

MUNICIPALITY OF  
MONROEVILLE,  
PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

MUNICIPALITY OF  
MONROEVILLE,  
PENNSYLVANIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

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

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

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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](http://www.monroeville.pa.us)

June 26, 2019

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, 2018.

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, 2018. 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 2018 financial and management items, the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association (GFOA) for the 2017 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, 2018; 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 Procare Pharmacy are the top three largest employers. Procare 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 and the region continue to grapple with many of the same structural and funding deficits that challenge many municipalities. Challenges still exist with long-term financial budgetary stability for the Municipality, but 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 3.1 % in the region from April 2018 to April 2019. The national job count increased 1.5% during December 2017 through December 2018. In the Pittsburgh metropolitan area, leisure and hospitality services had the largest employment gain from April 2018 to April 2019, adding 2,900 jobs. The local 2.4% increase was faster than the 1.8% national increase for this industry. The construction industry increased by 2,700 since last April, the second-largest gain in the Pittsburgh area. The over-the-year local increase for this super-sector is 4.7%, more than double the national increase of 1.9%

The education and health services sector in the Pittsburgh area gained 1,900 jobs from April 2018 to April 2019. The local rate of increase for education and health services employment was 2.4% which is similar to the nation at 2.5% (US Bureau of Labor Statistics, June 2018).

The March 2019 unemployment dropped to 3.6% from 4.2% in March 2018. This is tied to the United States rate of 3.6% (US Bureau of Labor Statistics, April 2019). Real gross domestic product for U.S. metropolitan areas grew in the fourth quarter of 2018 by 2.2%; the latest new release available (U.S. Bureau of Economic Analysis). Pennsylvania had a 2.5% growth rate during the same period. Pittsburgh had a per capita personal income (PCPI) of \$53,849 ranking 56<sup>th</sup> in the United States and is 104% of the national average of \$51,640 (as of 2017 BEA, March 2019).

Local housing is another encouraging sector. Building Department Permits issued in the Municipality increased slightly from 2,137 in 2017 to 2,185, which is a reasonable but steady increase. Permit revenues increased 31% to \$369,237 in 2018, from \$315,658 in 2017 which is due to the types of permits issued, subdivision increased \$4,150 and Street openings were up \$6,545 All other permits were relatively consistent.

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 \$14.4 million (42.5% 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 & 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- Continue 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 implement the Municipal Separate Storm Sewer System (MS4) program as it relates to implementation of a flat fee of \$120 per year for all property owners to repair an aging storm sewer system infrastructure.

### **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 (10.1 % 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 contributed \$1,000,000 to the Trust during 2018.

### **MAJOR INITIATIVES**

The Municipality has undertaken major initiatives in recent years that include the update of the comprehensive plan, and the municipal codebook; 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**

The three communities of Monroeville, Churchill Borough and Wilkens Township 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 authoritative book 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 passed the Pollution Control and Flood Reduction Ordinance in October 2018. The ordinance enacted legislation to assess a \$120 fee per year on residential property based on an average 2,385 square feet of impervious surface. Commercial property is based on multiples of 2,385 square feet of impervious surface. Houses of worship have been given a 25% per year discount.

### 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 as of yet.

### 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, 2017. This is the twenty-sixth 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.

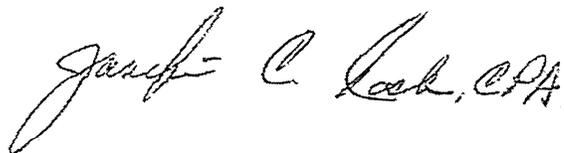
A Certificate of Achievement for Excellence is valid for a period of one year only. We believe that our current report continues to conform to the Certificate of Achievement for Excellence Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

### 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

# 2018 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 2018

### MEMBERS OF COUNCIL

Nick Gresock	Mayor
Linda Gaydos	Council Member, Ward 1
Eric Poach	Council Member, Ward 2
Ronald Harvey	Council Member, Ward 3
Jim Johns	Council Member, Ward 4
Greg Erosenko	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, 2017**

*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, 2018, 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, 2018, 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 26, 2019

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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, 2018. 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, 2018.

### **FINANCIAL HIGHLIGHTS**

- The Municipality's net position decreased by \$(1,409,165) in 2018 or 11.3%.
- The Municipality had an adjustment to net position for the prior year (2017), which resulted in a decrease in the beginning net position for 2018 of \$19,237,718. The adjustment was for the cumulative effect of implementation of Government Accounting Standards Board (GASB) Statement No. 75.
- During 2018, the Municipality's bond rating was Aa2 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 7 of the notes to financial statements.
- At December 31, 2018, the Municipality had \$13.9 million of gross bond debt and \$14.4 million of net debt outstanding. This represents a decrease of \$2,735,000 or 16.4% from the previous year. The Municipality also had \$839,562 of capital leases payable at December 31, 2018. This represents a burden of \$538 per capita to bonded debt.
- The total fund balance of the general fund at December 31, 2018 was \$15,197,592. The unassigned portion of the fund balance was \$14,410,769, which is approximately 44.1% of revenues in the general fund for fiscal year 2018, an increase of 6.8%.

### **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**

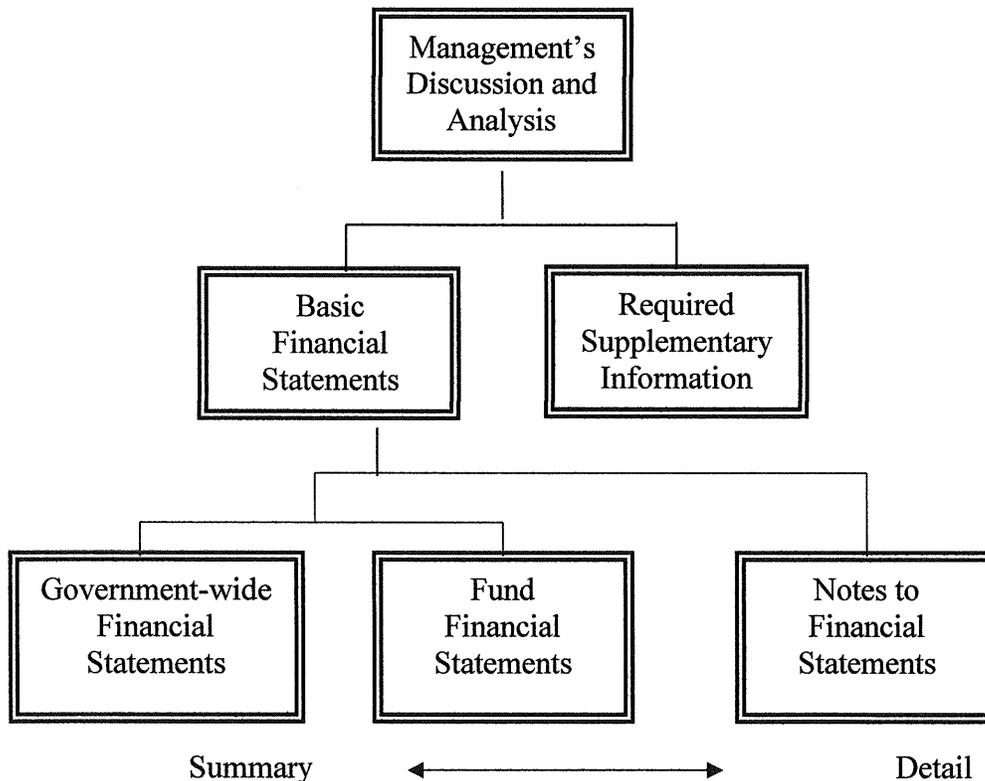


Figure A-2 summarizes the major features of the Municipality's financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

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

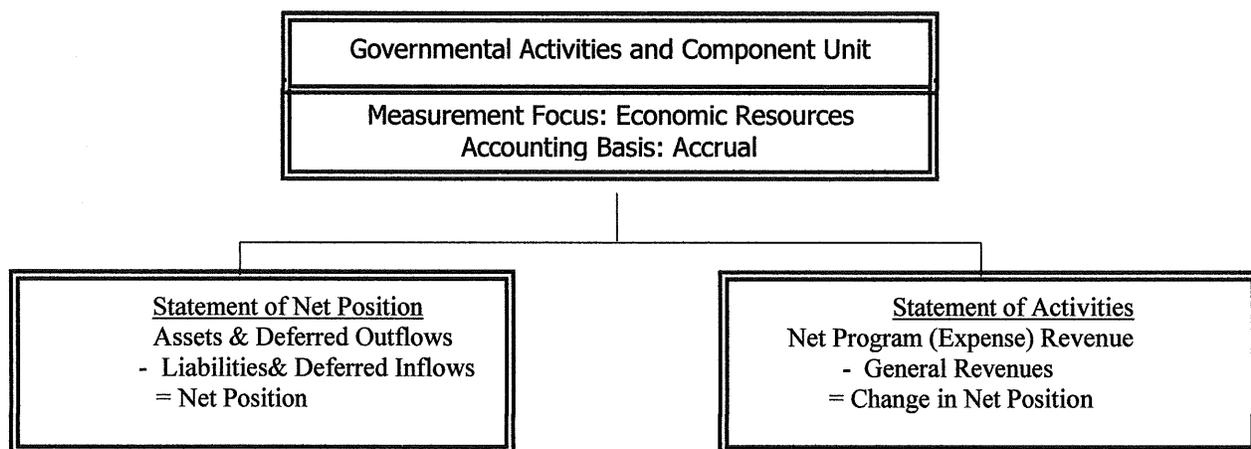
	<b>Fund Statements</b>		
	<b><u>Government-Wide Statements</u></b>	<b><u>Governmental Funds</u></b>	<b><u>Fiduciary Funds</u></b>
Scope	Entire municipal government (except fiduciary funds) and the Municipality's component unit	The activities of the Municipality that are not proprietary or fiduciary, such as police, fire, and recreation	Instances in which the Municipality is the trustee or agent for someone else's resources, such as the retirement plan for municipal employees
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the Municipality's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

## GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the Municipality as a whole using accounting methods similar to those used by private-sector companies. The statement of net 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, 2018 and 2017 is presented below:

#### FINANCIAL ANALYSIS OF THE MUNICIPALITY AS A WHOLE

	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
<b>Assets</b>		(Restated)
Current and other assets	\$ 20,286,367	\$ 19,653,653
Capital assets	29,688,879	31,369,373
<b>Total assets</b>	<u>49,975,246</u>	<u>51,023,026</u>
Deferred outflows of resources	<u>17,870,822</u>	<u>7,704,098</u>
<b>Liabilities</b>		
Current and other liabilities	1,624,305	1,146,918
Long-term liabilities:		
Due within one year	3,078,857	3,016,221
Due in more than one year	67,185,313	65,126,579
<b>Total liabilities</b>	<u>71,888,475</u>	<u>69,289,718</u>
Deferred inflows of resources	<u>9,872,118</u>	<u>1,942,766</u>
<b>Net position</b>		
Net investment in capital assets	14,622,837	13,310,559
Restricted	764,254	288,569
Unrestricted	(29,301,616)	(26,104,488)
<b>Total net position</b>	<u>\$ (13,914,525)</u>	<u>\$ (12,505,360)</u>

**Net position:**

For 2018, Net Position of Governmental Activities, decreased by \$(1,409,165) or -11.3% to \$(13.9) million.

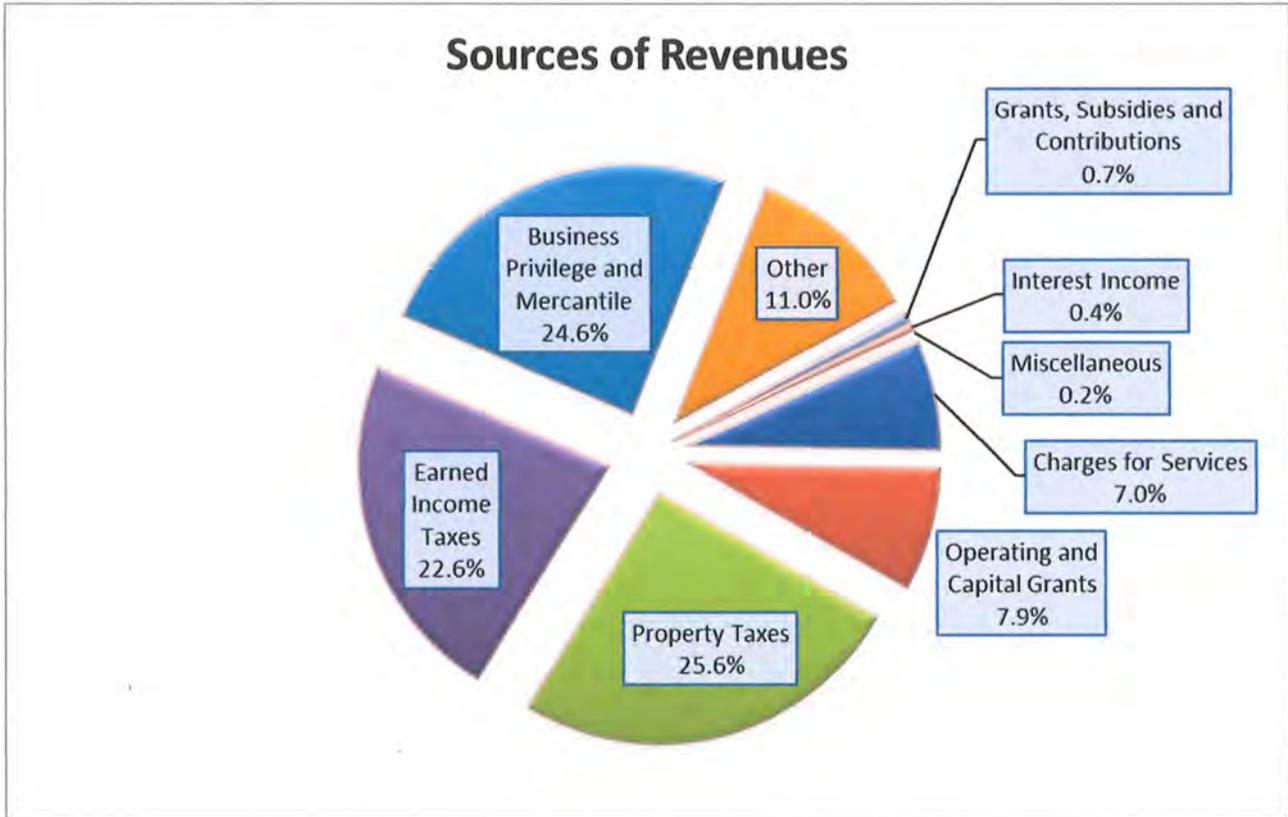
	2018	2017 (Restated)	Variance
Revenues			
Program Revenues:			
Charges for Services	\$ 2,368,638	\$ 2,036,917	\$ 331,721
Operating and Capital Grants	2,686,931	2,531,345	155,586
General Revenues:			
Property Taxes	8,720,156	9,037,409	(317,253)
Earned Income Taxes	7,698,026	7,633,309	64,717
Business Privilege and Mercantile	8,357,693	7,909,899	447,794
Other	3,756,994	3,731,887	25,107
Grants, Subsidies and Contributions	223,719	246,440	(22,721)
Interest Income	149,257	76,825	72,432
Miscellaneous Income	65,073	70,903	(5,830)
Total Revenues	<u>34,026,487</u>	<u>33,274,934</u>	<u>751,553</u>
Program Expenses			
General Government	4,332,927	4,464,086	(131,159)
Public Safety	16,690,271	14,886,812	1,803,459
Public Works:			-
Sanitation	1,445,974	1,610,152	(164,178)
Highways and Streets	6,673,563	5,090,065	1,583,498
Culture and Recreation	5,344,164	5,479,581	(135,417)
Conservation and Development	522,105	479,846	42,259
Interest on Long-Term Debt	426,648	522,580	(95,932)
Total Expenses	<u>35,435,652</u>	<u>32,533,122</u>	<u>2,902,530</u>
Change in Net Position	(1,409,165)	741,812	(2,150,977)
Net Position - Beginning	(12,505,360)	5,990,546	(18,495,906)
Change due to implementation of GASB 75 on 1/1/2018	-	(19,237,718)	19,237,718
Net Position - Ending	<u>\$ (13,914,525)</u>	<u>\$ (12,505,360)</u>	<u>\$ (1,409,165)</u>

**Infrastructure assets:**

On December 31, 2018, the Municipality's total assets were \$49 million. Of this amount, \$29.6 million is accounted for by capital assets which include some infrastructure.

## GOVERNMENTAL ACTIVITIES

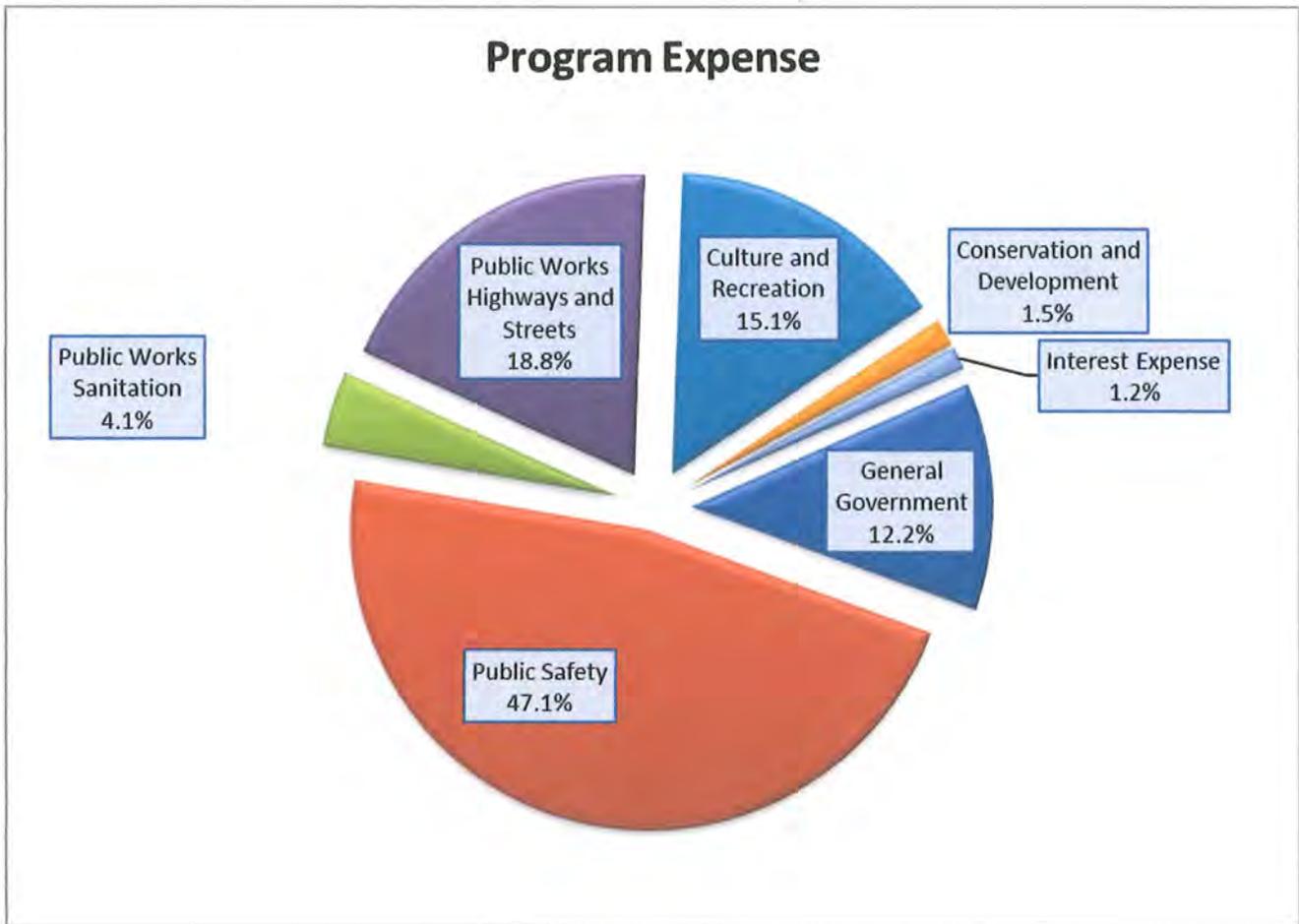
The following chart graphically depicts the government-wide sources of revenues for the fiscal year ended December 31, 2018:



### Program Expenses:

Total expenses for all programs in 2018 were \$35 million. The expenses reflect the delivery of a wide range of services with the largest being public safety at 47.1%. The second largest program area was public works (highways and streets) at 18.8%, followed by culture and recreation at 15.1%, general government at 12.2%, public works (sanitation) at 4.1%, conservation and development at 1.5% and interest expense at 1.2%

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2018:



There was a decrease in net position in 2018 (\$1,409,165) whereas 2017 had an increase of \$741,812. This decrease is due to recognition of GASB Statement No. 75 as previously discussed.

The revenue increase of \$751,553 or 2.3 % was mainly due to continued increased efforts of collections of current and more importantly delinquent business privilege and mercantile taxes.

The expenses increased from the prior year by \$2,902,530 or 8.9%. The largest increase was due to public safety increase of \$1,803,459 and highways and streets increase of \$1,583,498, which is mostly due to more road paving.

**Net Program Expenses/Revenues:**

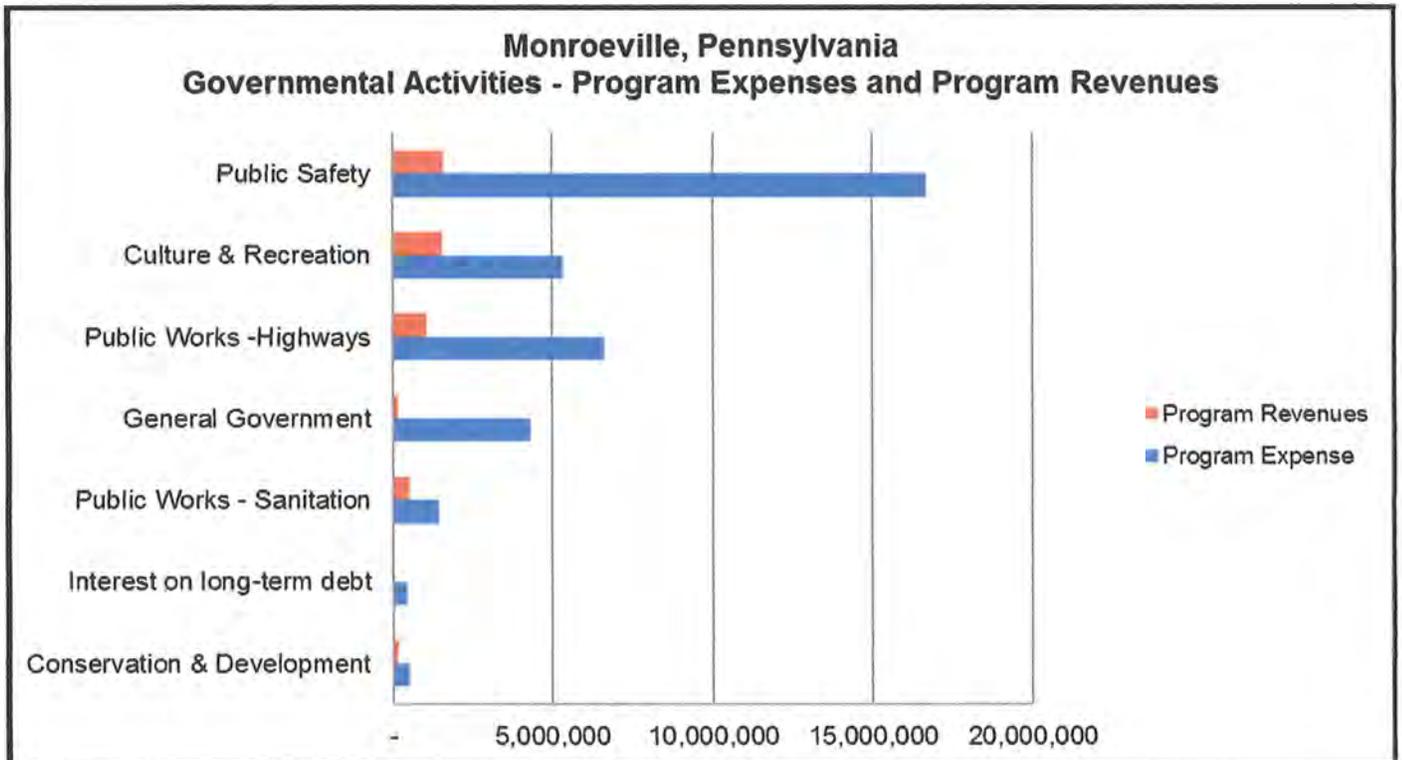
Net program expenses/revenues indicates the amount of support required from taxes and other general revenues for the year. The following table details the change between years:

### Net Program Expense/Revenues

<b>Primary Government:</b>	<b>2018</b>	<b>2017</b>	<b>Inc(Dec)</b>
General Government	\$ (4,179,126)	\$ (4,297,514)	\$ (118,388)
Public Safety	(15,076,860)	(13,802,477)	1,274,383
Public Works -Highways	(5,633,166)	(3,945,663)	1,687,503
Public Works - Sanitation	(937,556)	(1,057,385)	(119,829)
Culture & Recreation	(3,762,599)	(3,917,276)	(154,677)
Conservation & Development	(364,128)	(421,965)	(57,837)
Interest on long-term debt	(426,648)	(522,580)	(95,932)
<b>Total Net Expenses</b>	<b>\$ (30,380,083)</b>	<b>\$ (27,964,860)</b>	<b>\$ 2,415,223</b>

Public safety expenses required the most general revenue for support, requiring \$15 million in 2018. General government required \$4.2 million, while public works required \$6.5 million in general revenues, culture and recreation required \$3.7 million, and all others required \$.8 million.

The following chart graphically depicts the net program expenses/revenues by function/program for the fiscal year ended December 31, 2018:



## 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 \$15.2 million is the general fund, \$0.2 million is in the 2014 Capital Improvement Fund, and \$1.2 million is for all other governmental funds. This represents an increase of \$20,736 from 2017. Of this combined fund balance total, \$14.4 million or 86.7% 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 \$216,574 and other special revenue funds.

The general fund fund balance increased by \$850,849 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 a decrease in fund balance of \$(1,425,999). Capital projects and capital purchases completed were greater than expected in 2018, including an additional \$500,000 spent on road repairs.

### General Fund Budgetary Highlights

The budgetary results of 2018 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 or 2018:

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance (Unfavorable)</b>
Revenues	\$ 31,389,287	\$ 32,647,535	\$ 1,258,248
Expenditures	31,909,915	29,707,340	2,202,575
Excess of Revenues Over Expenditures	(520,628)	2,940,195	3,460,823
Transfers, net and other sources	(1,720,000)	(2,089,346)	(369,346)
Net change in fund balance from operations	\$ (2,240,628)	\$ 850,849	\$ 3,091,477

The proposed usage of fund balance for the 2018 budget was \$1,178,628 to support 2018 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 revenue was due to higher than expected real estate transfer tax because of the sale of larger commercial properties and continued collections effort in mercantile and business privilege taxes. Mercantile and business privilege tax were \$1,427,693 higher than expected. Real estate transfer tax came in at 168% above budget or \$609,159 because of \$727,040 in

commercial transfers. Additionally, the Allegheny County Regional Asset Tax was \$198,375 higher than budgeted.

Expenditure budget had a few material variances. The most significant was an OPEB contribution was budgeted in total at \$1,330,642. Public works - highways is under budget because the winter snow removal expenditures were budgeted at \$652,495 and street lighting was budgeted at \$310,000 but were expended in the Highway Aid Fund. The positive variances were \$604,769 and \$292,436 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. Of the \$2.2 million in capital expenditures during 2018, \$1,782,673 or 81.3% was for road paving projects and \$271,385 for a street sweeper for public works.

## 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, 2018 and 2017:

	2018	2017
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	6,495,634	5,693,980
Vehicles	14,488,900	14,268,765
Infrastructure	23,295,899	23,255,199
<b>Total capital assets being depreciated</b>	<b>67,527,416</b>	<b>66,464,927</b>
Less accumulated depreciation for:		
Land Improvements	(6,286,310)	(5,866,637)
Building and improvements	(7,960,210)	(7,599,496)
Machinery and equipment	(4,983,545)	(4,659,690)
Vehicles	(9,118,373)	(8,279,202)
Infrastructure	(17,709,864)	(16,910,294)
<b>Total accumulated depreciation</b>	<b>(46,058,302)</b>	<b>(43,315,319)</b>
<b>Total</b>	<b>\$ 29,688,879</b>	<b>\$ 31,369,373</b>

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

### **Long-term Debt**

On December 31, 2018, the Municipality had \$13.9 million of debt outstanding. This represents a decrease of \$2,735,000 or 16.4%, from the previous year. The following details activity related to general obligation bonds during 2018:

#### **Summary of General Obligation Bond Activity**

Balance at January 1, 2018	\$	16,720,000
Retirement		2,735,000
Additions		-
Balance at December 31, 2018	\$	<u>13,985,000</u>

Other long-term obligation includes compensated absences payable and capital leases payable. The Municipality at December 31, 2018 has \$.8 million in capital leases payable.

More detailed information about the Municipality's long-term debt can be found in Notes 7 and 8 of the notes to financial statements.

## **TRUST AND AGENCY OPERATIONS**

### **Pension Trust Funds and Other Employer Benefit Trust Funds**

Monroeville has two pension plans – general employees and police and in 2009 created an OPEB Trust Fund. Municipal involvement in the administration of the police pension plan is the establishment of the investment policy and the calculation of benefits for retirees, which are then paid by the trustee. During 2018, Police Pension Plan net assets decreased \$(2,402,544) to \$41,865,058, and the OPEB Trust Fund assets decreased \$(735,962) to \$2,923,567.

During 2018, employer contributions were required for both pension plans in the amount of \$3,606,343. In the non-uniform employees and police pension plans, the net pension liability was \$2,079,731 and \$12,928,791, 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 increased the bond rating in October 2018 from Aa3 to Aa2 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 7 and 8 of the notes to financial statements.

## **CONTACTING THE MUNICIPALITY'S FINANCIAL MANAGEMENT**

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

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

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**BASIC FINANCIAL STATEMENTS**

**Municipality of Monroeville**  
**Statement of Net Position**  
**December 31, 2018**

	Primary Government	Component Unit
	Governmental Activities	Convention Visitor's Bureau
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 13,014,115	\$ 817,706
Investments	98,302	-
Due from Component Unit	83,242	-
Receivables (Net, Where Applicable of Allowance for Uncollectibles)		
Taxes	2,669,298	-
Due from Other Governments	177,562	99,284
Other	4,186,436	-
Prepaid Items	57,412	4,152
Land	8,219,765	-
Capital Assets, Net of Accumulated Depreciation	15,883,079	130,618
Infrastructure Assets, Net of Accumulated Depreciation	<u>5,586,035</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>49,975,246</u>	<u>1,051,760</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charge on Refunding	217,195	-
Amounts Related to Pensions	8,858,067	-
Amounts Related to OPEB	<u>8,795,560</u>	<u>-</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>17,870,822</u>	<u>-</u>
<b>LIABILITIES</b>		
Due to Primary Government	-	83,242
Accounts Payable	1,084,257	5,302
Accrued Salaries and Benefits	333,359	-
Payroll Deductions and Withholdings	20,610	-
Unearned Revenues	14,300	-
Returnable Deposits	123,685	-
Accrued Interest Payable	48,094	-
Noncurrent Liabilities		
Due Within One Year	3,078,857	-
Due in More Than One Year		
Bonds Payable	11,613,675	-
Capital Leases Payable	636,263	-
Compensated Absences	865,602	-
Net Other Post-Employment Benefit Liability	39,061,251	-
Net Pension Liability	<u>15,008,522</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>71,888,475</u>	<u>88,544</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Amounts Related to Pensions	4,687,758	-
Amounts Related to OPEB	<u>5,184,360</u>	<u>-</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>9,872,118</u>	<u>-</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	14,622,837	130,618
Restricted for:		
Highways and Streets	694,052	-
Public Safety	70,202	-
Unrestricted	<u>(29,301,616)</u>	<u>832,598</u>
<b>TOTAL NET POSITION</b>	<u>\$(13,914,525)</u>	<u>\$ 963,216</u>

See Accompanying Notes

**Municipality of Monroeville**  
**Statement of Activities**  
**Year Ended December 31, 2018**

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	\$ 4,332,927	\$ 70,876	\$ 82,925	\$ (4,179,126)	\$ -
Public Safety	16,690,271	660,841	952,570	(15,076,860)	-
Public Works - Sanitation	1,445,974	436,357	72,061	(937,556)	-
Public Works - Highways	6,673,563	78,078	962,319	(5,633,166)	-
Culture - Recreation	5,344,164	969,116	612,449	(3,762,599)	-
Conservation and Development	522,105	153,370	4,607	(364,128)	-
Interest on Long-Term Debt	<u>426,648</u>	<u>-</u>	<u>-</u>	<u>(426,648)</u>	<u>-</u>
Total Governmental Activities	<u>\$35,435,652</u>	<u>\$2,368,638</u>	<u>\$2,686,931</u>	<u>(30,380,083)</u>	<u>-</u>
Component Unit					
Convention Visitor's Bureau	<u>\$ 618,629</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(618,629)</u>
General Revenues					
Taxes					
Property Taxes Levied for General Purposes, Net				8,720,156	-
Earned Income Taxes				7,698,026	-
Business Privilege Taxes				4,300,682	-
Mercantile Taxes				4,057,011	-
Local Services Taxes				1,200,010	-
Real Estate Transfer Taxes				1,509,159	-
Hotel/Motel and Gaming Fund Taxes				-	652,157
Other Taxes Levied for General Purposes, Net				1,047,825	-
Grants, Subsidies and Contributions not Restricted				223,719	-
Investment Earnings				149,257	12,458
Miscellaneous Income				<u>65,073</u>	<u>13,026</u>
Total General Revenues				<u>28,970,918</u>	<u>677,641</u>
Changes in Net Position				(1,409,165)	59,012
Net Position - January 1, 2018 (Restated - See Note 2)				<u>(12,505,360)</u>	<u>904,204</u>
Net Position - December 31, 2018				<u>\$ (13,914,525)</u>	<u>\$ 963,216</u>

See Accompanying Notes

**Municipality of Monroeville**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2018**

	General Fund	2014 Capital Improvements Fund	Other Govern- mental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$11,429,904	\$449,810	\$1,134,401	\$13,014,115
Investments	98,302	-	-	98,302
Taxes Receivable, Net	2,669,298	-	-	2,669,298
Due from Other Funds	-	168,348	87,289	255,637
Due from Other Governments	177,562	-	-	177,562
Due from Component Units	83,242	-	-	83,242
Other Receivables (Net, Where Applicable of Allowance for Uncollectibles)	4,186,436	-	-	4,186,436
Prepaid Items	<u>57,412</u>	<u>-</u>	<u>-</u>	<u>57,412</u>
<b>TOTAL ASSETS</b>	<u>\$18,702,156</u>	<u>\$618,158</u>	<u>\$1,221,690</u>	<u>\$20,542,004</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Due to Other Funds	\$ 255,637	\$ -	\$ -	\$ 255,637
Accounts Payable	670,889	401,584	11,784	1,084,257
Accrued Salaries and Benefits	333,359	-	-	333,359
Payroll Deductions and Withholdings	20,610	-	-	20,610
Returnable Deposits	123,685	-	-	123,685
Unearned Revenues	<u>14,300</u>	<u>-</u>	<u>-</u>	<u>14,300</u>
<b>Total Liabilities</b>	<u>1,418,480</u>	<u>401,584</u>	<u>11,784</u>	<u>1,831,848</u>
Deferred Inflows of Resources				
Unavailable Revenue - Property and Earned Income Taxes	<u>2,086,084</u>	<u>-</u>	<u>-</u>	<u>2,086,084</u>
Fund Balances				
Nonspendable	57,412	-	-	57,412
Restricted	-	-	764,254	764,254
Committed	73,960	-	445,652	519,612
Assigned	655,451	216,574	-	872,025
Unassigned	<u>14,410,769</u>	<u>-</u>	<u>-</u>	<u>14,410,769</u>
<b>Total Fund Balances</b>	<u>15,197,592</u>	<u>216,574</u>	<u>1,209,906</u>	<u>16,624,072</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$18,702,156</u>	<u>\$618,158</u>	<u>\$1,221,690</u>	<u>\$20,542,004</u>

See Accompanying Notes

**Municipality of Monroeville**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**December 31, 2018**

Total Fund Balances - Governmental Funds \$ 16,624,072

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 \$75,747,181, and the accumulated depreciation is \$46,058,302. 29,688,879

Property tax receivables are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the funds. 2,086,084

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. (241,480)

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	\$(13,985,000)	
Capital Leases Payable	(839,562)	
Accrued Interest on the Bonds	(48,094)	
Compensated Absences	(911,160)	
Other Post-Employment Benefits	<u>(39,061,251)</u>	(54,845,067)

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 (15,008,522)

**Municipality of Monroeville**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**December 31, 2018**

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	\$ 8,858,067	
Deferred Outflows of Resources Related to OPEB	8,795,560	
Deferred Inflows of Resources Related to Pensions	(4,687,758)	
Deferred Inflows of Resources Related to OPEB	<u>(5,184,360)</u>	\$ <u>7,781,509</u>
Total Net Position - Governmental Activities		\$ <u>(13,914,525)</u>

See Accompanying Notes

**Municipality of Monroeville**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**Year Ended December 31, 2018**

	General Fund	2014 Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$28,407,971	\$ -	\$ -	\$28,407,971
Licenses and Permits	1,433,261	-	-	1,433,261
Fines and Forfeits	94,395	-	-	94,395
Interest, Rents and Royalties	138,708	28,125	31,395	198,228
Intergovernmental	1,686,092	-	1,186,202	2,872,294
Charges for Services	840,982	-	-	840,982
Miscellaneous	46,126	-	-	46,126
Total Revenues	<u>32,647,535</u>	<u>28,125</u>	<u>1,217,597</u>	<u>33,893,257</u>
Expenditures				
Current:				
General Government	3,434,700	-	-	3,434,700
Public Safety	13,122,661	-	-	13,122,661
Public Works - Sanitation	1,229,976	-	-	1,229,976
Public Works - Highways	2,723,566	-	880,747	3,604,313
Culture - Recreation	4,327,154	-	-	4,327,154
Conservation and Development	480,674	-	-	480,674
Insurance Premiums	1,220,926	-	-	1,220,926
Debt Service:				
Principal	2,735,000	237,059	-	2,972,059
Interest	432,683	24,371	-	457,054
Capital Outlay	-	2,192,694	838,642	3,031,336
Total Expenditures	<u>29,707,340</u>	<u>2,454,124</u>	<u>1,719,389</u>	<u>33,880,853</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,940,195</u>	<u>(2,425,999)</u>	<u>(501,792)</u>	<u>12,404</u>
Other Financing Sources (Uses)				
Transfers In	-	1,000,000	1,287,379	2,287,379
Sale of Capital Assets	8,332	-	-	8,332
Transfers Out	<u>(2,097,678)</u>	<u>-</u>	<u>(189,701)</u>	<u>(2,287,379)</u>
Total Other Financing Sources (Uses)	<u>(2,089,346)</u>	<u>1,000,000</u>	<u>1,097,678</u>	<u>8,332</u>
Net Changes in Fund Balances	850,849	(1,425,999)	595,886	20,736
Fund Balances - January 1, 2018	<u>14,346,743</u>	<u>1,642,573</u>	<u>614,020</u>	<u>16,603,336</u>
Fund Balances - December 31, 2018	<u>\$15,197,592</u>	<u>\$ 216,574</u>	<u>\$1,209,906</u>	<u>\$16,624,072</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, 2018**

Total Net Change in Fund Balances - Governmental Funds \$ 20,736

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	\$(2,831,220)	
Capital Outlays	<u>1,150,726</u>	(1,680,494)

Property tax revenues that do not provide current financial resources are not reported as revenues in the funds.	124,898
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Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	2,972,059
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In the statement of activities, certain operating expenses - compensated absences (sick pay and vacations) and other post-employment benefits (OPEB) - are measured by the amounts earned during the year. In governmental funds, however, expenditures for the items are measured by the amount of financial resources used (essentially, the amounts actually paid).

Compensated Absences	(27,920)	
Net Other Post-Employment Benefit Obligation	<u>(2,292,614)</u>	(2,320,534)

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.	(556,236)
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**Municipality of Monroeville  
Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures  
and Changes in Fund Balances  
to the Statement of Activities  
Year Ended December 31, 2018**

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	\$ 9,693
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Bond premium and deferred loss on refunding are reported in the statement of revenues and expenditures of governmental funds as expenditures but are capitalized and amortized over the life of the bonds in the statement of activities.

Amortization of Deferred Loss on Refunding and Bond Premium	<u>20,713</u>
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Change in Net Position of Governmental Activities	<u><u>\$(1,409,165)</u></u>
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See Accompanying Notes

**Municipality of Monroeville  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
General Fund  
Budget and Actual  
Year Ended December 31, 2018**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$26,366,000	\$26,366,000	\$28,407,971	\$2,041,971
Licenses and Permits	1,382,000	1,363,500	1,433,261	69,761
Fines and Forfeits	82,500	82,500	94,395	11,895
Interest, Rents and Royalties	55,200	55,200	138,708	83,508
Intergovernmental	2,392,449	2,592,449	1,686,092	(906,357)
Charges for Services	884,138	929,638	840,982	(88,656)
Miscellaneous	<u>-</u>	<u>-</u>	<u>46,126</u>	<u>46,126</u>
Total Revenues	<u>31,162,287</u>	<u>31,389,287</u>	<u>32,647,535</u>	<u>1,258,248</u>
Expenditures				
Current:				
General Government	3,507,660	3,707,661	3,434,700	272,961
Public Safety	13,493,146	13,493,405	13,122,661	370,744
Public Works - Sanitation	1,231,943	1,231,943	1,229,976	1,967
Public Works - Highways	3,794,228	3,849,228	2,723,566	1,125,662
Culture - Recreation	4,510,696	4,513,696	4,327,154	186,542
Conservation and Development	565,848	596,588	480,674	115,914
Insurance Premiums	1,347,000	1,347,000	1,220,926	126,074
Debt Service:				
Principal	2,735,000	2,735,000	2,735,000	-
Interest	<u>435,394</u>	<u>435,394</u>	<u>432,683</u>	<u>2,711</u>
Total Expenditures	<u>31,620,915</u>	<u>31,909,915</u>	<u>29,707,340</u>	<u>2,202,575</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(458,628)</u>	<u>(520,628)</u>	<u>2,940,195</u>	<u>3,460,823</u>
Other Financing Sources (Uses)				
Sale/Compensation for Capital Assets	-	-	8,332	8,332
Transfers Out	<u>(1,720,000)</u>	<u>(1,720,000)</u>	<u>(2,097,678)</u>	<u>(377,678)</u>
Total Other Financing Sources (Uses)	<u>(1,720,000)</u>	<u>(1,720,000)</u>	<u>(2,089,346)</u>	<u>(369,346)</u>
Net Change in Fund Balance	<u>\$(2,178,628)</u>	<u>\$(2,240,628)</u>	<u>\$ 850,849</u>	<u>\$3,091,477</u>

See Accompanying Notes

**Municipality of Monroeville  
Statement of Net Position  
Fiduciary Funds  
December 31, 2018**

	Pension and Other Employee Benefit Trust Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 762,821
Investments	
Equities	1,937,144
Mutual Funds	27,096,433
Municipal Bonds	6,571,427
Corporate Bonds	11,938,779
Other Receivables	<u>172,861</u>
<b>TOTAL ASSETS</b>	<u>48,479,465</u>
<b>LIABILITIES</b>	
Accounts Payable	<u>3,690,840</u>
<b>NET POSITION</b>	
Net Position Restricted for Pensions	41,865,058
Net Position Held in Trust for OPEB Benefits	<u>2,923,567</u>
<b>TOTAL NET POSITION</b>	<u>\$44,788,625</u>

See Accompanying Notes

**Municipality of Monroeville  
Statement of Changes in Net Position  
Fiduciary Funds  
Year Ended December 31, 2018**

	Pension and Other Employee Benefit Trust Funds
Additions	
Contributions	
Employer	\$ 3,400,533
Plan Members	<u>320,616</u>
Total Contributions	<u>3,721,149</u>
Investment Income	
Net Appreciation (Depreciation) in Fair Value of Investments	(3,742,475)
Interest and Dividends	<u>1,439,687</u>
	(2,302,788)
Less Investment Expense	<u>(260,071)</u>
Net Investment Income	<u>(2,562,859)</u>
Total Additions	<u>1,158,290</u>
Deductions	
Benefits	4,292,018
Administrative Expenses	<u>4,778</u>
Total Deductions	<u>4,296,796</u>
Net Decrease in Net Position	(3,138,506)
Plan Net Position	
Beginning of Year	<u>47,927,131</u>
End of Year	<u>\$44,788,625</u>

See Accompanying Notes

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2018**

**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, 2018**

**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, 2018**

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

D. Basis of Presentation - Fund Financial Statements

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

Governmental Funds

The Municipality presents the following major governmental funds:

The *General Fund* is the general operating fund of the Municipality. It is used to account for all financial resources except those required to be accounted for in another fund.

The *2014 Capital Improvements Fund - Capital Projects Fund* is used to account for expenditures related to the Municipality's capital improvements program. Funds for this project were received from transfers from the general fund and capital lease proceeds.

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

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

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

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, 2018**

**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, 2018**

**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, 2018**

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

G. Investments

Investments are reported at fair value. Funds are invested in accordance with the Municipality's investment policy guidelines as described in Note 3.

H. Capital Assets

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

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

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

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

Depreciation expense is allocated among the expense program functions.

I. Deferred Outflows/Inflows of Resources

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

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2018**

**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 items in the government-wide statement of net position are related to the defined benefit pension plans and OPEB plan.

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 items in the government-wide statement of net position are related to the defined benefit pension plans and OPEB plan.

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, 2018**

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

**K. Budgets and Budgetary Accounting (Cont'd)**

development agreement that funded the project. The 2014 Capital Improvements Fund and the Public Safety Communication Fund are governed by the debt, lease agreements and/or resolutions that funded those projects. 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 supplemental appropriations of \$289,000 in 2018. 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, 2018**

**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, 2018**

**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 ten (10%) percent of the current year's total budgeted expenditures less capital outlay and transfers.

The nonspendable fund balance of \$57,412 in the general fund is for prepaid items.

The purpose of the restricted, committed and assigned fund balances as of December 31, 2018, is as follows:

	General Fund	2014 Capital Improvements Fund	Nonmajor Funds
<u>Restricted Fund Balance</u>			
Highway Maintenance, Rebuilding & Const.	\$ -	\$ -	\$ 694,052
Police Capital Purchases	-	-	70,202
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 764,254</u>

**Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2018**

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

L. Equity Classifications (Cont'd)

Fund Statements (Cont'd)

	General Fund	2014 Capital Improvements Fund	Nonmajor Funds
<u>Committed Fund Balance</u>			
Flood Maintenance	\$ 22,808	\$ -	\$ -
Fire Vehicle	51,152	-	-
Sidewalk Improvements	-	-	2,750
Northern Pike Roadway Improvements	-	-	154,961
Public Safety Communications	<u>-</u>	<u>-</u>	<u>287,941</u>
	<u>\$ 73,960</u>	<u>\$ -</u>	<u>\$445,652</u>
<u>Assigned Fund Balance</u>			
Public Access Television	\$200,000	\$ -	\$ -
Traffic Signals	15,000	-	-
Public Library	440,451	-	-
Future Capital Projects and Purchases	<u>-</u>	<u>216,574</u>	<u>-</u>
	<u>\$655,451</u>	<u>\$216,574</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.

**Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2018**

**Note 2 - Restatement of Beginning Net Position, Governmental Activities**

The Municipality of Monroeville adopted GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, as of January 1, 2018 and applied the statement by restating the beginning net position. Beginning net position of the governmental activities in the government-wide statement was restated as of January 1, 2018. The results of the restatement are summarized below.

		Governmental Activities
Net Position, January 1, 2018 (Previously Reported)		\$ 6,732,358
This statement requires the liability of employers for defined benefit other post-employment benefit plans to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the OPEB Plan's fiduciary net position.	\$(33,157,437)	
Add amount recorded as OPEB liability under previous Standard as of December 31, 2017	<u>13,919,719</u>	<u>(19,237,718)</u>
Restated Net Position January 1, 2018		<u><u>\$(12,505,360)</u></u>

**Note 3 - Deposits and Investments**

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

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

**Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2018**

**Note 3 - Deposits and Investments (Cont'd)**

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

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in an event of a bank failure, the government's deposits may not be returned to it. The Municipality nor its component units do not have a deposit policy for custodial credit risk. Deposits in excess of amounts covered by the Federal Deposit Insurance Corporation are collateralized in accordance with Act 72 of 1971 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governments and have the collateral held by an approved custodian in the institution's name. As of December 31, 2018, \$5,165,054 of the Municipality's bank balance of \$6,859,813 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging	
Bank's Agent not in the Municipality's Name	<u>\$5,165,054</u>

As of December 31, 2018, none of the component unit's bank balances were exposed to custodial credit risk.

As of December 31, 2018, 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	\$ 6,328,562	
Dreyfus Cash Management	721,056	
Federated Government Obligation Fund	41,765	
Common Stock	1,937,144	
Mutual Funds	27,194,735	
Municipal Bonds	6,571,427	5.09

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 3 - Deposits and Investments (Cont'd)**

Custodial Credit Risk - Deposits (Cont'd)

Investment Type	Fair Value	Weighted Average Maturity (Years)
Corporate Bonds	<u>\$11,938,779</u>	2.19
Totals	<u>\$54,733,468</u>	
Portfolio Weighted Average Maturity		3.22

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

Of the total investments above, \$41,692,197 and \$6,614,407 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
<b>Money Market Funds</b>				
PA Local Government Investment Trust	NR	\$6,328,562	AAAm	\$6,328,562
Dreyfus Cash Management	NR	721,056	AAAm	721,056
Federated Government Obligation Fund	NR	41,765	AAAm	41,765

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 3 - Deposits and Investments (Cont'd)**

Investments (Cont'd)

	Moody's		S & P	
	Ratings	Value	Ratings	Value
Corporate Bonds				
	A	\$4,997,539	A	\$1,839,670
	B	250,938	AA	1,314,775
	BAA	6,223,087	B	250,938
	NR	467,215	BB	402,718
			BBB	7,876,635
			NR	254,043
Municipal Bonds				
	A	1,082,813	A	1,026,311
	AA	2,637,754	AA	3,576,592
	AAA	766,002	AAA	714,107
	BAA	387,148	BBB	387,148
	NR	1,697,710	NR	867,269

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, 2018, was \$817,706 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, 2018**

**Note 3 - 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	\$11,938,779	\$11,938,779	\$ -	\$ -
Municipal Bonds	<u>6,571,427</u>	<u>6,571,427</u>	<u>-</u>	<u>-</u>
Total Debt Securities	<u>18,510,206</u>	<u>18,510,206</u>	<u>-</u>	<u>-</u>
Mutual Funds	27,194,735	27,194,735	-	-
Equity Securities	<u>1,937,144</u>	<u>1,937,144</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$47,642,085</u>	<u>\$47,642,085</u>	<u>\$ -</u>	<u>\$ -</u>

**Note 4 - Property Taxes**

The Municipality is permitted by the Home Rule Charter and the State of Pennsylvania to levy property taxes at the Municipality's discretion as considered necessary for general government services or payment of principal and interest on long-term debt. The tax rate to finance general government services for the year ended December 31, 2018, 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, 2018, total property taxes receivable, including delinquent and liened, is reported net of \$129,133 which has been provided as uncollectible.

**Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2018**

**Note 4 - Property Taxes (Cont'd)**

The property tax calendar for 2018 was as follows:

2018 Millage Rate Adopted	January 15, 2018
2018 Bills Dated	March 1, 2018
2018 Two Percent Discount Period Ended	April 30, 2018
2018 Face Payment Period	May 1, 2018 - June 30, 2018
2018 10% Penalty Period	July 1, 2018 Until Liened
2017 Delinquent Property Tax Bills Liened	July 1, 2018
2018 Property Taxes not paid to be Declared Delinquent	February 28, 2019

**Note 5 - Other Receivables**

Other receivables consist of the following items:

	<u>General Fund</u>
Host Municipality Fees	\$ 108,196
Cable TV Franchise Fees	156,603
Public Safety	124,496
Public Works	93,555
Health Insurance Premium	3,690,840
Miscellaneous	<u>12,746</u>
	<u>\$4,186,436</u>

**Note 6 - Capital Assets**

Governmental activities capital asset activity for the year ended December 31, 2018 was as follows:

	Balance 01/01/18	Additions	Disposals	Balance 12/31/18
Governmental Activities Capital Assets, Not Being Depreciated				
Land	\$ 8,219,765	\$ _____ -	\$ _____ -	\$ 8,219,765

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 6 - Capital Assets (Cont'd)**

	Balance 01/01/18	Additions	Disposals	Balance 12/31/18
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	5,693,980	801,654	-	6,495,634
Vehicles	14,268,765	308,372	88,237	14,488,900
Infrastructure	<u>23,255,199</u>	<u>40,700</u>	<u>-</u>	<u>23,295,899</u>
Total Capital Assets, Being Depreciated	<u>66,464,927</u>	<u>1,150,726</u>	<u>88,237</u>	<u>67,527,416</u>
Less Accumulated Depreciation				
Land Improvements	5,866,637	419,673	-	6,286,310
Buildings and Building Improvements	7,599,496	360,714	-	7,960,210
Machinery and Equipment	4,659,690	323,855	-	4,983,545
Vehicles	8,279,202	927,408	88,237	9,118,373
Infrastructure	<u>16,910,294</u>	<u>799,570</u>	<u>-</u>	<u>17,709,864</u>
Total Accumulated Depreciation	<u>43,315,319</u>	<u>2,831,220</u>	<u>88,237</u>	<u>46,058,302</u>
Total Capital Assets Being Depreciated, Net	<u>23,149,608</u>	<u>(1,680,494)</u>	<u>-</u>	<u>21,469,114</u>
Governmental Activities				
Capital Assets, Net	<u>\$31,369,373</u>	<u>\$(1,680,494)</u>	<u>\$ -</u>	<u>\$29,688,879</u>

Depreciation expense was charged to functions/programs as follows:

General Government	\$ 163,779
Public Safety	879,940
Sanitation	103,252
Public Works	990,609
Culture - Recreation	691,785
Conservation and Development	<u>1,855</u>
Total Depreciation Expense	<u>\$2,831,220</u>

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 6 - Capital Assets (Cont'd)**

Component units capital asset activity for the year ended December 31, 2018, was as follows:

	Balance 01/01/18	Additions	Disposals	Balance 12/31/18
Component Units				
Capital Assets, Being Depreciated				
Furniture and Equipment	\$376,681	\$ -	\$(104,606)	\$272,075
Less Accumulated Depreciation				
Furniture and Equipment	<u>168,610</u>	<u>26,433</u>	<u>(53,586)</u>	<u>141,457</u>
Component Units Capital Assets, Net	<u>\$208,071</u>	<u>\$(26,433)</u>	<u>\$ (51,020)</u>	<u>\$130,618</u>

**Note 7 - Bonds Payable and Other Long-Term Liabilities**

The following summarizes the Municipality's long-term debt transactions for the year ended December 31, 2018:

	Balance 01/01/18	Additions	Retirements	Balance 12/31/18	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$16,720,000	\$ -	\$ 2,735,000	\$13,985,000	\$2,830,000
Plus Bond Premium	<u>545,207</u>	<u>-</u>	<u>86,532</u>	<u>458,675</u>	<u>-</u>
Total Bonds Payable	<u>17,265,207</u>	<u>-</u>	<u>2,821,532</u>	<u>14,443,675</u>	<u>2,830,000</u>
Capital Leases Payable	1,076,621	-	237,059	839,562	203,299
Compensated Absences Payable	<u>883,240</u>	<u>38,124</u>	<u>10,204</u>	<u>911,160</u>	<u>45,558</u>
Governmental Activities Long-Term Liabilities	<u>\$19,225,068</u>	<u>\$38,124</u>	<u>\$3,068,795</u>	<u>\$16,194,397</u>	<u>\$3,078,857</u>

**Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2018**

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

Bonds payable at December 31, 2018 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.	\$ 245,000
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.	5,950,000
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>7,790,000</u>
	<u>\$13,985,000</u>

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

Year Ended December 31,	Principal	Interest	Totals
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	570,000	49,481	619,481
2024-2026	<u>1,795,000</u>	<u>67,460</u>	<u>1,862,460</u>
	<u>\$13,985,000</u>	<u>\$934,639</u>	<u>\$14,919,639</u>

**Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2018**

**Note 7 - 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.

**Note 8 - Capital Leases**

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

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset	
Machinery and Equipment	\$1,384,971
Less: Accumulated Depreciation	<u>(385,901)</u>
 Total	 <u>\$ 999,070</u>

The future minimum lease obligations and the net present value of these minimum lease payments, as of December 31, 2018, were as follows:

Year Ended December 31,	Governmental Activities
2019	\$222,838
2020	195,878
2021	120,890
2022	120,890

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 8 - Capital Leases (Cont'd)**

Year Ended December 31,	Governmental Activities
2023	\$120,890
2024	<u>120,890</u>
Total Minimum Lease Payments	902,276
Less: Amount Representing Interest	<u>(62,714)</u>
Present Value of Minimum Lease Payments	<u>\$839,562</u>

**Note 9 - Interfund Balances**

Interfund balances at December 31, 2018, were as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$ -	\$255,637
2014 Capital Improvement Fund	168,348	-
Nonmajor Governmental Funds	<u>87,289</u>	<u>-</u>
	<u>\$255,637</u>	<u>\$255,637</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, 2018**

**Note 10 - Interfund Transfers**

For the year ended December 31, 2018, interfund transfers consisted of the following:

The general fund transferred \$1,000,000 to the 2014 Capital Improvements Fund and \$609,701 to the Public Safety Communication Capital Projects Fund to fund certain capital projects throughout the Municipality. The general fund transferred \$677,678 to the Highway Aid Fund to reimburse that fund for certain capital expenditures.

The Police Asset Seizure Fund transferred \$189,701 to the Public Safety Communications Fund to be used for police communications equipment.

**Note 11 - Pension Plans**

Plan Description and Eligibility

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

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

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 11 - 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, 2018, the Municipality's annual pension cost was \$2,400,533 and \$1,205,810 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, 2018**

**Note 11 - 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, 2018, participants in the Plans were as follows:

	Non-Uniform	Police
Participants		
Retirees and Beneficiaries	91	52
Active Employees	96	45
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, 2018, 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, 2018**

**Note 11 - Pension Plans (Cont'd)**

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

Investments (Cont'd)

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

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

Investment Type	<u>Moody's</u>		<u>S &amp; P</u>	
	<u>Fair Value</u>	<u>Ratings</u>	<u>Fair Value</u>	<u>Ratings</u>
Money Market	\$ 721,056	NR	\$ 721,056	AAAm
Municipal Bonds	1,082,813	A	1,026,311	A
Municipal Bonds	2,637,754	AA	3,576,592	AA
Municipal Bonds	766,002	AAA	714,107	AAA
Municipal Bonds	387,148	BAA	387,148	BBB
Municipal Bonds	1,697,710	NR	867,269	NR
Corporate Bonds	4,997,539	A	1,839,670	A
Corporate Bonds	250,938	B	1,314,775	AA
Corporate Bonds	6,223,087	BAA	250,938	B
Corporate Bonds	467,215	NR	402,718	BB
Corporate Bonds	-		7,876,635	BBB
Corporate Bonds	-		254,043	NR
	<u>\$19,231,262</u>		<u>\$19,231,262</u>	

**Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2018**

**Note 11 - Pension Plans (Cont'd)**

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

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Police Pension Plan places no limit on the amount that may be invested in any one issuer. At December 31, 2018, 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	\$ 6,571,427	\$ 503,976	\$ 3,134,802	\$2,730,029	\$202,620
Corporate Debt	<u>11,938,779</u>	<u>4,477,463</u>	<u>7,358,591</u>	<u>102,725</u>	<u>-</u>
Totals	<u>\$18,510,206</u>	<u>\$4,981,439</u>	<u>\$10,493,393</u>	<u>\$2,832,754</u>	<u>\$202,620</u>

Money-Weighted Rate of Return

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

The annual money-weighted rate of return on Plan investments for the measurement period is -4.52%.

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, 2018**

**Note 11 - Pension Plans (Cont'd)**

Net Pension Liability

Police

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of January 1, 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 members. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real ROR</u>
Equity	5.0% - 7.0%
Fixed income	1.0% - 3.0%
Cash and equivalents	0.0% - 1.0%

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 11 - Pension Plans (Cont'd)**

Net Pension Liability (Cont'd)

Police (Cont'd)

Discount Rate: the discount rate used to measure the total pension liability was 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, 2017 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, 2017 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 5.25%.

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, 2018**

**Note 11 - 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, 2018 were as follows:

Police Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2017	\$53,231,568	\$44,267,602	\$ 8,963,966
Changes for the year:			
Service Cost	961,133	-	961,133
Interest	3,559,783	-	3,559,783
Contributions - Employer	-	2,400,533	(2,400,533)
Contributions - Employee	-	320,616	(320,616)
Net Investment Income	-	(2,160,805)	2,160,805
Benefit Payments and Refunds of			
Employee Contributions	(2,958,635)	(2,961,396)	2,761
Administrative Expense	<u>-</u>	<u>(1,492)</u>	<u>1,492</u>
Net Changes	<u>1,562,281</u>	<u>(2,402,544)</u>	<u>3,964,825</u>
Balances at December 31, 2018	<u>\$54,793,849</u>	<u>\$41,865,058</u>	<u>\$12,928,791</u>

**Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2018**

**Note 11 - 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, 2016	\$43,382,357	\$36,586,028	\$ 6,796,329
Changes for the year:			
Service Cost	798,852	-	798,852
Interest	2,258,973	-	2,258,973
Contributions - Employer	-	1,212,978	(1,212,978)
Contributions - PMRS Assessment	-	3,940	(3,940)
Contributions - Employee	-	349,198	(349,198)
Net Investment Income	-	6,302,315	(6,302,315)
Benefit Payments and Refunds of Employee Contributions	(2,336,176)	(2,336,176)	-
Administrative Expense	<u>-</u>	<u>(94,008)</u>	<u>94,008</u>
Net Changes	<u>721,649</u>	<u>5,438,247</u>	<u>(4,716,598)</u>
Balances at December 31, 2017	<u>\$44,104,006</u>	<u>\$42,024,275</u>	<u>\$ 2,079,731</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>	Current Rate	<u>1.0% Increase</u>
<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
<u>\$19,144,935</u>	<u>\$12,928,791</u>	<u>\$7,722,443</u>

**Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2018**

**Note 11 - 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>\$7,164,349</u>	<u>\$2,079,731</u>	<u>\$(2,232,124)</u>

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

For the year ended December 31, 2018, the Municipality recognized pension expense of \$4,162,579; \$3,451,695 police plan and \$710,884 non-uniform plan. At December 31, 2018, 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	\$ 209,500	\$ -	\$ 209,500
Changes in Assumptions	1,858,597	751,442	2,610,039
Net difference between projected and actual earnings on Plan investments	4,832,718	-	4,832,718
Contributions subsequent to measurement date	<u>-</u>	<u>1,205,810</u>	<u>1,205,810</u>
Totals	<u>\$6,900,815</u>	<u>\$1,957,252</u>	<u>\$8,858,067</u>

**Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2018**

**Note 11 - 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	\$ 395,571	\$ 7,664	\$ 403,235
Net difference between projected and actual earnings on Plan investments	<u>1,059,062</u>	<u>3,225,461</u>	<u>4,284,523</u>
Totals	<u>\$1,454,633</u>	<u>\$3,233,125</u>	<u>\$4,687,758</u>

\$1,205,810 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, 2019. The Non-Uniform Pension Plan only has a measurement date of December 31, 2017. 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
2019	\$1,957,654	\$ (185,886)	\$1,771,768
2020	1,344,388	(376,525)	967,863
2021	1,078,437	(1,051,461)	26,976
2022	<u>1,065,703</u>	<u>(867,811)</u>	<u>197,892</u>
	<u>\$5,446,182</u>	<u>\$(2,481,683)</u>	<u>\$2,964,499</u>

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 12 - Other Post-Employment Benefit 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, 2018**

**Note 12 - Other Post-Employment Benefit 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, 2018**

**Note 12 - Other Post-Employment Benefit 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, 2018**

**Note 12 - Other Post-Employment Benefit 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, 2018**

**Note 12 - Other Post-Employment Benefit 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, 2018**

**Note 12 - Other Post-Employment Benefit 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, 2018, the date of the latest actuarial valuation:

Retirees and Beneficiaries	
receiving benefits	136
Active Plan Members	<u>146</u>
	<u>282</u>

For the year ended December 31, 2018, the Municipality contributed \$1,000,000 to the Plan.

D. 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 purposes, and aims to

**Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2018**

**Note 12 - Other Post-Employment Benefit Plan (Cont'd)**

D. Investments (Cont'd)

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, 2018, the annual money-weighted rate of return on investments, net of investment expense, was (12.21%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

E. Net OPEB Liability

The components of the net OPEB liability of the Municipality at December 31, 2018, were as follows:

Total OPEB Liability	\$41,984,818
Plan Fiduciary Net Position	<u>(2,923,567)</u>
Municipality's Net OPEB Liability	<u>\$39,061,251</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.96%

**Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2018**

**Note 12 - Other Post-Employment Benefit Plan (Cont'd)**

F. Actuarial Assumptions

The total OPEB liability was determined through a roll-forward of the liabilities reflected in the January 1, 2018 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:	Pre-65 Medical/Rx: 2.3% for 2018. 7.0% for 2019, decreasing by 0.50% per year to an ultimate rate of 5.0% for 2024 and later. Post-65 Medical/Rx: 5.0% Dental and Vision 3.0%

Mortality rates were based on the RP-2014 Combined Healthy Mortality Table with 50% of blue collar adjustment and rates set forward five years for disabled lives.

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, 2018, are summarized in the following table:

Asset Class	Target Allocation
Equity	5.0% - 7.0%
Fixed Income	1.0% - 3.0%
Cash	0.0% - 1.0%

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 12 - Other Post-Employment Benefit Plan (Cont'd)**

F. Actuarial Assumptions (Cont'd)

Discount Rate: The discount rate used to measure the total OPEB liability was 3.5%. 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 3.25%) 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 7 years of projected future benefit payments for current Plan members.

G. Change in Net OPEB Liability

The Changes in the net OPEB liability of the Municipality for the year ended December 31, 2018 were as follows:

	Increases/Decreases		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2017	\$36,816,966	\$ 3,659,529	\$33,157,437
Changes for the year:			
Service Cost	629,996	-	629,996
Interest	1,442,468	-	1,442,468
Differences Between Expected and Actual	(7,344,510)	-	(7,344,510)
Changes of Assumptions	11,770,520	-	11,770,520
Contributions - Employer	-	1,000,000	(1,000,000)
Net Investment Income	-	(351,054)	351,054
Benefit Payments	(1,330,622)	(1,330,622)	-
Administrative Expense	-	(54,286)	54,286
Net Changes	<u>5,167,852</u>	<u>(735,962)</u>	<u>5,903,814</u>
Balances at December 31, 2018	<u>\$41,984,818</u>	<u>\$ 2,923,567</u>	<u>\$39,061,251</u>

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 12 - Other Post-Employment Benefit Plan (Cont'd)**

H. Changes of Assumptions and Other Inputs

- Changed the discount rate from 6.0% to 3.5%.
- Assumptions for pre-65 medical trend rate was updated.

I. 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> 2.5%	<u>Discount Rate</u> 3.5%	<u>1.0% Increase</u> 4.5%
Net OPEB Liability (Asset)	\$46,437,320	\$39,061,251	\$33,275,478

J. 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 or one percentage point higher 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)	\$33,132,697	\$39,061,251	\$46,554,037

K. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Municipality recognized OPEB expense of \$3,292,614. As of December 31, 2018, the Municipality reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2018**

**Note 12 - Other Post-Employment Benefit Plan (Cont'd)**

K. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$5,184,360
Changes of assumptions	8,308,602	-
Net difference between projected and actual earnings	<u>486,958</u>	<u>-</u>
Total	<u>\$8,795,560</u>	<u>\$5,184,360</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	
2019	\$1,423,508
2020	1,423,508
2021	642,446
2022	<u>121,738</u>
	<u>\$3,611,200</u>

**Note 13 - Pension Plans Financial Information**

The Municipality's Police Pension, a defined benefit plan and the Municipality of Monroeville Uniform and Non-Uniform Employees Other Post-Employment Benefit (OPEB) Retiree Benefits Plan Trust Fund (OPEB Trust), a single-employer OPEB Plan, do not issue stand-alone financial reports. The following is a statement of fiduciary net position and statement of changes in fiduciary net position for both Plans as of and for the year ended December 31, 2018:

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 13 - 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	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 721,056	\$ 41,765	\$ 762,821
Investments at Fair Value			
Equities	1,937,144	-	1,937,144
Mutual Funds	20,523,791	6,572,642	27,096,433
Municipal Bonds	6,571,427	-	6,571,427
Corporate Bonds	11,938,779	-	11,938,779
Other Receivables	<u>172,861</u>	<u>-</u>	<u>172,861</u>
<b>TOTAL ASSETS</b>	<u>41,865,058</u>	<u>6,614,407</u>	<u>48,479,465</u>
<b>LIABILITIES</b>			
Accounts Payable	<u>-</u>	<u>3,690,840</u>	<u>3,690,840</u>
<b>NET POSITION</b>			
Net Position Restricted for Pensions	41,865,058	-	41,865,058
Net Position Held in Trust for OPEB Benefits	<u>-</u>	<u>2,923,567</u>	<u>2,923,567</u>
<b>TOTAL NET POSITION</b>	<u>\$41,865,058</u>	<u>\$2,923,567</u>	<u>\$44,788,625</u>
<b>Additions</b>			
Contributions			
Employer	\$ 2,400,533	\$1,000,000	\$ 3,400,533
Plan Members	<u>320,616</u>	<u>-</u>	<u>320,616</u>
Total Contributions	<u>2,721,149</u>	<u>1,000,000</u>	<u>3,721,149</u>

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 13 - 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	\$(3,247,249)	\$ (495,226)	\$(3,742,475)
Interest and Dividends	<u>1,295,515</u>	<u>144,172</u>	<u>1,439,687</u>
	(1,951,734)	(351,054)	(2,302,788)
Less Investment Expenses	<u>(209,071)</u>	<u>(51,000)</u>	<u>(260,071)</u>
Net Investment Income	<u>(2,160,805)</u>	<u>(402,054)</u>	<u>(2,562,859)</u>
Total Additions	<u>560,344</u>	<u>597,946</u>	<u>1,158,290</u>
Deductions			
Benefits	2,961,396	1,330,622	4,292,018
Administrative Expenses	<u>1,492</u>	<u>3,286</u>	<u>4,778</u>
Total Deductions	<u>2,962,888</u>	<u>1,333,908</u>	<u>4,296,796</u>
Net Increase (Decrease) in Net Position	<u>(2,402,544)</u>	<u>(735,962)</u>	<u>(3,138,506)</u>
Net Position Restricted for Pensions			
Beginning of Year	<u>44,267,602</u>		<u>44,267,602</u>
End of Year	<u>\$41,865,058</u>		<u>\$41,865,058</u>
Net Position Held in Trust for OPEB			
Beginning of Year		<u>3,659,529</u>	<u>\$ 3,659,529</u>
End of Year		<u>\$2,923,567</u>	<u>\$ 2,923,567</u>

**Municipality of Monroeville  
Notes to Financial Statements  
December 31, 2018**

**Note 14 - Lease**

The Municipality leases office space in its administration building to a governmental entity under a noncancellable operating lease. The size of the office space is not material in relation to the complex and cost and accumulated depreciation of that space is not disclosed. Total rental income received under this lease in 2018 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, 2018:

Year Ended December 31,	Amount
2019	<u>\$16,200</u>

**Note 15 - Operating Leases**

The Municipality is committed under various leases for photocopiers. These leases are considered, for accounting purposes, to be operating leases. Total costs for such leases were \$23,343 for the year ended December 31, 2018. 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, 2018, were \$19,516. 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, 2018.

Year Ended December 31,	Municipality	Convention Visitor's Bureau
2019	\$ 25,984	\$ 17,979
2020	25,984	18,307
2021	25,984	18,091
2022	25,984	15,705
2023	15,837	16,032
2024	408	16,360
2025	<u>-</u>	<u>1,366</u>
	<u>\$120,181</u>	<u>\$103,840</u>

**Municipality of Monroeville**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 16 - Risk Management**

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

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

**Municipality of Monroeville**  
**Required Supplementary Information**  
**Schedule of Changes in the Municipality's Net Pension**  
**Liability and Related Ratios**  
**December 31, 2018**

	Police Pension Plan				
	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service Cost	\$ 961,133	\$ 1,003,700	\$ 854,291	\$ 813,610	\$ 867,863
Interest	3,559,783	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>(2,958,635)</u>	<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	1,562,281	4,104,992	1,426,715	1,959,117	1,019,821
Total Pension Liability - Beginning	<u>53,231,568</u>	<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>54,793,849</u>	<u>53,231,568</u>	<u>49,126,576</u>	<u>47,699,861</u>	<u>45,740,744</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer, including State Aid	2,400,533	2,157,350	2,173,486	2,440,854	2,421,478
Contributions - Member	320,616	276,916	258,852	258,176	270,836
Net Investment Income	(2,160,805)	4,436,427	1,845,778	(296,453)	1,489,603
Benefit Payments	(2,961,396)	(2,729,768)	(2,732,351)	(2,715,934)	(2,926,230)
Administrative Expenses	<u>(1,492)</u>	<u>(255,955)</u>	<u>(200,399)</u>	<u>(216,271)</u>	<u>(410)</u>
Net Change in Plan Fiduciary Net Position	(2,402,544)	3,884,970	1,345,366	(529,628)	1,255,277
Plan Fiduciary Net Position - Beginning	<u>44,267,602</u>	<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>41,865,058</u>	<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>\$12,928,791</u>	<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	76.40%	83.20%	82.20%	81.80%	86.50%
Covered Payroll	<u>\$ 5,412,616</u>	<u>\$ 5,620,594</u>	<u>\$ 5,177,028</u>	<u>\$ 5,024,306</u>	<u>\$ 4,956,792</u>
Municipality's Net Pension Liability as a Percentage of Covered Payroll	238.86%	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, 2018**

	Non-Uniform Pension Plan			
	2017	2016	2015	2014
<b>Total Pension Liability</b>				
Service Cost	\$ 798,852	\$ 751,994	\$ 841,542	\$ 843,133
Interest	2,258,973	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>(2,336,176)</u>	<u>(2,019,849)</u>	<u>(1,997,015)</u>	<u>(1,865,768)</u>
Net Change in Total Pension Liability	721,649	2,099,569	1,815,976	1,303,437
Total Pension Liability - Beginning	<u>43,382,357</u>	<u>41,282,788</u>	<u>39,466,812</u>	<u>38,163,375</u>
Total Pension Liability - Ending (a)	<u>44,104,006</u>	<u>43,382,357</u>	<u>41,282,788</u>	<u>39,466,812</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer, including State Aid	1,212,978	1,162,924	1,170,379	1,032,774
Contributions - PMRS Assessment	3,940	3,820	-	-
Contributions - Member	349,198	351,043	357,310	351,986
Net Investment Income	6,302,315	2,925,892	(79,459)	1,817,758
Benefit Payments	<u>(2,336,176)</u>	<u>(2,019,849)</u>	<u>(1,997,015)</u>	<u>(1,865,768)</u>
Administrative Expenses	<u>(94,008)</u>	<u>(101,997)</u>	<u>(79,512)</u>	<u>(73,778)</u>
Net Change in Plan Fiduciary Net Position	5,438,247	2,321,833	(628,297)	1,262,972
Plan Fiduciary Net Position - Beginning	<u>36,586,028</u>	<u>34,264,195</u>	<u>34,892,492</u>	<u>33,629,520</u>
Plan Fiduciary Net Position - Ending (b)	<u>42,024,275</u>	<u>36,586,028</u>	<u>34,264,195</u>	<u>34,892,492</u>
Municipality's Net Pension Liability (a-b)	<u>\$ 2,079,731</u>	<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	95.30%	84.30%	83.00%	88.40%
Covered Payroll	<u>\$ 5,812,721</u>	<u>\$ 5,847,782</u>	<u>\$ 5,902,335</u>	<u>\$ 5,873,243</u>
Municipality's Net Pension Liability as a Percentage of Covered Payroll	35.78%	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, 2018**

	Police Pension Plan				
	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$2,400,533	\$2,157,350	\$2,173,486	\$2,422,829	\$2,421,478
Contributions in Relation to the Actuarially Determined Contribution	<u>2,400,533</u>	<u>2,157,350</u>	<u>2,173,486</u>	<u>2,422,829</u>	<u>2,421,478</u>
Contribution Deficiency (Excess)	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Covered Payroll	<u>\$5,412,616</u>	<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 Payroll	44.35%	38.38%	41.98%	48.22%	48.85%
	Non-Uniform Pension Plan				
	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$1,205,810	\$1,216,477	\$1,166,564	\$1,173,984	\$1,032,714
Contributions in Relation to the Actuarially Determined Contribution	<u>1,205,810</u>	<u>1,216,477</u>	<u>1,166,564</u>	<u>1,173,984</u>	<u>1,032,714</u>
Contribution Deficiency (Excess)	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Covered Payroll	<u>\$6,218,294</u>	<u>\$5,812,721</u>	<u>\$5,847,782</u>	<u>\$5,902,335</u>	<u>\$5,873,243</u>
Contributions as a Percentage of Covered Payroll	19.39%	20.93%	19.95%	19.89%	17.58%
	Police Pension Plan				
	2018	2017	2016	2015	2014
Annual Money Weighted Rate of Return, Net of Investment Expenses	(4.52)%	11.24%	4.41%	(1.17)%	4.01%
	Non-Uniform Pension Plan				
	2018	2017	2016	2015	2014
Annual Money Weighted Rate of Return, Net of Investment Expenses	Not Available	17.84%	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, 2018**

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, 2018**

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
Investment Rate of Return	5.25%
Inflation	3.00%
Salary Increases	Age-related scale with merit and inflation component
Pre-Retirement Mortality	Males - RP-2000 with one year set back Females - RP-2000 with setback 5 years
Post-Retirement Mortality	Sex distinct - RP-2000 combined healthy mortality

**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, 2018**

	2018	2017
Total OPEB Liability		
Service Cost	\$ 629,996	\$ 486,831
Interest	1,442,468	2,118,386
Changes in Assumptions	11,770,520	-
Differences Between Expected and Actual Experience	(7,344,510)	-
Benefit Payments	<u>(1,330,622)</u>	<u>(1,198,265)</u>
Net Change in Total OPEB Liability	5,167,852	1,406,952
Total OPEB Liability - Beginning	<u>36,816,966</u>	<u>35,410,014</u>
Total OPEB Liability - Ending (a)	<u>41,984,818</u>	<u>36,816,966</u>
Plan Fiduciary Net Position		
Contributions - Employer	1,000,000	-
Net Investment Income	(351,054)	740,139
Benefit Payments	(1,330,622)	(1,198,265)
Administrative Expenses	<u>(54,286)</u>	<u>(8,500)</u>
Net Change in Plan Fiduciary Net Position	(735,962)	(466,626)
Plan Fiduciary Net Position - Beginning	<u>3,659,529</u>	<u>4,126,155</u>
Plan Fiduciary Net Position - Ending (b)	<u>2,923,567</u>	<u>3,659,529</u>
Municipality's Net OPEB Liability (a-b)	<u>\$39,061,251</u>	<u>\$33,157,437</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.00%	9.90%
Covered Employee Payroll	<u>\$11,611,708</u>	<u>\$11,262,218</u>
Municipality's Net OPEB Liability as a Percentage of Covered Employee Payroll	336.40%	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, 2018**

	2018	2017
<b>1. Schedule of Municipality's Contributions</b>		
Actuarially Determined Contribution	Not Calculated	\$ 2,687,170
Contributions in Relation to the Actuarially Determined Contribution	<u>\$ 1,000,000</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>N/A</u>	<u>\$ 2,687,170</u>
Covered Employee Payroll	\$11,611,708	\$11,262,218
Contributions as a Percentage of Covered Employee Payroll	8.61%	0.00%
<b>2. Investment Returns</b>		
Annual Money Weighted Rate of Return, Net of Investment Expenses	(12.21%)	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.

**3. Notes to Schedule**

Valuation Date: January 1, 2016

Methods and assumptions used to determine contribution rates for 2017:

Actuarial Cost Method: Entry age

Amortization Method: Level percentage of payroll, closed

Amortization Period: 30 years

**Municipality of Monroeville**  
**Required Supplementary Information**  
**Schedule of Changes in the Municipality's Contributions**  
**and Investment Returns**  
**December 31, 2018**

**3. Notes to Schedule (Cont'd)**

Asset Valuation Method	Market value
Inflation	2.75%
Healthcare Cost Trend Rates	Pre-65 Medical/Rx: 2018 2.30% and 2019 at 7.0% decreasing by 0.50% until reaching 5.0%; Post-65 Medical/Rx: 5.0% and dental and vision 3.0%
Investment Rate of Return	7.0% increase per year
Retirement Age	Police: participants with 25 or more years of service are assumed to retire at the following percentages: Age 50 - 54: 20%; Age 55: 75%; Ages 56+: 100%. Others earlier of age 55 with applicable years of service to pension age
Mortality	RP - 2014 Mortality Table with 50% of Blue Collar adjustment and rates set forward 5 years for disabled lives.

**COMBINING AND INDIVIDUAL FUNDS  
FINANCIAL STATEMENTS**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

### **CAPITAL PROJECTS FUNDS**

- Northern Pike Improvements Fund - Used to account for expenditures related to the improvements of the Northern Pike. These improvements will be funded partially from transfers from the General Fund and private contributions.
- 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, 2018**

	Special Revenue Funds			Capital Projects Funds		
	Highway Aid Fund	Police Asset Seizure Fund	Sidewalk Fund	Northern Pike Improvements Fund	Public Safety Communications Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$694,052	\$58,791	\$2,750	\$154,961	\$223,847	\$1,134,401
Due from Other Funds	-	<u>11,411</u>	-	-	<u>75,878</u>	<u>87,289</u>
<b>TOTAL ASSETS</b>	<u>\$694,052</u>	<u>\$70,202</u>	<u>\$2,750</u>	<u>\$154,961</u>	<u>\$299,725</u>	<u>\$1,221,690</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ <u>11,784</u>	\$ <u>11,784</u>
Fund Balances						
Restricted	694,052	70,202	-	-	-	764,254
Committed	-	-	<u>2,750</u>	<u>154,961</u>	<u>287,941</u>	<u>445,652</u>
<b>Total Fund Balances</b>	<u>694,052</u>	<u>70,202</u>	<u>2,750</u>	<u>154,961</u>	<u>287,941</u>	<u>1,209,906</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$694,052</u>	<u>\$70,202</u>	<u>\$2,750</u>	<u>\$154,961</u>	<u>\$299,725</u>	<u>\$1,221,690</u>

**Municipality of Monroeville**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2018**

	Special Revenue Funds			Capital Projects Funds		
	Highway Aid Fund	Police Asset Seizure Fund	Sidewalk Fund	Northern Pike Improvements Fund	Public Safety Communications Fund	Total Nonmajor Governmental Funds
Revenues						
Interest, Rents & Royalties	\$ 19,225	\$ 15	\$ -	\$ 3,027	\$ 9,128	\$ 31,395
Intergovernmental	<u>874,791</u>	<u>11,411</u>	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>1,186,202</u>
Total Revenues	<u>894,016</u>	<u>11,426</u>	<u>-</u>	<u>3,027</u>	<u>309,128</u>	<u>1,217,597</u>
Expenditures						
Current:						
Public Works - Highways	880,747	-	-	-	-	880,747
Capital Outlay	<u>36,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>801,655</u>	<u>838,642</u>
Total Expenditures	<u>917,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>801,655</u>	<u>1,719,389</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(23,718)</u>	<u>11,426</u>	<u>-</u>	<u>3,027</u>	<u>(492,527)</u>	<u>(501,792)</u>
Other Financing Sources (Uses)						
Transfers In	677,678	-	-	-	609,701	1,287,379
Transfers Out	<u>-</u>	<u>(189,701)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(189,701)</u>
Total Other Financing Sources (Uses)	<u>677,678</u>	<u>(189,701)</u>	<u>-</u>	<u>-</u>	<u>609,701</u>	<u>1,097,678</u>
Net Change in Fund Balances	653,960	(178,275)	-	3,027	117,174	595,886
Fund Balances - January 1, 2018	<u>40,092</u>	<u>248,477</u>	<u>2,750</u>	<u>151,934</u>	<u>170,767</u>	<u>614,020</u>
Fund Balances - December 31, 2018	<u>\$694,052</u>	<u>\$ 70,202</u>	<u>\$2,750</u>	<u>\$154,961</u>	<u>\$ 287,941</u>	<u>\$1,209,906</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, 2018**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest, Rents and Royalties				
Interest Earnings	\$ -	\$ -	\$ 19,225	\$ 19,225
Intergovernmental				
Liquid Fuels Tax	<u>860,788</u>	<u>860,788</u>	<u>874,791</u>	<u>14,003</u>
<b>Total Revenues</b>	<u>860,788</u>	<u>860,788</u>	<u>894,016</u>	<u>33,228</u>
<b>Expenditures</b>				
Current:				
Public Works				
Highways and Streets				
Snow and Ice Removal	550,000	550,000	531,526	18,474
Street Lighting	310,000	310,000	225,659	84,341
Road Maintenance	<u>-</u>	<u>-</u>	<u>160,549</u>	<u>(160,549)</u>
<b>Total Expenditures</b>	<u>860,000</u>	<u>860,000</u>	<u>917,734</u>	<u>(57,734)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 788</u>	<u>\$ 788</u>	<u>\$(23,718)</u>	<u>\$(24,506)</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, 2018**

<b>ASSETS</b>	
Cash and Cash Equivalents	\$817,706
Due from Other Governments	99,284
Prepaid Items	<u>4,152</u>
<b>TOTAL ASSETS</b>	<u><u>\$921,142</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	
Due to Primary Government	\$ 83,242
Accounts Payable	<u>5,302</u>
Total Liabilities	<u>88,544</u>
Fund Balances	
Nonspendable	4,152
Unassigned	<u>828,446</u>
Total Fund Balances	<u>832,598</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$921,142</u></u>

**Municipality of Monroeville**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**Convention Visitor's Bureau - Component Unit**  
**December 31, 2018**

Total Fund Balances - Governmental Funds	\$832,598
--	-----------

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 \$272,075 and the accumulated depreciation is \$141,457.

130,618

Total Net Position - Governmental Activities	<u>\$963,216</u>
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**Municipality of Monroeville  
Statement of Revenues, Expenditures  
and Change in Fund Balance  
Convention Visitor's Bureau - Component Unit  
General Fund  
Year Ended December 31, 2018**

Revenues	
Taxes	\$652,157
Interest, Rents and Royalties	12,458
Miscellaneous	<u>64,045</u>
Total Revenues	<u>728,660</u>
Expenditures	
Current:	
Conservation and Development	<u>592,195</u>
Net Change in Fund Balance	136,465
Fund Balance - January 1, 2018	<u>696,133</u>
Fund Balance - December 31, 2018	<u>\$832,598</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, 2018**

Total Net Change in Fund Balances - Governmental Funds	\$136,465
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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	\$(26,433)	
Net Book Value of Assets Retired	<u>(51,020)</u>	<u>(77,453)</u>
Change in Net Position of Governmental Activities		<u>\$ 59,012</u>

**ADDITIONAL INFORMATION**

**Municipality of Monroeville  
Schedule of Public Library Program  
Revenues and Expenditures  
Included in the General Fund  
Year Ended December 31, 2018**

Revenues

Regional Asset District Tax Funds passed through ACLA	\$ 240,535
State Library Aid	104,333
State Gaming Revenue	26,417
Fines and Miscellaneous	<u>138,531</u>
Total Revenues	<u>\$ 509,816</u>

Expenditures

Salaries	\$ 677,203
Benefits	398,745
Utilities	92,370
Maintenance and Repairs	15,413
Office Supplies	46,876
Library Books and Equipment	287,923
Office Equipment and Furniture	14,389
Miscellaneous Outside Personnel Services	<u>222,205</u>
Total Expenditures	<u>\$1,755,124</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>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>	<u>2018</u>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 14,622,837
Restricted	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	764,254
Unrestricted	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)	(29,301,616)
<b>Total primary government</b>	<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>	<u>\$ (13,914,525)</u>

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 2 CHANGES IN NET POSITION

LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 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	\$ 4,332,927
Public Safety	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	16,690,271
Public Works-Sanitation	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	1,445,974
Public Works-Highway	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	6,673,563
Culture-Recreation	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	5,344,164
Conservation and Development	558,044	493,397	384,315	347,004	390,481	382,799	296,709	529,993	479,846	522,105
Interest On Long-Term Debt	1,014,769	632,435	907,153	767,255	842,305	778,352	675,103	607,209	522,580	426,648
<b>Total primary government</b>	<b>\$ 29,628,387</b>	<b>\$ 27,510,960</b>	<b>\$ 28,074,573</b>	<b>\$ 27,497,083</b>	<b>\$ 28,410,148</b>	<b>\$ 29,383,459</b>	<b>\$ 30,129,020</b>	<b>\$ 31,314,165</b>	<b>\$ 32,533,122</b>	<b>\$ 35,435,652</b>
<b>Program Revenues</b>										
<b>Charges for services:</b>										
General government	\$ 49,259	\$ 241,921	\$ 244,349	\$ 169,097	\$ 117,920	\$ 150,589	\$ 116,779	\$ 116,780	\$ 75,803	\$ 70,876
Public Safety	451,374	650,163	357,872	464,056	347,975	316,947	386,487	327,306	431,322	660,841
Public Works-Sanitation	387,118	410,478	422,577	422,739	399,786	395,767	415,504	410,465	438,630	436,357
Public Works-Highway	45,665	34,293	50,348	3,100	82,340	8,713	111,516	36,702	37,470	78,078
Culture-Recreation	1,083,003	1,088,545	881,160	962,343	958,986	931,875	1,033,519	1,025,915	1,004,888	969,116
Conservation and Development	60,509	42,042	16,262	39,802	44,109	71,550	68,868	55,420	48,804	153,370
Operating and Capital grants and contributions	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	2,686,931
<b>Total primary government</b>	<b>\$ 4,086,743</b>	<b>\$ 4,194,792</b>	<b>\$ 3,830,081</b>	<b>\$ 3,543,705</b>	<b>\$ 3,346,875</b>	<b>\$ 3,417,171</b>	<b>\$ 4,889,443</b>	<b>\$ 4,459,454</b>	<b>\$ 4,568,262</b>	<b>\$ 5,055,569</b>
<b>Total primary government net expense</b>	<b>\$ 25,541,644</b>	<b>\$ 23,316,168</b>	<b>\$ 24,244,492</b>	<b>\$ 23,953,378</b>	<b>\$ 25,063,273</b>	<b>\$ 25,966,288</b>	<b>\$ 25,239,577</b>	<b>\$ 26,854,711</b>	<b>\$ 27,964,860</b>	<b>\$ 30,380,083</b>
<b>General Revs. and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
<b>Taxes</b>										
Property taxes, Levied for Gen. Purp.	\$ 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	\$ 8,720,156
Earned Income Taxes	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	7,698,026
Business Privilege & Mercantile Tax	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	8,357,693
Other Taxes, Levied for Gen. Purp.	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	3,756,994
Grants, Subsidies & Contrib. Not Restricted	150,091	51,542	44,744	187,430	168,568	252,955	177,634	261,035	246,440	223,719
Investment Earnings	194,868	109,000	69,852	89,188	78,489	60,000	46,756	70,370	76,825	149,257
Miscellaneous	26,912	142	189,815	142,903	50,059	23,552	-	55,213	70,903	65,073
<b>Total primary government</b>	<b>\$ 19,824,304</b>	<b>\$ 19,577,607</b>	<b>\$ 20,049,876</b>	<b>\$ 19,935,718</b>	<b>\$ 21,246,848</b>	<b>\$ 25,867,567</b>	<b>\$ 27,107,803</b>	<b>\$ 27,602,388</b>	<b>\$ 28,706,672</b>	<b>\$ 28,970,918</b>
<b>Change in Net Position</b>										
<b>Total primary government</b>	<b>\$ (5,717,340)</b>	<b>\$ (3,738,561)</b>	<b>\$ (4,194,616)</b>	<b>\$ (4,017,660)</b>	<b>\$ (3,816,425)</b>	<b>\$ (98,721)</b>	<b>\$ 1,868,226</b>	<b>\$ 747,677</b>	<b>\$ 741,812</b>	<b>\$ (1,409,165)</b>

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 3 FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<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>	<u>2018</u>
<b>General Fund</b>										
Reserved	\$ 5,563,195	\$ 2,376,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	7,122,455	6,921,926	-	-	-	-	-	-	-	-
Nonspendable	-	-	947	-	-	-	58,075	52,215	54,750	57,412
Restricted	-	-	121,102	121,118	121,130	-	-	-	-	-
Committed	-	-	82,788	82,793	101,296	270,297	155,231	137,970	94,597	73,960
Assigned	-	-	1,795,704	897,742	544,053	540,403	585,862	652,802	700,263	655,451
Unassigned	-	-	4,787,610	4,291,310	3,173,774	5,141,934	7,175,221	9,718,585	13,497,133	14,410,769
<b>Total general fund</b>	<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>	<u>\$ 15,197,592</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 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	764,254
Committed	-	-	152,313	152,352	152,388	1,005,452	1,168,316	1,584,386	1,968,024	445,652
Assigned	-	-	912,991	-	-	-	-	(279,518)	-	216,574
Unassigned	-	-	-	-	(49,288)	(82,300)	(82,300)	(82,300)	-	-
Unreserved reported in:										
Special revenue funds	1,135,962	1,409,839	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<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>	<u>\$ 1,426,480</u>

The fund balances for 2011 through 2018 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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues:</b>										
Taxes	\$ 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	\$ 28,407,971
Licenses and Permits	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	1,433,261
Fines and Forfeits	141,657	138,978	165,288	113,091	105,145	104,238	112,239	93,135	94,475	94,395
Interest, Rents and Royalties	194,868	109,000	69,852	89,188	78,489	60,000	46,756	70,370	124,267	198,228
Intergovernmental	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	2,872,294
Charges for Services	746,513	849,269	848,729	542,513	542,919	546,537	682,793	611,892	570,667	840,982
Miscellaneous	26,912	65,293	23,552	138,991	61,311	23,552	19,247	100,222	43,558	46,126
<b>Total revenues</b>	<b>24,381,199</b>	<b>23,848,761</b>	<b>23,554,334</b>	<b>23,846,810</b>	<b>24,537,523</b>	<b>29,283,540</b>	<b>31,842,585</b>	<b>32,023,288</b>	<b>33,191,991</b>	<b>33,893,257</b>
<b>Expenditures</b>										
Current:										
General Government	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	3,434,700
Public Safety	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	13,122,661
Public Works-Sanitation	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	1,229,976
Public Works-Highways	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	3,604,313
Culture-Recreation	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	4,327,154
Conservation and Development	545,414	483,943	372,497	300,871	350,041	336,779	274,320	460,931	393,628	480,674
Insurance Premiums	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	1,220,926
Capital outlays	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	3,031,336
Debt Service:										
Principal	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	2,972,059
Interest	977,246	609,954	924,207	823,828	884,055	817,472	712,362	621,136	526,538	457,054
<b>Total Expenditures</b>	<b>30,050,841</b>	<b>28,500,016</b>	<b>30,593,001</b>	<b>28,613,141</b>	<b>28,147,490</b>	<b>27,163,501</b>	<b>31,879,161</b>	<b>29,570,863</b>	<b>30,116,361</b>	<b>33,880,853</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(5,669,642)</b>	<b>(4,651,255)</b>	<b>(7,038,667)</b>	<b>(4,766,331)</b>	<b>(3,609,967)</b>	<b>2,120,039</b>	<b>(36,576)</b>	<b>2,452,425</b>	<b>3,075,630</b>	<b>12,404</b>
<b>Other Financing Sources (Uses):</b>										
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	85,000	44,550	184,000	47,800	26,429	-	-	42,550	23,460	8,332
Transfers In	228,019	639,980	-	610,354	-	1,119,000	1,301,870	1,000,000	2,679,509	2,287,379
Transfers Out	(228,019)	(639,980)	-	(610,354)	-	(1,119,000)	(1,301,870)	(1,000,000)	(2,679,509)	(2,287,379)
<b>Total Other Financing Sources (Uses)</b>	<b>85,000</b>	<b>758,646</b>	<b>7,720,457</b>	<b>812,253</b>	<b>26,429</b>	<b>1,338,019</b>	<b>1,001,670</b>	<b>42,550</b>	<b>378,778</b>	<b>8,332</b>
<b>Net Changes in fund balances</b>	<b>\$ (5,584,642)</b>	<b>\$ (3,892,609)</b>	<b>\$ 681,790</b>	<b>\$ (3,954,078)</b>	<b>\$ (3,583,538)</b>	<b>\$ 3,458,058</b>	<b>\$ 965,094</b>	<b>\$ 2,494,975</b>	<b>\$ 3,454,408</b>	<b>\$ 20,736</b>
Debt service as a percentage of noncapital expenditures	9.05%	7.46%	10.51%	12.63%	12.25%	11.87%	11.59%	12.18%	12.11%	10.48%

# 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
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
2018	1,305,389	990,536	498,536	2,295,925	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	
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
2018	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	2018			2008		
	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	\$ 96,850,200	1	4.22%			
PZ Miracle Mile	64,749,700	2	2.82%			
Anne V. Lewis	37,073,300	3	1.61%	30,372,000	4	1.50%
ER Partners LP	16,956,700	4	0.74%			
WPP/WEN LLC	15,307,100	5	0.67%			
Monroeville SCLP	14,800,000	6	0.64%	17,481,700	8	0.86%
Jamison Lane	14,707,300	7	0.64%			
LSR EFR - Rebound LLC	13,800,000	8	0.60%			
HTA Monroeville LLC - Healthcare	13,500,000	9	0.59%			
Walnut Capital	13,164,600	10	0.57%	15,582,500	9	0.77%
Soffer, Donald				158,163,700	1	7.79%
Westinghouse Electric Corporation				42,000,000	2	2.07%
Pittsburgh Miracle Mile Town and Country				40,000,000	3	1.97%
Cochran RELP				20,107,850	5	0.99%
L&M Associates				18,899,400	6	0.93%
Eagle Ridge Apartments				18,293,800	7	0.90%
Monroeville Dept. Investor				14,000,000	10	0.69%
	<u>\$ 300,908,900</u>		<u>13.11%</u>	<u>\$ 374,900,950</u>		<u>18.47%</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
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%	141,429	9,038,693	98.17%
2018	9,272,972	8,993,367	96.98%	-	8,993,367	96.98%

# 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>
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
2018	442,339,787	7,698,026

# 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>
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%
2018	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	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	2018 Number of filers
\$100,001-and higher	439	209	333	912	466	519	1,025	21	13	8
\$70,001-\$100,000	744	307	466	1,180	642	2,457	2,576	1,015	974	889
\$50,001-70,000	1,030	435	643	1,605	889	1,805	2,511	4,062	3,820	3,535
\$30,001-50,000	1,458	540	849	2,204	1,199	1,278	1,158	2,186	1,967	1,717
\$10,001-30,000	1,697	565	1,118	2,835	1,492	2,002	2,042	1,228	1,133	954
\$10,000 and lower	1,957	387	907	2,846	1,759	3,577	4,175	3,559	3,207	2,545
<b>TOTAL</b>	<b>7,325</b>	<b>2,443</b>	<b>4,316</b>	<b>11,582</b>	<b>6,447</b>	<b>11,638</b>	<b>13,487</b>	<b>12,071</b>	<b>11,114</b>	<b>9,648</b>

Income Level	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	2018 Percentage of Total Taxpayers
\$100,001-and higher	5.99%	8.56%	7.72%	7.88%	7.23%	4.46%	7.60%	0.17%	0.12%	0.08%
\$70,001-\$100,000	10.16%	12.57%	10.80%	10.19%	9.96%	21.11%	19.10%	8.41%	8.76%	9.21%
\$50,001-70,000	14.06%	17.81%	14.90%	13.86%	13.79%	15.51%	18.62%	33.65%	34.37%	36.64%
\$30,001-50,000	19.90%	22.10%	19.67%	19.03%	18.60%	10.98%	8.59%	18.11%	17.70%	17.80%
\$10,001-30,000	23.17%	23.13%	25.90%	24.48%	23.14%	17.20%	15.14%	10.17%	10.19%	9.89%
\$10,000 and lower	26.72%	15.84%	21.02%	24.57%	27.28%	30.74%	30.96%	29.48%	28.86%	26.38%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.01%</b>	<b>100.00%</b>							

Income Level	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	2018 Percentage of Total Income
\$100,001-and higher	18.88%	26.45%	28.55%	30.01%	27.56%	28.05%	28.50%	3.65%	3.65%	3.65%
\$70,001-\$100,000	21.30%	21.84%	20.36%	19.93%	20.59%	19.02%	19.52%	28.57%	28.57%	28.57%
\$50,001-70,000	20.90%	22.08%	19.97%	19.21%	20.28%	20.12%	19.95%	48.47%	48.47%	48.47%
\$30,001-50,000	19.70%	18.60%	17.75%	17.67%	18.34%	18.41%	17.98%	12.85%	12.85%	12.85%
\$10,001-30,000	11.26%	9.54%	11.33%	11.10%	11.26%	10.90%	11.28%	4.11%	4.11%	4.11%
\$10,000 and lower	7.98%	1.49%	2.05%	2.07%	1.96%	3.11%	2.63%	2.35%	2.35%	2.35%
<b>TOTAL</b>	<b>100%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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		
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
2018	14,443,675	839,562	15,283,237	3.27%	538.41

\* 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 Note 7 in the current financial statements.

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

# MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

## SCHEDULE 13 RATIOS OF 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*
2009	25,910	1.23%	883
2010	24,715	1.18%	871
2011	30,912	1.48%	1,089
2012	29,482	1.43%	1,039
2013	27,021	1.07%	952
2014	24,494	1.03%	863
2015	22,436	0.96%	790
2016	19,726	0.84%	695
2017	17,265	0.74%	608
2018	14,443	0.63%	538

Details regarding the Municipality's outstanding debt can be found in the Note 7 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, 2018  
(AMOUNTS EXPRESSED IN THOUSANDS)

Governmental Unit	Debt *** Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping** Debt
<b>Debt repaid with property taxes</b>			
Municipality of Monroeville	18,341	100.0%	\$ 18,341
<b>Other debt</b>			
Gateway School District	43,290	97.81%	a 42,342
Allegheny County	931,330	2.88%	a 26,822
Subtotal-overlapping debt			69,164
<b>Total direct and overlapping debt</b>			<b>\$ 87,505</b>

\*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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 61,620	\$ 56,444	\$ 54,717	\$ 57,183	\$ 58,320	\$ 63,836	\$ 70,534	\$ 75,503	\$ 81,097	\$ 83,317
Total net debt applicable to limit	25,910	24,715	30,210	28,730	26,440	24,085	21,920	19,325	16,720	13,985
Legal debt margin	<u>\$ 35,710</u>	<u>\$ 31,729</u>	<u>\$ 24,507</u>	<u>\$ 28,453</u>	<u>\$ 31,880</u>	<u>\$ 39,751</u>	<u>\$ 48,614</u>	<u>\$ 56,178</u>	<u>\$ 64,377</u>	<u>\$ 69,332</u>
Total net debt applicable to the limit as a percentage of debt limit	42.05%	43.79%	55.21%	50.24%	45.34%	37.73%	31.08%	25.60%	20.62%	16.79%

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>
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%
2018	28,386	\$ 442,339,787	\$ 45,847	45	3,273	3.70%

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	2018			2008		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Forbes Regional/West Penn Hospital	1,666	1	7.60%	1,344	2	0.67%
UPMC	1,379	2	6.29%	179	10	0.09%
Procare Pharmacy	1,155	3	5.27%	-	n/a	n/a
Bechtel Plant Machinery Inc.	912	4	4.16%	444	4	0.22%
Gateway School District	577	5	2.63%	622	3	0.31%
Respironics	554	6	2.53%	-	n/a	n/a
Cochran Pontiac Incorporated	361	7	1.65%	432	5	0.22%
Community College of Allegheny County	344	8	1.57%	284	6	0.14%
Lash Group LLC	333	9	1.52%	-	n/a	n/a
Compunetics	310	10	1.41%	274	8	0.14%
Westinghouse Electric Co.				1,846	1	0.92%
PPG				276	7	0.14%
HealthSouth of Pittsburgh, Inc.				220	9	0.11%
	<u>7,591</u>		<u>34.62%</u>	<u>5,921</u>		<u>2.96%</u>

MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA

SCHEDULE 18

FULL-TIME EQUIVALENT MUNICIPAL EMPLOYEES BY FUNCTION/PROGRAM

<u>FUNCTION/PROGRAM</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>	<u>2018</u>
<b>GENERAL GOVERNMENT</b>										
Mayor & Council	-	-	-	-	-	-	-	-	-	-
Manager's Office	4	4	3	3	3	4	4	4	3	3
Tax Collection	5	5	5	5	4	4	4	4	4	4
Finance Office	4	4	4	4	4	5	5	5	5	5
Data Processing	3	3	3	3	2	2	2	2	1	1
<b>PUBLIC SAFETY</b>										
Police Chief	2	2	2	2	2	2	2	2	2	2
Emergency Communications	8	8	8	8	8	7	8	8	9	9
Patrol & Traffic	40	39	40	42	42	39	37	37	39	39
Incident Investigation	6	6	5	5	5	5	5	5	5	5
Support Services & Records	3	1	1	1	1	1	1	1	1	1
Police Training	1	1	1	-	-	-	-	-	-	-
Community Safety	4	3	2	2	2	1	1	1	-	-
School Crossing Guards	-	-	-	-	-	-	-	-	-	-
Fire, Building, & Code Enforcement	5	5	5	5	5	5	6	5	4	4
<b>PUBLIC WORKS</b>										
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	8	8	5	6	6	6	5	5
Parks Maintenance	7	7	6	6	8	7	8	8	8	8
Traffic Signals, Signs and Markings	4	4	4	4	5	4	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	4	4	4	4	5	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	3	3	3	4	4	4	4	4
<b>HUMAN SERVICES</b>										
Recreation and Parks	4	3	3	3	3	3	3	3	3	3
Human Service Program	-	-	-	-	-	-	-	-	-	-
Leisure Learning	-	-	-	-	-	-	-	-	-	-
Monroeville Community Pool	-	-	-	-	-	-	-	-	-	-
Planning & Zoning	4	2	2	4	4	3	3	3	4	4
Appeal Board Service	-	-	-	-	-	-	-	-	-	-
Engineering	1	1	1	1	1	1	1	1	2	2
Electronic Equipment	-	-	-	-	-	-	-	-	-	-
Senior Citizens	4	4	4	4	4	4	5	5	4	4
Public Library	11	11	11	11	10	10	10	10	11	11
TV 15	2	2	2	2	2	2	2	2	2	2
<b>TOTAL</b>	<b>159</b>	<b>152</b>	<b>145</b>	<b>148</b>	<b>145</b>	<b>141</b>	<b>144</b>	<b>143</b>	<b>143</b>	<b>143</b>

**MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA**

SCHEDULE 19

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<b>FUNCTION/PROGRAM</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>POLICE</b>										
Physical arrests	363	280	314	255	374	469	613	548	641	380
Incidents	18,188	16,614	15,425	15,531	15,354	16,535	16,854	15,982	16,051	16,201
Traffic violations/Citations	1,266	2,013	1,580	1,758	1,653	3,535	1,629	1,016	1,883	1,000
<b>FIRE</b>										
Emergency Response	5,141	5,777	5,387	5,224	7,028	5,392	6,078	6,769	7,616	8,194
<b>INSPECTIONS</b>	4,780	4,780	6,083	6,100	7,539	8,324	8,152	7,580	7,151	7,430
<b>PUBLIC WORKS</b>										
Recyclables collected (tons per year)	535.1	530.4	641.4	695.3	738.8	654.1	749.7	801.3	929.7	995.0
<b>OTHER PUBLIC WORKS</b>										
Street Resurfacing (miles)	4.3	4.3	9.0	17.9	22.8	1.2	1.0	10.0	7.0	29.0
<b>PARKS AND RECREATION</b>										
Program Participants	1,701	1,644	2,093	5,858	6,283	4,262	3,823	3,645	5,656	5,400
Pavilion Rentals	434	453	466	486	533	638	692	710	545	680
Pool Admissions	3,736	5,331	5,431	5,569	7,922	6,743	6,922	6,953	7,654	7,176
<b>LIBRARY</b>										
Items in Collection	123,146	119,514	120,048	122,771	124,312	123,498	115,686	99,334	91,564	91,183
Total Circulation	233,405	222,519	244,321	297,941	308,614	290,750	306,014	315,368	372,542	375,777

Sources: Various Municipal Departments

**MUNICIPALITY OF MONROEVILLE, PENNSYLVANIA**

SCHEDULE 20

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<u>FUNCTION/PROGRAM</u>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>POLICE</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	7	7	7	7	7	7	7	7	7	7
<b>FIRE STATIONS</b>										
<b>OTHER PUBLIC WORKS</b>										
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
<b>CULTURE AND RECREATION</b>										
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	21	21	21	21	21	21
Basketball courts	21	21	21	21	20	20	20	20	20	20
Soccer fields	22	22	22	22	22	22	22	22	22	22
Ball fields	16	16	16	16	17	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	24	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