

MUNICIPALITY OF  
MONROEVILLE,  
PENNSYLVANIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2006

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

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2006

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**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 27, 2007

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, 2006.

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, 2006. 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 are 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 the 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 2006 was 4.9 percent compared to 5.2 percent in 2005 and 5.7 percent in 2004. 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 2006. The MSA rate is the lowest in nearly four years. The statewide average unemployment rate for 2006 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 2.1 percent and 6.9 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 6.3 percent). The reason for this increase is the increasing tax base supported by businesses taxes as well as personal earned income tax. New for 2006 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 (34.62 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 2006, fund balance was utilized to continue to develop Phase 1 of the Municipality's 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 - Develop and diversity the business structure with the objectives to expand the commercial professional services tax base (i.e. information and technology, finance and insurance and health care services) and to build strong relationships with economic strategists.
- Goal 2 - 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 3 - 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 4 - 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 5 - Construct a new community aquatic facility with the objective to enhance the new Community Park Complex Project which has added to the quality of life in the community.
- Goal 6 - To fully develop the program opportunities that the opening of Monroeville Community Park Complex offers.

### **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 2006, the Municipality utilized fund balance to fund the continued construction of the new Community Park Complex at a total cost of \$836,034.

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. During 2006 Municipal Council and the Planning Commission worked together to revise and approve the new Comprehensive Land Use Plan. The overall goal of this effort is to ensure that the community continues to develop in a manner consistent

with the Strategic Action Plan. 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.

Now that the Comprehensive Land Use Plan has been adopted, the Strategic Action Plan provides the following guidelines: (1) Revise the Zoning Ordinance, (2) Revise the Subdivision and Land Development Ordinance, and (3) Launch the Streetscape Initiative Program. These updates 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, 2005. This is the fourteenth 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.

### ACKNOWLEDGMENTS

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

Respectfully submitted,

**MUNICIPALITY OF MONROEVILLE**



Susan E. Werksman  
Director of Personnel and Finance

# 2006 Organizational Structure For... *Monroeville Municipal Government*

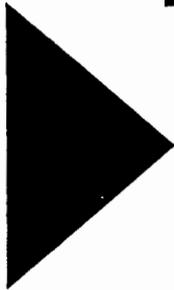
Uniform Construction Code Appeals Board	Human Relations Commission	Recreation & Parks Advisory Board	Monroeville Hospital Authority
International Property Maintenance Code Appeals Board	Police Pension Committee	Monroeville Arts Council	Monroeville Municipal Authority
Zoning Hearing Board	Library Board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



**Mayor and Council**

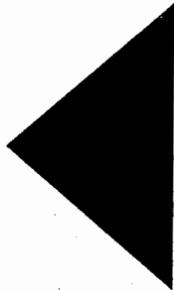
Municipal Solicitor

Municipal Engineer



Municipal Manager

Municipal Treasurer



Risk Management  
 Productivity Management  
 Intergovernmental Relations

Government General Services	Public Safety	Public Works	Community Development	Library Services	Recreation, Parks & Human Services
Accounting; Purchasing; Budget Control; Information Systems; Revenue Collection; Tax Collection.	Ambulance; Fire Official; Fire Suppression; Police Protection; Emergency Management; Emergency Communications.	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.
					<b>Cable TV-15</b>

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## PRINCIPAL OFFICIALS DURING 2006

### MEMBERS OF COUNCIL

James Lomeo	Mayor
Clarence Ramsey	Council Member
Frank Franci	Council Member
Dave Kucherer	Council Member
Debbie Hartwick	Council Member
John A. Danzilli, Jr.	Council Member
Marshall Boone	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

# 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, 2005

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.



President

Executive Director

**FINANCIAL SECTION**

P. J. VANCHERI, CPA  
—  
L. E. MERTZ, CPA  
J. ZIVKOVIC, CPA  
—  
P. C. DURNY, CPA  
S. H. NIEDENBERGER, CPA  
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## HOSACK, SPECHT, MUETZEL & WOOD LLP

CERTIFIED PUBLIC ACCOUNTANTS  
305 MT. LEBANON BOULEVARD, SUITE 301  
PITTSBURGH, PENNSYLVANIA 15234-1500  
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G. M. HOSACK (1934-1941)  
W. H. SPECHT (1934-1976)  
A. C. WOOD (1934-1978)  
C. A. MUETZEL (1934-1983)

### Independent Auditor's Report

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

Dear Mayor and Members:

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Municipality of Monroeville, Pennsylvania, as of and for the year ended December 31, 2006, 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, 2006, 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 as shown in the table of contents, 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  
June 11, 2007

**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, 2006. 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, 2006.

### FINANCIAL HIGHLIGHTS

- ▶ The Municipality's net assets decreased \$771,337 in 2006, or 2.00 percent.
- ▶ Unrestricted net assets were \$21,214,955 at December 31, 2006.
- ▶ 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, 2006, the Municipality had \$22.9 million of debt outstanding. This represents a decrease of \$1,425,000, or 5.86 percent from the previous year. This represents a burden of \$780 per capita.
- ▶ The total fund balance of the general fund at December 31, 2006 was \$18,429,813. The unreserved/undesignated portion of the fund balance was \$8,391,832, which is approximately 34.62 percent of revenues in the general fund for Fiscal Year 2006.

### 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**

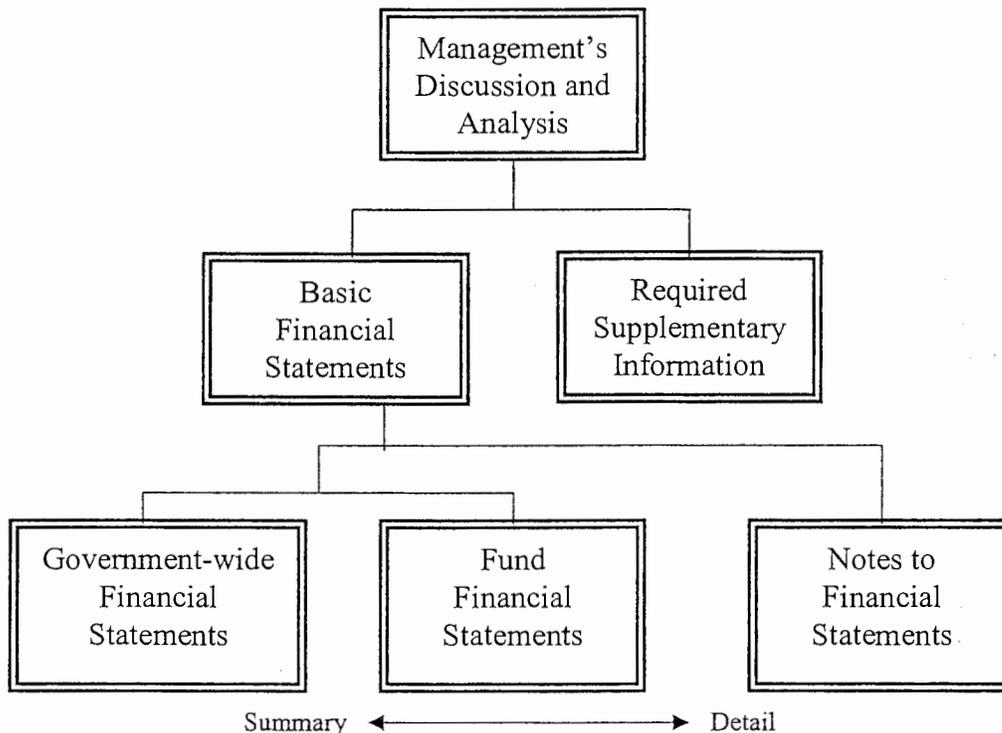


Figure A-2 summarizes the major features of the Municipality's financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

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

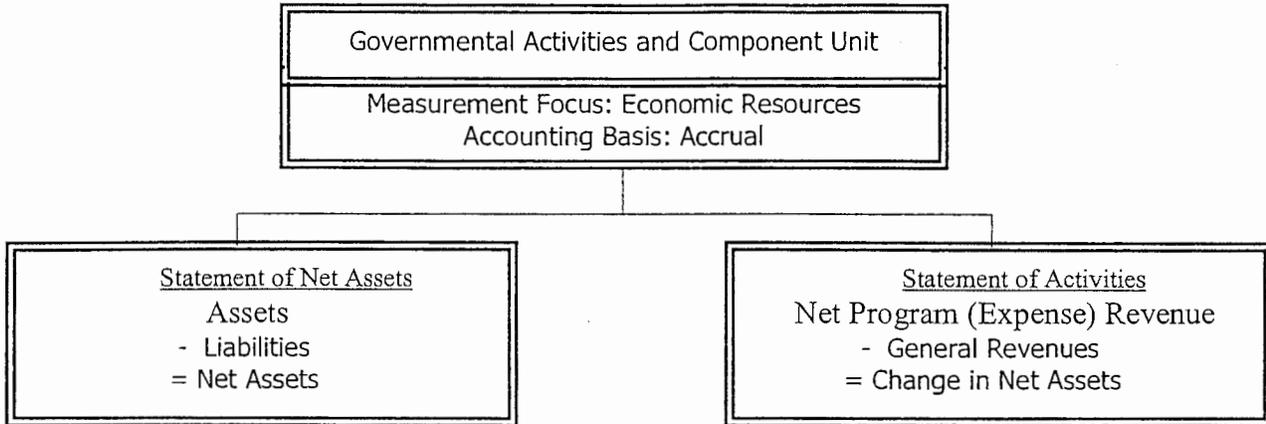
	<b>Fund Statements</b>		
	<b>Government-Wide Statements</b>	<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
Scope	Entire municipal government (except fiduciary funds) and the Municipality's component unit	The activities of the Municipality that are not proprietary or fiduciary, such as police, fire, 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"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
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 year, regardless of when cash is received or paid

### GOVERNMENT-WIDE STATEMENTS

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

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

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



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

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

### FUND FINANCIAL STATEMENTS

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

The Municipality has two kinds of funds:

- *Governmental funds* - Most of the Municipality’s basic services are included in governmental funds, which focus on (1) how cash and other financial assets 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, 2006 are presented below:

### Summary of Statement of Net Assets December 31, 2006

	<b>Governmental Activities</b>	
	2005	2006
Current and other assets	\$28,809,063	\$27,052,823
Capital assets	36,783,741	36,179,981
<b>Total assets</b>	<b>\$65,592,804</b>	<b>\$63,232,804</b>
Current and other liabilities	\$ 3,578,613	\$ 3,414,527
Non-current liabilities	23,575,025	25,564,975
<b>Total liabilities</b>	<b>\$27,153,638</b>	<b>\$28,979,502</b>
Net Assets:		
Invested in capital assets, net of related debt	\$11,735,316	\$12,648,044
Restricted	5,238,588	3,804,830
Unrestricted	21,465,262	21,214,955
<b>Total net assets</b>	<b>\$38,439,166</b>	<b>\$37,667,829</b>

#### Net assets:

For 2006, Net Assets of Governmental Activities, decreased by \$771,337 in 2006, or 2 percent to \$37.7 million.

#### Infrastructure assets:

On December 31, 2006, the Municipality's total assets were \$63.2 million. Of this amount, \$36.2 million is accounted for by capital assets which include some infrastructure.

**Change in Net Assets  
Years Ended December 31, 2006**

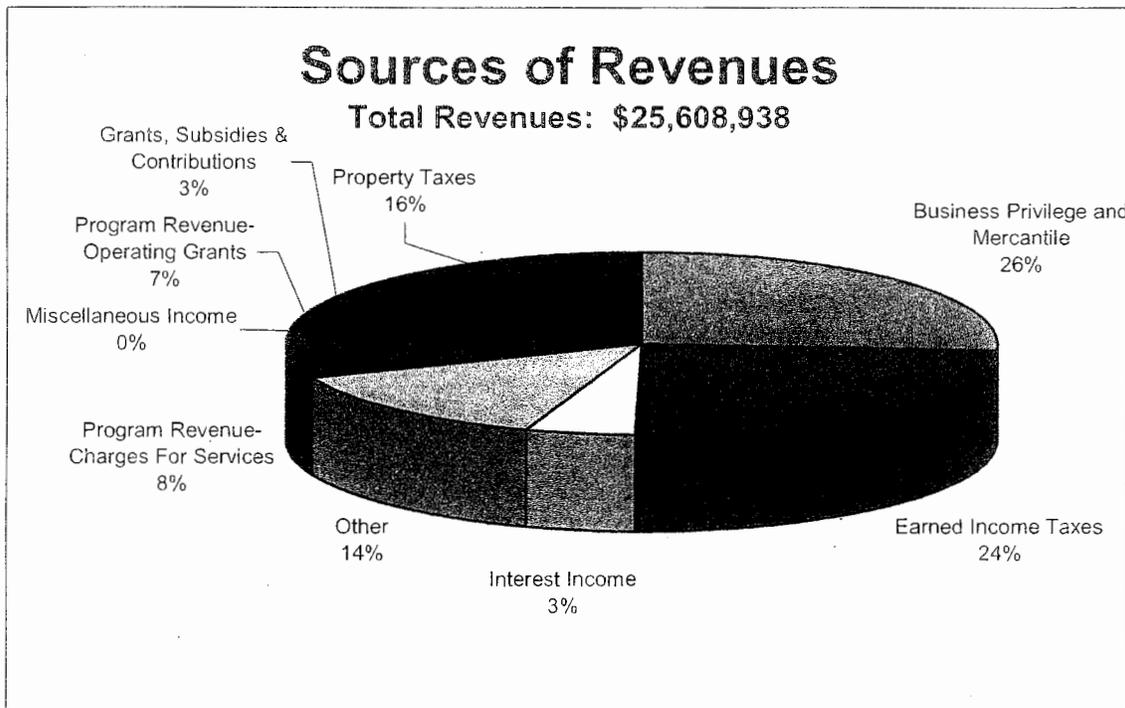
**Primary Governmental Activities**

	<u>2005</u>	<u>2006</u>	<u>Variance</u>
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ 2,122,390	\$ 2,082,453	\$ (39,937)
Operating Grants	2,012,803	1,668,401	(344,402)
General Revenues:			
Property Taxes	4,210,793	4,125,113	(85,680)
Earned Income Taxes	5,964,115	6,196,902	232,787
Business Privilege and Mercantile	6,093,351	6,705,591	612,240
Other	3,206,669	3,536,794	330,125
Grants, Subsidies & Contributions	683,078	48,487	(634,591)
Interest Income	763,746	1,234,063	470,317
Miscellaneous Income	61,482	11,134	(50,348)
<b>Total Revenues</b>	<u>\$ 25,118,427</u>	<u>\$ 25,608,938</u>	<u>\$ 490,511</u>
<b>Program Expenses</b>			
General Government	\$ 4,408,344	\$ 4,754,753	\$ 346,409
Public Safety	9,894,850	10,065,990	171,140
Public Works:			
Highways and Streets	1,039,223	1,012,666	(26,557)
Sanitation	3,631,393	4,515,921	884,528
Culture and Recreation	4,748,847	4,761,849	13,002
Conservation and Development	496,090	460,778	(35,312)
Interest on Long-Term Debt	677,780	808,318	130,538
<b>Total Expenses</b>	<u>\$ 24,896,527</u>	<u>\$ 26,380,275</u>	<u>\$ 1,483,748</u>
Change in Net Assets	221,900	(771,337)	(993,237)
Net Assets-Beginning, as restated	38,217,266	38,439,166	221,900
Net Assets-Ending	38,439,166	37,667,829	(771,337)

## GOVERNMENTAL ACTIVITIES

### Revenue Sources:

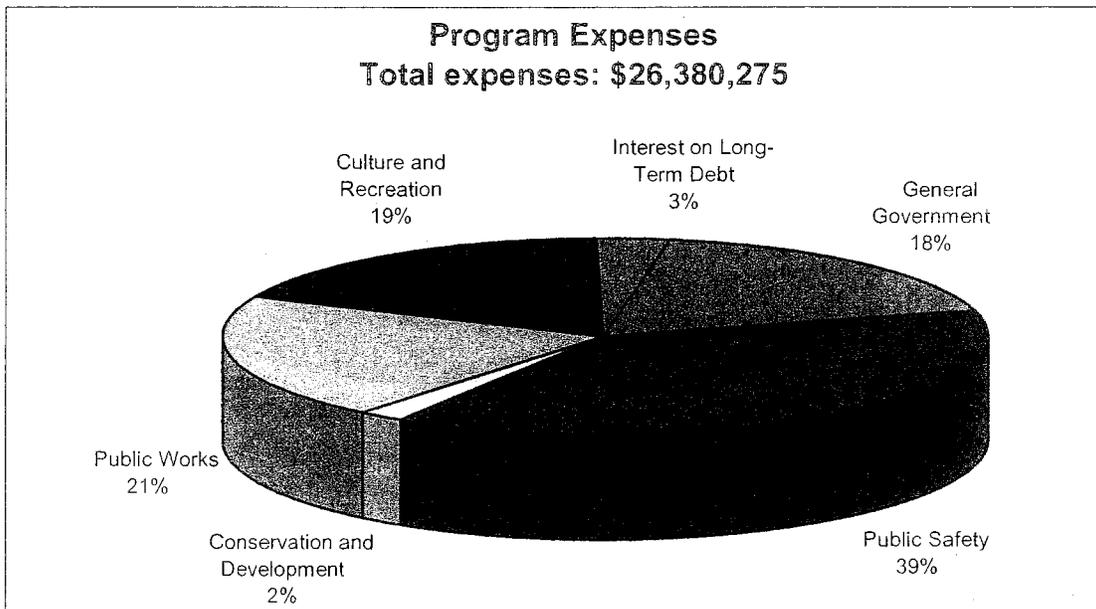
The following chart graphically depicts the government-wide sources of revenues for the fiscal year ended December 31, 2006:



**Program Expenses:**

Total expenses for all programs in 2006 were \$26.4 million. The expenses reflect the delivery of a wide range of services, with the largest being public safety at 38.16 percent. The second largest program area was Public Works at 20.96 percent, followed by Culture-Recreation at 18.05 percent, General Government at 18.02 percent and all others at 4.81 percent.

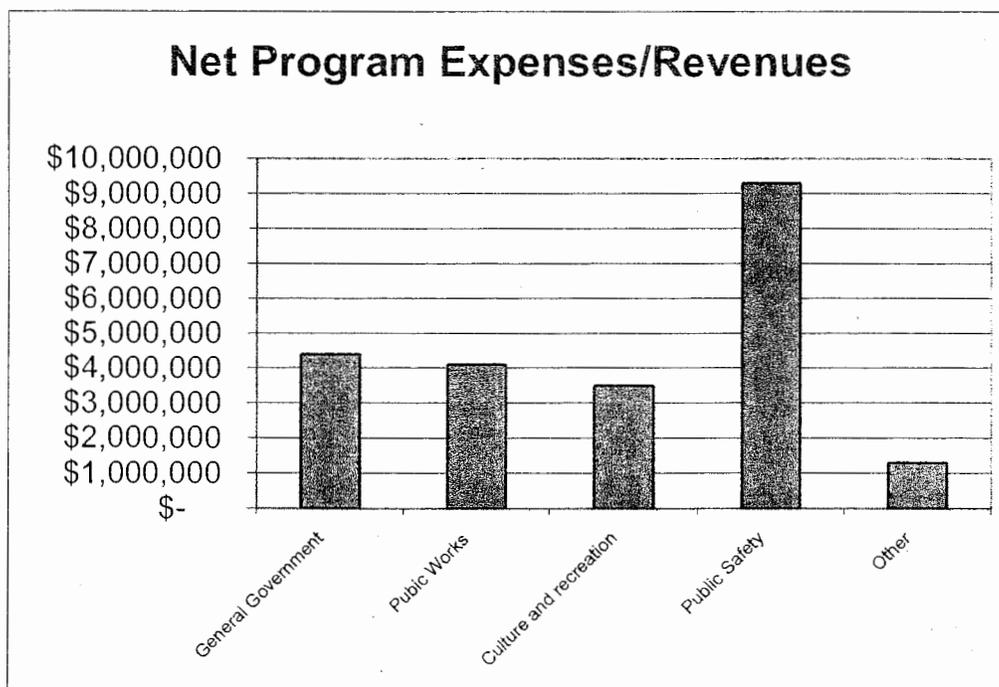
The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2006:



**Net Program Expenses/Revenues:**

Public safety expenses required the most general revenue for support, needing \$9.3 million in 2006. General government required \$4.4 million, while public works required \$4.1 million in general revenues, culture and recreation required \$3.5 million, and all others required \$1.3 million.

Net program expenses/revenues indicates the amount of support required from taxes and other general revenues for the year. The following chart graphically depicts the net program expenses/revenues by function/program for the fiscal year ended December 31, 2006:



**FINANCIAL ANALYSIS OF THE MUNICIPALITY’S FUNDS**

As the Municipality completed the year, its governmental funds reported a combined fund balance of \$23.0 million of which \$18.4 million is the general fund, \$3.6 million is the 2005 Capital Improvement Fund and \$1 million is for all other governmental funds. This represents a decrease of \$1.6 million compared to the previous year of which the general fund decreased \$.4 million due to the continued construction of a the new Community Park Complex, the use of the 2005 Bond Issue proceeds in 2006 of \$1.4 million for capital projects and all other funds provided the balance of change in fund balance. Of this combined fund balance total, \$9.2 million or 40.07 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 (\$3.7 million) and special projects designations (\$6.4 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 \$63,996. Real Estate Transfer tax was down by \$286,924 due to less real estate transfers during the year. Earned Income Taxes were up \$194,951 due to improved collections during 2006 and full usage of new tax software. Business Privilege Tax collections were up by \$519,952 due to improved collections but were offset by Mercantile Tax collections which were down by \$88,805 due to timing of collections between years.

Interest income was down due to fewer funds available for investment during 2006.

The largest overage increase in expenditures was the continued development of the new community park resulting in increased costs for Culture-Recreation.

Overall, all municipal departments have been affected by higher healthcare costs of \$163,306.

### **OTHER FUNDS**

#### **Capital Project Fund**

The Capital Project Fund accounts for funds provided by the Municipality, most frequently from General Fund transfers or bond proceeds. The most significant capital expenditures were for the 2006 Road Paving Project and the continued development of the 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 ASSET AND DEBT ADMINISTRATION

### Capital Assets

Capital assets consist primarily of land, buildings and improvements, equipment and infrastructure. The following is a summary of capital assets on December 31, 2005 and 2006:

#### Summary of Capital Assets

	Balance at December 31, 2005	Balance at December 31, 2006
Capital assets, not being depreciated:		
Land	\$ 8,192,365	\$ 8,192,365
Construction in progress	-	-
<b>Total capital assets, not being depreciated</b>	<b>8,192,365</b>	<b>8,192,365</b>
Capital assets, being depreciated:		
Land Improvements	9,062,694	9,092,396
Building and improvements	12,005,665	12,036,329
Machinery and equipment	3,323,417	3,453,471
Vehicles	6,176,695	6,436,339
Infrastructure	13,371,936	14,120,971
<b>Total capital assets, being depreciated</b>	<b>43,940,407</b>	<b>45,139,506</b>
Less accumulated depreciation for:		
Land Improvements	869,996	1,253,088
Buildings and improvements	3,533,143	3,871,828
Machinery and equipment	2,101,059	2,317,855
Vehicles	2,904,174	3,028,639
Infrastructure	6,684,084	7,332,417
<b>Total accumulated depreciation</b>	<b>16,092,456</b>	<b>17,803,827</b>
<b>Total</b>	<b>\$ 36,040,316</b>	<b>\$ 35,528,044</b>

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, 2006, the Municipality had \$24.3 million of debt outstanding. This represents a decrease of \$1,425,000, or 5.86 percent, from the previous year. The following details activity related to general obligation bonds during 2006:

Summary of General Obligation Bond Activity	
Beginning Balance at 1/1/2006	\$ 24,305,000
Principal Retirement	(1,425,000)
Ending Balance at 12/31/2006	\$ 22,880,000

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

## TRUST AND AGENCY OPERATIONS

### Pension Trust Fund

Monroeville has two pension plans – general employees and police. Municipal involvement in the administration of the police pension plan is the establishment of the investment policy and the calculation of benefits for retirees, which are then paid by the trustee. During 2006, plan net assets increased over \$2,457,226 to \$23,808,329.

During 2006, contributions were required for both pension plans in the amount of \$1,723,778. 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 2006 for all related bond issuances and activities. More detailed information about the Municipality's general long-term debt activity can be found in Note 6 of the notes to financial statements.

## CONTACTING THE MUNICIPALITY'S FINANCIAL MANAGEMENT

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

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

**BASIC FINANCIAL STATEMENTS**

Municipality of Monroeville  
Statement of Net Assets  
December 31, 2006

	<u>Primary Government</u>	<u>Component Units</u>	
	Governmental Activities	Senior Citizens Council	Convention Visitor's Bureau
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$14,795,042	\$126,769	\$134,633
Investments	2,768,301	-	-
Restricted Cash & Cash Equivalents	1,606,238	-	-
Restricted Investments	4,793,587	-	-
Receivables (Net, Where Applicable of Allowance for Uncollectibles)			
Taxes	2,246,650	-	-
Due from Other Governments	90,719	-	126,691
Other	<u>752,286</u>	<u>-</u>	<u>70,520</u>
Total Current Assets	<u>27,052,823</u>	<u>126,769</u>	<u>331,844</u>
Noncurrent Assets			
Land	8,192,365	-	-
Capital Assets, Net of Accumulated Depreciation	20,547,125	-	-
Infrastructure Assets, Net of Accumulated Depreciation	6,788,554	-	-
Deferred Bond Issue Costs	<u>651,937</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>36,179,981</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><b>\$63,232,804</b></u>	<u><b>\$126,769</b></u>	<u><b>\$331,844</b></u>
<b>LIABILITIES AND NET ASSETS</b>			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 784,523	\$ -	\$ -
Accrued Salaries and Benefits	386,057	-	-
Unearned Revenue	468,933	-	-
Returnable Deposits	213,995	-	-
Accrued Interest Payable	62,574	-	-
Current Portion of Long-Term Debt	<u>1,498,445</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>3,414,527</u>	<u>-</u>	<u>-</u>
Noncurrent Liabilities			
Bonds Payable	21,420,000	-	-
Long-Term Portion of Compensated Absences	<u>730,448</u>	<u>-</u>	<u>-</u>
Total Noncurrent Liabilities	<u>22,150,448</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>25,564,975</u>	<u>-</u>	<u>-</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	12,648,044	-	-
Restricted for			
Capital Projects	3,721,413	-	-
Fiscal Emergency	83,417	-	-
Unrestricted	<u>21,214,955</u>	<u>126,769</u>	<u>331,844</u>
Total Net Assets	<u>37,667,829</u>	<u>126,769</u>	<u>331,844</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$63,232,804</b></u>	<u><b>\$126,769</b></u>	<u><b>\$331,844</b></u>

See Accompanying Notes

**Municipality of Monroeville**  
**Statement of Activities**  
**Year Ended December 31, 2006**

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
<b>Governmental Activities</b>						
General Government	\$ 4,754,753	\$ 193,623	\$ 180,629	\$ (4,380,501)	\$ -	\$ -
Public Safety	10,065,990	364,199	352,268	(9,349,523)	-	-
Public Works - Sanitation	1,012,666	426,388	166,541	(419,737)	-	-
Public Works - Highways	4,515,921	59,570	769,125	(3,687,226)	-	-
Culture - Recreation	4,761,849	972,303	199,330	(3,590,216)	-	-
Conservation and Development	460,778	66,370	508	(393,900)	-	-
Interest on Long-Term Debt	<u>808,318</u>	<u>-</u>	<u>-</u>	<u>(808,318)</u>	<u>-</u>	<u>-</u>
<b>Total Governmental Activities</b>	<u>26,380,275</u>	<u>2,082,453</u>	<u>1,668,401</u>	<u>(22,629,421)</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$26,380,275</u>	<u>\$2,082,453</u>	<u>\$1,668,401</u>	<u>(22,629,421)</u>	<u>-</u>	<u>-</u>
<b>Component Units</b>						
Senior Citizens Council	\$ 42,206	\$ -	\$ -	-	(42,206)	-
Convention Visitor's Bureau	<u>477,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(477,409)</u>
<b>Total Component Units</b>	<u>\$ 519,615</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(42,206)</u>	<u>(477,409)</u>
<b>General Revenues</b>						
<b>Taxes</b>						
Property Taxes, Levied for General Purposes (Net)				4,125,113	-	-
Earned Income Taxes				6,196,902	-	-
Business Privilege & Mercantile Taxes				6,705,591	-	-
Hotel/Motel Taxes				-	-	466,715
Other Taxes, Levied for General Purposes (Net)				3,536,794	-	-
Grants, Subsidies & Contributions Not Restricted				48,487	-	-
Investment Earnings				1,234,063	3,053	4,051
Miscellaneous				<u>11,134</u>	<u>50,954</u>	<u>-</u>
<b>Total General Revenues</b>				<u>21,858,084</u>	<u>54,007</u>	<u>470,766</u>
<b>Changes in Net Assets</b>				(771,337)	11,801	(6,643)
<b>Net Assets - January 1, 2006</b>				<u>38,439,166</u>	<u>114,968</u>	<u>338,487</u>
<b>Net Assets - December 31, 2006</b>				<u>\$ 37,667,829</u>	<u>\$126,769</u>	<u>\$ 331,844</u>

See Accompanying Notes

Municipality of Monroeville  
Balance Sheet  
Governmental Funds  
December 31, 2006

	General Fund	2005 Capital Improve. Fund	Other Govern- mental Funds	Total Govern- mental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 7,619,211	\$5,677,868	\$1,497,963	\$14,795,042
Investments	2,768,301	-	-	2,768,301
Restricted Cash and Cash Equivalents	1,606,238	-	-	1,606,238
Restricted Investments	4,793,587	-	-	4,793,587
Taxes Receivable (Net)	2,246,650	-	-	2,246,650
Due from Other Funds	2,668,217	440,362	-	3,108,579
Due from Other Governments	90,719	-	-	90,719
Other Receivables (Net, Where Applicable of Allowance for Uncollectibles)	<u>651,382</u>	<u>-</u>	<u>100,904</u>	<u>752,286</u>
<b>TOTAL ASSETS</b>	<b><u>\$22,444,305</u></b>	<b><u>\$6,118,230</u></b>	<b><u>\$1,598,867</u></b>	<b><u>\$30,161,402</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Due to Other Funds	\$ -	\$2,464,396	\$ 644,183	\$ 3,108,579
Accounts Payable	707,007	72,965	4,551	784,523
Accrued Salaries and Benefits	386,057	-	-	386,057
Returnable Deposits	213,995	-	-	213,995
Deferred Revenues	<u>2,707,433</u>	<u>-</u>	<u>-</u>	<u>2,707,433</u>
<b>Total Liabilities</b>	<b><u>4,014,492</u></b>	<b><u>2,537,361</u></b>	<b><u>648,734</u></b>	<b><u>7,200,587</u></b>
<b>Fund Balances</b>				
Reserve for Encumbrances	655,291	-	-	655,291
Reserve for Retiree Health Insurance Benefits	6,399,825	-	-	6,399,825
Reserve for Fiscal Emergency	83,417	-	-	83,417
Reserve for Capital Projects	-	3,580,869	140,544	3,721,413
Unreserved - Designated for Future Capital Projects	2,899,448	-	-	2,899,448
Unreserved - Undesignated General Fund	8,391,832	-	-	8,391,832
Special Revenue Fund	<u>-</u>	<u>-</u>	<u>809,589</u>	<u>809,589</u>
<b>Total Fund Balances</b>	<b><u>18,429,813</u></b>	<b><u>3,580,869</u></b>	<b><u>950,133</u></b>	<b><u>22,960,815</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$22,444,305</u></b>	<b><u>\$6,118,230</u></b>	<b><u>\$1,598,867</u></b>	<b><u>\$30,161,402</u></b>

See Accompanying Notes

Municipality of Monroeville  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Assets  
 December 31, 2006

Total Fund Balances - Governmental Funds	\$ 22,960,815
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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 \$53,331,871, and the accumulated depreciation is \$17,803,827.	35,528,044
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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.	2,238,500
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Deferred charges on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net assets.	651,937
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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	\$(22,880,000)	
Accrued Interest on the Bonds	(62,574)	
Compensated Absences	<u>(768,893)</u>	<u>(23,711,467)</u>

Total Net Assets - Governmental Activities	\$ <u>37,667,829</u>
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See Accompanying Notes

Municipality of Monroeville  
Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Governmental Funds  
Year Ended December 31, 2006

	General Fund	2005 Capital Improve. Fund	Other Govern- mental Funds	Total Govern- mental Funds
Revenues				
Taxes	\$20,565,999	\$ -	\$ -	\$20,565,999
Licenses and Permits	668,077	-	386,934	1,055,011
Fines and Forfeits	150,222	-	-	150,222
Interest, Rents and Royalties	944,481	252,209	37,373	1,234,063
Intergovernmental	1,032,634	75,000	609,254	1,716,888
Charges for Services	877,220	-	-	877,220
Miscellaneous	<u>394</u>	<u>9,160</u>	<u>1,580</u>	<u>11,134</u>
Total Revenues	<u>24,239,027</u>	<u>336,369</u>	<u>1,035,141</u>	<u>25,610,537</u>
Expenditures				
Current:				
General Government	3,918,294	-	-	3,918,294
Public Safety	9,403,266	-	-	9,403,266
Public Works - Sanitation	937,142	-	-	937,142
Public Works - Highways	2,911,030	-	564,964	3,475,994
Culture - Recreation	2,813,093	-	160,633	2,973,726
Conservation and Development	443,707	-	-	443,707
Insurance Premiums	941,605	-	-	941,605
Debt Service:				
Principal	1,425,000	-	-	1,425,000
Interest	770,341	-	-	770,341
Capital Outlay	<u>1,077,501</u>	<u>1,708,159</u>	<u>92,227</u>	<u>2,877,887</u>
Total Expenditures	<u>24,640,979</u>	<u>1,708,159</u>	<u>817,824</u>	<u>27,166,962</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>(401,952)</u>	<u>(1,371,790)</u>	<u>217,317</u>	<u>(1,556,425)</u>
Other Financing Sources (Uses)				
Transfers In	-	154,564	223,299	377,863
Transfers Out	<u>-</u>	<u>(223,299)</u>	<u>(154,564)</u>	<u>(377,863)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(68,735)</u>	<u>68,735</u>	<u>-</u>
Net Changes in Fund Balances	(401,952)	(1,440,525)	286,052	(1,556,425)
Fund Balances - January 1, 2006	<u>18,831,765</u>	<u>5,021,394</u>	<u>664,081</u>	<u>24,517,240</u>
Fund Balances - December 31, 2006	<u>\$18,429,813</u>	<u>\$ 3,580,869</u>	<u>\$ 950,133</u>	<u>\$22,960,815</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, 2006

Total Net Change in Fund Balances - Governmental Funds \$(1,556,425)

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 depreciation exceeds capital outlays in the period.

Depreciation Expense	\$(1,924,843)	
Capital Outlays	1,459,997	
Net Book Value of Assets Retired	<u>(47,426)</u>	(512,272)

Because some property taxes will not be collected for several months after the Municipality's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred tax revenues decreased by this amount this year. (1,599)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,425,000

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

Compensated Absences	(37,288)
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Net Change in Accrued Interest on the Bonds	2,735
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**Municipality of Monroeville  
Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures  
and Changes in Fund Balances  
to the Statement of Activities  
Year Ended December 31, 2006**

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

Amortization of Issuance Costs, Discounts and Deferred Loss on Refunding	\$ <u>(91,488)</u>
Change in Net Assets of Governmental Activities	\$ <u>(771,337)</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, 2006**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$19,177,375	\$19,177,375	\$20,565,999	\$1,388,624
Licenses and Permits	880,450	880,450	668,077	(212,373)
Fines and Forfeits	84,850	84,850	150,222	65,372
Interest, Rents and Royalties	400,000	400,000	944,481	544,481
Intergovernmental	857,800	857,800	1,032,634	174,834
Charges for Services	876,643	884,378	877,220	(7,158)
Miscellaneous	<u>-</u>	<u>-</u>	<u>394</u>	<u>394</u>
 Total Revenues	 <u>22,277,118</u>	 <u>22,284,853</u>	 <u>24,239,027</u>	 <u>1,954,174</u>
 <b>Expenditures</b>				
Current:				
General Government	3,501,960	3,546,707	3,918,294	(371,587)
Public Safety	9,531,926	9,652,436	9,403,266	249,170
Public Works - Sanitation	945,411	935,902	937,142	(1,240)
Public Works - Highways	3,078,174	4,547,469	2,911,030	1,636,439
Culture - Recreation	2,510,673	2,542,558	2,813,093	(270,535)
Conservation and Dev.	522,927	522,928	443,707	79,221
Insurance Premiums	952,431	952,431	941,605	10,826
Debt Service:				
Principal	1,425,000	1,425,000	1,425,000	-
Interest	770,301	770,301	770,341	(40)
Capital Outlay	<u>-</u>	<u>3,542,314</u>	<u>1,077,501</u>	<u>2,464,813</u>
 Total Expenditures	 <u>23,238,803</u>	 <u>28,438,046</u>	 <u>24,640,979</u>	 <u>3,797,067</u>
 Net Change in Fund Balance	 <u>\$ (961,685)</u>	 <u>\$(6,153,193)</u>	 <u>\$ (401,952)</u>	 <u>\$ 5,751,241</u>

See Accompanying Notes

Municipality of Monroeville  
Statement of Net Assets  
Fiduciary Funds  
Pension Trust Fund  
December 31, 2006

ASSETS	
Cash and Cash Equivalents	\$ 2,340,456
Investments	
Equities	10,539,776
Mutual Funds	1,607,662
Municipal Bonds	603,008
U. S. Treasuries	7,354,353
Corporate Bonds	100,000
Mortgage Backed Securities	<u>1,263,074</u>
 TOTAL ASSETS	 <u>\$23,808,329</u>
LIABILITIES AND NET ASSETS	
Liabilities	\$ <u>          -</u>
Net Assets	
Held in Trust for Pension Benefits	23,808,329
 TOTAL LIABILITIES AND NETS ASSETS	 <u>\$23,808,329</u>

See Accompanying Notes

**Municipality of Monroeville**  
**Statement of Changes in Net Assets**  
**Fiduciary Funds**  
**Pension Trust Fund**  
**Year Ended December 31, 2006**

Additions	
Contributions	
Employer	\$ 1,258,525
Plan Members	<u>244,772</u>
Total Contributions	<u>1,503,297</u>
Investment Income	
Net Appreciation	
in Fair Value of Investments	1,752,846
Interest and Dividends	<u>831,580</u>
Net Investment Income	<u>2,584,426</u>
Total Additions	<u>4,087,723</u>
Deductions	
Benefits	1,509,664
Administrative Expenses	<u>120,833</u>
Total Deductions	<u>1,630,497</u>
Change in Net Assets	2,457,226
Net Assets - January 1, 2006	<u>21,351,103</u>
Net Assets - December 31, 2006	<u>\$23,808,329</u>

See Accompanying Notes

Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2006

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, 2006**

**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, 2006**

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

**B. Government-Wide and Fund Financial Statements**

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

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

Separate financial statements are provided for governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds (the General Fund and 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, 2006**

**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 *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:

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

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2006**

**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 *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.

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

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2006**

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

F. Capital Assets (Cont'd)

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, 2006**

**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 prior 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, 2006**

**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, 2006**

**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, 2006

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, 2006, \$4,815,042 of the Municipality's bank balance of \$5,077,369 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging

Bank's Agent not in the Municipality's Name	<u>\$4,815,042</u>
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As of December 31, 2006, the component units' bank balances of \$195,908 was not exposed to custodial credit risk.

As of December 31, 2006, 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	\$10,080,371	
Dreyfus Cash Management	2,340,457	
Federated Prime Cash	1,534,498	
Common Stock	10,539,776	
Mutual Funds	1,607,662	
Municipal Bonds	603,008	.54
Corporate Bonds	100,000	10.93
U. S. Agencies	14,409,331	3.22
U. S. Treasuries	<u>1,712,039</u>	2.34
Totals	<u>\$42,927,142</u>	
Portfolio Weighted Average Maturity		3.08

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2006**

**Note 2 - Deposits and Investments (Cont'd)**

Custodial Credit Risk - Deposits (Cont'd)

Of the total investments above, \$23,808,329 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		
New Jersey St (103,008)	AA	Aa3
Indianapolis, IN (500,000)	A-1	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, 2006, was \$81,969 in the PLGIT money market account held by the Convention Visitor's Bureau.

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2006**

**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, 2006, 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, 2006, total property taxes receivable, including delinquent and liened, was \$491,198 of which \$122,799 has been provided as uncollectible.

The property tax calendar for 2006 was as follows:

2006 Millage Rate Adopted	December 13, 2005
2006 Bills Dated	March 1, 2006
2006 Two Percent Discount Period Ended	April 30, 2006
2005 Delinquent Property Tax Bills Liened	July 1, 2006
2006 Property Taxes not paid to be Declared Delinquent	February 28, 2007

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2006**

**Note 4 - Other Receivables**

Other receivables consist of the following items:

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Reimbursable Expenditures	\$189,065	\$ -
Host Municipality Fees	96,362	-
Cable TV Franchise Fees	-	100,904
Miscellaneous	69,060	-
Real Estate Transfer Tax	244,156	-
Regional Asset District	<u>52,739</u>	<u>-</u>
	<u>\$651,382</u>	<u>\$100,904</u>

**Note 5 - Capital Assets**

Capital asset activity for the year ended December 31, 2006 was as follows:

	Balance 01/01/06	Additions	Disposals	Balance 12/31/06
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ <u>8,192,365</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>8,192,365</u>
Capital Assets, Being Depreciated				
Land Improvements	9,062,694	29,702	-	9,092,396
Buildings & Building Improvements	12,005,665	30,664	-	12,036,329
Machinery & Equipment	3,323,417	147,753	17,699	3,453,471
Vehicles	6,176,695	502,843	243,199	6,436,339
Infrastructure	<u>13,371,936</u>	<u>749,035</u>	<u>-</u>	<u>14,120,971</u>
Total Capital Assets, Being Depreciated	<u>43,940,407</u>	<u>1,459,997</u>	<u>260,898</u>	<u>45,139,506</u>

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2006**

**Note 5 - Capital Assets (Cont'd)**

	Balance 01/01/06	Additions	Disposals	Balance 12/31/06
Governmental Activities (Cont'd)				
Less Accumulated Depreciation				
Land Improvements	\$ 869,996	\$ 383,092	\$ -	\$ 1,253,088
Buildings & Building Improvements	3,533,143	338,685	-	3,871,828
Machinery & Equipment	2,101,059	234,495	17,699	2,317,855
Vehicles	2,904,174	320,238	195,773	3,028,639
Infrastructure	<u>6,684,084</u>	<u>648,333</u>	<u>-</u>	<u>7,332,417</u>
Total Accumulated Depreciation	<u>16,092,456</u>	<u>1,924,843</u>	<u>213,472</u>	<u>17,803,827</u>
Governmental Activities Capital Assets, Net	<u>\$36,040,316</u>	<u>\$ (464,846)</u>	<u>\$ 47,426</u>	<u>\$35,528,044</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 was charged to functions/programs as follows:

General Government	\$ 251,442
Public Safety	213,497
Public Works	
Sanitation	50,002
Highways and Streets	789,637
Culture - Recreation	619,643
Conservation & Development	<u>622</u>
	<u>\$1,924,843</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, 2006:

Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2006

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

	<u>General Obligation Bonds</u>	<u>Compensated Absences</u>
Beginning of the Year	\$24,305,000	\$731,605
Increase	-	68,864
Retirements	<u>(1,425,000)</u>	<u>(31,576)</u>
End of the Year	<u>\$22,880,000</u>	<u>\$768,893</u>
Current Portion	<u>\$ 1,460,000</u>	<u>\$ 38,445</u>

Bonds Payable at December 31, 2006 are composed of the following issues:

General Obligation Bonds

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.	\$ 2,490,000
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.	6,745,000
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.	6,130,000
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>7,515,000</u>
	<u>\$22,880,000</u>

Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2006

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

General Obligation Bonds (Cont'd)

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

Year Ended December 31,	Principal	Interest	Totals
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	1,660,000	584,395	2,244,395
2012-2016	9,195,000	2,039,702	11,234,702
2017-2019	<u>5,860,000</u>	<u>337,772</u>	<u>6,197,772</u>
	<u>\$22,880,000</u>	<u>\$5,708,493</u>	<u>\$28,588,493</u>

In prior years, the Municipality defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Municipality's financial statements. On December 31, 2006, \$7,145,000 of bonds outstanding are considered defeased. 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.

**Note 7 - Interfund Balances and Transfers**

Interfund balances at December 31, 2006 were as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$2,668,217	\$ -
2005 Capital Improvements	440,362	2,464,396
Nonmajor -		
Cable Television	-	643,793
2002 Capital Improvements	<u>-</u>	<u>390</u>
	<u>\$3,108,579</u>	<u>\$3,108,579</u>

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2006**

**Note 7 - Interfund Balances and Transfers (Cont'd)**

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

Transfer of funds were made during the year ended December 31, 2006 from the Cable Television Fund to the 2005 Capital Improvements Fund in the amount of \$154,564. 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 \$223,299 were made from the 2005 Capital Improvements Fund to the 2002 Capital Improvements Fund to fund the deficit of the fund.

**Note 8 - Fund Balance Reservations**

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, 2006 was \$6,399,825. The cash and investments are reported as restricted on the Municipality's financial statements. The Municipality authorized the creation of an other post employment benefit retiree benefits plan and an integral part trust but have not funded this trust as of December 31, 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

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2006**

**Note 9 - Pension Plans (Cont'd)**

Plan Description and Eligibility (Cont'd)

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.

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 December 31, 2006, participants in the Plans were as follows:

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2006**

**Note 9 - Pension Plans (Cont'd)**

Plan Description and Eligibility (Cont'd)

	<u>Non-Uniform</u>	<u>Police</u>
Participants		
Retirees and Beneficiaries	76	37
Deferred Vested	2	1
Active Employees		
Vested	57	34
Non-vested	50	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.

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, 2006, 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. U. S. Treasury, held in the police pension plan, fair value at December 31, 2006, was \$1,263,074, or 5.3% 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).

Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2006

Note 9 - Pension Plans (Cont'd)

Contributions and Funding Policy (Cont'd)

The 2006 MMO obligations (contributed to the Plans through a combination of Commonwealth and Municipal funding) for the Non-Uniform Plan and Police Plan were \$465,253 (8.8% of covered payroll) and \$1,258,525 (26% of covered payroll), respectively. Employee contributions for the Non-Uniform Plan and Police Plan were \$312,065 (6% of covered payroll) and \$244,772 (5% of covered payroll), respectively. The Commonwealth contributions for the Police Plan in 2006 were \$477,393 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:

	<u>Non-Uniform</u>	<u>Police</u>
Annual Pension Cost	\$465,253	\$1,258,525
Contributions Made	465,253	1,258,525
Actuarial Valuation Date	01/01/2005	01/01/2005
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, 2006.

**Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2006**

**Note 9 - Pension Plans (Cont'd)**

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	12/31/04	\$ 322,521	100.0%	-
	12/31/05	491,175	100.0%	-
	12/31/06	465,253	100.0%	-
Police	12/31/04	1,182,525	100.0%	-
	12/31/05	1,329,531	100.0%	-
	12/31/06	1,258,525	100.0%	-

**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.

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2006**

**Note 10 - Post Employment Benefits (Cont'd)**

The cost to the Municipality for the post-employment benefits described above for the year ended December 31, 2006 was approximately \$611,800 and \$7,500 for health insurance and life insurance coverage, respectively. The total number of currently eligible retirees was 113 for health benefits and 102 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.

**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.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**Municipality of Monroeville  
Required Supplementary Information  
Defined Benefit Pension Trust Funds  
December 31, 2006**

**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. The actuarial reports of January 1, 2007 were not available as of the date of this report.

**Municipality of Monroeville  
Required Supplementary Information  
Defined Benefit Pension Trust Funds  
December 31, 2006**

**2. Schedules of Employer's and Other Contributions**

Year Ended December 31,	<u>Non-Uniform</u>		<u>Police</u>	
	Annual Required Contributions (In Thousands)	Percentage Contributed	Annual Required Contributions (In Thousands)	Percentage Contributed
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%
2006	465	100%	1,258	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 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.

2002 Capital Improvement Fund - Used to account for expenditures related to the Municipality's capital improvements program. Funds for this project were received from the issuance of a series of 2002 general obligation bonds.

Municipality of Monroeville  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2006

	Special Revenue Funds				Debt Service Funds	Capital Projects Funds		Total Nonmajor Governmental Funds
	Highway Aid Fund	Cable Television Fund	Police Asset Seizure Fund	Side- walk Fund	Series of 2005A	Northern Pike Improvements Fund	2002 Capital Improv. Fund	
ASSETS								
Cash and Cash Equivalents	\$851	\$1,251,559	\$102,119	\$2,500	\$2,500	\$138,044	\$390	\$1,497,963
Other Receivables (Include Bond Proceeds Receivable)	-	100,904	-	-	-	-	-	100,904
TOTAL ASSETS	\$851	\$1,352,463	\$102,119	\$2,500	\$2,500	\$138,044	\$390	\$1,598,867
LIABILITIES AND FUND BALANCES								
Liabilities								
Due to Other Funds	\$ -	\$ 643,793	\$ -	\$ -	\$ -	\$ -	\$390	\$ 644,183
Accounts Payable	-	2,051	-	-	2,500	-	-	4,551
Total Liabilities	-	645,844	-	-	2,500	-	390	648,734
Fund Balances								
Reserve for Capital Projects	-	-	-	2,500	-	138,044	-	140,544
Unreserved - Undesignated Special Revenue Fund	851	706,619	102,119	-	-	-	-	809,589
Total Fund Balances	851	706,619	102,119	2,500	-	138,044	-	950,133
TOTAL LIABILITIES AND FUND BALANCES	\$851	\$1,352,463	\$102,119	\$2,500	\$2,500	\$138,044	\$390	\$1,598,867

Municipality of Monroeville  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended December 31, 2006

	Special Revenue Funds				Capital Projects Funds		Total Nonmajor Governmental Funds
	Highway Aid Fund	Cable Television Fund	Police Asset Seizure Fund	Sidewalk Fund	Northern Pike Improvements Fund	2002 Capital Improvement Fund	
Revenues							
Licenses and Permits	\$ -	\$ 386,434	\$ -	\$ 500	\$ -	\$ -	\$ 386,934
Interest, Rents and Royalties	18,527	-	305	-	6,267	12,274	37,373
Intergovernmental	545,729	-	63,525	-	-	-	609,254
Miscellaneous	-	80	1,500	-	-	-	1,580
<b>Total Revenues</b>	<u>564,256</u>	<u>386,514</u>	<u>65,330</u>	<u>500</u>	<u>6,267</u>	<u>12,274</u>	<u>1,035,141</u>
Expenditures							
Current:							
Public Works - Highways	564,964	-	-	-	-	-	564,964
Culture - Recreation	-	160,633	-	-	-	-	160,633
Capital Outlay:							
Public Safety	-	-	46,432	-	-	-	46,432
Culture - Recreation	-	45,795	-	-	-	-	45,795
<b>Total Expenditures</b>	<u>564,964</u>	<u>206,428</u>	<u>46,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>817,824</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(708)</u>	<u>180,086</u>	<u>18,898</u>	<u>500</u>	<u>6,267</u>	<u>12,274</u>	<u>217,317</u>
Other Financing Sources (Uses)							
Transfers In	-	-	-	-	-	223,299	223,299
Transfers Out	-	(154,564)	-	-	-	-	(154,564)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(154,564)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>223,299</u>	<u>68,735</u>
<b>Net Changes in Fund Balances</b>	<u>(708)</u>	<u>25,522</u>	<u>18,898</u>	<u>500</u>	<u>6,267</u>	<u>235,573</u>	<u>286,052</u>
Fund Balance - January 1, 2006	<u>1,559</u>	<u>681,097</u>	<u>83,221</u>	<u>2,000</u>	<u>131,777</u>	<u>(235,573)</u>	<u>664,081</u>
Fund Balance - December 31, 2006	<u>\$ 851</u>	<u>\$ 706,619</u>	<u>\$102,119</u>	<u>\$2,500</u>	<u>\$138,044</u>	<u>\$ -</u>	<u>\$ 950,133</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, 2006**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest, Rents and Royalties				
Interest Earnings	\$ 8,701	\$ 8,701	\$ 18,527	\$ 9,826
Intergovernmental				
Liquid Fuels Tax	<u>541,299</u>	<u>541,299</u>	<u>545,729</u>	<u>4,430</u>
Total Revenues	<u>550,000</u>	<u>550,000</u>	<u>564,256</u>	<u>14,256</u>
Expenditures				
Current:				
Public Works				
Highways and Streets				
Snow and Ice Removal	102,000	102,000	187,900	(85,900)
Traffic Signals	73,000	73,000	66,629	6,371
Street Lighting	375,000	375,000	274,796	100,204
Road Maintenance	<u>-</u>	<u>-</u>	<u>35,639</u>	<u>(35,639)</u>
Total Expenditures	<u>550,000</u>	<u>550,000</u>	<u>564,964</u>	<u>(14,964)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (708)</u>	<u>\$ (708)</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, 2006

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and Permits				
Cable TV Franchise Fees	\$ 394,309	\$ 394,309	\$ 386,434	\$(7,875)
Miscellaneous - Other	<u>          -</u>	<u>          -</u>	<u>          80</u>	<u>          80</u>
Total Revenues	<u>394,309</u>	<u>394,309</u>	<u>386,514</u>	<u>(7,795)</u>
Expenditures				
Current:				
Culture - Recreation	186,783	183,714	160,633	23,081
Capital Outlays:				
Culture - Recreation	<u>35,217</u>	<u>38,286</u>	<u>45,795</u>	<u>(7,509)</u>
Total Expenditures	<u>222,000</u>	<u>222,000</u>	<u>206,428</u>	<u>15,572</u>
Excess (Deficiency) of Revenues Over Expenditures	172,309	172,309	180,086	7,777
Other Financing Uses				
Transfers Out	<u>(148,000)</u>	<u>(148,000)</u>	<u>(154,564)</u>	<u>(6,564)</u>
Net Change in Fund Balance	<u>\$ 24,309</u>	<u>\$ 24,309</u>	<u>\$ 25,522</u>	<u>\$ 1,213</u>

Municipality of Monroeville  
Combining Balance Sheet  
Component Units  
December 31, 2006

	Senior Citizens Council	Convention Visitor's Bureau	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$126,769	\$134,633	\$261,402
Due from Other Governments	-	126,691	126,691
Other Receivables	<u>-</u>	<u>70,520</u>	<u>70,520</u>
<b>TOTAL ASSETS</b>	<b><u>\$126,769</u></b>	<b><u>\$331,844</u></b>	<b><u>\$458,613</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Fund Balances			
Unreserved	<u>126,769</u>	<u>331,844</u>	<u>458,613</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$126,769</u></b>	<b><u>\$331,844</u></b>	<b><u>\$458,613</u></b>

Municipality of Monroeville  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Component Units  
Year Ended December 31, 2006

	Senior Citizens Council	Convention Visitor's Bureau	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ -	\$466,715	\$466,715
Interest, Rents and Royalties	3,053	4,051	7,104
Charges for Services	1,307	-	1,307
Miscellaneous	<u>49,647</u>	<u>-</u>	<u>49,647</u>
Total Revenues	<u>54,007</u>	<u>470,766</u>	<u>524,773</u>
Expenditures			
Current:			
Culture - Recreation	42,206	-	42,206
Conservation and Development	<u>-</u>	<u>477,409</u>	<u>477,409</u>
Total Expenditures	<u>42,206</u>	<u>477,409</u>	<u>519,615</u>
Net Changes in Fund Balances	11,801	(6,643)	5,158
Fund Balances - January 1, 2006	<u>114,968</u>	<u>338,487</u>	<u>453,455</u>
Fund Balances - December 31, 2006	<u>\$126,769</u>	<u>\$331,844</u>	<u>\$458,613</u>

**ADDITIONAL INFORMATION**

**Municipality of Monroeville**  
**Schedule of Public Library Program**  
**Revenues and Expenditures**  
**Included in the General Fund**  
**Year Ended December 31, 2006**

Revenues

Regional Asset District Tax Funds passed through ACLA	\$ 282,053
Regional Use Reimbursement	16,089
State Library Aid	120,271
Fines and Miscellaneous	<u>58,802</u>
 Total Revenues	 <u>\$ 477,215</u>

Expenditures

Salaries	\$ 602,887
Benefits	177,713
Utilities	94,478
Maintenance and Repairs	58,799
Office Supplies	31,686
Library Books and Equipment	193,611
Office Equipment and Furniture	30,304
Miscellaneous Outside Personnel Services	<u>27,954</u>
 Total Expenditures	 <u>\$1,217,432</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.

**STATISTICAL SECTION**

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 1 NET ASSETS BY COMPONENT

LAST FOUR FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 8,873,394	\$ 9,802,888	\$ 11,735,316	\$ 12,648,044
Restricted	83,417	213,491	5,238,588	3,804,830
Unrestricted	<u>30,128,638</u>	<u>28,200,887</u>	<u>21,465,262</u>	<u>21,214,955</u>
Total primary government	\$ 39,085,449	\$ 38,217,266	\$ 38,439,166	\$ 37,667,829

Note: The requirements for this schedule are effective prospectively. In time, the required ten year's of data would be presented.

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 2 CHANGES IN NET ASSETS

LAST FOUR FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 4,537,784	\$ 4,491,064	\$ 4,408,344	\$ 4,754,753
Public Safety	8,356,622	9,455,325	9,894,850	10,065,990
Public Works-Sanitation	2,106,547	1,045,440	1,039,223	1,012,666
Public Works-Highway	3,004,078	3,852,671	3,631,393	4,515,921
Culture-Recreation	2,949,371	3,312,027	4,748,847	4,761,849
Conservation and Development	524,089	510,657	496,090	460,778
Interest On Long-Term Debt	<u>835,791</u>	<u>657,793</u>	<u>677,780</u>	<u>808,318</u>
Total primary government	\$ 22,314,282	\$ 23,324,977	\$ 24,896,527	\$ 26,380,275
<b>Program Revenues</b>				
Charges for services:				
General government	\$ 485,901	\$ 214,388	\$ 183,259	\$ 193,623
Public Safety	138,400	447,753	330,395	364,199
Public Works-Sanitation	489,656	562,000	520,623	426,388
Public Works-Highway	693,700	89,181	35,015	59,570
Culture-Recreation	587,014	922,635	964,492	972,303
Conservation and Development	0	81,914	88,606	66,370
Operating grants and contributions	<u>1,599,515</u>	<u>1,145,275</u>	<u>2,012,803</u>	<u>1,668,401</u>
Total primary government	\$ 3,994,186	\$ 3,463,146	\$ 4,135,193	\$ 3,750,854
<b>Total primary government net expense</b>	<b>\$ 18,320,096</b>	<b>\$ 19,861,831</b>	<b>\$ 20,761,334</b>	<b>\$ 22,629,421</b>

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Taxes				
Property taxes, Levied for General Purposes	\$ 4,287,331	\$ 4,387,409	\$ 4,210,793	\$ 4,125,113
Earned Income Taxes	5,644,030	5,125,025	5,964,115	6,196,902
Business Privilege & Mercantile Taxes	5,949,478	5,767,754	6,093,351	6,705,591
Other Taxes, Levied for General Purposes	1,412,444	2,538,671	3,206,669	3,536,794
Grants, Subsidies & Contributions Not Restricted	0	0	683,078	48,487
Investment Earnings	416,479	358,990	763,746	1,234,063
Miscellaneous	<u>206,925</u>	<u>815,799</u>	<u>61,482</u>	<u>11,134</u>
<b>Total primary government</b>	<b>\$ 17,916,687</b>	<b>\$ 18,993,648</b>	<b>\$ 20,983,234</b>	<b>\$ 21,858,084</b>
<b>Change in Net Assets</b>				
Total primary government	\$ (403,409)	\$ (868,183)	\$ 221,900	\$ (771,337)

Note: The requirements for this schedule are effective prospectively. In time, the required ten year's of data would be presented.

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 3 FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund										
Reserved	\$ 6,736,994	\$ 6,736,994	\$ 6,736,994	\$ 6,736,994	\$ 6,736,994	\$ 6,736,994	\$ 6,687,708	\$ 6,617,345	\$ 6,736,994	\$ 7,138,533
Unreserved	<u>12,094,771</u>	<u>12,094,771</u>	<u>12,094,771</u>	<u>12,094,771</u>	<u>12,094,771</u>	<u>12,094,771</u>	<u>19,313,013</u>	<u>19,958,351</u>	<u>12,094,771</u>	<u>11,291,280</u>
Total general fund	\$ 18,831,765	\$ 18,831,765	\$ 18,831,765	\$ 18,831,765	\$ 18,831,765	\$ 18,831,765	\$ 26,000,721	\$ 26,575,696	\$ 18,831,765	\$ 18,429,813
All Other Governmental Funds										
Reserved	\$ 5,155,171	\$ 5,155,171	\$ 5,155,171	\$ 5,155,171	\$ 5,155,171	\$ 5,155,171	\$ 1,889,511	\$ 130,074	\$ 5,155,171	\$ 3,721,413
Unreserved reported in:										
Special revenue funds	\$ 765,877	\$ 765,877	\$ 765,877	\$ 765,877	\$ 765,877	\$ 765,877	\$ 661,008	\$ 702,234	\$ 765,877	\$ 809,589
Capital projects funds	<u>\$ (235,573)</u>	<u>\$ -</u>	<u>\$ (416,035)</u>	<u>\$ (235,573)</u>	<u>\$ -</u>					
Total all other governmental funds	\$ 5,685,475	\$ 5,685,475	\$ 5,685,475	\$ 5,685,475	\$ 5,685,475	\$ 5,685,475	\$ 2,550,519	\$ 416,273	\$ 5,685,475	\$ 4,531,002

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 4 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

### LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Revenues</b>										
Taxes	\$ 15,211,938	\$ 15,196,767	\$ 20,997,614	\$ 16,690,503	\$ 17,307,369	\$ 17,903,358	\$ 17,293,283	\$ 18,416,948	\$ 19,122,033	\$ 20,565,999
Licenses and Permits	991,064	1,062,271	948,844	886,110	1,057,986	1,016,320	1,066,500	1,179,309	1,093,704	1,055,011
Fines and Forfeits	125,331	95,419	105,474	104,733	122,671	122,006	117,943	120,904	120,656	150,222
Interest, Rents and Royalties	810,485	1,723,795	1,917,276	1,741,582	1,575,339	1,937,648	1,663,138	358,990	763,746	1,234,063
Intergovernmental	3,475,470	4,313,088	4,392,475	4,392,367	5,365,749	3,660,610	1,146,605	1,798,854	2,695,881	1,716,888
Charges for Services	504,022	658,133	832,662	1,311,755	969,646	421,943	416,479	1,017,658	908,030	877,220
Miscellaneous	54,085	106,500	132,360	397,908	33,697	411,296	206,925	2,149	61,482	11,134
<b>Total revenues</b>	<b>\$ 21,172,395</b>	<b>\$ 23,155,973</b>	<b>\$ 29,326,705</b>	<b>\$ 25,524,958</b>	<b>\$ 26,432,457</b>	<b>\$ 25,473,181</b>	<b>\$ 21,910,873</b>	<b>\$ 22,894,812</b>	<b>\$ 24,765,532</b>	<b>\$ 25,610,537</b>
<b>Expenditures</b>										
<b>Current:</b>										
General Government	\$ 2,212,317	\$ 3,746,221	\$ 4,750,181	\$ 3,981,363	\$ 4,029,973	\$ 4,680,078	\$ 3,700,943	\$ 3,718,128	\$ 3,875,424	\$ 3,918,294
Public Safety	7,155,239	6,975,769	7,203,519	7,005,263	7,885,985	8,138,854	8,070,587	8,682,700	9,914,915	9,403,266
Public Works-Sanitation	3,213,771	3,905,419	3,745,107	3,833,793	4,415,269	3,485,848	1,095,345	959,148	954,687	937,142
Public Works-Highways	2,258,746	2,416,512	2,242,060	2,346,469	2,375,168	1,861,093	2,945,056	2,835,702	2,877,094	3,475,994
Culture-Recreation	1,905,703	2,042,923	2,575,709	1,935,357	2,181,311	2,104,227	2,565,507	2,890,997	2,908,233	2,973,726
Conservation and Development	0	0	0	0	0	0	524,089	492,765	480,279	443,707
Insurance Premiums	689,526	521,199	299,262	349,483	410,129	517,888	774,845	895,783	943,860	941,605
Miscellaneous	4,136	5,504	2,223	7,672	5,260	6,581				
Capital outlays	2,125,635	2,291,366	5,891,400	4,277,151	3,809,680	4,348,547	4,985,838	2,495,056	9,515,543	2,877,887
<b>Debt Service:</b>										
Principal	1,810,000	1,895,000	1,065,000	1,225,000	1,320,000	1,380,000	1,115,000	850,000	1,390,000	1,425,000
Interest	391,408	488,248	626,734	727,893	670,290	784,924	699,096	633,804	632,302	770,341
Bond Issue Costs	0	0	0	0	0	0	179,365	0	0	0
<b>Total Expenditures</b>	<b>\$ 21,766,481</b>	<b>\$ 24,288,161</b>	<b>\$ 28,401,195</b>	<b>\$ 25,689,444</b>	<b>\$ 27,103,065</b>	<b>\$ 27,308,040</b>	<b>\$ 26,655,671</b>	<b>\$ 24,454,083</b>	<b>\$ 33,492,337</b>	<b>\$ 27,166,962</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ (594,086)</b>	<b>\$ (1,132,188)</b>	<b>\$ 925,510</b>	<b>\$ (164,486)</b>	<b>\$ (670,608)</b>	<b>\$ (1,834,859)</b>	<b>\$ (4,744,798)</b>	<b>\$ (1,559,271)</b>	<b>\$ (8,726,805)</b>	<b>\$ (1,556,425)</b>
<b>Other Financing Sources (Uses)</b>										
Bond Proceeds	\$ -	\$ 4,000,000	\$ 9,995,000	\$ -	\$ -	\$ 7,160,000	\$ -	\$ -	\$ 6,135,000	\$ -
Refunding Bonds Issued	0	0	0	0	0	0	11,835,000	0	7,520,000	0
(Discount) on Bonds Issued	0	0	0	0	0	0	(16,132)	0	(85,837)	0
Bond premium/Costs	0	0	0	0	0	0	12,322	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	(1,305,000)	0	0	(130,162)	(11,651,825)	0	(7,317,087)	0
Proceeds from Sale of Sewer System	0	0	0	0	0	12,632,429	0	0	0	0
Transfer of Sewer Fund Net Assets	0	0	0	0	0	(2,703,656)	0	0	0	0
Residual Equity Transfer In	0	0	0	0	0	2,725,367	0	0	0	0
Residual Equity Transfer Out	0	0	0	0	0	(2,725,367)	0	0	0	0
Transfers In	2,521,391	2,613,080	1,691,734	1,960,565	2,152,260	2,225,195	1,843,838	0	6,152,652	377,863
Transfers Out	(2,521,391)	(2,613,080)	(1,691,734)	(1,960,565)	(2,152,260)	(2,225,195)	(1,843,838)	0	(6,152,652)	(377,863)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>4,000,000</b>	<b>8,690,000</b>	<b>0</b>	<b>0</b>	<b>16,958,611</b>	<b>179,365</b>	<b>0</b>	<b>6,252,076</b>	<b>0</b>
<b>Net Changes in fund balances</b>	<b>\$ (594,086)</b>	<b>\$ 2,867,812</b>	<b>\$ 9,615,510</b>	<b>\$ (164,486)</b>	<b>\$ (670,608)</b>	<b>\$ 15,123,752</b>	<b>\$ (4,565,433)</b>	<b>\$ (1,559,271)</b>	<b>\$ (2,474,729)</b>	<b>\$ (1,556,425)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>11.21%</b>	<b>10.83%</b>	<b>7.52%</b>	<b>9.12%</b>	<b>8.54%</b>	<b>9.43%</b>	<b>8.37%</b>	<b>6.76%</b>	<b>8.43%</b>	<b>9.04%</b>

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 5

### ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS  
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	Residential Property	Commercial Property	Tax Exempt Property	Total Taxable Assessed Value	Taxable Assessed Value as a Percentage of Actual Taxable Value	Total Direct Tax Rate
1997	193,862	126,394	48,883	320,256	25%	12.25
1998	194,905	129,229	46,927	324,134	25%	12.25
1999	199,008	132,066	49,649	331,074	25%	12.25
2000	200,045	133,963	53,451	334,008	25%	12.25
2001*	1,154,914	793,409	372,860	1,948,323	100%	2.20
2002	1,236,818	796,773	356,070	2,033,591	100%	2.20
2003	1,261,384	713,334	356,884	1,974,718	100%	2.20
2004	1,207,111	761,054	360,211	1,968,165	100%	2.20
2005	1,278,226	717,925	350,460	1,996,151	100%	2.20
2006	1,237,043	804,014	350,279	2,041,057	100%	2.20

Source: Allegheny County Assessment Office

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

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 6 DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS  
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	Municipality of Monroeville		County of Allegheny		Gateway School District		Total
	Total Basic Tax Millage	Total Millage	Total Basic Tax Millage	Total Millage	Total Basic Tax Millage	Total Millage	
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
2006	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

## SCHEDULE 7 PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2006			1997		
	Taxable Assessed Valuation	Rank	Percentage of Total Municipal Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Municipal Taxable Assessed Value
Soffer, Donald	\$ 159,144,200	1	7.80%	\$ 26,367,425	1	8.23%
L & M Associates	49,222,500	2	2.41%	11,193,100	3	3.50%
Westinghouse Electric Corporation	42,000,000	3	2.06%	12,376,200	2	3.86%
Pittsburgh Miracle Mile Town and Country	32,992,000	4	1.62%	6,005,000	5	1.88%
Eagle Ridge Apartments	18,293,800	5	0.90%			
Cochran, RELP	17,909,900	6	0.88%	4,226,400	7	1.32%
Monroeville S.C.L.P	17,481,700	7	0.86%			
Terra Capital Associates	15,549,400	8	0.76%	9,595,400	4	3.00%
Walnut Capital	14,856,300	9	0.73%			
Boscov's Department Store	14,000,000	10	0.69%			
May Centers Associates Corporation				3,575,000	8	1.12%
Oxford Development Company				4,664,150	6	1.46%
Monroeville Apartments Associates, Ltd				2,640,000	9	0.82%
Murray-Bart Associates				2,400,000	10	0.75%
	<u>\$ 381,449,800</u>		<u>18.69%</u>	<u>\$ 83,042,675</u>		<u>25.93%</u>

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 8 PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	3,923,000	3,801,000	96.89%	10,155	3,811,155	97.15%
1998	3,931,000	3,638,000	92.55%	15,968	3,653,968	92.95%
1999	4,055,000	3,880,000	95.68%	15,711	3,895,711	96.07%
2000	4,092,000	3,805,000	92.99%	34,727	3,839,727	93.83%
2001	4,286,000	4,164,000	97.15%	32,838	4,196,838	97.92%
2002	4,473,000	4,213,000	94.19%	34,650	4,247,650	94.96%
2003	4,298,000	4,205,000	97.84%	53,033	4,258,033	99.07%
2004	4,324,000	4,298,000	99.40%	24,114	4,322,114	99.96%
2005	4,392,000	4,087,000	93.06%	33,576	4,120,576	93.82%
2006	4,228,000	4,150,892	98.18%	0	4,150,892	98.18%

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 9 TAXABLE EARNED INCOME AND TAX COLLECTED

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Taxable Earned Income</u>	<u>Tax Collected</u>
1997	\$ 440,012,900	\$ 4,400,129
1998	455,644,200	4,556,442
1999	492,771,600	4,927,716
2000	493,472,200	4,934,722
2001	522,551,100	5,225,511
2002	560,173,700	5,601,737
2003	564,403,000	5,644,030
2004	567,526,700	5,675,267
2005	572,339,200	5,723,392
2006	610,927,800	6,109,278

Source: Municipal Tax Office

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 10 DIRECT AND OVERLAPPING EARNED INCOME TAX RATES

### LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Municipality Direct rate</u>	<u>Gateway School District Direct rate</u>
1997	1%	0.50%
1998	1%	0.50%
1999	1%	0.50%
2000	1%	0.50%
2001	1%	0.50%
2002	1%	0.50%
2003	1%	0.50%
2004	1%	0.50%
2005	1%	0.50%
2006	1%	0.50%

Source: Municipal Tax Office

The Municipality of Monroeville may change the direct tax rate by  
a vote of Municipal Council

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 11

### EARNED INCOME TAX FILERS AND LIABILITY BY INCOME LEVEL

#### CURRENT LEVEL

<u>Income Level</u>	<u>Number of filers</u>	<u>Percentage of Total</u>	<u>Percentage of Total Income</u>
\$100,001-and higher	626	5.90%	25.63%
\$70,001-\$100,000	905	8.53%	18.13%
\$50,001-70,000	1,357	12.79%	19.40%
\$30,001-50,000	2,182	20.56%	20.98%
\$10,001-30,000	2,789	26.27%	13.23%
\$10,000 and lower	2,755	25.95%	2.63%

The Municipality is legally prohibited from disclosing individual payers.

Note: Beginning with the 2006 year, the Municipality of Monroeville implemented GASB Statement 44-"Economic Condition Reporting: The Statistical Section." Since the information reported in this schedule was not required in previous years, the report only includes readily-available information. Future reports will continue to include the presented data until a maximum of ten years of information is accumulated.

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 12 RATIOS OF OUTSTANDING DEBT BY TYPE

### LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities**		Percentage of Personal Income*	Per Capita*
	General Obligation Bond	Total Primary Government		
1997	7,725,000	7,725,000	1.76%	264.84
1998	9,830,000	9,830,000	2.16%	337.00
1999	17,455,000	17,455,000	3.54%	598.41
2000	16,230,000	16,230,000	3.29%	553.00
2001	14,910,000	14,910,000	2.85%	508.02
2002	20,690,000	20,690,000	3.69%	704.96
2003	20,040,000	20,040,000	3.55%	682.82
2004	19,190,000	19,190,000	3.38%	653.86
2005	24,305,000	24,305,000	4.25%	828.14
2006	22,880,000	22,880,000	3.75%	779.58

\* See Schedule 16 for personal income and population data for the Municipality. These ratios are calculated using personal income and population for the prior calendar year.

\*\*Details regarding the Municipality's outstanding debt can be found in the Note 6 in the current financial statements.

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 13 RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS  
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	General Bonded Debt Outstanding*		Percentage of Actual Taxable Value** of Property
	General Obligation Bond	Total Debt Service	
1997	7,725	7,725	2.41%
1998	9,830	9,830	3.03%
1999	17,455	17,455	5.27%
2000	16,230	16,230	4.86%
2001	14,910	14,910	0.77%
2002	20,690	20,690	1.02%
2003	20,040	20,040	1.01%
2004	19,190	19,190	0.98%
2005	24,305	24,305	1.22%
2006	22,880	22,880	1.12%

\*Details regarding the Municipality's outstanding debt can be found in the Note 6 to the current financial statements.

\*\*See Schedule 5 for the Municipality's property value data.

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 14

### DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2006

(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Overlapping** Debt</u>
<b>Debt repaid with property taxes</b>			
Municipality of Monroeville	\$ 22,880	100.00%	\$ 22,880
<b>Other debt</b>			
Gateway School District	57,830	96.80% a	55,979
Allegheny County	<u>571,918</u>	3.50% a	<u>20,017</u>
Subtotal-overlapping debt			75,997
<b>Total direct and overlapping debt</b>			<u><u>\$ 98,877</u></u>

\*For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the Municipality's boundaries and dividing it by each unit's total taxable assessed value.

\*\*Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Municipality. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Municipality. This process recognizes that, when considering the Municipality's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 15 LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS  
(AMOUNTS EXPRESSED IN THOUSANDS)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt Limit	\$ 51,815	\$ 54,568	\$ 62,375	\$ 60,265	\$ 52,803	\$ 54,378	\$ 56,455	\$ 58,868	\$ 56,909	\$ 61,059
Total net debt applicable to limit	<u>7,707</u>	<u>9,812</u>	<u>17,440</u>	<u>16,215</u>	<u>14,895</u>	<u>20,690</u>	<u>20,040</u>	<u>19,190</u>	<u>24,305</u>	<u>22,880</u>
Legal debt margin	<u>\$ 44,108</u>	<u>\$ 44,756</u>	<u>\$ 44,935</u>	<u>\$ 44,050</u>	<u>\$ 37,908</u>	<u>\$ 33,688</u>	<u>\$ 36,415</u>	<u>\$ 39,678</u>	<u>\$ 32,604</u>	<u>\$ 38,179</u>
Total net debt applicable to the limit as a percentage of debt limit	14.87%	17.98%	27.96%	26.91%	28.21%	38.05%	35.50%	32.60%	42.71%	37.47%

The non-electoral debt limit is set forth in the Pennsylvania Local Government Unit Debt Act and is defined as the average net revenues for the three most recent years multiplied by the debt limit percentage (250%).

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 16 DEMOGRAPHIC AND ECONOMIC STATISTICS

### LAST TEN CALENDAR YEARS

<u>Year</u>	<u>(1) Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Age (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (2)</u>
1997	29,169	\$ 440,012,900	\$ 26,117	37	5,306	5.10%
1998	29,169	\$ 455,644,200	\$ 27,467	37	5,306	4.80%
1999	29,169	\$ 492,771,600	\$ 28,827	37	5,306	4.60%
2000	29,349	\$ 493,472,200	\$ 30,610	43	4,301	4.40%
2001	29,349	\$ 522,551,100	\$ 31,544	43	4,301	4.70%
2002	29,349	\$ 560,173,700	\$ 32,208	43	4,301	5.70%
2003	29,349	\$ 564,403,000	\$ 32,987	43	4,301	5.90%
2004	29,349	\$ 567,526,700	\$ 34,685	43	4,301	5.70%
2005	29,349	\$ 572,339,200	\$ 37,145	43	4,301	5.20%
2006	29,349	\$ 610,927,800	\$ 39,605	43	4,301	4.90%

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

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 17 PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2006			1997		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Forbes Regional Hospital	1,401	1	0.70%	900	2	0.45%
Westinghouse Electric Co., LLC	1,353	2	0.68%	2,000	1	1.00%
Gateway School District	797	3	0.40%	500	5	0.25%
Three Rivers Administrative Services Co.	573	4	0.29%			
Cochran Pontiac Incorporated	443	5	0.22%			
Community College of Allegheny County	418	6	0.21%	523	6	0.26%
Lazarus/Macy's	364	7	0.18%	563	4	0.28%
Giant Eagle Markets #60	338	8	0.17%	403	8	0.20%
HealthSouth of Pittsburgh, Inc.	310	9	0.16%	423	7	0.21%
PPG	295	10	0.15%			
Kaufmann's Department Store				577	3	0.29%
J. C. Penny Company				365	9	0.18%
Olsten Staffing Services				361	10	0.18%
	<u>6,292</u>		<u>3.15%</u>	<u>5,312</u>		<u>3.31%</u>

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 18

### FULL-TIME EQUIVALENT MUNICIPAL EMPLOYEES BY FUNCTION/PROGRAM

#### LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	Full-time Equivalent Employees as of December 31									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>GENERAL GOVERNMENT</b>										
Mayor & Council	0	0	0	0	0	0	0	0	0	0
Manager's Office	3	3	3	3	3	4	4	4	5	5
Tax Collection	3	4	5	5	5	4	4	4	4	5
Finance Office	6	6	7	7	7	7	7	7	7	5
Data Processing	1	1	3	3	3	3	3	3	3	3
<b>PUBLIC SAFETY</b>										
Police Chief	1	2	2	2	2	2	2	2	2	2
Emergency Communications	15	13	0	0	0	0	0	0	0	8
Patrol & Traffic	43	43	42	40	42	42	42	43	41	40
Incident Investigation	6	8	6	8	6	6	6	6	6	6
Support Services & Records	3	4	5	4	4	4	4	4	4	4
Police Training	1	1	1	1	1	1	1	1	1	1
Community Safety	3	3	3	3	3	3	3	3	3	3
School Crossing Guards	0	0	0	0	0	0	0	0	0	0
Fire, Building, & Code Enforcement	7	7	6	4	5	5	5	5	5	5
<b>PUBLIC WORKS</b>										
Superintendent of Public Works	2	2	2	2	2	2	2	2	2	2
Snow & Ice Control	0	0	0	0	0	0	0	0	0	0
Storm Sewer Maintenance	2	2	2	2	1	1	1	1	1	1
Street Maintenance	16	16	16	16	16	11	11	12	12	11
Parks Maintenance	6	6	6	6	6	4	7	6	7	6
Traffic Signals, Signs and Markings	0	0	0	0	0	5	4	4	4	4
Superintendent of Special Services	2	2	2	2	2	0	0	0	0	0
Sanitary Sewer Maintenance	5	5	5	5	5	5	4	3	0	0
Refuse Collection	9	9	9	9	9	9	9	9	9	9
Vehicular Equipment	5	5	5	5	5	6	6	5	5	5
Recycling	2	2	2	2	2	2	2	2	2	2
Animal Control	1	1	1	1	1	1	1	1	1	1
Community Park	0	0	0	0	0	0	0	0	0	3
Building & Property Maintenance	3	4	4	4	5	5	5	6	5	5
<b>HUMAN SERVICES</b>										
Recreation and Parks	3	3	3	3	3	3	3	3	4	4
Human Service Program	0	0	0	0	0	0	0	0	0	0
Leisure Learning	0	0	0	0	0	0	0	0	0	0
Monroeville Community Pool	0	0	0	0	0	0	0	0	0	0
Planning & Zoning	3	3	3	4	4	4	4	4	4	4
Appeal Board Service	0	0	0	0	0	0	0	0	0	0
Engineering	3	3	3	4	1	1	1	1	1	1
Electronic Equipment	2	2	2	1	1	0	0	0	0	0
Senior Citizens	3	3	3	3	3	3	4	4	4	4
Public Library	9	9	9	9	9	9	9	9	9	9
TV 15	2	2	2	2	2	2	2	2	2	2
<b>TOTAL</b>	<b>170</b>	<b>174</b>	<b>162</b>	<b>160</b>	<b>158</b>	<b>154</b>	<b>156</b>	<b>156</b>	<b>153</b>	<b>160</b>

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 19 OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<u>FUNCTION/PROGRAM</u>	<u>Fiscal Year</u>									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>POLICE</b>										
Physical arrests	866	614	711	527	416	605	344	275	613	416
Incidents	16,888	16,137	16,181	18,267	18,133	18,204	18,577	17,857	19,121	17,836
Traffic violations/Citations	1,016	1,626	1,306	1,299	1,293	1,490	1,229	554	825	1,262
<b>FIRE</b>										
Emergency Response	2,356	4,190	4,204	4,315	4,316	4,213	4,444	5,012	4,347	4,990
Inspections	5,194	4,892	4,657	3,339	3,112	3,759	3,759	4,247	3,759	3,968
<b>PUBLIC WORKS</b>										
Recyclables collected (tons per day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	506.42	495.68	530.79
<b>OTHER PUBLIC WORKS</b>										
Street Resurfacing (miles)	0.00	3.30	4.70	7.70	9.20	11.50	11.80	12.10	8.00	4.40
<b>PARKS AND RECREATION</b>										
Program Participants	N/A	N/A	4,502	4,631	2,508	2,864	2,747	5,810	5,027	5,718
Pavilion Rentals	N/A	N/A	274	173	185	197	165	203	190	322
Pool Admissions	N/A	N/A	11,353	7,453	6,483	10,310	6,325	4,095	3,526	3,813
<b>LIBRARY</b>										
Items in Collection	93,873	93,709	94,180	98,087	99,456	102,630	105,639	108,723	116,300	118,747
Total Circulation	192,589	189,068	179,485	180,103	193,761	207,633	218,259	223,423	212,991	222,416

Sources: Various Municipal Departments

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 20 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<u>FUNCTION/PROGRAM</u>	<u>Fiscal Year</u>									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
POLICE										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	9	7	7	7	7	7	7
FIRE STATIONS										
OTHER PUBLIC WORKS										
Miles of streets	120	120	120	120	120	120	120	108	108	108
Number of street lights	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,440	1,440	1,440
Traffic Signals										
CULTURE AND RECREATION										
Parks	25	25	25	25	25	25	25	22	22	22
Park acreage	545	545	545	545	545	545	545	920	920	920
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	18	18	18	18	18	18	18	20	20	20
Basketball courts	15	15	15	15	15	15	15	20	20	20
Soccer fields	7	7	7	7	7	7	7	22	22	22
Ball fields	13	13	13	13	13	13	13	17	17	17
Picnic pavilions	5	5	5	5	5	5	5	13	13	13
Comfort stations	5	5	5	5	5	5	5	15	15	15
Bikeway	2	2	2	2	2	2	2	2	2	2
Play equipment areas	12	12	12	12	12	12	12	30	30	30
Walk/Jog paths (paved)	10	10	10	10	10	10	10	22	22	22
Historical sites	2	2	2	2	2	2	2	4	4	4

SOURCE: Various Municipal Departments