

MUNICIPALITY OF
MONROEVILLE,
PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

MUNICIPALITY OF
MONROEVILLE,
PENNSYLVANIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

Issued by: Josephine C. Rock, CPA
Director of Finance

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2017

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INTRODUCTORY SECTION

Municipality of Monroeville

A Home Rule Charter Municipality

Municipal Center
2700 Monroeville Boulevard
Monroeville, PA 15146-2388

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

June 27, 2018

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, 2017.

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 unmodified (“clean”) opinion of the Municipality of Monroeville financial statements for the year ended December 31, 2017. 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.

REPORT COMPOSITION

This report contains three sections:

Introductory: Includes this transmittal letter highlighting significant 2017 financial and management items, the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association (GFOA) for the 2016 CAFR, an organization chart and a list of principal officers.

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

Financial: Contains a report by the independent public accounting firm of Hosack, Specht, Muetzel & Wood LLP; Management's Discussion and Analysis (MD&A), a narrative overview of the Municipality's financial performance for the fiscal year ended December 31, 2017; the basic financial statements which include government-wide and fund financial statements and notes to financial statements; required supplementary information, combining and individual fund financial statements, component unit statements and additional information related to the library.

Statistical: Includes historical information for financial trends, revenue capacity, debt capacity, demographic and economic indicators and selected operating statistics for the Municipality.

PROFILE OF THE GOVERNMENT

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

The Municipality is located approximately thirteen (13) miles east of the City of Pittsburgh in Allegheny County, Pennsylvania, with Pittsburgh being the county seat of Allegheny County, Pennsylvania. The Municipality is bordered to the north by the Municipality of Plum, to the south by the Townships of North Huntingdon and North Versailles, to the east by the Municipality of Murrysville and the Township of Penn, and to the west by the Municipality of Penn Hills and the Township of Wilkins.

The Municipality was originally a rural and agricultural area. Tremendous development began with the extension of the Pennsylvania Turnpike in the early 1950s. Today, the Municipality encompasses a total land area of 19.5 square miles, of which approximately 97 percent is now developed. According to the Pennsylvania State Tax Equalization Board, the land use assessment of the Municipality is classified approximately 47% residential, 49% commercial, 1% lots, and 3% industrial. Monroeville has entered a post-suburbia stage of its life as a community where commercial growth has ebbed over the last two decades.

The population of the original Municipality of Monroeville was 8,000. The 2010 population of the Municipality was 28,386. This represents a population increase of 20,386 people, or 254.83% increase over the last 60 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 and Municipal Engineer.

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, UPMC and Procure Pharmacy are the top three largest employers. Procure Pharmacy is a distribution center for CVS Pharmacies in Western Pennsylvania. Bechtel is currently the fourth largest employer which is an engineering/research firm for the US Navy. Numerous full-time and part-time jobs are provided to area residents by Monroeville Mall, 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 2017 with a total net position of \$6,732,358 with a positive change in net position of \$741,812. This figure was sufficient to carry the Municipality through the 2017 fiscal year, but expenses have outpaced revenues for several years. This changed in 2016 with a positive change in net position from 2016. Still, caution and fiscal prudence must be displayed in budget preparations for 2018 and beyond.

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 1.3% in the region from March 2017 to March 2018. The national job count increased 1.6% during the same period. In the Pittsburgh metropolitan area, education and health services had the largest employment gain from March 2017 to March 2018, adding 6,100 jobs. The local 2.4% increase was faster than the 1.9%

national increase for this industry. The leisure and hospitality employment sector increased by 4,100 since last March, the second-largest gain in the Pittsburgh area. The over-the-year local increase for this super-sector is 3.6% was nearly twice as fast as the national increase of 1.9%

The professional and business services sector in the Pittsburgh area gained 1,000 jobs from March 2017 to March 2018. The local rate of increase for professional and business services employment 6% was slower than that for the nation 2.5% (US Bureau of Labor Statistics, March, 2018).

2018 unemployment remained at 4.5% from 2017. This is only slightly above the US rate of 4.1% (US Bureau of Labor Statistics, January, 2018). Real gross domestic product for U.S. metropolitan areas grew 1.7 % in 2016; the latest new release available (U.S. Bureau of Economic Analysis). Pennsylvania had a 1.8% growth rate. Pittsburgh had a per capita personal income (PCPI) of \$51,187 ranking 58th in the United States and is 104% of the national average of \$49,246.

Local housing is another encouraging sector. Building Department Permits issued in the Municipality decreased slightly from 2,170 in 2016 to 2,137 in 2017 which is a stable decrease. Even though the amount of permits decreased, the permit revenues increased 16% from \$270,648 in 2016 to \$315,658 in 2017, which means larger developments applied for permits.

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 \$13.5 million (40.1% 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 2018 and 2019 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- 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 3- Neutralize traffic congestion with the objectives to provide a municipal “hub and spoke” transit system serving business U.S. Route 22, Old William Penn Highway, PA Route 286, Monroeville Road and PA Route 130 and to include large, wide sidewalks complemented with street furniture, decorative lighting and trees, and to include street space for vehicle, bicycle and pedestrian transportation.
- Goal 4- Begin the implementation of the Joint-Comprehensive Plan with Wilkins Township and Churchill Borough to produce efficiencies with economic development, zoning, recreation and shared services.
- Goal 5- Continue to evaluate the Municipal Separate Storm Sewer System (MS4) program as it relates to implementation of a flat fee for all property owners to repair an aging storm sewer system infrastructure.
- Goal 6-Continue to seek an affirmative response from electors placing referendum questions on the election ballot for the Home Rule Charter Committee’s recommended revisions and Council’s approval.

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. Revenues will be estimated conservatively, but realistically. The use of any debt financing has been discontinued due to high debt service payments (10.5 % of General fund revenues).

As described in the notes to the financial statements, the Municipality has a pay-as-you-go policy for the accrued sick time. During 2008, the Municipality authorized the creation of a Trust to fund Other Post-Employment Benefits (OPEB). The Municipality did not contribute to the trust during 2017.

MAJOR INITIATIVES

The Municipality has undertaken major initiatives in recent years which include the update of the comprehensive plan, and the municipal code book; analyzing the Municipal Separate Storm Sewer System (MS4) program and evaluating how to pay for a Five Year (5) Capital Improvement Program (CIP):

Comprehensive Plan

Churchill, Monroeville and Wilkens, three contiguous eastern suburbs in Allegheny County, have been popular bedroom communities for half a century, with Monroeville serving as a thriving commercial core for the east end of the county. They each have much to offer.

The communities sought to identify ways they can work together and independently to pursue solutions to current and anticipated challenges and to build on strengths. The three neighbors collaborated to produce an **implementable** comprehensive plan for creating changes that residents and officials desire while maximizing use of resources. They chose six working areas as the primary focus of the implementable plan.

- Strategic communications
- Shared services
- Recreation
- Trails and connectivity
- Property maintenance
- Redevelopment

About 90 percent of an implementable comprehensive planning process is dedicated to identifying the key issues through an in-depth public process; conducting targeted research needed to thoroughly understand the issues and how to address them; articulating a future vision; and developing action-oriented strategies for attaining that vision. Another critical component of the process is “capacity-building” to ensure the community can continue the work of the plan after the consultant’s part is completed.

The fundamental difference between a traditional plan and an implementable plan is the shift in focus from a goal of completing a plan report (traditional plan) to a goal of implementing changes in the community, with the plan as a way of facilitating that process (implementable plan).

The idea of an Implementable Comprehensive Plan appealed to professional staff members and elected officials of Churchill, Monroeville and Wilkins, who all wanted tangible action steps that help solve real problems.

Municipal Code

The Municipal Code is the “Bible” of the municipality. Within it contains all the “laws of the land” from land use management to personnel provisions. From time to time, the code of a municipality needs updated to purge ordinances that are either outdated with respect to the Municipality, Commonwealth or Federal laws. This project was started in 2015 and is continuing as time permits.

Municipal Separate Storm Sewer System (MS4)

The Municipal Separate Storm Sewer System, otherwise known as MS4, is an initiative started by the Environmental Protection Agency (EPA) to enforce the 1972 Clean Streams Act. The enforcement is through the Commonwealth’s Department of Environmental Protection (DEP). Under MS4, each municipality in the Commonwealth is mandated to update their storm sewer system to control flooding pollution and sediment reduction. This is necessary to prevent storm water infiltration to the sanitary system of a community. This is an expensive project and will take years to realize. Under Commonwealth legislation, Home Rule Chartered communities are permitted to enact a flat fee to support MS4 expenses without creating a storm water management district. Council is continuing to study this option.

Capital Improvement Program (CIP)

Currently, the Municipality funds its Five (5) Year Capital Improvement Program (CIP) through a pay-as-you-go system. The Municipality transfers \$1 million from the General Fund into the Capital Improvement Fund each year during the month of July. However, this amount is insufficient for a community the size of Monroeville. The Municipal Manager has recommended that a 1 mill tax increase be adopted under ordinance exclusive for capital expenditures. This would infuse ~\$2.3 mil. into the CIP. Council has discussed this option, but no decision has been made.

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, 2016. This is the twenty-fifth 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.

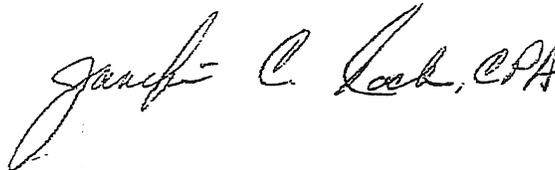
A Certificate of Achievement for Excellence is valid for a period of one year only. We believe that our current report continues to conform to the Certificate of Achievement for Excellence Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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



Josephine C. Rock, CPA
Finance Director

2017 Organizational Structure for Monroeville Municipal Government

Boards and Commissions (Appointed)

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

**Mayor and Council
(Elected)**

Municipal Solicitor

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

Municipal Engineer

**Municipal Manager
(Appointed)**

Finance

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

**Engineering and
Community Development**

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

Public Works

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

Public Safety

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

**Information
Technology**

Cable TV

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

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

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 2017

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 |
| Josephine C. Rock, CPA | Director of Finance |
| Robert J. Wratcher | Solicitor |



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Municipality of Monroeville
Pennsylvania**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

HOSACK, SPECHT, MUETZEL & WOOD LLP

CERTIFIED PUBLIC ACCOUNTANTS

2 PENN CENTER WEST, SUITE 326

PITTSBURGH, PENNSYLVANIA 15276

PHONE - 412-343-9200

FAX - 412-343-9209

HSMW@HSMWCPA.COM

WWW.HSMWCPA.COM

Independent Auditor's Report

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

Dear Mayor and Members:

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Municipality of Monroeville, as of and for the year ended December 31, 2017, 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, 2017, and the respective changes in financial position thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Matters (Cont'd)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality of Monroeville's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, additional information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Respectfully submitted,

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
June 27, 2018

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**MANAGEMENT'S DISCUSSION AND
ANALYSIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Monroeville Comprehensive Annual Financial Report presents a narrative overview and analysis of the Municipality's financial performance for the fiscal year ended December 31, 2017. 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, 2017.

FINANCIAL HIGHLIGHTS

- The Municipality's net position increased by \$741,812 in 2017 or 12.4%.
- Unrestricted net position was \$(6,866,770) at December 31, 2017. The negative net position is a continued effect from 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 \$(7,950,258). This liability was not previously reported on the statement of net position.
- During 2017, the Municipality's bond rating was Aa3 with a positive outlook, according to Moody's Investor Service. More detailed information about the Municipality's general long-term debt activity can be found in Note 6 of the notes to financial statements.
- At December 31, 2017, the Municipality had \$16.7 million of gross bond debt and \$17.3 million of net debt outstanding. This represents a decrease of \$2,461,321 or 12.5% from the previous year. The Municipality also had \$1.07 million of capital leases payable at December 31, 2017. This represents a burden of \$608.23 per capita to bonded debt.
- The total fund balance of the general fund at December 31, 2017 was \$14,346,743. The unassigned portion of the fund balance was \$13,497,133 which is approximately 42.0% of revenues in the general fund for fiscal year 2017, an increase of 38.9%.

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

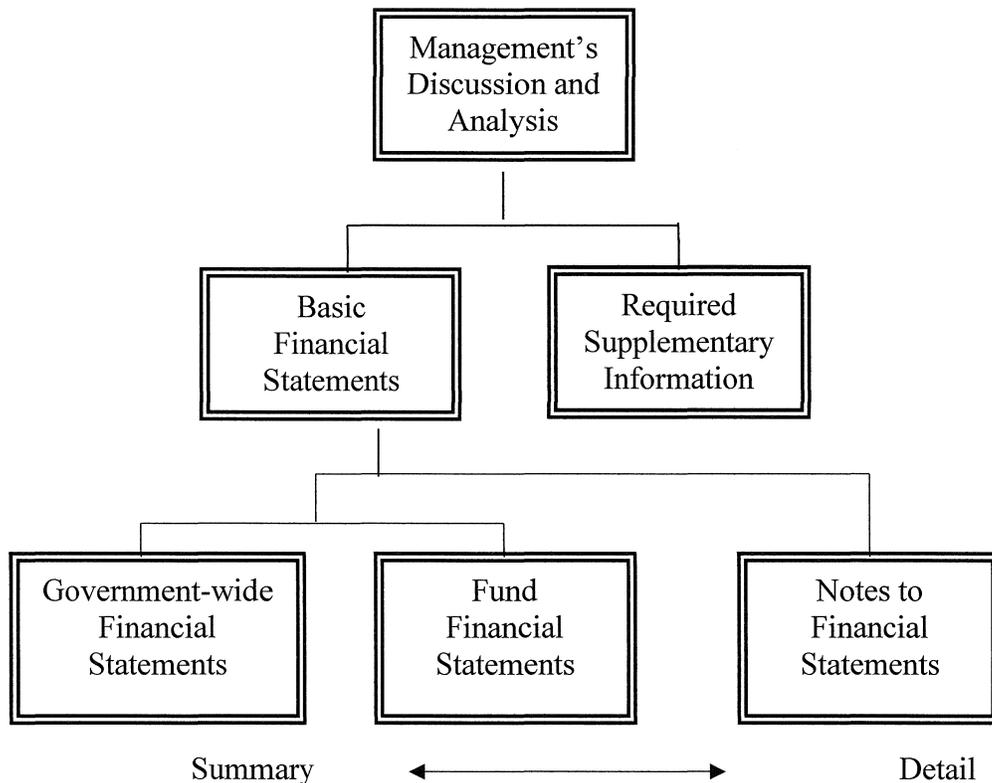


Figure A-2 summarizes the major features of the Municipality's financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

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

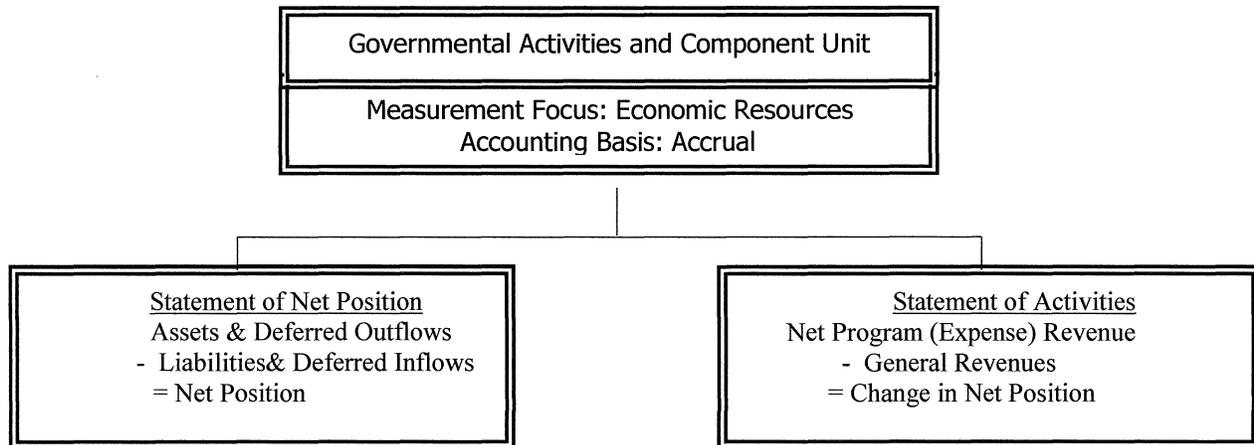
| | Fund Statements | | |
|--|--|--|---|
| | <u>Government-Wide Statements</u> | <u>Governmental Funds</u> | <u>Fiduciary Funds</u> |
| Scope | Entire municipal government (except fiduciary funds) and the Municipality's component unit | The activities of the Municipality that are not proprietary or fiduciary, 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, 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.

The Municipality's net position at December 31, 2017 and 2016 is presented below:

FINANCIAL ANALYSIS OF THE MUNICIPALITY AS A WHOLE

| | Governmental Activities | |
|----------------------------------|--------------------------------|---------------|
| | 2017 | 2016 |
| Assets | | |
| Current and other assets | \$ 19,653,653 | \$ 16,087,587 |
| Capital assets | 31,369,373 | 32,974,945 |
| Total assets | 51,023,026 | 49,062,532 |
| Deferred outflows of resources | 7,704,098 | 6,788,552 |
| Liabilities | | |
| Current and other liabilities | 1,146,918 | 1,105,428 |
| Long-term liabilities: | | |
| Due within one year | 3,016,221 | 3,012,999 |
| Due in more than one year | 45,888,861 | 45,742,111 |
| Total liabilities | 50,052,000 | 49,860,538 |
| Deferred inflows of resources | 1,942,766 | - |
| Net position | | |
| Net investment in capital assets | 13,310,559 | 12,309,761 |
| Restricted | 288,569 | 1,364,788 |
| Unrestricted | (6,866,770) | (7,684,003) |
| Total net position | \$ 6,732,358 | \$ 5,990,546 |

Net position:

For 2017, Net Position of Governmental Activities, increased by \$741,812 or 12.4% to \$6.7 million.

Change in Net Position
Years Ended December 31, 2017 and 2016
Primary Governmental Activities

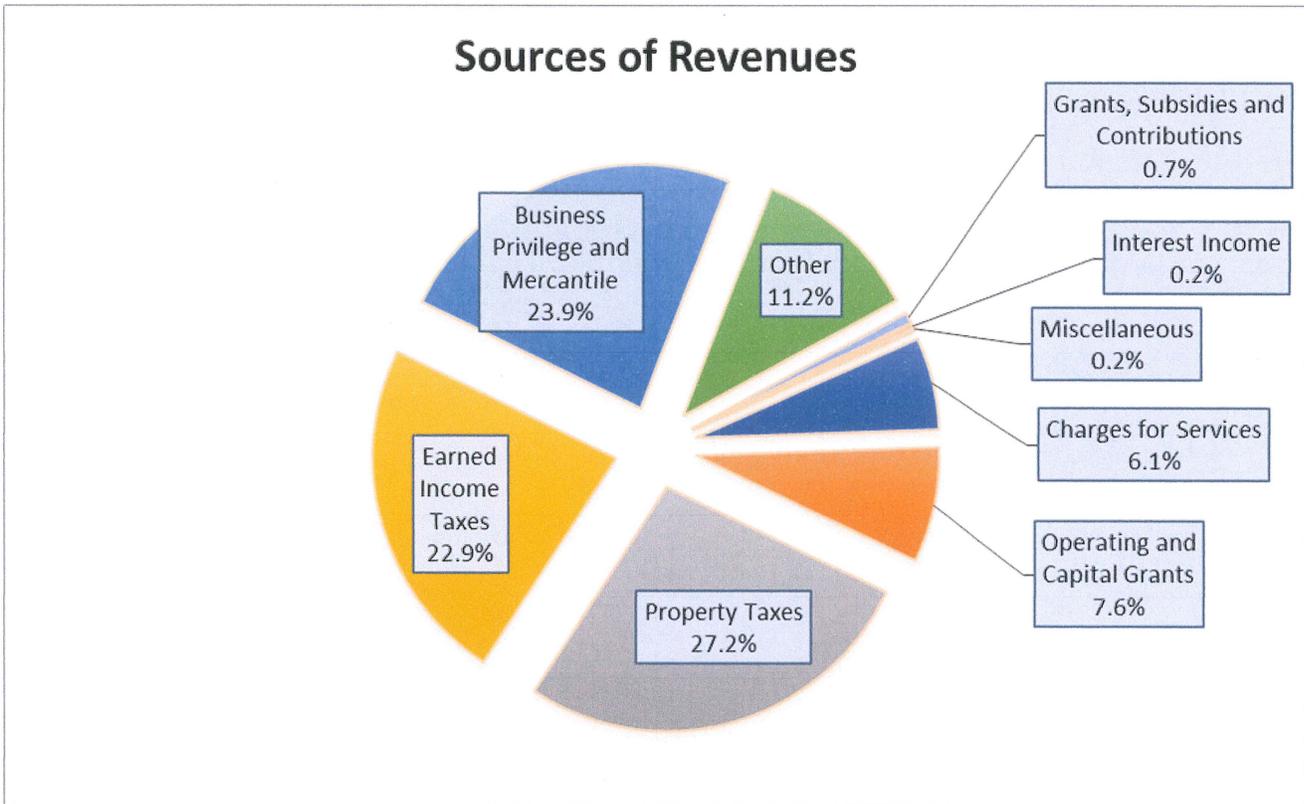
| | 2017 | 2016 | Variance |
|-------------------------------------|---------------------------|---------------------------|--------------------------|
| Revenues | | | |
| Program Revenues: | | | |
| Charges for Services | \$2,036,917 | \$1,972,588 | \$ 64,329 |
| Operating and Capital Grants | 2,531,345 | 2,486,866 | 44,479 |
| General Revenues: | | | |
| Property Taxes | 9,037,409 | 9,013,001 | 24,408 |
| Earned Income Taxes | 7,633,309 | 7,485,167 | 148,142 |
| Business Privilege and Mercantile | 7,909,899 | 7,705,324 | 204,575 |
| Other | 3,731,887 | 3,012,278 | 719,609 |
| Grants, Subsidies and Contributions | 246,440 | 261,035 | (14,595) |
| Interest Income | 76,825 | 70,370 | 6,455 |
| Miscellaneous Income | 70,903 | 55,213 | 15,690 |
| Total Revenues | <u>33,274,934</u> | <u>32,061,842</u> | <u>1,213,092</u> |
| Program Expenses | | | |
| General Government | 4,464,086 | 4,234,236 | 229,850 |
| Public Safety | 14,886,812 | 14,034,917 | 851,895 |
| Public Works: | | | - |
| Sanitation | 1,610,152 | 1,528,363 | 81,789 |
| Highways and Streets | 5,090,065 | 5,089,016 | 1,049 |
| Culture and Recreation | 5,479,581 | 5,290,431 | 189,150 |
| Conservation and Development | 479,846 | 529,993 | (50,147) |
| Interest on Long-Term Debt | 522,580 | 607,209 | (84,629) |
| Total Expenses | <u>32,533,122</u> | <u>31,314,165</u> | <u>1,218,957</u> |
| Change in Net Position | 741,812 | 747,677 | (5,865) |
| Net Position - Beginning | <u>5,990,546</u> | <u>5,242,869</u> | <u>747,677</u> |
| Net Position - Ending | <u><u>\$6,732,358</u></u> | <u><u>\$5,990,546</u></u> | <u><u>\$ 741,812</u></u> |

Infrastructure assets:

On December 31, 2017, the Municipality's total assets were \$51 million. Of this amount, \$31.3 million is accounted for by capital assets which include some infrastructure.

GOVERNMENTAL ACTIVITIES

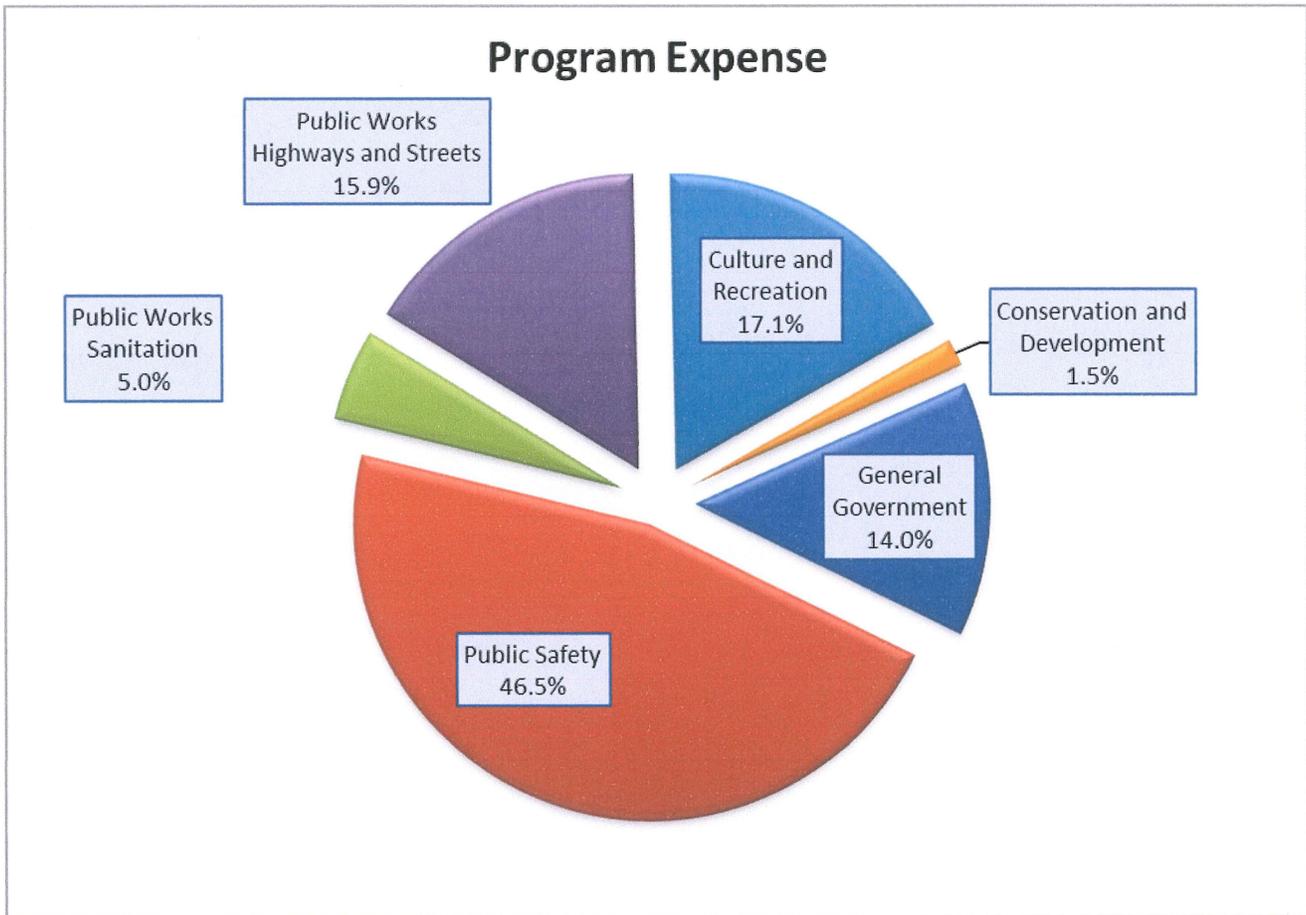
The following chart graphically depicts the government-wide sources of revenues for the fiscal year ended December 31, 2017:



Program Expenses:

Total expenses for all programs in 2017 were \$32 million. The expenses reflect the delivery of a wide range of services with the largest being public safety at 46.5%. The second largest program area was culture and recreation at 17.1%, public works (highways and streets) at 15.9%, followed by general government at 14.0%, public works (sanitation) at 5% and conservation and development at 1.5%.

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2017:



Even though there was an increase in net position in 2017 (\$6,732,358) from 2016 (\$5,990,546) of \$741,812, this was less of an increase from 2015 due to recognition of pension and OPEB liabilities on the balance sheet as mentioned above.

The revenue increase of \$1,213,092 or 3.8% was mainly due to increased efforts of collections of current and more importantly delinquent business privilege and mercantile taxes.

The expenses increased from the prior year by \$1,218,957 or 3.9%. The largest increase was due to the continued increase in pension and other post-employment benefits costs.

Net Program Expenses/Revenues:

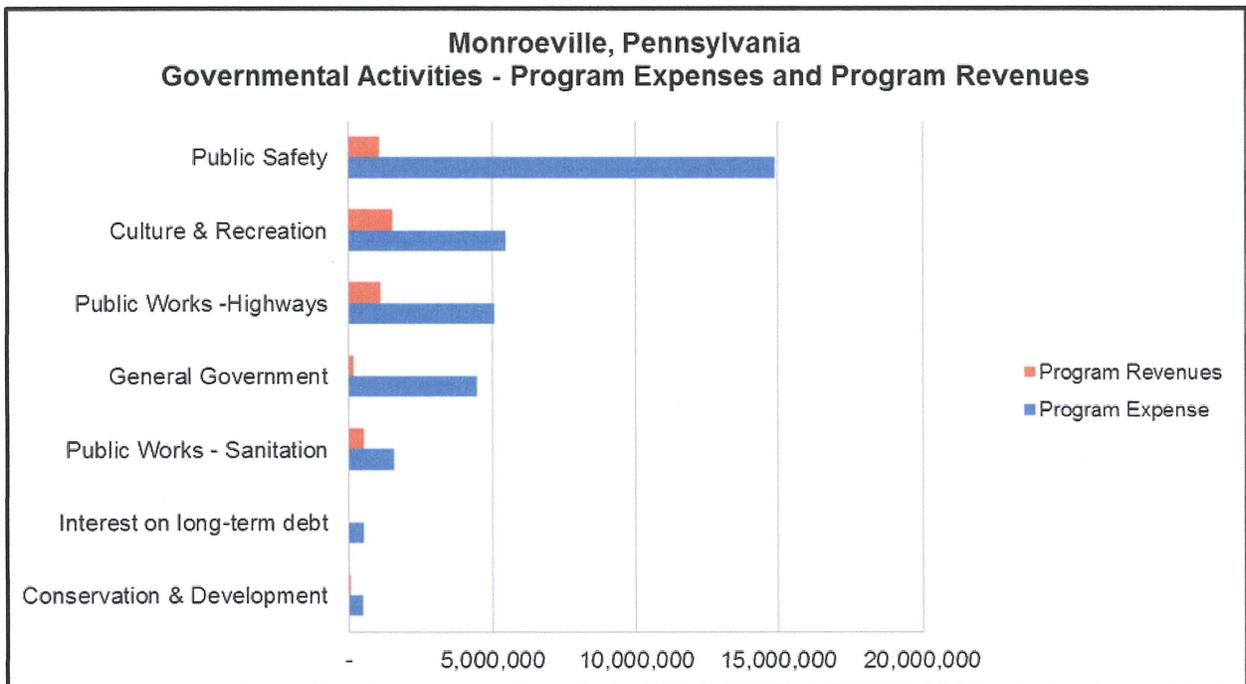
Net program expenses/revenues indicates the amount of support required from taxes and other general revenues for the year. The following table details the change between years:

Net Program Expense/Revenues

| Primary Government: | 2017 | 2016 | Inc(Dec) |
|----------------------------|------------------------|------------------------|---------------------|
| General Government | \$ (4,297,514) | \$ (4,051,834) | \$ 245,680 |
| Public Safety | (13,802,477) | (13,034,168) | 768,309 |
| Public Works -Highways | (3,945,663) | (3,939,255) | 6,408 |
| Public Works - Sanitation | (1,057,385) | (1,071,281) | (13,896) |
| Culture & Recreation | (3,917,276) | (3,685,140) | 232,136 |
| Conservation & Development | (421,965) | (465,824) | (43,859) |
| Interest on long-term debt | (522,580) | (607,209) | (84,629) |
| Total Net Expenses | \$ (27,964,860) | \$ (26,854,711) | \$ 1,110,149 |

Public safety expenses required the most general revenue for support, requiring \$13.8 million in 2017. General government required \$4.3 million, while public works required \$5 million in general revenues, culture and recreation required \$3.9 million, and all others required \$.9 million.

The following chart graphically depicts the net program expenses/revenues by function/program for the fiscal year ended December 31, 2017:



FINANCIAL ANALYSIS OF THE MUNICIPALITY'S FUNDS

As the Municipality completed the year, its governmental funds reported a combined fund balance of \$16.6 million of which \$14.3 million is the general fund, \$1.6 million is in the 2014 Capital Improvement Fund, and \$.7 million is for all other governmental funds. This represents an increase of \$3,454,408 from 2016. Of this combined fund balance total, \$13.5 million or 81.3% 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 committed to fund capital projects (\$1.6 million) and other special revenue funds.

The general fund fund balance increased by \$3,785,171 due to the increase in both current and delinquent business privilege and mercantile taxes collected from the prior year and from amounts anticipated.

The 2014 Capital Improvement Fund reported an increase in fund balance of \$11,193. This was anticipated as capital projects and capital purchases were completed in 2017 with the funds that had been committed for these items.

General Fund Budgetary Highlights

The budgetary results of 2017 demonstrate that the Municipality has been able to fund operations and capital items mostly through current revenues. The chart below shows the operating results of General Fund for 2017:

| | Final Budget | Actual | Variance (Unfavorable) |
|---|-----------------------|---------------------|-----------------------------------|
| Revenues | \$ 30,010,606 | \$ 32,122,106 | \$ 2,111,500 |
| Expenditures | 30,211,718 | 27,409,962 | 2,801,756 |
| Excess of Revenues Over Expenditures | (201,112) | 4,712,144 | 4,913,256 |
| Transfers, net and other sources | (1,000,000) | (926,973) | 73,027 |
| Net change in fund balance from operations | <u>\$ (1,201,112)</u> | <u>\$ 3,785,171</u> | <u>\$ 4,986,283</u> |

The proposed usage of fund balance for the 2017 budget was \$1,201,112 to support 2017 operations and capital projects. The year ended with an increase in fund balance thus avoiding any use of fund balance.

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

The most significant positive changes in revenues was due to higher than expected real estate transfer tax because of the sale of the Miracle Mile Shopping Center and continued collections effort in mercantile and business privilege taxes. Real estate transfer tax came in at 188% above budget or \$749,497, while mercantile and business privilege were a combined \$1,089,099. Additionally, earned income taxes were \$474,330 higher than budgeted.

Expenditure budget had a few material variances. The most significant was an OPEB contribution was budgeted in total at \$1,079,704 and not made including \$715,416 to public safety. Payroll and overtime were also under budget in police patrol by \$291,750. Public works - highways is under budget because the winter snow removal expenditures were budgeted at \$654,495 and street lighting was budgeted at \$310,000 but were expended in the Highway Aid Fund. The positive variances were \$563,414 and \$311,335, respectively.

OTHER FUNDS

Capital Project Fund

The Capital Project Fund accounts for funds provided by the Municipality, most frequently from General Fund transfers or bond proceeds. The most significant capital expenditures in 2017 were \$811,278 for vehicle additions. \$426,325 went to public works and sanitation vehicles, \$118,611 for police vehicles, and \$266,342 for the final payment on a command unit for the fire company purchased in 2016. Additionally, the municipality spent \$436,672 on road repairs.

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, 2017 and 2016:

| | 2017 | 2016 |
|---|----------------------|----------------------|
| Capital assets, not being depreciated: | | |
| Land | \$ 8,219,765 | \$ 8,219,765 |
| Capital assets being depreciated: | | |
| Land Improvements | 9,862,494 | 9,862,494 |
| Building and improvements | 13,384,489 | 13,384,489 |
| Machinery and equipment | 5,693,980 | 5,489,139 |
| Vehicles | 14,268,765 | 13,572,810 |
| Infrastructure | 23,255,199 | 23,054,637 |
| Total capital assets being depreciated | 66,464,927 | 65,363,569 |
| Less accumulated depreciation for: | | |
| Land Improvements | (5,866,637) | (5,446,964) |
| Building and improvements | (7,599,496) | (7,232,900) |
| Machinery and equipment | (4,659,690) | (4,390,928) |
| Vehicles | (8,279,202) | (7,489,423) |
| Infrastructure | (16,910,294) | (16,048,174) |
| Total accumulated depreciation | (43,315,319) | (40,608,389) |
| Total | \$ 31,369,373 | \$ 32,974,945 |

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

Long-term Debt

On December 31, 2017 the Municipality had \$16.7 million of debt outstanding. This represents a decrease of \$2,605,000 or 13.5%, from the previous year. The following details activity related to general obligation bonds during 2017:

Summary of General Obligation Bond Activity

| | |
|------------------------------|----------------------|
| Balance at January 1, 2017 | \$ 19,325,000 |
| Retirement | 10,490,000 |
| Additions | 7,885,000 |
| Balance at December 31, 2017 | <u>\$ 16,720,000</u> |

Other long term obligation includes compensated absences payable and capital leases payable. The Municipality at December 31, 2017 has \$1.1 million in capital leases payable.

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

TRUST AND AGENCY OPERATIONS

Pension Trust Funds and Other Employer Benefit Trust Funds

Monroeville has two pension plans – general employees and police and in 2009 created an OPEB Trust Fund. Municipal involvement in the administration of the police pension plan is the establishment of the investment policy and the calculation of benefits for retirees, which are then paid by the trustee. During 2017, Police Pension Plan net assets increased \$3,884,970 to \$44,267,602, and the OPEB Trust Fund assets decreased \$466,626 to \$3,659,529.

During 2017, employer contributions were required for both the pension plans in the amount of \$3,373,827. In the non-uniform employees and police pension plans, the net pension liability was \$6,796,329 and \$8,963,966, 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

Moody's Investor Service continues a bond rating of Aa3 for the Municipality. This positive outlook reflects Moody's view that the Municipality's positive financial trend will continue over the near term. More detailed information about the Municipality's general long-term debt activity can be found in Note 6 and 7 of the notes to financial statements.

CONTACTING THE MUNICIPALITY'S FINANCIAL MANAGEMENT

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

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

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BASIC FINANCIAL STATEMENTS

Municipality of Monroeville
Statement of Net Position
December 31, 2017

| | <u>Primary Government</u> | <u>Component Unit</u> |
|--|----------------------------|-----------------------------------|
| | Governmental Activities | Convention Visitor's Bureau |
| ASSETS | | |
| Cash and Cash Equivalents | \$ 13,690,469 | \$610,996 |
| Investments | 103,416 | - |
| Due from Component Unit | 78,273 | - |
| Receivables (Net, Where Applicable of Allowance for Uncollectibles) | | |
| Taxes | 2,548,061 | - |
| Due from Other Governments | 431,122 | 159,190 |
| Other | 2,747,562 | - |
| Prepaid Items | 54,750 | 4,220 |
| Land | 8,219,765 | - |
| Capital Assets, Net of Accumulated Depreciation | 16,804,703 | 208,071 |
| Infrastructure Assets, Net of Accumulated Depreciation | <u>6,344,905</u> | <u>-</u> |
| TOTAL ASSETS | <u>51,023,026</u> | <u>982,477</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Charge on Refunding | 283,014 | - |
| Amounts Related to Pensions | <u>7,421,084</u> | <u>-</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>7,704,098</u> | <u>-</u> |
| LIABILITIES | | |
| Due to Primary Government | - | 78,273 |
| Accounts Payable | 563,148 | - |
| Accrued Salaries and Benefits | 348,523 | - |
| Payroll Deductions and Withholdings | 6,717 | - |
| Returnable Deposits | 170,743 | - |
| Accrued Interest Payable | 57,787 | - |
| Noncurrent Liabilities | | |
| Due Within One Year | 3,016,221 | - |
| Due in More Than One Year | | |
| Bonds Payable | 14,530,207 | - |
| Capital Leases Payable | 839,562 | - |
| Compensated Absences | 839,078 | - |
| Net Other Post-Employment Benefit Obligation | 13,919,719 | - |
| Net Pension Liability | <u>15,760,295</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>50,052,000</u> | <u>78,273</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Amounts Related to Pensions | <u>1,942,766</u> | <u>-</u> |
| NET POSITION | | |
| Net Investment in Capital Assets | 13,310,559 | - |
| Restricted for: | | |
| Highways and Streets | 40,092 | - |
| Public Safety | 248,477 | - |
| Unrestricted | <u>(6,866,770)</u> | <u>904,204</u> |
| TOTAL NET POSITION | <u>\$ 6,732,358</u> | <u>\$904,204</u> |

See Accompanying Notes

Municipality of Monroeville
Statement of Activities
Year Ended December 31, 2017

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | |
|--|---------------------|-------------------------|--|--|---|
| | | Charges for Services | Operating Grants and Contributions | Primary Gov't. Govern- mental Activities | Component Unit Convention Visitor's Bureau |
| Governmental Activities | | | | | |
| General Government | \$ 4,464,086 | \$ 75,803 | \$ 90,769 | \$ (4,297,514) | \$ - |
| Public Safety | 14,886,812 | 431,322 | 653,013 | (13,802,477) | - |
| Public Works - Sanitation | 1,610,152 | 438,630 | 114,137 | (1,057,385) | - |
| Public Works - Highways | 5,090,065 | 37,470 | 1,106,932 | (3,945,663) | - |
| Culture - Recreation | 5,479,581 | 1,004,888 | 557,417 | (3,917,276) | - |
| Conservation and Development | 479,846 | 48,804 | 9,077 | (421,965) | - |
| Interest on Long-Term Debt | <u>522,580</u> | <u>-</u> | <u>-</u> | <u>(522,580)</u> | <u>-</u> |
| Total Governmental Activities | <u>\$32,533,122</u> | <u>\$2,036,917</u> | <u>\$2,531,345</u> | <u>(27,964,860)</u> | <u>-</u> |
| Component Unit | | | | | |
| Convention Visitor's Bureau | <u>\$ 790,553</u> | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>(790,553)</u> |
| General Revenues | | | | | |
| Taxes | | | | | |
| Property Taxes Levied for General Purposes, Net | | | | 9,037,409 | - |
| Earned Income Taxes | | | | 7,633,309 | - |
| Business Privilege Taxes | | | | 3,988,961 | - |
| Mercantile Taxes | | | | 3,920,938 | - |
| Local Services Taxes | | | | 1,167,100 | - |
| Real Estate Transfer Taxes | | | | 1,599,437 | - |
| Hotel/Motel and Gaming Fund Taxes | | | | - | 610,829 |
| Other Taxes Levied for General Purposes, Net | | | | 965,350 | - |
| Grants, Subsidies and Contributions not Restricted | | | | 246,440 | - |
| Investment Earnings | | | | 76,825 | 6,296 |
| Miscellaneous Income | | | | <u>70,903</u> | <u>18,881</u> |
| Total General Revenues | | | | <u>28,706,672</u> | <u>636,006</u> |
| Changes in Net Position | | | | 741,812 | (154,547) |
| Net Position - January 1, 2017 | | | | <u>5,990,546</u> | <u>1,058,751</u> |
| Net Position - December 31, 2017 | | | | <u>\$ 6,732,358</u> | <u>\$ 904,204</u> |

See Accompanying Notes

Municipality of Monroeville
Balance Sheet
Governmental Funds
December 31, 2017

| | General Fund | Other Governmental Funds | Total Governmental Funds |
|---|----------------------------|--------------------------------|--------------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$11,626,660 | \$2,063,809 | \$13,690,469 |
| Investments | 103,416 | - | 103,416 |
| Taxes Receivable, Net | 2,548,061 | - | 2,548,061 |
| Due from Other Funds | 182,020 | 194,976 | 376,996 |
| Due from Other Governments | 233,122 | 198,000 | 431,122 |
| Due from Component Units | 78,273 | - | 78,273 |
| Other Receivables (Net, Where Applicable of Allowance for Uncollectibles) | 2,747,562 | - | 2,747,562 |
| Prepaid Items | <u>54,750</u> | <u>-</u> | <u>54,750</u> |
| TOTAL ASSETS | <u>\$17,573,864</u> | <u>\$2,456,785</u> | <u>\$20,030,649</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities | | | |
| Due to Other Funds | \$ 194,976 | \$ 182,020 | \$ 376,996 |
| Accounts Payable | 544,976 | 18,172 | 563,148 |
| Accrued Salaries and Benefits | 348,523 | - | 348,523 |
| Payroll Deductions and Withholdings | 6,717 | - | 6,717 |
| Returnable Deposits | <u>170,743</u> | <u>-</u> | <u>170,743</u> |
| Total Liabilities | <u>1,265,935</u> | <u>200,192</u> | <u>1,466,127</u> |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue - Property Taxes | <u>1,961,186</u> | <u>-</u> | <u>1,961,186</u> |
| Fund Balances | | | |
| Nonspendable | 54,750 | - | 54,750 |
| Restricted | - | 288,569 | 288,569 |
| Committed | 94,597 | 1,968,024 | 2,062,621 |
| Assigned | 700,263 | - | 700,263 |
| Unassigned | <u>13,497,133</u> | <u>-</u> | <u>13,497,133</u> |
| Total Fund Balances | <u>14,346,743</u> | <u>2,256,593</u> | <u>16,603,336</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$17,573,864</u> | <u>\$2,456,785</u> | <u>\$20,030,649</u> |

See Accompanying Notes

Municipality of Monroeville
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2017

Total Fund Balances - Governmental Funds \$ 16,603,336

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 \$74,684,692, and the accumulated depreciation is \$43,315,319. 31,369,373

Property tax receivables are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the funds. 1,961,186

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. (262,193)

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 | \$(16,720,000) | |
| Capital Leases Payable | (1,076,621) | |
| Accrued Interest on the Bonds | (57,787) | |
| Compensated Absences | (883,240) | |
| Other Post-Employment Benefits | <u>(13,919,719)</u> | (32,657,367) |

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 | | (15,760,295) |
|-----------------------|--|--------------|

Municipality of Monroeville
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2017

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 | \$ 7,421,084 | |
| Deferred Inflows of Resources Related to Pensions | <u>(1,942,766)</u> | \$ <u>5,478,318</u> |
| Total Net Position - Governmental Activities | | \$ <u><u>6,732,358</u></u> |

See Accompanying Notes

Municipality of Monroeville
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended December 31, 2017

| | General Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--------------------------------|--------------------------------|
| Revenues | | | |
| Taxes | \$28,273,021 | \$ - | \$28,273,021 |
| Licenses and Permits | 1,371,775 | - | 1,371,775 |
| Fines and Forfeits | 94,475 | - | 94,475 |
| Interest, Rents and Royalties | 90,500 | 33,767 | 124,267 |
| Intergovernmental | 1,679,610 | 1,034,618 | 2,714,228 |
| Charges for Services | 570,667 | - | 570,667 |
| Miscellaneous | <u>42,058</u> | <u>1,500</u> | <u>43,558</u> |
| Total Revenues | <u>32,122,106</u> | <u>1,069,885</u> | <u>33,191,991</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | 3,162,531 | 125,118 | 3,287,649 |
| Public Safety | 11,652,960 | - | 11,652,960 |
| Public Works - Sanitation | 1,226,511 | - | 1,226,511 |
| Public Works - Highways | 2,540,214 | 826,146 | 3,366,360 |
| Culture - Recreation | 4,063,899 | - | 4,063,899 |
| Conservation and Development | 393,628 | - | 393,628 |
| Insurance Premiums | 1,209,074 | - | 1,209,074 |
| Debt Service: | | | |
| Principal | 2,665,000 | 303,415 | 2,968,415 |
| Interest | 496,145 | 30,393 | 526,538 |
| Capital Outlay | <u>-</u> | <u>1,421,327</u> | <u>1,421,327</u> |
| Total Expenditures | <u>27,409,962</u> | <u>2,706,399</u> | <u>30,116,361</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>4,712,144</u> | <u>(1,636,514)</u> | <u>3,075,630</u> |
| Other Financing Sources (Uses) | | | |
| Issuance of Refunding Bonds | - | 7,885,000 | 7,885,000 |
| Premium on Bonds Issued | - | 303,672 | 303,672 |
| Transfers In | 199,567 | 2,479,942 | 2,679,509 |
| Sale of Capital Assets | 23,460 | - | 23,460 |
| Payment to Refunded Bond Escrow Agent | - | (7,833,354) | (7,833,354) |
| Transfers Out | <u>(1,150,000)</u> | <u>(1,529,509)</u> | <u>(2,679,509)</u> |
| Total Other Financing Sources (Uses) | <u>(926,973)</u> | <u>1,305,751</u> | <u>378,778</u> |
| Net Changes in Fund Balances | 3,785,171 | (330,763) | 3,454,408 |
| Fund Balances - January 1, 2017 | <u>10,561,572</u> | <u>2,587,356</u> | <u>13,148,928</u> |
| Fund Balances - December 31, 2017 | <u>\$14,346,743</u> | <u>\$ 2,256,593</u> | <u>\$16,603,336</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, 2017**

Total Net Change in Fund Balances - Governmental Funds \$ 3,454,408

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 | \$(2,847,156) | |
| Capital Outlays | 1,244,430 | |
| Net Book Value of Assets Retired | <u>(2,846)</u> | (1,605,572) |

Property tax revenues that do not provide current financial resources are not reported as revenues in the funds. 59,483

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. 2,968,415

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balances. In the government-wide financial statements, however, issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities. The proceeds were: (7,885,000)

The Municipality's bonded debt was also reduced by a current refunding of debt. Resources of (\$7,833,354) was paid to the escrow agent for the current refunding of outstanding bonds (\$7,825,000). The difference between those amounts was \$8,354 and will be amortized as an adjustment of interest expense in the statement of activities over the remaining life of the new debt. 7,833,354

**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, 2017**

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 | \$ 8,431 | |
| Net Other Post-Employment Benefit Obligation | <u>(2,925,381)</u> | \$(2,916,950) |

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. (866,612)

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 | | 10,685 |
|---|--|--------|

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 | (303,672) | |
| Amortization of Deferred Loss on Refunding and Bond Premium | <u>(6,727)</u> | <u>(310,399)</u> |

| | | |
|---|--|-------------------|
| Change in Net Position of Governmental Activities | | \$ <u>741,812</u> |
|---|--|-------------------|

See Accompanying Notes

Municipality of Monroeville
Statement of Revenues, Expenditures
and Changes in Fund Balance
General Fund
Budget and Actual
Year Ended December 31, 2017

| | <u>Budgeted Amounts</u> | | Actual (Budgetary Basis) | Variance with Final Budget Positive Negative (Negative) |
|---|-------------------------|----------------------|--------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$25,514,800 | \$25,514,800 | \$28,273,021 | \$2,758,221 |
| Licenses and Permits | 1,362,000 | 1,362,000 | 1,371,775 | 9,775 |
| Fines and Forfeits | 106,500 | 106,500 | 94,475 | (12,025) |
| Interest, Rents and Royalties | 23,200 | 23,200 | 90,500 | 67,300 |
| Intergovernmental | 2,414,768 | 2,414,768 | 1,679,610 | (735,158) |
| Charges for Services | 580,338 | 580,338 | 570,667 | (9,671) |
| Miscellaneous | <u>9,000</u> | <u>9,000</u> | <u>42,058</u> | <u>33,058</u> |
| Total Revenues | <u>30,010,606</u> | <u>30,010,606</u> | <u>32,122,106</u> | <u>2,111,500</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 3,316,212 | 3,316,557 | 3,162,531 | 154,026 |
| Public Safety | 12,694,987 | 12,694,642 | 11,652,960 | 1,041,682 |
| Public Works - Sanitation | 1,283,484 | 1,283,484 | 1,226,511 | 56,973 |
| Public Works - Highways | 3,565,783 | 3,565,783 | 2,540,214 | 1,025,569 |
| Culture - Recreation | 4,189,346 | 4,189,346 | 4,063,899 | 125,447 |
| Conservation and Development | 561,512 | 561,512 | 393,628 | 167,884 |
| Insurance Premiums | 1,430,000 | 1,430,000 | 1,209,074 | 220,926 |
| Debt Service: | | | | |
| Principal | 2,665,000 | 2,665,000 | 2,665,000 | - |
| Interest | <u>505,394</u> | <u>505,394</u> | <u>496,145</u> | <u>9,249</u> |
| Total Expenditures | <u>30,211,718</u> | <u>30,211,718</u> | <u>27,409,962</u> | <u>2,801,756</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(201,112)</u> | <u>(201,112)</u> | <u>4,712,144</u> | <u>4,913,256</u> |
| Other Financing Sources (Uses) | | | | |
| Sale/Compensation for Capital Assets | - | - | 23,460 | 23,460 |
| Transfers In | - | - | 199,567 | 199,567 |
| Transfers Out | <u>(1,000,000)</u> | <u>(1,000,000)</u> | <u>(1,150,000)</u> | <u>(150,000)</u> |
| Total Other Financing Sources (Uses) | <u>(1,000,000)</u> | <u>(1,000,000)</u> | <u>(926,973)</u> | <u>73,027</u> |
| Net Change in Fund Balance | <u>\$(1,201,112)</u> | <u>\$(1,201,112)</u> | <u>\$ 3,785,171</u> | <u>\$4,986,283</u> |

See Accompanying Notes

Municipality of Monroeville
Statement of Net Position
Fiduciary Funds
December 31, 2017

| | Pension and Other Employee Benefit Trust Funds |
|--|--|
| ASSETS | |
| Cash and Cash Equivalents | \$ 1,278,817 |
| Investments | |
| Equities | 10,229,530 |
| Mutual Funds | 19,705,209 |
| Municipal Bonds | 7,238,131 |
| Corporate Bonds | 11,659,950 |
| Other Receivables | <u>175,711</u> |
| TOTAL ASSETS | <u>50,287,348</u> |
| LIABILITIES | |
| Accounts Payable | <u>2,360,217</u> |
| NET POSITION | |
| Net Position Restricted for Pensions | 44,267,602 |
| Net Position Held in Trust for OPEB Benefits | <u>3,659,529</u> |
| TOTAL NET POSITION | <u>\$47,927,131</u> |

See Accompanying Notes

Municipality of Monroeville
Statement of Changes in Net Position
Fiduciary Funds
Year Ended December 31, 2017

| | Pension and Other Employee Benefit Trust Funds |
|---|--|
| Additions | |
| Contributions | |
| Employer | \$ 2,157,350 |
| Plan Members | <u>276,916</u> |
| Total Contributions | <u>2,434,266</u> |
| Investment Income | |
| Net Appreciation (Depreciation) in Fair Value of Investments | 3,804,479 |
| Interest and Dividends | <u>1,424,786</u> |
| | 5,229,265 |
| Less Investment Expense | <u>(305,237)</u> |
| Net Investment Income | <u>4,924,028</u> |
| Total Additions | <u>7,358,294</u> |
| Deductions | |
| Benefits | 3,928,612 |
| Administrative Expenses | <u>11,338</u> |
| Total Deductions | <u>3,939,950</u> |
| Net Increase in Net Position | 3,418,344 |
| Plan Net Position | |
| Beginning of Year | <u>44,508,787</u> |
| End of Year | <u>\$47,927,131</u> |

See Accompanying Notes

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

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, 2017

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, 2017

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 fund:

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.

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.

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.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

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

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

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 revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

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

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

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, 2017

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

G. Investments

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

H. Capital Assets

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

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

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

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

Depreciation expense is allocated among the expense program functions.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government 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, 2017

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

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

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

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

K. Budgets and Budgetary Accounting (Cont'd)

development agreement that funded the project. The 2007, 2010, 2011, 2012, and 2014 Capital Improvements Funds and the Public Safety Communication Fund are governed by the debt, lease agreements and/or resolutions that funded those projects. The Debt Service Fund is governed by the debt agreements issued. Regarding the discrete component unit, it passes a "flexible budget" which is not a legally appropriated operating budget.

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

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

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 no supplemental appropriations in 2017. 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.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

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

L. Equity Classifications

Government-Wide Statements

Net position is divided into three components:

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, 2017**

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 \$54,750 in the general fund is for prepaid items.

The purpose of the restricted, committed and assigned fund balances as of December 31, 2017, is as follows:

| | General Fund | Nonmajor Funds |
|--|-----------------|-------------------|
| <u>Restricted Fund Balance</u> | | |
| Highway Maintenance, Rebuilding & Const. | \$ - | \$ 40,092 |
| Police Capital Purchases | _____ - | _____ 248,477 |
| | \$ _____ - | \$ _____ 288,569 |

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2017**

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

L. Equity Classifications (Cont'd)

Fund Statements (Cont'd)

| | General Fund | Nonmajor Funds |
|-------------------------------------|------------------|--------------------|
| <u>Committed Fund Balance</u> | | |
| Flood Maintenance | \$ 22,803 | \$ - |
| Fire Vehicle | 71,794 | - |
| Sidewalk Improvements | - | 2,750 |
| Northern Pike Roadway Improvements | - | 151,934 |
| Future Capital Projects & Purchases | - | <u>1,813,340</u> |
| | <u>\$ 94,597</u> | <u>\$1,968,024</u> |
| <u>Assigned Fund Balance</u> | | |
| Public Access Television | \$200,000 | \$ - |
| Traffic Signals | 15,000 | - |
| Public Library | <u>485,263</u> | - |
| | <u>\$700,263</u> | <u>\$ -</u> |

M. Prepaid Items

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

Note 2 - Deposits and Investments

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

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

Note 2 - Deposits and Investments (Cont'd)

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

The deposit and investment policy of the Municipality adheres to state statutes and prudent business practice. Investments are reported at fair value. Fair value is based on quoted market prices. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. There were no deposit or investment transactions during the year that were in violation of either their state statutes or the policy of the Municipality.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in an event of a bank failure, the government's deposits may not be returned to it. The Municipality nor its component units do not have a deposit policy for custodial credit risk. Deposits in excess of amounts covered by the Federal Deposit Insurance Corporation are collateralized in accordance with Act 72 of 1971 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governments and have the collateral held by an approved custodian in the institution's name. As of December 31, 2017, \$6,101,003 of the Municipality's bank balance of \$11,631,176 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging

| | |
|---|--------------------|
| Bank's Agent not in the Municipality's Name | <u>\$6,101,003</u> |
|---|--------------------|

As of December 31, 2017, none of the component unit's bank balances were exposed to custodial credit risk.

As of December 31, 2017, 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 | \$ 2,545,279 | |
| Dreyfus Cash Management | 1,244,303 | |
| Federated Government Obligation Fund | 34,514 | |
| Common Stock | 10,229,530 | |
| Mutual Funds | 19,808,625 | |
| Municipal Bonds | 7,238,131 | 5.44 |

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2017**

Note 2 - Deposits and Investments (Cont'd)

Custodial Credit Risk - Deposits (Cont'd)

| Investment Type | Fair Value | Weighted Average Maturity (Years) |
|--|---------------------|--------------------------------------|
| Corporate Bonds | <u>\$11,659,950</u> | 3.10 |
| Totals | <u>\$52,760,332</u> | |
| Portfolio Weighted Average Maturity | | 3.99 |

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

Of the total investments above, \$44,091,891 and \$6,019,746 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 | \$2,545,279 | AAAm | \$2,545,279 |
| Dreyfus Cash Management | NR | 1,244,303 | AAAm | 1,244,303 |
| Federated Government Obligation Fund | NR | 34,514 | AAAm | 34,514 |

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

Note 2 - Deposits and Investments (Cont'd)

Investments (Cont'd)

| | Moody's | | S & P | |
|-----------------|---------|-------------|---------|-------------|
| | Ratings | Value | Ratings | Value |
| Corporate Bonds | | | | |
| | A | \$3,302,215 | A | \$1,493,996 |
| | B | 260,000 | AA | 258,172 |
| | BAA | 7,346,538 | B | 260,000 |
| | NR | 751,197 | BB | 416,550 |
| | | | BBB | 8,718,377 |
| | | | NR | 512,855 |
| Municipal Bonds | | | | |
| | A | 1,390,778 | A | 1,553,337 |
| | AA | 2,545,146 | AA | 3,678,645 |
| | AAA | 527,084 | AAA | 989,306 |
| | BAA | 386,463 | BBB | 386,463 |
| | NR | 2,388,660 | NR | 630,380 |

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, 2017, was \$610,996 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. The fund is a local government investment pool and is exempt from the requirement of SEC's Rule 2(a)7 of the Investment Company Act of 1940. The fund measures for financial reporting purposes its assets at amortized cost and maintains a stable net asset value of \$1 per

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2017**

Note 2 - Deposits and Investments (Cont'd)

Investments (Cont'd)

share. Accordingly, the fair value of the position in PLGIT is the same as the value of the PLGIT shares. There are no limitations or restrictions on withdrawals.

The Municipality categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Municipality has the following recurring fair value measurements as of December 31, 2017:

| Investments by Fair Value Level | Totals | Fair Value Measurements | | |
|---------------------------------|---------------------|-------------------------|-------------|-------------|
| | | Level 1 | Level 2 | Level 3 |
| Fixed Income: | | | | |
| Corporate Bonds | \$11,659,950 | \$11,659,950 | \$ - | \$ - |
| Municipal Bonds | <u>7,238,131</u> | <u>7,238,131</u> | <u>-</u> | <u>-</u> |
| Total Debt Securities | <u>18,898,081</u> | <u>18,898,081</u> | <u>-</u> | <u>-</u> |
| Mutual Funds | 19,808,625 | 19,808,625 | - | - |
| Equity Securities | <u>10,229,530</u> | <u>10,229,530</u> | <u>-</u> | <u>-</u> |
| Total Investments | <u>\$48,936,236</u> | <u>\$48,936,236</u> | <u>\$ -</u> | <u>\$ -</u> |

Note 3 - Property Taxes

The Municipality is permitted by the Home Rule Charter and the State of Pennsylvania to levy property taxes at the Municipality's discretion as considered necessary for general government services or payment of principal and interest on long-term debt. The tax rate to finance general government services for the year ended December 31, 2017, 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, 2017, total property taxes receivable, including delinquent and lienied, is reported net of \$122,497 which has been provided as uncollectible.

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2017**

Note 3 - Property Taxes (Cont'd)

The property tax calendar for 2017 was as follows:

| | |
|--|-----------------------------|
| 2017 Millage Rate Adopted | January 15, 2017 |
| 2017 Bills Dated | March 1, 2017 |
| 2017 Two Percent Discount Period Ended | April 30, 2017 |
| 2017 Face Payment Period | May 1, 2017 - June 30, 2017 |
| 2017 10% Penalty Period | July 1, 2017 Until Liened |
| 2016 Delinquent Property Tax Bills Liened | July 1, 2017 |
| 2017 Property Taxes not paid to be Declared Delinquent | February 28, 2018 |

Note 4 - Other Receivables

Other receivables consist of the following items:

| | <u>General Fund</u> |
|--------------------------|-------------------------|
| Host Municipality Fees | \$ 100,586 |
| Cable TV Franchise Fees | 162,529 |
| Public Safety | 111,662 |
| Public Works | 4,527 |
| Health Insurance Premium | 2,360,218 |
| Miscellaneous | <u>8,040</u> |
| | <u>\$2,747,562</u> |

Note 5 - Capital Assets

Governmental activities capital asset activity for the year ended December 31, 2017 was as follows:

| | Balance 01/01/17 | Additions | Disposals | Balance 12/31/17 |
|---|---------------------|------------|------------|---------------------|
| Governmental Activities Capital Assets, Not Being Depreciated | | | | |
| Land | \$ <u>8,219,765</u> | \$ _____ - | \$ _____ - | \$ <u>8,219,765</u> |

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

Note 5 - Capital Assets (Cont'd)

| | Balance 01/01/17 | Additions | Disposals | Balance 12/31/17 |
|---|---------------------|----------------------|-----------------|---------------------|
| Governmental Activities (Cont'd) | | | | |
| Capital Assets, Being Depreciated | | | | |
| Land Improvements | \$ 9,862,494 | \$ - | \$ - | \$ 9,862,494 |
| Buildings and Building Improvements | 13,384,489 | - | - | 13,384,489 |
| Machinery and Equipment | 5,489,139 | 232,590 | 27,749 | 5,693,980 |
| Vehicles | 13,572,810 | 811,278 | 115,323 | 14,268,765 |
| Infrastructure | <u>23,054,637</u> | <u>200,562</u> | <u>-</u> | <u>23,255,199</u> |
| Total Capital Assets, Being Depreciated | <u>65,363,569</u> | <u>1,244,430</u> | <u>143,072</u> | <u>66,464,927</u> |
| Less Accumulated Depreciation | | | | |
| Land Improvements | 5,446,964 | 419,673 | - | 5,866,637 |
| Buildings and Building Improvements | 7,232,900 | 366,596 | - | 7,599,496 |
| Machinery and Equipment | 4,390,928 | 295,542 | 26,780 | 4,659,690 |
| Vehicles | 7,489,423 | 903,225 | 113,446 | 8,279,202 |
| Infrastructure | <u>16,048,174</u> | <u>862,120</u> | <u>-</u> | <u>16,910,294</u> |
| Total Accumulated Depreciation | <u>40,608,389</u> | <u>2,847,156</u> | <u>140,226</u> | <u>43,315,319</u> |
| Total Capital Assets Being Depreciated, Net | <u>24,755,180</u> | <u>(1,602,726)</u> | <u>2,846</u> | <u>23,149,608</u> |
| Governmental Activities | | | | |
| Capital Assets, Net | <u>\$32,974,945</u> | <u>\$(1,602,726)</u> | <u>\$ 2,846</u> | <u>\$31,369,373</u> |

Depreciation expense was charged to functions/programs as follows:

| | |
|------------------------------|--------------------|
| General Government | \$ 161,250 |
| Public Safety | 836,787 |
| Sanitation | 106,578 |
| Public Works | 1,039,835 |
| Culture - Recreation | 700,851 |
| Conservation and Development | <u>1,855</u> |
| Total Depreciation Expense | <u>\$2,847,156</u> |

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

Note 5 - Capital Assets (Cont'd)

Component units capital asset activity for the year ended December 31, 2017, was as follows:

| | Balance 01/01/17 | Additions | Disposals | Balance 12/31/17 |
|--|---------------------|-------------------|-------------|---------------------|
| Component Units | | | | |
| Capital Assets, Being Depreciated | | | | |
| Furniture and Equipment | \$376,681 | \$ - | \$ - | \$376,681 |
| Less Accumulated Depreciation | | | | |
| Furniture and Equipment | <u>139,564</u> | <u>29,046</u> | <u>-</u> | <u>168,610</u> |
| Component Units Capital Assets, Net | <u>\$237,117</u> | <u>\$(29,046)</u> | <u>\$ -</u> | <u>\$208,071</u> |

Note 6 - Bonds Payable and Other Long-Term Liabilities

The following summarizes the Municipality's long-term debt transactions for the year ended December 31, 2017:

| | Balance 01/01/17 | Additions | Retirements | Defeased | Balance 12/31/17 | Due Within One Year |
|--|---------------------|--------------------|--------------------|--------------------|---------------------|------------------------|
| Governmental Activities | | | | | | |
| General Obligation Bonds | \$19,325,000 | \$7,885,000 | \$2,665,000 | \$7,825,000 | \$16,720,000 | \$2,735,000 |
| Plus Bond Premium | <u>401,528</u> | <u>303,672</u> | <u>159,993</u> | <u>-</u> | <u>545,207</u> | <u>-</u> |
| Total Bonds Payable | <u>19,726,528</u> | <u>8,188,672</u> | <u>2,824,993</u> | <u>7,825,000</u> | <u>17,265,207</u> | <u>2,735,000</u> |
| Capital Leases Payable | 1,380,036 | - | 303,415 | - | 1,076,621 | 237,059 |
| Compensated Absences Payable | <u>891,671</u> | <u>13,702</u> | <u>22,133</u> | <u>-</u> | <u>883,240</u> | <u>44,162</u> |
| Governmental Activities Long-Term Liabilities | <u>\$21,998,235</u> | <u>\$8,202,374</u> | <u>\$3,150,541</u> | <u>\$7,825,000</u> | <u>\$19,225,068</u> | <u>\$3,016,221</u> |

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2017**

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

Bonds payable at December 31, 2017 are composed of the following issues:

General Obligation Bonds

| | |
|--|---------------------|
| 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. | \$ 705,000 |
| 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. | 8,130,000 |
| Series 2017 - \$7,885,000; refunding nontaxable due in annual installments on June 1 through 2022; ranging from \$95,000 to \$2,470,000; interest (at rates ranging from 2.0% to 3.0%) is payable semi-annually on June 1 and December 1. | <u>7,885,000</u> |
| | <u>\$16,720,000</u> |

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

| Year Ended December 31, | Principal | Interest | Totals |
|----------------------------|---------------------|--------------------|---------------------|
| 2018 | \$ 2,735,000 | \$ 430,663 | \$ 3,165,663 |
| 2019 | 2,830,000 | 337,487 | 3,167,487 |
| 2020 | 2,930,000 | 241,387 | 3,171,387 |
| 2021 | 3,020,000 | 154,886 | 3,174,886 |
| 2022 | 2,840,000 | 83,938 | 2,923,938 |
| 2023-2026 | <u>2,365,000</u> | <u>116,941</u> | <u>2,481,941</u> |
| | <u>\$16,720,000</u> | <u>\$1,365,302</u> | <u>\$18,085,302</u> |

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2017**

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

General Obligation Bonds (Cont'd)

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 liabilities, the net pension liability and the net other post-employment benefits liability will be liquidated primarily by the General Fund.

On June 15, 2017, the Municipality issued \$7,885,000 Series 2017 bonds with interest rates from 2.0% to 3.0% to currently refund all of the outstanding 2012A and 2012B general obligation bonds (\$7,825,000) with interest rates from 1.375% to 3.0%. The net proceeds of \$7,833,354 (including original issue premium and after payment of issuance costs) were used to currently refund the above bonds and outstanding interest and provide \$230,200 for future capital projects. 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 currently refunded the 2012A and 2012B Series bonds to reduce its total debt service payments over the next five years by \$5,525 and provide \$230,200 for future capital projects and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$5,330.

Note 7 - Capital Leases

The Municipality has entered into lease agreements as lessee for financing the acquisition of vehicles and fire equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. 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>(275,644)</u> |
| Total | <u>\$1,109,327</u> |

The future minimum lease obligations and the net present value of these minimum lease payments, as of December 31, 2017, were as follows:

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

Note 7 - Capital Leases (Cont'd)

| Year Ended December 31, | Governmental Activities |
|---|----------------------------|
| 2018 | \$ 261,430 |
| 2019 | 222,838 |
| 2020 | 195,878 |
| 2021 | 120,890 |
| 2022 | 120,890 |
| 2023-2024 | <u>241,780</u> |
| Total Minimum Lease Payments | 1,163,706 |
| Less: Amount Representing Interest | <u>(87,085)</u> |
| Present Value of Minimum Lease Payments | <u>\$1,076,621</u> |

Note 8 - Interfund Balances

Interfund balances at December 31, 2017, were as follows:

| Fund | Interfund Receivable | Interfund Payable |
|-----------------------------|-------------------------|----------------------|
| General | \$182,020 | \$194,976 |
| Nonmajor Governmental Funds | <u>194,976</u> | <u>182,020</u> |
| | <u>\$376,996</u> | <u>\$376,996</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, 2017

Note 9 - Interfund Transfers

For the year ended December 31, 2017, interfund transfers consisted of the following:

The general fund transfers to the 2014 Capital Improvements Fund in the amount of \$1,000,000 and \$150,000 to the Public Safety Communication Capital Projects Fund are to fund certain capital projects throughout the Municipality.

The Debt Service Fund transferred \$230,200 to the Capital Projects Fund which was excess funds and savings from the 2017 bonds issuance and refunding of prior bonds.

The other transfers in and out of \$1,299,309 were among the various Nonmajor Capital Projects Funds and were to consolidate various funds.

Note 10 - Pension Plans

Plan Description and Eligibility

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

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

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

Note 10 - Pension Plans (Cont'd)

Plan Description and Eligibility (Cont'd)

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

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

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, 2017, the Municipality's annual pension cost was \$2,157,350 and \$1,216,477 for the Police and Non-Uniform Pension Plans, respectively, and was equal to the Municipality's annual required contribution.

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2017**

Note 10 - Pension Plans (Cont'd)

Plan Description and Eligibility (Cont'd)

Under the terms of the Plans, police employees are required to contribute 5% of their total earnings; the non-uniform employees are required to contribute 6% of compensation.

At December 31, 2017, participants in the Plans were as follows:

| | Non-Uniform | Police |
|---|-------------|------------|
| Participants | | |
| Retirees and Beneficiaries | 91 | 50 |
| Active Employees | 96 | 47 |
| Terminated Employees Entitled to Benefits But not Yet Receiving Them | <u>1</u> | <u>3</u> |
| | <u>188</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, 2017, 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, 2017

Note 10 - 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 | \$ 1,244,303 | AAAm | \$ 1,244,303 | NR |
| Municipal Bonds | 1,553,337 | A | 1,390,778 | A |
| Municipal Bonds | 3,678,645 | AA | 2,545,146 | AA |
| Municipal Bonds | 989,306 | AAA | 527,084 | AAA |
| Municipal Bonds | 386,463 | BBB | 386,463 | bba |
| Municipal Bonds | 630,380 | NR | 2,388,660 | NR |
| Corporate Bonds | 1,493,996 | A | 3,302,215 | A |
| Corporate Bonds | 258,172 | AA | 260,000 | B |
| Corporate Bonds | 260,000 | B | 7,346,538 | BAA |
| Corporate Bonds | 416,550 | BB | 751,197 | NR |
| Corporate Bonds | 8,718,377 | BBB | - | |
| Corporate Bonds | <u>512,855</u> | NR | <u>-</u> | |
| | <u>\$20,142,384</u> | | <u>\$20,142,384</u> | |

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

Note 10 - 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, 2017, 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 | \$ 7,238,131 | \$ 897,886 | \$ 2,904,483 | \$3,225,930 | \$209,832 |
| Corporate Debt | <u>11,659,950</u> | <u>2,797,657</u> | <u>8,133,248</u> | <u>729,045</u> | <u>-</u> |
| Totals | <u>\$18,898,081</u> | <u>\$3,695,543</u> | <u>\$11,037,731</u> | <u>\$3,954,975</u> | <u>\$209,832</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 11.24%.

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, 2017

Note 10 - Pension Plans (Cont'd)

Net Pension Liability

Police

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of January 1, 2017 and rolled forward to the reporting date using the following significant actuarial assumptions applied to all periods included in the measurement:

- Inflation: 2.75%
- Salary increases: 5.0% per year including inflation.
- Mortality: RP-2014 Mortality Table with rates set forward 5 years for disabled lives. Mortality improvement based on the Long-Range Demographic Assumptions for the 2015 SSA's trustee report.
- Expected Long-Term Rate of Return: 6.75%, 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, 2017 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, 2017

Note 10 - 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 6.75%. 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, 2016 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, 2016 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: | 5.25% |

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period covering January 1, 2009 through December 31, 2013 issued by the actuary in July 2015 as well as subsequent Board approved assumption changes.

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

The projection of cash flows for each underlying municipal plan, used to determine if any adjustment to the Discount Rate was required ("depletion testing"), used the following assumptions: 1) member contributions will be made at the current contribution rate, 2) participating plan sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate, and 3) the System's Long-Term Expected Rate of Return will be used in the depletion

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2017**

Note 10 - Pension Plans (Cont'd)

Net Pension Liability (Cont'd)

Non-Uniform (Cont'd)

testing of projected cash flows. Based on those assumptions, the PMRS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in Municipality's Net Pension Liability

Changes in the Municipality's net pension liability for the year ended December 31, 2017 were as follows:

Police Pension Plan

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2016 | \$49,126,576 | \$40,382,632 | \$ 8,743,944 |
| Changes for the year: | | | |
| Service Cost | 1,003,700 | - | 1,003,700 |
| Interest | 3,453,644 | - | 3,453,644 |
| Difference Between Expected and Actual Experience | (642,803) | - | (642,803) |
| Change in Assumptions | 3,020,219 | - | 3,020,219 |
| Contributions - Employer | - | 2,157,350 | (2,157,350) |
| Contributions - Employee | - | 276,916 | (276,916) |
| Net Investment Income | - | 4,436,427 | (4,436,427) |
| Benefit Payments and Refunds of Employee Contributions | (2,729,768) | (2,730,348) | 580 |
| Administrative Expense | - | (255,375) | 255,375 |
| Net Changes | <u>4,104,992</u> | <u>3,884,970</u> | <u>220,022</u> |
| Balances at December 31, 2017 | <u>\$53,231,568</u> | <u>\$44,267,602</u> | <u>\$ 8,963,966</u> |

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

Note 10 - Pension Plans (Cont'd)

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

Non-Uniform Pension Plan

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2015 | \$41,282,788 | \$34,264,195 | \$ 7,018,593 |
| Changes for the year: | | | |
| Service Cost | 751,994 | - | 751,994 |
| Interest | 2,257,111 | - | 2,257,111 |
| Changes in Assumptions | 1,125,643 | - | 1,125,643 |
| Difference Between Expected and Actual Experience | (15,330) | - | (15,330) |
| Contributions - Employer | - | 1,162,924 | (1,162,924) |
| Contributions - PMRS Assessment | - | 3,820 | (3,820) |
| Contributions - Employee | - | 351,043 | (351,043) |
| Net Investment Income | - | 2,925,892 | (2,925,892) |
| Benefit Payments and Refunds of Employee Contributions | (2,019,849) | (2,019,849) | - |
| Administrative Expense | <u>-</u> | <u>(101,997)</u> | <u>101,997</u> |
| Net Changes | <u>2,099,569</u> | <u>2,321,833</u> | <u>(222,264)</u> |
| Balances at December 31, 2016 | <u>\$43,382,357</u> | <u>\$36,586,028</u> | <u>\$ 6,796,329</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> | | |
|--------------------------------------|-------------------------------------|--------------------------------------|
| <u>1.0% Decrease</u> <u>5.75%</u> | <u>Current Rate</u> <u>6.75%</u> | <u>1.0% Increase</u> <u>7.75%</u> |
| <u>\$15,100,775</u> | <u>\$8,963,966</u> | <u>\$3,833,123</u> |

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2017**

Note 10 - Pension Plans (Cont'd)

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Cont'd)

| Non-Uniform Pension Plan | | |
|--------------------------|-----------------------|------------------------|
| 1.0% Decrease 4.25% | Current Rate 5.25% | 1.0% Increase 6.25% |
| <u>\$11,797,750</u> | <u>\$6,796,329</u> | <u>\$2,555,026</u> |

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

For the year ended December 31, 2017, the Municipality recognized pension expense of \$4,240,439; \$2,748,449 police plan and \$1,491,990 non-uniform plan. At December 31, 2017, the Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Police Pension Plan | Non-Uniform Pension Plan | Totals |
|---|---------------------------|--------------------------------|--------------------|
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | \$ 319,762 | \$ 57,834 | \$ 377,596 |
| Changes in Assumptions | 2,439,408 | 1,221,476 | 3,660,884 |
| Net difference between projected and actual earnings on Plan investments | 1,704,618 | 461,509 | 2,166,127 |
| Contributions subsequent to measurement date | - | <u>1,216,477</u> | <u>1,216,477</u> |
| Totals | <u>\$4,463,788</u> | <u>\$2,957,296</u> | <u>\$7,421,084</u> |

**Municipality of Monroeville
Notes to Financial Statements
December 31, 2017**

Note 10 - Pension Plans (Cont'd)

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

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources (Cont'd)

| | Police Pension Plan | Non-Uniform Pension Plan | Totals |
|---|---------------------------|--------------------------------|--------------------|
| Deferred Inflows of Resources | | | |
| Differences between expected and actual experience | \$ 519,187 | \$ 11,497 | \$ 530,684 |
| Net difference between projected and actual earnings on Plan investments | <u>1,412,082</u> | <u>-</u> | <u>1,412,082</u> |
| Totals | <u>\$1,931,269</u> | <u>\$ 11,497</u> | <u>\$1,942,766</u> |

\$1,216,477 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, 2018. The Non-Uniform Pension Plan only has a measurement date of December 31, 2016. 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, | Police Pension Plan | Non-Uniform Pension Plan | Totals |
|----------------------------|---------------------------|--------------------------------|--------------------|
| 2018 | \$ 983,391 | \$ 739,761 | \$1,723,152 |
| 2019 | 983,390 | 681,925 | 1,665,315 |
| 2020 | 370,124 | 491,286 | 861,410 |
| 2021 | 104,173 | (183,650) | (79,477) |
| 2022 | <u>91,441</u> | <u>-</u> | <u>91,441</u> |
| | <u>\$2,532,519</u> | <u>\$1,729,322</u> | <u>\$4,261,841</u> |

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

Note 11 - Post-Employment Healthcare Plan

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

Basis of Accounting

The OPEB Plan financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal 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 has been funded annually except 2012 through 2014 and 2017. 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, 2017

Note 11 - 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 1500/3000, Freedom Blue Medicare Supplement.

Opt-Out Provision: Eligible retirees who do not elect to obtain medical coverage through the Municipality will receive a monthly payment equal to 45% of the charged premium.

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, 2017

Note 11 - 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 1500/3000, Freedom Blue Medicare Supplement.

Opt-Out Provision: Eligible retirees who do not elect to obtain medical coverage through the Municipality will receive an annual payment of \$1,500 (individual) or \$3,000 (non-individual).

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.

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.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

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

C. Plan Description and Eligibility (Cont'd)

3) Clerical Employees (Cont'd)

Medical Plans Available: PPO Blue 1500/3000.

Opt-Out Provision: Eligible retirees who do not elect to obtain medical coverage through the Municipality will receive a monthly payment equal to 43% of the premium.

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 1500/3000.

Opt-Out Provision: Eligible retirees who do not elect to obtain medical coverage through the Municipality will receive an annual payment of \$1,500 (individual) or \$3,000 (employee/spouse, parent/child or family).

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

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

C. Plan Description and Eligibility (Cont'd)

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 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 1500/3000.

Opt-Out Provision: Eligible retirees who do not elect to obtain medical coverage through the Municipality will receive a monthly payment equal to 43% of the charged premium, with the premium capped at 2016 rates.

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

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

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

C. Plan Description and Eligibility (Cont'd)

6) Refuse Employees (Cont'd)

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 1500/3000.

Opt-Out Provision: Eligible retirees who do not elect to obtain medical coverage through the Municipality will receive a monthly payment equal to 43% of the charged premium, with the premium capped at 2016 rates.

Membership of the OPEB Plan consisted of the following at January 1, 2016, the date of the latest actuarial valuation:

| | |
|----------------------------|------------|
| Retirees and Beneficiaries | |
| receiving benefits | 131 |
| Active Plan Members | <u>135</u> |
| | <u>266</u> |

For the year ended December 31, 2017, the Municipality did not make a contribution to the Plan.

7) Investments

Investment Policy: The trust's policy in regard to the allocation of invested assets is established and may be amended by Council based on recommendations from the OPEB Trust Committee. It is the policy of the Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Committee's investment policy discourages the use of cash equivalents, except for liquidity

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

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

C. Plan Description and Eligibility (Cont'd)

7) Investments (Cont'd)

purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the asset allocation policy:

| Asset Class | Target Allocation |
|-----------------|-------------------|
| Domestic Equity | 60% |
| Fixed Income | 39% |
| Cash | <u>1%</u> |
| Total | <u>100%</u> |

Rate of Return: For the year ended December 31, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 18.90%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

8) Net OPEB Liability

The components of the net OPEB liability of the Municipality at December 31, 2017, were as follows:

| | |
|--|---------------------|
| Total OPEB Liability | \$36,816,966 |
| Plan Fiduciary Net Position | <u>(3,659,529)</u> |
| Municipality's Net OPEB Liability | <u>\$33,157,437</u> |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 9.94% |

The net OPEB liability is computed under GASB 74. GASB 75, related to employer accounting and reporting, will be reflected in the Municipality's financial statements for the year ended December 31, 2018.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

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

C. Plan Description and Eligibility (Cont'd)

8) Net OPEB Liability (Cont'd)

Actuarial Assumptions: The total OPEB liability was determined through a roll-forward of the liabilities reflected in the January 1, 2016 actuarial report, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|------------------------------|--|
| Inflation: | 2.75% |
| Investment Rate of Return: | 7.0%, net of OPEB plan investment expense, including inflation |
| Healthcare Cost Trend Rates: | 8.5% for 2016, decreasing 0.5% per year to an ultimate rate of 5.0% for 2024 and later years |

Mortality rates were based on the RP-2014 Combined Healthy Mortality Table with 50% of blue collar adjustment.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) 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 asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2017, are summarized in the following table:

| Asset Class | Target Allocation |
|--------------|-------------------|
| Equity | 6.3% |
| Fixed Income | 2.0% |
| Cash | 0.0% |

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

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

C. Plan Description and Eligibility (Cont'd)

8) Net OPEB Liability (Cont'd)

Discount Rate: The discount rate used to measure the total OPEB liability was 6.0%. This is the equivalent single rate determined by applying the Long-Term Expected Rate of Return on Investments to future benefit payments for current plan members expected to be funded by Plan assets, and applying a tax-exempt, high quality municipal bond rate (estimated to be 3.5%) to benefit payments thereafter. In projecting assets, it was assumed that the Municipality would continue to deposit approximately \$1,000,000 to the trust annually and pay benefits annually either from the trust or from the Municipality's general funds (in both cases these payments are incorporated as payments from the trust for purposes of determining a discount rate). Based on these assumptions, assets were projected to be available to make 17 years of projected benefit payments.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability of the Municipality, as well as what the Municipality's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.0%) or one percentage point higher (7.0%) than the current discount rate:

| | <u>1.0% Decrease</u> <u>5.0%</u> | <u>Discount Rate</u> <u>6.0%</u> | <u>1.0% Increase</u> <u>7.0%</u> |
|----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Net OPEB Liability (Asset) | \$37,864,215 | \$33,157,437 | \$29,298,037 |

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of the Municipality, as well as what the Municipality's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (7.5% decreasing to 4.0%) or one percentage point higher (9.5% decreasing to 6.0%) than the current healthcare cost trend rates:

| | <u>1.0% Decrease</u> | <u>Healthcare Cost</u> <u>Trend Rates</u> | <u>1.0% Increase</u> |
|----------------------------|----------------------|--|----------------------|
| Net OPEB Liability (Asset) | \$28,718,245 | \$33,157,437 | \$38,582,214 |

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

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

D. Additional Employee Disclosures Required by GASB Statement No. 45

1) 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 | \$ 2,687,170 |
| Interest on Net OPEB Obligation | 604,689 |
| Adjustment to Annual Required Contribution | <u>(366,478)</u> |
| Annual OPEB Cost (Expense) | 2,925,381 |
| Contributions Made | <u> -</u> |
| Increase (Decrease) in OPEB Obligation | 2,925,381 |
| Net OPEB Obligation - Beginning of Year | <u>10,994,338</u> |
| Net OPEB Obligation - End of Year | <u>\$13,919,719</u> |

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 |
|-------------------------|---------------------|--|---------------------------|
| 12/31/15 | \$2,441,754 | 40.9% | \$ 9,109,790 |
| 12/31/16 | 2,884,548 | 34.7% | 10,994,338 |
| 12/31/17 | 2,925,381 | 0.0% | 13,919,719 |

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

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

D. Additional Employee Disclosures Required by GASB Statement No. 45 (Cont'd)

2) Funded Status and Funding Progress

As of January 1, 2016, the latest available valuation at the time of the audit, the actuarial accrued liability for benefits was \$36,995,499 and the actuarial value of assets was \$3,935,115 resulting in an unfunded actuarial accrued liability of \$33,060,384 and a funded ratio of 10.6%. The covered payroll (annual payroll of active employees covered by the Plan) was \$11,410,605 and the ratio of unfunded actuarial accrued liability to the covered payroll was 289.7%.

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.

3) 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 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, 2016 actuarial valuation, the most recent report available, the Entry Age Normal Actuarial Cost Method was used. The actuarial assumptions included a 7.0% investment rate of return based on a funded plan, an annual healthcare cost trend of a 8.5% increase for 2016 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.

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

Note 12 - Pension Plans Financial Information

The Municipality's Police Pension, a defined benefit plan and the Municipality of Monroeville Uniform and Non-Uniform Employees Other Post-Employment Benefit (OPEB) Retiree Benefits Plan Trust Fund (OPEB Trust), a single-employer OPEB Plan, do not issue stand-alone financial reports. The following is a statement of fiduciary net position and statement of changes in fiduciary net position for both Plans as of and for the year ended December 31, 2017:

| | Pension & Other Employee Benefit Trust Funds | | Total Pension & Other Employee Benefit Trust Funds |
|---|---|-----------------------|--|
| | Police Pension Fund | OPEB Trust Fund | |
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 1,244,303 | \$ 34,514 | \$ 1,278,817 |
| Investments at Fair Value | | | |
| Equities | 10,229,530 | - | 10,229,530 |
| Mutual Funds | 13,719,977 | 5,985,232 | 19,705,209 |
| Municipal Bonds | 7,238,131 | - | 7,238,131 |
| Corporate Bonds | 11,659,950 | - | 11,659,950 |
| Other Receivables | <u>175,711</u> | <u>-</u> | <u>175,711</u> |
| TOTAL ASSETS | <u>44,267,602</u> | <u>6,019,746</u> | <u>50,287,348</u> |
| LIABILITIES | | | |
| Accounts Payable | <u>-</u> | <u>2,360,217</u> | <u>2,360,217</u> |
| NET POSITION | | | |
| Net Position Restricted for Pensions | 44,267,602 | - | 44,267,602 |
| Net Position Held in Trust for OPEB Benefits | <u>-</u> | <u>3,659,529</u> | <u>3,659,529</u> |
| TOTAL NET POSITION | <u>\$44,267,602</u> | <u>\$3,659,529</u> | <u>\$47,927,131</u> |
| Additions | | | |
| Contributions | | | |
| Employer | \$ 2,157,350 | \$ - | \$ 2,157,350 |
| Plan Members | <u>276,916</u> | <u>-</u> | <u>276,916</u> |
| Total Contributions | <u>2,434,266</u> | <u>-</u> | <u>2,434,266</u> |

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

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

| | Pension & Other Employee Benefit Trust Funds | | Total Pension & Other Employee Benefit Trust Funds |
|---|---|-----------------------|--|
| | Police Pension Fund | OPEB Trust Fund | |
| Additions (Cont'd) | | | |
| Investment Income | | | |
| Net Appreciation (Depreciation) in Fair Value of Investments | \$ 3,125,987 | \$ 678,492 | \$ 3,804,479 |
| Interest and Dividends | <u>1,310,440</u> | <u>114,346</u> | <u>1,424,786</u> |
| | 4,436,427 | 792,838 | 5,229,265 |
| Less Investment Expenses | <u>(246,737)</u> | <u>(58,500)</u> | <u>(305,237)</u> |
| Net Investment Income | <u>4,189,690</u> | <u>734,338</u> | <u>4,924,028</u> |
| Total Additions | <u>6,623,956</u> | <u>734,338</u> | <u>7,358,294</u> |
| Deductions | | | |
| Benefits | 2,730,348 | 1,198,264 | 3,928,612 |
| Administrative Expenses | <u>8,638</u> | <u>2,700</u> | <u>11,338</u> |
| Total Deductions | <u>2,738,986</u> | <u>1,200,964</u> | <u>3,939,950</u> |
| Net Increase (Decrease) in Net Position | <u>3,884,970</u> | <u>(466,626)</u> | <u>3,418,344</u> |
| Net Position Restricted for Pensions | | | |
| Beginning of Year | <u>40,382,632</u> | | <u>40,382,632</u> |
| End of Year | <u>\$44,267,602</u> | | <u>\$44,267,602</u> |
| Net Position Held in Trust for OPEB | | | |
| Beginning of Year | | 4,126,155 | \$ 4,126,155 |
| End of Year | | <u>\$3,659,529</u> | <u>\$ 3,659,529</u> |

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

Note 13 - Lease

The Municipality leases office space in its administration building to a governmental entity under a noncancellable operating lease. The size of the office space is not material in relation to the complex and cost and accumulated depreciation of that space is not disclosed. Total rental income received under this lease in 2017 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, 2017:

| Year Ended December 31, | Amount |
|----------------------------|-----------------|
| 2018 | \$16,200 |
| 2019 | <u>16,200</u> |
| | <u>\$32,400</u> |

Note 14 - Operating Leases

The Municipality is committed under various leases for photocopiers. These leases are considered, for accounting purposes, to be operating leases. Total costs for such leases were \$24,898 for the year ended December 31, 2017. 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, 2017, were \$29,046. 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, 2017.

| Year Ended December 31, | Municipality | Convention Visitor's Bureau |
|----------------------------|-----------------|--------------------------------|
| 2018 | \$21,083 | \$ 18,315 |
| 2019 | 21,083 | 17,979 |
| 2020 | 1,757 | 18,307 |
| 2021 | - | 18,091 |
| 2022 | - | 15,705 |
| 2023 | - | 16,032 |
| 2024 | - | 16,360 |
| 2025 | <u>-</u> | <u>1,366</u> |
| | <u>\$43,923</u> | <u>\$122,155</u> |

Municipality of Monroeville
Notes to Financial Statements
December 31, 2017

Note 15 - 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, 2017

| | Police Pension Plan | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 2017 | 2016 | 2015 | 2014 |
| Total Pension Liability | | | | |
| Service Cost | \$ 1,003,700 | \$ 854,291 | \$ 813,610 | \$ 867,863 |
| Interest | 3,453,644 | 3,304,775 | 3,210,893 | 3,078,188 |
| Changes in Assumptions | 3,020,219 | - | - | - |
| Differences Between Expected and Actual Experience | (642,803) | - | 650,548 | - |
| Benefit Payments | <u>(2,729,768)</u> | <u>(2,732,351)</u> | <u>(2,715,934)</u> | <u>(2,926,230)</u> |
| Net Change in Total Pension Liability | 4,104,992 | 1,426,715 | 1,959,117 | 1,019,821 |
| Total Pension Liability - Beginning | <u>49,126,576</u> | <u>47,699,861</u> | <u>45,740,744</u> | <u>44,720,923</u> |
| Total Pension Liability - Ending (a) | <u>53,231,568</u> | <u>49,126,576</u> | <u>47,699,861</u> | <u>45,740,744</u> |
| Plan Fiduciary Net Position | | | | |
| Contributions - Employer, including State Aid | 2,157,350 | 2,173,486 | 2,440,854 | 2,421,478 |
| Contributions - Member | 276,916 | 258,852 | 258,176 | 270,836 |
| Net Investment Income | 4,436,427 | 1,845,778 | (296,453) | 1,489,603 |
| Benefit Payments | (2,729,768) | (2,732,351) | (2,715,934) | (2,926,230) |
| Administrative Expenses | <u>(255,955)</u> | <u>(200,399)</u> | <u>(216,271)</u> | <u>(410)</u> |
| Net Change in Plan Fiduciary Net Position | 3,884,970 | 1,345,366 | (529,628) | 1,255,277 |
| Plan Fiduciary Net Position - Beginning | <u>40,382,632</u> | <u>39,037,266</u> | <u>39,566,894</u> | <u>38,311,617</u> |
| Plan Fiduciary Net Position - Ending (b) | <u>44,267,602</u> | <u>40,382,632</u> | <u>39,037,266</u> | <u>39,566,894</u> |
| Municipality's Net Pension Liability (a-b) | <u>\$ 8,963,966</u> | <u>\$ 8,743,944</u> | <u>\$ 8,662,595</u> | <u>\$ 6,173,850</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 83.20% | 82.20% | 81.80% | 86.50% |
| Covered Employee Payroll | <u>\$ 5,620,594</u> | <u>\$ 5,177,028</u> | <u>\$ 5,024,306</u> | <u>\$ 4,956,792</u> |
| Municipality's Net Position as a Percentage of Covered Employee Payroll | 159.48% | 168.90% | 172.41% | 124.55% |

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

Municipality of Monroeville
Required Supplementary Information
Schedule of Changes in the Municipality's Net Pension
Liability and Related Ratios
December 31, 2017

| | Non-Uniform Pension Plan | | |
|---|--------------------------|---------------------|---------------------|
| | 2016 | 2015 | 2014 |
| Total Pension Liability | | | |
| Service Cost | \$ 751,994 | \$ 841,542 | \$ 843,133 |
| Interest | 2,257,111 | 2,162,777 | 2,094,736 |
| Change in Benefit Terms | - | 54,182 | - |
| Changes in Assumptions | 1,125,643 | 754,490 | - |
| Differences Between Expected and Actual Experience | (15,330) | - | 231,336 |
| Benefit Payments | <u>(2,019,849)</u> | <u>(1,997,015)</u> | <u>(1,865,768)</u> |
| Net Change in Total Pension Liability | 2,099,569 | 1,815,976 | 1,303,437 |
| Total Pension Liability - Beginning | <u>41,282,788</u> | <u>39,466,812</u> | <u>38,163,375</u> |
| Total Pension Liability - Ending (a) | <u>43,382,357</u> | <u>41,282,788</u> | <u>39,466,812</u> |
| Plan Fiduciary Net Position | | | |
| Contributions - Employer, including State Aid | 1,162,924 | 1,170,379 | 1,032,774 |
| Contributions - PMRS Assessment | 3,820 | - | - |
| Contributions - Member | 351,043 | 357,310 | 351,986 |
| Net Investment Income | 2,925,892 | (79,459) | 1,817,758 |
| Benefit Payments | (2,019,849) | (1,997,015) | (1,865,768) |
| Administrative Expenses | <u>(101,997)</u> | <u>(79,512)</u> | <u>(73,778)</u> |
| Net Change in Plan Fiduciary Net Position | 2,321,833 | (628,297) | 1,262,972 |
| Plan Fiduciary Net Position - Beginning | <u>34,264,195</u> | <u>34,892,492</u> | <u>33,629,520</u> |
| Plan Fiduciary Net Position - Ending (b) | <u>36,586,028</u> | <u>34,264,195</u> | <u>34,892,492</u> |
| Municipality's Net Pension Liability (a-b) | <u>\$ 6,796,329</u> | <u>\$ 7,018,593</u> | <u>\$ 4,574,320</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 84.30% | 83.00% | 88.40% |
| Covered Employee Payroll | <u>\$ 5,847,782</u> | <u>\$ 5,902,335</u> | <u>\$ 5,873,243</u> |
| Municipality's Net Position as a Percentage of Covered Employee Payroll | 116.22% | 118.91% | 77.88% |

The Non-Uniform Pension Plan measurement date for the net pension liability is one year prior to the financial statement date.

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

Municipality of Monroeville
Required Supplementary Information
Schedule of Municipality's Contributions
and Investment Returns
December 31, 2017

| | Police Pension Plan | | | |
|--|--------------------------|--------------------|--------------------|--------------------|
| | 2017 | 2016 | 2015 | 2014 |
| Actuarially Determined Contribution | \$2,157,350 | \$2,173,486 | \$2,422,829 | \$2,421,478 |
| Contributions in Relation to the Actuarially Determined Contribution | <u>2,157,350</u> | <u>2,173,486</u> | <u>2,422,829</u> | <u>2,421,478</u> |
| Contribution Deficiency (Excess) | \$ _____ - | \$ _____ - | \$ _____ - | \$ _____ - |
| Covered Employee Payroll | <u>\$5,620,594</u> | <u>\$5,177,028</u> | <u>\$5,024,306</u> | <u>\$4,956,792</u> |
| Contributions as a Percentage of Covered Employee Payroll | 38.38% | 41.98% | 48.22% | 48.85% |
| | Non-Uniform Pension Plan | | | |
| | 2017 | 2016 | 2015 | 2014 |
| Actuarially Determined Contribution | \$1,216,477 | \$1,166,564 | \$1,173,984 | \$1,032,714 |
| Contributions in Relation to the Actuarially Determined Contribution | <u>1,216,477</u> | <u>1,166,564</u> | <u>1,173,984</u> | <u>1,032,714</u> |
| Contribution Deficiency (Excess) | \$ _____ - | \$ _____ - | \$ _____ - | \$ _____ - |
| Covered Employee Payroll | <u>\$5,641,624</u> | <u>\$5,730,130</u> | <u>\$5,902,335</u> | <u>\$5,873,243</u> |
| Contributions as a Percentage of Covered Employee Payroll | 21.56% | 20.36% | 19.89% | 17.58% |
| | Police Pension Plan | | | |
| | 2017 | 2016 | 2015 | 2014 |
| Annual Money Weighted Rate of Return, Net of Investment Expenses | 11.24% | 4.41% | (1.17)% | 4.01% |
| | Non-Uniform Pension Plan | | | |
| | 2017 | 2016 | 2015 | 2014 |
| Annual Money Weighted Rate of Return, Net of Investment Expenses | Not Available | 8.23% | (0.27%) | 5.20% |

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, 2017

Police Pension Plan

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

| | |
|-------------------------------|---|
| Actuarial Valuation Date | January 1, 2017 |
| Actuarial Cost Method | Entry age normal |
| Amortization Method | Level dollar, closed |
| Remaining Amortization Period | 6 years aggregate |
| Asset Valuation Method | 4-year smoothing |
| Inflation | 2.75% |
| Salary Increases | 5.0% including inflation |
| Investment Rate of Return | 6.75% net of investment expenses not funded through the MMO, and including inflation. |
| Mortality | RP-2014 Mortality Table, with rates set forward 5 years for disabled members. |
| 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:

Inflation lowered from 3.0% to 2.75%; interest rate lowered from 7.0% to 6.75%.

Municipality of Monroeville
Notes to the Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2017

Non-Uniform Pension Plan

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

| | |
|---------------------------|---|
| Actuarial Valuation Date | January 1, 2015 |
| 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 Male Non-Annuitant table projected 15 years with Scale AA Females - RP-2000 Female Non-Annuitant table projected 15 years with Scale AA and then setback 5 years |
| Post-Retirement Mortality | Males - RP-2000 Male Annuitant table projected 5 years with Scale AA Female - RP-2000 Female Annuitant table projected 10 years with Scale AA |

2. Changes to Benefits:

Changed final average salary from final three years of service to highest three years of salary out of final seven years of service.

3. Changes to Assumptions:

Investment return assumption decreased from 5.50% to 5.25%.

Municipality of Monroeville
Required Supplementary Information
Schedule of Changes in the Municipality's Net OPEB
Liability and Related Ratios
December 31, 2017

As Required Under GASB Statement No. 74

Total Pension Liability

| | |
|---------------------------------------|--------------------|
| Service Cost | \$ 486,831 |
| Interest | 2,118,386 |
| Benefit Payments | <u>(1,198,265)</u> |
| Net Change in Total Pension Liability | 1,406,952 |
| Total Pension Liability - Beginning | <u>35,410,014</u> |
| Total Pension Liability - Ending (a) | <u>36,816,966</u> |

Plan Fiduciary Net Position

| | |
|---|------------------|
| Net Investment Income | 740,139 |
| Benefit Payments | (1,198,265) |
| Administrative Expenses | <u>(8,500)</u> |
| Net Change in Plan Fiduciary Net Position | (466,626) |
| Plan Fiduciary Net Position - Beginning | <u>4,126,155</u> |
| Plan Fiduciary Net Position - Ending (b) | <u>3,659,529</u> |

| | |
|--|---------------------|
| Municipality's Net Pension Liability (a-b) | <u>\$33,157,437</u> |
|--|---------------------|

| | |
|---|-------|
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 9.90% |
|---|-------|

| | |
|--------------------------|---------------------|
| Covered Employee Payroll | <u>\$11,262,218</u> |
|--------------------------|---------------------|

| | |
|--|---------|
| Municipality's Net OPEB Liability as a Percentage of Covered Employee Payroll | 294.41% |
|--|---------|

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

Municipality of Monroeville
Required Supplementary Information
Schedule of Changes in the Municipality's Contributions
and Investment Returns
December 31, 2017

As Required Under GASB Statement No. 74

1. Schedule of Municipality's Contributions

| | |
|---|---------------------|
| Actuarially Determined Contribution | \$ 2,687,170 |
| Contributions in Relation to the Actuarially Determined Contribution | - |
| Contribution Deficiency (Excess) | <u>\$ 2,687,170</u> |
| Covered Employee Payroll | \$11,262,218 |
| Contributions as a Percentage of Covered Employee Payroll | 0.00% |

2. Investment Returns

| | |
|--|--------|
| Annual Money Weighted Rate of Return, Net of Investment Expenses | 18.90% |
|--|--------|

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

**Municipality of Monroeville
Required Supplementary Information
Other Post-Employment Benefits
December 31, 2017**

As Required Under GASB Statement No. 45

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 | 21.0% | 10,657,217 | 179.79% |
| 01/01/14 | 4,926,001 | 32,314,758 | 27,388,757 | 15.2% | 11,216,616 | 244.18% |
| 01/01/16 | 3,935,115 | 36,995,499 | 33,060,384 | 10.6% | 11,410,605 | 289.73% |

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% |
| 2016 | 2,884,548 | 34.7% |
| 2017 | 2,687,170 | 0.0% |

**COMBINING AND INDIVIDUAL FUNDS
FINANCIAL STATEMENTS**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

- Highway Aid Fund - Used to account for revenues from the Commonwealth of Pennsylvania based on an allocation of its Liquid Fuels Tax. Such revenues are restricted to be used for highways and streets.
- Police Asset Seizure Fund - Used to account for the proceeds of the federal asset seizure program awarded to the Monroeville Police Department. All proceeds must be used for Police Department activities.
- Sidewalk Fund - Used to account for the revenues from certain developments in the Municipality as described by Municipal ordinances. The revenues received shall be used to fund sidewalks in various locations in this Municipality.

DEBT SERVICE FUND

- Debt Service Fund - Used to account for the 2017 bond transactions.

CAPITAL PROJECTS FUNDS

- Northern Pike Improvements Fund - Used to account for expenditures related to the improvements of the Northern Pike. These improvements will be funded partially from transfers from the General Fund and private contributions.
- 2007 Capital Improvements Fund - Used to account for expenditures related to the Municipality's capital improvement program. Funds for this project were received from the issuance of the 2007 general obligation bonds.
- 2010 Capital Improvements Fund - Used to account for expenditures related to the Municipality's capital improvement program. Funds for the project were received from the issuance of the 2010 general obligation bonds.
- 2011 Capital Improvements Fund - Used to account for expenditures related to the Municipality's capital improvement program. Funds for the project were received from the issuance of the 2011 general obligation bonds.
- 2012 Capital Improvements Fund - Used to account for expenditures related to the Municipality's capital improvement program. Funds for the project were received from the issuance of the 2012 general obligation bonds.
- 2014 Capital Improvements Fund - 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.
- Public Safety Communications Fund - Used to account for expenditures related to the public safety communications system upgrade. Funds for this project were received from transfers from the general fund.

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**Municipality of Monroeville
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017**

| | Special Revenue Funds | | | Capital Projects Funds | | | | Total Nonmajor Governmental Funds |
|--|-----------------------|------------------------------------|-----------------------|--|--------------------------------------|--------------------------------------|---|--|
| | Highway Aid Fund | Police Asset Seizure Fund | Side- walk Fund | Northern Pike Improvements Fund | 2011 Capital Improvements Fund | 2014 Capital Improvements Fund | Public Safety Communications Fund | |
| ASSETS | | | | | | | | |
| Cash and Cash Equivalents | \$40,092 | \$248,477 | \$2,750 | \$151,934 | \$20 | \$1,267,769 | \$352,767 | \$2,063,809 |
| Due from Other Funds | - | - | - | - | - | 194,976 | - | 194,976 |
| Due from Other Governments | - | - | - | - | - | 198,000 | - | 198,000 |
| TOTAL ASSETS | <u>\$40,092</u> | <u>\$248,477</u> | <u>\$2,750</u> | <u>\$151,934</u> | <u>\$20</u> | <u>\$1,660,745</u> | <u>\$352,767</u> | <u>\$2,456,785</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities | | | | | | | | |
| Due to Other Funds | \$ - | \$ - | \$ - | \$ - | \$20 | \$ - | \$182,000 | \$ 182,020 |
| Accounts Payable | - | - | - | - | - | 18,172 | - | 18,172 |
| Total Liabilities | - | - | - | - | 20 | 18,172 | 182,000 | 200,192 |
| Fund Balances | | | | | | | | |
| Restricted | 40,092 | 248,477 | - | - | - | - | - | 288,569 |
| Committed | - | - | 2,750 | 151,934 | - | 1,642,573 | 170,767 | 1,968,024 |
| Total Fund Balances | <u>40,092</u> | <u>248,477</u> | <u>2,750</u> | <u>151,934</u> | <u>-</u> | <u>1,642,573</u> | <u>170,767</u> | <u>2,256,593</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$40,092</u> | <u>\$248,477</u> | <u>\$2,750</u> | <u>\$151,934</u> | <u>\$20</u> | <u>\$1,660,745</u> | <u>\$352,767</u> | <u>\$2,456,785</u> |

Municipality of Monroeville
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2017

| | Special Revenue Funds | | | Debt Service Fund | Capital Projects Funds | | | | | | | Total Nonmajor Governmental Funds |
|---|-----------------------|------------------------------------|-----------------------|---------------------------------|---|--|--|--|--|--|---|--|
| | Highway Aid Fund | Police Asset Seizure Fund | Side- walk Fund | 2017 Debt Service Fund | Northern Pike Improve- ments Fund | 2007 Capital Improve- ments Fund | 2010 Capital Improve- ments Fund | 2011 Capital Improve- ments Fund | 2012 Capital Improve- ments Fund | 2014 Capital Improve- ments Fund | Public Safety Communi- cations Fund | |
| Revenues | | | | | | | | | | | | |
| Interest, Rents & Royalties | \$ 6,919 | \$ 22 | \$ - | \$ - | \$ 1,558 | \$ 4,538 | \$ 2,333 | \$ 993 | \$ - | \$ 16,137 | \$ 1,267 | \$ 33,767 |
| Intergovernmental | 834,317 | 301 | - | - | - | - | - | - | - | 200,000 | - | 1,034,618 |
| Miscellaneous | - | - | - | - | - | - | - | - | - | - | 1,500 | 1,500 |
| Total Revenues | <u>841,236</u> | <u>323</u> | <u>-</u> | <u>-</u> | <u>1,558</u> | <u>4,538</u> | <u>2,333</u> | <u>993</u> | <u>-</u> | <u>216,137</u> | <u>2,767</u> | <u>1,069,885</u> |
| Expenditures | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | |
| General Government | - | - | - | 125,118 | - | - | - | - | - | - | - | 125,118 |
| Public Works - Highways | 826,146 | - | - | - | - | - | - | - | - | - | - | 826,146 |
| Debt Service: | | | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - | 303,415 | - | 303,415 |
| Interest | - | - | - | - | - | - | - | - | - | 30,393 | - | 30,393 |
| Capital Outlay | - | - | - | - | - | - | - | 30,068 | - | 1,209,259 | 182,000 | 1,421,327 |
| Total Expenditures | <u>826,146</u> | <u>-</u> | <u>-</u> | <u>125,118</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>30,068</u> | <u>-</u> | <u>1,543,067</u> | <u>182,000</u> | <u>2,706,399</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>15,090</u> | <u>323</u> | <u>-</u> | <u>(125,118)</u> | <u>1,558</u> | <u>4,538</u> | <u>2,333</u> | <u>(29,075)</u> | <u>-</u> | <u>(1,326,930)</u> | <u>(179,233)</u> | <u>(1,636,514)</u> |
| Other Financing Sources (Uses) | | | | | | | | | | | | |
| Issuance of Refunding Bonds | - | - | - | 7,885,000 | - | - | - | - | - | - | - | 7,885,000 |
| Premium on Bonds Issued | - | - | - | 303,672 | - | - | - | - | - | - | - | 303,672 |
| Transfers In | - | - | - | - | - | - | - | 308,593 | 82,300 | 1,739,049 | 350,000 | 2,479,942 |
| Payment to Refunded Bond | | | | | | | | | | | | |
| Escrow Agent | - | - | - | (7,833,354) | - | - | - | - | - | - | - | (7,833,354) |
| Transfers Out | - | - | - | (230,200) | - | (593,321) | (305,062) | - | - | (400,926) | - | (1,529,509) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>125,118</u> | <u>-</u> | <u>(593,321)</u> | <u>(305,062)</u> | <u>308,593</u> | <u>82,300</u> | <u>1,338,123</u> | <u>350,000</u> | <u>1,305,751</u> |
| Net Change in Fund Balances | <u>15,090</u> | <u>323</u> | <u>-</u> | <u>-</u> | <u>1,558</u> | <u>(588,783)</u> | <u>(302,729)</u> | <u>279,518</u> | <u>82,300</u> | <u>11,193</u> | <u>170,767</u> | <u>(330,763)</u> |
| Fund Balances - January 1, 2017 | <u>25,002</u> | <u>248,154</u> | <u>2,750</u> | <u>-</u> | <u>150,376</u> | <u>588,783</u> | <u>302,729</u> | <u>(279,518)</u> | <u>(82,300)</u> | <u>1,631,380</u> | <u>-</u> | <u>2,587,356</u> |
| Fund Balances - December 31, 2017 | <u>\$ 40,092</u> | <u>\$ 248,477</u> | <u>\$ 2,750</u> | <u>\$ -</u> | <u>\$ 151,934</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,642,573</u> | <u>\$ 170,767</u> | <u>\$ 2,256,593</u> |

Municipality of Monroeville
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Special Revenue Funds
Highway Aid Fund
Budget and Actual
Year Ended December 31, 2017

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|-------------------------------|------------------|-----------------|--------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Interest, Rents and Royalties | | | | |
| Interest Earnings | \$ - | \$ - | \$ 6,919 | \$ 6,919 |
| Intergovernmental | | | | |
| Liquid Fuels Tax | <u>817,703</u> | <u>817,703</u> | <u>834,317</u> | <u>16,614</u> |
| Total Revenues | <u>817,703</u> | <u>817,703</u> | <u>841,236</u> | <u>23,533</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Works | | | | |
| Highways and Streets | | | | |
| Snow and Ice Removal | 500,000 | 500,000 | 410,194 | 89,806 |
| Street Lighting | 310,000 | 310,000 | 252,004 | 57,996 |
| Road Maintenance | <u>-</u> | <u>-</u> | <u>163,948</u> | <u>(163,948)</u> |
| Total Expenditures | <u>810,000</u> | <u>810,000</u> | <u>826,146</u> | <u>(16,146)</u> |
| Net Change in Fund Balance | <u>\$ 7,703</u> | <u>\$ 7,703</u> | <u>\$ 15,090</u> | <u>\$ 7,387</u> |

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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, 2017

ASSETS

| | |
|----------------------------|--------------|
| Cash and Cash Equivalents | \$610,996 |
| Due from Other Governments | 159,190 |
| Prepaid Items | <u>4,220</u> |

TOTAL ASSETS \$774,406

LIABILITIES AND FUND BALANCES

| | |
|---------------------------|------------------|
| Liabilities | |
| Due to Primary Government | <u>\$ 78,273</u> |

| | |
|---------------|----------------|
| Fund Balances | |
| Nonspendable | 4,220 |
| Unassigned | <u>691,913</u> |

Total Fund Balances 696,133

TOTAL LIABILITIES AND FUND
BALANCES \$774,406

Municipality of Monroeville
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
Convention Visitor's Bureau - Component Unit
December 31, 2017

Total Fund Balances - Governmental Funds \$696,133

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 \$168,610.

208,071

Total Net Position - Governmental Activities

\$904,204

Municipality of Monroeville
Statement of Revenues, Expenditures
and Change in Fund Balance
Convention Visitor's Bureau - Component Unit
General Fund
Year Ended December 31, 2017

| | |
|----------------------------------|-------------------|
| Revenues | |
| Taxes | \$ 610,829 |
| Interest, Rents and Royalties | 6,296 |
| Miscellaneous | <u>18,881</u> |
| Total Revenues | <u>636,006</u> |
| Expenditures | |
| Current: | |
| Conservation and Development | 567,841 |
| Capital Outlay | <u>193,666</u> |
| Total Expenditures | <u>761,507</u> |
| Net Change in Fund Balance | (125,501) |
| Fund Balance - January 1, 2017 | <u>821,634</u> |
| Fund Balance - December 31, 2017 | <u>\$ 696,133</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, 2017

Total Net Change in Fund Balances - Governmental Funds \$(125,501)

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.

Depreciation Expense (29,046)

Change in Net Position of Governmental Activities \$(154,547)

ADDITIONAL INFORMATION

**Municipality of Monroeville
Schedule of Public Library Program
Revenues and Expenditures
Included in the General Fund
Year Ended December 31, 2017**

Revenues

| | |
|--|-----------------------|
| Regional Asset District Tax Funds passed through ACLA | \$ 236,979 |
| State Library Aid | 104,333 |
| State Gaming Revenue | 23,358 |
| Fines and Miscellaneous | <u>151,805</u> |
| Total Revenues | <u>\$ 516,475</u> |

Expenditures

| | |
|--|------------------------|
| Salaries | \$ 684,460 |
| Benefits | 347,499 |
| Utilities | 85,112 |
| Maintenance and Repairs | 32,182 |
| Office Supplies | 63,526 |
| Library Books and Equipment | 187,680 |
| Office Equipment and Furniture | 14,506 |
| Miscellaneous Outside Personnel Services | <u>128,684</u> |
| Total Expenditures | <u>\$1,543,649</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>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 16,086,923 | \$ 13,131,214 | \$ 12,882,141 | \$ 12,222,938 | \$ 12,662,869 | \$ 11,340,030 | \$ 9,896,434 | \$ 11,599,579 | \$ 12,309,761 | \$ 13,310,559 |
| Restricted | 746,777 | 3,241,041 | 2,378,790 | 1,520,031 | 1,556,364 | 2,308,578 | 2,813,073 | 1,593,548 | 1,364,788 | 288,569 |
| Unrestricted | 18,245,114 | 12,989,219 | 10,361,982 | 7,685,328 | 2,745,547 | (500,253) | 340,127 | (7,950,258) | (7,684,003) | (6,866,770) |
| Total primary government | <u>\$ 35,078,814</u> | <u>\$ 29,361,474</u> | <u>\$ 25,622,913</u> | <u>\$ 21,428,297</u> | <u>\$ 16,964,780</u> | <u>\$ 13,148,355</u> | <u>\$ 13,049,634</u> | <u>\$ 5,242,869</u> | <u>\$ 5,990,546</u> | <u>\$ 6,732,358</u> |

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 2 CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 5,002,245 | \$ 4,897,989 | \$ 4,450,812 | \$ 4,467,088 | \$ 3,908,079 | \$ 3,612,604 | \$ 3,986,984 | \$ 4,360,921 | \$ 4,234,236 | \$ 4,464,086 |
| Public Safety | 11,869,307 | 12,765,461 | 12,107,364 | 12,269,528 | 12,389,336 | 13,054,982 | 13,300,436 | 13,219,654 | 14,034,917 | 14,886,812 |
| Public Works-Sanitation | 1,215,876 | 1,354,005 | 1,224,237 | 1,226,083 | 1,390,827 | 1,464,269 | 1,660,992 | 1,431,181 | 1,528,363 | 1,610,152 |
| Public Works-Highway | 4,672,102 | 4,394,628 | 4,362,680 | 4,603,845 | 4,152,939 | 4,385,065 | 4,556,704 | 5,217,301 | 5,089,016 | 5,090,065 |
| Culture-Recreation | 4,148,448 | 4,643,491 | 4,240,035 | 4,216,561 | 4,541,643 | 4,660,442 | 4,717,192 | 4,928,151 | 5,290,431 | 5,479,581 |
| Conservation and Development | 471,400 | 558,044 | 493,397 | 384,315 | 347,004 | 390,481 | 382,799 | 296,709 | 529,993 | 479,846 |
| Interest On Long-Term Debt | 1,049,339 | 1,014,769 | 632,435 | 907,153 | 767,255 | 842,305 | 778,352 | 675,103 | 607,209 | 522,580 |
| Total primary government | \$ 28,428,717 | \$ 29,628,387 | \$ 27,510,960 | \$ 28,074,573 | \$ 27,497,083 | \$ 28,410,148 | \$ 29,383,459 | \$ 30,129,020 | \$ 31,314,165 | \$ 32,533,122 |
| Program Revenues | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 226,166 | \$ 49,259 | \$ 241,921 | \$ 244,349 | \$ 169,097 | \$ 117,920 | \$ 150,589 | \$ 116,779 | \$ 116,780 | \$ 75,803 |
| Public Safety | 298,938 | 451,374 | 650,163 | 357,872 | 464,056 | 347,975 | 316,947 | 386,487 | 327,306 | 431,322 |
| Public Works-Sanitation | 436,386 | 387,118 | 410,478 | 422,577 | 422,739 | 399,786 | 395,767 | 415,504 | 410,465 | 438,630 |
| Public Works-Highway | 44,146 | 45,665 | 34,293 | 50,348 | 3,100 | 82,340 | 8,713 | 111,516 | 36,702 | 37,470 |
| Culture-Recreation | 1,023,343 | 1,083,003 | 1,088,545 | 881,160 | 962,343 | 958,986 | 931,875 | 1,033,519 | 1,025,915 | 1,004,888 |
| Conservation and Development | 37,493 | 60,509 | 42,042 | 16,262 | 39,802 | 44,109 | 71,550 | 68,868 | 55,420 | 48,804 |
| Operating and Capital grants and contributions | 1,716,251 | 2,009,815 | 1,727,350 | 1,857,513 | 1,482,568 | 1,395,759 | 1,541,730 | 2,756,770 | 2,486,866 | 2,531,345 |
| Total primary government | \$ 3,782,723 | \$ 4,086,743 | \$ 4,194,792 | \$ 3,830,081 | \$ 3,543,705 | \$ 3,346,875 | \$ 3,417,171 | \$ 4,889,443 | \$ 4,459,454 | \$ 4,568,262 |
| Total primary government net expense | \$ 24,645,994 | \$ 25,541,644 | \$ 23,316,168 | \$ 24,244,492 | \$ 23,953,378 | \$ 25,063,273 | \$ 25,966,288 | \$ 25,239,577 | \$ 26,854,711 | \$ 27,964,860 |
| General Revs. and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes, Levied for Gen. Purp. | \$ 4,288,709 | \$ 4,223,321 | \$ 4,518,932 | \$ 4,505,976 | \$ 4,329,435 | \$ 5,588,103 | \$ 8,874,636 | \$ 9,033,775 | \$ 9,013,001 | \$ 9,037,409 |
| Earned Income Taxes | 6,599,696 | 6,166,700 | 6,105,290 | 6,574,335 | 6,655,847 | 6,951,532 | 7,711,011 | 7,482,578 | 7,485,167 | 7,633,309 |
| Business Privilege & Mercantile Tax | 7,058,347 | 6,426,641 | 6,214,921 | 6,228,096 | 5,971,721 | 5,791,646 | 6,114,606 | 7,340,650 | 7,705,324 | 7,909,899 |
| Other Taxes, Levied for Gen. Purp. | 2,588,588 | 2,635,771 | 2,577,780 | 2,437,058 | 2,559,194 | 2,618,451 | 2,830,807 | 3,026,410 | 3,012,278 | 3,731,887 |
| Grants, Subsidies & Contrib. Not Restricted | 49,419 | 150,091 | 51,542 | 44,744 | 187,430 | 168,568 | 252,955 | 177,634 | 261,035 | 246,440 |
| Investment Earnings | 909,950 | 194,868 | 109,000 | 69,852 | 89,188 | 78,489 | 60,000 | 46,756 | 70,370 | 76,825 |
| Miscellaneous | 152,203 | 26,912 | 142 | 189,815 | 142,903 | 50,059 | 23,552 | - | 55,213 | 70,903 |
| Total primary government | \$ 21,646,912 | \$ 19,824,304 | \$ 19,577,607 | \$ 20,049,876 | \$ 19,935,718 | \$ 21,246,848 | \$ 25,867,567 | \$ 27,107,803 | \$ 27,602,388 | \$ 28,706,672 |
| Change in Net Position | | | | | | | | | | |
| Total primary government | \$ (2,999,082) | \$ (5,717,340) | \$ (3,738,561) | \$ (4,194,616) | \$ (4,017,660) | \$ (3,816,425) | \$ (98,721) | \$ 1,868,226 | \$ 747,677 | \$ 741,812 |

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 3 FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 7,707,894 | \$ 5,563,195 | \$ 2,376,072 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 9,690,043 | 7,122,455 | 6,921,926 | - | - | - | - | - | - | - |
| Nonspendable | - | - | - | 947 | - | - | - | 58,075 | 52,215 | 54,750 |
| Restricted | - | - | - | 121,102 | 121,118 | 121,130 | - | - | - | - |
| Committed | - | - | - | 82,788 | 82,793 | 101,296 | 270,297 | 155,231 | 137,970 | 94,597 |
| Assigned | - | - | - | 1,795,704 | 897,742 | 544,053 | 540,403 | 585,862 | 652,802 | 700,263 |
| Unassigned | - | - | - | 4,787,610 | 4,291,310 | 3,173,774 | 5,141,934 | 7,175,221 | 9,718,585 | 13,497,133 |
| Total general fund | <u>\$ 17,397,937</u> | <u>\$ 12,685,650</u> | <u>\$ 9,297,998</u> | <u>\$ 6,788,151</u> | <u>\$ 5,392,963</u> | <u>\$ 3,940,253</u> | <u>\$ 5,952,634</u> | <u>\$ 7,974,389</u> | <u>\$ 10,561,572</u> | <u>\$ 14,346,743</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 4,230,068 | \$ 3,157,624 | \$ 2,378,790 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | - | - | - | 5,914,962 | 4,269,024 | 2,187,448 | 2,813,073 | 1,593,548 | 1,364,788 | 288,569 |
| Committed | - | - | - | 152,313 | 152,352 | 152,388 | 1,005,452 | 1,168,316 | 1,584,386 | 1,968,024 |
| Assigned | - | - | - | 912,991 | - | - | - | - | (279,518) | - |
| Unassigned | - | - | - | - | - | (49,288) | (82,300) | (82,300) | (82,300) | - |
| Unreserved reported in: | | | | | | | | | | |
| Special revenue funds | 935,873 | 1,135,962 | 1,409,839 | - | - | - | - | - | - | - |
| Total all other governmental funds | <u>\$ 5,165,941</u> | <u>\$ 4,293,586</u> | <u>\$ 3,788,629</u> | <u>\$ 6,980,266</u> | <u>\$ 4,421,376</u> | <u>\$ 2,290,548</u> | <u>\$ 3,736,225</u> | <u>\$ 2,679,564</u> | <u>\$ 2,587,356</u> | <u>\$ 2,256,593</u> |

The fund balances for 2011 through 2017 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)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-----------------------|-----------------------|-----------------------|-------------------|-----------------------|-----------------------|---------------------|-------------------|---------------------|---------------------|
| Revenues: | | | | | | | | | | |
| Taxes | \$ 20,861,100 | \$ 19,912,623 | \$ 19,493,285 | \$ 19,603,842 | \$ 19,931,384 | \$ 20,919,961 | \$ 25,529,862 | \$ 26,728,752 | \$ 27,219,766 | \$ 28,273,021 |
| Licenses and Permits | 1,078,265 | 1,226,120 | 1,479,195 | 1,152,875 | 1,405,533 | 1,303,052 | 1,224,666 | 1,337,641 | 1,267,561 | 1,371,775 |
| Fines and Forfeits | 146,335 | 141,657 | 138,978 | 165,288 | 113,091 | 105,145 | 104,238 | 112,239 | 93,135 | 94,475 |
| Interest, Rents and Royalties | 909,950 | 194,868 | 109,000 | 69,852 | 89,188 | 78,489 | 60,000 | 46,756 | 70,370 | 124,267 |
| Intergovernmental | 1,708,639 | 2,132,506 | 1,713,741 | 1,654,837 | 1,626,110 | 1,526,646 | 1,794,685 | 2,915,157 | 2,660,342 | 2,714,228 |
| Charges for Services | 841,872 | 746,513 | 849,269 | 848,729 | 542,513 | 542,919 | 546,537 | 682,793 | 611,892 | 570,667 |
| Miscellaneous | 57,634 | 26,912 | 65,293 | 58,911 | 138,991 | 61,311 | 23,552 | 19,247 | 100,222 | 43,558 |
| Total revenues | 25,603,795 | 24,381,199 | 23,848,761 | 23,554,334 | 23,846,810 | 24,537,523 | 29,283,540 | 31,842,585 | 32,023,288 | 33,191,991 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | 3,739,361 | 4,244,860 | 4,097,552 | 3,779,253 | 3,129,183 | 2,894,708 | 3,141,640 | 3,634,801 | 3,233,365 | 3,287,649 |
| Public Safety | 10,310,515 | 11,687,888 | 11,311,872 | 11,200,645 | 10,075,158 | 10,935,158 | 10,944,470 | 12,362,846 | 11,609,201 | 11,652,960 |
| Public Works-Sanitation | 1,081,621 | 1,248,905 | 1,123,879 | 1,129,688 | 1,162,073 | 1,229,431 | 1,227,277 | 1,192,521 | 1,180,830 | 1,226,511 |
| Public Works-Highways | 3,055,005 | 3,255,015 | 3,359,170 | 3,356,701 | 2,839,927 | 2,855,834 | 2,941,291 | 3,313,521 | 3,364,611 | 3,366,360 |
| Culture-Recreation | 3,440,371 | 4,018,069 | 3,584,252 | 3,623,311 | 3,545,275 | 3,526,226 | 3,548,821 | 3,889,441 | 3,971,196 | 4,063,899 |
| Conservation and Development | 460,014 | 545,414 | 483,943 | 372,497 | 300,871 | 350,041 | 336,779 | 274,320 | 460,931 | 393,628 |
| Insurance Premiums | 767,909 | 1,006,736 | 1,050,703 | 1,164,949 | 1,175,072 | 955,570 | 1,152,885 | 1,112,060 | 1,204,279 | 1,209,074 |
| Capital outlays | 5,106,678 | 1,481,708 | 1,478,691 | 3,086,750 | 3,206,754 | 2,226,467 | 697,866 | 2,711,390 | 1,029,697 | 1,421,327 |
| Debt Service: | | | | | | | | | | |
| Principal | 1,515,000 | 1,585,000 | 1,400,000 | 1,955,000 | 2,355,000 | 2,290,000 | 2,355,000 | 2,675,899 | 2,895,617 | 2,968,415 |
| Interest | 997,711 | 977,246 | 609,954 | 924,207 | 823,828 | 884,055 | 817,472 | 712,362 | 621,136 | 526,538 |
| Total Expenditures | 30,474,185 | 30,050,841 | 28,500,016 | 30,593,001 | 28,613,141 | 28,147,490 | 27,163,501 | 31,879,161 | 29,570,863 | 30,116,361 |
| Excess of revenues over (under) expenditures | (4,870,390) | (5,669,642) | (4,651,255) | (7,038,667) | (4,766,331) | (3,609,967) | 2,120,039 | (36,576) | 2,452,425 | 3,075,630 |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Issuance of Debt | - | - | - | 7,450,000 | - | - | 1,338,019 | 9,655,000 | - | - |
| Issuance of Refunding Debt | - | - | 18,470,000 | - | 8,445,000 | - | - | - | - | 7,885,000 |
| (Discount) on Bonds Issued | - | - | - | - | - | - | - | - | - | - |
| Bond premium in bonds issued | - | - | 816,850 | 86,457 | 186,144 | - | - | 292,671 | - | 303,672 |
| Payment to Refunded Bond Escrow Agent | - | - | (18,572,754) | - | (7,866,691) | - | - | (9,479,534) | - | (7,833,354) |
| Capital lease | - | - | - | - | - | - | - | 533,533 | - | - |
| Sale of Capital Assets | 151,600 | 85,000 | 44,550 | 184,000 | 47,800 | 26,429 | - | - | 42,550 | 23,460 |
| Transfers In | 172,358 | 228,019 | 639,980 | - | 610,354 | - | 1,119,000 | 1,301,870 | 1,000,000 | 2,679,509 |
| Transfers Out | (172,358) | (228,019) | (639,980) | - | (610,354) | - | (1,119,000) | (1,301,870) | (1,000,000) | (2,679,509) |
| Total Other Financing Sources (Uses) | 151,600 | 85,000 | 758,646 | 7,720,457 | 812,253 | 26,429 | 1,338,019 | 1,001,670 | 42,550 | 378,778 |
| Net Changes in fund balances | \$ (4,718,790) | \$ (5,584,642) | \$ (3,892,609) | \$ 681,790 | \$ (3,954,078) | \$ (3,583,538) | \$ 3,458,058 | \$ 965,094 | \$ 2,494,975 | \$ 3,454,408 |
| Debt service as a percentage of noncapital expenditures | 9.91% | 9.05% | 7.46% | 10.51% | 12.63% | 12.25% | 11.87% | 11.59% | 12.18% | 13.13% |

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 |
|-------------|----------------------|---------------------|---------------------|------------------------------|--|-----------------------|
| 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% | 2.43 |
| 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 |
| 2016 | 1,290,977 | 1,045,960 | 571,109 | 2,336,937 | 100% | 4.00 |
| 2017 | 1,294,847 | 1,049,065 | 403,552 | 2,343,912 | 100% | 4.00 |

Source: Allegheny County Assessment Office

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 6 DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

| Fiscal Year | Municipality of Monroeville | | County of Allegheny | | Gateway School District | | Total |
|-------------|-----------------------------|---------------|-------------------------|---------------|-------------------------|---------------|--------|
| | Total Basic Tax Millage | Total Millage | Total Basic Tax Millage | Total Millage | Total Basic Tax Millage | Total Millage | |
| 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 |
| 2016 | 4.00 | 4.00 | 4.73 | 4.73 | 18.89 | 18.89 | 27.62 |
| 2017 | 4.00 | 4.00 | 4.73 | 4.73 | 19.33 | 19.33 | 28.06 |

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 7 PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND TEN YEARS AGO

| Taxpayer | 2017 | | | 2007 | | |
|--|----------------------------|------|--|----------------------------|------|--|
| | 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 | \$ 122,451,600 | 1 | 5.22% | \$ - | - | - |
| PZ Miracle Mile | 40,249,500 | 2 | 1.72% | - | - | - |
| Anne V. Lewis | 37,073,300 | 3 | 1.58% | - | - | - |
| ER Partners LP | 16,956,700 | 4 | 0.72% | - | - | - |
| WPP/WEN LLC | 15,307,100 | 5 | 0.65% | - | - | - |
| Monroeville SCLP | 14,800,000 | 6 | 0.63% | 17,481,700 | 7 | 0.83% |
| Jamison Lane | 14,515,600 | 7 | 0.62% | | | |
| M&M Hotel Poxford | 14,093,900 | 8 | 0.60% | | | |
| LSR EFR - Rebound LLC | 13,800,000 | 9 | 0.59% | | | |
| HTA Monroeville LLC - Healthcare | 13,500,000 | 10 | 0.58% | | | |
| Eagle Ridge Apartments | | | | 18,293,800 | 6 | 0.87% |
| Soffer, Donald | | | | 159,144,200 | 1 | 7.55% |
| L&M Associates | | | | 44,039,300 | 2 | 2.09% |
| Westinghouse Electric Corporation | | | | 42,000,000 | 3 | 1.99% |
| Pittsburgh Miracle Mile Town and Country | | | | 40,000,000 | 4 | 1.90% |
| Cochran RELP | | | | 18,438,950 | 5 | 0.87% |
| Terra Capital Associates | | | | 12,620,500 | 8 | 0.60% |
| Walnut Capital | | | | 15,582,500 | 9 | 0.74% |
| Boscov's Department Store | | | | 14,000,000 | 10 | 0.66% |
| | <u>\$ 302,747,700</u> | | <u>12.92%</u> | <u>\$ 381,600,950</u> | | <u>18.11%</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 |
| 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% | 41,213 | 9,009,181 | 96.61% |
| 2016 | 9,347,748 | 9,013,001 | 96.42% | 140,145 | 9,153,146 | 97.92% |
| 2017 | 9,207,522 | 8,897,264 | 96.63% | - | 8,897,264 | 96.63% |

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> |
|------------------------|----------------------------------|--------------------------|
| 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 |
| 2016 | 499,011,133 | 7,485,167 |
| 2017 | 485,356,967 | 7,633,309 |

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> |
|------------------------|-------------------------------------|--|
| 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% |
| 2016 | 1% | 0.50% |
| 2017 | 1% | 0.50% |

Source: Keystone Collections Group

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 | 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 | 2016 Number of filers | 2017 Number of filers |
|----------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| \$100,001-and higher | 679 | 439 | 209 | 333 | 912 | 466 | 519 | 1,025 | 21 | 13 |
| \$70,001-\$100,000 | 1,043 | 744 | 307 | 466 | 1,180 | 642 | 2,457 | 2,576 | 1,015 | 974 |
| \$50,001-70,000 | 1,433 | 1,030 | 435 | 643 | 1,605 | 889 | 1,805 | 2,511 | 4,062 | 3,820 |
| \$30,001-50,000 | 2,147 | 1,458 | 540 | 849 | 2,204 | 1,199 | 1,278 | 1,158 | 2,186 | 1,967 |
| \$10,001-30,000 | 2,710 | 1,697 | 565 | 1,118 | 2,835 | 1,492 | 2,002 | 2,042 | 1,228 | 1,133 |
| \$10,000 and lower | 2,787 | 1,957 | 387 | 907 | 2,846 | 1,759 | 3,577 | 4,175 | 3,559 | 3,207 |
| TOTAL | 10,799 | 7,325 | 2,443 | 4,316 | 11,582 | 6,447 | 11,638 | 13,487 | 12,071 | 11,114 |

| Income Level | 2008 Percentage of Total Taxpayers | 2009 Percentage of Total Taxpayers | 2010 Percentage of Total Taxpayers | 2011 Percentage of Total Taxpayers | 2012 Percentage of Total Taxpayers | 2013 Percentage of Total Taxpayers | 2014 Percentage of Total Taxpayers | 2015 Percentage of Total Taxpayers | 2016 Percentage of Total Taxpayers | 2017 Percentage of Total Taxpayers |
|----------------------|--|--|--|--|--|--|--|--|--|--|
| \$100,001-and higher | 9.27% | 5.99% | 8.56% | 7.72% | 7.88% | 7.23% | 4.46% | 7.60% | 0.17% | 0.12% |
| \$70,001-\$100,000 | 14.24% | 10.16% | 12.57% | 10.80% | 10.19% | 9.96% | 21.11% | 19.10% | 8.41% | 8.76% |
| \$50,001-70,000 | 19.56% | 14.06% | 17.81% | 14.90% | 13.86% | 13.79% | 15.51% | 18.62% | 33.65% | 34.37% |
| \$30,001-50,000 | 29.31% | 19.90% | 22.10% | 19.67% | 19.03% | 18.60% | 10.98% | 8.59% | 18.11% | 17.70% |
| \$10,001-30,000 | 37.00% | 23.17% | 23.13% | 25.90% | 24.48% | 23.14% | 17.20% | 15.14% | 10.17% | 10.19% |
| \$10,000 and lower | 38.05% | 26.72% | 15.84% | 21.02% | 24.57% | 27.28% | 30.74% | 30.96% | 29.48% | 28.86% |
| TOTAL | 147.43% | 100.00% | 100.01% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

| Income Level | 2008 Percentage of Total Income | 2009 Percentage of Total Income | 2010 Percentage of Total Income | 2011 Percentage of Total Income | 2012 Percentage of Total Income | 2013 Percentage of Total Income | 2014 Percentage of Total Income | 2015 Percentage of Total Income | 2016 Percentage of Total Income | 2017 Percentage of Total Income |
|----------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| \$100,001-and higher | 25.84% | 18.88% | 26.45% | 28.55% | 30.01% | 27.56% | 28.05% | 28.50% | 3.65% | 3.65% |
| \$70,001-\$100,000 | 20.13% | 21.30% | 21.84% | 20.36% | 19.93% | 20.59% | 19.02% | 19.52% | 28.57% | 28.57% |
| \$50,001-70,000 | 19.65% | 20.90% | 22.08% | 19.97% | 19.21% | 20.28% | 20.12% | 19.95% | 48.47% | 48.47% |
| \$30,001-50,000 | 19.69% | 19.70% | 18.60% | 17.75% | 17.67% | 18.34% | 18.62% | 17.98% | 12.85% | 12.85% |
| \$10,001-30,000 | 12.30% | 11.26% | 9.54% | 11.33% | 11.10% | 11.26% | 11.13% | 11.28% | 4.11% | 4.11% |
| \$10,000 and lower | 2.39% | 7.98% | 1.49% | 2.05% | 2.07% | 1.96% | 2.99% | 2.63% | 2.35% | 2.35% |
| TOTAL | 100% | 100% | 100.00% | 100.00% | 100.00% | 100% | 100% | 100% | 100% | 100% |

The Municipality is legally prohibited from disclosing individual payers.

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 | | |
| 2008 | 27,495,000 | - | 27,495,000 | 6.30% | 936.83 |
| 2009 | 25,910,000 | - | 25,910,000 | 5.97% | 882.82 |
| 2010 | 24,715,000 | - | 24,715,000 | 6.07% | 870.68 |
| 2011 | 30,911,882 | - | 30,911,882 | 7.21% | 1,088.98 |
| 2012 | 29,482,302 | - | 29,482,302 | 6.48% | 1,038.62 |
| 2013 | 27,020,931 | - | 27,020,931 | 5.83% | 951.91 |
| 2014 | 24,494,560 | 1,338,019 | 25,832,579 | 4.76% | 910.05 |
| 2015 | 22,436,347 | 1,680,653 | 24,117,000 | 4.50% | 849.61 |
| 2016 | 19,726,528 | 1,380,036 | 21,106,564 | 3.95% | 743.56 |
| 2017 | 17,265,207 | 1,076,621 | 18,341,828 | 3.56% | 646.16 |

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

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

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

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 13 RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

| Fiscal Year | General Bonded Debt Outstanding* General Obligation Bond *** | Percentage of Actual Taxable Value** of Property | Per Capita* |
|----------------|--|---|-------------|
| 2008 | 27,495 | 1.30% | 936.83 |
| 2009 | 25,910 | 1.23% | 882.82 |
| 2010 | 24,715 | 1.18% | 870.68 |
| 2011 | 30,912 | 1.48% | 1088.99 |
| 2012 | 29,482 | 1.43% | 1038.61 |
| 2013 | 27,021 | 1.07% | 951.91 |
| 2014 | 24,494 | 1.03% | 862.89 |
| 2015 | 22,436 | 0.96% | 790.39 |
| 2016 | 19,726 | 0.84% | 694.92 |
| 2017 | 17,265 | 0.74% | 608.23 |

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

* Population data can be found in Schedule 16.

** 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, 2017

(AMOUNTS EXPRESSED IN THOUSANDS)

| <u>Governmental Unit</u> | <u>Debt *** Outstanding</u> | <u>Estimated Percentage Applicable*</u> | <u>Estimated Share of Overlapping** Debt</u> |
|--|---------------------------------|---|--|
| Debt repaid with property taxes | | | |
| Municipality of Monroeville | 18,341 | 100.0% | \$ 18,341 |
| Other debt | | | |
| Gateway School District | 44,495 | 97.81% | a 43,521 |
| Allegheny County | 890,469 | 2.88% | a 25,646 |
| Subtotal-overlapping debt | | | <u>69,166</u> |
| Total direct and overlapping debt | | | <u><u>\$ 87,507</u></u> |

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

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

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 15

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Debt Limit | \$ 60,864 | \$ 61,620 | \$ 56,444 | \$ 54,717 | \$ 57,183 | \$ 58,320 | \$ 63,836 | \$ 70,534 | \$ 75,503 | \$ 81,097 |
| Total net debt applicable to limit | 27,495 | 25,910 | 24,715 | 30,210 | 28,730 | 26,440 | 24,085 | 21,920 | 19,325 | 16,720 |
| Legal debt margin | \$ 33,369 | \$ 35,710 | \$ 31,729 | \$ 24,507 | \$ 28,453 | \$ 31,880 | \$ 39,751 | \$ 48,614 | \$ 56,178 | \$ 64,377 |
| Total net debt applicable to the limit as a percentage of debt limit | 45.17% | 42.05% | 43.79% | 55.21% | 50.24% | 45.34% | 37.73% | 31.08% | 25.60% | 20.62% |

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

SCHEDULE 16

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> |
|-------------|---------------------------|---|---|---------------------------|----------------------------------|----------------------------------|
| 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% |
| 2016 | 28,386 | \$ 499,011,133 | \$ 46,503 | 45 | 3,336 | 4.70% |
| 2017 | 28,386 | \$ 485,356,967 | \$ 43,671 | 45 | 3,292 | 4.20% |

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 | 2017 | | | 2007 | | |
|---------------------------------------|-----------|------|--|-----------|------|--|
| | Employees | Rank | Percentage of Total Municipal Employment | Employees | Rank | Percentage of Total Municipal Employment |
| Forbes Regional/West Penn Hospital | 1,628 | 1 | 7.25% | 1,432 | 1 | 0.72% |
| UPMC | 1,355 | 2 | 6.04% | | | |
| Procure Pharmacy | 1,347 | 3 | 6.00% | | | |
| Bechtel Plant Machinery Inc. | 887 | 4 | 3.95% | | | |
| Gateway School District | 563 | 5 | 2.51% | 794 | 3 | 0.40% |
| Respironics | 559 | 6 | 2.49% | | | |
| Community College of Allegheny County | 348 | 7 | 1.55% | 391 | 6 | 0.20% |
| Lash Group | 341 | 8 | 1.52% | | | |
| SDLC Partners LP | 336 | 9 | 1.50% | | | |
| Cochran Pontiac Incorporated | 284 | 10 | 1.27% | 484 | 5 | 0.24% |
| Three Rivers Administrative Services | | | | 600 | 4 | 0.30% |
| Westinghouse Electric Co. | | | | 1,730 | 2 | 0.87% |
| Giant Eagle Markets #60 | | | | 450 | 8 | 0.23% |
| Lazarus/Macy's | | | | 465 | 7 | 0.23% |
| HealthSouth of Pittsburgh, Inc. | | | | 326 | 10 | 0.16% |
| Venturi Staffing Partners | | | | 399 | 9 | 0.20% |
| | 7,648 | | 34.08% | 7,071 | | 3.54% |
| Total Employees | 22,444 | | | | | |

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 18

FULL-TIME EQUIVALENT MUNICIPAL EMPLOYEES BY FUNCTION/PROGRAM

| <u>FUNCTION/PROGRAM</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> | <u>2016</u> | <u>2017</u> |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| GENERAL GOVERNMENT | | | | | | | | | | |
| Mayor & Council | - | - | - | - | - | - | - | - | - | - |
| Manager's Office | 4 | 4 | 4 | 3 | 3 | 3 | 4 | 4 | 4 | 3 |
| Tax Collection | 5 | 5 | 5 | 5 | 5 | 4 | 4 | 4 | 4 | 4 |
| Finance Office | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 |
| Data Processing | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 1 |
| PUBLIC SAFETY | | | | | | | | | | |
| Police Chief | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Emergency Communications | 8 | 8 | 8 | 8 | 8 | 8 | 7 | 8 | 8 | 9 |
| Patrol & Traffic | 40 | 40 | 39 | 40 | 42 | 42 | 39 | 37 | 37 | 39 |
| Incident Investigation | 6 | 6 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Support Services & Records | 3 | 3 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Police Training | 1 | 1 | 1 | 1 | - | - | - | - | - | - |
| Community Safety | 3 | 4 | 3 | 2 | 2 | 2 | 1 | 1 | 1 | - |
| School Crossing Guards | - | - | - | - | - | - | - | - | - | - |
| Fire, Building, & Code Enforcement | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 5 | 4 |
| PUBLIC WORKS | | | | | | | | | | |
| Superintendent of Public Works | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Snow & Ice Control | - | - | - | - | - | - | - | - | - | - |
| Storm Sewer Maintenance | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Street Maintenance | 9 | 9 | 9 | 8 | 8 | 5 | 6 | 6 | 6 | 5 |
| Parks Maintenance | 7 | 7 | 7 | 6 | 6 | 8 | 7 | 8 | 8 | 8 |
| Traffic Signals, Signs and Markings | 4 | 4 | 4 | 4 | 4 | 5 | 4 | 4 | 4 | 4 |
| Superintendent of Special Services | - | - | - | - | - | - | - | - | - | - |
| Sanitary Sewer Maintenance | - | - | - | - | - | - | - | - | - | - |
| Refuse Collection | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Vehicular Equipment | 5 | 5 | 5 | 4 | 4 | 4 | 4 | 5 | 5 | 5 |
| Recycling | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Animal Control | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Community Park | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Building & Property Maintenance | 5 | 5 | 5 | 3 | 3 | 3 | 4 | 4 | 4 | 4 |
| HUMAN SERVICES | | | | | | | | | | |
| Recreation and Parks | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Human Service Program | - | - | - | - | - | - | - | - | - | - |
| Leisure Learning | - | - | - | - | - | - | - | - | - | - |
| Monroeville Community Pool | - | - | - | - | - | - | - | - | - | - |
| Planning & Zoning | 4 | 4 | 2 | 2 | 4 | 4 | 3 | 3 | 3 | 4 |
| Appeal Board Service | - | - | - | - | - | - | - | - | - | - |
| Engineering | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| Electronic Equipment | - | - | - | - | - | - | - | - | - | - |
| Senior Citizens | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 4 |
| Public Library | 11 | 11 | 11 | 11 | 11 | 10 | 10 | 10 | 10 | 11 |
| TV 15 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| TOTAL | 158 | 159 | 152 | 145 | 148 | 145 | 141 | 144 | 143 | 143 |

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 19

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

| FUNCTION/PROGRAM | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| POLICE | | | | | | | | | | |
| Physical arrests | 521 | 363 | 280 | 314 | 255 | 374 | 469 | 613 | 548 | 641 |
| Incidents | 23,891 | 18,188 | 16,614 | 15,425 | 15,531 | 15,354 | 16,535 | 16,854 | 15,982 | 16,051 |
| Traffic violations/Citations | 1,299 | 1,266 | 2,013 | 1,580 | 1,758 | 1,653 | 3,535 | 1,629 | 1,016 | 1,883 |
| FIRE | | | | | | | | | | |
| Emergency Response | 5,180 | 5,141 | 5,777 | 5,387 | 5,224 | 7,028 | 5,392 | 6,078 | 6,769 | 7,616 |
| INSPECTIONS | 4,684 | 4,780 | 4,780 | 6,083 | 6,100 | 7,539 | 8,324 | 8,152 | 7,580 | 7,151 |
| PUBLIC WORKS | | | | | | | | | | |
| Recyclables collected (tons per year) | 656.7 | 535.1 | 530.4 | 641.4 | 695.3 | 738.8 | 654.1 | 749.7 | 801.3 | 929.7 |
| OTHER PUBLIC WORKS | | | | | | | | | | |
| Street Resurfacing (miles) | 8.5 | 4.3 | 4.3 | 9.0 | 17.9 | 22.8 | 1.2 | 1.0 | 10.0 | 7.0 |
| PARKS AND RECREATION | | | | | | | | | | |
| Program Participants | 2,408 | 1,701 | 1,644 | 2,093 | 5,858 | 6,283 | 4,262 | 3,823 | 3,645 | 5,656 |
| Pavilion Rentals | 385 | 434 | 453 | 466 | 486 | 533 | 638 | 692 | 710 | 545 |
| Pool Admissions | 4,320 | 3,736 | 5,331 | 5,431 | 5,569 | 7,922 | 6,743 | 6,922 | 6,953 | 7,654 |
| LIBRARY | | | | | | | | | | |
| Items in Collection | 123,765 | 123,146 | 119,514 | 120,048 | 122,771 | 124,312 | 123,498 | 115,686 | 99,334 | 91,564 |
| Total Circulation | 224,066 | 233,405 | 222,519 | 244,321 | 297,941 | 308,614 | 290,750 | 306,014 | 315,368 | 372,542 |

Sources: Various Municipal Departments

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 20

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

| <u>FUNCTION/PROGRAM</u> | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 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 | 21 | 21 | 21 | 21 | 21 |
| Basketball courts | 21 | 21 | 21 | 21 | 21 | 20 | 20 | 20 | 20 | 20 |
| Soccer fields | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 |
| Ball fields | 16 | 16 | 16 | 16 | 16 | 17 | 17 | 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 | 21 | 21 | 21 | 21 | 21 | 24 | 24 | 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