

MT. LEBANON
PENNSYLVANIA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2013

MT. LEBANON, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2013

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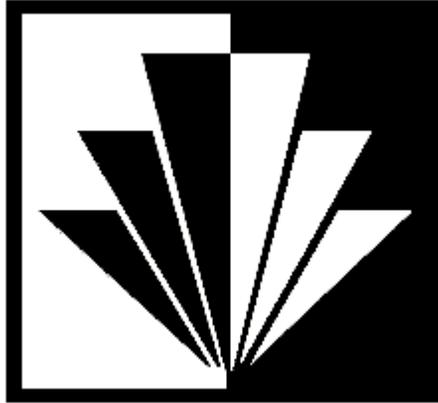
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INTRODUCTORY
SECTION



April 25, 2014

The Commission of the Municipality
of Mt. Lebanon, Pennsylvania

The Comprehensive Annual Financial Report (CAFR) of Mt. Lebanon, Pennsylvania (Municipality), for the fiscal year ended December 31, 2013, is hereby submitted. Responsibility for both the accuracy of the data presented and the completeness and fairness of presentation, including disclosures in the notes to financial statements, rests with the Municipality. This report contains the government-wide financial statements and fund financial statements of the Municipality. All disclosures necessary to enable the reader to gain the maximum understanding of the Municipality's financial affairs have been included.

REPORT COMPOSITION

Report Format

This report contains three sections:

- Introductory:** includes this transmittal letter highlighting significant 2013 financial and management items, the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association (GFOA) for the 2012 CAFR, an organization chart, and a list of principal officers.
- Financial:** contains a report by the independent public accounting firm of Maher Duessel; Management's Discussion and Analysis, a narrative overview of the Municipality's financial performance for the fiscal year ended December 31, 2013; the basic financial statements, which include government-wide financial statements and fund financial statements and notes to financial statements; required supplementary information, combining and individual fund financial statements, and as applicable, schedules with comparative budgetary and prior year information, arranged by fund type.
- Statistical:** includes historical information for financial trends, revenue capacity, debt capacity, and demographic and economic indicators, and selected operating statistics for the Municipality.

Reporting Entity

This report includes all funds and component units of the Municipality (the reporting entity). In accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, "*The Financial Reporting Entity*," the financial information for the Mt. Lebanon Industrial Development Authority for the year ended December 31, 2013 is blended into the funds of the Municipality as the Municipality's elected officials serve as the board for the Mt. Lebanon Industrial Development Authority. The Municipality has no discretely presented component units.

As established by GASB, the basic criterion for determining inclusion in the reporting entity is financial accountability and the nature and significance of the relationship. Note 1A fully describes the criterion and the component units.

Prior to January 1, 2012, the Mt. Lebanon Parking Authority was reported as a discretely presented component unit. Since that date, the parking operations are under the management of the Municipality and are presented as a proprietary fund.

ECONOMIC CONDITION

The Municipality operates under a Home Rule Charter (Charter) with five elected commissioners, one from each ward. Under the Charter, which also provides for the council/manager form of government, the Municipality has a higher degree of local freedom and initiative than governments controlled by state statutes. The Municipality provides a full range of services including: fire and police protection, recreation facilities and programs, public works, parking, library and intergovernmental services, economic development and planning, zoning and building inspection, and general administration.

The Municipality is a suburb of the City of Pittsburgh located six miles southwest of the City of Pittsburgh. The 2010 Census indicates the Municipality's population is 33,137. This is an increase of 120 people compared to the 2000 Census.

While the real estate market significantly declined and is slowly recovering in other areas of the country, the values in the Municipality have not been as negatively impacted. In 2013, the average price for residential housing in the Municipality increased to \$255,115, an increase of 8.25% from 2012. Since 2009, the average market price of a home has increased over 11.6%. The housing stock is varied in style and price – 2013 sales ranged from \$25,000 to \$1,181,000. In addition to the sales price increase in 2013, the number of homes sold increased 5.1% over 2012. The combination of the sales price gain and the strong sales market lead to an increase of 7.88% in the real estate transfer tax collections.

The unemployment rate for Municipality residents continues to be low compared to state and national trends. According to the Pennsylvania Department of Labor & Industry, the 2013 annual average unemployment rate in the Municipality was 4.5% which is below the 2013 rates for the City of Pittsburgh (5.7%), Allegheny County (5.5%), and the Commonwealth of Pennsylvania (Commonwealth) (6.8%).

The Municipality has very healthy traditional business districts, a feature that is not found in many Pittsburgh suburbs. Washington Road, designated as a National Trust for Historic Preservation Main Street by the Commonwealth, is the primary commercial arterial in the Municipality. This commercial district hosts 41 structures that house nearly two hundred businesses employing more than 1,400 people. Established in 2007, the Mt. Lebanon Partnership was created with the vision to “make Mt. Lebanon the Main Street of the South Hills, a true destination where businesses and community come together.” In 2013, the Municipality organized its eleventh consecutive series of First Friday events - attracting thousands to the shops and restaurants along Washington Road. The Mt. Lebanon Partnership introduced a sustainable Farmer’s Market in 2006 which provides an important anchor to Washington Road businesses and brings people to the shopping district on Saturday mornings. In addition, the Municipality celebrated the Second Annual Plein Air art event which attracted thousands of art lovers to the community’s central business district.

The business districts continue to be virtually fully occupied. The vacancy rate for Washington Road is presently 4% and Beverly Road is 0%. This compares to national average vacancy rate of 10%. Lease rates are stable and properties are vacant only for short periods. Interest is strong for entrepreneurial activities due to attractive public spaces, demographics, access to mass transit, and the long-term trend to sustainable walkable communities. In addition, the Municipality enjoys a low incidence of absentee landlords. This allows greater control of the quality of commercial enterprise and a strong disinclination to blighting. Current priorities include, but are not limited to – encouraging transit oriented development, development of upper floor units for commercial or residential purposes, developing the former Denis Theater into an independent film theater, community cultural center, and key contributor to the region's economic vitality. The Economic Development Office central focus in 2014 will be development of air rights above the Municipality’s light rail transit (LRT) station. To date, a market analysis and preliminary engineering have been completed. A development team is being assembled for this project.

In September 2007, the Mt. Lebanon Parking Authority entered into a sales agreement with a developer for property it owned between 607 and 615 Washington Road. This property contained the North Lot and adjacent additional surface parking. The developer is constructing a 108 room SpringHill Suites hotel, associated parking, and an additional pedestrian connection to Parse Way (LRT level). The cost of this project is estimated to be \$13-\$14 million. The construction began in the 2011 and should be completed by the end of 2014.

Recently completed development projects within the Municipality include a Fresh Market Grocery Store, which opened in July of 2013. The Mt. Lebanon School District received approval in 2011 to renovate and rebuild the high school on the existing site to accommodate the educational needs of the Mt. Lebanon School District’s high school students. Construction on the high school project began in early 2012, and will last four years. The building will include educational and administrative space as well as an auditorium, theater, swimming pool, several gyms, and other related accessory uses.

In October of 2013, the Municipality adopted a new comprehensive plan that reflects the needs and desires of the community. This document will serve as a guide for Commission action

concerning land use and development regulations as well as expenditures for capital improvements.

The Mt. Lebanon School District has always been a leader in instructional excellence in the country. This reputation, along with continuing achievements by faculty and students, combines to be a strong attraction for young families to the community. In the 2014 Pittsburgh Business Times Guide to Western Pennsylvania Schools, Mt. Lebanon School District ranked #1 in the region as did Mt. Lebanon High School and Jefferson Middle School. The District also ranked second in the statewide list of 495 districts. The District received the 2014 Governor's Award for Excellence in Academics for nine schools of 10. The U.S. News and World Report 2013 Best High School rankings placed Mt. Lebanon High School #11 in the state and 2nd in Western Pennsylvania while Newsweek Magazine placed Mt. Lebanon High School on the list of "America's Best High Schools" in 2013, ranking the school 346 out of the top 2,000 high schools in the nation. The Mt. Lebanon School District ranked among the top school districts in the nation in the tenth annual Digital School Districts Survey by the Center for Digital Education and the National School Boards Association. Lincoln Elementary school won their third National Blue Ribbon by the U.S. Department of Education in 2013 and the USDA awarded all seven Mt. Lebanon School District elementary schools the HealthierUS School Challenge Bronze award.

In the area of fine arts, Mt. Lebanon School District was honored by the NAMM Foundation as one of the Best 100 Communities for Music Education. Athletic teams continue to excel at the highest levels of local and state competition with the Girls Cross Country winning the 2013 WPIAL Championship.

The Class of 2013 graduated 453 students with ninety-seven percent continuing to pursue full time or Armed Service education. The class had 3 National Merit Semifinalists and 14 Commended.

MAJOR INITIATIVES

Like many other local governments, the Municipality faced fiscal challenges heading into the 2013 budget due to projected flat revenues and increasing expenditures. Due to an unanticipated significant increase in earned income tax collections and the continued scrutiny by operating departments to reduce costs wherever possible, the Municipality continued to provide a high level of service to our residents and businesses.

The Municipality's two main revenue sources – the real estate and earned income taxes - account for 70.6% of the revenue for the General Fund. Each of these taxes experienced changes in 2013. For the real estate tax, a real estate reassessment was completed by Allegheny County for 2013. The Municipality experienced a 29.5% increase in the value of taxable property. Due to state statutes known as anti-windfall provisions, the Municipality could not collect more than 105% of the prior year's collections. Accordingly, the Municipality set the 2013 millage rate at 4.51 mills. As of December 31, 2013, current real estate tax collections increased 3.9% over prior year collections. The millage rate has remained the same for the 2014 fiscal year.

As noted in last year's report, 2012 was the first year for the new earned income tax collection

(EIT) system. In years past, the Municipality collected EIT for itself and the school district and the collection costs were about 1.25% of the revenues collected. Under a new state requirement, EIT is collected by counties or districts within the counties using private collection firms. The law also requires that EIT be withheld by employers. In this second year, collections experienced a significant increase of \$1.1 million or 11.2%. The primary reason for the increase is the increased cash flow due to the timing of remittances from other tax collection districts and employers. Employers have become more familiar with the new system and compliance has increased since the beginning of 2012. In addition, 2013 was the first year of four complete quarters of revenue being recognized under the employer mandated collection system. The Municipality is encouraged by the new collection system and will continue to monitor collection patterns throughout 2014.

As the Municipality tightens its spending for services, it also must consider the funding for continuing capital needs. The Municipality has an ordinance that establishes a funding requirement for streets, based on their condition assessment. These improvements cannot be funded through debt or with a tax increase. In 2013, this policy was met with funding for street construction provided by two sources - \$1.6 million from the General Fund and \$500,000 for curb work from the storm water fee.

Work continued on sanitary sewers to meet the federal consent order. In 2013, sanitary sewer expenditures totaled \$1.7 million; all funded by a surcharge on the ALCOSAN bills. In addition, sewer lines were treated with chemicals to stop root infiltration. In the last six years, \$14 million has been spent on sanitary sewer improvements; the engineer estimates that an additional \$10.6 million will be needed in the next five years to meet our legal obligation. Currently, the sanitary sewer fee is \$4.05 per thousand gallons of water used but it is anticipated this fee will need to be raised in the near future to pay for the required improvements.

In its second full year, the storm water fee generated \$1.4 million, which can be used for improvements to and maintenance of the storm water system. In the last two years, \$2.1 million has been spent on storm water capital projects to maintain, enhance and expand the storm sewer system. The fee is based on an impervious surface calculation and billed at a rate of \$8 per month per unit of impervious surface, with single family residential property paying one unit (\$96 per year), and higher rates for multi-family, commercial and tax-exempt properties.

In addition to the infrastructure improvements, other capital budget items were acquired or renovated. The \$4.1 million renovation of the municipal pool began in 2013. The improvements should be completed in 2014. Improvements were made at the recreation center, tennis center and in various parks. Traffic signal upgrades were made and the Guaranteed Energy Savings contract was completed.

To assist in long-term planning, on an annual basis, a five-year Capital Improvement Program (CIP) is developed by the Municipality. The CIP maps the Municipality's highest priority capital needs into a preliminary schedule of expenditures. This important management tool links major infrastructure needs with the Municipality's financial capacity. The current five-year CIP details the continuation of addressing infrastructure and other needs through the year 2018. The 2014 adopted budget provides over \$12.7 million for capital projects and improvements. A portion of

the capital projects is budgeted to be funded by a 2014 bond issue.

The Municipality also completed work on two projects that will affect the community for years to come. As referenced above, the first project was the Comprehensive Plan which was adopted in October 2013.

The second project is a review of the Municipality's Home Rule Charter. Adopted in 1974, the Charter is periodically reviewed by a select group of citizens to make sure that it is responsive to the changes in the community and the environment in which we operate. Like the Comprehensive Plan, this project will involve the public and gather input from a variety of sources. The Charter review was completed in 2014 and the recommended changes are under review by the Commission. All changes to the Home Rule Charter would have to be voted on by the electorate before becoming effective.

In late 2013, the Commission requested a study panel be formed to evaluate the municipal solid waste and recycling program. The panel consists of municipal staff, members of the Environmental Sustainability Board and the Municipality residents. Specifically, the panel is to evaluate the solid waste and recycling program currently in existence and make recommendations on ways to improve recycling in the Municipality. One option that is being considered is a Pay As You Throw system. This system is reliant on user fees for residential solid waste and recycling. Since collection is currently paid for with general tax revenue, the Municipality may have to remove a portion of the solid waste and recycling costs from the General Fund tax revenue if this system is a fit for the Municipality.

Another initiative included in the 2014 budget is a stipend to pay volunteers to work duty shifts when there are fewer than four career firefighters on duty. The expanded service level has a net cost of \$15,000 after the impact of overtime is netted against the investment. The proposed volunteer stipend will insure that Mt. Lebanon can meet minimum staffing for National Fire Protection Association fire suppression safety standards.

FINANCIAL OPERATIONS

Systems and Controls

Accounting

In developing and evaluating the Municipality's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

The finance department continually reviews established policies and procedures to control and reduce risks. We believe that the Municipality's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budget

The budgeting technique based on Zero Based Budgeting (ZBB) was used again in preparing the 2013 budget. Each program and activity must be justified, thereby providing increased accountability in the operating departments. Service levels are developed to focus attention on units of service within a decision unit (or cost center). This budget format allows elected officials to focus on overall service priorities and provides for an optimum mix of services within revenue constraints.

Budgetary control is maintained at the fund level, with operating departments charged with the maintenance of budgeted expenditures as a whole. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental funds including the General Fund, Special Revenue Funds (excluding the Library Operating Fund), and Capital Project Funds (excluding the Capital Assessment Fund). A budget is also adopted for the one enterprise fund (Parking). Budgetary control for the Debt Service Fund is maintained through provisions of related trust indentures. Note 1E further describes the budget policies of the Municipality.

A more detailed explanation and description of municipal operations can be found in the Management's Discussion and Analysis (MD&A) section immediately following the report of the independent auditors.

Policies

Over the years, the finance department has instituted a number of financial policies in order to provide assurance that financial operations occur in a consistent manner from department to department. These policies also enhance the safeguards for internal controls and budgetary compliance. Some of the more significant policies include those related to the purchasing system, including a checklist for contract compliance and approval; deposits, cash and credit transactions; fixed assets, grants, fraud, and related party transactions. In addition, the Municipality has adopted a debt policy under which a framework for the issuance of long-term debt has been established.

The Commission adopted a number of financial policies in 2011 to guide future budgets and provide a firm financial foundation. These include a minimum pension funding requirement even when pension assets exceed liabilities, a requirement for a budget balanced without use of unassigned fund balance, a phase-out of unassigned fund balance used to support current levels of pension funding, new multi-year service levels only budgeted if a source of funding is identified, minimum capital spending level funded by General Fund revenues, a requirement to have a capital improvement discussion after prior year financials are released, a minimum level for unassigned fund balance and a plan for restoration if the minimum is violated, how unassigned fund balance can be used in the budget, a comprehensive debt policy, and a budget

amendment process.

During 2013, the Commission complied with these policies with one budget amendment made as a result of the capital improvement discussion and minimum unassigned fund balance policies. At the end of 2012, the unassigned fund balance was in excess of the 10% minimum level, which allowed \$797,080 to be budgeted for recreation and other capital improvements. In the preparation of the 2014 budget these policies were also followed, with unassigned fund balance used only for pension funding (at the decreased level mandated by the pension policy).

AWARDS AND ACKNOWLEDGEMENTS

Independent Audit

Pursuant to Section 912 of the Charter, an audit of the accounts and financial statements has been performed by an independent accounting firm. The external audit firm of Maher Duessel performed the audit and their report is included in the Financial Section herein.

In addition to the required audit, which included all funds of the Municipality (including the Library), a separate audit was performed for the Real Estate Tax Collector. A separate audit report has been issued.

The Municipality is assessing the need for compliance with the provisions of the Single Audit Act, as amended, for the traffic signal project on Beverly and Cochran Roads, as the federal funds expended exceeded \$500,000.

Certificate of Achievement

In January 2014, 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 for its CAFR for the fiscal year ended December 31, 2012. The Municipality has received this award for 37 consecutive years, the longest in Pennsylvania.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

Acknowledgements

The publication of this CAFR continues to reinforce the accountability of the Municipality to the taxpayers of the community. A note of sincere appreciation is extended to the many conscientious people who have contributed a significant amount of time and dedicated efforts to

the preparation of this report. This report would not be possible without the dedicated services of the finance and administration offices and the support of all other municipal departments.

Gratitude is also extended to the elected officials of the Municipality for their cooperation and interest in the financial operations of the Municipality. The Mt. Lebanon Commission's maintenance of the highest standards of professionalism in the management of the Municipality's finances is greatly appreciated. With the continued support of the Mt. Lebanon Commission, we will be able to continue the quality of municipal government for which the Municipality is known.

Respectfully submitted,



Andrew McCreery, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Mt. Lebanon
Pennsylvania**

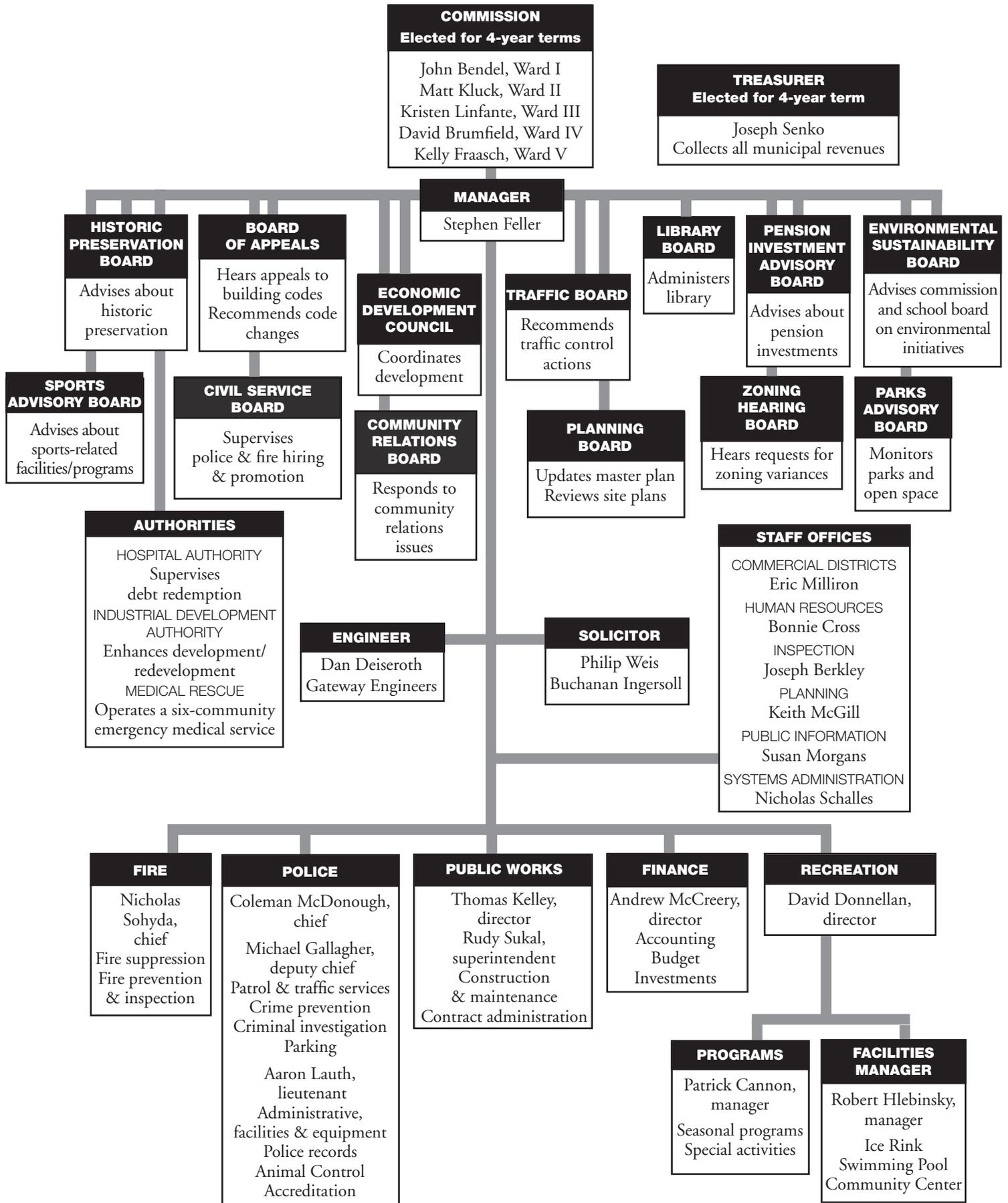
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

ORGANIZATIONAL CHART—MT. LEBANON, PA

as of December 31, 2013



MT. LEBANON, PENNSYLVANIA

PRINCIPAL OFFICERS



2013

Matthew Kluck
President

Kristen Linfante
Vice President

John Bendel

David Brumfield

Kelly Fraasch

2012

David Brumfield
President

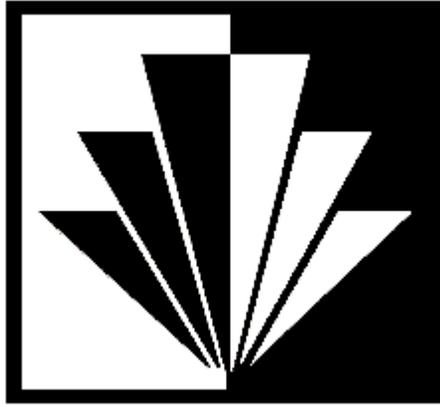
Matthew Kluck
Vice President

John Bendel

Kristen Linfante

Kelly Fraasch

Stephen M. Feller, Manager
Andrew McCreery, CPA, Finance Director



FINANCIAL

SECTION

Independent Auditor's Report

The Commission of the Municipality
of Mt. Lebanon, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Municipality of Mt. Lebanon, Pennsylvania (Municipality), as of and for the year ended December 31, 2013, 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 of 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 entity's preparation and 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 entity'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 business-type activities, each major fund, and the aggregate remaining fund information of the Municipality as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective

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of Mt. Lebanon, Pennsylvania
Independent Auditor's Report

budgetary comparison for the General Fund and Sewage 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, pension, and other postemployment benefit information on pages 16 through 38, 89 through 91, and 92 through 94, respectively, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic 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 Information

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

The combining and individual nonmajor fund financial statements and capital asset schedules 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 information is fairly stated in all material respects in relation to the 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.

We have also previously audited, in accordance with auditing standards generally accepted in the United States, the Municipality's basic financial statements for the years ended December 31, 2011 and 2012, which are not presented with the accompanying financial statements. In our reports dated April 13, 2012 and April 17, 2013, respectively, we expressed unqualified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. Those audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise of the Municipality's financial statements as a

The Commission of the Municipality
of Mt. Lebanon, Pennsylvania
Independent Auditor's Report

whole. The individual fund financial statements related to 2011 and 2012 are presented for the purposes of additional analysis and are not a required part of the financial statements.

The individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 2011 and 2012 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements related to 2011 and 2012 are fairly stated in all material respects in relation to the basic financial statements from which they were derived.

Mahe Duessel

Pittsburgh, Pennsylvania
April 25, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Municipality of Mt. Lebanon's (Municipality) comprehensive annual financial report presents a narrative overview and analysis of the Municipality's financial performance for the fiscal year ended December 31, 2013. Please read this Management's Discussion and Analysis 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, 2013.

RESULTS IN BRIEF

- ▶ Total assets of the Municipality's governmental activities exceeded its liabilities at the close of the most recent year by \$71,812,475 (net position). Of this amount, \$9,910,428 (unrestricted net position) may be used to meet the Municipality's ongoing obligations to its citizens and creditors.
- ▶ The Municipality's governmental activities total net position increased from 2012 by \$5.73 million or 8.7%.
- ▶ Unrestricted net position increased by \$385,469 or 4.0% in 2013.
- ▶ Net investment in capital assets (net capital assets net of related debt) was \$56,344,296 at December 31, 2013, an increase of \$4.9 million.
- ▶ The Municipality's real property tax rate was decreased from 5.43 to 4.51 mills due to a reassessment performed by Allegheny County. The millage rate was set based on a maximum of 105% of the previous year's collections.
- ▶ The total fund balance for governmental funds was \$16,091,403 at December 31, 2013, with \$4,045,633 in unassigned fund balance.
- ▶ The General Fund had a total fund balance of \$5.41 million, of which \$4.05 million was unassigned. The total fund balance for the General Fund decreased by \$242,874 and the unassigned fund balance decreased by \$249,181.
- ▶ The unassigned fund balance in the General Fund is 12.1% of the General Fund's total revenues (including transfers) and 12.0% of the fund's total expenditures (including transfers).
- ▶ In 2013, the Municipality issued bonds in the amount of \$4,450,000 to finance the municipal pool renovation and other capital improvements. The final maturity of the issue is July 1, 2025. The interest rate ranges from .50% – 2.05% over the life of the bonds.
- ▶ The Municipality's Aa1 bond rating from Moody's was reaffirmed at the time of the bond issuances.

- ▶ At December 31, 2013, the Municipality had \$28.40 million of debt outstanding. This represents an increase of \$2,105,000 or 8.0% from the previous year. The amount of outstanding direct debt per capita increased from \$793 to \$857.
- ▶ The Municipality's business-type activities (Parking Fund) net position decreased by \$129,292 or 2.0%. The unrestricted portion of net position decreased by 17.0% due to a large maintenance and repair project initiated in 2013.
- ▶ The plan net position held in trust to pay pension benefits increased \$10.29 million or 15.3% in 2013. Plan net position in the other post-employment benefits trust increased \$210,384 or 25.0%.
- ▶ During 2013, the Municipality implemented GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*." This Statement reclassifies certain items that were reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. Taxes and fees not collected within the availability period, previously reported as liabilities, are now reported as deferred inflows of resources – unavailable revenues on the governmental fund's balance sheet.

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 financial statements), and combining and individual fund statements. The basic financial statements present two different views of the Municipality through the use of government-wide financial statements and fund financial statements:

- The first two statements (pages 39-40) are government-wide financial statements that provide long-term and short-term information about the Municipality's overall financial status.
- The remaining statements (pages 41-51) are fund financial statements that focus on individual parts of municipal government, reporting operations in more detail than the government-wide statements.

The fund financial statements include:

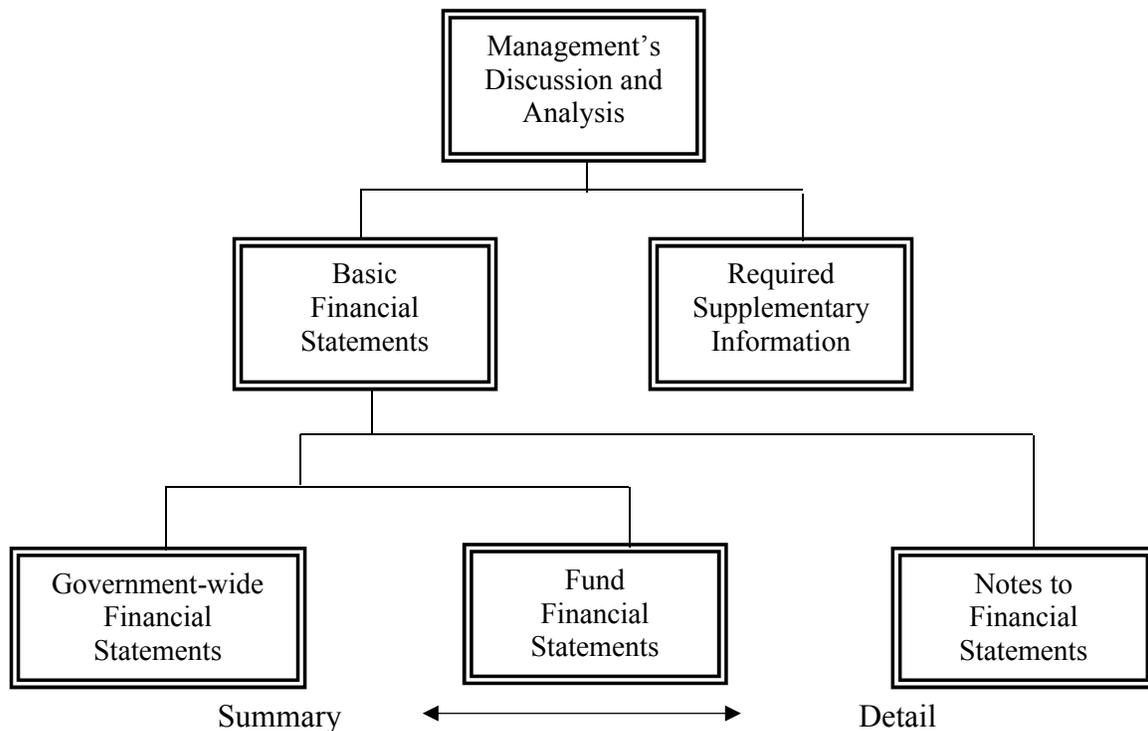
- The governmental funds statements (pages 41-46) describe how general government services such as public safety and recreation were financed. A budgetary comparison statement is provided for the General Fund and certain Special Revenue Funds to demonstrate compliance.
- The proprietary fund statements (pages 47-49) offer financial information about the activity (parking) that the Municipality operates as a business.
- Fiduciary fund statements (pages 50-51) provide information about the retirement and other postemployment benefit plans for municipal employees in which the Municipality acts solely as a trustee or agent for the benefit of others. Fiduciary funds are not reflected in the government-wide financial 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 details for 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 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, a section provides additional details on the major governmental funds, combining and detail statements for the other governmental funds that are presented in a single column in the basic financial statements and an additional detail statement for the operations of the proprietary fund.

Figure 1

**REQUIRED COMPONENTS OF THE
COMPREHENSIVE ANNUAL FINANCIAL REPORT**



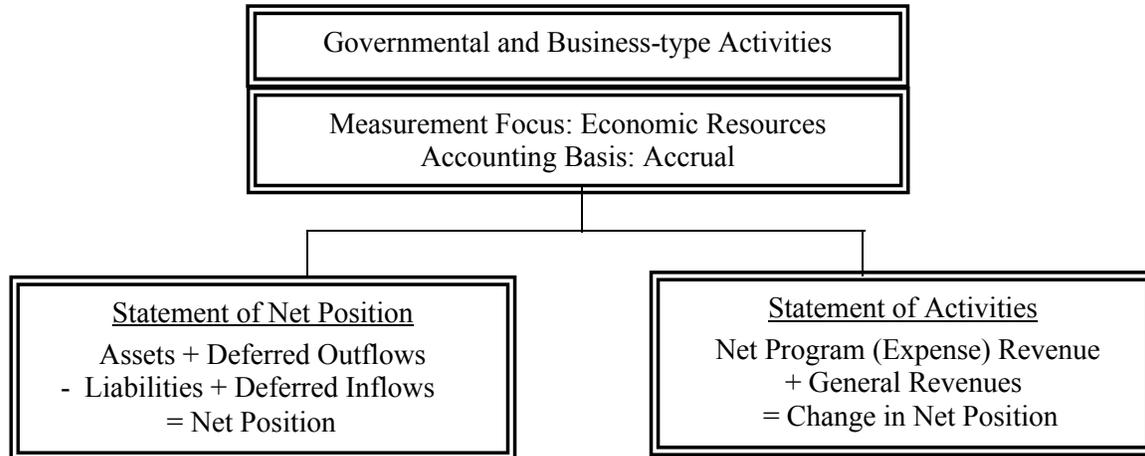
Government-wide Financial Statements

The government-wide financial statements report information about the Municipality as a whole using accounting methods similar to those used by private-sector companies. These statements report the Municipality's net position and how it has 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. Over time, increases or decreases in the Municipality's net position are 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. 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. 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 2.

Figure 2
GOVERNMENT-WIDE FINANCIAL STATEMENTS



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

- *Governmental activities* - Includes the Municipality's basic services, such as the police, fire, public works, and recreation departments, staff offices, and general administration. Property and earned income taxes, charges for services, and grants finance most of these activities.
- *Business-Type Activities* – Includes the operations of the Parking Fund (an enterprise fund), which covers the costs of parking operations through user fees and charges.

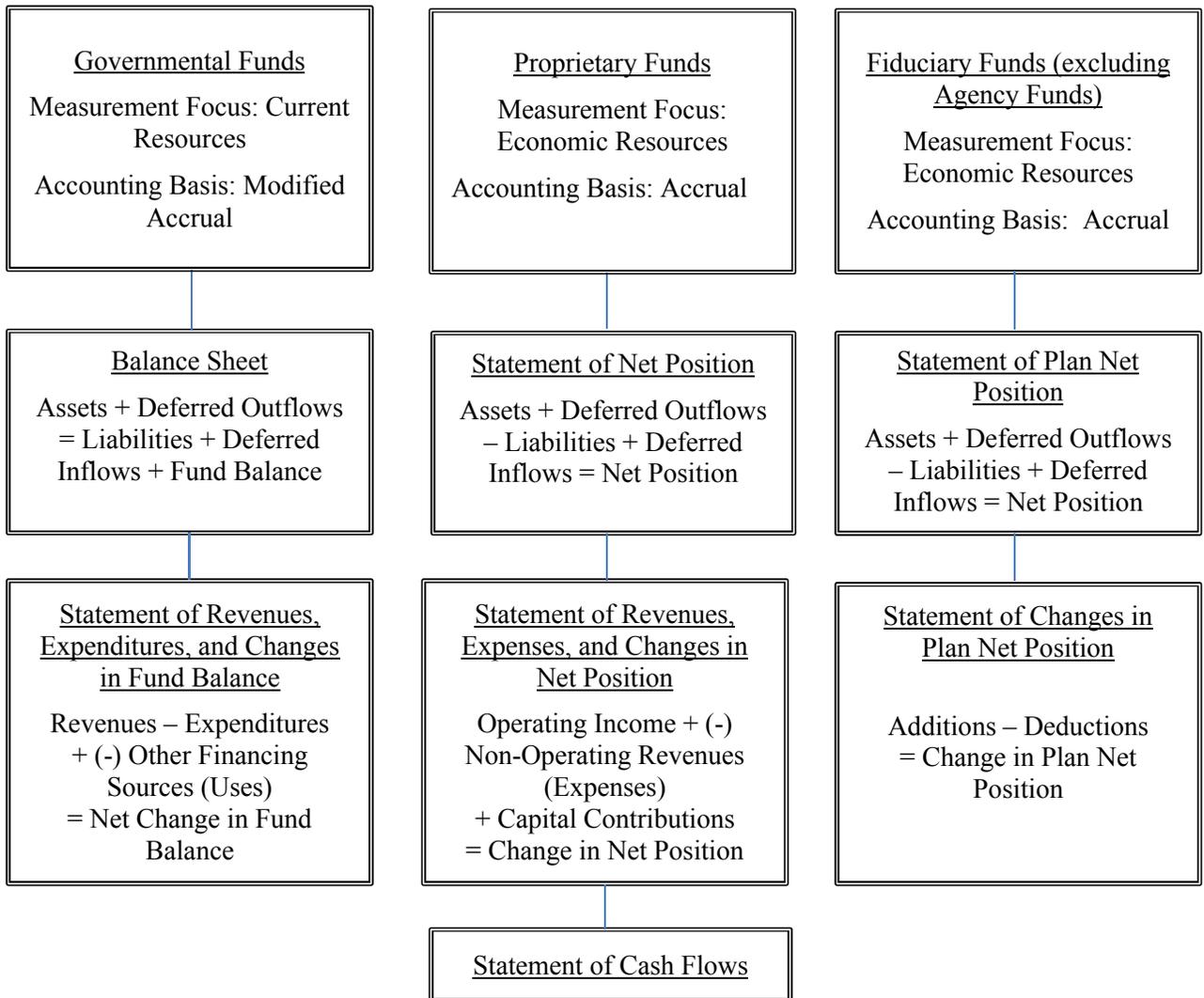
The government-wide financial statements do not include any component units presently on a discrete basis. All component units of the Municipality are blended.

The Mt. Lebanon Parking Authority ceased operations on December 31, 2011. Effective January 1, 2012, the operations of the former Authority have been consolidated into those of the Municipality. The operations of the Authority were assigned to three separate municipal departments – police (enforcement and garage cashiers), public works (maintenance of facilities), and finance/tax (permits and ticket collection). Prior to this consolidation, the Authority was reported as a discretely presented component unit of the Municipality.

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 primary features of the fund financial statements are presented in Figure 3.

Figure 3
FUND FINANCIAL STATEMENTS



The Municipality maintains three kinds of funds:

- *Governmental funds* –Reports activities of the Municipality's basic services in governmental funds, which focus on (1) how cash and other financial assets that 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 funds statements provide a detailed short-term view that help to 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 each related governmental fund financial statement.

- *Proprietary fund* – Reports the same type of information for the activity (parking), as is reported in the business-type activities column in the government-wide financial statements. The statements for this fund simply present more detail on the fund's operation.
- *Fiduciary funds* – Reports activities of three single-employer pension plans: General Employees, Police, and Firemen and another postemployment benefit (OPEB) plan. The Municipality functions as the trustee, or fiduciary, for these plans. 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 plan net position and a statement of changes in plan net position. These activities are excluded from the Municipality's government-wide financial statements because the Municipality cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE MUNICIPALITY AS A WHOLE

The Municipality's net position for its governmental and business-type activities at December 31, 2013 and 2012 are presented below.

	Governmental Activities		Business-type Activities	
	2013	2012	2013	2012
ASSETS				
Current and other assets	\$ 24,762,202	\$ 21,451,486	\$ 2,116,190	\$ 2,244,399
Capital assets	78,098,428	73,569,522	7,579,310	7,958,309
Total Assets	<u>102,860,630</u>	<u>95,021,008</u>	<u>9,695,500</u>	<u>10,202,708</u>
LIABILITIES				
Current and other liabilities	6,133,297	6,783,178	980,145	730,982
Non-current liabilities	24,914,858	22,156,587	2,304,695	2,931,774
Total Liabilities	<u>31,048,155</u>	<u>28,939,765</u>	<u>3,284,840</u>	<u>3,662,756</u>
NET POSITION				
Net investment in capital assets	56,344,296	51,419,042	4,647,536	4,414,824
Restricted	5,557,751	5,137,242	-	-
Unrestricted	<u>9,910,428</u>	<u>9,524,959</u>	<u>1,763,124</u>	<u>2,125,128</u>
Total Net Position	<u>\$ 71,812,475</u>	<u>\$ 66,081,243</u>	<u>\$ 6,410,660</u>	<u>\$ 6,539,952</u>

Governmental Activities

Net Position

The net position of governmental activities increased from the previous year by \$5.73 million (or 8.7%) to \$71.8 million. Of this amount, \$56.3 million represents the net balance of long-term capital assets and long-term debt. The \$5.6 million in restricted net position is comprised of \$5,213,135 for consent decree sewage infrastructure upgrades, \$126,834 for storm water projects, \$165,415 for donor restricted purposes for the Mt. Lebanon Public Library, \$39,600 contribution from St. Clair Hospital for traffic improvements, \$12,355 for industrial development activities and \$412 in a developer's escrow. The unrestricted net position of \$9.91 million represents funds available to maintain operations or to provide for the payments of long-term debt at the governmental activities level.

Capital Assets

The largest portion of the Municipality's net position (78.5%) accounts for the investment of capital assets (such as infrastructure, buildings, vehicles, and equipment), less any related outstanding debt used to acquire these assets. The Municipality maintains and uses these capital assets to meet the service demands of its residents and therefore these assets are not available for future spending. The net investment in capital assets is reported net of related debt (except for unspent bond proceeds). Resources necessary to repay this debt will be required to be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities. Please see Note 6 – Capital Assets for a more detailed schedule of municipal capital assets.

Change in Net Position

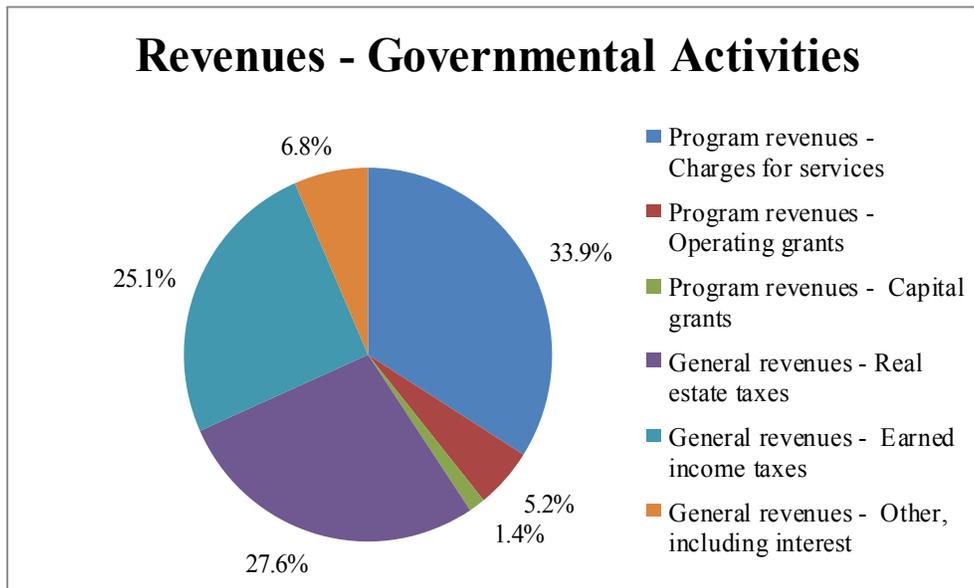
In order to more fully understand the composition of the changes in net position for the current year, the following chart presents additional details regarding the result of governmental and business-type activities for the fiscal years ended December 31, 2013 and 2012:

	Governmental Activities		Business-type Activities	
	2013	2012	2013	2012
Revenues:				
Program revenues:				
Charges for services	\$ 14,732,352	\$ 15,501,272	\$ 2,012,002	\$ 2,068,078
Operating grants	2,259,523	2,185,900	-	-
Capital grants	618,683	524,105	-	-
General revenues:				
Real estate taxes	12,000,641	11,487,806	-	-
Earned income taxes	10,898,054	10,368,678	-	-
Other, including interest	2,824,464	2,694,271	1,625	-
Transfers - internal activities	157,376	132,460	(157,376)	(132,460)
Total revenues	43,491,093	42,894,492	1,856,251	1,935,618
Program Expenses:				
General government	4,639,338	4,162,671	-	-
Community development	1,250,835	1,271,773	-	-
Public works	13,508,481	12,563,776	-	-
Human services	2,357,084	2,042,601	-	-
Culture and recreation	3,531,847	3,166,703	-	-
Public safety:				
Police	7,575,617	7,549,005	-	-
Fire	3,555,989	3,454,123	-	-
Other	791,532	805,083	-	-
Interest on long-term debt	549,138	883,776	-	-
Parking	-	-	1,985,543	1,488,626
Total expenses	37,759,861	35,899,511	1,985,543	1,488,626
Change in Net Position	5,731,232	6,994,981	(129,292)	446,992
Net position-beginning	66,081,243	59,086,262	6,539,952	6,092,960
Net position-ending	<u>\$ 71,812,475</u>	<u>\$ 66,081,243</u>	<u>\$ 6,410,660</u>	<u>\$ 6,539,952</u>

Revenues

Total revenues for governmental activities of \$43.5 million were largely derived from charges for services, real estate taxes, and earned income taxes (86.5%). Real estate taxes and earned income taxes make up 89.1% of all taxes collected by the Municipality. All sources of taxes provide 59.1% of the Municipality's revenue. Charges for services includes recreation programs, joint programs (animal control, tax collection, and crossing guards), cable franchise fees, fines and penalties, licenses and permits, as well as magazine advertising and other revenues generated by user fees.

The following chart graphically depicts the governmental activities sources of revenues for the fiscal year ended December 31, 2013:



Overall revenues increased \$596,601 or 1.4%. Charges for services decreased \$768,920 with the most significant decreases from building permits. The revenue decrease was anticipated due to permitting for the high school \$100+ million renovation that occurred in 2012. Operating grants increased due to additional state aid received in 2013 for pensions and the volunteer fire company. Capital grants in 2013 were primarily from a grant received to upgrade traffic signals and sidewalk ramps along Cochran and Beverly Roads.

In 2013, Allegheny County updated the certified real estate assessments using 2013 as the base year. Though the new figures were used for 2013, appeals are still yet to be fully resolved. The Municipality is subject to state legislation capping any gain in real estate revenue in a re-assessment year at 5% of the prior year's collections (anti-windfall). The Municipality prepared its 2013 budget using the full 5%. The real estate tax rate was lowered from 5.43 to 4.51 mills in order to comply with the state legislation referenced above. At December 31, 2013, current real estate tax collections were 3.9% above the prior year's collections.

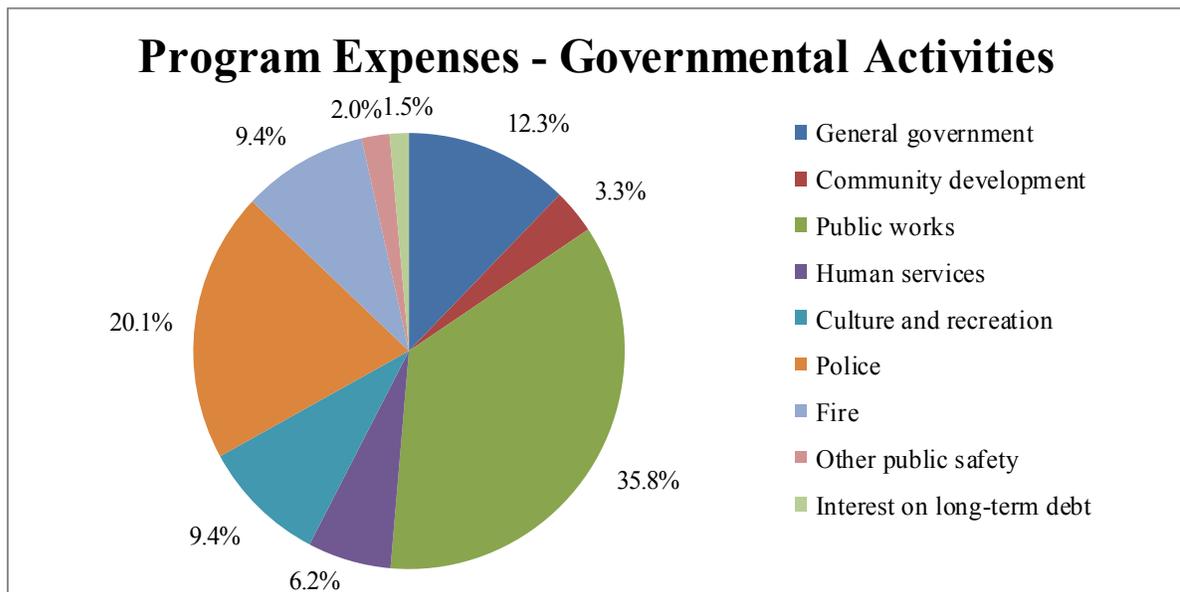
Earned income taxes increased in 2013 by \$529,376 as the new state mandated collection system implemented in January 2012 experienced a full cycle of earned income tax collection in 2013. Employers, who are required to withhold the tax from employees, may not have been fully cognizant of the law at the inception of the mandate. In addition, the tax collection districts became more familiar with the processes need to maintain an efficient cash flow. The Municipality has the advantage of having the same tax collector as the City of Pittsburgh, where a large portion of our tax base is employed. This allows less of a time lag between the mandated withholding from the taxpayer to remittance to the Municipality.

Within the other category are real estate transfer taxes, which increased 7.9% due to strong housing prices and an active sales market. The sales tax shared by Allegheny County increased 3.1% reflecting the local economy. This is the second year for a transfer from the parking fund. The transfer is primarily for administrative costs and meter revenues assigned to the fund yet levied by the Municipality.

Program Expenses

Total 2013 expenses for all programs were \$37.8 million. The expenses reflect the delivery of a range of services, with the two largest areas being public works and public safety. Public safety has two operational departments – police and fire. The third largest area is general government which includes administration, legal services, public information, technology, insurance and finance/tax functions.

The following chart graphically depicts the governmental activities program expenses for the fiscal year ended December 31, 2013:



Increases in program expenses from the prior year totaled \$1.86 million. Despite this increase, operating departments and offices continued to do an exceptional job in controlling costs relative to budgeted amounts. The increase in General Government expenses was due to increased costs for collection of sewer user fees due to the former collector opting out in October 2012. Increases in Human Services relates to increases in Library book collection activities. Culture and Recreation expenses increased due to upgrades to recreation facilities that did not meet the capitalization requirements. Interest on long-term debt was reduced significantly due to the debt restructuring that occurred in 2012.

The 7.5% increase in Public Works expenses represents an increase in four areas: (1) Street maintenance costs were above last year's levels due to the 2012 street maintenance contract completion in 2013 in addition to the current year's contract; (2) Ice and snow expenses increased due to an above average snow fall amount for the 2013-2014 winter season; (3) Sanitary and storm sewer maintenance expenses were above last year's levels; (4) Depreciation expense for the department increased \$111,000.

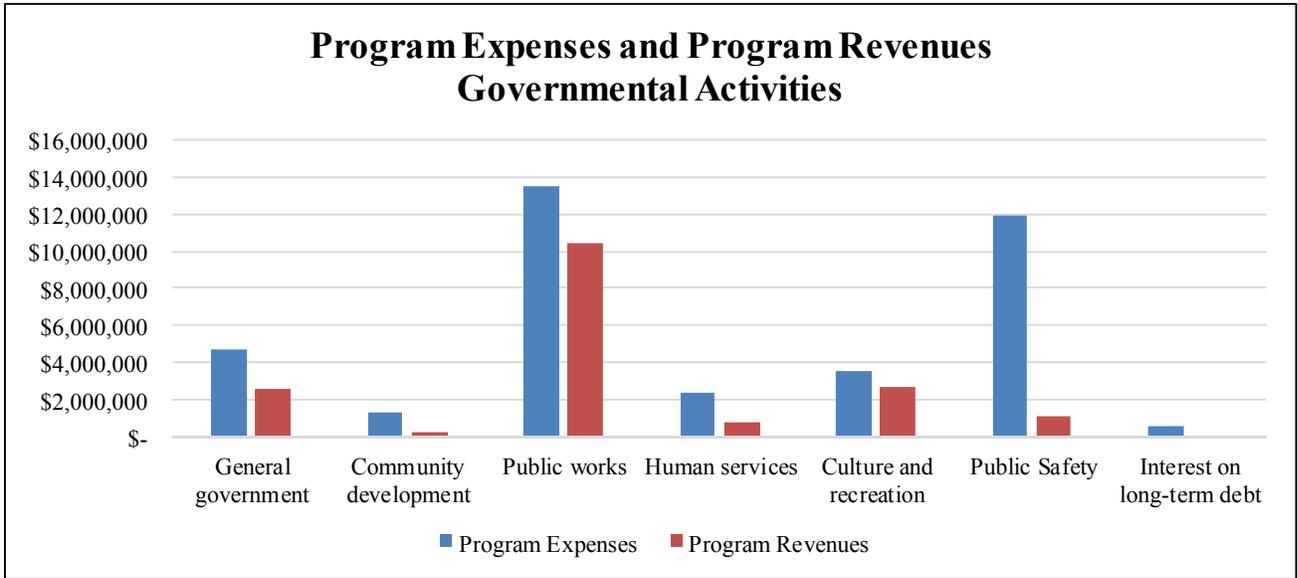
Net Expense/Revenue by Program

Net program expenses/revenues indicate the amount of support required from taxes and other general revenues for the year.

	Net (Expense) Revenue		
	2013	2012	Difference
General government	\$ (2,052,481)	\$ (1,700,007)	\$ 352,474
Community development	(1,089,112)	(364,387)	724,725
Public works	(3,095,949)	(2,585,506)	510,443
Human services	(1,658,759)	(1,364,248)	294,511
Culture and recreation	(831,868)	(453,334)	378,534
Public safety:			
Police	(7,291,291)	(7,252,766)	38,525
Fire	(3,279,801)	(2,772,619)	507,182
Other	(300,904)	(311,591)	(10,687)
Interest on long-term debt	(549,138)	(883,776)	(334,638)
Total Net Expenses	\$ (20,149,303)	\$ (17,688,234)	\$ 2,461,069

The total net expense increased \$2,461,069 from 2012 to 2013. The reasons for this increase can be attributed to revenue and expense changes already discussed, such as expected building permit revenue decreases and an increase in project activities throughout different departments. Other contributing factors not previously mentioned include an increase in the net expense for the fire department due to a one-time grant received in 2012 for the replacement of two fire trucks.

The following chart graphically depicts the governmental activities program revenues and program expenses for the fiscal year ended December 31, 2013:



Business-type Activities

The Municipality business-type activities consist of the operation of the parking fund. This was the second year of operations for the parking fund under the management of the Municipality. The Municipality began the first phase of a four-year rehabilitation and maintenance project to the north and south parking garages. The first phase was funded by current reserves and was maintenance based; therefore, all repair expenses totaling more than \$400,000 were expensed in 2013. Factoring in the one-time repair expenses, the results for the current fiscal year were positive in that overall net position only decreased \$129,292 or 2.0%. Revenues for the parking fund remained steady, only decreasing 2.7%, despite portions of both garages being unavailable for three months during the year. In 2014, the Municipality budgeted to fund the remainder of the project through a 2014 bond issue.

FINANCIAL ANALYSIS OF THE MUNICIPALITY'S FUNDS

GOVERNMENTAL FUNDS

At the close of the year, the governmental funds of the Municipality reported a combined fund balance of approximately \$16.1 million which represents an increase of \$3.9 million from the previous year. The following chart shows the changes in fund balances during 2013:

Fund	Fund Balance		
	2013	2012	Increase (Decrease)
General	\$ 5,406,040	\$ 5,648,914	\$ (242,874)
Sewage	5,026,518	4,061,495	965,023
Capital Projects	5,297,592	1,631,445	3,666,147
Other governmental funds:			
Storm Water	78,125	339,695	(261,570)
Library Operating	270,361	457,757	(187,396)
Industrial Development	12,355	11,108	1,247
Capital Assessment	412	412	-
Debt Service	-	5,836	(5,836)
Total other governmental funds	361,253	814,808	(453,555)
Total fund balance	<u>\$ 16,091,403</u>	<u>\$ 12,156,662</u>	<u>\$ 3,934,741</u>

In 2013, the fund balance of the General Fund decreased by 4.3%. The 2013 final budget appropriated \$1.79 million of fund balance to cover operational and capital expenditures, specifically increases in pension costs, 2012 capital projects to be completed in 2013 and the assignment of 2012 unassigned fund balance in excess of 10% of expenditures to accomplish necessary projects. Due to an increase in earned income tax collections and all departments coming in under budget, the Municipality was able to reduce the use of fund balance by \$1.55 million.

The increase in the Sewage Fund is based on the timing of assessments versus projects. Assessments, which are based on water consumption, are charged monthly; however the spending pattern does not follow the collection pattern. In the 2014 budget, \$1.1 million of this fund balance has been allocated for project funding. The decrease in the Storm Water Fund was due to the timing of capital projects. Assessments are made annually (with installment payments allowed) but projects stretch out for longer periods. In 2013, a culmination of storm water projects caused a large decrease in fund balance. The balance in this fund will be used for storm projects in future years. The other significant increase is in the fund balance for the Capital Projects Fund. The increase was due to the issuance of the 2013 bond issue for the renovation of the municipal pool. At the end of 2013, \$3.7 million of the proceeds remained in the fund.

Of the \$16.1 million combined fund balance total, \$9.0 million (or 56.1%) is restricted fund balance. This category of fund balance represents the amounts that are constrained to be spent for specific purposes. These constraints are placed either by external parties or enabling legislation. Restrictions, and the source of the restriction, include \$5,026,518 for sanitary sewer improvements (ALCOSAN agreement), \$3,709,094 for municipal pool renovations (bond proceeds), \$39,600 for traffic signal improvements (donor), \$165,415 at the library (donor), and \$78,125 for future storm system improvements (enabling), \$12,355 for industrial development activities (enabling), and \$412 for development improvements (donor).

In addition, assignments totaling \$2.7 million (or 17.0%) include \$1,074,840 used to balance the Municipality's 2014 budget. The amount used to balance the 2014 budget represents fund balance used to fund pension obligations (\$360,000) and to complete projects carried over (re-budgeted) into 2014. Two residual fund balances - \$1,548,898 in the Capital Projects Fund and \$104,946 in the Library Operating Fund are also categorized as assigned.

The residual fund balance in the General Fund, categorized as unassigned, represents fund balance that has not been restricted or assigned to specific purposes with the General Fund. These monies are available for expenditure. The previously mentioned fund balance policy adopted by the Commission establishes 10% of total expenditures as the goal for maintenance of unassigned General Fund fund balance. At year-end, this fund balance is \$4,045,633 or 11.8% of total expenditures, including transfers. In another Commission policy, any General Fund fund balance in excess of the 10% goal becomes the subject of a capital investment discussion. This discussion will be held in April 2014.

General Fund

The results of the General Fund for 2013 demonstrate that the Municipality has been able to remain stable in the ever changing financial landscape. The chart below shows the operating results of this fund for 2013:

	Final Budget	Actual	Variance (Unfavorable)
Revenues	\$ 31,723,040	\$ 32,750,154	\$ 1,027,114
Expenditures	28,557,560	27,396,212	1,161,348
Excess of Revenues Over Expenditures	3,165,480	5,353,942	2,188,462
Transfers, net	(4,924,090)	(5,596,816)	(672,726)
Net change in fund balance from operations	<u>\$ (1,758,610)</u>	<u>\$ (242,874)</u>	<u>\$ 1,515,736</u>

It was planned that the Municipality use \$1,758,610 in fund balance to support operations for the year, but in actuality \$242,874 was needed. The sections below will discuss the results that led to this favorable result.

Revenues

Total operating revenues exceeded budget by \$1,027,114 or 3.2%. The majority of the revenue increase is from three items: earned income tax collections in excess of the budget by \$811,041 due to a full year of collections under a new employer mandated withholding collection system; real estate transfer tax collections in excess of budget by \$309,382 due to the previously discussed strong housing market; and cable TV franchise fees in excess of the budget by \$78,887 due to the strong competition between the two cable TV providers.

Expenditures

Overall, expenditures were \$1,161,348 or 4.1% less than budgeted. The major budget to actual fluctuations contributing to this favorable performance were:

Area	Under budget (in thousands)	Reason
General Management	72.7	Personnel costs lower due to mid-year retirement
Insurance	50.8	Insurance premiums were lower for mid-year renewal
Economic Development	73.8	Transit oriented development expenditures lower due to non-receipt of grant
Inspection	35.4	Apartment inspection program was not initiated
Sanitary and storm sewer maintenance	107.3	Efforts focused on capital projects in 2013
Recreation Center	56.9	Utility costs lower than expected in 2013
Police	247.6	Combination of retirements and reduction in overtime coupled with a fringe benefit reallocation
Crossing Guards	50.6	Personnel costs lower due to staffing considerations
Capital	215	Public works roof and fuel system upgrades not completed in 2013; carryover to 2014.

These items account for 78% of the expenditure variance.

Fund Balance

The fund balance results and Commission policies related to fund balance were discussed at the beginning of this section. The General Fund fund balance at year-end totaled \$5,406,040, a decrease of \$242,874 from 2012. The reasons for this decrease have been discussed above. This fund balance is categorized into the following component fund balance:

- Nonspendable \$285,567 Prepaid Items
- Assigned \$1,074,840 Subsequent (2014) budget
- Unassigned \$4,294,814

The General Fund has no restricted or committed fund balances.

Other Major Funds

Sewage Fund

The Sewage Fund accounts for a sewer service charge, currently \$4.05 per thousand gallons of water used, assessed to properties in the Municipality. In order to assess this charge, the Municipality has an agreement with the Allegheny County Sanitary Authority (ALCOSAN) that mandates the funds to be used for sanitary sewer purposes. 2013 was the first full year of billing and collection services performed by Jordan Tax Service. Under the continuing directives of the Environmental Protection Agency (EPA) 308 order, substantial funding is needed to fund the required work.

Total assessments (municipal and ALCOSAN combined) were \$7,237,622 and all other income totaled \$32,139. Transfers to the Capital Projects Fund for infrastructure expenditures were \$1.7 million. In addition, \$340,704 was transferred to the General Fund for sanitary sewer maintenance activities and \$45,573 was transferred to the Debt Service Fund for debt service payments on bonds utilized to provide catch-up infrastructure work for the EPA consent decree.

The remainder of sewage fund expenditures was for payments to ALCOSAN for their portion of sewage charges and to Jordan Tax Service for collection expenditures. The remaining fund balance of \$5,026,518 was restricted for continuing infrastructure work for the EPA mandate and for other expenditures as above (collections costs, maintenance, debt service and ALCOSAN payments).

Capital Projects Fund

The Capital Projects Fund accounts for funds provided by the Municipality, most frequently from General, Sewage and Storm Water Fund transfers, fees, grants, and bond proceeds. In 2013, this fund had expenditures of \$7.5 million, or \$1.0 million higher than the previous year. The Capital Projects fund has a fund balance of \$5,297,592 at year-end. Of this balance, \$3,748,694 is restricted for the completion of the municipal pool renovation funded by a bond issue (\$3,709,094) and a \$39,600 contribution received from St. Clair Hospital for traffic signal improvements at Bower Hill and Segar Roads. The assigned fund balance consists of a number of projects begun in 2012 and 2013 with funding from the budget amendments. These projects will be completed in 2014.

Projects accounted for in the Capital Projects Fund include:

	Expended in 2013	Restricted Fund Balance 12/31/2013	Assigned Fund Balance 12/31/2013
Sanitary sewers (EPA 308)	\$ 1,692,921	\$ -	\$ -
Street reconstruction	2,023,159	-	-
Storm water system upgrades	899,910	-	-
Traffic signal/intersection upgrades	574,918	39,600	160,400
Traffic calming	18,770	-	-
Recreation facilities improvements	1,070,560	3,709,094	389,781
Property acquisition and improvements	261,263	-	-
Sidewalk improvements	65,367	-	-
Guaranteed energy savings contract	615,452	-	-
Parks and fields upgrades	232,858	-	998,715
Other, including debt service	58,093	-	-
	<u>\$ 7,513,271</u>	<u>\$ 3,748,694</u>	<u>\$ 1,548,896</u>

Other Funds

The Storm Water Fund was created for the collection of fees to be used for storm water improvements. The funds raised may be used for the maintenance and reconstruction of the existing storm water system as well as for the extension of the system. It may also be used for items that affect storm water conveyance and for the administrative costs for the fund. The fee is based on an impervious surface calculation based on a unit value of \$8 per month. Single family residential properties pay a one-unit rate with all other properties (multiple-family, commercial and tax-exempt) charged based on the impervious surface area of the property. For 2013, the second full year of collection, this fund generated \$1,392,664 which was used for capital projects (\$1,341,686), storm sewer maintenance and conveyance costs (\$285,240), and collection costs (\$28,266). There is a fund balance of \$78,125 restricted for future storm sewer needs.

Also within the other governmental funds category is the State Highway Aid Fund (state revenues dedicated to pay for certain street maintenance and improvement costs), the Library Operating Fund (the main fund of the separately run but not legally separate public library), the Industrial Development Authority Fund (a blended component unit of the Municipality due to the board of the Authority being the five elected officials of the Municipality), the Capital Assessment Fund (deposits made by developers and others for land development projects), and the Debt Service Fund (reporting all debt payments and refundings). In total, the activities of these funds generated revenues of \$1.3 million and had a net decrease in fund balance of \$191,985. The details of the activities of these funds may be found on pages 107-120.

Budgetary Highlights

The 2013 General Fund budget was adopted in December 2012. At the time of adoption, the real estate millage rate was not set. As referenced above, the Municipality was waiting for the appeal results and the final certified assessment numbers from Allegheny County prior to setting the millage rate in order to be in compliance with anti-windfall provisions (105% of prior year collections). Ultimately, the Municipality set a millage rate of 4.51 mills, which remained the same for the 2014 budget.

In 2013, the budget was amended once. The amendment allocated \$797,080 in unassigned General Fund fund balance to the following projects:

- Sidewalk installations – \$100,000
- Washington Road crosswalk installation – \$63,000
- Property acquisition along Cedar Boulevard – \$112,000
- Installation of a turf playing field at wildcat/middle fields – \$637,400
- Removing the assignment from the Brafferton fields project – (\$137,400)
- Other capital items – \$22,080

Several 2014 budget highlights include:

- The 2014 General Fund budget was adopted at \$35.9 million or an increase of 4.9% from 2013. The budget continues to comply with two policies enacted by the Commission related to limits on the use of fund balance in an annual budget (balanced budget without use of fund balance), and funding an acceptable level of street reconstruction without use of fund balance. For 2014, the budget also implemented a Commission policy requiring a reduction of fund balance used for pension obligations (\$360,000).
- The 2014 General Fund budget includes funds to maintain current levels of service as well as for street reconstruction, capital equipment purchases, and facility renovations. The capital items funded by the General Fund for 2014 include: public works large truck replacement, a new financial software package, protective gear for police and fire, phone and computer equipment, golf course equipment and automatic external defibrillators. In addition the public works garage roof replacement and fuel system upgrade were carried over into 2014.
- The Capital Projects Fund budget includes funding for the continuation of sewer work under the consent order, storm sewer work, and a street reconstruction program (funded by the General Fund and the Storm Water Fund). Other major capital projects and purchases include: completion of the municipal pool renovation, completion of recreation center facility upgrades, replacement of municipal building roof, security system replacement at municipal building and public safety center, and a new electric Zamboni. The latter three projects were recommended in the Manager's budget to be funded by a bond issue. Other projects related to storm sewer and parking were proposed to be funded by the same bond issue.

PROPRIETARY FUND

The Municipality's enterprise fund – the Parking Fund – was established January 1, 2012 due to the consolidation of the Mt. Lebanon Parking Authority. The Mt. Lebanon Parking Authority was a legally separate entity reported by the Municipality as a discretely presented component unit in prior years. The financial statements for the fund, which are presented on pages 47-49, provide the same type of information as on the government-wide statements, but in more detail.

As of December 31, 2013, the unrestricted net position of the fund is \$1,763,124, a decrease of \$362,004 from the end of 2012. The revenues for the year were \$2,012,002, which is a slight decrease of 2.7% over the prior year. As noted above, the primary reason for this decrease is the lack of available vehicle spaces during a three month repair and maintenance project at the north and south garages. The operating expenses of the fund totaled \$1,900,358. This is an increase of 40.6% from the last prior year. The increase was primarily due to the contracted services costs associated with phase one of the north and south garage rehabilitation project. The Municipality expects to fund the remaining phases of the rehabilitation project through a bond issue, which will increase the interest expense in future years. The Parking Facilities Advisory Board continues to analyze future short and long term capital needs of the facilities operated by the fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets consist primarily of land, buildings and improvements, equipment, and infrastructure. On the following page is a summary of capital assets at December 31, 2013 and 2012:

	Summary of Capital Assets			
	Governmental Activities		Business-type Activities	
	2013	2012	2013	2012
Land	\$ 7,266,047	\$ 7,027,371	\$ 2,726,595	\$ 2,726,595
Buildings and improvements				
other than buildings	35,573,614	34,046,224	11,347,881	11,347,881
Infrastructure	74,476,981	69,675,944	-	-
Equipment and other capital assets	16,676,397	16,318,923	984,750	984,750
Construction in progress	1,315,854	1,854,984	-	-
Total capital assets	135,308,893	128,923,446	15,059,226	15,059,226
Less accumulated depreciation for:				
Buildings and improvements				
other than buildings	20,902,847	20,024,005	6,868,868	6,562,140
Infrastructure	28,604,337	27,028,418	-	-
Equipment and other capital assets	7,703,281	8,301,501	611,048	538,777
Total accumulated depreciation	57,210,465	55,353,924	7,479,916	7,100,917
Total Capital Assets, Net	\$ 78,098,428	\$ 73,569,522	\$ 7,579,310	\$ 7,958,309

The significant changes in the governmental activities include: infrastructure additions for streets, sanitary and storm sewers; buildings and equipment for the completion of the Guaranteed Energy Savings project at various municipal buildings; and land for the acquisition of property at Robb Hollow Park and along Cedar Boulevard. In the Parking Fund (business-type activity) there were no asset additions.

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

Long-Term Debt

In 2013, the Municipality's total debt increased by \$2,105,000 or 8.0%. The reason for the increase was the completion of one bond issue in 2013 and the final payment on general obligation bonds, series 2008 in the amount of \$1,415,000. The 2013 bond issue was primarily issued to fund renovations to the municipal pool in the amount of \$4,450,000. The issue has a maturity date of 2025 with coupon rates of .50% to 2.05%.

At December 31, 2013, the Municipality had \$28,395,000 of debt outstanding. The following details activity related to general obligation bonds during 2013:

Summary of General Obligation Bond Activity	
Beginning balance at January 1, 2013	\$ 26,290,000
New debt issues	4,450,000
Principal retirement	<u>(2,345,000)</u>
Ending balance at December 31, 2013	<u>\$28,395,000</u>

More detailed information about the Municipality's long-term debt can be found in Note 5 of the notes to the financial statements section of this report.

Bond Ratings

The Municipality received an affirmation of its Aa1 bond rating from Moody's Investor Service at the time of the issues in 2013.

TRUST AND AGENCY OPERATIONS

Pension Trust Fund

The Municipality maintains three defined benefit pension plans – General Employees, Police, and Firemen. The only direct municipal involvement in the administration of the plans is the calculation of benefits for retirees, which are then paid by the trustee. During 2013, plan net position increased \$10.3 million or 15.3%. Appreciation in the values of the investments, which are carried at market value, caused the positive change in plan net position.

Employee contributions can be reduced or eliminated each year by Ordinance or Resolution subject to the plans meeting certain financial considerations. During 2013, employee contributions were needed in all three plans and were assessed at the maximum allowable in each plan – general 5%, uniformed fire and uniformed police 4%. In the police plan, this rate is based on the total compensation of the officer. Recent changes in the general (negotiated) and fire (arbitrated) plans have changed the basis for the calculation of the pension benefit for hires after a certain date from a total compensation basis to base wage plus longevity only. Because of this change, the employee contribution rates must be applied differently. For those employed prior to the benefit change dates, the applicable rate is applied on total compensation. For hires after the effective date of the changes, the rate is applied only on base wage plus longevity.

As mandated by state law, actuarial valuations for the plans are performed every two years – on a 1/1/odd year date. As of the 1/1/2013 valuation, the actuarial accrued liability (AAL) of the three plans was \$75,488,617. At that time, for the three plans on a summarized basis, the AAL exceeded the actuarial value of assets by \$9.75 million. The Municipality chooses to have actuarial valuations performed every year to provide needed information for budgetary planning. In comparison to the January 1, 2012 valuation, the combined AAL increased to \$2,639,235 and the AAL in excess of the actuarial value of assets decreased by \$3.17 million.

The Municipality makes its contributions to the plan in accordance with the state mandated formula that calculates a minimum municipal obligation (MMO) for each plan. This obligation has two funding sources – state aid for pensions and the municipal contribution. The Municipality is required to make whatever payment is required by the MMO in excess of state aid received.

The required supplementary information located at the conclusion of the notes to the financial statements provides the details on the plans' funding progress. In addition, more detailed information regarding municipal pension plans can be found in Note 8 of the notes to the financial statements section of this report.

Other Postemployment Benefits (OPEB) Trust Fund

Other postemployment benefits offered to employees who retire from the Municipality include postemployment healthcare and postemployment life insurance, with benefit levels negotiated by contractual group or set by the Municipality based on those levels.

In 2007, the Municipality established a trust fund for the payment of the benefits and budgets contributions annually based on the actuarial reports for the plan. As of January 1, 2013, the date of the most recent actuarial report, the actuarial accrued liability for the plan was \$2.44 million. At that point in time the plan had \$840,000 in funding, leaving an unfunded liability of \$1,603,000, and a funded ratio of 34%. The next actuarial valuation will be performed as of January 1, 2015.

As with pensions, recent contract changes will affect this benefit going forward. As of the dates for arbitration awards in police and fire, and the negotiated contract for public works, and all other full time employees, the postemployment medical benefit has been eliminated for new hires (hires after the effective dates).

The required supplementary information located at the conclusion of the notes to the financial statements provides the details on the plan's funding progress. In addition, more detailed information regarding OPEB can be found in Note 9 of the notes to the financial statements section of this report.

CONTACTING THE MUNICIPALITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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:

Mt. Lebanon Finance Department
710 Washington Road
Pittsburgh, PA 15228
www.mtlebanon.org
412-343-3410

MT. LEBANON, PENNSYLVANIA

STATEMENT OF NET POSITION

DECEMBER 31, 2013

Assets	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Cash and other money market instruments	\$ 17,591,089	\$ 2,082,952	\$ 19,674,041
Receivables:			
Taxes	3,424,621	-	3,424,621
Assessments	1,586,652	-	1,586,652
Accounts	779,945	24,434	804,379
Due from other governments	352,369	-	352,369
Internal balances	92,030	(92,030)	-
Other assets	297,218	8,804	306,022
Net pension and other post employment benefits asset	638,278	-	638,278
Capital assets, not being depreciated	8,581,901	2,726,595	11,308,496
Capital assets, net of accumulated depreciation	23,643,883	4,852,715	28,496,598
Infrastructure assets, net of accumulated depreciation	45,872,644	-	45,872,644
Total Assets	102,860,630	9,603,470	112,464,100
Liabilities			
Accounts payable	2,792,079	184,857	2,976,936
Advance deposits	345,133	-	345,133
Accrued payroll and deductions payable	655,710	21,762	677,472
Accrued interest payable	229,300	36,066	265,366
Compensated absences, current portion	374,803	11,702	386,505
Compensated absences, long-term portion	1,187,904	6,649	1,194,553
Bonds payable, current portion	1,736,272	633,728	2,370,000
Bonds payable, long-term portion	23,726,954	2,298,046	26,025,000
Total Liabilities	31,048,155	3,192,810	34,240,965
Net Position			
Net investment in capital assets	56,344,296	4,647,536	60,991,832
Restricted for:			
Capital projects	5,379,981	-	5,379,981
Industrial development	12,355	-	12,355
Library	165,415	-	165,415
Unrestricted	9,910,428	1,763,124	11,673,552
Total Net Position	\$ 71,812,475	\$ 6,410,660	\$ 78,223,135

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2013

<u>Functions/Programs</u>	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants	Capital Grants	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 4,639,338	\$ 1,839,277	\$ 747,580	\$ -	\$ (2,052,481)	\$ -	\$ (2,052,481)
Community development	1,250,835	161,723	-	-	(1,089,112)	-	(1,089,112)
Public works	13,508,481	9,144,178	649,671	618,683	(3,095,949)	-	(3,095,949)
Human services	2,357,084	99,676	598,649	-	(1,658,759)	-	(1,658,759)
Culture and recreation	3,531,847	2,689,655	10,324	-	(831,868)	-	(831,868)
Public safety:							
Police	7,575,617	201,428	82,898	-	(7,291,291)	-	(7,291,291)
Fire	3,555,989	105,787	170,401	-	(3,279,801)	-	(3,279,801)
Other	791,532	490,628	-	-	(300,904)	-	(300,904)
Interest on long-term debt	549,138	-	-	-	(549,138)	-	(549,138)
Total governmental activities	37,759,861	14,732,352	2,259,523	618,683	(20,149,303)	-	(20,149,303)
Business-Type activities:							
Parking	1,985,543	2,012,002	-	-	-	26,459	26,459
Total primary government	\$ 39,745,404	\$ 16,744,354	\$ 2,259,523	\$ 618,683	-	26,459	26,459
General revenues:							
Taxes:							
Real estate					12,000,641	-	12,000,641
Earned income					10,898,054	-	10,898,054
Other					2,802,247	-	2,802,247
Interest income					22,217	944	23,161
Gain on sale of property					-	681	681
Transfers - internal activities					157,376	(157,376)	-
Total general revenues and transfers					25,880,535	(155,751)	25,724,784
Change in Net Position					5,731,232	(129,292)	5,601,940
Net position - beginning of year					66,081,243	6,539,952	72,621,195
Net position - end of year					\$ 71,812,475	\$ 6,410,660	\$ 78,223,135

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2013

<u>Assets</u>	General	Sewage	Capital Projects	Other Governmental Funds	Total Governmental Funds
Cash and other money market instruments	\$ 4,912,709	\$ 5,619,802	\$ 5,863,510	\$ 1,195,068	\$ 17,591,089
Receivables:					
Taxes	3,424,621	-	-	-	3,424,621
Assessments	40,542	1,266,180	-	279,930	1,586,652
Accounts	567,067	-	212,878	-	779,945
Due from other funds	937,514	334,547	623,788	30,198	1,926,047
Due from other governments	352,369	-	-	-	352,369
Other assets	285,567	-	-	11,651	297,218
Total Assets	<u>\$ 10,520,389</u>	<u>\$ 7,220,529</u>	<u>\$ 6,700,176</u>	<u>\$ 1,516,847</u>	<u>\$ 25,957,941</u>
Liabilities, Deferred					
Inflows of Resources, and Fund Balance					
<u>Liabilities:</u>					
Accounts payable	\$ 542,287	\$ 963,603	\$ 1,207,714	\$ 78,475	\$ 2,792,079
Advance deposits	226,998	-	-	118,135	345,133
Due to other funds	379,875	538,124	194,870	721,148	1,834,017
Accrued payroll and deductions payable	1,030,513	-	-	-	1,030,513
Total Liabilities	<u>2,179,673</u>	<u>1,501,727</u>	<u>1,402,584</u>	<u>917,758</u>	<u>6,001,742</u>
<u>Deferred Inflows of Resources:</u>					
Unavailable revenue	2,934,676	692,284	-	237,836	3,864,796
<u>Fund Balance:</u>					
Nonspendable:					
Prepaid items	285,567	-	-	-	285,567
Restricted for:					
Capital projects	-	5,026,518	3,748,694	78,537	8,853,749
Library donor specifications	-	-	-	165,415	165,415
Industrial development	-	-	-	12,355	12,355
Assigned for:					
Capital projects	-	-	1,548,898	-	1,548,898
Library services	-	-	-	104,946	104,946
Subsequent years budget	1,074,840	-	-	-	1,074,840
Unassigned	4,045,633	-	-	-	4,045,633
Total Fund Balance	<u>5,406,040</u>	<u>5,026,518</u>	<u>5,297,592</u>	<u>361,253</u>	<u>16,091,403</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 10,520,389</u>	<u>\$ 7,220,529</u>	<u>\$ 6,700,176</u>	<u>\$ 1,516,847</u>	<u>\$ 25,957,941</u>

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2013

Total Fund Balance - Governmental Funds			\$ 16,091,403
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 in the funds.			78,098,428
Property and earned income tax receivable and assessments receivable are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.			3,864,796
Interest expense on long-term debt is not recognized on the fund statements until due.			(229,300)
The net pension and other postemployment benefit assets are not reflected on the fund statements.			638,278
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
	Compensated absences	\$ (1,187,904)	
	Bonds payable	<u>(25,463,226)</u>	<u>(26,651,130)</u>
Net Position - Governmental Activities			<u><u>\$ 71,812,475</u></u>

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2013

	General	Sewage	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Real estate	\$ 11,979,183	\$ -	\$ -	\$ -	\$ 11,979,183
Earned income	11,130,541	-	-	-	11,130,541
Other	2,802,247	-	-	-	2,802,247
Total taxes	25,911,971	-	-	-	25,911,971
Licenses, permits, and fees	1,123,952	7,237,622	-	1,396,451	9,758,025
Fines, forfeitures, and penalties	134,116	1,768	-	79,631	215,515
Investment and rental	13,796	3,860	1,097	3,464	22,217
Intergovernmental	1,072,206	-	561,648	1,048,580	2,682,434
Recreation	2,689,655	-	-	-	2,689,655
Other	1,804,458	26,511	20,485	189,994	2,041,448
Total revenues	32,750,154	7,269,761	583,230	2,718,120	43,321,265
Expenditures:					
Current:					
General government	4,220,884	232,753	-	28,266	4,481,903
Community development	1,245,675	-	-	2,540	1,248,215
Public works	7,054,119	3,974,463	-	610,064	11,638,646
Human services	364,696	-	-	2,040,518	2,405,214
Culture and recreation	2,589,342	-	-	-	2,589,342
Public safety:					
Police	7,449,755	-	-	-	7,449,755
Fire	3,256,265	-	-	-	3,256,265
Other	812,528	-	-	-	812,528
Debt service	-	-	54,878	2,326,760	2,381,638
Capital outlay	402,948	-	7,458,393	11,235	7,872,576
Total expenditures	27,396,212	4,207,216	7,513,271	5,019,383	44,136,082
Excess (Deficiency) of Revenues over Expenditures	5,353,942	3,062,545	(6,930,041)	(2,301,263)	(814,817)
Other Financing Sources (Uses):					
Transfers in	783,320	-	6,004,006	3,474,634	10,261,960
Transfers out	(6,380,136)	(2,097,522)	-	(1,626,926)	(10,104,584)
Proceeds from issuance of bonds	-	-	4,450,000	-	4,450,000
Bond issue premium (discount)	-	-	142,182	-	142,182
Total other financing sources (uses)	(5,596,816)	(2,097,522)	10,596,188	1,847,708	4,749,558
Net Change in Fund Balance	(242,874)	965,023	3,666,147	(453,555)	3,934,741
Fund Balance:					
Beginning of year	5,648,914	4,061,495	1,631,445	814,808	12,156,662
End of year	<u>\$ 5,406,040</u>	<u>\$ 5,026,518</u>	<u>\$ 5,297,592</u>	<u>\$ 361,253</u>	<u>\$ 16,091,403</u>

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2013

Net Change in Fund Balance - Governmental Funds \$ 3,934,741

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

	Capital outlays	\$ 7,904,330	
	Depreciation expense	<u>(3,240,796)</u>	4,663,534

The net effect of various transactions involving capital assets (i.e. sales, dispositions, trade-ins) is to decrease net position. (134,628)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. (2,716,711)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned. 12,452

Increase in compensated absence liability is reflected as an adjustment to expense on the statement of activities, but not included in the fund statements. (44,543)

Increase in net pension and other postemployment benefits asset does not provide current financial resources and therefore is not reflected on the fund statements. 59,358

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (42,971)

Change in Net Position of Governmental Activities \$ 5,731,232

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL AND SEWAGE FUNDS

YEAR ENDED DECEMBER 31, 2013

	General Fund				Sewage Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:								
Taxes	\$ 24,719,010	\$ 24,719,010	\$ 25,911,971	\$ 1,192,961	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	1,120,390	1,120,390	1,123,952	3,562	8,278,700	8,278,700	7,237,622	(1,041,078)
Fines, forfeitures, and penalties	183,460	183,460	134,116	(49,344)	1,250	1,250	1,768	518
Investment and rental	17,100	17,100	13,796	(3,304)	1,250	1,250	3,860	2,610
Intergovernmental	1,157,490	1,157,490	1,072,206	(85,284)	-	-	-	-
Recreation	2,673,020	2,673,020	2,689,655	16,635	-	-	-	-
Other	1,852,570	1,852,570	1,804,458	(48,112)	30,000	30,000	26,511	(3,489)
Total revenues	31,723,040	31,723,040	32,750,154	1,027,114	8,311,200	8,311,200	7,269,761	(1,041,439)

(Continued)

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL AND SEWAGE FUNDS

YEAR ENDED DECEMBER 31, 2013

(Continued)

	General Fund				Sewage Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures:								
Current:								
General government	4,375,110	4,375,110	4,220,884	154,226	173,620	173,620	232,753	(59,133)
Community development	1,437,780	1,437,780	1,245,675	192,105	-	-	-	-
Public works	7,204,070	7,211,770	7,054,119	157,651	4,791,400	4,791,400	3,974,463	816,937
Human services	373,470	373,470	364,696	8,774	-	-	-	-
Culture and recreation	2,643,340	2,657,720	2,589,342	68,378	-	-	-	-
Public safety								
Police	7,697,380	7,697,380	7,449,755	247,625	-	-	-	-
Fire	3,311,800	3,311,800	3,256,265	55,535	-	-	-	-
Other	874,350	874,350	812,528	61,822	-	-	-	-
Capital outlay	618,180	618,180	402,948	215,232	-	-	-	-
Total expenditures	28,535,480	28,557,560	27,396,212	1,161,348	4,965,020	4,965,020	4,207,216	757,804
Excess (Deficiency) of Revenues Over Expenditures	3,187,560	3,165,480	5,353,942	2,188,462	3,346,180	3,346,180	3,062,545	(283,635)
Other Financing Sources (Uses):								
Transfers in	889,070	889,070	783,320	(105,750)	-	-	-	-
Transfers out	(5,038,160)	(5,813,160)	(6,380,136)	(566,976)	(4,410,600)	(4,410,600)	(2,097,522)	2,313,078
Total other financing sources (uses)	(4,149,090)	(4,924,090)	(5,596,816)	(672,726)	(4,410,600)	(4,410,600)	(2,097,522)	2,313,078
Net Change in Fund Balance	\$ (961,530)	\$ (1,758,610)	(242,874)	\$ 1,515,736	\$ (1,064,420)	\$ (1,064,420)	965,023	\$ 2,029,443
Fund Balance:								
Beginning of year			5,648,914				4,061,495	
End of year			\$ 5,406,040				\$ 5,026,518	

(Concluded)

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

STATEMENT OF NET POSITION PROPRIETARY FUND - PARKING FUND

DECEMBER 31, 2013

Assets	
Current assets:	
Cash and other money market instruments	\$ 2,082,952
Accounts receivable	24,434
Prepays and other assets	8,804
Total current assets	<u>2,116,190</u>
Non-current assets:	
Capital assets not being depreciated	2,726,595
Capital assets, net of accumulated depreciation	4,852,715
Total non-current assets	<u>7,579,310</u>
Total Assets	<u><u>\$ 9,695,500</u></u>
Liabilities and Net Position	
Liabilities:	
Current liabilities:	
Current portion of bonds payable	\$ 633,728
Accrued interest payable	36,066
Accounts payable	184,857
Accrued payroll	33,464
Due to other funds	92,030
Total current liabilities	<u>980,145</u>
Noncurrent liabilities:	
Bonds payable	2,298,046
Compensated absences	6,649
Total noncurrent liabilities	<u>2,304,695</u>
Total Liabilities	<u>3,284,840</u>
Net Position:	
Net investment in capital assets	4,647,536
Unrestricted	1,763,124
Total Net Position	<u>6,410,660</u>
Total Liabilities and Net Position	<u><u>\$ 9,695,500</u></u>

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUND - PARKING FUND

YEAR ENDED DECEMBER 31, 2013

Operating Revenues:

Vehicle space rental	\$ 1,038,879
Meter collections	500,314
Fine collections	288,333
Rental	171,238
Other	13,238
Total operating revenues	<u>2,012,002</u>

Operating Expenses:

Personnel	647,866
Contracted services	749,323
Utilities	62,079
Materials and supplies	62,091
Depreciation	378,999
Total operating expenses	<u>1,900,358</u>

Operating Income 111,644

Nonoperating Revenues (Expenses):

Interest income	944
Interest expense	(85,185)
Gain (loss) on sale of property	681
Total nonoperating revenues (expenses)	<u>(83,560)</u>

Income (loss) before transfers 28,084

Transfers out (157,376)

Change in Net Position (129,292)

Net Position:

Beginning of year	<u>6,539,952</u>
End of year	<u>\$ 6,410,660</u>

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

STATEMENT OF CASH FLOWS PROPRIETARY FUND - PARKING FUND

YEAR ENDED DECEMBER 31, 2013

Cash Flows From Operating Activities:

Receipts from customers	\$ 2,007,958
Payments for goods and services	(727,392)
Payments to employees	(650,200)
Net cash provided by (used in) operating activities	<u>630,366</u>

Cash Flows From Non-Capital Financing Activities:

Transfers to and from other funds	(51,587)
Interest income	944
Net cash provided by (used in) non-capital financing activities	<u>(50,643)</u>

Cash Flows From Capital and Related Financing Activities:

Payment of long-term debt	(611,711)
Payment of interest on long-term debt	(87,978)
Proceeds from sale of capital assets	681
Net cash provided by (used in) capital and related financing activities	<u>(699,008)</u>

Net Increase (Decrease) in Cash and Cash Equivalents

(119,285)

Cash and Cash Equivalents:

Beginning of year	<u>2,202,237</u>
End of year	<u><u>\$ 2,082,952</u></u>

Reconciliation of Operating Income to Net

Cash Provided by (Used in) Operating Activities:

Operating income	\$ 111,644
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Depreciation	378,999
Change in operating assets and liabilities:	
Accounts receivable	(4,044)
Prepays and other assets	(791)
Accounts payable	146,892
Accrued payroll	(2,334)
Total adjustments	<u>518,722</u>
Net cash provided by (used in) operating activities	<u><u>\$ 630,366</u></u>

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

STATEMENT OF PLAN NET POSITION FIDUCIARY FUNDS - TRUST FUNDS

DECEMBER 31, 2013

	<u>Pension</u>	<u>Other Postemployment Benefits</u>
Assets		
Accrued income receivable	\$ 92,575	\$ -
Investments (at fair value):		
Equities	52,382,306	577,244
Fixed income	21,822,676	176,380
Short-term funds	<u>3,204,856</u>	<u>384,317</u>
Total Assets	<u>77,502,413</u>	<u>1,137,941</u>
Liabilities		
Accounts payable	<u>31,583</u>	<u>87,375</u>
Net Position		
Held in trust for benefits	<u>\$ 77,470,830</u>	<u>\$ 1,050,566</u>

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

STATEMENT OF CHANGES IN PLAN NET POSITION FIDUCIARY FUNDS - TRUST FUNDS

YEAR ENDED DECEMBER 31, 2013

	Pension	Other Postemployment Benefits
Additions:		
<hr/>		
Contributions:		
Employer, including state aid	\$ 2,461,216	\$ 214,380
Employee	458,502	-
Total contributions	2,919,718	214,380
Investment income:		
Net appreciation in fair value of investments	9,674,240	150,813
Interest and dividends	1,456,044	-
Total investment income	11,130,284	150,813
Less investment expense	137,977	-
Net investment income	10,992,307	150,813
Total additions	13,912,025	365,193
Deductions:		
<hr/>		
Benefits	3,603,701	151,059
Administrative expense	17,851	3,750
Total deductions	3,621,552	154,809
Increase in Plan Net Position	10,290,473	210,384
Net Position Held in Trust for Benefits:		
<hr/>		
Beginning of year	67,180,357	840,182
End of year	\$ 77,470,830	\$ 1,050,566

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Municipality of Mt. Lebanon, Pennsylvania (Municipality) was organized in 1912 and operates as a Home Rule Municipality under a Charter adopted May 21, 1974. The Municipality, which operates as a council/manager form of government, is a suburb of Pittsburgh with approximately 33,000 residents and an area of six square miles.

The financial statements of the Municipality have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

A. Reporting Entity

The report includes all of the services provided by the Municipality to residents and businesses within its boundaries. Municipal services provided include public safety, recreation, public works, library, parking, and general administration. In evaluating the Municipality as a primary government in accordance with GAAP, management has addressed all potential component units. Consistent with applicable guidance, the criteria used by the Municipality to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given situation, the Municipality reviews the applicability of the following criteria:

The Municipality is financially accountable for:

1. Organizations that make up the legal municipal entity.
2. Legally separate organizations if the Municipal Commission (Commission) appoints a voting majority of the organizations' governing body and the Municipality is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Municipality.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

- a. Impose its Will - If the Municipality can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.
 - b. Financial Benefit or Burden - Exists if the Municipality (1) is entitled to the organization's resources, (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization, or (3) is obligated in some manner for the debt of the organization.
3. Organizations that are fiscally dependent on the Municipality and a financial benefit or burden relationship is present. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes, or set rates or charges, or issue bonded debt without approval by the Municipality.

Upon review of the criteria above, the Municipality determined that the Mt. Lebanon Industrial Development Authority (IDA) should be included as a blended component unit. The elected Commissioners serve as the board for the IDA. Separate financial statements are not issued.

Related Organization

The Mt. Lebanon Hospital Authority (MLHA) was incorporated under the Municipality Authorities Act of 1945. MLHA is authorized by law to borrow money, to issue bonds, and to secure payment of such bonds for the purpose of enabling it to acquire, construct, maintain, and lease facilities devoted for hospital purposes. Although the Municipality appoints a majority of the voting Board of Directors of MLHA, the Municipality can neither impose its will nor does the Municipality have an ongoing financial burden or benefit relationship.

Jointly Governed Organization

The Medical Rescue Team South Authority, Inc. (MRTSA) was originally incorporated in 1984 under the provisions of the Municipal Authorities Act of 1945. MRTSA is organized to provide emergency medical services (EMS) to its six contiguous participating municipalities including the Municipality. The governing body of MRTSA is its Board of Directors (Board), which is comprised of two members from each member community. The Board appoints an Operations Director to administer the affairs of MRTSA. Beyond appointing Board members, the individual member communities do not have the ability to significantly influence MRTSA operations. Therefore, MRTSA is not considered

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

a component unit of any one member community. Separately issued financial statements of MRTSA are available through MRTSA offices, 315 Cypress Way, Pittsburgh, PA 15228.

B. 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 non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Expenses reported for functional activities include allocated indirect expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and 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 are recognized as revenues in the year for which they are levied to the extent collectible. Grants and similar items are recognized as soon as all eligibility requirements imposed by the grantor have been met.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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 Municipality considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Governmental fund revenues accrued on this basis include earned income taxes, property taxes, local services tax, sales tax, deed transfer tax, joint program cost reimbursements (animal control program, crossing guard services, and tax office operating costs), ice and snow control on state roads, ice rink rental, and magazine advertising. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and expenditures related to compensated absences, other post-employment benefits, and claims and judgments are recorded only when payment is due.

Capital assessment revenues are accrued to match development expenditures if collection is assured. Unearned revenue has been recorded for certain receivables that are measurable but not available to finance current liabilities. Revenues from intergovernmental grants are recognized on the basis of actual expenditures incurred and to the extent amounts are available.

The accounts of the Municipality are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

The Municipality reports the following major governmental funds:

The *General Fund* is the Municipality's primary operating fund. It accounts for all financial resources of the general government, except for those accounted for in another fund.

The *Sewage Fund* accounts for sewer service charges assessed to properties in the Municipality and may be used only for sanitary sewer system maintenance and improvements.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

The *Capital Projects Fund*, accounts for funds provided by the Municipality including 1) interfund transfers, 2) issuance of bonds, and 3) grants and contributions received for the purpose of acquisition, construction, or improvement of capital facilities or infrastructure.

The Municipality reports the following major proprietary fund:

The *Parking Fund* is used to account for the operations of the Municipality's parking facilities.

The Municipality also has the following other governmental funds:

Special revenue funds include:

The *State Highway Aid Fund* – accounts for state liquid fuels monies required to be spent on road maintenance and improvements.

The *Storm Water Fund* – accounts for storm water fees assessed on properties and used only for storm water system maintenance and improvements.

The *Library Operating Fund* – the primary operating fund of the Library.

The *Industrial Development Authority Fund* – accounts for the operations of the IDA which was created to enhance and promote development, redevelopment, and economic activities.

The *Capital Assessment Fund*, which accounts for the acquisition, construction, or improvement of facilities of infrastructure paid for by developers or through similar agreements, is the other Capital Projects Fund.

The *Debt Service Fund* accounts for resources to be used for debt service expenditures.

Additionally, the Municipality reports the following fiduciary fund types:

The *Pension Trust Fund* accounts for assets held by the Municipality in a trustee capacity for the future payment of retirement benefits to employees. The Municipality has three separate Pension Trust Funds.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

The *Other Postemployment Benefits (OPEB) Trust Fund* accounts for assets held by the Municipality in a trustee capacity for the future payment of postemployment benefits other than retirement benefits.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Municipality's enterprise fund is parking fees. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Interfund Activity in the Government-Wide Statements

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

E. Budgets and Budgetary Accounting

An operating budget is adopted each year for the General Fund, the State Highway Aid Fund, the Storm Water Fund, the Sewage Fund, and the Capital Projects Fund on a modified accrual basis of accounting. In addition, an operating budget is adopted for the Parking Fund under the accrual method of accounting. The Capital Assessment Fund does not have a legally adopted annual budget. Budgetary control for the Debt Service Fund is maintained through provisions of related trust indentures.

Adoption of the budget by the Commission constitutes appropriations for the expenditures for the fiscal year. Under the Home Rule Charter, the expenditure budget may be amended by the Commission after a public hearing, provided that such amendment shall not result in expenditures exceeding estimated revenue, including available fund balance, determined at the time of the amendment. Any excess appropriations at the end of the fiscal year are not carried forward, but instead lapse.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Within the budgeted funds, the Manager is authorized to transfer budgeted amounts between departments provided that such transfers do not alter total expenditures approved by the Commission or exceed estimated revenues. Therefore, the measurement level of control over expenditures in these funds is the surplus or deficit of the fund as a whole. Operating departments are charged with the maintenance of the budget for the department as a whole; however, operating departments may exceed the appropriation with Manager approval.

Library

The Library adopts annual operating budgets that are used for financial control purposes. There is no legal requirement for adoption of annual appropriated budgets.

IDA

The IDA did not adopt a legally appropriated operating budget for 2013.

F. Interfund Transactions

Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. These advances (reported in "due from" asset accounts) are considered "available spendable resources."

G. Deposits and Investments

For the purposes of the statement of cash flows, the Municipality's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments, principally mutual funds and money market funds, are carried at fair value.

H. Capital Assets

Capital assets which include equipment, buildings, vehicles, land and building improvements, and infrastructure are recorded at cost or estimated historical cost. In accordance with applicable guidance, infrastructure assets that were acquired or significantly reconstructed, or that received significant improvements, in years ending after 1979 have been capitalized. To the extent the Municipality's

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

capitalization threshold is met, capital outlays are recorded and depreciated using the straight-line method over the following estimated useful lives:

	<u>Capitalization Amount</u>	<u>Useful Life</u>
Land improvements	\$5,000 to \$25,000	10 to 40 years
Buildings	10,000 to 50,000	10 to 50 years
Building improvements	25,000	15 years
Phone system	10,000	15 years
Equipment	5,000	3 to 15 years
Vehicles	5,000 to 20,000	3 to 20 years
Library books and materials	n/a	15 years
<u>Infrastructure</u>		
Road network	50,000	40 years
Sewers	25,000	50 years
Parking lots	10,000	40 years
Sidewalks	10,000	25 years

Maintenance and repairs are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized.

I. Accumulated Unpaid Vacation and Sick Pay

Full-time employees are granted 10 to 25 days of vacation leave per year, dependent upon employment classification and length of service. Vacation leave may be carried beyond the calendar year only with the Manager's approval and must be used in the following year. Sick leave is accumulated continuously for full-time employees at the rate of 1½ days per month to a maximum of 120 days. If any days in excess of the maximum occur, the extra days may qualify for an annual cash payment based on a sliding scale. Unused vacation and unpaid sick day buy back is accrued in and eventually paid from the General Fund or Parking Fund. The benefits so accrued are not in excess of a normal year's accumulation.

Upon retirement, accumulated sick pay (up to the 120 day maximum) may be used to offset retirement medical costs or taken as a cash payment. The amount of the accumulation is based upon a sliding scale.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

As of the dates for arbitration awards in police and fire, the negotiated contract for public works and all other full time employees, the sick day buy back provisions have been eliminated for new hires.

At December 31, 2013, liabilities for vacation pay accrual, excess sick day buy back, sick pay accrual, and the associated payroll taxes were \$1,562,707 and \$18,351 in the General Fund and Parking Fund, respectively.

J. Fund Balance

In the fund financial statements, governmental funds report fund balance in categories based on the level of constraint placed upon the funds. The levels are as follows:

- Nonspendable – This category represents funds that are not in spendable form and includes such items as prepaid items and inventory. Nonspendable fund balances as of December 31, 2013 are described in the governmental fund balance sheet.
- Restricted – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties. At December 31, 2013, the Municipality had restrictions through grant agreements, enabling legislation, and debt covenants as described in the governmental fund balance sheet.
- Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by elected commissioners by ordinance. Such a commitment is made via a Commission ordinance and must be made prior to the end of the fiscal year. Removal of this commitment also requires a Commission resolution. As of December 31, 2013, the Municipality had no committed funds.
- Assigned – This category represents intentions of the Municipality to use the funds for specific purposes. The authority to make assignments of fund balance may only be made by the Commission and remains in place until the Commission releases the assignments. The assignment cannot exceed the available spendable unassigned fund balance in any particular fund. Assigned fund balances as of December 31, 2013 are described in the governmental fund balance sheet.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

- Unassigned – This category includes the residual classification for the Municipality’s General Fund and includes all spendable amounts not contained in other classifications for that fund.

The Municipality’s policy is to use funds in the order of the most restrictive to the least restrictive.

The Municipality’s fund balance policy for the General Fund provides for a minimum unassigned fund balance of 8%, with a goal of 10%, of the Municipality’s General Fund annual operating expenditures. The Municipality’s fund balance policy also outlines conditions for the use of unassigned fund balance.

K. Classification of Net Position

The government-wide and proprietary fund financial statements are required to classify net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – This component of net position consists of constraints placed on assets through external restrictions, reduced by liabilities related to those assets. The Municipality’s restricted net position is outlined on the statement of net position.
- Unrestricted – This component of net position consists of assets that do not meet the definition of “restricted” or “net investment in capital assets.”

L. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

M. Adoption of Accounting Pronouncements

The requirements of the following GASB Statements were adopted for the Municipality's 2013 financial statements:

GASB Statement No. 61, "*The Financial Reporting Entity*." The objective of this Statement is for financial reporting entity financial statements to be more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity.

GASB has issued Statement No. 65, "*Items Previously Reported as Assets and Liabilities*." This Statement reclassifies certain items that were reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. Taxes and fees not collected within the availability period, previously reported as liabilities, are now reported as deferred inflows of resources – unavailable revenues on the governmental fund's balance sheet.

N. Pending Pronouncements

GASB has issued the following statements which will become effective in future years as shown below. Management has not yet determined the impact of these Statements on the Municipality's financial statements.

GASB has issued Statement No. 67, "*Financial Reporting for Pension Plans*," effective for financial statements for periods beginning after June 15, 2013 (the Municipality's December 31, 2014 financial statements), and has also issued Statement No. 68, "*Accounting and Financial Reporting for Pensions*," effective for fiscal years beginning after June 15, 2014 (the Municipality's December 31, 2015 financial statements). These Statements revise existing guidance for the financial reports of most pension plans, and establish new financial reporting requirements for most governments that provide their employees with pension benefits.

GASB has issued Statement No. 70, "*Accounting and Financial Reporting for Non-exchange Financial Guarantees*," effective for financial statements for periods beginning after June 15, 2013 (the Municipality's financial statements for the year ending December 31, 2014). This Statement specifies the information required to be disclosed by governments that extend non-exchange financial guarantees, and requires a government that extends a non-exchange financial guarantee to recognize a liability when qualitative factors

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee.

2. PROPERTY TAXES

Based upon assessed valuations established by Allegheny County as of January 1 (approximately \$2.7 billion in 2013), the Municipality bills and collects its own property taxes. The schedule for property taxes levied for 2013 is as follows:

June 1	-levy date
June 1 - July 31	-2% discount period
August 1 - September 30	- face payment period
October 1 - April 30	- 10% penalty period
May 1	- lien date

The municipal tax rate for all purposes in 2013 was 4.51 mills (\$4.51 per \$1,000 of assessed valuation). The state mandated limit on millage for the general operations of the Municipality is 30 mills, with separate millage limits available for fire protection, library, pension contributions, and other uses. The Municipality does not currently categorize the mills levied.

3. DEPOSITS AND INVESTMENTS

Governmental and Proprietary Funds

Pennsylvania statutes provide for investment of governmental funds into certain authorized investments including U.S. Treasury Bills, other short-term U.S. and Pennsylvania government obligations, insured or collateralized time deposits, and certificates of deposit. The statutes also allow pooling of governmental funds for investment purposes.

The deposit and investment activities of the Municipality adhere to state statutes. Deposits of the governmental funds are either maintained in demand deposits at Citizens and Brentwood banks, certificates of deposit, or other pooled investments with the Pennsylvania Local Government Investment Trust (PLGIT).

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Deposits

The following is a description of the Municipality's deposit risks:

Custodial Credit Risk – Deposits. As of December 31, 2013, \$750,000 of the Municipality's \$11,667,747 bank balance was insured by the Federal Depository Insurance Corporation. The remaining bank balance of \$10,917,747 was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits have carrying amounts of \$11,366,752 as of December 31, 2013.

Investments

The Municipality's cash equivalent investments in PLGIT and money markets are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. With regard to the investment in PLGIT, an external investment pool, the fair value of the Municipality's position in the external investment pool is the same as the value of the pool shares. PLGIT activities are invested directly in a portfolio of securities, which are held by a third-party custodian. All investments in an external investment pool that is not SEC registered are subject to oversight by the Commonwealth of Pennsylvania.

As of December 31, 2013, the total of PLGIT and money markets had bank balances of \$8,280,439 (book balance of \$8,307,289) which are considered to be a cash equivalent for presentation on the statement of net position and governmental fund balance sheet.

The following is a description of the Municipality's investment risks:

Credit risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Municipality's has no formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. As of December 31, 2013, investments in PLGIT and money markets have received AAA ratings from Standards & Poor's.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Interest Rate Risk – The Municipality has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All investments have an average maturity of less than one year.

Pension Trust Fund

The pension trust funds' investments are held separately from those of other Municipality funds. Assets in the pension trust funds are stated at fair value. Any premiums or discounts are recognized as a gain or loss upon disposition. The Municipality maintains investment policies that summarize the investment philosophy of the Municipality and establishes investment guidelines and performance objectives for the General Employees, Police, and Fire Pension Plans.

As of December 31, 2013, the Municipality had the following cash and investments in its pension trust funds:

Cash or Investment Type	Fair Value	Investment Maturities from December 31, 2013			
		Less Than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Corporate bonds	\$ 3,589,451	\$ -	\$ -	\$ 3,589,451	\$ -
Government and agency	4,028,957	-	145,028	2,033,408	1,850,521
Collective funds	4,148,000	2,300,890	1,521,885	325,225	-
Fixed income mutual funds	10,056,268	2,121,787	7,410,180	524,301	-
Total fixed income investments	21,822,676	\$ 4,422,677	\$ 9,077,093	\$ 6,472,385	\$ 1,850,521
Equities	52,382,306				
Short-term funds	3,204,856				
Total cash and other investments	55,587,162				
Total cash and investments reported on the statement of plan net position	\$ 77,409,838				

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

The following is a description of the pension trust funds' deposit and investment risks:

Credit Risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Municipality has an adopted policy statement for each of its three sponsored pension plans – general employees, police, and firemen. The adopted policy indicates that the overall rating of the fixed income assets shall be investment grade, based on the rating of one Nationally Recognized Statistical Rating organization. As of December 31, 2013, Standard and Poor's ratings of investments in U.S. government & agencies were AA. The investments in other fixed income investments were rated A and fixed income mutual funds were not rated. Corporate bonds have received the following ratings from Standard and Poor's:

Credit Quality Distribution for Securities with Credit Exposure as a Percentage of Total Pension Trust Fund Corporate Bonds

<u>Investment Type</u>	<u>Rating (1)</u>	<u>Percentage of Total Pension Trust Fund Corporate Bonds</u>
Corporate Bonds	AA	10.6%
Corporate Bonds	A	78.5%
Corporate Bonds	BBB	10.9%
		<u>100.0%</u>

The total plan target and range allocations are as follows:

<u>Asset Class</u>	<u>Asset Weightings</u>	
	<u>Range</u>	<u>Target</u>
Equity - Domestic	34%-44%	39%
Equity - International	16%-26%	21%
Equity - Other	0%-10%	5%
Fixed Income	26%-36%	31%
Cash Equivalent	0% - 10%	4%

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

The policy also indicates the objectives of the fund cannot be achieved without incurring a certain amount of principal volatility. The fund will be managed in a style that seeks to minimize principal fluctuations over the established time horizon and that is consistent with the funds stated objectives.

The pension trust funds include some investments in mutual funds that incorporate the use of derivatives as an investment tool. This includes the use of interest rate swaps which are utilized to hedge the interest rate exposure in a fund.

Concentration of Credit Risk – The adopted pension investment policy indicates fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at the time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. In addition, not more than 5% of the total stock portfolio valued at market may be invested in the stock of any one corporation.

Interest Rate Risk – The pension trust funds do not have a formal deposit or investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Other Postemployment Benefits Trust Fund (OPEB)

The OPEB trust funds' investments are held separately from those of other Municipality funds. Assets in the OPEB trust fund are stated at fair value. Any premiums or discounts are recognized as a gain or loss upon disposition.

As of December 31, 2013, the Municipality had the following cash and investments in its OPEB trust fund:

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Cash or Investment Type	Fair Value	Investment Maturities from December 31, 2012			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Fixed income funds	\$ 176,380	\$ -	\$ 176,380	\$ -	\$ -
Equity funds	577,244				
Short-term funds	384,317				
Total cash and other investments	961,561				
Total cash and investments reported on the statement of plan net position	\$ 1,137,941				

The following is a description of the OPEB trust funds' deposit and investment risks:

Credit Risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. As of December 31, 2013, the OPEB trust funds' investments in fixed income funds were unrated.

The Municipality's OPEB trust fund investments are diversified as follows:

51.0% Equity funds
15.0% Fixed income funds
34.0% Short-term funds

Interest Rate Risk – The OPEB trust fund does not have a formal deposit or investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Library

In 1990, the Friends of the Library agreed to begin the Mt. Lebanon Public Library Fund (Fund) with a gift of \$15,000 to the Pittsburgh Foundation (Foundation). Subsequently, other donations were received by the Fund. The Foundation is under agreement to manage and invest the Fund. The annual net income of the Fund is paid to the Library, but due to the small amount of income available, the Library has been reinvesting the income into the Fund. As of December 31, 2013, the balance was \$121,889.

These funds are under the control of the Foundation and subject to their policies and as such are not recorded on the books of the Library.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

4. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments represent receivables for services provided by the Municipality or collections made by another government on behalf of the Municipality. At December 31, 2013, the amounts are due from the following governmental units:

	General Fund
Due from:	
School District	\$ 172,919
County	177,551
Other	1,899
	\$ 352,369

5. LONG-TERM DEBT

During 2013, general long-term debt changed as follows:

	Balance at January 1, 2013	Additions	Reductions	Balance at December 31, 2013	Due within one year
Primary Government:					
Governmental activities:					
Bonds payable	\$ 22,746,515	\$ 4,450,000	\$ (1,733,289)	\$ 25,463,226	\$ 1,736,272
Compensated absences	1,544,595	419,346	(401,234)	1,562,707	374,803
Governmental activities					
Long-term liabilities	\$ 24,291,110	\$ 4,869,346	\$ (2,134,523)	\$ 27,025,933	\$ 2,111,075
Business-type activities:					
Bonds payable	\$ 3,543,485	\$ -	\$ (611,711)	\$ 2,931,774	\$ 633,728
Compensated absences	23,608	9,175	(14,432)	18,351	11,702
Business-type activities					
Long-term liabilities	\$ 3,567,093	\$ 9,175	\$ (626,143)	\$ 2,950,125	\$ 645,430

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Long-term debt as of December 31, 2013 is composed of the following General Obligation Bond issues:

Description	Interest Rate %	Original Principal	Balance December 31, 2012
2010 Series A, maturing in 2024	1.00 - 3.75	\$ 10,505,000	\$ 10,215,000
2010 Series B, maturing in 2025	3.00 - 3.75	1,885,000	1,875,000
2010 Series C, maturing in 2017	0.85 - 3.00	3,230,000	2,160,000
2011 Series, maturing in 2027	1.50 - 3.25	4,005,000	4,000,000
2012 Series A, maturing in 2027	0.350 - 2.625	2,500,000	2,345,000
2012 Series B, maturing in 2017	0.50 - 2.00	975,000	975,000
2012 Series, maturing in 2028	0.85 - 3.00	2,380,000	2,375,000
2013 Series, maturing in 2025	0.50 - 2.05	4,450,000	4,450,000
			<u>\$ 28,395,000</u>

Total payments made on the long-term debt in 2013 were \$2,345,000 and \$732,733 for principal and interest, respectively.

The future annual payments required to amortize all debt outstanding as of December 31, 2013 are as follows:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 1,736,272	\$ 636,802	\$ 633,728	\$ 77,484
2015	1,788,592	600,348	676,408	58,172
2016	1,827,458	565,053	702,542	37,505
2017	1,860,946	532,297	334,054	22,635
2018	1,872,888	497,623	77,112	17,327
2019-2023	10,068,066	1,792,287	416,934	55,063
2024-2028	6,309,004	488,112	90,996	3,055
Total	<u>\$ 25,463,226</u>	<u>\$ 5,112,522</u>	<u>\$ 2,931,774</u>	<u>\$ 271,241</u>

The future annual payments listed above are to be funded by the General Fund, Sewage Fund, and Parking Fund.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

The 2010 Series A and 2010 Series B General Obligation Bonds were used for the current refunding of the Municipality's General Obligation Bonds, 2003 Series A, 2003 Series B, Series 2004, and the advanced refunding of Series 2006.

The 2010 Refunding Series C General Obligation Bonds were issued for the current refunding of Mt. Lebanon Parking Authority Guaranteed Parking Revenue Bonds Series 2003.

The 2011 Refunding Series General Obligation Bonds were issued for the advance refunding of the Municipality's General Obligation Bonds, Series 2007.

The 2012 Series A General Obligation Bonds were used to fund capital projects intended to implement various energy-saving improvements to Municipal facilities.

The 2012 Series B General Obligation Bonds were used to advance refund a portion of the 2008 Refunding Series.

The 2012 Refunding Series General Obligation Bonds were issued for the advance refunding of the Municipality's General Obligation Bonds, Series 2009.

The 2013 Series General Obligation Bonds were issued to provide funding of projects to upgrade and repair recreational facilities.

Defeased debt outstanding as of December 31, 2013 totaled \$3,030,000.

6. CAPITAL ASSETS

A summary of current year changes in capital assets is as follows:

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

	January 1, 2013	Additions	Disposals	December 31, 2013
Governmental activities:				
Land (not depreciated)	\$ 7,027,371	\$ 238,676	\$ -	\$ 7,266,047
Construction in progress (not depreciated)	1,854,984	1,315,854	(1,854,984)	1,315,854
Buildings and improvements other than buildings	34,046,224	1,527,390	-	35,573,614
Infrastructure	69,675,944	4,801,037	-	74,476,981
Library book collection	2,705,823	364,616	(413,395)	2,657,044
Equipment	13,613,100	1,511,741	(1,105,488)	14,019,353
	<u>128,923,446</u>	<u>9,759,314</u>	<u>(3,373,867)</u>	<u>135,308,893</u>
Less accumulated depreciation for:				
Buildings and improvements other than buildings	(20,024,005)	(878,842)	-	(20,902,847)
Infrastructure	(27,028,418)	(1,575,919)	-	(28,604,337)
Library book collection	(827,698)	(206,290)	413,395	(620,593)
Equipment	(7,473,803)	(579,745)	970,860	(7,082,688)
	<u>(55,353,924)</u>	<u>(3,240,796)</u>	<u>1,384,255</u>	<u>(57,210,465)</u>
Governmental activities capital assets, net	<u>\$ 73,569,522</u>	<u>\$ 6,518,518</u>	<u>\$ (1,989,612)</u>	<u>\$ 78,098,428</u>
Business-type activities:				
Land (not depreciated)	\$ 2,726,595	\$ -	\$ -	\$ 2,726,595
Buildings and improvements other than buildings	11,347,881	-	-	11,347,881
Equipment	984,750	-	-	984,750
	<u>15,059,226</u>	<u>-</u>	<u>-</u>	<u>15,059,226</u>
Less accumulated depreciation for:				
Buildings and improvements other than buildings	(6,562,140)	(306,728)	-	(6,868,868)
Equipment	(538,777)	(72,271)	-	(611,048)
	<u>(7,100,917)</u>	<u>(378,999)</u>	<u>-</u>	<u>(7,479,916)</u>
Business-type activities capital assets, net	<u>\$ 7,958,309</u>	<u>\$ (378,999)</u>	<u>\$ -</u>	<u>\$ 7,579,310</u>

Depreciation expense for capital assets and infrastructure was allocated to the various functions/programs as follows:

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Governmental activities:	
General government	\$ 163,054
Public works	1,827,957
Human services	314,193
Culture and recreation	457,443
Public safety	
Police	218,165
Fire	259,984
	<hr/>
Total depreciation expense - governmental activities	\$ 3,240,796
	<hr/>
Business-type activities:	
Parking	\$ 378,999
	<hr/>

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund balances result mainly from the time lag between the 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. Transfers are used to move revenues from one fund to pay for various programs or functions that the Municipality accounts for in other funds.

The individual interfund receivables and payables are shown below:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 937,514	\$ 379,875
Sewage	334,547	538,124
Capital Projects	623,788	194,870
Other governmental	30,198	721,148
	<hr/>	<hr/>
	1,926,047	1,834,017
Parking	-	92,030
	<hr/>	<hr/>
	\$ 1,926,047	\$ 1,926,047
	<hr/>	<hr/>

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

	Transfer In			
	General Fund	Capital Projects	Other Governmental	Total
Transfer out:				
General	\$ -	\$ 2,951,075	\$ 3,429,061	\$ 6,380,136
Sewage	340,704	1,711,245	45,573	2,097,522
Other Governmental	285,240	1,341,686	-	1,626,926
Parking	157,376	-	-	157,376
	<u>\$ 783,320</u>	<u>\$ 6,004,006</u>	<u>\$ 3,474,634</u>	<u>\$ 10,261,960</u>

8. PENSION PLANS

Plan Description

The Municipality administers three single-employer defined benefit pension plans: General Employees, Police, and Firemen. These plans cover substantially all full-time employees. All plans provide retirement benefits to plan members and also provide for a death benefit for surviving spouses. Plan provisions are established by the municipal ordinance with the authority for municipal contributions required by Act 205 of 1984 of the Commonwealth of Pennsylvania (Act). The activity of the plans is reported as the Pension Trust Fund in the accompanying financial statements. Separate plan financial statements are not available.

Employee contributions can be reduced or eliminated each year by Ordinance or Resolution subject to the plans meeting certain financial conditions. General employees are required to contribute 5% of their salary; Police officers and Firemen are required to contribute 4% of their salary.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

At January 1, 2013, the date of the most recent actuarial valuation, participants in the plans were as follows:

	General <u>Employees</u>	<u>Police</u>	<u>Firemen</u>
Participants:			
Retirees and beneficiaries	51	50	11
Deferred vested	23	2	0
Active employees:			
Vested	49	27	13
Nonvested	22	16	4

Summary of Significant Accounting Policies

Financial information of the Municipality's plans is presented on the accrual basis of accounting. Employer contributions to each 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 individual plan.

Investments of the plans are reported at fair value. Securities traded on national exchanges are valued at the last reported sales price.

At December 31, 2013, there were no individual investments that constituted more than 5% of plan net position available for benefits that were required to be reported. The plans did not have any investment transactions with related parties during the year.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Pension Trust Fund Financial Information

Plan Net Position

	<u>General Employees</u>	<u>Police</u>	<u>Firemen</u>	<u>Total</u>
Assets				
Accrued income receivable	\$ 25,704	\$ 50,243	\$ 16,628	\$ 92,575
Due from other plans	-	6,741	2,894	9,635
Investments (at fair value):				
Equities	15,563,444	27,888,160	8,930,702	52,382,306
Fixed income	6,054,842	11,851,357	3,916,477	21,822,676
Short-term funds	868,164	1,902,580	434,112	3,204,856
Total Assets	<u>22,512,154</u>	<u>41,699,081</u>	<u>13,300,813</u>	<u>77,512,048</u>
Liabilities				
Accounts payable	9,352	16,902	5,329	31,583
Due to other plans	9,635	-	-	9,635
Total Liabilities	<u>18,987</u>	<u>16,902</u>	<u>5,329</u>	<u>41,218</u>
Net Position Held in Trust for Pension Benefits	<u>\$ 22,493,167</u>	<u>\$ 41,682,179</u>	<u>\$ 13,295,484</u>	<u>\$ 77,470,830</u>

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Changes in Plan Net Position

	<u>General Employees</u>	<u>Police</u>	<u>Firemen</u>	<u>Total</u>
Additions:				
Contributions:				
Employer, including state aid	\$ 300,499	\$ 1,731,889	\$ 428,828	\$ 2,461,216
Employee	199,157	188,388	70,957	458,502
Total contributions	<u>499,656</u>	<u>1,920,277</u>	<u>499,785</u>	<u>2,919,718</u>
Investment income:				
Net appreciation in fair value of investments	2,864,214	5,190,820	1,619,206	9,674,240
Interest and dividends	<u>427,866</u>	<u>776,781</u>	<u>251,397</u>	<u>1,456,044</u>
Total investment income	3,292,080	5,967,601	1,870,603	11,130,284
Less investment expense	<u>42,111</u>	<u>71,740</u>	<u>24,126</u>	<u>137,977</u>
Net investment income	<u>3,249,969</u>	<u>5,895,861</u>	<u>1,846,477</u>	<u>10,992,307</u>
Total additions	<u>3,749,625</u>	<u>7,816,138</u>	<u>2,346,262</u>	<u>13,912,025</u>
Deductions:				
Benefits	975,188	2,138,275	490,238	3,603,701
Administrative expense	<u>5,874</u>	<u>7,529</u>	<u>4,448</u>	<u>17,851</u>
Total deductions	<u>981,062</u>	<u>2,145,804</u>	<u>494,686</u>	<u>3,621,552</u>
Increase in Plan Net Position	2,768,563	5,670,334	1,851,576	10,290,473
Net Position Held in Trust for Pension Benefits:				
Beginning of year	<u>19,724,604</u>	<u>36,011,845</u>	<u>11,443,908</u>	<u>67,180,357</u>
End of year	<u>\$ 22,493,167</u>	<u>\$ 41,682,179</u>	<u>\$ 13,295,484</u>	<u>\$ 77,470,830</u>

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Contributions and Funding Policy

The Act requires that annual contributions be based upon the calculation of the Minimum Municipal Obligation (MMO). The MMO calculation used for the 2013 contribution is based upon the biennial actuarial valuation of January 1, 2011. Employees are not required to contribute under the Act; such contributions are subject to collective bargaining. In 2013, all participating employees were required to make contributions to the plans. The Commonwealth of Pennsylvania allocates certain funds to assist in pension funding. Any financial requirement established by the MMO which exceeds the Commonwealth of Pennsylvania allocation must be funded by the Municipality. Payments made to the plans were sufficient to meet the MMOs in 2013. The following table reflects information for 2013:

	General Employees	Police	Firemen
MMO	\$ 300,499	\$ 1,731,889	\$ 428,828
Contributions:			
Municipal	\$ 28,594	\$ 1,405,603	\$ 296,760
Allocation of state aid	271,905	326,286	132,068
Total	300,499	1,731,889	428,828
Employee	199,157	188,388	70,957
Total contributions	\$ 499,656	\$ 1,920,277	\$ 499,785
Covered payroll	\$ 3,935,639	\$ 4,401,379	\$ 1,794,051
Employee contributions as a % of covered payroll	5.06%	4.28%	3.96%

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

The contribution rate for the Police plan is based on the total compensation of the officer. The General employees (negotiated) and Firemen (arbitrated) plans have a different basis for the calculation of the pension benefit for hires after a certain effective date. For eligible employees hired before the effective date, the pension benefit is calculated on total compensation; whereas, employees hired after the

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

effective date, the pension benefit is calculated using base wage plus longevity only. Effective dates for the General employees and Firemen plans are January 1, 2012 and August 28, 2011, respectively. Other employee contributions to the pension plans include provisions for military buyback and retroactive pension contributions.

The Municipality's annual pension cost for the year ending December 31, 2013 and related information for each plan is as follows:

	General Employees	Police	Firemen
Annual pension cost	\$ 489,452	\$ 1,884,531	\$ 496,323
Contributions made	\$ 499,656	\$ 1,920,277	\$ 499,784
Actuarial valuation date	1/1/2013	1/1/2013	1/1/2013
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Open	Level Dollar Closed	Level Dollar Closed
Asset valuation method	4-Year Smoothing	4-Year Smoothing	4-Year Smoothing
Amortization period	15-16 years	7-15 years	11-12 years
Actuarial assumptions:			
Investment rate of return	7.5%	7.5%	7.5%
Projected salary increases	5.0%	5.5%	5.5%
Inflation rate	3.0%	3.0%	3.0%
Cost-of-living adjustments	N/A	2.0%	N/A

N/A - Not Applicable

* If hired before January 11, 2004, retirees who had completed 20 years of service and disabled retirees will receive annual increases of 2% final monthly average salary. Annual increase for retirees with less than 20 years of service will also receive 2%. If hired on or after January 11, 2004, the retiree will receive an increase in the monthly benefit, excluding service increment, equal to the percentage change in the CPI-W.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

The Municipality has a net pension asset (a negative net pension obligation (NPO)) as of December 31, 2013 calculated as follows:

	General Employees	Police	Firemen
Annual required contribution	\$ 482,352	\$ 1,876,242	\$ 492,424
Interest on NPO	(13,921)	(16,252)	(7,642)
Adjustment to the ARC	21,021	24,541	11,541
Annual pension cost	489,452	1,884,531	496,323
Contribution made	499,656	1,920,277	499,785
Change in NPO	(10,204)	(35,746)	(3,462)
NPO (Asset), December 31, 2012	(185,617)	(216,696)	(101,898)
NPO (Asset), December 31, 2013	<u>\$ (195,821)</u>	<u>\$ (252,442)</u>	<u>\$ (105,360)</u>

The net pension asset has been recorded in net pension and other postemployment benefits asset on the statement of net position with the current year change being reflected in general government and public safety expenses.

Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
General Employees:	12/31/2011	\$ 370,312	102%	\$ (167,488)
	12/31/2012	446,599	104%	(185,617)
	12/31/2013	489,452	102%	(195,821)
Police:	12/31/2011	1,832,355	100%	(189,584)
	12/31/2012	1,814,732	101%	(216,696)
	12/31/2013	1,884,531	102%	(252,442)
Firemen:	12/31/2011	476,577	101%	(90,614)
	12/31/2012	454,283	102%	(101,898)
	12/31/2013	496,323	101%	(105,360)

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Funded Status

The Municipality's funded status and related information for each Plan as of the latest actuarial valuation date, January 1, 2013, is as follows:

	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Excess of Assets Over (Under) AAL	Funded Ratio	Covered Payroll	Excess (Deficiency) as a Percentage of Covered Payroll
General Employees:	\$ 19,286,448	\$ 20,102,715	\$ (816,267)	95.94%	\$ 3,935,639	(20.74)%
Police:	\$ 35,241,819	\$ 42,911,674	\$ (7,669,855)	82.13%	\$ 4,401,379	(174.26)%
Firemen:	\$ 11,214,634	\$ 12,474,228	\$ (1,259,594)	89.90%	\$ 1,794,051	(70.21)%

The required schedule of funding progress included as required supplementary information immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Net Appreciation in Fair Value of Investments

The composition of net depreciation in fair value of investments reported on the statement of changes in plan net position is as follows:

	General Employees	Police	Firemen	Total
Realized gain/(loss)	\$ 1,456,754	\$ 2,869,311	\$ 882,619	\$ 5,208,684
Unrealized gain/(loss)	1,407,460	2,321,509	736,587	4,465,556
	<u>\$ 2,864,214</u>	<u>\$ 5,190,820</u>	<u>\$ 1,619,206</u>	<u>\$ 9,674,240</u>

The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments.

Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current year were included as part of the change in the fair value of investments reported in the prior year(s) and the current year.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

As noted above, certain pension information and calculations are based upon an actuarial valuation performed as of January 1, 2013; however, this valuation is not used for funding purposes. The January 1, 2011 valuation was used in the calculation of the Municipality's 2013 MMO.

9. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Municipality has established the Mt. Lebanon Integral Part Trust (Trust) to fund one or more of the Municipality's employee post-employment benefits other than pensions. The activity of the Trust is reported as the Other Postemployment Benefits Trust Fund in the accompanying financial statements. Separate Trust financial statements are not available.

The Trust is a single-employer defined benefit plan administered by the Municipality which provides specific post-employment health and life insurance benefits for certain retired employees.

The post-employment medical benefit has been eliminated for new hires as of a certain effective date. Effective dates are as follows: contract Police – May 15, 2012; contract Firemen – August 28, 2011; General employees – January 1, 2012.

As of January 1, 2013, the date of the most recent actuarial valuation, participants of the Trust were as follows:

	<u>General</u> <u>Employees</u>	<u>Police</u>	<u>Firemen</u>
Participants:			
Retired:			
Health insurance	10	21	3
Life insurance	38	39	8
Active:			
Health insurance	76	42	16
Life insurance	113	43	16

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Retiree healthcare benefits were calculated by applying the reimbursement of premiums up to the following amounts, depending on employee group:

2013 Current Monthly Rate

Fire	\$	400
General	\$	400 After 15 years of service

Police - Percentage of Police Officer IV Pay Grade

<u>Service at Retirement</u>	<u>Percentage</u>
25+ years	0.80%
20-24 years	0.65%
15-19 years	0.50%

An assumed 4% increase in basic wages was used in the actuarial assumptions.

The following provisions were included in the actuarial assumption regarding life insurance:

Eligibility:	Retirement with 15 years or more of service
Insurance amount:	\$15,000 – Police and Fire \$10,000 – All others

Summary of Significant Accounting Policies

Financial information of the Trust is presented on the accrual basis of accounting. Employer contributions to the Trust are made annually and reimbursements to the Municipality for retired member payments are submitted and received on a quarterly basis.

Investments of the Trust are reported at fair value. Securities traded on national exchanges are valued at the last reported sales price.

At December 31, 2013, there were no individual investments that constituted more than 5% of Trust net position available for benefits that were required to be reported. The Trust did not have any investment transactions with related parties during the year.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Funding Policy

The Municipality makes required contributions to the Trust as specified by the actuarial valuation. An actuarial valuation will be performed biennially and participants will not contribute to the Trust.

Annual OPEB Cost and Net OPEB Obligation

The Municipality's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with applicable GASB guidance. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over an open period not to exceed thirty years. The Municipality's annual OPEB cost, the percentage of annual OPEB cost contributed to the Trust and the net OPEB obligation (asset) for the year ended December 31, 2013 were as follows:

Annual required contribution	\$	203,711
Interest on net OPEB obligation		(5,603)
Adjustment to the ARC		6,326
Annual OPEB cost		<u>204,434</u>
Contribution made		<u>214,380</u>
Change in net OPEB obligation		(9,946)
Net OPEB obligation (asset), December 31, 2012		<u>(74,709)</u>
Net OPEB obligation (asset), December 31, 2013	\$	<u><u>(84,655)</u></u>

<u>Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contributions</u>	<u>% Contributed</u>	<u>Net Ending OPEB Obligation (Asset)</u>
12/31/2011	\$ 215,051	\$ 220,990	103%	\$ (75,438)
12/31/2012	215,109	214,380	100%	(74,709)
12/31/2013	204,434	214,380	105%	(84,655)

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Funding Status and Funding Progress

The funding status of the plan as of January 1, 2013, was as follows:

Actuarial value of plan assets	\$ 840,182
Actuarial accrued liability (AAL)	<u>2,443,728</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$(1,603,546)</u></u>
Funded ratio (actuarial value of plan assets/AAL)	34.38%
Covered payroll (active plan members)	<u><u>\$ 9,846,354</u></u>
UAAL as a percentage of covered payroll	-16.29%

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

Actuarial Methods and Assumptions

Projections and calculations of plan benefits for financial reporting purposes are based on the substantive plan (the plans as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and historical pattern of sharing benefit cost between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

For the January 1, 2013 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions used included a 7.5% per year interest rate. The ARC was developed based upon the sum of the normal cost and an annual amount to amortize the unfunded Actuarial Accrued Liability over a 30-year open period. The amortization method used is level-dollar. Since the OPEB benefits are paid on a fixed basis, there is no healthcare assumption.

10. RENTAL INCOME

The Parking Fund leases certain retail space at its North Parking Garage to a third party under a lease term of five years, with renewal options available. Rental income under this arrangement was approximately \$159,000 during the year ended December 31, 2013. As of December 31, 2013, minimum annual rentals remaining under these lease arrangements are as follows:

<u>Year Ended</u>	
2014	\$ 163,465
2015	168,192
2016	<u>70,901</u>
Total	<u>\$ 402,558</u>

11. RISK FINANCING

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

For its property and liability coverage, the Municipality participates as a member of the Municipal Risk Management Property and Liability Trust (Trust), a public entity risk pool operated for the benefit of 165 cities, municipalities, boroughs, townships, and municipal authorities. The Trust operates pursuant to the Pa Intergovernmental Cooperation Act (1972 P.L., 762, No. 180; 53 P.S. Section 2303) and 42 Pa. C.S.A., Section 8564. The Trust purchases excess insurance with a \$150,000 per occurrence retention. The Trust may impose special assessments, when such assessments are required to reduce or eliminate a deficit of the Trust. The liability of current, former,

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

and terminated members for special assessments shall be only for liabilities resulting from the actual plans of coverage of property and liability exposures provided by the Trust during the specific period of time that the coverages were in force. Political subdivision members may withdraw at the end of any policy or fiscal year by giving 90 days written notice to the Trust prior to the beginning of any policy or fiscal year. At the time of withdrawal, the participant is responsible for their share of assessments but has no claim on any other assets of the Trust.

For its workers compensation insurance coverage, the Municipality participates in the Municipal Risk Management Worker's Compensation Pooled Trust (Trust), a public entity risk pool operated for the benefit of 201 cities, municipalities, boroughs, townships, and municipal authorities. Trust underwriting and rate-setting policies are established after consultation with an independent actuary and certain approvals of the Pennsylvania Department of Labor and Industry as mandated by Act 44 of 1993 (Act 44). All Trust participants may be subject to a supplemental assessment/dividend based on the overall experience of the participants, pursuant to Act 44. Each participant of the Trust agrees to jointly and severally assume and discharges the liabilities arising under the Worker's Compensation Act and Occupational Disease Act of each and every participant of the Trust. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. The Trust purchases excess insurance coverage with statutory limits. The retention for this excess coverage is \$750,000 per occurrence. There were no significant reductions in insurance coverage from coverage in the prior year. Political subdivisions joining the Trust must remain members for a minimum of four years; a member may withdraw from the Trust after that time by giving ninety days notice, subject to approval by the Trust actuary under specified circumstances related to the continued fiscal stability of the pool. At the time of withdrawal, the participant is responsible for their share of assessments but has no claim on any other assets of the Trust. Estimates of any additional assessments are unknown.

12. CONTINGENT LIABILITIES AND COMMITMENTS

Grant Programs

The Municipality participates in state or federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Municipality is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

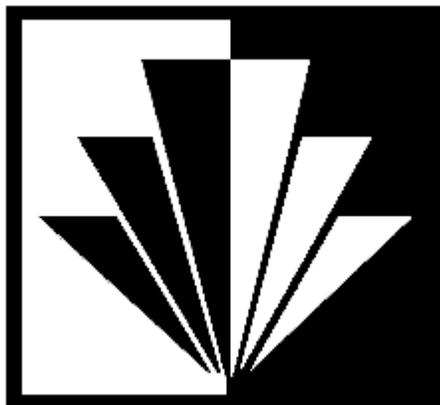
YEAR ENDED DECEMBER 31, 2013

Pennsylvania Department of Environmental Protection Consent Order

In 1997, the Allegheny County Health Department ordered 51 communities tributary to the Allegheny County Sanitary Authority whose sanitary sewers had been identified as being subject to possible wet weather overflows to implement a comprehensive assessment, flow monitoring and planning program. In 2013, in compliance with a consent order issued by the Environmental Protection Agency (EPA) and administered by the Allegheny County Health Department. The Municipality submitted a feasibility study for long term improvements to address wet weather issues with an estimated cost of \$10,600,000. Improvements are to be installed by 2026 according to the schedule contained in the study. No response from the agencies has been received as of this date on acceptance of the proposed plan included in the feasibility study. During the year ended December 31, 2013, the Municipality incurred approximately \$970,000 in expenditures.

Commitments

The Municipality has entered into contract commitments related to various capital purchases and projects. As of December 31, 2013, the Municipality had approximately \$3.4 million in commitments related to pool renovation projects and \$1.6 million in commitments related to other capital projects including road signal upgrades and sewer lining and repairs.



REQUIRED

SUPPLEMENTARY INFORMATION

MT. LEBANON, PENNSYLVANIA

SCHEDULES OF FUNDING PROGRESS

PENSION TRUST FUNDS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Excess of Assets Over (Under) AAL	Funded Ratio	Covered Payroll	Excess as a Percentage of Covered Payroll
General Employee:						
1/1/2008	\$ 19,047,500	\$ 14,901,361	\$ 4,146,139	127.82%	\$ 3,537,345	117.21%
1/1/2009	16,744,467	15,774,411	970,056	106.15%	3,593,795	26.99%
1/1/2010	17,944,473	16,783,569	1,160,904	106.92%	3,685,540	31.50%
1/1/2011	18,011,012	17,910,244	100,768	100.56%	3,672,674	2.74%
1/1/2012	17,807,000	19,396,625	(1,589,625) *	91.80%	3,614,306	-43.98%
1/1/2013	19,286,448	20,102,715	(816,267)	95.94%	3,792,157	-21.53%
Police:						
1/1/2008	\$ 33,359,159	\$ 32,104,997	\$ 1,254,162	103.91%	\$ 3,860,497	32.49%
1/1/2009	28,742,491	34,832,216	(6,089,725)	82.52%	3,921,550	-155.29%
1/1/2010	30,897,508	38,231,549	(7,334,041)	80.82%	3,931,544	-186.54%
1/1/2011	31,775,025	39,289,309	(7,514,284)	80.87%	3,922,895	-191.55%
1/1/2012	32,030,331	41,596,064	(9,565,733) *	77.00%	3,975,154	-240.64%
1/1/2013	35,241,819	42,911,674	(7,669,855)	82.13%	4,318,921	-177.59%
Firemen:						
1/1/2008	\$ 9,922,264	\$ 9,806,026	\$ 116,238	101.19%	\$ 1,557,213	7.46%
1/1/2009	8,887,994	9,978,106	(1,090,112)	89.07%	1,643,531	-66.33%
1/1/2010	9,610,503	10,643,569	(1,033,066)	90.29%	1,706,079	-60.55%
1/1/2011	9,901,029	10,982,468	(1,081,439)	90.15%	1,706,079	-63.39%
1/1/2012	10,087,166	11,856,693	(1,769,527) *	85.08%	1,730,470	-102.26%
1/1/2013	11,214,634	12,474,228	(1,259,594)	89.90%	1,735,276	-72.59%

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

* Increases from the previous valuation relates primarily to updates to the mortality assumptions and an actuarial loss for 2012 resulting from actual investment returns being less than the assumed rate of return.

See accompanying note to required supplementary schedules - pension trust funds.

MT. LEBANON, PENNSYLVANIA

SCHEDULES OF CONTRIBUTIONS FROM EMPLOYERS AND OTHER CONTRIBUTING ENTITIES

PENSION TRUST FUNDS

Calendar Year	General Employees		Police		Firemen	
	Annual Required Contributions	Percentage Contributed	Annual Required Contributions	Percentage Contributed	Annual Required Contributions	Percentage Contributed
2008	\$ 112,216	100%	\$ 1,037,839	102%	\$ 270,073	103%
2009	138,900	100%	1,127,875	101%	305,732	103%
2010	347,336	103%	1,769,922	101%	451,780	102%
2011	364,130	103%	1,825,298	101%	473,213	101%
2012	440,913	105%	1,807,481	102%	450,817	103%
2013	482,352	104%	1,876,242	102%	492,424	101%

See accompanying note to required supplementary schedules - pension trust funds.

MT. LEBANON, PENNSYLVANIA

NOTE TO REQUIRED SUPPLEMENTARY SCHEDULES PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2013

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

	<u>General Employees</u>	<u>Police</u>	<u>Firemen</u>
Actuarial valuation date	1/1/2013	1/1/2013	1/1/2013
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Open	Level Dollar Closed	Level Dollar Closed
Asset valuation method	4-Year Smoothing	4-Year Smoothing	4-Year Smoothing
Amortization period	15-16 years	7-15 years	11-12 years
Actuarial assumptions:			
Investment rate of return	7.5%	7.5%	7.5%
Projected salary increases	5.0%	5.5%	5.5%
Inflation rate	3.0%	3.0%	3.0%
Cost-of-living adjustments	N/A	2% *	N/A

N/A - Not Applicable

* If hired before January 11, 2004, retirees who had completed 20 years of service and disabled retirees will receive annual increases of 2% final monthly average salary. Annual increase for retirees with less than 20 years of service will also receive 2%. If hired on or after January 11, 2004, the retiree will receive an increase in the monthly benefit, excluding service increment, equal to the percentage change in the CPI-W.

MT. LEBANON, PENNSYLVANIA

SCHEDULE OF FUNDING PROGRESS

OTHER POSTEMPLOYMENT BENEFITS TRUST FUND

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Excess of Assets Over (Under) AAL	Funded Ratio	Covered Payroll	Excess as a Percentage of Covered Payroll
1/1/2007	\$ -	\$ 2,074,423	\$ (2,074,423)	0.00%	\$ 8,734,117	(23.75%)
1/1/2009	334,939	2,269,524	(1,934,585)	14.76%	9,581,618	(20.19%)
1/1/2011	631,024	2,397,383	(1,766,359)	26.32%	9,301,648	(18.99%)
1/1/2013	840,182	2,443,728	(1,603,546)	34.38%	9,846,354	(16.29%)

See accompanying note to required supplementary schedules - other postemployment benefits trust fund.

MT. LEBANON, PENNSYLVANIA

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYERS

OTHER POSTEMPLOYMENT BENEFITS TRUST FUND

<u>Calendar Year</u>	<u>Annual Required Contributions</u>	<u>Actual Employer Contribution</u>	<u>Annual Percentage Contributed</u>
2008	\$ 233,710	\$ 250,256	107.08%
2009	220,485	238,710	108.27%
2010	220,485	220,990	100.23%
2011	214,378	220,990	103.08%
2012	214,378	214,380	100.00%
2013	203,711	214,380	105.24%

See accompanying note to required supplementary schedules -
other postemployment benefits trust fund.

MT. LEBANON, PENNSYLVANIA

NOTE TO REQUIRED SUPPLEMENTARY SCHEDULES OTHER POSTEMPLOYMENT BENEFITS TRUST FUND

YEAR ENDED DECEMBER 31, 2013

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Actuarial valuation date	1/1/13
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Open
Amortization period	30 years
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	4.5%
Inflation rate	3.0%
Cost-of-living adjustments	n/a

n/a = not applicable

MAJOR FUNDS

General Fund:

The General Fund accounts for all transactions of the Municipality which are not properly accounted for in other funds. The General Fund is used to account for the ordinary operations of the Municipality which are financed from taxes and other general revenues.

Sewage Fund:

The Sewage Fund is used to account for sewer service charges assessed to properties in the Municipality. By agreement, the Pennsylvania American Water Company (PAWC) provides billing and collection service. All funds generated by the Municipality, net of sewer treatment charges, must be used for sanitary sewer maintenance and reconstruction.

Capital Projects Fund:

The Capital Projects Funds account for the acquisition, construction, or improvement of capital facilities or infrastructure by the Municipality.

MT. LEBANON, PENNSYLVANIA

GENERAL FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2013, 2012, AND 2011

	2013	2012	2011
Assets			
Cash and other money market instruments	\$ 4,912,709	\$ 5,668,123	\$ 6,479,268
Receivables:			
Taxes	3,424,621	3,681,109	4,031,741
Assessments	40,542	38,502	52,555
Accounts	567,067	597,335	498,059
Due from other funds	937,514	522,716	496,656
Due from other governments	352,369	418,141	397,240
Loans receivable from component unit and Indoor Tennis of Mt. Lebanon	-	-	3,376,398
Other assets	285,567	342,675	440,618
Total Assets	\$ 10,520,389	\$ 11,268,601	\$ 15,772,535
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities:			
Accounts payable	\$ 542,287	\$ 598,075	\$ 452,511
Advance deposits	226,998	233,304	615,185
Due to other funds	379,875	593,824	-
Accrued payroll and deductions payable	1,030,513	1,036,934	998,829
Total Liabilities	2,179,673	2,462,137	2,066,525
Deferred Inflows of Resources:			
Unavailable revenue	2,934,676	3,157,550	2,850,139
Fund Balance:			
Nonspendable:			
Loans receivable	-	-	3,376,398
Prepaid items and inventory	285,567	-	-
Restricted for debt service	-	-	462,248
Assigned for:			
Subsequent years budget	1,074,840	994,100	1,551,940
Future pension obligations	-	360,000	720,000
Grant matching funds	-	-	245,758
Anticipated personnel costs	-	-	47,500
Unassigned	4,045,633	4,294,814	4,452,027
Total Fund Balance	5,406,040	5,648,914	10,855,871
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 10,520,389	\$ 11,268,601	\$ 15,772,535

MT. LEBANON, PENNSYLVANIA

GENERAL FUND COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED DECEMBER 31, 2013
(Comparative Actual for Years Ended December 31, 2012 and 2011)

	2013	2012	2011
Revenues:			
<hr/>			
Taxes:			
Real estate	\$ 11,979,183	\$ 11,469,800	\$ 10,283,677
Earned income	11,130,541	10,010,482	9,971,469
Other	2,802,247	2,675,778	2,337,136
Total taxes	25,911,971	24,156,060	22,592,282
Licenses, permits, and fees	1,123,952	1,825,880	1,206,649
Fines, forfeitures, and penalties	134,116	154,236	275,688
Investment and rental	13,796	12,531	15,470
Intergovernmental	1,072,206	1,496,820	1,634,688
Recreation	2,689,655	2,702,660	2,593,396
Other	1,804,458	1,759,097	2,027,159
Total revenues	32,750,154	32,107,284	30,345,332
Expenditures:			
<hr/>			
Current:			
General government	4,220,884	4,068,992	4,062,202
Community development	1,245,675	1,301,666	1,171,802
Public works	7,054,119	6,298,624	6,328,481
Human services	364,696	322,668	304,190
Culture and recreation	2,589,342	2,703,630	2,681,818
Public safety:			
Police	7,449,755	7,394,093	6,938,646
Fire	3,256,265	3,187,886	3,237,997
Other	812,528	799,852	811,966
Capital outlay	402,948	1,591,391	444,000
Total expenditures	27,396,212	27,668,802	25,981,102
Excess of Revenues over Expenditures	5,353,942	4,438,482	4,364,230
Other Financing Sources (Uses):			
<hr/>			
Transfers in:			
Storm Water Fund	285,240	157,754	121,534
Parking Fund	157,376	132,460	-
Sewage Fund	340,704	231,117	268,556
Total transfers in	783,320	521,331	390,090
Transfers out:			
Library Operating Fund	(1,153,710)	(1,131,060)	(1,088,410)
Debt Service Fund	(2,275,351)	(2,237,007)	(2,201,616)
Capital Projects Fund	(2,951,075)	(2,994,257)	(1,300,517)
Total transfers out	(6,380,136)	(6,362,324)	(4,590,543)
Net transfers	(5,596,816)	(5,840,993)	(4,200,453)
Debt transfer to parking fund	-	(3,804,446)	-
Total financing sources (uses)	(5,596,816)	(9,645,439)	(4,200,453)
Net Change in Fund Balance	(242,874)	(5,206,957)	163,777
Fund Balance:			
<hr/>			
Beginning of year	5,648,914	10,855,871	10,692,094
End of year	\$ 5,406,040	\$ 5,648,914	\$ 10,855,871

MT. LEBANON, PENNSYLVANIA

DETAILED SCHEDULE OF GENERAL FUND REVENUES BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance
Real Estate Taxes:			
Current year taxes	\$ 11,778,460	\$ 11,652,960	\$ (125,500)
Prior years' taxes and penalties	214,550	326,223	111,673
Total real estate taxes	11,993,010	11,979,183	(13,827)
Earned Income Taxes	10,319,500	11,130,541	811,041
Other Taxes:			
Local Services tax	400,000	441,779	41,779
Real estate transfer taxes	1,200,000	1,509,382	309,382
Utility taxes	31,500	30,664	(836)
County sales tax	775,000	820,422	45,422
Total other taxes	2,406,500	2,802,247	395,747
Total taxes	24,719,010	25,911,971	1,192,961
Licenses, Permits, and Fees:			
Public works permits	60,000	72,422	12,422
Building permits	120,000	82,081	(37,919)
Other permits, licenses, and fees	223,340	172,612	(50,728)
Cable TV franchise fees	710,000	788,887	78,887
Liquor license fees	7,050	7,950	900
Total licenses, permits, and fees	1,120,390	1,123,952	3,562
Fines, Forfeitures, and Penalties:			
Motor vehicle code violations	180,000	99,034	(80,966)
Ordinance violation fines	3,000	32,357	29,357
Animal fines and kennel charges	360	2,550	2,190
Alarm system fines	100	175	75
Total fines, forfeitures, and penalties	183,460	134,116	(49,344)
Investment and Rental:			
Interest on investments	7,000	3,951	(3,049)
Rental revenue	10,100	9,845	(255)
Total investment and rental	17,100	13,796	(3,304)
Intergovernmental	1,157,490	1,072,206	(85,284)
Recreation:			
Recreation center	1,448,450	1,505,409	56,959
Golf course	464,880	412,950	(51,930)
Tennis center	232,800	231,633	(1,167)
Seasonal programs	526,890	539,663	12,773
Total recreation	2,673,020	2,689,655	16,635
Other:			
Joint programs	572,860	566,239	(6,621)
Mt. Lebanon magazine	630,500	590,213	(40,287)
Other	590,210	572,901	(17,309)
Assessments	59,000	75,105	16,105
Total other	1,852,570	1,804,458	(48,112)
Total revenues	\$ 31,723,040	\$ 32,750,154	\$ 1,027,114

MT. LEBANON, PENNSYLVANIA

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES BY PROGRAM BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance
General Government:			
General management	\$ 625,390	\$ 552,667	\$ 72,723
Public information	855,930	829,715	26,215
Legal services	310,000	304,828	5,172
Financial management	321,510	385,051	(63,541)
Treasury management	48,940	67,698	(18,758)
Real estate tax collection	137,710	104,511	33,199
Earned income tax collection	197,750	208,031	(10,281)
Other tax collection	23,290	30,422	(7,132)
Insurance	356,900	306,140	50,760
Information services	432,310	406,604	25,706
Office services	146,510	114,442	32,068
Fringe benefits unallocated	918,870	910,775	8,095
Total general government	<u>4,375,110</u>	<u>4,220,884</u>	<u>154,226</u>
Community Development:			
Administration	389,590	357,662	31,928
Economic development	273,220	199,468	73,752
Planning	193,820	180,212	13,608
Engineering	42,000	17,080	24,920
Inspection	348,160	312,718	35,442
GIS	75,850	72,782	3,068
Civic activity	115,140	105,753	9,387
Total community development	<u>1,437,780</u>	<u>1,245,675</u>	<u>192,105</u>
Public Works:			
Transportation:			
Street maintenance	473,860	306,664	167,196
Curb maintenance	55,300	64,701	(9,401)
Pedestrian routes	198,640	250,556	(51,916)
Ice and snow control	502,000	596,133	(94,133)
Traffic planning and signals	183,880	202,865	(18,985)
Traffic signs and painting	87,290	104,965	(17,675)
Streetlighting	304,880	304,971	(91)
Total transportation	<u>1,805,850</u>	<u>1,830,855</u>	<u>(25,005)</u>
Sanitation:			
Sanitary sewer maintenance	466,970	340,705	126,265
Storm sewer maintenance	165,150	184,040	(18,890)
Refuse collection	2,088,170	2,070,593	17,577
Street sweeping	319,650	307,374	12,276
Total sanitation	<u>3,039,940</u>	<u>2,902,712</u>	<u>137,228</u>
Buildings, grounds, and equipment:			
Public safety building	220,600	298,526	(77,926)
Municipal building maintenance	273,250	287,343	(14,093)
Public works building maintenance	59,580	84,245	(24,665)
Library building maintenance	190,320	165,788	24,532
Parks maintenance	440,480	383,893	56,587
School ball fields	72,000	8,149	63,851
Planting areas	32,650	34,873	(2,223)
Forestry	349,260	458,269	(109,009)
Equipment maintenance	727,840	599,466	128,374
Total buildings, grounds, and equipment	<u>2,365,980</u>	<u>2,320,552</u>	<u>45,428</u>
Total public works	<u>7,211,770</u>	<u>7,054,119</u>	<u>157,651</u>

(Continued)

MT. LEBANON, PENNSYLVANIA

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES BY PROGRAM BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2013
(Continued)

	Final Budget	Actual	Variance
Human Services:			
Outreach program	101,500	101,500	-
Medical Rescue Team South	229,270	228,732	538
Community organizations	42,700	34,464	8,236
Total human services	<u>373,470</u>	<u>364,696</u>	<u>8,774</u>
Culture and Recreation:			
Recreation management	309,270	312,366	(3,096)
Recreation center	1,312,140	1,255,250	56,890
Golf course	406,760	392,975	13,785
Tennis center	184,970	178,144	6,826
Seasonal programs	444,580	450,607	(6,027)
Total culture and recreation	<u>2,657,720</u>	<u>2,589,342</u>	<u>68,378</u>
Public Safety:			
Police:			
Administration	612,760	610,188	2,572
Field service	5,126,770	5,298,245	(171,475)
Support service	255,450	247,519	7,931
Investigations	771,550	593,447	178,103
Traffic safety	627,250	479,377	147,873
Crime prevention	303,600	220,979	82,621
Total police	<u>7,697,380</u>	<u>7,449,755</u>	<u>247,625</u>
Fire	<u>3,311,800</u>	<u>3,256,265</u>	<u>55,535</u>
Other:			
Emergency management	27,840	21,643	6,197
Crossing guards	519,890	469,338	50,552
Animal control	326,620	321,547	5,073
Total other	<u>874,350</u>	<u>812,528</u>	<u>61,822</u>
Total public safety	<u>11,883,530</u>	<u>11,518,548</u>	<u>364,982</u>
Capital Outlay:			
Equipment	426,340	365,638	60,702
Buildings	191,840	37,310	154,530
Total capital outlay	<u>618,180</u>	<u>402,948</u>	<u>215,232</u>
Total expenditures by program	<u>\$ 28,557,560</u>	<u>\$ 27,396,212</u>	<u>\$ 1,161,348</u>

(Concluded)

MT. LEBANON, PENNSYLVANIA

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES BY OBJECT BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2013

	Final Budget	Actual	Variance
Personnel Costs:			
Regular salaries and wages	\$ 9,584,410	\$ 9,522,333	\$ 62,077
Overtime wages	918,620	853,387	65,233
Part-time and temporary wages	1,389,770	1,315,508	74,262
Retainers and special salaries	27,300	26,727	573
Fringe benefits	6,381,400	6,016,676	364,724
Total personnel costs	18,301,500	17,734,631	566,869
Contractual Services:			
Special appropriations	730,370	700,668	29,702
Professional and consulting services	1,020,730	870,120	150,610
Training and conferences	93,050	76,760	16,290
Memberships	26,190	23,422	2,768
Insurance	356,900	306,140	50,760
Utilities and telephone	1,305,860	1,222,875	82,985
Repairs and maintenance	144,550	115,616	28,934
Printing and photography	189,810	169,933	19,877
Postage	89,560	65,376	24,184
Rentals	193,930	198,326	(4,396)
Contractual service	3,379,670	3,325,667	54,003
Other contractual services	602,410	656,286	(53,876)
Total contractual services	8,133,030	7,731,189	401,841
Commodities:			
Office supplies	41,380	37,235	4,145
Books and periodicals	11,970	9,312	2,658
Equipment	492,250	469,955	22,295
Maintenance supplies	516,950	631,246	(114,296)
Construction supplies	40,000	29,745	10,255
Supplies for resale and recreation supplies	77,680	67,280	10,400
Botanical supplies	27,100	30,596	(3,496)
Fuels and lubricants	297,520	252,075	45,445
Total commodities	1,504,850	1,527,444	(22,594)
Capital Budget	618,180	402,948	215,232
Total expenditures by object	\$ 28,557,560	\$ 27,396,212	\$ 1,161,348

MT. LEBANON, PENNSYLVANIA

SEWAGE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2013, 2012, AND 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assets			
Cash and other money market instruments	\$ 5,619,802	\$ 4,743,992	\$ 3,959,505
Assessments receivable	1,266,180	1,149,945	716,089
Due from other funds	334,547	-	-
Total Assets	<u>\$ 7,220,529</u>	<u>\$ 5,893,937</u>	<u>\$ 4,675,594</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities:			
Accounts payable	\$ 963,603	\$ 967,061	\$ 898,665
Due to other funds	538,124	359,714	1,073,823
Total Liabilities	1,501,727	1,326,775	1,972,488
Deferred Inflows of Resources:			
Unavailable revenue	692,284	505,667	293,410
Fund Balance:			
Restricted for capital projects	5,026,518	4,061,495	2,409,696
Total Fund Balance	5,026,518	4,061,495	2,409,696
Total Liabilities Deferred Inflows of Resources, and Fund Balance	<u>\$ 7,220,529</u>	<u>\$ 5,893,937</u>	<u>\$ 4,675,594</u>

MT. LEBANON, PENNSYLVANIA

SEWAGE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2013

(Comparative Actual for Years Ended December 31, 2012 and 2011)

	2013		2012	2011
	Final Budget	Actual		
Revenues:				
Licenses, permits, and fees	\$ 8,278,700	\$ 7,237,622	\$ 7,268,263	\$ 7,293,900
Fines, forfeitures, and penalties	1,250	1,768	-	1,359
Investment and rental	1,250	3,860	1,397	1,900
Other	30,000	26,511	25,758	25,778
Total revenues	8,311,200	7,269,761	7,295,418	7,322,937
Expenditures:				
General government	173,620	232,753	131,898	106,479
Public works	4,791,400	3,974,463	4,044,209	3,823,875
Total expenditures	4,965,020	4,207,216	4,176,107	3,930,354
Excess of Revenues over Expenditures	3,346,180	3,062,545	3,119,311	3,392,583
Other Financing Sources (Uses):				
Transfers out:				
Debt Service Fund	(45,570)	(45,573)	(39,264)	(66,657)
General Fund	(736,390)	(340,704)	(231,117)	(268,556)
Capital Projects Fund	(3,628,640)	(1,711,245)	(1,197,131)	(2,282,914)
Total other financing sources (uses)	(4,410,600)	(2,097,522)	(1,467,512)	(2,618,127)
Net Change in Fund Balance	\$ (1,064,420)	965,023	1,651,799	774,456
Fund Balance:				
Beginning of year		4,061,495	2,409,696	1,635,240
End of year		\$ 5,026,518	\$ 4,061,495	\$ 2,409,696

MT. LEBANON, PENNSYLVANIA

CAPITAL PROJECTS FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2013, 2012, AND 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assets			
Cash and other money market investments	\$ 5,863,510	\$ 2,276,533	\$ 233,298
Receivables - accounts	212,878	13,450	7,500
Due from other funds	623,788	1,141,823	1,120,745
Total Assets	<u>\$ 6,700,176</u>	<u>\$ 3,431,806</u>	<u>\$ 1,361,543</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 1,207,714	\$ 1,800,361	\$ 741,315
Due to other funds	194,870	-	-
Unearned revenue	-	-	7,500
Total Liabilities	<u>1,402,584</u>	<u>1,800,361</u>	<u>748,815</u>
Fund Balance:			
Restricted	3,748,694	635,635	402,602
Assigned	1,548,898	995,810	210,126
Total Fund Balance	<u>5,297,592</u>	<u>1,631,445</u>	<u>612,728</u>
Total Liabilities and Fund Balance	<u>\$ 6,700,176</u>	<u>\$ 3,431,806</u>	<u>\$ 1,361,543</u>

MT. LEBANON, PENNSYLVANIA

CAPITAL PROJECTS FUND COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2013
(Comparative Actual for Years Ended December 31, 2012 and 2011)

	2013		2012	2011
	Final Budget	Actual		
Revenues:				
Investment and rental	\$ -	\$ 1,097	\$ 503	\$ 55
Intergovernmental	1,124,000	561,648	53,050	-
Other	-	20,485	19,621	466,102
Total revenues	1,124,000	583,230	73,174	466,157
Expenditures:				
Debt service	61,270	54,878	48,981	-
Capital outlay	15,614,870	7,458,393	6,460,272	3,735,515
Total expenditures	15,676,140	7,513,271	6,509,253	3,735,515
Deficiency of Revenues over Expenditures	(14,552,140)	(6,930,041)	(6,436,079)	(3,269,358)
Other Financing Sources:				
Transfers in:				
General Fund	2,375,000	2,951,075	2,994,257	1,300,517
Storm Water Fund	1,248,500	1,341,686	763,408	170,045
Sewage Fund	3,628,640	1,711,245	1,197,131	2,282,914
Net transfers	7,252,140	6,004,006	4,954,796	3,753,476
Issuance of debt	4,591,270	4,450,000	2,500,000	-
Bond issue premium	-	142,182	-	-
Total other financing sources	11,843,410	10,596,188	7,454,796	3,753,476
Net Change in Fund Balance	<u>\$(2,708,730)</u>	3,666,147	1,018,717	484,118
Fund Balance:				
Beginning of year		1,631,445	612,728	128,610
End of year		<u>\$ 5,297,592</u>	<u>\$ 1,631,445</u>	<u>\$ 612,728</u>

OTHER GOVERNMENTAL FUNDS

Special Revenue:

The *State Highway Aid Fund* is used to account for state liquid fuels tax monies rebated to the Municipality. This special fund is required by state law.

The *Storm Water Fund* is used to account for storm water fees assessed on properties in the Municipality, which may only be used for storm water system maintenance and improvements.

The Mt. Lebanon Public Library - *Library Operating Fund* reports ongoing operations of the Library.

The *Industrial Development Authority Fund* accounts for the operations of the IDA which was created to enhance and promote development, redevelopment and economic activities.

Capital Projects:

The *Capital Assessment Fund* accounts for funds provided for in advance by the developer to cover the cost of infrastructure improvements.

Debt Service:

The *Debt Service Fund* is used for the payment of principal and interest on general long-term obligations of the Municipality.

MT. LEBANON, PENNSYLVANIA

OTHER GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

DECEMBER 31, 2013

<u>Assets</u>	Special Revenue Funds						<u>Total</u>
	State Highway Aid	Storm Water	Library Operating	Industrial Development Authority	Capital Assessment	Debt Service	
Cash and other money market instruments	\$ -	\$ 586,294	\$ 476,500	\$ 13,395	\$ 118,879	\$ -	\$ 1,195,068
Receivables - assessments	-	279,930	-	-	-	-	279,930
Due from other funds	-	30,198	-	-	-	-	30,198
Other assets	-	-	11,651	-	-	-	11,651
Total Assets	\$ -	\$ 896,422	\$ 488,151	\$ 13,395	\$ 118,879	\$ -	\$ 1,516,847
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>							
<u>Liabilities:</u>							
Accounts payable	\$ -	\$ -	\$ 78,143	\$ -	\$ 332	\$ -	\$ 78,475
Advance deposits	-	-	-	-	118,135	-	118,135
Due to other funds	-	580,461	139,647	1,040	-	-	721,148
Total Liabilities	-	580,461	217,790	1,040	118,467	-	917,758
<u>Deferred Inflows of Resources:</u>							
Unavailable revenue	-	237,836	-	-	-	-	237,836
<u>Fund Balance:</u>							
Restricted	-	78,125	165,415	12,355	412	-	256,307
Assigned	-	-	104,946	-	-	-	104,946
Total Fund Balance	-	78,125	270,361	12,355	412	-	361,253
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ -	\$ 896,422	\$ 488,151	\$ 13,395	\$ 118,879	\$ -	\$ 1,516,847

MT. LEBANON, PENNSYLVANIA

OTHER GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED DECEMBER 31, 2013

	Special Revenue Funds						Total
	State Highway Aid	Storm Water	Library Operating	Industrial Development Authority	Capital Assessment	Debt Service	
Revenues:							
Licenses, permits, and fees	\$ -	\$ 1,392,664	\$ -	\$ 3,787	\$ -	\$ -	\$ 1,396,451
Fines, forfeitures, and penalties	-	-	79,631	-	-	-	79,631
Investment and rental	1,419	958	1,087	-	-	-	3,464
Intergovernmental	608,645	-	439,935	-	-	-	1,048,580
Other	-	-	178,759	-	11,235	-	189,994
Total revenues	610,064	1,393,622	699,412	3,787	11,235	-	2,718,120
Expenditures:							
Current:							
General government	-	28,266	-	-	-	-	28,266
Community development	-	-	-	2,540	-	-	2,540
Public works	610,064	-	-	-	-	-	610,064
Human services	-	-	2,040,518	-	-	-	2,040,518
Debt service:							
Principal	-	-	-	-	-	1,733,289	1,733,289
Interest	-	-	-	-	-	593,471	593,471
Capital outlay	-	-	-	-	11,235	-	11,235
Total expenditures	610,064	28,266	2,040,518	2,540	11,235	2,326,760	5,019,383
Excess (Deficiency) of Revenues Over Expenditures	-	1,365,356	(1,341,106)	1,247	-	(2,326,760)	(2,301,263)
Other Financing Sources (Uses):							
Transfer in from General Fund	-	-	1,153,710	-	-	2,275,351	3,429,061
Transfer in from Sewage Fund	-	-	-	-	-	45,573	45,573
Transfer out to Capital Projects Fund	-	(1,341,686)	-	-	-	-	(1,341,686)
Transfer out to General Fund	-	(285,240)	-	-	-	-	(285,240)
Total other financing sources (uses)	-	(1,626,926)	1,153,710	-	-	2,320,924	1,847,708
Net Change in Fund Balance	-	(261,570)	(187,396)	1,247	-	(5,836)	(453,555)
Fund Balance:							
Beginning of year	-	339,695	457,757	11,108	412	5,836	814,808
End of year	\$ -	\$ 78,125	\$ 270,361	\$ 12,355	\$ 412	\$ -	\$ 361,253

MT. LEBANON, PENNSYLVANIA

STATE HIGHWAY AID FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2013, 2012, AND 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<hr/> Assets <hr/>			
Cash and other money market instruments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<hr/> Liabilities and Fund Balance <hr/>			
Liabilities:			
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance - Restricted	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MT. LEBANON, PENNSYLVANIA

STATE HIGHWAY AID FUND COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2013
(Comparative Actual for Years Ended December 31, 2012 and 2011)

	2013		2012	2011
	Final Budget	Actual		
Revenues:				
Investment and rental	\$ 2,000	\$ 1,419	\$ 2,207	\$ 1,732
Intergovernmental - state allocation	620,000	608,645	619,233	611,961
Total revenues	622,000	610,064	621,440	613,693
Expenditures:				
Current - public works	622,000	610,064	621,440	613,693
Excess of Revenues Over Expenditures	\$ -	-	-	-
Fund Balance:				
Beginning of year		-	-	-
End of year		\$ -	\$ -	\$ -

MT. LEBANON, PENNSYLVANIA

STORM WATER FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2013, 2012, AND 2011

	2013	2012	2011
Assets			
Cash and other money market instruments	\$ 586,294	\$ 895,344	\$ 434,390
Receivables - assessments	279,930	189,885	41,525
Due from other funds	30,198	-	-
Total Assets	\$ 896,422	\$ 1,085,229	\$ 475,915
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities:			
Accounts payable	\$ -	\$ 1,703	\$ 1,680
Advance deposits	-	3,260	-
Due to other funds	580,461	551,444	405,760
Total Liabilities	580,461	556,407	407,440
Deferred Inflows of Resources:			
Unavailable revenue	237,836	189,127	43,041
Fund Balance - Restricted	78,125	339,695	25,434
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 896,422	\$ 1,085,229	\$ 475,915

MT. LEBANON, PENNSYLVANIA

STORM WATER FUND COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2013
(Comparative Actual for Years Ended December 31, 2012 and 2011)

	2013		2012	2011
	Final Budget	Actual		
Revenues:				
Licenses, permits, and fees	\$ 1,292,340	\$ 1,392,664	\$ 1,277,624	\$ 442,350
Investment and rental	500	958	241	50
Total revenues	1,292,840	1,393,622	1,277,865	442,400
Expenditures:				
Current - general government	44,340	28,266	42,442	11,312
Current - public works	-	-	-	114,075
Total expenditures	44,340	28,266	42,442	125,387
Excess of Revenues Over Expenditures	1,248,500	1,365,356	1,235,423	317,013
Other Financing Uses:				
Transfer out to Capital Projects Fund	(1,248,500)	(1,341,686)	(763,408)	(170,045)
Transfer out to General Fund	-	(285,240)	(157,754)	(121,534)
Total other financing uses	(1,248,500)	(1,626,926)	(921,162)	(291,579)
Net Change in Fund Balance	\$ -	(261,570)	314,261	25,434
Fund Balance:				
Beginning of year		339,695	25,434	-
End of year		\$ 78,125	\$ 339,695	\$ 25,434

MT. LEBANON, PENNSYLVANIA

MT. LEBANON PUBLIC LIBRARY - LIBRARY OPERATING FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2013, 2012, AND 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assets			
Cash and money market instruments	\$ 476,500	\$ 652,833	\$ 739,716
Receivables - accounts	-	5,072	-
Other assets	<u>11,651</u>	<u>-</u>	<u>10,365</u>
Total Assets	<u>\$ 488,151</u>	<u>\$ 657,905</u>	<u>\$ 750,081</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 78,143	\$ 70,057	\$ 134,450
Due to other funds	<u>139,647</u>	<u>130,091</u>	<u>134,158</u>
Total Liabilities	<u>217,790</u>	<u>200,148</u>	<u>268,608</u>
Fund Balance:			
Restricted	165,415	331,861	348,218
Assigned	<u>104,946</u>	<u>125,896</u>	<u>133,255</u>
Total Fund Balance	<u>270,361</u>	<u>457,757</u>	<u>481,473</u>
Total Liabilities and Fund Balance	<u>\$ 488,151</u>	<u>\$ 657,905</u>	<u>\$ 750,081</u>

MT. LEBANON, PENNSYLVANIA

MT. LEBANON PUBLIC LIBRARY - LIBRARY OPERATING FUND COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2013, 2012, AND 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues:			
Fines, forfeitures, and penalties	\$ 79,631	\$ 71,727	\$ 73,142
Investment and rental	1,087	1,614	2,820
Intergovernmental	439,935	431,588	440,176
Other	<u>178,759</u>	<u>175,038</u>	<u>123,855</u>
Total revenues	<u>699,412</u>	<u>679,967</u>	<u>639,993</u>
Expenditures:			
Human Services:			
Salaries, payroll taxes, and benefits	1,178,731	1,155,924	1,126,897
Collection	689,711	513,897	446,077
General administration	<u>172,076</u>	<u>164,922</u>	<u>175,009</u>
Total expenditures	<u>2,040,518</u>	<u>1,834,743</u>	<u>1,747,983</u>
Deficiency of Revenues Over Expenditures	<u>(1,341,106)</u>	<u>(1,154,776)</u>	<u>(1,107,990)</u>
Other Financing Sources:			
Transfer in from General Fund	<u>1,153,710</u>	<u>1,131,060</u>	<u>1,088,410</u>
Net Change in Fund Balance	(187,396)	(23,716)	(19,580)
Fund Balance:			
Beginning of year	<u>457,757</u>	<u>481,473</u>	<u>501,053</u>
End of year	<u>\$ 270,361</u>	<u>\$ 457,757</u>	<u>\$ 481,473</u>

MT. LEBANON, PENNSYLVANIA

INDUSTRIAL DEVELOPMENT AUTHORITY COMPARATIVE BALANCE SHEET

DECEMBER 31, 2013, 2012, AND 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assets			
Cash and other money market instruments	<u>\$ 13,395</u>	<u>\$ 11,108</u>	<u>\$ 13,518</u>
Liabilities and Fund Balance			
Liabilities:			
Due to other funds	<u>\$ 1,040</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance - Restricted	<u>12,355</u>	<u>11,108</u>	<u>9,858</u>
Total Liabilities and Fund Balance	<u><u>\$ 13,395</u></u>	<u><u>\$ 11,108</u></u>	<u><u>\$ 9,858</u></u>

MT. LEBANON, PENNSYLVANIA

INDUSTRIAL DEVELOPMENT AUTHORITY COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2013, 2012, AND 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues:			
<u>Licenses, permits, and fees</u>	\$ 3,787	\$ 3,750	\$ 3,750
<u>Investment and rental</u>	-	-	5
Total revenues	<u>3,787</u>	<u>3,750</u>	<u>3,755</u>
Expenditures:			
<u>Current - community development</u>	<u>2,540</u>	<u>2,500</u>	<u>3,659</u>
Total expenditures	<u>2,540</u>	<u>2,500</u>	<u>3,659</u>
Net Change in Fund Balance	1,247	1,250	96
Fund Balance:			
<u>Beginning of year</u>	<u>11,108</u>	<u>9,858</u>	<u>9,762</u>
End of year	<u><u>\$ 12,355</u></u>	<u><u>\$ 11,108</u></u>	<u><u>\$ 9,858</u></u>

MT. LEBANON, PENNSYLVANIA

CAPITAL ASSESSMENT FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2013, 2012, AND 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<hr/> Assets <hr/>			
Cash and other money market instruments	<u>\$ 118,879</u>	<u>\$ 196,442</u>	<u>\$ 169,970</u>
<hr/> Liabilities and Fund Balance <hr/>			
Liabilities:			
Accounts payable	\$ 332	\$ -	\$ -
Advance deposits	118,135	152,805	169,558
Due to other funds	<u>-</u>	<u>43,225</u>	<u>-</u>
Total Liabilities	<u>118,467</u>	<u>196,030</u>	<u>169,558</u>
Fund Balance - Restricted	<u>412</u>	<u>412</u>	<u>412</u>
Total Liabilities and Fund Balance	<u><u>\$ 118,879</u></u>	<u><u>\$ 196,442</u></u>	<u><u>\$ 169,970</u></u>

MT. LEBANON, PENNSYLVANIA

CAPITAL ASSESSMENT FUND COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2013, 2012, AND 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues:			
Investment and rental	\$ -	\$ -	\$ 92
Other	11,235	44,880	4,530
Total revenues	<u>11,235</u>	<u>44,880</u>	<u>4,622</u>
Expenditures:			
Capital outlay	11,235	44,880	4,530
Total expenditures	<u>11,235</u>	<u>44,880</u>	<u>4,530</u>
Net Change in Fund Balance	-	-	92
Fund Balance:			
Beginning of year	412	412	320
End of year	<u>\$ 412</u>	<u>\$ 412</u>	<u>\$ 412</u>

MT. LEBANON, PENNSYLVANIA

DEBT SERVICE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2013, 2012, AND 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>			
Cash and other money market instruments	<u>\$ -</u>	<u>\$ 5,836</u>	<u>\$ 2,287</u>
<u>Liabilities and Fund Balance</u>			
Liabilities	\$ -	\$ -	\$ -
Fund Balance - Restricted	<u>-</u>	<u>5,836</u>	<u>2,287</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 5,836</u>	<u>\$ 2,287</u>

MT. LEBANON, PENNSYLVANIA

DEBT SERVICE FUND COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2013, 2012, AND 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues	\$ -	\$ -	\$ -
Expenditures:			
Debt service:			
Principal	1,733,289	1,715,934	1,600,000
Interest	593,471	562,453	674,977
Bond issuance cost	-	55,168	47,872
Total expenditures	<u>2,326,760</u>	<u>2,333,555</u>	<u>2,322,849</u>
Deficiency of Revenues Over Expenditures	<u>(2,326,760)</u>	<u>(2,333,555)</u>	<u>(2,322,849)</u>
Other Financing Sources (Uses):			
Transfers in from General Fund	2,275,351	2,237,007	2,201,616
Transfers in from Sewage Fund	45,573	39,264	66,657
Proceeds from issuance of refunding bonds	-	3,355,000	4,005,000
Bond issue premium (discount)	-	(16,812)	2,134
Refunding requirement - redeemed bonds	-	-	-
Payments to refunded bond escrow agent	-	(3,277,355)	(3,956,975)
Total other financing sources (uses)	<u>2,320,924</u>	<u>2,337,104</u>	<u>2,318,432</u>
Net Change in Fund Balance	(5,836)	3,549	(4,417)
Fund Balance:			
Beginning of year	<u>5,836</u>	<u>2,287</u>	<u>6,704</u>
End of year	<u>\$ -</u>	<u>\$ 5,836</u>	<u>\$ 2,287</u>

PARKING FUND

The *Parking Fund* is used to account for the operations of the Municipality's parking facilities.

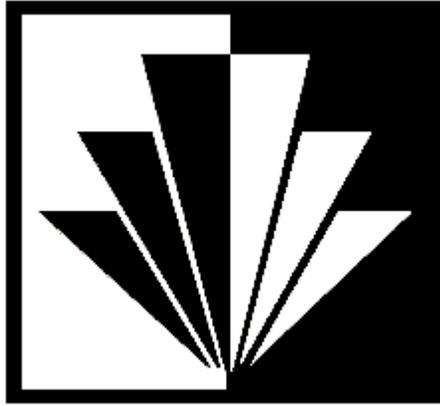
MT. LEBANON, PENNSYLVANIA

PARKING FUND

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BY FACILITY

YEAR ENDED DECEMBER 31, 2013

	North Garage	South Garage	Meter	Lot	Properties	General	Total
Operating Revenues:							
Vehicle space rental	\$ 370,828	\$ 458,811	\$ -	\$ 209,240	\$ -	\$ -	\$ 1,038,879
Meter collections	-	-	341,884	158,430	-	-	500,314
Fine collections	-	-	288,333	-	-	-	288,333
Rental	158,738	-	-	-	12,500	-	171,238
Other	35	-	13,171	-	-	32	13,238
Total operating revenues	529,601	458,811	643,388	367,670	12,500	32	2,012,002
Operating Expenses:							
Personnel	177,075	183,589	138,748	97,967	17,984	32,503	647,866
Contracted services	264,522	363,392	92,861	2,799	1,745	24,004	749,323
Utilities	26,531	18,674	624	5,002	3,288	7,960	62,079
Materials and supplies	13,443	17,453	4,101	13,052	2,579	11,463	62,091
Depreciation	193,999	99,999	29,001	48,000	8,000	-	378,999
Total operating expenses	675,570	683,107	265,335	166,820	33,596	75,930	1,900,358
Operating Income	(145,969)	(224,296)	378,053	200,850	(21,096)	(75,898)	111,644
Nonoperating Revenues (Expenses):							
Interest income	-	-	-	-	-	944	944
Interest expense	-	-	-	-	-	(85,185)	(85,185)
Gain (loss) on sale of property	-	-	-	-	-	681	681
Total nonoperating revenues (expenses)	-	-	-	-	-	(83,560)	(83,560)
Income (loss) before transfers	(145,969)	(224,296)	378,053	200,850	(21,096)	(159,458)	28,084
Transfers out	-	-	-	-	-	(157,376)	(157,376)
Change in Net Position	<u>\$ (145,969)</u>	<u>\$ (224,296)</u>	<u>\$ 378,053</u>	<u>\$ 200,850</u>	<u>\$ (21,096)</u>	<u>\$ (316,834)</u>	<u>\$ (129,292)</u>



CAPITAL
ASSETS

MT. LEBANON, PENNSYLVANIA

COMPARATIVE STATEMENT OF GOVERNMENTAL CAPITAL ASSETS - BY SOURCE

DECEMBER 31, 2013, 2012, AND 2011

	2013	2012	2011
Capital Assets:			
Land	\$ 7,266,047	\$ 7,027,371	\$ 7,027,371
Construction in progress	1,315,854	1,854,984	-
Buildings and improvements other than buildings	35,573,614	34,046,224	33,536,686
Infrastructure	74,476,981	69,675,944	65,986,271
Library book collection	2,657,044	2,705,823	2,847,652
Equipment	14,019,353	13,613,100	11,441,353
	\$ 135,308,893	\$ 128,923,446	\$ 120,839,333
Investments in Capital Assets By Source:			
Governmental funds	\$ 87,700,328	\$ 83,101,448	\$ 77,579,796
General Obligation Bonds	41,872,491	40,647,572	38,792,638
Gifts, grants, and other resources	5,736,074	5,174,426	4,466,899
	\$ 135,308,893	\$ 128,923,446	\$ 120,839,333

MT. LEBANON, PENNSYLVANIA

SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS - BY SOURCE

YEAR ENDED DECEMBER 31, 2013

	Land	Construction in Progress	Buildings and Improvements Other Than Buildings	Infrastructure	Library Book Collection	Equipment	Total
Capital Assets, Beginning of Year	\$ 7,027,371	\$ 1,854,984	\$ 34,046,224	\$ 69,675,944	\$ 2,705,823	\$ 13,613,100	\$ 128,923,446
Expenditures from:							
General Fund	238,676	122,574	-	1,770,642	-	590,860	2,722,752
General Obligation Bonds	-	631,632	1,527,390	-	-	920,881	3,079,903
Special Revenue and Capital Projects Funds	-	-	-	3,030,395	364,616	-	3,395,011
Grants	-	561,648	-	-	-	-	561,648
Miscellaneous	-	-	-	-	-	-	-
Less capital asset disposals	-	(1,854,984)	-	-	(413,395)	(1,105,488)	(3,373,867)
Capital Assets, End of Year	<u>\$ 7,266,047</u>	<u>\$ 1,315,854</u>	<u>\$ 35,573,614</u>	<u>\$ 74,476,981</u>	<u>\$ 2,657,044</u>	<u>\$ 14,019,353</u>	<u>\$ 135,308,893</u>

MT. LEBANON, PENNSYLVANIA

SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY

DECEMBER 31, 2013

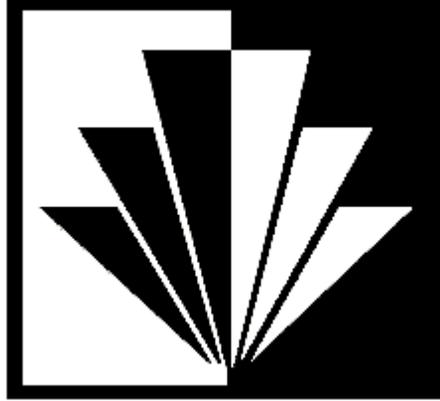
	Land	Construction in Progress	Buildings and Improvements other than Buildings	Infrastructure	Library Book Collection	Equipment	Total
Administration:							
General	\$ 94,563	\$ -	\$ 7,754,326	\$ -	\$ -	\$ 607,246	\$ 8,456,135
Parks and Recreation:							
General	-	-	-	-	-	115,151	115,151
Facilities	6,687,739	739,238	11,773,899	-	-	180,178	19,381,054
Vehicles and special purpose equipment	-	-	-	-	-	256,549	256,549
Total parks and recreation	6,687,739	739,238	11,773,899	-	-	551,878	19,752,754
Public Works:							
General	48,750	576,616	1,576,587	-	-	1,149,630	3,351,583
Infrastructure	-	-	-	74,476,981	-	-	74,476,981
Traffic installations	-	-	-	-	-	2,476,813	2,476,813
Vehicles and special purpose equipment	-	-	-	-	-	3,241,220	3,241,220
Total public works	48,750	576,616	1,576,587	74,476,981	-	6,867,663	83,546,597
Fire Department:							
General	-	-	-	-	-	873,896	873,896
Communications	-	-	-	-	-	404,622	404,622
Vehicles and apparatus	-	-	-	-	-	2,899,099	2,899,099
Total fire department	-	-	-	-	-	4,177,617	4,177,617
Police Department:							
General	-	-	-	-	-	604,392	604,392
Communications	-	-	-	-	-	252,510	252,510
Vehicles	-	-	-	-	-	879,960	879,960
Total police department	-	-	-	-	-	1,736,862	1,736,862
Public Safety:							
General	370,479	-	-	-	-	-	370,479
Facilities	-	-	9,763,664	-	-	-	9,763,664
Total public safety	370,479	-	9,763,664	-	-	-	10,134,143
Public Library:							
General	64,516	-	4,705,138	-	2,657,044	78,087	7,504,785
Total capital assets	<u>\$ 7,266,047</u>	<u>\$ 1,315,854</u>	<u>\$ 35,573,614</u>	<u>\$ 74,476,981</u>	<u>\$ 2,657,044</u>	<u>\$ 14,019,353</u>	<u>\$ 135,308,893</u>

MT. LEBANON, PENNSYLVANIA

SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY

YEAR ENDED DECEMBER 31, 2013

	January 1, 2013	Additions	Dispositions	December 31, 2013
Administration:				
General	\$ 8,354,565	\$ 101,570	\$ -	\$ 8,456,135
Parks and Recreation:				
General	91,207	23,944	-	115,151
Facilities	17,218,648	2,162,406	-	19,381,054
Vehicles and special purpose equipment	283,047	-	(26,498)	256,549
Total parks and recreation	17,592,902	2,186,350	(26,498)	19,752,754
Public Works:				
General	4,141,310	1,476,466	(2,266,193)	3,351,583
Infrastructure	69,675,944	4,801,037	-	74,476,981
Traffic installations	2,409,783	67,030	-	2,476,813
Vehicles and special purpose equipment	2,958,516	282,704	-	3,241,220
Total public works	79,185,553	6,627,237	(2,266,193)	83,546,597
Fire Department:				
General	873,896	-	-	873,896
Communications	404,622	-	-	404,622
Vehicles and apparatus	3,436,509	-	(537,410)	2,899,099
Total fire department	4,715,027	-	(537,410)	4,177,617
Police Department:				
General	604,392	-	-	604,392
Communications	226,179	26,331	-	252,510
Vehicles	900,019	110,312	(130,371)	879,960
Total police department	1,730,590	136,643	(130,371)	1,736,862
Public Safety:				
General	370,479	-	-	370,479
Facilities	9,420,766	342,898	-	9,763,664
Total public safety	9,791,245	342,898	-	10,134,143
Public Library:				
General	7,553,564	364,616	(413,395)	7,504,785
Total capital assets	\$ 128,923,446	\$ 9,759,314	\$ (3,373,867)	\$ 135,308,893



STATISTICAL

SECTION

Statistical Section

This section of the Mt. Lebanon Municipality's (Municipality) 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.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends the Municipality's financial performance and well-being have changed over time.	128
Revenue Capacity These schedules contain information to help the reader assess the Municipality's most significant local revenue sources, the property tax, and the earned income tax.	136
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.	143
Demographic and Economic information These schedules offer economic and demographic indicators to help the reader understand the environment within which the Municipality's financial activities take place.	146
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Municipality's financial report relates to the services the Municipality provides and the activities it performs.	150

MT. LEBANON, PENNSYLVANIA

NET POSITION BY COMPONENT LAST TEN YEARS ACCRUAL BASIS OF ACCOUNTING

	2013	2012	2011	2010
Governmental Activities:				
Net investment in capital assets	\$ 56,344,296	\$ 51,419,042	\$ 45,610,982	\$ 43,486,228
Restricted	5,557,751	5,137,242	3,706,697	1,886,214
Unrestricted	9,910,428	9,524,959	9,768,583	9,260,315
<i>Total Governmental Activities Net Position</i>	<u>\$ 71,812,475</u>	<u>\$ 66,081,243</u>	<u>\$ 59,086,262</u>	<u>\$ 54,632,757</u>
Business-type Activities(1):				
Net investment in capital assets	\$ 4,647,536	\$ 4,414,824		
Restricted	-	-		
Unrestricted	1,763,124	2,125,128		
<i>Total Business-type Activities Net Position</i>	<u>\$ 6,410,660</u>	<u>\$ 6,539,952</u>		
Primary Government:				
Net investment in capital assets	\$ 60,991,832	\$ 55,833,866	\$ 45,610,982	\$ 43,486,228
Restricted	5,557,751	5,137,242	3,706,697	1,886,214
Unrestricted	11,673,552	11,650,087	9,768,583	9,260,315
<i>Total Primary Government Net Position</i>	<u>\$ 78,223,135</u>	<u>\$ 72,621,195</u>	<u>\$ 59,086,262</u>	<u>\$ 54,632,757</u>

(1)The Parking Fund (the business-type activity) was established January 1, 2012 upon the consolidation of the Mt. Lebanon Parking Authority, a component unit of Mt. Lebanon.

2009	2008	2007	2006	2005	2004
\$ 40,420,398	\$ 38,409,234	\$ 40,206,758	\$ 36,311,527	\$ 32,631,017	\$ 30,084,719
2,416,783	2,039,548	1,473,434	65,944	160,812	63,316
10,192,922	8,642,802	4,654,851	4,982,062	4,559,845	2,765,170
<u>\$ 53,030,103</u>	<u>\$ 49,091,584</u>	<u>\$ 46,335,043</u>	<u>\$ 41,359,533</u>	<u>\$ 37,351,674</u>	<u>\$ 32,913,205</u>

\$ 40,420,398	\$ 38,409,234	\$ 40,206,758	\$ 36,311,527	\$ 32,631,017	\$ 30,084,719
2,416,783	2,039,548	1,473,434	65,944	160,812	63,316
10,192,922	8,642,802	4,654,851	4,982,062	4,559,845	2,765,170
<u>\$ 53,030,103</u>	<u>\$ 49,091,584</u>	<u>\$ 46,335,043</u>	<u>\$ 41,359,533</u>	<u>\$ 37,351,674</u>	<u>\$ 32,913,205</u>

MT. LEBANON, PENNSYLVANIA

CHANGES IN NET POSITION LAST TEN YEARS ACCRUAL BASIS OF ACCOUNTING

	2013	2012	2011	2010
Program Revenues:				
Governmental Activities:				
Charges for Services:				
General government	\$ 1,839,277	\$ 1,803,067	\$ 1,975,477	\$ 1,786,643
Community development (1)	161,723	907,386	322,617	207,081
Public works	9,144,178	9,237,588	8,121,466	7,710,088
Human services (1)	99,676	87,739	87,622	87,967
Cultural and recreation	2,689,655	2,702,628	2,593,396	2,504,662
Public safety	797,843	762,864	911,304	758,209
Operating grants and contributions	2,259,523	2,185,900	2,895,636	2,346,591
Capital grants and contributions	618,683	524,105	466,102	10,623
<i>Total governmental activities program revenues</i>	17,610,558	18,211,277	17,373,620	15,411,864
Business-type Activities - Parking (2)	2,012,002	2,068,078	N/A	N/A
<i>Total primary government program revenues</i>	<u>\$ 19,622,560</u>	<u>\$ 20,279,355</u>	<u>\$ 17,373,620</u>	<u>\$ 15,411,864</u>
Expenses:				
Governmental Activities:				
General government	\$ 4,639,338	\$ 4,162,671	\$ 4,366,065	\$ 4,363,644
Community development (1)	1,250,835	1,271,773	1,173,350	1,420,654
Public works	13,508,481	12,563,776	12,712,559	12,535,375
Human services (1)	2,357,084	2,042,601	2,100,622	2,068,627
Cultural and recreation	3,531,847	3,166,703	3,138,336	3,107,956
Public safety	11,923,138	11,808,211	11,426,122	11,198,737
Interest on long-term debt	549,138	883,776	979,150	1,155,273
<i>Total governmental activities expenses</i>	37,759,861	35,899,511	35,896,204	35,850,266
Business-type Activities - Parking	1,985,543	1,488,626	N/A	N/A
<i>Total primary government expenses</i>	<u>\$ 39,745,404</u>	<u>\$ 37,388,137</u>	<u>\$ 35,896,204</u>	<u>\$ 35,850,266</u>
General Revenues and Other Changes in Net Position:				
Governmental Activities:				
Taxes:				
Real estate	\$ 12,000,641	\$ 11,487,806	\$ 10,237,545	\$ 10,321,729
Earned income	10,898,054	10,368,678	10,379,339	9,480,804
Other	2,802,247	2,675,778	2,337,136	2,208,037
Other - interest and transfer	179,593	150,953	22,069	30,486
<i>Total governmental activities</i>	25,880,535	24,683,215	22,976,089	22,041,056
Business-type Activities - Parking	(155,751)	(132,460)	N/A	N/A
<i>Total primary government</i>	<u>\$ 25,724,784</u>	<u>\$ 24,550,755</u>	<u>\$ 22,976,089</u>	<u>\$ 22,041,056</u>
Change in Net Position				
<i>Governmental Activities</i>	\$ 5,731,232	\$ 6,994,981	\$ 4,453,505	\$ 1,602,654
<i>Business-type Activities</i>	(129,292)	446,992	N/A	N/A
<i>Total primary government</i>	<u>\$ 5,601,940</u>	<u>\$ 7,441,973</u>	<u>\$ 4,453,505</u>	<u>\$ 1,602,654</u>

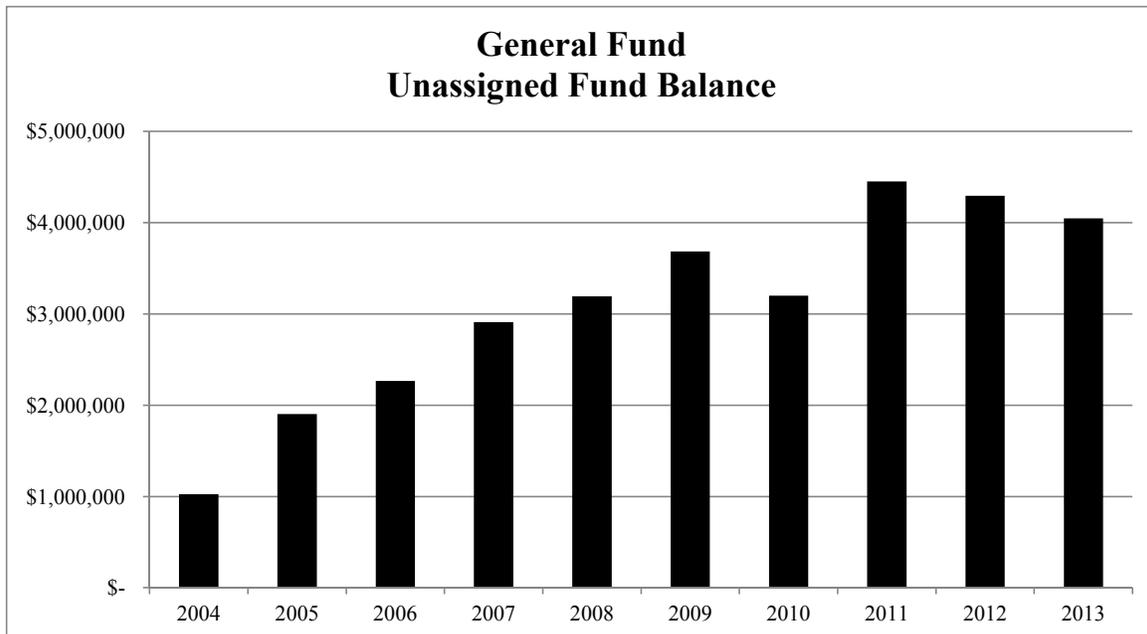
(1) Beginning in 2005, the Statement of Activities was expanded to separate Community Development from the public works department. In addition, the Mt. Lebanon Public Library is now presented as Human Services as opposed to Cultural and Recreation in prior years.

(2) The Parking Fund (the business-type activity) was established January 1, 2012 upon the consolidation of the Mt. Lebanon Parking Authority, a component unit of Mt. Lebanon. N/A=Not Applicable.

	2009	2008	2007	2006	2005 ⁽¹⁾	2004
\$	1,588,181	\$ 1,587,119	\$ 1,773,692	\$ 1,338,748	\$ 1,672,867	\$ 1,648,138
	190,474	199,404	249,740	299,507	207,964	-
	7,507,547	7,293,563	6,622,455	5,577,061	5,240,091	3,995,086
	87,888	98,512	79,085	187,900	177,450	-
	2,364,306	2,469,587	2,300,003	2,191,857	2,152,469	2,448,245
	791,624	812,740	754,612	696,991	690,407	603,339
	2,451,100	2,851,462	2,551,968	2,207,553	3,086,680	3,559,980
	189,898	2,000	55,896	215,163	698,655	230,000
	15,171,018	15,314,387	14,387,451	12,714,780	13,926,583	12,484,788
	N/A	N/A	N/A	N/A	N/A	N/A
\$	15,171,018	\$ 15,314,387	\$ 14,387,451	\$ 12,714,780	\$ 13,926,583	\$ 12,484,788
\$	4,346,163	\$ 4,514,541	\$ 4,206,010	\$ 4,324,716	\$ 4,001,448	\$ 3,873,709
	1,385,896	1,094,891	1,139,480	1,070,661	1,066,987	-
	12,176,862	12,978,019	10,175,090	9,414,900	9,348,044	10,462,866
	1,549,236	1,868,807	2,513,067	1,840,308	1,862,710	144,341
	3,126,652	3,224,297	2,789,403	2,915,020	2,925,842	4,845,247
	10,211,525	10,100,502	10,251,807	10,800,509	10,248,651	10,474,537
	884,310	1,153,614	1,092,488	1,023,774	980,043	1,029,339
	33,680,644	34,934,671	32,167,345	31,389,888	30,433,724	30,830,039
	N/A	N/A	N/A	N/A	N/A	N/A
\$	33,680,644	\$ 34,934,671	\$ 32,167,345	\$ 31,389,888	\$ 30,433,724	\$ 30,830,039
\$	10,588,689	\$ 10,689,657	\$ 10,521,694	\$ 10,602,887	\$ 9,596,108	\$ 8,873,324
	9,289,151	9,285,601	9,255,893	9,031,811	8,527,382	7,800,541
	2,503,625	2,246,050	2,595,734	2,775,047	2,687,368	2,089,887
	66,680	155,517	382,084	273,222	134,752	116,712
	22,448,145	22,376,825	22,755,405	22,682,967	20,945,610	18,880,464
	N/A	N/A	N/A	N/A	N/A	N/A
\$	22,448,145	\$ 22,376,825	\$ 22,755,405	\$ 22,682,967	\$ 20,945,610	\$ 18,880,464
\$	3,938,519	\$ 2,756,541	\$ 4,975,511	\$ 4,007,859	\$ 4,438,469	\$ 535,213
	N/A	N/A	N/A	N/A	N/A	N/A
\$	3,938,519	\$ 2,756,541	\$ 4,975,511	\$ 4,007,859	\$ 4,438,469	\$ 535,213

MT. LEBANON, PENNSYLVANIA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:				
Nonspendable	\$ 285,567	\$ -	\$ 3,376,398	\$ 3,927,654
Restricted	-	-	462,248	-
Assigned	1,074,840	1,354,100	2,565,198	3,566,620
Unassigned	<u>4,045,633</u>	<u>4,294,814</u>	<u>4,452,027</u>	<u>3,197,820</u>
<i>Total General Fund</i>	<u>5,406,040</u>	<u>5,648,914</u>	<u>10,855,871</u>	<u>10,692,094</u>
All Other Governmental Funds:				
Restricted	9,031,519	5,374,934	3,188,649	2,014,824
Assigned	1,653,844	1,132,814	343,381	257,103
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total All Other Governmental Funds</i>	<u>10,685,363</u>	<u>6,507,748</u>	<u>3,532,030</u>	<u>2,271,927</u>
<i>Total Governmental Funds</i>	<u>\$ 16,091,403</u>	<u>\$ 12,156,662</u>	<u>\$ 14,387,901</u>	<u>\$ 12,964,021</u>



<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 760,177	\$ 833,683	\$ 1,278,541	\$ 982,668	\$ 1,098,374	\$ 800,000
-	-	-	-	-	-
3,321,590	2,322,442	986,197	898,337	683,895	373,012
<u>3,685,251</u>	<u>3,192,021</u>	<u>2,908,480</u>	<u>2,265,168</u>	<u>1,901,998</u>	<u>1,024,575</u>
<u>7,767,018</u>	<u>6,348,146</u>	<u>5,173,218</u>	<u>4,146,173</u>	<u>3,684,267</u>	<u>2,197,587</u>
2,680,004	2,119,895	2,515,749	453,602	410,340	1,480,629
219,099	191,364	218,070	167,801	142,252	280,257
-	-	-	(536,209)	(269,513)	-
<u>2,899,103</u>	<u>2,311,259</u>	<u>2,733,819</u>	<u>85,194</u>	<u>283,079</u>	<u>1,760,886</u>
<u>\$ 10,666,121</u>	<u>\$ 8,659,405</u>	<u>\$ 7,907,037</u>	<u>\$ 4,231,367</u>	<u>\$ 3,967,346</u>	<u>\$ 3,958,473</u>

The fund balances presented on these pages have been restated to reflect the implementation of GASB Statement No. 54. The Statement categorizes fund balance to the extent to which an entity is bound to observe the constraints imposed upon the use of resources.

MT. LEBANON, PENNSYLVANIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN YEARS MODIFIED ACCRUAL BASIS OF ACCOUNTING

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues:				
Real estate taxes	\$ 11,979,183	\$ 11,469,800	\$ 10,283,677	\$ 10,416,061
Earned income taxes	11,130,541	10,010,482	9,971,469	9,573,712
Other taxes	2,802,247	2,675,778	2,337,136	2,208,037
Licenses, permits, and fees	9,758,025	10,375,517	8,942,899	8,457,210
Fines, forfeitures, and penalties	215,515	225,963	350,189	252,090
Investment and rental	22,217	18,493	22,069	30,486
Intergovernmental	2,682,434	2,600,691	2,686,875	2,190,883
Recreation	2,689,655	2,702,660	2,593,396	2,503,655
Other	2,041,448	2,024,394	2,647,424	2,073,437
<i>Total Revenues</i>	<u>43,321,265</u>	<u>42,103,778</u>	<u>39,835,134</u>	<u>37,705,571</u>
Expenditures:				
Current:				
General government	4,481,903	4,243,332	4,179,993	4,211,385
Community development (1)	1,248,215	1,304,166	1,171,802	1,416,190
Public works	11,638,646	10,964,273	10,880,124	10,882,297
Human services (1)	2,405,214	2,157,411	2,052,173	1,922,333
Cultural and recreation	2,589,342	2,703,630	2,681,818	2,652,466
Public Safety: (1)				
Police	7,449,755	7,394,093	6,938,646	6,886,361
Fire	3,256,265	3,187,886	3,237,997	3,089,120
Other	812,528	799,852	811,966	838,079
Debt service:				
Principal Retirement	1,733,289	1,715,934	1,600,000	1,675,000
Interest and Fiscal Charges	648,349	666,602	722,849	1,019,331
Capital Outlay	7,872,576	8,096,543	4,184,045	4,158,450
<i>Total Expenditures</i>	<u>44,136,082</u>	<u>43,233,722</u>	<u>38,461,413</u>	<u>38,751,012</u>
<i>Excess (Deficiency) of Revenues Over Expenditures</i>	<u>(814,817)</u>	<u>(1,129,944)</u>	<u>1,373,721</u>	<u>(1,045,441)</u>
Other Financing Sources (Uses):				
Proceeds from capital lease	-	-	-	-
Transfers in	10,261,960	8,883,458	7,500,249	7,549,265
Transfers out	(10,104,584)	(8,750,998)	(7,500,249)	(7,549,265)
Debt transfer to Parking Fund	-	(3,804,446)	-	-
Debt proceeds	4,450,000	2,500,000	-	3,230,000
Bond issuance premium (discount)	142,182	(16,812)	2,134	(90,662)
Proceeds of refunding bonds	-	3,355,000	4,005,000	12,390,000
Payment to refunded bond escrow agent	-	(3,277,355)	(3,956,975)	(12,185,997)
<i>Total Other Financing Sources (Uses)</i>	<u>4,749,558</u>	<u>(1,111,153)</u>	<u>50,159</u>	<u>3,343,341</u>
<i>Net Change in Fund Balances</i>	<u>\$ 3,934,741</u>	<u>\$ (2,241,097)</u>	<u>\$ 1,423,880</u>	<u>\$ 2,297,900</u>
Debt service as a percentage of non-capital expenditures	7.0%	6.9%	6.8%	7.9%
Debt service as a percentage of total expenditures	5.4%	5.5%	6.0%	7.0%

	2009	2008	2007	2006	2005 ⁽¹⁾	2004
\$	10,718,049	\$ 10,927,228	\$ 10,310,973	\$ 10,125,319	\$ 9,598,929	\$ 8,948,237
	9,539,489	9,523,172	9,045,173	8,554,243	8,530,202	7,875,453
	2,503,625	2,246,050	2,595,734	2,775,047	2,687,368	2,089,887
	7,875,213	7,684,172	7,305,461	6,169,996	5,602,051	4,514,824
	208,202	219,284	211,187	210,699	215,769	214,709
	66,680	155,517	382,084	273,221	148,765	116,712
	2,465,350	2,633,772	2,183,312	2,348,348	3,779,978	3,789,980
	2,364,866	2,472,389	2,276,608	2,185,704	2,152,470	2,196,264
	2,083,078	2,239,726	2,224,501	1,891,678	2,121,342	1,769,011
	<u>37,824,552</u>	<u>38,101,310</u>	<u>36,535,033</u>	<u>34,534,255</u>	<u>34,836,874</u>	<u>31,515,077</u>
	4,215,509	4,347,415	4,060,121	4,212,875	3,842,537	3,882,931
	1,387,573	1,090,855	1,137,553	1,063,119	1,064,942	-
	10,581,107	9,907,286	9,191,502	8,886,762	8,435,665	9,372,829
	2,014,890	2,008,130	1,908,405	1,759,675	1,684,237	144,341
	2,594,450	2,682,775	2,675,650	2,752,391	2,769,814	4,283,257
						9,865,594
	6,155,522	6,168,890	5,906,556	5,681,724	5,118,651	-
	2,884,982	2,651,522	2,829,304	2,672,628	2,477,421	-
	805,934	852,031	1,103,070	1,383,572	2,210,253	-
	1,640,000	1,655,000	1,415,000	1,360,000	1,310,000	1,280,000
	940,969	960,122	1,085,584	999,695	981,693	961,642
	4,714,670	5,148,294	5,416,788	5,378,577	4,932,787	9,985,650
	<u>37,935,606</u>	<u>37,472,320</u>	<u>36,729,533</u>	<u>36,151,018</u>	<u>34,828,000</u>	<u>39,776,244</u>
	<u>(111,054)</u>	<u>628,990</u>	<u>(194,500)</u>	<u>(1,616,763)</u>	<u>8,874</u>	<u>(8,261,167)</u>
	-	-	25,170	80,784	-	-
	6,355,749	7,277,723	7,019,003	6,527,025	7,287,802	5,024,787
	(6,355,749)	(7,277,723)	(7,019,003)	(6,527,025)	(7,287,802)	(5,024,787)
	-	-	-	-	-	-
	2,115,000	-	3,845,000	1,800,000	-	7,200,000
	2,770	-	-	-	-	-
	-	9,365,000	-	-	-	-
	-	(9,241,622)	-	-	-	-
	<u>2,117,770</u>	<u>123,378</u>	<u>3,845,000</u>	<u>1,800,000</u>	<u>-</u>	<u>7,200,000</u>
\$	<u>2,006,716</u>	<u>\$ 752,368</u>	<u>\$ 3,650,500</u>	<u>\$ 183,237</u>	<u>\$ 8,874</u>	<u>\$ (1,061,167)</u>
	7.9%	8.2%	8.1%	8.0%	7.8%	7.6%
	6.8%	7.0%	6.8%	6.5%	6.6%	5.6%

(1) Beginning in 2005, the Statement of Activities was expanded to separate Community Development from the public works department and public safety was categorized into operational areas - police, fire and other. The other category includes crossing guards and animal control services. In addition, the Mt. Lebanon Public Library is presented as Human Services as opposed to Cultural and Recreation in prior years.

MT. LEBANON, PENNSYLVANIA
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN YEARS
ACCRUAL BASIS OF ACCOUNTING

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Function/Program:				
Governmental Activities:				
General government	\$ 2,586,857	\$ 2,462,664	\$ 3,053,652	\$ 2,439,933
Community development (1)	161,723	907,386	322,617	215,581
Public works	10,412,532	9,978,270	9,322,913	8,318,271
Human services (1)	698,325	678,353	637,173	742,410
Cultural and recreation	2,699,979	2,713,369	2,608,629	2,517,961
Public safety: (1)				
Police	284,326	296,239	341,428	334,260
Fire	276,188	681,504	621,573	365,436
Other	490,628	493,492	465,735	478,012
<i>Total Governmental Activities</i>	<u>17,610,558</u>	<u>18,211,277</u>	<u>17,373,720</u>	<u>15,411,864</u>
Business-type Activity - Parking (2)	<u>2,012,002</u>	<u>2,068,078</u>	N/A	N/A
<i>Total Primary Government</i>	<u><u>\$ 19,622,560</u></u>	<u><u>\$ 20,279,355</u></u>	<u><u>\$ 17,373,720</u></u>	<u><u>\$ 15,411,864</u></u>

(1) Beginning in 2005, the Statement of Activities was expanded to separate Community Development from the public works department and public safety was categorized into operational areas - police, fire and other. The other category includes crossing guards and animal control services. In addition, the Mt. Lebanon Public Library is presented as Human Services as opposed to Cultural and Recreation in prior years.

(2) The Parking Fund (the business-type activity) was established January 1, 2012 upon the consolidation of the Mt. Lebanon Parking Authority, a component unit of Mt. Lebanon. N/A=Not Applicable

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	2,194,491	\$ 2,213,405	\$ 2,436,293	\$ 1,953,568	\$ 2,326,441	\$ 2,358,756
	207,974	541,213	249,740	316,071	225,589	-
	8,413,053	7,992,065	7,394,481	6,226,166	5,826,858	4,624,933
	841,525	927,370	922,159	767,042	747,887	-
	2,371,459	2,483,817	2,315,003	2,286,225	2,502,469	2,926,168
	354,058	476,137	310,316	374,873	938,258	2,574,931
	337,904	240,664	343,838	284,754	422,098	-
	450,554	439,716	415,621	506,081	936,983	-
	<u>15,171,018</u>	<u>15,314,387</u>	<u>14,387,451</u>	<u>12,714,780</u>	<u>13,926,583</u>	<u>12,484,788</u>
	N/A	N/A	N/A	N/A	N/A	N/A
\$	<u><u>15,171,018</u></u>	<u><u>15,314,387</u></u>	<u><u>14,387,451</u></u>	<u><u>12,714,780</u></u>	<u><u>13,926,583</u></u>	<u><u>12,484,788</u></u>

MT. LEBANON, PENNSYLVANIA

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS LAST TEN YEARS MODIFIED ACCRUAL BASIS OF ACCOUNTING

Year	Real Estate	Earned Income	Local Services	Real Estate Transfer	Utility	County Sales	Total
2013	\$11,979,183	\$11,130,541	\$441,779	\$1,509,382	\$30,664	\$820,422	\$25,911,971
2012	11,469,800	10,010,482	450,156	1,399,174	30,865	795,583	24,156,060
2011	10,283,677	9,971,469	378,826	1,183,832	31,034	743,444	22,592,282
2010	10,416,061	9,573,712	386,323	1,084,557	31,639	705,518	22,197,810
2009	10,718,049	9,539,489	362,143	1,442,552	30,957	667,973	22,761,163
2008	10,927,228	9,523,172	353,700	1,191,362	28,384	672,604	22,696,450
2007	10,310,973	9,045,173	472,788	1,426,903	31,692	664,351	21,951,880
2006	10,125,319	8,554,243	501,678	1,605,686	33,975	633,708	21,454,609
2005 ⁽¹⁾	9,598,929	8,530,202	484,254	1,569,471	30,510	603,133	20,816,499
2004	8,948,237	7,875,453	97,988	1,374,130	23,504	594,265	18,913,577

(1) Beginning in 2005, occupational privilege tax (OPT) was eliminated and replaced with the emergency and municipal services tax (EMST). Beginning in 2008, EMST was eliminated and replaced with Local Services Tax (LST) .

MT. LEBANON, PENNSYLVANIA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN YEARS

<u>Tax Year</u>	<u>Mills Levied</u>			<u>Total</u>
	<u>Mt. Lebanon</u>	<u>Mt. Lebanon School District</u>	<u>Allegheny County</u>	
2013	4.51	22.61	4.73	31.85
2012	5.43	27.13	5.69	38.25
2011	4.76	26.63	4.69	36.08
2010	4.89	26.63	4.69	36.21
2009	4.89	24.11	4.69	33.69
2008	4.97	23.81	4.69	33.47
2007	4.97	23.56	4.69	33.22
2006	4.79	23.56	4.69	33.04
2005	4.57	23.18	4.69	32.44
2004	4.34	22.76	4.69	31.79

Note: Mill - one one thousandth of a percent. Used to calculate a tax levied on real estate.
(One mill = .001%)

Sources: Mt. Lebanon Comprehensive Annual Financial Reports
Mt. Lebanon School District Comprehensive Annual Financial Reports
Allegheny County Comprehensive Annual Financial Reports

MT. LEBANON, PENNSYLVANIA

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY LAST TEN YEARS

Year	Taxable Real Property	Exempt Real Property	Total	Estimated Actual Values of Real Property	Mt. Lebanon Municipal Millage Rate
2013	\$2,622,540,155	\$469,117,122	\$3,091,657,277	\$3,091,657,277	4.51
2012	2,156,859,685	230,844,340	2,387,704,025	2,387,704,025	5.43
2011	2,164,809,298	225,175,340	2,389,984,638	2,389,984,638	4.76
2010	2,159,216,301	224,767,840	2,383,984,141	2,383,984,141	4.89
2009	2,175,275,286	224,737,840	2,400,013,126	2,400,013,126	4.89
2008	2,171,398,932	213,444,340	2,384,843,272	2,384,843,272	4.97
2007	2,154,641,502	279,749,900	2,434,391,402	2,434,391,402	4.97
2006	2,164,018,756	218,095,440	2,382,114,196	2,382,114,196	4.79
2005	2,171,329,944	219,487,540	2,390,817,484	2,390,817,484	4.57
2004	2,113,921,663	209,979,260	2,323,900,923	2,323,900,923	4.34

NOTES: Allegheny County assessment records do not allow categorization by class, use or ownership.
Mt. Lebanon does not tax personal property.

Sources: Mt. Lebanon Tax Office
Mt. Lebanon Comprehensive Annual Financial Reports

MT. LEBANON, PENNSYLVANIA

PRINCIPAL TAXPAYERS DECEMBER 31, 2013 AND DECEMBER 31, 2004

<u>Taxpayer - Type of Real Property</u>	<u>December 31, 2013</u>			<u>December 31, 2004</u>		
	<u>Estimated Actual Values of Real Property</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Estimated Actual Values of Real Property</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
The Galleria (L&B Southpoint) - <i>Retail Shops</i>	\$31,665,300	1	1.21%	\$16,150,000	2	0.76%
Brookdale Senior Housing (A.H. Pennsylvania) - <i>Senior Housing</i>	19,090,000	2	0.73%	18,560,900	1	0.88%
Bower Hill Development - <i>Co-op Apartments</i>	17,500,000	3	0.67%	11,699,700	3	0.55%
Concordia Luthern - <i>Senior Housing/Health</i>	9,860,260	4	0.38%			
IHP/Bower Hill LLC - <i>Apartments</i>	9,400,000	5	0.36%	6,831,700	4	0.32%
Tithonus Mount Lebanon - <i>Personal Care Facility</i>	8,138,900	6	0.31%			
Virginia Manor Shops - <i>Retail Shops</i>	6,355,400	7	0.24%			
St. Clair Memorial Hospital - <i>Medical Offices</i>	6,026,680	8	0.23%	5,831,220	8	0.28%
Pendale Towers - <i>Apartments</i>	6,000,000	9	0.23%	5,253,000	9	0.25%
900 Washington Road - <i>Co-op Apartments</i>	5,374,700	10	0.20%			
650 Washington Road Associates - <i>Office Building</i>				6,193,900	7	0.29%
Asbury Health - <i>Personal Care Facility</i>				6,652,600	5	0.31%
Asbury Villas - <i>Retirement Community</i>				6,504,850	6	0.31%
Beverly Enterprises - <i>Personal Care Facility</i>				4,756,900	10	0.23%
	<u>\$119,411,240</u>		<u>4.55%</u>	<u>\$88,434,770</u>		<u>4.18%</u>
Total Taxable Assessed Valuation	<u>\$2,622,540,155</u>			<u>\$2,113,921,663</u>		

Source: Mt. Lebanon Tax Office
Mt. Lebanon Comprehensive Annual Financial Reports

MT. LEBANON, PENNSYLVANIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year	Tax Levy as of June 1st Billing	Adjustments to Tax Levy	Total Adjusted Tax Levy as of 12/31/12	Face Value of Current Collections	Percent of Current Tax Collection	Total Delinquent/Liened Collections	Total Collections net of refunds	Total Collection as Percentage of Adjusted Tax (After Refunds)
2013	\$12,232,975	(\$64,805)	12,168,170	\$11,994,251	98.57%	\$0	\$11,863,624	97.50%
2012	11,715,440	(10,601)	11,704,839	11,452,904	97.85%	173,125	11,612,912	99.21%
2011	10,289,825	(26,674)	10,263,151	10,097,309	98.38%	168,325	10,213,407	99.52%
2010	10,646,040	(81,594)	10,564,446	10,311,707	97.61%	225,809	10,524,433	99.62%
2009	10,644,634	(84,441)	10,560,193	10,244,195	97.01%	283,437	10,513,723	99.56%
2008	10,719,929	89,784	10,809,713	10,395,680	96.17%	274,955	10,682,999	98.83%
2007	10,671,034	104,088	10,775,122	10,287,350	95.47%	474,130	10,727,845	99.56%
2006	10,421,757	(93,253)	10,328,504	9,981,728	96.64%	338,027	10,171,051	98.48%
2005	9,804,098	49,820	9,853,918	9,432,072	95.72%	437,204	9,813,779	99.59%
2004	9,265,241	(21,206)	9,244,035	8,902,443	96.30%	332,909	9,198,326	99.51%

Source: Mt. Lebanon Tax Office

MT. LEBANON, PENNSYLVANIA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING LAST TEN YEARS

	Net non- electoral direct debt - governmental activities	Net non- electoral direct debt - business-type activities	Lease rental debt (1)	Total primary government	% of Assessed Valuation	Direct debt per capita	Total primary government debt per capita	Debt per total personal income
2013	\$25,463,226	\$ 2,931,774	\$ -	\$28,395,000	1.08%	\$857	\$857	2.01%
2012	22,746,515	3,543,485	-	26,290,000	1.22%	793	793	1.86%
2011	25,670,000	-	-	25,670,000	1.18%	774	774	1.82%
2010	27,075,000	-	-	27,075,000	1.25%	820	820	2.44%
2009	25,115,000	-	4,362,203	29,477,203	1.36%	761	893	2.65%
2008	24,640,000	-	4,879,069	29,519,069	1.36%	746	894	2.66%
2007	26,045,000	-	5,385,780	31,430,780	1.46%	789	952	2.83%
2006	23,615,000	-	5,882,342	29,497,342	1.36%	715	893	2.65%
2005	23,175,000	-	6,400,000	29,575,000	1.36%	702	896	2.66%
2004	24,485,000	-	6,885,000	31,370,000	1.48%	742	950	2.82%

(1) Represents debt guaranteed for the Mt. Lebanon Parking Authority.

In 2010 all Mt. Lebanon Parking Authority Debt was refunded by Mt. Lebanon General Obligation Bonds. The debt was repaid by the Authority in accordance with notes between the two entities (2010-2011).

MT. LEBANON, PENNSYLVANIA

LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS

	<u>Three year average revenue (borrowing base) (1)</u>	<u>Legal debt limit (2)</u>	<u>Debt applicable to limit</u>	<u>Legal debt margin</u>	<u>Legal debt margin % (3)</u>
2013	\$51,631,429	\$129,078,573	\$28,395,000	\$100,683,573	78.00%
2012	47,932,099	119,830,248	26,290,000	93,540,248	78.06%
2011	42,727,273	106,818,183	25,670,000	81,148,183	75.97%
2010	45,195,768	112,989,420	27,075,000	85,914,420	76.04%
2009	43,502,735	108,756,838	29,477,203	79,279,635	72.90%
2008	40,258,595	100,646,488	29,519,069	71,127,419	70.67%
2007	41,603,126	104,007,815	31,430,780	72,577,035	69.78%
2006	38,302,507	95,756,268	29,497,342	66,258,926	69.20%
2005	37,719,313	94,298,283	29,575,000	64,723,283	68.64%
2004	32,999,558	82,498,895	31,370,000	51,128,895	61.98%

(1) The local Governmental Unit Debt act (Act 52 of 1978), reenacted and amending Act 185 of 1972 prescribes debt limits, net revenues and the calculation of the borrowing base for all local units in Pennsylvania. The "Debt act" is administered by the Pennsylvania Department of Economic Development. Under the Mt. Lebanon Home Rule Charter, any new debt in excess of 25% of the borrowing base must be approved by the electorate.

(2) 250% of borrowing base. Under the Debt Act, the Municipality could use a legal debt limit multiplier of 350%.

(3) Percent of debt limit remaining.

MT. LEBANON, PENNSYLVANIA

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

DECEMBER 31, 2013

<u>Jurisdiction</u>	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to Mt. Lebanon</u>	<u>Amount Applicable to Mt. Lebanon</u>
Direct			
Mt. Lebanon (1)	<u>\$25,463,226</u>	100.0%	<u>\$25,463,226</u>
Overlapping			
Mt. Lebanon School District (2)	132,867,233	100.0%	132,867,233
County of Allegheny (3)	<u>861,312,217</u>	3.5%	<u>30,145,928</u>
<i>Total Overlapping Debt</i>	<u>994,179,450</u>		<u>163,013,161</u>
Total	<u><u>\$1,019,642,676</u></u>		<u><u>\$188,476,387</u></u>

Sources: Municipal Finance Department.

Mt. Lebanon School District CAFR and County of Allegheny Manager's Office

(1) The local Governmental Unit Debt act (Act 52 of 1978), reenacted and amending Act 185 of 1972 prescribes debt limits, net revenues and the calculation of the borrowing base for all local units in Pennsylvania. The "Debt act" is administered by the Pennsylvania Department of Economic Development. Under the Mt. Lebanon Home Rule Charter, any new debt in excess of 25% of the borrowing base must be approved by the electorate.

(2) Mt. Lebanon School District figures are for the year ending June 30, 2013.

(3) Proportion share of Allegheny County's existing debt as of December 31, 2013 based on the ratio of Mt. Lebanon's assessed valuation to Allegheny County's September 10, 2013 assessed valuation.

MT. LEBANON, PENNSYLVANIA

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	December 31, 2013			December 31, 2004		
	Employees	Rank	Percentage of Total Municipality Employment	Employees	Rank	Percentage of Total Municipality Employment
St Clair Hospital	2,173	1	23.1%	1,924	1	19.6%
Mt. Lebanon School District	888	2	9.4%	1061	2	10.8%
Asbury Health Center	452	3	4.8%	278	4	2.8%
Mt Lebanon Municipality	235	4	2.5%	413	3	4.2%
Baptist Homes Nursing	237	5	2.5%	243	5	2.5%
Keystone Oaks SD	171	6	1.8%	223	6	2.3%
Family Hospice	179	7	1.9%	-	-	-
Concordia of South Hills	148	8	1.6%	-	-	-
Devonshire of Mt. Lebanon	147	9	1.6%	-	-	-
Super Value Holding	132	10	1.4%	142	8	1.4%
Giant Eagle	-	-	-	170	7	1.7%
Mt Lebanon Manor	-	-	-	154	9	1.6%
Panera Bread	-	-	-	120	10	1.2%
Total	4,762		50.6%	4,728		48.3%
Total Employees	9,403			9,798		

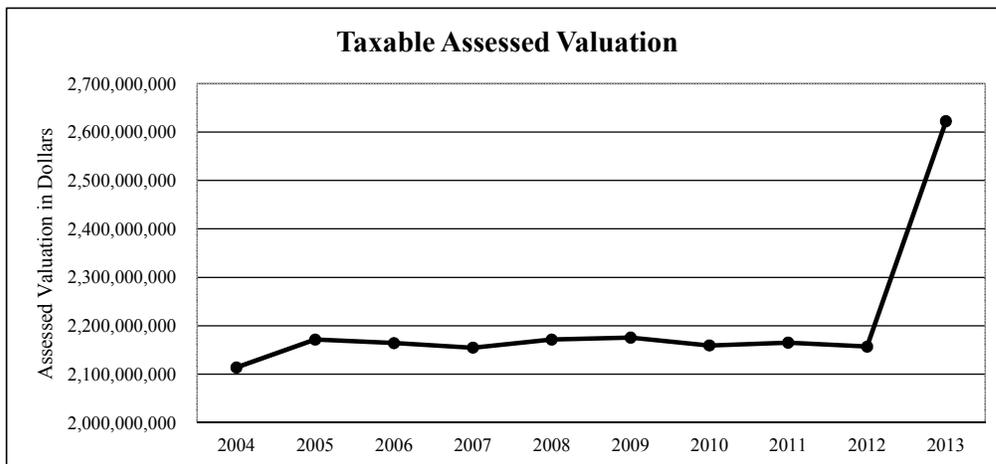
Source: Mt. Lebanon Tax Office

MT. LEBANON, PENNSYLVANIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or higher (1)
2013	33,137	\$ 1,410,189,087	\$ 42,711	\$ 74,003	43.8	64.1 %
2012	33,137	1,410,189,087	42,711	74,003	43.8	64.1 %
2011	33,137	1,410,189,087	42,711	74,003	43.8	64.1 %
2010	33,017	1,111,088,084	33,652	60,783	41.8	61.0 %
2009	33,017	1,111,088,084	33,652	60,783	41.8	61.0 %
2008	33,017	1,111,088,084	33,652	60,783	41.8	61.0 %
2007	33,017	1,111,088,084	33,652	60,783	41.8	61.0 %
2006	33,017	1,111,088,084	33,652	60,783	41.8	61.0 %
2005	33,017	1,111,088,084	33,652	60,783	41.8	61.0 %
2004	33,017	1,111,088,084	33,652	60,783	41.8	61.0 %

(1) Source: 2004-2010, 2000 U. S. Census; 2011-2013, 2010 U. S. Census

(2) 2004-2010 Computation of per capita personal income multiplied by population; 2011-2013, 2010 U. S. Census

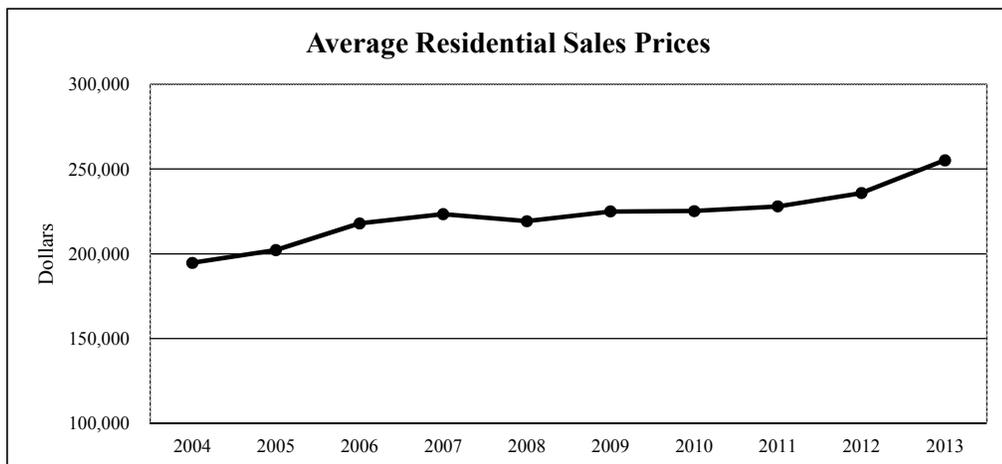


School Enrollment (3)	Unemployment Rate (4)	Average Sales Price of Residential Property (5)	Total Taxable Assessed Property Value (5)
5,218	4.5 %	\$ 255,115	\$ 2,622,540,155
5,268	4.7 %	235,838	2,156,859,685
5,297	4.8 %	228,008	2,164,809,298
5,302	5.3 %	225,237	2,159,216,301
5,294	5.0 %	224,979	2,175,275,286
5,416	3.5 %	219,228	2,171,398,932
5,436	3.0 %	223,377	2,154,641,502
5,454	3.4 %	217,963	2,164,018,756
5,505	3.6 %	202,249	2,171,329,944
5,576	4.1 %	194,654	2,113,921,663

(3) Source: Mt. Lebanon School District

(4) Source: US Dept. of Labor & PA Center for Workforce Information & Analysis

(5) Source: Mt. Lebanon Tax Office



MT. LEBANON, PENNSYLVANIA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/program	2013	2012	2011	2010
General Government: (1)				
Lien letter & tax certification requests	1,165	1,624	1,262	1,346
Community Development:				
Number of permits issued (2)	482	635	682	733
Estimated value of construction ^a (2)	\$15,186,564	\$128,540,359	\$18,645,425	\$36,463,804
Occupancy permits issued (2)	31	45	47	50
Number of Planning Commission agenda items (3)	14	9	18	13
Police: (4)				
Calls for service ^b	27,286	26,162	26,930	28,824
Total arrests	587	643	693	736
Part I Offenses reported (major offenses)	317	274	269	302
Part I Offenses cleared percentage	47%	49%	41%	41%
Part II Offenses reported (other crimes)	549	655	673	737
Part II Offenses cleared percentage	65%	78%	66%	70%
DUI arrests	88	95	117	145
Animal control calls for service	1,691	1,641	1,739	1,555
Fire: (5)				
Calls for service (emergency and non-emergency) ^c	3,884	3,762	3,373	3,440
Responses involving loss	34	24	24	36
Fire loss (per capita)	\$8.88	\$21.40	\$23.72	\$34.15
Structure fires	16	27	22	17
Public Works: (6)				
Roads resurfaced (linear feet)	5,485	1,702	7,609	6,906
Roads reconstructed (linear feet)	3,473	6,625	4,075	0
Sidewalks repaired (linear feet)	7,579	26,636	14,362	29,632
Curb replacement (linear feet)	1,469	1,341	1,442	1,500
Number of trees removed	121	126	250	132
Number of trees planted	192	121	330	248
Number of municipal trees	11,473	11,402	11,407	11,327
Residential curb side recycling tons picked up ^d	2,616	2,227	2,420	2,197
Truckloads of leaves picked-up ^e	1,420	1,309	1,300	1,148
Tons of snow melting salt used	6,060	1,170	6,356	7,461
Closed circuit televising (miles)	20.9	19.6	16.3	7.2
Point repairs	8	51	34	243
Root damage restoration (feet)	37,840	40,000	30,336	48,280
Structural liner corrections (linear feet)	9,670	1,770	4,523	21,983
Recreation: ^f (7)				
Ice Center Attendance	69,576	64,646	69,883	69,782
Pool Attendance	40,054	49,749	54,007	50,008
Number of golf rounds played	23,824	27,619	24,039	26,271
Number of Seasonal Programs	417	410	443	471
Seasonal Program Enrollment	10,100	10,003	10,204	10,627
Seasonal Program Attendance	71,733	65,353	67,959	70,357
Tennis Center Attendance	12,943	15,978	15,827	16,304
Number of Tennis Programs	130	111	126	99
Tennis Program Enrollment	1,215	1,061	1,273	1,067
Platform Tennis Center Attendance	6,505	5,790	5,183	4,818
Library: (8)				
Collection ^g	167,845	154,510	158,437	172,315
Circulation ^g	597,446	529,966	523,517	549,935
Reference questions	62,956	68,145	56,482	66,466
Number of programs	1,438	1,476	1,323	1,240
Program attendance	30,738	29,025	27,785	26,446
Registration	22,111	20,845	21,534	22,147
Registrations as a percentage of population	67%	63%	65%	67%
Website usage	402,262	340,183	421,455	421,319
Parking: ^h				
Meter Tickets	7,886	9,557		
Police Tickets	7,525	7,721		

Sources:

- (1) Mt. Lebanon Finance Department
- (2) Mt. Lebanon Inspections Department
- (3) Mt. Lebanon Planning Department
- (4) Mt. Lebanon Police Department

- (5) Mt. Lebanon Fire Department
- (6) Mt. Lebanon Department of Public Works
- (7) Mt. Lebanon Recreation Department
- (8) Mt. Lebanon Library

n/a: Information not available

NOTE: Certain amounts and quantities are estimates

2009	2008	2007	2006	2005	2004
1,077	910	954	1,027	1,153	1,251
689	604	705	657	667	873
\$14,855,044	\$15,542,003	\$22,865,653	\$23,672,730	\$28,465,410	\$35,789,688
127	67	93	78	107	130
11	13	15	12	17	11
28,179	29,211	30,393	36,393	35,051	33,040
818	947	867	912	805	912
295	375	363	371	329	293
51%	39%	47%	49%	44%	50%
728	810	754	734	746	766
75%	77%	74%	75%	72%	74%
138	151	137	101	86	113
1,699	1,559	1,920	2,156	2,003	1,822
3,189	2,917	2,521	3,395	2,688	3,340
26	22	46	27	33	54
\$7.13	\$18.04	\$26.23	\$4.22	\$11.79	n/a
19	17	32	19	27	41
7,053	14,017	7,920	7,921	9,243	11,655
6,100	2,849	3,960	5,444	2,920	4,850
0	11,113	8,105	11,341	6,589	9,078
2,535	2,125	1,421	1,675	1,774	1,751
140	213	118	102	148	181
185	178	194	300	162	153
11,211	(35)	274	198	(23)	(37)
1,897	1,078	996	694	704	707
1,273	1,405	1,885	1,331	1,674	1,322
7,241	6,629	5,044	1,851	6,413	8,393
3.4	21	27	23	12.1	25.1
124	268	269	174	219	220
30,355	32,208	9,007	27,842	11,675	11,343
18,185	15,431	13,059	1,413	7,775	1,162
66,567	69,312	61,481	57,652	47,479	60,426
40,728	47,541	60,197	58,056	69,392	55,077
27,763	25,696	22,247	21,969	24,049	22,010
475	466	447	432	371	364
10,437	10,133	n/a	n/a	n/a	n/a
68,249	73,970	n/a	n/a	n/a	n/a
15,675	13,135	15,988	17,921	16,795	16,717
78	90	52	52	n/a	n/a
737	985	n/a	n/a	n/a	n/a
3,719	3,422	2,759	3,480	3,338	3,423
170,898	174,105	175,302	170,869	171,401	167,784
600,389	566,824	565,883	569,246	563,852	551,350
69,822	67,760	71,275	69,060	67,225	63,282
1,358	1,309	1,552	1,309	1,425	1,317
27,906	27,647	29,549	28,799	35,609	26,893
22,768	23,158	24,879	25,172	23,358	23,296
69%	70%	75%	76%	71%	71%
958,826	840,161	713,513	714,553	n/a	n/a

Notes:

- a: Excludes signs, mechanical, pools, demolition & driveways
- b: Calls for Service are calculated by Allegheny County starting in 2007
- c: Nonemergency calls for service include community outreach, education and inspections
- d: Includes all residential recycling
- e: Truckload of leaves = 4 Tons
- f: Beginning in 2008, the Recreation Department enhanced tracking of operating indicators
- f: Beginning in 2013, the Library collection and circulation totals include e-books.
- g: The Parking Fund (the business-type activity) was established January 1, 2012 upon the consolidation of the Mt. Lebanon Parking Authority, a component unit of Mt. Lebanon.

MT. LEBANON, PENNSYLVANIA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN YEARS

Function/program	2013	2012	2011	2010
General Government				
Square footage occupied	32,020	32,020	32,020	32,020
Inspection vehicles	2	2	2	2
Other departmental vehicles	5	5	5	5
Public Works				
Municipal street (lane miles)	179.00	179.00	179.00	179.00
Number of traffic lighted intersections	41	41	41	41
Sanitary sewers (miles) ⁽¹⁾	144.75	144.75	144.75	144.44
Storm sewers (miles)	59.58	58.92	58.92	58.69
Vehicles	27	27	27	27
Library				
Square footage occupied	30,060	30,060	30,060	30,060
Collection	154,510	154,510	158,437	172,315
Recreation				
Number of parks	12	12	12	12
Acreage of park land	304.11	301.71	301.71	301.71
Recreation centers	1	1	1	1
Recreation center square footage	55,954	55,954	55,954	55,954
Ice skating rinks	2	2	2	2
Golf course (9-hole)	1	1	1	1
Tennis Courts	15	15	15	15
Platform tennis courts	4	4	4	4
Ball fields	5	5	5	5
Public Safety				
Public safety center	1	1	1	1
Square footage of fire department	20,866	20,866	20,866	20,866
Square footage of police department	28,134	28,134	28,134	28,134
Fire vehicles	12	12	12	12
Police vehicles	29	29	29	29
Parking⁽²⁾				
Parking Garages	2	2		
Square footage of North Garage	117,238	117,238		
Square footage of South Garage	112,200	112,200		
Parking spaces available in municipality	1,020	1,022		

Sources:

Finance Department, Capital Improvement Programs, Public Works and Appraisals

(1)Due to consent order work sanitary sewer measurements may change until measurements are complete.

(2)The Parking Fund (the business-type activity) was established January 1, 2012 upon the consolidation of the Mt. Lebanon Parking Authority, a component unit of Mt. Lebanon.

2009	2008	2007	2006	2005	2004
32,020	32,020	32,020	32,020	32,020	32,020
2	2	2	2	2	2
5	5	5	5	5	5
179.00	179.00	179.00	179.00	179.00	179.00
41	41	41	41	41	40
144.44	144.44	144.44	146.08	146.08	146.08
58.69	58.69	58.69	58.69	58.69	58.69
27	26	28	28	27	27
30,060	30,060	30,060	30,060	30,060	30,060
170,898	174,105	175,302	170,869	171,401	167,784
12	12	12	12	12	12
301.71	301.71	301.71	301.71	301.71	301.71
1	1	1	1	1	1
55,954	55,954	55,954	55,954	55,954	55,954
2	2	2	2	2	2
1	1	1	1	1	1
15	15	15	15	15	15
4	4	4	2	2	2
5	5	5	5	5	5
1	1	1	1	1	1
20,866	20,866	20,866	20,866	20,866	20,866
28,134	28,134	28,134	28,134	28,134	28,134
13	13	14	14	13	12
30	30	31	33	31	32

MT. LEBANON, PENNSYLVANIA
FULL-TIME EQUIVALENT MUNICIPAL EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/program	2013⁽³⁾	2012⁽³⁾	2011⁽³⁾	2010⁽³⁾	2009⁽³⁾	2008⁽³⁾	2007⁽³⁾	2006⁽³⁾	2005	2004
General Government:										
Administration	3.7	4.2	4.1	4	4	5.3	5.8	5.8	5.5	5.5
Information Technology	3.1	3.1	3.7	3.4	3.1	3	2.7	2.9	2	2
Finance	4.7	3.8	3.8	3.8	4.6	4.7	4.7	4.9	4.5	4.5
Tax	2.0	3.6	4.7	5.3	5.3	5.3	5.3	5.2	5	5
Public Information	7.0	6.6	6.6	6.5	6.5	6.5	6.4	6.5	4.5	4.5
Parking Clerical	1	1	-	-	-	-	-	-	-	-
Community Development										
Economic Develop/Planning	3	3	3	3	3	3	2	2	2	2
GIS	1	1	1	1	1	1	1	1	1	1
Inspections	4.3	4	4.6	4.6	4	4	4	4	4	4
Public Works										
Administration	3.7	3.5	3.8	3.8	4.3	4.3	5.3	5.6	5.5	5.5
Maintenance/Labor	23.1	23.5	26.7	23.6	23.9	24.9	22.8	23.4	28.5	30
Maintenance/Labor - Parking	3	3	-	-	-	-	-	-	-	-
Human Services/Library	21.5	20.9	21.1	22.7	25.3	27.7	27.2	27	26.5	27.5
Public Safety										
Police Officers	44	44	44	44	44	44	43	42	44	44
Police Civilians ⁽¹⁾	9.8	8.9	8.9	8.9	11.1	15.7	9.4	9.4	28	29
Crossing Guards	56	58	58	57.4	56.5	56	56	50	-	-
Fire	17	17	17	17	17	17	17	17	17	17
Fire civilians	1.3	1.3	1.2	1.4	1.5	1.2	1	1	1	1
911 ⁽²⁾	-	-	-	-	-	-	7.8	10.5	20	22
Parking Enforcement ⁽⁴⁾	8.0	7.4	-	-	-	-	-	-	-	-
Recreation										
Management	5.7	5.8	5.6	5.2	5.2	5.4	5.5	4.6	5	5.5
Seasonal	1.7	3.1	2.1	2.9	3	3.6	3.4	4.1	34.5	33.5
Golf	5.5	3.2	5	5.3	5.3	5.8	5.7	6	9.5	9.5
Tennis	2.0	1.4	1.5	1.6	2.5	3.3	2.1	3.9	5.5	5.5
Ice Rink	14.5	16.3	15	14.5	14.2	15.5	13.6	16.7	16.5	16
Pool	6.2	5.8	6.1	6.1	5.8	6.5	6.2	6.1	14	14
Totals:	252.8	253.4	247.5	246	251.1	263.7	257.9	259.6	284	288.5

(1) Police civilians include animal control and police records employees

(2) 911 Call Center function was assumed by Allegheny County in 2007

(3) Full-Time Equivalents (FTE) were calculated using total number of hours worked and divided by 2,080 to convert to FTE. Prior to 2006 the methodology was using 1.0 for each full-time employee, and 0.50 for each part-time and seasonal employee.

(4) The Parking Fund (the business-type activity) was established January 1, 2012 upon the consolidation of the Mt. Lebanon Parking Authority, a component unit of Mt. Lebanon.

Sources: Mt. Lebanon financial and personnel records