

MUNICIPALITY OF
MONROEVILLE,
PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015

MUNICIPALITY OF
MONROEVILLE,
PENNSYLVANIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

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) 856-100
Fax (412) 856-336
www.monroeville.pa.u

June 28, 2016

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, 2015.

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

Hosack, Specht, Muetzel, & Wood LLP, Certified Public Accountants, have issued an unqualified (“clean”) opinion of the Municipality of Monroeville financial statements for the year ended December 31, 2015. 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.

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

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

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

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

The population of the original Municipality of Monroeville was 8,000. The 2010 population of the Municipality was 28,436. 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 and UPMC are major healthcare employers. Procure Pharmacy is the third largest employer, and is a distribution center for CVS Pharmacies in Western Pennsylvania. Bechtel is currently the fourth largest employer and is

an engineering firm. 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 2015 with a net position of \$5,242,869. This figure was sufficient to carry the Municipality through the 2015 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 expenses was 2.53% in 2015. This number translated to additional cost of \$745,561, of which, state mandated pension contributions and the contribution to the OPEB trust 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 2015. As a whole Allegheny County, which encompasses Monroeville, placed 12th on a national ranking of the top fifteen large counties that saw wage growth. Weekly wages in Allegheny County rose 6.3% from an average weekly wage of \$1,016 in 2014 to \$1,072 in 2015. In addition, the 2015 unemployment rate has dropped to 3.8% from 4.2% in 2014. (US Bureau of Labor Statistics, 2015) 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. Housing is another encouraging sector. Building Department Permits issued in the Municipality decreased slightly from 2283 in 2014 to 2276 in 2015. Though the amount of permits decreased slightly, revenues rose from 2014 to 2015 by approximately 11.5%. On a positive note, southwestern Pennsylvania is in solid economic shape entering 2016. Employment is holding near all-time highs, and the seven-county unemployment rate has fallen to just under 5 percent -- with the historic low of 4.1 percent in sight for 2016. "Regional employment will manage gains of 10,000-15,000 this year, slower than the national pace but still allowing existing consumer spending trends to support economic health and moderate expansion." (Pittsburgh, Today, 2016)

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 7.175 million (23.04 percent of total general fund revenues) falls well above the policy guidelines set by Council for budgetary and planning purposes (i.e., 7.5 percent of total general fund revenues).

Municipal Council has continued the strategic plan for 2015 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 contributed \$1,000,000 to the trust in fiscal 2015, and is expected to fund an additional one million in 2016.

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, 2014. This is the twenty third 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 style with large, flowing loops.

Sean P. Lally
Chief Financial Officer

2015 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

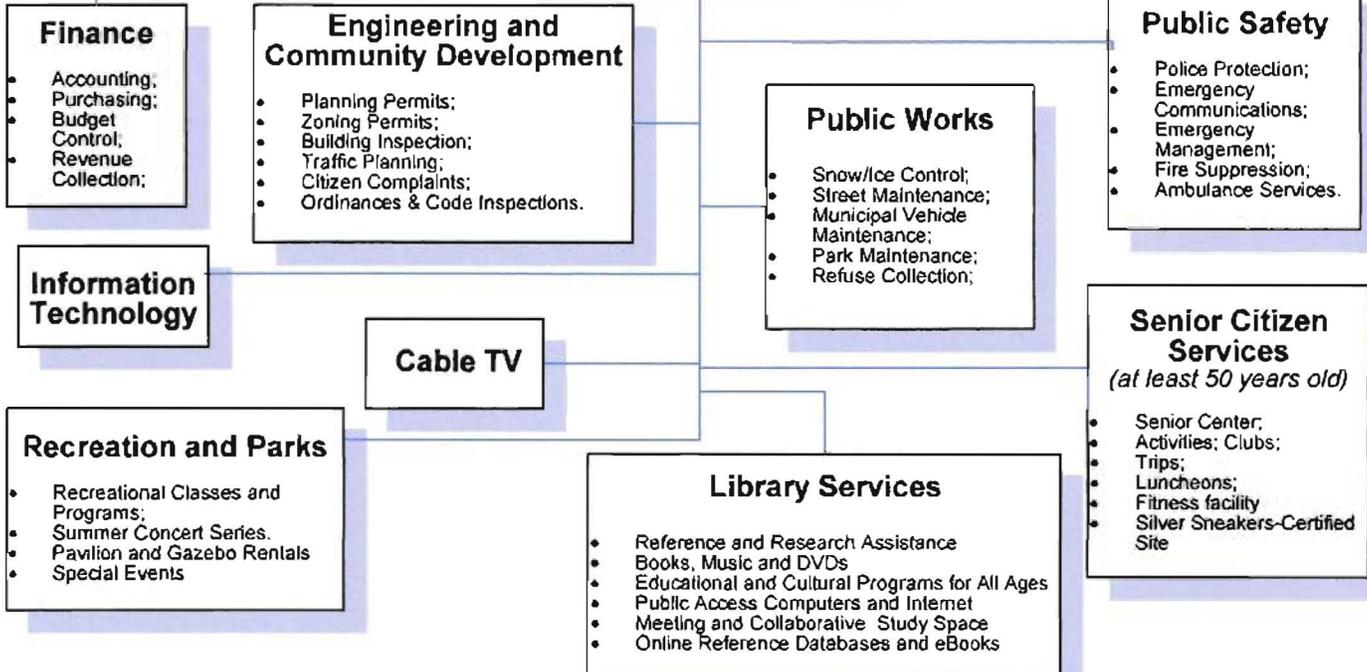
Mayor and Council (Elected)

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.

**Senior Citizen Services
(at least 50 years old)**

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

Information Technology

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 2015

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, 2014

Executive Director/CEO

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FINANCIAL SECTION

HOSACK, SPECHT, MUETZEL & WOOD LLP
CERTIFIED PUBLIC ACCOUNTANTS
2 PENN CENTER WEST, SUITE 326
PITTSBURGH, PENNSYLVANIA 15276
PHONE - 412-343-9200
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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 unit, each major fund, and the aggregate remaining fund information of the Municipality of Monroeville, as of and for the year ended December 31, 2015, 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 unit, each major fund, and the aggregate remaining fund information of the Municipality of Monroeville, as of December 31, 2015, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements in the year ended December 31, 2015, the Municipality adopted the provisions of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions". Our opinion is not modified with respect to this matter.

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

Other Matters

Required Supplementary Information (Cont'd)

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 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 28, 2016

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**MANAGEMENT'S DISCUSSION AND
ANALYSIS**

**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, 2015. 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, 2015.

FINANCIAL HIGHLIGHTS

- ▶ The Municipality's net position increased by \$1,868,226 in 2015 or 55.4 percent.
- ▶ Unrestricted net position was \$(7,950,258) at December 31, 2015. The negative net position is a result of the implementation of GASBS No. 68 as it relates to pensions. The Municipality recorded its net pension liability at December 31, 2015 in the amount of \$13,236,915. This liability was not previously reported on the statement of net position.
- ▶ During 2015, the Municipality's bond rating remained stable with a rating of Aa3 , according to Moody's Investor Service. More detailed information about the Municipality's general long-term debt activity can be found in Note 7 of the notes to financial statements.
- ▶ At December 31, 2015, the Municipality had \$21.92 million of gross bond debt and \$22.44 million of net debt outstanding. This represents a decrease of \$2,165,000 or 9.0 percent from the previous year. The Municipality also had \$1.681 million of capital leases payable at December 31, 2015. This represents a burden of \$849.61 per capita.
- ▶ The total fund balance of the general fund at December 31, 2015 was \$7,974,389. The unassigned portion of the fund balance was \$7,175,221 which is approximately 23.04 percent of revenues in the general fund for Fiscal Year 2015.

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 3-13) 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

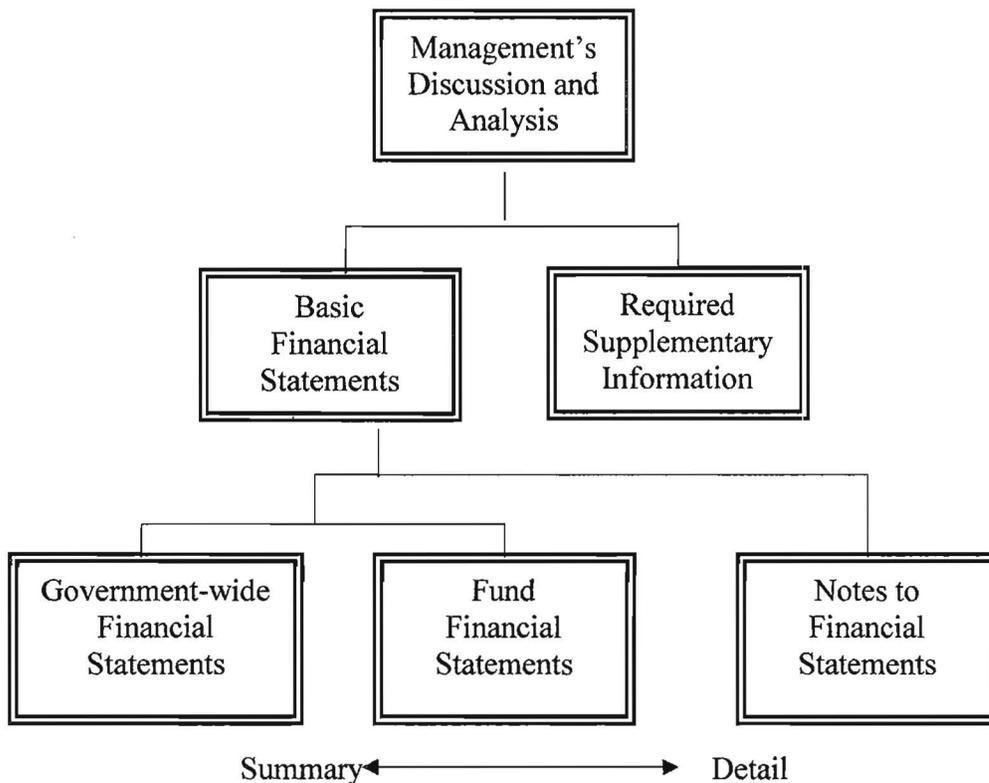


Figure A-2 summarizes the major features of the Municipality’s financial statements. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

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

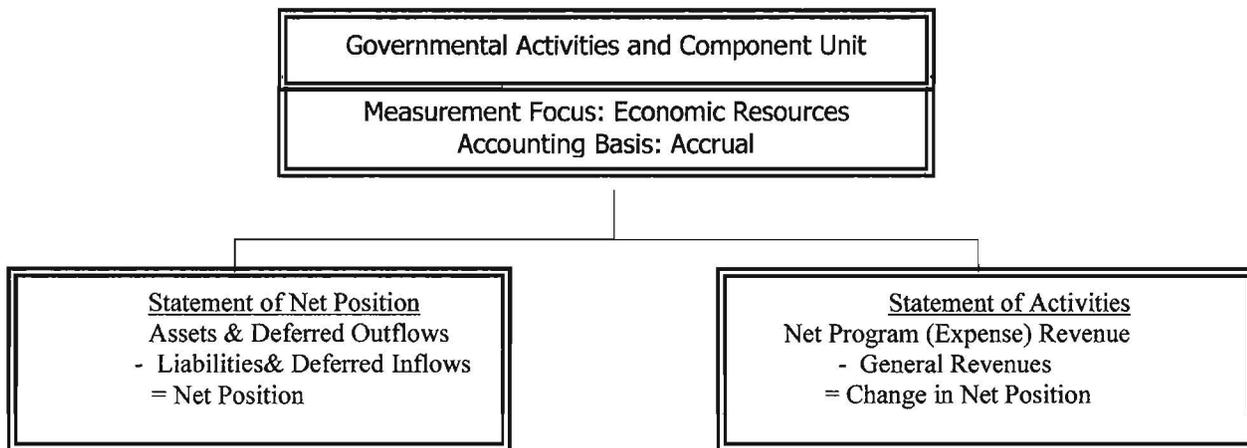
GOVERNMENT-WIDE STATEMENTS

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 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. All of the Municipality's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. 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, 2015 and 2014 is presented below:

	Governmental Activities	
	2015	2014 (Restated)
Current and other assets	\$14,334,185	\$ 13,607,760
Capital assets	35,163,595	35,369,633
Deferred Outflows of Resources	4,857,787	1,581,465
Total assets	\$54,355,567	\$ 50,558,858
Current and other liabilities	\$ 1,833,717	\$ 2,218,723
Non-current liabilities	47,278,981	44,965,492
Total liabilities	\$49,112,698	\$ 47,184,215
Net Position		
Net investment in capital assets	\$11,599,579	\$ 9,896,434
Restricted	1,593,548	2,813,073
Unrestricted	(7,950,258)	(9,334,864)
Total net position	\$ 5,242,869	\$ 3,374,643

Net position:

For 2015, Net Position of Governmental Activities, increased by \$1,868,226 or 55.4 percent to \$5.24 million.

Infrastructure assets:

On December 31, 2015, the Municipality's total assets were \$49 million. Of this amount, \$35.2 million is accounted for by capital assets which include some infrastructure.

Change in Net Position
Years Ended December 31, 2015 and 2014

Primary Governmental Activities

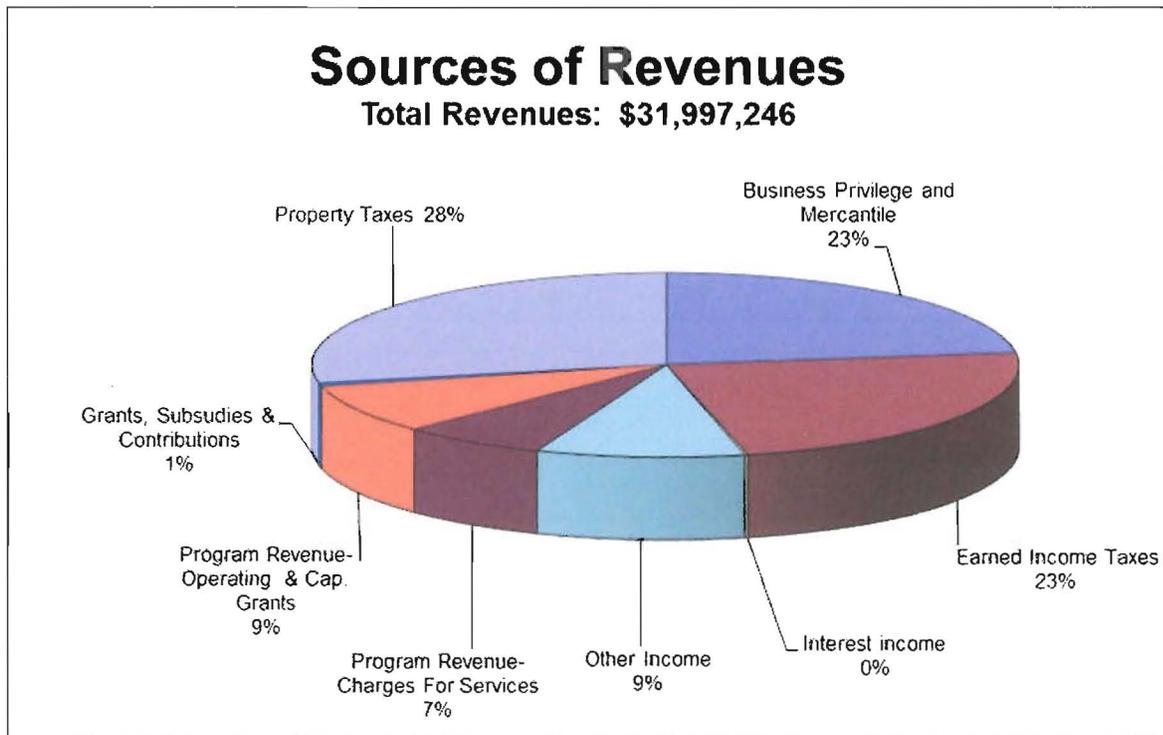
	<u>2015</u>	<u>2014</u>	<u>Variance</u>
Revenues			
Program Revenues:			
Charges for Services	\$ 2,132,673	\$ 1,875,441	\$ 257,232
Operating & Capital Grants	2,756,770	1,541,730	1,215,040
General Revenues:			
Property Taxes	9,033,775	8,874,636	159,139
Earned Income Taxes	7,482,578	7,711,011	(228,433)
Business Privilege and Mercantile	7,340,650	6,114,606	1,226,044
Other	3,026,410	2,830,807	195,603
Grants, Subsidies & Contributions	177,634	252,955	(75,321)
Interest Income	46,756	60,000	(13,244)
Miscellaneous Income	-	23,552	(23,552)
Total Revenues	\$ 31,997,246	\$ 29,284,738	\$ 2,712,508
Program Expenses			
General Government	\$ 4,360,921	\$ 3,986,984	\$ 373,937
Public Safety	13,219,654	13,300,436	(80,782)
Public Works:			
Sanitation	1,431,181	1,660,992	(229,811)
Highways and Streets	5,217,301	4,556,704	660,597
Culture and Recreation	4,928,151	4,717,192	210,959
Conservation and Development	296,709	382,799	(86,090)
Interest on Long-Term Debt	675,103	778,352	(103,249)
Total Expenses	\$ 30,129,020	\$ 29,383,459	\$ 745,561
Change in Net Position	1,868,226	(98,721)	1,966,947
Net Position-Beginning	3,374,643	13,148,355	(9,773,712)
Change due to implementation of GASBS No. 68 as of 01/01/15	-	(9,674,991)	9,674,991
Net Position-Ending	\$ 5,242,869	\$ 3,374,643	\$ 1,868,226

The Municipality adopted GASBS No. 68 “Accounting and Financial Reporting for Pensions as of January 1, 2015. As a result, the Municipality restated its beginning net position to recognize as a liability on its government-wide statements the net pension liability as it relates to its defined benefit pension plans in the amount of \$10,707,705 and the deferred outflows of \$1,032,714.

GOVERNMENTAL ACTIVITIES

Revenue Sources:

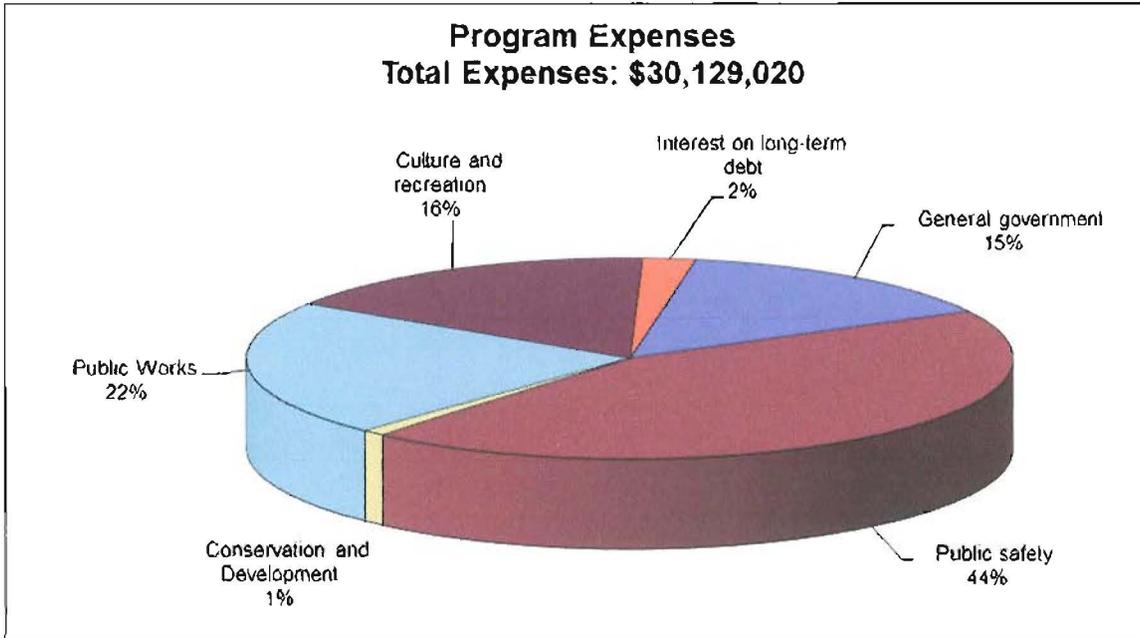
The following chart graphically depicts the government-wide sources of revenues for the fiscal year ended December 31, 2015:



Program Expenses:

Total expenses for all programs in 2015 were \$30.1 million. The expenses reflect the delivery of a wide range of services with the largest being public safety at 43.88 percent. The second largest program area was public works at 22.07 percent followed by culture and recreation at 16.36 percent, general government at 15 percent and all others at 3.0 percent.

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2015:



The increase in net position in 2015 from \$3,374,643 to \$5,242,869, or an increase of \$1,868,226 from 2014, is a result of the increase in revenues from the prior year while the Municipality experienced a modest increase in expenses from the prior year.

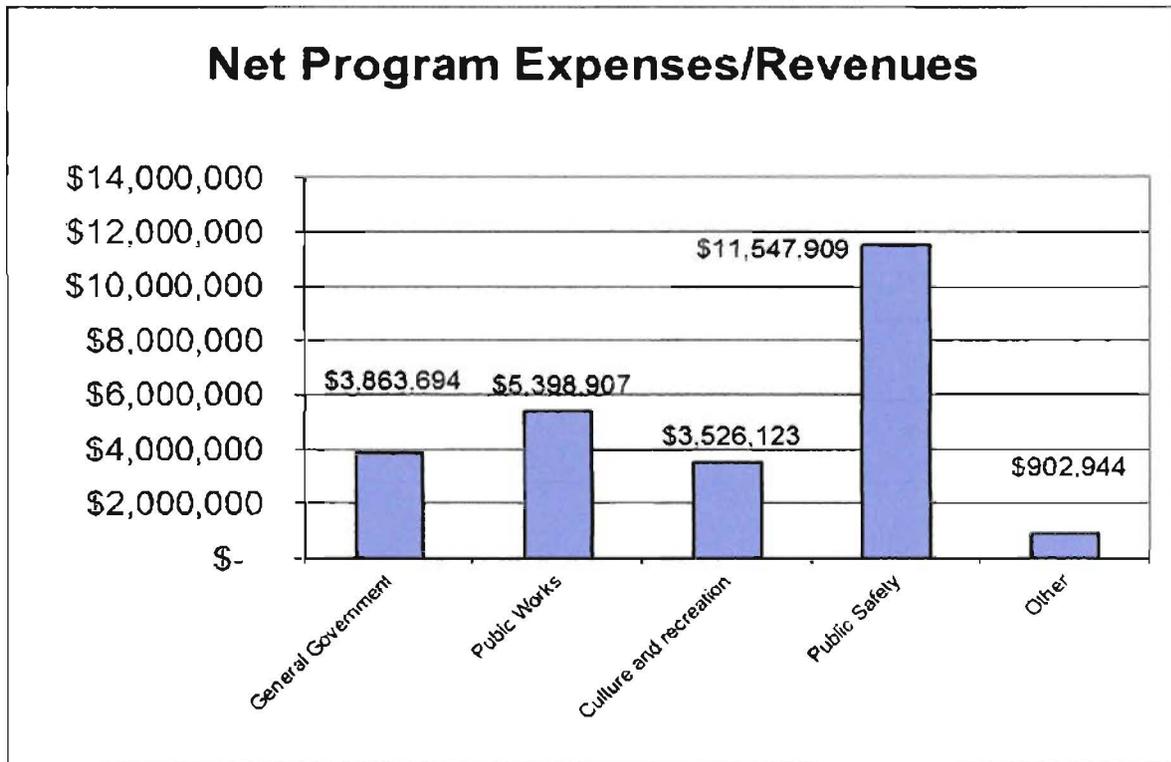
The revenue increase of \$2,712,508 or 9.04% was mainly due to increased efforts of collections of current and more importantly delinquent business privilege and mercantile taxes. In addition, the Municipality received a capital grant of \$720,000 to assist with the construction of the safety training center.

The expenses increased from the prior year by \$745,561 or 2.50%. The largest increase was due to the continued increase in cost of pension and the Municipality's contribution to the OPEB Trust. These increases were offset due to the non-hiring of two new police officers and a planning director and decreased healthcare costs due to the continued implementation of the deductible program.

Net Program Expenses/Revenues:

Public safety expenses required the most general revenue for support, requiring \$11.547 million in 2015. General government required \$3.86 million, while public works required \$5.399 million in general revenues, culture and recreation required \$3.526 million, and all others required \$.9 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, 2015:



FINANCIAL ANALYSIS OF THE MUNICIPALITY'S FUNDS

As the Municipality completed the year, its governmental funds reported a combined fund balance of \$10.6 million of which \$7.9 million is the general fund, \$1.345 million is in the 2014 Capital Improvement Fund, and \$1.3 million is for all other governmental funds. This represents an increase of \$965,094 from 2014. Of this combined fund balance total, \$7.1 million or 66 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 (\$1.4 million) and other special revenue funds.

The general fund fund balance increased by \$2,021,755 due to the increase in both current and delinquent business privilege and mercantile taxes collected from the prior year and from amounts anticipated. The Municipality also realized a savings on its health insurance contributions that the general fund reports as expenditures.

The 2014 Capital Improvement Fund reported a decrease in fund balance of \$842,320. This was anticipated as capital projects and capital purchases were completed in 2015 with the funds that had been committed for these items.

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. The earned income tax budget was under-estimated. This resulted in a positive collection variance of \$72,660. The delinquent business privilege tax budget was under-estimated resulting in a positive collection variance of \$527,619. Additionally, current mercantile tax was also under-estimated which resulted in a positive collection variance of \$81,934 and delinquent mercantile tax came in over budget by \$168,969. Real Estate Transfer tax increased \$204,717 from 2014 totals. Building permit revenue increased from \$293,047 to \$328,011.

Expenditure budget had several material variances.

Workers compensation costs were budgeted at \$500,000, but actuals were \$418,499 or a positive variance of \$81,501. In addition, health insurance deductibles came in \$90,753 under budget.

A Planning Director was budgeted but not hired during the year which positively affected the Planning Department Budget.

Overall, all municipal departments have been affected by decreased healthcare costs due to a continued implementation of a deductible program resulting in reduced premium rates.

OTHER FUNDS

Capital Project Fund

The Capital Project Fund accounts for funds provided by the Municipality, most frequently from General Fund transfers or bond proceeds. The most significant capital expenditure was for the 2015 Road Paving Project. Various equipment and vehicle purchases were made including police vehicles, several public works vehicles, a fire truck and continued park improvement projects. The majority of the vehicles purchased were financed through capital leases.

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, 2015 and 2014:

Summary of Capital Assets

	Balance at December 31,2015	Balance at December 31,2014
Capital assets, not being depreciated:		
Land	\$ 8,219,765	\$ 8,219,765
Construction in Progress	-	18,000
	8,219,765	8,237,765
Capital assets, being depreciated:		
Land Improvements	9,862,494	9,862,494
Building and improvements	13,404,977	12,683,226
Machinery and equipment	5,875,789	5,816,232
Vehicles	14,103,086	12,445,586
Infrastructure	23,005,704	22,816,062
	66,252,050	63,623,600
Less accumulated depreciation for:		
Land Improvements	5,025,726	4,604,410
Buildings and improvements	6,881,888	6,526,433
Machinery and equipment	4,546,435	4,256,872
Vehicles	7,719,740	6,918,281
Infrastructure	15,134,431	14,185,736
	39,308,220	36,491,732
Total	\$ 35,163,595	\$ 35,369,633

More detailed information about the Municipality's capital assets can be found in Note 6 of the notes to financial statements.

Long-term Debt

On December 31, 2015 the Municipality had \$21.92 million of debt outstanding. This represents a decrease of \$2,165,000 or 8.99%, from the previous year. The Municipality issued \$9,655,000 in refunding bonds in 2015 to refund portions of outstanding debt. The refunding provided the Municipality with a current cash flow savings which was earmarked for capital improvements. The following details activity related to general obligation bonds during 2015:

Summary of General Obligation Bond Activity	
Beginning Balance at 1/1/2015	\$ 24,085,000
Retirement	\$11,820,000
Additions	<u>9,655,000</u>
Ending Balance at 12/31/2015	<u>\$21,920,000</u>

Other long term obligation includes compensated absences payable and capital leases payable. The Municipality at December 31, 2015 has \$1.68 million in capital leases payable. In 2015 the Municipality borrowed \$533,333 in capital leases for various equipment purchases.

More detailed information about the Municipality's long-term debt can be found in Notes 7 and 8 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 2015, Police Pension Plan net assets decreased \$529,629 to \$39,037,266, and the OPEB Trust Fund assets decreased \$263,629 to \$3,935,115.

During 2015, employer contributions were required for both the pension plans in the amount of \$3,596,813. In the non-uniform employees and police pension plans, the net pension liability was \$4,574,320 and 8,662,595, respectively. The required supplementary information located at the conclusion of the Notes to Financial Statements provides the details on the Pension and OPEB Trust Plans’.

Bond Ratings

During 2015, the Municipality bond rating remained stable at Aa3 by Moody’s Investor Service. More detailed information about the Municipality’s general long-term debt activity can be found in Note 7 and 8 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

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BASIC FINANCIAL STATEMENTS

Municipality of Monroeville
Statement of Net Position
December 31, 2015

	<u>Primary Government</u>	<u>Component Unit</u>
	Governmental Activities	Convention Visitor's Bureau
ASSETS		
Cash and Cash Equivalents	\$ 9,709,817	\$ 850,423
Investments	27,379	-
Due from Component Unit	114,241	-
Receivables (Net, Where Applicable of Allowance for Uncollectibles)		
Taxes	2,499,068	-
Due from Other Governments	280,622	189,581
Other	1,644,983	-
Prepaid Items	58,075	4,559
Land	8,219,765	-
Capital Assets, Net of Accumulated Depreciation	19,072,557	266,163
Infrastructure Assets, Net of Accumulated Depreciation	<u>7,871,273</u>	<u>-</u>
TOTAL ASSETS	<u>49,497,780</u>	<u>1,310,726</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	552,984	-
Amounts Related to Pensions	<u>4,304,803</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>4,857,787</u>	<u>-</u>
LIABILITIES		
Current Liabilities		
Due to Primary Government	-	114,241
Accounts Payable	995,452	42,085
Accrued Salaries and Benefits	235,313	-
Payroll Deductions and Withholdings	365,717	-
Returnable Deposits	158,051	-
Accrued Interest Payable	79,184	-
Noncurrent Liabilities		
Due Within One Year	2,936,380	-
Due in More Than One Year		
Bonds Payable	19,841,347	-
Capital Leases Payable	1,380,037	-
Compensated Absences	774,512	-
Net Other Post-Employment Benefit Obligation	9,109,790	-
Net Pension Liability	<u>13,236,915</u>	<u>-</u>
TOTAL LIABILITIES	<u>49,112,698</u>	<u>156,326</u>
NET POSITION		
Net Investment in Capital Assets	11,599,579	-
Restricted for:		
Capital Projects	1,364,843	-
Highways and Streets	5,777	-
Public Safety	222,928	-
Unrestricted	<u>(7,950,258)</u>	<u>1,154,400</u>
TOTAL NET POSITION	<u>\$ 5,242,869</u>	<u>\$1,154,400</u>

See Accompanying Notes

Municipality of Monroeville
Statement of Activities
Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Gov't. Govern- mental Activities	Component Unit Convention Visitor's Bureau
Governmental Activities						
General Government	\$ 4,360,921	\$ 116,779	\$ 380,448	\$ -	\$ (3,863,694)	\$ -
Public Safety	13,219,654	386,487	563,340	721,918	(11,547,909)	-
Public Works - Sanitation	1,431,181	415,504	39,364	-	(976,313)	-
Public Works - Highways	5,217,301	111,516	683,191	-	(4,422,594)	-
Culture - Recreation	4,928,151	1,033,519	368,509	-	(3,526,123)	-
Conservation and Development	296,709	68,868	-	-	(227,841)	-
Interest on Long-Term Debt	675,103	-	-	-	(675,103)	-
Total Governmental Activities	<u>\$30,129,020</u>	<u>\$2,132,673</u>	<u>\$2,034,852</u>	<u>\$721,918</u>	<u>(25,239,577)</u>	<u>-</u>
Component Unit						
Convention Visitor's Bureau	\$ 805,452	\$ -	\$ -	\$ -	-	(805,452)
General Revenues						
Taxes						
Property Taxes Levied for General Purposes, Net					9,033,775	-
Earned Income Taxes					7,482,578	-
Business Privilege Taxes					4,044,314	-
Mercantile Taxes					3,296,336	-
Local Services Taxes					1,158,924	-
Real Estate Transfer Taxes					1,094,740	-
Hotel/Motel and Gaming Fund Taxes					-	703,536
Other Taxes Levied for General Purposes, Net					772,746	-
Grants, Subsidies and Contributions Not Restricted					177,634	-
Investment Earnings					46,756	268
Miscellaneous Income					-	27,754
Total General Revenues					<u>27,107,803</u>	<u>731,558</u>
Changes in Net Position					1,868,226	(73,894)
Net Position - January 1, 2015 (Restated - See Note 2)					<u>3,374,643</u>	<u>1,228,294</u>
Net Position - December 31, 2015					<u>\$ 5,242,869</u>	<u>\$1,154,400</u>

See Accompanying Notes

**Municipality of Monroeville
Balance Sheet
Governmental Funds
December 31, 2015**

	Special Revenue Funds		Capital Projects Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	Highway Aid Fund	2011 Capital Improvements Fund	2014 Capital Improvements Fund		
ASSETS						
Cash and Cash Equivalents	\$ 4,670,277	\$683,455	\$824,249	\$2,137,156	\$1,394,680	\$ 9,709,817
Investments	27,379	-	-	-	-	27,379
Taxes Receivable (Net)	2,499,068	-	-	-	-	2,499,068
Due from Other Funds	2,338,951	-	-	-	-	2,338,951
Due from Other Governments	232,744	-	-	47,878	-	280,622
Due from Component Units	114,241	-	-	-	-	114,241
Other Receivables (Net, Where Applicable of Allowance for Uncollectibles)	1,644,983	-	-	-	-	1,644,983
Prepaid Items	58,075	-	-	-	-	58,075
TOTAL ASSETS	<u>\$11,585,718</u>	<u>\$683,455</u>	<u>\$824,249</u>	<u>\$2,185,034</u>	<u>\$1,394,680</u>	<u>\$16,673,136</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Due to Other Funds	\$ -	\$677,678	\$679,326	\$ 768,040	\$ 213,907	\$ 2,338,951
Accounts Payable	926,549	-	688	68,215	-	995,452
Accrued Salaries and Benefits	235,313	-	-	-	-	235,313
Payroll Deductions and Withholdings	365,717	-	-	-	-	365,717
Returnable Deposits	158,051	-	-	-	-	158,051
Total Liabilities	<u>1,685,630</u>	<u>677,678</u>	<u>680,014</u>	<u>836,255</u>	<u>213,907</u>	<u>4,093,484</u>
Deferred Inflows of Resources						
Unavailable Revenue - Property Taxes	1,925,699	-	-	-	-	1,925,699
Fund Balances						
Nonspendable	58,075	-	-	-	-	58,075
Restricted	-	5,777	144,235	332,924	1,110,612	1,593,548
Committed	155,231	-	-	1,015,855	152,461	1,323,547
Assigned	585,862	-	-	-	-	585,862
Unassigned	7,175,221	-	-	-	(82,300)	7,092,921
Total Fund Balances	<u>7,974,389</u>	<u>5,777</u>	<u>144,235</u>	<u>1,348,779</u>	<u>1,180,773</u>	<u>10,653,953</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$11,585,718</u>	<u>\$683,455</u>	<u>\$824,249</u>	<u>\$2,185,034</u>	<u>\$1,394,680</u>	<u>\$16,673,136</u>

See Accompanying Notes

Municipality of Monroeville
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2015

Total Fund Balances - Governmental Funds \$ 10,653,953

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 \$74,471,815, and the accumulated depreciation is \$39,308,220. 35,163,595

Property tax receivables are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the funds. 1,925,699

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. 36,637

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

Bonds Payable	\$(21,920,000)	
Capital Leases Payable	(1,680,653)	
Accrued Interest on the Bonds	(79,184)	
Compensated Absences	(815,276)	
Other Post-Employment Benefits	<u>(9,109,790)</u>	(33,604,903)

Some liabilities including net pension obligations, are not due and payable in the current period and therefore, are not reported in the funds.

Net Pension Liability		(13,236,915)
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Municipality of Monroeville
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2015

Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds.

Deferred Outflows of Resources Related to Pensions	\$ <u>4,304,803</u>
Total Net Position - Governmental Activities	\$ <u>5,242,869</u>

See Accompanying Notes

Municipality of Monroeville
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
December 31, 2015

	General Fund	Special Revenue Funds	Capital Projects Funds		Other Governmental Funds	Total Governmental Funds
		Highway Aid Fund	2011 Capital Improvements Fund	2014 Capital Improvements Fund		
Revenues						
Taxes	\$26,728,752	\$ -	\$ -	\$ -	\$ -	\$26,728,752
Licenses and Permits	1,337,641	-	-	-	-	1,337,641
Fines and Forfeits	112,239	-	-	-	-	112,239
Interest, Rents and Royalties	44,868	197	408	714	569	46,756
Intergovernmental	2,215,715	683,191	-	-	16,251	2,915,157
Charges for Services	682,793	-	-	-	-	682,793
Miscellaneous	19,247	-	-	-	-	19,247
Total Revenues	<u>31,141,255</u>	<u>683,388</u>	<u>408</u>	<u>714</u>	<u>16,820</u>	<u>31,842,585</u>
Expenditures						
Current:						
General Government	3,468,534	-	-	-	166,267	3,634,801
Public Safety	12,362,846	-	-	-	-	12,362,846
Public Works - Sanitation	1,192,521	-	-	-	-	1,192,521
Public Works - Highways	2,635,844	677,677	-	-	-	3,313,521
Culture - Recreation	3,889,441	-	-	-	-	3,889,441
Conservation and Development	274,320	-	-	-	-	274,320
Insurance Premiums	1,112,060	-	-	-	-	1,112,060
Debt Service:						
Principal	2,485,000	-	-	190,899	-	2,675,899
Interest	698,934	-	-	13,428	-	712,362
Capital Outlay	-	-	233,985	2,474,110	3,295	2,711,390
Total Expenditures	<u>28,119,500</u>	<u>677,677</u>	<u>233,985</u>	<u>2,678,437</u>	<u>169,562</u>	<u>31,879,161</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,021,755</u>	<u>5,711</u>	<u>(233,577)</u>	<u>(2,677,723)</u>	<u>(152,742)</u>	<u>(36,576)</u>
Other Financing Sources (Uses)						
Issuance of Refunding Bonds	-	-	-	-	9,655,000	9,655,000
Capital Lease	-	-	-	533,533	-	533,533
Premium on Bonds Issued	-	-	-	-	292,671	292,671
Transfers In	-	-	-	1,301,870	-	1,301,870
Payment to Refunded Bond Escrow Agent	-	-	-	-	(9,479,534)	(9,479,534)
Transfers Out	(1,000,000)	-	-	-	(301,870)	(1,301,870)
Total Other Financing Sources (Uses)	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>1,835,403</u>	<u>166,267</u>	<u>1,001,670</u>
Net Changes in Fund Balances	<u>2,021,755</u>	<u>5,711</u>	<u>(233,577)</u>	<u>(842,320)</u>	<u>13,525</u>	<u>965,094</u>
Fund Balances - January 1, 2015	<u>5,952,634</u>	<u>66</u>	<u>377,812</u>	<u>2,191,099</u>	<u>1,167,248</u>	<u>9,688,859</u>
Fund Balances - December 31, 2015	<u>\$ 7,974,389</u>	<u>\$ 5,777</u>	<u>\$ 144,235</u>	<u>\$ 1,348,779</u>	<u>\$ 1,180,773</u>	<u>\$10,653,953</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, 2015**

Total Net Change in Fund Balances - Governmental Funds \$ 965,094

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	\$(2,842,068)	
Capital Outlays	2,666,035	
Net Book Value of Assets Retired	<u>(30,005)</u>	(206,038)

Property tax revenues that do not provide current financial resources are not reported as revenues in the funds. 154,661

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. 2,675,899

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balances. In the government-wide financial statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. The proceeds were: (9,655,000)

The Municipality's bonded debt was also reduced by a current refunding of debt. Resources of (\$9,479,534) was paid to the escrow agent for the current refunding of outstanding bonds (\$9,335,000). The difference between those amounts was \$144,534 and will be amortized as an adjustment of interest expense in the statement of activities over the remaining life of the new debt. 9,479,534

**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, 2015**

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	\$ (58,104)	
Net Other Post-Employment Benefit Obligation	<u>(1,441,754)</u>	\$(1,499,858)

Changes in the net pension liability and related deferred inflows and outflows of resources do not affect current financial resources and therefore, are not reflected on the fund statements. 742,879

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		(8,324)
---	--	---------

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	(292,671)	
Amortization of Deferred Loss on Refunding	<u>45,583</u>	(247,088)

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

**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, 2015**

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:

\$ (533,533)

Change in Net Position of Governmental Activities

\$ 1,868,226

See Accompanying Notes

Municipality of Monroeville
Statement of Revenues, Expenditures
and Changes in Fund Balance
General Fund
Budget and Actual
Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$25,353,229	\$25,353,229	\$26,728,752	\$1,375,523
Licenses and Permits	1,248,317	1,248,317	1,337,641	89,324
Fines and Forfeits	108,100	108,100	112,239	4,139
Interest, Rents and Royalties	2,000	2,000	44,868	42,868
Intergovernmental	1,923,716	1,923,716	2,215,715	291,999
Charges for Services	753,422	717,102	682,793	(34,309)
Miscellaneous	<u>1,009,000</u>	<u>1,009,000</u>	<u>19,247</u>	<u>(989,753)</u>
Total Revenues	<u>30,397,784</u>	<u>30,361,464</u>	<u>31,141,255</u>	<u>779,791</u>
Expenditures				
Current:				
General Government	3,569,541	3,623,587	3,468,534	155,053
Public Safety	12,054,346	13,380,828	12,362,846	1,017,982
Public Works - Sanitation	1,364,078	1,364,378	1,192,521	171,857
Public Works - Highways	3,715,374	3,724,895	2,635,844	1,089,051
Culture - Recreation	4,345,166	4,703,899	3,889,441	814,458
Conservation and Development	416,846	384,639	274,320	110,319
Insurance Premiums	1,346,500	1,346,500	1,112,060	234,440
Debt Service:				
Principal	2,485,000	2,485,000	2,485,000	-
Interest	<u>688,413</u>	<u>688,413</u>	<u>698,934</u>	<u>(10,521)</u>
Total Expenditures	<u>29,985,264</u>	<u>31,702,139</u>	<u>28,119,500</u>	<u>3,582,639</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>412,520</u>	<u>(1,340,675)</u>	<u>3,021,755</u>	<u>4,362,430</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(1,614,567)</u>	<u>(1,684,018)</u>	<u>(1,000,000)</u>	<u>684,018</u>
Net Change in Fund Balance	<u>\$(1,202,047)</u>	<u>\$(3,024,693)</u>	<u>\$ 2,021,755</u>	<u>\$5,046,448</u>

See Accompanying Notes

**Municipality of Monroeville
Statement of Revenues, Expenditures
and Changes in Fund Balance
Special Revenue Funds
Highway Aid Fund
Budget and Actual
Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest, Rents and Royalties				
Interest Earnings	\$ -	\$ -	\$ 197	\$ 197
Intergovernmental				
Liquid Fuels Tax	<u>661,756</u>	<u>661,756</u>	<u>683,191</u>	<u>21,435</u>
Total Revenues	<u>661,756</u>	<u>661,756</u>	<u>683,388</u>	<u>21,632</u>
Expenditures				
Current:				
Public Works				
Highways and Streets				
Snow and Ice Removal	291,173	291,173	613,609	(322,436)
Traffic Signals	19,853	19,853	-	19,853
Street Lighting	<u>350,730</u>	<u>350,730</u>	<u>64,068</u>	<u>286,662</u>
Total Expenditures	<u>661,756</u>	<u>661,756</u>	<u>677,677</u>	<u>(15,921)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,711</u>	<u>\$ 5,711</u>

See Accompanying Notes

Municipality of Monroeville
Statement of Net Position
Fiduciary Funds
December 31, 2015

	Pension and Other Employee Benefit Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 1,995,919
Investments	
Equities	16,241,878
Mutual Funds	9,656,564
Municipal Bonds	5,012,846
Corporate Bonds	10,993,961
Other Receivables	<u>428,204</u>
TOTAL ASSETS	<u>44,329,372</u>
LIABILITIES	
Accounts Payable	<u>1,356,991</u>
NET POSITION	
Net Position Restricted for Pensions	39,037,266
Net Position Held in Trust for OPEB Benefits	<u>3,935,115</u>
TOTAL NET POSITION	<u>\$42,972,381</u>

See Accompanying Notes

Municipality of Monroeville
Statement of Changes in Net Position
Fiduciary Funds
Year Ended December 31, 2015

	Pension and Other Employee Benefit Trust Funds
Additions	
Contributions	
Employer	\$ 3,422,829
Plan Members	<u>258,176</u>
Total Contributions	<u>3,681,005</u>
Investment Income	
Net Appreciation (Depreciation) in Fair Value of Investments	(1,887,314)
Interest and Dividends	<u>1,590,105</u>
	(297,209)
Less Investment Expense	<u>(244,564)</u>
Net Investment Income	<u>(541,773)</u>
Total Additions	<u>3,139,232</u>
Deductions	
Benefits	3,917,465
Administrative Expenses	<u>15,024</u>
Total Deductions	<u>3,932,489</u>
Net Decrease in Net Position	(793,257)
Plan Net Position	
Beginning of Year	<u>43,765,638</u>
End of Year	<u>\$42,972,381</u>

See Accompanying Notes

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

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 Unit

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.

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.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

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

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.

As discussed earlier, the government has one discretely presented component unit. While the Bureau is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

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

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

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

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 *Highway Aid Fund* is 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.

The *2011 Capital Improvements Fund* is 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.

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

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

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

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, 2015

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, 2015

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 3.

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 has two items that qualify for reporting in this category. One 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, 2015

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. The other item in the government-wide statement of net position is related to the defined benefit pension plans.

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 unit, it passes a "flexible budget" which is not a legally appropriated operating budget.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

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 \$1,716,875 in 2015. 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, 2015

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, 2015

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 nonspendable fund balance of \$58,075 in the general fund is for prepaid items.

The purpose of the restricted, committed and assigned fund balances as of December 31, 2015, is as follows:

	General Fund	Highway Aid Fund	2011 Capital Improvement Fund	2014 Capital Improvement Fund	Nonmajor Funds
<u>Restricted Fund Balance</u>					
Future Capital Purchases	\$ -	\$ -	\$144,235	\$ 332,924	\$ 887,684
Highway Maintenance, Rebuilding & Const.	-	5,777	-	-	-
Police Capital Purchases	-	-	-	-	<u>222,928</u>
	<u>\$ -</u>	<u>\$5,777</u>	<u>\$144,235</u>	<u>\$ 332,924</u>	<u>\$1,110,612</u>

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

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

L. Equity Classifications (Cont'd)

Fund Statements (Cont'd)

	General Fund	Highway Aid Fund	2011 Capital Improvement Fund	2014 Capital Improvement Fund	Nonmajor Funds
<u>Committed Fund Balance</u>					
Flood Maintenance	\$ 22,799	\$ -	\$ -	\$ -	\$ -
Fire Vehicle	132,432	-	-	-	-
Sidewalk Improvements	-	-	-	-	2,750
Northern Pike Roadway Improvements	-	-	-	-	149,711
Future Capital Projects & Purchases	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,015,855</u>	<u>-</u>
	<u>\$155,231</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,015,855</u>	<u>\$ 152,461</u>
<u>Assigned Fund Balance</u>					
Public Access Television	\$200,000	\$ -	\$ -	\$ -	\$ -
Traffic Signals	15,000	-	-	-	-
Public Library	<u>370,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$585,862</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The 2012 Capital Improvement Fund has a fund balance deficit of \$(82,300) at December 31, 2015. The deficit will be funded in 2016 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 - Restatement of Beginning Net Position

The Municipality of Monroeville adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* as of January 1, 2015 and applied the statement by restating the beginning net position. Beginning net position of the governmental activities in the government-wide financial statements were restated as of January 1, 2015. The result of the effects of applying this new statement is summarized below.

Net Position, January 1, 2015 (previously reported)	\$ 13,049,634
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Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 2 - Restatement of Beginning Net Position (Cont'd)

This Statement requires the liability of employers for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. A liability should be recognized for the employer's proportionate share of the collective net pension liability in financial statements prepared using the economic resources measurement focus and accrual basis of accounting.

The net pension liability as of December 31, 2014 was: \$ (10,707,705)

In addition, employer contributions subsequent to the measurement date, December 31, 2013, of the net pension liability (non-uniform plan only) are required to be reported as deferred outflows of resources.

The non-uniform employer contributions subsequent to the measurement date were: 1,032,714

Restated Net Position, December 31, 2014 \$ 3,374,643

Note 3 - Deposits and Investments

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

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

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2015**

Note 3 - Deposits and Investments (Cont'd)

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, 2015, \$4,392,979 of the Municipality's bank balance of \$4,970,453 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging

Bank's Agent not in the Municipality's Name	<u>\$4,392,979</u>
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As of December 31, 2015, none of the component unit's bank balances were exposed to custodial credit risk.

As of December 31, 2015, 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	\$ 5,510,853	
Dreyfus Cash Management	1,975,297	
Common Stock	16,241,878	
Mutual Funds	9,683,943	
Municipal Bonds	5,012,846	3.10
Corporate Bonds	<u>10,993,961</u>	3.35
Totals	<u>\$49,418,778</u>	

Portfolio Weighted
Average Maturity

3.27

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2015**

Note 3 - Deposits and Investments (Cont'd)

Custodial Credit Risk - Deposits (Cont'd)

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

Of the total investments above, \$38,764,310 and \$5,116,236 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:

	Moody's		S & P	
	Ratings	Value	Ratings	Value
Money Market Funds				
PA Local Government Investment Trust	NR	\$5,510,853	AAAm	\$5,510,853
Dreyfus Cash Management	NR	1,975,297	AAAm	1,975,297
Corporate Bonds				
	A	2,536,832	A	2,485,123
			AA	361,738
	BAA	8,457,129	BB	448,945
			BBB	7,444,957
			NR	253,198
Municipal Bonds				
	A	1,686,973	A	2,056,861
	AA	326,845	AA	2,352,569
	BAA	216,802	BBB	150,245
	NR	2,782,226	NR	453,171

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 3 - Deposits and Investments (Cont'd)

Investments (Cont'd)

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 unit, the Convention Visitor's Bureau, follows 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, 2015, was \$850,423 in the PLGIT money market account held by the Convention Visitor's Bureau.

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 4 - 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, 2015, was \$4.00 per \$1,000 of assessed valuation. Total taxable assessed value was approximately \$2.3 billion, at 100% market value.

Property taxes are declared delinquent on February 28th of the following year. At December 31, 2015, total property taxes receivable, including delinquent and liened, is reported net of \$103,281 which has been provided as uncollectible.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 4 - Property Taxes (Cont'd)

The property tax calendar for 2015 was as follows:

2015 Millage Rate Adopted	March 11, 2015
2015 Bills Dated	March 15, 2015
2015 Two Percent Discount Period Ended	May 15, 2015
2015 Face Payment Period	May 16, 2015 - July 15, 2015
2015 10% Penalty Period	July 16, 2015 Until Liened
2014 Delinquent Property Tax Bills Liened	July 1, 2015
2015 Property Taxes not paid to be Declared Delinquent	February 28, 2016

Note 5 - Other Receivables

Other receivables consist of the following items:

	<u>General Fund</u>
Host Municipality Fees	\$ 105,089
Cable TV Franchise Fees	167,780
Culture Recreation	937
Public Safety	132,188
Public Works	37,407
Health Insurance Premium	1,201,531
Miscellaneous	<u>51</u>
	<u>\$1,644,983</u>

Note 6 - Capital Assets

Governmental activities capital asset activity for the year ended December 31, 2015 was as follows:

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 6 - Capital Assets (Cont'd)

	Balance 01/01/15	Additions	Disposals	Transfers	Balance 12/31/15
Governmental Activities					
Capital Assets, Not Being Depreciated					
Land	\$ 8,219,765	\$ -	\$ -	\$ -	\$ 8,219,765
Construction in Progress	<u>18,000</u>	<u>703,751</u>	<u>-</u>	<u>(721,751)</u>	<u>-</u>
Total Capital Assets, not Being Depreciated	<u>8,237,765</u>	<u>703,751</u>	<u>-</u>	<u>(721,751)</u>	<u>8,219,765</u>
Capital Assets, Being Depreciated					
Land Improvements	9,862,494	-	-		9,862,494
Buildings and Building Improvements	12,683,226	-	-	721,751	13,404,977
Machinery and Equipment	5,816,232	59,557	-	-	5,875,789
Vehicles	12,445,586	1,713,085	55,585	-	14,103,086
Infrastructure	<u>22,816,062</u>	<u>189,642</u>	<u>-</u>	<u>-</u>	<u>23,005,704</u>
Total Capital Assets, Being Depreciated	<u>63,623,600</u>	<u>1,962,284</u>	<u>55,585</u>	<u>721,751</u>	<u>66,252,050</u>
Less Accumulated Depreciation					
Land Improvements	4,604,410	421,316	-	-	5,025,726
Buildings and Building Improvements	6,526,433	355,455	-	-	6,881,888
Machinery and Equipment	4,256,872	289,563	-	-	4,546,435
Vehicles	6,918,281	827,039	25,580	-	7,719,740
Infrastructure	<u>14,185,736</u>	<u>948,695</u>	<u>-</u>	<u>-</u>	<u>15,134,431</u>
Total Accumulated Depreciation	<u>36,491,732</u>	<u>2,842,068</u>	<u>25,580</u>	<u>-</u>	<u>39,308,220</u>
Total Capital Assets Being Depreciated, Net	<u>27,131,868</u>	<u>(879,784)</u>	<u>30,005</u>	<u>721,751</u>	<u>26,943,830</u>
Governmental Activities					
Capital Assets, Net	<u>\$35,369,633</u>	<u>\$ (176,033)</u>	<u>\$30,005</u>	<u>\$ -</u>	<u>\$35,163,595</u>

Depreciation expense was charged to functions/programs as follows:

General Government	\$ 170,594
Public Safety	756,650
Sanitation	93,544
Public Works	1,102,949
Culture - Recreation	716,476
Conservation and Development	<u>1,855</u>
Total Depreciation Expense	<u>\$2,842,068</u>

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 6 - Capital Assets (Cont'd)

Component units capital asset activity for the year ended December 31, 2015, was as follows:

	Balance 01/01/15	Additions	Disposals	Balance 12/31/15
Component Units				
Capital Assets, Being Depreciated				
Furniture and Equipment	\$310,927	\$65,754	\$ -	\$376,681
Less Accumulated Depreciation				
Furniture and Equipment	<u>81,629</u>	<u>28,889</u>	<u>-</u>	<u>110,518</u>
Component Units Capital Assets, Net	<u>\$229,298</u>	<u>\$36,865</u>	<u>\$ -</u>	<u>\$266,163</u>

Note 7 - Bonds Payable and Other Long-Term Liabilities

The following summarizes the Municipality's long-term debt transactions for the year ended December 31, 2015:

	Balance 01/01/15	Additions	Retirements	Defeased	Balance 12/31/15	Due Within One Year
Governmental Activities						
General Obligation Bonds	\$24,085,000	\$ 9,655,000	\$2,485,000	\$9,335,000	\$21,920,000	\$2,595,000
Plus Bond Premium	<u>409,560</u>	<u>292,671</u>	<u>185,884</u>	<u>-</u>	<u>516,347</u>	<u>-</u>
Total Bonds Payable	<u>24,494,560</u>	<u>9,947,671</u>	<u>2,670,884</u>	<u>9,335,000</u>	<u>22,436,347</u>	<u>2,595,000</u>
Capital Leases Payable	1,338,019	533,533	190,899	-	1,680,653	300,616
Compensated Absences Payable	<u>757,172</u>	<u>59,895</u>	<u>1,791</u>	<u>-</u>	<u>815,276</u>	<u>40,764</u>
Governmental Activities Long-Term Liabilities	<u>\$26,589,751</u>	<u>\$10,541,099</u>	<u>\$2,863,574</u>	<u>\$9,335,000</u>	<u>\$24,932,276</u>	<u>\$2,936,380</u>

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 7 - Bonds Payable and Other Long-Term Liabilities (Cont'd)

Bonds payable at December 31, 2015 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. \$ 965,000

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. 1,735,000

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. 1,585,000

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. 4,560,000

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

Series of 2015 - \$9,655,000; refunding nontaxable due in annual installments on December 1, 2015 and June 1, thereafter through 2026; ranging from \$35,000 to \$2,180,000; interest (at rates ranging from 0.60% to 4.0%) is payable semi-annually on June 1 and December 1. 9,630,000

\$21,920,000

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 7 - 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
2016	\$ 2,595,000	\$ 471,778	\$ 3,066,778
2017	2,665,000	502,394	3,167,394
2018	2,730,000	432,532	3,162,532
2019	2,825,000	343,437	3,168,437
2020	2,915,000	256,875	3,171,875
2021-2025	7,575,000	381,453	7,956,453
2026	<u>615,000</u>	<u>7,687</u>	<u>622,687</u>
	<u>\$21,920,000</u>	<u>\$2,396,156</u>	<u>\$24,316,156</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.

On June 11, 2015, the Municipality issued \$9,655,000 Series of 2015 bonds with interest rates ranging from 0.80% to 4.0% to currently refund a portion of the outstanding 2010 bonds (\$5,290,000) with interest rates ranging from 2.5% to 3.0% and advance refund a portion of the outstanding 2011 bonds (\$4,045,000) with interest rates ranging from 3.0% to 4.0%.

The net proceeds of \$9,479,534 (after payment of issuance costs) were used to currently and advance refund the above bonds and outstanding interest. As a result, those bonds are considered defeased and the liability for those bonds has been removed as a liability in these financial statements.

The Municipality refunded the 2010 and 2011 Series bonds to reduce its total debt service payments over the next ten years by \$685, along with providing current funds for capital projects in the approximate amount of \$300,000, and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately the same amount as above.

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2015**

Note 7 - Bonds Payable and Other Long-Term Liabilities (Cont'd)

General Obligation Bonds (Cont'd)

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, 2015, \$4,045,000 of defeased bonds remain outstanding.

Note 8 - 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. The capital leases are typically liquidated by the general fund.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset	
Machinery and Equipment	\$1,384,971
Less: Accumulated Depreciation	<u>(63,539)</u>
 Total	 <u>\$1,321,432</u>

The future minimum lease obligations and the net present value of these minimum lease payments, as of December 31, 2015, were as follows:

Year Ended December 31,	Governmental Activities
2016	\$ 334,198
2017	334,198
2018	261,430
2019	222,838

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 8 - Capital Leases (Cont'd)

Year Ended December 31,	Governmental Activities
2020	\$ 195,878
2021-2024	<u>483,560</u>
Total Minimum Lease Payments	1,832,102
Less: Amount Representing Interest	<u>(151,449)</u>
Present Value of Minimum Lease Payments	<u>\$1,680,653</u>

Note 9 - Interfund Balances

Interfund balances at December 31, 2015, were as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$2,338,951	\$ -
Highway Aid Fund	-	213,907
2011 Capital Improvements Fund	-	677,678
2014 Capital Improvements Fund	-	679,326
Nonmajor Governmental Funds	<u>-</u>	<u>768,040</u>
	<u>\$2,338,951</u>	<u>\$2,338,951</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 to other funds and those funds reimburse the General Fund. All balances are expected to be paid within one year.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 10 - Interfund Transfers

For the year ended December 31, 2015, interfund transfers consisted of the following:

The general fund transfer to the 2014 Capital Improvements 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 \$301,870 to the 2014 Capital Improvements Fund was the excess funds generated from the bond refunding.

Note 11 - 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 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.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 11 - Pension Plans (Cont'd)

Plan Description and Eligibility (Cont'd)

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.

The employer follows the funding policy prescribed by Act 205 of 1984 (as amended), which requires that annual contributions be based upon the Minimum Municipal Obligation (MMO) using the Plan's most recent biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds state contributions must be funded by the employer.

Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the Plan and funded through the MMO and/or Plan earnings.

For the year ended December 31, 2015, the Municipality's annual pension cost was \$2,422,829 and \$1,173,984 for the Police and Non-Uniform Pension Plans, respectively, and was equal to the Municipality's annual required contribution.

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.

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2015**

Note 11 - Pension Plans (Cont'd)

Plan Description and Eligibility (Cont'd)

At December 31, 2015, participants in the Plans were as follows:

	<u>Non-Uniform</u>	<u>Police</u>
Participants		
Retirees and Beneficiaries	83	53
Active Employees	91	44
Terminated Employees Entitled to Benefits But not Yet Receiving Them	<u>1</u>	<u>3</u>
	<u>175</u>	<u>100</u>

Summary of Significant Accounting Policies

Investments of the Non-Uniform Pension Plan are managed by the Pennsylvania Municipal Retirement 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, 2015, 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:

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 11 - Pension Plans (Cont'd)

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

Investments (Cont'd)

<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.

Investment Type	<u>S & P</u>		<u>Moody's</u>	
	<u>Fair Value</u>	<u>Ratings</u>	<u>Fair Value</u>	<u>Ratings</u>
Money Market	\$ 1,975,297	AAAm	\$ 1,975,297	NR
Municipal Bonds	2,056,861	A	1,686,973	A
Municipal Bonds	2,352,569	AA	326,845	AA
Municipal Bonds	150,245	BBB	216,802	BAA
Municipal Bonds	453,171	NR	2,782,226	NR
Corporate Bonds	2,485,123	A	2,536,832	A
Corporate Bonds	361,738	AA	8,457,129	BAA
Corporate Bonds	448,945	BB	-	
Corporate Bonds	7,444,957	BBB	-	
Corporate Bonds	253,198	NR	-	
	<u>\$17,982,104</u>		<u>\$17,982,104</u>	

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 11 - Pension Plans (Cont'd)

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

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, 2015, 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.

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.

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	\$ 5,012,846	\$1,030,383	\$ 3,765,661	\$ 216,802	\$-0-
Corporate Debt	<u>10,993,961</u>	<u>1,032,315</u>	<u>8,897,295</u>	<u>1,064,351</u>	<u>-0-</u>
Totals	<u>\$16,006,807</u>	<u>\$2,062,698</u>	<u>\$12,662,956</u>	<u>\$1,281,153</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 (1.17%).

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.

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2015**

Note 11 - Pension Plans (Cont'd)

Net Pension Liability

Police

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of January 1, 2015 and rolled forward to the reporting date using the following significant actuarial assumptions applied to all periods included in the measurement:

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, 2015 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%

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 11 - Pension Plans (Cont'd)

Net Pension Liability (Cont'd)

Police (Cont'd)

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.

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.

Non-Uniform

The Non-Uniform Pension Plan's net pension liability was measured as of December 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods.

Actuarial Cost Method	Entry Age
Inflation:	3.0%
Salary Increases:	age related scale with merit and inflation component
Investment Rate of Return:	5.50% compounded annually, net of expenses

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period covering January 1, 2005 through December 31, 2008 issued by the actuary in July 2010 as well as subsequent Board approved assumption changes such as the decrease in the regular interest in 5.50% for the January 1, 2013 actuarial valuation. In addition, pre-retirement mortality rates were based on for males RP 2000 with 1-year set back and females RP 2000 with 5-year setback, post-retirement mortality was based on sex distinct RP 2000 combined healthy mortality.

Discount Rate: the discount rate used to measure the total pension liability was 5.50%. It has been

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 11 - Pension Plans (Cont'd)

Net Pension Liability (Cont'd)

Non-Uniform (Cont'd)

assumed that the employees will continue to contribute to the Plan at the current rates and the employers will continue the historical and legally required practice of contributing to the Plan based on an actuarially determined contribution, reflecting a payment equal to annual normal cost, the expected administrative expenses and an amount necessary to amortize the remaining unfunded actuarial liability as a level dollar amount over a closed period.

A formal cash flow projection as described under paragraph 41 of GASB Statement 67 was not performed. However, paragraph 43 allows for alternative methods to confirm the sufficiency of the net position if the evaluations “can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan”. Based on the actuary’s professional judgement, adherence to the actuarial funding policy described above will result in the Pension Plan’s projected fiduciary net position being greater than or equal to the benefit payments projected for each future period.

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

Changes in Municipality’s Net Pension Liability

Changes in the Municipality’s net pension liability for the year ended December 31, 2015 were as follows:

Police Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at January 31, 2014	\$45,740,744	\$39,566,894	\$ 6,173,850
Changes for the year:			
Service Cost	813,610	-	813,610
Interest	3,210,893	-	3,210,893

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 11 - Pension Plans (Cont'd)

Changes in Municipality's Net Pension Liability (Cont'd)

Police Pension Plan (Cont'd)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Changes for the year: (Cont'd)			
Differences Between Expected and Actual Experience	\$ 650,548	\$ -	\$ 650,548
Contributions - Employer	-	2,440,854	(2,440,854)
Contributions - Employee	-	258,176	(258,176)
Net Investment Income	-	(296,453)	296,453
Benefit Payments and Refunds of Employee Contributions	(2,715,934)	(2,715,934)	-
Administrative Expense	<u>-</u>	<u>(216,271)</u>	<u>216,271</u>
Net Changes	<u>1,959,117</u>	<u>(529,628)</u>	<u>2,488,745</u>
Balances at December 31, 2015	<u>\$47,699,861</u>	<u>\$39,037,266</u>	<u>\$ 8,662,595</u>

Non-Uniform Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2013	\$38,163,375	\$33,629,520	\$ 4,533,855
Changes for the year:			
Service Cost	843,133	-	843,133
Interest	2,094,736	-	2,094,736
Differences Between Expected and Actual Experience	231,336	-	231,336
Contributions - Employer	-	1,032,774	(1,032,774)
Contributions - Employee	-	351,986	(351,986)
Net Investment Income	-	1,817,758	(1,817,758)

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 11 - Pension Plans (Cont'd)

Changes in Municipality's Net Pension Liability (Cont'd)

Non-Uniform Pension Plan (Cont'd)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Changes for the year: (Cont'd)			
Benefit Payments and Refunds of			
Employee Contributions	\$(1,865,768)	\$(1,865,768)	\$ -
Administrative Expense	<u> -</u>	<u> (73,778)</u>	<u> 73,778</u>
Net Changes	<u> 1,303,437</u>	<u> 1,262,972</u>	<u> 40,465</u>
Balances at December 31, 2014	<u>\$39,466,812</u>	<u>\$34,892,492</u>	<u>\$ 4,574,320</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following shows the effect of a 1.0% change in the discount rate on the net pension liability:

<u>Police Pension Plan</u>		
1.0% Decrease <u>6.0%</u>	Current Rate <u>7.0%</u>	1.0% Increase <u>8.0%</u>
<u>\$13,932,451</u>	<u>\$8,662,595</u>	<u>\$4,211,255</u>
<u>Non-Uniform Pension Plan</u>		
1.0% Decrease <u>4.5%</u>	Current Rate <u>5.5%</u>	1.0% Increase <u>6.5%</u>
<u>\$9,022,947</u>	<u>\$4,574,320</u>	<u>\$778,828</u>

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 11 - Pension Plans (Cont'd)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended December 31, 2015, the Municipality recognized pension expense of \$2,853,934. At December 31, 2015, the Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 713,788	\$ -
Net difference between projected and actual earnings on Plan investments	2,417,031	-
Contributions subsequent to measurement date	<u>1,173,984</u>	<u>-</u>
Totals	<u>\$4,304,803</u>	<u>\$ -</u>

\$1,173,984 reported as deferred outflows of resources related to pension resulting from Municipality contributions to the Non-Uniform Pension Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. The Non-Uniform Pension Plan only has a measurement date of December 31, 2014. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended December 31,	
2016	\$ 772,354
2017	772,354
2018	772,354
2019	714,519
2020	<u>99,238</u>
	<u>\$3,130,819</u>

Payable to Police Pension Plan

At December 31, 2015, the Municipality reported a payable of \$267,368 for the outstanding amount of contributions due to the Police Pension Plan for the year.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 12 - 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 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 was funded in 2015 and it 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

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 12 - Post-Employment Healthcare Plan (Cont'd)

C. Plan Description and Eligibility (Cont'd)

1) Police Employees (Cont'd)

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.

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 offices (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.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 12 - Post-Employment Healthcare Plan (Cont'd)

C. Plan Description and Eligibility (Cont'd)

2) Administrative Employees (Cont'd)

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.

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, 2015

Note 12 - 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, 2015

Note 12 - 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, 2015

Note 12 - 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, 2015, the Municipality made a contribution of \$1,000,000 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	421,742
Adjustment to Annual Required Contribution	<u>(255,601)</u>
Annual OPEB Cost (Expense)	2,441,754
Contributions Made	<u>(1,000,000)</u>
Increase (Decrease) in OPEB Obligation	1,441,754
Net OPEB Obligation - Beginning of Year	<u>7,668,036</u>
Net OPEB Obligation - End of Year	<u>\$ 9,109,790</u>

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 12 - 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
12/31/13	\$1,914,004	0.0%	\$5,278,064
12/31/14	2,389,972	0.0%	7,668,036
12/31/15	2,441,754	40.9%	9,109,790

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, 2015**

Note 12 - 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 13 - 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, 2015:

	Pension & Other Employee Benefit Trust Funds		Total Pension & Other
	Police Pension Fund	OPEB Trust Fund	Employee Benefit Trust Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,975,297	\$ 20,622	\$ 1,995,919
Investments at Fair Value			
Equities	16,241,878	-	16,241,878
Mutual Funds	4,540,328	5,116,236	9,656,564
Municipal Bonds	5,012,846	-	5,012,846

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 13 - Pension Plans Financial Information (Cont'd)

	Pension & Other Employee Benefit Trust Funds		Total
	Police Pension Fund	OPEB Trust Fund	Pension & Other Employee Benefit Trust Funds
ASSETS (Cont'd)			
Investments at Fair Value (Cont'd)			
Corporate Bonds	\$10,993,961	\$ -	\$10,993,961
Other Receivables	<u>428,204</u>	<u>-</u>	<u>428,204</u>
TOTAL ASSETS	<u>39,192,514</u>	<u>5,136,858</u>	<u>44,329,372</u>
LIABILITIES			
Accounts Payable	<u>155,248</u>	<u>1,201,743</u>	<u>1,356,991</u>
NET POSITION			
Net Position Restricted for Pensions	39,037,266	-	39,037,266
Net Position Held in Trust for OPEB Benefits	<u>-</u>	<u>3,935,115</u>	<u>3,935,115</u>
TOTAL NET POSITION	<u>\$39,037,266</u>	<u>\$3,935,115</u>	<u>\$42,972,381</u>
Additions			
Contributions			
Employer	\$ 2,422,829	\$1,000,000	\$ 3,422,829
Plan Members	<u>258,176</u>	<u>-</u>	<u>258,176</u>
Total Contributions	<u>2,681,005</u>	<u>1,000,000</u>	<u>3,681,005</u>
Investment Income			
Net Appreciation (Depreciation) in Fair Value of Investments	(1,757,232)	(130,082)	(1,887,314)
Interest and Dividends	<u>1,478,804</u>	<u>111,301</u>	<u>1,590,105</u>
	(278,428)	(18,781)	(297,209)

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 13 - Pension Plans Financial Information (Cont'd)

	Pension & Other Employee Benefit Trust Funds		Total
	Police Pension Fund	OPEB Trust Fund	Pension & Other Employee Benefit Trust Funds
Additions (Cont'd)			
Investment Income (Cont'd)			
Less Investment Expenses	\$ <u>(201,247)</u>	\$ <u>(43,317)</u>	\$ <u>(244,564)</u>
Net Investment Income	<u>(479,675)</u>	<u>(62,098)</u>	<u>(541,773)</u>
Total Additions	<u>2,201,330</u>	<u>937,902</u>	<u>3,139,232</u>
Deductions			
Benefits	2,715,934	1,201,531	3,917,465
Administrative Expenses	<u>15,024</u>	<u>-</u>	<u>15,024</u>
Total Deductions	<u>2,730,958</u>	<u>1,201,531</u>	<u>3,932,489</u>
Net Increase (Decrease) in Net Position	<u>(529,628)</u>	<u>(263,629)</u>	<u>(793,257)</u>
Net Position Restricted for Pensions			
Beginning of Year	<u>39,566,894</u>		<u>\$39,566,894</u>
End of Year	<u>\$39,037,266</u>		<u>\$39,037,266</u>
Net Position Held in Trust for OPEB			
Beginning of Year		<u>4,198,744</u>	<u>\$ 4,198,744</u>
End of Year		<u>\$ 3,935,115</u>	<u>\$ 3,935,115</u>

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 14 - 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 2015 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, 2015:

Year Ended December 31,	Amount
2016	<u>\$16,200</u>

Note 15 - 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 \$24,655 for the year ended December 31, 2015. 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, 2015, were \$28,217. 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, 2015.

Year Ended December 31,	Municipality	Convention Visitor's Bureau
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>\$86,089</u>	<u>\$61,844</u>

Municipality of Monroeville
Notes to Financial Statements
December 31, 2015

Note 16 - 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 17 - Risk Management

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Municipality of Monroeville
Required Supplementary Information
Schedule of Changes in the Municipality's Net Pension
Liability and Related Ratios
December 31, 2015

	Police Pension Plan	
	2015	2014
Total Pension Liability		
Service Cost	\$ 813,610	\$ 867,863
Interest	3,210,893	3,078,188
Differences Between Expected and Actual Experience	650,548	-
Benefit Payments	<u>(2,715,934)</u>	<u>(2,926,230)</u>
Net Change in Total Pension Liability	1,959,117	1,019,821
Total Pension Liability - Beginning	<u>45,740,744</u>	<u>44,720,923</u>
Total Pension Liability - Ending (a)	<u>47,699,861</u>	<u>45,740,744</u>
Plan Fiduciary Net Position		
Contributions - Employer, including State Aid	2,440,854	2,421,478
Contributions - Member	258,176	270,836
Net Investment Income	(296,453)	1,489,603
Benefit Payments	(2,715,934)	(2,926,230)
Administrative Expenses	<u>(216,271)</u>	<u>(410)</u>
Net Change in Plan Fiduciary Net Position	(529,628)	1,255,277
Plan Fiduciary Net Position - Beginning	<u>39,566,894</u>	<u>38,311,617</u>
Plan Fiduciary Net Position - Ending (b)	<u>39,037,266</u>	<u>39,566,894</u>
Municipality's Net Pension Liability (a-b)	<u>\$ 8,662,595</u>	<u>\$ 6,173,850</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.80%	86.50%
Covered Employee Payroll	<u>\$ 5,024,306</u>	<u>\$ 4,956,792</u>
Municipality's Net Position as a Percentage of Covered Employee Payroll	172.41%	124.55%

Municipality of Monroeville
Required Supplementary Information
Schedule of Changes in the Municipality's Net Pension
Liability and Related Ratios
December 31, 2015

	<u>Non-Uniform Pension Plan</u>
	2014
Total Pension Liability	
Service Cost	\$ 843,133
Interest	2,094,736
Differences Between Expected and Actual Experience	231,336
Benefit Payments	<u>(1,865,768)</u>
Net Change in Total Pension Liability	1,303,437
Total Pension Liability - Beginning	<u>38,163,375</u>
Total Pension Liability - Ending (a)	<u>39,466,812</u>
Plan Fiduciary Net Position	
Contributions - Employer, including State Aid	1,032,774
Contributions - Member	351,986
Net Investment Income	1,817,758
Benefit Payments	(1,865,768)
Administrative Expenses	<u>(73,778)</u>
Net Change in Plan Fiduciary Net Position	1,262,972
Plan Fiduciary Net Position - Beginning	<u>33,629,520</u>
Plan Fiduciary Net Position - Ending (b)	<u>34,892,492</u>
Municipality's Net Pension Liability (a-b)	<u>\$ 4,574,320</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.40%
Covered Employee Payroll	<u>\$ 5,873,243</u>
Municipality's Net Position as a Percentage of Covered Employee Payroll	77.88%

The Non-Uniform Pension Plan measurement date for the net pension liability is December 31, 2014.

**Municipality of Monroeville
Required Supplementary Information
Schedule of Municipality's Contributions
and Investment Returns
December 31, 2015**

	Police Pension Plan	
	2015	2014
Actuarially Determined Contribution	\$2,422,829	\$2,421,478
Contributions in Relation to the Actuarially Determined Contribution	<u>2,422,829</u>	<u>2,421,478</u>
Contribution Deficiency (Excess)	\$ <u> -</u>	\$ <u> -</u>
Covered Employee Payroll	<u>\$5,024,306</u>	<u>\$4,956,792</u>
Contributions as a Percentage of Covered Employee Payroll	48.22%	48.85%
	Non-Uniform Pension Plan	
	2015	2014
Actuarially Determined Contribution	\$1,173,984	\$1,032,714
Contributions in Relation to the Actuarially Determined Contribution	<u>1,173,984</u>	<u>1,032,714</u>
Contribution Deficiency (Excess)	\$ <u> -</u>	\$ <u> -</u>
Covered Employee Payroll	<u>\$5,834,565</u>	<u>\$5,873,243</u>
Contributions as a Percentage of Covered Employee Payroll	20.12%	17.58%
	Police Pension Plan	
	2015	2014
Annual Money Weighted Rate of Return, Net of Investment Expenses	(1.17)%	4.01%
	Non-Uniform Pension Plan	
	2015	2014
Annual Money Weighted Rate of Return, Net of Investment Expenses	Not Available	Not Available

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
Notes to the Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2015

Police Pension Plan

1. Assumptions and methods used to determine the contribution rates:

Actuarial Valuation Date	January 1, 2013
Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar, closed
Remaining Amortization Period	10 years aggregate
Asset Valuation Method	4-year smoothing
Inflation	3.0%
Salary Increases	5.0% including inflation
Investment Rate of Return	7.0% net of investment expenses not funded through the MMO, and including inflation.
Mortality	RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with rates set forward 5 years for disabled members and rates projected to improve with 75% of scale AA.
Retirement Age	Participants with 25 or more years of service are assumed to retire at the following percentages: Ages 50-54: 20% Age 55: 75% Age 56: 100%

2. Changes to Benefits:

Three participants retired with a Window Benefit in 2010 (retirement with no benefit reduction at age 50 with 25 years of service).

3. Changes to Assumptions:

Effective January 1, 2011, assumed rates of retirement shown above were established.

Municipality of Monroeville
Notes to the Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2015

Non-Uniform Pension Plan

1. Assumptions and methods used to determine the contribution rates:

Actuarial Valuation Date	January 1, 2011
Actuarial Cost Method	Entry age
Amortization Period	Level dollar based upon the amortization periods in Act 205
Asset Valuation Method	Based upon the Municipal reserves
Discount Rate	5.50%
Inflation	3.00%
Salary Increases	Age-related scale with merit and inflation component
Pre-Retirement Mortality	Males - RP-2000 with 1-year set back Females - RP-2000 with 5-year set back
Post-Retirement Mortality	Sex distinct RP-2000 Combined Healthy Mortality

2. Changes to Benefits:

None.

3. Changes to Assumptions:

None.

Municipality of Monroeville
Required Supplementary Information
Other Post-Employment Benefits
December 31, 2015

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%
2015	2,441,754	41.0%

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

- 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.
- 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, 2015**

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>				
	Police Asset Seizure Fund	Side- walk Fund	Northern Pike Improvements Fund	2007 Capital Improvements Fund	2010 Capital Improvements Fund	2012 Capital Improvements Fund	Total Nonmajor Governmental Funds
ASSETS							
Cash and Cash Equivalents	<u>\$222,928</u>	<u>\$2,750</u>	<u>\$149,711</u>	<u>\$717,700</u>	<u>\$301,591</u>	<u>\$ -</u>	<u>\$1,394,680</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Due to Other Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$131,607</u>	<u>\$ -</u>	<u>\$ 82,300</u>	<u>\$ 213,907</u>
Fund Balances							
Restricted	222,928	-	-	586,093	301,591	-	1,110,612
Committed	-	2,750	149,711	-	-	-	152,461
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(82,300)</u>	<u>(82,300)</u>
Total Fund Balances	<u>222,928</u>	<u>2,750</u>	<u>149,711</u>	<u>586,093</u>	<u>301,591</u>	<u>(82,300)</u>	<u>1,180,773</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$222,928</u>	<u>\$2,750</u>	<u>\$149,711</u>	<u>\$717,700</u>	<u>\$301,591</u>	<u>\$ -</u>	<u>\$1,394,680</u>

Municipality of Monroeville
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2015

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds				Total Nonmajor Governmental Funds
	Police Asset Seizure Fund	Side-walk Fund	2015 Debt Service	Northern Pike Improvements Fund	2007 Capital Improvements Fund	2010 Capital Improvements Fund	2012 Capital Improvements Fund	
Revenues								
Interest, Rent and Royalties	\$ 19	\$ -	\$ -	\$ 47	\$ 355	\$ 148	\$ -	\$ 569
Intergovernmental	<u>16,251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,251</u>
Total Revenues	<u>16,270</u>	<u>-</u>	<u>-</u>	<u>47</u>	<u>355</u>	<u>148</u>	<u>-</u>	<u>16,820</u>
Expenditures								
General Government	-	-	166,267	-	-	-	-	166,267
Capital Outlay:								
Public Safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,295</u>	<u>-</u>	<u>-</u>	<u>3,295</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>166,267</u>	<u>-</u>	<u>3,295</u>	<u>-</u>	<u>-</u>	<u>169,562</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>16,270</u>	<u>-</u>	<u>(166,267)</u>	<u>47</u>	<u>(2,940)</u>	<u>148</u>	<u>-</u>	<u>(152,742)</u>
Other Fin. Sources (Uses)								
Issuance of Refunding Bonds	-	-	9,655,000	-	-	-	-	9,655,000
Premium on Bonds Issued	-	-	292,671	-	-	-	-	292,671
Payment to Refunded Bond Escrow Agent	-	-	(9,479,534)	-	-	-	-	(9,479,534)
Transfers Out	<u>-</u>	<u>-</u>	<u>(301,870)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(301,870)</u>
Total Other Fin. Sources (Uses)	<u>-</u>	<u>-</u>	<u>166,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,267</u>
Net Changes in Fund Balances	16,270	-	-	47	(2,940)	148	-	13,525
Fund Balances - January 1, 2015	<u>206,658</u>	<u>2,750</u>	<u>-</u>	<u>149,664</u>	<u>589,033</u>	<u>301,443</u>	<u>(82,300)</u>	<u>1,167,248</u>
Fund Balances - December 31, 2015	<u>\$222,928</u>	<u>\$2,750</u>	<u>\$ -</u>	<u>\$149,711</u>	<u>\$586,093</u>	<u>\$301,591</u>	<u>\$(82,300)</u>	<u>\$1,180,773</u>

COMPONENT UNIT

CONVENTION VISITOR'S BUREAU

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Municipality of Monroeville
Balance Sheet
Convention Visitor's Bureau - Component Unit
General Fund
December 31, 2015

ASSETS	
Cash and Cash Equivalents	\$ 850,423
Due from Other Governments	189,581
Prepaid Items	<u>4,559</u>
TOTAL ASSETS	<u>\$1,044,563</u>
 LIABILITIES AND FUND BALANCES	
Liabilities	
Due to Primary Government	\$ 114,241
Accounts Payable	<u>42,085</u>
Total Liabilities	<u>156,326</u>
 Fund Balances	
Nonspendable	4,559
Unassigned	<u>883,678</u>
Total Fund Balances	<u>888,237</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$1,044,563</u>

**Municipality of Monroeville
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
Convention Visitor's Bureau - Component Unit
December 31, 2015**

Total Fund Balances - Governmental Funds \$ 888,237

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 \$376,681 and the accumulated depreciation is \$110,518.

266,163

Total Net Position - Governmental Activities \$1,154,400

**Municipality of Monroeville
Statement of Revenues, Expenditures
and Change in Fund Balance
Convention Visitor's Bureau - Component Unit
General Fund
Year Ended December 31, 2015**

Revenues	
Taxes	\$ 703,536
Interest, Rents and Royalties	268
Miscellaneous	<u>27,754</u>
Total Revenues	<u>731,558</u>
Expenditures	
Current:	
Conservation and Development	763,086
Capital Outlay	<u>79,231</u>
Total Expenditures	<u>842,317</u>
Net Change in Fund Balance	(110,759)
Fund Balance - January 1, 2015	<u>998,996</u>
Fund Balance - December 31, 2015	<u>\$ 888,237</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, 2015**

Total Net Change in Fund Balances - Governmental Funds	\$(110,759)
--	-------------

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	\$ 65,754	
Depreciation Expense	<u>(28,889)</u>	<u>36,865</u>
Change in Net Position of Governmental Activities		\$ <u>(73,894)</u>

ADDITIONAL INFORMATION

**Municipality of Monroeville
Schedule of Public Library Program
Revenues and Expenditures
Included in the General Fund
Year Ended December 31, 2015**

Revenues

Regional Asset District Tax Funds passed through ACLA	\$ 222,043
State Library Aid	102,488
State Gaming Revenue	24,731
Fines and Miscellaneous	<u>74,664</u>
Total Revenues	<u>\$ 423,926</u>

Expenditures

Salaries	\$ 623,064
Benefits	242,561
Utilities	84,685
Maintenance and Repairs	43,022
Office Supplies	55,153
Library Books and Equipment	214,114
Office Equipment and Furniture	12,283
Miscellaneous Outside Personnel Services	<u>111,172</u>
Total Expenditures	<u>\$1,386,054</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.

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MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 1 NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<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>	<u>2015</u>
Governmental activities										
Net investment in capital assets	\$ 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	\$ 11,599,579
Restricted	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	\$ 1,593,548
Unrestricted	<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>	<u>(7,950,258)</u>
Total primary government	\$ 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	\$ 5,242,869

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 2 CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<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>	<u>2015</u>
Expenses										
Governmental activities:										
General government	\$ 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	\$ 4,360,921
Public Safety	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	13,219,654
Public Works-Sanitation	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	1,431,181
Public Works-Highway	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	5,217,301
Culture-Recreation	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	4,928,151
Conservation and Development	460,778	472,610	471,400	558,044	493,397	384,315	347,004	390,481	382,799	296,709
Interest On Long-Term Debt	<u>808,318</u>	<u>789,849</u>	<u>1,049,339</u>	<u>1,014,769</u>	<u>632,435</u>	<u>907,153</u>	<u>767,255</u>	<u>842,305</u>	<u>778,352</u>	<u>675,103</u>
Total primary government	\$ 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	\$ 30,129,020
Program Revenues										
Charges for services:										
General government	\$ 193,623	\$ 200,337	\$ 226,166	\$ 49,259	\$ 241,921	\$ 244,349	\$ 169,097	\$ 117,920	\$ 150,589	\$ 116,779
Public Safety	364,199	394,608	298,938	451,374	650,163	357,872	464,056	347,975	316,947	386,487
Public Works-Sanitation	426,388	458,966	436,386	387,118	410,478	422,577	422,739	399,786	395,767	415,504
Public Works-Highway	59,570	42,059	44,146	45,665	34,293	50,348	3,100	82,340	8,713	111,516
Culture-Recreation	972,303	1,044,232	1,023,343	1,083,003	1,088,545	881,160	962,343	958,986	931,875	1,033,519
Conservation and Development	66,370	84,191	37,493	60,509	42,042	16,262	39,802	44,109	71,550	68,868
Operating & Capital grants and contributions	<u>1,668,401</u>	<u>1,987,577</u>	<u>1,716,251</u>	<u>2,009,815</u>	<u>1,727,350</u>	<u>1,857,513</u>	<u>1,482,568</u>	<u>1,395,759</u>	<u>1,541,730</u>	<u>2,756,770</u>
Total primary government	\$ 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	\$ 4,889,443
Total primary government net expense	\$ 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	\$ 25,239,577
<hr/>										
General Revs. and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes, Levied for Gen. Purp.	\$ 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	\$ 9,033,775
Earned Income Taxes	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	7,482,578
Business Privilege & Mercantile Tax	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	7,340,650
Other Taxes, Levied for Gen. Purp.	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	3,026,410
Grants, Subsidies & Contrib. Not Restricted	48,487	51,662	49,419	150,091	51,542	44,744	187,430	168,568	252,955	177,634
Investment Earnings	1,234,063	1,203,292	909,950	194,868	109,000	69,852	89,188	78,489	60,000	46,756
Miscellaneous	<u>11,134</u>	<u>493</u>	<u>152,203</u>	<u>26,912</u>	<u>142</u>	<u>189,815</u>	<u>142,903</u>	<u>50,059</u>	<u>23,552</u>	<u>0</u>
Total primary government	\$ 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	\$ 27,107,803
Change in Net Position										
Total primary government	\$ (771,337)	\$ 410,067	\$ (2,999,082)	\$ (5,717,340)	\$ (3,738,561)	\$ (4,194,616)	\$ (4,017,660)	\$ (3,816,425)	\$ (98,721)	\$ 1,868,226

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 3 FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<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>	<u>2015</u>
General Fund										
Reserved	\$ 7,138,533	\$ 7,284,355	\$ 7,707,894	\$ 5,563,195	\$ 2,376,072	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	\$ 11,291,280	\$ 10,717,076	\$ 9,690,043	\$ 7,122,455	\$ 6,921,926	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 947	\$ -	\$ -	\$ -	\$ 58,075
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,102	\$ 121,118	\$ 121,130	\$ -	\$ -
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,788	\$ 82,793	\$ 101,296	\$ 270,297	\$ 155,231
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,795,704	\$ 897,742	\$ 544,053	\$ 540,403	\$ 585,862
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,787,610	\$ 4,291,310	\$ 3,173,774	\$ 5,141,934	\$ 7,175,221
Total general fund	\$ 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	\$ 7,974,389
All Other Governmental Funds										
Reserved	\$ 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	\$ 1,593,548
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 152,313	\$ 152,352	\$ 152,388	\$ 1,005,452	\$ 1,168,316
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 912,991	\$ -	\$ -	\$ -	\$ -
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (49,288)	\$ (82,300)	\$ (82,300)
Unreserved reported in:										
Special revenue funds	\$ 809,589	\$ 867,522	\$ 935,873	\$ 1,135,962	\$ 1,409,839	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total all other governmental funds	\$ 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	\$ 2,679,564

The fund balances for 2011 through 2015 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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 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	\$ 26,728,752
Licenses and Permits	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	1,337,641
Fines and Forfeits	150,222	158,759	146,335	141,657	138,978	165,288	113,091	105,145	104,238	112,239
Interest, Rents and Royalties	1,234,063	1,203,292	909,950	194,868	109,000	69,852	89,188	78,489	60,000	46,756
Intergovernmental	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	2,915,157
Charges for Services	877,220	888,780	841,872	746,513	849,269	848,729	542,513	542,919	546,537	682,793
Miscellaneous	11,134	51,790	57,634	26,912	65,293	58,911	138,991	61,311	23,552	19,247
Total revenues	\$ 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	\$ 31,842,585
Expenditures										
Current:										
General Government	\$ 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	\$ 3,634,801
Public Safety	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	12,362,846
Public Works-Sanitation	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	1,192,521
Public Works-Highways	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	3,313,521
Culture-Recreation	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	3,889,441
Conservation and Development	443,707	461,409	460,014	545,414	483,943	372,497	300,871	350,041	336,779	274,320
Insurance Premiums	941,605	951,513	767,909	1,006,736	1,050,703	1,164,949	1,175,072	955,570	1,152,885	1,112,060
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Capital outlays	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	2,711,390
Debt Service:										
Principal	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	2,675,899
Interest	770,341	739,807	997,711	977,246	609,954	924,207	823,828	884,055	817,472	712,362
Total Expenditures	\$ 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	\$ 31,879,161
Excess of revenues over (under) expenditures	\$ (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	\$ (36,576)
Other Financing Sources (Uses)										
Issuance of Debt	\$ -	\$ 7,590,000	\$ -	\$ -	\$ -	\$ 7,450,000	\$ -	\$ -	\$ 1,338,019	\$ 533,533
Issuance of Refunding Debt	-	-	-	-	18,470,000	-	8,445,000	-	-	9,655,000
(Discourt) on Bonds Issued	-	(38,829)	-	-	-	-	-	-	-	-
Bond premium on Bonds Issued	-	-	-	-	816,850	86,457	186,144	-	-	292,671
Payment to Refunded Bond Escrow Agent	-	-	-	-	(18,572,754)	-	(7,866,691)	-	-	(9,479,534)
Sale of Capital Assets	-	-	151,600	85,000	44,550	184,000	47,800	26,429	-	-
Transfers In	377,863	160,555	172,358	228,019	639,980	-	610,354	-	1,119,000	1,301,870
Transfers Out	(377,863)	(160,555)	(172,358)	(228,019)	(639,980)	-	(610,354)	-	(1,119,000)	(1,301,870)
Total Other Financing Sources (Uses)	-	7,551,171	151,600	85,000	758,646	7,720,457	812,253	26,429	1,338,019	1,001,670
Net Changes in fund balances	\$ (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	\$ 965,094
Debt service as a percentage of noncapital expenditures	9.04%	8.57%	9.91%	9.05%	7.46%	10.51%	12.63%	12.25%	11.87%	11.59%

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
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
2015	1,287,862	1,043,436	565,280	2,331,298	100%	4.00

Source: Allegheny County Assessment Office

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 6
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 SCHEDULE 6
 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	
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
2015	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	2015			2005		
	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	5.70%			
PZ Miracle Mile	40,249,500	2	1.73%	\$ 36,758,300	4	1.84%
Anne V. Lewis	32,300,000	3	1.39%			
HVB Properties	24,500,000	4	1.05%			
ER Partners LP	16,956,700	5	0.73%			
WPP/WEN LLC	15,307,100	6	0.66%			
Monroeville SCLP	14,800,000	7	0.63%	17,481,700	7	0.88%
Jamison Lane	14,515,600	8	0.62%			
M&M Hotel Poxford	14,093,900	9	0.60%			
Walnut Ivanhoe Partners	13,375,500	10	0.57%	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>13.68%</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
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%	56,835	9,204,422	97.48%
2015	9,325,192	8,967,968	96.17%	-	8,967,968	96.17%

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>
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
2015	498,838,533	7,482,578

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>
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%
2015	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	2015 Number of filers
\$100,001-and higher	530	679	439	209	333	912	466	519	1,025
\$70,001-\$100,000	744	1,043	744	307	466	1,180	642	2,457	2,576
\$50,001-70,000	1,176	1,433	1,030	435	643	1,605	889	1,805	2,511
\$30,001-50,000	1,752	2,147	1,458	540	849	2,204	1,199	1,278	1,158
\$10,001-30,000	2,265	2,710	1,697	565	1,118	2,835	1,492	2,002	2,042
\$10,000 and lower	2,284	2,787	1,957	387	907	2,846	1,759	3,577	4,175
TOTAL	8,751	10,799	7,325	2,443	4,316	11,582	6,447	11,638	13,487

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	2015 Percentage of Total
\$100,001-and higher	6.06%	6.29%	5.99%	8.56%	7.72%	7.88%	7.23%	4.46%	7.60%
\$70,001-\$100,000	8.50%	9.66%	10.16%	12.57%	10.80%	10.19%	9.96%	21.11%	19.10%
\$50,001-70,000	13.44%	13.27%	14.06%	17.81%	14.90%	13.86%	13.79%	15.51%	18.62%
\$30,001-50,000	20.02%	19.88%	19.90%	22.10%	19.67%	19.03%	18.60%	10.98%	8.59%
\$10,001-30,000	25.88%	25.09%	23.17%	23.13%	25.90%	24.48%	23.14%	17.20%	15.14%
\$10,000 and lower	26.10%	25.81%	26.72%	15.84%	21.02%	24.57%	27.28%	30.74%	30.96%
TOTAL	100.00%	100.00%	100.00%	100.01%	100.00%	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	2015 Percentage of Tot Income
\$100,001-and higher	26.25%	25.84%	18.88%	26.45%	28.55%	30.01%	27.56%	28.05%	28.50%
\$70,001-\$100,000	17.91%	20.13%	21.30%	21.84%	20.36%	19.93%	20.59%	19.02%	19.52%
\$50,001-70,000	20.19%	19.65%	20.90%	22.08%	19.97%	19.21%	20.28%	20.12%	19.95%
\$30,001-50,000	20.12%	19.69%	19.70%	18.60%	17.75%	17.67%	18.34%	18.84%	17.98%
\$10,001-30,000	12.91%	12.30%	11.26%	9.54%	11.33%	11.10%	11.26%	11.38%	11.28%
\$10,000 and lower	2.62%	2.39%	7.98%	1.49%	2.05%	2.07%	1.96%	2.94%	2.63%
TOTAL	100%	100%	100%	100.00%	100.00%	100.00%	100%	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		
2006	22,880,000	-	22,880,000	5.62%	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	5.57%	910.05
2015	22,436,347	1,680,653	24,117,000	4.83%	849.61

* 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 7 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	
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%
2015	22,436	1,681	24,117	1.03%

*Details regarding the Municipality's outstanding debt can be found in the Note 7 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, 2015

(AMOUNTS EXPRESSED IN THOUSANDS)

Governmental Unit	Debt *** Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping** Debt
Debt repaid with property taxes			
Municipality of Monroeville	24,117	100.0%	\$24,117
Other debt			
Gateway School District	50,382	96.80% a	48,770
Allegheny County	857,149	4.13% a	35,428
Subtotal-overlapping debt			84,197
Total direct and overlapping debt			\$ 108,314

*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>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>	<u>2015</u>
Debt Limit	\$ 64,763	\$ 57,924	\$ 60,864	\$ 61,620	\$ 56,444	\$ 54,717	\$ 57,183	\$ 58,320	\$ 63,836	\$ 70,534
Total net debt applicable to limit	22,880	29,010	27,495	25,910	24,715	30,210	28,730	26,440	24,085	21,920
Legal debt margin	<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>	<u>\$ 48,614</u>
Total net debt applicable to the limit as a percentage of debt limit	35.33%	50.08%	45.17%	42.05%	43.79%	55.21%	50.24%	45.34%	37.73%	31.08%

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>
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%
2015	28,386	\$ 498,838,533	\$ 45,681	45	3,379	3.80%

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	2015			2005		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Forbes Regional Hospital	1,431	1	0.72%	2,000	1	1.00%
UPMC	1,225	2	0.61%			
Procure Pharmacy	1,180	3	0.59%			
Bechtel National Inc.	825	4	0.41%			
Gateway School District	621	5	0.31%	500	5	0.25%
Respironics	490	6	0.25%			
Lash Group	400	7	0.20%			
Cochran Pontiac Inc.	370	8	0.19%			
Community College of Allegheny County	341	9	0.17%	523	6	0.26%
Compunetix	265	10	0.13%			
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%
	7,148		3.57%	6,615		3.31%

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 18

FULL-TIME EQUIVALENT MUNICIPAL EMPLOYEES BY FUNCTION/PROGRAM

<u>FUNCTION/PROGRAM</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>	<u>2015</u>
GENERAL GOVERNMENT										
Mayor & Council	0	0	0	0	0	0	0	0	0	0
Manager's Office	5	4	4	4	4	3	3	3	4	4
Tax Collection	5	5	5	5	5	5	5	4	4	4
Finance Office	5	5	4	4	4	4	4	4	5	5
Data Processing	3	3	3	3	3	3	3	2	2	2
PUBLIC SAFETY										
Police Chief	2	2	2	2	2	2	2	2	2	2
Emergency Communications	8	8	8	8	8	8	8	8	7	8
Patrol & Traffic	40	40	40	40	39	40	42	42	39	37
Incident Investigation	6	6	6	6	6	5	5	5	5	5
Support Services & Records	4	4	3	3	1	1	1	1	1	1
Police Training	1	1	1	1	1	1	0	0	0	0
Community Safety	3	3	3	4	3	2	2	2	1	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	6
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	11	9	9	9	9	8	8	5	6	6
Parks Maintenance	6	7	7	7	7	6	6	8	7	8
Traffic Signals, Signs and Markings	4	4	4	4	4	4	4	5	4	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	4	4	4	4	5
Recycling	2	2	2	2	2	2	2	2	2	2
Animal Control	1	1	1	1	1	1	1	1	1	1
Community Park	3	3	3	3	3	3	3	3	3	3
Building & Property Maintenance	5	5	5	5	5	3	3	3	4	4
HUMAN SERVICES										
Recreation and Parks	4	4	4	4	3	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	2	2	4	4	3	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	5
Public Library	9	11	11	11	11	11	11	10	10	10
TV 15	2	2	2	2	2	2	2	2	2	2
TOTAL	160	160	158	159	152	145	148	145	141	144

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 19 OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<u>FUNCTION/PROGRAM</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>	<u>2015</u>
POLICE										
Physical arrests	416	479	521	363	280	314	255	374	469	613
Incidents	17,836	18,689	23,891	18,188	16,614	15,425	15,531	15,354	16,535	16,854
Traffic violations/Citations	1,262	1,456	1,299	1,266	2,013	1,580	1,758	1,653	3,535	1,629
FIRE										
Emergency Response	4,990	4,067	5,180	5,141	5,777	5,387	5,224	7,028	5,392	6,078
INSPECTIONS	3,968	4,205	4,684	4,780	4,780	6,083	6,100	7,539	8,324	8,152
PUBLIC WORKS										
Recyclables collected (tons per year)	530.79	551.15	656.74	535.14	530.36	641.35	695.34	738.82	654.09	749.71
OTHER PUBLIC WORKS										
Street Resurfacing (miles)	4.40	3.00	8.50	4.30	4.30	9.00	17.90	22.80	1.20	1.00
PARKS AND RECREATION										
Program Participants	5,718	3,370	2,408	1,701	1,644	2,093	5,858	6,283	4,262	3,823
Pavilion Rentals	322	362	385	434	453	466	486	533	638	692
Pool Admissions	3,813	3,612	4,320	3,736	5,331	5,431	5,569	7,922	6,743	6,922
LIBRARY										
Items in Collection	118,747	120,267	123,765	123,146	119,514	120,048	122,771	124,312	123,498	115,686
Total Circulation	222,416	219,967	224,066	233,405	222,519	244,321	297,941	308,614	290,750	306,014

Sources: Various Municipal Departments

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

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

FUNCTION/PROGRAM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	21	21	21
Basketball courts	20	21	21	21	21	21	21	20	20	20
Soccer fields	22	22	22	22	22	22	22	22	22	22
Ball fields	17	16	16	16	16	16	16	17	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	21	21	21	21	21	21	24	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