</b>	<b>16,132,495</b>	<b>15,824,241</b>	<b>15,659,890</b>	<b>15,341,200</b>	<b>15,117,034</b>	<b>14,747,254</b>	<b>13,217,400</b>	<b>13,047,186</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 23,370,649</b>	<b>\$ 19,215,712</b>	<b>\$ 18,707,923</b>	<b>\$ 16,132,495</b>	<b>\$ 15,824,241</b>	<b>\$ 15,659,890</b>	<b>\$ 15,341,200</b>	<b>\$ 15,117,034</b>	<b>\$ 14,747,254</b>	<b>\$ 13,217,403</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 3,442,149	\$ 1,365,981	\$ 1,493,443	\$ 2,141,052	\$ 2,107,074	\$ 2,107,857	\$ 1,849,759	\$ 1,332,227	\$ 1,508,839	\$ 1,253,128
Contributions - State Aid	268,083	238,301	-	-	-	-	-	183,735	164,675	162,653
Contributions - Member	70,821	78,561	77,360	71,633	77,509	64,560	66,385	65,253	63,765	61,224
Net Investment Income	2,922,404	(3,280,041)	2,445,670	1,855,039	2,585,325	(954,502)	1,756,565	805,070	(242,817)	222,060
Benefit Payments, including refunds of member contributions	(1,364,000)	(1,175,399)	(1,050,720)	(1,196,933)	(1,542,381)	(1,225,879)	(1,201,715)	(1,087,480)	(1,096,510)	(1,121,534)
Administrative Expense	(298,113)	(686,286)	205,470	(79,623)	(64,260)	(2,271)	(63,770)	(62,342)	(104,368)	(94,482)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>5,041,344</b>	<b>(3,458,883)</b>	<b>3,171,223</b>	<b>2,791,168</b>	<b>3,163,267</b>	<b>(10,235)</b>	<b>2,407,224</b>	<b>1,236,463</b>	<b>293,584</b>	<b>483,049</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>19,506,056</b>	<b>22,964,939</b>	<b>19,793,716</b>	<b>17,002,548</b>	<b>13,839,281</b>	<b>13,849,516</b>	<b>11,442,292</b>	<b>10,205,829</b>	<b>9,912,245</b>	<b>9,429,196</b>
<b>Plan Fiduciary Net Position - Ending</b>	<b>\$ 24,547,400</b>	<b>\$ 19,506,056</b>	<b>\$ 22,964,939</b>	<b>\$ 19,793,716</b>	<b>\$ 17,002,548</b>	<b>\$ 13,839,281</b>	<b>\$ 13,849,516</b>	<b>\$ 11,442,292</b>	<b>\$ 10,205,829</b>	<b>\$ 9,912,245</b>
<b>Net Pension Liability - Ending (A)-(B)</b>	<b>\$ (1,176,751)</b>	<b>\$ (290,344)</b>	<b>\$ (4,257,016)</b>	<b>\$ (3,661,221)</b>	<b>\$ (1,178,307)</b>	<b>\$ 1,820,609</b>	<b>\$ 1,491,684</b>	<b>\$ 3,674,742</b>	<b>\$ 4,541,425</b>	<b>\$ 3,305,158</b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.0%	101.5%	122.8%	122.7%	107.4%	88.4%	90.3%	75.7%	69.2%	75.0%
Covered Employee Payroll	\$ 1,453,312	\$ 1,384,620	\$ 1,190,604	\$ 1,315,365	\$ 1,206,967	\$ 1,328,927	\$ 1,323,401	\$ 1,286,369	\$ 1,248,015	\$ 1,214,031
Net Pension Liability as a Percentage of Covered Payroll	-80.97%	-20.97%	-357.55%	-278.34%	-97.63%	137.00%	112.72%	285.67%	363.89%	272.25%

Note to Schedule:

This information is not available for years prior to 2014.

CITY OF HAZLETON

NON-UNIFORMED PENSION SCHEDULE OF CHANGES IN NET POSITION LIABILITY AND RELATED RATIOS  
DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service Cost	\$ 409,040	\$ 318,895	\$ 315,691	\$ 272,425	\$ 259,452	\$ 263,547	\$ 250,997	\$ 233,817	\$ 222,683	\$ 186,660
Interest	733,680	694,203	605,224	576,078	667,766	574,902	550,985	540,773	524,864	505,322
Differences Between Expected and Actual Experience	88,640	-	425,695	-	(534,635)	-	(3,672)	-	(2,697)	-
Changes of Assumptions	(798,930)	-	355,669	-	-	-	(90,004)	-	-	-
Benefit Payments, including refunds of member contributions	(611,611)	(542,164)	(496,011)	(510,309)	(642,395)	(542,675)	(559,299)	(564,556)	(528,576)	(400,908)
<b>Net Change in Total Pension Liability</b>	(179,181)	470,934	1,206,268	338,194	(249,812)	295,774	149,007	210,034	216,274	291,074
<b>Total Pension Liability - Beginning</b>	9,679,165	9,208,231	8,001,963	7,663,769	7,913,581	7,617,807	7,468,800	7,258,766	7,042,492	6,751,418
<b>Total Pension Liability - Ending</b>	<u>\$ 9,499,984</u>	<u>\$ 9,679,165</u>	<u>\$ 9,208,231</u>	<u>\$ 8,001,963</u>	<u>\$ 7,663,769</u>	<u>\$ 7,913,581</u>	<u>\$ 7,617,807</u>	<u>\$ 7,468,800</u>	<u>\$ 7,258,766</u>	<u>\$ 7,042,492</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 940,147	\$ 342,659	\$ 354,622	\$ 394,491	\$ 401,912	\$ 433,183	\$ 388,790	\$ 292,048	\$ 99,427	\$ 46,690
Contributions - State Aid	326,362	-	-	-	-	-	-	192,484	156,834	151,034
Contributions - Member	116,846	118,135	118,249	103,819	104,424	89,246	90,071	92,275	93,877	82,186
Net Investment Income	931,282	(1,049,791)	805,499	614,627	917,575	(359,111)	810,244	306,387	9,897	162,909
Benefit Payments, including refunds of member contributions	(611,611)	(542,164)	(496,011)	(510,865)	(642,524)	(542,675)	(559,299)	(564,556)	(528,576)	(422,232)
Administrative Expense	(206,784)	(287,250)	74,448	(26,704)	(21,415)	(36,077)	(19,519)	(35,381)	(68,887)	(55,881)
<b>Net Change in Plan Fiduciary Net Position</b>	1,496,242	(1,418,411)	856,807	575,368	759,972	(415,434)	710,287	283,257	(237,428)	(35,294)
<b>Plan Fiduciary Net Position - Beginning</b>	6,200,861	7,619,272	6,762,465	6,187,097	5,427,125	5,842,559	5,132,272	4,849,015	5,086,443	5,121,737
<b>Plan Fiduciary Net Position - Ending</b>	<u>\$ 7,697,103</u>	<u>\$ 6,200,861</u>	<u>\$ 7,619,272</u>	<u>\$ 6,762,465</u>	<u>\$ 6,187,097</u>	<u>\$ 5,427,125</u>	<u>\$ 5,842,559</u>	<u>\$ 5,132,272</u>	<u>\$ 4,849,015</u>	<u>\$ 5,086,443</u>
<b>Net Pension Liability - Ending (A)-(B)</b>	<u>\$ 1,802,881</u>	<u>\$ 3,478,304</u>	<u>\$ 1,588,959</u>	<u>\$ 1,239,498</u>	<u>\$ 1,476,672</u>	<u>\$ 2,486,456</u>	<u>\$ 1,775,248</u>	<u>\$ 2,336,528</u>	<u>\$ 2,409,751</u>	<u>\$ 1,956,049</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.0%	64.1%	82.7%	84.5%	80.7%	68.6%	76.7%	68.7%	66.8%	72.2%
Covered Employee Payroll	\$ 2,546,945	\$ 2,075,286	\$ 1,738,193	\$ 1,738,193	\$ 1,525,644	\$ 1,524,161	\$ 1,959,163	\$ 1,991,035	\$ 1,995,637	\$ 1,795,231
Net Pension Liability as a Percentage of Covered Payroll	70.79%	167.61%	91.41%	71.31%	96.79%	163.14%	90.61%	117.35%	120.75%	108.96%

Note to Schedule:

This information is not available for years prior to 2014.

CITY OF HAZLETON

SCHEDULE OF EMPLOYER CONTRIBUTIONS - POLICE PENSION PLAN  
DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution	\$ 2,512,268	\$ 2,671,957	\$ 2,493,709	\$ 3,311,124	\$ 3,397,458	\$ 3,381,827	\$ 2,819,641	\$ 2,498,784	\$ 1,833,875	\$ 1,446,209	\$ 1,451,683
Contributions in Relation to the Actuarially Determined Contribution	6,182,018	2,671,957	2,493,709	3,453,877	3,556,876	3,381,827	2,819,641	2,498,784	1,833,875	1,446,209	1,451,683
Contribution Deficiency (Excess)	\$ (3,669,750)	\$ -	\$ -	\$ (142,753)	\$ (159,418)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 3,112,393	\$ 3,291,009	\$ 2,566,722	\$ 2,446,333	\$ 2,747,964	\$ 2,716,436	\$ 2,510,364	\$ 2,375,493	\$ 2,577,195	\$ 2,511,634	\$ 2,373,180
Contributions as a Percentage of Covered Employee Payroll	198.6%	81.2%	97.2%	141.2%	129.4%	124.5%	112.3%	105.2%	71.2%	57.6%	61.2%

CITY OF HAZLETON

SCHEDULE OF EMPLOYER CONTRIBUTIONS - FIREFIGHTERS PENSION PLAN  
DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution	\$ 1,550,592	\$ 1,572,282	\$ 1,493,443	\$ 2,141,052	\$ 2,107,074	\$ 2,107,857	\$ 1,849,759	\$ 1,515,962	\$ 1,104,056	\$ 810,934	\$ 648,030
Contributions in Relation to the Actuarially Determined Contribution	3,710,232	1,604,282	1,493,443	2,212,685	2,184,583	2,107,857	1,849,759	1,515,962	1,104,056	810,934	648,030
Contribution Deficiency (Excess)	\$ (2,159,640)	\$ (32,000)	\$ -	\$ (71,633)	\$ (77,509)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 1,453,312	\$ 1,384,620	\$ 1,190,604	\$ 1,315,365	\$ 1,206,967	\$ 1,328,927	\$ 1,323,401	\$ 1,286,369	\$ 1,248,015	\$ 1,214,031	\$ 1,154,591
Contributions as a Percentage of Covered Employee Payroll	255.3%	115.9%	125.4%	168.2%	181.0%	158.6%	139.8%	117.8%	88.5%	66.8%	56.1%

CITY OF HAZLETON

SCHEDULE OF EMPLOYER CONTRIBUTIONS - NON-UNIFORMED PENSION PLAN  
DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution	\$ 798,899	\$ 342,659	\$ 354,622	\$ 394,491	\$ 401,912	\$ 433,183	\$ 382,990	\$ 383,317	\$ 256,261	\$ 197,724	\$ 193,307
Contributions in Relation to the Actuarially Determined Contribution	1,266,509	342,659	354,622	498,310	506,336	433,183	388,790	484,532	256,261	197,724	193,307
Contribution Deficiency (Excess)	\$ (467,610)	\$ -	\$ -	\$ (103,819)	\$ (104,424)	\$ -	\$ (5,800)	\$ (101,215)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 2,546,945	\$ 2,075,286	\$ 1,738,193	\$ 1,525,644	\$ 1,524,161	\$ 1,959,163	\$ 1,991,035	\$ 1,995,637	\$ 1,795,231	\$ 1,743,703	\$ -
Contributions as a Percentage of Covered Employee Payroll	49.7%	16.5%	20.4%	32.7%	33.2%	22.1%	19.5%	24.3%	14.3%	11.3%	N/A

CITY OF HAZLETON

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS - POLICE  
DECEMBER 31, 2023

	2023	2022	2021	2020	2019
<b>Total OPEB Liability</b>					
Service Cost	\$ 337,926	\$ 535,575	\$ 493,363	\$ 657,262	\$ 405,435
Interest	998,012	686,656	596,859	591,760	870,675
Change in Benefit Terms	(123,991)	-	-	-	-
Differences Between Expected and Actual Experience	(383,796)	-	(2,052,299)	-	(6,204,640)
Changes of Assumptions	438,707	(7,453,264)	1,367,036	6,750,043	(181,463)
Benefits Payments	(975,675)	(896,914)	(813,096)	(832,565)	(837,179)
<b>Net Change in Total OPEB Liability</b>	<b>291,183</b>	<b>(7,127,947)</b>	<b>(408,137)</b>	<b>7,166,500</b>	<b>(5,947,172)</b>
<b>Total OPEB Liability - Beginning</b>	<b>23,300,511</b>	<b>30,428,458</b>	<b>30,836,595</b>	<b>23,670,095</b>	<b>29,617,267</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 23,591,694</b>	<b>\$ 23,300,511</b>	<b>\$ 30,428,458</b>	<b>\$ 30,836,595</b>	<b>\$ 23,670,095</b>
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ 975,675	\$ 896,914	\$ 813,096	\$ 832,565	\$ 837,179
Benefit Payments	(975,675)	(896,914)	(813,096)	(832,565)	(837,179)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Ending</b>	<b>\$ -</b>				
<b>Net OPEB Liability - Ending (A)-(B)</b>	<b>\$ 23,591,694</b>	<b>\$ 23,300,511</b>	<b>\$ 30,428,458</b>	<b>\$ 30,836,595</b>	<b>\$ 23,670,095</b>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered Employee Payroll	\$ 2,904,070	\$ 2,882,614	\$ 2,745,347	\$ 1,026,394	\$ 972,885
Net OPEB Liability as a Percentage of Covered Payroll	812.37%	808.31%	1108.36%	3004.36%	2432.98%

Note to Schedule:

This information is not available for years prior to 2018, as the City had previously included all OPEB benefits as one plan and was broken out by class of employee in 2018.

CITY OF HAZLETON

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS - FIREFIGHTERS  
DECEMBER 31, 2023

	2023	2022	2021	2020	2019
<b>Total OPEB Liability</b>					
Service Cost	\$ 679,985	\$ 1,087,800	\$ 884,410	\$ 912,044	\$ 566,719
Interest	758,345	513,695	356,555	339,361	481,482
Differences Between Expected and Actual Experience	51,697	-	(424,339)	-	(3,270,934)
Changes of Assumptions	45,252	(5,869,145)	3,784,802	3,643,519	(93,849)
Benefits Payments	(577,139)	(546,697)	(351,200)	(316,232)	(269,996)
<b>Net Change in Total OPEB Liability</b>	958,140	(4,814,347)	4,250,228	4,578,692	(2,586,578)
<b>Total OPEB Liability - Beginning</b>	17,200,574	22,014,921	17,764,693	13,186,001	15,772,579
<b>Total OPEB Liability - Ending</b>	\$ 18,158,714	\$ 17,200,574	\$ 22,014,921	\$ 17,764,693	\$ 13,186,001
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ 577,139	\$ 546,697	\$ 351,200	\$ 316,232	\$ 269,996
Benefit Payments	(577,139)	(546,697)	(351,200)	(316,232)	(269,996)
<b>Net Change in Plan Fiduciary Net Position</b>	-	-	-	-	-
<b>Plan Fiduciary Net Position - Beginning</b>	-	-	-	-	-
<b>Plan Fiduciary Net Position - Ending</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net OPEB Liability - Ending (A)-(B)</b>	\$ 18,158,714	\$ 17,200,574	\$ 22,014,921	\$ 17,764,693	\$ 13,186,001
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered Employee Payroll	\$ 1,387,817	\$ 1,386,761	\$ 1,320,725	\$ 1,398,881	\$ 1,325,954
Net OPEB Liability as a Percentage of Covered Payroll	1308.44%	1240.34%	1666.88%	1269.92%	994.45%

Note to Schedule:

This information is not available for years prior to 2018, as the City had previously included all OPEB benefits as one plan and was broken out by class of employee in 2018.

CITY OF HAZLETON

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS - NON-UNIFORMED  
DECEMBER 31, 2023

	2023	2022	2021	2020	2019
<b>Total OPEB Liability</b>					
Service Cost	\$ 48,333	\$ 76,623	\$ 89,702	\$ 59,702	\$ 35,620
Interest	134,564	88,043	73,407	74,078	121,051
Change in Benefit Terms	(12,753)	-	-	-	-
Differences Between Expected and Actual Experience	(444,747)	-	232,959	-	(95,547)
Changes of Assumptions	(555,499)	(716,050)	(80,930)	641,043	3,761
Benefits Payments	(225,355)	(198,377)	(186,873)	(211,110)	(212,039)
<b>Net Change in Total OPEB Liability</b>	<b>(1,055,457)</b>	<b>(749,761)</b>	<b>128,265</b>	<b>563,713</b>	<b>(147,154)</b>
<b>Total OPEB Liability - Beginning</b>	<b>3,185,262</b>	<b>3,935,023</b>	<b>3,806,758</b>	<b>3,243,045</b>	<b>3,390,199</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 2,129,805</b>	<b>\$ 3,185,262</b>	<b>\$ 3,935,023</b>	<b>\$ 3,806,758</b>	<b>\$ 3,243,045</b>
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ 225,355	\$ 198,377	\$ 186,873	\$ 211,110	\$ 212,039
Benefit Payments	(225,355)	(198,377)	(186,873)	(211,110)	(212,039)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Ending</b>	<b>\$ -</b>				
<b>Net OPEB Liability - Ending (A)-(B)</b>	<b>\$ 2,129,805</b>	<b>\$ 3,185,262</b>	<b>\$ 3,935,023</b>	<b>\$ 3,806,758</b>	<b>\$ 3,243,045</b>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered Employee Payroll	\$ 294,917	\$ 541,627	\$ 640,835	\$ 584,218	\$ 556,398
Net OPEB Liability as a Percentage of Covered Payroll	722.17%	588.09%	614.05%	651.60%	582.86%

Note to Schedule:

This information is not available for years prior to 2018, as the City had previously included all OPEB benefits as one plan and was broken out by class of employee in 2018.

## **SUPPLEMENTARY INFORMATION**

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CITY OF HAZLETON

COMBINING BALANCE SHEET - NON-MAJOR FUNDS  
AS OF DECEMBER 31, 2023

	Liquid Fuels	Special Recreation	Redevelopment Authority	Grants	Total
<b>ASSETS</b>					
Cash	\$ 192,805	\$ 73,109	\$ 456	\$ 21,952	\$ 288,322
Accounts Receivable	78,681	448	-	-	79,129
Due From Other Funds	11,782	-	-	513,500	525,282
<b>TOTAL ASSETS</b>	<b>\$ 283,268</b>	<b>\$ 73,557</b>	<b>\$ 456</b>	<b>\$ 535,452</b>	<b>\$ 892,733</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 25,096	\$ 41,954	\$ -	\$ -	\$ 67,050
Due To Other Funds	-	138,069	-	-	138,069
Unearned Revenue	-	-	-	460,068	460,068
<b>TOTAL LIABILITIES</b>	<b>25,096</b>	<b>180,023</b>	<b>-</b>	<b>460,068</b>	<b>665,187</b>
<b>FUND BALANCES</b>					
Restricted	-	-	-	75,384	75,384
Assigned	-	-	456	-	456
Unassigned	258,172	(106,466)	-	-	151,706
<b>TOTAL FUND BALANCES</b>	<b>258,172</b>	<b>(106,466)</b>	<b>456</b>	<b>75,384</b>	<b>227,546</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 283,268</b>	<b>\$ 73,557</b>	<b>\$ 456</b>	<b>\$ 535,452</b>	<b>\$ 892,733</b>

CITY OF HAZLETON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - NON-MAJOR FUNDS  
YEAR ENDED DECEMBER 31, 2023

	Liquid Fuels	Special Recreation	Redevelopment Authority	Grants	Total
<b>REVENUES</b>					
Taxes	\$ -	\$ 166,794	\$ -	\$ -	\$ 166,794
Interest and Rents	14,615	1,493	29	-	16,137
Intergovernmental Revenue	847,204	-	-	34,530	881,734
Charges for Services	-	59,729	-	-	59,729
Miscellaneous	-	7,659	2,750	-	10,409
Total Revenues	861,819	235,675	2,779	34,530	1,134,803
<b>EXPENDITURES</b>					
General Government	-	-	2,325	34,530	36,855
Public Works	547,587	-	-	-	547,587
Recreation	-	224,377	-	-	224,377
Capital Outlay	967,437	-	-	-	967,437
Total Expenditures	1,515,024	224,377	2,325	34,530	1,776,256
Excess of Revenues Over Expenditures	(653,205)	11,298	454	-	(641,453)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	911,377	(117,764)	2	75,384	868,999
<b>FUND BALANCES, END OF YEAR</b>	\$ 258,172	\$ (106,466)	\$ 456	\$ 75,384	\$ 227,546

**CITY OF HAZLETON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2023**

Findings related to the financial statements which are required to be reported in accordance with GAS.

**FINANCIAL STATEMENT FINDINGS**

**\*Finding 2023-001**

Criteria or specific requirement:

For sound financial reporting, the General ledger should be maintained properly, timely and in agreement with all subsidiary ledgers.

Condition:

The City's General Ledger did not agree to the subsidiary ledgers and required adjustment.

Cause:

Internal control policies and procedures are not in place to properly maintain the ledgers.

Effect or potential effect:

Weakening of internal control over financial reporting.

Recommendation:

That the City maintain an accurate general ledger that agrees to all subsidiary ledgers.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

**\*Finding 2023-002**

Criteria or specific requirement:

For sound financial reporting, the bank reconciliations should be completed timely and accurately.

Condition:

The City did not complete the bank reconciliation timely or accurately.

Cause:

Internal control policies and procedures are not in place to properly complete bank reconciliations.

Effect or potential effect:

Weakening of internal control over financial reporting.

Recommendation:

That the City complete the bank recs within a timely manner and that they complete them accurately.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

**CITY OF HAZLETON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2023**

**FINANCIAL STATEMENT FINDINGS (continued):**

**\*Finding 2023-003**

Criteria or specific requirement:

For sound financial reporting, the City should keep track of all fixed assets.

Condition:

The City failed to maintain a detailed listing of all fixed assets as well as a listing of additions or deletions.

Cause:

Internal control policies and procedures are not in place to properly track fixed assets..

Effect or potential effect:

Weakening of internal control over financial reporting.

Recommendation:

That the City maintain an accurate detailed listing of all fixed assets.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

\* Denotes Prior Year Finding