

MUNICIPALITY OF
MONROEVILLE,
PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2005

MUNICIPALITY OF
MONROEVILLE,
PENNSYLVANIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2005

Prepared by: Susan E. Werksman
Director of Personnel and Finance

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2005

TABLE OF CONTENTS

	<u>Page No.</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i - vi
Organizational Chart	vii
List of Principal Officials	viii
Certificate	ix
 FINANCIAL SECTION	
Independent Auditor's Report	x - xi
Management's Discussion and Analysis	xii - xxiv
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet - Governmental Funds	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	5
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	6 - 7
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund - Budget and Actual	8
Statement of Net Assets - Fiduciary Funds - Pension Trust Fund	9
Statement of Changes in Net Assets - Fiduciary Funds - Pension Trust Fund	10
Notes to Financial Statements	11 - 33

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2005

TABLE OF CONTENTS

	<u>Page No.</u>
Required Supplementary Information	
Pension	
Schedules of Funding Progress	34
Schedules of Employers and Other Contributions	35
Notes to Required Supplementary Information	35
Combining and Individual Funds Financial Statements and Schedules	
Other Governmental Funds	
Combining Balance Sheet	36
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	37
Special Revenue Funds	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Highway Aid Fund - Budget and Actual	38
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Cable Television Fund - Budget and Actual	39
Component Units	
Combining Balance Sheet	40
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	41
Additional Information	
Schedule of Public Library Program Revenues and Expenditures Included in the General Fund	42

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

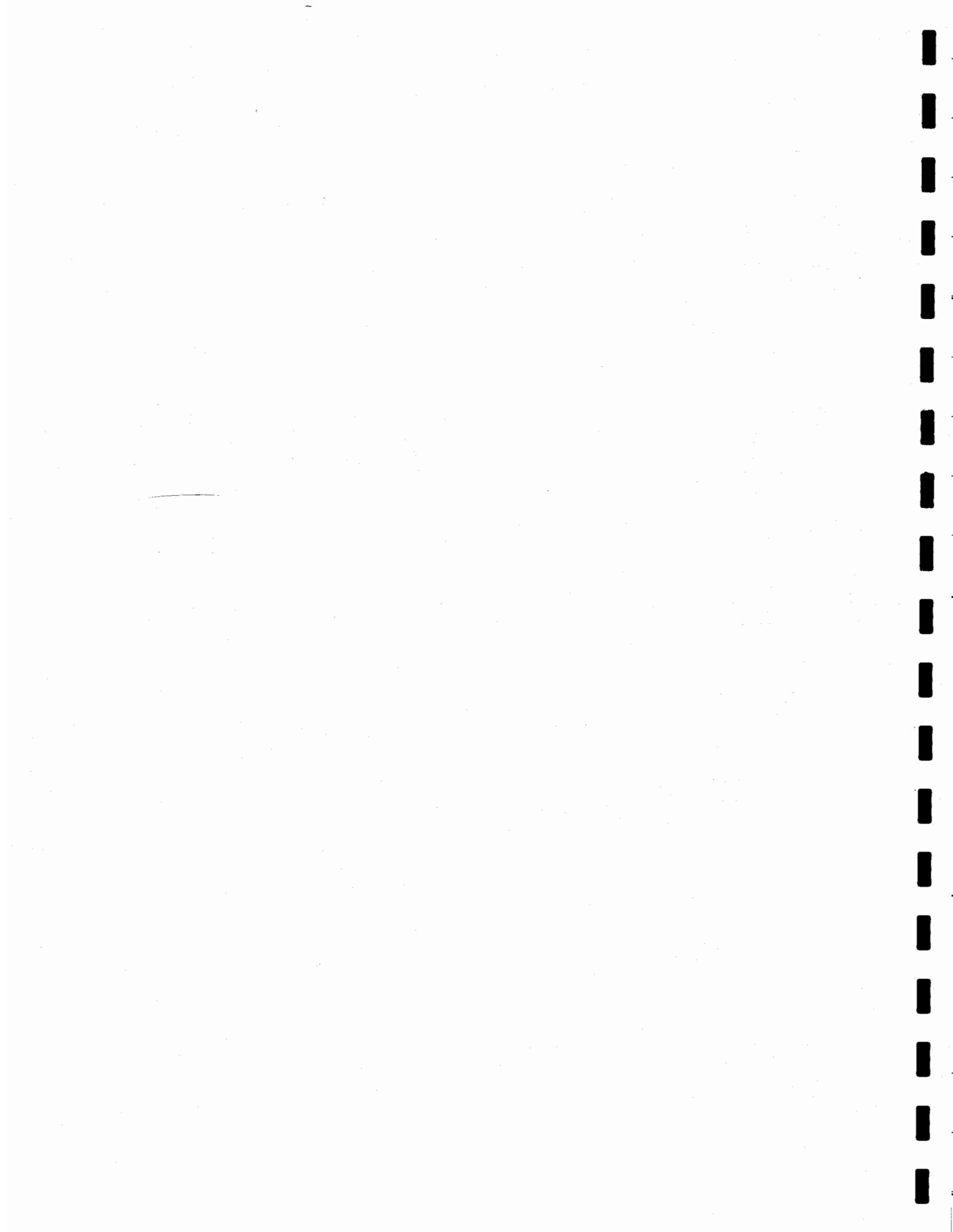
COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2005

TABLE OF CONTENTS

		<u>Page No.</u>
STATISTICAL SECTION		
General Governmental Expenditures by Function - Last Ten Fiscal Years	Table 1	43
General Governmental Revenues by Source - Last Ten Fiscal Years	Table 2	44
Property Tax Levies and Collections - Last Ten Fiscal Years	Table 3	45
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	Table 4	46
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years	Table 5	47
Principal Real Estate Taxpayers	Table 6	48
Computation of Nonelectoral Debt Margin	Table 7	49
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita - Last Ten Fiscal Years	Table 8	50
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures - Last Ten Fiscal Years	Table 9	51
Computation of Direct and Overlapping Bonded Debt - General Obligation Bonds	Table 10	52
Demographic Statistics	Table 11	53
Property Value and Construction - Last Ten Fiscal Years	Table 12	54
Miscellaneous Statistics	Table 13	55

INTRODUCTORY SECTION



Municipality of Monroeville

A Home Rule Charter Municipality

Municipal Center
2700 Monroeville Boulevard
Monroeville, PA 15146-2388

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

June 26, 2006

To the Honorable Mayor, Members of the Governing Council, and Citizens of the Municipality of Monroeville:

State law requires the every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2005.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Hosack, Specht, Muetzel, & Wood LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion of the Municipality of Monroeville financial statements for the year ended December 31, 2005. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The Municipality of Monroeville, Allegheny County, Pennsylvania was incorporated as the Borough of Monroeville on January 25, 1951. On January 5, 1976, the Municipality became a Home Rule Charter Municipality pursuant to the provisions of the Home Rule Charter dated March 5, 1974. The Charter was subsequently approved by the electorate of the Municipality on May 2, 1974.

The Municipality is located approximately ten miles east of the City of Pittsburgh, Allegheny County, Pennsylvania which is the county seat of Allegheny County, Pennsylvania. The Municipality is bordered to the north by the Municipality of Plum, to the south by the Townships of North Huntingdon and North Versailles, to the east by the Municipality of Murrysville and the Township of Penn, and to the west by the Municipality of Penn Hills and the Township of Wilkins.

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

The Municipality was originally a rural and agricultural area. Tremendous development began with the extension of the Pennsylvania Turnpike in the early 1950s. Today, the Municipality encompasses a total land area of 19.5 square miles, of which approximately 97 percent is now developed. According to the Pennsylvania State Tax Equalization Board, the land use assessment of the Municipality is classified approximately 47 percent residential, 49 percent commercial, 1 percent lots, and 3 percent industrial. Rapid and significant growth in both the residential and commercial real estate composition of the Municipality has occurred over the last 15 years.

The population of the original Municipality of Monroeville was 8,000; the 2000 population of the Municipality was 29,349. This represents a population increase of some 21,349 people, or 272.6 percent over the last 43 years.

Pursuant to the provisions of the Home Rule Charter, the Municipality of Monroeville is governed by a Mayor and a seven-member Municipal Council. Each of the seven members of the Municipal Council are elected by ward throughout the Municipality to serve four-year terms of office. The terms of office of the council members are staggered so that the members representing the odd-numbered wards are elected two years apart from the members representing the even-numbered wards. One of the seven members of the Municipal Council is designated as the Deputy Mayor. The Charter further stipulates that the Mayor is permitted to cast a vote relating to legislative matters only in the event of a tie.

The daily operations of the Municipality are delegated by the Mayor and Municipal Council to the Municipal Manager. According to the organizational structure for Monroeville Municipal Government, contained in the introductory section of this report, the Municipal Manager is responsible for the following major government functions: General Government Services, Public Safety, Cable Television, Public Works, Community Development, Library Services, Recreation, Parks and Human Services and the Senior Citizen's Center. The Municipal Manager is also responsible for the services provided by the Municipal Solicitor, Municipal Engineer and the Municipal Treasurer.

The Council of the Municipality of Monroeville is required to adopt the budget as presented if amended, by ordinance on or before the thirty-first day of the twelfth month of the fiscal year. If it fails to adopt the budget by this date, the amounts appropriated for current operation of the current fiscal year shall be deemed adopted for the ensuing fiscal years on a month-to-month basis, with all items in it pro-rated accordingly, until such time as the Council adopts a budget for the ensuing fiscal year. The budget is prepared by fund, function (i.e. public safety), and department (i.e. police). Department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the governing Council.

LOCAL ECONOMY

The Municipality is the home of several major employers representing such diverse industries as research, healthcare, and retail services. Forbes Regional Hospital is a major healthcare employer. Westinghouse Electric Co., LLC, formerly Westinghouse Electric Corporation, is currently the second largest employer, operating a facility known as the Westinghouse Energy Center. Numerous

full-time and part-time jobs are provided to area residents by Monroeville Mall, Expo Mart and Miracle Mile Shopping Center. Additionally, Monroeville is located in close proximity to the Greater Metropolitan Area surrounding the City of Pittsburgh and many residents of the Municipality are employed throughout the region.

The region's economy is steadily expanding. Moderate payroll additions in service-producing industries are compensating for the contracting goods-producing industries. In particular, the education/healthcare industry continues to drive employment higher while being complemented by modest payroll gains in the leisure/hospitality and retail trade industries. Pittsburgh area per capita income has been gaining ground on the U.S. average and currently exceeds it by five percent.

According to the Pennsylvania Department of Labor and Industry's Center for Workforce Information and Analysis, the average annual unemployment rate in Allegheny County for 2005 was 4.1 percent compared to 4.3 percent in 2004 and 5.1 percent in 2003. In comparison, the average unemployment rate for the Pittsburgh Metropolitan Statistical Area (MSA), that included Allegheny, Butler, Beaver, Westmoreland, Fayette and Washington counties, was 5.2 percent in 2005. The MSA rate is the lowest in nearly four years. The statewide average unemployment rate for 2005 declined to 4.9 percent, while the national rate declined to 5.1 percent for the year.

Fueled by low mortgage rates, housing remains a key source of support for the Municipality's economy. Recent years have produced high levels of home sales. The Municipality should have no concerns regarding a housing bubble, as the region remains one of the most affordable areas in the United States. Economy.com's data show the median single-family house price to be significantly below the national average. Supply continues to be in surplus as residential building permits show no signs of slowing down.

During the past ten years, the Municipality's expenses related to public safety and general government have increased not only in amount but also as a percentage of total expenses (a ten-year increase of 4.8 percent and 5.3 percent, respectively). In the case of public safety, much of the increase reflects a regional trend that has seen the salaries and benefits of police and firefighters growing at a much faster rate than those of other categories of public-sector employees. The growth in general government reflects an increase in legal and engineering costs over the years.

During the same ten-year period, taxes have increased as a percentage of total revenue (a ten-year increase of 8.3 percent). The reason for this increase is the increasing tax base supported by business taxes as well as personal earned income tax. New for 2005 was the implementation of the emergency and municipal services tax.

LONG TERM-FINANCIAL PLANNING

An unreserved, undesignated fund balance in the general fund of \$8.3 million (36.47 percent of total general fund revenues) falls above the policy guidelines set by Council for budgetary and planning purposes (i.e., between 5 and 15 percent of total general fund revenues). During 2005, fund balance was utilized to develop Phase 1 of the Municipality's new Community Park Complex. Further

excess fund balance has been designated to fund the strategic goals as listed below which include Phase 2 of the Municipality's Community Park Complex.

Municipal Council has developed a strategic plan for 2006 as follows:

- Goal 1 - Enhance municipal e-government capabilities with the objectives to provide a one-stop shop for municipal information, give residents and businesses the opportunity to participate as full project partners and advertise community assets.
- Goal 2 - Develop and diversify the business structure with the objectives to expand the commercial professional services tax base (i.e. information and technology, finance and insurance and healthcare services) and to build strong relationships with economic strategists.
- Goal 3 - Increase police and school district cooperation with the objectives to provide a positive role model for students by instituting a high profile law enforcement officer within the school system and to improve the relationship between the school district and the municipal government.
- Goal 4 - Modernization of zoning regulations with the objectives to provide regulations that can be easily understood by the general public and to minimize impact to existing residential developments.
- Goal 5 - Neutralize traffic congestion with the objectives to provide a municipal "hub and spoke" transit system serving business U.S. Route 22, Old William Penn Highway, PA Route 286, Monroeville Road and PA Route 130 and to include large, wide sidewalks complemented with street furniture, decorative lighting and trees, and to include street space for vehicle, bicycle and pedestrian transportation.
- Goal 6 - Construct a new community aquatic facility with the objective to provide a large, wide pool design with features that could include multiple diving boards, water slides, lap lanes, etc. This aquatic facility has been designated as Phase 2 of the Community Park Complex Project.

RELEVANT FINANCIAL POLICIES

It is the Municipality's policy to fund current expenditures from current revenues whenever possible; use of fund balance for other than capital and non-recurring expenditures will be clearly specified; debt financing and intergovernmental revenue will be for capital or nonrecurring expenditures and revenues will be estimated conservatively but realistically. The use of any debt financing will be minimized. During 2005, the Municipality utilized its fund balance to fund the construction of the new Community Park Complex at a total cost of approximately \$8 million dollars.

During 2005, the Emergency and Municipal Services Tax (EMS) was also implemented which funded the return of the Emergency Communications Program as a municipal responsibility after seven years of service delivery via an intergovernmental agreement with the Eastern Regional Communications Center (ERC). The ERC was dissolved effective January 1, 2006. Additionally, the Municipality eliminated two positions in order to assume this new responsibility. The addition

of the EMS tax also allowed the Municipality to fund the 2005 increases in healthcare costs and union raises.

As described in the notes to the financial statements, the Municipality has a pay-as-you-go policy for the following: accrued sick time, post-employment benefits other than pension liabilities and termination payments.

MAJOR INITIATIVES

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 ensure 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.

Once the Comprehensive Land Use Plan is adopted, the modernization of the zoning regulations will be completed. This update will provide regulations that can be easily understood by the general public and will minimize impact to existing residential neighborhoods.

AWARDS AND ACKNOWLEDGEMENTS

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, 2004. This is the thirteenth consecutive year that the Municipality has received this prestigious award. 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 that 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.

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

2005 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

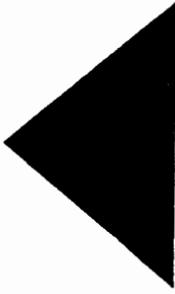
Municipal Solicitor

Municipal Engineer



Municipal Manager

Risk Management
Productivity Management
Intergovernmental Relations



Municipal Treasurer

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				

(THIS PAGE INTENTIONALLY LEFT BLANK)

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

PRINCIPAL OFFICIALS DURING 2005

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

(THIS PAGE INTENTIONALLY LEFT BLANK)

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, 2004

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.



Carla E. Perry

President

Jeffrey R. Emmer

Executive Director

(THIS PAGE INTENTIONALLY LEFT BLANK)

FINANCIAL SECTION

P.

HOSACK, SPECHT, MUETZEL & WOOD LLP

CERTIFIED PUBLIC ACCOUNTANTS

305 MT. LEBANON BOULEVARD, SUITE 301

PITTSBURGH, PENNSYLVANIA 15234-1500

PHONE - (412) 343-9200

FAX - (412) 343-9209

EMAIL - HSMW@HSMWCPA.COM

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

**P. J. VANCHERI, CPA
—
L. E. MERTZ, CPA
J. ZIVKOVIC, CPA
—
P. C. DURNY, CPA
S. H. NIEDENBERGER, CPA
R. V. JOHNSON, CPA**

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, 2005, 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, 2005, 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.

Honorable Mayor and Members of Council
Municipality of Monroeville
Page 2

The management's discussion and analysis and the pension information on pages xii through xxiv and 34 and 35, 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.

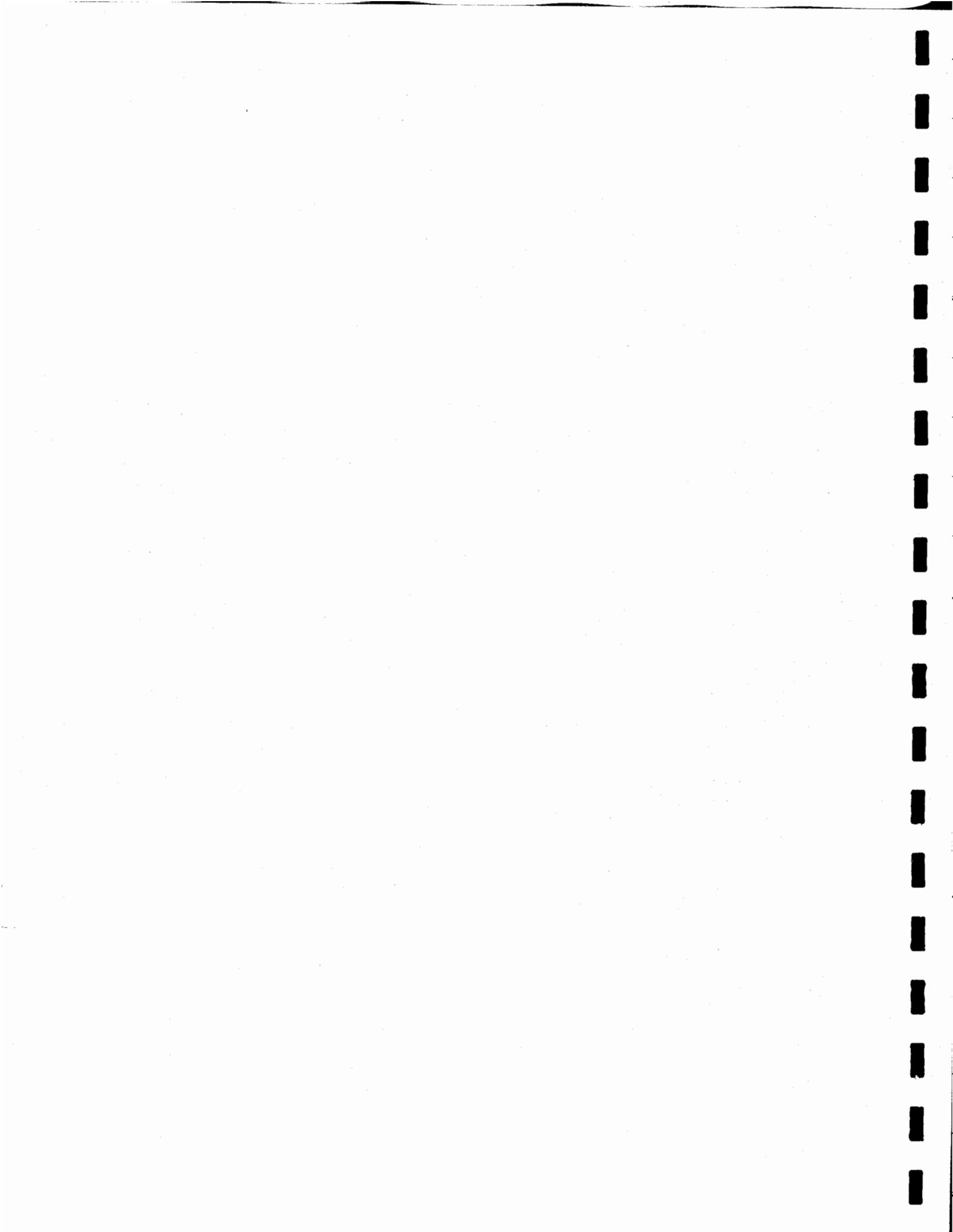
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality of Monroeville's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, additional information, and statistical 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 23, 2006

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**



MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Monroeville Comprehensive Annual Financial Report presents a narrative overview and analysis of the Municipality's financial performance for the fiscal year ended December 31, 2005. 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, 2005.

FINANCIAL HIGHLIGHTS

- ▶ The Municipality's net assets increased \$221,900 in 2005, or .58 percent.
- ▶ Unrestricted net assets were \$21,465,262 at December 31, 2005.
- ▶ 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 and 2005 for all related bond issuances and activities.
- ▶ At December 31, 2005, the Municipality had \$24.3 million of debt outstanding. This represents an increase of \$5,115,000, or 26.65 percent from the previous year. This represents a burden of \$838 per capita.
- ▶ The total fund balance of the general fund at December 31, 2005 was \$18,831,765. The unreserved/undesignated portion of the fund balance was \$8,359,289, which is approximately 35.84 percent of revenues in the general fund for fiscal year 2005.

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

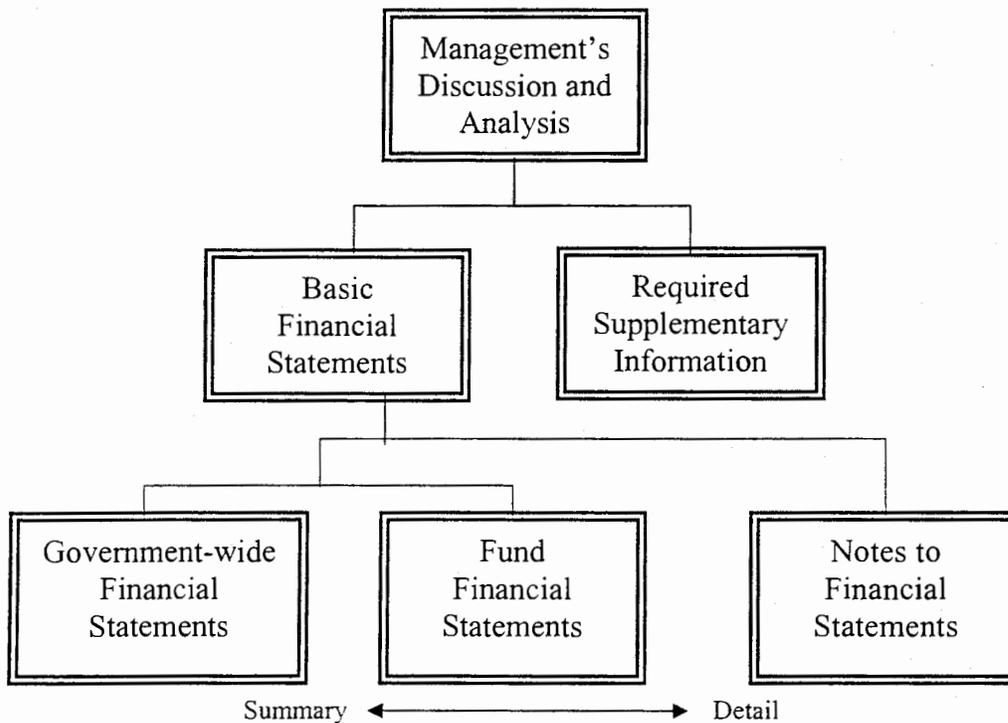


Figure A-2 summarizes the major features of the Municipality's financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

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

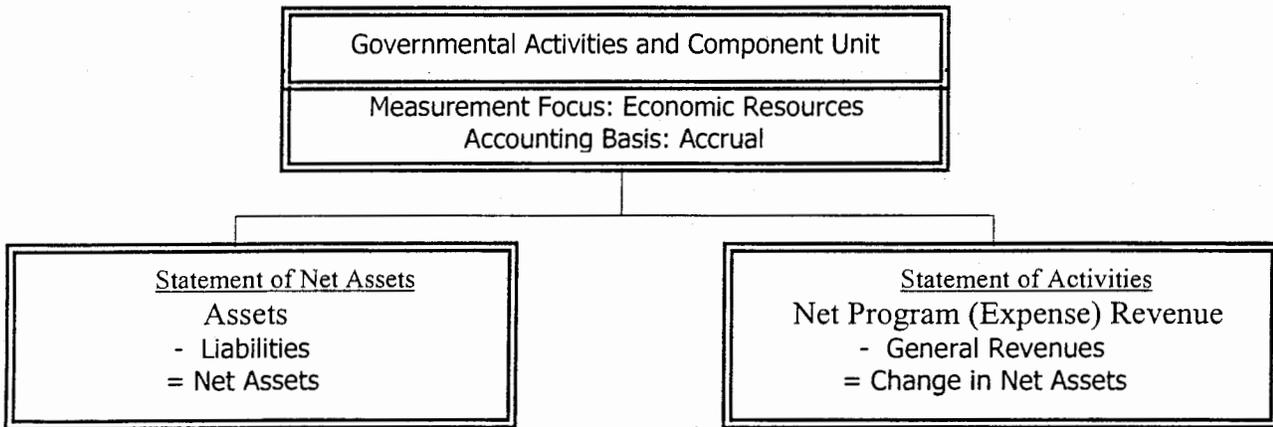
	Fund Statements		
	<u>Government-Wide Statements</u>	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire municipal government (except fiduciary funds) and the Municipality's component unit	The activities of the Municipality that are not proprietary or fiduciary, such as police, fire, and recreation	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 the 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 the 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, 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 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, 2005 and 2004 are presented below:

	Governmental Activities	
	2004	2005
Current and other assets	\$30,090,811	\$28,809,063
Capital assets	29,306,731	36,783,741
Total assets	\$59,397,542	\$65,592,804
Current and other liabilities	\$ 2,689,668	\$ 3,578,613
Non-current liabilities	18,490,608	23,575,025
Total liabilities	\$21,180,276	\$27,153,638
Net Assets:		
Invested in capital assets, net of related debt	\$ 9,802,888	\$11,735,316
Restricted	213,491	5,238,588
Unrestricted	28,200,887	21,465,262
Total net assets	\$38,217,266	\$38,439,166

Net Assets:

For 2005, net assets of governmental activities, increased by \$221,900 in 2005, or .58 percent to \$38.4 million.

Infrastructure Assets:

On December 31, 2005, the Municipality's total assets were \$65.6 million. Of this amount, \$36.0 million is accounted for by capital assets which include some infrastructure.

Years Ended December 31, 2005 and 2004

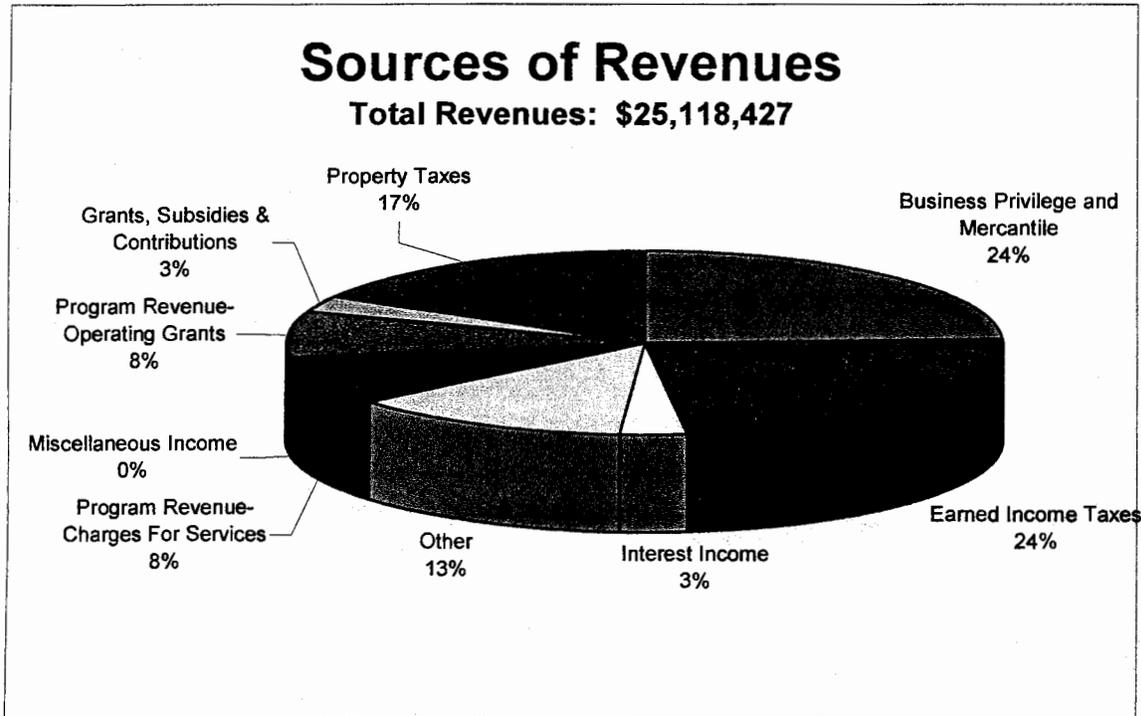
Primary Governmental Activities

	<u>2004</u>	<u>2005</u>	<u>Variance</u>
Revenues			
Program Revenues:			
Charges for Services	\$ 2,317,871	\$ 2,122,390	\$ (195,481)
Operating Grants	1,145,275	2,012,803	867,528
General Revenues:			
Property Taxes	4,387,409	4,210,793	(176,616)
Earned Income Taxes	5,125,025	5,964,115	839,090
Business Privilege and Mercantile	5,767,754	6,093,351	325,597
Other	2,538,671	3,206,669	667,998
Grants, Subsidies & Contributions	613,742	683,078	69,336
Interest Income	358,990	763,746	404,756
Miscellaneous Income	202,057	61,482	(140,575)
Total Revenues	\$ 22,456,794	\$ 25,118,427	\$ 2,661,633
Program Expenses			
General Government	\$ 4,491,064	\$ 4,408,344	\$ (82,720)
Public Safety	9,455,325	9,894,850	439,525
Public Works:			
Highways and Streets	1,045,440	1,039,223	(6,217)
Sanitation	3,852,671	3,631,393	(221,278)
Culture and Recreation	3,312,027	4,748,847	1,436,820
Conservation and Development	510,657	496,090	(14,567)
Interest on Long-Term Debt	657,793	677,780	19,987
Total Expenses	\$ 23,324,977	\$ 24,896,527	\$ 1,571,550
Change in Net Assets	(868,183)	221,900	1,090,083
Net Assets-Beginning	39,085,449	38,217,266	(868,183)
Net Assets-Ending	38,217,266	38,439,166	221,900

GOVERNMENTAL ACTIVITIES

Revenue Sources:

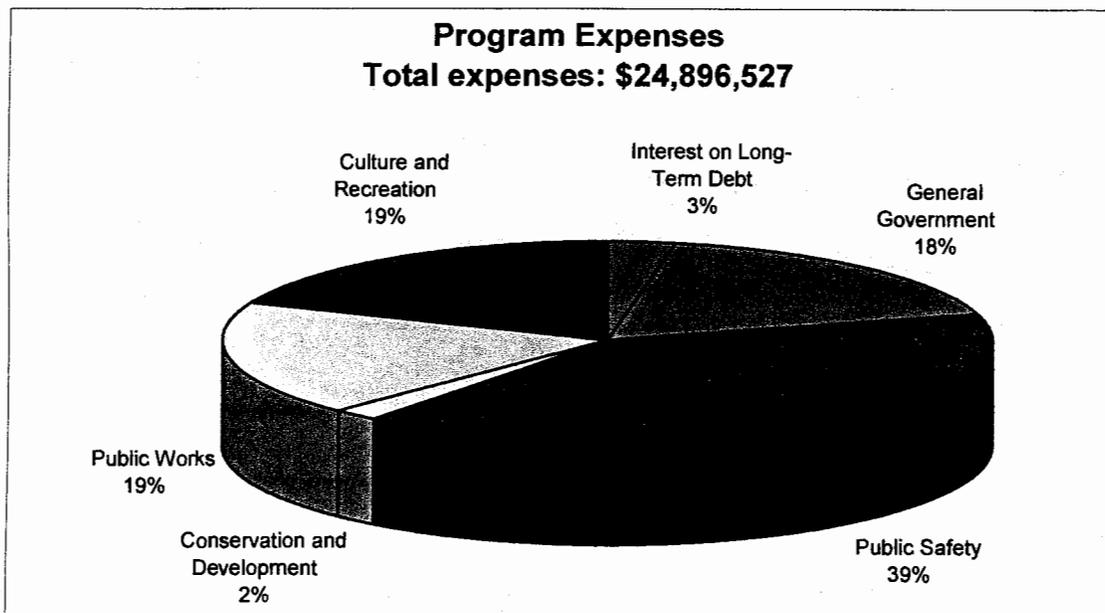
The following chart graphically depicts the government-wide sources of revenues for the fiscal year ended December 31, 2005:



Program Expenses:

Total expenses for all programs in 2005 were \$24.9 million. The expenses reflect the delivery of a wide range of services, with the largest being public safety at 38.66 percent. The second largest program area was culture - recreation at 19.42 percent, followed by public works at 19.09 percent, general government at 18.03 percent and all others at 4.80 percent.

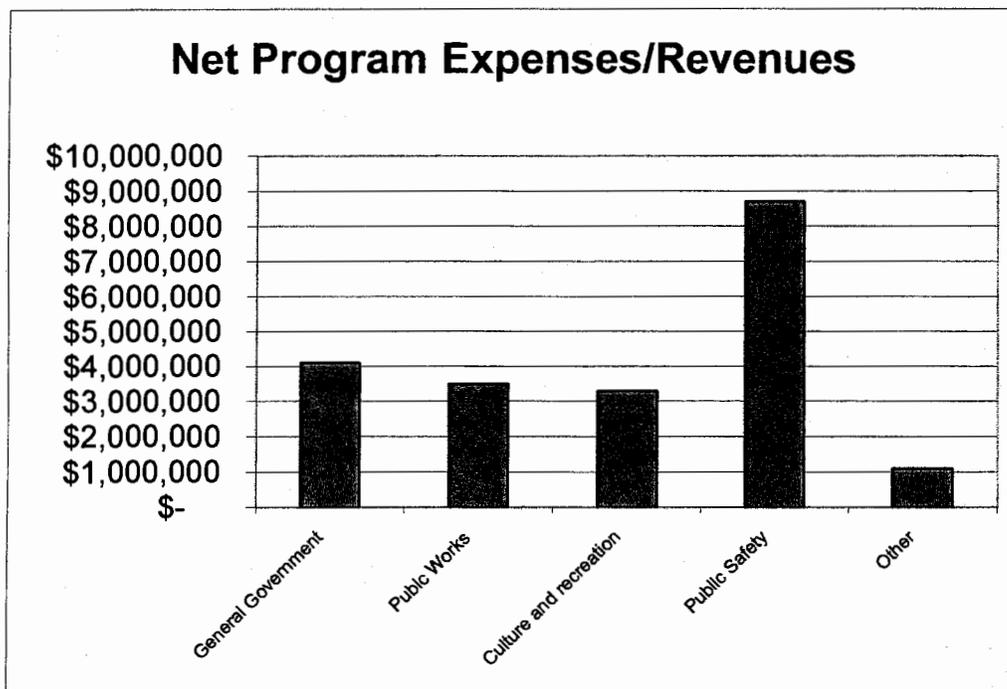
The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2005:



Net Program Expenses/Revenues:

Public safety expenses required the most general revenue for support, needing \$8.7 million in 2005. General government required \$4.1 million, while public works required \$3.5 million in general revenues, culture and recreation required \$3.3 million, and all others required \$1.1 million.

Net program expenses/revenues indicate 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, 2005:



FINANCIAL ANALYSIS OF THE MUNICIPALITY'S FUNDS

As the Municipality completed the year, its governmental funds reported a combined fund balance of \$24.5 million of which \$18.8 million is the general fund, \$5 million is the 2005 capital improvement fund and \$.7 million is for all other governmental funds. This represents a decrease of \$2.4 million compared to the previous year. The general fund fund balance decreased \$7.7 million due to the planned use of fund balance to fund the construction of a new Community Park Complex. The issuance of the 2005 bond issue provided a fund balance of \$5 million for capital projects and all other funds provided the balance of change in fund balance. Of this combined fund balance total, \$8.9 million, or 36.21 percent 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 (\$5.1 million) and special projects designations (\$6.1 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 the completion of new developments within the community. This resulted in a positive variance of \$216,897. Earned income taxes were up \$241,144 due to improved collections during 2005 and full usage of new tax software. However, the new Emergency Municipal Services decreased tax collections of \$120,571 offset a portion of these increased collections. Real estate transfer tax was up \$646,277 due to the sale of the Miracle Mile Shopping Center and several other large commercial properties.

Interest income was up due to improved interest rates during 2005.

The largest overage increase in expenditures was the development of the new Community Park Complex resulting in increased costs for culture - recreation.

Overall, all municipal departments have been affected by a higher than normal gasoline increase of approximately \$106,000.

OTHER FUNDS

Capital Projects Fund:

The capital projects 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 2005 Road Paving Project and the new Public Safety Training Center and Community Complex Projects which were started during 2003.

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

CAPITAL ASSETS 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 on December 31, 2004 and 2005:

Summary of Capital Assets

	Balance at December 31, 2004	Balance at December 31, 2005
Capital assets, not being depreciated:		
Land	\$ 8,102,465	\$ 8,192,365
Construction in progress	-	-
Total capital assets, not being depreciated	8,102,465	8,192,365
Capital assets, being depreciated:		
Land improvements	2,413,104	9,062,694
Buildings and improvements	11,301,794	12,005,665
Machinery and equipment	3,102,129	3,323,417
Vehicles	6,030,548	6,176,695
Infrastructure	12,422,680	13,371,936
Total capital assets, being depreciated	35,270,255	43,940,407
Less accumulated depreciation for:		
Land improvements	594,510	869,996
Buildings and improvements	3,225,848	3,533,143
Machinery and equipment	1,916,124	2,101,059
Vehicles	2,562,180	2,904,174
Infrastructure	6,081,170	6,684,084
Total accumulated depreciation	14,379,832	16,092,456
Total	\$ 28,992,888	\$ 36,040,316

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

Long-Term Debt:

On December 31, 2005, the Municipality had \$24.3 million of debt outstanding. This represents an increase of \$5,115,000, or 26.65 percent, from the previous year. The following details activity related to general obligation bonds during 2005:

Summary of General Obligation Bond Activity	
Beginning Balance at 1/1/2005	\$ 19,190,000
New Debt Proceeds	13,655,000
Debt Refunding	(7,150,000)
Principal Retirement	(1,390,000)
Ending Balance at 12/31/2005	\$ 24,305,000

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

The Municipality 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 2005, plan net assets increased over \$1,287,704 to \$21,351,103.

During 2005, contributions were required for both pension plans in the amount of \$1,820,706. In the non-uniform employees and police pension plans, the accrued liability exceeds the actuarial value of plan assets by approximately \$2.88 million and \$8.07 million, respectively, as of January 1, 2005. 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 2003 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.

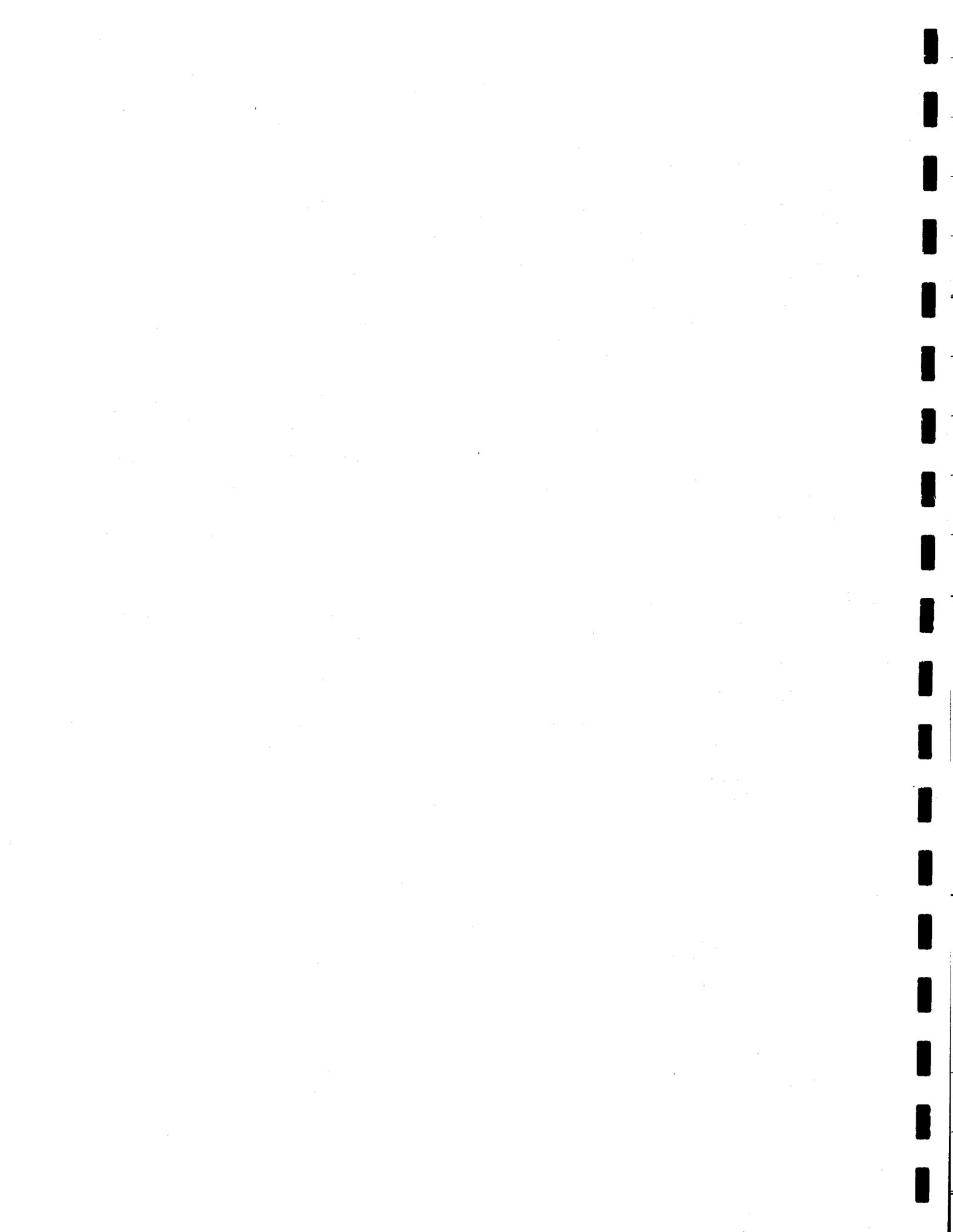
CONTACTING THE MUNICIPALITY'S FINANCIAL MANAGEMENT

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

(THIS PAGE INTENTIONALLY LEFT BLANK)

BASIC FINANCIAL STATEMENTS



**Municipality of Monroeville
Statement of Net Assets
December 31, 2005**

	<u>Primary Government</u>	<u>Component Units</u>	
	Governmental Activities	Senior Citizens Council	Convention Visitor's Bureau
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$15,253,046	\$114,968	\$142,796
Investments	3,979,295	-	-
Restricted Cash & Cash Equivalents	343,186	-	-
Restricted Investments	5,819,583	-	-
Receivables (Net, Where Applicable of Allowance for Uncollectibles)			
Taxes	2,248,249	-	-
Due from Other Governments	24,488	-	123,494
Other	707,469	-	72,197
Prepaid Items	<u>433,747</u>	<u>-</u>	<u>-</u>
Total Current Assets	<u>28,809,063</u>	<u>114,968</u>	<u>338,487</u>
Noncurrent Assets			
Land	8,192,365	-	-
Capital Assets, Net of Accumulated Depreciation	21,160,099	-	-
Infrastructure Assets, Net of Accumulated Depreciation	6,687,852	-	-
Deferred Bond Issue Costs	<u>743,425</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>36,783,741</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$65,592,804</u>	<u>\$114,968</u>	<u>\$338,487</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 1,084,051	\$ -	\$ -
Accrued Salaries and Benefits	403,768	-	-
Contracts Payable	395,078	-	-
Returnable Deposits	168,827	-	-
Accrued Interest Payable	65,309	-	-
Current Portion of Long-Term Debt	<u>1,461,580</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>3,578,613</u>	<u>-</u>	<u>-</u>
Noncurrent Liabilities			
Bonds Payable	22,880,000	-	-
Long-Term Portion of Compensated Absences	<u>695,025</u>	<u>-</u>	<u>-</u>
Total Noncurrent Liabilities	<u>23,575,025</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>27,153,638</u>	<u>-</u>	<u>-</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	11,735,316	-	-
Restricted for			
Capital Projects	5,155,171	-	-
Fiscal Emergency	83,417	-	-
Unrestricted	<u>21,465,262</u>	<u>114,968</u>	<u>338,487</u>
Total Net Assets	<u>38,439,166</u>	<u>114,968</u>	<u>338,487</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$65,592,804</u>	<u>\$114,968</u>	<u>\$338,487</u>

See Accompanying Notes

Municipality of Monroeville
Statement of Activities
Year Ended December 31, 2005

Functions/Programs	Expenses	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	\$ 4,408,344	\$ 183,259	\$ 162,667	\$ (4,062,418)	\$ -	\$ -
Public Safety	9,894,850	330,395	855,647	(8,708,808)	-	-
Public Works - Sanitation	1,039,223	520,623	-	(518,600)	-	-
Public Works - Highways	3,631,393	35,015	568,285	(3,028,093)	-	-
Culture - Recreation	4,748,847	964,492	426,204	(3,358,151)	-	-
Conservation and Development	496,090	88,606	-	(407,484)	-	-
Interest on Long-Term Debt	<u>677,780</u>	-	-	<u>(677,780)</u>	-	-
Total Governmental Activities	<u>24,896,527</u>	<u>2,122,390</u>	<u>2,012,803</u>	<u>(20,761,334)</u>	-	-
Total Primary Government	<u>\$24,896,527</u>	<u>\$2,122,390</u>	<u>\$2,012,803</u>	<u>(20,761,334)</u>	-	-
Component Units						
Senior Citizens Council	\$ 40,849	\$ -	\$ -	-	(40,849)	-
Convention Visitor's Bureau	<u>498,216</u>	-	-	-	-	<u>(498,216)</u>
Total Component Units	<u>\$ 539,065</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>(40,849)</u>	<u>(498,216)</u>
General Revenues						
Taxes						
Property Taxes, Levied for General Purposes (Net)				4,210,793	-	-
Earned Income Taxes				5,964,115	-	-
Business Privilege & Mercantile Taxes				6,093,351	-	-
Hotel/Motel Taxes				-	-	420,327
Other Taxes, Levied for General Purposes (Net)				3,206,669	-	-
Grants, Subsidies & Contributions Not Restricted				683,078	-	-
Investment Earnings				763,746	918	3,684
Miscellaneous				<u>61,482</u>	<u>56,775</u>	-
Total General Revenues				<u>20,983,234</u>	<u>57,693</u>	<u>424,011</u>
Changes in Net Assets				221,900	16,844	(74,205)
Net Assets - January 1, 2005				<u>38,217,266</u>	<u>98,124</u>	<u>412,692</u>
Net Assets - December 31, 2005				<u>\$ 38,439,166</u>	<u>\$114,968</u>	<u>\$ 338,487</u>

See Accompanying Notes

Municipality of Monroeville
Balance Sheet
Governmental Funds
December 31, 2005

	General Fund	2002 Capital Improve. Fund	2005 Capital Improve. Fund	Other Govern- mental Funds	Total Govern- mental Funds
ASSETS					
Cash and Cash Equivalents	\$ 8,827,595	\$ 266,119	\$5,063,495	\$1,095,837	\$15,253,046
Investments	3,979,295	-	-	-	3,979,295
Restricted Cash and Cash Equivalents	343,186	-	-	-	343,186
Restricted Investments	5,819,583	-	-	-	5,819,583
Taxes Receivable (Net)	2,248,249	-	-	-	2,248,249
Due from Other Funds	769,742	285,408	60,066	-	1,115,216
Due from Other Governments	24,488	-	-	-	24,488
Other Receivables (Net, Where Applicable of Allowance for Uncollectibles)	616,408	-	-	91,061	707,469
Prepaid Items	<u>433,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>433,747</u>
TOTAL ASSETS	<u>\$23,062,293</u>	<u>\$ 551,527</u>	<u>\$5,123,561</u>	<u>\$1,186,898</u>	<u>\$29,924,279</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to Other Funds	\$ 60,066	\$ 771,921	\$ -	\$ 283,229	\$ 1,115,216
Accounts Payable	962,690	15,179	102,167	4,015	1,084,051
Contracts Payable	395,078	-	-	-	395,078
Accrued Salaries and Benefits	403,768	-	-	-	403,768
Returnable Deposits	168,827	-	-	-	168,827
Unearned Revenues	<u>2,240,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,240,099</u>
Total Liabilities	<u>4,230,528</u>	<u>787,100</u>	<u>102,167</u>	<u>287,244</u>	<u>5,407,039</u>
Fund Balances					
Reserve for Encumbrances	490,808	-	-	-	490,808
Reserve for Retiree Health Insurance Benefits	6,162,769	-	-	-	6,162,769
Reserve for Fiscal Emergency	83,417	-	-	-	83,417
Reserve for Capital Projects	-	-	5,021,394	133,777	5,155,171
Unreserved - Designated for Future Capital Projects	3,735,482	-	-	-	3,735,482
Unreserved - Undesignated General Fund	8,359,289	-	-	-	8,359,289
Special Revenue Fund	-	-	-	765,877	765,877
Capital Projects Fund	<u>-</u>	<u>(235,573)</u>	<u>-</u>	<u>-</u>	<u>(235,573)</u>
Total Fund Balances	<u>18,831,765</u>	<u>(235,573)</u>	<u>5,021,394</u>	<u>899,654</u>	<u>24,517,240</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$23,062,293</u>	<u>\$ 551,527</u>	<u>\$5,123,561</u>	<u>\$1,186,898</u>	<u>\$29,924,279</u>

See Accompanying Notes

Municipality of Monroeville
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
December 31, 2005

Total Fund Balances - Governmental Funds \$ 24,517,240

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 \$52,132,772, and the accumulated depreciation is \$16,092,456. 36,040,316

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. 2,240,099

Deferred charges on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net assets. 743,425

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	\$(24,305,000)	
Accrued Interest on the Bonds	(65,309)	
Compensated Absences	<u>(731,605)</u>	<u>(25,101,914)</u>

Total Net Assets - Governmental Activities \$ 38,439,166

See Accompanying Notes

Municipality of Monroeville
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2005

	General Fund	2002 Capital Improve. Fund	2005 Capital Improve. Fund	Other Govern- mental Funds	Total Govern- mental Funds
Revenues					
Taxes	\$19,122,033	\$ -	\$ -	\$ -	\$19,122,033
Licenses and Permits	730,210	-	-	363,494	1,093,704
Fines and Forfeits	120,656	-	-	-	120,656
Interest, Rents and Royalties	625,457	7,839	116,157	14,293	763,746
Intergovernmental	1,818,157	200,000	20,622	657,102	2,695,881
Charges for Services	908,030	-	-	-	908,030
Miscellaneous	<u>702</u>	<u>-</u>	<u>60,600</u>	<u>180</u>	<u>61,482</u>
Total Revenues	<u>23,325,245</u>	<u>207,839</u>	<u>197,379</u>	<u>1,035,069</u>	<u>24,765,532</u>
Expenditures					
Current:					
General Government	3,630,602	-	-	244,822	3,875,424
Public Safety	9,914,915	-	-	-	9,914,915
Public Works - Sanitation	954,687	-	-	-	954,687
Public Works - Highways	2,359,087	-	-	518,007	2,877,094
Culture - Recreation	2,754,617	-	-	153,616	2,908,233
Conservation and Development	480,279	-	-	-	480,279
Insurance Premiums	943,860	-	-	-	943,860
Debt Service:					
Principal	1,390,000	-	-	-	1,390,000
Interest	632,302	-	-	-	632,302
Capital Outlay	<u>8,013,147</u>	<u>172,775</u>	<u>1,178,919</u>	<u>150,702</u>	<u>9,515,543</u>
Total Expenditures	<u>31,073,496</u>	<u>172,775</u>	<u>1,178,919</u>	<u>1,067,147</u>	<u>33,492,337</u>
Excess (Deficiency) of					
Revenues Over Expenditures	<u>(7,748,251)</u>	<u>35,064</u>	<u>(981,540)</u>	<u>(32,078)</u>	<u>(8,726,805)</u>
Other Financing Sources (Uses)					
Bond Proceeds	-	-	-	6,135,000	6,135,000
Refunding Bond Proceeds	-	-	-	7,520,000	7,520,000
(Discount) on Bonds Issued	-	-	-	(85,837)	(85,837)
Transfers In	4,320	145,398	6,002,934	-	6,152,652
Payment to Refunded Bond Escrow Agent	-	-	-	(7,317,087)	(7,317,087)
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,152,652)</u>	<u>(6,152,652)</u>
Total Other Financing Sources (Uses)	<u>4,320</u>	<u>145,398</u>	<u>6,002,934</u>	<u>99,424</u>	<u>6,252,076</u>
Net Changes in Fund Balances	(7,743,931)	180,462	5,021,394	67,346	(2,474,729)
Fund Balances - January 1, 2005	<u>26,575,696</u>	<u>(416,035)</u>	<u>-</u>	<u>832,308</u>	<u>26,991,969</u>
Fund Balances - December 31, 2005	<u>\$18,831,765</u>	<u>\$(235,573)</u>	<u>\$5,021,394</u>	<u>\$ 899,654</u>	<u>\$24,517,240</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, 2005**

Total Net Change in Fund Balances - Governmental Funds \$ (2,474,729)

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	\$(1,783,055)	
Capital Outlays	8,845,877	
Net Book Value of Assets Retired	<u>(15,394)</u>	7,047,428

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 increased by this amount this year. 352,895

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,390,000

The Municipality's bonded debt was also reduced by an advance refunding of debt. Resources of (\$7,317,087) was paid to the escrow agent for the advance refunding of outstanding bonds (\$7,150,000). The difference between those amounts was \$167,087 and will be amortized as an adjustment of interest expense in the statement of activities over the remaining life of the new debt. 7,317,087

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balances. In the government-wide financial statements, however, issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities. The proceeds were: (13,655,000)

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,

**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, 2005**

however, expenditures for the items are measured by the amount of financial resources used (essentially, the amounts actually paid).

Compensated Absences	\$ (4,649)
----------------------	------------

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	(13,627)
---	----------

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.

Bond Issuance Costs	\$244,822	
Bond Discounts	85,837	
Amortization of Issuance Costs, Discounts and Deferred Loss on Refunding	(68,164)	<u>262,495</u>

Change in Net Assets of Governmental Activities	\$ <u>221,900</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, 2005

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$18,337,500	\$18,337,500	\$19,122,033	\$ 784,533
Licenses and Permits	861,926	861,926	730,210	(131,716)
Fines and Forfeits	84,850	84,850	120,656	35,806
Interest, Rents and Royalties	355,865	355,865	625,457	269,592
Intergovernmental	1,532,800	1,973,049	1,818,157	(154,892)
Charges for Services	558,530	558,530	908,030	349,500
Miscellaneous	<u>-</u>	<u>-</u>	<u>702</u>	<u>702</u>
Total Revenues	<u>21,731,471</u>	<u>22,171,720</u>	<u>23,325,245</u>	<u>1,153,525</u>
Expenditures				
Current:				
General Government	3,545,416	3,541,786	3,630,602	(88,816)
Public Safety	9,039,848	10,003,941	9,914,915	89,026
Public Works - Sanitation	944,352	929,487	954,687	(25,200)
Public Works - Highways	2,965,414	3,027,848	2,359,087	668,761
Culture - Recreation	2,240,141	2,244,500	2,754,617	(510,117)
Conservation and Development	490,780	490,780	480,279	10,501
Insurance Premiums	949,759	949,759	943,860	5,899
Debt Service:				
Principal	1,390,000	1,390,000	1,390,000	-
Interest	855,830	855,830	632,302	223,528
Capital Outlay	<u>-</u>	<u>11,395,555</u>	<u>8,013,147</u>	<u>3,382,408</u>
Total Expenditures	<u>22,421,540</u>	<u>34,829,486</u>	<u>31,073,496</u>	<u>3,755,990</u>
Excess (Deficiency) of Revenues Over Expenditures	(690,069)	(12,657,766)	(7,748,251)	4,909,515
Other Financing Sources (Uses)				
Transfer In	<u>-</u>	<u>-</u>	<u>4,320</u>	<u>4,320</u>
Net Change in Fund Balance	<u>\$ (690,069)</u>	<u>\$(12,657,766)</u>	<u>\$(7,743,931)</u>	<u>\$4,913,835</u>

See Accompanying Notes

Municipality of Monroeville
Statement of Net Assets
Fiduciary Funds
Pension Trust Fund
December 31, 2005

ASSETS	
Cash and Cash Equivalents	\$ 947,889
Investments	
Equities	9,426,129
Mutual Funds	1,507,302
Municipal Bonds	965,742
U. S. Agencies	7,100,770
Corporate Bonds	120,000
U. S. Treasuries	<u>1,283,271</u>
TOTAL ASSETS	<u>\$21,351,103</u>
LIABILITIES AND NET ASSETS	
Liabilities	\$ -
Net Assets	
Held in Trust for Pension Benefits	<u>21,351,103</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$21,351,103</u>

See Accompanying Notes

Municipality of Monroeville
Statement of Changes in Net Assets
Fiduciary Funds
Pension Trust Fund
Year Ended December 31, 2005

Additions	
Contributions	
Employer	\$ 1,329,531
Plan Members	<u>245,260</u>
Total Contributions	<u>1,574,791</u>
Investment Income	
Net Appreciation	
in Fair Value of Investments	541,866
Interest and Dividends	<u>639,954</u>
Net Investment Income	<u>1,181,820</u>
Total Additions	<u>2,756,611</u>
Deductions	
Benefits	1,377,244
Administrative Expenses	<u>91,663</u>
Total Deductions	<u>1,468,907</u>
Change in Net Assets	1,287,704
Net Assets - January 1, 2005	<u>20,063,399</u>
Net Assets - December 31, 2005	<u>\$21,351,103</u>

See Accompanying Notes

Municipality of Monroeville
Notes to Financial Statements
December 31, 2005

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.

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, 2005

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, 2005

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, 2002 Capital Improvement Fund and the 2005 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as

Municipality of Monroeville
Notes to Financial Statements
December 31, 2005

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

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

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.

The *2005 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 the series of 2005 general obligation bonds.

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

Municipality of Monroeville
Notes to Financial Statements
December 31, 2005

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 *Debt Service Funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation bonds of governmental funds.

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, 2005

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, 2005

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 2002 and 2005 Capital Improvements Funds are governed by the debt agreements that funded those projects. The Debt Service Funds were used to report and account for the bonds issued during the year and were governed by the debt agreements. 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, 2005

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, 2005

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

L. Equity Classifications (Cont'd)

Government-Wide Statements (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 8 for additional disclosures.

M. Prepaid Items

In both the government-wide and fund financial statements, prepaid items are recorded as assets in the specific governmental fund in which future benefits will be derived.

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. Investments are reported at fair value. Fair value is based on quoted market prices. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair 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.

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2005**

Note 2 - Deposits and Investments (Cont'd)

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in an event of a bank failure, the government's deposits may not be returned to it. The Municipality nor its component units do not have a deposit policy for custodial credit risk. Deposits in excess of amounts covered by the Federal Deposit Insurance Corporation are collateralized in accordance with Act 72 of 1971 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governments and have the collateral held by an approved custodian in the institution's name. As of December 31, 2005, \$6,174,049 of the Municipality's bank balance of \$6,473,640 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging	
Bank's Agent not in the Municipality's Name	<u>\$6,174,049</u>

As of December 31, 2005, the component units' bank balances of \$134,186 was not exposed to custodial credit risk.

As of December 31, 2005, the Municipality had the following investments in all funds:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Money Market Funds		
PA Local Government Invest. Trust	\$ 9,730,823	
Dreyfus Cash Management	938,623	
Federated Prime Cash	291,695	
Common Stock	9,426,129	
Mutual Funds	1,507,302	
Municipal Bonds	965,742	3.90
Corporate Bonds	120,000	11.93
U. S. Agencies	16,613,982	2.51
U. S. Treasuries	<u>1,481,931</u>	3.73
Totals	<u>\$41,076,227</u>	
Portfolio Weighted Average Maturity		2.73

Municipality of Monroeville
Notes to Financial Statements
December 31, 2005

Note 2 - Deposits and Investments (Cont'd)

Custodial Credit Risk - Deposits (Cont'd)

Of the total investments above, \$21,341,837 are reported in the Municipality's Fiduciary Pension Trust Fund. The balance is reported in its governmental funds.

Investments

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

Credit Risks - Pennsylvania statutes authorize the type of investments allowed and are described above. The Municipality has no investment policy that would further limit its investment choices. The Municipality's investments, excluding its common stock, mutual funds and U. S. government guaranteed obligations, are rated by nationally recognized statistical rating organizations Standard and Poors (S & P) and Moody's as follows:

	S & P	Moody's
Money Market Funds		
PA Local Government		
Investment Trust	AAAm	N/R
Dreyfus Cash Management	AAAm	Aaa
Federated Prime Cash	AAAm	Aaa
Corporate Bonds	AAA	Aaa
U. S. Agencies	AAA	Aaa
Municipal Bonds		
Mn. St. Airport (190,522)	AAA	Aa1
Broward Co. Fl. (259,400)	AAA	Aaa
New Jersey St (104,820)	AA	Aa3
Pike PA IDA (411,000)	CCC	N/R

Concentration of Credit Risk - The Municipality places no limit on the amount it may invest in any one issue and had no investment in excess of 5% of its total investments.

The Municipality's component units, the Senior Citizens Council and Convention Visitor's Bureau, follow the same policies as the Municipality as it relates to the types of investments authorized, interest rate risk, credit risk and concentration of credit risk.

The only investment as of December 31, 2005, was \$154,330 in the PLGIT money market account held by the Convention Visitor's Bureau.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2005

Note 2 - Deposits and Investments (Cont'd)

Investments (Cont'd)

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.

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, 2005, 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, 2005, total property taxes receivable, including delinquent and lienied, was \$633,092 of which \$158,273 has been provided as uncollectible.

The property tax calendar for 2005 was as follows:

2005 Millage Rate Adopted	December 9, 2004
2005 Bills Dated	March 1, 2005
2005 Two Percent Discount Period Ended	April 30, 2005
2005 Penalty Period Begun	July 1, 2005
2004 Delinquent Property Tax Bills Lienied	July 1, 2005
2005 Property Taxes not paid to be Declared Delinquent	February 28, 2006

Municipality of Monroeville
Notes to Financial Statements
December 31, 2005

Note 4 - Other Receivables

Other receivables consist of the following items:

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Reimbursable Expenditures	\$192,017	\$ -
Host Municipality Fees	102,646	-
Cable TV Franchise Fees	-	91,061
Miscellaneous	74,593	-
Real Estate Transfer Tax	<u>247,152</u>	<u>-</u>
	<u>\$616,408</u>	<u>\$91,061</u>

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2005 was as follows:

	Balance 01/01/05	Additions	Disposals	Balance 12/31/05
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ <u>8,102,465</u>	\$ <u>89,900</u>	\$ <u>-</u>	\$ <u>8,192,365</u>
Capital Assets, Being Depreciated				
Land Improvements	2,413,104	6,678,325	28,735	9,062,694
Buildings & Building Improvements	11,301,794	703,871	-	12,005,665
Machinery & Equipment	3,102,129	239,654	18,366	3,323,417
Vehicles	6,030,548	146,147	-	6,176,695
Infrastructure	<u>12,422,680</u>	<u>987,980</u>	<u>38,724</u>	<u>13,371,936</u>
Total Capital Assets, Being Depreciated	<u>35,270,255</u>	<u>8,755,977</u>	<u>85,825</u>	<u>43,940,407</u>

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2005**

Note 5 - Capital Assets (Cont'd)

	Balance 01/01/05	Additions	Disposals	Balance 12/31/05
Less Accumulated Depreciation				
Land Improvements	\$ 594,510	\$ 289,929	\$14,443	\$ 869,996
Buildings & Building Improvements	3,225,848	307,295	-	3,533,143
Machinery & Equipment	1,916,124	202,199	17,264	2,101,059
Vehicles	2,562,180	341,994	-	2,904,174
Infrastructure	<u>6,081,170</u>	<u>641,638</u>	<u>38,724</u>	<u>6,684,084</u>
Total Accumulated Depreciation	<u>14,379,832</u>	<u>1,783,055</u>	<u>70,431</u>	<u>16,092,456</u>
Governmental Activities				
Capital Assets, Net	<u>\$28,992,888</u>	<u>\$7,062,822</u>	<u>\$15,394</u>	<u>\$36,040,316</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	\$ 234,895
Public Safety	199,000
Public Works	
Sanitation	58,839
Highways and Streets	777,907
Culture - Recreation	508,827
Conservation & Development	<u>3,587</u>
	<u>\$1,783,055</u>

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, 2005:

Municipality of Monroeville
Notes to Financial Statements
December 31, 2005

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

	<u>General Obligation Bonds</u>	<u>Compensated Absences</u>
Beginning of the Year	\$19,190,000	\$726,956
Increase	13,655,000	33,456
Retirements	(1,390,000)	(28,807)
Defeased	<u>(7,150,000)</u>	<u>-</u>
End of the Year	<u>\$24,305,000</u>	<u>\$731,605</u>
Current Portion	<u>\$ 1,425,000</u>	<u>\$ 36,580</u>

Bonds Payable at December 31, 2005 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.	\$ 360,000
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.	2,875,000
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.	7,415,000
Series 2005 nontaxable due in annual installments on June 1 through 2019; ranging from \$5,000 to \$1,670,000; interest (at rates ranging from 3.80% to 4.05%) is payable semi-annually on June 1 and December 1.	6,135,000

Municipality of Monroeville
Notes to Financial Statements
December 31, 2005

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

General Obligation Bonds (Cont'd):

Series 2005A refunding nontaxable due in annual installments June 1 through 2016; ranging from \$5,000 to \$1,745,000; interest (at rates ranging from 2.85% to 3.80%) is payable semi-annually on June 1 and December 1.	<u>\$ 7,520,000</u>
	<u>\$24,305,000</u>

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

Year Ended December 31,	Principal	Interest	Totals
2006	\$ 1,425,000	\$ 767,300	\$ 2,192,300
2007	1,460,000	737,016	2,197,016
2008	1,515,000	707,010	2,222,010
2009	1,580,000	671,836	2,251,836
2010	1,610,000	630,762	2,240,762
2011-2015	8,885,000	2,352,347	11,237,347
2016-2019	<u>7,830,000</u>	<u>609,522</u>	<u>8,439,522</u>
	<u>\$24,305,000</u>	<u>\$6,475,793</u>	<u>\$30,780,793</u>

The future annual payments listed above are to be funded entirely by the General Fund. The compensated absences liability will be liquidated primarily by the General Fund.

On August 25, 2005 the Municipality issued \$7,520,000 Series 2005A current interest bonds with interest rates from 2.85% to 3.80% to advance refund all of the outstanding (\$7,150,000) Series 2002 bonds with interest rates from 3.30% to 4.70%.

The net proceeds of \$7,317,087 (after payment of issuance costs, underwriters discount and other costs) were used to purchase U. S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased Series 2002 bonds. As a result, the 2002 bonds are considered defeased and the liability for those bonds have been removed as a liability in these financial statements.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2005

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

The Municipality advance refunded the 2002 Series bonds to reduce its total debt service payments over the next eleven years by approximately \$220,000 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$208,000.

Note 7 - Interfund Balances and Transfers

Interfund balances at December 31, 2005 were as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$ 769,742	\$ 60,066
2002 Capital Improvements	285,408	771,921
2005 Capital Improvements	60,066	-
Nonmajor - Cable Television	<u> -</u>	<u>283,229</u>
	<u>\$1,115,216</u>	<u>\$1,115,216</u>

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, 2005 from the Cable Television Fund to the 2002 Capital Improvements Fund in the amount of \$145,398. 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. In addition, transfers of \$6,002,934 were made from the 2005 Debt Service Fund to the 2005 Capital Improvements Fund. This amount represented the net proceeds from the bond issue for capital projects. Also, a transfer of \$4,320 was made from the 2005A Debt Service Fund to the General Fund. These were the excess proceeds from the 2005A refunding bonds.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2005

Note 8 - 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, 2005 was \$6,162,769. The cash and investments are reported as restricted on the Municipality's financial statements.

The fund balance deficit as of December 31, 2005 in the 2002 Capital Improvements Fund of \$235,573 will be funded from transfers from the General Fund in 2006.

Note 9 - 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.

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.

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2005**

Note 9 - Pension Plans (Cont'd)

Plan Description and Eligibility (Cont'd)

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 5% of their total earnings; the non-uniform employees are required to contribute 6% of compensation.

At January 1, 2005 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	75	33
Deferred Vested	1	1
Active Employees		
Vested	57	35
Non-vested	46	16

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.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2005

Note 9 - Pension Plans (Cont'd)

Summary of Significant Accounting Policies (Cont'd)

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, 2005, there was one investment in a security of a single organization that constituted more than 5% of the plan net assets available for benefits in either plan. 1 Shares MSCI stock, held in the police pension plan, fair value at December 31, 2005, was \$1,765,071, or 8.6% of the total plan's net assets.

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 2005 MMO obligations (contributed to the Plans through a combination of Commonwealth and Municipal funding) for the Non-Uniform Plan and Police Plan were \$491,175 (10% of covered payroll) and \$1,329,531 (28% of covered payroll), respectively. Employee contributions for the Non-Uniform Plan and Police Plan were \$297,525 (6% of covered payroll) and \$245,260 (5% of covered payroll), respectively. The Commonwealth contributions for the Police Plan in 2005 were \$440,249 and were recognized as a revenue and expense in the General Fund.

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

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

Municipality of Monroeville
Notes to Financial Statements
December 31, 2005

Note 9 - Pension Plans (Cont'd)

Contributions and Funding Policy (Cont'd)

	<u>Non-Uniform</u>	<u>Police</u>
Annual Pension Cost	\$491,175	\$1,329,531
Contributions Made	491,175	1,329,531
Actuarial Valuation Date	1/1/2005	1/1/2005
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 Years	12 Years
Actuarial Assumptions		
Investment Rate of Return	6.0%	7.5%
Projected Salary Increases	4.7%	6.0%
Underlying Inflation Rate	N/A	3.0%
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, 2005.

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	12/31/03	\$293,380	100.0%	\$ -
	12/31/04	322,521	100.0%	-
	12/31/05	491,175	100.0%	-
Police	12/31/03	1,106,775	100.0%	-
	12/31/04	1,182,525	100.0%	-
	12/31/05	1,329,531	100.0%	-

Municipality of Monroeville
Notes to Financial Statements
December 31, 2005

Note 10 - Post Employment Benefits

In addition to the pension benefits described in Note 9, 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 and administrative employees only are provided a "65 Special" hospitalization plan with prescription coverage 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" and prescription coverage.

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, 2005 was approximately \$612,550 and \$5,735 for health insurance and life insurance coverage, respectively. The total number of currently eligible retirees was 84 for health benefits and 100 for life insurance benefits. The Municipality records related expenses in the General Fund as incurred.

Note 11 - 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, 2005

Note 12 - 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 13 - 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 2005 was approximately \$405,000. 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 14 - Construction Commitment

As of December 31, 2005, the Municipality had construction commitments in the amount of approximately \$380,000 for the community center. It is anticipated this project will be completed in 2006.

(THIS PAGE INTENTIONALLY LEFT BLANK)

**REQUIRED SUPPLEMENTARY
INFORMATION**



**Municipality of Monroeville
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2005**

1. Schedules of Funding Progress

Non-Uniform						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Excess (Deficiency) of Assets Over (Under) AAL	Funded Ratio	Covered Payroll	Excess (Deficiency) as a % of Covered Payroll
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%)
01/01/05	22,578,550	25,463,080	(2,884,530)	88.67%	5,265,258	(54.78%)
Police						
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%)
01/01/05	19,458,258	27,524,545	(8,066,287)	70.69%	5,009,605	(161.02%)

Note: State law requires biennial valuations on the odd numbered years.

**Municipality of Monroeville
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2005**

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
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%
2005	491	100%	1,330	100%

Note: Contributions include state pension aid.

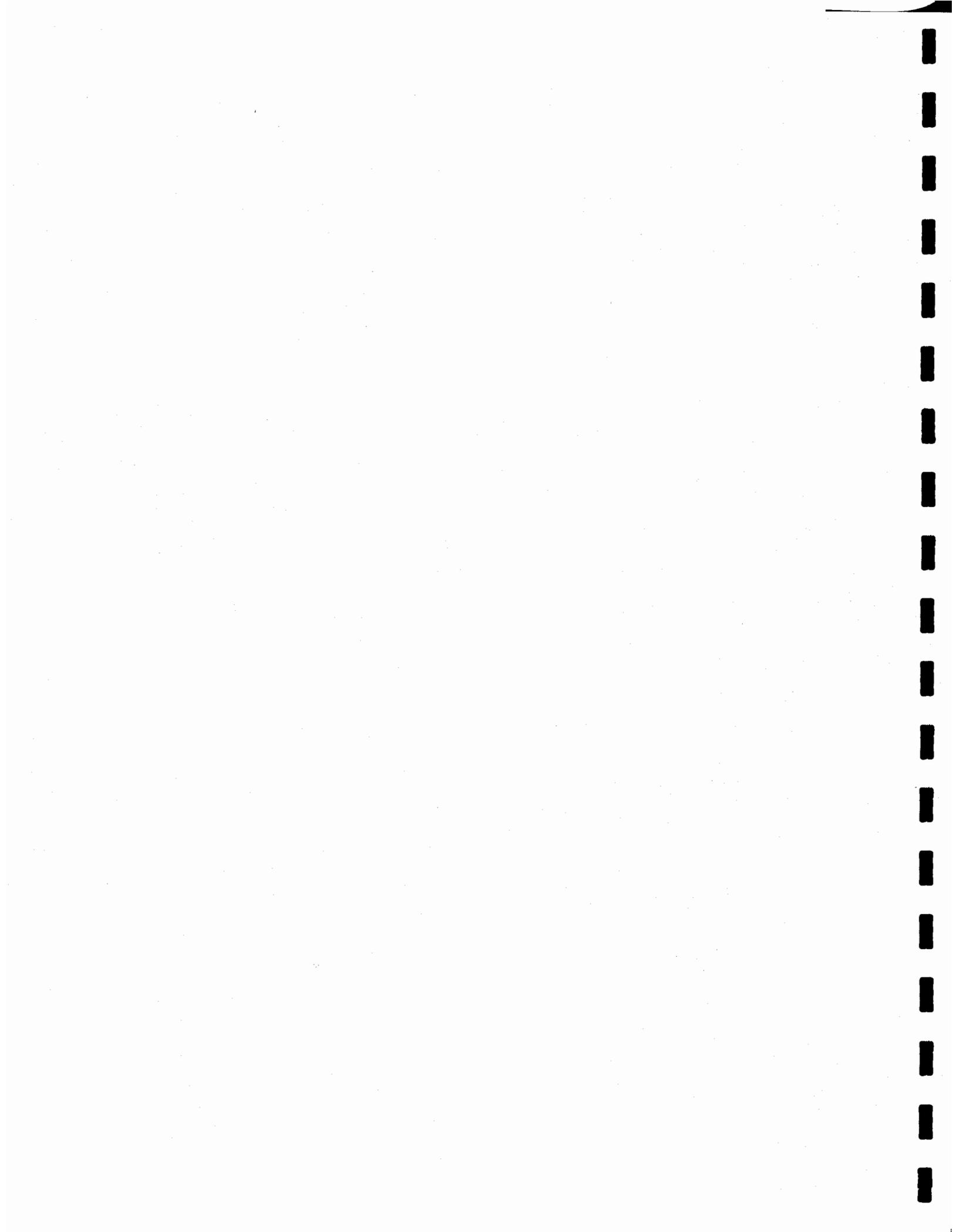
3. Notes to Required Supplementary Information

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, 2005	January 1, 2005
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar Closed	Level Dollar Closed
Asset Valuation Method	Market	Smoothing
Amortization Period	13 years	12 years
Actuarial Assumptions		
Investment Rate of Return	6.00%	7.50%
Projected Salary Increases	4.70%	6.00%
Underlying Inflation Rate	N/A	3.00%
Post-Retirement 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.

DEBT SERVICE FUNDS

Series of 2005 - To account for accumulation of resources for and payment of debt principal, interest and fees of the 2005 Series bonds.

Series of 2005A - To account for accumulation of resources for and payment of debt principal, interest and fees of the 2005A Series bonds.

CAPITAL PROJECTS FUNDS

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.

(THIS PAGE INTENTIONALLY LEFT BLANK)

**Municipality of Monroeville
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005**

	Special Revenue Funds				Debt Service Funds Series of 2005A	Capital Projects Funds Northern Pike Improvements Fund	Total Nonmajor Governmental Funds
	Highway Aid Fund	Cable Television Fund	Police Asset Seizure Fund	Side- walk Fund			
ASSETS							
Cash and Cash Equivalents	\$1,559	\$874,780	\$83,221	\$2,000	\$2,500	\$131,777	\$1,095,837
Other Receivables (Include Bond Proceeds Receivable)	-	<u>91,061</u>	-	-	-	-	<u>91,061</u>
TOTAL ASSETS	<u>\$1,559</u>	<u>\$965,841</u>	<u>\$83,221</u>	<u>\$2,000</u>	<u>\$2,500</u>	<u>\$131,777</u>	<u>\$1,186,898</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Due to Other Funds	\$ -	\$283,229	\$ -	\$ -	\$ -	\$ -	\$ 283,229
Accounts Payable	-	<u>1,515</u>	-	-	<u>2,500</u>	-	<u>4,015</u>
Total Liabilities	-	<u>284,744</u>	-	-	<u>2,500</u>	-	<u>287,244</u>
Fund Balances							
Reserve for Capital Projects	-	-	-	2,000	-	131,777	133,777
Unreserved - Undesignated Special Revenue Fund	<u>1,559</u>	<u>681,097</u>	<u>83,221</u>	-	-	-	<u>765,877</u>
Total Fund Balances	<u>1,559</u>	<u>681,097</u>	<u>83,221</u>	<u>2,000</u>	-	<u>131,777</u>	<u>899,654</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,559</u>	<u>\$965,841</u>	<u>\$83,221</u>	<u>\$2,000</u>	<u>\$2,500</u>	<u>\$131,777</u>	<u>\$1,186,898</u>

Municipality of Monroeville
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2005

	Special Revenue Funds				Debt Service Fund		Capital Projects Fund	Total Nonmajor Governmental Funds
	Highway Aid Fund	Cable Television Fund	Police Asset Seizure Fund	Sidewalk Fund	Series of 2005	Series of 2005A	Northern Pike Improvements Fund	
Revenues								
Licenses and Permits	\$ -	\$ 363,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 363,494
Interest, Rents and Royalties	10,327	-	263	-	-	-	3,703	14,293
Intergovernmental	508,534	-	148,568	-	-	-	-	657,102
Miscellaneous	-	180	-	-	-	-	-	180
Total Revenues	<u>518,861</u>	<u>363,674</u>	<u>148,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,703</u>	<u>1,035,069</u>
Expenditures								
Current:								
General Government	-	-	-	-	102,994	141,828	-	244,822
Public Works - Highways	518,007	-	-	-	-	-	-	518,007
Culture - Recreation	-	153,616	-	-	-	-	-	153,616
Capital Outlay:								
Public Safety	-	-	141,065	-	-	-	-	141,065
Culture - Recreation	-	9,637	-	-	-	-	-	9,637
Total Expenditures	<u>518,007</u>	<u>163,253</u>	<u>141,065</u>	<u>-</u>	<u>102,994</u>	<u>141,828</u>	<u>-</u>	<u>1,067,147</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>854</u>	<u>200,421</u>	<u>7,766</u>	<u>-</u>	<u>(102,994)</u>	<u>(141,828)</u>	<u>3,703</u>	<u>(32,078)</u>
Other Financing Sources (Uses)								
Bond Proceeds	-	-	-	-	6,135,000	-	-	6,135,000
Refunding Bond Proceeds	-	-	-	-	-	7,520,000	-	7,520,000
(Discourt) Premium on Bonds Issued	-	-	-	-	(29,072)	(56,765)	-	(85,837)
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	(7,317,087)	-	(7,317,087)
Transfers Out	-	(145,398)	-	-	(6,002,934)	(4,320)	-	(6,152,652)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(145,398)</u>	<u>-</u>	<u>-</u>	<u>102,994</u>	<u>141,828</u>	<u>-</u>	<u>99,424</u>
Net Changes in Fund Balances	854	55,023	7,766	-	-	-	3,703	67,346
Fund Balance - January 1, 2005	<u>705</u>	<u>626,074</u>	<u>75,455</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>128,074</u>	<u>832,308</u>
Fund Balance - December 31, 2005	<u>\$ 1,559</u>	<u>\$ 681,097</u>	<u>\$ 83,221</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,777</u>	<u>\$ 899,654</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, 2005

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest, Rents and Royalties				
Interest Earnings	\$ 10,000	\$ 10,000	\$ 10,327	\$ 327
Intergovernmental				
Liquid Fuels Tax	<u>506,000</u>	<u>506,000</u>	<u>508,534</u>	<u>2,534</u>
Total Revenues	<u>516,000</u>	<u>516,000</u>	<u>518,861</u>	<u>2,861</u>
Expenditures				
Current:				
Public Works				
Highways and Streets				
Snow and Ice Removal	68,000	68,000	193,490	(125,490)
Traffic Signals	73,000	73,000	52,512	20,488
Street Lighting	<u>375,000</u>	<u>375,000</u>	<u>272,005</u>	<u>102,995</u>
Total Expenditures	<u>516,000</u>	<u>516,000</u>	<u>518,007</u>	<u>(2,007)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 854</u>	<u>\$ 854</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, 2005**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and Permits				
Cable TV Franchise Fees	\$ 345,691	\$ 345,691	\$ 363,494	\$17,803
Miscellaneous - Other	<u> -</u>	<u> -</u>	<u> 180</u>	<u> 180</u>
Total Revenues	<u>345,691</u>	<u>345,691</u>	<u>363,674</u>	<u>17,983</u>
Expenditures				
Current:				
Culture - Recreation	176,732	176,732	153,616	23,116
Capital Outlays:				
Culture - Recreation	<u>33,262</u>	<u>33,262</u>	<u> 9,637</u>	<u>23,625</u>
Total Expenditures	<u>209,994</u>	<u>209,994</u>	<u>163,253</u>	<u>46,741</u>
Excess (Deficiency) of Revenues Over Expenditures	135,697	135,697	200,421	64,724
Other Financing Uses				
Transfers Out	<u>(138,276)</u>	<u>(138,276)</u>	<u>(145,398)</u>	<u>(7,122)</u>
Net Change in Fund Balance	<u>\$ (2,579)</u>	<u>\$ (2,579)</u>	<u>\$ 55,023</u>	<u>\$57,602</u>

**Municipality of Monroeville
Combining Balance Sheet
Component Units
December 31, 2005**

	Senior Citizens Council	Convention Visitor's Bureau	Total Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$114,968	\$142,796	\$257,764
Due from Other Governments	-	123,494	123,494
Other Receivables	<u>-</u>	<u>72,197</u>	<u>72,197</u>
TOTAL ASSETS	<u>\$114,968</u>	<u>\$338,487</u>	<u>\$453,455</u>
LIABILITIES AND FUND BALANCES			
Liabilities	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Fund Balances			
Unreserved	<u>114,968</u>	<u>338,487</u>	<u>453,455</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$114,968</u>	<u>\$338,487</u>	<u>\$453,455</u>

Municipality of Monroeville
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Component Units
Year Ended December 31, 2005

	Senior Citizens Council	Convention Visitor's Bureau	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ -	\$420,327	\$420,327
Interest, Rents and Royalties	918	3,684	4,602
Charges for Services	267	-	267
Miscellaneous	<u>56,508</u>	<u>-</u>	<u>56,508</u>
 Total Revenues	 <u>57,693</u>	 <u>424,011</u>	 <u>481,704</u>
 Expenditures			
Current:			
Culture - Recreation	40,849	-	40,849
Conservation and Development	<u>-</u>	<u>498,216</u>	<u>498,216</u>
 Total Expenditures	 <u>40,849</u>	 <u>498,216</u>	 <u>539,065</u>
 Net Changes in Fund Balances	 16,844	 (74,205)	 (57,361)
 Fund Balances - January 1, 2005	 <u>98,124</u>	 <u>412,692</u>	 <u>510,816</u>
 Fund Balances - December 31, 2005	 <u>\$114,968</u>	 <u>\$338,487</u>	 <u>\$453,455</u>

ADDITIONAL INFORMATION



**Municipality of Monroeville
Schedule of Public Library Program
Revenues and Expenditures
Included in the General Fund
Year Ended December 31, 2005**

Revenues

Regional Asset District Tax Funds passed through ACLA	\$ 270,163
Regional Use Reimbursement	17,607
State Library Aid	126,204
Fines and Miscellaneous	<u>64,714</u>
Total Revenues	<u>\$ 478,688</u>

Expenditures

Salaries	\$ 585,825
Benefits	155,826
Utilities	80,362
Maintenance and Repairs	186,401
Office Supplies	24,063
Library Books and Equipment	185,921
Office Equipment and Furniture	66,797
Miscellaneous Outside Personnel Services	<u>27,258</u>
Total Expenditures	<u>\$1,312,453</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.

(THIS PAGE INTENTIONALLY LEFT BLANK)

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
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
2005	3,875	9,915	955	2,877	2,908	480	944	2,022	8,164	32,140

(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
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
2005	19,122	1,094	121	2,475	908	640	1	24,361

(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)

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
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%
2005	4,392	4,087	93.06%	92	4,179	95.15%	521	11.86%

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

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

LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>Total Assessed Value (2)</u>	<u>Estimated Market Value (2)</u>	<u>Exemptions</u>	<u>Ratio of Total Assessed Value to Total Estimated Actual Value</u>
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%
2005	1,996,151	1,996,151	350,460	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
	Total Operating Millage	Total Millage	Total Operating Millage	Total Millage	Total Operating Millage	Total Millage	
1996	12.25	12.25	25.20	25.20	81.84	81.84	119.29
1997	12.25	12.25	25.20	25.20	84.34	84.34	121.79
1998	12.25	12.25	25.20	25.20	88.10	88.10	125.55
1999	12.25	12.25	25.20	25.20	88.10	88.10	125.55
2000	12.25	12.25	25.20	25.20	88.10	88.10	125.55
2001*	2.20	2.20	4.72	4.72	16.55	16.55	23.47
2002	2.20	2.20	4.69	4.69	16.55	16.55	23.44
2003	2.20	2.20	4.69	4.69	17.41	17.41	24.30
2004	2.20	2.20	4.69	4.69	18.41	18.41	25.30
2005	2.20	2.20	4.69	4.69	19.41	19.41	26.30

* 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, 2005

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2005 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
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>
	Total Assessed Valuation - 2005		<u>\$ 1,996,151,387</u>

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

TABLE 7
COMPUTATION OF NONELECTORAL DEBT MARGIN

DECEMBER 31, 2005
(AMOUNTS EXPRESSED IN THOUSANDS)

Nonelectoral debt limit:		
Total net revenues 2003-2005 (net of exclusions)	\$	68,291
Three-year average (borrowing base)		22,764
Multiplier		<u>250%</u>
 Total nonelectoral debt limit		 56,909
 Amount of debt applicable to debt limit:		 24,305
Nonelectoral general obligation bonds		-
 Less: Amounts available in escrow funds		 <u>-</u>
 Total net indebtedness		 <u>24,305</u>
 Remaining nonelectoral debt margin		 <u><u>\$ 32,604</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

LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS)

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
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
2005	29	1,996,151	24,305	-	24,305	1.22%	838

(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
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%
2005	1,390	628	2,018	32,140	6.28%

(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, 2005
 (AMOUNTS EXPRESSED IN THOUSANDS)

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
Municipality of Monroeville	\$ 24,305	100.00%	\$ 24,305
Overlapping:			
Gateway School District	58,955	96.80% a	57,068
Allegheny County	<u>603,452</u>	3.50% a	21,121
Subtotal-overlapping	<u>662,407</u>		<u>78,189</u>
Total	<u>\$ 686,712</u>		<u>\$ 102,494</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

<u>Year</u>	<u>(1) Population</u>	<u>(2) Per Capita Income</u>	<u>(3) Median Age</u>	<u>(4) School Enrollment</u>	<u>(2) Unemployment Rate</u>
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
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
2005	1,996,151	350,460	2,346,611	332	42,041

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, 2005

Date of Incorporation	1951	Police Protection:	
Form of Government	Home rule	Number of stations	1
Area	19.5 square miles (approx.)	Number of personnel and officers	49
Number of Employees (excluding police & fire):	160	Number of patrol units	7
Classified	145	Number of incidents	17,857
Exempt	15	Number of physical arrests	275
Number of Government Facilities:		Number of citations and traffic violations	554
Miles of streets	108	Water System:	
Number of street lights	1,440	Miles of water mains	145
Culture and Recreation:		Number of service connections	9,350
Parks	22	Daily average consumption in gallons	4,000,000
Park acreage	820	Maximum daily capacity in gallons	6,000,000
Swimming pools	1	Facilities & Svcs. not included in the Reporting Entity:	
Tennis courts	16	Education:	
Basketball courts	17	Number of elementary schools	8
Soccer fields	5	Number of secondary schools	3
Ball fields	11	Total number of instructors	276
Picnic pavilions	9	Number of community colleges	1
Comfort stations	9	Number of universities	2
Play equipment areas	16	Number of technical schools	1
Walk/Jog paths (paved)	8	Hospitals:	
Historical sites	3	Number of hospitals	3
Fire Protection:		Number of patient beds	433
Number of stations	5		
Number of personnel and officers	225		
Number of calls answered	5,012		
Number of inspections conducted	4,247		

