

**CITY OF WASHINGTON**  
**WASHINGTON COUNTY, PENNSYLVANIA**  
**AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

**CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA  
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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council  
of the City of Washington  
Washington County, Pennsylvania

### Opinion

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Washington, Washington County, Pennsylvania, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Washington, Washington County, Pennsylvania, as of December 31, 2024, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the basis of accounting as described in Note 1-C.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Washington, Washington County, Pennsylvania, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter – Basis of Accounting

We draw attention to Note 1-C of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1-C; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 error or fraud.

## **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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Washington, Washington County, Pennsylvania's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Washington, Washington County, Pennsylvania's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Palermo/Kissinger & Assoc., P.C.*

Palermo/Kissinger & Associates, P.C.  
Washington, Pennsylvania

September 10, 2025

**CITY OF WASHINGTON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Our discussion and analysis of the City of Washington's (City) financial performance provides an overview of the City's financial activities for the year ended December 31, 2024. Please read in conjunction with the financial statements, which begin on page 1.

**FINANCIAL HIGHLIGHTS**

- The assets of the City of Washington exceeded its liabilities at the close of the fiscal year ended December 31, 2024 by \$24,503,033 (Net Position) on a modified cash basis.
- During the year ended December 31, 2024, the City of Washington's net position decreased by \$1,391,509. For the year ended December 31, 2024, the City's unrestricted, undesignated net position decreased by \$113,793.
- As of the year ended December 31, 2024, the City of Washington's governmental funds reported combined ending fund balances of \$4,047,491.
- The City of Washington's fiduciary funds reported an ending fund balance of \$81,374,698.
- Total long-term debt increased by \$58,000 during the year. The outstanding long-term debt at December 31, 2024 was \$4,908,000.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 5. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than government-wide statements by providing information about the City's most significant funds. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**CITY OF WASHINGTON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**REPORTING THE CITY AS A WHOLE**

**The Statement of Net Assets and the Statement of Activities**

The Statement of Net Assets and the Statement of Activities report information about the City's activities as a whole. These statements include all assets and liabilities using the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

Net position may serve as a useful indicator of financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads and other development projects, to assess the overall health of the City.

Governmental activities of the City are reported in the Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis. Governmental Activities include the police, fire, public works, cultural and recreation activities, community development, and general administration. Property taxes, earned income taxes, franchise fees, and state and federal grants finance most of these activities.

- **Business-Type Activities** – Business-type activities are those activities in which the City charges a fee to customers to help cover all or most of the costs of certain services it provides. The City does not have any business-type activities.
- **Reporting the City's Most Significant Funds** – Fund financial statements provide detailed information about the most significant funds. Non-major funds are grouped together. The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. A fund is used to maintain control over resources that have been segregated for specific activities or objectives. The various funds of the City report information regarding governmental activities.
- **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 current sources and uses 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 short-term financing requirements.
- **Fiduciary Funds** – Fiduciary funds are used to account for assets held by the City in a trustee capacity for the policemen, firemen, officers, and administrative employees for pension benefits.

**CITY OF WASHINGTON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The funds of the City are categorized as follows: General, Major Fund Types and Other Governmental Funds. Information is presented separately in the Governmental Fund Combined Balance Sheet – Cash Basis and in the Governmental Fund Combined Statement of Revenues, Expenditures, and Changes in Fund Balance – Cash Basis for these fund types. The Other Governmental Funds are combined into a single, aggregated presentation in the governmental funds' financial statements.

**GOVERNMENTAL-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceed liabilities by \$24,503,033 as of December 31, 2024. The City's combined net position reflects its investment in capital assets, less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. The following focuses in the net position of the City's governmental activities for the year ended December 31, 2024 with comparative totals for the year ended December 31, 2023.

**City of Washington's Net Position**

|   | <b>Governmental Activities</b> |                             |
|---|--------------------------------|-----------------------------|
|   | <b><u>2024</u></b>             | <b><u>2023</u></b>          |
| Current Assets                                  | \$ 4,140,667                   | \$ 4,370,980                |
| Capital Assets                                  | 25,372,889                     | 26,454,021                  |
| Other Assets                                    | <u>345,116</u>                 | <u>244,876</u>              |
| <b>Total Assets</b>                             | <b><u>\$ 29,858,672</u></b>    | <b><u>\$ 31,069,877</u></b> |
| Current Liabilities                             | \$ 1,908,613                   | \$ 1,813,909                |
| Long-Term Liabilities                           | <u>3,447,026</u>               | <u>3,361,426</u>            |
| <b>Total Liabilities</b>                        | <b><u>\$ 5,355,639</u></b>     | <b><u>\$ 5,175,335</u></b>  |
| <b>Net Position</b>                             |                                |                             |
| Restricted for:                                 |                                |                             |
| Road Projects                                   | \$ 538,076                     | \$ 383,752                  |
| Capital Projects                                | 563,301                        | 830,628                     |
| Transit Operations                              | 20,023                         | 19,032                      |
| Public Safety                                   | 121,839                        | 142,730                     |
| Pension Obligations                             | 67,554                         | 73,235                      |
| Unrestricted:                                   |                                |                             |
| Invested in Capital Assets, net of related debt | 20,464,889                     | 21,604,021                  |
| Undesignated                                    | <u>2,727,351</u>               | <u>2,841,144</u>            |
| <b>Total Net Position</b>                       | <b><u>\$ 24,503,033</u></b>    | <b><u>\$ 25,894,542</u></b> |



**CITY OF WASHINGTON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

The governmental activities' current assets decreased by \$230,313 primarily as a result of using restricted funds for capital purchases. The governmental activities' current liabilities increased by \$94,704 to reflect the current portion of long-term debt and operating lease liabilities and due during the year ended December 31, 2025. Overall, the City's governmental activities had an decrease in net position of \$1,391,509.

The following table provides a summary of the City's operations for the year ended December 31, 2024 with comparative totals for the year ended December 31, 2023.

|                                       | <u>Governmental Activities</u> |                   |
|---------------------------------------|--------------------------------|-------------------|
|                                       | <u>2024</u>                    | <u>2023</u>       |
| <b>Revenues:</b>                      |                                |                   |
| Program Revenues                      |                                |                   |
| Fees, Fines and Charges for Services  | \$ 2,550,984                   | \$ 2,407,158      |
| Operating Grants and Contributions    | 1,650,407                      | 2,362,901         |
| Capital Grants and Contributions      | -                              | -                 |
| General Revenues:                     |                                |                   |
| Taxes                                 | 11,403,452                     | 11,501,430        |
| Licenses and Permits                  | 443,904                        | 431,057           |
| Payments in Lieu of Taxes             | 120,539                        | 124,172           |
| Investment Earnings                   | 949,781                        | 323,358           |
| Miscellaneous                         | 41,650                         | 22,445            |
| Gain on sale of asset                 | 137,310                        | -0-               |
| Total Revenues                        | <u>17,298,027</u>              | <u>17,172,521</u> |
| <br><b>Program Expenses:</b>          |                                |                   |
| General Government and Administration | 1,447,354                      | 1,367,502         |
| Public Safety                         | 5,523,600                      | 5,235,128         |
| Public Works-Sanitation               | 1,505,936                      | 812,458           |
| Public Works-Highways/Roads/Streets   | 1,395,582                      | 1,487,989         |
| Public Works-Other                    | 271,117                        | 295,577           |
| Culture-Recreation                    | 645,706                        | 745,824           |
| Debt Service                          | 214,105                        | 200,238           |
| Employee Benefits                     | 4,861,140                      | 5,656,559         |
| Depreciation                          | 1,245,485                      | 1,245,485         |
| Miscellaneous                         | 39,869                         | 60,968            |
| Total Expenses                        | <u>18,689,536</u>              | <u>17,107,728</u> |
| (Decrease) Increase in Net Position   | <u>\$ (1,391,509)</u>          | <u>\$ 64,793</u>  |

**CITY OF WASHINGTON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

**Governmental Funds** - The focus of the City's governmental funds is to provide information on short term inflows, outflows, and balances of spendable resources. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Such information is useful in assessing the City's financing requirements.

For the year ended December 31, 2024, the City's combined governmental funds ending fund balance totaled \$4,047,491. The total combined fund balance decreased \$249,918.

**Fiduciary Funds** – Fiduciary funds consist of assets held in a trustee capacity by the City of Washington for pension benefits. As of December 31, 2024, the fund balance of the fiduciary funds was \$81,374,698. The fund balance increased by \$6,879,921 during 2024, of which \$5,968,123 was attributed to the appreciation in investment fair market value.

**General Fund Budgetary Highlights**

The actual charges to appropriations were \$2,765,518 above the final budgeted amounts, primarily due to additional pension contributions made during 2024 as well as increases in employees benefits not budgeted. Resources available for appropriation were \$3,667,862 above budgeted amounts, primarily due to tax revenue restricted for pension contributions not budgeted. In addition, long-term debt proceeds of \$1,738,000 and royalties of approximately \$720,000 were received during the year ended December 31, 2024, that were not budgeted. As a result, the City reported a favorable variance of \$902,344 over the ending budgetary fund balance at December 31, 2024. Please see the statement of revenues, expenditures and changes in fund balance budget versus actual on page 45 for further detail.

**CAPITAL ASSETS**

The City's investment in capital assets, for its governmental activities as of December 31, 2024 amounts to \$25,372,889, net of accumulated depreciation. Depreciation amounted to \$1,256,326 for the year ended December 31, 2024. As a result, the City's total capital assets decreased by approximately four percent (4%) from December 31, 2023.

**CITY OF WASHINGTON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**CAPITAL ASSETS - *Continued***

Capital Assets at Year End

|  | <u>Governmental Activities</u> |                      |
|--|--------------------------------|----------------------|
|  | <u>2024</u>                    | <u>2023</u>          |
| Infrastructure   | \$ 17,331,989                  | \$ 17,189,033        |
| Buildings and improvement                                | 5,484,337                      | 5,484,337            |
| Vehicles and equipment                                   | <u>30,636,482</u>              | <u>30,604,244</u>    |
| Total  | 53,452,808                     | 53,277,614           |
| Accumulated depreciation                                 | <u>(28,079,919)</u>            | <u>(26,823,593)</u>  |
| Total capital assets, net of<br>accumulated depreciation | <u>\$ 25,372,889</u>           | <u>\$ 26,454,021</u> |

**DEBT ADMINISTRATION**

The City's long-term debt at December 31, 2024 totaled \$4,908,000. During the year ended December 31, 2024, the City secured new debt in the amount of \$1,738,000 to provide for debt service requirements due in September 2024. The City paid \$1,680,000 toward the retirement of long-term debt. Total interest expense paid on long-term debt in 2024 was \$142,941.

**CONTINGENCIES**

During 2006, the City became a guarantor on a loan acquired by the Washington Parking Authority (Parking Authority) for construction of a parking garage in the amount of \$3,535,000. The Parking Authority is responsible for the repayment of this debt from parking revenue. However, in the event the Parking Authority defaults on the loan, the City assumes this debt. On December 10, 2019, the Parking Authority refinanced this debt at a lower interest rate. At December 31, 2024, the Parking Authority had debt outstanding on the Series 2019, Refunding Note of \$1,042,000.

The amount the City may potentially need to provide for this debt in future periods is unable to be estimated. During the year ended December 31, 2024, the City was not required to pay towards this debt. The City was required to pay \$12,000 towards the debt during the year ended December 31, 2023.

**CITY OF WASHINGTON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's elected and appointed officials considered many factors when setting the fiscal year 2025 budget, including the economy and inflation. For 2025, the City anticipates increases in salaries and wages, pension contributions, debt service, and road project expenses. The City anticipates all other revenues and expenses for 2024 to remain relatively consistent with 2024.

During 2018, the City decided to participate in an Early Intervention Program (EIP). This program is designed to evaluate the City's current financial position and develop a sound five-year financial plan. Currently, City Council is in the process of implementing recommendations of the EIP study.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, contact the Department of Finance at 55 West Maiden Street, Washington, Pennsylvania.

**CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
DECEMBER 31, 2024**

|   |                     | <b>Governmental<br/>Activities</b> |
|---|---------------------|------------------------------------|
|   | <b>ASSETS</b>       |                                    |
| Current assets:                                   |                     |                                    |
| Cash and cash equivalents                         |                     | \$ 4,140,667                       |
| Capital assets, net of depreciation               |                     | <u>25,372,889</u>                  |
| Other assets:                                     |                     |                                    |
| Right-of-Use Assets                               |                     | <u>345,116</u>                     |
| <b>TOTAL ASSETS</b>                               |                     | <b><u>\$ 29,858,672</u></b>        |
|   | <b>LIABILITIES</b>  |                                    |
| Current liabilities:                              |                     |                                    |
| Long-term debt - portion due within one year      |                     | \$ 1,725,000                       |
| Current portion of lease liabilities              |                     | 90,437                             |
| Other current liabilities                         |                     | <u>93,176</u>                      |
| Total current liabilities                         |                     | <u>1,908,613</u>                   |
| Long-term liabilities:                            |                     |                                    |
| Long-term debt - less portion due within one year |                     | 3,183,000                          |
| Operating lease liability                         |                     | <u>264,026</u>                     |
| Total long-term liabilities                       |                     | <u>3,447,026</u>                   |
| <b>TOTAL LIABILITIES</b>                          |                     | <b><u>5,355,639</u></b>            |
|   | <b>NET POSITION</b> |                                    |
| Restricted for:                                   |                     |                                    |
| Road projects                                     |                     | 538,076                            |
| Capital projects                                  |                     | 563,301                            |
| Transit operations                                |                     | 20,023                             |
| Public safety                                     |                     | 121,839                            |
| Pension obligations                               |                     | 67,554                             |
| Unrestricted:                                     |                     |                                    |
| Invested in capital assets, net of related debt   | \$ 20,464,889       |                                    |
| Undesignated                                      | <u>2,727,351</u>    | <u>23,192,240</u>                  |
| <b>TOTAL NET POSITION</b>                         |                     | <b><u>24,503,033</u></b>           |
| <b>TOTAL LIABILITIES AND NET POSITION</b>         |                     | <b><u>\$ 29,858,672</u></b>        |

SEE AUDITOR'S REPORT AND THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO STATEMENT OF NET POSITION - MODIFIED CASH BASIS**

**DECEMBER 31, 2024**

|   |                             |
|---|-----------------------------|
| Total Combined Governmental Fund Balances (Page 5)  | \$ 4,047,491                |
| Differences in amounts reported for governmental activities in the statement of net assets:   |                             |
| Fixed assets used in governmental activities are not current resources and are not reported on the governmental funds balance sheet                   | 25,372,889                  |
| Right-of-Use Assets are not current resources and are not reported on the governmental funds balance sheet  | 345,116                     |
| Operating lease liabilities are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet |                             |
| Due within one year   | (90,437)                    |
| Due in more than one year   | (264,026)                   |
| Debt principal payments are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet     |                             |
| Due within one year   | (1,725,000)                 |
| Due in more than one year   | <u>(3,183,000)</u>          |
| Total Net Position- Governmental Activities (Page 1)  | <u><u>\$ 24,503,033</u></u> |

SEE AUDITOR'S REPORT AND THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024

| FUNCTIONS/PROGRAM                     | Expenses     | Program Revenues                     |                                    |                                  | Total Program Revenue | Net (Expenses) and Revenues - Total Governmental Activities |
|---------------------------------------|--------------|--------------------------------------|------------------------------------|----------------------------------|-----------------------|---|
|                                       |              | Fees, Fines and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |                       |   |
| Governmental Activities:              |              |                                      |                                    |                                  |                       |   |
| General government and administration | \$ 1,447,354 | \$ 121,573                           | \$ 427,257                         | \$ -                             | \$ 548,830            | \$ (898,524)  |
| Public Safety                         | 5,523,600    | 549,287                              | 22,791                             | -                                | 572,078               | (4,951,522)   |
| Public Works-Sanitation               | 1,505,936    | 1,305,160                            | -                                  | -                                | 1,305,160             | (200,776)   |
| Public Works-Highways/Roads/Streets   | 1,395,582    | -                                    | 390,990                            | -                                | 390,990               | (1,004,592)   |
| Public Works-Other                    | 271,117      | 307,748                              | -                                  | -                                | 307,748               | 36,631  |
| Culture/Recreation                    | 645,706      | 267,216                              | 4,050                              | -                                | 271,266               | (374,440)   |
| Debt service                          | 214,105      | -                                    | -                                  | -                                | -                     | (214,105)   |
| Municipal pension contributions       | 2,785,127    | -                                    | 805,319                            | -                                | 805,319               | (1,979,808)   |
| Other employee benefits               | 3,604,814    | -                                    | -                                  | -                                | -                     | (3,604,814)   |
| Depreciation                          | 1,256,326    | -                                    | -                                  | -                                | -                     | (1,256,326)   |
| Miscellaneous                         | 39,869       | -                                    | -                                  | -                                | -                     | (39,869)  |
| Total Governmental Activities         | 18,689,536   | 2,550,984                            | 1,650,407                          | -                                | 4,201,391             | (14,488,145)  |
| General Revenues:                     |              |                                      |                                    |                                  |                       |   |
| Taxes                                 |              |                                      |                                    |                                  |                       | 11,403,452  |
| Licenses and permits                  |              |                                      |                                    |                                  |                       | 443,904   |
| Payments in lieu of taxes             |              |                                      |                                    |                                  |                       | 120,539   |
| Investment earnings                   |              |                                      |                                    |                                  |                       | 949,781   |
| Miscellaneous                         |              |                                      |                                    |                                  |                       | 41,650  |
| Gain on sale of asset                 |              |                                      |                                    |                                  |                       | 137,310   |
| Total General Revenues                |              |                                      |                                    |                                  |                       | 13,096,636  |
| CHANGE IN NET POSITION                |              |                                      |                                    |                                  |                       | (1,391,509)   |
| NET POSITION - beginning of the year  |              |                                      |                                    |                                  |                       | 25,894,542  |
| NET POSITION - end of the year        |              |                                      |                                    |                                  |                       | \$ 24,503,033   |

SEE AUDITOR'S REPORT AND THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

DECEMBER 31, 2024

|  |                       |
|--|-----------------------|
| Net change in fund balances-total governmental funds (Page 6)  | \$ (249,918)          |
| Differences in amounts reported for governmental activities<br>on the statement of activities:   |                       |
| Governmental funds report capital outlays as expenditures.<br>However, in the government-wide statement of activities and<br>changes in net assets, the cost of those assets is allocated over<br>their estimated useful lives as depreciation expense. This is<br>the amount of capital assets recorded in the current period.      |                       |
|  | 175,194               |
| Government funds report lease payments as expenditures.<br>However, in the government-wide statement of activities and changes<br>activities, the Right-of-Use Asset and operating lease liabilities<br>are adjusted by the change in net present value of the lease. The<br>net effect of which transactions decrease fund balance. |                       |
|  | (2,459)               |
| Depreciation expense on capital assets is reported in the<br>government-wide statement of activities and changes in fund<br>balance, but does not require the use of current funds.<br>Therefore, depreciation expense is not reported as an<br>expenditure in the governmental funds.   |                       |
|  | (1,256,326)           |
| The issuance of long-term debt provides current resources of<br>governmental funds, while the repayment of debt consumes<br>the current financial resources of governmental funds.   |                       |
| Issuance of long-term debt   | (1,738,000)           |
| Repayment of long-term debt  | <u>1,680,000</u>      |
| Change in fund balance of governmental activities (Page 3)   | <u>\$ (1,391,509)</u> |

SEE AUDITOR'S REPORT AND THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS



CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA

COMBINED BALANCE SHEET - GOVERNMENTAL FUNDS - CASH BASIS

DECEMBER 31, 2024

|  | GENERAL<br>FUND   | GENERAL<br>RESERVE<br>FUND | ACT 205<br>DISTRESSED<br>PENSION<br>FUND | LOCAL SHARES<br>ASSESSMENT<br>FUND | LIQUID<br>FUELS<br>FUND | CAPITAL<br>IMPROVEMENTS<br>FUND | CORONAVIRUS<br>AID & RELIEF<br>FUND | OTHER<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>(MEMORANDUM<br>ONLY) |
|--|-------------------|----------------------------|--|------------------------------------|-------------------------|---------------------------------|-------------------------------------|--------------------------------|-------------------------------|
| <b>ASSETS</b>                                |                   |                            |  |                                    |                         |                                 |                                     |                                |                               |
| Cash & cash equivalents                      | \$ 603,221        | \$ 944,069                 | \$ 67,554                                | \$ 592,482                         | \$ 538,076              | \$ 209,609                      | \$ 280,333                          | \$ 905,323                     | \$ 4,140,667                  |
| <b>TOTAL ASSETS</b>                          | <u>\$ 603,221</u> | <u>\$ 944,069</u>          | <u>\$ 67,554</u>                         | <u>\$ 592,482</u>                  | <u>\$ 538,076</u>       | <u>\$ 209,609</u>               | <u>\$ 280,333</u>                   | <u>\$ 905,323</u>              | <u>\$ 4,140,667</u>           |
| <b>LIABILITIES AND FUND BALANCES</b>         |                   |                            |  |                                    |                         |                                 |                                     |                                |                               |
| <b>LIABILITIES:</b>                          |                   |                            |  |                                    |                         |                                 |                                     |                                |                               |
| Payroll withholdings                         | \$ -              | \$ -                       | \$ -                                     | \$ -                               | \$ -                    | \$ -                            | \$ -                                | \$ 24,920                      | \$ 24,920                     |
| Other liabilities                            | 500               | -                          | -  | -                                  | -                       | -                               | -                                   | 67,756                         | 68,256                        |
| <b>TOTAL LIABILITIES</b>                     | <u>500</u>        | <u>-</u>                   | <u>-</u>                                 | <u>-</u>                           | <u>-</u>                | <u>-</u>                        | <u>-</u>                            | <u>92,676</u>                  | <u>93,176</u>                 |
| <b>FUND BALANCES:</b>                        |                   |                            |  |                                    |                         |                                 |                                     |                                |                               |
| Fund balance                                 | 602,721           | 944,069                    | 67,554                                   | 592,482                            | 538,076                 | 209,609                         | 280,333                             | 812,647                        | 4,047,491                     |
| <b>TOTAL LIABILITIES &amp; FUND BALANCES</b> | <u>\$ 603,221</u> | <u>\$ 944,069</u>          | <u>\$ 67,554</u>                         | <u>\$ 592,482</u>                  | <u>\$ 538,076</u>       | <u>\$ 209,609</u>               | <u>\$ 280,333</u>                   | <u>\$ 905,323</u>              | <u>\$ 4,140,667</u>           |

CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024

|   | GENERAL<br>FUND | GENERAL<br>RESERVE<br>FUND | ACT 205<br>DISTRESSED<br>PENSION<br>FUND | LOCAL SHARES<br>ASSESSMENT<br>FUND | LIQUID<br>FUELS<br>FUND | CAPITAL<br>IMPROVEMENTS<br>FUND | CORONAVIRUS<br>AID & RELIEF<br>FUND | OTHER<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>(MEMORANDUM<br>ONLY) |
|---|-----------------|----------------------------|--|------------------------------------|-------------------------|---------------------------------|-------------------------------------|--------------------------------|-------------------------------|
| <b>REVENUES</b>   |                 |                            |  |                                    |                         |                                 |                                     |                                |                               |
| Taxes   | \$ 9,812,095    | \$ -                       | \$ 1,591,357                             | \$ -                               | \$ -                    | \$ -                            | \$ -                                | \$ -                           | \$ 11,403,452                 |
| Licenses and permits  | 380,807         | -                          | -  | -                                  | -                       | -                               | -                                   | 63,097                         | 443,904                       |
| Fines and forfeits  | 46,679          | -                          | -  | -                                  | -                       | -                               | -                                   | -                              | 46,679                        |
| Interest, rents & royalties                                     | 22,932          | 742,123                    | 22,022                                   | 25,964                             | 28,041                  | 17,964                          | 30,717                              | 60,018                         | 949,781                       |
| Grants  | 2,250           | -                          | -  | 222,043                            | 390,990                 | -                               | -                                   | 1,009,543                      | 1,624,826                     |
| Intergovernmental revenues                                      | 176,070         | -                          | -  | -                                  | -                       | -                               | -                                   | -                              | 176,070                       |
| Contributions and donations                                     | -               | -                          | -  | -                                  | -                       | -                               | -                                   | 7,550                          | 7,550                         |
| Charges for services  | 2,418,842       | -                          | -  | -                                  | -                       | -                               | -                                   | 47,963                         | 2,466,805                     |
| Miscellaneous revenues  | 36,209          | 2,500                      | -  | -                                  | -                       | -                               | -                                   | 441                            | 39,150                        |
| Proceeds from short term debt                                   | 1,000,000       | -                          | -  | -                                  | -                       | -                               | -                                   | -                              | 1,000,000                     |
| Proceeds from long term debt                                    | 1,738,000       | -                          | -  | -                                  | -                       | -                               | -                                   | -                              | 1,738,000                     |
| Refund of prior year expenditures                               | -               | -                          | -  | -                                  | -                       | -                               | -                                   | 2,500                          | 2,500                         |
| Proceeds of general fixed asset distribution                    | 4,510           | -                          | -  | -                                  | -                       | -                               | -                                   | 132,800                        | 137,310                       |
| <b>TOTAL REVENUES</b>   | 15,638,394      | 744,623                    | 1,613,379                                | 248,007                            | 419,031                 | 17,964                          | 30,717                              | 1,323,912                      | 20,036,027                    |
| <b>EXPENDITURES</b>   |                 |                            |  |                                    |                         |                                 |                                     |                                |                               |
| General government  | 1,124,119       | 86,286                     | -  | 9,159                              | -                       | 15,037                          | -                                   | 212,753                        | 1,447,354                     |
| Public safety   | 5,179,920       | 44,793                     | -  | -                                  | -                       | 126,508                         | -                                   | 191,668                        | 5,542,889                     |
| Public works-sanitation   | 1,504,856       | -                          | -  | -                                  | -                       | -                               | -                                   | 1,080                          | 1,505,936                     |
| Public works-highways/roads/streets                             | 744,021         | 55,587                     | -  | -                                  | 291,822                 | 69,436                          | -                                   | 360,336                        | 1,521,202                     |
| Public works-other  | 152,167         | -                          | -  | 110,709                            | -                       | 321                             | -                                   | 7,920                          | 271,117                       |
| Culture/recreation  | 528,391         | -                          | -  | -                                  | -                       | 66,281                          | -                                   | 81,319                         | 675,991                       |
| Debt service - principal  | 1,680,000       | -                          | -  | -                                  | -                       | -                               | -                                   | -                              | 1,680,000                     |
| Debt service - interest and fiscal agent fees                   | 211,646         | -                          | -  | -                                  | -                       | -                               | -                                   | -                              | 211,646                       |
| Debt service - short term debt repayment                        | 1,000,000       | -                          | -  | -                                  | -                       | -                               | -                                   | -                              | 1,000,000                     |
| Municipal pension contributions                                 | 1,166,067       | -                          | 1,619,060                                | -                                  | -                       | -                               | -                                   | -                              | 2,785,127                     |
| Other employee benefits   | 3,591,378       | -                          | -  | -                                  | -                       | -                               | -                                   | 13,436                         | 3,604,814                     |
| Miscellaneous   | 26,396          | -                          | -  | -                                  | -                       | -                               | -                                   | 13,473                         | 39,869                        |
| <b>TOTAL EXPENDITURES</b>                                       | 16,908,961      | 186,666                    | 1,619,060                                | 119,868                            | 291,822                 | 277,583                         | -                                   | 881,985                        | 20,285,945                    |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</b> | (1,270,567)     | 557,957                    | (5,681)                                  | 128,139                            | 127,209                 | (259,619)                       | 30,717                              | 441,927                        | (249,918)                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                           |                 |                            |  |                                    |                         |                                 |                                     |                                |                               |
| Interfund transfers in  | 1,518,207       | -                          | -  | -                                  | 27,115                  | -                               | -                                   | 157,500                        | 1,702,822                     |
| Interfund transfers out   | -               | (457,500)                  | -  | -                                  | -                       | -                               | (358,244)                           | (887,078)                      | (1,702,822)                   |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                     | 1,518,207       | (457,500)                  | -  | -                                  | 27,115                  | -                               | (358,244)                           | (729,578)                      | -                             |
| <b>NET CHANGE IN FUND BALANCE</b>                               | 247,640         | 100,457                    | (5,681)                                  | 128,139                            | 154,324                 | (259,619)                       | (327,527)                           | (287,651)                      | (249,918)                     |
| <b>FUND EQUITY - beginning of the year</b>                      | 355,081         | 843,612                    | 73,235                                   | 464,343                            | 383,752                 | 469,228                         | 607,860                             | 1,100,298                      | 4,297,409                     |
| <b>FUND EQUITY - end of the year</b>                            | \$ 602,721      | \$ 944,069                 | \$ 67,554                                | \$ 592,482                         | \$ 538,076              | \$ 209,609                      | \$ 280,333                          | \$ 812,647                     | \$ 4,047,491                  |

SEE AUDITOR'S REPORT AND THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA  
STATEMENT OF NET POSITION - CASH BASIS  
FIDUCIARY FUNDS  
DECEMBER 31, 2024**

|  | <b><u>PENSION<br/>FUNDS</u></b>    |
|--|------------------------------------|
| <b><u>ASSETS</u></b>                             |                                    |
| Investments                                      | <u>81,374,698</u>                  |
| <b>TOTAL ASSETS</b>                              | <b><u><u>\$ 81,374,698</u></u></b> |
| <b><u>LIABILITIES AND FUND BALANCES</u></b>      |                                    |
| <b>LIABILITIES:</b>                              |                                    |
| <b>TOTAL LIABILITIES</b>                         | <b><u>\$ -</u></b>                 |
| <b>FUND BALANCES:</b>                            |                                    |
| Restricted for pension benefits                  | 81,374,698                         |
| Unrestricted                                     | <u>-</u>                           |
| <b>TOTAL LIABILITIES &amp;<br/>FUND BALANCES</b> | <b><u><u>\$ 81,374,698</u></u></b> |

SEE AUDITOR'S REPORT AND THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA  
STATEMENT OF CHANGES IN NET POSITION - CASH BASIS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024

|  |                  | <u>PENSION<br/>FUNDS</u>    |
|--|------------------|-----------------------------|
| <b><u>ADDITIONS</u></b>                          |                  |                             |
| Contributions:                                   |                  |                             |
| Employee members                                 | \$ 403,174       |                             |
| Employer   | <u>2,785,127</u> | \$ 3,188,301                |
| Investment income:                               |                  |                             |
| Interest and dividends                           | \$ 2,049,977     |                             |
| Net appreciation in investment fair market value | <u>5,968,123</u> | <u>8,018,100</u>            |
| <b>TOTAL ADDITIONS</b>                           |                  | <u>11,206,401</u>           |
| <b><u>DEDUCTIONS</u></b>                         |                  |                             |
| Pension benefits paid                            |                  | 3,996,309                   |
| Administrative expenses                          |                  | <u>330,171</u>              |
| <b>TOTAL DEDUCTIONS</b>                          |                  | <u>4,326,480</u>            |
| <b>INCREASE IN NET ASSETS</b>                    |                  | 6,879,921                   |
| <b>NET ASSETS - beginning of the year</b>        |                  | <u>74,494,777</u>           |
| <b>NET ASSETS - end of the year</b>              |                  | <u><u>\$ 81,374,698</u></u> |

SEE AUDITOR'S REPORT AND THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The City of Washington (City) is a Third-Class City organized and operated under the laws of the Commonwealth of Pennsylvania and Washington County. The City is governed by a mayor and a four-member Council elected by the residents of the City of Washington. The City provides such services as are authorized by its charter to advance the welfare, comfort, safety, and convenience of the City and its inhabitants.

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units with the exception of the Basis of Presentation as described in "C" below. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The financial reporting entity includes organizations, functions and activities over which elected officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. There are no component units as defined in the Governmental Accounting Standards Board (GASB) Statement No. 14 which are included in the City's reporting entity. Furthermore, the City is not includable as a component unit in any other primary government.

**B. Summary of Significant Accounting Policies**

As discussed further below, these financial statements are presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements Financial Accounting Standard Board (FASB) pronouncements and Accounting Principles Board (APB) opinions have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

**C. Basis of Presentation**

The City's basic modified cash basis financial statements include both government-wide (reporting the City as a whole) and fund (reporting the City's major funds) financial statements. All activities of the City are classified as governmental in both the government-wide and fund financial statements.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation (Continued)**

**Government-wide Financial Statements**

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

In the government-wide Statement of Net Assets, the governmental activities are presented on a consolidated basis by column and are reported on a modified cash basis, which recognizes capital assets as well as long-term debt. The modified cash basis of accounting does not recognize the recording of amounts owed to and by the City, deferred expenses and revenues, and other assets and liabilities normally recorded using the accrual basis of accounting as required by generally accepted accounting principles. The City's net assets are reported in three parts, a) invested in capital assets, net of related debt; b) restricted net assets; and c) unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants. The net costs (by function) are normally covered by general revenue (property taxes, earned income taxes, intergovernmental revenues, interest income, etc). This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. The City presently has fiduciary-type funds which are presented separately on the modified cash basis of accounting. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- (a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- (b) Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The various funds are grouped, in the financial report, into two generic fund types and categories as follows:

**GOVERNMENTAL FUNDS**

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

Other Major Funds – Funds are maintained to account for revenues derived from special sources. Such revenues are restricted to expenditures for specified purposes. The Other Major Funds presented are made up of the following self-balancing funds maintained by the City:

- A) General Reserve Fund
- B) Act 205 Distressed Pension Fund
- C) Local Shares Assessment Fund
- D) Liquid Fuels Fund
- E) Capital Improvements Fund
- F) Coronavirus Aid & Relief Fund
- G) Other Governmental Funds
  - SAM Grant Fund
  - Mass Transit Fund
  - Municipal Pension State Aid Fund
  - Fire Damage Escrow Fund
  - U.S. Justice Capital Equipment Fund
  - Park Development Fund
  - Payroll Fund
  - Fire Capital Purchase Fund
  - Insurance Claims Fund
  - Forfeited Property Fund
  - State Forfeited Property Fund
  - Rental Registration Fund
  - Stormwater Improvement Fund
  - DNCR Multi-Municipal Recreation Plan Fund
  - Recycling Performance Grant Fund
  - Police Department Purchase Fund
  - PEMA Fire Fund
  - Marcellus Shale Impact Fund
  - Growing Greener Fund
  - DCED Multi-Municipal Zoning Fund
  - Recycling Drop Off Grant Fund
  - Police Evidence Fund
  - Park Pavilion Fund
  - Catfish Creek Project Fund
  - Downtown Revitalization Fund
  - Community Pavilion Fund
  - Health Insurance Deductible Fund

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FIDUCIARY FUNDS**

The fiduciary fund is comprised of the following pension funds:

Police Pension Fund – The Police Pension Fund is used to account for assets held by the City in a trustee capacity for the policemen of the City.

Firemen Pension Fund–The Firemen Pension Fund is used to account for assets held by the City in a trustee capacity for the firemen of the City.

Officers and Employees Pension Fund – The Officers and Employees Pension Fund is used to account for assets held by the City in a trustee capacity for the officer and administrative employees of the City.

**D. Budget and Budgetary Accounting**

Formal budgetary integration is employed as a management control device for all governmental fund types. Once the budget is approved, it can be amended at the function and fund level only by a vote of the majority of members of Council and the Mayor. A formal budget was adopted for the General Fund, each of the Special Revenue Funds, and each of the Capital Projects Funds.

**E. Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**F. Capital Assets**

Capital assets purchased or acquired are reported at historical costs or estimated historical costs. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred. Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more. Infrastructure assets capitalized have an original cost of \$100,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Depreciation expense for the year ended December 31, 2024 was \$1,256,326. Estimated useful lives are as follows:

|                        |             |
|------------------------|-------------|
| Buildings              | 20-50 years |
| Infrastructure         | 20-50 years |
| Improvements           | 10-20 years |
| Vehicles and Equipment | 5-10 years  |



**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Subsequent Events**

In accordance with Accounting Standards Codification (ASC) 855-10, *Subsequent Events*, the Township has evaluated subsequent events through September 10, 2025, the date financial statements were available to be issued.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

The City of Washington considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

At December 31, 2024, the carrying amount of the City's governmental fund deposits was \$4,140,667. The bank balance was \$4,204,066. The City maintains checking and money market accounts with Washington Financial Bank.

Deposits with financial institutions are insured by FDIC insurance for the first \$250,000 of deposits.

The City's governmental fund deposits are categorized to give an indication of the level of risk assumed by the City at year end. The categories are described as follows:

- Category 1 - Insured or collateralized with securities held by the City or its agent in the City's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 - Uncollateralized or which are collateralized with securities held by the pledging financial institution or by its trust department but not in the City's name.

Governmental fund deposits, categorized by level of risk, are:

|                  | <u>Category<br/>1</u> | <u>Category<br/>2</u> | <u>Category<br/>3</u> | <u>Carrying<br/>Value</u> | <u>Market<br/>Value</u> | <u>Bank<br/>Value</u> |
|------------------|-----------------------|-----------------------|-----------------------|---------------------------|-------------------------|-----------------------|
| General Fund     | \$ 250,000            | \$ -                  | \$ 353,221            | \$ 603,221                | \$ 603,221              | \$ 606,637            |
| Special Revenue  |                       |                       |                       |                           |                         |                       |
| Funds            | -                     | -                     | 3,003,207             | 3,003,207                 | 3,003,207               | 3,063,190             |
| Capital Projects |                       |                       |                       |                           |                         |                       |
| Funds            | <u>-</u>              | <u>-</u>              | <u>534,239</u>        | <u>534,239</u>            | <u>534,239</u>          | <u>534,239</u>        |
| Total Deposits   | <u>\$250,000</u>      | <u>\$ -</u>           | <u>\$3,890,667</u>    | <u>\$4,140,667</u>        | <u>\$4,140,667</u>      | <u>\$4,204,066</u>    |

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 – PROPERTY TAXES**

The City's property tax is levied on March 1 on the assessed value of all real property located in the City. The assessed value of the roll for 2024 was \$537,991,755. The City's tax rate for 2024 was 38.71 mills on land and 4.03 mills on buildings for a total levy of \$6,973,914 and was payable as follows:

- At discount of 2% until March 31, 2024
- At face until May 31, 2024
- At penalty of 10% after May 31, 2024
- Unpaid property taxes for 2024 were lienied on January 15, 2025

**NOTE 4 – GRANT REVENUE**

The City of Washington received the following state grants provided by the Commonwealth of Pennsylvania during the year ended December 31, 2024:

|  |               |
|--|---------------|
| Pennsylvania Ad Hoc Retirement             | \$ 2,250      |
| General Municipal Pension System State Aid | 805,319       |
| Municipal Liquid Fuels                     | 390,990       |
| Local Share Assessments                    | 222,043       |
| Marcellus Shale Impact                     | 184,933       |
| PEMA Fire                                  | <u>19,291</u> |

|   |                    |
|---|--------------------|
| Total grant revenue received during<br>the year ended December 31, 2024 | <u>\$1,624,826</u> |
|---|--------------------|

**NOTE 5 – PENSION PLANS**

The City of Washington maintains the following pension plans for its employees:

- A) Police Pension Plan
- B) Firemen Pension Plan
- C) Officers and Employees Retirement System

*Plan Administration:* The City of Washington Comprehensive Municipal Pension Trust Fund (the Trust) was established by Ordinance No. 1371, effective April 9, 1987, as a result of the City's eligibility for, and election to participate in, the supplemental state assistance program provision of Act 205 of 1984 for distressed municipalities. This provision required the City to aggregate the municipal pension assets into a single pension trust fund pursuant to Section 607(b) of Act 205. The City of Washington entered at that time under Level II of the recovery program.

The Trust retains the assets and acts as a common investment and administrative agent of the City's police, firemen's and non-uniformed pension plans. The Trust is governed by the City of Washington Comprehensive Municipal Pension Trust Fund Board of Trustees, which has delegated the authority to management certain fund assets to PNC Institutional Investments.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 – PENSION PLANS (Continued)**

Act 205 Section 607(b), requires that each pension plan subject to the aggregation shall have an undivided participation in the assets of the Trust. For accounting purposes, the value of the participation by each plan shall be calculated annually. The value for each plan and its share of the investment earnings are shown in the statement of the undivided participation in the assets of the comprehensive municipal pension trust fund, which appear in the separately issued City of Washington Police, Firemen's and Officers and Employees Pension Plan audit reports.

*Investments:* The Plan's is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The Plan's investments are uninsured and unregistered investments for which the securities are held by a counterparty or by its trust department or agent but not in the Plan's name. The assets of the three pension plans are consolidated by PNC Institutional Investments. Asset information as of December 31, 2024 was furnished by PNC Institutional Investments.

The Market Value of assets is summarized below by type:

|  | <u>Market Value</u> |
|--|---------------------|
| A. Cash and Cash Equivalents             | \$ 4,052,013        |
| B. U.S. Government and Agency Securities | 15,766,712          |
| C. Asset backed securities               | 136,512             |
| D. Exchange Traded Funds – Fixed         | 3,468,452           |
| E. Corporate Debt                        | 9,504,179           |
| F. Real Estate                           | 2,590,843           |
| G. Exchange Traded Funds - Equity        | 118,393             |
| H. Mutual Funds – Equity                 | 29,733,477          |
| I. Multi-Employer Property Trust         | 16,004,117          |
| Total                                    | <u>\$81,374,698</u> |

The activity of each plan is presented in the fund financial statements under the Fiduciary Fund. The statement of net position – fiduciary funds and statement of changes in net position – fiduciary funds reflect information as of and for the year ended December 31, 2024.

The details and activity of each pension fund is as follows:

**A. Police Pension Plan**

**1. Plan Description**

*Plan Administration:* The City of Washington's Police Pension Plan is a single-employer defined benefit pension plan. The Plan was established by Ordinance No. 324, effective February 19, 1936 and was most recently amended and restated effective January 1, 2016. The Plan is governed by the City Council of the City of Washington which may amend plan provisions, and which is responsible for the management of Plan assets. The City Council has delegated the authority to manage certain Plan assets to Morrison Fiduciary Advisors, Inc. The Plan is required to file Form PC-201C biennially with the Pennsylvania Department of the Auditor General's Municipal Pension Reporting Program (MPRP). The most recent filing was as of January 1, 2023.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 – PENSION PLANS (Continued)**

*Plan Membership:* The plan provides pensions for full-time police officers of the City. As of December 31, 2024, pension plan membership consists of:

|  |           |
|--|-----------|
| • Active employees   | 32        |
| • Retirees and beneficiaries currently receiving benefits              | 49        |
| • Terminated employees entitled to benefits but not yet receiving them | <u>0</u>  |
| Total  | <u>81</u> |

**2. Benefit Provisions**

Pension plan benefit provisions are as follows:

**Eligibility Requirements**

Normal Retirement: 20 years of service.

**Normal Benefit**

A monthly benefit equal to 90% of base pay for participants hired prior to January 1, 2025 and 75% of base pay for participants hired after January 1, 2025, plus any earned longevity and service increments for all participants.

**Death Benefit**

Before Retirement Eligibility: Refund of contributions without interest.

After Retirement Eligibility, disability, or if killed in service: A monthly benefit equal to 100 percent of the pension the participant was receiving or entitled to receive on the day of the participant's death payable to participant's spouse.

Payment of Survivor Benefits: Monthly survivor benefits are payable to the participant's spouse for life, or if the spouse later dies, the benefit will be paid to the participant's dependent children, if any, until age 18.

**Disability Benefit**

Service Related: Total and permanent disablement which occurs while performing the duties of a police officer for the City.

Non-Service Related: Total and permanent disablement following the completion of 10 years of continuous service.

Amount of Benefit: A monthly benefit equal to 50 percent of the participant's base salary at disablement/retirement. If the non-service related disability occurs prior to the completion of 10 years of service, the benefit is equal to 25 percent of the base salary at disablement.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 – PENSION PLANS (Continued)**

Member Contributions

Amount or Rate: 7.5 percent of compensation, plus \$4 per month. Employees who have reached age 65 will not be required to contribute the \$4 per month.

Refund: Accumulated contributions without interest.

**3. Summary of Significant Accounting Policies**

*Basis of Accounting:* These statements have been prepared on the accrual basis of accounting. Contributions and pension payments are recognized in the period that they are due.

*Valuation of Investments:* Plan investments are listed at fair value as reported by PNC Institutional Asset Management and are allocated to the Police Pension Plan based on the conventions of the Aggregate Trust. The Aggregate Trust was established as a requirement of Act 205 of 1984 for Level II Distressed Plans.

*Contributions:* Act 205 of 1984 (as amended) requires that annual contributions be based upon the Minimum Municipal Obligation (MMO), which is based on the plan's most recent biennial actuarial valuation. The MMO includes the normal costs, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to ten percent (10%) of the excess, if any, of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds state and member contributions must be funded by the employer.

*Contributions (continued):* Employees are required to contribute seven and one-half percent (7.5%) of covered payroll to the Plan plus \$4 per month. This contribution is governed by the Plan's governing ordinances.

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

**4. Net Pension Liability**

The components of the net position liability as of December 31, 2024 are as follows:

|                                     |                              |
|-------------------------------------|------------------------------|
| Total Pension Liability of the Plan | \$39,180,557                 |
| Plan Fiduciary Net Position         | <u>(43,069,681)</u>          |
| Net Pension Liability of the Plan   | <u><u>\$( 3,889,124)</u></u> |

Plan fiduciary net position as a percentage of the total pension liability 109.93%

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 – PENSION PLANS (Continued)**

**4. Net Pension Liability—Continued**

The total pension liability was determined by an actuarial valuation as of January 1, 2023 and rolled forward to December 31, 2024, using the following significant actuarial assumptions applied to all periods included in the measurement:

Actuarial Assumptions:

|                                   |                               |
|-----------------------------------|-------------------------------|
| Inflation                         | 2.5%                          |
| Salary Increases                  | 5.0%, including inflation     |
| Expected Long-Term Rate of Return | 6.25%, applied to all periods |

Mortality rates were based on the Public Safety Mortality Table (PubS-2010) and PubS-2010 disabled table for disabled members. Mortality improvement was based on the long-range demographic assumptions for the 2018 SSA's Trustee Report.

The following shows the effect of a 1% change in the discount rate on the net pension liability:

|                       | 1% Decrease | Current Rate  | 1% Increase   |
|-----------------------|-------------|---------------|---------------|
|                       | 5.25%       | 6.25%         | 7.25%         |
| Net Pension Liability | \$6,678,328 | \$(3,889,124) | \$(8,397,644) |

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation as of December 31, 2024 are summarized as follows:

| <u>Asset Class</u>        | <u>Target Allocation</u> |
|---------------------------|--------------------------|
| Domestic Large Cap Equity | 35%                      |
| Domestic Small Cap Equity | 10%                      |
| International Equity      | 10%                      |
| Fixed Income              | 40%                      |
| Real Estate               | 5%                       |

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that plan will continue to be funded based on the Minimum Municipal Obligation as determined in accordance with Act 205. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 – PENSION PLANS (Continued)**

**4. Net Pension Liability—Continued**

*Changes in Net Pension Liability:*

|   | Total<br>Pension<br>Liability<br>(a) | Plan<br>Fiduciary Net<br>Position<br>(b) | Net Pension<br>Liability<br>(a)- (b) |
|---|--------------------------------------|--|--------------------------------------|
| <b>Balance at December 31, 2023</b>                       | \$37,970,407                         | \$38,667,946                             | \$( 697,539)                         |
| <b>Changes for the Year 2024:</b>                         |                                      |  |                                      |
| Service Cost  | 1,103,882                            | -  | 1,103,882                            |
| Interest  | 2,374,395                            | -  | 2,374,395                            |
| Changes of benefit terms                                  | (266,964)                            | -  | ( 266,964)                           |
| Contributions – Employer                                  | -                                    | 2,121,890                                | (2,121,890)                          |
| Contributions – Employee                                  | -                                    | 199,238                                  | ( 199,238)                           |
| Net Investment Income                                     | -                                    | 4,100,172                                | (4,100,172)                          |
| Benefit Payments and Refunds of<br>Employee Contributions | (2,001,163)                          | (2,001,163)                              | -                                    |
| Administrative Expense                                    | -                                    | (18,402)                                 | 18,402                               |
| <b>Net Changes</b>  | <u>1,210,150</u>                     | <u>4,401,735</u>                         | <u>( 3,191,585)</u>                  |
| <b>Balance at December 31, 2024</b>                       | <u><b>\$39,180,557</b></u>           | <u><b>\$43,069,681</b></u>               | <u><b>\$(3,889,124)</b></u>          |

**5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Components of Pension Expense for the Year Ended December 31, 2024:**

|   |                          |
|---|--------------------------|
| Service Cost  | \$1,103,882              |
| Interest on the total pension liability   | 2,374,395                |
| Recognition of differences between expected and<br>actual experience                    | 235,919                  |
| Changes in benefit terms  | (266,964)                |
| Employee contributions  | (199,238)                |
| Projected earnings on pension plan investments  | (2,420,959)              |
| Recognition of differences between projected and<br>actual earnings in plan investments | (158,114)                |
| Pension plan administrative expense   | <u>18,402</u>            |
| <b>Total Pension Expense</b>  | <u><b>\$ 687,323</b></u> |

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 – PENSION PLANS (Continued)**

**5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—Continued**

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

|  | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--|---|--|
| Difference between expected and actual experience                                | \$ 204,692                                | \$ 135,594                               |
| Net difference between projected and actual earnings on pension plan investments | <u>3,221,586</u>                          | <u>3,236,420</u>                         |
| Total  | <u><u>\$3,426,278</u></u>                 | <u><u>\$3,372,014</u></u>                |

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

| Year Ended December 31: | <u>Total</u> |
|-------------------------|--------------|
| 2025                    | \$ 447,428   |
| 2026                    | 759,785      |
| 2027                    | (817,108)    |
| 2028                    | (335,841)    |
| 2029 and thereafter     | -            |

**6. Actuarial Methods and Assumptions**

|   |                  |
|---|------------------|
| Actuarial valuation date                        | January 1, 2023  |
| Actuarial cost method                           | Entry age        |
| Asset valuation method                          | 4 year smoothing |
| Amortization method                             | Level dollar     |
| Aggregate remaining amortization period (years) | 9                |
| Actuarial assumptions:                          |                  |
| Investment rate of return                       | 6.25%            |
| Projected salary increases                      | 5.00%            |
| Underlying inflation rate                       | 2.50%            |

**7. Source of Asset Information**

Asset information was furnished by PNC Institutional Investments and reported as an aggregate total for the City's pension plans in the statement of net position. The Market Value of assets at December 31, 2024 for the police pension plan was \$42,867,736.



**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 – PENSION PLANS (Continued)**

**B. Firemen Pension Plan**

**1. Plan Description**

*Plan Administration:* The City of Washington's Firemen Pension Plan is a single-employer defined benefit pension plan. The Plan was established, effective March 1, 1930 and was most recently amended and restated effective January 1, 2016. The Plan is governed by the City Council of the City of Washington which may amend plan provisions, and which is responsible for the management of Plan assets. The City Council has delegated the authority to manage certain Plan assets to Morrison Fiduciary Advisors, Inc. The plan is required to file Form PC-202C biennially with the Pennsylvania Department of the Auditor General's Municipal Pension Reporting Program (MPRP). The most recent filing was as of January 1, 2023.

**1. Plan Description (Continued)**

*Plan Membership:* The Plan provides pensions for full-time firefighters of the City. As of December 31, 2024, pension plan membership consists of:

|  |           |
|--|-----------|
| • Active employees   | 20        |
| • Retirees and beneficiaries currently receiving benefits              | 34        |
| • Terminated employees entitled to benefits but not yet receiving them | <u>0</u>  |
| Total  | <u>54</u> |

**2. Benefit Provisions**

Pension plan benefit provisions are as follows:

**Eligibility Requirements**

Normal Retirement: 20 years of continuous service.

**Normal Benefit**

A monthly benefit equal to 90% of base pay for participants hired prior to January 1, 2025 and 75% of base pay for participants hired after January 1, 2025, plus any earned longevity and service increments for all participants.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 – PENSION PLANS (Continued)**

**2. Benefit Provisions (Continued)**

**Death Benefit**

**Before Retirement Eligibility:** Refund of contributions without interest.

**After Retirement Eligibility or if killed in service:** A monthly benefit equal to 100 percent of the pension the participant was receiving or entitled to receive on the day of the participant's death payable to participant's spouse.

**Payment of Survivor Benefits:** Monthly survivor benefits are payable to the participant's spouse for life, or if the spouse later dies, the benefit will be paid to the participant's dependent children, if any, until age 18.

**Disability Benefit**

**Service Related:** Total and permanent disablement which occurs while performing the duties of a firemen for the City.

**Non-Service Related:** None.

**Amount of Benefit:** The normal retirement benefit as calculated at date of disablement, including any service increments.

**Member Contributions**

**Amount or Rate:** 5 percent of compensation plus \$5 per month for participant hired prior to January 1, 2003, 6.5 percent plus \$5 per month for participants hired on or after January 1, 2003.

**Refund:** Accumulated contributions without interest.

**3. Summary of Significant Accounting Policies**

***Basis of Accounting:*** These statements have been prepared on the accrual basis of accounting. Contributions and pension payments are recognized in the period that they are due.

***Valuation of Investments:*** Plan investments are listed at fair value as reported by PNC Institutional Asset Management and are allocated to the Firemen's Pension Plan based on the conventions of the Aggregate Trust. The Aggregate Trust was established as a requirement of Act 205 of 1984 for Level II Distressed Plans.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 – PENSION PLANS (Continued)**

**3. Summary of Significant Accounting Policies (Continued)**

*Contributions:* The employer follows the funding policy prescribed by Act 205 of 1984 (as amended), which requires that annual contributions be based upon the Minimum Municipal Obligation (MMO) using the plan's most recent biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to ten percent (10%) of the excess, if any, of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds state and member contributions must be funded by the employer. Employees are required to contribute five percent (5%) of covered payroll to the Plan plus \$5 per month if hired before January 1, 2003 and six and one-half percent (6.5%) of covered payroll plus \$5 per month if hired on or after January 1, 2003. This contribution is governed by the Plan's governing ordinances and collective bargaining.

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

**4. Net Pension Liability**

The components of the net position liability as of December 31, 2024 are as follows:

|                                     |                              |
|-------------------------------------|------------------------------|
| Total Pension Liability of the Plan | \$29,766,740                 |
| Plan Fiduciary Net Position         | <u>(30,730,748)</u>          |
| Net Pension Liability of the Plan   | <u><u>\$ ( 964,008 )</u></u> |

Plan fiduciary net position as a percentage of the total pension liability      103.24%

The total pension liability was determined by an actuarial valuation as of January 1, 2023 and rolled forward to December 31, 2024, using the following significant actuarial assumptions applied to all periods included in the measurement:

**Actuarial Assumptions:**

|                                   |                               |
|-----------------------------------|-------------------------------|
| Inflation                         | 2.5%                          |
| Salary Increases                  | 4.75%, including inflation    |
| Expected Long-Term Rate of Return | 6.25%, applied to all periods |

Mortality rates were based on the Public Safety Mortality Table (PubS-2010) and PubS-2010 disabled table for disabled members. Mortality improvement was based on the long-range demographic assumptions for the 2018 SSA's Trustee Report.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 – PENSION PLANS (Continued)**

**4. Net Pension Liability (Continued)**

The following shows the effect of a 1% change in the discount rate on the net pension liability:

|                       | 1% Decrease | Current Rate | 1% Increase   |
|-----------------------|-------------|--------------|---------------|
|                       | 5.25%       | 6.25%        | 7.25%         |
| Net Pension Liability | \$2,872,035 | \$(964,008)  | \$(4,101,031) |

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation as of December 31, 2024 are summarized as follows:

| <u>Asset Class</u>        | <u>Target Allocation</u> |
|---------------------------|--------------------------|
| Domestic Large Cap Equity | 35%                      |
| Domestic Small Cap Equity | 10%                      |
| International Equity      | 10%                      |
| Fixed Income              | 40%                      |
| Real Estate               | 5%                       |

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that plan will continue to be funded based on the Minimum Municipal Obligation as determined in accordance with Act 205. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 – PENSION PLANS (Continued)**

| <i>Changes in Net Pension Liability:</i>                  | Total<br>Pension<br>Liability<br>(a) | Plan<br>Fiduciary Net<br>Position<br>(b) | Net Pension<br>Liability<br>(a)- (b) |
|---|--------------------------------------|--|--------------------------------------|
| <b>Balance at December 31, 2023</b>                       | \$26,911,244                         | \$28,813,963                             | \$(1,902,719)                        |
| <b>Changes for the Year 2024:</b>                         |                                      |  |                                      |
| Service Cost  | 659,120                              | -  | 659,120                              |
| Interest  | 1,671,503                            | -  | 1,671,503                            |
| Changes in benefit terms                                  | 2,050,392                            | -  | 2,050,392                            |
| Contributions - Employer                                  | -                                    | 416,599                                  | ( 416,599)                           |
| Contributions – Employee                                  | -                                    | 119,520                                  | ( 119,520)                           |
| Net Investment Income                                     | -                                    | 2,929,392                                | (2,929,392)                          |
| Benefit Payments and Refunds of<br>Employee Contributions | (1,525,519)                          | (1,525,519)                              | -                                    |
| Administrative Expense                                    | -                                    | ( 23,207)                                | 23,207                               |
| Net Changes   | <u>(1,866,561)</u>                   | <u>1,916,785</u>                         | <u>938,711</u>                       |
| <b>Balance at December 31, 2024</b>                       | <u><b>\$29,766,740</b></u>           | <u><b>\$30,730,748</b></u>               | <u><b>\$( 964,008)</b></u>           |

**5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

Components of Pension Expense for the Year Ended December 31, 2024:

|  |                           |
|--|---------------------------|
| Service Cost   | \$ 659,120                |
| Interest on the total pension liability  | 1,671,503                 |
| Recognition of differences between expected and actual experience                    | (148,632)                 |
| Changes of benefit terms   | 2,050,392                 |
| Amortization of changes in assumptions   | 80,587                    |
| Employee contributions   | (119,520)                 |
| Projected earnings on pension plan investments                                       | (1,765,256)               |
| Recognition of differences between projected and actual earnings in plan investments | (86,471)                  |
| Pension plan administrative expense  | <u>23,207</u>             |
| <b>Total Pension Expense</b>   | <u><b>\$2,364,930</b></u> |

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 – PENSION PLANS (Continued)**

**5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

|  | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--|---|--|
| Difference between expected and actual experience                                | \$ 115,420                                | \$1,657,817                              |
| Net difference between projected and actual earnings on pension plan investments | <u>2,513,712</u>                          | <u>2,343,679</u>                         |
| Total  | <u>\$2,629,132</u>                        | <u>\$4,001,496</u>                       |

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

| Year Ended December 31: | <u>Total</u> |
|-------------------------|--------------|
| 2025                    | \$(61,123)   |
| 2026                    | 227,373      |
| 2027                    | (1,029,484)  |
| 2028                    | (509,130)    |
| 2029 and Thereafter     | -            |

**6. Actuarial Methods and Assumptions**

|   |                  |
|---|------------------|
| Actuarial valuation date                        | January 1, 2023  |
| Actuarial cost method                           | Entry age        |
| Asset valuation method                          | 4 year smoothing |
| Amortization method                             | Level dollar     |
| Aggregate remaining amortization period (years) | 15               |
| Actuarial assumptions:                          |                  |
| Investment rate of return                       | 6.25%            |
| Projected salary increases                      | 4.75%            |
| Underlying inflation rate                       | 2.50%            |

**7. Source of Asset Information**

Asset information was furnished by PNC Institutional Investments and reported as an aggregate total for the City's pension plans in the statement of net position. The Market Value of assets at December 31, 2024 for the firemen pension plan was \$30,622,928.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 – PENSION PLANS (Continued)**

**C. Officers and Employees Retirement System**

**1. Plan Description**

*Plan Administration:* The City of Washington's Officers and Employees Pension Plan is a single-employer defined benefit pension plan. The Plan was established by Ordinance No. 566, effective February 1, 1950 and was most recently amended and restated effective January 1, 2016. The Plan is governed by the City Council of the City of Washington which may amend plan provisions, and which is responsible for the management of Plan assets. The City Council has delegated the authority to manage certain Plan assets to Morrison Fiduciary Advisors, Inc. The Plan is required to file Form PC-201C biennially with the Pennsylvania Department of the Auditor General's Municipal Pension Reporting Program (MPRP). The most recent filing was as of January 1, 2023.

*Plan Membership:* The plan provides pensions for elected officials or full-time non-uniformed employees of the City. As of December 31, 2024, pension plan membership consists of:

|  |           |
|--|-----------|
| • Active employees   | 32        |
| • Retirees and beneficiaries currently receiving benefits              | 26        |
| • Terminated employees entitled to benefits but not yet receiving them | <u>0</u>  |
| Total  | <u>58</u> |

**2. Benefit Provisions**

Pension benefits are as follows:

**Eligibility Requirements**

**Normal Retirement:**

For participants hired before January 1, 1993, age 55 and 20 years of continuous service. For participants hired after December 31, 1992, age 60 and 20 years of continuous service.

**Normal Benefit**

A monthly benefit equal to the greater of 50 percent of the monthly salary or 50 percent of the final monthly average salary plus service increment, if any, less 40 percent of the Social Security Benefit for participants hired before January 1, 1993.

**Social Security Benefit**

The Social Security old-age insurance benefit calculated under the provisions of the Federal Social Security Act in effect on the date of termination, using only the compensation earned in employment with the City.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 – PENSION PLANS (Continued)**

**2. Benefit Provisions (Continued)**

**Death Benefit**

**Before Retirement Eligibility:** Refund of contributions without interest.

**After Retirement Eligibility or if killed in service:** A monthly benefit equal to 50 percent of the pension the participant was receiving or entitled to receive on the day of the participant's death payable to participant's spouse until death or remarriage.

**Payment of Survivor Benefits:** Monthly survivor benefits are payable to the participant's spouse until death or remarriage.

**Disability Benefit**

**Service Related:** Total and permanent disablement which occurs following the completion of 15 years of continuous service.

**Non-Service Related:** None.

**Amount of Benefit:** A monthly benefit equal to the greater of 50 percent of the monthly salary or 50 percent of the final monthly average salary plus service increment, if any, calculated at date of disablement.

**Termination Benefits**

**Eligibility:** Occurs after 12 years of continuous service and before the completion of 20 years of service.

**Amount of Benefit:** A monthly benefit commencing at age 60 equal to the normal benefit multiplied by the ratio of years of continuous service at termination to 20 years.

**Member Contributions**

**Amount or Rate:** 5 percent of compensation for participant hired prior to January 1, 1993. 6 percent for participants hired on or after January 1, 1993.

**Refund:** Accumulated contributions without interest.

**3. Summary of Significant Accounting Policies**

**Basis of Accounting:** These statements have been prepared on the accrual basis of accounting. Contributions and pension payments are recognized in the period that they are due.



**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 – PENSION PLANS (Continued)**

**3. Summary of Significant Accounting Policies (Continued)**

*Valuation of Investments:* Plan investments are listed at fair value as reported by PNC Institutional Asset Management and are allocated to the Officers and Employees Pension Plan based on the conventions of the Aggregate Trust. The Aggregate Trust was established as a requirement of Act 205 of 1984 for Level II Distressed Plans.

*Contributions:* Act 205 of 1984 (as amended) requires that annual contributions be based upon the Minimum Municipal Obligation (MMO), which is based on the plan's most recent biennial actuarial valuation. The MMO includes the normal costs, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to ten percent (10%) of the excess, if any, of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds state and member contributions must be funded by the employer.

*Contributions (continued):* Employees are required to contributed three and one-half percent (3.5%) of covered payroll subject to social security taxation and five percent (5%) of pay in excess of the taxable wage base. Participants may contribute five percent (5%) to eliminate the social security offset and an extra one percent (1%) for the survivor benefit. Participants hired after December 31, 1992, contribute six percent (6%) of pay. This contribution is governed by the Plan's governing ordinances.

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

**4. Net Pension Liability**

The components of the net position liability as of December 31, 2024 are as follows:

|                                     |                     |
|-------------------------------------|---------------------|
| Total Pension Liability of the Plan | \$ 6,952,427        |
| Plan Fiduciary Net Position         | <u>(7,923,224)</u>  |
| Net Pension Liability of the Plan   | <u>\$ (970,797)</u> |

Plan fiduciary net position as a percentage of the total pension liability 113.96%

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 – PENSION PLANS (Continued)**

**4. Net Pension Liability (Continued)**

The total pension liability was determined by an actuarial valuation as of January 1, 2023 and rolled forward to December 31, 2024, using the following significant actuarial assumptions applied to all periods included in the measurement:

**Actuarial Assumptions:**

|                                   |                               |
|-----------------------------------|-------------------------------|
| Inflation                         | 2.5%                          |
| Salary Increases                  | 4.5%, including inflation     |
| Expected Long-Term Rate of Return | 6.25%, applied to all periods |

Mortality rates were based on the Public Safety Mortality Table (PubS-2010) and PubS-2010 disabled table for disabled members. Mortality improvement was based on the long-range demographic assumptions for the 2018 SSA's Trustee Report.

The following shows the effect of a 1% change in the discount rate on the net pension liability:

|                       | 1% Decrease | Current Rate | 1% Increase   |
|-----------------------|-------------|--------------|---------------|
|                       | 5.25%       | 6.25%        | 7.25%         |
| Net Pension Liability | \$(195,717) | \$(970,797)  | \$(1,627,061) |

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation as of December 31, 2024 are summarized as follows:

| <u>Asset Class</u>        | <u>Target Allocation</u> |
|---------------------------|--------------------------|
| Domestic Large Cap Equity | 35%                      |
| Domestic Small Cap Equity | 10%                      |
| International Equity      | 10%                      |
| Fixed Income              | 40%                      |
| Real Estate               | 5%                       |

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that plan will continue to be funded based on the Minimum Municipal Obligation as determined in accordance with Act 205. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 – PENSION PLANS (Continued)**

**4. Net Pension Liability (Continued)**

*Changes in Net Pension Liability:*

|   | Total<br>Pension<br>Liability<br>(a) | Plan<br>Fiduciary Net<br>Position<br>(b) | Net Pension<br>Liability<br>(a)- (b) |
|---|--------------------------------------|--|--------------------------------------|
| <b>Balance at December 31, 2023</b>                       | <b>\$6,706,418</b>                   | <b>\$7,280,654</b>                       | <b>\$(574,236)</b>                   |
| <b>Changes for the Year 2024:</b>                         |                                      |  |                                      |
| Service Cost  | 254,845                              | -  | 254,845                              |
| Interest  | 420,543                              | -  | 420,543                              |
| Contributions - Employer                                  | -                                    | 240,957                                  | (240,957)                            |
| Contributions – Employee                                  | -                                    | 84,850                                   | ( 84,850)                            |
| Net Investment Income                                     | -                                    | 754,205                                  | (754,205)                            |
| Benefit Payments and Refunds of<br>Employee Contributions | (429,379)                            | (429,379)                                | -                                    |
| Administrative Expense                                    | -                                    | ( 8,063)                                 | 8,063                                |
| Net Changes   | <u>246,009</u>                       | <u>642,570</u>                           | <u>(396,561)</u>                     |
| <b>Balance at December 31, 2024</b>                       | <b><u>\$6,952,427</u></b>            | <b><u>\$7,923,224</u></b>                | <b><u>\$(970,797)</u></b>            |

**5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Components of Pension Expense for the Year Ended December 31, 2024:**

|   |                         |
|---|-------------------------|
| Service Cost  | \$254,845               |
| Interest on the total pension liability   | 420,543                 |
| Recognition of differences between expected and<br>actual experience                    | (96,297)                |
| Changes in assumptions  | 32,515                  |
| Employee contributions  | (84,850)                |
| Projected earnings on pension plan investments  | (450,434)               |
| Recognition of differences between projected and<br>actual earnings in plan investments | (29,912)                |
| Pension plan administrative expense   | <u>8,063</u>            |
| Total Pension Expense   | <b><u>\$ 54,473</u></b> |

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 – PENSION PLANS (Continued)**

**5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

|  | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--|---|--|
| Difference between expected and actual experience                                | \$ 18,302                                 | \$302,205                                |
| Changes of assumptions   | 6,502                                     | -  |
| Net difference between projected and actual earnings on pension plan investments | <u>607,223</u>                            | <u>600,148</u>                           |
| Total  | <u>\$632,027</u>                          | <u>\$902,353</u>                         |

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

| Year Ended December 31: | <u>Total</u> |
|-------------------------|--------------|
| 2025                    | \$ 7,709     |
| 2026                    | 108,180      |
| 2027                    | (195,434)    |
| 2028                    | (114,933)    |
| 2029 and Thereafter     | ( 75,848)    |

**6. Actuarial Methods and Assumptions**

|   |                  |
|---|------------------|
| Actuarial valuation date                        | January 1, 2023  |
| Actuarial cost method                           | Entry age        |
| Asset valuation method                          | 4 year smoothing |
| Amortization method                             | Level dollar     |
| Aggregate remaining amortization period (years) | 12               |
| Actuarial assumptions:                          |                  |
| Investment rate of return                       | 6.25%            |
| Projected salary increases                      | 4.5%             |
| Underlying inflation rate                       | 2.5%             |

**7. Source of Asset Information**

Asset information was furnished by PNC Institutional Investments and reported as an aggregate total for the City's pension plans in the statement of net position. The Market Value of assets at December 31, 2024 for the officers and employees pension plan was \$7,884,034.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 6 – Postemployment Benefits other than Pension (OPEB)**

*Plan Description:* The City's defined benefit Plan provides certain postemployment health, dental and life insurance benefits for all eligible police officer and firefighter retirees of the City. There are no OPEB benefits offered to the Officers and Employees retirees. The OPEB Plan is a single-employer defined benefit Plan administered by the City. No assets are accumulated in a trust that meet the criteria in paragraph 4, of GASB 75.

*Benefits Provisions:* The Plan provides 75% of the premiums for healthcare and dental insurance for eligible police officer and firefighter retirees through the City's insurance plan which covers both active and retired members up to Medicare eligibility. Street Department employees who completed at least 10 years of service prior to retirement and who retire prior to Medicare eligibility will receive \$4,000 upon the City's receipt of proof that the retiree has purchased medical coverage. In addition, the Plan provides for \$3,000 of life insurance upon normal retirement for the police officers and firefighters. For the year ended December 31, 2024, there were no contributions to the plan.

*Employees Covered by Benefit Terms.* The plan provides benefits for full-time employees of the City retiring with a normal or disability pension.

Membership in the plan consisted of the following at December 31, 2024:

|                                   |            |
|-----------------------------------|------------|
| Active plan members               | 54         |
| Retirees with health coverage     | 18         |
| Retirees with life insurance only | <u>40</u>  |
| Total                             | <u>112</u> |

*Actuarial Assumptions:* In accordance with GASB 75, the City is permitted to perform an actuarial valuation of its total OPEB liability on a triennial basis. In the interim years, the amounts calculated based on the actuarial valuation may be rolled forward and updated as needed. An actuarial valuation was performed for the fiscal year ended December 31, 2024.

The total OPEB Liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Discount rate: 4.15%

*Mortality:* Mortality rates were based on the Public Safety Mortality Table (PubS-2010) and PubS-2010 disabled table for disabled members. Mortality improvement was based on the long-range demographic assumptions for the 2018 SSA's Trustee Report.

*Lapse and opt-in:* Those currently on healthcare coverage are assumed to remain until Medicare eligibility. Those not currently on healthcare coverage are assumed to not participate in the future.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 6 – Postemployment Benefits other than Pension (OPEB) (Continued)**

Funding method: Entry Age Normal (level percent of pay)

Assumed retirement age: Police officers: 20 years of service  
Firefighters: 20 years of service  
Officers and employees: If hired before January 1, 1993, age 55 and 20 years of service. If hired on or after January 1, 1993, age 60 and 20 years of service

Healthcare cost trend rate: The expected rate of increase in healthcare insurance premiums was 6.75% for 2024 and earlier, stepping down 25-50 basis points then ultimate trend of 4% in 2073. The expected rate of increase in dental insurance premiums is 3% annually.

Salary increase: 5.0% for police and 4.75% for firefighters

Percent electing coverage: 75% electing medical and prescription coverage; 100% electing dental and life insurance.

*Assumption change:* Assumed discount rate increased from 3.77% to 4.15%.

*Change in Net OPEB Liability*

|                                    | <u>2024</u>                   | <u>2023</u>                   |
|------------------------------------|-------------------------------|-------------------------------|
| <b>Balance at January 1,</b>       | \$ 4,979,376                  | \$ 4,646,276                  |
| Service cost                       | 301,099                       | 276,719                       |
| Interest                           | 195,786                       | 192,003                       |
| Changes in assumptions             | (190,201)                     | 110,246                       |
| Benefit payments                   | <u>(174,427)</u>              | <u>(245,868)</u>              |
| <br>Net change in OPEB liability   | <br><u>132,257</u>            | <br><u>333,100</u>            |
| <br><b>Balance at December 31,</b> | <br><u><b>\$5,111,633</b></u> | <br><u><b>\$4,979,376</b></u> |

*Sensitivity of the Net OPEB liability to Changes in the Discount Rate.* The following shows the effect of a 1% change in the discount rate on the net OPEB liability:

|                    | 1% Decrease | Current<br>Discount Rate | 1% Increase |
|--------------------|-------------|--------------------------|-------------|
| Net OPEB Liability | \$5,631,141 | \$5,111,633              | \$4,649,649 |

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 6 – Postemployment Benefits other than Pension (OPEB) (Continued)**

*Sensitivity of the Net OPEB liability to Changes in the Healthcare Cost Trends.* The following shows the effect of a 1% change in the medical trend rate on the net OPEB liability:

|                    |             | Current        |             |
|--------------------|-------------|----------------|-------------|
|                    | 1% Decrease | Valuation Rate | 1% Increase |
| Net OPEB Liability | \$4,567,772 | \$5,111,633    | \$5,747,361 |

*OPEB Expense and Deferred Outflow/Inflow of Resources*

Components of the OPEB Expense for the Year Ended December 31, 2024 are as follows:

|                                      |                  |
|--------------------------------------|------------------|
| Service Cost                         | \$301,099        |
| Interest on the total OPEB liability | 195,786          |
| Changes of assumptions               | <u>(199,725)</u> |
| Total Pension Expense                | <u>\$297,160</u> |

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

|  | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|--|---|--|
| Difference between expected<br>and actual experience | \$ -  | \$ -   |
| Changes of assumptions                               | <u>70,872</u>                                 | <u>728,592</u>                               |
| Total  | <u>\$70,872</u>                               | <u>\$728,592</u>                             |

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

| Year Ended December 31: | <u>Total</u> |
|-------------------------|--------------|
| 2025                    | \$199,725    |
| 2026                    | 199,725      |
| 2027                    | 199,725      |
| 2028                    | 41,254       |
| 2029                    | 17,291       |
| Thereafter              | -            |

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 7 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2024, was as follows:

|                          | Beginning<br>Balance<br><u>January 1</u> | <u>Additions</u>     | <u>Disposals</u>   | Ending<br>Balance<br><u>December 31</u> |
|--------------------------|--|----------------------|--------------------|---|
| Infrastructure           | \$ 17,189,033                            | \$ 142,956           | \$ -               | \$17,331,989                            |
| Buildings & Improvements | 5,484,337                                | -                    | -                  | 5,484,337                               |
| Vehicles                 | 6,892,120                                | 19,289               | -                  | 6,911,409                               |
| Equipment                | <u>23,712,124</u>                        | <u>30,285</u>        | <u>(17,336)</u>    | <u>23,725,073</u>                       |
|                          | 53,277,614                               | 192,530              | (17,336)           | 53,452,808                              |
| Accumulated Depreciation | <u>(26,823,593)</u>                      | <u>(1,256,326)</u>   | -                  | <u>(28,079,919)</u>                     |
| Net Capital Assets       | <u>\$ 26,454,021</u>                     | <u>\$(1,063,796)</u> | <u>\$ (17,336)</u> | <u>\$ 25,372,889</u>                    |

Depreciation expense for the year was \$1,256,326.

**NOTE 8 – TAX ANTICIPATION LOAN**

In January 2024 the City received a short-term tax anticipation loan of \$1,000,000. The full \$1,000,000 was repaid in June 2024 along with interest of \$23,942.

**NOTE 9 - LONG TERM DEBT**

Long-term debt consisted of the following as of December 31, 2024:

**A) Title of Issue: City of Washington - General Obligation Bonds - Series of 2014B**

On December 22, 2014, the City of Washington refinanced \$1,944,713 of the General Obligation Bonds, Series of 2009 to take advantage of lower interest rates. The old interest rate was 5.180 percent, while the interest rate on the new issuance is between 2.250 and 2.750 percent. The proceeds from the refinanced bonds totaled \$2,340,000. The refinanced debt matured on September 1, 2024 and was paid in full.

|  |                   |
|--|-------------------|
| Original Date of Issue:                            | December 22, 2014 |
| Maturity Date of Issue:                            | September 1, 2024 |
| Annual Interest Rate:                              | 2.250% - 2.750%   |
| Amount of Original Issue:                          | \$ 2,340,000      |
| Principal Amount Retired During Year:              | \$ 900,000        |
| Principal Amount Outstanding at December 31, 2024: | \$ -              |
| Total interest paid during year                    | \$ 24,503         |



**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 9 - LONG TERM DEBT (Continued)**

**B) Title of Issue: City of Washington - General Obligation Bonds - Series of 2017**

In June 2017, the City of Washington refinanced a portion of the General Obligation Bonds, Series 2012B as well as securing \$2,000,000 in additional proceeds to provide for capital improvements projects. The proceeds from the new bond issuance totaled \$4,865,000. The refinanced debt has a maturity date of September 1, 2025. During 2018, \$25,000 of this debt was refinanced as part of the General Obligation Notes, Series 2018.

|  |                   |
|--|-------------------|
| Original Date of Issue:                            | June 8, 2017      |
| Maturity Date of Issue:                            | September 1, 2025 |
| Annual Interest Rate:                              | 1.600% - 2.125%   |
| Amount of Original Issue:                          | \$ 4,865,000      |
| Principal Amount Retired During Year:              | \$ 775,000        |
| Principal Amount Outstanding at December 31, 2024: | \$ 1,525,000      |
| Total interest paid during year                    | \$ 47,906         |

**C) Title of Issue: City of Washington - General Obligation Notes - Series of 2018**

In December 2018, the City of Washington refinanced a portion of the General Obligation Bonds, Series 2012B, General Obligation Bonds, Series 2014A, and General Obligation Bonds, Series 2017 as well as securing \$200,000 in additional proceeds to provide for capital improvements projects. The proceeds from the note totaled \$1,670,000. The refinanced debt has a maturity date of September 1, 2026.

|  |                   |
|--|-------------------|
| Original Date of Issue:                            | December 27, 2018 |
| Maturity Date of Issue:                            | September 1, 2026 |
| Annual Interest Rate:                              | 3.65% - 4.00%     |
| Amount of Original Issue:                          | \$ 1,670,000      |
| Principal Amount Retired During Year:              | \$ 5,000          |
| Principal Amount Outstanding at December 31, 2024: | \$ 1,645,000      |
| Total interest paid during year                    | \$ 65,982         |

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 9 - LONG TERM DEBT (Continued)**

**D) Title of Issue: City of Washington - General Obligation Notes - Series of 2024**

In August 2024, the City of Washington secured a General Obligation Note (Federally Taxable), Series of 2024, in the amount of \$1,738,000. The interest rate on the new issuance is 5.89 percent. The new debt has a maturity date of September 1, 2027. Proceeds from this note were used to pay the debt service requirements due in September 2024 for the General Obligation Bonds, Series 2014B and 2017.

|  |                   |
|--|-------------------|
| Original Date of Issue:                            | August 15, 2025   |
| Maturity Date of Issue:                            | September 1, 2027 |
| Annual Interest Rate:                              | 5.89%             |
| Amount of Original Issue:                          | \$ 1,738,000      |
| Principal Amount Retired During Year:              | \$ -              |
| Principal Amount Outstanding at December 31, 2024: | \$ 1,738,000      |
| Total interest paid during year                    | \$ 4,550          |

Debt Maturities of the City of Washington's debt is as follows:

|                            | <b>General Obligation Bond<br/>Series 2017</b> |                 | <b>General Obligation Note<br/>Series 2018</b> |                  |
|----------------------------|--|-----------------|--|------------------|
| Year Ended<br>December 31, | Principal                                      | Interest        | Principal                                      | Interest         |
| 2025                       | \$ 1,525,000                                   | \$ 32,406       | \$ 200,000                                     | \$ 65,800        |
| 2026                       | <u>-</u>                                       | <u>-</u>        | <u>1,445,000</u>                               | <u>57,800</u>    |
| Total                      | <u>\$1,525,000</u>                             | <u>\$32,406</u> | <u>\$1,645,000</u>                             | <u>\$123,600</u> |

  

|                            | <b>General Obligation Note<br/>Series 2024</b> |                  |
|----------------------------|--|------------------|
| Year Ended<br>December 31, | Principal                                      | Interest         |
| 2025                       | \$ -   | \$ 102,368       |
| 2026                       | 100,000  | 102,368          |
| 2027                       | <u>1,638,000</u>                               | <u>96,478</u>    |
| Total                      | <u>\$1,738,000</u>                             | <u>\$301,214</u> |

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 9 - LONG TERM DEBT (Continued)**

**Total of all Long-Term Debt**

| Year Ended December 31, | <u>Principal</u>    | <u>Interest</u>  |
|-------------------------|---------------------|------------------|
| 2025                    | \$1,725,000         | \$200,574        |
| 2026                    | 1,545,000           | 160,168          |
| 2027                    | <u>1,638,000</u>    | <u>96,478</u>    |
|                         | <u>\$ 4,908,000</u> | <u>\$457,220</u> |

**Recap of 2024 Long-Term Debt Activity**

|   |                     |
|---|---------------------|
| Outstanding Long-Term Debt 1/1/24                     | \$ 4,850,000        |
| (+) Proceeds from Long-Term Debt in 2024              | 1,738,000           |
| (-) Repayment of Principal in 2024                    | <u>(1,680,000)</u>  |
| Outstanding Long-Term Debt 12/31/24                   | <u>\$ 4,908,000</u> |
| Total Interest paid on long-term debt during 2024 was | <u>\$ 142,941</u>   |

**NOTE 10 – RISK MANAGEMENT**

The City is exposed to various risks of losses related to torts; theft of or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is insured with Selective Insurance through EMC Insurance. General liability for public officials carries a \$10,000 deductible. There is a general aggregate coverage limit of \$2,000,000 with a \$1,000,000 limit for each occurrence.

**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

In addition, the following commitments and contingencies of the City existed as of December 31, 2024:

During the year ended December 31, 2006, the City became a guarantor on a loan acquired by the Parking Authority in the amount of \$3,535,000 for construction of a new parking garage. The Parking Authority is responsible for the repayment of this debt from parking revenue. However, in the event the Parking Authority defaults on the loan, the City assumes the debt. On December 10, 2019, the Parking Authority refinanced this debt at a lower interest rate. The City was not required to contribute anything toward the Parking Authority debt during 2024. At December 31, 2024, the Parking Authority had debt outstanding on the Series 2019, Refunding Note of \$1,042,000.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 11 - COMMITMENTS AND CONTINGENCIES (Continued)**

The City of Washington is also involved in other litigation concerning inverse condemnation, demolition contracts, slip and fall injuries, and employee matters. The insurance carrier has been notified of these litigations and each matter is being handled accordingly. The City believes the liability from these litigations, if any, will not be material.

**NOTE 12 – PARKING AUTHORITY OF THE CITY OF WASHINGTON**

The Parking Authority of the City of Washington (Parking Authority) was incorporated in 2005 under the Nonprofit Corporation Law of 1988 and was created pursuant to Parking Authority Law, 53 Pa.C.S.5505 et seq. The governing body consists of five members who are each appointed for three-year terms by the City.

The activity of the Parking Authority is not presented in the financial statements of the City. However, the following is a summary of the financial information for the Parking Authority as of and for the year ended December 31, 2024 from its most recent audited financial statements.

|  |                  |                     |
|--|------------------|---------------------|
| Total Assets   |                  |                     |
| Current assets   | \$ 333,030       |                     |
| Fixed assets, net                                      | <u>7,551,189</u> | <u>\$ 7,884,219</u> |
| Total Liabilities                                      |                  |                     |
| Current liabilities                                    | \$ 209,074       |                     |
| Noncurrent liabilities                                 | <u>842,000</u>   | <u>\$ 1,051,074</u> |
| Total Net Position                                     |                  | <u>6,833,145</u>    |
| Total Liabilities and Net Position                     |                  | <u>\$ 7,884,219</u> |
| Operating revenue                                      |                  | \$ 314,785          |
| Operating expenses                                     |                  | <u>505,532</u>      |
| Operating income (Loss)                                |                  | (190,747)           |
| Other non-operating income                             |                  | <u>6,523</u>        |
| Decrease in Net Assets                                 |                  | <u>\$ (184,224)</u> |
| Cash provided by operating activities                  |                  | \$ 169,263          |
| Cash used for capital and related financing Activities |                  | (204,387)           |
| Cash provided by investing activities                  |                  | <u>6,523</u>        |
| Net Change in cash                                     |                  | (28,601)            |
| Cash balance, beginning of year                        |                  | <u>343,644</u>      |
| Cash balance, end of year                              |                  | <u>\$ 315,043</u>   |

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 13 – CITY OF WASHINGTON BUSINESS DISTRICT AUTHORITY**

The City of Washington Business District Authority was created in 1999 pursuant to the laws of the Commonwealth of Pennsylvania, and the Municipal Authorities Act of 1945, as amended. The Washington Business District Authority was created for the purpose of making business improvements and providing administrative service to the central business district of the City of Washington. The governing body consists of 9 members who are appointed by the City.

The activity of the Washington Business District Authority is not presented in the financial statements of the City. The following is a summary of the financial information for the Washington Business District Authority as of and for the year ended December 31, 2024 from its most recent audited financial statements.

|                                    |            |                    |
|------------------------------------|------------|--------------------|
| Total Assets                       |            |                    |
| Current assets                     | \$ 133,697 |                    |
| Fixed assets, net                  | <u>-</u>   | <u>\$ 133,697</u>  |
| Total Liabilities                  |            |                    |
| Current liabilities                |            | \$ 2,768           |
| Total Net Position                 |            | <u>130,929</u>     |
| Total Liabilities and Net Position |            | <u>\$ 133,697</u>  |
| Operating Revenue                  |            | \$ 268,868         |
| Operating Expenses                 |            | <u>289,960</u>     |
| Decrease in Net Assets             |            | <u>\$ (21,092)</u> |
| Cash used for operating activities |            | <u>\$ (20,566)</u> |
| Net decrease in cash               |            | (20,566)           |
| Cash balance, beginning of year    |            | <u>154,263</u>     |
| Cash balance, end of year          |            | <u>\$ 133,697</u>  |

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 14 – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

Generally accepted accounting principles require disclosures to include an overview of certain information concerning individual funds including:

- A. Summary disclosures of changes in general long-term debt. This requirement is met by Note 8.
- B. Deficit fund balances of individual funds. There are no deficit fund balances of any individual funds as of December 31, 2024.
- C. Individual Fund interfund receivable (Due From) and payable (Due To) balances. There are no individual fund interfund receivables or payables as of December 31, 2024.
- D. The following transfers were made between funds for the governmental activities for the year ended December 31, 2024:
  - 1) The General Fund received a total of \$1,518,207 transferred from other funds as follows:
    - a. The Municipal Pension System Fund transferred \$805,319 to the General Fund to provide for pension contributions.
    - b. The Park Development Fund transferred \$9,639 to the General Fund for expenses related to park operations.
    - c. The Coronavirus Aid & Relief Fund transferred \$358,244 and the General Fund Reserve Fund transferred \$300,000 to the General Fund to provide for employee benefits related to healthcare costs.
    - d. The Rental Registration Fund transferred \$45,005 to the General Fund to provide for safety and street services.
  - 2) The General Reserve Fund transferred \$150,000 to the Capital Improvements Fund to provide for stormwater projects.
  - 3) The Insurance Claims Fund transferred \$27,115 to the Liquid Fuels Fund for insurance proceeds received to replace damaged equipment.
  - 4) The General Reserve Fund transferred \$7,500 to the Health Insurance Deductible Fund to provide for the health insurance deductible expenses of the City's employees.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 15 – RIGHT-OF-USE ASSETS AND OPERATING LEASE LIABILITY**

They City adopted GASB issued Statement No.87, *Leases* as of January 1, 2023. GASB No. 87 establishes principles that require a lessee to create a lease asset and a lease liability for those leases classified as operating leases under previous accounting principles generally accepted in the United States of America. The new lease assets and liabilities are called Right-of-Use Assets and Operating Lease Liabilities within the government-wide financial statements.

The City entered into agreements giving rise to the following Right-of-Use Assets and Operating Lease Liabilities:

- A. On August 16, 2022, the City leased a 2022 Ford Explorer to be used by the fire department. The lease has a term of 5 years at a monthly rate of \$712. The outstanding lease liability as of December 31, 2024 was \$21,209.
- B. On December 23, 2022, the City leased a 2024 Chevrolet Silverado to be used by the fire department. The lease has a term of 5 years at a monthly rate of \$1,007. The outstanding lease liability as of December 31, 2024 was \$32,901.
- C. On August 15, 2022, the City leased two 2022 Chevrolet Traverse vehicles to be used by the police department. The leases have terms of 5 years at a monthly rate of \$583 for each lease. The total outstanding lease liability for these two leases as of December 31, 2024 was \$30,758.
- D. On May 16, 2022, the City leased 2022 Ford Police Interceptor Utility vehicle to be used by the police department. The lease has a term of 5 years at a monthly rate of \$891. The outstanding lease liability as of December 31, 2024 was \$24,180.
- E. On August 21, 2023, the City leased 2023 Chevrolet Silverado to be used by the public works department. The lease has a term of 5 years at a monthly rate of \$1,361. The outstanding lease liability as of December 31, 2024 was \$56,068.
- F. On February 5, 2024, the City leased a 2023 Dodge Durango to be used by the police department. The lease has a term of 5 years at a monthly rate of \$997. The outstanding lease liability as of December 31, 2024 was \$43,931.
- G. On September 9, 2024, the City leased a 2023 Dodge Durango to be used by the police department. The lease has a term of 5 years at a monthly rate of \$936. The outstanding lease liability as of December 31, 2024 was \$47,112.
- H. On December 10, 2024, the City leased a 2023 Dodge Durango to be used by the police department. The lease has a term of 5 years at a monthly rate of \$961. The outstanding lease liability as of December 31, 2024 was \$49,316.

**CITY OF WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 15 – RIGHT-OF-USE ASSETS AND OPERATING LEASE LIABILITY  
(Continued)**

- I. On December 10, 2024, the City leased a 2023 Dodge Durango to be used by the police department. The lease has a term of 5 years at a monthly rate of \$955. The outstanding lease liability as of December 31, 2024 was \$48,988.

The minimum lease payments under the operating lease liability at December 31, 2024 are as follows:

| <u>Year Ending December 31,</u>  | <u>Total</u>     |
|----------------------------------|------------------|
| 2025                             | \$108,081        |
| 2026                             | 108,081          |
| 2027                             | 89,664           |
| 2028                             | 57,315           |
| 2029                             | <u>33,590</u>    |
| Total                            | \$396,731        |
| Less: Interest                   | <u>(42,268)</u>  |
| Present value of lease liability | <u>\$354,463</u> |

**NOTE 16 – SUBSEQUENT EVENTS**

In August 2025, the City of Washington secured the following General Obligation Notes:

- A. Series A of 2025 (Federally Taxable) in the amount of \$3,507,000. The interest rate on the new issuance is 5.39 percent. The new debt has a maturity date of September 1, 2031. Proceeds from this note were used to refinance the General Obligation Notes, Series 2018 and 2024.
- B. Series B of 2025 in the amount of \$2,573,000. The interest rate on the new issuance is 4.35 percent. The new debt has a maturity date of September 1, 2033. Proceeds from this note were used to refinance the General Obligation Note Series 2017 and provide additional working capital of \$1,000,000.

Following is a summary of note principal maturities and interest requirements:

| <u>Year Ending December 31,</u> | <u>Principal</u>   | <u>Interest</u>    | <u>Total</u>       |
|---------------------------------|--------------------|--------------------|--------------------|
| 2025                            | \$ 575,000         | \$ 9,196           | \$584,196          |
| 2026                            | 710,000            | 271,780            | 981,780            |
| 2027                            | 746,000            | 235,664            | 981,664            |
| 2028                            | 784,000            | 197,691            | 981,691            |
| 2029                            | 825,000            | 157,773            | 982,773            |
| 2030-2033                       | <u>2,440,000</u>   | <u>254,001</u>     | <u>2,694,001</u>   |
| Total                           | <u>\$6,080,000</u> | <u>\$1,126,105</u> | <u>\$7,206,105</u> |



CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET VERSUS ACTUAL - COMBINED GOVERNMENTAL FUNDS - CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

|   | ORIGINAL<br>BUDGET  | FINAL<br>BUDGET     | ACTUAL              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|---|---------------------|---------------------|---------------------|--|
| <b>BUDGETARY FUND BALANCE, JANUARY 1, 2024</b>      | \$ 4,297,409        | \$ 4,297,409        | \$ 4,297,409        | \$ -                                   |
| <b><u>RESOURCES (inflows):</u></b>                  |                     |                     |                     |  |
| Taxes   | \$ 10,641,203       | \$ 10,641,203       | \$ 11,403,452       | \$ 762,249                             |
| Licenses and permits                                | 372,500             | 372,500             | 443,904             | 71,404                                 |
| Fines and forfeits                                  | 72,000              | 72,000              | 46,679              | (25,321)                               |
| Interest, rents & royalties                         | 65,075              | 65,075              | 949,781             | 884,706                                |
| Grants  | 1,623,343           | 1,623,343           | 1,624,826           | 1,483                                  |
| Intergovernmental revenues                          | 128,000             | 128,000             | 176,070             | 48,070                                 |
| Contributions and donations                         | 500                 | 500                 | 7,550               | 7,050                                  |
| Charges for services                                | 2,440,544           | 2,440,544           | 2,466,805           | 26,261                                 |
| Miscellaneous revenues                              | 15,000              | 15,000              | 39,150              | 24,150                                 |
| Proceeds from short term debt                       | 1,000,000           | 1,000,000           | 1,000,000           | -                                      |
| Proceeds from long term debt                        | -                   | -                   | 1,738,000           | 1,738,000                              |
| Refund of prior year expenditures                   | -                   | -                   | 2,500               | 2,500                                  |
| Proceeds of general fixed asset distribution        | 10,000              | 10,000              | 137,310             | 127,310                                |
| <b>TOTAL RESOURCES (inflows)</b>                    | <b>16,368,165</b>   | <b>16,368,165</b>   | <b>20,036,027</b>   | <b>3,667,862</b>                       |
| <b>AMOUNT AVAILABLE FOR APPROPRIATION</b>           | <b>20,665,574</b>   | <b>20,665,574</b>   | <b>24,333,436</b>   | <b>3,667,862</b>                       |
| <b><u>CHARGES TO APPROPRIATIONS (outflows):</u></b> |                     |                     |                     |  |
| General government                                  | 1,547,636           | 1,547,636           | 1,447,354           | 100,282                                |
| Public safety                                       | 4,903,480           | 4,903,480           | 5,542,889           | (639,409)                              |
| Public works-sanitation                             | 1,311,242           | 1,311,242           | 1,505,936           | (194,694)                              |
| Public works-highways/roads/streets                 | 1,895,881           | 1,895,881           | 1,521,202           | 374,679                                |
| Public works-other                                  | 259,928             | 259,928             | 271,117             | (11,189)                               |
| Culture/recreation                                  | 673,151             | 673,151             | 675,991             | (2,840)                                |
| Debt service - principal                            | 1,680,000           | 1,680,000           | 1,680,000           | -                                      |
| Debt service - interest and fiscal agent fees       | 166,140             | 166,140             | 211,646             | (45,506)                               |
| Debt service - short term debt repayment            | 1,000,000           | 1,000,000           | 1,000,000           | -                                      |
| Municipal pension contributions                     | 1,520,145           | 1,520,145           | 2,785,127           | (1,264,982)                            |
| Other employee benefits                             | 2,437,947           | 2,437,947           | 3,604,814           | (1,166,867)                            |
| Miscellaneous                                       | 124,877             | 124,877             | 39,869              | 85,008                                 |
| <b>TOTAL CHARGES TO APPROPRIATIONS (outflows)</b>   | <b>17,520,427</b>   | <b>17,520,427</b>   | <b>20,285,945</b>   | <b>(2,765,518)</b>                     |
| <b>BUDGETARY FUND BALANCE, DECEMBER 31, 2024</b>    | <b>\$ 3,145,147</b> | <b>\$ 3,145,147</b> | <b>\$ 4,047,491</b> | <b>\$ 902,344</b>                      |

SEE AUDITOR'S REPORT AND THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY - POLICE PENSION PLAN  
December 31, 2024

|   | 12/31/2024     | 12/31/2023   | 12/31/2022   | 12/31/2021     | 12/31/2020     | 12/31/2019   | 12/31/2018   | 12/31/2017   | 12/31/2016   | 12/31/2015   |
|---|----------------|--------------|--------------|----------------|----------------|--------------|--------------|--------------|--------------|--------------|
| <b>Total Pension Liability</b>                                |                |              |              |                |                |              |              |              |              |              |
| Service cost (beginning of year)                              | \$ 1,103,882   | \$ 1,096,853 | \$ 961,537   | \$ 882,229     | \$ 790,272     | \$ 800,689   | \$ 648,870   | \$ 690,455   | \$ 535,062   | \$ 509,583   |
| Interest (includes interest on service cost)                  | 2,374,395      | 2,284,171    | 2,207,788    | 2,124,139      | 1,951,523      | 1,862,796    | 1,691,213    | 1,610,328    | 1,543,447    | 1,470,814    |
| Changes of benefit terms                                      | (266,964)      | -            | -            | -              | -              | 1,260,766    | -            | -            | -            | -            |
| Differences between expected and actual experience            | -              | (248,588)    | -            | 1,374,356      | -              | (337,748)    | -            | (285,208)    | -            | (398,358)    |
| Changes of assumptions  | -              | -            | -            | -              | -              | 1,451,495    | -            | 3,235,227    | -            | 1,113,538    |
| Benefit payments, including refunds of employee contributions | (2,001,163)    | (1,877,453)  | (1,782,482)  | (1,540,227)    | (1,355,078)    | (1,115,411)  | (1,045,754)  | (984,813)    | (990,647)    | (1,082,566)  |
| <b>Net Change in Total Pension Liability</b>                  |                |              |              |                |                |              |              |              |              |              |
|   | 1,210,150      | 1,254,983    | 1,386,843    | 2,840,497      | 1,386,717      | 3,922,587    | 1,294,329    | 4,265,989    | 1,087,862    | 1,613,011    |
| <b>Total Pension Liability - beginning</b>                    |                |              |              |                |                |              |              |              |              |              |
|   | 37,970,407     | 36,715,424   | 35,328,581   | 32,488,084     | 31,101,367     | 27,178,780   | 25,884,451   | 21,618,462   | 20,530,600   | 18,917,589   |
| <b>Total Pension Liability - ending</b>                       |                |              |              |                |                |              |              |              |              |              |
|   | 39,180,557     | 37,970,407   | 36,715,424   | 35,328,581     | 32,488,084     | 31,101,367   | 27,178,780   | 25,884,451   | 21,618,462   | 20,530,600   |
| <b>Plan Fiduciary Net Position</b>                            |                |              |              |                |                |              |              |              |              |              |
| Contributions - employer                                      | 2,121,890      | 1,860,041    | 1,731,275    | 1,814,601      | 1,908,701      | 2,659,904    | 1,922,382    | 2,052,419    | 1,958,948    | 1,826,222    |
| Contributions - employee                                      | 199,238        | 212,888      | 156,891      | 172,550        | 179,332        | 171,805      | 173,461      | 163,728      | 180,078      | 150,853      |
| Net investment income   | 4,100,172      | 4,423,007    | (5,527,607)  | 4,728,897      | 4,142,434      | 4,289,040    | (1,042,558)  | 2,641,496    | 1,480,756    | 110,052      |
| Benefit payments, including refunds of employee contributions | (2,001,163)    | (1,877,453)  | (1,782,482)  | (1,540,227)    | (1,355,078)    | (1,115,411)  | (1,045,754)  | (984,813)    | (990,647)    | (1,082,566)  |
| Administrative expense  | (18,402)       | (14,218)     | (156,670)    | (155,773)      | (125,514)      | (111,925)    | (97,553)     | (90,849)     | (76,600)     | (95,597)     |
| <b>Net Change in Plan Fiduciary Net Position</b>              |                |              |              |                |                |              |              |              |              |              |
|   | 4,401,735      | 4,604,265    | (5,578,593)  | 5,020,048      | 4,749,875      | 5,893,413    | (90,022)     | 3,781,981    | 2,552,535    | 908,964      |
| <b>Total Plan Fiduciary Net Position - beginning</b>          |                |              |              |                |                |              |              |              |              |              |
|   | 38,667,946     | 34,063,681   | 39,642,274   | 34,622,226     | 29,872,351     | 23,978,938   | 24,068,960   | 20,286,979   | 17,734,444   | 16,825,480   |
| <b>Total Plan Fiduciary Net Position - ending</b>             |                |              |              |                |                |              |              |              |              |              |
|   | 43,069,681     | 38,667,946   | 34,063,681   | 39,642,274     | 34,622,226     | 29,872,351   | 23,978,938   | 24,068,960   | 20,286,979   | 17,734,444   |
| <b>Net Pension Liability - ending</b>                         |                |              |              |                |                |              |              |              |              |              |
|   | \$ (3,889,124) | \$ (697,539) | \$ 2,651,743 | \$ (4,313,693) | \$ (2,134,142) | \$ 1,229,016 | \$ 3,199,842 | \$ 1,815,491 | \$ 1,331,483 | \$ 2,796,156 |

SEE AUDITOR'S REPORT AND THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY - POLICE PENSION PLAN (Continued)

December 31, 2024

|  | Measurement Year Ending |              |              |              |              |              |              |              |              |              |
|--|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 12/31/2024              | 12/31/2023   | 12/31/2022   | 12/31/2021   | 12/31/2020   | 12/31/2019   | 12/31/2018   | 12/31/2017   | 12/31/2016   | 12/31/2015   |
| Plan Fiduciary Net Position<br>as a Percentage of the<br>Total Pension Liability | 109.9%                  | 101.8%       | 92.8%        | 106.6%       | 106.6%       | 96.0%        | 88.2%        | 93.0%        | 86.4%        | 86.4%        |
| Covered Employee Payroll   | \$ 2,529,139            | \$ 2,333,811 | \$ 2,379,277 | \$ 2,264,481 | \$ 2,355,636 | \$ 2,237,555 | \$ 2,262,366 | \$ 2,163,159 | \$ 2,118,794 | \$ 1,935,541 |
| Net Pension Liability as a Percentage<br>of Covered Employee Payroll             | -153.8%                 | -29.9%       | 111.5%       | -190.5%      | -90.6%       | 54.9%        | 141.4%       | 83.9%        | 62.8%        | 144.5%       |

SEE AUDITOR'S REPORT AND THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS - POLICE PENSION PLAN

December 31, 2024

An Actuarially Determined Contribution is a contribution amount determined in accordance with Actuarial Standards of Practice. The Actuarially Determined Contribution provided is based upon the Minimum Municipal Obligation as defined in Act 205 which conforms to these standards.

|   | Schedule of Employer Pension Contributions<br>Last 10 Measurement Years (if available) |                     |                     |                     |                     |                       |                     |                       |                       |                     |
|---|--|---------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|-----------------------|---------------------|
|   | 2024   | 2023                | 2022                | 2021                | 2020                | 2019                  | 2018                | 2017                  | 2016                  | 2015                |
| Annual required Contribution (ARC)                        | \$ 843,971   | \$ 1,105,548        | \$ 1,193,619        | \$ 1,231,738        | \$ 1,024,571        | \$ 1,155,204          | \$ 1,150,715        | \$ 920,631            | \$ 866,916            | \$ 949,015          |
| Contributions in Relation to the ADC*                     | 2,121,890  | 1,860,041           | 1,771,412           | 1,814,601           | 1,908,701           | 2,659,904             | 1,922,382           | 2,052,419             | 1,958,948             | 1,826,222           |
| Contributions Deficiency (Excess)                         | <u>\$ (1,277,919)</u>  | <u>\$ (754,493)</u> | <u>\$ (577,793)</u> | <u>\$ (582,863)</u> | <u>\$ (884,130)</u> | <u>\$ (1,504,700)</u> | <u>\$ (771,667)</u> | <u>\$ (1,131,788)</u> | <u>\$ (1,092,032)</u> | <u>\$ (877,207)</u> |
| Covered Employee Payroll                                  | <u>\$ 2,529,139</u>  | <u>\$ 2,333,811</u> | <u>\$ 2,379,277</u> | <u>\$ 2,264,481</u> | <u>\$ 2,355,636</u> | <u>\$ 2,237,555</u>   | <u>\$ 2,262,366</u> | <u>\$ 2,163,159</u>   | <u>\$ 2,118,794</u>   | <u>\$ 1,935,541</u> |
| Contributions as a Percentage of Covered Employee Payroll | <u>83.9%</u>   | <u>79.7%</u>        | <u>74.5%</u>        | <u>80.1%</u>        | <u>81.0%</u>        | <u>118.9%</u>         | <u>85.0%</u>        | <u>94.9%</u>          | <u>92.5%</u>          | <u>94.4%</u>        |

**CITY OF WASHINGTON**  
**WASHINGTON COUNTY, PENNSYLVANIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY - FIREMEN PENSION PLAN**  
**December 31, 2024**

|   | 12/31/2024          | 12/31/2023            | 12/31/2022          | 12/31/2021            | 12/31/2020            | 12/31/2019            | 12/31/2018            | 12/31/2017            | 12/31/2016            | 12/31/2015        |
|---|---------------------|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------|
| <b>Total Pension Liability</b>                                |                     |                       |                     |                       |                       |                       |                       |                       |                       |                   |
| Service cost (beginning of year)                              | \$ 659,120          | \$ 615,448            | \$ 531,749          | \$ 521,102            | \$ 488,658            | \$ 498,976            | \$ 404,948            | \$ 386,585            | \$ 297,936            | \$ 283,749        |
| Interest (includes interest on service cost)                  | 1,671,503           | 1,624,194             | 1,729,745           | 1,679,565             | 1,548,160             | 1,424,535             | 1,339,858             | 1,298,964             | 1,291,173             | 1,257,827         |
| Changes of benefit terms                                      | 2,050,392           | -                     | -                   | -                     | 1,209,412             | 45,419                | -                     | -                     | -                     | -                 |
| Differences between expected and actual experience            | -                   | (2,578,827)           | -                   | 1,269,828             | -                     | 314,861               | -                     | (351,234)             | -                     | (191,305)         |
| Changes of assumptions  | -                   | -                     | -                   | -                     | -                     | 1,087,907             | -                     | 2,521,124             | -                     | -                 |
| Benefit payments, including refunds of employee contributions | (1,525,519)         | (1,527,376)           | (1,369,882)         | (1,312,938)           | (1,162,156)           | (1,127,589)           | (1,087,694)           | (1,062,247)           | (1,093,163)           | (1,128,494)       |
| <b>Net Change in Total Pension Liability</b>                  | <b>2,855,496</b>    | <b>(1,866,561)</b>    | <b>891,612</b>      | <b>2,157,357</b>      | <b>2,084,074</b>      | <b>2,244,109</b>      | <b>657,112</b>        | <b>2,793,192</b>      | <b>495,946</b>        | <b>221,777</b>    |
| <b>Total Pension Liability - beginning</b>                    | <b>26,911,244</b>   | <b>28,777,805</b>     | <b>27,886,193</b>   | <b>25,728,836</b>     | <b>23,644,762</b>     | <b>21,400,653</b>     | <b>20,743,541</b>     | <b>17,950,349</b>     | <b>17,454,403</b>     | <b>17,232,626</b> |
| <b>Total Pension Liability - ending</b>                       | <b>29,766,740</b>   | <b>26,911,244</b>     | <b>28,777,805</b>   | <b>27,886,193</b>     | <b>25,728,836</b>     | <b>23,644,762</b>     | <b>21,400,653</b>     | <b>20,743,541</b>     | <b>17,950,349</b>     | <b>17,454,403</b> |
| <b>Plan Fiduciary Net Position</b>                            |                     |                       |                     |                       |                       |                       |                       |                       |                       |                   |
| Contributions - employer                                      | 416,599             | 520,916               | 461,352             | 349,280               | 569,290               | 630,495               | 1,793,143             | 2,361,194             | 2,279,055             | 2,324,574         |
| Contributions - employee                                      | 119,520             | 111,714               | 96,303              | 106,706               | 105,677               | 95,861                | 89,995                | 87,998                | 80,926                | 81,631            |
| Net investment income   | 2,929,392           | 3,377,652             | (4,391,387)         | 3,789,613             | 3,454,279             | 3,744,083             | (989,305)             | 2,506,723             | 1,404,818             | 102,984           |
| Benefit payments, including refunds of employee contributions | (1,525,519)         | (1,527,376)           | (1,369,882)         | (1,312,938)           | (1,162,156)           | (1,127,589)           | (1,087,694)           | (1,062,247)           | (1,093,163)           | (1,128,494)       |
| Administrative expense  | (23,207)            | (16,154)              | (123,939)           | (122,327)             | (106,380)             | (97,562)              | (93,709)              | (89,700)              | (69,949)              | (84,554)          |
| <b>Net Change in Plan Fiduciary Net Position</b>              | <b>1,916,785</b>    | <b>2,466,752</b>      | <b>(5,327,553)</b>  | <b>2,810,334</b>      | <b>2,859,710</b>      | <b>3,245,288</b>      | <b>(287,570)</b>      | <b>3,803,968</b>      | <b>2,601,687</b>      | <b>1,296,141</b>  |
| <b>Total Plan Fiduciary Net Position - beginning</b>          | <b>28,813,963</b>   | <b>26,347,211</b>     | <b>31,674,764</b>   | <b>28,864,430</b>     | <b>26,004,720</b>     | <b>22,759,432</b>     | <b>23,047,002</b>     | <b>19,243,034</b>     | <b>16,641,347</b>     | <b>15,345,206</b> |
| <b>Total Plan Fiduciary Net Position - ending</b>             | <b>30,730,748</b>   | <b>28,813,963</b>     | <b>26,347,211</b>   | <b>31,674,764</b>     | <b>28,864,430</b>     | <b>26,004,720</b>     | <b>22,759,432</b>     | <b>23,047,002</b>     | <b>19,243,034</b>     | <b>16,641,347</b> |
| <b>Net Pension Liability - ending</b>                         | <b>\$ (964,008)</b> | <b>\$ (1,902,719)</b> | <b>\$ 2,430,594</b> | <b>\$ (3,788,571)</b> | <b>\$ (3,135,594)</b> | <b>\$ (2,359,958)</b> | <b>\$ (1,358,779)</b> | <b>\$ (2,303,461)</b> | <b>\$ (1,292,685)</b> | <b>\$ 813,056</b> |

CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY - FIREMEN PENSION PLAN (Continued)

December 31, 2024

|   | Measurement Year Ending |              |              |              |              |              |              |              |              |              |
|---|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 12/31/2024              | 12/31/2023   | 12/31/2022   | 12/31/2021   | 12/31/2020   | 12/31/2019   | 12/31/2018   | 12/31/2017   | 12/31/2016   | 12/31/2015   |
| <b>Plan Fiduciary Net Position<br/>as a Percentage of the<br/>Total Pension Liability</b> | 103.2%                  | 107.1%       | 91.6%        | 113.6%       | 112.2%       | 110.0%       | 106.3%       | 111.1%       | 107.2%       | 95.3%        |
| <b>Covered Employee Payroll</b>   | \$ 1,628,211            | \$ 1,567,060 | \$ 1,723,770 | \$ 1,736,955 | \$ 1,652,109 | \$ 1,570,629 | \$ 1,472,630 | \$ 1,350,419 | \$ 1,305,419 | \$ 1,388,595 |
| <b>Net Pension Liability as a Percentage<br/>of Covered Employee Payroll</b>              | -59.2%                  | -121.4%      | 141.0%       | -218.1%      | -189.8%      | -150.3%      | -91.4%       | -156.4%      | -95.7%       | 58.6%        |

SEE AUDITOR'S REPORT AND THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS - FIREMEN PENSION PLAN

December 31, 2024

An Actuarially Determined Contribution is a contribution amount determined in accordance with Actuarial Standards of Practice. The Actuarially Determined Contribution provided is based upon the Minimum Municipal Obligation as defined in Act 205 which confirms to these standards.

|   | Schedule of Employer Pension Contributions<br>Last 10 Measurement Years (if available) |                     |                     |                     |                     |                     |                       |                       |                       |                       |
|---|--|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2024   | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                  | 2017                  | 2016                  | 2015                  |
| Annual required Contribution (ARC)                        | \$ 214,430   | \$ 520,746          | \$ 461,352          | \$ 349,280          | \$ 568,290          | \$ 630,495          | \$ 635,643            | \$ 663,511            | \$ 641,006            | \$ 1,008,765          |
| Contributions in Relation to the ADC*                     | 416,599  | 520,916             | 463,379             | 349,280             | 568,290             | 630,495             | 1,793,143             | 2,361,194             | 2,279,055             | 2,324,574             |
| Contributions Deficiency (Excess)                         | <u>\$ (202,169)</u>  | <u>\$ (170)</u>     | <u>\$ (2,027)</u>   | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ (1,157,500)</u> | <u>\$ (1,697,683)</u> | <u>\$ (1,638,049)</u> | <u>\$ (1,315,809)</u> |
| Covered Employee Payroll                                  | <u>\$ 1,628,211</u>  | <u>\$ 1,567,060</u> | <u>\$ 1,723,770</u> | <u>\$ 1,736,955</u> | <u>\$ 1,652,109</u> | <u>\$ 1,570,629</u> | <u>\$ 1,472,630</u>   | <u>\$ 1,350,419</u>   | <u>\$ 1,305,419</u>   | <u>\$ 1,388,595</u>   |
| Contributions as a Percentage of Covered Employee Payroll | <u>25.6%</u>   | <u>33.2%</u>        | <u>26.9%</u>        | <u>20.1%</u>        | <u>34.4%</u>        | <u>40.1%</u>        | <u>120.6%</u>         | <u>160.3%</u>         | <u>168.8%</u>         | <u>167.4%</u>         |

CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA  
REQUIRED SUPPLEMENTARY INFORMATION  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY - OFFICERS AND EMPLOYEES PENSION PLAN**  
December 31, 2024

|   | 12/31/2024          | 12/31/2023          | 12/31/2022         | 12/31/2021          | 12/31/2020          | 12/31/2019        | 12/31/2018        | 12/31/2017       | 12/31/2016         | 12/31/2015         |
|---|---------------------|---------------------|--------------------|---------------------|---------------------|-------------------|-------------------|------------------|--------------------|--------------------|
| <b>Total Pension Liability</b>                                |                     |                     |                    |                     |                     |                   |                   |                  |                    |                    |
| Service cost (beginning of year)                              | \$ 254,845          | \$ 165,783          | \$ 152,166         | \$ 184,178          | \$ 168,429          | \$ 161,176        | \$ 139,981        | \$ 133,953       | \$ 90,763          | \$ 101,095         |
| Interest (includes interest on service cost)                  | 420,543             | 407,255             | 423,994            | 418,240             | 405,903             | 394,024           | 396,877           | 381,771          | 393,041            | 379,029            |
| Changes of benefit terms                                      | -                   | -                   | -                  | -                   | -                   | 63,652            | -                 | -                | -                  | -                  |
| Differences between expected and actual experience            | -                   | (400,916)           | -                  | 42,706              | -                   | (298,965)         | -                 | (437,924)        | -                  | (228,342)          |
| Changes of assumptions  | -                   | -                   | -                  | -                   | -                   | 201,592           | -                 | 817,337          | -                  | -                  |
| Benefit payments, including refunds of employee contributions | (429,379)           | (473,281)           | (437,064)          | (475,999)           | (395,985)           | (349,512)         | (302,503)         | (276,600)        | (269,985)          | (295,500)          |
| <b>Net Change in Total Pension Liability</b>                  | <b>246,009</b>      | <b>(301,159)</b>    | <b>139,096</b>     | <b>169,125</b>      | <b>178,347</b>      | <b>171,967</b>    | <b>234,355</b>    | <b>618,537</b>   | <b>213,819</b>     | <b>(43,718)</b>    |
| <b>Total Pension Liability - beginning</b>                    | <b>6,706,418</b>    | <b>7,007,577</b>    | <b>6,868,481</b>   | <b>6,699,356</b>    | <b>6,521,009</b>    | <b>6,349,042</b>  | <b>6,114,687</b>  | <b>5,496,150</b> | <b>5,282,331</b>   | <b>5,326,049</b>   |
| <b>Total Pension Liability - ending</b>                       | <b>6,952,427</b>    | <b>6,706,418</b>    | <b>7,007,577</b>   | <b>6,868,481</b>    | <b>6,699,356</b>    | <b>6,521,009</b>  | <b>6,349,042</b>  | <b>6,114,687</b> | <b>5,496,150</b>   | <b>5,282,331</b>   |
| <b>Plan Fiduciary Net Position</b>                            |                     |                     |                    |                     |                     |                   |                   |                  |                    |                    |
| Contributions - employer                                      | 240,957             | 466,114             | 235,427            | 163,234             | 115,939             | 121,304           | 113,937           | 62,073           | 60,410             | 102,991            |
| Contributions - employee                                      | 84,850              | 68,423              | 66,347             | 60,995              | 64,887              | 60,346            | 59,452            | 56,369           | 65,452             | 55,475             |
| Net investment income   | 754,205             | 855,200             | (1,047,946)        | 911,430             | 834,442             | 920,005           | (246,492)         | 676,692          | 407,151            | 33,315             |
| Benefit payments, including refunds of employee contributions | (429,379)           | (473,281)           | (437,064)          | (475,999)           | (395,985)           | (349,512)         | (302,503)         | (276,600)        | (269,985)          | (295,500)          |
| Administrative expense  | (8,063)             | (10,035)            | (32,517)           | (38,096)            | (32,632)            | (33,365)          | (31,522)          | (26,040)         | (27,750)           | (33,675)           |
| <b>Net Change in Plan Fiduciary Net Position</b>              | <b>642,570</b>      | <b>906,421</b>      | <b>(1,215,753)</b> | <b>621,564</b>      | <b>586,651</b>      | <b>718,778</b>    | <b>(407,128)</b>  | <b>492,494</b>   | <b>235,278</b>     | <b>(137,394)</b>   |
| <b>Total Plan Fiduciary Net Position - beginning</b>          | <b>7,280,654</b>    | <b>6,374,233</b>    | <b>7,589,986</b>   | <b>6,968,422</b>    | <b>6,381,771</b>    | <b>5,662,993</b>  | <b>6,070,121</b>  | <b>5,577,627</b> | <b>5,342,349</b>   | <b>5,479,743</b>   |
| <b>Total Plan Fiduciary Net Position - ending</b>             | <b>7,923,224</b>    | <b>7,280,654</b>    | <b>6,374,233</b>   | <b>7,589,986</b>    | <b>6,968,422</b>    | <b>6,381,771</b>  | <b>5,662,993</b>  | <b>6,070,121</b> | <b>5,577,627</b>   | <b>5,342,349</b>   |
| <b>Net Pension Liability - ending</b>                         | <b>\$ (970,797)</b> | <b>\$ (574,236)</b> | <b>\$ 633,344</b>  | <b>\$ (721,505)</b> | <b>\$ (269,066)</b> | <b>\$ 139,238</b> | <b>\$ 686,049</b> | <b>\$ 44,566</b> | <b>\$ (81,477)</b> | <b>\$ (60,018)</b> |

SEE AUDITOR'S REPORT AND THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS



CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY - OFFICERS AND EMPLOYEES PENSION PLAN (Continued)

December 31, 2024

|  | Measurement Year Ending |              |              |              |              |              |              |            |            |            |
|--|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|
|  | 12/31/2024              | 12/31/2023   | 12/31/2022   | 12/31/2021   | 12/31/2020   | 12/31/2019   | 12/31/2018   | 12/31/2017 | 12/31/2016 | 12/31/2015 |
| Plan Fiduciary Net Position<br>as a Percentage of the<br>Total Pension Liability | 114.0%                  | 108.6%       | 91.3%        | 110.5%       | 104.0%       | 97.9%        | 89.2%        | 99.3%      | 101.5%     | 101.1%     |
| Covered Employee Payroll   | \$ 1,313,977            | \$ 1,025,467 | \$ 1,252,950 | \$ 1,125,621 | \$ 1,111,728 | \$ 1,034,626 | \$ 1,069,100 | \$ 971,232 | \$ 991,160 | \$ 959,031 |
| Net Pension Liability as a Percentage<br>of Covered Employee Payroll             | -73.9%                  | -56.0%       | 48.8%        | -64.1%       | -24.2%       | 13.5%        | 64.2%        | 4.6%       | -8.2%      | -6.3%      |

CITY OF WASHINGTON  
WASHINGTON COUNTY, PENNSYLVANIA  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS - OFFICER AND EMPLOYEES PENSION PLAN

December 31, 2024

An Actuarially Determined Contribution is a contribution amount determined in accordance with Actuarial Standards of Practice. The Actuarially Determined Contribution provided is based upon the Minimum Municipal Obligation as defined in Act 205 which conforms to these standards.

|   | Schedule of Employer Pension Contributions<br>Last 10 Measurement Years (if available) |              |              |              |              |              |              |            |            |            |
|---|--|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|
|   | 2024   | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017       | 2016       | 2015       |
| Annual required Contribution (ARC)                        | \$ 66,120  | \$ 197,254   | \$ 235,427   | \$ 163,234   | \$ 115,939   | \$ 121,304   | \$ 113,937   | \$ 62,073  | \$ 60,410  | \$ 102,991 |
| Contributions in Relation to the ADC*                     | 240,957  | 466,114      | 260,819      | 163,234      | 115,939      | 121,304      | 113,937      | 62,073     | 60,410     | 102,991    |
| Contributions Deficiency (Excess)                         | \$ (174,837)   | \$ (268,860) | \$ (25,392)  | \$ -         | \$ -         | \$ -         | \$ -         | \$ -       | \$ -       | \$ -       |
| Covered Employee Payroll                                  | \$ 1,313,977   | \$ 1,025,467 | \$ 1,252,950 | \$ 1,125,621 | \$ 1,111,728 | \$ 1,034,626 | \$ 1,069,100 | \$ 971,232 | \$ 991,160 | \$ 959,031 |
| Contributions as a Percentage of Covered Employee Payroll | 18.3%  | 45.5%        | 20.8%        | 14.5%        | 10.4%        | 11.7%        | 10.7%        | 6.4%       | 6.1%       | 10.7%      |