



Pursuing the profession while promoting the public good®

[www.md-cpas.com](http://www.md-cpas.com)

# **City of Allentown**

## **2024 Audit Presentation**

**September 3, 2025**

# City of Allentown

- Our responsibilities under Generally Accepted Auditing Standards and *Government Auditing Standards*
  - Separate financial statements for
    - Annual Comprehensive Financial Report (GFOA submission)
    - Single Audit will be issued at a later date
  - We did not audit the Allentown Parking Authority, but audited the City of Allentown Redevelopment Authority
- Significant accounting policies:
  - No significant changes from prior year

# City of Allentown

- Accounting estimates
  - Actuarial assumptions of the pension and OPEB plans and related deferred inflows and outflows of resources
  - Fair value of investments
- Sensitive disclosure in FS
  - Note 2: Utility System Concession Lease
- No significant difficulties encountered in performing the audit

# City of Allentown

- Other communications
  - Corrected and uncorrected misstatements
  - No disagreements with management
  - Management representations
  - Management consultations with other independent accountants (none)
  - Issues discussed prior to retention
  - Supplementary information
    - Required supplementary information (RSI) unaudited
    - Supplementary information in relation to
    - Supplementary information unaudited

# City of Allentown

- Results of audit
  - Financial statements
    - Unmodified opinion
    - MD did not audit Parking Authority
    - RSI
      - M D & A
      - Historical pension/OPEB information
      - Budgetary comparison information

# City of Allentown

- Results of audit
  - Financial statements
    - Supplementary information
      - in relation to
    - Intro and Statistical Section
      - unaudited
    - *Government Auditing Standards* except for the component units
      - Material Proposed Adjustments included as Finding 2024-001. Reviewed and approved by management.

# City of Allentown

- Management letter (best practice recommendations)
  - Addressing findings and recommendations in Auditor General pension reports
  - Annual testing of IT Disaster Contingency Plan
  - Accounts Receivable reconciliation to supporting documentation

# City of Allentown

## – Total Government-Wide

- Financial highlights

- Change in Net Position

- 2024 - \$34.3 million increase
    - 2023 - \$37.2 million increase
    - 2022 - \$25.1 million increase

- Revenues

- 2024 - \$226.3 million
    - 2023 - \$208.7 million
    - 2022 - \$181.3 million

- Expenses

- 2024 - \$192.0 million
    - 2023 - \$171.5 million
    - 2022 - \$156.2 million



# Net Cost of Activities

	Total cost of services		Net cost of services	
	2024	2023	2024	2023
Program:				
General government	\$ 27,118,733	\$ 19,774,490	\$ (17,268,028)	\$ (13,212,963)
Public safety	84,267,111	75,340,455	(76,781,561)	(68,350,674)
Community development	13,342,011	12,105,757	6,884,480	4,387,255
Public works	28,392,246	27,886,830	4,278,583	(4,825,594)
Health and sanitation	5,736,491	5,390,518	(1,084,255)	(1,712,302)
Parks and recreation	9,934,677	8,804,127	(4,404,660)	(3,190,974)
Water and sewer	-	-	5,776,636	5,551,270
Interest on long-term debt	4,710,835	4,893,201	(4,710,835)	(4,893,201)
Municipal golf course	1,728,964	1,624,036	196,624	(491,173)
Solid waste fund	16,791,177	15,705,233	746,832	830,416
Total expenses	<u>\$ 192,022,245</u>	<u>\$ 171,524,647</u>	<u>\$ (86,366,184)</u>	<u>\$ (85,907,940)</u>

# City of Allentown

## – General Fund

- Financial highlights
  - Change in fund balance
    - 2024 - \$17.6 million increase
    - 2023 - \$15.0 million increase
    - 2022 – \$10.0 million increase
  - Revenues and other financing sources
    - 2024 - \$164.3 million
    - 2023 - \$147.8 million
    - 2022 - \$135.1 million
  - Expenditures and other financing uses
    - 2024 - \$146.7 million
    - 2023 - \$132.8 million
    - 2022 - \$125.1 million

# Legal Debt Margin Information

## CITY OF ALLENTOWN, PENNSYLVANIA

### Legal Debt Margin Information Last Ten Years

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt limit	302,951,654	\$ 310,839,935	\$ 347,444,437	\$ 367,661,263
Total net debt applicable to limit	83,512,162	79,426,263	75,953,281	72,309,270
Legal debt margin	<u>\$ 219,439,492</u>	<u>\$ 231,413,672</u>	<u>\$ 271,491,156</u>	<u>\$ 295,351,993</u>
Total net debt applicable to the limit as a percentage of debt limit	27.57%	25.55%	21.86%	19.67%

### Legal Debt Margin Calculation for Fiscal year 2024

Borrowing base (1)	-
Percentage limitation	250%
Debt limit	367,661,263
Debt applicable to limit:	
General obligation debt	81,424,270
Less: Amount set aside for pension funding liability	<u>(9,115,000)</u>
	72,309,270
	<u>\$ 295,351,993</u>

# Questions? Contact Me!



- Jennifer CruverKibi, CPA, CGFM
- Partner
- 717.622.2338
- [jcruverkibi@md-cpas.com](mailto:jcruverkibi@md-cpas.com)