

MUNICIPALITY OF
MONROEVILLE,
PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

MUNICIPALITY OF
MONROEVILLE,
PENNSYLVANIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

Prepared by: Sean P. Lally
Chief Financial Officer

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

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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 24, 2015

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

State law requires that 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, 2014.

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's financial statements for the year ended December 31, 2014. 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 thirteen (13) miles east of the City of Pittsburgh in Allegheny County, Pennsylvania, with Pittsburgh being 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.

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 2010 population of the Municipality was 28,386. This represents a population increase of some 20,386 people, or 254.83 percent increase 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 is 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 at the fund level.

LOCAL ECONOMY

The Municipality is the home of several major employers representing such diverse industries as healthcare, research, engineering and retail services. Forbes Regional Hospital-West Penn Health System is a major healthcare employer. Bechtel is currently the second largest employer and is an engineering firm. Procure Pharmacy is the third largest employer and is a distribution center for CVS Pharmacies in Western Pennsylvania. 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 Municipality finished 2014 with a net position of \$13,049,634. This figure was sufficient to carry the Municipality through the 2014 fiscal year, but as expenses are outpacing revenues, caution and fiscal prudence must be displayed in budget preparations for 2016 and beyond. The rate of increase in expenditures was 8.31% in 2015. This number translated to additional cost of \$2,445,167, of which, increases in health benefits and state mandated pension contributions held the lion's share of the cost.

The Municipality and the Region continue to grapple with many of the same structural and funding deficits that challenge many municipalities. While challenges exist with long-term financial budgetary stability for the Municipality, which is not to say that the Municipality and the Region have not realized significant achievements. Indeed, in more than a few respects, the Region has outpaced its peers. Jobs, for example, grew by a non-seasonally adjusted 1.44% in the Region in 2014. Jobs increased 1% from 2012 to 2013 or 1,106 more employed people. Weekly wages in Allegheny County were \$103 above the national average of \$1,027 for the whole of 2014. Local gross domestic product also increased in each of the past three years from 122 billion to 131 billion, an increase of \$9 billion or a 7.47% increase. This change in GDP ranks the Pittsburgh metropolitan region at number 23 in the nation for real GDP growth. The three areas that have experienced similar growth to the Pittsburgh region are Portland, OR, St. Louis, MS and Riverside, CA. Housing is another encouraging sector. Building Department Permits issued in the Municipality increased slightly from 2,151 in 2013 to 2,283 in 2014. Though the amount of permits increased, building permits are based on square footage. Fewer large retailers applied for permits in 2014, which reflected a decrease in revenue of \$33,286. On a positive note, dollars spent on homes in the Pittsburgh metropolitan area surged \$58 million or 13.5 percent, according to RealSTATs, a Southside-based real estate information service. The gains - to \$486.7 million from \$428.6 million in October 2013 - were evenly distributed between new and existing home sales. Dollars spent on existing homes jumped 13.5 percent from \$364 million to \$413 million. New home sales increased 14.1 percent from \$64 million to \$73 million. Meanwhile, the average price of an existing home in the Pittsburgh region rose 7.3 percent from \$147,545 in October 2013 to \$158,358 for end of year 2014.

Perhaps most importantly in terms of long-term growth, the Region's population of 20 to 34 year-olds grew by 7% over the past five years, and it is expected to grow another 8% by 2020, according to an economic forecasting model run by researchers at the University of Pittsburgh's Center for Social and Urban Research. This is truly a stunning reversal of fortunes when one considers that three decades ago the Region was losing 50,000 more people than it was attracting each year.

The Region also benefits from a highly educated workforce. More than 48% of the worker's aged 25-34 have a bachelor's degree or higher. That ranks fifth highest in the nation, behind Boston, San

Francisco, Washington D.C. and Austin, according to Current Population Survey data compiled by the Census Bureau and the U.S. Bureau of Labor Statistics.

LONG TERM FINANCIAL PLANNING

An unassigned fund balance in the general fund of \$5.142 million (18.0 percent of total general fund revenues) falls above the policy guidelines set by Council for budgetary and planning purposes (i.e., 7.5 percent of total general fund revenues). This also represents an increase of 4.75% in general fund revenues.

Municipal Council has continued the strategic plan for 2014 as follows:

- Goal 1 - Develop and diversify the business structure with the objectives to expand the commercial professional services tax base (i.e. information and technology, finance and insurance and 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.

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.

As described in the notes to the financial statements, the Municipality has a pay-as-you-go policy for the following: Accrued sick time. During 2008, the Municipality authorized the creation of a Trust to fund Other Post-Employment Benefits (OPEB). The Municipality is expected to contribute \$1,000,000 to the trust in fiscal 2015.

MAJOR INITIATIVES

The future of the Municipality continues to look 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) Launch the Streetscape Initiative Program, (3) Initiate Community-Wide General Planning Projects, (4) Maintain the Superior Quality of our Residential Neighborhoods, (5) Enrich Parks and Recreational Opportunities, (6) Continue Improvement of the Transportation Network, (7) Maintain a Strong Economic Base while ensuring a Secure and Stable Economy for the Future, (8) Champion the Municipality of Monroeville's Regional Importance as a Retail Destination, and (9) Preserve the Environment while striking a balance between Residential and Commercial Development. 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, 2013. This is the twenty-second 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

A handwritten signature in black ink, reading "Sean P. Lally". The signature is written in a cursive, flowing style with a large initial 'S'.

Sean P. Lally
Chief Financial Officer

2014 Organizational Structure for Monroeville Municipal Government

Boards and Commissions (Appointed)

Cable Television Advisory Board	Civil Service Commission	Convention Visitor's Bureau of Greater Monroeville
Ethics Board	Human Needs & Resources Advisory Board	Human Relations Commission
Library Board	Monroeville Municipal Authority	OPEB Committee
Personnel Board	Planning Commission	Police Pension Commission
Recreation and Parks Advisory Board	Uniform Construction Code Appeals Board	Zoning Board

Mayor and Council (Elected)

Municipal Solicitor

**Municipal Tax Collector
(Elected and Appointed)**

Municipal Engineer

**Municipal Manager
(Appointed)**

Finance

- Accounting;
- Purchasing;
- Budget Control;
- Revenue Collection;

Engineering and Community Development

- Planning Permits;
- Zoning Permits;
- Building Inspection;
- Traffic Planning;
- Citizen Complaints;
- Ordinances & Code Inspections.

Public Works

- Snow/Ice Control;
- Street Maintenance;
- Municipal Vehicle Maintenance;
- Park Maintenance;
- Refuse Collection;

Public Safety

- Police Protection;
- Emergency Communications;
- Emergency Management;
- Fire Suppression;
- Ambulance Services.

Information Technology

Senior Citizen Services

(at least 50 years old)

- Senior Center;
- Activities; Clubs;
- Trips;
- Luncheons;
- Fitness facility
- Silver Sneakers-Certified Site

Cable TV

Recreation and Parks

- Recreational Classes and Programs;
- Summer Concert Series.
- Pavilion and Gazebo Rentals
- Special Events

Library Services

- Reference and Research Assistance
- Books, Music and DVDs
- Educational and Cultural Programs for All Ages
- Public Access Computers and Internet
- Meeting and Collaborative Study Space
- Online Reference Databases and eBooks

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

PRINCIPAL OFFICIALS DURING 2014

MEMBERS OF COUNCIL

Greg Erosenko	Mayor
Linda Gaydos	Council Member, Ward 1
Nick Gresock	Council Member, Ward 2
Ronald Harvey	Council Member, Ward 3
Jim Johns	Council Member, Ward 4
Paul Caliarì	Council Member, Ward 5
Steve Duncan	Council Member, Ward 6
Tom Wilson	Council Member, Ward 7

OTHER MUNICIPAL OFFICIALS

Timothy Little	Municipal Manager
Sean P. Lally	CFO
Bruce E. Dice	Solicitor



Government Finance Officers Association

Certificate of
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Reporting

Presented to

Municipality of Monroeville
Pennsylvania

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

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FINANCIAL SECTION

HOSACK, SPECHT, MUETZEL & WOOD LLP
CERTIFIED PUBLIC ACCOUNTANTS
305 MT. LEBANON BOULEVARD, SUITE 301
PITTSBURGH, PENNSYLVANIA 15234-1500
PHONE - 412-343-9200
FAX - 412-343-9209
HSMW@HSMWCPA.COM
WWW.HSMWCPA.COM

Independent Auditor's Report

Honorable Mayor and Members of Council
Municipality of Monroeville
Monroeville, 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, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Municipality's preparation and

Auditor's Responsibility (Cont'd)

fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, as of December 31, 2014, and the respective changes in financial position thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Matters (Cont'd)

Other Information

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 section 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and additional information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Respectfully submitted,

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
June 24, 2015

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**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, 2014. 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, 2014.

FINANCIAL HIGHLIGHTS

- ▶ The Municipality's net position decreased by \$98,721 in 2014 or 1 percent.
- ▶ Unrestricted net position was \$340,127 at December 31, 2014.
- ▶ During 2014, the Municipality's bond rating climbed from Aa3 to AA- with a stable outlook, according to Moody's Investor Service. More detailed information about the Municipality's general long-term debt activity can be found in Note 6 of the notes to financial statements.
- ▶ At December 31, 2014, the Municipality had \$24.085 million of gross bond debt and \$24.49 million of net debt outstanding. This represents a decrease of \$2,355,000 or 8.90 percent from the previous year. The Municipality also had capital leases payable at December 31, 2014 of \$1,338,019. This represents a burden of \$910.05 per capita.
- ▶ The total fund balance of the general fund at December 31, 2014 was \$5,952,634. The unassigned portion of the fund balance was \$5,141,934 which is approximately 17.00 percent of revenues in the general fund for Fiscal Year 2014.

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 units.

- 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 and post-employment benefits for municipal employees in whom the Municipality acts solely as a trustee or agent for the benefit of others. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support municipal activities.

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

Figure A-1
REQUIRED COMPONENTS OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

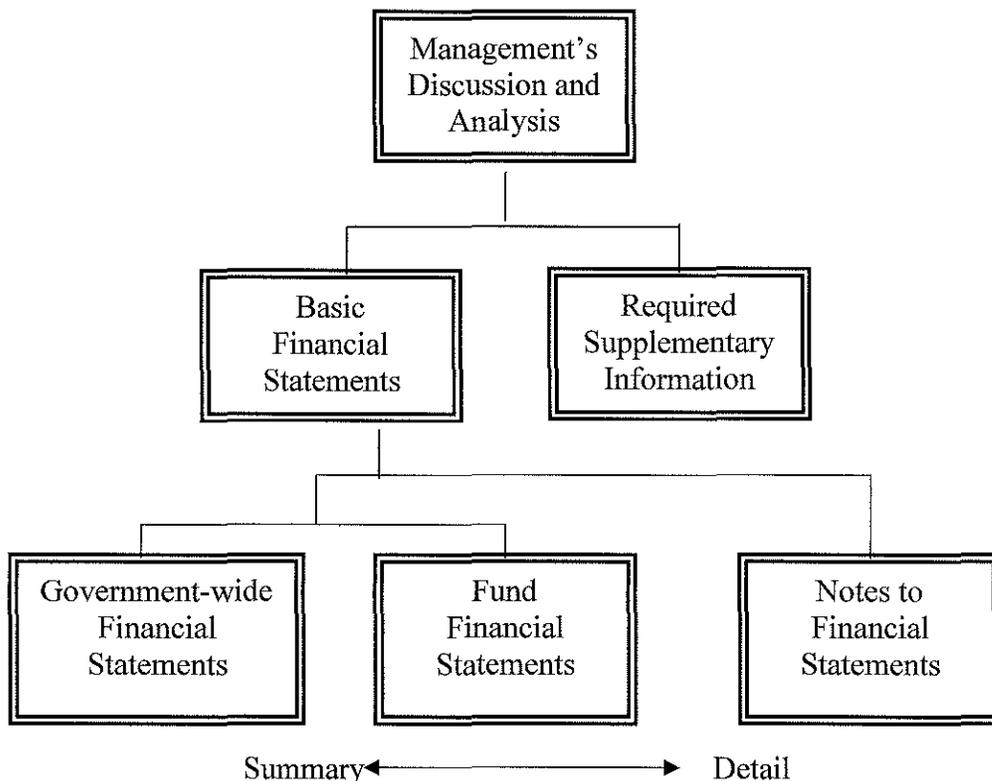


Figure A-2 summarizes the major features of the Municipality’s financial statements. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

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

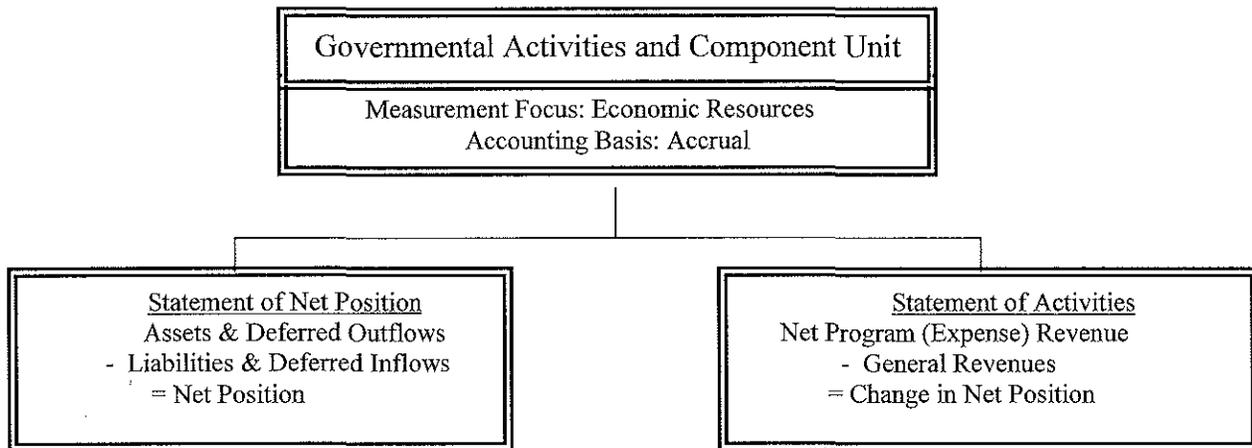
	Fund Statements		
	<u>Government-Wide Statements</u>	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire municipal government (except fiduciary funds) and the Municipality’s component unit	The activities of the Municipality that are not proprietary or fiduciary, such as police, fire, and recreation	Instances in which the Municipality is the trustee or agent for someone else’s resources, such as the retirement plan for municipal employees
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
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 position 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 position and how they have changed. The statement of net position includes all of the municipality's assets and liabilities, except fiduciary funds. Net position—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 position is an indicator of whether its financial health is improving or deteriorating. The statement of activities focuses on how the Municipality's net position 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 Position 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 and an employee benefit trust fund. 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. The police pension and employee benefit trust fund fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The employee pension plan issues a stand-alone financial statement. 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 position at December 31, 2013 and 2014 is presented below:

	Governmental Activities	
	2013	2014
Current and other assets	\$10,518,644	\$ 13,607,760
Capital assets	37,679,076	35,369,633
Deferred Outflows of Resources	681,885	548,751
Total assets & deferred outflows of resources	\$48,879,605	\$ 49,526,144
Current and other liabilities	\$ 2,589,746	\$ 2,218,723
Non-current liabilities	33,141,504	34,257,787
Total liabilities	\$35,731,250	\$ 36,476,510
Net Position		
Net investment in capital assets	\$11,340,030	\$ 9,896,434
Restricted	2,308,578	2,813,073
Unrestricted	(500,253)	340,127
Total net position	\$13,148,355	\$13,049,634

Net position:

For 2014, Net Position of Governmental Activities, decreased by \$98,721 or 1.0 percent to \$13.05 million.

Infrastructure assets:

On December 31, 2014, the Municipality's total assets and deferred outflows of resources were \$49.53 million. Of this amount, \$35.37 million is accounted for by capital assets which include some infrastructure.

**Change in Net Position
Years Ended December 31, 2014 and 2013**

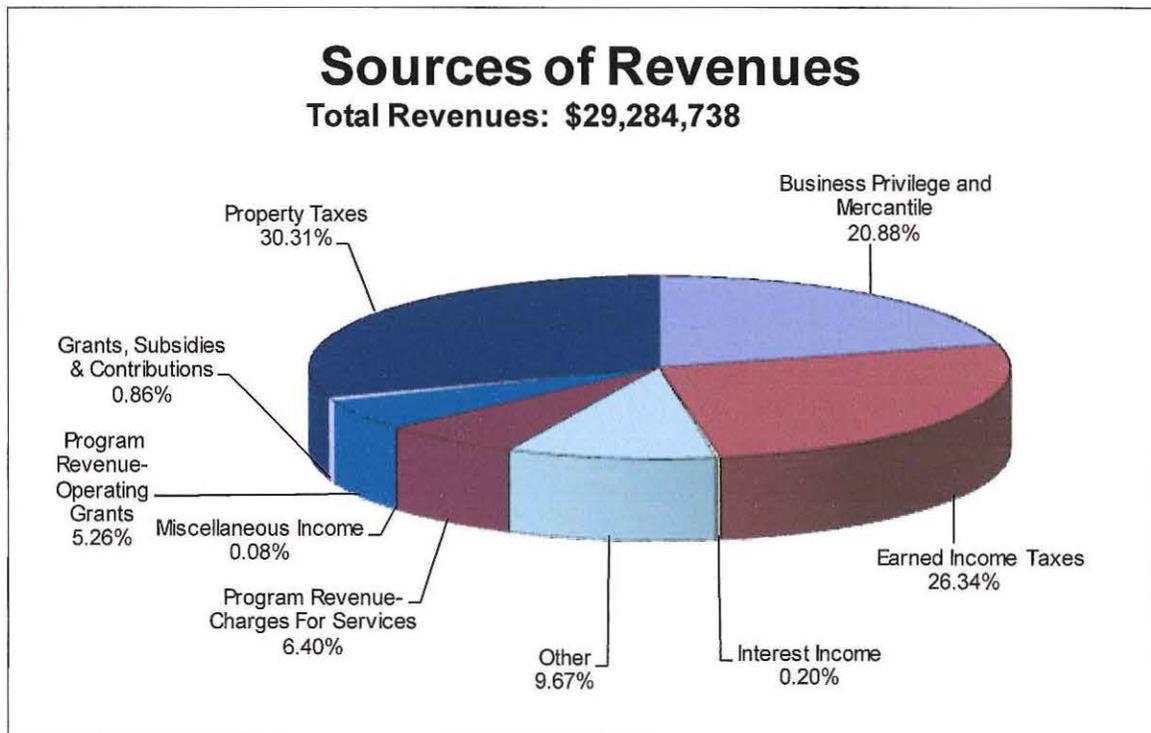
Primary Governmental Activities

	<u>2013</u>	<u>2014</u>	<u>Variance</u>
Revenues			
Program Revenues:			
Charges for Services	\$ 1,951,116	\$ 1,875,441	\$ (75,675)
Operating Grants	1,395,759	1,541,730	145,971
General Revenues:			
Property Taxes	5,588,103	8,874,636	3,286,533
Earned Income Taxes	6,951,532	7,711,011	759,479
Business Privilege and Mercantile	5,791,646	6,114,606	322,960
Other	2,618,451	2,830,807	212,356
Grants, Subsidies & Contributions	168,568	252,955	84,387
Interest Income	78,489	60,000	(18,489)
Miscellaneous Income	50,059	23,552	(26,507)
Total Revenues	\$ 24,593,723	\$ 29,284,738	\$ 4,691,015
Program Expenses			
General Government	\$ 3,612,604	\$ 3,986,984	\$ 374,380
Public Safety	13,054,982	13,300,436	245,454
Public Works:			
Sanitation	1,464,269	1,660,992	196,723
Highways and Streets	4,385,065	4,556,704	171,639
Culture and Recreation	4,660,442	4,717,192	56,750
Conservation and Development	390,481	382,799	(7,682)
Interest on Long-Term Debt	842,305	778,352	(63,953)
Total Expenses	\$ 28,410,148	\$ 29,383,459	\$ 973,311
Change in Net Position	\$ (3,816,425)	\$ (98,721)	\$ 3,717,704
Net Position-Beginning	16,964,780	13,148,355	(3,816,425)
Net Position-Ending	<u>\$ 13,148,355</u>	<u>\$ 13,049,634</u>	<u>\$ (98,721)</u>

GOVERNMENTAL ACTIVITIES

Revenue Sources:

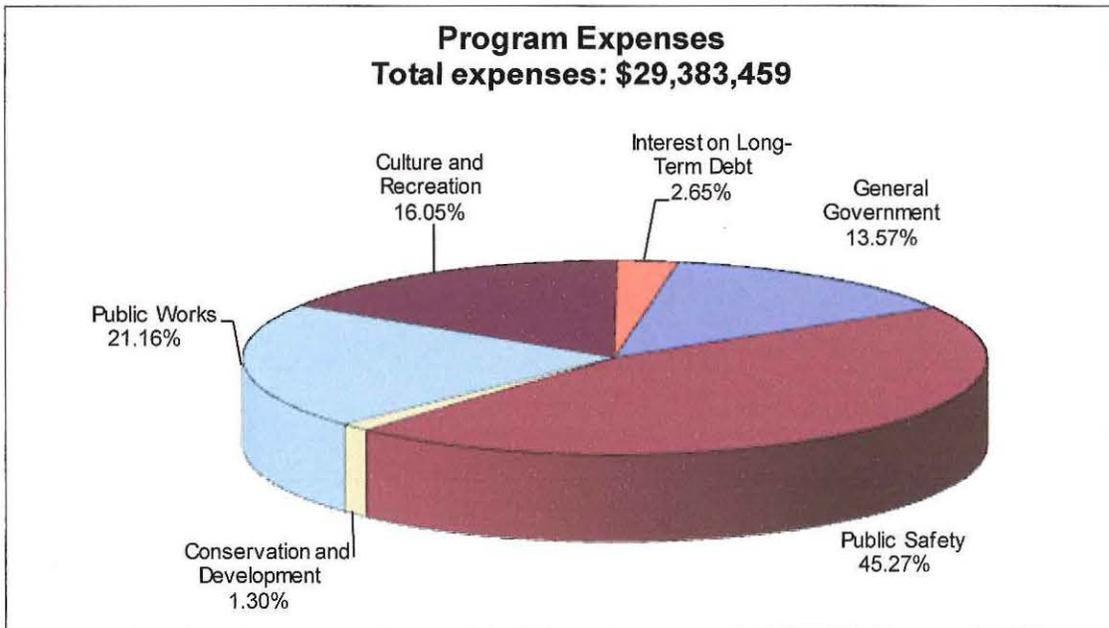
The following chart graphically depicts the government-wide sources of revenues for the fiscal year ended December 31, 2014:



Program Expenses:

Total expenses for all programs in 2014 were \$29.4 million. The expenses reflect the delivery of a wide range of services with the largest being public safety at 45.27 percent. The second largest program area was public works at 21.16 percent followed by culture recreation at 16.05 percent, general government at 13.57 percent and all others at 3.95 percent.

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2014:



There was a decrease in net position in 2014 from \$13,148,355 to \$13,049,634, or a decrease of \$98,721 from 2013. The Municipality anticipated a minimal decrease as part of the budget process in which it raised taxes to offset the increase in expenses and the deficit from the prior year.

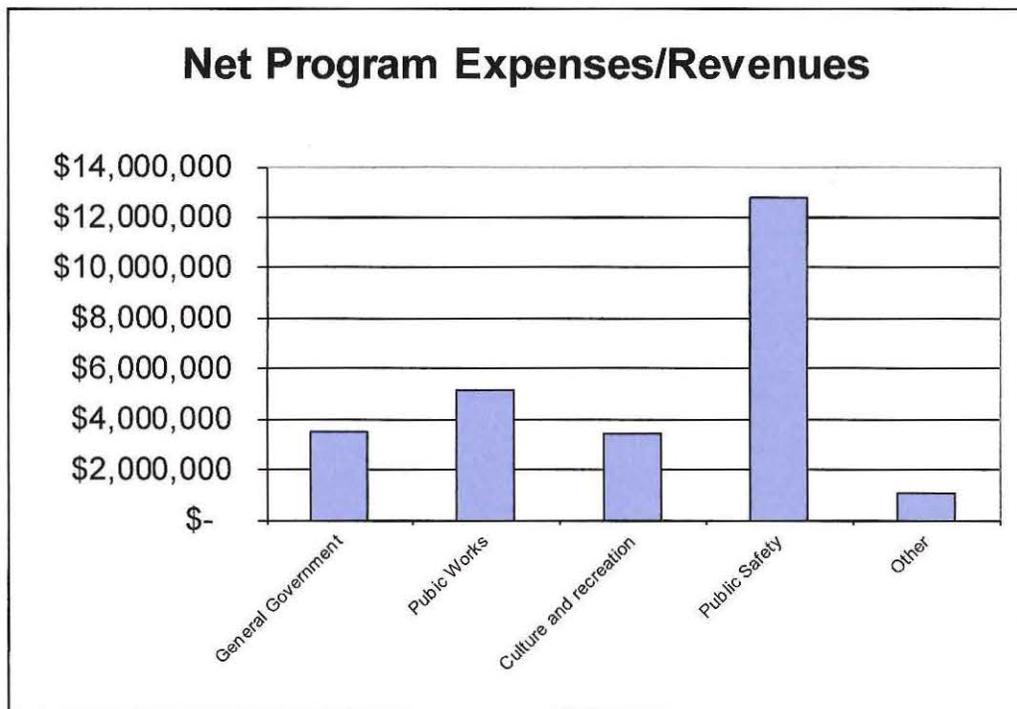
Revenues increased by \$4,691,015 or 19.07%. The largest increase was in real estate tax due to an increase of the millage from the prior year. Council approved a millage increase during the budget process. The millage went from 2.431 mills to 4.0 mills or 64.5%, resulting in an increase in revenues of \$3,286,533 over the prior year revenue. The Municipality also saw an increase in earned income tax collections due to better collection procedures and an improvement in the economy.

The expenses increased from the prior year by \$973,311 or 3.43%. One of the reasons for the increase was due to increase in salaries in accordance with the labor agreements with the police and public works unions. Also the other large increase was a result of higher employer contributions required to be contributed to the two pension plans over the prior year in accordance with the annual required contribution calculations.

Net Program Expenses/Revenues:

Public safety expenses required the most general revenue for support, requiring \$12.77 million in 2014. General government required \$3.48 million, while public works required \$5.19 million in general revenues, culture and recreation required \$3.44 million, and all others required \$1.09 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, 2014:



FINANCIAL ANALYSIS OF THE MUNICIPALITY'S FUNDS

As the Municipality completed the year, its governmental funds reported a combined fund balance of \$9.688 million of which \$5.952 million is the general fund, \$2,191,099 is the 2014 Capital Improvement Fund, and \$1.545 million is for all other governmental funds. This represents an increase of \$3.458 million. Of this combined fund balance total, \$5.060 million or 52.22 percent represents unassigned fund balance, meaning it is available to meet the Municipality's current and future needs. The fund balance has restrictions to indicate the portion of fund balance which is not available for new spending because it has been restricted to fund capital projects and other special revenue funds.

General Fund Budgetary Highlights

There were several differences between the adopted original budget and the actual collections for the year.

Revenue budgets had several material variances. Total real estate tax revenues collected by the Municipality in 2014 equaled \$8,749,983. This total was \$185,924 below budgeted figures. Earned income tax was under estimated resulting in total collections of \$7,834,465, which was a positive variance of \$734,465. Business privilege and mercantile taxes totaled \$6,114,606 which was negative variance of \$112,894. Building permits declined in the Municipality from \$326,333 in fiscal 2013 to \$293,047 in 2014. This negative variance of \$33,286 was due to big box construction in 2013.

Expenditure budget had several material variances.

A new information technology director was hired, which created a negative budget variance due to the unbudgeted amount of \$38,683. Workman's compensation insurance deductible premiums were underestimated and a negative budget variance of \$23,986 was created. The public works department also saw a significant increase in the price of salt per ton, which was budgeted.

Public safety expenditures were under budget by \$999,472 with the majority due to the training center construction project being budgeted in 2014 but was not started until late in 2014 and only minor costs were incurred.

The public works-highway department actual expenditures were under budget due to the Municipality being able to utilize a portion of the State Liquid Fuels revenue to cover budgeted costs for street lighting and winter maintenance supplies.

Insurance premium quotes for liability and worker's compensation were higher than expected resulting in a negative variance to the budget of \$23,986.

Overall, all municipal departments have been affected by increased healthcare costs due to precipitous increases by contract providers.

OTHER FUNDS

Capital Projects Fund

The Capital Projects Fund accounts for funds provided by the Municipality, most frequently from General Fund transfers or bond proceeds. The most significant capital expenditure was for the 2014 Road Paving Project. 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, 2013 and 2014:

	December 31, 2013	December 31, 2014
Capital assets, not being depreciated:		
Land	\$ 8,219,765	\$ 8,219,765
Construction in Progress	-	18,000
Total capital assets, not being depreciated	8,219,765	8,237,765
Capital assets, being depreciated:		
Land Improvements	9,862,494	9,862,494
Building and improvements	12,683,226	12,683,226
Machinery and equipment	5,725,459	5,816,232
Vehicles	12,370,029	12,445,586
Infrastructure	22,555,657	22,816,062
Total capital assets, being depreciated	63,196,865	63,623,600
Less accumulated depreciation for:		
Land Improvements	4,185,154	4,604,410
Buildings and improvements	6,194,349	6,526,433
Machinery and equipment	3,993,314	4,256,872
Vehicles	6,175,241	6,918,281
Infrastructure	13,189,496	14,185,736
Total accumulated depreciation	33,737,554	36,491,732
Total	\$ 37,679,076	\$ 35,369,633

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, 2014 the Municipality had \$24.085 million of general obligation bonds outstanding. This represents a decrease of \$2,355,000 or 8.9 percent, from the previous year. The following details activity related to general obligation bonds during 2014:

Summary of General Obligation Bond Activity	
Beginning Balance at 1/1/2014	\$ 26,440,000
Retirement	\$2,355,000
Additions	0
Ending Balance at 12/31/2014	\$24,085,000

Other long term obligations include compensated absences payable and capital leases. The Municipality at December 31, 2014 has \$1.338 million in outstanding capital leases payable. These leases were borrowed in 2014 for various equipment.

More detailed information about the Municipality’s long-term debt can be found in Notes 6 & 7 of the notes to financial statements.

TRUST AND AGENCY OPERATIONS

Pension Trust Funds and Other Employer Benefit Trust Funds

Monroeville has two pension plans-general employees and police and in 2009 created an OPEB Trust Fund. 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 2014, Police Pension Plan net assets increased \$1,255,277 to \$39,566,894 and the OPEB Trust Fund assets decreased \$727,257 to \$4,198,744.

During 2014, employer contributions were required for both the pension plans in the amount of \$3,454,192. In the non-uniform employees and police pension plans, the accrued liability exceeds the actuarial value of plan assets by approximately \$4.4 million and \$11.8 million, respectively. The required supplementary information located at the conclusion of the Notes to Financial Statements provides the details on the Police Pension and OPEB Trust Plans’ funding progress.

Bond Ratings

During 2014, the Municipality bond rating was increased due to increased revenue from the new millage assessment from Aa3 to AA- Stable by Moody’s Investor Service. More detailed information about the Municipality’s general long-term debt activity can be found in Notes 6 & 7 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 Department
2700 Monroeville Boulevard
Monroeville, PA 15146

BASIC FINANCIAL STATEMENTS

Municipality of Monroeville
Statement of Net Position
December 31, 2014

	<u>Primary Government</u>	<u>Component Units</u>	
	Governmental Activities	Senior Citizens Council	Convention Visitor's Bureau
ASSETS			
Cash and Cash Equivalents	\$ 9,472,800	\$137,515	\$ 932,552
Investments	15,899	-	-
Due from Component Unit	119,961	-	-
Receivables (Net, Where Applicable of Allowance for Uncollectibles)			
Taxes	2,420,708	-	-
Due from Other Governments	214,133	-	184,436
Other	1,364,259	-	-
Prepaid Items	-	-	8,768
Land	8,219,765	-	-
Capital Assets, Net of Accumulated Depreciation	18,501,542	-	229,298
Infrastructure Assets, Net of Accumulated Depreciation	8,630,326	-	-
Construction in Progress	<u>18,000</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>48,977,393</u>	<u>137,515</u>	<u>1,355,054</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	<u>548,751</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current Liabilities			
Due to Primary Government	-	-	119,961
Accounts Payable	571,984	-	6,799
Accrued Salaries and Benefits	702,389	-	-
Payroll Deductions and Withholdings	39,433	-	-
Unearned Revenue	721,918	-	-
Returnable Deposits	112,139	-	-
Accrued Interest Payable	70,860	-	-
Noncurrent Liabilities			
Due Within One Year	2,686,643	-	-
Due in More Than One Year			
Bonds Payable	22,034,560	-	-
Capital Leases Payable	1,149,235	-	-
Compensated Absences	719,313	-	-
Net Other Post-Employment Benefit Obligation	<u>7,668,036</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>36,476,510</u>	<u>-</u>	<u>126,760</u>
NET POSITION			
Net Investment in Capital Assets	9,896,434	-	-
Restricted for:			
Capital Projects	2,606,349	-	-
Highways and Streets	66	-	-
Public Safety	206,658	-	-
Unrestricted	<u>340,127</u>	<u>137,515</u>	<u>1,228,294</u>
TOTAL NET POSITION	<u>\$13,049,634</u>	<u>\$137,515</u>	<u>\$1,228,294</u>

See Accompanying Notes

Municipality of Monroeville
Statement of Activities
Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary Gov't. Govern- mental Activities	Senior Citizens Council	Convention Visitor's Bureau
Governmental Activities						
General Government	\$ 3,986,984	\$ 150,589	\$ 356,287	\$ (3,480,108)	\$ -	\$ -
Public Safety	13,300,436	316,947	217,375	(12,766,114)	-	-
Public Works - Sanitation	1,660,992	395,767	4,335	(1,260,890)	-	-
Public Works - Highways	4,556,704	8,713	620,270	(3,927,721)	-	-
Culture - Recreation	4,717,192	931,875	343,463	(3,441,854)	-	-
Conservation and Development	382,799	71,550	-	(311,249)	-	-
Interest on Long-Term Debt	<u>778,352</u>	<u>-</u>	<u>-</u>	<u>(778,352)</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>\$29,383,459</u>	<u>\$1,875,441</u>	<u>\$1,541,730</u>	<u>(25,966,288)</u>	<u>-</u>	<u>-</u>
Component Units						
Senior Citizens Council	\$ 42,024	\$ 22,016	\$ -	-	(20,008)	-
Convention Visitor's Bureau	<u>731,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(731,815)</u>
Total Component Units	<u>\$ 773,839</u>	<u>\$ 22,016</u>	<u>\$ -</u>	<u>-</u>	<u>(20,008)</u>	<u>(731,815)</u>
General Revenues						
Taxes						
Property Taxes, Levied for General Purposes, Net				8,874,636	-	-
Earned Income Taxes				7,711,011	-	-
Business Privilege Taxes				3,202,173	-	-
Mercantile Taxes				2,912,433	-	-
Local Services Taxes				1,188,154	-	-
Real Estate Transfer Taxes				890,023	-	-
Hotel/Motel and Gaming Fund Taxes				-	-	687,235
Other Taxes, Levied for General Purposes, Net				752,630	-	-
Grants, Subsidies and Contributions Not Restricted				252,955	-	-
Investment Earnings				60,000	69	1,858
Miscellaneous Income				<u>23,552</u>	<u>14,670</u>	<u>37,410</u>
Total General Revenues				<u>25,867,567</u>	<u>14,739</u>	<u>726,503</u>
Changes in Net Position				(98,721)	(5,269)	(5,312)
Net Position - January 1, 2014				<u>13,148,355</u>	<u>142,784</u>	<u>1,233,606</u>
Net Position - December 31, 2014				<u>\$ 13,049,634</u>	<u>\$137,515</u>	<u>\$1,228,294</u>

See Accompanying Notes

Municipality of Monroeville
Balance Sheet
Governmental Funds
December 31, 2014

	General Fund	2014 Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$5,079,817	\$2,191,099	\$2,201,884	\$ 9,472,800
Investments	15,899	-	-	15,899
Taxes Receivable (Net)	2,420,708	-	-	2,420,708
Due from Other Funds	648,652	-	-	648,652
Due from Other Governments	214,133	-	-	214,133
Due from Component Units	119,961	-	-	119,961
Other Receivables (Net, Where Applicable of Allowance for Uncollectibles)	<u>1,364,259</u>	<u>-</u>	<u>-</u>	<u>1,364,259</u>
TOTAL ASSETS	<u>\$9,863,429</u>	<u>\$2,191,099</u>	<u>\$2,201,884</u>	<u>\$14,256,412</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Due to Other Funds	\$ -	\$ -	\$ 648,652	\$ 648,652
Accounts Payable	563,878	-	8,106	571,984
Accrued Salaries and Benefits	702,389	-	-	702,389
Payroll Deductions and Withholdings	39,433	-	-	39,433
Returnable Deposits	112,139	-	-	112,139
Unearned Revenues	<u>721,918</u>	<u>-</u>	<u>-</u>	<u>721,918</u>
Total Liabilities	<u>2,139,757</u>	<u>-</u>	<u>656,758</u>	<u>2,796,515</u>
Deferred Inflows of Resources				
Unavailable Revenue				
Property Taxes	<u>1,771,038</u>	<u>-</u>	<u>-</u>	<u>1,771,038</u>
Fund Balances				
Restricted	-	1,338,061	1,475,012	2,813,073
Committed	270,297	853,038	152,414	1,275,749
Assigned	540,403	-	-	540,403
Unassigned	<u>5,141,934</u>	<u>-</u>	<u>(82,300)</u>	<u>5,059,634</u>
Total Fund Balances	<u>5,952,634</u>	<u>2,191,099</u>	<u>1,545,126</u>	<u>9,688,859</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$9,863,429</u>	<u>\$2,191,099</u>	<u>\$2,201,884</u>	<u>\$14,256,412</u>

See Accompanying Notes

Municipality of Monroeville
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2014

Total Fund Balances - Governmental Funds		\$ 9,688,859
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>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 \$71,861,365, and the accumulated depreciation is \$36,491,732.</p>		35,369,633
<p>Property tax receivables are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the funds.</p>		1,771,038
<p>Deferred charges and premiums on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net position.</p>		139,191
<p>Long-term liabilities, including bonds payable and capital leases, 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:</p>		
Bonds Payable	\$(24,085,000)	
Capital Leases Payable	(1,338,019)	
Accrued Interest on the Bonds	(70,860)	
Compensated Absences	(757,172)	
Other Post-Employment Benefits	<u>(7,668,036)</u>	<u>(33,919,087)</u>
Total Net Position - Governmental Activities		<u>\$ 13,049,634</u>

See Accompanying Notes

Municipality of Monroeville
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2014

	General Fund	2014 Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$25,529,862	\$ -	\$ -	\$25,529,862
Licenses and Permits	1,224,666	-	-	1,224,666
Fines and Forfeits	104,238	-	-	104,238
Interest, Rents and Royalties	59,498	80	422	60,000
Intergovernmental	1,174,101	-	620,584	1,794,685
Charges for Services	546,537	-	-	546,537
Miscellaneous	<u>23,552</u>	<u>-</u>	<u>-</u>	<u>23,552</u>
Total Revenues	<u>28,662,454</u>	<u>80</u>	<u>621,006</u>	<u>29,283,540</u>
Expenditures				
Current:				
General Government	3,141,640	-	-	3,141,640
Public Safety	10,944,470	-	-	10,944,470
Public Works - Sanitation	1,227,277	-	-	1,227,277
Public Works - Highways	2,244,729	-	696,562	2,941,291
Culture - Recreation	3,548,821	-	-	3,548,821
Conservation and Development	336,779	-	-	336,779
Insurance Premiums	1,152,885	-	-	1,152,885
Debt Service:				
Principal	2,355,000	-	-	2,355,000
Interest	817,472	-	-	817,472
Capital Outlay	<u>-</u>	<u>147,000</u>	<u>550,866</u>	<u>697,866</u>
Total Expenditures	<u>25,769,073</u>	<u>147,000</u>	<u>1,247,428</u>	<u>27,163,501</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,893,381</u>	<u>(146,920)</u>	<u>(626,422)</u>	<u>2,120,039</u>
Other Financing Sources (Uses)				
Capital Lease	-	1,338,019	-	1,338,019
Transfers In	119,000	1,000,000	-	1,119,000
Transfers Out	<u>(1,000,000)</u>	<u>-</u>	<u>(119,000)</u>	<u>(1,119,000)</u>
Total Other Financing Sources (Uses)	<u>(881,000)</u>	<u>2,338,019</u>	<u>(119,000)</u>	<u>1,338,019</u>
Net Changes in Fund Balances	2,012,381	2,191,099	(745,422)	3,458,058
Fund Balances - January 1, 2014	<u>3,940,253</u>	<u>-</u>	<u>2,290,548</u>	<u>6,230,801</u>
Fund Balances - December 31, 2014	<u>\$ 5,952,634</u>	<u>\$2,191,099</u>	<u>\$1,545,126</u>	<u>\$ 9,688,859</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, 2014**

Total Net Change in Fund Balances - Governmental Funds \$ 3,458,058

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	\$(2,754,178)	
Capital Outlays	<u>444,735</u>	(2,309,443)

Property tax revenues that do not provide current financial resources are not reported as revenues in the funds.	1,198
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Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	2,355,000
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In the statement of activities, certain operating expenses - compensated absences (sick pay and vacations) and other post-employment benefits (OPEB) - 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	85,337	
Net Other Post-Employment Benefit Obligation	<u>(2,389,972)</u>	(2,304,635)

**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, 2014**

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	\$	883
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Bond premium and deferred loss on refunding are reported in the statement of revenues and expenditures of governmental funds as expenditures but are capitalized and amortized over the life of the bonds in the statement of activities.

Bond Premium	\$ 171,371	
Amortization of Deferred Loss on Refunding	<u>(133,134)</u>	38,237

Some capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as an other financing source. The capital leases are not revenues in the statement of activities, but constitute long-term liabilities in the statement of net position and thus contribute to the change in fund balances. In the government-wide financial statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. The proceeds were:

(1,338,019)

Change in Net Position of Governmental Activities	\$	<u>(98,721)</u>
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See Accompanying Notes

Municipality of Monroeville
Statement of Revenues, Expenditures
and Changes in Fund Balance
General Fund
Budget and Actual
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$24,883,749	\$24,883,749	\$25,529,862	\$ 646,113
Licenses and Permits	1,320,604	1,320,604	1,224,666	(95,938)
Fines and Forfeits	112,100	112,100	104,238	(7,862)
Interest, Rents and Royalties	32,000	32,000	59,498	27,498
Intergovernmental	1,119,386	1,119,386	1,174,101	54,715
Charges for Services	789,064	789,064	546,537	(242,527)
Miscellaneous	<u>9,000</u>	<u>9,000</u>	<u>23,552</u>	<u>14,552</u>
Total Revenues	<u>28,265,903</u>	<u>28,265,903</u>	<u>28,662,454</u>	<u>396,551</u>
Expenditures				
Current:				
General Government	2,902,646	2,902,646	3,141,640	(238,994)
Public Safety	11,168,066	11,943,942	10,944,470	999,472
Public Works - Sanitation	1,254,142	1,254,142	1,227,277	26,865
Public Works - Highways	2,973,685	2,977,685	2,244,729	732,956
Culture - Recreation	3,934,340	3,974,845	3,548,821	426,024
Conservation and Development	428,615	428,615	336,779	91,836
Insurance Premiums	1,173,943	1,173,943	1,152,885	21,058
Debt Service:				
Principal	2,355,000	2,355,000	2,355,000	-
Interest	<u>818,413</u>	<u>818,413</u>	<u>817,472</u>	<u>941</u>
Total Expenditures	<u>27,008,850</u>	<u>27,829,231</u>	<u>25,769,073</u>	<u>2,060,158</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,257,053</u>	<u>436,672</u>	<u>2,893,381</u>	<u>2,456,709</u>
Other Financing Sources (Uses)				
Transfers In	-	-	119,000	119,000
Transfers Out	<u>(2,172,813)</u>	<u>(1,172,813)</u>	<u>(1,000,000)</u>	<u>172,813</u>
Total Other Financing Sources (Uses)	<u>(2,172,813)</u>	<u>(1,172,813)</u>	<u>(881,000)</u>	<u>291,813</u>
Net Change in Fund Balance	<u>\$ (915,760)</u>	<u>\$ (736,141)</u>	<u>\$ 2,012,381</u>	<u>\$2,748,522</u>

See Accompanying Notes

Municipality of Monroeville
Statement of Net Position
Fiduciary Funds
December 31, 2014

	Pension and Other Employee Benefit Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 4,116,466
Investments	
Equities	17,552,774
Mutual Funds	9,344,104
Municipal Bonds	5,458,326
Corporate Bonds	8,347,685
Other Receivables	<u>135,488</u>
TOTAL ASSETS	<u>44,954,843</u>
LIABILITIES	
Accounts Payable	<u>1,189,205</u>
NET POSITION	
Net Position Restricted for Pensions	39,566,894
Net Position Held in Trust for OPEB Benefits	<u>4,198,744</u>
TOTAL NET POSITION	<u>\$43,765,638</u>

See Accompanying Notes

Municipality of Monroeville
Statement of Changes in Net Position
Fiduciary Funds
Year Ended December 31, 2014

	Pension and Other Employee Benefit Trust Funds
Additions	
Contributions	
Employer	\$ 2,421,478
Plan Members	<u>270,836</u>
Total Contributions	<u>2,692,314</u>
Investment Income	
Net Appreciation (Depreciation) in Fair Value of Investments	690,599
Interest and Dividends	<u>1,242,537</u>
	1,933,136
Less Investment Expense	<u>(233,790)</u>
Net Investment Income	<u>1,699,346</u>
Total Additions	<u>4,391,660</u>
Deductions	
Benefits	3,842,404
Administrative Expenses	<u>21,236</u>
Total Deductions	<u>3,863,640</u>
Net Increase in Net Position	528,020
Plan Net Position	
Beginning of Year	<u>43,237,618</u>
End of Year	<u>\$43,765,638</u>

See Accompanying Notes

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

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.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable.

Each discretely presented component unit is reported in a separate column in the government-wide 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 seven voting members and one nonvoting member, 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 requests for transfer of funds are submitted to the Municipal finance department. Separate financial statements are not issued.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

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

A. Reporting Entity (Cont'd)

Other

The Monroeville Municipal Authority is a related organization of the Municipality because the Municipal Council appoints the majority of the governing body. However, the Municipality is not financially obligated for, nor does it financially benefit from, the activities of this entity and the Authority is not considered a component unit.

B. Description of Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Municipality and its component units. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Municipality's governmental funds and its component units.

Elimination of the charges would distort the direct costs and program revenues reported in the various functions. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately. Likewise, the primary government is reported separately from certain legally separate component units for which the government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

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

C. Basis of Presentation - Government-Wide Financial Statements (Cont'd)

As discussed earlier, the government has two discretely presented component units. While neither the Senior Council nor the Bureau is considered to be a major component unit, they are nevertheless shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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 *2014 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 transfers from the General Fund and capital lease proceeds.

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

The *Special Revenue Funds* focus on revenues that are restricted or committed to specific purposes. Their revenues serve as the foundation for those funds.

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

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

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

D. Basis of Presentation - Fund Financial Statements (Cont'd)

Governmental Funds (Cont'd)

Fiduciary Funds

The *Police Pension Fund* and *Other Post-Employment Benefits Trust Fund* are used to account for assets held by the Municipality in a trustee capacity. The funds are accounted for using the economic resources measurement focus and the accrual basis of accounting.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. 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

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

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

E. Measurement Focus and Basis of Accounting (Cont'd)

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 the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes levied but collected beyond 60 days after year end are recorded as deferred revenue to be recognized as revenue when the taxes are collected. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, intergovernmental revenues, investment income, rent and certain miscellaneous revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. In applying the susceptible to accrual concept to intergovernmental revenues (state and federal sources), the legal and contractual requirements of the individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Municipality; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditures. All other revenue items are considered to be measurable and available only when cash is received by the government.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

F. 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.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

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

G. Investments

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

H. 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 position 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 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.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

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

I. Deferred Outflows/Inflows of Resources (Cont'd)

difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

J. 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 except, employees hired after July 21, 2005 can accumulate up to a maximum of 360 hours. Accumulated compensatory time may be taken at the time of an officer's retirement or he/she 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.

K. Budgets and Budgetary Accounting

Annual appropriated budgets are adopted for the General Fund and one Special Revenue Fund (Highway Aid). These budgets are adopted on a basis consistent with generally accepted accounting principles. Budgetary controls for the Trust Funds are 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 2007, 2010, 2011, 2012, and 2014 Capital Improvements Funds are governed by the debt and/or lease agreements that funded those projects. Regarding the discrete component units, each passes a "flexible budget" which is not a legally appropriated operating budget.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

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

K. Budgets and Budgetary Accounting (Cont'd)

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.

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. There were supplemental appropriations in the General Fund of \$820,381 in 2014. 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

Net position is divided into three components:

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

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

L. Equity Classifications (Cont'd)

Government-Wide Statements (Cont'd)

Net investment in capital assets - 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.

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

Fund Statements

In accordance with Governmental Accounting Standards Board Statement No. 54, fund balance reporting and governmental fund type definitions, the Municipality classifies governmental funds balances as follows:

Nonspendable - amounts that cannot be spent because they are either (1) not in a spendable form or (2) legally or contractually required to remain intact.

Restricted - the part of fund balance that is restricted to be spent for a specific purpose. The constraints on these amounts must be externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or by enabling legislation. Enabling legislation authorizes the government to assess, levy, change or mandate payment and includes a legally enforceable requirement on the use of these funds.

Committed - the portion of fund balance that can only be used for specific purposes as a result of formal action by the Municipality's highest level of authority, Council. Once the item is committed, it cannot be used for any other purpose unless changed by the same procedures used to initially constrain the money, which is the passage of a resolution.

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2014**

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

L. Equity Classifications (Cont'd)

Fund Statements (Cont'd)

Assigned - reflects the Municipality's intent to use the money for a specific purpose but is not considered restricted or committed. The Authority to make assignments of fund balance may only be made by Council through the passage of a resolution. The assignment cannot exceed the available spendable unassigned fund balance in any particular fund.

Unassigned - represents the part of spendable fund balance that has not been categorized as restricted, committed or assigned. The general fund is the only fund permitted to have a positive unassigned fund balance.

The Municipality's informal policy is that it considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. It also considers committed amounts to be spent first when an expenditure is incurred for purposes for which both committed and unassigned fund balance could be used.

The Municipality's current fund balance policy for the general fund provides there shall be maintained an unassigned fund balance equivalent to a minimum of seven and one-half (7.5%) percent of the current year's total budgeted expenditures less capital outlay and transfers.

The purpose of the restricted, committed and assigned fund balances as of December 31, 2014, is as follows:

	General Fund	2014 Capital Improvement Fund	Nonmajor Funds
<u>Restricted Fund Balance</u>			
Other postemployment benefits	\$ -	\$ -	\$ -
Future capital purchases	-	1,338,061	1,268,288
Highway maintenance, rebuilding & const.			66
Police capital purchases	-	-	206,658
	<u>\$ -</u>	<u>\$1,338,061</u>	<u>\$1,475,012</u>

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

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

L. Equity Classifications (Cont'd)

Fund Statements (Cont'd)

	General Fund	2014 Capital Improvement Fund	Nonmajor Funds
<u>Committed Fund Balance</u>			
Flood maintenance	\$ 22,797	\$ -	\$ -
Fire vehicle	247,500	-	-
Sidewalk improvements	-	-	2,750
Northern Pike roadway improvements	-	-	149,664
Future capital projects & purchases	<u>-</u>	<u>853,038</u>	<u>-</u>
	<u>\$270,297</u>	<u>\$ 853,038</u>	<u>\$ 152,414</u>
<u>Assigned Fund Balance</u>			
Public access television	\$200,000	\$ -	\$ -
Traffic signals	15,000	-	-
Public library	<u>325,403</u>	<u>-</u>	<u>-</u>
	<u>\$540,403</u>	<u>\$ -</u>	<u>\$ -</u>

The 2012 Capital Improvement Fund has a fund balance deficit of \$(82,300) at December 31, 2014. The deficit will be funded in 2015 by transfers from other capital projects funds.

M. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 2 - Deposits and Investments (Cont'd)

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.

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, 2014, \$4,447,728 of the Municipality's bank balance of \$5,043,266 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging

Bank's Agent not in the Municipality's Name	<u>\$4,447,728</u>
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As of December 31, 2014, the component units' bank balances were \$136,491 of which none was exposed to custodial credit risk.

As of December 31, 2014, 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	\$ 4,604,387	
Dreyfus Cash Management	4,089,263	

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 2 - Deposits and Investments (Cont'd)

Custodial Credit Risk - Deposits (Cont'd)

Investment Type	Fair Value	Weighted Average Maturity (Years)
Common Stock	\$17,552,774	
Mutual Funds	9,360,003	
Municipal Bonds	5,458,326	3.28
Corporate Bonds	<u>8,347,685</u>	2.11
Totals	<u>\$49,412,438</u>	
Portfolio Weighted Average Maturity		2.57

The money market funds maintain an average maturity that is less than sixty days.

Of the total investments above, \$39,587,538 and \$5,204,614 are reported in the Municipality's Fiduciary Pension Trust Fund and OPEB Trust Fund, respectively. 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 Moody's and Standard and Poor's (S & P) as follows:

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 2 - Deposits and Investments (Cont'd)

Investments (Cont'd)

	Moody's		S & P	
	Ratings	Value	Ratings	Value
Money Market Funds				
PA Local Government Investment Trust	NR	\$4,604,387	AAAm	\$4,604,387
Dreyfus Cash Management	NR	4,089,263	AAAm	4,089,263
Corporate Bonds				
	A	2,350,111	A	2,995,898
	BA	204,000	AA	385,792
	BAA	5,241,428	BB	204,000
	CAA	145,125	BBB	4,643,870
	NR	153,850	CCC	145,125
	WR	253,441		
Municipal Bonds				
	A	1,720,115	A	2,337,422
	AA	1,174,011	AA	2,252,885
	BAA	152,478	BBB	152,478
	NR	2,411,722	NR	715,541

Concentration of Credit Risk - The Municipality places no limit on the amount it may invest in any one issue and the governmental funds 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, 2014, was \$932,552 in the PLGIT money market account held by the Convention Visitor's Bureau.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

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 position 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, 2014, was \$4.00 per \$1,000 of assessed valuation. Total taxable assessed value was approximately \$2.2 billion, at 100% market value.

Property taxes are declared delinquent on February 28th of the following year. At December 31, 2014, total property taxes receivable, including delinquent and lienied, is reported net of \$237,998 which has been provided as uncollectible.

The property tax calendar for 2014 was as follows:

2014 Millage Rate Adopted	March 11, 2014
2014 Bills Dated	March 15, 2014
2014 Two Percent Discount Period Ended	May 15, 2014
2014 Face Payment Period	May 16, 2014 - July 15, 2014
2014 10% Penalty Period	July 16, 2014 Until Lienied
2013 Delinquent Property Tax Bills Lienied	July 1, 2014
2014 Property Taxes not paid to be Declared Delinquent	February 28, 2015

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 4 - Other Receivables

Other receivables consist of the following items:

	<u>General Fund</u>
Host Municipality Fees	\$ 92,620
Cable TV Franchise Fees	162,359
Culture Recreation	11,126
Public Safety	67,191
Miscellaneous	1,216
Health Insurance Premium	<u>1,029,747</u>
	<u>\$1,364,259</u>

Note 5 - Capital Assets

Governmental activities capital asset activity for the year ended December 31, 2014 was as follows:

	Balance 01/01/14	Additions	Disposals	Balance 12/31/14
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 8,219,765	\$ -	\$ -	\$ 8,219,765
Construction in Progress	<u>-</u>	<u>18,000</u>	<u>-</u>	<u>18,000</u>
Total Capital Assets, not Being Depreciated	<u>8,219,765</u>	<u>18,000</u>	<u>-</u>	<u>8,237,765</u>
Capital Assets, Being Depreciated				
Land Improvements	9,862,494	-	-	9,862,494
Buildings and Building Improvements	12,683,226	-	-	12,683,226
Machinery and Equipment	5,725,459	90,773	-	5,816,232
Vehicles	12,370,029	75,557	-	12,445,586
Infrastructure	<u>22,555,657</u>	<u>260,405</u>	<u>-</u>	<u>22,816,062</u>
Total Capital Assets, Being Depreciated	<u>63,196,865</u>	<u>426,735</u>	<u>-</u>	<u>63,623,600</u>

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 5 - Capital Assets (Cont'd)

	Balance 01/01/14	Additions	Disposals	Balance 12/31/14
Governmental Activities (Cont'd)				
Less Accumulated Depreciation				
Land Improvements	\$ 4,185,154	\$ 419,256	\$ -	\$ 4,604,410
Buildings and Building Improvements	6,194,349	332,084	-	6,526,433
Machinery and Equipment	3,993,314	263,558	-	4,256,872
Vehicles	6,175,241	743,040	-	6,918,281
Infrastructure	<u>13,189,496</u>	<u>996,240</u>	<u>-</u>	<u>14,185,736</u>
Total Accumulated Depreciation	<u>33,737,554</u>	<u>2,754,178</u>	<u>-</u>	<u>36,491,732</u>
Total Capital Assets Being Depreciated, Net	<u>29,459,311</u>	<u>(2,327,443)</u>	<u>-</u>	<u>27,131,868</u>
Governmental Activities Capital Assets, Net	<u>\$37,679,076</u>	<u>\$(2,309,443)</u>	<u>\$ -</u>	<u>\$35,369,633</u>

Depreciation expense was charged to functions/programs as follows:

General Government	\$ 159,106
Public Safety	653,329
Sanitation	79,623
Public Works	1,197,578
Culture - Recreation	663,507
Conservation and Development	<u>1,035</u>
Total Depreciation Expense	<u>\$2,754,178</u>

Component units capital asset activity for the year ended December 31, 2014, was as follows:

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 5 - Capital Assets (Cont'd)

	Balance 01/01/14	Additions	Disposals	Balance 12/31/14
Component Units				
Capital Assets, Being Depreciated				
Furniture and Equipment	\$277,283	\$33,644	\$ -	\$310,927
Less Accumulated Depreciation				
Furniture and Equipment	<u>57,558</u>	<u>24,071</u>	<u>-</u>	<u>81,629</u>
Component Units Capital Assets, Net	<u>\$219,725</u>	<u>\$ 9,573</u>	<u>\$ -</u>	<u>\$229,298</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, 2014:

	Balance 01/01/14	Additions	Retirements	Balance 12/31/14	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$26,440,000	\$ -	\$2,355,000	\$24,085,000	\$2,460,000
Plus Bond Premium	<u>580,931</u>	<u>-</u>	<u>171,371</u>	<u>409,560</u>	<u>-</u>
Total Bonds Payable	<u>27,020,931</u>	<u>-</u>	<u>2,526,371</u>	<u>24,494,560</u>	<u>2,460,000</u>
Capital Leases Payable	-	1,338,019	-	1,338,019	188,784
Compensated Absences Payable	<u>842,509</u>	<u>5,532</u>	<u>90,869</u>	<u>757,172</u>	<u>37,859</u>
Governmental Activities Long-Term Liabilities	<u>\$27,863,440</u>	<u>\$1,343,551</u>	<u>\$2,617,240</u>	<u>\$26,589,751</u>	<u>\$2,686,643</u>

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

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

Bonds payable at December 31, 2014 are composed of the following issues:

General Obligation Bonds

Series 2010 - \$11,260,000; refunding nontaxable due in annual installments on June 1 through 2019; ranging from \$75,000 to \$2,165,000; interest (at rates ranging from 1.0% to 3.0%) is payable semi-annually on June 1 and December 1. \$ 6,335,000

Series 2010A - \$7,210,000; refunding nontaxable due in annual installments on June 1 through 2016; ranging from \$45,000 to \$1,865,000; interest (at rates ranging from 1.625% to 5.0%) is payable semi-annually on June 1 and December 1. 3,600,000

Series 2011 - \$7,450,000; nontaxable due in annual installments June 1 through 2026 ranging from \$200,000 to \$610,000; interest (at rates ranging from 2.0% to 4.0%) is payable semi-annually on June 1 and December 1. 6,055,000

Series of 2012A - \$5,000,000; refunding nontaxable due in annual installments on December 1, 2012 and June 1, thereafter through 2022; ranging from \$85,000 to \$2,270,000; interest (at rates ranging from 0.35% to 3.0%) is payable semi-annually on June 1 and December 1. 4,650,000

Series of 2012B - \$3,445,000; refunding nontaxable due in two installments on June 1, 2020 and June 1, 2021 in amounts of \$1,000,000 and \$2,445,000, respectively; interest at 3.0% payable semi-annually on June 1 and December 1. 3,445,000

\$24,085,000

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

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
2015	\$ 2,460,000	\$ 717,337	\$ 3,177,337
2016	2,560,000	611,675	3,171,675
2017	2,645,000	525,530	3,170,530
2018	2,715,000	455,187	3,170,187
2019	2,795,000	379,175	3,174,175
2020-2024	9,715,000	789,999	10,504,999
2025-2026	<u>1,195,000</u>	<u>48,300</u>	<u>1,243,300</u>
	<u>\$24,085,000</u>	<u>\$3,527,203</u>	<u>\$27,612,203</u>

The future annual payments listed above are to be funded entirely by the General Fund. All the general obligation bonds were issued for providing funds for capital projects throughout the Municipality. The compensated absences and termination payments liabilities will be liquidated primarily by the General Fund.

Prior Year Defeasance of Debt

In prior years, the Municipality defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account 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 government's financial statements. At December 31, 2014, \$7,565,000 of defeased bonds remain outstanding.

Note 7 - Capital Leases

The Municipality has entered into lease agreements as lessee for financing the acquisition of vehicles and fire equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 7 - Capital Leases (Cont'd)

The leases commenced and were funded in October 2014; however, the equipment was not received and purchased until 2015.

The future minimum lease obligations and the net present value of these minimum lease payments, as of December 31, 2014, were as follows:

Year Ended December 31,	Governmental Activities
2015	\$ 204,789
2016	204,789
2017	204,789
2018	131,625
2019	131,625
2020-2024	<u>604,450</u>
Total Minimum Lease Payments	1,482,067
Less: Amount Representing Interest	<u>(144,048)</u>
Present Value of Minimum Lease Payments	<u>\$1,338,019</u>

Note 8 - Interfund Balances

Interfund balances at December 31, 2014, were as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$648,652	\$ -
Nonmajor Governmental Funds	<u>-</u>	<u>648,652</u>
	<u>\$648,652</u>	<u>\$648,652</u>

Balances resulted from the time lag between dates that: (1) interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made. Payments to vendors are made from the General Fund for expenditures charged

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 8 - Interfund Balances (Cont'd)

to other funds and those funds reimburse the General Fund. All balances are expected to be paid within one year.

Note 9 - Interfund Transfers

For the year ended December 31, 2014, interfund transfers consisted of the following:

The general fund transfer to the 2014 Capital Projects Fund in the amount of \$1,000,000 is to fund certain capital projects throughout the Municipality.

The Nonmajor Fund transfer in the amount of \$119,000 to the General Fund was to cover expenses paid by the General Fund in the prior year.

Note 10 - Pension Plans

Plan Description and Eligibility

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

Any member of the police force employed on a full-time basis by the Municipality is eligible to participate in the Police Pension Plan. A police officer has a vested right to pension benefits upon having completed 12 years of service. Eligibility for the normal retirement benefit is age 55 and 25 years of service. The monthly pension benefit is 50% of final monthly average wage plus service increment, if any. Final monthly average wage for participants hired prior to January 24, 2001 is defined as compensation average over the highest 36 months out of the final 60-month period prior to retirement. For participants hired after January 24, 2001, final monthly average is defined as

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 10 - Pension Plans (Cont'd)

Plan Description and Eligibility (Cont'd)

compensation averaged over the final 36-month period prior to retirement. The Police Pension Plan also provides for disability benefits, for total and permanent disablement, that occurs in the line of duty. The monthly disability benefit is 50% of the participant's final monthly average wage at disablement, but not less than 50% of the member's salary at the time the disability was incurred, offset by social security disability benefits. In the event of death before retirement eligibility, contributions are refunded with credited interest.

Employees of the Municipality who are full-time and certain permanent part-time employees 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 annualized salary for last three years). The maximum benefit is limited to 65% 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, 2014, participants in the Plans were as follows:

	<u>Non-Uniform</u>	<u>Police</u>
Participants		
Retirees and Beneficiaries	84	51
Active Employees	92	47
Terminated Employees Entitled to Benefits But not Yet Receiving Them	<u>1</u>	<u>2</u>
	<u>177</u>	<u>100</u>

Summary of Significant Accounting Policies

Investments of the Non-Uniform Pension Plan are managed by the Pennsylvania Municipal Retirement

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 10 - Pension Plans (Cont'd)

Summary of Significant Accounting Policies (Cont'd)

System (PMRS). Information regarding the financial activities and financial position of the plan are prepared by PMRS.

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.

Deposits and Investment Risk Disclosures - Police Pension Plan

Deposits

At December 31, 2014, the Police Pension Plan held no deposits.

Investments

The Plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The Plan's target asset allocation is as follows:

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Target Percentage</u>
Equity	40%	60%	50.0%
Large Cap	25%	40%	32.5%
Mid Cap	0%	10%	5.0%
Small Cap	0%	10%	5.0%
International	0%	15%	7.5%
Fixed Income	40%	60%	50.0%
Cash Equivalents	0%	10%	0.0%

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan has no investment policy for credit risk. The credit ratings of the Plan's investments (excluding obligations explicitly guaranteed by the U. S. government) are indicated on the table below.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 10 - Pension Plans (Cont'd)

Deposits and Investment Risk Disclosures - Police Pension Plan (Cont'd)

Investments (Cont'd)

Investment Type	S & P		Moody's	
	<u>Fair Value</u>	<u>Ratings</u>	<u>Fair Value</u>	<u>Ratings</u>
Money Market	\$ 4,089,263	AAAm	\$ 4,089,263	NR
Municipal Bonds	2,337,422	A	1,720,115	A
Municipal Bonds	2,252,885	AA	1,174,011	AA
Municipal Bonds	152,478	BBB	152,478	BAA
Municipal Bonds	715,541	NR	2,411,722	NR
Corporate Bonds	2,995,898	A	2,350,111	A
Corporate Bonds	358,792	AA	204,000	BA
Corporate Bonds	204,000	BB	5,241,428	BAA
Corporate Bonds	4,643,870	BBB	145,125	CAA
Corporate Bonds	145,125	CCC	153,580	NR
Corporate Bonds	-	-	253,441	WR
	<u>\$17,895,274</u>		<u>\$17,895,274</u>	

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Police Pension Plan places no limit on the amount that may be invested in any one issuer. At December 31, 2014, the Plan had no investments (other than U.S. Government and U.S. Government guaranteed obligations, mutual funds or other pooled investments) in any one issuer that represent 5% or more of Fiduciary Net Position. ($\$39,566,894 \times 5\% = \$1,978,345$)

Custodial credit risk for investments is the risk that the Plan will not be able to recover the value of its investment for collateral securities that are in the possession of an outside party. The Plan has no investment policy for custodial credit risk.

Interest rate risk for investments is the risk that a change in interest rates will adversely affect the fair value of an investment. The Plan has no investment policy for interest rate risk other than the 50 percent limit on fixed income securities. The maturities of the Plan's debt investments are listed on the table below.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 10 - Pension Plans (Cont'd)

Deposits and Investment Risk Disclosures - Police Pension Plan (Cont'd)

Investment Maturities (in Years)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 5.99</u>	<u>6 - 10</u>	<u>More than 10</u>
Municipal Debt	\$ 5,458,326	\$ 710,467	\$4,269,973	\$477,886	\$-0-
Corporate Debt	<u>8,347,685</u>	<u>2,706,020</u>	<u>5,641,665</u>	<u>-0-</u>	<u>-0-</u>
Totals	<u>\$13,806,011</u>	<u>\$3,416,487</u>	<u>\$9,911,638</u>	<u>\$477,886</u>	<u>\$-0-</u>

Money-Weighted Rate of Return

The money-weighted rate of return is calculated as a rate of return on the Police Pension Plan investments incorporating the timing and amount of cash flows. This return is calculated net of investment expenses.

The annual money-weighted rate of return on Plan investments for the measurement period is 4.01%.

There are no assets legally reserved for purposes other than the payment of Plan member benefits for the Plan.

There are no long-term contracts for contributions.

Net Pension Liability

The components of the Police Pension net pension liability at December 31, 2014 are as follows:

Total Pension Liability	\$45,740,744
Plan Fiduciary Net Position	<u>39,566,894</u>
Net Pension Liability	<u>\$ 6,173,850</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.5%
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Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of January 1, 2013 and rolled forward to the reporting date using the following significant actuarial assumptions applied to all periods included in the measurement:

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 10 - Pension Plans (Cont'd)

Net Pension Liability (Cont'd)

Inflation:	3.0%
Salary increases	5.0% per year including inflation, plus further increase in Average Monthly Earnings at assumed retirement due to inclusion of certain lump sums in pension calculations (pre-January 24, 2001 hires: 12%; others: 5%)
Mortality:	RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with rates set forward 5 years for disabled lives. Rates are projected to improve with 75% of scale AA.
Expected Long-Term Rate of Return:	7.0%, applied to all periods

The long-term expected rate of return on Pension Plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of December 31, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real ROR</u>
Equity	6.3%
Fixed income	2.0%
Cash and equivalents	0.0%

Discount Rate: the discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 10 - Pension Plans (Cont'd)

Net Pension Liability (Cont'd)

Therefore, the long-term expected rate of return on Pension Plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

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

	1% Decrease	Current Rate	1% Increase
	<u>6.0%</u>	<u>7.0%</u>	<u>8.0%</u>
Net Pension Liability	\$11,358,123	\$6,173,850	\$1,786,805

Additional Disclosures Required by GASB Statements No. 27 and No. 50 for the Police and the Non-Uniform Plans

Contributions and Funding Policy

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

The 2014 MMO obligations (contributed to the Plans through a combination of Commonwealth and Municipal funding) for the Non-Uniform Plan and Police Plan were \$1,032,714 (18.6% of covered payroll) and \$2,421,478 (48.9% of covered payroll), respectively. Employee contributions for the Non-Uniform Plan and Police Plan were \$333,466 (6.0% of covered payroll) and \$270,836 (5.0% of covered payroll), respectively. The Commonwealth contributions for the Police Plan in 2014 were \$364,032 and were recognized as a revenue and expense in the General Fund.

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

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

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 10 - Pension Plans (Cont'd)

Additional Disclosures Required by GASB Statements No. 27 and No. 50 for the Police and the Non-Uniform Plans (Cont'd)

Contributions and Funding Policy (Cont'd)

	<u>Non-Uniform</u>	<u>Police</u>
Annual Pension Cost	\$1,032,714	\$2,421,478
Contributions Made	1,032,714	2,421,478
Actuarial Valuation Date	01/01/13	01/01/13
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar Closed	Level Dollar Closed
Asset Valuation Method	Fair Value	4-Year Smoothing
Amortization Period	8 Years	10 Years Aggregate
Actuarial Assumptions		
Investment Rate of Return	5.5%	7.0%
Projected Salary Increases	4.1%	5.0%
Underlying Inflation Rate	3.0%	3.0%
Post-Retirement Benefit Increases	3.0% Where Applicable	None

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, 2014.

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	12/31/12	\$ 848,966	100.0%	-
	12/31/13	1,010,785	100.0%	-
	12/31/14	1,032,714	100.0%	-
Police	12/31/12	1,584,673	100.0%	-
	12/31/13	2,319,225	100.0%	-
	12/31/14	2,421,478	100.0%	-

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 10 - Pension Plans (Cont'd)

Additional Disclosures Required by GASB Statements No. 27 and No. 50 for the Police and the Non-Uniform Plans (Cont'd)

Funded Status and Funding Progress

The following is funded status information for each plan as of January 1, 2013, the most recent actuarial valuation date:

	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (Excess of Assets over AAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (Excess of Assets over AAL) as a Percentage of Covered Payroll [(b-a)/c]
Non-Uniform	\$32,695,056	\$37,085,686	\$ 4,390,630	88.16%	\$5,636,510	77.90%
Police	31,307,893	43,074,775	11,766,882	72.68%	5,408,997	217.54%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

Note 11 - Post-Employment Healthcare Plan

- A. The Municipality of Monroeville administers a Single-Employer Defined Benefit Healthcare Plan (OPEB Plan). The OPEB Plan provides medical, dental, vision and life insurance at varying coverage's for six groups of employees; police; administrative; clerical; library; public works and refuse employees. Benefit provisions are mostly established through negotiations between the Municipality and union or group representing the employees. The OPEB Plan does not issue a publicly available financial report.
- B. Summary of Significant Accounting Policies

Basis of Accounting

The OPEB Plan financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 11 - Post-Employment Healthcare Plan (Cont'd)

B. Summary of Significant Accounting Policies (Cont'd)

Basis of Accounting (Cont'd)

commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with terms of the Plan.

Investments of the OPEB Plan are reported at fair value based on quoted market prices.

In 2009, the Municipality authorized and adopted the creation of the OPEB Trust, whereby the assets of the Plan are for the exclusive benefit of Plan members and their beneficiaries. The Plan was first funded in 2009 and funded in 2010 and 2011 also, it was not funded in 2012 and 2014 but is the Municipality's intention to continue to fund the Plan in the future.

C. Plan Description and Eligibility

The eligibility and the benefits for each group are as follows:

1) Police Employees

Eligibility: Police officers hired prior to July 21, 2005

Normal Retirement Eligibility: Age 55 and 25 years of service

Early Retirement Eligibility: Age 50 and 25 years of service

Coverage: Retired police officers and their spouses

Benefits: 100% employer-paid dental, vision, and medical insurance plan (which includes prescription drug coverage) until Medicare eligibility for member and member's spouse; medical insurance benefits for member and member's spouse are converted to Medicare Supplemental at Medicare eligibility. In the event that the retiree pre-deceases his/her spouse, medical coverage continues to the spouse for life and dental/vision coverage continues to the spouse until age 65.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 11 - Post-Employment Healthcare Plan (Cont'd)

C. Plan Description and Eligibility (Cont'd)

1) Police Employees (Cont'd)

Officers hired after July 21, 2005 have the option at retirement to receive medical (until Medicare eligibility), dental and/or vision insurance for member, member's spouse, and qualified dependents, provided they reimburse the Municipality for the cost of the coverage.

In addition, retired officers (regardless of hire date) receive a \$15,000 life insurance policy payable to the retiree's beneficiary upon the retiree's death.

Medical Plans Available: PPO Blue 3000/6000 in network and 6000/12000 out of network;
Freedom Blue Medicare Supplement

2) Administrative Employees

Eligibility: Administrative employees hired prior to July 22, 2005

Normal Retirement Eligibility: Age 65 or after 20 years of service

Coverage: Retired administrative employees and their spouses

Benefits: 100% Employer-paid dental, vision, and medical insurance plan (which includes prescription drug coverage) until Medicare eligibility for member and member's spouse; medical insurance benefits for member and member's spouse are converted to Medicare Supplement at Medicare eligibility. In the event that the retiree pre-deceases his/her spouse, medical coverage continues to the spouse for life and dental/vision coverage continues to the spouse until age 65.

Employees promoted into the Administrative Group after January 1, 2010 are entitled to maintain their post-retirement benefits in effect at the time of promotion. Those Administrative Employees hired on or after July 22, 2005 (or promoted between July 22, 2005 and January 1, 2010) have the option at retirement to receive medical, dental, and/or vision insurance for member, member's spouse, and qualified dependents, provided they reimburse the Municipality for the cost of the coverage.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 11 - Post-Employment Healthcare Plan (Cont'd)

C. Plan Description and Eligibility (Cont'd)

2) Administrative Employees (Cont'd)

In addition, retirees who retired with at least 15 years of service (regardless of hire date) receive a \$15,000 life insurance policy payable to the retiree's beneficiary upon the retiree's death.

Medical Plans Available: PPO Blue 3000/6000 in network and 6000/12000 out of network, Freedom Blue Medicare Supplement

3) Clerical Employees

Eligibility: Bargaining union members hired prior to January 1, 2006 who retire after 25 years of service or after age 62 with 10 years of service; a window provided benefits to those who retired by January 10, 2010 after 20 years of service or age 60 with 10 years of service

Coverage: Retired clerical employees

Benefits: 100% Employer-paid medical insurance plan (which includes prescription drug coverage) until Medicare eligibility for member; benefit ends at Medicare eligibility. Retirees may elect to continue coverage for a spouse and/or dependent child(ren) by reimbursing the Municipality for the additional charged premium. Employees hired after January 1, 2006, have the option at retirement to receive medical, dental, and/or vision insurance for member, member's spouse, and qualified dependents, provided they reimburse the Municipality for the cost of the coverage. In addition, retirees who retired with at least 15 years of service (regardless of hire date) receive a \$15,000 life insurance policy payable to the retiree's beneficiary upon the retiree's death.

Medical Plans Available: PPO Blue 3000/6000 in network and 6000/12000 out of network;

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 11 - Post-Employment Healthcare Plan (Cont'd)

C. Plan Description and Eligibility (Cont'd)

4) Library Employees

Eligibility: Library employees hired prior to July 22, 2005 who retire after 20 years of service or after age 65.

Coverage: Retired library employees and their spouses

Benefits: 100% Employer-paid dental, vision, and medical insurance plan (which includes prescription drug coverage) until Medicare eligibility for member and member's spouse; medical insurance benefits for member and member's spouse are converted to Medicare Supplement at Medicare eligibility. In the event that the retiree pre-deceases his/her spouse, medical coverage continues to the spouse for life and dental/vision coverage continues to the spouse until age 65. Retirees may elect to continue coverage for dependent child(ren) by reimbursing the Municipality for the additional charged premium.

Employees hired after July 22, 2005 have the option at retirement to receive medical, dental, and/or vision insurance for member, member's spouse, and qualified dependents, provided they reimburse the Municipality for the cost of the coverage.

In addition, retirees who retired with at least 15 years of service (regardless of hire date) receive a \$15,000 life insurance policy payable to the retiree's beneficiary upon the retiree's death.

Medical Plans Available: PPO Blue 3000/6000 in network and 6000/12000 out of network.

5) Public Works Employees

Eligibility: Public works union members hired prior to April 19, 2007 who retire after 25 years of service or after age 62 with 10 years of service

Coverage: Retired public works employees and spouses of public works employees who retired after age 60 and 25 years of service

Benefits: 100% Employer-paid medical insurance plan (which includes prescription drug coverage) until Medicare eligibility for member and member's spouse if applicable (see above); benefit ends at each individual's Medicare eligibility. Retirees may elect to continue coverage for a spouse and/or dependent child(ren) by reimbursing the Municipality for the additional charged

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 11 - Post-Employment Healthcare Plan (Cont'd)

C. Plan Description and Eligibility (Cont'd)

5) Public Works Employees (Cont'd)

premium. Employees hired after April 19, 2007 have the option at retirement, to receive medical, dental and/or vision insurance for member, spouse and qualified dependent provided they reimburse the Municipality for the cost of coverage. In addition, retirees who retired with at least 10 years of service (regardless of hire date) receive a \$15,000 life insurance policy payable to the retiree's beneficiary upon the retiree's death.

Medical Plans Available: PPO Blue 3000/6000 in network and 6000/12000 out of network

6) Refuse Employees

Eligibility: Refuse union members hired prior to June 1, 2007 who retire after 25 years of service or after age 62 with 10 years of service

Coverage: Retired refuse employees

Benefits: 100% Employer-paid medical insurance plan (which includes prescription drug coverage) until Medicare eligibility for member; benefit ends at Medicare eligibility. Retirees may elect to continue coverage for a spouse if otherwise ineligible (see above) and/or dependent child(ren) by reimbursing the Municipality for the additional charged premium. Employees hired after June 1, 2007 have the option at retirement, to receive medical, dental and/or vision insurance for member, member's spouse, and qualified dependents, provided they reimburse the Municipality for the cost of the coverage. In addition, retirees who retired with at least 10 years of service (regardless of hire date) receive a \$15,000 life insurance policy payable to the retiree's beneficiary upon the retiree's death.

Medical Plans Available: PPO Blue 3000/6000 in network and 6000/12000 out of network

Membership of the OPEB Plan consisted of the following at January 1, 2014, the date of the latest actuarial valuation:

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 11 - Post-Employment Healthcare Plan (Cont'd)

C. Plan Description and Eligibility (Cont'd)

6) Refuse Employees (Cont'd)

Retirees and Beneficiaries	
receiving benefits	121
Active Plan Members	<u>137</u>
	<u>258</u>

For the year ended December 31, 2014, the Municipality did not make any contributions to the Plan.

D. Annual OPEB Cost and Net OPEB Obligation

The Municipality's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (funding excess) over a period not to exceed thirty years. The following table shows the components of the Municipality's annual OPEB cost for the year, the amount actually contributed to the Plan and changes in the Municipality's net OPEB obligation.

Annual Required Contribution	\$2,275,613
Interest on Net OPEB Obligation	290,294
Adjustment to Annual Required Contribution	<u>(175,935)</u>
Annual OPEB Cost (Expense)	2,389,972
Contributions Made	_____
Increase (Decrease) in OPEB Obligation	2,389,972
Net OPEB Obligation - Beginning of Year	<u>5,278,064</u>
Net OPEB Obligation - End of Year	<u>\$7,668,036</u>

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 11 - Post-Employment Healthcare Plan (Cont'd)

D. Annual OPEB Cost and Net OPEB Obligation (Cont'd)

The Municipality's OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for the last three years, is as follows.

The Municipality implemented the statement prospectively beginning in 2008.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/12	\$1,892,915	0.0%	\$3,364,060
12/31/13	1,914,004	0.0%	5,278,064
12/31/14	2,389,972	0.0%	7,668,036

E. Funded Status and Funding Progress

As of January 1, 2014, the latest available valuation at the time of the audit, the actuarial accrued liability for benefits was \$32,314,758 and the actuarial value of assets was \$4,926,001 resulting in an unfunded actuarial accrued liability of \$27,388,757 and a funded ratio of 15.2%. The covered payroll (annual payroll of active employees covered by the Plan) was \$11,216,616 and the ratio of unfunded actuarial accrued liability to the covered payroll was 244.2%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectation and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Multi-year information will be represented in future years.

F. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and the

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 11 - Post-Employment Healthcare Plan (Cont'd)

F. Actuarial Methods and Assumptions (Cont'd)

Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of volatility on actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the most recent report available, the Entry Age Normal Actuarial Cost Method was used. The actuarial assumptions included a 5.5% investment rate of return based on a funded plan, an annual healthcare cost trend of a 8.25% increase for 2014 decreasing by 0.50% annually until it reaches 5.0% for pre 65 and 5.0% increase for post 65, and a 3% rate for dental/vision with no change over the period and 2.75% rate for inflation. The method used to determine the actuarial value of assets is fair value. The unfunded liability is being amortized using the level dollar method over thirty years on an open basis.

Note 12 - Pension Plans Financial Information

The Municipality's Police Pension, a defined benefit plan and the Municipality of Monroeville Uniform and Non-Uniform Employees Other Post-Employment Benefit (OPEB) Retiree Benefits Plan Trust Fund (OPEB Trust), a single-employer OPEB Plan, do not issue stand-alone financial reports. The following is a statement of fiduciary net position and statement of changes in fiduciary net position for both Plans as of and for the year ended December 31, 2014:

	Pension & Other Employee Benefit Trust Funds		Total Pension & Other Employee Benefit Trust Funds
	Police Pension Fund	OPEB Trust Fund	
ASSETS			
Cash and Cash Equivalents	\$ 4,089,263	\$ 27,203	\$ 4,116,466
Investments at Fair Value			
Equities	17,552,774	-	17,552,774
Mutual Funds	4,139,490	5,204,614	9,344,104
Municipal Bonds	5,458,326	-	5,458,326

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 12 - Pension Plans Financial Information (Cont'd)

	Pension & Other Employee Benefit Trust Funds		Total Pension & Other Employee Benefit Trust Funds
	Police Pension Fund	OPEB Trust Fund	
ASSETS (Cont'd)			
Investments at Fair Value (Cont'd)			
Corporate Bonds	\$ 8,347,685	\$ -	\$ 8,347,685
Other Receivables	<u>135,488</u>	<u>-</u>	<u>135,488</u>
TOTAL ASSETS	<u>39,723,026</u>	<u>5,231,817</u>	<u>44,954,843</u>
LIABILITIES			
Accounts Payable	<u>156,132</u>	<u>1,033,073</u>	<u>1,189,205</u>
NET POSITION			
Net Position Restricted for Pensions	39,566,894	-	39,566,894
Net Position Held in Trust for OPEB Benefits	<u>-</u>	<u>4,198,744</u>	<u>4,198,744</u>
TOTAL NET POSITION	<u>\$39,566,894</u>	<u>\$4,198,744</u>	<u>\$43,765,638</u>
Additions			
Contributions			
Employer	\$ 2,421,478	\$ -	\$ 2,421,478
Plan Members	<u>270,836</u>	<u>-</u>	<u>270,836</u>
Total Contributions	<u>2,692,314</u>	<u>-</u>	<u>2,692,314</u>
Investment Income			
Net Appreciation (Depreciation) in Fair Value of Investments			
Interest and Dividends	<u>1,124,592</u>	<u>117,945</u>	<u>1,242,537</u>
	1,687,545	245,591	1,933,136

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 12 - Pension Plans Financial Information (Cont'd)

	Pension & Other Employee Benefit Trust Funds		Total Pension & Other Employee Benefit Trust Funds
	Police Pension Fund	OPEB Trust Fund	
Additions (Cont'd)			
Investment Income (Cont'd)			
Less Investment Expenses	\$ <u>(197,942)</u>	\$ <u>(35,848)</u>	\$ <u>(233,790)</u>
Net Investment Income	<u>1,489,603</u>	<u>209,743</u>	<u>1,699,346</u>
Total Additions	<u>4,181,917</u>	<u>209,743</u>	<u>4,391,660</u>
Deductions			
Benefits	2,926,230	916,174	3,842,404
Administrative Expenses	<u>410</u>	<u>20,826</u>	<u>21,236</u>
Total Deductions	<u>2,926,640</u>	<u>937,000</u>	<u>3,863,640</u>
Net Increase (Decrease) in Net Position	<u>1,255,277</u>	<u>(727,257)</u>	<u>528,020</u>
Net Position Restricted for Pensions			
Beginning of Year	<u>38,311,617</u>		<u>\$38,311,617</u>
End of Year	<u>\$39,566,894</u>		<u>\$39,566,894</u>
Net Position Held in Trust for OPEB			
Beginning of Year		<u>4,926,001</u>	<u>\$ 4,926,001</u>
End of Year		<u>\$ 4,198,744</u>	<u>\$ 4,198,744</u>

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 13 - Lease

The Municipality leases office space in its administration building to a governmental entity under a noncancellable operating lease. The size of the office space is not material in relation to the complex and cost and accumulated depreciation of that space is not disclosed. Total rental income received under this lease in 2014 was \$16,200. The following is a schedule by year of future minimum rentals to be received by the Municipality under the lease at December 31, 2014:

Year Ended December 31,	Amount
2015	<u>\$16,200</u>

Note 14 - Operating Leases

The Municipality is committed under various leases for photocopiers. These leases are considered, for accounting purposes, to be operating leases. Total costs for such leases were \$18,442 for the year ended December 31, 2014. The Convention Visitor's Bureau, a component unit, is also committed under operating leases for office space and other office equipment. Total costs for such leases for the year ended December 31, 2014, were \$27,854. The following is a schedule by years of future minimum payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year of December 31, 2014.

Year Ended December 31,	Municipality	Convention Visitor's Bureau
2015	\$ 19,326	\$28,217
2016	21,083	27,561
2017	21,083	27,925
2018	21,083	6,358
2019	21,083	-
2020	<u>1,757</u>	<u>-</u>
	<u>\$105,415</u>	<u>\$90,061</u>

Municipality of Monroeville
Notes to Financial Statements
December 31, 2014

Note 15 - 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 16 - Risk Management

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

Note 17 - Subsequent Events

In June 2015, the Municipality issued \$9,655,000 in general obligation bonds, Series of 2015. The bonds have interest rates from 0.6%-4.0% and mature in varying amounts through June 1, 2026. The proceeds of the bonds will be used to provide funds to currently refund a portion of the general obligation bonds, Series of 2010 and a portion of the Series of 2011 general obligation bonds, and to pay for various capital projects and the costs of issuing the bonds.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Municipality of Monroeville
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2014

1. Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios

	2014
	Police Pension Plan
Total Pension Liability	
Service Cost	\$ 867,863
Interest	3,078,188
Changes - Benefit Terms	-
Differences Between Expected and Actual Experience	-
Benefit Payments	<u>(2,926,230)</u>
Net Change in Total Pension Liability	1,019,821
Total Pension Liability - Beginning	<u>44,720,923</u>
Total Pension Liability - Ending (a)	<u>45,740,744</u>
Plan Fiduciary Net Position	
Contributions - Employer, Including State Aid	2,421,478
Contributions - Member	270,836
Net Investment Income	1,489,603
Benefit Payments	(2,926,230)
Administrative Expenses	(410)
Other	<u>-</u>
Net Change in Plan Fiduciary Net Position	1,255,277
Plan Fiduciary Net Position - Beginning	<u>38,311,617</u>
Plan Fiduciary Net Position - Ending (b)	<u>39,566,894</u>
Municipality's Net Pension Liability (a-b)	<u>\$ 6,173,850</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.5%

Municipality of Monroeville
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2014

1. Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios (Cont'd)

	2014
	Police Pension Plan
Plan Fiduciary Net Position (Cont'd)	
Covered Employee Payroll	\$ <u>4,956,792</u>
Municipality's Net Position as a Percentage of Covered Employee Payroll	135.45%

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

2. Schedule of Municipality's Contributions

Police Pension Plan	
Actuarially Determined Contributions	\$ 2,421,478
Contributions in Relation to the Actuarially Determined Contributions	<u>2,421,478</u>
Contributions Deficiency (Excess)	\$ <u> -</u>
Covered Employee Payroll	\$ <u>4,956,792</u>
Contributions as a Percentage of Covered Employer Payroll	48.85%

3. Investment Returns

Annual Money Weighted Rate of Return, Net of Investment Expenses	4.01%
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The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

**Municipality of Monroeville
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2014**

4. 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
03/01/07	\$24,368,475	\$27,490,319	\$(3,121,844)	88.64%	\$5,493,389	(56.83%)
01/01/09	27,525,063	30,660,221	(3,135,158)	89.77%	5,526,058	(56.73%)
01/01/11	29,536,096	34,127,450	(4,591,354)	86.55%	5,697,919	(80.58%)
01/01/13	32,695,056	37,085,686	(4,390,630)	88.16%	5,636,510	(77.90%)
Police						
01/01/07	\$23,082,293	\$30,300,233	\$(7,217,940)	76.18%	\$4,744,623	(152.13%)
01/01/09	25,928,188	33,732,565	(7,804,377)	76.86%	5,414,409	(144.14%)
01/01/11	28,015,162	40,212,330	(12,197,168)	69.67%	5,184,243	(235.27%)
01/01/13	31,307,893	43,074,775	(11,766,882)	72.68%	5,408,997	(217.54%)

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

Municipality of Monroeville
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2014

5. Schedules of Employer Contributions

Year Ended December 31,	Actuarially Determined Contribution (in thousands)	Actual Contributions (in thousands)	Contributions Deficiency (Excess)	Covered Employee Payroll (in thousands)	Contributions as a % of Covered Employee Payroll
Non-Uniform Employee Plan					
2007	\$ 745	\$ 745	\$ -	\$5,493	13.6%
2008	765	765	-		
2009	812	812	-	5,526	14.7%
2010	812	812	-		
2011	870	870	-	5,698	15.3%
2012	849	849	-		
2013	1,011	1,011	-	5,636	17.9%
2014	1,033	1,033	-		
Police Pension Plan					
2007	1,551	1,551	-	4,745	32.7%
2008	1,532	1,532	-		
2009	1,574	1,574	-	5,414	29.1%
2010	1,502	1,502	-		
2011	1,616	1,616	-	5,184	31.2%
2012	1,585	1,585	-		
2013	2,319	2,319	-	5,409	42.9%
2014	2,421	2,421	-		

6. Notes to Required Supplementary Information

The information presented in the required supplementary schedules 4 and 5 was determined as part of the actuarial valuations, the latest available, at the dates indicated. Additional information as of the latest actuarial valuation follows:

**Municipality of Monroeville
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2014**

6. Notes to Required Supplementary Information (Cont'd)

	<u>Non-Uniform</u>	<u>Police</u>
Actual Valuation Date	January 1, 2013	January 1, 2013
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar Closed	Level Dollar Closed
Asset Valuation Method	Fair Value	4-Year Smoothing
Amortization Period	8 Years	10 Years Aggregate
Actuarial Assumptions		
Investment Rate of Return	5.5%	7.0%
Projected Salary Increases	4.1%	5.0%
Underlying Inflation Rate	3.0%	3.0%
Post-Retirement Benefit Increases	3.0% Where Applicable	None

**Municipality of Monroeville
Required Supplementary Information
Other Post-Employment Benefits
December 31, 2014**

1. Schedule of Funding Progress for Retiree Health Plan

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio (AVA/AAL)	Covered Payroll	UAAL as Percentage of Covered Payroll
01/01/08	\$ -	\$20,439,556	\$20,439,556	0.00%	\$10,491,205	194.83%
01/01/10	1,785,880	24,075,478	22,289,598	7.42%	11,184,433	199.29%
01/01/12	5,101,323	24,261,877	19,160,554	21.00%	10,657,217	179.79%
01/01/14	4,926,001	32,314,758	27,388,757	15.2%	11,216,616	244.18%

2. Schedule of Employer Contributions

Year Ended, December 31,	Annual Required Contribution	Percentage Contributed
2008	\$2,230,547	31.2%
2009	2,195,682	100.0%
2010	2,258,419	100.0%
2011	2,331,449	100.0%
2012	1,912,531	0.00%
2013	1,912,531	0.00%
2014	2,275,613	0.00%

Note: December 31, 2008 was the first year of implementation of the new standards for accounting and reporting of post-employment benefits. (Future reports will include additional valuations as they are performed.)

**COMBINING AND INDIVIDUAL FUNDS
FINANCIAL STATEMENTS**

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.
- Police Asset Seizure Fund - Used to account for the proceeds of the federal asset seizure program awarded to the Monroeville Police Department. All proceeds must be used for Police Department activities.
- Sidewalk Fund - Used to account for the revenues from certain developments in the Municipality as described by Municipal ordinances. The revenues received shall be used to fund sidewalks in various locations in this Municipality.

CAPITAL PROJECTS FUNDS

- 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.
- 2007 Capital Improvements Fund - Used to account for expenditures related to the Municipality's capital improvement program. Funds for this project were received from the issuance of the 2007 general obligation bonds.
- 2010 Capital Improvements Fund - Used to account for expenditures related to the Municipality's capital improvement program. Funds for the project were received from the issuance of the 2010 general obligation bonds.
- 2011 Capital Improvements Fund - Used to account for expenditures related to the Municipality's capital improvement program. Funds for the project were received from the issuance of the 2011 general obligation bonds.
- 2012 Capital Improvements Fund - Used to account for expenditures related to the Municipality's capital improvement program. Funds for the project were received from the issuance of the 2012 general obligation bonds.

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**Municipality of Monroeville
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014**

	Special Revenue Funds			Capital Projects Funds				Total Nonmajor Governmental Funds	
	Highway Aid Fund	Police Asset Seizure Fund	Side- walk Fund	Northern Pike Improvements Fund	2007 Capital Improvements Fund	2010 Capital Improvements Fund	2011 Capital Improvements Fund		2012 Capital Improvements Fund
ASSETS									
Cash and Cash Equivalents	<u>\$66</u>	<u>\$206,658</u>	<u>\$2,750</u>	<u>\$149,664</u>	<u>\$717,345</u>	<u>\$301,443</u>	<u>\$823,958</u>	<u>\$ -</u>	<u>\$2,201,884</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$128,312	\$ -	\$438,040	\$ 82,300	\$ 648,652
Accounts Payable	-	-	-	-	-	-	8,106	-	8,106
Total Liabilities	-	-	-	-	<u>128,312</u>	-	<u>446,146</u>	<u>82,300</u>	<u>656,758</u>
Fund Balances									
Restricted	66	206,658	-	-	589,033	301,443	377,812	-	1,475,012
Committed	-	-	2,750	149,664	-	-	-	-	152,414
Unassigned	-	-	-	-	-	-	-	(82,300)	(82,300)
Total Fund Balances	<u>66</u>	<u>206,658</u>	<u>2,750</u>	<u>149,664</u>	<u>589,033</u>	<u>301,443</u>	<u>377,812</u>	<u>(82,300)</u>	<u>1,545,126</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$66</u>	<u>\$206,658</u>	<u>\$2,750</u>	<u>\$149,664</u>	<u>\$717,345</u>	<u>\$301,443</u>	<u>\$823,958</u>	<u>\$ -</u>	<u>\$2,201,884</u>

Municipality of Monroeville
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2014

	Special Revenue Funds			Capital Projects Funds					Total Nonmajor Governmental Funds
	Highway Aid Fund	Police Asset Seizure Fund	Side- walk Fund	Northern Pike Improvements Fund	2007 Capital Improvements Fund	2010 Capital Improvements Fund	2011 Capital Improvements Fund	2012 Capital Improvements Fund	
Revenues									
Interest, Rent and Royalties	\$ 153	\$ 17	\$ -	\$ 26	\$ 93	\$ 35	\$ 98	\$ -	\$ 422
Intergovernmental	<u>620,270</u>	<u>314</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>620,584</u>
Total Revenues	<u>620,423</u>	<u>331</u>	<u>-</u>	<u>26</u>	<u>93</u>	<u>35</u>	<u>98</u>	<u>-</u>	<u>621,006</u>
Expenditures									
Current:									
Public Works - Highways	696,562	-	-	-	-	-	-	-	696,562
Capital Outlay:									
General Government	-	-	-	-	113,233	-	16,730	-	129,963
Public Safety	-	-	-	-	-	-	5,547	-	5,547
Public Works - Sanitation	-	-	-	-	-	-	1,729	-	1,729
Public Works - Highways	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,823</u>	<u>-</u>	<u>361,792</u>	<u>33,012</u>	<u>413,627</u>
Total Expenditures	<u>696,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,056</u>	<u>-</u>	<u>385,798</u>	<u>33,012</u>	<u>1,247,428</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(76,139)</u>	<u>331</u>	<u>-</u>	<u>26</u>	<u>(131,963)</u>	<u>35</u>	<u>(385,700)</u>	<u>(33,012)</u>	<u>(626,422)</u>
Other Fin. Sources (Uses)									
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(119,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(119,000)</u>
Net Changes in Fund Balances	<u>(76,139)</u>	<u>331</u>	<u>-</u>	<u>26</u>	<u>(250,963)</u>	<u>35</u>	<u>(385,700)</u>	<u>(33,012)</u>	<u>(745,422)</u>
Fund Balances -									
January 1, 2014	<u>76,205</u>	<u>206,327</u>	<u>2,750</u>	<u>149,638</u>	<u>839,996</u>	<u>301,408</u>	<u>763,512</u>	<u>(49,288)</u>	<u>2,290,548</u>
December 31, 2014	<u>\$ 66</u>	<u>\$206,658</u>	<u>\$2,750</u>	<u>\$149,664</u>	<u>\$ 589,033</u>	<u>\$301,443</u>	<u>\$ 377,812</u>	<u>\$(82,300)</u>	<u>\$1,545,126</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, 2014

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest, Rents and Royalties				
Interest Earnings	\$ 5,000	\$ 5,000	\$ 153	\$ (4,847)
Intergovernmental				
Liquid Fuels Tax	<u>560,000</u>	<u>560,000</u>	<u>620,270</u>	<u>60,270</u>
Total Revenues	<u>565,000</u>	<u>565,000</u>	<u>620,423</u>	<u>55,423</u>
Expenditures				
Current:				
Public Works				
Highways and Streets				
Snow and Ice Removal	241,000	241,000	388,212	(147,212)
Traffic Signals	24,000	24,000	61,282	(37,282)
Street Lighting	300,000	300,000	245,140	54,860
Road Maintenance	<u>-</u>	<u>-</u>	<u>1,928</u>	<u>(1,928)</u>
Total Expenditures	<u>565,000</u>	<u>565,000</u>	<u>696,562</u>	<u>(131,562)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$(76,139)</u>	<u>\$(76,139)</u>

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COMPONENT UNITS

SENIOR CITIZENS COUNCIL

CONVENTION VISITOR'S BUREAU

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Municipality of Monroeville
Balance Sheet
Senior Citizens Council - Component Unit
General Fund
December 31, 2014

ASSETS	
Cash and Cash Equivalents	<u>\$137,515</u>
LIABILITIES AND FUND BALANCES	
Liabilities	\$ <u> -</u>
Fund Balances	
Unassigned	<u>137,515</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$137,515</u>

**Municipality of Monroeville
Statement of Revenues, Expenditures
and Changes in Fund Balance
Senior Citizens Council - Component Unit
General Fund
Year Ended December 31, 2014**

Revenues	
Interest, Rents and Royalties	\$ 69
Charges for Services	22,016
Miscellaneous	<u>14,670</u>
Total Revenues	<u>36,755</u>
Expenditures	
Current:	
Culture - Recreation	<u>42,024</u>
Net Change in Fund Balance	(5,269)
Fund Balance - January 1, 2014	<u>142,784</u>
Fund Balance - December 31, 2014	<u>\$137,515</u>

Municipality of Monroeville
Balance Sheet
Convention Visitor's Bureau - Component Unit
General Fund
December 31, 2014

ASSETS

Cash and Cash Equivalents	\$ 932,552
Due from Other Governments	184,436
Prepaid Items	<u>8,768</u>

TOTAL ASSETS \$1,125,756

LIABILITIES AND FUND BALANCES

Liabilities

Due to Primary Government	\$ 119,961
Accounts Payable	<u>6,799</u>

Total Liabilities 126,760

Fund Balances

Nonspendable	8,768
Unassigned	<u>990,228</u>

Total Fund Balances 998,996

TOTAL LIABILITIES AND FUND BALANCES \$1,125,756

Municipality of Monroeville
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
Convention Visitor's Bureau - Component Unit
December 31, 2014

Total Fund Balances - Governmental Funds \$ 998,996

Amounts reported for governmental activities in the statement of net position 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 \$310,927 and the accumulated depreciation is \$81,629.

229,298

Total Net Position - Governmental Activities \$1,228,294

Municipality of Monroeville
Statement of Revenues, Expenditures
and Changes in Fund Balance
Convention Visitor's Bureau - Component Unit
General Fund
Year Ended December 31, 2014

Revenues	
Taxes	\$ 687,235
Interest, Rents and Royalties	1,858
Miscellaneous	<u>37,410</u>
Total Revenues	<u>726,503</u>
Expenditures	
Current:	
Conservation and Development	663,779
Capital Outlay	<u>77,609</u>
Total Expenditures	<u>741,388</u>
Net Change in Fund Balance	(14,885)
Fund Balance - January 1, 2014	<u>1,013,881</u>
Fund Balance - December 31, 2014	<u>\$ 998,996</u>

Municipality of Monroeville
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Convention Visitor's Bureau - Component Unit
Year Ended December 31, 2014

Total Net Change in Fund Balances - Governmental Funds	\$(14,885)
--	------------

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

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

Capital Outlay	\$ 33,644	
Depreciation Expense	<u>(24,071)</u>	<u>9,573</u>
Change in Net Position of Governmental Activities		\$ <u>(5,312)</u>

ADDITIONAL INFORMATION

**Municipality of Monroeville
Schedule of Public Library Program
Revenues and Expenditures
Included in the General Fund
Year Ended December 31, 2014**

Revenues

Regional Asset District Tax Funds passed through ACLA	\$ 217,424
State Library Aid	102,488
State Gaming Revenue	23,551
Fines and Miscellaneous	<u>68,713</u>
 Total Revenues	 <u>\$ 412,176</u>

Expenditures

Salaries	\$ 605,705
Benefits	229,161
Utilities	77,303
Maintenance and Repairs	8,858
Office Supplies	64,899
Library Books and Equipment	181,252
Office Equipment and Furniture	24,788
Miscellaneous Outside Personnel Services	<u>78,640</u>
 Total Expenditures	 <u>\$1,270,606</u>

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

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the Municipality of Monroeville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Municipality's overall financial health.

CONTENTS

SCHEDULE

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the Municipality's financial performance and well-being has changed over time.

1 - 4

REVENUE CAPACITY

These schedules contain information to help the reader assess the factors affecting the Municipality's ability to generate its property and earned income taxes.

5 - 11

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the Municipality's current levels of outstanding debt and the Municipality's ability to issue additional debt in the future.

12 - 15

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Municipality's financial activities take place and to help make comparisons over time and with other governments.

16 - 17

OPERATING INFORMATION

These schedules contain information about the Municipality's operations and resources to help the reader understand how the Municipality's financial information relates to the services the Municipality provides and the activities it performs.

18 - 20

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 1 NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities										
Net investment in capital assets	\$ 11,735,316	\$ 12,648,044	\$ 15,421,743	\$ 16,086,923	\$ 13,131,214	\$ 12,882,141	\$ 12,222,938	\$ 12,662,869	\$ 11,340,030	\$ 9,896,434
Restricted	5,238,588	3,804,830	1,610,088	746,777	3,241,041	2,378,790	1,520,031	1,556,364	2,308,578	2,813,073
Unrestricted	<u>21,465,262</u>	<u>21,214,955</u>	<u>21,046,065</u>	<u>18,245,114</u>	<u>12,989,219</u>	<u>10,361,982</u>	<u>7,685,328</u>	<u>2,745,547</u>	<u>(500,253)</u>	<u>340,127</u>
Total primary government	\$ 38,439,166	\$ 37,667,829	\$ 38,077,896	\$ 35,078,814	\$ 29,361,474	\$ 25,622,913	\$ 21,428,297	\$ 16,964,780	\$ 13,148,355	\$ 13,049,634

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 2 CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 4,408,344	\$ 4,754,753	\$ 4,629,282	\$ 5,002,245	\$ 4,897,989	\$ 4,450,812	\$ 4,467,088	\$ 3,908,079	\$ 3,612,604	\$ 3,986,984
Public Safety	9,894,850	10,065,990	11,155,631	11,869,307	12,765,461	12,107,364	12,269,528	12,389,336	13,054,982	13,300,436
Public Works-Sanitation	1,039,223	1,012,666	1,089,181	1,215,876	1,354,005	1,224,237	1,226,083	1,390,827	1,464,269	1,660,992
Public Works-Highway	3,631,393	4,515,921	4,001,421	4,672,102	4,394,628	4,362,680	4,603,845	4,152,939	4,385,065	4,556,704
Culture-Recreation	4,748,847	4,761,849	3,954,582	4,148,448	4,643,491	4,240,035	4,216,561	4,541,643	4,660,442	4,717,192
Conservation and Development	496,090	460,778	472,610	471,400	558,044	493,397	384,315	347,004	390,481	382,799
Interest On Long-Term Debt	677,780	808,318	789,849	1,049,339	1,014,769	632,435	907,153	767,255	842,305	778,352
Total primary government	\$ 24,896,527	\$ 26,380,275	\$ 26,092,556	\$ 28,428,717	\$ 29,628,387	\$ 27,510,960	\$ 28,074,573	\$ 27,497,083	\$ 28,410,148	\$ 29,383,459
Program Revenues										
Charges for services:										
General government	\$ 183,259	\$ 193,623	\$ 200,337	\$ 226,166	\$ 49,259	\$ 241,921	\$ 244,349	\$ 169,097	\$ 117,920	\$ 150,589
Public Safety	330,395	364,199	394,608	298,938	451,374	650,163	357,872	464,056	347,975	316,947
Public Works-Sanitation	520,623	426,388	458,966	436,386	387,118	410,478	422,577	422,739	399,786	395,767
Public Works-Highway	35,015	59,570	42,059	44,146	45,665	34,293	50,348	3,100	82,340	8,713
Culture-Recreation	964,492	972,303	1,044,232	1,023,343	1,083,003	1,088,545	881,160	962,343	958,986	931,875
Conservation and Development	88,606	66,370	84,191	37,493	60,509	42,042	16,262	39,802	44,109	71,550
Operating grants and contributions	2,012,803	1,668,401	1,987,577	1,716,251	2,009,815	1,727,350	1,857,513	1,482,568	1,395,759	1,541,730
Total primary government	\$ 4,135,193	\$ 3,750,854	\$ 4,211,970	\$ 3,782,723	\$ 4,086,743	\$ 4,194,792	\$ 3,830,081	\$ 3,543,705	\$ 3,346,875	\$ 3,417,171
Total primary government net expense	\$ 20,761,334	\$ 22,629,421	\$ 21,880,586	\$ 24,645,994	\$ 25,541,644	\$ 23,316,168	\$ 24,244,492	\$ 23,953,378	\$ 25,063,273	\$ 25,966,288
General Revs. and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes, Levied for Gen. Purp.	\$ 4,210,793	\$ 4,125,113	\$ 4,589,476	\$ 4,288,709	\$ 4,223,321	\$ 4,518,932	\$ 4,505,976	\$ 4,329,435	\$ 5,588,103	\$ 8,874,636
Earned Income Taxes	5,964,115	6,196,902	6,494,824	6,599,696	6,166,700	6,105,290	6,574,335	6,655,847	6,951,532	7,711,011
Business Privilege & Mercantile Tax	6,093,351	6,705,591	6,393,655	7,058,347	6,426,641	6,214,921	6,228,096	5,971,721	5,791,646	6,114,606
Other Taxes, Levied for Gen. Purp.	3,206,669	3,536,794	3,557,251	2,588,588	2,635,771	2,577,780	2,437,058	2,559,194	2,618,451	2,830,807
Grants, Subsidies & Contrib. Not Restricted	683,078	48,487	51,662	49,419	150,091	51,542	44,744	187,430	168,568	252,955
Investment Earnings	763,746	1,234,063	1,203,292	909,950	194,868	109,000	69,852	89,188	78,489	60,000
Miscellaneous	61,482	11,134	493	152,203	26,912	142	189,815	142,903	50,059	23,552
Total primary government	\$ 20,983,234	\$ 21,858,084	\$ 22,290,653	\$ 21,646,912	\$ 19,824,304	\$ 19,577,607	\$ 20,049,876	\$ 19,935,718	\$ 21,246,848	\$ 25,867,567
Change in Net Position										
Total primary government	\$ 221,900	\$ (771,337)	\$ 410,067	\$ (2,999,082)	\$ (5,717,340)	\$ (3,738,561)	\$ (4,194,616)	\$ (4,017,660)	\$ (3,816,425)	\$ (98,721)

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 3 FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund										
Reserved	\$ 6,736,994	\$ 7,138,533	\$ 7,284,355	\$ 7,707,894	\$ 5,563,195	\$ 2,376,072	\$ -	\$ -	\$ -	\$ -
Unreserved	\$ 12,094,771	\$ 11,291,280	\$ 10,717,076	\$ 9,690,043	\$ 7,122,455	\$ 6,921,926	\$ -	\$ -	\$ -	\$ -
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 947	\$ -	\$ -	\$ -
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,102	\$ 121,118	\$ 121,130	\$ -
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,788	\$ 82,793	\$ 101,296	\$ 270,297
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,795,704	\$ 897,742	\$ 544,053	\$ 540,403
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,787,610	\$ 4,291,310	\$ 3,173,774	\$ 5,141,934
Total general fund	\$ 18,831,765	\$ 18,429,813	\$ 18,001,431	\$ 17,397,937	\$ 12,685,650	\$ 9,297,998	\$ 6,788,151	\$ 5,392,963	\$ 3,940,253	\$ 5,952,634
All Other Governmental Funds										
Reserved	\$ 5,155,171	\$ 3,721,413	\$ 8,413,715	\$ 4,230,068	\$ 3,157,624	\$ 2,378,790	\$ -	\$ -	\$ -	\$ -
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,914,962	\$ 4,269,024	\$ 2,187,448	\$ 2,813,073
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 152,313	\$ 152,352	\$ 152,388	\$ 1,005,452
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 912,991	\$ -	\$ -	\$ -
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (49,288)	\$ (82,300)
Unreserved reported in:										
Special revenue funds	\$ 765,877	\$ 809,589	\$ 867,522	\$ 935,873	\$ 1,135,962	\$ 1,409,839	\$ -	\$ -	\$ -	\$ -
Capital projects funds	\$ (235,573)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total all other governmental funds	\$ 5,685,475	\$ 4,531,002	\$ 9,281,237	\$ 5,165,941	\$ 4,293,586	\$ 3,788,629	\$ 6,980,266	\$ 4,421,376	\$ 2,290,548	\$ 3,736,225

The fund balances for 2011 through 2014 reflect the implementation of GASB Statement No. 54

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 4 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 19,122,033	\$ 20,565,999	\$ 20,861,746	\$ 20,861,100	\$ 19,912,623	\$ 19,493,285	\$ 19,603,842	\$ 19,931,384	\$ 20,919,961	\$ 25,529,862
Licenses and Permits	1,093,704	1,055,011	1,176,854	1,078,265	1,226,120	1,479,195	1,152,875	1,405,533	1,303,052	1,224,666
Fines and Forfeits	120,656	150,222	158,759	146,335	141,657	138,978	165,288	113,091	105,145	104,238
Interest, Rents and Royalties	763,746	1,234,063	1,203,292	909,950	194,868	109,000	69,852	89,188	78,489	60,000
Intergovernmental	2,695,881	1,716,888	1,987,942	1,708,639	2,132,506	1,713,741	1,654,837	1,626,110	1,526,646	1,794,685
Charges for Services	908,030	877,220	888,780	841,872	746,513	849,269	848,729	542,513	542,919	546,537
Miscellaneous	61,482	11,134	51,790	57,634	26,912	65,293	58,911	138,991	61,311	23,552
Total revenues	\$ 24,765,532	\$ 25,610,537	\$ 26,329,163	\$ 25,603,795	\$ 24,381,199	\$ 23,848,761	\$ 23,554,334	\$ 23,846,810	\$ 24,537,523	\$ 29,283,540
Expenditures										
Current:										
General Government	\$ 3,875,424	\$ 3,918,294	\$ 3,978,115	\$ 3,739,361	\$ 4,244,860	\$ 4,097,552	\$ 3,779,253	\$ 3,129,183	\$ 2,894,708	\$ 3,141,640
Public Safety	9,914,915	9,403,266	10,566,677	10,310,515	11,687,888	11,311,872	11,200,645	10,075,158	10,935,158	10,944,470
Public Works-Sanitation	954,687	937,142	1,014,532	1,081,621	1,248,905	1,123,879	1,129,688	1,162,073	1,229,431	1,227,277
Public Works-Highways	2,877,094	3,475,994	2,941,222	3,055,005	3,255,015	3,359,170	3,356,701	2,839,927	2,855,834	2,941,291
Culture-Recreation	2,908,233	2,973,726	3,559,372	3,440,371	4,018,069	3,584,252	3,623,311	3,545,275	3,526,226	3,548,821
Conservation and Development	480,279	443,707	461,409	460,014	545,414	483,943	372,497	300,871	350,041	336,779
Insurance Premiums	943,860	941,605	951,513	767,909	1,006,736	1,050,703	1,164,949	1,175,072	955,570	1,152,885
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Capital outlays	9,515,543	2,877,887	3,885,834	5,106,678	1,481,708	1,478,691	3,086,750	3,206,754	2,226,467	697,866
Debt Service:										
Principal	1,390,000	1,425,000	1,460,000	1,515,000	1,585,000	1,400,000	1,955,000	2,355,000	2,290,000	2,355,000
Interest	632,302	770,341	739,807	997,711	977,246	608,954	924,207	823,828	884,055	817,472
Total Expenditures	\$ 33,492,337	\$ 27,166,962	\$ 29,558,481	\$ 30,474,185	\$ 30,050,841	\$ 28,500,016	\$ 30,593,001	\$ 28,613,141	\$ 28,147,490	\$ 27,163,501
Excess of revenues over (under) expenditures	\$ (8,726,805)	\$ (1,556,425)	\$ (3,229,318)	\$ (4,870,390)	\$ (5,669,642)	\$ (4,651,255)	\$ (7,038,667)	\$ (4,766,331)	\$ (3,609,967)	\$ 2,120,039
Other Financing Sources (Uses)										
Issuance of Debt	\$ 6,135,000	\$ -	\$ 7,590,000	\$ -	\$ -	\$ -	\$ 7,450,000	\$ -	\$ -	\$ 1,338,019
Issuance of Refunding Debt	7,520,000	-	-	-	-	18,470,000	-	8,445,000	-	-
(Discourt) on Bonds Issued	(85,837)	-	(38,829)	-	-	-	-	-	-	-
Bond premium/Costs	-	-	-	-	-	816,850	86,457	186,144	-	-
Payment to Refunded Bond Escrow Agent	(7,317,087)	-	-	-	-	(18,572,754)	-	(7,866,691)	-	-
Sale of Capital Assets	-	-	-	151,600	85,000	44,550	184,000	47,800	26,429	-
Transfers In	6,152,652	377,863	160,555	172,358	228,019	639,980	-	610,354	-	1,119,000
Transfers Out	(6,152,652)	(377,863)	(160,555)	(172,358)	(228,019)	(639,980)	-	(610,354)	-	(1,119,000)
Total Other Financing Sources (Uses)	6,252,076	-	7,551,171	151,600	85,000	758,646	7,720,457	812,253	26,429	1,338,019
Net Changes in fund balances	\$ (2,474,729)	\$ (1,556,425)	\$ 4,321,853	\$ (4,718,790)	\$ (5,584,642)	\$ (3,892,609)	\$ 681,790	\$ (3,954,078)	\$ (3,583,538)	\$ 3,458,058
Debt service as a percentage of noncapital expenditures	8.43%	9.04%	8.57%	9.91%	9.05%	7.46%	10.51%	12.63%	12.25%	11.87%

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
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
2007	1,274,100	833,549	365,157	2,107,649	100%	2.20
2008	1,274,100	833,549	364,204	2,107,649	100%	2.20
2009	1,274,380	834,823	365,247	2,109,203	100%	2.20
2010	1,111,696	978,442	365,311	2,090,138	100%	2.20
2011	1,110,808	978,442	364,161	2,089,250	100%	2.20
2012	1,074,681	987,487	371,034	2,062,168	100%	2.20
2013	1,317,872	1,210,661	535,054	2,528,533	100%	2.431
2014	1,302,867	1,077,997	585,232	2,380,864	100%	4.00

Source: Allegheny County Assessment Office

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 6

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

Municipality of Monroeville			County of Allegheny		Gateway School District		Total
Fiscal Year	Total Basic Tax Millage	Total Millage	Total Basic Tax Millage	Total Millage	Total Basic Tax Millage	Total Millage	
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
2007	2.20	2.20	4.69	4.69	19.41	19.41	26.30
2008	2.20	2.20	4.69	4.69	19.41	19.41	26.30
2009	2.20	2.20	4.69	4.69	19.41	19.41	26.30
2010	2.20	2.20	4.69	4.69	21.02	21.02	27.91
2011	2.20	2.20	4.69	4.69	21.02	21.02	27.91
2012	2.20	2.20	4.73	4.73	21.85	21.85	28.78
2013	2.431	2.431	4.73	4.73	18.89	18.89	26.051
2014	4.00	4.00	4.73	4.73	18.89	18.89	27.62

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 7 PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2014			2004		
	Taxable Assessed Valuation	Rank	Percentage of Total Municipal Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Municipal Taxable Assessed Value
CBL Monroeville Partners	\$ 132,852,600	1	5.58%			
PZ Miracle Mile	40,249,500	2	1.69%	\$ 36,758,300	4	1.84%
Anne V. Lewis	32,300,000	3	1.36%			
HVB Properties	24,500,000	4	1.03%			
ER Partners LP	16,956,700	5	0.71%			
WPP/WEN LLC	15,307,100	6	0.64%			
Monroeville SCLP	14,800,000	7	0.62%	17,481,700	7	0.88%
Jamison Lane	14,515,600	8	0.61%			
M&M Hotel Poxford	14,093,900	9	0.59%			
Walnut Ivarhoe Partners	13,375,500	10	0.56%	14,856,300	9	0.74%
May Centers Associates Corporation				14,000,000	10	0.70%
Eagle Ridge Apartmetns				18,456,700	5	0.92%
Fox Hill Associates						
Soffer, Donald				131,920,400	1	6.61%
L&M Associates				49,271,400	2	2.47%
Westinghouse Electric Corporation				46,664,000	3	2.34%
Cochran RELP				17,867,300	6	0.90%
Terra Capital Associates				15,549,400	8	0.78%
	<u>\$ 318,950,900</u>		<u>13.39%</u>	<u>\$362,825,500</u>		<u>18.18%</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
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%	45,018	4,195,910	99.24%
2007	4,614,311	4,497,058	97.46%	42,659	4,539,717	98.38%
2008	4,636,828	4,261,429	91.90%	83,455	4,344,884	93.70%
2009	4,640,247	4,306,685	92.81%	88,388	4,395,073	94.72%
2010	4,543,586	4,430,544	97.51%	80,318	4,510,862	99.28%
2011	4,598,305	4,430,816	96.36%	57,739	4,488,555	97.61%
2012	4,535,633	4,354,895	96.02%	61,532	4,416,427	97.37%
2013	6,080,073	5,919,603	97.36%	53,910	5,973,513	98.25%
2014	9,441,987	9,147,587	96.88%	-	9,147,587	96.88%

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>
2005	381,559,467	5,723,392
2006	407,285,200	6,109,278
2007	428,132,467	6,421,987
2008	436,665,000	6,549,975
2009	433,874,933	6,508,124
2010	407,019,333	6,105,290
2011	428,503,600	6,427,554
2012	455,003,289	6,825,049
2013	463,677,400	6,955,161
2014	514,067,400	7,711,011

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>
2005	1%	0.50%
2006	1%	0.50%
2007	1%	0.50%
2008	1%	0.50%
2009	1%	0.50%
2010	1%	0.50%
2011	1%	0.50%
2012	1%	0.50%
2013	1%	0.50%
2014	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

Income Level	2007 Number of filers	2008 Number of filers	2009 Number of filers	2010 Number of filers	2011 Number of filers	2012 Number of filers	2013 Number of filers	2014 Number of filers
\$100,001-and higher	530	679	439	209	333	912	466	519
\$70,001-\$100,000	744	1,043	744	307	466	1,180	642	2,457
\$50,001-70,000	1,176	1,433	1,030	435	643	1,605	889	1,805
\$30,001-50,000	1,752	2,147	1,458	540	849	2,204	1,199	1,278
\$10,001-30,000	2,265	2,710	1,697	565	1,118	2,835	1,492	2,002
\$10,000 and lower	2,284	2,787	1,957	387	907	2,846	1,759	3,577
TOTAL	8,751	10,799	7,325	2,443	4,316	11,582	6,447	11,638

Income Level	2007 Percentage of Tot Taxpayers	2008 Percentage of Tot Taxpayers	2009 Percentage of Tot Taxpayers	2010 Percentage of Tot Taxpayers	2011 Percentage of Tot Taxpayers	2012 Percentage of Tot Taxpayers	2013 Percentage of Total	2014 Percentage of Total
\$100,001-and higher	6.06%	6.29%	5.99%	8.56%	7.72%	7.88%	7.23%	4.46%
\$70,001-\$100,000	8.50%	9.66%	10.16%	12.57%	10.80%	10.19%	9.96%	21.11%
\$50,001-70,000	13.44%	13.27%	14.06%	17.81%	14.90%	13.86%	13.79%	15.51%
\$30,001-50,000	20.02%	19.88%	19.90%	22.10%	19.67%	19.03%	18.60%	10.98%
\$10,001-30,000	25.88%	25.09%	23.17%	23.13%	25.90%	24.48%	23.14%	17.20%
\$10,000 and lower	26.10%	25.81%	26.72%	15.84%	21.02%	24.57%	27.28%	30.74%
TOTAL	100.00%	100.00%	100.00%	100.01%	100.00%	100.00%	100.00%	100.00%

Income Level	2007 Percentage of Tot Income	2008 Percentage of Tot Income	2009 Percentage of Tot Income	2010 Percentage of Tot Income	2011 Percentage of Tot Income	2012 Percentage of Tot Income	2013 Percentage of Tot Income	2014 Percentage of Tot Income
\$100,001-and higher	26.25%	25.84%	18.88%	26.45%	28.55%	30.01%	27.56%	28.05%
\$70,001-\$100,000	17.91%	20.13%	21.30%	21.84%	20.36%	19.93%	20.59%	19.02%
\$50,001-70,000	20.19%	19.65%	20.90%	22.08%	19.97%	19.21%	20.28%	20.12%
\$30,001-50,000	20.12%	19.69%	19.70%	18.60%	17.75%	17.67%	18.34%	18.84%
\$10,001-30,000	12.91%	12.30%	11.26%	9.54%	11.33%	11.10%	11.26%	11.38%
\$10,000 and lower	2.62%	2.39%	7.98%	1.49%	2.05%	2.07%	1.96%	2.94%
TOTAL	100%	100%	100%	100.00%	100.00%	100.00%	100%	100%

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 ***	Capital Leases Payable	Total Primary Government		
2005	24,305,000	-	24,305,000	6.42%	828.14
2006	22,880,000	-	22,880,000	6.00%	779.58
2007	29,010,000	-	29,010,000	7.12%	988.45
2008	27,495,000	-	27,495,000	6.42%	936.83
2009	25,910,000	-	25,910,000	5.93%	882.82
2010	24,715,000	-	24,715,000	5.70%	842.11
2011	30,911,882	-	30,911,882	7.59%	1,088.98
2012	29,482,302	-	29,482,302	6.88%	1,038.62
2013	27,020,931	-	27,020,931	5.94%	951.91
2014	24,494,560	1,338,019	25,832,579	5.28%	910.05

* 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.

*** Presented net of original issuance discounts, premiums and adjustments, where applicable.

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 13 RATIOS OF DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	Debt Outstanding*			Percentage of Actual Taxable Value** of Property
	General Obligation Bond ***	Capital Leases Payable	Total Debt Service	
2005	24,305	-	24,305	1.22%
2006	22,880	-	22,880	1.12%
2007	29,010	-	29,010	1.38%
2008	27,495	-	27,495	1.30%
2009	25,910	-	25,910	1.23%
2010	24,715	-	24,715	1.18%
2011	30,912	-	30,912	1.48%
2012	29,482	-	29,482	1.43%
2013	27,021	-	27,021	1.07%
2014	24,494	1,338	25,832	1.08%

*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.

*** Presented net of original issuance discounts, premiums and adjustments, where applicable.

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 14

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2014

(AMOUNTS EXPRESSED IN THOUSANDS)

Governmental Unit	Debt *** Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping** Debt
Debt repaid with property taxes			
Municipality of Monroeville	25,832	100.0%	\$25,832
Other debt			
Gateway School District	51,165	96.80%	49,528
Allegheny County	861,736	3.50%	30,161
Subtotal-overlapping debt			79,688
Total direct and overlapping debt			\$ 105,520

*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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 62,587	\$ 64,763	\$ 57,924	\$ 60,864	\$ 61,620	\$ 56,444	\$ 54,717	\$ 57,183	\$ 58,320	\$ 63,836
Total net debt applicable to limit	<u>24,305</u>	<u>22,880</u>	<u>29,010</u>	<u>27,495</u>	<u>25,910</u>	<u>24,715</u>	<u>30,210</u>	<u>28,730</u>	<u>26,440</u>	<u>24,085</u>
Legal debt margin	<u>\$ 38,282</u>	<u>\$ 41,883</u>	<u>\$ 28,914</u>	<u>\$ 33,369</u>	<u>\$ 35,710</u>	<u>\$ 31,729</u>	<u>\$ 24,507</u>	<u>\$ 28,453</u>	<u>\$ 31,880</u>	<u>\$ 39,751</u>
Total net debt applicable to the limit as a percentage of debt limit	38.83%	35.33%	50.08%	45.17%	42.05%	43.79%	55.21%	50.24%	45.34%	37.73%

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%).

The Pennsylvania "Local Government Unit Debt Act" utilizes Gross Bonds outstanding and excludes Capital Leases in the calculation of the legal debt margin

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>
2005	29,349	\$ 381,559,467	\$ 34,685	43	4,319	5.70%
2006	29,349	\$ 407,285,200	\$ 37,145	43	4,304	5.20%
2007	29,349	\$ 428,132,467	\$ 39,605	43	4,257	4.40%
2008	29,349	\$ 436,665,000	\$ 40,318	43	4,125	5.00%
2009	29,349	\$ 433,874,933	\$ 41,044	43	4,053	4.90%
2010	28,386	\$ 407,019,333	\$ 41,782	43	3,966	7.20%
2011	28,386	\$ 428,503,600	\$ 42,534	43	3,825	7.10%
2012	28,386	\$ 455,003,289	\$ 43,300	43	3,761	7.30%
2013	28,386	\$ 463,677,400	\$ 44,080	43	3,548	5.60%
2014	28,386	\$ 514,067,400	\$ 44,873	45	3,492	4.65%

Data Sources:

- (1) Bureau of Census-Partial Statistics for 2010 Census released by Bureau of Census during 2011
- (2) Department of Labor
- (3) Allegheny County Planning Department
- (4) Gateway School District

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 17 PRINCIPAL EMPLOYERS

CURRENT YEAR AND TEN YEARS AGO

Employer	2014			2004		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Forbes Regional Hospital	1,486	1	0.74%	2,000	1	1.00%
UPMC	863	2	0.43%			
Procare Pharmacy	861	3	0.43%			
Bechtel National Inc.	850	4	0.43%			
Gateway School District	746	5	0.37%	500	5	0.25%
Respironics	563	6	0.28%			
Community College of Allegheny County	370	7	0.19%	523	6	0.26%
Cochran Pontiac Inc.	354	8	0.18%			
Compunetix	318	9	0.16%			
Giant Eagle/Get GO	304	10	0.15%			
Westinghouse Electric Co.				900	2	0.45%
Kaufmann's Department Store				577	3	0.29%
Lazarus/Macy's				563	4	0.28%
HealthSouth of Pittsburgh, Inc.				423	7	0.21%
Venturi Staffing Partners				403	8	0.20%
J. C. Penny Company				365	9	0.18%
Olsten Staffing Services				361	10	0.18%
	<u>6,715</u>		<u>3.36%</u>	<u>6,615</u>		<u>3.31%</u>

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 18

FULL-TIME EQUIVALENT MUNICIPAL EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<u>FUNCTION/PROGRAM</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
GENERAL GOVERNMENT										
Mayor & Council	0	0	0	0	0	0	0	0	0	0
Manager's Office	5	5	4	4	4	4	3	3	3	4
Tax Collection	4	5	5	5	5	5	5	5	4	4
Finance Office	7	5	5	4	4	4	4	4	4	5
Data Processing	3	3	3	3	3	3	3	3	2	2
PUBLIC SAFETY										
Police Chief	2	2	2	2	2	2	2	2	2	2
Emergency Communications	0	8	8	8	8	8	8	8	8	7
Patrol & Traffic	41	40	40	40	40	39	40	42	42	39
Incident Investigation	6	6	6	6	6	6	5	5	5	5
Support Services & Records	4	4	4	3	3	1	1	1	1	1
Police Training	1	1	1	1	1	1	1	0	0	0
Community Safety	3	3	3	3	4	3	2	2	2	1
School Crossing Guards	0	0	0	0	0	0	0	0	0	0
Fire, Building, & Code Enforcement	5	5	5	5	5	5	5	5	5	5
PUBLIC WORKS										
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	1	1	1	1	1	1	1	1	1	1
Street Maintenance	12	11	9	9	9	9	8	8	5	6
Parks Maintenance	7	6	7	7	7	7	6	6	8	7
Traffic Signals, Signs and Markings	4	4	4	4	4	4	4	4	5	4
Superintendent of Special Services	0	0	0	0	0	0	0	0	0	0
Sanitary Sewer Maintenance	0	0	0	0	0	0	0	0	0	0
Refuse Collection	9	9	9	9	9	9	9	9	9	9
Vehicular Equipment	5	5	5	5	5	5	4	4	4	4
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	3	3	3	3	3	3	3	3	3
Building & Property Maintenance	5	5	5	5	5	5	3	3	3	4
HUMAN SERVICES										
Recreation and Parks	4	4	4	4	4	3	3	3	3	3
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	4	4	4	4	4	2	2	4	4	3
Appeal Board Service	0	0	0	0	0	0	0	0	0	0
Engineering	1	1	1	1	1	1	1	1	1	1
Electronic Equipment	0	0	0	0	0	0	0	0	0	0
Senior Citizens	4	4	4	4	4	4	4	4	4	4
Public Library	9	9	11	11	11	11	11	11	10	10
TV 15	2	2	2	2	2	2	2	2	2	2
TOTAL	153	160	160	158	159	152	145	148	145	141

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 19 OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
POLICE										
Physical arrests	613	416	479	521	363	280	314	255	374	469
Incidents	19,121	17,836	18,689	23,891	18,188	16,614	15,425	15,531	15,354	16,535
Traffic violations/Citations	825	1,262	1,456	1,299	1,266	2,013	1,580	1,758	1,653	3,535
FIRE										
Emergency Response	4,347	4,990	4,067	5,180	5,141	5,777	5,387	5,224	7,028	5,392
INSPECTIONS	3,759	3,968	4,205	4,684	4,780	4,780	6,083	6,100	7,539	8,324
PUBLIC WORKS										
Recyclables collected (tons per year)	495.68	530.79	551.15	656.74	535.14	530.36	641.35	695.34	738.82	654.09
OTHER PUBLIC WORKS										
Street Resurfacing (miles)	8.00	4.40	3.00	8.50	4.30	4.30	9.00	17.90	22.80	1.20
PARKS AND RECREATION										
Program Participants	5,027	5,718	3,370	2,408	1,701	1,644	2,093	5,858	6,283	4,262
Pavilion Rentals	190	322	362	385	434	453	466	486	533	638
Pool Admissions	3,526	3,813	3,612	4,320	3,736	5,331	5,431	5,569	7,922	6,743
LIBRARY										
Items in Collection	116,300	118,747	120,267	123,765	123,146	119,514	120,048	122,771	124,312	123,498
Total Circulation	212,991	222,416	219,967	224,066	233,405	222,519	244,321	297,941	308,614	290,750

Sources: Various Municipal Departments

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 20 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
POLICE										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	7	7	7	7	7	7	7	7	7	7
FIRE STATIONS										
OTHER PUBLIC WORKS										
Miles of streets	108	108	108	108	108	108	108	108	108	108
Number of street lights	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
CULTURE AND RECREATION										
Parks	22	22	22	22	22	22	22	22	22	22
Park acreage	820	820	820	820	820	820	820	820	820	820
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	20	20	20	20	20	20	20	20	21	21
Basketball courts	20	20	21	21	21	21	21	21	20	20
Soccer fields	22	22	22	22	22	22	22	22	22	22
Ball fields	17	17	16	16	16	16	16	16	17	17
Picnic pavilions	13	13	13	13	13	13	13	13	13	13
Comfort stations	15	15	15	15	15	15	15	15	15	15
Play equipment areas	30	30	21	21	21	21	21	21	24	24
Walk/Jog paths (paved)	10	10	10	10	10	10	10	10	10	10
Historical sites	4	4	4	4	4	4	4	4	4	4

SOURCE: Various Municipal Departments