



Mt. Lebanon, Pennsylvania

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2019



Mt. Lebanon, Pennsylvania

Comprehensive Annual Financial Report

Year Ended December 31, 2019

Issued by the Department of Finance
Andrew McCreery, CPA, Finance Director

MT. LEBANON, PENNSYLVANIA

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YEAR ENDED DECEMBER 31, 2019

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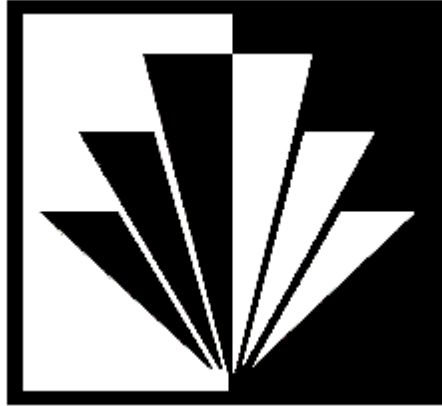
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INTRODUCTORY SECTION



April 9, 2020

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, 2019, 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 2019 financial and management items, the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association (GFOA) for the 2018 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, 2019; 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 (IDA) for the year ended December 31, 2019 is blended into the funds of the Municipality as the Municipality's elected officials serve as the board for the IDA, the Commission can impose their will on the activities of the IDA, and the Municipality is entitled to the assets of the IDA. 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.

Mt. Lebanon has consistently been considered one of the most desirable places to live in Pennsylvania and our real estate market reflects this sentiment. Since 2015, the average sale price of residential homes has increased 24.2%, with the average price of a residential property increasing 7.0% compared to the prior year. The housing stock is varied in style and price. In 2019, the average sale price was \$323,175 on 617 residential properties sold.

The unemployment rate in Allegheny County remains low at 4.2% and the Commonwealth of Pennsylvania (State) is 4.6% according to the US Bureau of Labor Statistics.

Economic Development and Commercial Districts

The Municipality has intact, accessible and vibrant traditional business districts, a feature that is not found in many Pittsburgh suburbs. Washington Road, designated as a National Main Street by the Commonwealth and National Main Street Center, is the primary commercial arterial in the Municipality. This commercial district hosts 41 structures that house nearly two hundred businesses employing ~1,000 people. Established in 2007, the Mt. Lebanon Partnership (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 2019, the Municipality organized its seventeenth consecutive series of First Friday events - attracting thousands to the shops and restaurants along Washington Road. The Partnership operates the Uptown Market (farmer and art market) which provides an important anchor to Washington Road businesses and brings people to the shopping district on Saturday mornings. The Partnership and Municipality work closely to execute a wide variety of activities that also attract residents and guests to our commercial areas. These initiatives include, but are not limited to the Uptown Artists’ Market, Uptown Block Party, networking events and Plein Air activities.

All business districts continue to be near full occupancy. The vacancy rate for Washington Road is presently ~8% 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. Beverly Road continues to be a small vibrant business district. Our communities’ Uptown Central Business District (CBD) continues to attract diverse eateries and offices that desire close proximity to such amenities.

Interest remains 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. Current priorities include, but are not limited to – encouraging transit oriented development and an enhanced connection between the light rail platform to Washington Road, coupling Main Street principles with innovation to maintain flourishing business districts, development of upper floor units for commercial or residential purposes, planning and rebuilding the Washington Road public space(s) (Vibrant Uptown Project) and providing appropriate consultation to develop the former Denis Theater into an independent film theater/community cultural center.

The Economic Development Office central focus in 2020 will be to explore initiatives to continue the pattern of private investment in our commercial districts and the Vibrant Uptown Project. The latter will infuse over \$3M in public investment in the Uptown corridor. The Economic Development Council (EDC) will be looking to implement actions items outlined in a recently completed Uptown Strategic Plan (2016) and EDC Work Plan which is reviewed and adopted annually. This plan calls for bold new approach(s) to maintaining our Central Business District’s (CBD) vitality.

As noted above, Uptown Mt. Lebanon was accepted into the State’s Main Street program in 2014 and again in December of 2019. This program places the CBD in a competitive position for scarce

State investment dollars such as façade grants, reinvestment loans and technical assistance. The National Main Street Center recognized Uptown Mt. Lebanon as a national model in 2019.

Planning and Development Projects

In 2018, the Commission approved the St. Clair Hospital Ambulatory Care Center land development plan and lot consolidation plan. St. Clair Hospital owns the property located at 1000 Bower Hill Road spanning the Municipality of Mt Lebanon and Scott Township. St. Clair Hospital is seeking to construct an addition to its existing facility for an ambulatory care center, operating rooms, out-patient facilities, offices, and associated parking. Construction on the new roadway for North Wren Drive in Scott Township occurred in 2018. Construction on the ambulatory care center portion of the project in Mt. Lebanon began in 2019. The project is anticipated to conclude in 2020.

Full completion of the five townhouse units of the Uptown Place project occurred in 2019. The land development plan was approved in 2018.

Full completion of the Senior Apartments of Mt. Lebanon, located off of Midland Avenue, occurred in 2019. The land development plan was approved in 2018. Allegheny County Housing Authority is handling applications for residency.

Full completion of the Beyond Self Storage indoor self-storage facility, located off of Castle Shannon Boulevard, occurred in 2019. The land development plan was approved in 2017.

In 2019, the Planning Board recommended a number of updates to Chapter XVI of the Mt. Lebanon Code, Subdivision and Land Development (SALDO). This Ordinance includes amendments to submission deadlines, replacing outdated mediums, conformance with current standards of regulating bodies as well as with the municipal Zoning Ordinance, and clarification of a number of terms. New standards being added to the SALDO include requirements for private stormwater management systems, landscaping and screening requirements, and pervious pavement standards. The update to the SALDO was approved by the Commission in August 2019.

School District

The Mt. Lebanon School District is recognized as a leader in academic excellence in the country. This reputation, along with continuing achievements by faculty and students, continues to be a strong attraction for young families to the community.

Mt. Lebanon School District ranked #4 in Allegheny County and #7 in the state in the 2019 Pittsburgh Business Times Guide to Western PA Schools. The annual Honor Roll ranks the 105 school districts in the region and the 495 districts in the state based on three years of scores from the Pennsylvania System of School Assessment tests. Mt. Lebanon Schools have ranked among the top four schools on this list since it was first published in 2005.

The Mt. Lebanon School District ranks at the top of the state and region in the 2020 Niche Rankings. Niche ranks the District # 15 in the country, #1 in the region, and #4 in PA. The Niche website rates schools across the state and nation using data from the U.S. Department of Education, surveys, and reviews.

The Mt. Lebanon School District was named among the Best 100 Communities for Music Education (BCME) in 2019 by the NAMM Foundation. BCME is a nationwide survey that acknowledges schools and districts across the U.S. for their commitment and support for music education as part of the core curriculum. This is the 11th year in a row that the Mt. Lebanon School District has been designated a Best Community for Music Education.

Mt. Lebanon High School was honored by the U.S. Department of Education as 1 of 46 schools from across the United States to receive the distinction as a U.S. Department of Education Green Ribbon School for innovative efforts to reduce environmental impact and utility costs, improve health and wellness for students and staff, and provide effective environmental and sustainability education.

Mt. Lebanon High School was awarded a silver ranking in the 2019 U.S. News and World Report Best High School Ranking.

The Class of 2019 graduated 429 students with ninety-three percent continuing to pursue full time or Armed Service education. The class of 2020 had nine students selected as National Merit Semifinalists.

MAJOR INITIATIVES

Like many other local governments, the Municipality has to prioritize the projects for current and future years. Much came out of a robust March 2019 retreat when Mt. Lebanon Commissioners considered priority projects for the year. Consultant John Trant Jr. helped the five-member commission whittle a potential list of more than a dozen projects for the year to five, setting a roadmap of accountability to ensure progress. The process confirmed the projects were well-suited to the goals of Mt. Lebanon's 2013 Comprehensive Plan and assigned commission liaisons and staff champions to lead the charge. Projects included:

1. Analyze the current distribution of work and personnel in the building inspection office and restructure as needed.
 - Completed in 2019 and funding appropriations made for the 2020 budget.
2. Evaluate the services of the public information office and create an internal and external communications plan.
 - Near completion, with the final report and recommendations expected in 2020.
3. Improve the streetscape in Uptown Mt. Lebanon (referred to as "Vibrant Uptown").
 - Funding secured through the 2019 bond issue and grants. Expected to be bid in Fall 2020.

4. Implement the recommendations of the Beverly Road parking study.
 - Planned and expected completion in August 2020.
5. Establish a dashboard to allow staff tracking of municipal departments in cooperation with a municipal salary study.
 - Salary study to be implemented in 2020. Dashboarding planning to commence in late 2020.

Municipal Staff was able to focus on prioritizing these five items in 2019 and will continue to do so into 2020 while continuing to provide a high level of service to our residents and businesses.

The Municipality continues to remain on stable financial ground as we continue to serve the residents of the Municipality. The Municipality's two main revenue sources – real estate and earned income taxes – account for 68.3% of the revenue for the General Fund, the Municipality's main operating fund. As part of the 2019 budget, the Commission held the line on real estate taxes at 4.71 mills. Due to the millage rate remaining stable, current real estate tax collections increased minimally by \$60,031, or 0.5%.

The Southwest Allegheny County Tax Collection District's appointed collector, Jordan Tax Service, collects the Municipality and School District's earned income tax. The rate for the Municipality is 0.8% and the School District is 0.5%. Under the employer mandated withholding system, employers typically submit quarterly. The Municipality monitors earned income taxes based on those quarterly collections. In 2019, net earned income taxes increased 4.1% when compared to the prior year. When analyzing quarterly collections, collections for both the current and prior tax years were higher than the same collection periods from prior years. As we enter 2020, the Municipality will continue to monitor collection patterns to establish appropriate baselines for the budget process.

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 2019, this policy was met with funding for street construction provided by two sources - \$1.46 million from the General Fund and \$578,774 for curb work from the storm water fee.

Major annual projects continued on sanitary sewers to meet the federal consent order and other requirements. In 2019, sanitary sewer capital expenditures totaled \$1.5 million; all funded by a surcharge on the ALCOSAN bills. In addition to replacement and construction of new sewer lines, sewer lines were televised, cleaned, and treated and manholes were rehabilitated throughout the Municipality. In the last nine years, \$14.1 million has been spent on sanitary sewer improvements. 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 future to pay for required improvements.

In its eighth full year, the storm water fee generated \$1.5 million, which can be used for improvements to and maintenance of the storm water 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 the last eight years, \$7.7 million has been spent on storm water capital projects to maintain, enhance and expand the storm sewer system.

The Municipality completed major multi-year projects in 2019. Improvements and additions to our public works facility and construction of a new firing range were substantially completed in 2019. The multi-year costs for the project was \$8.5 million. Three (3) new traffic signals and infrastructure were installed in 2019. In addition, upgrades to equipment were made at thirty (30) signalized intersections. The total multi-year cost for traffic signal improvements was \$1.2 million.

Mt. Lebanon continually looks for financial opportunities that benefit the community. Due to favorable bond markets in 2019, the Municipality issued bonds to generate \$5.0 million in proceeds to facilitate a number of new multi-year projects at a true interest cost of 2.43%. Combined with outside funding sources, the approximate improvements are estimated to be \$6.6 million. Improvements include:

- | | | |
|--|--------------------|--|
| <ul style="list-style-type: none">• Washington Road Streetscape• Parse Way Renovations | } “Vibrant Uptown” | <ul style="list-style-type: none">• Park Restroom ADA Improvements• Traffic Intersection Improvements |
| <ul style="list-style-type: none">• Library HVAC & Roof Replacement• Culvert and Stream Restoration | | <ul style="list-style-type: none">• Reconstruction of 6 Tennis Courts |

In order to capitalize on financial opportunities like that of the 2019 bond issue, the Municipality uses a five-year Capital Improvement Program (CIP) that is updated on an annual basis. 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 2024. The 2020 adopted budget provides over \$8.8 million for capital projects and improvements, excluding the 2019 bond issue projects.

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 2019 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. 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 stable 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.

In 2015, the Commission enhanced the financial policies by adopting an ordinance to enhance the thresholds for the General Fund unassigned fund balance. Prior to 2015, the stated goal for the General Fund unassigned fund balance was 10% of expenditures. The ordinance passed in October 2015 increased the stated minimum goal to 12% of expenditures with the intention of progressively increasing unassigned fund balance levels to 15% of expenditures. At the end of 2019, the unassigned fund balance was 14.9% of General Fund expenditures.

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.

For 2019, the Municipality was not required to comply with the provisions of the Single Audit Act, as amended, as the federal funds expended did not total \$750,000. If appropriate, the Municipality will perform separate program audits.

Certificate of Achievement

In 2019, 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, 2018. The Municipality has received this award for 43 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,

A handwritten signature in black ink, appearing to read 'A. McCreery', is positioned above the printed name.

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, 2018

Christopher P. Morill

Executive Director/CEO

MT. LEBANON, PENNSYLVANIA

ORGANIZATIONAL CHART

DECEMBER 31, 2019



MT. LEBANON, PENNSYLVANIA

PRINCIPAL OFFICERS

COMMISSION



Stephen McLean
President



Craig Grella
Vice President



John Bendel



Kelly Fraasch



Steven Silverman

STAFF

Keith McGill, *Manager*

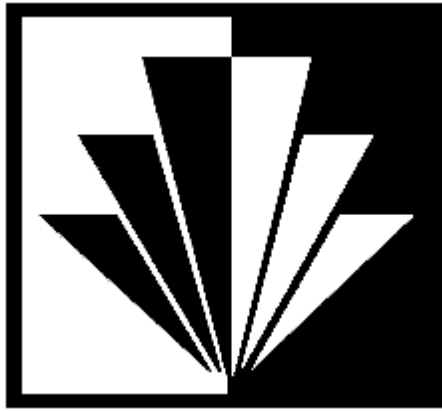
Andrew McCreery, CPA, *Finance Director*

David Donnellan, *Recreation Director*

Rudy Sukal, Jr., *Public Works Director*

Aaron Lauth, *Police Chief*

Nicholas Sohyda, *Fire Chief*



FINANCIAL

SECTION

Independent Auditor's Report

The Commission of the Municipality of Mt. Lebanon, Pennsylvania

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, 2019, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective 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 17 through 46, 108 through 114, and 115 through 117, 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 fund financial statements, budget and actual schedules, capital asset schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budget and actual schedules, 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

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

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 basic financial statements as a whole.

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

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the Municipality's basic financial statements for the years ended December 31, 2018 and 2017, which are not presented with the accompanying financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, 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 the Municipality's basic financial statements as a whole. The individual fund financial statements related to 2018 and 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 and 2017 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 individual fund financial statements related to 2018 and 2017 are fairly stated in all material respects in relation to the basic financial statements from which they were derived.

Maher Duessel

Pittsburgh, Pennsylvania
April 9, 2020

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

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, 2019. 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, 2019.

RESULTS IN BRIEF

- Total assets and deferred outflows of resources of the Municipality's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$100,430,285 (net position). Of this amount, \$2,671,486 (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 2018 by \$6.2 million, or 6.6% and unrestricted net position decreased by \$808,465, or 23.2% in 2019.
- Net investment in capital assets (net capital assets net of related debt) was \$87,061,522 at December 31, 2019, an increase of \$6.3 million.
- The Municipality issued general obligation bonds in 2019. A total principal of \$7,765,000 was issued for capital improvements (\$4,855,000) and to refund all or portions of the 2012 and 2014 bond issues (\$2,910,000).
- The Municipality's real property tax rate remained at 4.71 mills and the earned income tax rate remained at 0.8%.
- The total fund balance for governmental funds was \$24,356,539 at December 31, 2019, with \$5,752,087 in unassigned fund balance.
- The General Fund had a total fund balance of \$7.8 million, of which \$5.8 million was unassigned. The total fund balance for the General Fund increased by \$105,752, or 1.4% and the unassigned fund balance increased by \$441,879, or 8.3%.

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

-
- The unassigned fund balance in the General Fund is 14.9% of the General Fund's total expenditures, including capital transfers.
 - At December 31, 2019, the Municipality had \$29.3 million of debt outstanding. This represents an increase of \$1,620,000, or 5.8% from the previous year. The amount of outstanding direct debt per capita increased from \$836 to \$885.
 - The Municipality's business-type activities (Parking Fund) net position increased by \$350,930, or 4.3% in 2019. The unrestricted portion of net position increased by \$86,549 or 10.0%.
 - The plan net position held in trust to pay pension benefits increased \$18.8 million or 20.5% in 2019. Plan net position in the other postemployment benefits trust increased \$424,872 or 28.0% in 2019.

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 47-48) are government-wide financial statements that provide long-term and short-term information about the Municipality's overall financial status.
- The remaining statements (pages 49-59) are fund financial statements that focus on individual parts of municipal government, reporting operations in more detail than the government-wide statements.

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

The fund financial statements include:

- The governmental funds statements (pages 49-54) 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 55-57) offer financial information about the activity (parking) that the Municipality operates as a business.
- Fiduciary fund statements (pages 58-59) 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 notes 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, the section on pages 119-146 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, an additional detail statement for the operations of the proprietary fund and combining statements for the fiduciary funds that are presented in a single column in the basic financial statements.

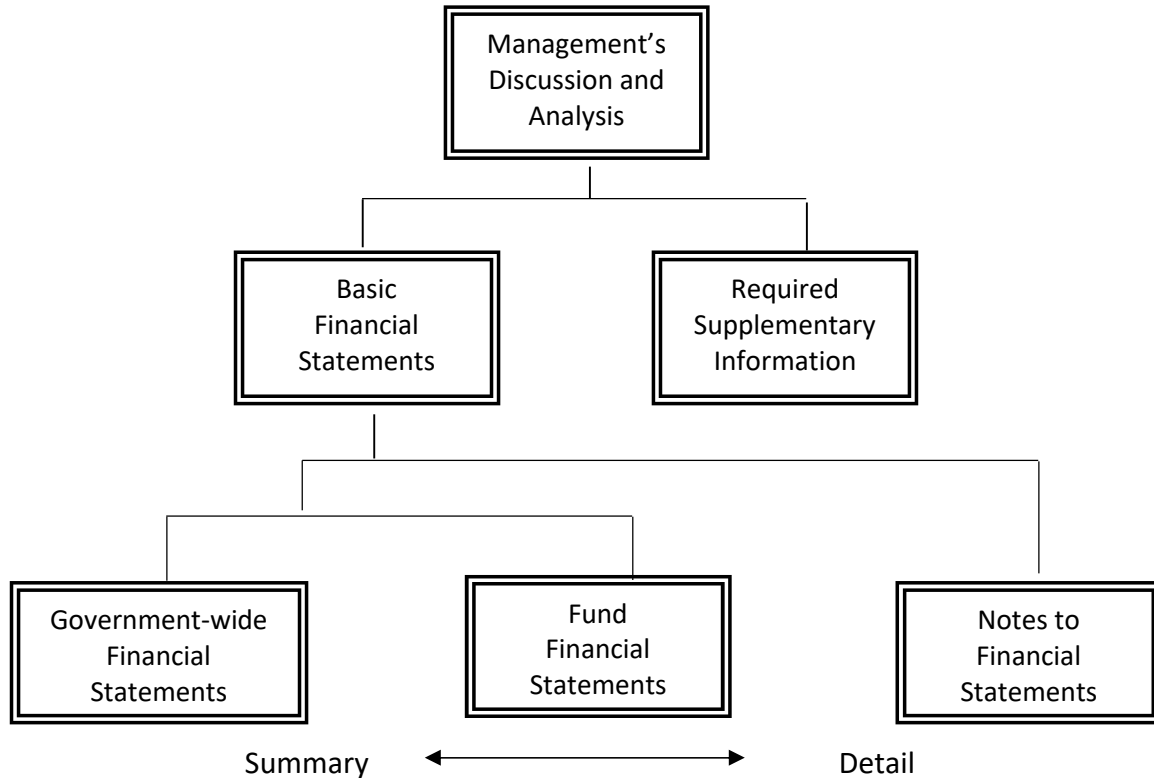
MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

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, deferred outflows of resources, liabilities and deferred inflows of resources, except fiduciary funds. Net position, the difference between the Municipality's assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the Municipality's financial health. Over time, increases or decreases in the Municipality's net position may be an indicator of whether its financial health is improving or deteriorating.

MT. LEBANON, PENNSYLVANIA

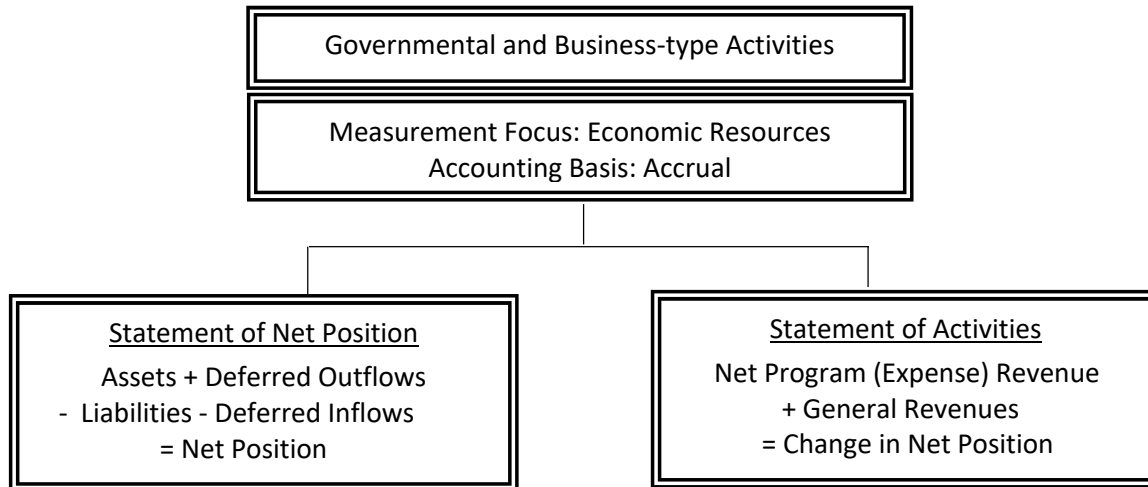
MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

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 police, fire, public works, recreation, 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.

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

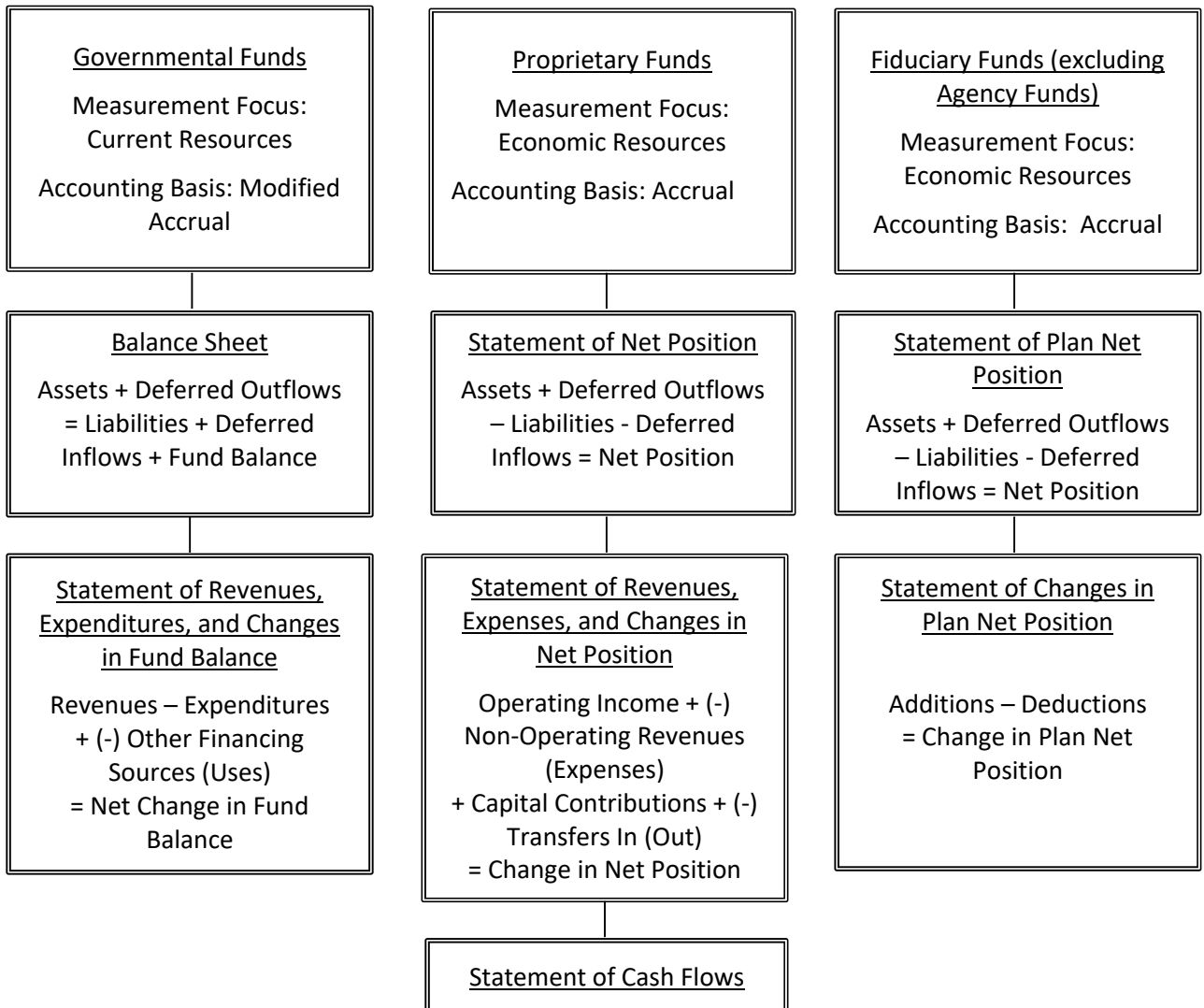
DECEMBER 31, 2019

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



MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

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 presents more detail on the fund's operation.
- *Fiduciary funds* – Reports activities of three single-employer pension plans (General Employee's, Police Officer's, and Firefighter's) and an Other Postemployment Benefits (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.

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

FINANCIAL ANALYSIS OF THE MUNICIPALITY AS A WHOLE

The Municipality's net position for its governmental and business-type activities at December 31, 2019 and 2018 are presented below.

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
ASSETS				
Current and other assets	\$ 35,108,562	\$32,338,624	\$ 1,145,775	\$ 1,080,163
Capital assets	110,911,133	104,686,640	8,055,785	8,466,764
Total Assets	146,019,695	137,025,264	9,201,560	9,546,927
DEFERRED OUTFLOWS OF RESOURCES				
	1,879,661	14,509,001	-	-
LIABILITIES				
Current and other liabilities	7,845,898	9,163,579	230,447	851,566
Non-current liabilities	31,456,584	41,195,019	409,478	484,656
Total Liabilities	39,302,482	50,358,598	639,925	1,336,222
DEFERRED INFLOWS OF RESOURCES				
	8,166,589	6,945,117	-	-
NET POSITION				
Net investment in capital assets	87,061,522	80,723,787	7,609,277	7,344,896
Restricted	10,697,277	10,026,812	-	-
Unrestricted	2,671,486	3,479,951	952,358	865,809
Total Net Position	\$ 100,430,285	\$94,230,550	\$ 8,561,635	\$ 8,210,705

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

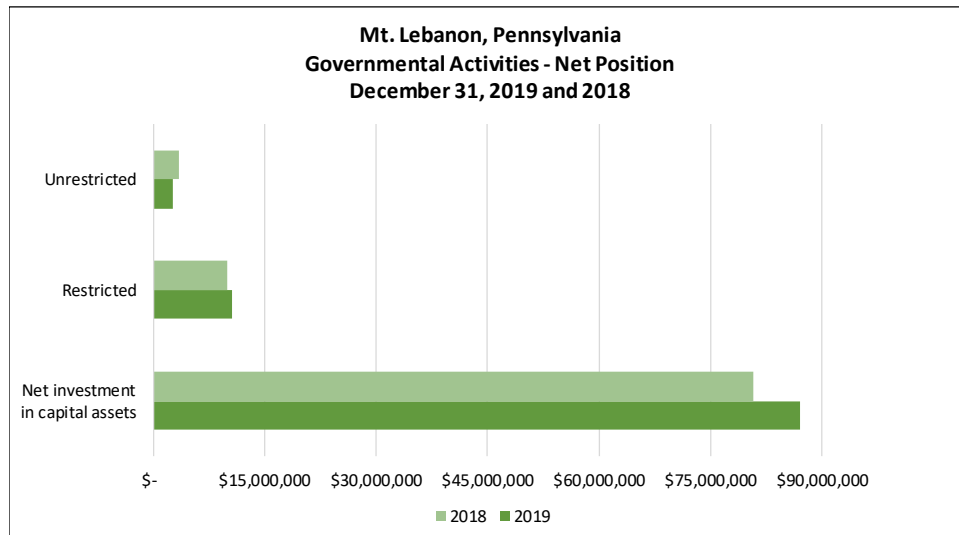
DECEMBER 31, 2019

Governmental Activities

Net Position

The net position of governmental activities increased from the previous year by \$6.2 million, or 6.6%, to \$100.4 million. Of this amount, \$87.1 million represents the net balance of long-term capital assets and long-term debt. The \$10.7 million in restricted net position is comprised of \$10,501,947 for infrastructure upgrades, \$115,726 for donor restricted purposes for the Mt. Lebanon Public Library, \$64,666 for street maintenance expenses and \$14,938 for industrial development activities. The unrestricted net position of \$2.7 million represents funds available to maintain operations or to provide for the payments of long-term debt at the governmental activities level.

The following chart graphically depicts the governmental activities net position at December 31, 2019 and 2018:



Capital Assets

The largest portion of the Municipality's net position (86.7%) 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

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

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, 2019 and 2018:

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
Revenues:				
Program revenues:				
Charges for services	\$ 17,405,125	\$16,962,804	\$ 2,211,179	\$ 2,080,753
Operating grants and contributions	3,474,743	3,366,768	-	-
Capital grants and contributions	909,670	93,422	-	-
General revenues:				
Real estate taxes	12,919,031	12,868,406	-	-
Earned income taxes	12,950,010	12,210,864	-	-
Other, including interest	4,039,668	3,669,205	13,968	9,047
Total revenues	51,698,247	49,171,469	2,225,147	2,089,800
Program Expenses:				
General government	5,062,474	5,083,689	-	-
Community development	845,932	807,040	-	-
Public works	18,472,233	17,914,631	-	-
Human services	2,844,101	2,677,144	-	-
Culture and recreation	3,818,175	3,270,388	-	-
Public safety:				
Police	9,560,548	10,385,642	-	-
Fire	3,612,717	3,901,203	-	-
Other	1,018,254	1,104,483	-	-
Interest on long-term debt	435,968	717,438	-	-
Parking	-	-	1,702,327	1,691,641
Total expenses	45,670,402	45,861,658	1,702,327	1,691,641
Increase (decrease) in net position before transfers	6,027,845	3,309,811	522,820	398,159
Transfers	171,890	166,300	(171,890)	(166,300)
Increase (decrease) in net position	6,199,735	3,476,111	350,930	231,859
Net position-beginning	94,230,550	90,754,439	8,210,705	7,978,846
Net position-ending	<u>\$ 100,430,285</u>	<u>\$94,230,550</u>	<u>\$ 8,561,635</u>	<u>\$ 8,210,705</u>

MT. LEBANON, PENNSYLVANIA

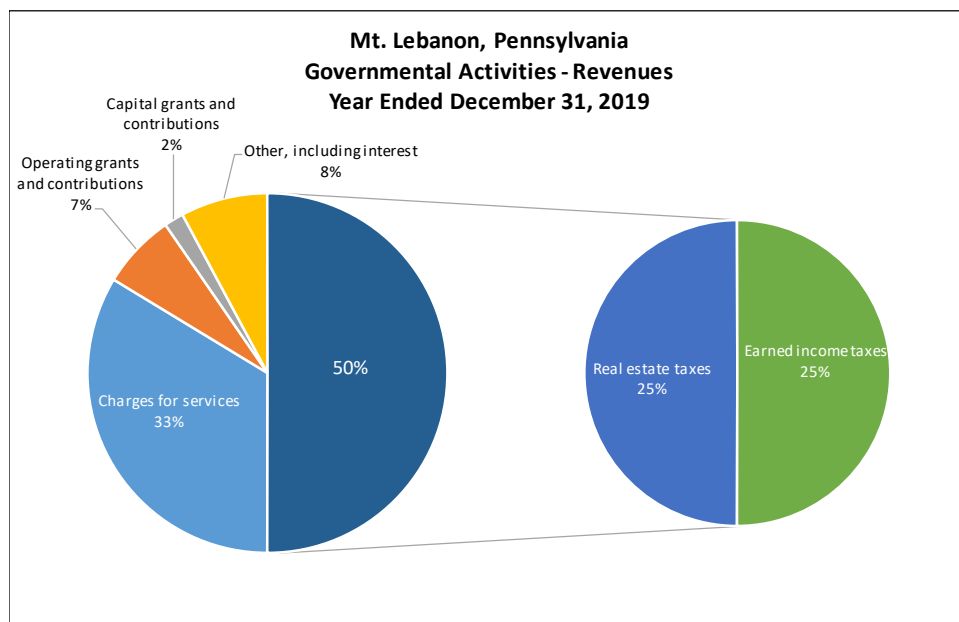
MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Revenues

Total revenues for governmental activities of \$51.7 million were largely derived from charges for services, real estate taxes, and earned income taxes (83.7%). Real estate taxes and earned income taxes make up 87.8% of all taxes collected by the Municipality. All sources of taxes provide 57.0% of the Municipality's revenue. Charges for services includes sewer processing, storm water management, 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, 2019:



Overall governmental activities revenues increased \$6,199,735, or 6.6%. Highlighted below are the major program revenue variances.

- **Charges for services** increased \$442,321 due to combination of increases in sewer and storm water user fee collections and increases in reimbursements for police contractual details (\$46k). In 2019, the pass-through sewer processing fee from

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

ALCOSAN increased 7%. Overall, sewer user fee collections were up \$256,440 from 2018. Storm water user fee collections increased \$71,933 from 2018.

- **Capital grants and contributions** increased \$816,248 due to Green Light Go (GLG) grants received by the Municipality for thirty (30) traffic signal upgrades and traffic signal equipment and infrastructure replacements at three (3) intersections.

The Municipality's largest revenue source is real estate tax. Assessment values are given to the Municipality by Allegheny County (County). Since the County does not have a specified duration between county-wide reassessments, the 2013 county-wide reassessment will be the base year value for properties in the Municipality from 2013 forward unless the County decides or is forced to reassess all properties.

In January 2019, the County delivered certified real estate assessments using 2013 as the base year. Although the base year is 2013, some property assessments do change throughout the year through owner or taxing body filed appeals. In 2019, the net increase in taxable assessed value was \$9,349,394 or 0.3%. Current real estate tax collections increased by \$50,625 or 0.4% compared to prior year collections.

Earned income taxes collections increased steadily throughout 2019. When compared to 2018, collections were up \$739,146, or 6.1% on a government-wide basis. Real Estate Transfer Tax, which is shown under the other category, increased \$242,264, or 13.1% compared with the prior year. Both increases continue to show the strong resident employment earning rate and housing market.

Program Expenses

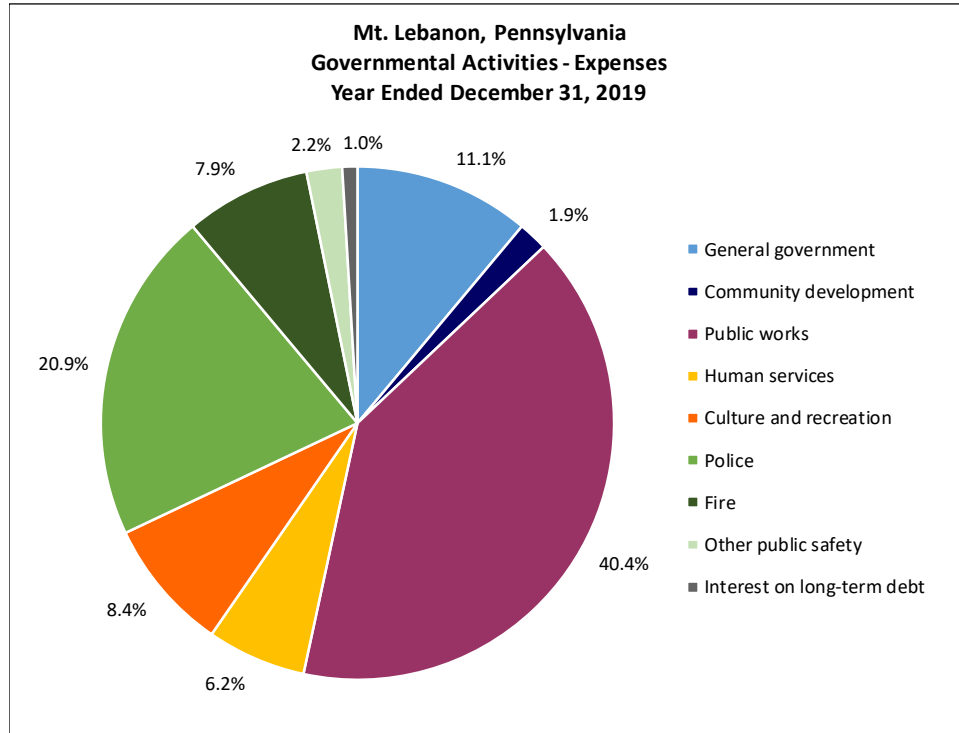
Total 2019 program expenses for all programs were \$45.7 million. The expenses reflect the delivery of a range of services, with the two largest areas being public works and public safety. Public safety has two operational departments – police and fire. The third largest area is general government, which includes administration, legal services, public information, information technology, insurance and finance/tax functions.

The following chart graphically depicts the governmental activities program expenses for the fiscal year ended December 31, 2019:

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019



Decreases in program expenses from the prior year totaled \$191,256. Highlighted below are the major program expense variances exclusive of pension expense decreases related to Governmental Accounting Standards Board (GASB) Statement No. 68. A separate table has been provided to show the net decreases in functional areas related to pension.

- **General Government** expenses decreased due to operational decreases of 0.3%.
- **Community Development** expenses increased due to third part inspection fees related to a major expansion at St. Clair Hospital.
- **Public Works** experienced increases in capital related expenditures including depreciation and sewer processing charges netted with contractual savings.
- **Human Services** had increases in appropriations to the Library and Medical Rescue Team South Authority (MRTSA).
- **Culture and Recreation** increased due to an insurance offset in 2018 that did not occur to the same degree in 2019. Operational expenses increased 3.4%.
- **Police** operational expenses increased due to contractual personnel increases (2.5%) coupled with minimum shift coverage policy requirements, which increased overtime, due to staff turnover at the end of 2018.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

- **GASB Statement No. 68** recognizes certain costs and changes related to defined benefit pension plans in a different manner than is required by the Commonwealth of Pennsylvania (State), which causes a difference in pension expense for governmental activities. The primary cause of the difference is due to the recognition of pension expense components immediately or at a reduced deferral rate, which differs from the State's allowances.

The cumulative effect on the statement of activities was a decrease to pension expense of \$1,960,809. This is the difference between the annual required pension contribution per State regulations and the expense calculated for GASB Statement No. 68. The pension expense calculation for GASB Statement No. 68 has no effect on the contributions required by the State and will have no impact on the Municipality's budget for 2020 and future years. The effects of the calculation, as shown below, is only for government-wide financial statement purposes.

Pension Expense for GASB 68	GASB 68 Pension Expense for Defined Benefit Pension Plans		
	2019	2018	Inc/(Dec)
<u>Governmental Activities</u>			
General government	\$ 22,923	\$ 85,483	\$ (62,560)
Community development	14,587	42,741	(28,154)
Public works	56,264	229,897	(173,633)
Human services	22,923	67,998	(45,075)
Culture and recreation	20,839	85,483	(64,644)
Public safety:			-
Police	(367,902)	858,055	(1,225,957)
Fire	(26,961)	283,163	(310,124)
Other	20,838	93,254	(72,416)
Total Increase/(Decrease) for GASB 68 Pension Expense	<u>\$ (236,489)</u>	<u>\$ 1,746,074</u>	<u>\$ (1,982,563)</u>
Pension Expense (Municipal Contributions)	<u>\$ 3,029,662</u>	<u>\$ 3,007,908</u>	<u>\$ 21,754</u>
Total Pension Expense for GASB 68	<u>\$ 2,793,173</u>	<u>\$ 4,753,982</u>	<u>\$ (1,960,809)</u>

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Net Expense/Revenue by Program

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

Primary Government:	Net (Expense) Revenue		
	2019	2018	Inc/(Dec)
General government	\$ (2,240,965)	\$ (2,274,287)	\$ (33,322)
Community development	(304,499)	(324,802)	(20,303)
Public works	(5,355,911)	(5,913,172)	(557,261)
Human services	(2,035,134)	(1,836,514)	198,620
Culture and recreation	(880,437)	(400,524)	479,913
Public safety:			
Police	(8,874,403)	(9,775,894)	(901,491)
Fire	(3,395,186)	(3,683,065)	(287,879)
Other	(358,361)	(512,968)	(154,607)
Interest on long-term debt	(435,968)	(717,438)	(281,470)
Total Net Expenses	<u>\$ (23,880,864)</u>	<u>\$ (25,438,664)</u>	<u>\$ (1,557,800)</u>

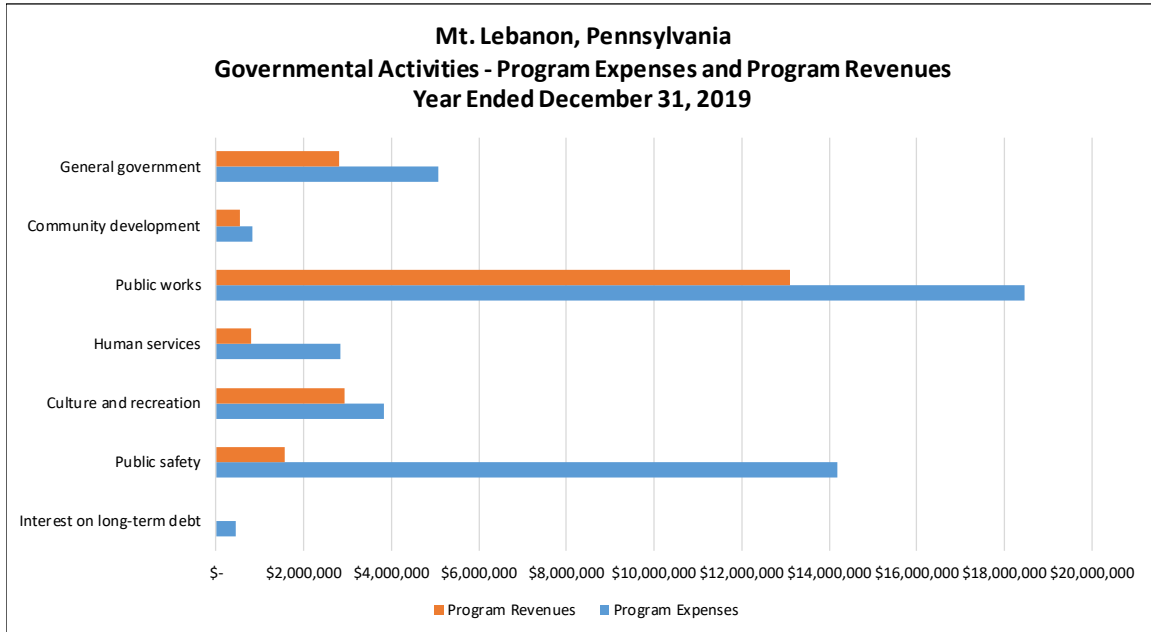
The total net expense decreased \$1,557,800 or 6.1% from 2018 to 2019. The reasons for this decrease can be attributed to revenue and expense changes already discussed, such as a decrease in pension expense and project activities throughout different departments.

The chart on the following page graphically depicts the governmental activities program revenues and program expenses for the fiscal year ended December 31, 2019:

MT. LEBANON, PENNSYLVANIA

MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019



Business-type Activities

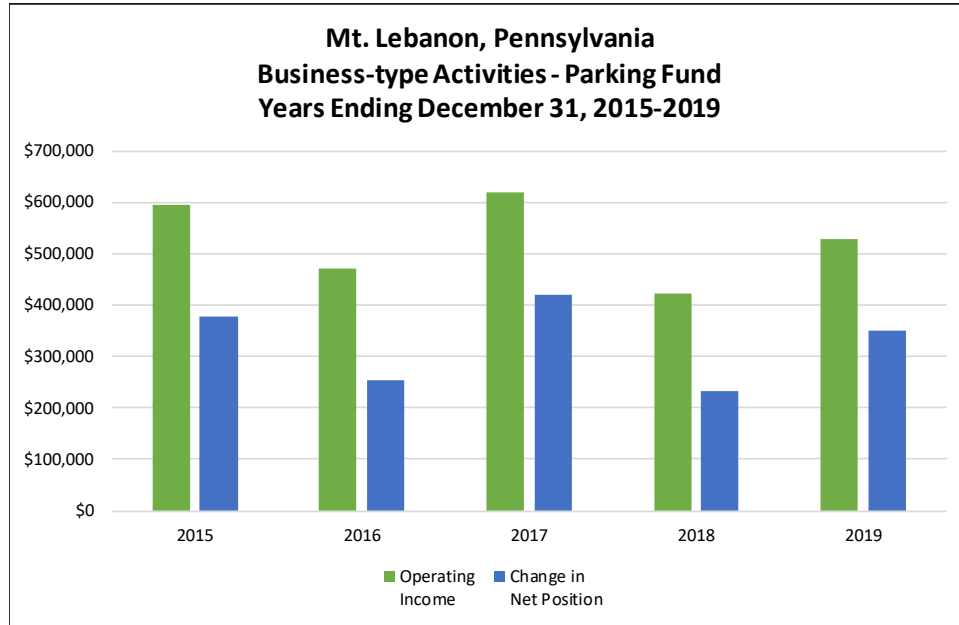
The Municipality business-type activities consist of the operation of the Parking Fund. The operating results for the Parking Fund were positive for the current fiscal year. Net position increased \$350,930 or 4.3% due to consistent revenue collection and expense control. Since taking control of the parking operations from the Mt. Lebanon Parking Authority in 2012, the Parking Fund has had positive changes in net position except for 2013 when a rehabilitation project totaling more than \$400k was completed and was not capitalized due to the nature of the project.

The following chart graphically depicts the Parking Fund operating income and change in net position for the fiscal years ending December 31, 2015 – December 31, 2019:

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MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019



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 \$24.4 million, which represents an increase of \$2.1 million from the previous year. The following chart shows the changes in fund balances during 2019:

Fund	Fund Balance		
	2019	2018	Increase (Decrease)
General	\$ 7,767,207	\$ 7,661,455	\$ 105,752
Sewage	10,535,042	9,575,089	959,953
Capital Projects	5,646,660	4,410,387	1,236,273
Other governmental funds:			
Storm Water	-	-	-
Library Operating	328,026	570,584	(242,558)
Industrial Development	14,938	14,537	401
State Highway Aid	64,666	60,021	4,645
Total fund balance	<u>\$ 24,356,539</u>	<u>\$ 22,292,073</u>	<u>\$ 2,064,466</u>

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

In 2019, the fund balance of the General Fund increased by 1.4%. The 2019 final budget appropriated \$1.7 million of fund balance to cover operational and capital expenditures, specifically 2018 capital and operational projects to be completed in 2019 and Commission fund balance assignments to accomplish necessary projects.

Revenues exceeded budget projections by \$990,853 due to increases in tax collections and permit fee collections. Expenditures came in under budget projections by \$911,546 due to substantial savings in general government, public works and recreation. In addition, a positive variance was realized in capital outlays due to the timing of funded capital projects. Overall, the Municipality did not need to use fund balance to supplement current operational or capital expenditures.

The Municipality has spent a substantial amount of funds on sanitary sewer infrastructure work in years past. In 2019, sanitary sewer infrastructure work continued at a lower than anticipated pace and the Sewage Fund realized an increase in fund balance of \$959,953. The Sewage Fund's primary revenue source are assessments, which are based on water consumption. The remaining fund balance of \$10.5 million will be used for future construction projects or regulatory mandates related to sanitary sewers.

Storm water management fees are accounted for in the Storm Water Fund. In 2019, all collected fees were used for either operational needs, debt service or capital outlays. On an annual basis, the municipal engineer issues a report on potential storm water capital projects. Any balance accumulated in this fund will be used for projects identified in that report in future years. In 2018, the Commission assigned fund balance of \$521,500 from the General Fund for projects identified by the municipal engineer. Remaining General Fund assigned funds to be used towards storm water projects total \$175,000 for 2020.

Activities related to the 2017 and 2019 bond issues caused a large variance in the fund balance of the Capital Projects Fund. 1) The remaining restricted proceeds from the 2017 bond issue were exhausted with the completion of the improvements at the public works facility. The total decrease was \$2.6 million. 2) Proceeds of \$5.0 million were deposited in the Capital Projects Fund from the 2019 bond issue. The funds are expected to be spent in future years; therefore, the proceeds increased fund balance. The bond restriction positive variance and decreases in other assignments led to a fund balance increase of \$1.2 million in the Capital Projects Fund.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

The final variance of note was the fund balance decrease of \$242,558 in the Library Operating Fund. Restricted fund balance was used to construct a new learning lab in the Library. This project added a needed space in the Library and was completed in 2019.

Of the \$24.4 million combined fund balance total, \$15.8 million, or 64.7% 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 \$10.5 million for sanitary sewer improvements (ALCOSAN agreement), \$5.0 million for municipal facilities and equipment (bond proceeds), \$115,726 at the library (donor), \$64,666 for specific State restricted highway maintenance (State agreement) and \$14,938 for industrial development activities (enabling).

In addition, assignments totaling \$2.3 million, or 9.5% include \$1,094,000 assigned during the 2020 budget process. The amount used to balance the 2020 budget represents fund balance used to complete projects carried over (re-budgeted) into 2020. Assignments related to capital projects are \$622,780 in the Capital Projects Fund for various community improvements, \$201,032 in the General Fund for replacement of the field turf located at Clint Seymour Field, \$122,000 for building improvements and \$65,000 for future benefit obligations. Lastly, the Library Operating Fund has \$212,300 assigned for library operating purposes.

The residual fund balance in the General Fund, categorized as unassigned, represents fund balance that has not been restricted or assigned to specific purposes within the General Fund. These monies are available for expenditure. The Mt. Lebanon Commission has a fund balance policy that establishes 12% of total expenditures as the goal for maintenance of unassigned General Fund fund balance. At year-end, this fund balance is \$5,752,087 or 14.9% of total expenditures, including transfers. In another Commission fund balance policy, any General Fund fund balance in excess of the 12% goal becomes the subject of a capital investment discussion. This discussion will be held in April 2020.

General Fund

The results of the General Fund for 2019 demonstrate that the Municipality has been able adequately fund operations and capital items in 2019 while maintaining the level of service citizens have come to expect. The chart below shows the operating results of this fund for 2019:

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DECEMBER 31, 2019

	Final Budget	Actual	Variance (Unfavorable)
Revenues	\$ 36,750,370	\$ 37,741,223	\$ 990,853
Expenditures	32,683,030	31,771,484	911,546
Excess of Revenues Over Expenditures	4,067,340	5,969,739	1,902,399
Transfers, net	(5,799,450)	(5,863,987)	(64,537)
Net change in fund balance from operations	<u>\$ (1,732,110)</u>	<u>\$ 105,752</u>	<u>\$ 1,837,862</u>

It was planned that the Municipality use \$1.7 million in fund balance to support operations and capital projects for the year, but due to timing of capital projects, increases in revenue and operational savings, no fund balance was used in 2019. The sections below will discuss the results that led to this favorable result.

Revenues

Total operating revenues exceeded budget by \$990,853 or 2.7%. The major budget to actual variances contributing to this result are as follows:

Revenue Source	Exceeds/ (Under) Budget (in thousands)	Reason
Earned income taxes	177.7	Overall collections increased 4.1%. Both current and prior year collections increased in 2019.
Real estate transfer taxes	336.2	Real estate transfer tax had another banner year with over \$2.0 million in collections. This was one of the highest transfer years, with 617 residential properties transferring in 2019 at an average price of \$323.2k.
Licenses, permits and fees	242.3	Building permits increased by \$242.4k in 2019 compared to 2018 due to construction at St. Clair Hospital. The municipality expected this variance as the construction at St. Clair Hospital spanned multiple years.
Recreation	(161.7)	Revenue was down across all recreation functions in 2019. Participation and rental revenue at the ice rink were lower than expected. Pre-sold permits at the swim center were lower than budgeted projections.

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Revenue Source	Exceeds/ (Under) Budget (in thousands)	Reason
Charges for Service	147.9	Contractors who require police traffic detail for work in our roadways fully reimburse the municipality for the wages paid to the officers. Reimbursements in 2019 exceeded budget estimates.

Expenditures

Overall, expenditures were \$911,546 or 2.8% less than budgeted. The major budget to actual fluctuations contributing to this favorable performance were:

Function	Under/ (Exceeds) Budget (in thousands)	Reason
General Government	132.2	The retirement of the long tenured Public Information Officer coupled with a delay in hiring a part-time benefited employee led to a \$81.2k variance in the Public Information Office. Deferred equipment expenditures led to a \$68.0k variance in Information Services.
Transportation	389.1	Pedestrian routes had a deferral of budgeted expenditures to 2020. Ice and snow control had lower than expected personnel costs for snow call outs, in addition to lower quantities of rock salt purchased. Traffic planning and signals did not have any applications for traffic calming in 2019 and the municipality carried those funds into 2020.
Culture and recreation	96.1	As mentioned in the revenue section, budgeted revenues for various programs were down in 2019. Correspondingly expenditures were lower than anticipated in 2019.
Public Safety	(133.6)	Traffic details, as mentioned above, were above budget. Also, overtime related to 5 new police officers hired in 2019 was above budget by \$169.0k. Per department policy, police officers in their first year cannot count towards shift minimums, thus creating an expected variance in overtime to cover shift minimums.
Capital outlay	356.6	The budgeted projects for Robb Hollow Park and the Library Building HVAC were deferred into 2020.

These items account for 92% of the expenditure variance.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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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 \$7,764,2017, an increase of \$105,752 from 2018. The reasons for this increase have been discussed above. This fund balance is categorized into the following fund balance components:

Fund Balance Component	Amount	Explanation
Nonspendable	\$ 533,088	Prepaid items and inventory
Assigned for:		
Capital projects	201,032	Field turf replacement
Capital projects	122,000	Firing range upgrades
Subsequent years budget	1,094,000	2020 budget
Future benefit obligations	65,000	Pension Contributions
Unassigned	5,752,087	Available for expenditure
Total Fund Balance	<u>\$ 7,767,207</u>	

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. Under the continuing directives of the Environmental Protection Agency (EPA) 308 order, substantial funding is needed to complete the required work.

Total assessments (municipal and ALCOSAN combined) were \$9,445,318 and all other income totaled \$295,125. Transfers to the Capital Projects Fund for infrastructure and equipment expenditures were \$1,549,056. In addition, \$485,211 was transferred to the General Fund for sanitary sewer maintenance activities and \$110,787 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 in prior years.

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The remainder of sewage fund expenditures were for payments to ALCOSAN for their portion of sewage charges and to Jordan Tax Service for collection expenditures. The remaining fund balance of \$10,535,042 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, contributions, grants, and bond proceeds. In 2019, this fund had expenditures of \$9.9 million, or \$1.2 million higher than the previous year. The Capital Projects Fund has a fund balance of \$5,646,660 at year-end. Of this balance, \$5,023,880 is restricted for the completion of improvements to municipal facilities, infrastructure and equipment funded by the 2019 bond issue. The assigned fund balance consists of a number of projects begun in prior years with funding from budget amendments for various community improvements.

Projects accounted for in the Capital Projects Fund include:

	Expended	Restricted	Assigned
	in 2019	Fund	Fund
Purpose		Balance	Balance
		12/31/2019	12/31/2019
Sanitary sewers improvements	\$ 1,454,162	\$ -	\$ -
Street reconstruction	2,034,437	-	-
Storm water system upgrades	663,916	417,780	269,650
Traffic signal/intersection upgrades	1,151,191	116,700	-
Building and facility improvements	4,323,180	968,337	190,000
Recreation facilities improvements	13,436	202,738	-
Parks and Field Improvements	36,428	457,200	163,130
Pedestrian routes improvements	117,320	2,861,125	-
Large equipment	117,894	-	-
Other, including debt service	58,713	-	-
	<u>\$ 9,970,677</u>	<u>\$ 5,023,880</u>	<u>\$ 622,780</u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Debt Service Fund

The Debt Service Fund reports all governmental fund debt related activity. In 2019, the Municipality refunded all remaining 2012 bonds and a portion of the 2014 bonds. The total principal issued related to the refunding was \$2,910,000. In aggregate, the total principal paid was \$5,469,640 and total interest was \$689,774 in 2019.

Other Governmental Funds

Within the other governmental funds category are:

- **Storm Water Fund** - Fees assessed by the municipality on properties and used only for storm water system maintenance and improvements.
- **State Highway Aid Fund** - State revenues dedicated to pay for certain street maintenance and improvement costs.
- **Library Operating Fund** - The main fund of the separately run but not legally separate public library.
- **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 and the Municipality being entitled to the assets of the Authority.

In total, the activities of these funds generated revenues of \$3.2 million and had a net decrease in fund balance of \$237,512. The details of the activities of these funds may be found on pages 132-141.

Budgetary Highlights

The 2019 General Fund budget was adopted in December 2018. The adopted General Fund budget had expenditures, including transfers, of \$38.9 million. Expenditures were covered by current revenues, including transfers, of \$37.6 million and fund balance of \$1.3 million.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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There was one budget amendment in 2019. Depicted below is a breakout of the revenues and expenditures included in the amendment.

Amendment Reason	
Project	Amount
Unanticipated expenditure	
Vehicle Purchases	\$ 27,200
Building Inspection Fees	80,000
Emergency Repairs to Ice Rink Chiller	30,000
Municipal Building front façade repair	46,900
Commission Assignments	
Police and Fire Radio Replacement	425,480
Communications Consultant	50,000

The 2020 municipal budget was adopted in December 2019. 2020 budget highlights include:

- The 2020 General Fund budget was adopted at \$40.5 million or an increase of 2.3% from the final 2019 budget. The net increase was a combination of operational expenditures increasing \$1.1 million and capital expenditures including transfers decreasing by \$484,880. The operating budget includes the addition of two (2) new full-time positions in the inspections and fire departments.
- The 2020 General Fund budget includes funds to maintain current levels of service as well as for street reconstruction, capital equipment purchases, and facility renovations. New capital items funded by the General Fund for 2020 include public works and fire equipment, a new fuel island canopy, year 3 of 3 for public safety center carpet replacement and the replacement of the cooling tower at the ice rink.
- The Capital Projects Fund budget includes funding for the continuation of sanitary sewer work under the interim consent order, storm sewer work, and the street reconstruction program (funded by the General Fund and the Storm Water Fund). In addition, expenditures related to 2019 bond issue projects are budgeted at more than \$4.5 million.

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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 55-57, provide the same type of information as on the government-wide statements, but in more detail.

As of December 31, 2019, the unrestricted net position of the fund is \$952,358, an increase of \$86,549 from the end of 2018. Charges for services for the year were \$2,211,179, which is an increase of 6.3% over the prior year. The operating expenses of the fund totaled \$1,682,393. This is an increase of 1.5%. The primary cause of the increase were increases in depreciation, contractual services related to credit card acceptance, and repairs to parking garage elevators and alarm panels. The Parking Facilities Advisory Board continues to analyze future short and long-term capital needs of the facilities operated by the fund.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets consist primarily of land, buildings and improvements, equipment, and infrastructure. The following chart provides a summary of capital assets at December 31, 2019 and 2018:

<u>Summary of Capital Assets</u>				
	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 7,266,047	\$ 7,266,047	\$ 2,687,084	\$ 2,687,084
Construction in progress	353,205	4,391,873	-	-
Buildings and improvements other than buildings	53,183,407	44,346,942	14,117,817	14,117,817
Infrastructure	99,734,713	96,448,479	-	-
Equipment and other capital assets	22,141,454	20,081,168	1,341,630	1,290,808
Total capital assets	182,678,826	172,534,509	18,146,531	18,095,709
Less accumulated depreciation for:				
Buildings and improvements other than buildings	(21,904,263)	(20,534,263)	(9,002,443)	(8,578,099)
Infrastructure	(38,497,196)	(36,672,618)	-	-
Equipment and other capital assets	(11,366,234)	(10,640,988)	(1,088,303)	(1,050,846)
Total accumulated depreciation	(71,767,693)	(67,847,869)	(10,090,746)	(9,628,945)
Total Capital Assets, Net	<u>\$ 110,911,133</u>	<u>\$ 104,686,640</u>	<u>\$ 8,055,785</u>	<u>\$ 8,466,764</u>

The significant changes in the governmental activities include additions to infrastructure for streets, sanitary and storm sewers, completed improvements at the public works facility, traffic signal replacements, and equipment purchases. In the Parking Fund (business-type activity) there was an addition for the purchase of a vehicle.

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Long-Term Debt

In 2019, the Municipality's total debt increased by \$1,620,000, or 5.8% from the previous year. The increase was due to the combination of the issuance of new debt as part of the 2019 bond issue and the continued principal payments on outstanding debt.

At December 31, 2019, the Municipality had \$29,320,000 of debt outstanding. The following details activity related to general obligation bonds during 2019:

<u>Summary of General Obligation Bond Activity</u>	
Beginning balance at January 1, 2019	\$ 27,700,000
New debt issues	7,765,000
Principal retirement	<u>(6,145,000)</u>
Ending balance at December 31, 2019	<u>\$ 29,320,000</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 the Aa2 rating from Moody's Investor Service at the time of the 2019 bond issue.

TRUST AND AGENCY OPERATIONS

Pension Trust Fund

The Municipality maintains three defined benefit pension plans – General Employee's, Police Officer's, and Firefighter's. 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 2019, the combined plan net position increased \$18.8 million, or 20.5%. The positive change in plan net position was due to employer and employee contributions and net investment income being sufficient to cover benefit payments and administration charges for 2019.

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Employee contributions can be reduced or eliminated each year by Ordinance or Resolution subject to the plans meeting certain financial considerations. During 2019, employee contributions were needed in all three plans and were assessed at the maximum allowable in each plan – general 5.0%, uniformed fire 5.0% and uniformed police 4.5%.

As mandated by state law, actuarial valuations for the plans are performed every two years – on 1/1/odd year date. As of the 1/1/2019 valuation, the actuarial accrued liability (AAL) of the three plans was \$106.1 million. At that time, for the three plans on a summarized basis, the AAL exceeded the actuarial value of assets by \$8.7 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 changes in the net pension liability and related ratios, contributions and investment returns. 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, 2019, the date of the most recent actuarial report, the actuarial accrued liability for the plan was \$3.0 million. At that point in time the plan had \$1.5 million in funding, leaving an unfunded liability of \$1.5 million, and a funded ratio of 50.5%. The next actuarial valuation will be performed as of January 1, 2021.

As with pensions, recent contract changes will affect this benefit going forward. As of the dates for arbitration awards in police, and the negotiated contracts for fire and public

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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works, and all other full-time employees, postemployment healthcare benefits have 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, Pennsylvania
Finance Department
710 Washington Road
Pittsburgh, PA 15228
www.mtlebanon.org
412-343-3410

MT. LEBANON, PENNSYLVANIA

STATEMENT OF NET POSITION

DECEMBER 31, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and other money market instruments	\$ 26,438,352	\$ 828,045	\$ 27,266,397
Receivables:			
Taxes	3,742,942	-	3,742,942
Assessments	1,211,707	-	1,211,707
Accounts	635,206	38,341	673,547
Due from other governments	456,141	-	456,141
Internal balances	(153,276)	153,276	-
Other assets	533,088	11,984	545,072
Net pension asset	2,244,402	-	2,244,402
Long-term receivable	-	114,129	114,129
Capital assets, not being depreciated	7,619,252	2,687,084	10,306,336
Capital assets, net of accumulated depreciation	42,054,364	5,368,701	47,423,065
Infrastructure assets, net of accumulated depreciation	61,237,517	-	61,237,517
Total Assets	146,019,695	9,201,560	155,221,255
Deferred Outflows of Resources			
Deferred outflows of resources for pension	1,879,661	-	1,879,661
Liabilities			
Accounts payable	3,001,605	27,051	3,028,656
Advance deposits	885,622	92,220	977,842
Accrued payroll and deductions payable	429,263	14,616	443,879
Accrued interest payable	304,718	4,450	309,168
Compensated absences, current portion	647,248	14,552	661,800
Bonds payable, current portion	2,577,442	77,558	2,655,000
Noncurrent liabilities:			
Net pension liability	2,662,695	-	2,662,695
Net other postemployment benefits liability	1,190,210	-	1,190,210
Compensated absences	1,307,629	40,528	1,348,157
Bonds payable	26,296,050	368,950	26,665,000
Total Liabilities	39,302,482	639,925	39,942,407
Deferred Inflows of Resources			
Deferred inflows of resources for pension	7,939,364	-	7,939,364
Deferred inflows of resources for other postemployment benefits	227,225	-	227,225
Total Deferred Inflows of Resources	8,166,589	-	8,166,589
Net Position			
Net investment in capital assets	87,061,522	7,609,277	94,670,799
Restricted for:			
Capital projects	10,501,947	-	10,501,947
Library	115,726	-	115,726
Industrial development	14,938	-	14,938
State highway aid	64,666	-	64,666
Unrestricted	2,671,486	952,358	3,623,844
Total Net Position	\$ 100,430,285	\$ 8,561,635	\$ 108,991,920

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 5,062,474	\$ 1,301,857	\$ 1,519,652	\$ -	\$ (2,240,965)	\$ -	\$ (2,240,965)
Community development	845,932	541,433	-	-	(304,499)	-	(304,499)
Public works	18,472,233	11,187,632	1,019,020	909,670	(5,355,911)	-	(5,355,911)
Human services	2,844,101	76,163	732,804	-	(2,035,134)	-	(2,035,134)
Culture and recreation	3,818,175	2,936,559	1,179	-	(880,437)	-	(880,437)
Public safety:							
Police	9,560,548	630,086	56,059	-	(8,874,403)	-	(8,874,403)
Fire	3,612,717	71,502	146,029	-	(3,395,186)	-	(3,395,186)
Other	1,018,254	659,893	-	-	(358,361)	-	(358,361)
Interest on long-term debt	435,968	-	-	-	(435,968)	-	(435,968)
Total governmental activities	45,670,402	17,405,125	3,474,743	909,670	(23,880,864)	-	(23,880,864)
Business-Type activities:							
Parking	1,702,327	2,211,179	-	-	-	508,852	508,852
Total primary government	\$ 47,372,729	\$ 19,616,304	\$ 3,474,743	\$ 909,670	(23,880,864)	508,852	(23,372,012)
General revenues:							
Taxes:							
Real estate					12,919,031	-	12,919,031
Earned income					12,950,010	-	12,950,010
Other					3,586,749	-	3,586,749
Interest income					452,919	13,968	466,887
Transfers - internal activities					171,890	(171,890)	-
Total general revenues and transfers					30,080,599	(157,922)	29,922,677
Change in Net Position					6,199,735	350,930	6,550,665
Net position - beginning of year					94,230,550	8,210,705	102,441,255
Net position - end of year					\$ 100,430,285	\$ 8,561,635	\$ 108,991,920

See accompanying notes to financial statements.

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BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2019

Assets	General	Sewage	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
Cash and other money market instruments	\$ 8,933,375	\$ 11,496,293	\$ 5,315,072	\$ -	\$ 693,612	\$ 26,438,352
Receivables:						
Taxes	3,742,942	-	-	-	-	3,742,942
Assessments	12,791	1,031,564	-	-	167,352	1,211,707
Accounts	558,923	-	76,283	-	-	635,206
Due from other funds	376,077	-	1,296,395	-	-	1,672,472
Due from other governments	456,141	-	-	-	-	456,141
Other assets	533,088	-	-	-	-	533,088
Total Assets	\$ 14,613,337	\$ 12,527,857	\$ 6,687,750	\$ -	\$ 860,964	\$ 34,689,908
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable	\$ 650,605	\$ 1,543,463	\$ 688,909	\$ -	\$ 118,628	\$ 3,001,605
Advance deposits	578,894	-	299,381	-	7,347	885,622
Due to other funds	1,449,671	174,802	-	-	201,275	1,825,748
Accrued payroll and deductions payable	1,076,511	-	-	-	-	1,076,511
Total Liabilities	3,755,681	1,718,265	988,290	-	327,250	6,789,486
Deferred Inflows of Resources:						
Unavailable revenue	3,090,449	274,550	52,800	-	126,084	3,543,883
Fund Balance:						
Nonspendable:						
Prepaid items and inventory	533,088	-	-	-	-	533,088
Restricted for:						
Capital projects	-	10,535,042	5,023,880	-	-	15,558,922
Library donor specifications	-	-	-	-	115,726	115,726
Industrial development	-	-	-	-	14,938	14,938
State highway aid	-	-	-	-	64,666	64,666
Assigned for:						
Capital projects	323,032	-	622,780	-	-	945,812
Library services	-	-	-	-	212,300	212,300
Subsequent years budget	1,094,000	-	-	-	-	1,094,000
Future benefit obligations	65,000	-	-	-	-	65,000
Unassigned	5,752,087	-	-	-	-	5,752,087
Total Fund Balance	7,767,207	10,535,042	5,646,660	-	407,630	24,356,539
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 14,613,337	\$ 12,527,857	\$ 6,687,750	\$ -	\$ 860,964	\$ 34,689,908

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

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

DECEMBER 31, 2019

Total Fund Balance - Governmental Funds	\$	24,356,539
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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.	110,911,133
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Property and earned income tax receivable, as well as certain other receivables, are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	3,543,883
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Interest expense on long-term debt is not recognized on the fund statements until due.	(304,718)
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The net other postemployment benefits liability is not reflected on the fund statements.	(1,190,210)
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The net pension liability is not reflected on the fund financial statements.	(418,293)
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Deferred outflows and inflows of resources for pension and other postemployment benefits are recorded and amortized in the statement of net position and are not recorded on the fund financial statements.	(6,286,928)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences	\$ (1,307,629)	
Bonds payable	(28,873,492)	(30,181,121)

Net Position - Governmental Activities	\$	<u>100,430,285</u>
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See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2019

	General	Sewage	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Real estate	\$ 12,949,165	\$ -	\$ -	\$ -	\$ -	\$ 12,949,165
Earned income	12,841,790	-	-	-	-	12,841,790
Other	3,586,749	-	-	-	-	3,586,749
Total taxes	29,377,704	-	-	-	-	29,377,704
Licenses, permits, and fees	1,473,988	9,445,318	-	-	1,499,369	12,418,675
Fines, forfeitures, and penalties	112,785	25,987	-	-	63,192	201,964
Investment earnings	130,930	233,609	57,590	-	30,790	452,919
Intergovernmental	1,380,239	-	846,787	-	1,461,436	3,688,462
Recreation	2,936,875	-	-	-	-	2,936,875
Other	2,328,702	35,529	42,419	-	230,665	2,637,315
Total revenues	37,741,223	9,740,443	946,796	-	3,285,452	51,713,914
Expenditures:						
Current:						
General government	4,651,403	116,190	-	-	21,909	4,789,502
Community development	827,389	-	-	-	3,640	831,029
Public works	7,861,754	6,519,246	-	-	955,470	15,336,470
Human services	485,935	-	-	-	2,453,195	2,939,130
Culture and recreation	3,062,313	-	-	-	-	3,062,313
Public safety:						
Police	9,576,569	-	-	-	-	9,576,569
Fire	3,287,275	-	-	-	-	3,287,275
Other	1,080,581	-	-	-	-	1,080,581
Debt service	-	-	53,301	6,196,019	-	6,249,320
Capital outlay	938,265	-	9,917,376	-	-	10,855,641
Total expenditures	31,771,484	6,635,436	9,970,677	6,196,019	3,434,214	58,007,830
Excess (Deficiency) of Revenues Over Expenditures	5,969,739	3,105,007	(9,023,881)	(6,196,019)	(148,762)	(6,293,916)
Other Financing Sources (Uses):						
Transfers in	1,084,270	-	5,146,813	3,122,868	1,400,450	10,754,401
Transfers out	(6,948,257)	(2,145,054)	-	-	(1,489,200)	(10,582,511)
Refunds of prior year expenditures	-	-	52,264	-	-	52,264
Proceeds from issuance of bonds	-	-	4,855,000	-	-	4,855,000
Issuance of refunding bonds	-	-	-	2,910,000	-	2,910,000
Bond issue premium	-	-	206,077	163,151	-	369,228
Total other financing sources (uses)	(5,863,987)	(2,145,054)	10,260,154	6,196,019	(88,750)	8,358,382
Net Change in Fund Balance	105,752	959,953	1,236,273	-	(237,512)	2,064,466
Fund Balance:						
Beginning of year	7,661,455	9,575,089	4,410,387	-	645,142	22,292,073
End of year	\$ 7,767,207	\$ 10,535,042	\$ 5,646,660	\$ -	\$ 407,630	\$ 24,356,539

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, 2019

Net Change in Fund Balance - Governmental Funds \$ 2,064,466

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	\$ 10,983,542	
Depreciation expense	<u>(4,726,049)</u>	6,257,493

The net effect of various transactions involving capital assets (e.g., sales, dispositions, trade-ins) is to decrease net position. (33,000)

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. (2,295,360)

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. (67,931)

Changes in the long-term portion of the compensated absence liability are reflected as an adjustment to expense on the statement of activities, but not included in the fund statements. (6,854)

Changes in the net other postemployment benefits liability and related deferred inflows and outflows of resources do not affect current financial resources and, therefore, are not reflected on the fund statements. 69,948

Changes in the net pension asset and liability and related deferred inflows and outflows of resources do not affect current financial resources and, therefore, are not reflected on the fund statements. 236,489

Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds. (25,516)

Change in Net Position of Governmental Activities \$ 6,199,735

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, 2019

	General Fund				Sewage Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:								
Taxes	\$ 28,593,660	\$ 28,747,760	\$ 29,377,704	\$ 629,944	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	1,205,780	1,285,780	1,473,988	188,208	11,865,000	11,865,000	9,445,318	(2,419,682)
Fines, forfeitures, and penalties	123,600	123,600	112,785	(10,815)	19,500	19,500	25,987	6,487
Investment earnings	55,000	55,000	130,930	75,930	85,000	85,000	233,609	148,609
Intergovernmental	1,281,290	1,281,290	1,380,239	98,949	-	-	-	-
Recreation	3,098,610	3,098,610	2,936,875	(161,735)	-	-	-	-
Other	2,158,330	2,158,330	2,328,702	170,372	34,500	34,500	35,529	1,029
Total revenues	36,516,270	36,750,370	37,741,223	990,853	12,004,000	12,004,000	9,740,443	(2,263,557)

(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, 2019
(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	4,733,600	4,783,600	4,651,403	132,197	133,000	133,000	116,190	16,810
Community development	773,120	853,120	827,389	25,731	-	-	-	-
Public works	8,309,600	8,309,600	7,861,754	447,846	7,300,000	7,300,000	6,519,246	780,754
Human services	472,680	472,680	485,935	(13,255)	-	-	-	-
Culture and recreation	3,128,400	3,158,400	3,062,313	96,087	-	-	-	-
Public safety:								
Police	9,400,160	9,400,160	9,576,569	(176,409)	-	-	-	-
Fire	3,301,360	3,328,360	3,287,275	41,085	-	-	-	-
Other	1,082,270	1,082,270	1,080,581	1,689	-	-	-	-
Capital outlay	869,360	1,294,840	938,265	356,575	-	-	-	-
Total expenditures	32,070,550	32,683,030	31,771,484	911,546	7,433,000	7,433,000	6,635,436	797,564
Excess (Deficiency) of Revenues Over Expenditures	4,445,720	4,067,340	5,969,739	1,902,399	4,571,000	4,571,000	3,105,007	(1,465,993)
Other Financing Sources (Uses):								
Transfers in	1,084,040	1,084,040	1,084,270	230	-	-	-	-
Transfers out	(6,836,590)	(6,883,490)	(6,948,257)	(64,767)	(4,571,700)	(4,571,700)	(2,145,054)	2,426,646
Total other financing sources (uses)	(5,752,550)	(5,799,450)	(5,863,987)	(64,537)	(4,571,700)	(4,571,700)	(2,145,054)	2,426,646
Net Change in Fund Balance	<u>\$ (1,306,830)</u>	<u>\$ (1,732,110)</u>	105,752	<u>\$ 1,837,862</u>	<u>\$ (700)</u>	<u>\$ (700)</u>	959,953	<u>\$ 960,653</u>
Fund Balance:								
Beginning of year			7,661,455				9,575,089	
End of year			<u>\$ 7,767,207</u>				<u>\$ 10,535,042</u>	

(Concluded)

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

STATEMENT OF NET POSITION PROPRIETARY FUND - PARKING FUND

DECEMBER 31, 2019

Assets	
Current assets:	
Cash and other money market instruments	\$ 828,045
Accounts receivable	38,341
Due from other funds	153,276
Prepays and other assets	11,984
Total current assets	1,031,646
Non-current assets:	
Long-term receivable	114,129
Capital assets not being depreciated	2,687,084
Capital assets, net of accumulated depreciation	5,368,701
Total non-current assets	8,169,914
Total Assets	\$ 9,201,560
Liabilities and Net Position	
Liabilities:	
Current liabilities:	
Current portion of bonds payable	\$ 77,558
Accrued interest payable	4,450
Accounts payable	27,051
Accrued payroll	29,168
Advance deposits	92,220
Total current liabilities	230,447
Non-current liabilities:	
Bonds payable	368,950
Compensated absences	40,528
Total noncurrent liabilities	409,478
Total Liabilities	639,925
Net Position:	
Net investment in capital assets	7,609,277
Unrestricted	952,358
Total Net Position	8,561,635
Total Liabilities and Net Position	\$ 9,201,560

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, 2019

Operating Revenues:

Vehicle space rental	\$ 1,210,562
Meter collections	578,405
Fine collections	226,903
Rental	182,627
Other	12,682
Total operating revenues	2,211,179

Operating Expenses:

Personnel	713,870
Contracted services	384,362
Utilities	50,187
Materials and supplies	72,173
Depreciation	461,801
Total operating expenses	1,682,393

Operating Income	528,786
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Nonoperating Revenues (Expenses):

Interest income	13,968
Interest expense	(19,934)
Total nonoperating revenues (expenses)	(5,966)

Income (loss) before transfers	522,820
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Transfers out	(171,890)
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Change in Net Position	350,930
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Net Position:

Beginning of year	8,210,705
End of year	\$ 8,561,635

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

STATEMENT OF CASH FLOWS PROPRIETARY FUND - PARKING FUND

YEAR ENDED DECEMBER 31, 2019

Cash Flows From Operating Activities:

Receipts from customers	\$ 2,266,217
Payments for goods and services	(525,796)
Payments to employees	(703,952)
Net cash provided by (used in) operating activities	<u>1,036,469</u>

Cash Flows From Investing Activities:

Interest income	<u>13,968</u>
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Cash Flows From Non-Capital Financing Activities:

Transfers to and from other funds	(274,553)
Repayment of long-term receivable	<u>160,740</u>
Net cash provided by (used in) non-capital financing activities	<u>(113,813)</u>

Cash Flows From Capital and Related Financing Activities:

Payment of long-term debt	(675,360)
Payment of interest on long-term debt	(24,876)
Acquisition of property and equipment	<u>(50,822)</u>
Net cash provided by (used in) capital and related financing activities	<u>(751,058)</u>

Net Increase (Decrease) in Cash and Other Money Market Instruments 185,566

Cash and Other Money Market Instruments:

Beginning of year	<u>642,479</u>
End of year	<u>\$ 828,045</u>

Reconciliation of Operating Income to Net

Cash Provided by (Used in) Operating Activities:

Operating income	\$ 528,786
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Depreciation	461,801
Change in operating assets and liabilities:	
Accounts receivable	61,594
Prepays and other assets	283
Accounts payable	(19,357)
Accrued payroll	9,918
Advance deposits	<u>(6,556)</u>
Total adjustments	<u>507,683</u>
Net cash provided by (used in) operating activities	<u>\$ 1,036,469</u>

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

STATEMENT OF PLAN NET POSITION FIDUCIARY FUNDS - TRUST FUNDS

DECEMBER 31, 2019

Assets	
Accrued income receivable	\$ 2,370
Accrued contributions	1,012
Investments (at fair value):	
Equity funds	76,726,995
Fixed income funds	29,585,481
Real estate investment trusts	3,287,348
Short-term funds	<u>3,045,356</u>
Total Assets	<u>112,648,562</u>
Liabilities	
Accounts payable	<u>174,926</u>
Net Position	
Restricted for pensions	110,534,058
Restricted for OPEB benefits	<u>1,939,578</u>
Total Net Position	<u><u>\$ 112,473,636</u></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, 2019

Additions:

Contributions:

Employer, including state aid	\$ 3,213,854
Employee	<u>581,928</u>
Total contributions	<u>3,795,782</u>

Investment gain:

Net appreciation in fair value of investments	17,741,748
Interest and dividends	<u>3,033,412</u>
Total investment gain	20,775,160
Less investment expense	<u>64,654</u>
Net investment gain	<u>20,710,506</u>

Total additions	<u>24,506,288</u>
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Deductions:

Benefits	5,222,915
Withdrawals	40,130
Administrative expense	<u>44,187</u>
Total deductions	<u>5,307,232</u>

Change in Net Position	19,199,056
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Net Position:

Beginning of year	<u>93,274,580</u>
End of year	<u><u>\$ 112,473,636</u></u>

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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.
 - 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.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

- 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 are 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.

Blended Component Unit

The Mt. Lebanon Industrial Development Authority (IDA) was formed in 2006 to assist in the enhancement of development and redevelopment in the Municipality. The IDA is included as a blended component unit of the Municipality because the Commission serves as the board for the IDA, the Commission can impose its will on the activities of the IDA, and the Municipality is entitled to the assets of the IDA; thus, the Municipality has operational responsibility for the IDA. Separate financial statements are not issued.

Related Organization

The Mt. Lebanon Hospital Authority (MLHA) was incorporated under the Municipal 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 a

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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 unit. 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, 2019

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, sewer and storm water assessments, donations, 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, pension contributions, and claims and judgments are recorded only when payment is due.

In the government-wide financial statements, long-term liabilities related to post-employment benefits, including pensions, health insurance, and life insurance are calculated based on actuarial valuations as described in Notes 8 and 9.

Capital assessment revenues are accrued to match development expenditures if collection is assured. 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, 2019

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

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* is 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.

Additionally, the Municipality reports the following fiduciary fund type:

The *Trust Funds* include the Pension Trust Fund and the Other Postemployment Benefits (OPEB) Trust Fund. 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. The 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.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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. 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.

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.

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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 2019.

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

The Municipality's cash and other money market instruments 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 are recorded at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

H. Fair Value Measurements

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

I. 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 capitalization

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

	Capitalization Amount	Useful Life
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.

J. 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 or 1 day per month to a maximum of 120 days dependent on date of hire. If any days in excess of the maximum occur, the extra days may qualify for an annual cash payment based on a predetermined 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 dependent on employment classification. The amount of the accumulation is based upon a sliding scale.

As of the date of the arbitration award for police, the sick day buy back provisions have been eliminated for new hires.

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K. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position and/or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Municipality has one item that qualifies for reporting in this category:

Certain amounts determined in connection with pension and other postemployment benefits accounting requirements are reported as deferred outflows of resources on the government-wide financial statements. These amounts are determined based on actuarial valuations performed for the plans. Notes 8 and 9 present additional information about the pension and other postemployment benefits plans, respectively.

In addition to liabilities, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position and/or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Municipality has two items that qualify for reporting in this category:

Unavailable revenue is reported only on the balance sheet and represents property and earned income taxes, sewer and storm water assessments, and donations which will not be collected within the available period. This amount will be recognized as an inflow of resources in the period the amounts become available.

Certain amounts determined in connection with pension and other postemployment benefits accounting requirements are reported as deferred inflows of resources on the government-wide financial statements. This amount is determined based on the actuarial valuations performed for the pension plans. Notes 8 and 9 present additional information about the pension and other postemployment benefits plans, respectively.

L. 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:

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- **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, 2019 are described in the governmental funds 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, 2019, the Municipality had restrictions through grant agreements, enabling legislation, and debt covenants as described in the governmental funds 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 must be made prior to the end of the fiscal year. Removal of this commitment requires a Commission ordinance. As of December 31, 2019, 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, 2019 are described in the governmental funds balance sheet.
- **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 General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report negative unassigned fund balance in 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 10%, with a goal of 12-15%, of the Municipality's General

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Fund annual expenditures. The Municipality's fund balance policy also outlines conditions for the use of unassigned fund balance.

M. 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 or deferred inflows or resources 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."

N. 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.

O. Adoption of Accounting Pronouncements

The following GASB Statements were adopted for the year ended December 31, 2019: Statement Nos. 83 (Certain Retirement Obligations), 84 (Fiduciary Activities), 88 (Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements) and 90 (Majority Equity Interests). These statements had no significant impact on the Municipality's financial statements for the year ended December 31, 2019.

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P. Pending Pronouncements

GASB has issued statements that will become effective in future years including Statement Nos. 87 (Leases), 89 (Accounting for Interest Cost Incurred before the End of a Construction Period), 91 (Conduit Debt Obligations), and 92 (Omnibus 2020). Management has not yet determined the impact of these statements on the financial statements.

2. **Property Taxes**

Based upon assessed valuations established by Allegheny County as of January 1 (approximately \$2.8 billion in 2019), the Municipality bills and collects its own property taxes. The schedule for property taxes levied for 2019 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	- delinquency period
July 20	- lien filing date

The municipal tax rate for all purposes in 2019 was 4.71 mills (\$4.71 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 firefighter 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 investment types including U.S. Treasury Bills, other short-term U.S. government obligations, short term commercial paper issued by a public corporation, banker's acceptances, insured or collateralized time deposits, and certificates of deposit. The statutes also allow pooling of governmental funds for investment purposes.

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

Deposits

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

Custodial Credit Risk – Deposits. As of December 31, 2019, \$500,000 of the Municipality's \$22,654,699 bank balance was insured by the Federal Deposit Insurance Corporation. The remaining bank balance 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 \$22,246,317 as of December 31, 2019.

Investments

The Municipality's cash equivalent investments in PLGIT are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. The Municipality's position in the external investment pool is the same as the value of the pool shares and is reported at amortized cost, which approximates fair value. 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. The Municipality can generally withdraw funds from the external investment pool without limitation, other than investments within the PLGIT CD and PLGIT TERM accounts, which can only be withdrawn at maturity. In addition, there are certain limitations placed on the following withdrawals: for PLGIT-Class and PLGIT/ARM accounts, there is a one-day holding period; for PLGIT CD and PLGIT TERM accounts, there is a 60-day holding period and a penalty for early withdrawal.

As of December 31, 2019, the total of PLGIT accounts had bank and book balances of \$5,020,080, which is considered to be a cash equivalent for presentation on the statement of net position and governmental funds 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 has no formal investment policy that

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would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. As of December 31, 2019, the investments in PLGIT have received AAA ratings from Standard & Poor's.

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 and OPEB Trust Funds

The pension and OPEB trust funds' investments are held separately from those of other Municipality funds. Assets in the pension and OPEB 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 Firefighter pension plans and OPEB trust.

The Municipality's pension and OPEB trust funds categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The pension and OPEB trust funds have the following recurring fair value measurements at December 31, 2019:

Investments by Fair Value Level	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Short-term funds	\$ 3,045,356	\$ 3,045,356	\$ -	\$ -
Real estate investment trust	3,287,348	-	-	3,287,348
Total Investments by Fair Value Level	6,332,704	\$ 3,045,356	\$ -	\$ 3,287,348
Investments Measured at NAV:				
Multi-manager series trust:				
Domestic equity fund	48,432,949			
International equity fund	28,294,046			
Fixed income fund	29,585,481			
Total Investments measured at NAV	106,312,476			
Total investments measured at fair value	\$ 112,645,180			

Short-term funds classified in Level 1 are valued using prices quoted in active markets for those securities.

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Property trusts classified in Level 3 are valued based upon the Municipality's share of the trust assets held. The underlying assets of the property trusts are primarily invested in equity interests in operational and multifamily real estate assets in markets across the United States. The property trust valuations of real estate is determined by the property trust trustee and give consideration to the income, cost, and sales comparison approaches of estimating property value. This investment can never be redeemed within the fund. Distributions from the fund will be received as the underlying investments of the fund are liquidated. It is expected that the underlying assets of the fund will be liquidated over five to seven years after the end of the investment period. The unfunded commitment for this investment was \$3,537,652.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) under the so-called "practical expedient" is presented on the following table.

Instrument	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Multi-manager series trust (1)	\$ 106,312,476	N/A	Daily	N/A

(1) *Multi-manager series trust.* This investment type includes the PFM Multi-Manager Series Trust (PFM Trust), a Delaware statutory trust organized on December 21, 2016. The PFM Trust offers the following series: Domestic Equity Fund, International Equity Fund, and Fixed Income Fund. The Domestic Equity Fund seeks to provide long-term capital appreciation through a diversified portfolio consisting primarily of U.S. equity securities. The International Equity Fund seeks to provide long-term capital appreciation through a diversified portfolio consisting primarily of non-U.S. equity securities. The Fixed Income Fund seeks to maximize total return (capital appreciation and income) consistent with reasonable risk. The Fixed Income Fund declares and distributes dividends from net investment income, if any, monthly. The Domestic Equity Fund and International Equity Fund each declare and distribute net investment income to shareholders as dividends at least annually. Each fund makes distributions of its net realized capital gains, if any, at least annually.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of the future fair values. Furthermore, although the Municipality believes its valuation methods for the pension and OPEB trust funds are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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The following is a description of the pension and 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. The Municipality has an adopted policy statement for each of its three sponsored pension plans – general employees, police, and firefighter and the OPEB trust fund. The adopted policy indicates that the overall rating of the fixed income assets shall be investment grade (A or higher), based on the rating of one Nationally Recognized Statistical Rating Organization.

The total plan target and range allocations are as follows for the pension trust funds:

Asset Class	Asset Weightings	
	Range	Target
Equity - Domestic	27%-57%	42%
Equity - International	8%-38%	23%
Equity - Other	0%-20%	0%
Fixed Income	18%-48%	33%
Cash Equivalent	0% - 20%	2%

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 fund's stated objectives.

The total plan target and range allocations are as follows for the OPEB trust:

Asset Class	Asset Weightings	
	Range	Target
Equity - Domestic	27%-57%	42%
Equity - International	8%-38%	23%
Equity - Other	0%-20%	0%
Fixed Income	18%-48%	35%
Cash Equivalent	0% - 20%	0%

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

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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 and OPEB 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.

The Pension Trust Funds are invested in various types of financial instruments. The diversification of the investment portfolio serves to assist in mitigating the various types of risks associated with different types of financial instruments. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments could occur in the near-term and that such changes could materially affect the amount reported on the statement of fiduciary net position.

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, 2019, the balance was \$92,026.

In 2017, the Friends of the Library began the Friends of Mt. Lebanon Public Library Designated Fund (Designated Fund) with a gift of \$50,000 to the Mt. Lebanon Community Endowment (Endowment). Subsequently, funds were moved from the Foundation to the Endowment. The Endowment is under agreement to manage and invest the Designated Fund. The annual net income of the Designated Fund is paid to the Library, but due to the small amount of income available, the Library has been reinvesting the income into the Designated Fund. As of December 31, 2019, the balance was \$154,319.

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

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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, 2019, the amounts are due from the following governmental units:

	<u>General Fund</u>
Due from:	
School District	\$ 196,895
County	230,607
Other	<u>28,639</u>
	<u>\$ 456,141</u>

5. Long-Term Liabilities

During 2019, long-term liabilities changed as follows:

	<u>Balance at January 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2019</u>	<u>Due Within One Year</u>
Primary Government					
Governmental activities:					
Bonds payable	\$ 26,578,132	\$ 7,765,000	\$ (5,469,640)	\$ 28,873,492	\$ 2,577,442
Compensated absences	1,915,533	1,270,383	(1,231,039)	1,954,877	647,248
Net pension liability	14,179,529	12,480,433	(23,997,267)	2,662,695	-
Net other postemployment benefits liability	<u>1,586,223</u>	<u>281,208</u>	<u>(677,221)</u>	<u>1,190,210</u>	<u>-</u>
Governmental activities, long-term liabilities	<u>\$ 44,259,417</u>	<u>\$ 21,797,024</u>	<u>\$ (31,375,167)</u>	<u>\$ 34,681,274</u>	<u>\$ 3,224,690</u>
Business-type activities:					
Bonds payable	\$ 1,121,868	\$ -	\$ (675,360)	\$ 446,508	\$ 77,558
Compensated absences	<u>49,123</u>	<u>39,155</u>	<u>(33,198)</u>	<u>55,080</u>	<u>14,552</u>
Business-type activities, long-term liabilities	<u>\$ 1,170,991</u>	<u>\$ 39,155</u>	<u>\$ (708,558)</u>	<u>\$ 501,588</u>	<u>\$ 92,110</u>

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Bonds payable as of December 31, 2019 is composed of the following General Obligation Bond issues:

Description	Interest Rate %	Original Principal	Balance December 31, 2019
2013 Series, maturing in 2025	0.50 - 2.05	4,450,000	\$ 1,990,000
2014 Series, maturing in 2028	0.35 - 3.00	4,175,000	640,000
2015 Series, maturing in 2025	2.00 - 4.00	9,620,000	7,110,000
2016 Series, maturing in 2027	2.00 - 3.25	4,355,000	4,040,000
2017 Series, maturing in 2032	0.80 - 3.25	8,800,000	7,775,000
2019 Series, maturing in 2029	2.00 - 4.00	7,765,000	7,765,000
			<u>\$ 29,320,000</u>

Total payments made on bonds payable in 2019 were \$3,125,000 and \$693,162 for principal and interest, respectively. There was also \$3,020,000 in long-term debt principal refunded during the year

The future annual payments required to amortize bonds payable outstanding as December 31, 2019 are as follows:

	Government Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 2,577,442	\$ 755,481	\$ 77,558	\$ 10,680
2021	2,649,302	684,859	80,698	7,577
2022	2,717,732	622,586	82,268	5,963
2023	2,761,162	563,001	83,838	4,318
2024	2,819,278	501,353	85,722	2,641
2025-2029	12,808,576	1,520,468	36,424	820
2030-2032	2,540,000	146,413	-	-
Total	<u>\$ 28,873,492</u>	<u>\$ 4,794,161</u>	<u>\$ 446,508</u>	<u>\$ 31,999</u>

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

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

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The 2014 Series General Obligation Bonds were issued to provide funding of projects to upgrade and repair parking and municipal facilities, improve storm water infrastructure and upgrade municipal equipment.

The 2015 Series General Obligation Bonds were issued for the current refunding of the Municipality's General Obligation Bonds, Series A of 2010, and for the current refunding of a portion of the Municipality's General Obligation Bonds, Series B of 2010.

The 2016 Series General Obligation Bonds were issued for the current refunding of a portion of the Municipality's General Obligation Bonds, Series of 2011, and for the advance refunding of a portion of the Municipality's General Obligation Bonds, Series A of 2012.

The 2017 Series General Obligation Bonds were issued to provide funding for various municipality capital improvement projects and equipment.

The 2019 Series General Obligation Bonds were issued for capital improvement projects, the current refunding of the Municipality's General Obligation Bonds, Series of 2012, and the current refunding of a portion of the Municipality's General Obligation Bonds, Series of 2014. The net present value savings for the refunded bonds was \$116,991, or 3.87%.

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6. Capital Assets

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

	January 1, 2019	Additions	Disposals	December 31, 2019
Governmental activities:				
Land (not depreciated)	\$ 7,266,047	\$ -	\$ -	\$ 7,266,047
Construction in progress (not depreciated)	4,391,873	353,205	(4,391,873)	353,205
Buildings and improvements other than buildings	44,346,942	8,836,465	-	53,183,407
Infrastructure	96,448,479	3,286,234	-	99,734,713
Library book collection	2,683,691	278,713	(314,537)	2,647,867
Equipment	17,397,477	2,620,798	(524,688)	19,493,587
	<u>172,534,509</u>	<u>15,375,415</u>	<u>(5,231,098)</u>	<u>182,678,826</u>
Less accumulated depreciation for:				
Buildings and improvements other than buildings	(20,534,263)	(1,370,000)	-	(21,904,263)
Infrastructure	(36,672,618)	(1,824,578)	-	(38,497,196)
Library book collection	(412,693)	(317,873)	314,537	(416,029)
Equipment	(10,228,295)	(1,213,598)	491,688	(10,950,205)
	<u>(67,847,869)</u>	<u>(4,726,049)</u>	<u>806,225</u>	<u>(71,767,693)</u>
Governmental activities capital assets, net	<u>\$ 104,686,640</u>	<u>\$ 10,649,366</u>	<u>\$ (4,424,873)</u>	<u>\$ 110,911,133</u>
Business-type activities:				
Land (not depreciated)	\$ 2,687,084	\$ -	\$ -	\$ 2,687,084
Buildings and improvements other than buildings	14,117,817	-	-	14,117,817
Equipment	1,290,808	50,822	-	1,341,630
	<u>18,095,709</u>	<u>50,822</u>	<u>-</u>	<u>18,146,531</u>
Less accumulated depreciation for:				
Buildings and improvements other than buildings	(8,578,099)	(424,344)	-	(9,002,443)
Equipment	(1,050,846)	(37,457)	-	(1,088,303)
	<u>(9,628,945)</u>	<u>(461,801)</u>	<u>-</u>	<u>(10,090,746)</u>
Business-type activities capital assets, net	<u>\$ 8,466,764</u>	<u>\$ (410,979)</u>	<u>\$ -</u>	<u>\$ 8,055,785</u>

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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

Governmental activities:	
General government	\$ 243,258
Public works	2,577,328
Human services	437,531
Culture and recreation	731,358
Public safety:	
Police	402,916
Fire	333,658
	<u> </u>
Total depreciation expense - governmental activities	<u>\$ 4,726,049</u>
Business-type activities:	
Parking	<u>\$ 461,801</u>

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:

Fund	Interfund Receivable	Interfund Payable
General	\$ 376,077	\$ 1,449,671
Sewage	-	174,802
Capital Projects	1,296,395	-
Other governmental	-	201,275
	<u>1,672,472</u>	<u>1,825,748</u>
Parking	153,276	-
	<u>\$ 1,825,748</u>	<u>\$ 1,825,748</u>

MT. LEBANON, PENNSYLVANIA

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	Transfer In				
	General	Capital	Debt	Other	
	Fund	Projects	Service	Governmental	Total
Transfer out:					
General	\$ -	\$ 2,654,740	\$ 2,893,067	\$ 1,400,450	\$ 6,948,257
Sewage	485,211	1,549,056	110,787	-	2,145,054
Other governmental	427,169	943,017	119,014	-	1,489,200
Parking	171,890	-	-	-	171,890
	<u>\$ 1,084,270</u>	<u>\$ 5,146,813</u>	<u>\$ 3,122,868</u>	<u>\$ 1,400,450</u>	<u>\$ 10,754,401</u>

8. Pension Plans

Summary of Significant Accounting Policies

Financial information of the pension plans (Plans) is presented on the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans. Employer contributions to the Plans are recognized when due as required by applicable law. Investments of the Plans are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price.

At December 31, 2019, 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.

Plan Description

The Municipality administers three single-employer defined benefit pension plans: General Employees, Police, and Firefighter. 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 municipal ordinance with the authority for municipal contributions required by Act 205 of 1984 of the Commonwealth of Pennsylvania (Act). The Plans are governed by the Municipality's Commission which has delegated the authority to manage the Plans to the Manager. The activity of the Plans is reported within the Fiduciary Funds – Trust Funds in the accompanying financial statements. Separate plan financial statements are not available.

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At December 31, 2019, participants in the plans were as follows:

	General Employees	Police	Firefighter
Inactive plan members or beneficiaries currently receiving benefits	67	56	16
Inactive plan members entitled to but not yet receiving benefits	19	2	1
Active plan members	75	42	17
Total plan members	161	100	34

Benefits Provided – General Employees Plan

Retirement Benefit – The General Employees plan provides for a normal retirement benefit after completion of 25 years of credited service and attaining age 60. For participants hired before January 1, 2012, the scheduled monthly retirement benefit is 60% of the participant's compensation averaged over 36 consecutive months out of the final 120 months of employment that produce the highest average. For participants hired on or after January 1, 2012, the scheduled monthly retirement benefit is 50% of the participant's compensation averaged over 36 consecutive months out of the final 120 months of employment that produce the highest average with compensation limited to base salary plus any applicable longevity. A participant is eligible for an additional monthly benefit of 1.0% of the final average monthly compensation for each year of credited service in excess of 25 years. After seven years of credited service, a participant is eligible to receive a retirement benefit with reductions for participants with less than 25 years of credited service and participants under the age of 60 at the time of the benefit commencement.

Death Benefit – If a participant shall die after commencement of retirement benefit payments in the normal form or prior to the commencement of the receipt of retirement benefits and after the participant has attained normal retirement age under the plan, a benefit shall be paid to the surviving spouse of the participant. The benefit shall be paid in an amount equal to 50% of the participant's accrued benefit as of the date of death.

If a vested participant shall die prior to the commencement of the receipt of retirement benefits and before the vested participant has attained normal retirement age under the plan, the surviving spouse of the participant shall be entitled to receive a survivor benefit. The benefit shall be an amount equal to 50% of the participant's accrued benefit determined as of the date of death commencing as of the first day of the month coincident with or next following what would have been the participant's attainment of age 60 or the first day of the month coincident with or next following the date of death if the participant

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has attained age of 60. In lieu of receiving a deferred survivor benefit, the participant's beneficiary may elect to receive a lump sum distribution of accumulated contributions.

Benefits Provided – Police Plan

Retirement Benefit – The Police plan provides for a normal retirement benefit after completion of 25 years of credited service and attaining age 50. For participants hired before January 11, 2004, the scheduled monthly retirement benefit is 75% of the participant's compensation averaged over 36 consecutive months out of the final 120 months of employment that produce the highest average. A participant is eligible for an additional monthly benefit of 1.0% of the final average monthly compensation for each year of credited service in excess of 25 years and an additional monthly benefit of 1.0% of final average monthly compensation for each year of active military service. A participant is vested after seven years of service. After seven years of service, a participant is eligible to receive a retirement benefit with reductions for participants with less than 25 years of credited service and participants under the age of 50 at the time of the benefit commencement.

For participants hired after January 11, 2004, the scheduled monthly retirement benefit is 50% of the average monthly compensation earned by the participant during the last 36 months immediately preceding termination of active employment. A participant is eligible for an additional monthly benefit of \$100 for completion of 26 years of service. A participant is 100% vested in the plan at 12 years of service. A participant is eligible for an early retirement benefit after 20 years of service subject to reductions for early retirement.

Disability Benefit - If a participant becomes totally and permanently disabled as a result of accident or sickness occurring in the line of duty, the participant is entitled to receive a monthly disability benefit. The scheduled benefit is the greater of the participant's accrued benefit or 50% of the participant's salary at the time the disability was incurred, offset by Social Security disability benefits for the same injury. Payments will continue until the earliest of recovery, death, or normal retirement.

Death Benefit – If a participant's death occurs after the commencement of retirement benefit payments in the normal form or prior to the commencement of the receipt of retirement benefits and after the participant has attained normal retirement age under the plan, the participant's surviving spouse or dependent children are eligible to receive a monthly benefit. The benefit payable is 100% of the pension the participant was receiving or entitled to receive on the date of death and is payable until the latest of the spouse's death or the youngest dependent attaining age 18 (age 23 if attending college). If a participant's death occurs before payment of a benefit has commenced and did not attain

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normal retirement age, the participant's beneficiary shall be eligible to receive a lump sum distribution of an amount equal to the accumulated contributions of the participant as of the date of death of the participant.

Cost of Living Adjustments – Benefit terms provide for annual cost-of-living adjustments to each participant's retirement benefit subsequent to the member's retirement date depending on date of hire. Participants hired prior to January 11, 2004 who have completed at least 20 years of credited service are eligible to receive an annual retirement benefit adjustment of 2% of the participant's final average monthly compensation. Participants with less than 20 years of credited service are eligible to receive an annual retirement benefit adjustment of 2% of the participant's retirement benefit. The total monthly retirement benefit including service increments, military service benefits, and cost-of-living adjustments shall not exceed an amount equal to 90% of the participant's final average monthly compensation.

For participants hired after January 11, 2004, an annual retirement benefit adjustment on the participant's monthly retirement benefit, excluding service increments, is based on the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). The total of all increases may not exceed 30% of the participant's original benefit nor may the sum of the retiree's benefit and all increases exceed 75% of final average monthly compensation used to compute the original retirement benefit.

Benefits Provided – Firefighter Plan

Retirement Benefit – The Firefighter plan provides for a normal retirement benefit after completion of 25 years of credited service and attaining age 53. For participants hired before August 28, 2011, the scheduled monthly retirement benefit is 70% of the participant's compensation averaged over 36 consecutive months out of the final 120 months of employment that produce the highest average. For participants hired on or after August 28, 2011, the scheduled monthly retirement benefit is 50% of the participant's compensation averaged over 36 consecutive months out of the final 120 months of employment that produce the highest average with compensation limited to base salary plus any applicable longevity. A participant is eligible for an additional monthly benefit of 1.0% of the final average monthly compensation for each year of credited service in excess of 25 years and an additional monthly benefit of 1.0% of final average monthly compensation for each year of active military service. After seven years of credited service, an employee is eligible to receive a retirement benefit with reductions for participants with less than 25 years of credited service and participants under the age of 53 at the time of the benefit commencement.

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Death Benefit – If a participant shall die after commencement of retirement benefit payments in the normal form or prior to the commencement of the receipt of retirement benefits and after the participant has attained normal retirement age under the plan, a benefit shall be paid to the surviving spouse of the participant or if there is no surviving spouse to the surviving dependent children of the participant. The benefit shall be paid in an amount equal to 50% of the participant's accrued benefit as of the date of death.

If a vested participant shall die prior to the commencement of the receipt of retirement benefits and before the vested participant has attained normal retirement age under the plan, the surviving spouse of the participant or if there is no surviving spouse to the surviving dependent children of the participant shall be entitled to receive a survivor benefit. The benefit shall be an amount equal to 50% of the participant's accrued benefit determined as of the date of death commencing as of the first day of the month coincident with or next following what would have been the participant's attainment of age 53 or the first day of the month coincident with or next following the date of death if the participant has attained age of 53. In lieu of receiving a deferred survivor benefit, the participant's beneficiary may elect to receive a lump sum distribution of accumulated contributions.

Contributions

The Plans are funded by the Municipality on an annual basis pursuant to the provisions of the Act. The Act requires that annual contributions be based upon the calculation of the Minimum Municipal Obligation (MMO). Certain pension information and calculations are based upon an actuarial valuation performed as of January 1, 2017.

Employees are not required to contribute under the Act; such contributions are subject to collective bargaining and can be reduced or eliminated each year by Ordinance or Resolution subject to the Plans meeting certain financial conditions. For the year ended December 31, 2019, general employees were required to contribute 5% of their salary; police officers were required to contribute 4.5% of their salary; and firefighters were required to contribute 5% of their salary. On-behalf payments by employees are recognized as contributions in the statement of changes in plan net position for fiduciary funds.

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 2019. The following table reflects contribution information for 2019:

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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

	General Employees	Police	Firefighter	Total
MMO	<u>\$ 456,673</u>	<u>\$ 2,306,379</u>	<u>\$ 220,441</u>	<u>\$ 2,983,493</u>
Contributions:				
Municipal	\$ 72,635	\$ 1,901,945	\$ 46,344	\$ 2,020,924
Allocation of state aid	<u>384,038</u>	<u>450,604</u>	<u>174,097</u>	<u>1,008,739</u>
Total	456,673	2,352,549	220,441	3,029,663
Employee	<u>242,483</u>	<u>250,972</u>	<u>88,473</u>	<u>581,928</u>
Total contributions	<u>\$ 699,156</u>	<u>\$ 2,603,521</u>	<u>\$ 308,914</u>	<u>\$ 3,611,591</u>
Covered payroll	<u>\$ 4,995,603</u>	<u>\$ 5,577,948</u>	<u>\$ 1,920,449</u>	
Employee contributions as a % of covered payroll	<u>4.85%</u>	<u>4.50%</u>	<u>4.61%</u>	

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 Firefighter (negotiated) plans have a different basis for the calculation of the pension contribution for hires after a certain effective date. For eligible employees hired before the effective date, the pension contribution is calculated on total compensation; whereas, employees hired after the effective date, the pension contribution is calculated using base wage plus longevity only. Effective dates for the General Employees and Firefighter 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.

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Net Pension (Asset) Liability

The components of the net pension (asset) liability of the Plans at December 31, 2019 were as follows:

	General Employees	Police	Firefighter	Total
Total pension liability	\$ 29,012,958	\$ 64,311,815	\$ 17,627,578	\$ 110,952,351
Plan fiduciary net position	(30,209,535)	(61,649,120)	(18,675,403)	(110,534,058)
Net pension liability	<u>\$ (1,196,577)</u>	<u>\$ 2,662,695</u>	<u>\$ (1,047,825)</u>	<u>\$ 418,293</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>104.12%</u>	<u>95.86%</u>	<u>105.94%</u>	

Changes in the Net Pension (Asset) Liability

The changes in the net pension (asset) liability of the Municipality for the General Employees Plan for the year ended December 31, 2019 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at December 31, 2018	\$ 27,581,830	\$ 25,219,256	\$ 2,362,574
Changes for the year:			
Service cost	623,431	-	623,431
Interest	2,003,538	-	2,003,538
Changes of benefit terms	55,521	-	55,521
Differences between expected and actual experience	(21,697)	-	(21,697)
Contributions - employer	-	456,673	(456,673)
Contributions - employee	-	242,483	(242,483)
Net investment income	-	5,551,354	(5,551,354)
Benefit payments, including refunds	(1,229,665)	(1,229,665)	-
Administrative expense	-	(30,566)	30,566
Net changes	<u>1,431,128</u>	<u>4,990,279</u>	<u>(3,559,151)</u>
Balances at December 31, 2019	<u>\$ 29,012,958</u>	<u>\$ 30,209,535</u>	<u>\$ (1,196,577)</u>

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The changes in the net pension (asset) liability of the Municipality for the Police Plan for the year ended December 31, 2019 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at December 31, 2018	\$ 61,421,368	\$ 50,775,227	\$ 10,646,141
Changes for the year:			
Service cost	1,318,227	-	1,318,227
Interest	4,452,276	-	4,452,276
Differences between expected and actual experience	168,924	-	168,924
Contributions - employer	-	2,352,549	(2,352,549)
Contributions - employee	-	250,972	(250,972)
Net investment income	-	11,370,132	(11,370,132)
Benefit payments, including refunds	(3,048,980)	(3,048,980)	-
Administrative expense	-	(50,780)	50,780
Net changes	2,890,447	10,873,893	(7,983,446)
Balances at December 31, 2019	\$ 64,311,815	\$ 61,649,120	\$ 2,662,695

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The changes in the net pension (asset) liability of the Municipality for the Firefighter Plan for the year ended December 31, 2019 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at December 31, 2018	\$ 16,936,205	\$ 15,765,391	\$ 1,170,814
Changes for the year:			
Service cost	286,393	-	286,393
Interest	1,220,594	-	1,220,594
Changes of benefit terms	23,995	-	23,995
Differences between expected and actual experience	3,234	-	3,234
Contributions - employer	-	220,441	(220,441)
Contributions - employee	-	88,473	(88,473)
Net investment income	-	3,464,190	(3,464,190)
Benefit payments, including refunds	(842,843)	(842,843)	-
Administrative expense	-	(20,249)	20,249
Net changes	691,373	2,910,012	(2,218,639)
Balances at December 31, 2019	\$ 17,627,578	\$ 18,675,403	\$ (1,047,825)

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Actuarial Assumptions - The total pension liability was determined by an actuarial valuation performed on January 1, 2019, and rolled forward to December 31, 2019, using the following actuarial assumptions, applied to all periods in the measurement:

	General Employees	Police	Firefighter
Actuarial assumptions:			
Investment rate of return	7.25%	7.25%	7.25%
Projected salary increases	4.75%	5.50%	4.75%
Inflation rate	2.75%	2.75%	2.75%
Mortality	RP-2014 Mortality Table	RP-2014 Mortality Table with 50% of Blue Collar adjustment	RP-2014 Mortality Table with 50% of Blue Collar adjustment
Cost-of-living adjustments	N/A	2.0%*	N/A

Actuarial assumptions based on actuarial experience study for the period 1996 - 2014.

N/A - not applicable

* See page 84 for details

Changes in Actuarial Assumptions – There were no changes in actuarial assumptions for the actuarial valuations performed on January 1, 2019.

Investment Policy – Each Plan has an Investment Policy Statement which can be amended by the Commission based on recommendations from the Pension Investment Advisory Board. The core objectives of the statement are as follows: 1) Invest assets in a manner consistent with the fiduciary standards of the Act, 2) Provide for the funding and anticipated withdrawals on a continuing basis, 3) Conserve and enhance the capital value of the pension funds in real terms through asset appreciation and income generation, while maintaining a moderate investment risk profile, 4) Minimize principal fluctuations over the investment cycle (3-5 years), and 5) Achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in the policy.

Long-Term Expected Rate of Return – The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce

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the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Plans' target asset allocation as of December 31, 2019:

Asset Class	Target Allocation			Long-Term Expected Real Rate of Return		
	General Employees	Police	Firefighter	General Employees	Police	Firefighter
Domestic equity	42.0%	42.0%	42.0%	6.3%	6.3%	6.3%
International equity	23.0%	23.0%	23.0%	6.3%	6.3%	6.3%
Other equity	0.0%	0.0%	0.0%	6.3%	6.3%	6.3%
Fixed income	33.0%	33.0%	33.0%	2.0%	2.0%	2.0%
Cash	2.0%	2.0%	2.0%	0.0%	0.0%	0.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>			

Rate of Return – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2019, the annual money-weighted rate of return on the General Employees, Police, and Firefighter Plan investments, net of investment expense, was 20.64%, 20.72%, and 20.66%, respectively.

Discount Rate - The discount rate used to measure the total pension liability for the General Employees, Police, and Firefighter Plans was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Municipality's contributions will be made based on the yearly MMO calculation. Based on those assumptions, the Plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate – The following presents the net pension (asset) liability of the Plans calculated using the discount rates described above, as well as what the Plan's net pension (assets) liabilities would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

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	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
General Employees	<u>\$ 2,258,344</u>	<u>\$ (1,196,577)</u>	<u>\$ (4,102,881)</u>
Police Plan	<u>\$ 11,044,810</u>	<u>\$ 2,662,695</u>	<u>\$ (4,255,868)</u>
Firefighter Plan	<u>\$ 937,164</u>	<u>\$ (1,047,825)</u>	<u>\$ (2,713,973)</u>

Pension Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2019, the Municipality recognized pension expense of approximately \$625,000 for the General Employees Plan, \$1,976,00 for the Police Plan, and \$191,000 for the Firefighter Plan. At December 31, 2019, the Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Employees	Police	Firefighter	Total
<u>Deferred Outflow of Resources:</u>				
Differences between expected and actual experience	\$ 181,134	\$ 623,921	\$ 19,241	\$ 824,296
Changes in assumption	<u>387,024</u>	<u>527,672</u>	<u>140,669</u>	<u>1,055,365</u>
Total deferred outflows of resources	<u>\$ 568,158</u>	<u>\$ 1,151,593</u>	<u>\$ 159,910</u>	<u>\$ 1,879,661</u>
	General Employees	Police	Firefighter	Total
<u>Deferred Inflows of Resources:</u>				
Differences between expected and actual experience	\$ 415,227	\$ 660,940	\$ 393,215	\$ 1,469,382
Net difference between projected and actual earnings on pension plan investments	<u>1,764,641</u>	<u>3,588,108</u>	<u>1,117,233</u>	<u>6,469,982</u>
Total deferred inflows of resources	<u>\$ 2,179,868</u>	<u>\$ 4,249,048</u>	<u>\$ 1,510,448</u>	<u>\$ 7,939,364</u>

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

Year ending December 31,	General Employees	Police	Firefighter	Total
2020	\$ (361,561)	\$ (507,739)	\$ (358,920)	\$ (1,228,220)
2021	(445,998)	(885,036)	(423,133)	(1,754,167)
2022	(51,944)	(200,526)	(87,291)	(339,761)
2023	(752,207)	(1,510,653)	(482,083)	(2,744,943)
2024	-	6,499	469	6,968
Thereafter	-	-	420	420
Total	<u>\$ (1,611,710)</u>	<u>\$ (3,097,455)</u>	<u>\$ (1,350,538)</u>	<u>\$ (6,059,703)</u>

9. Other Postemployment Benefits

Summary of Significant Accounting Policies

Financial information of the Mt. Lebanon Integral Part Trust (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 an annual 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, 2019, 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.

Plan Description

The Municipality has established the Trust to fund one or more of the Municipality's employee post-employment benefits other than pensions. The activity of the Trust is reported within the Fiduciary Funds – Trust Fund in the accompanying financial statements. Separate Trust financial statements are not available.

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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, with benefit levels negotiated by contractual group or set by the Municipality based on those levels.

The post-employment health insurance benefit has been eliminated for new hires as of the following effective dates: contract Police – May 15, 2012; contract Firefighter – August 28, 2011; General Employees – January 1, 2012.

At December 31, 2019, participants in the Trust were as follows:

	General Employees	Police	Firefighter
Participants:			
Inactive, currently receiving benefits:			
Health insurance	4	24	7
Life insurance	45	41	10
Active:			
Health insurance	55	31	9
Life insurance	88	45	17

Benefits Provided - Post-Employment Health Insurance

Upon retirement, a retiree may elect to either stay in the medical group of the Municipality or may leave the group to purchase their own medical coverage. In either case, the retiree shall be provided a reimbursement for health insurance premiums until such time as the retiree becomes eligible for Medicare.

The maximum amount of the reimbursement for each employee group is as follows:

Police: A percentage of Police Officer VI Pay Grade, based on years of service, as follows:

<u>Service at Retirement</u>	<u>Percentage</u>	<u>2019 Per Month Amount</u>
25+ years	0.80%	\$757.54
20-24 years	0.65%	\$615.50
16-19 years	0.50%	\$473.46

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Firefighter: \$400 per month upon retirement

General Employees: \$400 per month, after 15 years of service

Benefits Provided - Post-Employment Life Insurance

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 Firefighter
 \$10,000 – All others

Contributions

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

Net OPEB Liability

The components of the net OPEB liability of the Trust at December 31, 2019 were as follows:

Total OPEB liability	\$ 3,129,788
Plan fiduciary net position	<u>1,939,578</u>
Net OPEB liability	<u>\$ 1,190,210</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>61.97%</u>

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

Changes in the Net OPEB Liability

The changes in the net OPEB liability of the Municipality for the year ended December 31, 2019 were as follows:

	Increases / Decreases		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2018	\$ 3,100,929	\$ 1,514,706	\$ 1,586,223
Changes for the year:			
Service cost	57,523	-	57,523
Interest	216,439	-	216,439
Differences between expected and actual experience	(103,546)	-	(103,546)
Contributions - employer	-	184,191	(184,191)
Net investment income	-	389,484	(389,484)
Benefit payments	(141,557)	(141,557)	-
Administrative expense	-	(7,246)	7,246
Net changes	28,859	424,872	(396,013)
Balances at December 31, 2019	\$ 3,129,788	\$ 1,939,578	\$ 1,190,210

Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation performed on January 1, 2019, and rolled forward to December 31, 2019, using the following actuarial assumptions, applied to all periods in the measurement:

- Actuarial cost method – Entry Age Normal Cost;
- Interest rate – 7.25%;
- Retirement Age – Police, upon attainment of age 51 and 25 years of service; Firefighter, upon attainment of age 53 and 25 years of service; General and Public Works, upon attainment of age 60 and 25 years of service;
- Mortality – RP-2014 Combined Healthy;
- Salary increase – An assumed 5.5% increase in basic wages was used in the actuarial assumptions for Police medical benefits because the benefit is a function of base rates as outlined above;
- Inflation: 2.75%.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

Changes in Actuarial Assumptions – There were no changes in assumptions since the January 1, 2017 actuarial valuation report.

Investment Policy – The Trust has an Investment Policy Statement which can be amended by the Commission based on recommendations from the Pension Investment Advisory Board. The core objectives of the statement are as follows: 1) Invest assets in a manner consistent with the fiduciary standards of the Act, 2) Provide for the funding and anticipated withdrawals on a continuing basis, 3) Conserve and enhance the capital value of the pension funds in real terms through asset appreciation and income generation, while maintaining a moderate investment risk profile, 4) Minimize principal fluctuations over the investment cycle (3-5 years), and 5) Achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in the policy.

Long-Term Expected Rate of Return – The long-term expected rate of return on the Trust's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Trust's target asset allocation as of December 31, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	42.0%	6.3%
International equity	23.0%	6.3%
Other equity	0.0%	6.3%
Fixed income	35.0%	2.0%
Cash	0.0%	0.0%
	<u>100.0%</u>	

Rate of Return – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2019, the annual money-weighted rate of return on the Trust's investments, net of investment expense, was 21.28%.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

Discount Rate - The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the Municipality's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Trust's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Trust investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the Trust calculated using the discount rate described above, as well as what the Trust's net OPEB liability would be if it was calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
\$ 1,460,289	\$ 1,190,210	\$ 952,826

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

For the year ended December 31, 2019, the Municipality recognized OPEB expense of approximately \$114,000. At December 31, 2019, the Municipality reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

<u>Deferred Inflows of Resources:</u>	
Differences between expected and actual experience	\$ 91,506
Net difference between projected and actual earnings on OPEB plan investments	<u>135,719</u>
Total deferred inflows of resources	<u>\$ 227,225</u>

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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

<u>Year ending December 31,</u>	
2020	\$ (49,095)
2021	(49,095)
2022	(19,327)
2023	(66,362)
2024	(12,040)
Thereafter	<u>(31,306)</u>
Total	<u>\$ (227,225)</u>

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

10. Fiduciary Funds Financial Information

The following financial information represents fiduciary trust funds as of December 31, 2019:

Plan Net Position

	General Employees	Police	Firefighter	Other Postemployment Benefits	Total
Assets					
Accrued income receivable	\$ 694	\$ 1,270	\$ 400	\$ 6	\$ 2,370
Accrued contributions	-	1,012	-	-	1,012
Investments (at fair value):					
Equity funds	20,529,575	42,032,615	12,664,823	1,499,982	76,726,995
Fixed income funds	7,931,245	16,177,999	4,876,978	599,259	29,585,481
Real estate investment trust	889,013	1,783,026	615,309	-	3,287,348
Short-term funds	861,574	1,658,895	520,150	4,737	3,045,356
Total Assets	30,212,101	61,654,817	18,677,660	2,103,984	112,648,562
Liabilities					
Accounts payable	2,566	5,697	2,257	164,406	174,926
Net Position					
Restricted for pensions	30,209,535	61,649,120	18,675,403	-	110,534,058
Restricted for OPEB benefits	-	-	-	1,939,578	1,939,578
Total Net Position	\$ 30,209,535	\$ 61,649,120	\$ 18,675,403	\$ 1,939,578	\$ 112,473,636

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

Changes in Plan Net Position

	General Employees	Police	Firefighter	Other Postemployment Benefits	Total
Additions:					
Contributions:					
Employer, including state aid	\$ 456,673	\$ 2,352,549	\$ 220,441	\$ 184,191	\$ 3,213,854
Employee	242,483	250,972	88,473	-	581,928
Total contributions	699,156	2,603,521	308,914	184,191	3,795,782
Investment income:					
Net depreciation					
in fair value of investments	4,739,481	9,710,161	2,954,009	338,097	17,741,748
Interest and dividends	811,873	1,659,971	510,181	51,387	3,033,412
Total investment income	5,551,354	11,370,132	3,464,190	389,484	20,775,160
Less investment expense	17,318	35,445	10,782	1,109	64,654
Net investment income	5,534,036	11,334,687	3,453,408	388,375	20,710,506
Total additions	6,233,192	13,938,208	3,762,322	572,566	24,506,288
Deductions:					
Benefits	1,190,642	3,047,873	842,843	141,557	5,222,915
Withdrawals	39,023	1,107	-	-	40,130
Administrative expense	13,248	15,335	9,467	6,137	44,187
Total deductions	1,242,913	3,064,315	852,310	147,694	5,307,232
Change in Plan Net Position	4,990,279	10,873,893	2,910,012	424,872	19,199,056
Net Position:					
Beginning of year	25,219,256	50,775,227	15,765,391	1,514,706	93,274,580
End of year	\$ 30,209,535	\$ 61,649,120	\$ 18,675,403	\$ 1,939,578	\$ 112,473,636

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

Net Appreciation (Depreciation) in Fair Value of Investments

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

	General Employees	Police	Firefighter	Other Postemployment Benefits	Total
Realized gain (loss)	\$ 415,503	\$ 872,918	\$ 263,062	\$ 25,383	\$ 1,576,866
Unrealized gain (loss)	4,323,978	8,837,243	2,690,947	312,714	16,164,882
	<u>\$ 4,739,481</u>	<u>\$ 9,710,161</u>	<u>\$ 2,954,009</u>	<u>\$ 338,097</u>	<u>\$ 17,741,748</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.

11. Defined Contribution Plan

Certain management employees are eligible or required to participate in a defined contribution pension plan (Plan) adopted under the provisions of Internal Revenue Code Section 401 (Qualified pension, profit-sharing, and stock bonus plans). No employee of the Municipality can be in two qualified pension plans at once as an active employee. As part of its fiduciary role, the Municipality has an obligation of due care in selecting the third-party administrator.

Benefit terms are established and amended by resolution of the Commission. The Plan does not allow employee contributions and the Municipality contributes 15% of the employee's regular wages to the Plan on their behalf. The contributions and associated earnings vest immediately upon employee entry into the Plan. The Municipality contributes on a bi-weekly schedule.

During 2019, the Municipality contributed \$189,791 to the Plan. The Municipality had no liability outstanding at December 31, 2019.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

12. Rental Income

The Parking Fund leases certain retail space at its North Parking Garage to third parties under a lease term of five years, with renewal options available. The Parking Fund also leases unused office space to the Mt. Lebanon Historical Society under a lease term of twenty years. Rental income under these arrangements was \$182,627 during the year ended December 31, 2019.

As of December 31, 2019, minimum annual rentals remaining under these lease arrangements are as follows:

Year Ending	
2020	\$ 190,959
2021	196,185
2022	206,783
2023	219,077
2024	168,795
Thereafter	<u>331,825</u>
Total	<u>\$ 1,313,624</u>

13. 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, 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

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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 worker's 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 approximately 200 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.

14. 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.

Pennsylvania Department of Environmental Protection Consent Order

On May 6, 2004, the Municipality of Mt. Lebanon entered into an Administrative Consent Order (ACO) with the Allegheny County Health Department (ACHD) in order to eliminate sanitary sewer overflows and comply with the Clean Streams Law. As part of the ACO, Mt.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

Lebanon was required to inventory their system, complete necessary repairs, perform flow monitoring, dye test, adopt a point-of-sale dye testing ordinance, adopt an ordinance to eliminate storm water connections, perform a hydraulic analysis of the collection system, develop an operation and maintenance plan, and prepare a feasibility study to address any collection system deficiencies to eliminate sanitary sewer overflows within six (6) months after the submittal of an ALCOSAN wet weather plan or July 31, 2013, based on the submittal date of the ALCOSAN plan.

In 2013, in compliance with a consent order the Municipality submitted a feasibility study for long term improvements to address wet weather issues with an estimated cost of \$10,600,000. Under the original order, improvements were to be installed by 2026, however in the feasibility study it was noted that the minimum start of construction under any circumstance would be 2026.

The ACO expired on March 30, 2015. The Municipality asked ACHD to extend the termination date or to enter into a new Consent Order Agreement (COA). This extension was requested so that the Municipality could explore the potential benefits of Green Infrastructure (GI) as a means of reducing flows. The regulatory agencies are offering the opportunity for the customer municipalities to investigate flow reduction opportunities through two phases. The first phase will be implemented under an interim ACO. Phase two will require municipalities to negotiate and execute new COAs and ACOs consistent with the ALCOSAN agreement currently being developed.

The Interim COA was signed by the Municipality on December 8, 2015. The Interim COA requires that the Municipality complete a Source Reduction Study within 18 months of the execution of the COA. The Source Reduction Study also must include at least one flow reduction demonstration project within 500 days of the execution of the COA, as well as continuing to implement all items listed in the previously submitted Operation and Maintenance Plan. The Municipality has complied with all terms of the Interim COA and is awaiting further direction from the regulatory bodies.

During the year ended December 31, 2019, the Municipality incurred approximately \$1.5 million in expenditures related to sanitary sewer improvements.

Commitments

The Municipality has entered into contract commitments related to various capital purchases and projects. As of December 31, 2019, the Municipality had approximately \$1.1 million in commitments related to various capital projects.

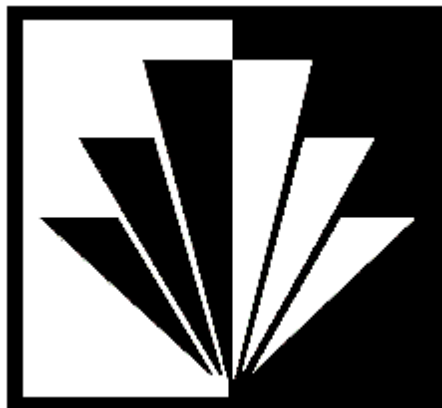
MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

15. Subsequent Event

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Municipality expects this matter to impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.



REQUIRED

SUPPLEMENTARY INFORMATION

MT. LEBANON, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE MUNICIPALITY'S NET PENSION (ASSET) LIABILITY AND RELATED RATIOS

GENERAL EMPLOYEES PENSION PLAN

YEARS ENDED DECEMBER 31
LAST TEN YEARS*

	2019	2018	2017	2016	2015	2014
Total Pension Liability:						
Service cost	\$ 623,431	\$ 591,920	\$ 595,445	\$ 584,860	\$ 524,753	\$ 487,918
Interest	2,003,538	1,905,168	1,817,074	1,736,766	1,620,029	1,581,478
Changes of benefit terms	55,521	-	9,176	-	-	-
Differences between expected and actual experience	(21,697)	(26,433)	(754,836)	493,888	(391,056)	-
Changes of assumptions	-	-	655,645	-	604,646	-
Benefit payments, including refunds of member contributions	(1,229,665)	(1,182,357)	(1,153,080)	(1,114,298)	(1,066,084)	(1,055,408)
Net Changes in Total Pension Liability	1,431,128	1,288,298	1,169,424	1,701,216	1,292,288	1,013,988
Total Pension Liability - Beginning	27,581,830	26,293,532	25,124,108	23,422,892	22,130,604	21,116,616
Total Pension Liability - Ending (a)	\$ 29,012,958	\$ 27,581,830	\$ 26,293,532	\$ 25,124,108	\$ 23,422,892	\$ 22,130,604
Plan Fiduciary Net Position:						
Contributions - employer	\$ 456,673	\$ 424,715	\$ 403,602	\$ 413,887	\$ 433,269	\$ 432,172
Contributions - member	242,483	233,311	222,616	222,255	222,399	200,620
Net investment income	5,551,354	(1,454,774)	3,903,290	1,344,937	56,604	1,500,399
Benefit payments, including refunds of member contributions	(1,229,665)	(1,182,357)	(1,153,080)	(1,114,298)	(1,066,084)	(1,055,408)
Administrative expense	(30,566)	(47,065)	(52,741)	(68,792)	(79,994)	(13,394)
Net Change in Plan Fiduciary Net Position	4,990,279	(2,026,170)	3,323,687	797,989	(433,806)	1,064,389
Plan Fiduciary Net Position - Beginning	25,219,256	27,245,426	23,921,739	23,123,750	23,557,556	22,493,167
Plan Fiduciary Net Position - Ending (b)	\$ 30,209,535	\$ 25,219,256	\$ 27,245,426	\$ 23,921,739	\$ 23,123,750	\$ 23,557,556
Net Pension (Asset) Liability - Ending (a-b)	\$ (1,196,577)	\$ 2,362,574	\$ (951,894)	\$ 1,202,369	\$ 299,142	\$ (1,426,952)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	104.12%	91.43%	103.62%	95.21%	98.72%	106.45%
Covered Payroll	\$ 4,995,603	\$ 4,740,168	\$ 4,452,316	\$ 4,495,374	\$ 4,474,435	\$ 4,008,309
Net Pension (Asset) Liability as a Percentage of Covered Payroll	(23.95%)	49.84%	(21.38%)	26.75%	6.69%	(35.60%)

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

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

MT. LEBANON, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE MUNICIPALITY'S NET PENSION (ASSET) LIABILITY AND RELATED RATIOS

POLICE PENSION PLAN

YEARS ENDED DECEMBER 31
LAST TEN YEARS*

	2019	2018	2017	2016	2015	2014
Total Pension Liability:						
Service cost	\$ 1,318,227	\$ 1,410,980	\$ 1,417,581	\$ 1,329,704	\$ 1,244,919	\$ 1,124,408
Interest	4,452,276	4,243,417	4,052,750	3,845,671	3,544,643	3,375,994
Changes of benefit terms	-	-	256,168	-	131,383	-
Differences between expected and actual experience	168,924	(326,971)	(978,015)	1,570,774	(231,435)	-
Changes of assumptions	-	-	654,822	-	1,596,283	-
Benefit payments, including refunds of member contributions	(3,048,980)	(2,657,376)	(2,361,531)	(2,319,172)	(2,267,742)	(2,209,527)
Net Changes in Total Pension Liability	2,890,447	2,670,050	3,041,775	4,426,977	4,018,051	2,290,875
Total Pension Liability - Beginning	61,421,368	58,751,318	55,709,543	51,282,566	47,264,515	44,973,640
Total Pension Liability - Ending (a)	\$ 64,311,815	\$ 61,421,368	\$ 58,751,318	\$ 55,709,543	\$ 51,282,566	\$ 47,264,515
Plan Fiduciary Net Position:						
Contributions - employer	\$ 2,352,549	\$ 2,353,133	\$ 2,109,775	\$ 2,053,201	\$ 1,906,718	\$ 1,869,761
Contributions - member	250,972	232,434	238,177	207,998	203,554	181,912
Net investment income	11,370,132	(2,938,933)	7,657,620	2,561,820	107,540	2,626,108
Benefit payments, including refunds of member contributions	(3,048,980)	(2,657,376)	(2,361,531)	(2,319,172)	(2,267,742)	(2,209,526)
Administrative expense	(50,780)	(88,187)	(95,084)	(120,705)	(141,950)	(16,497)
Net Change in Plan Fiduciary Net Position	10,873,893	(3,098,929)	7,548,957	2,383,142	(191,880)	2,451,758
Plan Fiduciary Net Position - Beginning	50,775,227	53,874,156	46,325,199	43,942,057	44,133,937	41,682,179
Plan Fiduciary Net Position - Ending (b)	\$ 61,649,120	\$ 50,775,227	\$ 53,874,156	\$ 46,325,199	\$ 43,942,057	\$ 44,133,937
Net Pension (Asset) Liability - Ending (a-b)	\$ 2,662,695	\$ 10,646,141	\$ 4,877,162	\$ 9,384,344	\$ 7,340,509	\$ 3,130,578
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.86%	82.67%	91.70%	83.15%	85.69%	93.38%
Covered Payroll	\$ 5,577,948	\$ 5,165,202	\$ 5,292,825	\$ 5,202,636	\$ 5,081,332	\$ 4,537,748
Net Pension (Asset) Liability as a Percentage of Covered Payroll	47.74%	206.11%	92.15%	180.38%	144.46%	68.99%

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

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

MT. LEBANON, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE MUNICIPALITY'S NET PENSION (ASSET) LIABILITY AND RELATED RATIOS

FIREFIGHTER PENSION PLAN

YEARS ENDED DECEMBER 31
LAST TEN YEARS*

	2019	2018	2017	2016	2015	2014
Total Pension Liability:						
Service cost	\$ 286,393	\$ 297,870	\$ 311,943	\$ 352,303	\$ 330,893	\$ 364,155
Interest	1,220,594	1,172,120	1,126,813	1,101,371	1,031,986	993,682
Changes of benefit terms	23,995	-	-	-	-	-
Differences between expected and actual experience	3,234	(86,189)	(736,092)	78,650	(179,545)	-
Changes of assumptions	-	-	256,159	-	324,581	-
Benefit payments, including refunds of member contributions	(842,843)	(792,299)	(637,575)	(531,475)	(478,956)	(489,422)
Net Changes in Total Pension Liability	691,373	591,502	321,248	1,000,849	1,028,959	868,415
Total Pension Liability - Beginning	16,936,205	16,344,703	16,023,455	15,022,606	13,993,647	13,125,232
Total Pension Liability - Ending (a)	\$ 17,627,578	\$ 16,936,205	\$ 16,344,703	\$ 16,023,455	\$ 15,022,606	\$ 13,993,647
Plan Fiduciary Net Position:						
Contributions - employer	\$ 220,441	\$ 230,060	\$ 338,241	\$ 364,036	\$ 455,969	\$ 448,324
Contributions - member	88,473	89,058	91,154	84,081	82,730	72,526
Net investment income	3,464,190	(884,144)	2,443,097	832,846	31,987	887,616
Benefit payments, including refunds of member contributions	(842,843)	(792,299)	(637,575)	(531,475)	(478,956)	(489,422)
Administrative expense	(20,249)	(29,911)	(33,886)	(43,140)	(51,122)	(9,888)
Net Change in Plan Fiduciary Net Position	2,910,012	(1,387,236)	2,201,031	706,348	40,608	909,156
Plan Fiduciary Net Position - Beginning	15,765,391	17,152,627	14,951,596	14,245,248	14,204,640	13,295,484
Plan Fiduciary Net Position - Ending (b)	\$ 18,675,403	\$ 15,765,391	\$ 17,152,627	\$ 14,951,596	\$ 14,245,248	\$ 14,204,640
Net Pension (Asset) Liability - Ending (a-b)	\$ (1,047,825)	\$ 1,170,814	\$ (807,924)	\$ 1,071,859	\$ 777,358	\$ (210,993)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	105.94%	93.09%	104.94%	93.31%	94.83%	101.51%
Covered Payroll	\$ 1,920,449	\$ 1,929,787	\$ 1,823,074	\$ 1,895,055	\$ 1,966,010	\$ 1,826,798
Net Pension (Asset) Liability as a Percentage of Covered Payroll	(54.56%)	60.67%	(44.32%)	56.56%	39.54%	(11.55%)

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

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

MT. LEBANON, PENNSYLVANIA

SCHEDULES OF MUNICIPALITY'S CONTRIBUTIONS AND INVESTMENT RETURNS

YEARS ENDED DECEMBER 31
LAST TEN YEARS*

	2019	2018	2017	2016	2015	2014
GENERAL EMPLOYEES PLAN:						
Schedule of Municipality's Contributions						
Actuarially determined contribution	\$ 456,673	\$ 424,715	\$ 403,602	\$ 413,887	\$ 433,269	\$ 432,172
Contributions in relation to the actuarially determined contribution	456,673	424,715	403,602	413,887	433,269	432,172
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,995,603	\$ 4,740,168	\$ 4,452,316	\$ 4,495,374	\$ 4,474,435	\$ 4,008,309
Contributions as a percentage of covered payroll	9.14%	8.96%	9.06%	9.21%	9.68%	10.78%
Investment Returns						
Annual money-weighted rate of return, net of investment expense	20.64%	-4.77%	16.41%	5.96%	0.04%	6.86%
POLICE PLAN:						
Schedule of Municipality's Contributions						
Actuarially determined contribution	\$ 2,306,379	\$ 2,331,048	\$ 2,067,756	\$ 2,053,201	\$ 1,906,718	\$ 1,869,761
Contributions in relation to the actuarially determined contribution	2,352,549	2,353,133	2,109,775	2,053,201	1,906,718	1,869,761
Contribution deficiency (excess)	\$ (46,170)	\$ (22,085)	\$ (42,019)	\$ -	\$ -	\$ -
Covered payroll	\$ 5,577,948	\$ 5,165,202	\$ 5,292,825	\$ 5,202,636	\$ 5,081,332	\$ 4,537,748
Contributions as a percentage of covered payroll	42.18%	45.56%	39.86%	39.46%	37.52%	41.20%
Investment Returns						
Annual money-weighted rate of return, net of investment expense	20.72%	-4.81%	16.39%	5.98%	0.02%	6.53%
FIREFIGHTER PLAN:						
Schedule of Municipality's Contributions						
Actuarially determined contribution	\$ 220,441	\$ 230,060	\$ 338,241	\$ 364,036	\$ 455,969	\$ 448,324
Contributions in relation to the actuarially determined contribution	220,441	230,060	338,241	364,036	455,969	448,324
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,920,449	\$ 1,929,787	\$ 1,823,074	\$ 1,895,055	\$ 1,966,010	\$ 1,826,798
Contributions as a percentage of covered payroll	11.48%	11.92%	18.55%	19.21%	23.19%	24.54%
Investment Returns						
Annual money-weighted rate of return, net of investment expense	20.66%	-4.67%	16.36%	5.95%	0.02%	6.90%

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

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

MT. LEBANON, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2019

Actuarial Methods and Assumptions

Contributions are determined using actuarially determined rates based on the following methods and assumptions:

	General Employees	Police	Firefighter
Actuarial valuation date	1/1/2017	1/1/2017	1/1/2017
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
Remaining amortization period	N/A	10-15 years	9-10 years
Actuarial assumptions:			
Investment rate of return	7.25%	7.25%	7.25%
Projected salary increases	4.75%	5.50%	4.75%
Inflation rate	2.75%	2.75%	2.75%
Cost-of-living adjustments	N/A	2.0% *	N/A
Mortality table	RP-2014	RP-2014 with 50% of the Blue Collar adjustment.	RP-2014 with 50% of the Blue Collar adjustment.

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 compensation. Annual increases for retirees with less than 20 years of service is 2% of the retirement benefits. 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 REQUIRED SUPPLEMENTARY SCHEDULES PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2019

Benefit Changes

General Employees Plan

In 2017, benefit terms were modified for Parking Authority employees to retire at age 60 regardless of service, with appropriate reduction for early retirement.

Police Plan

In 2015, benefit terms were modified to reflect a recent Pennsylvania Supreme Court decision regarding the interpretation of the maximum cost of living adjustment (COLA) applicable to participants who were hired before January 11, 2004 and who retired early.

In 2017, benefit terms were modified to increase the survivor benefit for participants hired after January 11, 2014. The surviving spouse will now receive 100% of the participant's accrued benefit, the same benefit as those officers hired before January 11, 2004. In addition, benefit terms were modified to change the averaging period for participants hired after January 11, 2014 from the highest consecutive 36 months out of the final 60 months of employment to the final 36 months of employment.

Changes in Actuarial Assumptions

General Employees Plan

In 2015, amounts reported as changes of assumptions resulted primarily from lowering the interest rate from 7.5% to 7.25% to add a degree of conservatism to the assumptions, lowering the assumed rate of salary increases from 5.0% to 4.75% based on lower expectations of future increases, and adding rates of retirement to better reflect participant's historical retirement patterns.

In 2017, the inflation rate assumption was lowered from 3.00% to 2.75%. In addition, there was a change in the mortality assumption. Significant reductions in mortality that have occurred since the development of the RP-2000 Mortality Table prompted the change in mortality assumption from the RP-2000 Combined Healthy Mortality Table with rates projected to improve with scale AA, to the RP-2014 Mortality Table with rates projected to improve based on the Long-Range Demographic Assumptions for the 2015 Social Security Administration's Trustee Report.

MT. LEBANON, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2019

Police Plan

In 2015, amounts reported as changes of assumptions resulted primarily from lowering the interest rate from 7.5% to 7.25% to add a degree of conservatism to the assumptions and adding rates of retirement to better reflect the historical pattern of retirements and the greater incentive to retire early created by the Pennsylvania Supreme Court decision referenced above.

In 2017, the inflation rate assumption was lowered from 3.00% to 2.75%. In addition, there was a change in the mortality assumption. Significant reductions in mortality that have occurred since the development of the RP-2000 Mortality Table prompted the change in mortality assumption from the RP-2000 Combined Healthy Mortality Table with Blue Collar adjustment and rates projected to improve with scale AA, to the RP-2014 Mortality Table with 50% of the Blue Collar Adjustment and rates projected to improve based on the Long-Range Demographic Assumptions for the 2015 Social Security Administration's Trustee Report.

Firefighter Plan

In 2015, amounts reported as changes of assumptions resulted primarily from lowering the interest rate from 7.5% to 7.25% to add a degree of conservatism to the assumptions and lowering the assumed rate of salary increases from 5.0% to 4.75% based on lower expectations of future increases.

In 2017, the inflation rate assumption was lowered from 3.00% to 2.75%. In addition, there was a change in the mortality assumption. Significant reductions in mortality that have occurred since the development of the RP-2000 Mortality Table prompted the change in mortality assumption from the RP-2000 Combined Healthy Mortality Table with Blue Collar adjustment and rates projected to improve with scale AA, to the RP-2014 Mortality Table with 50% of the Blue Collar Adjustment and rates projected to improve based on the Long-Range Demographic Assumptions for the 2015 Social Security Administration's Trustee Report.

MT. LEBANON, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE MUNICIPALITY'S NET OPEB LIABILITY AND RELATED RATIOS

YEARS ENDED DECEMBER 31
LAST TEN YEARS*

	2019	2018	2017
Total OPEB Liability:			
Service cost	\$ 57,523	\$ 69,975	\$ 68,102
Interest	216,439	214,728	205,526
Differences between expected and actual experience	(103,546)	-	-
Benefit payments, including refunds of member contributions	(141,557)	(148,546)	(148,590)
Net Changes in Total OPEB Liability	28,859	136,157	125,038
Total OPEB Liability - Beginning	3,100,929	2,964,772	2,839,734
Total OPEB Liability - Ending (a)	<u>\$ 3,129,788</u>	<u>\$ 3,100,929</u>	<u>\$ 2,964,772</u>
Plan Fiduciary Net Position:			
Contributions - employer	\$ 184,191	\$ 201,692	\$ 201,692
Net investment income (loss)	389,484	(111,628)	248,280
Benefit payments, including refunds of member contributions	(141,557)	(148,546)	(148,590)
Administrative expense	(7,246)	(4,359)	(6,413)
Net Change in Plan Fiduciary Net Position	424,872	(62,841)	294,969
Plan Fiduciary Net Position - Beginning	1,514,706	1,577,547	1,282,578
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,939,578</u>	<u>\$ 1,514,706</u>	<u>\$ 1,577,547</u>
Net OPEB Liability (Asset) - Ending (a-b)	<u>\$ 1,190,210</u>	<u>\$ 1,586,223</u>	<u>\$ 1,387,225</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	<u>61.97%</u>	<u>48.85%</u>	<u>53.21%</u>
Covered Employee Payroll	<u>\$ 13,376,391</u>	<u>\$ 13,117,492</u>	<u>\$ 12,515,658</u>
Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	8.90%	12.09%	11.08%

* Until a full 10-year trend is compiled, the required information for the Trust is presented for as many years as are available.

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

MT. LEBANON, PENNSYLVANIA

SCHEDULES OF MUNICIPALITY'S OPEB CONTRIBUTIONS AND INVESTMENT RETURNS

YEARS ENDED DECEMBER 31
LAST TEN YEARS*

	2019	2018	2017
Schedule of Municipality's Contributions			
Actuarially determined contribution	\$ 184,191	\$ 201,692	\$ 201,692
Contributions in relation to the actuarially determined contribution	184,191	201,692	201,692
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 13,376,391	\$ 13,117,492	\$ 12,515,658
Contributions as a percentage of covered employee payroll	1.38%	1.54%	1.61%
Investment Returns			
Annual money-weighted rate of return, net of investment expense	21.28%	-4.94%	16.73%

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

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

MT. LEBANON, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES OTHER POSTEMPLOYMENT BENEFITS TRUST FUND

YEAR ENDED DECEMBER 31, 2019

Actuarial Methods and Assumptions

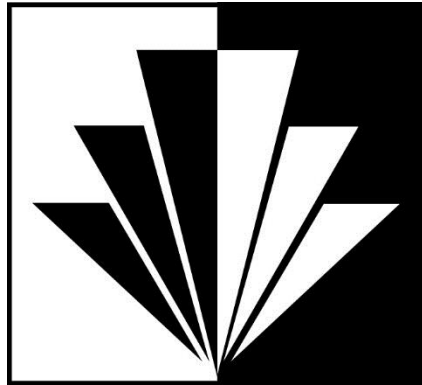
The methods and assumptions used to determine contribution rates are as follows:

- Actuarial valuation date – January 1, 2019;
- Actuarial cost method – Entry Age Normal Cost;
- Actuarial value of assets – Market Value;
- Amortization method – Level Dollar Open;
- Amortization period – 30 years;
- Interest rate – 7.25%;
- Retirement Age – Police, upon attainment of age 51 and 25 years of service; Firefighter, upon attainment of age 53 and 25 years of service; General and Public Works, upon attainment of age 60 and 25 years of service;
- Mortality – RP-2014 Combined Healthy;
- Salary increase – An assumed 5.5% increase in basic wages was used in the actuarial assumptions for Police medical benefits because the benefit is a function of base rates as outlined above;
- Inflation: 2.75%.

Changes in Actuarial Assumptions

The interest rate was decreased from 7.5% to 7.25% in the January 1, 2017 actuarial valuation. In addition, mortality rates were updated.

There no changes in assumptions since the January 1, 2017 actuarial valuation report.



COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL 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, Jordan Tax Service 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.

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

GENERAL FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2019, 2018, AND 2017

	2019	2018	2017
Assets			
Cash and other money market instruments	\$ 8,933,375	\$ 9,479,490	\$ 7,052,581
Receivables:			
Taxes	3,742,942	3,758,329	3,727,624
Assessments	12,791	13,405	15,203
Accounts	558,923	675,702	633,383
Due from other funds	376,077	1,435,107	1,499,963
Due from other governments	456,141	412,492	344,865
Other assets	533,088	727,810	371,430
Total Assets	\$ 14,613,337	\$ 16,502,335	\$ 13,645,049
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities:			
Accounts payable	\$ 650,605	\$ 1,313,717	\$ 415,290
Advance deposits	578,894	552,367	668,758
Due to other funds	1,449,671	2,768,472	978,491
Accrued payroll and deductions payable	1,076,511	1,081,038	918,105
Total Liabilities	3,755,681	5,715,594	2,980,644
Deferred Inflows of Resources:			
Unavailable revenue	3,090,449	3,125,286	3,262,077
Fund Balance:			
Nonspendable:			
Prepaid items and inventory	533,088	727,810	371,430
Assigned for:			
Capital projects	323,032	152,567	101,873
Subsequent years budget	1,094,000	1,405,870	1,132,960
Future benefit obligations	65,000	65,000	65,000
Unassigned	5,752,087	5,310,208	5,731,065
Total Fund Balance	7,767,207	7,661,455	7,402,328
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 14,613,337	\$ 16,502,335	\$ 13,645,049

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2019
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2018 AND 2017)

	2019	2018	2017
Revenues:			
Taxes:			
Real estate	\$ 12,949,165	\$ 12,889,134	\$ 12,824,898
Earned income	12,841,790	12,330,334	12,036,410
Other	3,586,749	3,300,552	3,186,782
Total taxes	29,377,704	28,520,020	28,048,090
Licenses, permits, and fees	1,473,988	1,443,968	1,314,189
Fines, forfeitures, and penalties	112,785	101,794	122,006
Investment earnings	130,930	102,097	47,687
Intergovernmental	1,380,239	1,252,083	1,194,704
Recreation	2,936,875	2,867,680	2,591,989
Other	2,328,702	2,174,164	2,233,610
Total revenues	37,741,223	36,461,806	35,552,275
Expenditures:			
Current:			
General government	4,651,403	4,666,971	4,460,223
Community development	827,389	755,871	749,228
Public works	7,861,754	7,822,003	7,325,879
Human services	485,935	404,622	397,291
Culture and recreation	3,062,313	2,959,763	2,704,130
Public safety:			
Police	9,576,569	9,525,675	9,171,497
Fire	3,287,275	3,220,552	3,276,014
Other	1,080,581	1,002,111	898,368
Capital outlay	938,265	527,671	479,973
Total expenditures	31,771,484	30,885,239	29,462,603
Excess of Revenues over Expenditures	5,969,739	5,576,567	6,089,672
Other Financing Sources (Uses):			
Transfers in:			
Storm Water Fund	427,169	16,942	409,029
Parking Fund	171,890	166,300	162,151
Sewage Fund	485,211	588,113	448,758
Total transfers in	1,084,270	771,355	1,019,938
Transfers out:			
Library Operating Fund	(1,400,450)	(1,342,130)	(1,269,210)
Debt Service Fund	(2,893,067)	(2,891,452)	(2,891,019)
Capital Projects Fund	(2,654,740)	(1,855,213)	(2,217,838)
Total transfers out	(6,948,257)	(6,088,795)	(6,378,067)
Total other financing sources (uses)	(5,863,987)	(5,317,440)	(5,358,129)
Net Change in Fund Balance	105,752	259,127	731,543
Fund Balance:			
Beginning of year	7,661,455	7,402,328	6,670,785
End of year	\$ 7,767,207	\$ 7,661,455	\$ 7,402,328

MT. LEBANON, PENNSYLVANIA

DETAILED SCHEDULE OF GENERAL FUND REVENUES BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance
Real Estate Taxes:			
Current year taxes	\$ 12,561,210	\$ 12,633,056	\$ 71,846
Prior years' taxes and penalties	334,450	316,109	(18,341)
Total real estate taxes	12,895,660	12,949,165	53,505
Earned Income Taxes	12,664,100	12,841,790	177,690
Other Taxes:			
Local Services tax	440,000	441,964	1,964
Real estate transfer taxes	1,750,000	2,086,238	336,238
Utility taxes	28,000	26,207	(1,793)
County sales tax	970,000	1,032,340	62,340
Total other taxes	3,188,000	3,586,749	398,749
Total taxes	28,747,760	29,377,704	629,944
Licenses, Permits, and Fees:			
Public works permits	65,000	83,030	18,030
Building permits	210,000	452,394	242,394
Other permits, licenses, and fees	186,280	177,233	(9,047)
Cable TV franchise fees	816,250	753,381	(62,869)
Liquor license fees	8,250	7,950	(300)
Total licenses, permits, and fees	1,285,780	1,473,988	188,208
Fines, Forfeitures, and Penalties:			
Motor vehicle code violations	120,000	107,059	(12,941)
Ordinance violation fines	2,000	3,286	1,286
Animal fines and kennel charges	1,500	2,350	850
Alarm system fines	100	90	(10)
Total fines, forfeitures, and penalties	123,600	112,785	(10,815)
Investment Earnings	55,000	130,930	75,930
Intergovernmental	1,281,290	1,380,239	98,949
Recreation:			
Recreation center	1,871,750	1,745,994	(125,756)
Golf course	432,250	405,078	(27,172)
Tennis center	226,000	221,649	(4,351)
Seasonal programs	568,610	564,154	(4,456)
Total recreation	3,098,610	2,936,875	(161,735)
Other:			
Joint programs	753,430	801,844	48,414
Mt. Lebanon magazine	501,500	490,707	(10,793)
Charges for service	385,220	533,199	147,979
Other	518,180	502,773	(15,407)
Assessments	-	179	179
Total other	2,158,330	2,328,702	170,372
Total revenues	\$ 36,750,370	\$ 37,741,223	\$ 990,853

MT. LEBANON, PENNSYLVANIA

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES BY PROGRAM BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance
General Government:			
General management	\$ 663,170	\$ 628,981	\$ 34,189
Public information	865,890	784,630	81,260
Legal services	302,940	292,184	10,756
Financial management	462,380	445,591	16,789
Treasury management	40,180	39,723	457
Real estate tax collection	122,220	120,403	1,817
Earned income tax collection	222,300	239,199	(16,899)
Other tax collection	7,920	7,882	38
Insurance	357,530	358,886	(1,356)
Information services	628,590	560,620	67,970
Office services	99,200	93,129	6,071
Fringe benefits unallocated	1,011,280	1,080,175	(68,895)
Total general government	4,783,600	4,651,403	132,197
Community Development:			
Economic development	171,080	169,246	1,834
Planning	102,720	101,595	1,125
Engineering	32,700	33,077	(377)
Inspection	438,180	427,116	11,064
Civic activity	108,440	96,355	12,085
Total community development	853,120	827,389	25,731
Public Works:			
Administration	462,930	480,168	(17,238)
Transportation:			
Street maintenance	423,310	358,014	65,296
Curb maintenance	132,450	102,751	29,699
Pedestrian routes	240,050	192,058	47,992
Ice and snow control	578,300	365,139	213,161
Traffic planning and signals	199,420	165,091	34,329
Traffic signs and painting	132,950	130,658	2,292
Street lighting	13,000	16,672	(3,672)
Total transportation	1,719,480	1,330,383	389,097
Sanitation:			
Sanitary sewer maintenance	467,750	511,764	(44,014)
Storm sewer maintenance	284,240	324,416	(40,176)
Refuse collection	2,260,040	2,178,207	81,833
Street sweeping	401,780	422,504	(20,724)
Total sanitation	3,413,810	3,436,891	(23,081)
Buildings, grounds, and equipment:			
Public safety building	346,270	330,047	16,223
Municipal building maintenance	252,680	221,149	31,531
Public works building maintenance	81,020	82,878	(1,858)
Firing range	19,860	12,594	7,266
Library building maintenance	225,140	239,908	(14,768)
Parks maintenance	625,410	589,097	36,313
Planting areas	36,720	39,759	(3,039)
Forestry	556,280	495,855	60,425
Equipment maintenance	570,000	603,025	(33,025)
Total buildings, grounds, and equipment	2,713,380	2,614,312	99,068
Total public works	8,309,600	7,861,754	447,846

(Continued)

MT. LEBANON, PENNSYLVANIA

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES BY PROGRAM BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2019
(Continued)

	Final Budget	Actual	Variance
Human Services:			
Library	-	11,181	(11,181)
Outreach program	104,040	104,040	-
Medical Rescue Team South	342,140	342,139	1
Community organizations	26,500	28,575	(2,075)
Total human services	472,680	485,935	(13,255)
Culture and Recreation:			
Recreation management	333,800	324,029	9,771
Recreation center	1,733,770	1,711,267	22,503
Golf course	426,910	416,261	10,649
Tennis center	225,730	195,083	30,647
Seasonal programs	438,190	415,673	22,517
Total culture and recreation	3,158,400	3,062,313	96,087
Public Safety:			
Police:			
Administration	717,270	722,794	(5,524)
Field service	6,171,680	6,477,872	(306,192)
Support service	331,800	352,620	(20,820)
Investigations	1,000,190	822,847	177,343
Traffic safety	643,150	659,446	(16,296)
Crime prevention	536,070	540,990	(4,920)
Total police	9,400,160	9,576,569	(176,409)
Fire	3,328,360	3,287,275	41,085
Other:			
Emergency management	48,470	39,154	9,316
Crossing guards	555,030	545,166	9,864
Animal control	478,770	496,261	(17,491)
Total other	1,082,270	1,080,581	1,689
Total public safety	13,810,790	13,944,425	(133,635)
Capital Outlay:			
Equipment	809,750	803,701	6,049
Buildings & other improvements	485,090	134,564	350,526
Total capital outlay	1,294,840	938,265	356,575
Total expenditures by program	\$ 32,683,030	\$ 31,771,484	\$ 911,546

(Concluded)

MT. LEBANON, PENNSYLVANIA

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES BY OBJECT BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance
Personnel Costs:			
Regular salaries and wages	\$ 11,271,850	\$ 11,221,225	\$ 50,625
Overtime wages	1,110,170	1,371,678	(261,508)
Part-time and temporary wages	1,510,330	1,358,056	152,274
Retainers and special salaries	27,400	26,940	460
Fringe benefits	7,165,010	7,048,239	116,771
Total personnel costs	21,084,760	21,026,138	58,622
Contractual Services:			
Special appropriations	895,580	906,454	(10,874)
Professional and consulting services	1,232,070	1,254,850	(22,780)
Training and conferences	121,750	100,416	21,334
Memberships	31,360	27,893	3,467
Insurance	357,530	358,886	(1,356)
Utilities and telephone	952,110	956,693	(4,583)
Repairs and maintenance	199,300	207,016	(7,716)
Printing and photography	151,220	143,955	7,265
Postage	70,430	68,651	1,779
Rentals	127,810	100,327	27,483
Contractual service	3,794,530	3,630,068	164,462
Other contractual services	774,880	647,915	126,965
Total contractual services	8,708,570	8,403,124	305,446
Commodities:			
Office supplies	33,500	22,819	10,681
Books and periodicals	10,980	9,248	1,732
Equipment	587,410	555,068	32,342
Maintenance supplies	602,340	516,582	85,758
Construction supplies	46,500	42,824	3,676
Supplies for resale and recreation supplies	90,100	71,743	18,357
Botanical supplies	25,300	16,448	8,852
Fuels and lubricants	198,730	169,225	29,505
Total commodities	1,594,860	1,403,957	190,903
Capital Budget	1,294,840	938,265	356,575
Total expenditures by object	\$ 32,683,030	\$ 31,771,484	\$ 911,546

MT. LEBANON, PENNSYLVANIA

SEWAGE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2019, 2018, AND 2017

	2019	2018	2017
Assets			
Cash and other money market instruments	\$ 11,496,293	\$ 11,433,956	\$ 9,981,139
Assessments receivable	1,031,564	1,038,834	1,087,966
Total Assets	<u>\$ 12,527,857</u>	<u>\$ 12,472,790</u>	<u>\$ 11,069,105</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities:			
Accounts payable	\$ 1,543,463	\$ 1,531,863	\$ 1,614,044
Due to other funds	174,802	1,097,397	702,952
Total Liabilities	<u>1,718,265</u>	<u>2,629,260</u>	<u>2,316,996</u>
Deferred Inflows of Resources:			
Unavailable revenue	<u>274,550</u>	<u>268,441</u>	<u>297,737</u>
Fund Balance:			
Restricted for capital projects	<u>10,535,042</u>	<u>9,575,089</u>	<u>8,454,372</u>
Total Fund Balance	<u>10,535,042</u>	<u>9,575,089</u>	<u>8,454,372</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 12,527,857</u>	<u>\$ 12,472,790</u>	<u>\$ 11,069,105</u>

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2019
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2018 AND 2017)

	2019		2018	2017
	Final Budget	Actual		
Revenues:				
Licenses, permits, and fees	\$ 11,865,000	\$ 9,445,318	\$ 9,188,878	\$ 8,883,513
Fines, forfeitures, and penalties	19,500	25,987	18,841	19,001
Investment earnings	85,000	233,609	144,944	53,055
Other	34,500	35,529	34,589	31,500
Total revenues	12,004,000	9,740,443	9,387,252	8,987,069
Expenditures:				
General government	133,000	116,190	133,095	124,450
Public works	7,300,000	6,519,246	6,155,425	5,884,169
Total expenditures	7,433,000	6,635,436	6,288,520	6,008,619
Excess of Revenues over Expenditures	4,571,000	3,105,007	3,098,732	2,978,450
Other Financing Sources (Uses):				
Transfers out:				
Debt Service Fund	(110,950)	(110,787)	(150,262)	(149,966)
General Fund	(467,750)	(485,211)	(588,113)	(448,758)
Capital Projects Fund	(3,993,000)	(1,549,056)	(1,239,640)	(724,648)
Total other financing sources (uses)	(4,571,700)	(2,145,054)	(1,978,015)	(1,323,372)
Net Change in Fund Balance	\$ (700)	959,953	1,120,717	1,655,078
Fund Balance:				
Beginning of year		9,575,089	8,454,372	6,799,294
End of year		\$ 10,535,042	\$ 9,575,089	\$ 8,454,372

MT. LEBANON, PENNSYLVANIA

CAPITAL PROJECTS FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2019, 2018, AND 2017

	2019	2018	2017
Assets			
Cash and other money market investments	\$ 5,315,072	\$ 3,396,742	\$ 7,367,015
Receivables - accounts	76,283	117,909	175,319
Due from other funds	1,296,395	2,717,859	978,491
Total Assets	\$ 6,687,750	\$ 6,232,510	\$ 8,520,825
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities:			
Accounts payable	\$ 688,909	\$ 1,450,523	\$ 380,980
Advance deposits	299,381	310,000	-
Total Liabilities	988,290	1,760,523	380,980
Deferred Inflows of Resources:			
Unavailable revenue	52,800	61,600	70,400
Fund Balance:			
Restricted	5,023,880	2,615,279	7,001,454
Assigned	622,780	1,795,108	1,067,991
Total Fund Balance	5,646,660	4,410,387	8,069,445
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 6,687,750	\$ 6,232,510	\$ 8,520,825

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2019
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2018 AND 2017)

	2019		2018	2017
	Final Budget	Actual		
Revenues:				
Investment earnings	\$ -	\$ 57,590	\$ 96,780	\$ 64,053
Intergovernmental	1,137,900	846,787	84,622	-
Other	102,980	42,419	64,202	68,800
Total revenues	1,240,880	946,796	245,604	132,853
Expenditures:				
Debt service	-	53,301	-	52,287
Capital outlay	13,959,760	9,917,376	8,757,580	5,808,206
Total expenditures	13,959,760	9,970,677	8,757,580	5,860,493
Deficiency of Revenues over Expenditures	(12,718,880)	(9,023,881)	(8,511,976)	(5,727,640)
Other Financing Sources:				
Transfers in:				
General Fund	2,586,890	2,654,740	1,855,213	2,217,838
Storm Water Fund	855,130	943,017	1,232,144	937,902
Sewage Fund	3,993,000	1,549,056	1,239,640	724,648
Net transfers	7,435,020	5,146,813	4,326,997	3,880,388
Refunds of prior year expenditures	-	52,264	525,921	-
Issuance of debt	5,000,000	4,855,000	-	8,800,000
Bond issue premium	7,770	206,077	-	7,095
Total other financing sources	12,442,790	10,260,154	4,852,918	12,687,483
Net Change in Fund Balance	\$ (276,090)	1,236,273	(3,659,058)	6,959,843
Fund Balance:				
Beginning of year		4,410,387	8,069,445	1,109,602
End of year		\$ 5,646,660	\$ 4,410,387	\$ 8,069,445

MT. LEBANON, PENNSYLVANIA

DEBT SERVICE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2019, 2018, AND 2017

	2019	2018	2017
Assets			
Cash and other money market instruments	\$ -	\$ -	\$ -
Liabilities and Fund Balance			
Liabilities	\$ -	\$ -	\$ -
Fund Balance - Restricted	-	-	-
Total Liabilities and Fund Balance	\$ -	\$ -	\$ -

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2019
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2018 AND 2017)

	2019		2018	2017
	Final Budget	Actual		
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt service:				
Principal	2,449,640	5,469,640	2,436,210	2,527,468
Interest	687,140	689,774	737,176	647,195
Bond issuance cost	-	36,605	-	-
Total expenditures	3,136,780	6,196,019	3,173,386	3,174,663
Deficiency of Revenues Over Expenditures	(3,136,780)	(6,196,019)	(3,173,386)	(3,174,663)
Other Financing Sources (Uses):				
Transfers in from General Fund	2,896,150	2,893,067	2,891,452	2,891,019
Transfers in from Sewage Fund	110,950	110,787	150,262	149,966
Transfers in from Storm Water Fund	129,680	119,014	131,672	133,678
Issuance of refunding bonds	-	2,910,000	-	-
Bond issue premium	-	163,151	-	-
Total other financing sources (uses)	3,136,780	6,196,019	3,173,386	3,174,663
Net Change in Fund Balance	-	-	-	-
Fund Balance:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

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 revenue 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.

MT. LEBANON, PENNSYLVANIA

OTHER GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

DECEMBER 31, 2019

	Special Revenue Funds				Total
	State Highway Aid	Storm Water	Library Operating	Industrial Development Authority	
Assets					
Cash and other money market instruments	\$ 88,645	\$ 20,326	\$ 569,703	\$ 14,938	\$ 693,612
Receivables - assessments	-	167,352	-	-	167,352
Total Assets	<u>\$ 88,645</u>	<u>\$ 187,678</u>	<u>\$ 569,703</u>	<u>\$ 14,938</u>	<u>\$ 860,964</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$ 23,979	\$ 4,041	\$ 90,608	\$ -	\$ 118,628
Advance deposits	-	7,347	-	-	7,347
Due to other funds	-	50,206	151,069	-	201,275
Total Liabilities	<u>23,979</u>	<u>61,594</u>	<u>241,677</u>	<u>-</u>	<u>327,250</u>
Deferred Inflows of Resources:					
Unavailable revenue	-	126,084	-	-	126,084
Fund Balance:					
Restricted	64,666	-	115,726	14,938	195,330
Assigned	-	-	212,300	-	212,300
Total Fund Balance	<u>64,666</u>	<u>-</u>	<u>328,026</u>	<u>14,938</u>	<u>407,630</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 88,645</u>	<u>\$ 187,678</u>	<u>\$ 569,703</u>	<u>\$ 14,938</u>	<u>\$ 860,964</u>

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds				
	State Highway Aid	Storm Water	Library Operating	Industrial Development Authority	Total
Revenues:					
Licenses, permits, and fees	\$ -	\$ 1,495,619	\$ -	\$ 3,750	\$ 1,499,369
Fines, forfeitures, and penalties	-	-	63,192	-	63,192
Investment earnings	13,789	15,490	1,220	291	30,790
Intergovernmental	946,326	-	515,110	-	1,461,436
Other	-	-	230,665	-	230,665
Total revenues	960,115	1,511,109	810,187	4,041	3,285,452
Expenditures:					
Current:					
General government	-	21,909	-	-	21,909
Community development	-	-	-	3,640	3,640
Public works	955,470	-	-	-	955,470
Human services	-	-	2,453,195	-	2,453,195
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total expenditures	955,470	21,909	2,453,195	3,640	3,434,214
Excess (Deficiency) of Revenues Over Expenditures	4,645	1,489,200	(1,643,008)	401	(148,762)
Other Financing Sources (Uses):					
Transfer in from General Fund	-	-	1,400,450	-	1,400,450
Transfer in from Sewage Fund	-	-	-	-	-
Transfer in from Storm Water Fund	-	-	-	-	-
Transfer out to Capital Projects Fund	-	(943,017)	-	-	(943,017)
Transfer out to Debt Service Fund	-	(119,014)	-	-	(119,014)
Transfer out to General Fund	-	(427,169)	-	-	(427,169)
Total other financing sources (uses)	-	(1,489,200)	1,400,450	-	(88,750)
Net Change in Fund Balance	4,645	-	(242,558)	401	(237,512)
Fund Balance:					
Beginning of year	60,021	-	570,584	14,537	645,142
End of year	\$ 64,666	\$ -	\$ 328,026	\$ 14,938	\$ 407,630

MT. LEBANON, PENNSYLVANIA

STATE HIGHWAY AID FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2019, 2018, AND 2017

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Assets			
Cash and other money market instruments	<u>\$ 88,645</u>	<u>\$ 186,934</u>	<u>\$ 275,305</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 23,979	\$ 126,913	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>72,354</u>
Total Liabilities	<u>23,979</u>	<u>126,913</u>	<u>72,354</u>
Fund Balance - Restricted	<u>64,666</u>	<u>60,021</u>	<u>202,951</u>
Total Liabilities and Fund Balance	<u>\$ 88,645</u>	<u>\$ 186,934</u>	<u>\$ 275,305</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, 2019
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2018 AND 2017)

	2019			
	Final Budget	Actual	2018	2017
Revenues:				
Investment earnings	\$ 5,000	\$ 13,789	\$ 11,834	\$ 4,463
Intergovernmental - state allocation	930,000	946,326	924,382	881,538
Total revenues	935,000	960,115	936,216	886,001
Expenditures:				
Current - public works	1,002,000	955,470	1,079,146	683,115
Net Change in Fund Balance	<u>\$ (67,000)</u>	4,645	(142,930)	202,886
Fund Balance:				
Beginning of year		60,021	202,951	65
End of year		<u>\$ 64,666</u>	<u>\$ 60,021</u>	<u>\$ 202,951</u>

MT. LEBANON, PENNSYLVANIA

STORM WATER FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2019, 2018, AND 2017

	2019	2018	2017
Assets			
Cash and other money market instruments	\$ 20,326	\$ 124,251	\$ 461,347
Receivables - assessments	167,352	255,869	170,946
Total Assets	\$ 187,678	\$ 380,120	\$ 632,293
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities:			
Accounts payable	\$ 4,041	\$ 20,656	\$ -
Advance deposits	7,347	6,496	-
Due to other funds	50,206	196,481	510,220
Total Liabilities	61,594	223,633	510,220
Deferred Inflows of Resources:			
Unavailable revenue	126,084	156,487	122,073
Fund Balance - Restricted	-	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 187,678	\$ 380,120	\$ 632,293

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2019
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2018 AND 2017)

	2019			
	Final Budget	Actual	2018	2017
Revenues:				
Licenses, permits, and fees	\$ 1,450,000	\$ 1,495,619	\$ 1,423,686	\$ 1,437,259
Investment earnings	10,000	15,490	11,646	6,392
Total revenues	1,460,000	1,511,109	1,435,332	1,443,651
Expenditures:				
Current - general government	25,000	21,909	54,574	40,345
Excess of Revenues Over Expenditures	1,435,000	1,489,200	1,380,758	1,403,306
Other Financing Uses:				
Transfer out to Capital Projects Fund	(855,130)	(943,017)	(1,232,144)	(937,902)
Transfer out to Debt Service Fund	(129,680)	(119,014)	(131,672)	(133,678)
Transfer out to General Fund	(450,190)	(427,169)	(16,942)	(409,029)
Total other financing uses	(1,435,000)	(1,489,200)	(1,380,758)	(1,480,609)
Net Change in Fund Balance	\$ -	-	-	(77,303)
Fund Balance:				
Beginning of year		-	-	77,303
End of year		\$ -	\$ -	\$ -

MT. LEBANON, PENNSYLVANIA

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

DECEMBER 31, 2019, 2018, AND 2017

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Assets			
Cash and money market instruments	\$ 569,703	\$ 752,545	\$ 627,871
Receivables - accounts	-	432	9
Total Assets	<u>\$ 569,703</u>	<u>\$ 752,977</u>	<u>\$ 627,880</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 90,608	\$ 41,164	\$ 17,358
Due to other funds	151,069	141,229	178,684
Total Liabilities	<u>241,677</u>	<u>182,393</u>	<u>196,042</u>
Fund Balance:			
Restricted	115,726	380,847	276,572
Assigned	212,300	189,737	155,266
Total Fund Balance	<u>328,026</u>	<u>570,584</u>	<u>431,838</u>
Total Liabilities and Fund Balance	<u>\$ 569,703</u>	<u>\$ 752,977</u>	<u>\$ 627,880</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, 2019, 2018, AND 2017

	2019	2018	2017
Revenues:			
Fines, forfeitures, and penalties	\$ 63,192	\$ 65,924	\$ 66,403
Investment earnings	1,220	1,170	932
Intergovernmental	515,110	504,485	498,762
Other	230,665	270,221	242,433
Total revenues	810,187	841,800	808,530
Expenditures:			
Current - human services:			
Salaries, payroll taxes, and benefits	1,523,636	1,455,778	1,377,740
Collection	761,529	430,732	393,255
General administration	168,030	158,674	146,495
Total expenditures	2,453,195	2,045,184	1,917,490
Deficiency of Revenues Over Expenditures	(1,643,008)	(1,203,384)	(1,108,960)
Other Financing Sources:			
Transfer in from General Fund	1,400,450	1,342,130	1,269,210
Net Change in Fund Balance	(242,558)	138,746	160,250
Fund Balance:			
Beginning of year	570,584	431,838	271,588
End of year	\$ 328,026	\$ 570,584	\$ 431,838

MT. LEBANON, PENNSYLVANIA

INDUSTRIAL DEVELOPMENT AUTHORITY FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2019, 2018, AND 2017

	2019	2018	2017
Assets			
Cash and other money market instruments	\$ 14,938	\$ 14,537	\$ 14,320
Total Assets	<u>\$ 14,938</u>	<u>\$ 14,537</u>	<u>\$ 14,320</u>
Liabilities and Fund Balance			
Liabilities:			
Due to other funds	\$ -	\$ -	\$ -
Fund Balance - Restricted	14,938	14,537	14,320
Total Liabilities and Fund Balance	<u>\$ 14,938</u>	<u>\$ 14,537</u>	<u>\$ 14,320</u>

MT. LEBANON, PENNSYLVANIA

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

YEARS ENDED DECEMBER 31, 2019, 2018, AND 2017

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues:			
Licenses, permits, and fees	\$ 3,750	\$ 3,750	\$ 3,750
Investment earnings	<u>291</u>	<u>182</u>	<u>97</u>
Total revenues	<u>4,041</u>	<u>3,932</u>	<u>3,847</u>
Expenditures:			
Current - community development	<u>3,640</u>	<u>3,715</u>	<u>3,799</u>
Net Change in Fund Balance	401	217	48
Fund Balance:			
Beginning of year	<u>14,537</u>	<u>14,320</u>	<u>14,272</u>
End of year	<u><u>\$ 14,938</u></u>	<u><u>\$ 14,537</u></u>	<u><u>\$ 14,320</u></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, 2019

	North Garage	South Garage	Meter	Lot	Properties	General	Total
Operating Revenues:							
Vehicle space rental	\$ 514,105	\$ 496,774	\$ -	\$ 199,683	\$ -	\$ -	\$ 1,210,562
Meter collections	-	-	356,200	222,205	-	-	578,405
Fine collections	-	-	226,903	-	-	-	226,903
Rental	174,627	-	-	-	8,000	-	182,627
Other	5,268	5,600	1,800	-	-	14	12,682
Total operating revenues	694,000	502,374	584,903	421,888	8,000	14	2,211,179
Operating Expenses:							
Personnel	177,617	173,381	153,637	95,553	3,343	110,339	713,870
Contracted services	109,217	96,929	89,801	54,653	-	33,762	384,362
Utilities	24,889	17,917	777	6,510	189	(95)	50,187
Materials and supplies	20,932	19,343	19,530	11,651	-	717	72,173
Depreciation	232,639	172,253	6,339	42,270	-	8,300	461,801
Total operating expenses	565,294	479,823	270,084	210,637	3,532	153,023	1,682,393
Operating Income (Loss)	128,706	22,551	314,819	211,251	4,468	(153,009)	528,786
Nonoperating Revenues (Expenses):							
Interest income	-	-	-	-	-	13,968	13,968
Interest expense	-	-	-	-	-	(19,934)	(19,934)
Total nonoperating revenues (expenses)	-	-	-	-	-	(5,966)	(5,966)
Income (loss) before transfers	128,706	22,551	314,819	211,251	4,468	(158,975)	522,820
Transfers out	-	-	(85,000)	-	-	(86,890)	(171,890)
Change in Net Position	\$ 128,706	\$ 22,551	\$ 229,819	\$ 211,251	\$ 4,468	\$ (245,865)	\$ 350,930

FIDUCIARY FUNDS

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 *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.

MT. LEBANON, PENNSYLVANIA

COMBINING STATEMENT OF PLAN NET POSITION FIDUCIARY FUNDS - TRUST FUNDS

DECEMBER 31, 2019

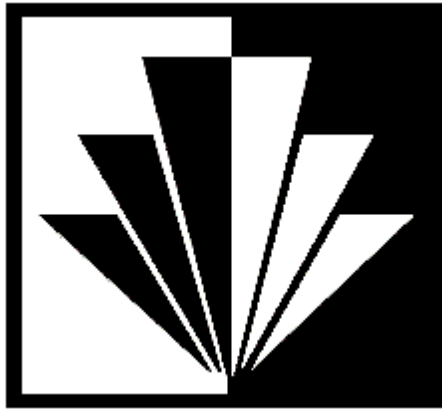
	Pension Trust Funds				Other	Total
	General Employees	Police	Firefighter	Total Pension	Postemployment Benefits	Trust Funds
Assets						
Accrued income receivable	\$ 694	\$ 1,270	\$ 400	\$ 2,364	\$ 6	\$ 2,370
Accrued contributions	-	1,012	-	1,012	-	1,012
Investments (at fair value):						
Equity funds	20,529,575	42,032,615	12,664,823	75,227,013	1,499,982	76,726,995
Fixed income funds	7,931,245	16,177,999	4,876,978	28,986,222	599,259	29,585,481
Real estate investment trusts	889,013	1,783,026	615,309	3,287,348	-	3,287,348
Short-term funds	861,574	1,658,895	520,150	3,040,619	4,737	3,045,356
Total Assets	30,212,101	61,654,817	18,677,660	110,544,578	2,103,984	112,648,562
Liabilities						
Accounts payable	2,566	5,697	2,257	10,520	164,406	174,926
Net Position						
Restricted for pensions	30,209,535	61,649,120	18,675,403	110,534,058	-	110,534,058
Restricted for OPEB benefits	-	-	-	-	1,939,578	1,939,578
Total Net Position	\$ 30,209,535	\$ 61,649,120	\$ 18,675,403	\$ 110,534,058	\$ 1,939,578	\$ 112,473,636

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2019

	Pension Trust Funds				Other Postemployment Benefits	Total Trust Funds
	General Employees	Police	Firefighter	Total Pension		
Additions:						
Contributions:						
Employer, including state aid	\$ 456,673	\$ 2,352,549	\$ 220,441	\$ 3,029,663	\$ 184,191	\$ 3,213,854
Employee	242,483	250,972	88,473	581,928	-	581,928
Total contributions	699,156	2,603,521	308,914	3,611,591	184,191	3,795,782
Investment gain:						
Net appreciation in fair value of investments	4,739,481	9,710,161	2,954,009	17,403,651	338,097	17,741,748
Interest and dividends	811,873	1,659,971	510,181	2,982,025	51,387	3,033,412
Total investment gain	5,551,354	11,370,132	3,464,190	20,385,676	389,484	20,775,160
Less investment expense	17,318	35,445	10,782	63,545	1,109	64,654
Net investment gain	5,534,036	11,334,687	3,453,408	20,322,131	388,375	20,710,506
Total additions	6,233,192	13,938,208	3,762,322	23,933,722	572,566	24,506,288
Deductions:						
Benefits	1,190,642	3,047,873	842,843	5,081,358	141,557	5,222,915
Withdrawals	39,023	1,107	-	40,130	-	40,130
Administrative expense	13,248	15,335	9,467	38,050	6,137	44,187
Total deductions	1,242,913	3,064,315	852,310	5,159,538	147,694	5,307,232
Change in Plan Net Position	4,990,279	10,873,893	2,910,012	18,774,184	424,872	19,199,056
Net Position:						
Beginning of year	25,219,256	50,775,227	15,765,391	91,759,874	1,514,706	93,274,580
End of year	\$ 30,209,535	\$ 61,649,120	\$ 18,675,403	\$ 110,534,058	\$ 1,939,578	\$ 112,473,636



CAPITAL

ASSETS

MT. LEBANON, PENNSYLVANIA

COMPARATIVE STATEMENT OF GOVERNMENTAL CAPITAL ASSETS - BY SOURCE

DECEMBER 31, 2019, 2018, AND 2017

	2019	2018	2017
Capital Assets:			
Land	\$ 7,266,047	\$ 7,266,047	\$ 7,266,047
Construction in progress	353,205	4,391,873	391,555
Buildings and improvements other than buildings	53,183,407	44,346,942	44,180,792
Infrastructure	99,734,713	96,448,479	92,762,853
Library book collection	2,647,867	2,683,691	2,670,634
Equipment	19,493,587	17,397,477	16,214,753
	<u>\$ 182,678,826</u>	<u>\$ 172,534,509</u>	<u>\$ 163,486,634</u>
Investments in Capital Assets By Source:			
Governmental funds	\$ 119,234,278	\$ 114,818,785	\$ 110,404,410
General Obligation Bonds	57,911,840	53,697,211	49,163,969
Gifts, grants, and other resources	5,532,708	4,018,513	3,918,255
	<u>\$ 182,678,826</u>	<u>\$ 172,534,509</u>	<u>\$ 163,486,634</u>

MT. LEBANON, PENNSYLVANIA

SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS - BY SOURCE

YEAR ENDED DECEMBER 31, 2019

	Land	Construction in Progress	Buildings and Improvements Other Than Buildings	Infrastructure	Library Book Collection	Equipment	Total
Capital Assets, Beginning of Year	\$ 7,266,047	\$ 4,391,873	\$ 44,346,942	\$ 96,448,479	\$ 2,683,691	\$ 17,397,477	\$ 172,534,509
Expenditures from:							
General Fund	-	22,389	64,549	-	-	1,007,635	1,094,573
General Obligation Bonds	-	-	8,442,679	-	-	-	8,442,679
Special Revenue and Capital Projects Funds	-	211,632	329,237	3,286,234	278,713	117,894	4,223,710
Gifts, Grants and Other Sources	-	119,184	-	-	-	1,495,269	1,614,453
Less capital asset disposals	-	(4,391,873)	-	-	(314,537)	(524,688)	(5,231,098)
Capital Assets, End of Year	<u>\$ 7,266,047</u>	<u>\$ 353,205</u>	<u>\$ 53,183,407</u>	<u>\$ 99,734,713</u>	<u>\$ 2,647,867</u>	<u>\$ 19,493,587</u>	<u>\$ 182,678,826</u>

MT. LEBANON, PENNSYLVANIA

SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY

DECEMBER 31, 2019

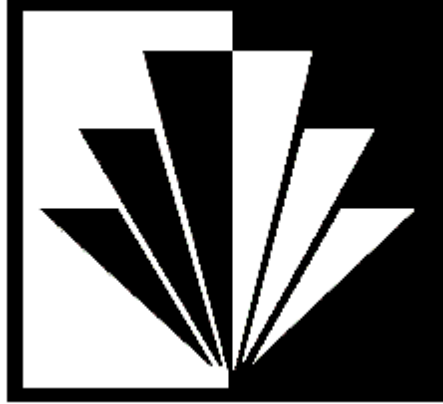
	Land	Construction in Progress	Buildings and Improvements other than Buildings	Infrastructure	Library Book Collection	Equipment	Total
Administration:							
General	\$ 94,563	\$ -	\$ 8,692,675	\$ -	\$ -	\$ 731,103	\$ 9,518,341
Parks and Recreation:							
Facilities	6,687,739	13,436	18,363,386	-	-	-	25,064,561
Vehicles and special purpose equipment	-	-	-	-	-	903,211	903,211
Total parks and recreation	6,687,739	13,436	18,363,386	-	-	903,211	25,967,772
Public Works:							
General	48,750	8,953	11,227,882	-	-	1,712,560	12,998,145
Infrastructure	-	320,196	-	99,734,713	-	-	100,054,909
Traffic installations	-	10,620	-	-	-	4,881,225	4,891,845
Vehicles and special purpose equipment	-	-	-	-	-	4,320,534	4,320,534
Total public works	48,750	339,769	11,227,882	99,734,713	-	10,914,319	122,265,433
Fire Department:							
General	-	-	-	-	-	838,584	838,584
Communications	-	-	-	-	-	293,953	293,953
Vehicles and apparatus	-	-	-	-	-	3,274,137	3,274,137
Total fire department	-	-	-	-	-	4,406,674	4,406,674
Police Department:							
General	-	-	-	-	-	452,482	452,482
Communications	-	-	-	-	-	452,982	452,982
Vehicles	-	-	-	-	-	1,447,375	1,447,375
Total police department	-	-	-	-	-	2,352,839	2,352,839
Public Safety:							
General	370,479	-	-	-	-	-	370,479
Facilities	-	-	9,916,976	-	-	-	9,916,976
Total public safety	370,479	-	9,916,976	-	-	-	10,287,455
Public Library:							
General	64,516	-	4,982,488	-	2,647,867	185,441	7,880,312
Total capital assets	\$ 7,266,047	\$ 353,205	\$ 53,183,407	\$ 99,734,713	\$ 2,647,867	\$ 19,493,587	\$ 182,678,826

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2019

	January 1, 2019	Additions	Disposals	Transfers/ Reclassifications	December 31, 2019
Administration:					
General	\$ 9,567,911	\$ -	\$ (49,570)	\$ -	\$ 9,518,341
Parks and Recreation:					
Facilities	24,986,576	77,985	-	-	25,064,561
Vehicles and special purpose equipment	850,147	73,064	(20,000)	-	903,211
Total parks and recreation	25,836,723	151,049	(20,000)	-	25,967,772
Public Works:					
General	8,786,241	8,503,519	(4,291,615)	-	12,998,145
Infrastructure	96,448,479	3,606,430	-	-	100,054,909
Traffic installations	3,740,654	1,251,449	(100,258)	-	4,891,845
Vehicles and special purpose equipment	4,002,196	533,998	(215,660)	-	4,320,534
Total public works	112,977,570	13,895,396	(4,607,533)	-	122,265,433
Fire Department:					
General	711,771	126,813	-	-	838,584
Communications	199,626	212,252	(117,925)	-	293,953
Vehicles and apparatus	3,222,769	51,368	-	-	3,274,137
Total fire department	4,134,166	390,433	(117,925)	-	4,406,674
Police Department:					
General	420,720	38,518	(6,756)	-	452,482
Communications	239,756	213,226	-	-	452,982
Vehicles	1,431,422	130,730	(114,777)	-	1,447,375
Total police department	2,091,898	382,474	(121,533)	-	2,352,839
Public Safety:					
General	370,479	-	-	-	370,479
Facilities	9,916,976	-	-	-	9,916,976
Total public safety	10,287,455	-	-	-	10,287,455
Public Library:					
General	7,638,786	556,063	(314,537)	-	7,880,312
Total capital assets	\$ 172,534,509	\$ 15,375,415	\$ (5,231,098)	\$ -	\$ 182,678,826



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 These schedules contain trend information to help the reader understand how the Municipality's financial performance and well-being have changed over time.	152
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.	156
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.	163
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.	166
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.	168

MT. LEBANON, PENNSYLVANIA

NET POSITION BY COMPONENT

LAST TEN YEARS

ACCRUAL BASIS OF ACCOUNTING

	2019	2018	2017 ⁽³⁾	2016	2015	2014 ⁽²⁾	2013	2012	2011	2010
Governmental Activities:										
Net investment in capital assets	\$ 87,061,522	\$ 80,723,787	\$ 77,334,705	\$ 74,482,051	\$ 71,957,562	\$ 66,597,935	\$ 56,344,296	\$ 51,419,042	\$ 45,610,982	\$ 43,486,228
Restricted	10,697,277	10,026,812	8,967,508	6,940,867	5,139,679	4,886,309	5,557,751	5,137,242	3,706,697	1,886,214
Unrestricted	2,671,486	3,479,951	4,452,226	5,569,888	6,514,149	7,893,497	9,910,428	9,524,959	9,768,583	9,260,315
<i>Total Governmental Activities Net Position</i>	<u>\$ 100,430,285</u>	<u>\$ 94,230,550</u>	<u>\$ 90,754,439</u>	<u>\$ 86,992,806</u>	<u>\$ 83,611,390</u>	<u>\$ 79,377,741</u>	<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	\$ 7,609,277	\$ 7,344,896	\$ 7,061,560	\$ 6,340,964	\$ 5,413,745	\$ 4,953,686	\$ 4,647,536	\$ 4,414,824		
Unrestricted	952,358	865,809	917,286	1,218,662	1,891,797	1,975,476	1,763,124	2,125,128		
<i>Total Business-type Activities Net Position</i>	<u>\$ 8,561,635</u>	<u>\$ 8,210,705</u>	<u>\$ 7,978,846</u>	<u>\$ 7,559,626</u>	<u>\$ 7,305,542</u>	<u>\$ 6,929,162</u>	<u>\$ 6,410,660</u>	<u>\$ 6,539,952</u>		
Primary Government:										
Net investment in capital assets	\$ 94,670,799	\$ 88,068,683	\$ 84,396,265	\$ 80,823,015	\$ 77,371,307	\$ 71,551,621	\$ 60,991,832	\$ 55,833,866	\$ 45,610,982	\$ 43,486,228
Restricted	10,697,277	10,026,812	8,967,508	6,940,867	5,139,679	4,886,309	5,557,751	5,137,242	3,706,697	1,886,214
Unrestricted	3,623,844	4,345,760	5,369,512	6,788,550	8,405,946	9,868,973	11,673,552	11,650,087	9,768,583	9,260,315
<i>Total Primary Government Net Position</i>	<u>\$ 108,991,920</u>	<u>\$ 102,441,255</u>	<u>\$ 98,733,285</u>	<u>\$ 94,552,432</u>	<u>\$ 90,916,932</u>	<u>\$ 86,306,903</u>	<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.

(2) Governmental Activities net position restated for recognition of net pension liability and an adjustment for capital assets over depreciated in previous years.

(3) Governmental Activities net position restated for recognition of net other postemployment liability.

MT. LEBANON, PENNSYLVANIA

CHANGES IN NET POSITION LAST TEN YEARS ACCRUAL BASIS OF ACCOUNTING

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General government	\$ 1,301,857	\$ 1,394,665	\$ 1,523,785	\$ 1,575,830	\$ 1,461,429	\$ 1,502,041	\$ 1,839,277	\$ 1,803,067	\$ 1,975,477	\$ 1,786,643
Community development	541,433	482,238	367,164	224,375	195,858	239,577	161,723	907,386	322,617	207,081
Public works	11,187,632	10,940,692	10,566,251	10,221,004	9,921,004	9,393,226	9,144,178	9,237,588	8,121,466	7,710,088
Human services	76,163	81,887	80,284	80,179	84,711	77,849	99,676	87,739	87,622	87,967
Cultural and recreation	2,936,559	2,867,480	2,591,871	3,004,355	2,973,206	2,815,975	2,689,655	2,702,628	2,593,396	2,504,662
Public safety	1,361,481	1,195,842	1,246,112	1,322,757	1,168,198	748,128	797,843	762,864	911,304	758,209
Operating grants and contributions	3,474,743	3,366,768	3,166,698	3,060,795	2,940,458	2,796,934	2,259,523	2,185,900	2,895,636	2,346,591
Capital grants and contributions	909,670	93,422	60,000	237,291	152,630	459,955	618,683	524,105	466,102	10,623
<i>Total governmental activities program revenues</i>	<i>21,789,538</i>	<i>20,422,994</i>	<i>19,602,165</i>	<i>19,726,586</i>	<i>18,897,494</i>	<i>18,033,685</i>	<i>17,610,558</i>	<i>18,211,277</i>	<i>17,373,620</i>	<i>15,411,864</i>
Business-type Activities - Parking ⁽¹⁾	2,211,179	2,080,753	2,041,315	2,026,701	2,009,582	2,027,837	2,012,002	2,068,078	N/A	N/A
<i>Total primary government program revenues</i>	<i>\$ 24,000,717</i>	<i>\$ 22,503,747</i>	<i>\$ 21,643,480</i>	<i>\$ 21,753,287</i>	<i>\$ 20,907,076</i>	<i>\$ 20,061,522</i>	<i>\$ 19,622,560</i>	<i>\$ 20,279,355</i>	<i>\$ 17,373,620</i>	<i>\$ 15,411,864</i>
Expenses:										
Governmental Activities:										
General government	\$ 5,062,474	\$ 5,083,689	\$ 4,889,807	\$ 5,222,338	\$ 5,129,230	\$ 5,028,178	\$ 4,639,338	\$ 4,162,671	\$ 4,366,065	\$ 4,363,644
Community development	845,932	807,040	765,250	866,012	902,482	862,888	893,173	917,814	855,815	1,071,865
Public works	18,472,233	17,914,631	16,483,756	15,888,156	15,223,427	14,117,364	13,866,143	12,917,735	13,030,094	12,884,164
Human services	2,844,101	2,677,144	2,450,286	2,543,208	2,339,041	2,333,704	2,357,084	2,042,601	2,100,622	2,068,627
Cultural and recreation	3,818,175	3,270,388	3,509,202	3,674,132	3,616,982	3,446,210	3,531,847	3,166,703	3,138,336	3,107,956
Public safety	14,191,519	15,391,328	14,098,357	15,116,604	13,844,481	12,654,350	11,923,138	11,808,211	11,426,122	11,198,737
Interest on long-term debt	435,968	717,438	773,131	493,804	487,306	633,388	549,138	883,776	979,150	1,155,273
<i>Total governmental activities expenses</i>	<i>45,670,402</i>	<i>45,861,658</i>	<i>42,969,789</i>	<i>43,804,254</i>	<i>41,542,949</i>	<i>39,076,082</i>	<i>37,759,861</i>	<i>35,899,511</i>	<i>35,896,204</i>	<i>35,850,266</i>
Business-type Activities - Parking	1,702,327	1,691,641	1,467,454	1,613,856	1,487,970	1,500,662	1,985,543	1,488,626	N/A	N/A
<i>Total primary government expenses</i>	<i>\$ 47,372,729</i>	<i>\$ 47,553,299</i>	<i>\$ 44,437,243</i>	<i>\$ 45,418,110</i>	<i>\$ 43,030,919</i>	<i>\$ 40,576,744</i>	<i>\$ 39,745,404</i>	<i>\$ 37,388,137</i>	<i>\$ 35,896,204</i>	<i>\$ 35,850,266</i>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Real estate	\$ 12,919,031	\$ 12,868,406	\$ 12,856,418	\$ 12,344,588	\$ 12,064,474	\$ 12,062,164	\$ 12,000,641	\$ 11,487,806	\$ 10,237,545	\$ 10,321,729
Earned income	12,950,010	12,210,864	12,214,397	11,764,177	11,630,148	11,529,728	10,898,054	10,368,678	10,379,339	9,480,804
Other	3,586,749	3,300,552	3,186,782	3,154,416	2,999,496	2,777,634	2,802,247	2,675,778	2,337,136	2,208,037
Other - interest and transfer	624,809	534,953	338,830	195,903	184,986	181,454	179,593	150,953	22,069	30,486
<i>Total governmental activities</i>	<i>30,080,599</i>	<i>28,914,775</i>	<i>28,596,427</i>	<i>27,459,084</i>	<i>26,879,104</i>	<i>26,550,980</i>	<i>25,880,535</i>	<i>24,683,215</i>	<i>22,976,089</i>	<i>22,041,056</i>
Business-type Activities - Parking	(157,922)	(157,253)	(154,641)	(158,761)	(145,232)	(8,673)	(155,751)	(132,460)	N/A	N/A
<i>Total primary government</i>	<i>\$ 29,922,677</i>	<i>\$ 28,757,522</i>	<i>\$ 28,441,786</i>	<i>\$ 27,300,323</i>	<i>\$ 26,733,872</i>	<i>\$ 26,542,307</i>	<i>\$ 25,724,784</i>	<i>\$ 24,550,755</i>	<i>\$ 22,976,089</i>	<i>\$ 22,041,056</i>
Change in Net Position										
Governmental Activities	\$ 6,199,735	\$ 3,476,111	\$ 5,228,803	\$ 3,381,416	\$ 4,233,649	\$ 5,508,583	\$ 5,731,232	\$ 6,994,981	\$ 4,453,505	\$ 1,602,654
Business-type Activities	350,930	231,859	419,220	254,084	376,380	518,502	(129,292)	446,992	N/A	N/A
<i>Total primary government</i>	<i>\$ 6,550,665</i>	<i>\$ 3,707,970</i>	<i>\$ 5,648,023</i>	<i>\$ 3,635,500</i>	<i>\$ 4,610,029</i>	<i>\$ 6,027,085</i>	<i>\$ 5,601,940</i>	<i>\$ 7,441,973</i>	<i>\$ 4,453,505</i>	<i>\$ 1,602,654</i>

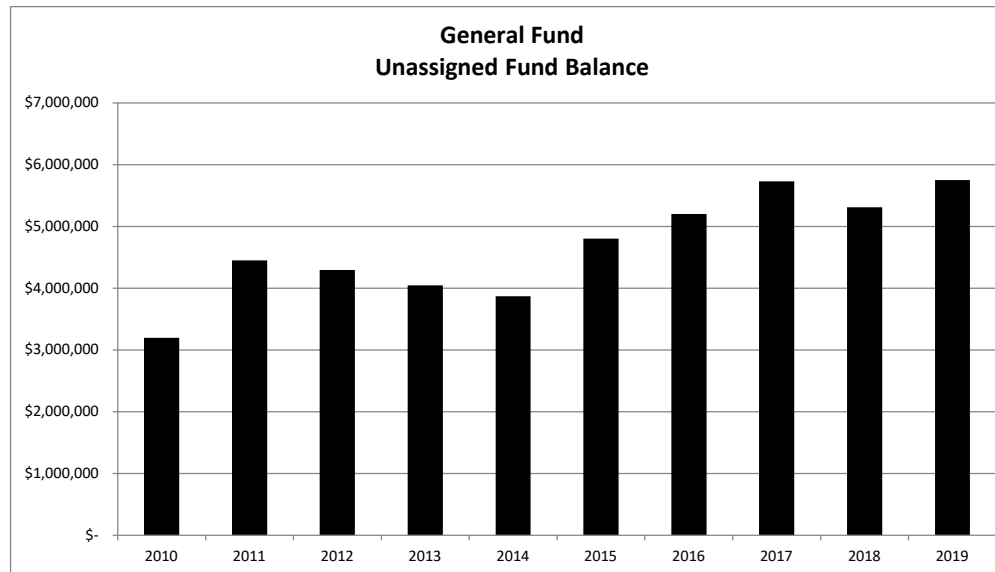
(1) The Parking Fund (the business-type activity) was established January 1, 2012 upon the consolidation of the Mt. Lebanon Parking Authority, a component unit of Mt. Lebanon. N/A=Not Applicable.

MT. LEBANON, PENNSYLVANIA

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Nonspendable	\$ 533,088	\$ 727,810	\$ 371,430	\$ 343,329	\$ 344,193	\$ 548,231	\$ 285,567	\$ -	\$ 3,376,398	\$ 3,927,654
Restricted	-	-	-	-	-	-	-	-	462,248	-
Assigned	1,482,032	1,623,437	1,299,833	1,123,098	533,608	1,175,920	1,074,840	1,354,100	2,565,198	3,566,620
Unassigned	5,752,087	5,310,208	5,731,065	5,204,358	4,802,623	3,869,664	4,045,633	4,294,814	4,452,027	3,197,820
<i>Total General Fund</i>	<u>7,767,207</u>	<u>7,661,455</u>	<u>7,402,328</u>	<u>6,670,785</u>	<u>5,680,424</u>	<u>5,593,815</u>	<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	15,754,252	12,645,773	15,949,669	7,170,091	6,328,567	7,958,638	9,031,519	5,374,934	3,188,649	2,014,824
Assigned	835,080	1,984,845	1,223,257	1,102,033	820,942	1,263,009	1,653,844	1,132,814	343,381	257,103
Total All Other Governmental Funds	<u>16,589,332</u>	<u>14,630,618</u>	<u>17,172,926</u>	<u>8,272,124</u>	<u>7,149,509</u>	<u>9,221,647</u>	<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>\$ 24,356,539</u>	<u>\$ 22,292,073</u>	<u>\$ 24,575,254</u>	<u>\$ 14,942,909</u>	<u>\$ 12,829,933</u>	<u>\$ 14,815,462</u>	<u>\$ 16,091,403</u>	<u>\$ 12,156,662</u>	<u>\$ 14,387,901</u>	<u>\$ 12,964,021</u>

Note: The fund balances presented on these pages have been restated to reflect the implementation of GASB Statement No. 54, which was implemented in 2011. 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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Real estate taxes	\$ 12,949,165	\$ 12,889,134	\$ 12,824,898	\$ 12,362,890	\$ 12,062,778	\$ 12,056,146	\$ 11,979,183	\$ 11,469,800	\$ 10,283,677	\$ 10,416,061
Earned income taxes	12,841,790	12,330,334	12,036,410	11,677,730	11,682,140	11,471,738	11,130,541	10,010,482	9,971,469	9,573,712
Other taxes	3,586,749	3,300,552	3,186,782	3,154,416	2,999,496	2,777,634	2,802,247	2,675,778	2,337,136	2,208,037
Licenses, permits, and fees	12,418,675	12,060,282	11,638,711	11,340,061	11,092,966	10,387,664	9,758,025	10,375,517	8,942,899	8,457,210
Fines, forfeitures, and penalties	201,964	186,559	207,410	221,927	227,209	234,949	215,515	225,963	350,189	252,090
Investment and rental ⁽¹⁾	452,919	368,653	176,679	36,291	27,389	26,265	22,217	18,493	22,069	30,486
Intergovernmental	3,688,462	2,765,572	2,575,004	2,469,729	2,601,595	2,417,986	2,682,434	2,600,691	2,686,875	2,190,883
Recreation	2,936,875	2,867,680	2,591,989	3,005,162	2,960,477	2,815,568	2,689,655	2,702,660	2,593,396	2,503,655
Other	2,637,315	2,543,176	2,576,343	2,716,154	2,374,327	2,208,572	2,041,448	2,024,394	2,647,424	2,073,437
Total Revenues	51,713,914	49,311,942	47,814,226	46,984,360	46,028,377	44,396,522	43,321,265	42,103,778	39,835,134	37,705,571
Expenditures:										
Current:										
General government	4,789,502	4,854,640	4,625,018	4,902,311	4,943,730	4,807,067	4,481,903	4,243,332	4,179,993	4,211,385
Community development	831,029	759,586	753,027	816,691	1,020,972	859,928	890,553	950,207	854,267	1,067,401
Public works	15,336,470	15,056,574	13,893,163	13,574,639	13,184,534	12,142,459	11,996,308	11,318,232	11,197,659	11,231,086
Human services	2,939,130	2,449,806	2,314,781	2,375,751	2,403,763	2,373,858	2,405,214	2,157,411	2,052,173	1,922,333
Cultural and recreation	3,062,313	2,959,763	2,704,130	2,849,603	2,871,336	2,706,114	2,589,342	2,703,630	2,681,818	2,652,466
Public Safety:										
Police	9,576,569	9,525,675	9,171,497	8,922,309	8,482,838	7,855,513	7,449,755	7,394,093	6,938,646	6,886,361
Fire	3,287,275	3,220,552	3,276,014	3,329,331	3,432,157	3,394,563	3,256,265	3,187,886	3,237,997	3,089,120
Other	1,080,581	1,002,111	898,368	880,789	852,520	833,449	812,528	799,852	811,966	838,079
Debt service:										
Principal Retirement	5,469,640	2,436,210	2,527,468	1,415,516	1,968,592	1,736,272	1,733,289	1,715,934	1,600,000	1,675,000
Interest and Fiscal Charges	779,680	737,176	699,482	510,567	710,652	660,227	648,349	666,602	722,849	1,019,331
Capital Outlay	10,855,641	9,285,251	6,288,179	5,469,916	8,361,841	11,035,151	7,872,576	8,096,543	4,184,045	4,158,450
Total Expenditures	58,007,830	52,287,344	47,151,127	45,047,423	48,232,935	48,404,601	44,136,082	43,233,722	38,461,413	38,751,012
Excess (Deficiency) of Revenues Over Expenditures	(6,293,916)	(2,975,402)	663,099	1,936,937	(2,204,558)	(4,008,079)	(814,817)	(1,129,944)	1,373,721	(1,045,441)
Other Financing Sources (Uses):										
Transfers in	10,754,401	9,613,868	9,344,199	8,779,157	11,197,761	9,089,654	10,261,960	8,883,458	7,500,249	7,549,265
Transfers out	(10,582,511)	(9,447,568)	(9,182,048)	(8,619,545)	(11,040,164)	(8,934,465)	(10,104,584)	(8,750,998)	(7,500,249)	(7,549,265)
Refunds of prior year expenditures	52,264	525,921	-	-	-	-	-	-	-	-
Debt transfer to Parking Fund	-	-	-	-	-	-	-	(3,804,446)	-	-
Debt proceeds	4,855,000	-	8,800,000	-	-	2,545,000	4,450,000	2,500,000	-	3,230,000
Bond issuance premium (discount)	369,228	-	7,095	140,754	261,969	31,949	142,182	(16,812)	2,134	(90,662)
Proceeds of refunding bonds	2,910,000	-	-	4,355,000	9,015,864	-	-	3,355,000	4,005,000	12,390,000
Payment to refunded bond escrow agent	-	-	-	(4,479,327)	(9,216,401)	-	-	(3,277,355)	(3,956,975)	(12,185,997)
Total Other Financing Sources (Uses)	8,358,382	692,221	8,969,246	176,039	219,029	2,732,138	4,749,558	(1,111,153)	50,159	3,343,341
Net Change in Fund Balances	\$ 2,064,466	\$ (2,283,181)	\$ 9,632,345	\$ 2,112,976	\$ (1,985,529)	\$ (1,275,941)	\$ 3,934,741	\$ (2,241,097)	\$ 1,423,880	\$ 2,297,900
Debt service as a percentage of non-capital expenditures	13.3%	7.5%	7.8%	4.9%	6.9%	6.5%	6.6%	6.9%	6.8%	7.9%
Debt service as a percentage of total expenditures	10.8%	6.1%	6.7%	4.3%	5.6%	5.0%	5.4%	5.5%	6.0%	7.0%

(1) Beginning in 2015, rental revenue is recognized in recreation or other revenue.

MT. LEBANON, PENNSYLVANIA

PROGRAM REVENUES BY FUNCTION/PROGRAM

LAST TEN YEARS

ACCRUAL BASIS OF ACCOUNTING

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Function/Program:										
Governmental Activities:										
General government	\$ 2,821,509	\$ 2,809,402	\$ 2,859,294	\$ 2,846,674	\$ 2,544,310	\$ 2,545,411	\$ 2,586,857	\$ 2,462,664	\$ 3,053,652	\$ 2,439,933
Community development	541,433	482,238	367,164	226,875	299,419	239,577	161,723	907,386	322,617	215,581
Public works	13,116,322	12,001,459	11,525,427	11,117,197	10,914,962	10,534,547	10,412,532	9,978,270	9,322,913	8,318,271
Human services	808,967	840,630	807,598	782,810	753,240	828,435	698,325	678,353	637,173	742,410
Cultural and recreation	2,937,738	2,869,864	2,594,292	3,139,992	2,984,254	2,825,067	2,699,979	2,713,369	2,608,629	2,517,961
Public safety:										
Police	686,145	609,748	722,699	887,848	667,662	254,379	284,326	296,239	341,428	334,260
Fire	217,531	218,138	226,777	249,094	241,097	321,892	276,188	681,504	621,573	365,436
Other	659,893	591,515	498,914	476,096	492,550	484,377	490,628	493,492	465,735	478,012
<i>Total Governmental Activities</i>	<u>21,789,538</u>	<u>20,422,994</u>	<u>19,602,165</u>	<u>19,726,586</u>	<u>18,897,494</u>	<u>18,033,685</u>	<u>17,610,558</u>	<u>18,211,277</u>	<u>17,373,720</u>	<u>15,411,864</u>
Business-type Activity - Parking ⁽¹⁾	<u>2,211,179</u>	<u>2,080,753</u>	<u>2,041,315</u>	<u>2,026,701</u>	<u>2,009,582</u>	<u>2,027,837</u>	<u>2,012,002</u>	<u>2,068,078</u>	N/A	N/A
<i>Total Primary Government</i>	<u>\$ 24,000,717</u>	<u>\$ 22,503,747</u>	<u>\$ 21,643,480</u>	<u>\$ 21,753,287</u>	<u>\$ 20,907,076</u>	<u>\$ 20,061,522</u>	<u>\$ 19,622,560</u>	<u>\$ 20,279,355</u>	<u>\$ 17,373,720</u>	<u>\$ 15,411,864</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. N/A=Not Applicable

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
2019	\$12,949,165	\$12,841,790	\$441,964	\$2,086,238	\$26,207	\$1,032,340	\$29,377,704
2018	12,889,134	12,330,334	439,417	1,843,974	28,645	988,516	28,520,020
2017	12,824,898	12,036,410	446,019	1,760,690	27,978	952,095	28,048,090
2016	12,362,890	11,677,730	442,631	1,759,408	30,004	922,373	27,195,036
2015	12,062,778	11,682,140	454,080	1,615,768	30,571	899,077	26,744,414
2014	12,056,146	11,471,738	433,413	1,458,034	32,766	853,421	26,305,518
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

MT. LEBANON, PENNSYLVANIA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN YEARS

Tax Year	Mills Levied			
	Mt. Lebanon	Mt. Lebanon School District	Allegheny County	Total
2019	4.71	24.79	4.73	34.23
2018	4.71	24.32	4.73	33.76
2017	4.71	23.93	4.73	33.37
2016	4.51	23.93	4.73	33.17
2015	4.51	23.55	4.73	32.79
2014	4.51	23.15	4.73	32.39
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

Note: Mill - one one thousandth of a dollar. Used to calculate a tax levied on real estate.
(One mill = \$0.001)

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

<u>Year</u>	<u>Taxable Real Property</u>	<u>Exempt Real Property</u>	<u>Total</u>	<u>Estimated Actual Values of Real Property</u>	<u>Mt. Lebanon Municipal Millage Rate</u>
2019	\$2,756,995,028	\$349,031,440	\$3,106,026,468	\$3,106,026,468	4.71
2018	2,747,645,634	349,059,900	3,096,705,534	3,096,705,534	4.71
2017	2,743,104,034	376,669,846	3,119,773,880	3,119,773,880	4.71
2016	2,734,870,374	381,877,822	3,116,748,196	3,116,748,196	4.51
2015	2,732,801,335	381,969,222	3,114,770,557	3,114,770,557	4.51
2014	2,718,872,379	372,261,922	3,091,134,301	3,091,134,301	4.51
2013	2,698,042,173	469,117,122	3,167,159,295	3,167,159,295	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

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, 2019 AND DECEMBER 31, 2010

Taxpayer - <i>Type of Real Property</i>	December 31, 2019			December 31, 2010		
	Estimated Actual Values of Real Property	Rank	Percentage of Total Assessed Valuation	Estimated Actual Values of Real Property	Rank	Percentage of Total Assessed Valuation
The Galleria (L&B Southpoint) - <i>Retail Shops</i>	\$ 29,300,000	1	1.06%	\$ 30,400,000	1	1.41%
Brookdale Senior Housing (A.H. Pennsylvania) - <i>Senior Housing</i>	19,000,000	2	0.69%	17,000,000	2	0.79%
Bower Hill Development - <i>Co-op Apartments</i>	17,500,000	3	0.63%	11,699,700	3	0.54%
Concordia Luthern - <i>Senior Housing/Health</i>	13,162,800	4	0.48%	8,489,416	4	0.39%
Mt. Lebanon Hospitality - <i>Hotel</i>	10,350,000	5	0.38%			
IHP/Bower Hill LLC - <i>Apartments</i>	9,500,000	6	0.34%	6,831,700	5	0.32%
Virginia Manor Shops - <i>Retail Shops</i>	7,931,300	7	0.29%			
Pendle Towers - <i>Apartments</i>	7,150,000	8	0.26%	5,253,200	10	0.24%
St. Clair Memorial Hospital - <i>Medical Offices</i>	6,026,680	9	0.22%	5,831,220	8	0.27%
Tithonus Mount Lebanon - <i>Personal Care Facility</i>	5,700,000	10	0.21%			
650 Washington Road Associates - <i>Office Building</i>				6,193,900	6	0.29%
Asbury Health - <i>Personal Care Facility</i>				5,876,498	7	0.27%
Jon Pan Realty Inc. - <i>Retail Shops</i>				5,555,000	9	0.26%
	<u>\$ 125,620,780</u>		<u>4.56%</u>	<u>\$ 103,130,634</u>		<u>4.78%</u>
Total Taxable Assessed Valuation	<u>\$ 2,756,995,028</u>			<u>\$ 2,159,216,301</u>		

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

MT. LEBANON, PENNSYLVANIA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

Year	Adjusted Total Tax Levy	Collected within Fiscal Year of Levy		Collections in Subsequent Years	Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2019	\$12,982,654	\$12,768,207	98.32%	\$0	\$12,768,207	98.35%
2018	12,941,411	12,730,211	98.37%	114,195	12,844,406	99.25%
2017	12,917,422	12,679,105	98.16%	181,723	12,860,828	99.56%
2016	12,323,667	12,120,139	98.35%	178,271	12,298,410	99.80%
2015	12,309,292	12,132,595	98.56%	159,951	12,292,546	99.86%
2014	12,206,460	12,024,213	98.51%	167,165	12,191,378	99.88%
2013	12,089,325	11,994,251	99.21%	83,777	12,078,028	99.91%
2012	11,711,617	11,452,904	97.79%	249,391	11,702,295	99.92%
2011	10,254,783	10,097,309	98.46%	149,059	10,246,368	99.92%
2010	10,563,522	10,311,707	97.62%	241,831	10,553,538	99.91%

Source: Mt. Lebanon Tax Office

MT. LEBANON, PENNSYLVANIA

MUNICIPAL EARNED INCOME TAX REVENUE COLLECTIONS LAST TEN YEARS COLLECTIONS BY FISCAL YEAR

<u>Year</u>	<u>Tax Rate⁽¹⁾</u>	<u>Collections for Current Year</u>	<u>Collections for Prior Years</u>	<u>Refunds</u>	<u>Total Collections</u>	<u>Commission⁽²⁾</u>	<u>Total Remitted</u>
2019	0.80%	\$9,290,196	\$4,008,563	(\$363,753)	\$12,935,006	(\$239,199)	\$12,695,807
2018	0.80%	8,914,730	3,557,574	(314,756)	12,157,548	(223,626)	11,933,922
2017	0.80%	8,758,095	3,623,652	(266,569)	12,115,178	(221,212)	11,893,966
2016	0.80%	8,275,765	3,661,950	(261,672)	11,676,043	(214,222)	11,461,821
2015	0.80%	8,375,768	3,477,737	(230,503)	11,623,002	(212,204)	11,410,798
2014	0.80%	8,045,429	3,742,116	(319,936)	11,467,609	(208,705)	11,258,904
2013	0.80%	7,960,267	3,917,285	(235,898)	11,641,654	(209,070)	11,432,584
2012	0.80%	8,224,495	3,849,176	(709,441)	11,364,230	(127,463)	11,236,767
2011	0.80%	7,673,567	2,861,794	(307,237)	10,228,124	-	10,228,124
2010	0.80%	5,937,970	4,047,858	(357,339)	9,628,489	-	9,628,489

Source: Mt. Lebanon Tax Office

(1) Earned income tax rate and collection amounts represent only the municipal share. The Mt. Lebanon School District levies an earned income tax of 0.50%.

(2) Effective for tax year 2012, Act 32 of 2008 mandated municipal earned income tax collections are to be collected by a regional tax collection district. Mt. Lebanon is part of the Allegheny County Southwest Tax Collection District (ACSWTCD) and pays an 1.8% commission to a third party collector as voted on by the ACSWTCD.

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	Total primary government	% of Assessed Valuation	Direct debt per capita	Total primary government debt per capita	Debt per total personal income
2019	\$28,873,492	\$446,508	\$29,320,000	1.06%	\$885	\$885	2.08%
2018	26,578,132	1,121,868	27,700,000	1.01%	836	836	1.96%
2017	29,014,342	1,845,658	30,860,000	1.13%	931	931	2.19%
2016	22,741,810	2,568,190	25,310,000	0.93%	764	764	1.79%
2015	24,212,326	3,247,674	27,460,000	1.00%	829	829	1.95%
2014	26,271,954	3,928,046	30,200,000	1.11%	911	911	2.14%
2013	25,463,226	2,931,774	28,395,000	1.05%	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%

MT. LEBANON, PENNSYLVANIA

LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS

	Three year average revenue (borrowing base) ⁽¹⁾	Legal debt limit ⁽²⁾	Debt applicable to limit	Legal debt margin	Legal debt margin % ⁽³⁾
2019	\$64,200,001	\$160,500,003	\$29,320,000	\$131,180,003	81.73%
2018	57,505,450	143,763,625	27,700,000	116,063,625	80.73%
2017	56,331,287	140,828,218	30,860,000	109,968,218	78.09%
2016	52,283,898	130,709,745	25,310,000	105,399,745	80.64%
2015	53,287,193	133,217,983	27,460,000	105,757,983	79.39%
2014	54,992,921	137,482,303	30,200,000	107,282,303	78.03%
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%

(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, 2019

<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>\$28,873,492</u>	100.0%	<u>\$28,873,492</u>
Overlapping			
Mt. Lebanon School District (2)	135,215,000	100.0%	135,215,000
County of Allegheny (3)	<u>896,483,477</u>	3.4%	<u>30,790,872</u>
<i>Total Overlapping Debt</i>	<u>1,031,698,477</u>		<u>166,005,872</u>
Total	<u><u>\$1,060,571,969</u></u>		<u><u>\$194,879,364</u></u>

Sources: Municipal Finance Department.

Mt. Lebanon School District CAFR and Allegheny County Controller'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, 2019.

(3) Proportionate share of Allegheny County's existing debt as of December 31, 2019 (unaudited) based on the ratio of Mt. Lebanon's assessed valuation to Allegheny County's assessed valuation.

MT. LEBANON, PENNSYLVANIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND TEN YEARS AGO

Employer	December 31, 2019			December 31, 2010		
	Employees	Rank	Percentage of Total Municipality Employment	Employees	Rank	Percentage of Total Municipality Employment
St Clair Hospital	2,044	1	22.1%	2,065	1	27.2%
Mt. Lebanon School District	811	2	8.8%	667	2	8.8%
Asbury Health Center	345	3	3.7%	334	3	4.4%
Baptist Homes Nursing	216	4	2.3%	243	5	3.2%
Mt. Lebanon Municipality	203	5	2.2%	256	4	3.4%
Keystone Oaks School District	164	6	1.8%	174	6	2.3%
Concordia of South Hills	128	7	1.4%			
Shop N Save	105	8	1.1%			
Brookdale Senior Living	100	9	1.1%			
Giant Eagle	95	10	1.0%	147	7	1.9%
Family Hospice				146	8	1.9%
Devonshire of South Hills				138	9	1.8%
Houlihan's				127	10	1.7%
Total	<u>4,211</u>		<u>45.5%</u>	<u>4,297</u>		<u>56.6%</u>
Total Employees	<u>9,243</u>			<u>7,591</u>		

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⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾	Average Sales Price of Residential Property ⁽⁵⁾	Total Taxable Assessed Property Value ⁽⁵⁾
2019	33,137	\$ 1,410,189,087	\$ 42,711	\$ 74,003	43.8	64.1%	5,513	4.2%	\$ 323,175	\$2,756,995,028
2018	33,137	1,410,189,087	42,711	74,003	43.8	64.1%	5,528	3.2%	301,925	2,747,645,634
2017	33,137	1,410,189,087	42,711	74,003	43.8	64.1%	5,453	3.5%	295,737	2,743,104,034
2016	33,137	1,410,189,087	42,711	74,003	43.8	64.1%	5,361	2.5%	285,383	2,734,870,374
2015	33,137	1,410,189,087	42,711	74,003	43.8	64.1%	5,321	2.9%	260,177	2,732,801,335
2014	33,137	1,410,189,087	42,711	74,003	43.8	64.1%	5,218	3.6%	249,768	2,718,872,379
2013	33,137	1,410,189,087	42,711	74,003	43.8	64.1%	5,268	4.5%	255,115	2,698,042,173
2012	33,137	1,410,189,087	42,711	74,003	43.8	64.1%	5,297	4.7%	235,838	2,156,859,685
2011	33,137	1,410,189,087	42,711	74,003	43.8	64.1%	5,268	4.8%	228,008	2,164,809,298
2010	33,017	1,111,088,084	33,652	60,783	41.8	61.0%	5,302	5.3%	225,237	2,159,216,301

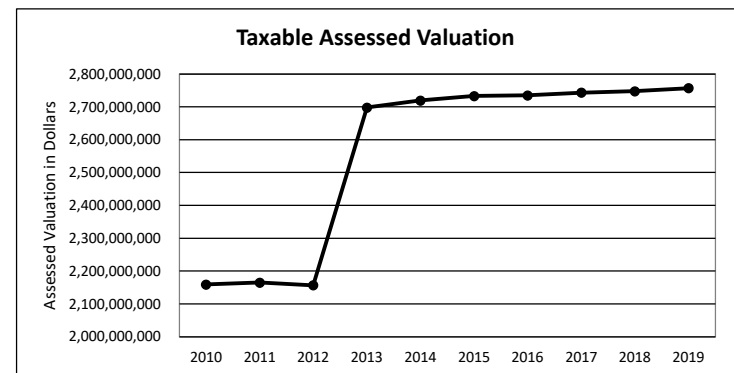
(1) Source: 2010, 2000 U. S. Census; 2011-2019, 2010 U. S. Census

(2) 2010 Computation of per capita personal income multiplied by population; 2011-2019, 2010 U. S. Census

(3) Source: Mt. Lebanon School District

(4) Source: US Dept. of Labor & PA Center for Workforce Information & Analysis (2010-2014); US Census Bureau American Community Survey (2015-2018);
US Bureau of Labor Statistics for Allegheny County (2019)

(5) Source: Mt. Lebanon Tax Office



MT. LEBANON, PENNSYLVANIA

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

Function/program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government: ⁽¹⁾										
Lien letter & tax certification requests	1,293	952	1,802	1,161	2,381	1,341	1,165	1,624	1,262	1,346
LeboAlerts (online and SMS notification system)	367	375	339	413	442	347	414	365	260	296
Community Development:										
Number of permits issued ⁽²⁾	637	650	623	585	536	526	482	635	682	733
Estimated value of construction ^{a (2)}	\$58,979,386	\$34,257,329	\$25,555,091	\$15,765,213	\$14,008,035	\$16,872,741	\$15,186,564	\$128,540,359	\$18,645,425	\$36,463,804
Occupancy permits issued ⁽²⁾	8	25	18	28	43	24	31	45	47	50
Number of Planning Commission agenda items ⁽³⁾	6	13	14	12	10	14	14	9	18	13
Police: ⁽⁴⁾										
Calls for service ^b	20,819	21,819	23,094	25,796	26,996	27,385	27,286	26,162	26,930	28,824
Total arrests	487	548	565	609	603	635	587	643	693	736
Part I Offenses reported (major offenses)	264	293	280	414	315	276	317	274	269	302
Part I Offenses cleared percentage	37%	45%	50%	39%	41%	44%	47%	49%	41%	41%
Part II Offenses reported (other crimes)	647	611	610	716	674	676	549	655	673	737
Part II Offenses cleared percentage	53%	57%	54%	47%	57%	59%	65%	78%	66%	70%
DUI arrests	58	68	57	76	94	118	88	95	117	145
Animal control calls for service	1,691	2,207	1,881	2,203	2,093	2,089	1,691	1,641	1,739	1,555
Fire: ⁽⁵⁾										
Calls for service (emergency and non-emergency) ^c	4,385	4,502	3,875	3,695	3,886	3,952	3,884	3,762	3,373	3,440
Responses involving loss	22	30	25	22	23	36	34	24	24	36
Fire loss (per capita)	\$9.74	\$31.21	\$4.27	\$10.83	\$23.73	\$6.69	\$8.88	\$21.40	\$23.72	\$34.15
Structure fires	16	17	9	29	15	15	16	27	22	17
Public Works: ⁽⁶⁾										
Roads resurfaced (linear feet)	8,080	11,804	8,080	7,247	4,475	6,900	5,485	1,702	7,609	6,906
Roads reconstructed (linear feet)	5,300	6,500	6,564	5,875	6,250	5,600	3,473	6,625	4,075	0
Sidewalks repaired (square feet)	0	0	2,860	5,957	4,074	0	7,579	6,659	3,591	7,408
Curb replacement (linear feet)	1,459	2,614	1,604	2,341	1,515	695	1,469	1,341	1,442	1,500
Number of trees removed	147	157	122	146	134	149	325	126	250	132
Number of trees planted	121	58	116	157	133	343	219	121	330	248
Number of municipal trees	11,468	11,494	11,494	11,500	11,489	11,490	11,296	11,402	11,407	11,327
Residential curb side recycling tons picked up ^d	1,499	2,612	2,447	2,110	2,128	2,542	2,616	2,227	2,420	2,197
Truckloads of leaves picked-up ^e	892	1,624	1,033	1,030	926	1,529	1,392	1,309	1,300	1,148
Tons of snow melting salt used	4,893	5,463	3,006	5,519	3,748	7,202	6,060	1,170	6,356	7,461
Closed circuit televising (miles)	18.1	27.0	15.1	16.0	17.0	3.2	20.9	19.6	16.3	7.2
Point repairs	14	25	30	3	6	23	8	51	34	243
Root damage sidewalk restoration (square feet)	17,727	18,054	14,140	12,242	20,569	37,696	37,840	40,000	30,336	48,280
Structural liner corrections (linear feet)	17,317	11,295	3,526	2,350	11,100	16,425	9,670	1,770	4,523	21,983

(Continued)

MT. LEBANON, PENNSYLVANIA

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

Function/program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Recreation: ^{f (7)}										
Ice Center Attendance	59,042	65,345	33,254	62,485	67,081	70,691	69,576	64,646	69,883	69,782
Pool Attendance	54,281	55,318	60,032	68,546	67,142	59,516	40,054	49,749	54,007	50,008
Number of golf rounds played	20,865	19,088	22,662	23,183	23,459	22,916	23,824	27,619	24,039	26,271
Number of Seasonal Programs	429	425	410	449	449	443	417	410	443	471
Seasonal Program Enrollment	10,876	10,417	11,291	11,790	10,696	10,815	10,100	10,003	10,204	10,627
Seasonal Program Attendance	66,170	67,418	72,537	74,038	68,726	70,966	71,733	65,353	67,959	70,357
Tennis Center Attendance	9,464	9,653	10,311	11,963	12,900	12,617	13,399	15,978	15,827	16,304
Number of Tennis Programs	122	118	108	113	117	131	130	111	126	99
Tennis Program Enrollment	1,044	1,006	993	1,051	1,121	1,280	1,215	1,061	1,273	1,067
Platform Tennis Center Attendance	6,988	6,480	7,320	7,084	7,471	7,115	6,505	5,790	5,183	4,818
Library: ⁽⁸⁾										
Collection ^g	146,699	145,801	147,518	153,225	157,393	154,648	152,272	156,800	166,393	172,315
Circulation ^g	698,151	702,637	724,875	632,983	609,329	583,771	597,446	529,966	523,517	549,935
Reference questions	29,652	32,929	42,075	57,909	72,169	71,993	62,956	68,145	56,482	66,466
Number of programs	2,211	2,095	1,832	1,654	1,674	1,821	1,438	1,476	1,323	1,240
Program attendance	43,899	46,399	42,247	35,882	35,279	37,743	30,738	29,025	27,785	26,446
Registration	17,857	17,814	18,129	18,680	20,779	21,279	22,111	20,845	21,534	22,147
Registrations as a percentage of population	54%	54%	54%	56%	63%	64%	67%	63%	65%	67%
Visits by library patrons	360,720	343,995	368,930	328,774	359,104	360,960	326,128	382,027	374,551	329,637
Minutes patrons spent on computers in library	6,337,740	7,286,840	6,417,127	6,297,676	5,871,568	5,332,644	5,261,343	4,604,032	3,743,437	3,481,219
Parking: ^{h (1)}										
Meter tickets	6,413	6,516	7,098	5,029	5,781	7,423	7,886	9,557		
Police tickets	6,815	6,846	6,704	7,514	8,084	8,195	7,525	7,721		
Tickets paid online	7,189	4,950	3,749	3,232	3,164	2,930	2,383	1,981		

(Concluded)

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

Notes:

- a: Excludes signs, mechanical, pools, demolition & driveways
- b: Calls for Service are calculated by Allegheny County
- 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
- g: Beginning in 2013, the Library collection and circulation totals include e-books.
- h: The Parking Fund (business-type activity) was established 1/1/2012 upon the consolidation of the Mt. Lebanon Parking Authority, previously a component unit.
- n/a: Information not available
- Certain amounts and quantities are estimates

MT. LEBANON, PENNSYLVANIA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN YEARS

Function/program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Square footage occupied	32,020	32,020	32,020	32,020	32,020	32,020	32,020	32,020	32,020	32,020
Inspection vehicles	2	2	2	2	2	2	2	2	2	2
Other departmental vehicles	4	4	3	4	5	5	5	5	5	5
Public Works										
Municipal street (lane miles)	179.00	179.00	179.00	179.00	179.00	179.00	179.00	179.00	179.00	179.00
Number of traffic lighted intersections	41	41	41	41	41	41	41	41	41	41
Sanitary sewers (miles) ⁽¹⁾	147.60	147.52	145.39	145.39	145.37	144.97	144.75	144.75	144.75	144.44
Storm sewers (miles)	74.30	72.33	60.51	60.51	60.25	59.97	59.58	58.92	58.92	58.69
Vehicles	28	29	28	28	26	26	27	27	27	27
Library										
Square footage occupied	30,060	30,060	30,060	30,060	30,060	30,060	30,060	30,060	30,060	30,060
Collection	145,801 #	145,801 #	147,518 #	153,225 #	157,393	154,648	152,272	156,800	166,393	172,315
Recreation										
Number of parks	12	12	12	12	12	12	12	12	12	12
Acreage of park land	304.11	304.11	304.11	304.11	304.11	304.11	304.11	301.71	301.71	301.71
Recreation centers	1	1	1	1	1	1	1	1	1	1
Recreation center square footage	55,954	55,954	55,954	55,954	55,954	55,954	55,954	55,954	55,954	55,954
Ice skating rinks	2	2	2	2	2	2	2	2	2	2
Golf course (9-hole)	1	1	1	1	1	1	1	1	1	1
Tennis Courts	15	15	15	15	15	15	15	15	15	15
Platform tennis courts	4	4	4	4	4	4	4	4	4	4
Ball fields	5	5	5	5	5	5	5	5	5	5
Public Safety										
Public safety center	1	1	1	1	1	1	1	1	1	1
Square footage of fire department	20,866	20,866	20,866	20,866	20,866	20,866	20,866	20,866	20,866	20,866
Square footage of police department	28,134	28,134	28,134	28,134	28,134	28,134	28,134	28,134	28,134	28,134
Fire vehicles	11	12	12	11	12	12	12	12	12	12
Police vehicles	34	40	32	35	30	30	29	29	29	29
Parking ⁽²⁾										
Parking Garages	2	2	2	2	2	2	2	2	2	2
Square footage of North Garage	117,238	117,238	117,238	117,238	117,238	117,238	117,238	117,238	117,238	117,238
Square footage of South Garage	112,200	112,200	112,200	112,200	112,200	112,200	112,200	112,200	112,200	112,200
Parking spaces available in municipality	1,018	1,018	1,018	1,018	1,018	1,018	1,020	1,022	1,022	1,022
Parking Vehicles	4	4	4	4	4	4	4	4	4	4

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.

MT. LEBANON, PENNSYLVANIA

FULL-TIME EQUIVALENT MUNICIPAL EMPLOYEES BY FUNCTION/PROGRAM LAST TEN YEARS

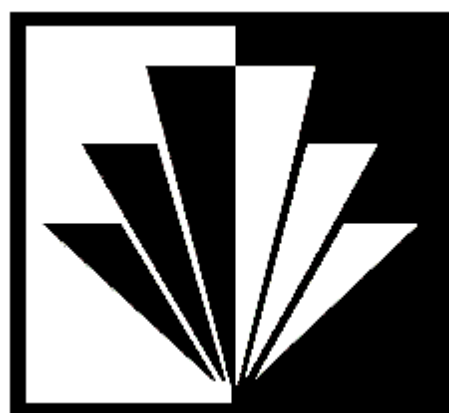
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>Function/program</u>										
General Government:										
Administration	4.2	4.2	4.0	3.8	4.3	4.0	3.7	4.2	4.1	4.0
Information Technology	4.0	3.4	3.7	3.7	3.8	3.1	3.1	3.1	3.7	3.4
Finance	4.6	4.6	4.7	4.7	4.7	4.5	4.7	3.8	3.8	3.8
Tax	1.7	1.5	1.8	2.0	2.0	2.0	2.0	3.6	4.7	5.3
Public Information	5.8	6.4	6.3	6.3	6.3	5.0	7.0	6.6	6.6	6.5
Parking Clerical	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0
Community Development										
Economic Develop/Planning	2.5	2.5	2.8	2.8	3.0	3.2	3.0	3.0	3.0	3.0
GIS	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Inspections	4.0	4.0	4.0	4.0	4.0	4.2	4.3	4.0	4.6	4.6
Public Works										
Administration	5.0	5.0	5.0	3.0	2.5	3.6	3.7	3.5	3.8	3.8
Maintenance/Labor	23.7	25.7	24.7	24.8	24.4	23.0	23.1	23.5	26.7	23.6
Maintenance/Labor - Parking	3.0	3.0	2.5	3.0	3.0	3.0	3.0	3.0	0.0	0.0
Human Services/Library	24.7	23.9	23.3	23.9	23.8	20.2	21.5	20.9	21.1	22.7
Public Safety										
Police Officers	45.5	43.8	44.7	45.0	44.6	45.0	44.0	44.0	44.0	44.0
Police Civilians ⁽¹⁾	9.6	9.7	8.8	8.8	8.5	8.6	8.8	8.9	8.9	8.9
Crossing Guards ⁽²⁾	42.0	43.0	43.0	43.0	43.0	43.0	56.0	58.0	58.0	57.4
Fire	17.0	16.7	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Fire civilians	1.1	1.0	1.1	1.2	1.2	1.2	1.3	1.3	1.2	1.4
Parking Enforcement ⁽³⁾	7.6	7.6	7.7	7.6	8.3	7.6	8.0	7.4	0.0	0.0
Recreation										
Management	4.0	4.1	4.9	5.3	5.4	5.3	5.7	5.8	5.6	5.2
Seasonal	2.0	2.0	2.0	1.4	1.5	1.7	1.7	3.1	2.1	2.9
Golf	5.8	5.4	5.3	5.5	5.2	3.5	5.5	3.2	5.0	5.3
Tennis	1.8	2.1	2.2	2.2	2.5	1.6	2.0	1.4	1.5	1.6
Ice Rink	17.2	16.0	14.4	17.2	16.0	13.2	14.5	16.3	15.0	14.5
Pool	7.8	8.0	8.1	8.5	9.1	6.7	6.2	5.8	6.1	6.1
Totals:	245.6	244.6	243.0	246.7	246.1	232.2	251.8	253.4	247.5	246.0

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

(2) Includes crossing guard supervisor and each regular crossing guard post.

(3)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 in prior years.

Sources: Mt. Lebanon financial and personnel records





MUNICIPAL BUILDING
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