

**MUNICIPALITY OF
MONROEVILLE,
PENNSYLVANIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2004**

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MONROEVILLE,
PENNSYLVANIA**



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FOR THE YEAR ENDED DECEMBER 31, 2004

**Prepared by: Susan E. Werksman
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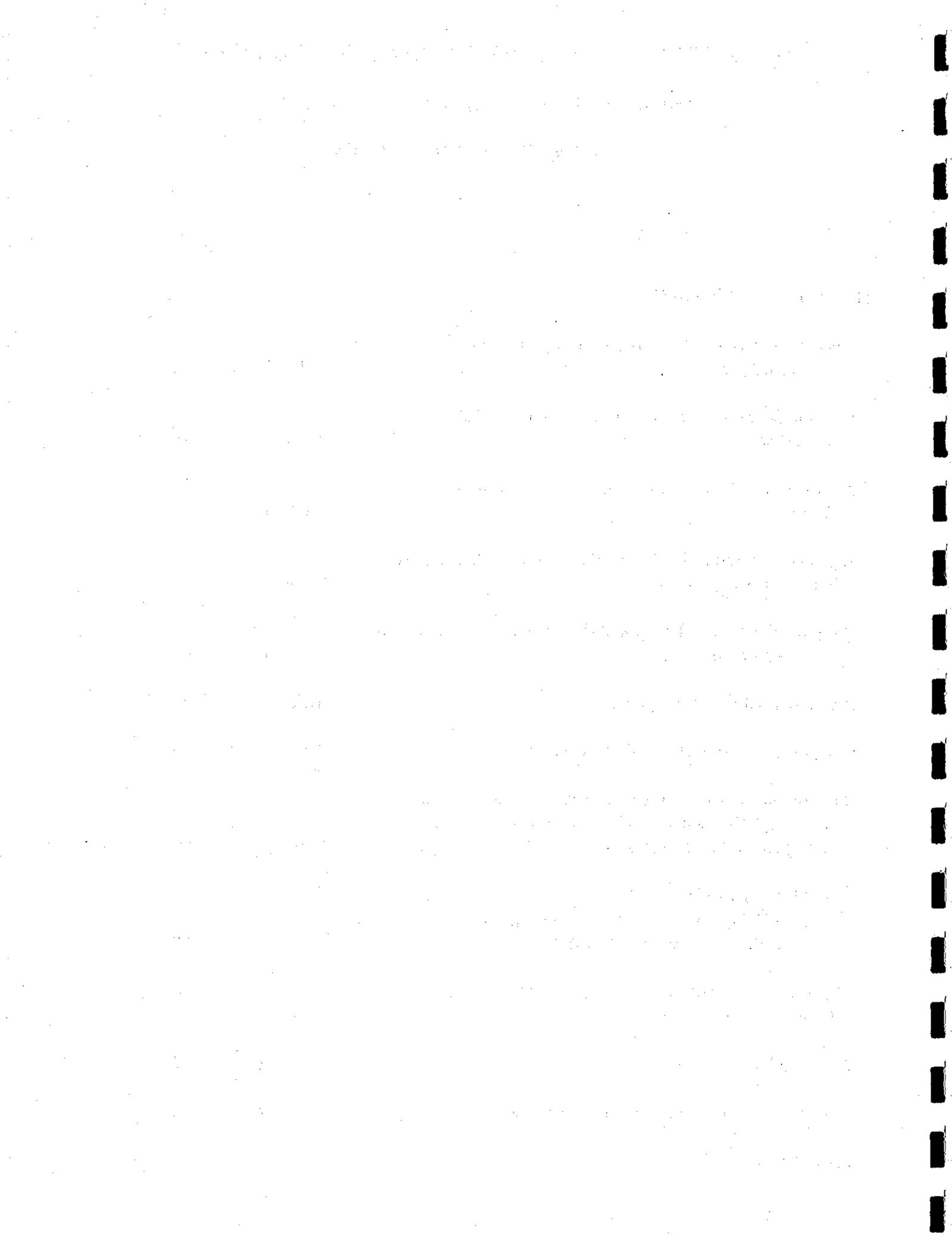
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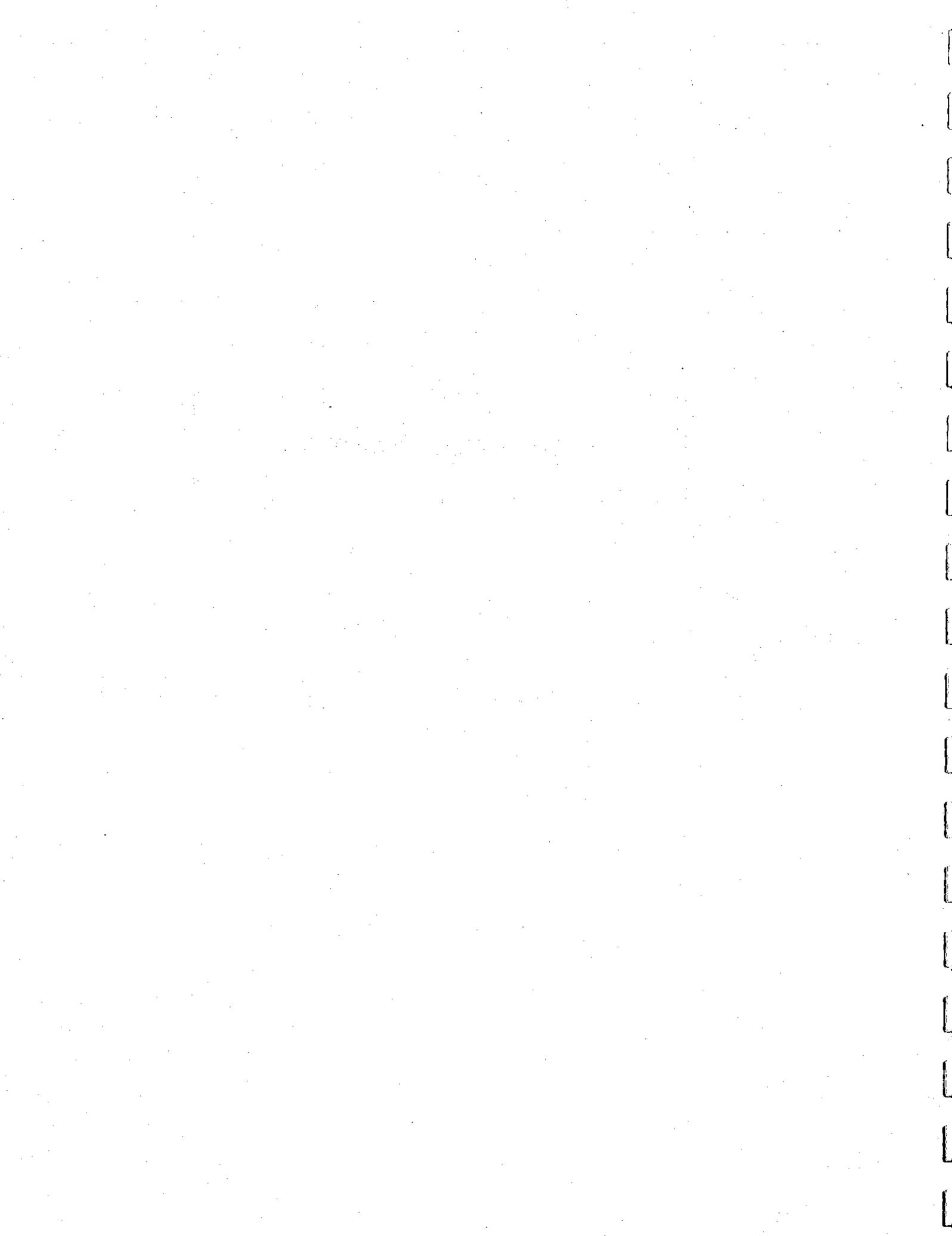
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INTRODUCTORY SECTION



Municipality of Monroeville

A Home Rule Municipality



Municipal Center
2700 Monroeville Boulevard
Monroeville, PA 15146-2388

Phone (412) 856-1000
Fax (412) 856-3366
www.monroeville.pa.us

June 30, 2005

Dear Council Members:

On behalf of the Municipality's administrative staff, I respectfully submit the Comprehensive Annual Financial Report for the fiscal year ended December 31, 2004. Responsibility for the accuracy of the data and the fairness of the presentation rests solely with the Management of the Municipality of Monroeville.

The purpose of this report is to provide Council, Municipal residents or any other interested party, with a concise, accurate and fair depiction of the Municipality's financial operations. Towards that end, the report adheres to the standards for financial reporting promoted by the Government Finance Officers Association.

The Government Finance Officers Association (GFOA) awards annually a Certificate of Achievement to governmental entities that meet or exceed specific criteria as determined by the Association. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to the program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. This is the thirteenth year that the Municipality will submit for a Certificate, and it is our belief that the report once again conforms to the Certificate of Achievement Program requirements.

This report is divided into three sections. The first section is introductory in nature and consists of this transmittal letter and supporting documents. The second section consists of financial statements, which were audited by Hosack, Specht, Muetzel & Wood LLP, Certified Public Accountants. The final section contains statistical information designed to provide the reader with a historical look at the Municipality's financial and demographic data.

The Reporting Entity and Its Services

The Municipality of Monroeville is a general unit of local government and as such, provides a wide variety of public services. These services include:

Police Protection
Emergency Communication
Maintenance of Roads
Sanitation
Planning
Code Enforcement
Recreation

Senior Citizens Center
6000 Gateway Campus Blvd.
Monroeville, PA 15146
(412) 856-7825
Fax: (412) 856-4728

Public Works
200 Starr Drive
Monroeville, PA 15146
(412) 856-3343
Fax: (412) 856-3377

Monroeville Public Library
4000 Gateway Campus Blvd.
Monroeville, PA 15146
(412) 372-0500
Fax: (412) 372-1168

Library Services
Senior Citizen Services

In evaluating the Municipality as a primary government in accordance with GASB Statement No. 14, management has addressed all potential component units. Consistent with applicable guidelines, the criteria used by the Municipality to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship.

Based on the foregoing criteria, the reporting entity includes the Monroeville Council of Senior Citizens Center and the Monroeville Convention and Visitor's Bureau.

The following potential component units were considered and did not meet the criteria for inclusion in the reporting entity: Gateway School District, Monroeville Hospital Authority, Monroeville Municipal Authority, and five volunteer fire and emergency medical companies.

The Municipality operates through the authority granted it by the Municipality of Monroeville Home Rule Charter. The Charter provides that the Municipality be governed by a seven (7) member elected Council. The Council is vested with a broad range of policy-making powers. To assist the Council in formulation of policy, a variety of Boards and Committees have been created.

These include:

- Planning Commission
- Zoning Hearing Board
- Recreation and Parks Advisory Board
- Ethics Board
- Human Needs & Resources Advisory Board
- Human Relations Commission
- Personnel Board
- Library Board
- Police Pension Committee
- Cable TV Advisory Committee
- BOCA Board of Appeals

Day-to-day administration is the responsibility of the Municipal Manager. The Manager is appointed by Council for an indeterminate period. The Manager, in turn, recommends the appointment to Council of all Department Heads.

The Municipality of Monroeville Organization Chart, which follows this letter, provides a visual representation of the Municipality's structure.

ECONOMIC CONDITION AND OUTLOOK

The Municipality of Monroeville is a community located on the eastern edge of Pittsburgh. Over the past ten years, the Municipality has experienced a period of residential and commercial growth. During 1995 through 2004, more than 3,933 building permits were issued for new construction. During these years, activities related to residential and commercial developments have driven the increase in the market values of properties located in the Municipality. Given the number of plans currently under review, it is anticipated that the Municipality will continue, in the future, to experience growth which should result in the market values increasing on a proportionate level.

MAJOR INITIATIVES FOR THE YEAR 2004

The fundamental objective of the 2004 Municipality of Monroeville Budget was to provide the type and quality of municipal services, which meets the needs and desires of residents and property owners. The ability of the Municipality to accomplish this goal has become more challenging and costly by the continued growth of the community.

The community needs a sound infrastructure to serve its residents and property owners, as well as to protect property values in the future. The Municipality must also protect its residents and property owners, as well as their properties. The Municipality must provide a social atmosphere that will encourage the community's base and responsiveness to community problems. Finally, the municipal government has a responsibility to inform the public of its activities and plans to permit the residents and property owners the ability to assess the effectiveness of its government and make known its opinion. There are five basic divisions of accomplishing the above:

General Government or Administration
Protection of Persons and Property
Health and Safety
Public Works
Culture and Recreation

2004 ACCOMPLISHMENTS

MANAGER'S OFFICE:

- Community Park Development Process
 - Completed the property acquisition.
 - Completed development of the master plan.
 - Solidified the project management of the project.
- Streetscape/Economic Development Process
 - Identified the streetscape leadership.
 - Established an economic development capability.
 - Created the Monroeville Growth Alliance to guide business district vision.
- Public Safety Training Center Development
 - Completed fencing installation.
 - Completed utility installation.
 - Awarded paving contract.

- Completed burn building construction.
- Healthcare Cost Containment Strategy
 - Set goals based on trends in similar local governments throughout the region.
 - Introduced broker based competition to lower healthcare benefit costs for 2004.
- Capital Improvements Program
 - The final year of the current capital program will be complete during 2004. Developed a strategy for future capital project funding.
 - Developed a 2005-2007 Capital Improvements Program.
- Legislative Agenda
 - Developed and presented a list of projects for the state and federal elected officials.
- Monroeville Foundation
 - Guided the creation of a new 501C(3) Corporation, the Monroeville Foundation to involve the community in major Monroeville projects.

TAX OFFICE:

- Aggressively pursued adding new property and property additions to tax roles for real estate purposes.
- Completed conversion of Business Privilege and Mercantile tax data to a more modern and efficient tax software system.
- Designed new forms reducing mailing costs for the business taxes.
- Assertively pursued transient businesses for proper licensing and payment of business tax.
- Conducted mailings pursuing new accounts to increase the number of businesses on the tax roles generating additional tax revenue for current year as well as for future years.
- Adopted earned income tax rules and regulations based upon newest legislative policies.
- Continued to add escrow companies to the new electronic real estate data collection system.
- Replaced both the Mercantile and Business Privilege returns by designing a single form.
- Implemented a single license form to replace the two types of business licenses in use now.
- Utilized new tax software to design a post card form for Earned Income Tax quarterly mailings.
- Continued to update and improve the tax office section of the Monroeville web site.

FINANCE AND PERSONNEL:

- Submission of the 2003 Comprehensive Annual Financial Report to the national certificate of achievement program.
- Continued improvements in monitoring short-term disability and return to work programs.
- Coordinated the 2004 Monroeville Extended Family Picnic and the 2004 Employee Recognition and Awards Banquet.
- Worked with department head committee for improvements in municipal purchasing practices.
- Participated as a Board Member on the League of Cities Penn Prime Worker's Compensation and Liability Trust Insurance Programs.
- Fully implemented new general ledger, payroll, fixed assets, and budget software. Software is a fully integrated government wide software package.

INFORMATION SYSTEMS DEPARTMENT:

- Installed thirty-one (31) new desktop computers and upgraded and installed fifteen (15) old ones.
- Installed new email server, improved email and internet access speeds.
- Installed new Windows 2003 server.
- Upgraded network functionality to Active Directory 2003.
- Completed upgrade of all police laptops to Windows 2000.
- Upgraded the operating system on ten (10) Eastern Regional 911 Center computers.
- Converted Cable TV-15 bulletin board system to PC and PowerPoint-based system.
- Assisted with major upgrade of financial software.
- Assisted tax office with exporting tax data from old IBM based tax software to new UNIX based tax software system.
- Upgraded and assisted with new version of parks and recreation software.
- Installed new telephone system call reporting software.
- Began implementing plan for online searchable database of Municipal resolutions and ordinances.
- Received training for one member of IS Department in Windows 2003 Server.
- Received training for one member of IS Department in Access programming (towards certificate).
- Received training for one member of IS Department in Java programming (towards certificate).
- Performed regular updates to the municipal web site.
- Continued daily maintenance and support for all computer, network, and telephone systems, including resolution of all telecommunications problems.
- Coordinated and/or performed various telecommunications wiring projects.

POLICE ADMINISTRATION:

- Provided additional training for the police department employees, based on merit and initiative, not seniority. Training can promote initiative. The results may be reflected in higher morale, a greater esprit de corps, a lower need for punitive action, better decision making by the officers, and a feeling of security and confidence by the officers in general.
- Trained all officers in CPR and AED (Automatic External Defibrillator).
- Utilized Cable TV-15 for community safety programs.
- Cooperated with federal, state, and local police departments on multiple narcotic task force investigations.
- Enhanced access to the community safety division personnel by providing an off-site community safety office located in the Monroeville Mall.
- Replaced "recalled" second chance body armor.
- Conducted monthly police supervisor meetings.
- Participated as an integral part of the Penn Prime Risk Management Advisory Board, which examines and recommends policies and procedures for law enforcement throughout the Commonwealth.
- Conducted annual "hunting patrols" which have become very successful in reducing the number of "illegal" hunters within the Municipality.

- Chief Polnar sits on the board of directors for the "Coalition for Human Dignity."
- Chief Polnar is Honorary Director of the "Goods for Guns of Allegheny County."
- Assistant Chief Cole sits on the Pennsylvania Chiefs of Police "Training and Education Committee."
- Assistant Chief Cole is a member of the Pennsylvania Emergency Management Region 13 Group representing law enforcement interests.
- Assisted with the annual "Monroeville Night Out", previously known as the National Night Out. This event is coordinated by the community safety division, as well as the Monroeville Night Out Committee volunteers.

POLICE CRIMINAL INVESTIGATIONS DIVISION:

- Participated in major criminal investigations involving multiple arrests. Continue to cooperate with federal, state and local law enforcement agencies, ongoing criminal investigations.
- Implemented the forensic mapping system (total station). Used this system in at least four accident investigations.
- Conducted the yearly audit and disposition of evidence according to the Evidence Policy. This included the destruction of firearms, thereby reducing the potential liability or prevention of an accident.
- Utilized the case management feature of the CAD/RMS system, to better track investigations.

POLICE TRAINING DIVISION:

- Provided additional self-defense training for the officers.
- Hosted a number of classes and seminars from instructors throughout the country.
- Officers have been updated in the following areas through the yearly, and mandatory in-service training:
 - a) Accident investigation
 - b) Domestic violence
 - c) Use of force
 - d) Firearms training and qualifications
 - e) Vehicle Code updates
 - f) Crimes Code updates
 - g) Mandatory update training
 - h) Accident Reconstruction
 - i) Firearms courses
 - j) Computer classes
 - k) K-9 training
 - l) AR-15 (.223 cal.) qualifications course
 - m) School crossing guard training
 - n) CPR course for the crossing guards
 - o) Traffic control and safety for crossing guards
- Utilized the FATS machine (Fire Arms Training Simulator). It allows training on a regular basis while on shift.
- Increased the frequency that the officers go to the range and utilize their firearms.

- Conducted “roll call” training at the beginning of the shifts. This affords the shift supervisor the opportunity to update themselves as well as their shifts.
- Provided additional training for Weapons of Mass Destruction (WMD) and Nuclear, Biological and Chemical (NBC) incidents.

POLICE COMMUNITY SAFETY AND JUVENILE SERVICES DIVISION:

This division is very active in the community providing many proactive crime prevention programs.

This division has increased their involvement with the school programs to include school violence. This was done proactively before it became such a widespread problem. This program is now taught in second, fourth, fifth, sixth, and seventh grade.

Listed below are the programs offered by the department in the schools:

Kindergarten:	School and school bus safety “How Rules Keep Us Safe”
First Grade:	Safe way to walk and play Stranger danger Fire safety
Second Grade:	DARE Personal safety Drugs: helpful or harmful? Learning to say no Dealing with angry feelings
Third Grade:	Bicycle safety Advanced gun safety
Fourth Grade:	DARE Laws and rules to keep us safe Drugs may help or harm Saying no to drug offers Handling conflicts without violence Vandalism
Fifth Grade	DARE and parents night – An introduction to the program for parents
Sixth Grade	Introduction to the DARE program Understanding the effects of mind altering drugs Considering consequences Changing beliefs about drug use (i.e. “everybody’s doing it!”) Learning resistance techniques – ways to say no Building self-esteem Learning assertiveness Managing stress without taking drugs Reducing violence

Combating media influence on drugs and violence
 Making decisions about risky behaviors
 Saying yes to positive alternatives
 Having positive role models
 Resisting gang and group violence
 Summarizing the DARE lessons and the "Taking a stand" essay

Seventh Grade:

"Guns, gangs, and violence in the school – laws and consequences"
 Gangs – definition and effects
 Conflict resolution

- The following programs were offered to the residential and business community. They are customized for each business or neighborhood:

Community Programs:

- Car safety seat installation
- Crime watch
- How not to be a victim
- Youth I.D. cards – newborn to age 15, including a video of the child
- Community safety booths and safety fairs and community events
- 911 training van
- Identity theft

Business Programs:

- Retail theft seminars
- Armed robbery seminars
- Workplace violence
- Carjacking
- Employee theft
- CPTED
- Identity theft

- Reviewed and updated all kindergarten – sixth grade programs.
- Provided FREE child identifications throughout the community at safety fairs, community events, in the mall office and in all schools. Provided about 6000 ID's this year. Funding for this program comes from the Rotary, Sam's Club, and the Pennsylvania Masonic Grand Lodge through the Pennsylvania Masonic Foundation for Children, and grant funds.
- Provided school identification badges to all employees of Gateway School District, to further their commitment to making Gateway a safer school.
- Conducted the bicycle rodeo in June at Overlook Park. This year there were about 100 participants. The prizes of bicycles were provided by the Monroeville Police Benevolent Association.
- The 2004/05 DARE Grant was \$ 20,500.00.

- Continued the new program that was developed with the assistance of local real estate agents. It addresses the safety of agents when they show vacant houses.
- Offered a program for the Pittsburgh Partnership on armed robbery and retail theft.
- Developed a liaison with the IUP Graduate School in Monroeville.
- Programs were started in Monroeville Nursery Schools, and in the DARE program as well.
- Purchased through grant funding:
 - A starter set of "fatal vision" goggles.
 - An electric DARE motorcycle
 - 35 bicycle helmets – prizes for the bicycle rodeo
 - New NRA Eddie Eagle materials for school programs
- Continued to participate in the explorers post program to expose young adults to the requirements of police work.
- Conducted gun safety programs for the community (Eddie Eagle - NRA), and visited parent-teacher organizations.
- Continued with the school district to present a dog safety program, to teach children how to be safe with dogs.
- The juvenile officer continues to be involved at the Gateway High School, which has translated into a lower number of citations for Disorderly Conduct, and other summary offenses.
- Conducted the yearly "goods for guns" buyback program.
- Assisted and conducted the yearly Monroeville Night Out program.

POLICE PATROL DIVISION:

- Required areas two and six to be equipped with a shotgun in their cars while on patrol. Certain officers have been trained with the AR-15 rifle, and have had them issued. These weapons are to be available in the cars when on duty.
- Continued to train all officers to the minimum standards, and beyond, of the Municipal Police Officers Education and Training Commission (MPOETC).
- Utilized the traffic division men on daylight and second shift to increase manpower on these shifts.
- Placed in service five newly purchased police vehicles.

POLICE K-9 DIVISION:

- Continue to train all of the K-9 Handler Teams according to national standards and the NAPWDA (North American Police Work Dog Association).
- Recertified the dog handler teams in area searches and narcotics searches.
- Involved the K-9's in all public relations aspects of the department. Attended various functions to demonstrate their capabilities. This included the Monroeville Picnic, as well as various safety fairs throughout the Municipality.
- Continued round the clock coverage with a K-9 Handler Team assigned to each of the three shifts.
- Replaced one K-9 due to its retirement. Trained the K-9 to NAPWA standards including area and narcotic searches. The purchase of the K-9 for \$4,000.00 was funded by the Allegheny County District Attorney's Narcotics Asset Seizure Fund.

POLICE TRAFFIC DIVISION:

- Conducted successful sobriety checkpoints as part of the East Hills DUI Task Force. Also participated with the Pennsylvania State Police in "Operation Nighthawk".
- Completed a local refresher/re-certification motorcycle training course with the U.S. Park Police for the Municipality as well as with other departments in the area.
- Assigned traffic officers to various locations throughout the Municipality, to observe and take action on any violations they may see. This is for speeding, stop sign violations, traffic signal violations, or whatever they may encounter.
- Conducted traffic enforcement actions by utilizing the lines painted on over 30 streets, enabling more speed reduction and enforcement activity.
- Completed training and implementation of the forensic mapping system (total station). This system is used to accurately measure, map, and log a crash/crime scene.
- Placed the RADAR speed warning trailers throughout the Municipality as needed.

BUILDING AND ENGINEERING:

- Developed and implemented an \$835,000 Paving Program that included approximately 12 miles of municipal roads.
- Continuation of geographical information system implementation to assist other municipal departments.
- Adopted the statewide building code.
- Implemented a certification program to comply with statewide building code.
- Reviewed, issued and inspected 200 street opening permits.
- Responded to 1,073 Pennsylvania One Calls for underground utility locations.
- Reviewed, issued and inspected 10 grading permits.
- Inspected construction of four proposed municipal roads.
- Reviewed, issued and inspected 15 new commercial buildings.
- Reviewed, issued and inspected 76 fire code permits.
- Performed 2,175 building and fire protection related inspections.
- Performed 600 landfill inspections.

PUBLIC WORKS SNOW AND ICE DIVISION:

- The 2003-2004 Winter Season accounted for 30 after hours call outs with an above average snowfall and below average temperatures.

PUBLIC WORKS STORM SEWER AND STREET MAINTENANCE DIVISION:

- Constructed 18 inch storm line and 80 ft. – 48 inch holding tank at the Fire Training Facility.
- Constructed 10 new catch basins.
- Constructed 100 ft. – 6 inch french drain and ground and driveway rehab on Holy Cross Drive.
- Replaced 200 ft – 15 inch storm line and ground rehab on Old Haymaker Road.
- Replaced 100 ft – 15 inch storm line, sidewalk and ground rehab on MacBeth Drive.

- Replaced 160 ft – 15 inch storm line, installed two catch basins and ground rehab on Hawkeye Drive.
- Replaced 240 ft. – 15 inch storm line crossings and rebuilt six catch basins.
- Replaced 60 ft. – 24 inch storm line and ground rehab at Evergreen Drive.
- Replaced 40 ft. -15 inch storm line and ground rehab at Revere Drive.
- Replaced 50 ft. – 15 inch storm line and ground rehab at Hills Dale Drive.
- Replaced 140 ft. – 15 inch storm line and pavement rehab on Verlinden Drive.
- Replaced 80 ft. – 15 inch storm line and pavement rehab on Azalea Drive.
- Replaced 100 ft. – 12 inch storm line and ground rehab on Grandview Drive.
- Replaced 40 ft. – 12 inch storm line and pavement rehab on Oak Street.
- Began emergency restoration of Cavitt Road.
- Restored McClure Road and Mountainview Drive after roadslide.
- Rebuilt 45 catch basins throughout the Municipality – rehab from two major storm systems in 2004.
- Prepped and repaired the roads for the 2004 Road Paving Program.
- Maintained 108 miles of municipal street potholes and berms.
- Worked with police and fire department as needed.
- Responded to numerous residential complaints.

PARK AND BUILDING MAINTENANCE DIVISION:

- Constructed bathhouse and pump system at Monroeville Park.
- Constructed bleachers and cement pads at Monroeville Park.
- Constructed bleachers and shade building at Valley Park.
- Made various repairs and renovations to the Monroeville Community Pool.
- Started a HVAC maintenance program.
- One public works employee was certified in rodent and pest control.
- Three public works men were certified in right-of-way spraying.

TRAFFIC SIGNALS, SIGNS and MARKINGS DIVISION

- Maintained all signals and signage throughout the Municipality.
- Performed line painting of all municipal roads and stop blocks.
- Installed power panels and 6,000 feet of conduit and wire for fire/police training center, Monroeville Park, concession stand and bathroom.
- Maintained right-a-ways on municipal roads by weeding, cutting, and spraying
- One employee was certified by the state in sign construction.

VEHICLE MAINTENANCE:

- Maintained and serviced approximately 200 pieces of equipment.
- Installed all radios, lights and emergency equipment for the new police vehicles.

ANIMAL CONTROL:

- Responded to approximately 2,400 calls throughout the year.

RECREATION, PARKS AND HUMAN SERVICES:

- Phase IV rehabilitation projects (Beechwood and Monroeville Parks) were completed.
- Applied for payment of a \$200,000 grant received from DCNR for Phase IV park renovations at Beechwood and Monroeville Parks.
- Worked with the consultants to develop construction documents for Phase I of the new community park. Additionally, worked with the Design Team to develop a master conceptual plan for the proposed community center.
- Worked with grants and communications coordinator to prepare and submit an application to the DCNR and the US Soccer Federation for partial funding for the development of the soccer field complex at the new community park. Also applied to ProArts (Pennsylvania Council on the Arts) for special project funding for Monroeville SummerFest.
- A “recreation hotline” was added to provide residents ready access by telephone 24 hours a day to learn of program status changes (class changes/cancellations, changes to Monroeville Community Pool operations due to weather, etc.)
- A number of new programs were added this year including: Pounds off with water (water aerobics), youth beginner and advanced acrobatics, youth and adult yoga classes, a youth basketball clinic, and the recreational basketball program was expanded to include Grades 11 and 12 (resulting in a 7% growth in that program).
- Notable increases were experienced in a number of existing recreation programs with the following as examples: Exercise Ball class jumped 314% (introduced in 2003), Camp Chipewee increased 52%, and Munchkin Morning Day Camp grew another 15%. While additional sessions were added two years ago to meet the demand for youth swim lessons and water aerobics, both courses continue at their maximum enrollment numbers; due to the lack of available pool time.
- Attendance at the summer parks program continued its growth pattern again this year by an additional 10% overall.
- Many improvements were made at the Monroeville Community Pool in cooperation with the public works department:
 - Locker rooms were renovated with new toilet stalls, tiled shower areas, and fresh paint.
 - The guard’s room was converted to a rental party room.
 - The office was renovated and now functions as an admission gate.
 - Two new portable lifeguard chairs were purchased and placed in service.
 - The pavilion walls and concession stand were painted.
 - A new counter was installed at the concession order window.
- In cooperation with the public works department, a shade shelter, trees, and drainage system were added at Valley Park to complete the skate park development.
- Provided leadership for Monroeville SummerFest – a major community celebration working in concert with CCAC, Boyce Campus, the SummerFest Planning Committee, and the Monroeville Arts Council.
- Significant improvements were again made to the Easter Egg Hunt and Halloween Fun Night special events, resulting in continuing additional growth in attendance at these two popular events.

- Development of the Monroeville Volunteers in Parks (MVP) program – a multi-faceted volunteer program for those who wish to contribute to the beauty of Monroeville’s parks. Fifty-three individuals have already registered for this program.
- The Monroeville Trail Advisory Board completed its first section of trail in Alpine Park, working in concert with a Boy Scout Eagle Project.
- Coordinated Route 22/48 Beautification Project through the Chamber of Commerce’s Community Development/Beautification Committee.
- Two Day of Service Projects were completed by the Trinity Christian School (29 volunteers) at the Monroeville Community Pool and several beautification projects (15 volunteers).

SENIOR CITIZENS:

- The Center had another overwhelming flea market this year with a profit of \$2,074.
- The senior golf outing had another great year with fifty golfers attending
- The building addition committee decided to construct a sunroom addition in lieu of a two-room addition.
- The fund raising committee accomplished many fundraisers for the Center. The Center sold 2005 Entertainment Books, pies, leaves for the Fellowship Tree and Senior Center logo clothing as a fundraiser.
- Blood pressure screening was given to one hundred seventy-four (174) seniors.
- AARP 55 Alive Defensive Driving Class provided one hundred (137) seniors with a refresher course.
- Access applications filed were fifty-three (53).
- Port Authority applications filed were twenty-seven (27).
- Free bus service was provided to one thousand five hundred forty-three (1,543) Monroeville and Pitcairn residents.
- Volunteer income tax assistance was provided to four hundred sixty-nine (469) seniors.
- Newspaper recycling was three hundred twenty-three (323) tons.
- The Center sold eight-four (84) leaves for the Fellowship Tree for a total profit of \$4,525.

HUMAN NEEDS AND RESOURCES BOARD:

- The Board worked hard to interest the residents to apply for various Boards, Commissions and Authorities vacancies.
- The Board continually keeps in contact with action-housing concerning the Allegheny County Access Program. This program provides grants to local public applicants to implement accessibility for elderly and nonelderly persons with disabilities.
- Continued to work with the Lions Club of Monroeville to provide a space at the weekly farmers market in order for interested agencies or associations to educate the public about the organization and the work or activities they perform.

LIBRARY:

- Completed the expansion and renovation of the computer and technical services offices, and painted and carpeted lobby on lower level.
- Installed a new main circulation desk and contracted for the replacement of the service desk in the children’s department and a new welcome desk.

- Received a \$5,000 PDCED Grant through Representative Joe Markosek to purchase more efficient and attractive media display furniture and purchase more audio books..
- Set another circulation record in August 2004 - 22,608 items. (Previous record was July, 2003.)
- Began the process of replacing the library roof by applying for a Keystone Grant. The Library set aside an amount of RAD money for the roof replacement.
- Began the process of investigating the replacement of the windows in the two older sections of the library building.
- Began the process of replacing all the glass doors except the front entrance so that they are ADA compliant.
- Increased programming opportunities for adults by developing a local writers' Showcase which presents a local author every month and forming two new book discussion groups.
- Added family activity nights to the schedule of children's programs.
- Sponsored the most successful teen reading program, including setting up a blog for teens to communicate with each other about favorite books.
- Promoted the 40th Anniversary of the library during the year, culminating in an anniversary party on October 30, 2004.

TV-15:

- Updated air control room by rack mounting all equipment.
- Installed new equipment-Kramer Matrix Switcher, which enables the Municipality to use PowerPoint, still presenter or short recess videos on air.
- Updated bulletin boards.
- Updated DVD recorder for future on air meetings.
- Worked on more promos and information with the summer intern for public service announcements.
- Enhanced on-air quality by purchasing a new distribution amplifier.
- Obtained the ability to record all digital photos on CD's for police and fire department investigations.
- Acquired new programs from the PA Game Commission.
- Took digital photos of all properties before the meetings so they could be shown on air.
- Updated and purchased a new 50" plasma monitor for Council Chambers.
- Mounted old plasma monitor in municipal lobby.

INITIATIVES FOR THE FUTURE

The future of the Municipality looks bright. Currently, Council and the Planning Commission are working together to revise the existing Comprehensive Land Use Plan. The overall goal of this effort is to insure that the community continues to develop in a manner which sets a standard for other communities to emulate. It is the desire of the Municipality that those characteristics of the community that have caused numerous people over the past several years to choose the Municipality as their home be preserved for their enjoyment, and that of future residents.

Along with the Comprehensive Plan, a special zoning "overlay" standard known as "The Streetscape Plan" for the central business district has been developed, reviewed and adopted.

It is important to remember, however, that the real challenge does not lie in the development of the new Comprehensive Land Use Plan and Streetscape Place but in its implementation. As the community continues to grow, it is imperative that the Municipality has at its disposal the full array of resources to meet residents' expectations of their government. Just as important as physical resources, is the need for the residents of the community to be involved in the decisions of the Municipality. It has been the quality of this involvement in the past that has brought the community this far. It is my confidence that this involvement will continue making the Municipality's future look bright.

FINANCIAL INFORMATION

Internal Control and Budgetary Control

In developing and evaluating the Municipality's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurances regarding:

1. The safeguarding of assets against loss from unauthorized use or disposition.
2. Reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

1. The costs of the control should not exceed the benefits likely to be derived.
2. The evaluation of costs and benefits requires estimates and judgment by management.

All internal control evaluations occur within the above framework. We believe the Municipality's internal accounting controls adequately safeguard assets and provide reasonable assurance in proper recording of financial transactions.

Budgetary control in the general fund is maintained at the departmental level by the strict control over the issuance of purchase orders. Purchase orders, which result in an over-run of subfunction balances, are not released until additional appropriations are made available.

A more detailed explanation and description of Municipal financial operations can be found in the Management's Discussion and Analysis section immediately following the report of the independent auditors.

Debt Administration

The ratio of the net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the Municipality's debt position to municipal management, citizens and investors. This data for the Municipality, at the end of the 2004 fiscal year, was as follows:

	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Debt Per Capita</u>
Net Direct Bonded Debt	\$19,190,000	.98%	\$662

Within the statistical section of this report, more detailed information about the debt position of the Municipality is given.

Cash Management

Cash temporarily idle during the year was invested in demand deposits and U. S. Treasury Bills. During 2004, yields on investments ranged from .76 % to 1.80 %. Interest income of the primary government decreased approximately \$64,897 from 2003 due to decreased funds available for investment purposes.

Risk Management

The Municipality utilizes third-party insurance coverage for general liability, automobile, public officials, police liability, malpractice, and worker's compensation.

INDEPENDENT AUDIT

Section 1111. Of the Monroeville Municipality Home Rule Charter provides for "an independent annual audit of the Municipality's accounts by a certified public accountant, which has no personal interest, direct or indirect, in the fiscal affairs of the Municipality or any of its officers." This requirement has been complied with, and the financial statements and auditor's opinion, can be found in the financial section of this report. This report includes financial information on all account groups and individual funds of the Municipality of Monroeville as well as discretely presented component units. The fund types utilized by the Municipality include: General, Special Revenue, Debt Service, Capital Projects and Trust Funds.

GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Municipality of Monroeville for its Comprehensive Annual Financial Report for the year ended December 31, 2003. In order to be awarded a Certificate of Achievement for Excellence, the Municipality must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement for Excellence Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The production of this report was made possible through the efforts of a variety of individuals. The work and cooperation of the Municipality's administrative staff was instrumental in the completion of this project. I also wish to acknowledge the efforts of the Mayor, Municipal Council and the Manager for their support and encouragement. As in other endeavors, they have made a commitment to ensure that the financial operations of the Municipality are conducted in a progressive and responsive manner.

Respectfully submitted,

MUNICIPALITY OF MONROEVILLE


Susan E. Werksman
Director of Personnel and Finance

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2004 Organizational Structure For...

Monroeville Municipal Government

Uniform Construction Code Appeals Board	Human Relations Commission	Recreation & Parks Advisory Board	Monroeville Hospital Authority
International Property Maintenance Code Appeals Board	Police Pension Committee	Monroeville Arts Council	Monroeville Municipal Authority
Zoning Hearing Board	Library Board	Human Needs & Resources Advisory Board	Convention Visitors Bureau of Greater Monroeville
Planning Commission	Personnel Board	Monroeville Historical Society	Cable Television Advisory Board
	Ethics Board		



Mayor and Council

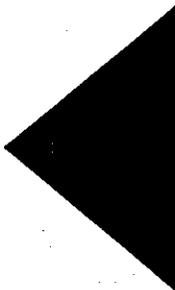
Municipal Solicitor

Municipal Engineer



Municipal Manager

Municipal Treasurer



Risk Management
Productivity Management
Intergovernmental Relations

Government General Services	Public Safety	Public Works	Community Development	Library Services	Recreation, Parks & Human Services
Accounting; Purchasing; Budget Control; Information Systems; Revenue Collection; Tax Collection.	Ambulance; Fire Official; Fire Suppression; Police Protection; Emergency Management.	Snow/Ice Control; Street Maintenance; Storm Sewer Maintenance; Vehicle Maintenance; Park Maintenance; Refuse Collection; Recyclable Collection.	Planning Permits; Zoning Permits; Building Inspection; Traffic Planning; Citizens Complaints; Ordinance & Code Inspections.	Reference; Art Gallery; Book Lending; Children's Library; Sound Library; Programs; Tours.	Recreation; Parks; Volunteers; Senior Citizens; Public Information.
	Cable TV-15				

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MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

PRINCIPAL OFFICIALS DURING 2004

MEMBERS OF COUNCIL

James Lomeo	Mayor
Harold Katofsky	Council Member
Abe J. Comunale	Council Member
Dave Kucherer	Council Member
Richard S. Buxter	Council Member
John A. Danzilli, Jr.	Council Member
Mark E. Dale	Council Member
Carol McDevitt	Council Member

OTHER MUNICIPAL OFFICIALS

Marshall W. Bond	Municipal Manager
Susan E. Werksman	Director of Personnel and Finance
Bruce E. Dice	Solicitor

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Municipality of Monroeville,
Pennsylvania

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Zjella

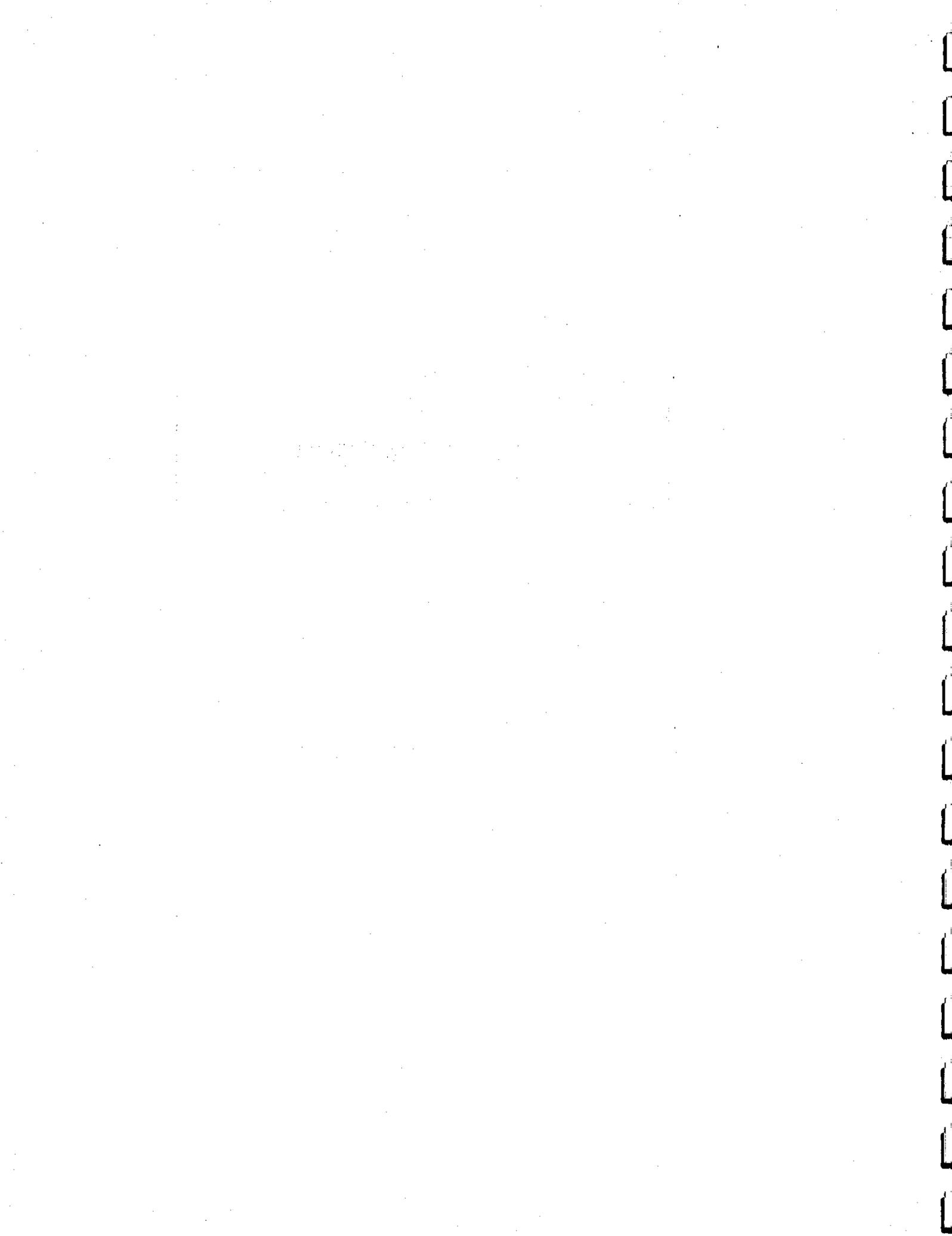
President

Jeffrey R. Enos

Executive Director

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FINANCIAL SECTION



HOSACK, SPECHT, MUETZEL & WOOD LLP

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EMAIL - HSMW@MINDSPRING.COM

G. M. HOSACK (1934-1941)
W. H. SPECHT (1934-1976)
A. C. WOOD (1934-1978)
C. A. MUETZEL (1934-1983)

Independent Auditor's Report

Honorable Mayor and Members of Council
Municipality of Monroeville
Allegheny County, Pennsylvania

Dear Mayor and Members:

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Municipality of Monroeville, Pennsylvania, as of and for the year ended December 31, 2004, which collectively comprise the Municipality's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Municipality of Monroeville, Pennsylvania, as of December 31, 2004, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the pension information on pages xxiii through xxxv and 33 through 34, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

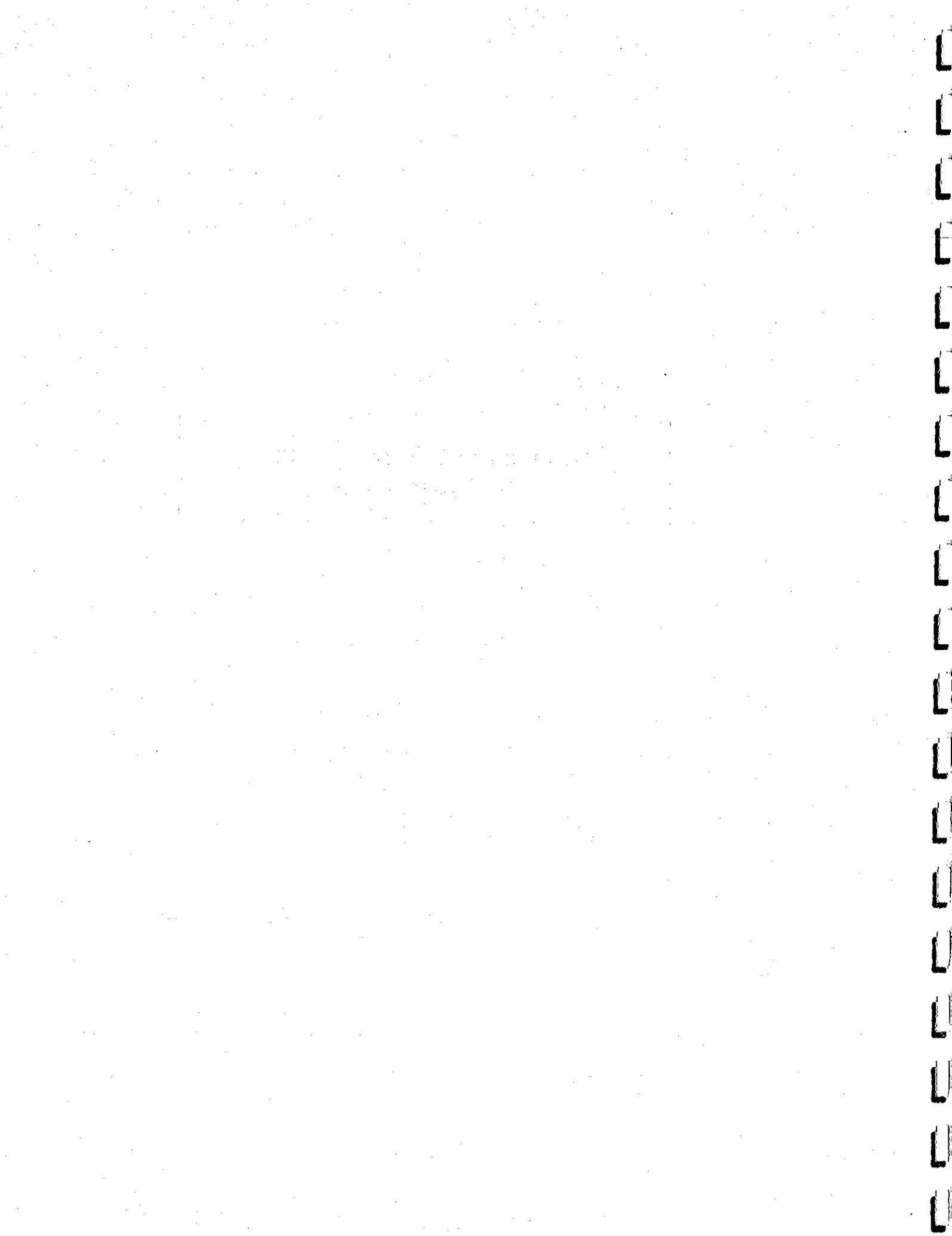
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality of Monroeville's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, additional information, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and additional information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
March 29, 2005

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**



MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Monroeville comprehensive annual financial report presents a narrative overview and analysis of the Municipality's financial performance for the fiscal year ended December 31, 2004. Please read this management and discussion in conjunction with the preceding transmittal letter and the accompanying financial statements and notes which follow in order to obtain a thorough understanding of the Municipality's financial condition at December 31, 2004.

FINANCIAL HIGHLIGHTS

- ▶ The Municipality's net assets decreased \$868,183 in 2004, or 2.2%.
- ▶ Unrestricted net assets were \$28,200,887 at December 31, 2004.
- ▶ The Municipality maintained a strong investment bond rating of Aa3 from Moody's Investor Service. This rating was upgraded in 2003 from A1 and was affirmed in 2004 for all related bond issuances and activities.
- ▶ At December 31, 2004, the Municipality had \$19.0 million of debt outstanding. This represents a decrease of \$850,000, or 4.4% from the previous year. This still represents a burden of \$662 per capita.
- ▶ The total fund balance of the General Fund at December 31, 2004 was \$26,575,696. The unreserved/undesignated portion of the fund balance was \$8,876,930, which is approximately 40.5% of revenues in the General Fund for fiscal year 2004.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report consists of three parts: management's discussion and analysis, the basic financial statements (including notes to the financial statements) and combining and individual fund statements with detailed budgetary comparison schedules. The basic financial statements present two different views of the Municipality through the use of government-wide statements and fund financial statements:

- The first two statements (pages 1-2) are government-wide financial statements that provide long-term and short-term information about the Municipality's overall financial status, as well as the financial status of its component unit.
- The remaining statements (pages 3-10) are fund financial statements that focus on individual parts of Municipal government, reporting operations in more detail than the government-wide statements.

- The governmental funds statements describe how general government services such as public safety and recreation were financed.
- Fiduciary fund statements provide information about the retirement plans for Municipal employees in which the Municipality acts solely as a trustee or agent for the benefit of others. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support municipal activities.

The financial statements include notes that provide an explanation for certain information in the financial statements and also provide more detail of this information. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and how they relate to one another. In addition to these required elements, a section with combining statements provides details about the non-major governmental funds that are presented in single columns in the basic financial statements.

Figure A-1

REQUIRED COMPONENTS OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

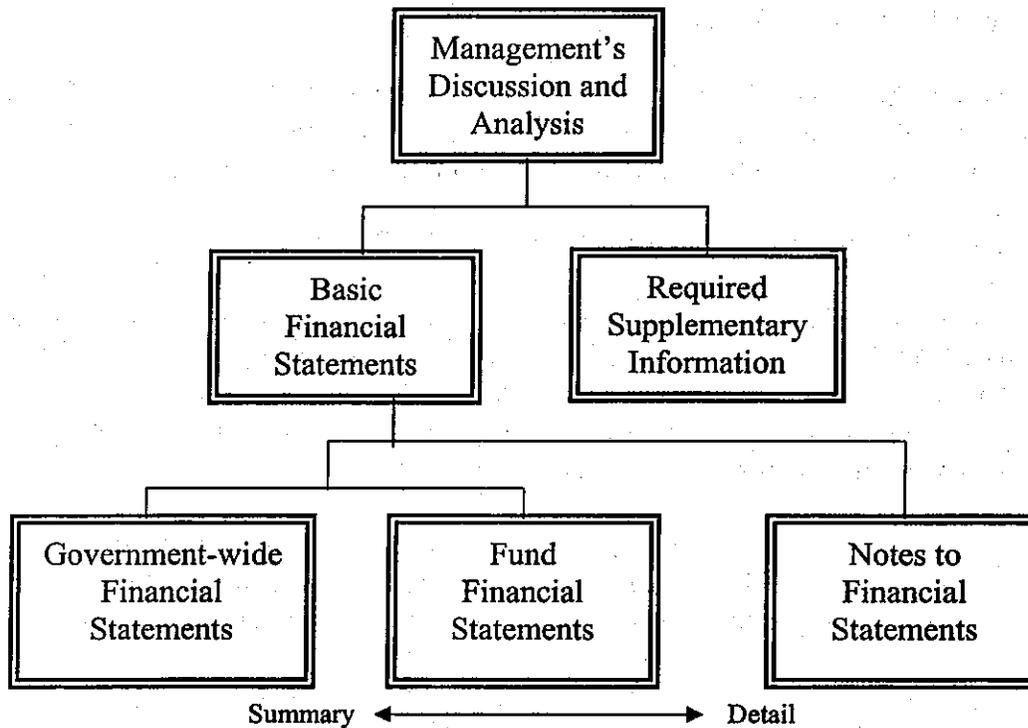


Figure A-2 summarizes the major features of the Municipality's financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Figure A-2
Major Features of Monroeville's Government-wide and Fund Financial Statements**

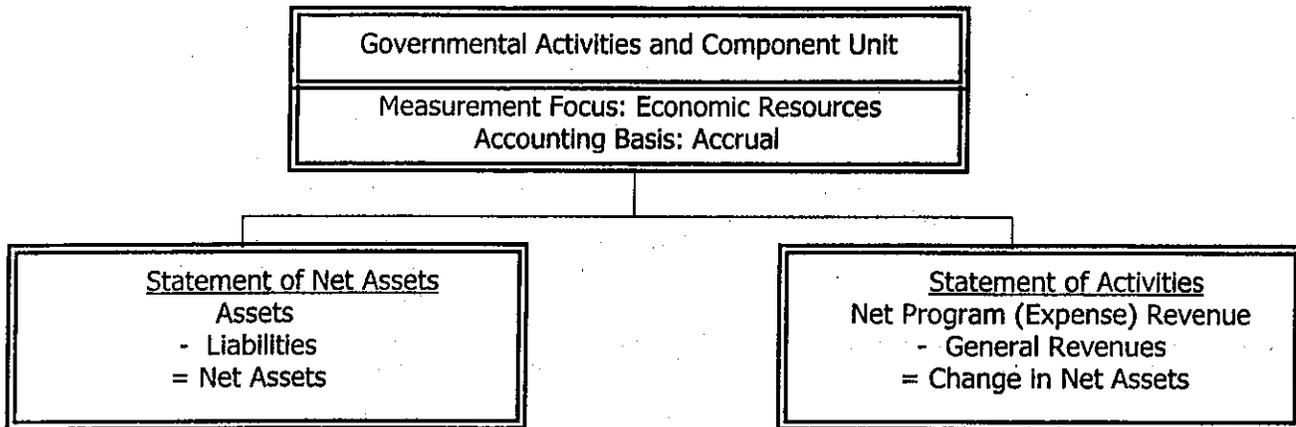
	Fund Statements		
	<u>Government-wide Statements</u>	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire municipal government (except fiduciary funds) and the Municipality's component unit	The activities of the Municipality that are not proprietary or fiduciary, such as police, fire, and recreation	Instances in which the Municipality is the trustee or agent for someone else's resources, such as the retirement plan for municipal employees
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the Municipality's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the Municipality as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Municipality's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Municipality's net assets and how they have changed. The statement of net assets includes all of the municipality's assets and liabilities, except fiduciary funds. Net assets—the difference between the Municipality's assets and liabilities—is one way to measure the Municipality's financial health, or position. Over time, increases or decreases in the Municipality's net assets are an indicator of whether its financial health is improving or deteriorating. The statement of activities focuses on how the Municipality's net assets changed during the year. Additional non-financial factors such as changes in the Municipality's real property tax base and general economic conditions must be considered to assess the overall position of the Municipality. The primary features of government-wide financial statements are reflected in Figure A-3.

**Figure A-3
Government-wide Financial Statements**



The Municipality's government-wide financial statements are divided into two categories:

- *Governmental activities*—Most of the Municipality's basic services are included here, such as the police, fire, public works, recreation departments, and general administration. Property, business taxes, and earned income taxes, charges for services, and state grants finance most of these activities.
- *Component unit*—The Municipality includes the Monroeville Council of Senior Citizens Center and the Monroeville Convention Visitors Bureau.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Municipality's most significant funds, not the Municipality as a whole. Funds are accounting groups that the Municipality uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law.

The Municipality has two kinds of funds:

- *Governmental funds*—Most of the Municipality's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Municipality's programs. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements.
- *Fiduciary funds*—The Municipality is the trustee, or *fiduciary*, for two single-employer pension plans: general employees and police. These plans cover essentially all full-time employees. The Municipality is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Municipality's fiduciary activities are reported in a separate

statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the Municipality's government-wide financial statements because the Municipality cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE MUNICIPALITY AS A WHOLE

The Municipality's net assets at December 31, 2003 and 2004 are presented below:

Summary of Statement of Net Assets December 31, 2003 and 2004

	Governmental Activities	
	2003	2004
Current and other assets	\$33,361,415	\$30,404,654
Capital assets	28,550,740	28,992,888
Total assets	\$61,912,155	\$59,397,542
Current and other liabilities	\$ 2,979,532	\$ 2,689,668
Non-current liabilities	19,847,174	18,490,608
Total liabilities	\$22,826,706	\$21,180,276
Net Assets:		
Invested in capital assets, net of related debt	\$ 8,873,394	\$ 9,802,888
Restricted	83,417	213,491
Unrestricted	30,128,638	28,200,887
Total net assets	\$39,085,449	\$38,217,266

Net assets:

For 2004, Net Assets of Governmental Activities, decreased by \$868,183 in 2004, or 2.2% to \$38.2 million.

Infrastructure assets:

At December 31, 2004, the Municipality's total Assets are \$59.3 million. Of this amount \$28.9 million is accounted for by capital assets, which includes some infrastructure.

Years Ended December 31, 2003 and 2004

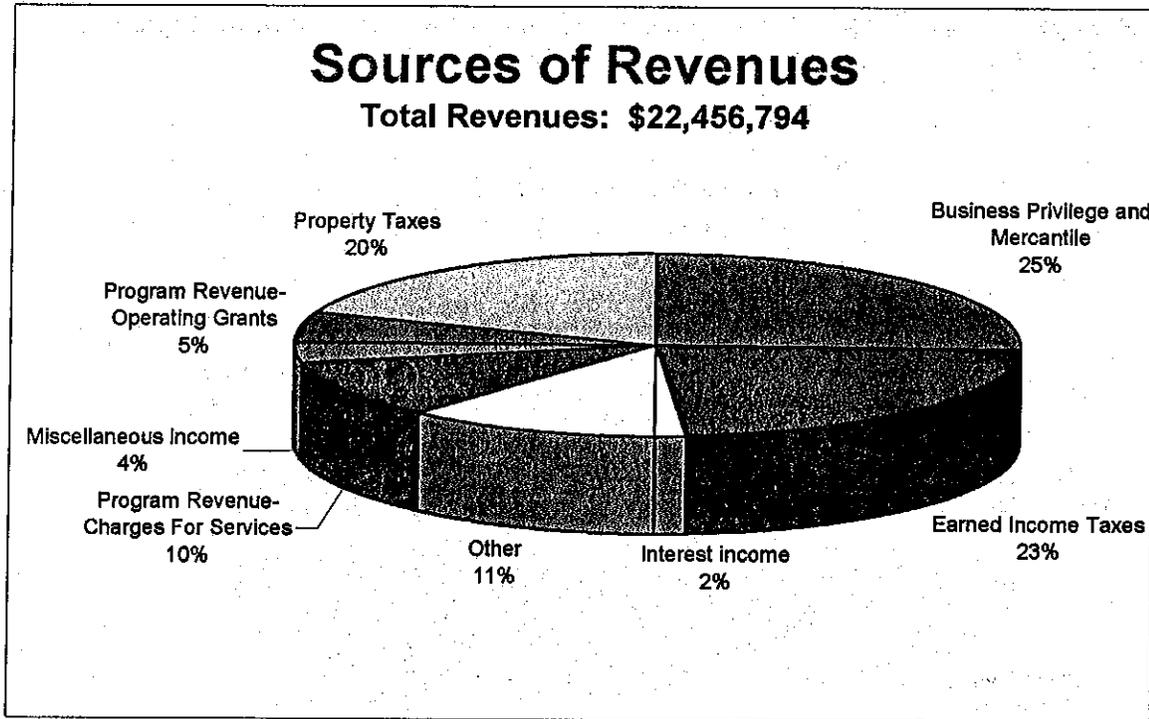
Primary Governmental Activities

	<u>2003</u>	<u>2004</u>	<u>Variance</u>
Revenues			
Program Revenues:			
Charges for services	\$ 2,394,671	\$ 2,317,871	\$ (76,800)
Operating grants	1,599,515	1,145,275	(454,240)
General Revenues:			
Property taxes	4,287,331	4,387,409	100,078
Earned Income taxes	5,644,030	5,125,025	(519,005)
Business Privilege and Mercantile	5,949,478	5,767,754	(181,724)
Other	1,412,444	2,538,671	1,126,227
Interest income	416,479	358,990	(57,489)
Miscellaneous income	<u>206,925</u>	<u>815,799</u>	<u>608,874</u>
Total Revenues	\$ 21,910,873	\$ 22,456,794	\$ 545,921
Program Expenses			
General Government	\$ 4,537,784	\$ 4,491,064	\$ (46,720)
Public Safety	8,356,622	9,455,325	1,098,703
Public Works:			
Highways & Streets	3,956,258	3,852,671	(103,587)
Sanitation	1,154,367	1,045,440	(108,927)
Culture and recreation	2,949,371	3,312,027	362,656
Conservation and Development	524,089	510,657	(13,432)
Interest on long-term debt	<u>835,791</u>	<u>657,793</u>	<u>(177,998)</u>
Total Expenses	\$ 22,314,282	\$ 23,324,977	\$ 1,010,695
Change in net assets	(403,409)	(868,183)	(464,774)
Net assets-beginning	39,488,858	39,085,449	(403,409)
Net assets-ending	39,085,449	38,217,266	(868,183)

GOVERNMENTAL ACTIVITIES

Revenue Sources:

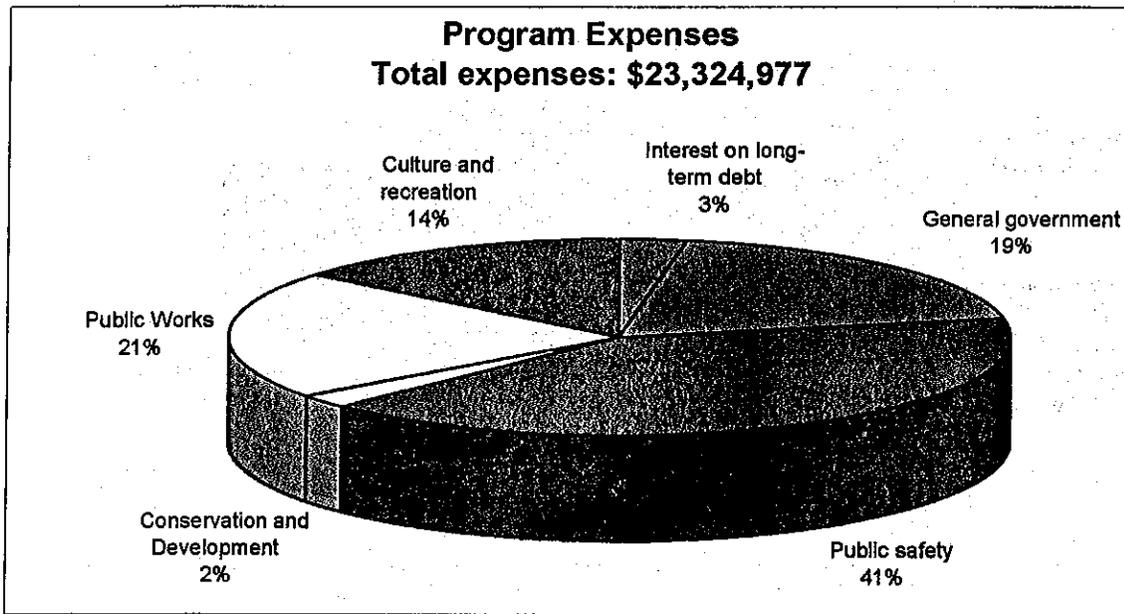
The following chart graphically depicts the government-wide sources of revenues for the fiscal year ended December 31, 2004:



Program Expenses:

Total expenses for all programs in 2004 were \$23.3 million. The expenses reflect the delivery of a wide range of services, with the largest being public safety at 40.54%. The second largest program area was Public Works at 21.00%, followed by General Government at 19.25%, Culture and Recreation at 14.20% and all others at 2.82%.

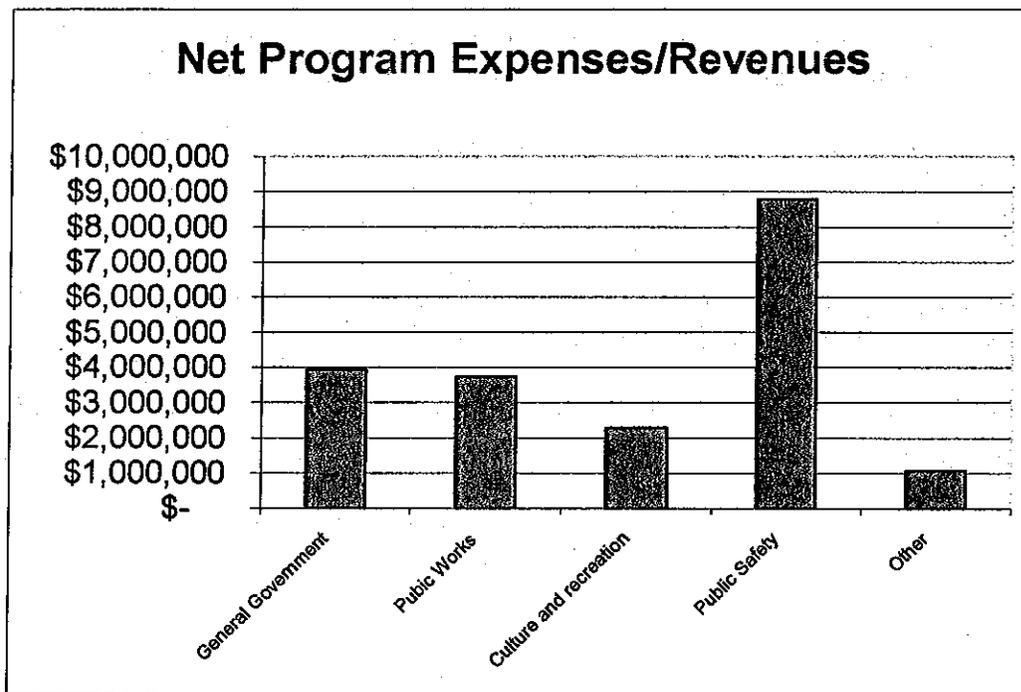
The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2004:



Net Program Expenses/Revenues:

Public Safety expenses required the most general revenue for support, needing \$8.8 million in 2004. General government required \$3.9 million, while Public Works required \$3.7 million in general revenues, culture and recreation required \$2.2 million, and all others required \$1.1 million.

Net program expenses/revenues indicates the amount of support required from taxes and other general revenues for the year. The following chart graphically depicts the net program expenses/revenues by function/program for the fiscal year ended December 31, 2004:



FINANCIAL ANALYSIS OF THE MUNICIPALITY'S FUNDS

As the Municipality completed the year, its governmental funds reported a combined fund balance of \$26.9 million, a decrease of \$1.5 million compared to the previous year. Of this combined fund balance total, \$9 million or 33.9% represents unreserved/undesignated fund balance, meaning it is available to meet the Municipality's current and future needs. The fund balance has reservations to indicate the portion of fund balance which is not available for new spending because it has been committed to fund capital projects (\$11 million) and special projects designations (\$6 million).

General Fund Budgetary Highlights

There were slight differences between the adopted original budget and the final budget.

Revenues had several positive and negative material variances. Real Estate collections were up due to resolution of assessment appeals from a county wide assessment in 2001. This resulted in a positive variance of \$100,078. Earned Income Taxes and Business Privilege/Mercantile Taxes were down in comparison as new tax software was implemented during 2003 to 2004 resulting in posting and collection variances between the years. However, this shortfall was offset by real estate transfer taxes variance of \$1,182,491 due to some large property transfers.

Interest and rent income was down due to less funds available for investment purposes.

Several Police short term disability and worker's compensation claims have resulted in a higher than normal amount of overtime and increased premiums for worker's compensation insurance.

Variances in both the revenue budget for intergovernmental and the expenditure budget for highways and streets are due to the Municipality budgeting liquid fuels funds in the general fund budget but accounting for both the proceeds and the expenses in the special revenue fund budget.

Record snowfall and frigid temperatures required the necessity for additional salt orders and resulted in Public Works expenditures higher than budgeted.

Overall, all municipal departments have been affected by a higher than normal hospitalization increase at approximately 12%.

OTHER FUNDS

Capital Project Fund

The Capital Project Fund accounts for funds provided by the Municipality, most frequently from General Fund transfers or bond proceeds. The most significant capital expenditures were for the 2004 Road Paving Project and the new Public Safety Training Center and Community Complex Projects which was started during 2003.

Lastly, various equipment and vehicle purchases were made including police vehicles, several public works vehicles and continued park improvement projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets consist primarily of land, buildings and improvements, equipment and infrastructure. The following is a summary of capital assets at December 31, 2003 and 2004:

Summary of Capital Assets

	Balance at December 31, 2003	Balance at December 31, 2004
Capital assets, not being depreciated:		
Land	\$ 7,979,198	\$ 8,102,465
Construction in progress	200,000	-
Total capital assets, not being depreciated	8,179,198	8,102,465
Capital assets, being depreciated:		
Land Improvements	2,413,104	2,413,104
Building and improvements	10,535,279	11,301,794
Machinery and equipment	3,026,089	3,102,129
Vehicles	6,116,290	6,030,548
Infrastructure	11,358,231	12,422,680
Total capital assets, being depreciated	33,448,993	35,270,255
Less accumulated depreciation for:		
Land Improvements	476,639	594,510
Buildings and improvements	2,865,074	3,225,848
Machinery and equipment	1,729,859	1,916,124
Vehicles	2,371,877	2,562,180
Infrastructure	5,634,002	6,081,170
Total accumulated depreciation	13,077,451	14,379,832
Total	\$ 28,550,740	\$ 28,992,888

More detailed information about the Municipality's capital assets can be found in Note 5 of the notes to financial statements.

Long-term Debt

At December 31, 2004 the Municipality had \$19 million of debt outstanding. This represents a decrease of \$850 thousand, or 4.4%, from the previous year. The following details activity related to general obligation bonds during 2004:

Summary of General Obligation Bond Activity	
Beginning Balance at 1/1/2004	\$ 20,040,000
New debt proceeds	0
Debt Refunding	(0)
Principal retirement	(850,000)
Ending Balance at 12/31/2004	\$ 19,190,000

More detailed information about the Municipality's long-term debt can be found in Note 6 of the notes to financial statements.

TRUST AND AGENCY OPERATIONS

Pension Trust Fund

Monroeville has two pension plans – general employees and police. Municipal involvement in the administration of the police pension plan is the establishment of the investment policy and the calculation of benefits for retirees, which are then paid by the trustee. During 2004 plan net assets increased by \$1,949,299 to \$20,063,399.

During 2004, contributions were required for both pension plans in the amount of \$1,505,046. In the non-uniform employees and police pension plans, the accrued liability exceeds the actuarial value of plan assets by approximately \$1.34 million and \$8.96 million, respectively, as of 1/1/03. The required supplementary information located at the conclusion of the Notes to Financial Statements provides the details on the plans' funding progress.

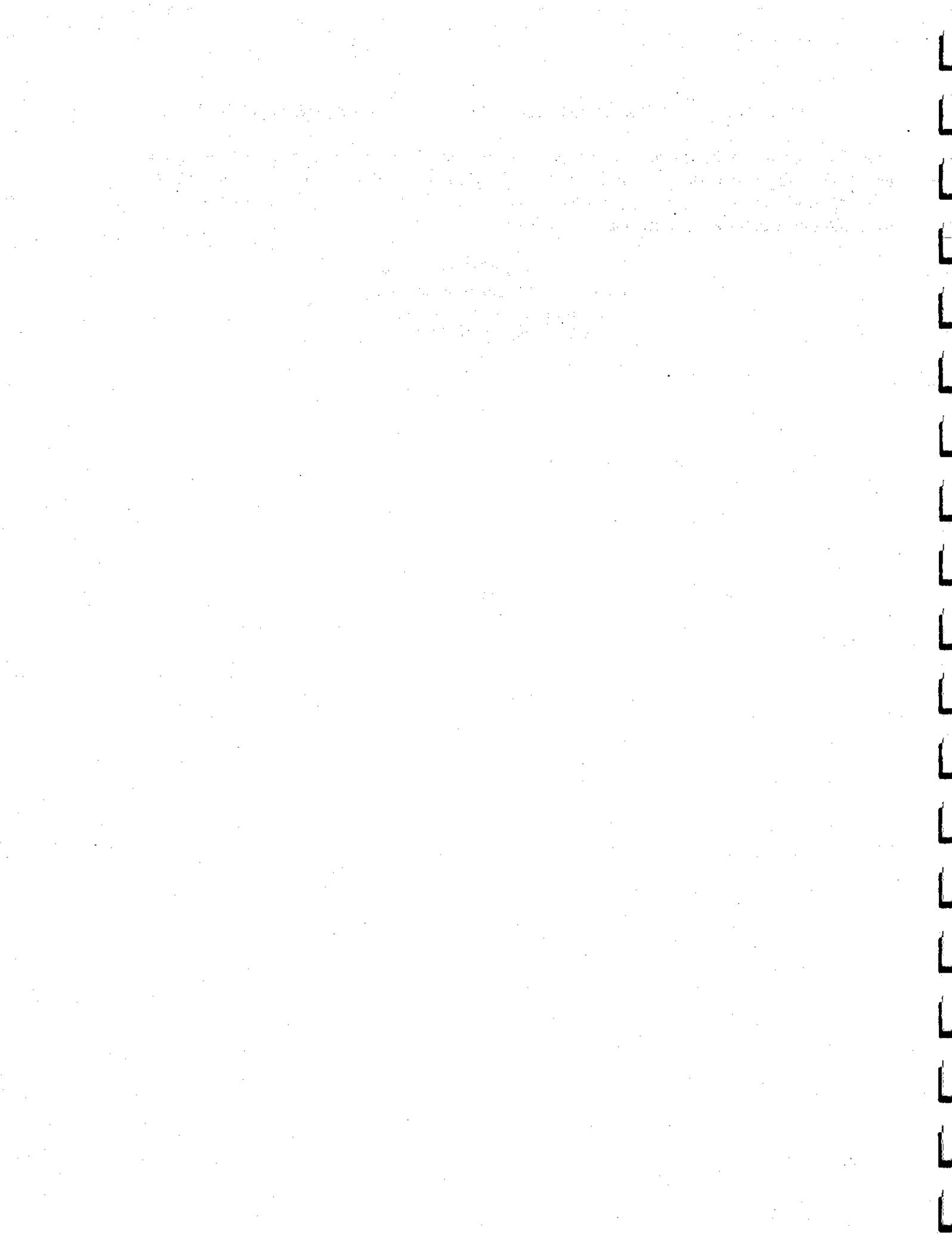
Bond Ratings

The Municipality maintained a strong investment bond rating of Aa3 from Moody's Investor Service. This rating was upgraded in 2002 from A1 and was again affirmed in 2005 for all related bond issuances and activities. More detailed information about the Municipality's general long-term debt activity can be found in Note 6 of the notes to financial statements.

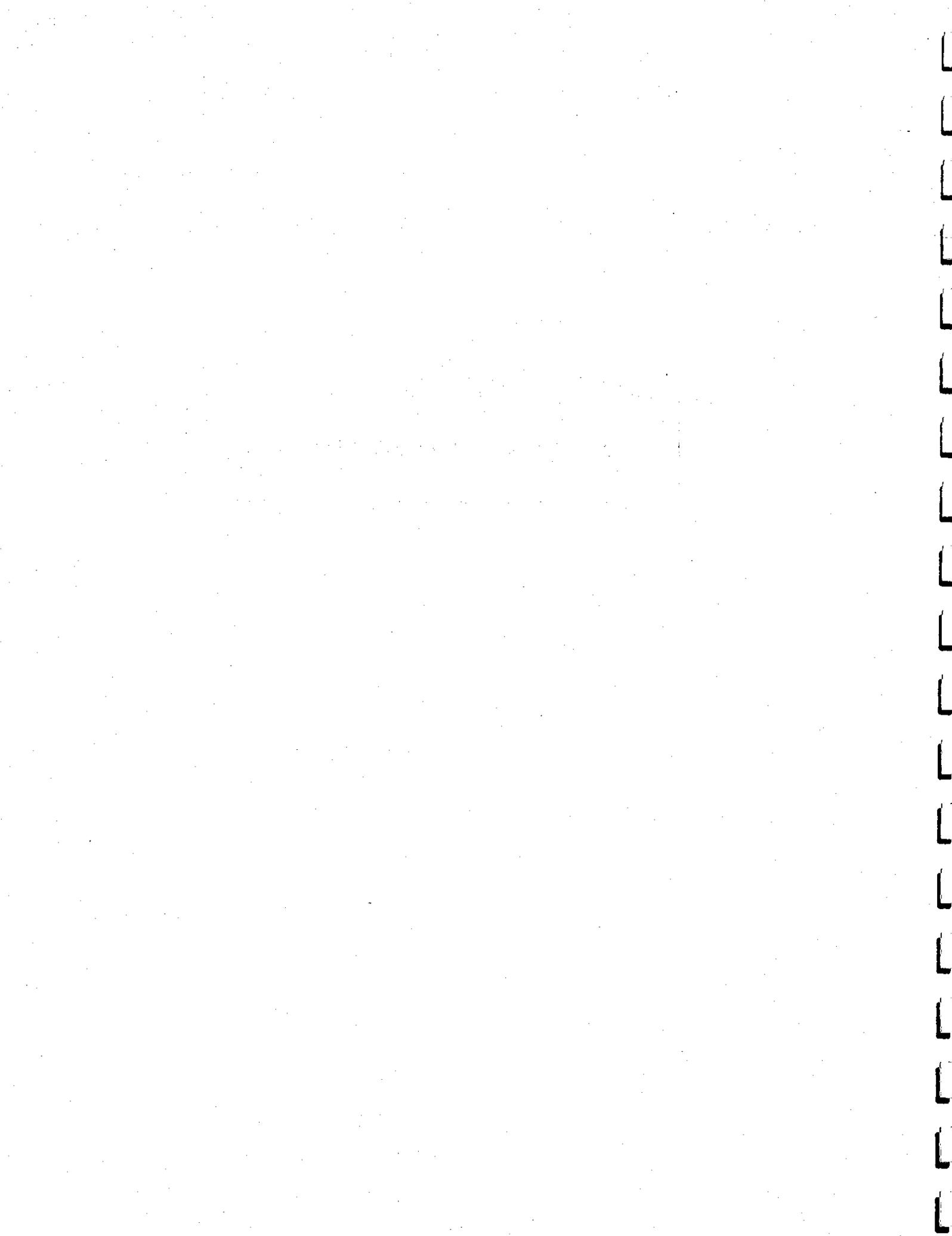
CONTACTING THE MUNICIPALITY'S FINANCIAL MANAGEMENT

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

Municipality of Monroeville
Finance and Personnel Department
2700 Monroeville Boulevard
Monroeville, PA 15146



BASIC FINANCIAL STATEMENTS



Municipality of Monroeville
Statement of Net Assets
December 31, 2004

	<u>Primary Government</u>	<u>Component Units</u>	
	Governmental Activities	Senior Citizens Council	Convention Visitor's Bureau
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$12,130,049	\$98,124	\$156,674
Investments	9,527,709	-	-
Restricted Cash & Cash Equivalents	567,027	-	-
Restricted Investments	5,465,206	-	-
Receivables (Net, Where Applicable of Allowance for Uncollectibles)			
Taxes	1,895,354	-	-
Due from Other Governments	-	-	150,962
Other	498,200	-	105,056
Other Current Assets	<u>7,266</u>	<u>-</u>	<u>-</u>
Total Current Assets	<u>30,090,811</u>	<u>98,124</u>	<u>412,692</u>
Noncurrent Assets			
Capital Assets, Net of Accumulated Depreciation	22,651,378	-	-
Infrastructure Assets, Net of Accumulated Depreciation	6,341,510	-	-
Deferred Bond Issue Costs	<u>313,843</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>29,306,731</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$59,397,542</u>	<u>\$98,124</u>	<u>\$412,692</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 720,519	\$ -	\$ -
Accrued Salaries and Benefits	319,657	-	-
Returnable Deposits	171,462	-	-
Accrued Interest Payable	51,682	-	-
Current Portion of Long-Term Debt	<u>1,426,348</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>2,689,668</u>	<u>-</u>	<u>-</u>
Noncurrent Liabilities			
Bonds Payable	17,800,000	-	-
Long-Term Portion of Compensated Absences	<u>690,608</u>	<u>-</u>	<u>-</u>
Total Noncurrent Liabilities	<u>18,490,608</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>21,180,276</u>	<u>-</u>	<u>-</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	9,802,888	-	-
Restricted for			
Capital Projects	130,074	-	-
Fiscal Emergency	83,417	-	-
Unrestricted	<u>28,200,887</u>	<u>98,124</u>	<u>412,692</u>
Total Net Assets	<u>38,217,266</u>	<u>98,124</u>	<u>412,692</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$59,397,542</u>	<u>\$98,124</u>	<u>\$412,692</u>

See Accompanying Notes

Municipality of Monroeville
Statement of Activities
Year Ended December 31, 2004

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Primary Gov't. Govern- mental Activities	Senior Citizens Council	Convention Visitor's Bureau
Governmental Activities					
General Government	\$ 4,491,064	\$ 337,740	\$ (3,938,936)	\$ -	\$ -
Public Safety	9,455,325	217,884	(8,789,688)	-	-
Public Works - Sanitation	1,045,440	-	(483,440)	-	-
Public Works - Highways	3,852,671	493,773	(3,269,717)	-	-
Culture - Recreation	3,312,027	95,878	(2,293,514)	-	-
Conservation and Development	510,657	-	(428,743)	-	-
Interest on Long-Term Debt	657,793	-	(657,793)	-	-
Total Governmental Activities	<u>23,324,977</u>	<u>1,145,275</u>	<u>(19,861,831)</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$2,317,871</u>	<u>\$1,145,275</u>	<u>(19,861,831)</u>	<u>-</u>	<u>-</u>
Component Units					
Senior Citizens Council	\$ 41,889	\$ -	-	(41,889)	-
Convention Visitor's Bureau	548,261	-	-	-	(548,261)
Total Component Units	<u>\$ 590,150</u>	<u>\$ -</u>	<u>-</u>	<u>(41,889)</u>	<u>(548,261)</u>
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes (Net)			4,387,409	-	-
Earned Income Taxes			5,125,025	-	-
Business Privilege & Mercantile Tax			5,767,754	-	-
Hotel/Motel Tax			2,538,671	-	426,928
Other Taxes, Levied for General Purposes (Net)			358,990	879	2,729
Investment Earnings			815,799	68,032	-
Miscellaneous			18,993,648	68,911	429,657
Total General Revenues			<u>(868,183)</u>	<u>27,022</u>	<u>(118,604)</u>
Changes in Net Assets			<u>39,085,449</u>	<u>71,102</u>	<u>531,296</u>
Net Assets - January 1, 2004					
Net Assets - December 31, 2004			<u>\$ 38,217,266</u>	<u>\$ 98,124</u>	<u>\$ 412,692</u>

See Accompanying Notes

**Municipality of Monroeville
Balance Sheet
Governmental Funds
December 31, 2004**

	General Fund	2002 Capital Improve. Fund	Other Govern- mental Funds	Total Govern- mental Funds
ASSETS				
Cash and Cash Equivalents	\$10,981,702	\$ 258,280	\$890,067	\$12,130,049
Investments	9,527,709	-	-	9,527,709
Restricted Cash and Cash Equivalents	567,027	-	-	567,027
Restricted Investments	5,465,206	-	-	5,465,206
Taxes Receivable (Net)	1,895,354	-	-	1,895,354
Due from Other Funds	601,355	140,010	-	741,365
Other Receivables (Net, Where Applicable of Allowance for Uncollectibles)	409,246	-	88,954	498,200
Other Current Assets	<u>7,266</u>	<u>-</u>	<u>-</u>	<u>7,266</u>
TOTAL ASSETS	<u>\$29,454,865</u>	<u>\$ 398,290</u>	<u>\$979,021</u>	<u>\$30,832,176</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Due to Other Funds	\$ -	\$ 603,534	\$137,831	\$ 741,365
Accounts Payable	500,846	210,791	8,882	720,519
Accrued Salaries and Benefits	319,657	-	-	319,657
Returnable Deposits	171,462	-	-	171,462
Unearned Revenues	<u>1,887,204</u>	<u>-</u>	<u>-</u>	<u>1,887,204</u>
Total Liabilities	<u>2,879,169</u>	<u>814,325</u>	<u>146,713</u>	<u>3,840,207</u>
Fund Balances				
Reserve for Encumbrances	501,695	-	-	501,695
Reserve for Retiree Health Insurance Benefits	6,032,233	-	-	6,032,233
Reserve for Fiscal Emergency	83,417	-	-	83,417
Reserve for Capital Projects	-	-	130,074	130,074
Unreserved-Designated for Future Capital Projects	11,081,421	-	-	11,081,421
Unreserved-Undesignated General Fund	8,876,930	-	-	8,876,930
Special Revenue Fund	-	-	702,234	702,234
Capital Projects Fund	<u>-</u>	<u>(416,035)</u>	<u>-</u>	<u>(416,035)</u>
Total Fund Balances	<u>26,575,696</u>	<u>(416,035)</u>	<u>832,308</u>	<u>26,991,969</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$29,454,865</u>	<u>\$ 398,290</u>	<u>\$979,021</u>	<u>\$30,832,176</u>

See Accompanying Notes

Municipality of Monroeville
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
December 31, 2004

Total Fund Balances - Governmental Funds \$ 26,991,969

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$43,372,720, and the accumulated depreciation is \$14,379,832. 28,992,888

Property taxes and earned income taxes receivable will be collected next year but are not available soon enough to pay for the current period's expenditures and therefore, are deferred in the funds. 1,887,204

Deferred charges on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net assets. 313,843

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds Payable	\$(19,190,000)	
Accrued Interest on the Bonds	(51,682)	
Compensated Absences	<u>(726,956)</u>	<u>(19,968,638)</u>

Total Net Assets - Governmental Activities \$ 38,217,266

See Accompanying Notes

Municipality of Monroeville
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2004

	General Fund	2002 Capital Improve. Fund	Other Govern- mental Funds	Total Govern- mental Funds
Revenues				
Taxes	\$18,416,948	\$ -	\$ -	\$18,416,948
Licences and Permits	829,283	-	350,026	1,179,309
Fines and Forfeits	120,904	-	-	120,904
Interest, Rents and Royalties	336,262	16,508	6,220	358,990
Intergovernmental	1,106,352	198,729	493,773	1,798,854
Charges for Services	1,017,658	-	-	1,017,658
Miscellaneous	<u>-</u>	<u>-</u>	<u>2,149</u>	<u>2,149</u>
Total Revenues	<u>21,827,407</u>	<u>215,237</u>	<u>852,168</u>	<u>22,894,812</u>
Expenditures				
Current:				
General Government	3,656,757	-	61,371	3,718,128
Public Safety	8,678,837	-	3,863	8,682,700
Public Works - Sanitation	959,148	-	-	959,148
Public Works - Highways	2,337,873	-	497,829	2,835,702
Culture - Recreation	2,747,465	-	143,532	2,890,997
Conservation and Development	492,765	-	-	492,765
Insurance Premiums	895,783	-	-	895,783
Debt Service:				
Principal	850,000	-	-	850,000
Interest	633,804	-	-	633,804
Capital Outlay	<u>-</u>	<u>2,473,001</u>	<u>22,055</u>	<u>2,495,056</u>
Total Expenditures	<u>21,252,432</u>	<u>2,473,001</u>	<u>728,650</u>	<u>24,454,083</u>
Excess (Deficiency) of Revenues Over Expenditures	574,975	(2,257,764)	123,518	(1,559,271)
Other Financing Sources (Uses)				
Transfers Out	<u>-</u>	<u>848,041</u>	<u>(848,041)</u>	<u>-</u>
Net Change in Fund Balances	574,975	(1,409,723)	(724,523)	(1,559,271)
Fund Balances - January 1, 2004	<u>26,000,721</u>	<u>993,688</u>	<u>1,556,831</u>	<u>28,551,240</u>
Fund Balances - December 31, 2004	<u>\$26,575,696</u>	<u>\$ (416,035)</u>	<u>\$ 832,308</u>	<u>\$26,991,969</u>

See Accompanying Notes

**Municipality of Monroeville
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures
 and Changes in Fund Balances
 to the Statement of Activities
 Year Ended December 31, 2004**

Total Net Change in Fund Balances - Governmental Funds \$(1,559,271)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation in the period.

Depreciation Expense	\$(1,611,637)	
Capital Outlays	2,204,151	
Net Book Value of Assets Retired	<u>(150,366)</u>	442,148

Because some property taxes will not be collected for several months after the Municipality's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred tax revenues decreased by this amount this year.

(598,089)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

850,000

In the statement of activities, certain operating expenses - compensated absences (sick pay and vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for the items are measured by the amount of financial resources used (essentially, the amounts actually paid).

Compensated Absences		44,307
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Net Change in Accrued Interest on the Bonds		1,533
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Municipality of Monroeville
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Year Ended December 31, 2004

Bond issuance costs and bond discounts are reported in the statement of revenues and expenditures of governmental funds as expenditures but are capitalized and amortized over the life of the bonds in the statement of activities.

Amortization of Issuance Costs, Discounts and Deferred Loss on Refunding	\$ <u>(48,811)</u>
Change in Net Assets of Governmental Activities	\$ <u>(868,183)</u>

See Accompanying Notes

Municipality of Monroeville
Statement of Revenues, Expenditures
and Changes in Fund Balance
General Fund
Budget and Actual
Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$16,663,788	\$16,663,788	\$18,416,948	\$1,753,160
Licences and Permits	865,000	865,000	829,283	(35,717)
Fines and Forfeits	81,500	81,500	120,904	39,404
Interest, Rents and Royalties	505,600	505,600	336,262	(169,338)
Intergovernmental	1,465,626	1,465,626	1,106,352	(359,274)
Charges for Services	<u>713,854</u>	<u>733,854</u>	<u>1,017,658</u>	<u>283,804</u>
Total Revenues	<u>20,295,368</u>	<u>20,315,368</u>	<u>21,827,407</u>	<u>1,512,039</u>
Expenditures				
Current:				
General Government	3,417,560	3,449,084	3,656,757	(207,673)
Public Safety	8,639,741	8,552,742	8,678,837	(126,095)
Public Works - Sanitation	1,089,104	1,089,922	959,148	130,774
Public Works - Highways	2,790,667	2,843,904	2,337,873	506,031
Culture - Recreation	2,120,668	2,142,088	2,747,465	(605,377)
Conservation and Development	531,217	531,217	492,765	38,452
Insurance Premiums	877,157	877,157	895,783	(18,626)
Debt Service:				
Principal	850,000	850,000	850,000	-
Interest	<u>632,910</u>	<u>632,910</u>	<u>633,804</u>	(894)
Total Expenditures	<u>20,949,024</u>	<u>20,969,024</u>	<u>21,252,432</u>	<u>(283,408)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(653,656)</u>	<u>(653,656)</u>	<u>574,975</u>	<u>1,228,631</u>
Net Change in Fund Balance	<u>\$ (653,656)</u>	<u>\$ (653,656)</u>	<u>\$574,975</u>	<u>\$1,228,631</u>

See Accompanying Notes

Municipality of Monroeville
Statement of Net Assets
Fiduciary Funds
Pension Trust Fund
December 31, 2004

ASSETS	
Cash and Cash Equivalents	\$ 1,125,833
Investments	<u>18,937,566</u>
TOTAL ASSETS	<u>\$20,063,399</u>
LIABILITIES AND NET ASSETS	
Liabilities	\$ -
Net Assets	
Held in Trust for Pension Benefits	<u>20,063,399</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$20,063,399</u>

See Accompanying Notes

Municipality of Monroeville
Statement of Changes in Net Assets
Fiduciary Funds
Pension Trust Fund
Year Ended December 31, 2004

Additions	
Contributions	
Employer	\$ 711,310
Plan Members	304,551
Commonwealth	<u>471,215</u>
 Total Contributions	 <u>1,487,076</u>
Investment Income	
Net Appreciation (Depreciation) in Fair Value of Investments	1,227,762
Interest and Dividends	<u>586,109</u>
 Net Investment Income	 <u>1,813,871</u>
 Total Additions	 3,300,947
Deductions	
Benefits	1,280,415
Administrative Expenses	<u>71,233</u>
 Total Deductions	 <u>1,351,648</u>
 Change in Net Assets	 1,949,299
 Net Assets - January 1, 2004	 <u>18,114,100</u>
 Net Assets - December 31, 2004	 <u>\$20,063,399</u>

See Accompanying Notes

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The Municipality of Monroeville, Pennsylvania (Municipality), a home rule charter Municipality since May 21, 1974, is located in Allegheny County, Pennsylvania, approximately ten miles east of the City of Pittsburgh. The Municipality, governed by an elected council and mayor, provides the following services as authorized by its home rule charter: public safety, highways and streets, sanitation, culture and recreation, planning and zoning, and general administrative services.

In evaluating the Municipality as a primary government, management has addressed all potential component units. Consistent with applicable guidance, the criteria used by the Municipality to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given situation, the Municipality reviews the applicability of the following criteria:

The Municipality is financially accountable for:

Organizations that make up the legal municipal entity.

Legally separate organizations if the Municipal Commission appoints a voting majority of the organizations' governing body and the Municipality is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Municipality.

Council

Impose its Will - If the Municipality can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.

Financial Benefit or Burden - Exists if the Municipality (1) is entitled to the organization's resources, (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization, or (3) is obligated in some manner for the debt of the organization.

Organizations that are fiscally dependent on the Municipality. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the Municipality.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (Cont'd)

A. Reporting Entity (Cont'd)

Each discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Each discretely presented component unit has a December 31 year-end.

Discretely Presented Component Units

Monroeville Council of Senior Citizens, Inc.

The Monroeville Council of Senior Citizens, Inc. (Senior Council) was formed to provide a varied program of senior citizens-related activities based upon the needs of Monroeville senior citizens. The Senior Council is made up of eighteen (18) voting representatives from each of the senior citizens' organizations housed within the Municipal Senior Citizen Center along with one non-voting representative from Municipal Council. Annually, the Senior Council shall submit an annual financial plan as well as plans for the upcoming year to Municipal Council for approval. The Municipality approves all major activities of the Senior Council. Separate financial statements are not issued.

Convention Visitor's Bureau of Greater Monroeville

The Convention Visitor's Bureau of Greater Monroeville (Bureau) is a non-profit organization designed to stimulate and increase the volume of conventions and visitors within the Municipality. The Bureau's Board consists of five voting members appointed independently of the Municipal Council and four ex-officio members, which are appointed by Municipal Council. The Bureau, via a Municipal ordinance, is the designated agent of the Municipality for use of Allegheny County Hotel/Motel tax funds. Annually, the Bureau's Board submits a financial plan to Municipal Council for approval. Monthly invoices are submitted for Municipal Council approval as well. Separate financial statements are not issued.

Other

The Monroeville Hospital Authority and Monroeville Municipal Authority are related organizations of the Municipality because the Municipal Council appoints the majority of the governing body of each of these entities. However, the Municipality is not financially obligated for, nor does it financially benefit from, the activities of these entities.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (Cont'd)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Municipality and its component units. The effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The Municipality has no business-type activities. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a particular function or segment. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds (the General Fund and 2002 Capital Improvement Fund) are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes, net of any uncollectible amounts, are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within a current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Municipality considers revenues to be available if they are collected by the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Property and earned income taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period.

Deferred revenue reported on the governmental funds balance sheet arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Municipality before it has legal claim to them, as when intergovernmental funds are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Municipality has a legal claim to the resources, the liability for the deferred revenue is removed as a liability and the revenue is recognized.

Governmental Funds

The Municipality presents the following major governmental funds:

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

The *2002 Capital Improvements Fund - Capital Projects Fund* is used to account for expenditures related to the Municipality's capital improvements program. Funds for this project were received from the issuance of a series of 2002 general obligation bonds.

Additionally, the Municipality reports the following fund types as Other Governmental Funds:

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Governmental Funds (Cont'd)

The *Special Revenue Funds* are used to account for the proceeds of certain revenue sources that are legally restricted to expenditures for specified purposes.

The *Capital Projects Funds* are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Fund

The *Police Pension Fund* is used to account for assets held by the Municipality in a trustee capacity. The Police Pension Fund is accounted for by periodic determination of revenues earned, expenses incurred, and/or net income, since capital maintenance is critical.

D. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Municipality.

E. Investments

Investments are reported at fair value. Funds are invested in accordance with the Municipality's investment policy guidelines as described in Note 2.

F. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide financial statement of net assets but are not reported in the fund financial statements. In accordance with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, infrastructure has been retroactively capitalized.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (Cont'd)

F. Capital Assets (Cont'd)

All capital assets are capitalized at cost. The Municipality maintains a capitalization threshold of \$5,000 for all capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

All reported capital assets, except for land and construction-in-progress, are depreciated. Depreciation is computed using the straight-line method, over the following useful lives:

Assets	Years
Land Improvements	20-30
Buildings and Improvements	7-100
Infrastructure	8-50
Machinery, Equipment, Furniture and Vehicles	3-20

Depreciation expense is allocated among the expense program functions.

G. Compensated Absences

Under the terms of the collective bargaining agreement between the Municipality and the Monroeville Police bargaining unit, officers are allowed to accumulate compensatory time up to a maximum of 480 hours. Accumulated compensatory time may be taken at the time of an officer's retirement or he may elect to receive compensation totaling the dollar value of accumulated compensatory time. In addition, the police officers, as well as the Municipal employees, are entitled to be paid for any unused sick days at a rate of between \$50-\$100 per day upon termination. Accumulated benefits for compensatory time and for unused sick days are accrued and reported on the government-wide financial statements.

H. Interfund Activity in the Government-Wide Financial Statements

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Municipality's governmental funds and its component units. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (Cont'd)

I. Interfund Transactions

Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. These advances (reported in "Due from" asset accounts) are considered "available spendable resources".

J. Revenue Classification on Government-Wide Statement of Activities

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided and rents; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other revenue sources not properly included with program revenues are reported as general revenues. When both restricted and unrestricted resources are available for use, it is the Municipality's policy to use restricted resources first, then unrestricted resources as they are needed.

K. Budgets and Budgetary Accounting

Annual appropriated budgets are adopted for the General Fund and two Special Revenue Funds (Highway Aid and Cable Television). Budgetary control for the Pension Trust Fund is maintained by the provisions of the funds as implemented by its respective governing board. The Police Asset Seizure Fund activity is governed by the federal and state provisions imposed on those funds. The Sidewalk Fund is governed by the ordinance that established the fund. The Northern Pike Improvements Fund is governed by the development agreement that funded the project. The 1996 and 1999 Capital Improvement Funds and 2002 Capital Improvements Fund are governed by the debt agreements that funded those projects. Regarding the discrete component units, each passes a "flexible budget" which is not a legally appropriated operating budget.

The Municipality uses the following procedures in establishing the budgetary data reflected in the financial statements as prescribed in the Municipality's Home Rule Charter:

At least 45 days prior to the beginning of each fiscal year, the Manager shall submit to the Members of Council (Council) a proposed budget for the ensuing fiscal year and an accompanying message.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (Cont'd)

K. Budgets and Budgetary Accounting (Cont'd)

Council shall publish within a period of eight days of receipt from the Municipal Manager, in one or more newspapers of general circulation in the Municipality, a general summary of the budget and a notice that the proposed budget is available for public view, also stating the times and places where copies of the budget and the message are available to the public and the times and places of the required public hearing on the budget and such other public hearings as the Council may decide to hold.

Council shall hold a minimum of two public hearings on the budget at which time residents of the Municipality may express their views on the proposed budget. The first such hearing shall not be less than 14 days nor more than 21 days after the date of publication. The second public hearing shall not be less than seven days nor more than 14 days after the first hearing.

Council shall adopt the budget as presented or amended, by ordinance on or before the 31st day of the twelfth month of the fiscal year currently ending.

Council may amend the budget by ordinance during the fiscal year for which the budget was adopted as long as the amendment does not result in expenditures exceeding available resources. The budget information presented encompasses all budget amendments. Any excess appropriation lapses at the end of the fiscal year. Management may authorize expenditures in excess of appropriations within a fund without making formal budget transfers as long as expenditures do not exceed available resources. Therefore, the measurement level of control over expenditures for all budgeted funds is the surplus or deficit of the fund as a whole.

L. Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (Cont'd)

L. Equity Classifications (Cont'd)

Restricted net assets - consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets net of related debt".

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved with unreserved further split between designated and undesignated. See Note 9 for additional disclosures.

Note 2 - Deposits and Investments

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U. S. Treasury bills, other short-term U. S. and Pennsylvania government obligations, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes.

In addition to the investments authorized for governmental funds, fiduciary fund investments may also be made in corporate stocks and bonds, real estate and other investments consistent with sound business practice.

The deposit and investment policy of the Municipality adheres to state statutes and prudent business practice. Deposits of the governmental funds are either maintained in demand deposits, highly liquid money market funds or in the Pennsylvania Local Government Investment Trust (PLGIT) as cash in the balance sheet. The PLGIT deposits are reflected on the Municipality's balance sheet as cash but for purposes of disclosure under GASB-3, are considered noncategorizable investments. Investments are reported at fair value. Fair value is based on quoted market prices. Securities traded on a national or international exchange are

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 2 - Deposits and Investments (Cont'd)

valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. There were no deposit or investment transactions during the year that were in violation of either their state statutes or the policy of the Municipality.

Deposits

At December 31, 2004, the deposits (cash and money market instruments) of the Municipality, can be categorized to indicate the level of risk assumed.

Category 1 - Insured or collateralized with securities held by the government or its agent in the government's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the government's name.

Category 3 - Uncollateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the entity's name.

	Category 1	Category 2	Category 3	Bank Balance	Carrying Amount
Primary Government Demand Deposits	<u>\$274,228</u>	<u>\$ -</u>	<u>\$8,582,988</u>	<u>\$8,857,216</u>	<u>\$8,449,023</u>
Discretely Presented Component Units					
Monroeville Council of Senior Citizens	<u>\$ 97,133</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,133</u>	<u>\$ 97,024</u>
Convention Visitor's Bureau	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 5,713</u>	<u>\$ 105,713</u>	<u>\$ 46,354</u>

Included in the Convention Visitor's Bureau balance sheet cash amount is \$110,320 of cash equivalents invested with PLGIT, as described below, not subject to risk categorization.

Investments

The Municipality's investments are classified into three categories to give an indication of the level of risk assumed by the Municipality at year end:

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2004**

Note 2 - Deposits and Investments (Cont'd)

Investments (Cont'd)

Category 1 - Insured, registered, or securities held by the government or its agent in the government's name.

Category 2 - Uninsured and unregistered, with securities held by the counterparty or its trust department or agent in the government's name.

Category 3 - Uninsured and unregistered, with securities held by the counterparty or its trust department or agent but not in the government's name.

	Category 1	Category 2	Category 3	Carrying Amount	Fair Value
Primary Government					
U. S. Government Securities	\$ -	\$14,992,915	\$ -	\$14,992,915	\$14,992,915
Not Subject to Risk					
Categorization					
PLGIT	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,248,053</u>	<u>4,248,053</u>
	<u>\$ -</u>	<u>\$14,992,915</u>	<u>\$ -</u>	<u>\$19,240,968</u>	<u>\$19,240,968</u>

The Pennsylvania Local Government Investment Trust (PLGIT) was established as a common law trust, organized under laws of the Commonwealth of Pennsylvania and the provision of the Intergovernmental Cooperation Act. Shares of the Fund are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools and municipalities. The purpose of the Fund is to enable such governmental units to pool their available funds for investments. The Trust is governed by an elected board of trustees who are responsible for the overall management of the Trust. The trustees are elected from the several classes of local governments participating in the Trust. The Trust is audited annually by independent auditors. PLGIT is rated AAAM by Standard and Poor's. PLGIT operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. PLGIT uses amortized cost to report net assets to compute share prices. PLGIT maintains a net asset value of \$1 per share. Accordingly, the fair value of the position in PLGIT is the same as the value of the PLGIT shares.

The Pension Trust Fund's investments are held separately from those of other Municipal funds. The Police Pension Committee determines the investment managers of the Police Pension Plan. The Council and investment managers meet periodically with the trustees to

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 2 - Deposits and Investments (Cont'd)

Investments (Cont'd)

discuss the general categories of investments to be made. Currently, the investments agreed upon are pooled investment trusts and equity securities. Investments were consistent with those authorized. The Pension Trust Fund's cash and investments, which are carried at fair value, are not categorized, as they are held in pools managed by others, which are not evidenced by specific securities.

Following is information related to the composition of the Pension Trust Fund's investments at December 31, 2004:

	At Fair Value
Police Pension Trust Fund	
Collective Pooled Funds	
Money Market	\$1,125,833
Common Stock	8,425,452
Mutual Funds	2,334,186
Municipal Bonds	1,170,331
Factorable Securities	6,887,597
Corporate Bonds	<u>120,000</u>
	<u>\$20,063,399</u>

Note 3 - Property Taxes

The Municipality is permitted by the Home Rule Charter and the State of Pennsylvania to levy property taxes at the Municipality's discretion as considered necessary for general government services or payment of principal and interest on long-term debt. The tax rate to finance general government services for the year ended December 31, 2004, was \$2.20 per \$1,000 of assessed valuation. Total assessed value was approximately \$2 billion, at 100% market value.

Property taxes are declared delinquent on February 28th of the following year. At December 31, 2004, total property taxes receivable, including delinquent and lien, was \$590,519 of which \$147,630 has been provided as uncollectible.

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2004**

Note 3 - Property Taxes (Cont'd)

The property tax calendar for 2004 was as follows:

2004 Millage Rate Adopted	December 9, 2003
2004 Bills Dated	March 1, 2004
2004 Two Percent Discount Period Ended	April 30, 2004
2004 Penalty Period Begun	July 1, 2004
2003 Delinquent Property Tax Bills Liened	July 1, 2004
2004 Property Taxes not paid to be Declared Delinquent	February 28, 2005

Note 4 - Other Receivables

Other receivables consist of the following items:

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Reimbursable Expenditures	\$180,163	\$ -
Host Municipality Fees	107,075	-
Cable TV Franchise Fees	-	88,954
Miscellaneous	<u>122,008</u>	<u>-</u>
	<u>\$409,246</u>	<u>\$88,954</u>

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2004 was as follows:

	Balance 01/01/04	Additions	Disposals	Transfers	Balance 12/31/04
Governmental Activities					
Capital Assets, Not Being Depreciated					
Land	\$ 7,979,198	\$ 123,267	\$ -	\$ -	\$ 8,102,465
Construction in Progress	<u>200,000</u>	<u>534,678</u>	<u>-</u>	<u>(734,678)</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>8,179,198</u>	<u>657,945</u>	<u>-</u>	<u>(734,678)</u>	<u>8,102,465</u>

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 5 - Capital Assets (Cont'd)

	Balance 01/01/04	Additions	Disposals	Transfers	Balance 12/31/04
Capital Assets, Being Depreciated					
Land Improvements	\$ 2,413,104	\$ -	\$ -	\$ -	\$ 2,413,104
Buildings & Building Improvements	10,535,279	31,837	-	734,678	11,301,794
Machinery & Equipment	3,026,089	114,800	38,760	-	3,102,129
Vehicles	6,116,290	198,777	284,519	-	6,030,548
Infrastructure	<u>11,358,231</u>	<u>1,200,792</u>	<u>136,343</u>	<u>-</u>	<u>12,422,680</u>
Total Capital Assets, Being Depreciated	<u>33,448,993</u>	<u>1,546,206</u>	<u>459,622</u>	<u>734,678</u>	<u>35,270,255</u>
Less Accumulated Depreciation					
Land Improvements	476,639	117,871	-	-	594,510
Buildings & Building Improvements	2,865,074	360,774	-	-	3,225,848
Machinery & Equipment	1,729,859	222,458	36,193	-	1,916,124
Vehicles	2,371,877	382,094	191,791	-	2,562,180
Infrastructure	<u>5,634,002</u>	<u>528,440</u>	<u>81,272</u>	<u>-</u>	<u>6,081,170</u>
Total Accumulated Depreciation	<u>13,077,451</u>	<u>1,611,637</u>	<u>309,256</u>	<u>-</u>	<u>14,379,832</u>
Governmental Activities Capital Assets, Net	<u>\$28,550,740</u>	<u>\$ 592,514</u>	<u>\$150,366</u>	<u>\$ -</u>	<u>28,992,888</u>

The Municipality elected retroactive reporting of infrastructure in the year ended December 31, 2003, the year of implementation of GASBS No. 34.

Depreciation expense for general fixed assets and infrastructure was allocated to the various functions as follows:

General Government	\$ 294,305
Public Safety	252,181
Public Works	
Sanitation	59,046
Highways and Streets	667,283
Culture - Recreation	332,392
Conservation & Development	<u>6,430</u>
	<u>\$1,611,637</u>

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 6 - Bonds Payable and Other Long-Term Liabilities

The following summarizes the Municipality's long-term debt transactions for the year ended December 31, 2004:

	<u>General Obligation Bonds</u>	<u>Compensated Absences</u>
Beginning of the Year	\$20,040,000	\$771,263
Increase	-	15,505
Retirements	<u>(850,000)</u>	<u>(59,812)</u>
End of the Year	<u>\$19,190,000</u>	<u>\$726,956</u>
Current Portion	<u>\$ 1,390,000</u>	<u>\$ 36,348</u>

Bonds Payable at December 31, 2004 are composed of the following issues:

General Obligation Bonds:

Series of 1999 nontaxable due in annual installments on June 1 through 2006; ranging from \$5,000 to \$1,200,000; interest (at rates ranging from 3.75% to 4.00%) is payable semi-annually on June 1 and December 1.	\$ 710,000
Series 2002 nontaxable due in annual installments on June 1 through 2016; ranging from \$5,000 to \$1,875,000; interest (at rates ranging from 3.3% to 4.70%) is payable semi-annually on June 1 and December 1.	7,155,000
Series 2003 nontaxable due in annual installments on June 1 through 2012; ranging from \$105,000 to \$440,000; interest (at rates ranging from 2.0% to 2.85%) is payable semi-annually on June 1 and December 1.	3,250,000
Series 2003A nontaxable due in annual installments on June 1 through 2012; ranging from \$405,000 to \$1,210,000; interest (at rates ranging from 1.1% to 3.10%) is payable semi-annually on June 1 and December 1.	<u>8,075,000</u>
	<u>\$19,190,000</u>

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 6 - Bonds Payable and Other Long-Term Liabilities (Cont'd)

The annual requirements to amortize bonded debt outstanding are as follows:

Year Ended December 31,	Principal	Interest	Totals
2005	\$ 1,390,000	\$ 605,402	\$ 1,995,402
2006	1,420,000	574,294	1,994,294
2007	1,455,000	544,163	1,999,163
2008	1,485,000	514,650	1,999,650
2009	1,520,000	480,798	2,000,798
2010-2014	8,305,000	1,681,397	9,986,397
2015-2016	<u>3,615,000</u>	<u>165,795</u>	<u>3,780,795</u>
	<u>\$19,190,000</u>	<u>\$4,566,499</u>	<u>\$23,756,499</u>

The future annual payments listed above are to be funded entirely by the General Fund.

In prior years, the Municipality defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Municipality's financial statements. At December 31, 2004, \$8,095,000 of bonds outstanding are considered defeased.

Note 7 - Summary of Expenditures Over Appropriations

In the General Fund, actual expenditures exceeded appropriations by \$283,408. Sufficient fund balance was available to cover excess expenditures.

Note 8 - Interfund Balances and Transfers

Interfund balances at December 31, 2004 were as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$601,355	\$ -
2002 Capital Improvements	140,010	603,534
Nonmajor - Cable Television	<u>-</u>	<u>137,831</u>
	<u>\$741,365</u>	<u>\$741,365</u>

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 8 - Interfund Balances and Transfers (Cont'd)

Balances resulted from the time lag between dates that: (1) interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made. All balances are expected to be paid within one year.

Transfer of funds were made during the year ended December 31, 2004 from the Cable Television Fund to the 2002 Capital Improvements Fund in the amount of \$848,041. The transfer represents the portion of the cable television franchise fees received that were restricted for capital purposes as per the covenants of the franchise agreement.

Note 9 - Fund Balance Reservations and Deficits

The fund balance reservation for retired employees' health care benefits in the General Fund was established to comply with an ordinance passed by the Municipality to restrict this amount to be used as needed for current and future retirees. The Municipality originally set aside \$6,000,000 in a separate account in 2004 for these benefits, the balance as of December 31, 2004 was \$6,032,233. The cash and investments are reported as restricted on the Municipality's financial statements.

The fund balance deficit as of December 31, 2004 in the 2002 Capital Improvements Fund of \$416,035 will be funded from transfers from the General Fund in 2004.

Note 10 - Pension Plans

Plan Description and Eligibility

The Municipality administers two defined benefit pension plans covering full-time employees, the Non-Uniform Pension Plan and the Police Pension Plan (Plans). Both Plans operate under the authority of various Municipal ordinances. The Non-Uniform Pension Plan is affiliated with the Pennsylvania Municipal Retirement System (PMRS), an agent multiple-employer plan, and the Police Pension Plan is a single-employer plan. Plan provisions are established by Municipal ordinance with the authority for Municipal contributions required by Act 205 of the Commonwealth (Act). Both receive bi-annual actuarial valuations. The Police Pension Plan does not issue stand-alone financial statements. PMRS issues a publicly available financial report that includes financial statements and required supplementary information. That report can be obtained by writing PMRS at P. O. Box 1165, Harrisburg, PA, 17108.

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2004**

Note 10 - Pension Plans (Cont'd)

Plan Description and Eligibility (Cont'd)

Any member of the police force employed on a full-time basis by the Municipality is eligible to participate in the Police Pension Plan. A police officer has a vested right to pension benefits upon having completed 12 years of service. Eligibility for the normal retirement benefit is the later of attainment of age 55 or 25 years of service. The monthly pension benefit is 50% of the participant's average monthly earnings during the highest 36-month period of employment prior to retirement. The Police Pension Plan also provides for disability benefits, for total and permanent disablement, following the completion of one year of service. The monthly disability benefit is a percentage of the final average wage at the date of disablement based on years of service. If the disablement is service related, the benefit is 50% of the final average wage. In the event of death before retirement eligibility, contributions are refunded with credited interest.

Employees of the Municipality who are full-time and not covered by another Pension Plan are eligible to participate in the Non-Uniform Pension Plan after six months of continuous service. Pension benefits become vested after the completion of 10 years of service. Eligibility for the normal retirement benefit is age 65, or if hired prior to September 1, 1982, an employee may retire with 20 years of service regardless of age. The pension benefit formula is based upon 2% per year of service of the Final Average Salary (FAS - average salary for last three years). The maximum benefit is limited to 50% of FAS. A member may select a reduced joint annuitant benefit at retirement. Otherwise, the present value of the accrued benefit will be paid to the beneficiary if an active member is eligible for retirement at the time of death. A disability benefit is provided in the Plan. If the disability is service related, the benefit is 50% of FAS. For non-service related disability with ten years of service, the benefit is 30% of FAS.

Under the terms of the Plans, police employees are required to contribute ^{6%} ~~6%~~ of their total earnings; the non-uniform employees are required to contribute ^{5%} ~~5%~~ of compensation if hired after September 1, 1982 or 6% if hired before September 1, 1982.

At January 1, 2003 the date of the most recent valuation, participants in the Plans were as follows:

	<u>Non-Uniform</u>	<u>Police</u>
Participants		
Retirees and Beneficiaries	74	33
Deferred Vested	1	-
Active Employees		
Vested	50	33
Non-vested	55	19

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 10 - Pension Plans (Cont'd)

Summary of Significant Accounting Policies

Investments of the Non-Uniform Pension Plan are reported at fair value and are managed by the Pennsylvania Municipal Retirement System (PMRS). Information regarding the financial activities and financial position of the plan are prepared by PMRS and are available through the Municipality administrative offices.

Financial information of the Municipality's Police Plan is presented on the accrual basis of accounting. Employer contributions to the plan are recognized when due as required by the Act. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments of the Police Plan are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. At December 31, 2004, there were no investments in securities of a single organization that constituted more than 5% of any of the plan net assets available for benefits in either plan.

Contributions and Funding Policy

The Act required that annual contributions be based upon the calculation of the Minimum Municipal Obligation (MMO). The MMO calculation is based upon the biennial actuarial valuation. Employees are not required to contribute under the Act; such contributions are subject to collective bargaining. The Commonwealth allocates certain funds to assist in pension funding. Any financial requirement established by the MMO, which exceeds the Commonwealth allocation, must be funded by the Municipality (and could include employee contributions).

The 2004 MMO obligations (contributed to the Plans through a combination of Commonwealth and Municipal funding) for the Non-Uniform Plan and Police Plan were \$322,521 (6% of covered payroll) and \$1,182,525 (24% of covered payroll), respectively. Employee contributions for the Non-Uniform Plan and Police Plan were \$319,088 (6% of covered payroll) and \$304,551 (6% of covered payroll), respectively.

Administrative costs, including investment, custodial trustee, and actuarial services are charged to the appropriate plan and funded from investment earnings.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 10 - Pension Plans(Cont'd)

Contributions and Funding Policy (Cont'd)

The Municipality's annual pension cost and related information for each plan is as follows:

	<u>Non-Uniform</u>	<u>Police</u>
Annual Pension Cost	\$322,521	\$1,182,525
Contributions Made	322,521	1,182,525
Actuarial Valuation Date	1/1/2003	1/1/2003
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar Closed	Level Dollar Closed
Asset Valuation Method	Market	Smoothing
Amortization Period	14.97 Years	11 Years
Actuarial Assumptions		
Investment Rate of Return	6.50%	7.50%
Projected Salary Increases	5.20%	6.00%
Underlying Inflation Rate	N/A	3.00%
Post-Retirement Benefit Increases	None	None

N/A = no inflation rate adjustment available

For each plan, the Municipality's net pension obligation at transition to GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, was determined to be zero and continues to approximate zero at December 31, 2004.

Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
Non-Uniform	12/31/02	\$394,691	100.0%	\$ -
	12/31/03	293,380	100.0%	-
	12/31/04	322,521	100.0%	-
Police	12/31/02	885,499	100.0%	-
	12/31/03	1,106,775	100.0%	-
	12/31/04	1,182,525	100.0%	-

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 11 - Post Employment Benefits

In addition to the pension benefits described in Note 10, the Municipality provides post-retirement health care and life insurance benefits in accordance with various bargaining agreements and ordinances. The Municipality provides to substantially all full-time employees the following:

Health Care - Hospitalization coverage shall be afforded to those employees retiring after 25 years of service or, 10 years of service and attaining age 62. This benefit shall remain available up to attainment of age 65 or when the employee becomes eligible for Medicare. In addition, police officers only are provided a "65 Special" hospitalization plan beginning at Medicare age. Spouses of retired or deceased Municipal police officers shall receive hospitalization coverage until age 65 or Medicare eligibility coverage, and those spouses reaching Medicare eligibility will also receive "65 Special".

Life Insurance - Upon retirement, all employees with at least 15 years of service shall be covered by retirement life insurance. The amount of insurance is \$6,000/\$15,000 for general employees and police officers coverage is \$10,000.

The cost to the Municipality for the post-employment benefits described above for the year ended December 31, 2004 was approximately \$543,000 and \$6,000 for health insurance and life insurance coverage, respectively. The total number of currently eligible retirees was 85 for health benefits and 99 for life insurance benefits. The Municipality records related expenses in the General Fund as incurred.

Note 12 - Contingencies and Commitments

Contingencies

Various claims and lawsuits are pending against the Municipality. The ultimate outcome of these claims and lawsuits cannot presently be determined and, accordingly, no provision for amounts arising from these potential settlements has been made in these financial statements. In the opinion of management and legal counsel, the effect on the financial statements of the other potential losses on any claim and/or lawsuit should not be material.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2004

Note 13 - Risk Management

The Municipality is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not significantly exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from the prior year. The Municipality also purchases commercial insurance for its employees health and accident insurance coverage.

Note 14 - Joint Venture

Eastern Regional Communication 9-1-1 Center (ERC) is a joint venture that was formed in 1998 under the provisions of the Intergovernmental Cooperation Act and began operations as of July 1, 1998. ERC is organized to provide emergency communication and dispatch services to its participating Pennsylvania municipalities in the Eastern Region of Allegheny County. The governing body of ERC is its Board of Directors, which is comprised of one delegate from each of its nine-member municipalities. Since no individual entity has control, ERC is not considered a component unit of any one member.

ERC meets the criteria for a joint venture as it is an organization that results from a contractual arrangement that is owned by two or more participants as a separate and specific activity subject to joint control, in which participants retain an on-going financial responsibility.

The Municipality is responsible for a pro-rata share of net expenses incurred by this entity which could not be met with existing resources. The Municipal contribution for 2004 was approximately \$359,000. The Municipality has no equity interest in ERC.

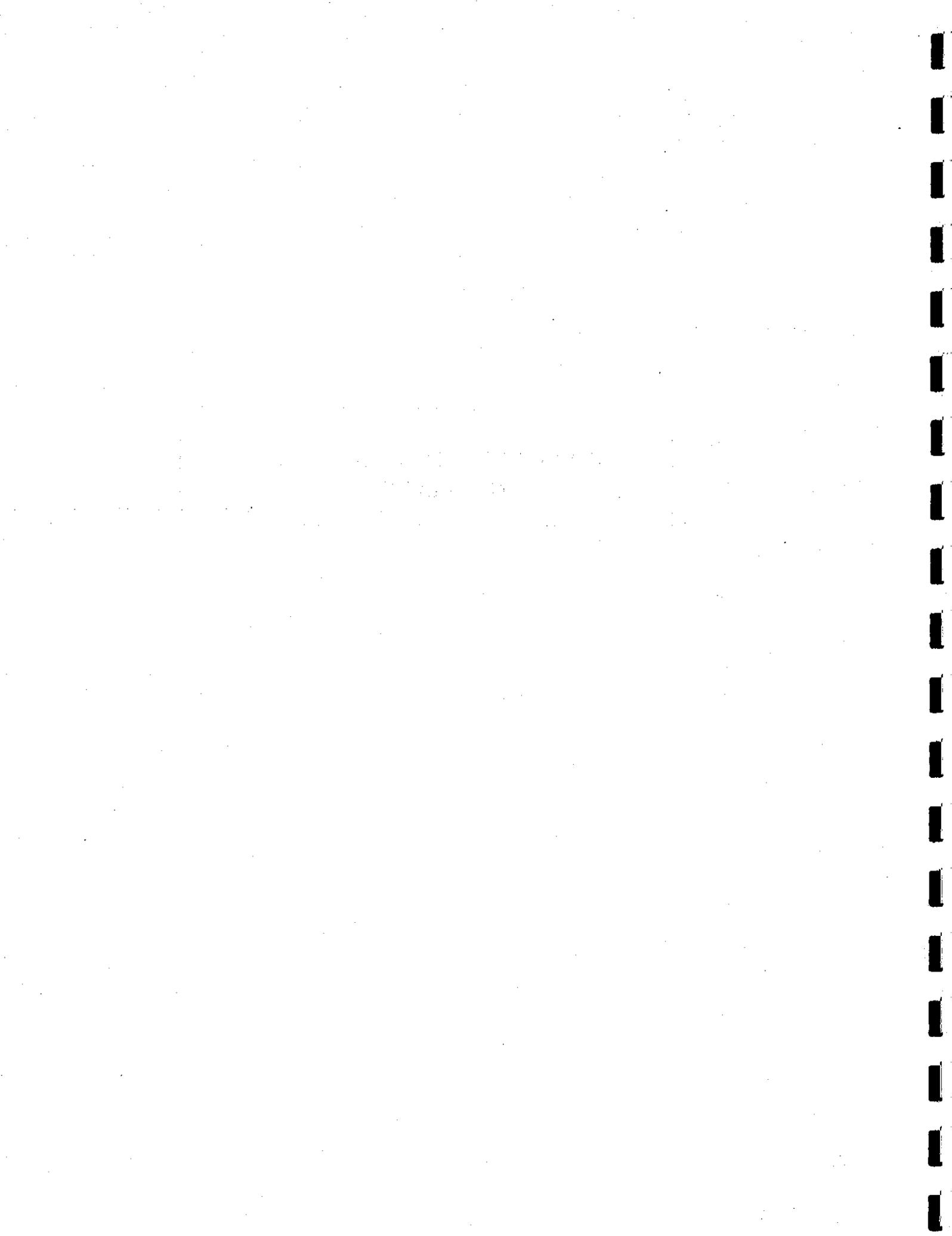
ERC issues separate financial statements that are available at its office located at 2700 Monroeville Boulevard, Monroeville, PA 15146-2388.

ERC also leases office space and uses administrative and data processing services provided by the Municipality for \$1,000 per month and \$2,500 per month, respectively.

Note 15 - Construction Commitment

As of December 31, 2004 the Municipality had construction commitments in the amount of approximately \$500,000 for the safety training center project. It is anticipated this project will be completed in 2005.

**REQUIRED SUPPLEMENTARY
INFORMATION**



**Municipality of Monroeville
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2004**

1. Schedules of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Non-Uniform		Funded Ratio	Covered Payroll	Excess (Deficiency) as a % of Covered Payroll
			Actuarial (Deficiency) of Assets Over (Under) AAL	Police			
01/01/99	\$14,602,302	\$15,101,090	\$ (498,788)		96.70%	\$4,484,000	(11.12%)
01/01/01	19,125,000	18,705,560	419,440		102.24%	4,357,000	10%
01/01/03	20,578,932	21,923,720	(1,344,788)		93.87%	4,583,417	(29.34%)
Police							
01/01/99	16,038,281	19,356,210	(3,317,929)		82.86%	3,752,000	(88.43%)
01/01/01	16,387,021	21,414,219	(5,027,198)		76.52%	3,972,000	(126.57%)
01/01/03	15,318,494	24,281,114	(8,962,620)		63.09%	4,643,254	(193.02%)

Note: State law requires biennial valuations on the odd numbered years; the actuarial reports of 01/01/05 were not available as of the date of this report.

**Municipality of Monroeville
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2004**

2. Schedules of Employer's and Other Contributions

Year Ended December 31,	<u>Non-Uniform</u>		<u>Police</u>	
	Annual Required Contributions	Percentage Contributed	Annual Required Contributions	Percentage Contributed
1999	\$327	100%	\$ 802	100%
2000	\$322	100%	809	100%
2001	\$399	100%	910	100%
2002	\$395	100%	885	100%
2003	\$293	100%	1,107	100%
2004	\$322	100%	1,182	100%

Note: Contributions include state pension aid.

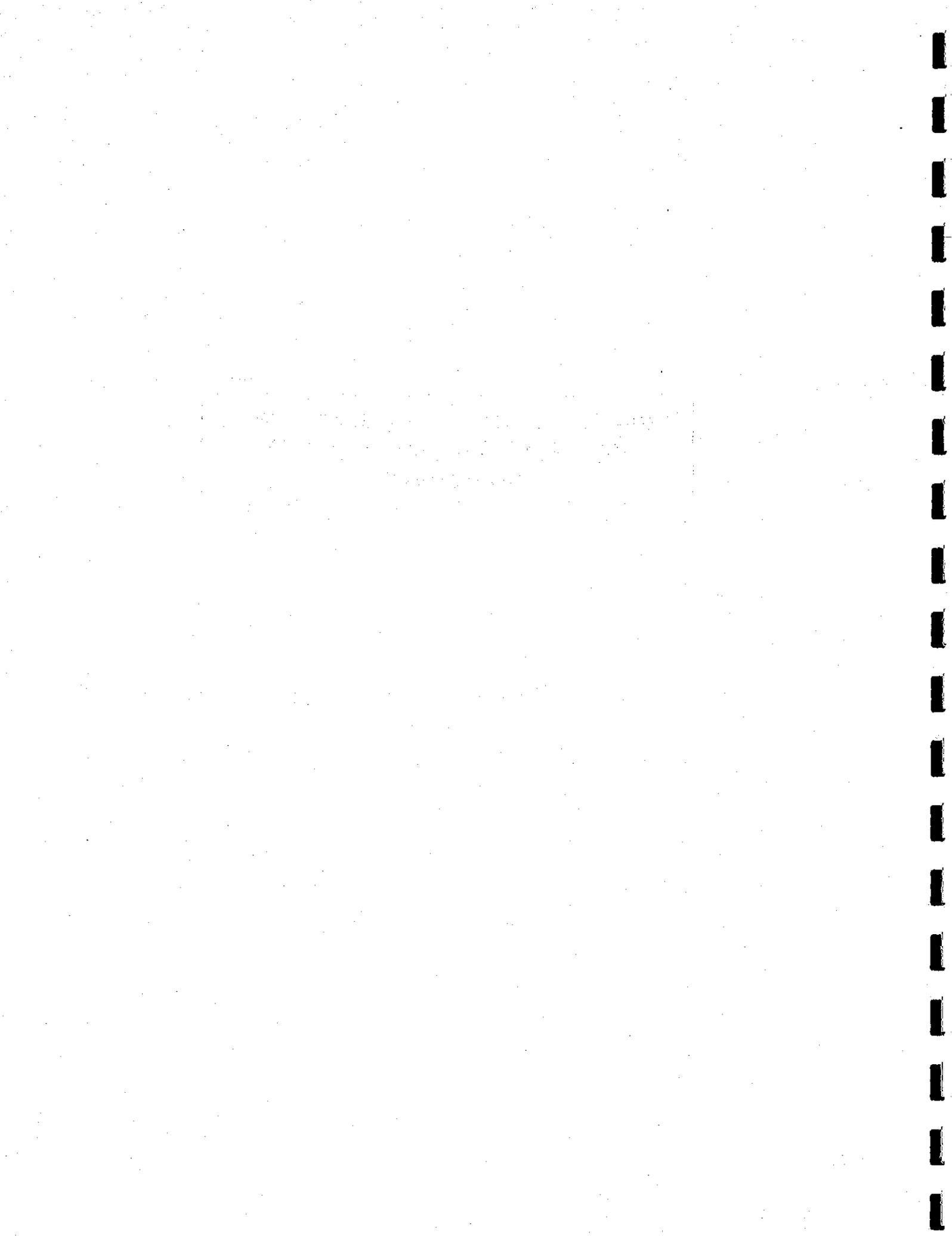
3. Notes to Required Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	<u>Non-Uniform</u>	<u>Police</u>
Actual Valuation Date	January 1, 2003	January 1, 2003
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar Closed	Level Dollar Closed
Asset Valuation Method	Market	Smoothing
Amortization Period	14.97 years	11 years
Actuarial Assumptions		
Investment Rate of Return	6.50%	7.50%
Projected Salary Increases	5.20%	6.00%
Underlying Inflation Rate	N/A	3.00%
Postretirement Benefit Increases	None	None

N/A = no inflation rate adjustment

**COMBINING AND INDIVIDUAL FUNDS
FINANCIAL STATEMENTS AND
SCHEDULES**



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Highway Aid Fund - Used to account for revenues from the Commonwealth of Pennsylvania based on an allocation of its Liquid Fuels Tax. Such revenues are restricted to be used for highways and streets.

Cable Television Fund - Used to account for revenues from the contract to provide cable television services to residents of the Municipality. The revenues are restricted to be used to fund the public access channel operated by the Municipality.

Police Asset Seizure Fund - Used to account for the proceeds of the federal asset seizure program awarded to the Monroeville Police Department. All proceeds must be used for Police Department activities.

Sidewalk Fund - Used to account for the revenues from certain developments in the Municipality as described by Municipal ordinances. The revenues received shall be used to fund sidewalks in various locations in this Municipality.

CAPITAL PROJECTS FUNDS

1996 Capital Improvements Fund - Used to account for expenditures related to the Municipality's capital improvements program. Funds for the program are usually received from transfers from the General Fund.

Northern Pike Improvements Fund - Used to account for expenditures related to the improvements of the Northern Pike. These improvements will be funded partially from transfers from the General Fund and private contributions.

1999 Capital Improvements Fund - Used to account for expenditures related to the Municipality's capital improvements program. Funds for this project were received from the issuance of a Series of 1999 General Obligation Bonds.

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**Municipality of Monroeville
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004**

	Special Revenue Funds				Capital Projects Funds	Total Nonmajor Governmental Funds
	Highway Aid Fund	Cable Television Fund	Police Asset Seizure Fund	Side- walk Fund	Northern Pike Improvements Fund	
ASSETS						
Cash and Cash Equivalents	\$705	\$683,833	\$75,455	\$2,000	\$128,074	\$890,067
Other Receivables (Net, Where Applicable of Allowance for Uncollectibles)	-	88,954	-	-	-	88,954
TOTAL ASSETS	<u>\$705</u>	<u>\$772,787</u>	<u>\$75,455</u>	<u>\$2,000</u>	<u>\$128,074</u>	<u>\$979,021</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Due to Other Funds	\$ -	\$137,831	\$ -	\$ -	\$ -	\$137,831
Accounts Payable	-	8,882	-	-	-	8,882
Total Liabilities	-	146,713	-	-	-	146,713
Fund Balances						
Reserve for Capital Projects	-	-	-	2,000	128,074	130,074
Unreserved - Undesignated	705	626,074	75,455	-	-	702,234
Total Fund Balances	705	626,074	75,455	2,000	128,074	832,308
TOTAL LIABILITIES AND FUND BALANCES	<u>\$705</u>	<u>\$772,787</u>	<u>\$75,455</u>	<u>\$2,000</u>	<u>\$128,074</u>	<u>\$979,021</u>

Municipality of Monroeville
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2004

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
	Highway Aid Fund	Cable Television Fund	Police Asset Seizure Fund	Sidewalk Fund	1996 Capital Improvements Fund	Northern Pike Improvements Fund	1999 Capital Improvements Fund	
Revenues								
Licenses & Permits	\$ -	\$ 350,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,026
Interest, Rents & Royalties	4,451	-	116	-	190	-	67	6,220
Intergovernmental	493,773	-	-	-	-	1,396	-	493,773
Miscellaneous	-	149	-	2,000	-	-	-	2,149
Total Revenues	<u>498,224</u>	<u>350,175</u>	<u>116</u>	<u>2,000</u>	<u>190</u>	<u>1,396</u>	<u>67</u>	<u>852,168</u>
Expenditures								
Current:								
General Government	-	-	-	-	47,597	-	13,774	61,371
Public Safety	-	-	3,863	-	-	-	-	3,863
Public Works - Highways	497,829	-	-	-	-	-	-	497,829
Culture - Recreation	-	143,532	-	-	-	-	-	143,532
Capital Outlay:								
Culture - Recreation	-	22,055	-	-	-	-	-	22,055
Total Expenditures	<u>497,829</u>	<u>165,587</u>	<u>3,863</u>	<u>-</u>	<u>47,597</u>	<u>-</u>	<u>12,774</u>	<u>728,650</u>
Excess (Deficiency) of Revenues Over Expenditures	395	184,588	(3,747)	2,000	(47,407)	1,396	(13,707)	123,518
Other Financing Sources (Uses)								
Transfers Out	-	(848,041)	-	-	-	-	-	(848,041)
Net Change in Fund Balances	395	(663,453)	(3,747)	2,000	(47,407)	1,396	(13,707)	(724,523)
Fund Balance - January 1, 2004	<u>310</u>	<u>1,289,527</u>	<u>79,202</u>	<u>-</u>	<u>47,407</u>	<u>126,678</u>	<u>13,707</u>	<u>1,556,831</u>
Fund Balance - December 31, 2004	<u>\$ 705</u>	<u>\$ 626,074</u>	<u>\$ 75,455</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 128,074</u>	<u>\$ -</u>	<u>\$ 832,308</u>

Municipality of Monroeville
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Special Revenue Funds
Highway Aid Fund
Budget and Actual
Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest, Rents & Royalties				
Interest Earnings	\$ 10,000	\$ 10,000	\$ 4,451	\$ (5,549)
Intergovernmental				
Liquid Fuels Tax	<u>490,000</u>	<u>490,000</u>	<u>493,773</u>	<u>3,773</u>
Total Revenues	<u>500,000</u>	<u>500,000</u>	<u>498,224</u>	<u>(1,776)</u>
Expenditures				
Current:				
Public Works				
Highways and Streets				
Snow & Ice Removal	70,000	70,000	173,640	(103,640)
Traffic Signals	50,000	50,000	57,886	(7,886)
Street Lighting	<u>380,000</u>	<u>380,000</u>	<u>266,303</u>	<u>113,697</u>
Total Expenditures	<u>500,000</u>	<u>500,000</u>	<u>497,829</u>	<u>2,171</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 395</u>	<u>\$ 395</u>

Municipality of Monroeville
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Special Revenue Funds
Cable Television Fund
Budget and Actual
Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and Permits				
Cable TV Franchise Fees	\$ 340,000	\$ 340,000	\$ 350,026	\$ 10,026
Miscellaneous - Other	<u> -</u>	<u> -</u>	<u> 149</u>	<u> 149</u>
Total Revenues	<u>340,000</u>	<u>340,000</u>	<u>350,175</u>	<u>10,175</u>
Expenditures				
Current:				
Culture - Recreation	171,817	172,617	143,532	29,085
Capital Outlays:				
Culture - Recreation	<u>32,183</u>	<u>31,383</u>	<u>22,055</u>	<u>9,328</u>
Total Expenditures	<u>204,000</u>	<u>204,000</u>	<u>165,587</u>	<u>38,413</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>136,000</u>	<u>136,000</u>	<u>184,588</u>	<u>48,588</u>
Other Financing Uses				
Transfers Out	<u>(136,000)</u>	<u>(136,000)</u>	<u>(848,041)</u>	<u>(712,041)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (663,453)</u>	<u>\$ (663,453)</u>

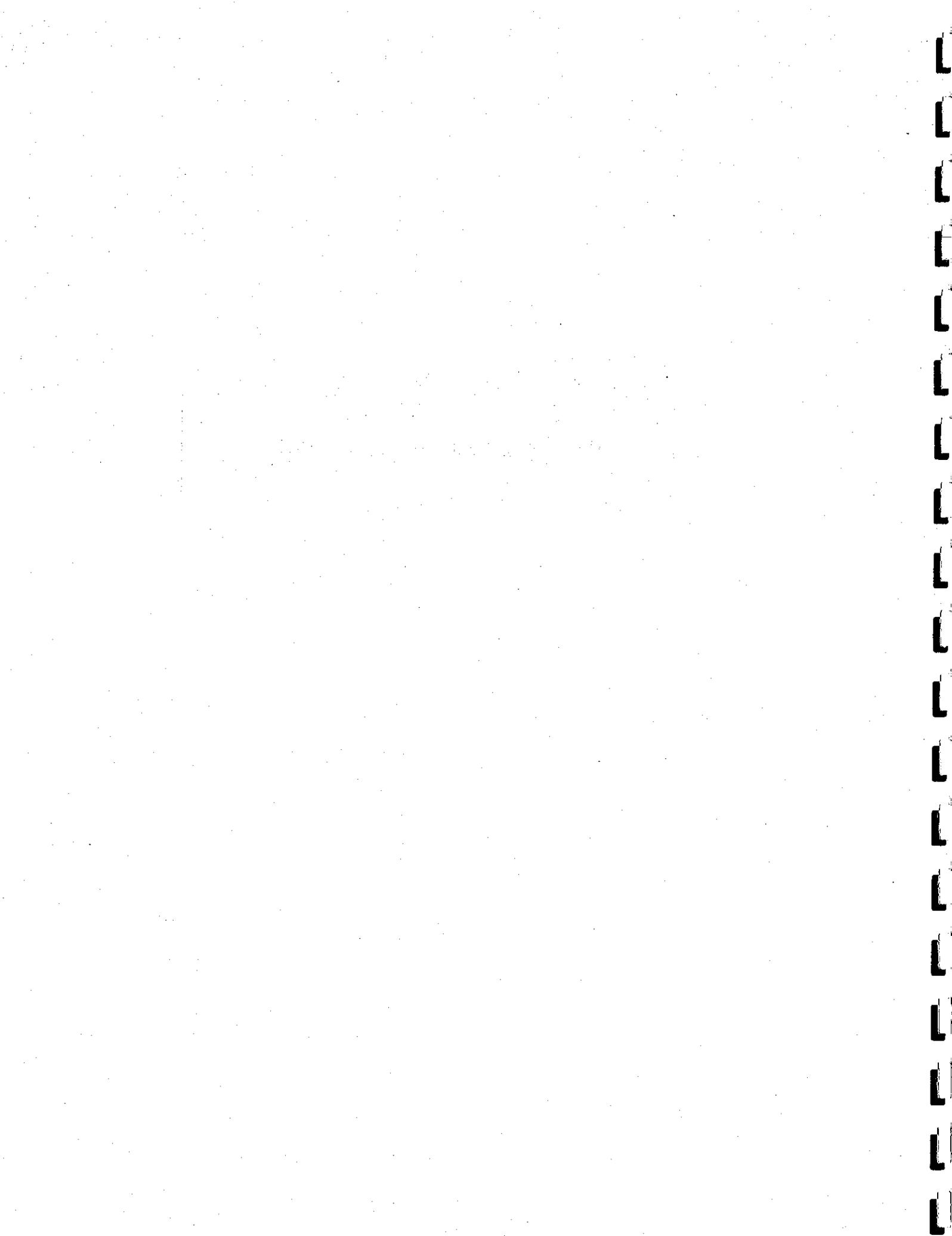
**Municipality of Monroeville
Combining Balance Sheet
Component Units
December 31, 2004**

	Senior Citizens Council	Convention Visitor's Bureau	Total Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$98,124	\$156,674	\$254,798
Due from Other Governments	-	150,962	150,962
Other Receivables	<u>-</u>	<u>105,056</u>	<u>105,056</u>
TOTAL ASSETS	<u>\$98,124</u>	<u>\$412,692</u>	<u>\$510,816</u>
LIABILITIES AND FUND BALANCES			
Liabilities	\$ -	\$ -	\$ -
Fund Balances			
Unreserved	<u>98,124</u>	<u>412,692</u>	<u>510,816</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$98,124</u>	<u>\$412,692</u>	<u>\$510,816</u>

Municipality of Monroeville
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Component Units
Year Ended December 31, 2004

	Senior Citizens Council	Convention Visitor's Bureau	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ -	\$426,928	\$426,928
Interest, Rents and Royalties	879	2,729	3,608
Charges for Services	590	-	590
Miscellaneous	<u>67,442</u>	<u>-</u>	<u>67,442</u>
Total Revenues	<u>68,911</u>	<u>429,657</u>	<u>498,568</u>
Expenditures			
Current:			
Culture - Recreation	41,889	-	41,889
Conservation and Development	<u>-</u>	<u>548,261</u>	<u>548,261</u>
Total Expenditures	<u>41,889</u>	<u>548,261</u>	<u>590,150</u>
Excess (Deficiency) of Revenues Over Expenditures	27,022	(118,604)	(91,582)
Fund Balances - January 1 2004	<u>71,102</u>	<u>531,296</u>	<u>602,398</u>
Fund Balances - December 31, 2004	<u>\$98,124</u>	<u>\$412,692</u>	<u>\$510,816</u>

ADDITIONAL INFORMATION



**Municipality of Monroeville
 Schedule of Public Library Program
 Revenues and Expenditures
 Included in the General Fund
 Year Ended December 31, 2004**

Revenues

Regional Asset District Tax Funds	\$ 280,373
passed through ACLA	17,113
Regional Use Reimbursement	95,878
State Library Aid	<u>42,849</u>
Fines and Miscellaneous	
 Total Revenues	 <u>\$ 436,213</u>

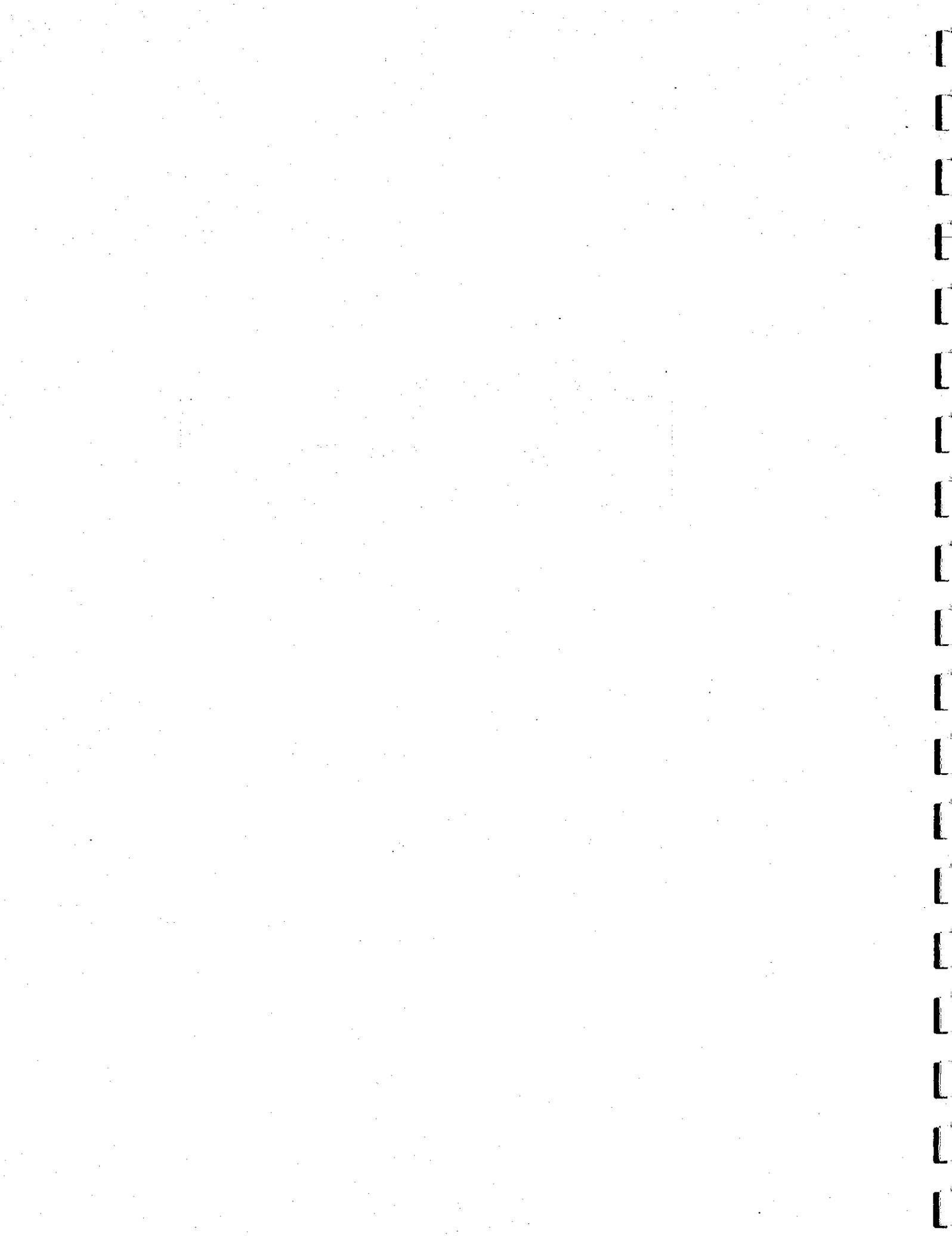
Expenditures

Salaries	\$ 552,376
Benefits	147,378
Utilities	68,720
Maintenance and Repairs	71,978
Office Supplies	19,110
Library Books and Equipment	169,860
Office Equipment and Furniture	55,053
Miscellaneous Outside Personnel Services	<u>60,804</u>
 Total Expenditures	 <u>\$1,145,279</u>

Note: Expenditures are funded by General Fund revenues and available Regional Asset District escrow funds to the extent they are not covered by amounts noted above.

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STATISTICAL SECTION



MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

TABLE 1
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	General Government	Public Safety	Sanitation	Highways	Culture and Recreation	Conservation and Development	Miscellaneous/Insurance	Debt Service	Capital Outlay	Total
1995	2,021	6,220	3,546	2,040	1,688	-	784	1,954	-	18,253
1996	2,123	6,738	3,184	2,186	1,783	-	882	2,084	-	18,980
1997	2,212	7,155	3,214	2,258	1,906	-	694	2,201	205	19,845
1998	3,746	6,976	3,905	2,417	2,043	-	527	2,383	19	22,016
1999	4,750	7,204	3,745	2,242	2,576	-	301	1,691	54	22,563
2000	3,981	7,005	3,834	2,346	1,935	-	358	1,953	19	21,431
2001	4,029	7,886	4,415	2,375	2,181	-	415	1,990	5	23,296
2002	4,680	8,139	3,486	1,861	2,104	-	524	2,165	50	23,009
2003	3,701	8,071	1,095	2,945	2,566	524	775	1,993	2,246	23,916
2004	3,657	8,683	959	2,836	2,890	493	896	1,484	22	21,920

(1) Includes general, special revenue and debt service funds.

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

TABLE 2
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	Taxes	Licenses and Permits	Fines and Forfeits	Intergovernmental Charges	Charges for Services	Interest, Rents and Royalties	Miscellaneous	Total
1995	13,703	984	126	1,415	3,329	257	-	19,814
1996	14,176	907	101	850	3,450	269	43	19,796
1997	15,212	991	125	810	3,476	314	54	20,982
1998	15,197	1,062	95	1,724	4,313	357	-	22,748
1999 (2)	20,998	949	105	1,917	4,392	423	132	28,916
2000	16,691	886	105	1,742	4,392	951	248	25,015
2001	17,307	1,058	123	1,575	5,365	834	14	26,276
2002	17,903	1,016	122	1,938	3,661	340	16	24,996
2003	17,293	1,067	118	1,663	1,147	372	32	21,692
2004	18,417	1,179	121	1,600	1,018	341	2	22,678

(1) Includes general, special revenue and debt service funds.

(2) Includes a \$4.9 million settlement for taxes received by the Municipality during 1999.

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

TABLE 3
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	Total Tax Levy	Current Taxes		Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
		Current Tax Collections	Percent of Current Taxes Collected					
1995	3,888	3,729	95.91%	208	3,937	101.26%	569	14.63%
1996	3,886	3,752	96.55%	150	3,902	100.41%	488	12.56%
1997	3,923	3,801	96.89%	121	3,922	99.97%	459	11.70%
1998	3,931	3,638	92.55%	91	3,729	94.86%	554	14.09%
1999	4,055	3,880	95.68%	120	4,000	98.64%	506	12.48%
2000	4,092	3,805	92.99%	56	3,861	94.35%	453	11.07%
2001	4,286	4,164	97.15%	67	4,231	98.72%	549	12.81%
2002	4,473	4,213	94.19%	71	4,284	95.77%	558	12.47%
2003	4,298	4,205	97.84%	139	4,344	101.07%	419	9.75%
2004	4,324	4,298	99.40%	137	4,435	102.57%	308	7.12%

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

TABLE 4
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)

LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	Total Assessed Value (2)	Estimated Market Value (2)	Exemptions	Ratio of Total Assessed Value to Total Estimated Actual Value
1995	317,355	1,269,420	46,330	25%
1996	317,192	1,268,768	42,221	25%
1997	320,256	1,281,023	44,525	25%
1998	320,913	1,283,651	42,568	25%
1999	331,074	1,324,296	48,995	25%
2000	334,008	1,336,032	49,064	25%
2001*	1,948,323	1,948,323	355,537	100%
2002	2,033,591	2,033,591	356,884	100%
2003	1,974,718	1,974,718	356,884	100%
2004	1,965,716	1,965,716	349,465	100%

(1) Total assessed value based on 25 percent of estimated market value.

(2) Net of exemptions

* During 2001, a county-wide reassessment had taken place adjusting assessments from 25% to 100% of market value.

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

TABLE 5
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	Municipality of Monroeville		County of Allegheny		Gateway School District	
	Total Operating Millage	Total Millage	Total Operating Millage	Total Millage	Total Operating Millage	Total Millage
1995	12.25	12.25	25.20	25.20	79.90	117.35
1996	12.25	12.25	25.20	25.20	81.84	119.29
1997	12.25	12.25	25.20	25.20	84.34	121.79
1998	12.25	12.25	25.20	25.20	88.10	125.55
1999	12.25	12.25	25.20	25.20	88.10	125.55
2000	12.25	12.25	25.20	25.20	88.10	125.55
2001*	2.20	2.20	4.72	4.72	16.55	23.47
2002	2.20	2.20	4.69	4.69	16.55	23.44
2003	2.20	2.20	4.69	4.69	17.41	24.30
2004	2.20	2.20	4.69	4.69	18.41	25.30

* During 2001, a county-wide reassessment had taken place adjusting assessments from 25% to 100% of market value. The real estate millage was set accordingly.

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

TABLE 6
PRINCIPAL REAL ESTATE TAXPAYERS

DECEMBER 31, 2004

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Soffer, Donald	Shopping Center	\$ 131,920,400	6.61%
L & M Associates	Acreage-Restaurants, Retail and Hotel	49,271,400	2.47%
Westinghouse Electric Corporation	Office Building-Energy Center	46,664,000	2.34%
Pittsburgh Miracle Mile Town and Country	Shopping Center, Office Building	36,758,300	1.84%
Eagle Ridge Apartments	Apartment Buildings	18,456,700	0.92%
Cochran, RELP	Acreage - Office Building, Bank & Retail	17,867,300	0.90%
Monroeville S.C.L.P	Shopping Center	17,481,700	0.88%
Terra Capital Associates	Industrial Park	15,549,400	0.78%
Walnut Capital	Shopping Center and Apartments	14,856,300	0.74%
May Centers Associates Corporation	Retail Store	14,000,000	0.70%
		<u>\$ 362,825,500</u>	<u>18.18%</u>

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

TABLE 7
COMPUTATION OF NONELECTORAL DEBT MARGIN

DECEMBER 31, 2004
(AMOUNTS EXPRESSED IN THOUSANDS)

Nonelectoral debt limit:		
Total net revenues 2002-2004 (net of exclusions)	\$	70,641
Three-year average (borrowing base)		23,547
Multiplier		<u>250%</u>
Total nonelectoral debt limit		58,868
Amount of debt applicable to debt limit:		
Nonelectoral general obligation bonds		19,190
Less: Amounts available in escrow funds		<u> </u>
Total net indebtedness		<u>19,190</u>
Remaining nonelectoral debt margin	\$	<u><u>39,678</u></u>

NOTE: The Municipality of Monroeville's nonelectoral debt limit is defined by the Commonwealth of Pennsylvania as 250% of the "borrowing base". The borrowing base is the three-year average of the preceding three years' total net revenues, as defined by the Commonwealth.

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

TABLE 8

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA

Fiscal Year	(1) Population	(2) Assessed Value	Gross Bonded Debt	(3) Less Debt Service Fund	Net Bonded Debt	Ratio of	
						Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1995	29	317,355	6,270	17	6,253	1.97%	216
1996	29	317,192	9,535	13	9,522	3.00%	317
1997	29	320,256	7,725	18	7,707	2.41%	257
1998	29	320,913	9,830	18	9,812	3.06%	327
1999	29	331,074	17,455	15	17,440	5.27%	601
2000	29	334,038	16,230	15	16,215	4.85%	559
2001*	29	1,948,323	14,910	15	14,895	0.76%	514
2002	29	2,033,591	20,690	-	20,690	1.02%	713
2003	29	1,974,718	20,040	-	20,040	1.01%	691
2004	29	1,965,716	19,190	-	19,190	0.98%	662

(1) From census figures.

(2) From Table 4.

(3) Amount available for repayment of general obligation bonds.

* During 2001, a county-wide reassessment had taken place adjusting assessments from 25% to 100% of market value.

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

TABLE 9
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
 FOR GENERAL BONDED DEBT
 TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES

LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	Principal	(1) Interest	(2) Total Debt Service	(3) Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
1995	1,645	299	1,944	18,253	10.65%
1996	1,735	349	2,084	18,980	10.97%
1997	1,810	391	2,201	19,845	11.09%
1998	1,895	488	2,383	22,016	10.82%
1999	1,065	627	1,692	22,563	7.50%
2000	1,225	728	1,953	21,431	9.11%
2001	1,320	670	1,990	23,296	8.54%
2002	1,380	785	2,165	23,009	9.41%
2003	1,115	700	1,815	23,916	7.59%
2004	850	634	1,484	21,920	6.77%

(1) Excludes bond issuance and other costs.
 (2) Includes only debt service fund.
 (3) Includes general, special revenue and debt service funds.

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

TABLE 10
 COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
 GENERAL OBLIGATION BONDS

December 31, 2004
 (AMOUNTS EXPRESSED IN THOUSANDS)

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
Municipality of Monroeville	\$ 19,190	100.00%	\$ 19,190
Overlapping:			
Gateway School District	61,085	96.80% a	59,130
Allegheny County	<u>601,713</u>	3.50% a	<u>21,060</u>
Subtotal-overlapping	<u>662,798</u>		<u>80,190</u>
Total	<u>\$ 681,988</u>		<u>\$ 99,380</u>

a - Calculated by taking the ratio of the Municipality's assessed valuation of real estate to the overlapping entity's assessed valuation.

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

TABLE 11
DEMOGRAPHIC STATISTICS

Year	(1) Population	(2) Per Capita Income	(3) Median Age	(4) School Enrollment	(2) Unemployment Rate
1970	29,011	\$ 3,647	27	9,245	4.00%
1980	30,977	\$ 8,966	32	8,795	6.50%
1990	29,169	\$ 17,753	37	5,306	4.20%
2000	29,349	N/A	43	4,301	4.40%

Data Sources:

- (1) Bureau of Census-Partial Statistics for 2000 Census released by Bureau of Census during 2001
- (2) Department of Labor
- (3) Allegheny County Planning Department
- (4) Gateway School District
- N/A Not available currently

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

TABLE 12
PROPERTY VALUE AND CONSTRUCTION

LAST TEN FISCAL YEARS

Fiscal Year	(1) Property Value	(1) Exemptions	(1) Total	Construction	
				Number of Units	(1) Value
1995	1,269,420	46,330	1,315,750	400	40,190
1996	1,268,768	42,221	1,310,989	442	27,839
1997	1,281,023	44,525	1,325,548	468	27,791
1998	1,283,651	42,658	1,326,309	354	30,989
1999	1,324,296	48,995	1,373,291	345	32,922
2000	1,336,032	49,064	1,385,096	340	18,328
2001	1,948,323	355,537	2,303,860	363	25,427
2002	2,033,591	356,884	2,390,475	391	31,267
2003	1,974,718	356,884	2,331,602	418	41,374
2004	1,965,716	349,465	2,315,181	412	67,622

Note: Bank deposit data is not available. All banks and other savings institutions located in the Municipality are branch offices.

(1) Amounts expressed in thousands

Source of construction information: Building permits

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

TABLE 13

MISCELLANEOUS STATISTICS

DECEMBER 31, 2004

Date of Incorporation	1951	Police Protection:	1
Form of Government	Home rule	Number of stations	48
Area	19.5 square miles (approx.)	Number of personnel and officers	7
Number of Employees (excluding police & fire):		Number of patrol units	19,121
Classified	156	Number of incidents	613
Exempt	141	Number of citations and traffic violations	825
Number of Government Facilities:		Water System:	
Miles of streets	120	Miles of water mains	145
Number of street lights	1,388	Number of service connections	9,350
Culture and Recreation:		Daily average consumption in gallons	4,000,000
Parks	22	Maximum daily capacity in gallons	6,000,000
Park acreage	820	Facilities & Svcs. not included in the Reporting Entity:	
Swimming pools	1	Education:	
Tennis courts	16	Number of elementary schools	8
Basketball courts	17	Number of secondary schools	3
Soccer fields	5	Total number of instructors	276
Ball fields	11	Number of community colleges	1
Picnic pavilions	9	Number of universities	2
Comfort stations	9	Number of technical schools	1
Play equipment areas	16	Hospitals:	
Walk/jog paths (paved)	8	Number of hospitals	3
Historical sites	3	Number of patient beds	433
Fire Protection:			
Number of stations	5		
Number of personnel and officers	251		
Number of calls answered	4,347		
Number of inspections conducted	3,759		

