



Mt. Lebanon, Pennsylvania

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FISCAL YEAR ENDED
DECEMBER 31, 2020



Mt. Lebanon, Pennsylvania

Comprehensive Annual Financial Report

Year Ended December 31, 2020

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

MT. LEBANON, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

	<u>Page No.</u>
INTRODUCTORY SECTION:	
Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	11
Organizational Chart	12
Principal Officers	13
FINANCIAL SECTION:	
Independent Auditor's Report	14
Management's Discussion and Analysis	17
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	48
Statement of Activities	49
Fund Financial Statements:	
Balance Sheet - Governmental Funds	50
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	51
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	52
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	53
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General and Sewage Funds	54
Statement of Net Position – Proprietary Fund – Parking Fund	56
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund – Parking Fund	57
Statement of Cash Flows – Proprietary Fund – Parking Fund	58
Statement of Plan Net Position – Fiduciary Funds - Trust Funds	59
Statement of Changes in Plan Net Position - Fiduciary Funds - Trust Funds	60
Notes to Financial Statements	61

MT. LEBANON, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

(Continued)

	<u>Page No.</u>
Required Supplementary Information:	
Schedule of Changes in the Municipality's Net Pension (Asset) Liability and Related Ratios:	
General Employees' Pension Plan	109
Police Pension Plan	110
Firefighter Pension Plan	111
Schedule of Municipality's Contributions and Investment Returns	112
Notes to Required Supplementary Schedules – Pension Trust Funds	113
Schedule of Changes in the Municipality's Net OPEB Liability and Related Ratios	117
Schedule of Municipality's OPEB Contributions and Investment Returns	118
Notes to Required Supplementary Schedules – Other Postemployment Benefits Trust Fund	119
 Combining and Individual Fund Financial Statements and Schedules:	
Major Governmental Funds:	
General Fund:	
Comparative Balance Sheet	121
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance	122
Detailed Schedule of General Fund Revenues - Budget and Actual	123
Detailed Schedule of General Fund Expenditures by Program - Budget and Actual	124
Detailed Schedule of General Fund Expenditures by Object - Budget and Actual	126
Sewage Fund:	
Comparative Balance Sheet	127
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	128
Capital Projects Fund:	
Comparative Balance Sheet	129
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	130
Debt Service Fund:	
Comparative Balance Sheet	131
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	132

MT. LEBANON, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

(Continued)

	<u>Page No.</u>
Other Governmental Funds:	
Combining Balance Sheet	134
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	135
State Highway Aid Fund:	
Comparative Balance Sheet	136
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	137
Storm Water Fund:	
Comparative Balance Sheet	138
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	139
Mt. Lebanon Public Library – Library Operating Fund:	
Comparative Balance Sheet	140
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance	141
Industrial Developmental Authority Fund:	
Comparative Balance Sheet	142
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance	143
Parking Fund:	
Combining Statement of Revenues, Expenses, and Changes in Net Position – By Facility	145
Fiduciary Funds:	
Combining Statement of Plan Net Position – Fiduciary Funds – Trust Funds	147
Combining Statement of Changes in Plan Net Position – Fiduciary Funds – Trust Funds	148
Capital Assets:	
Comparative Statement of Governmental Capital Assets - By Source	149
Schedule of Changes in Governmental Capital Assets - By Source	150
Schedule of Governmental Capital Assets - By Function and Activity	151

MT. LEBANON, PENNSYLVANIA

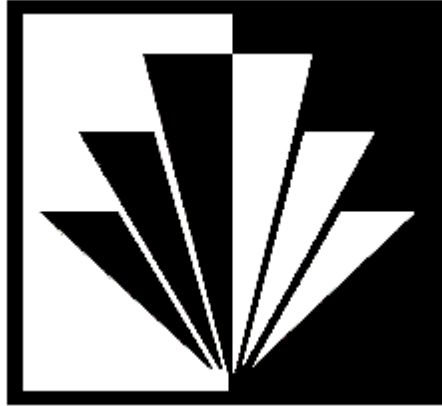
COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

(Continued)

	<u>Page No.</u>
Schedule of Changes in Governmental Capital Assets - By Function and Activity	152
STATISTICAL SECTION:	
Table of Contents	153
Financial Trends:	
Net Position by Component	154
Changes in Net Position	155
Fund Balances, Governmental Funds	156
Changes in Fund Balances, Governmental Funds	157
Revenue Capacity:	
Program Revenues by Function/Program	158
Tax Revenues by Source, Governmental Funds	159
Property Tax Rates - Direct and Overlapping Governments	160
Assessed Valuation and Estimated Actual Values of Taxable Property	161
Principal Taxpayers	162
Property Tax Levies and Collections	163
Municipal Earned Income Revenue Collections	164
Debt Capacity:	
Ratios of General Bonded Debt Outstanding	165
Legal Debt Margin Information	166
Computation of Direct and Overlapping Debt	167
Demographic and Economic Information:	
Principal Employers	168
Demographic and Economic Statistics	169
Operating Information:	
Operating Indicators by Function/Program	170
Capital Asset Statistics by Function/Program	172
Full-time Equivalent Municipal Employees by Function/Program	173



INTRODUCTORY SECTION



April 12, 2021

The Commission of the Municipality
of Mt. Lebanon, Pennsylvania

The Comprehensive Annual Financial Report (CAR) of Mt. Lebanon, Pennsylvania (Municipality), for the fiscal year ended December 31, 2020, 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 2020 financial and management items, the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association (GFOA) for the 2019 CAR, 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, 2020; 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, 2020 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 2016, the average sale price of residential homes has increased 21.5%, with the average price of a residential property increasing 7.3% compared to the prior year. The housing stock is varied in style and price. In 2020, the average sale price was \$346,781 on 555 residential properties sold.

The unemployment rate in Mt. Lebanon remains low at 4.2% compared to Allegheny County (6.2%) and the Commonwealth of Pennsylvania (State) (6.8%) according to the US Bureau of Labor Statistics and Pennsylvania's Department of Labor & Industry.

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 2020, the Municipality needed to deal with the challenges provided by the COVID-19 pandemic. Therefore, many of the normal activities organized by the Main Street organization and Mt. Lebanon had to be either canceled or altered. Activities that we maintained were felt to be critical for the community’s well-being and were organized with strict COVID protocols. The most important of these activities was the Uptown Market which provided fresh foods for our residents and supports the Uptown business district.

Despite COVID, all business districts continue to be near full occupancy. The vacancy rate for Washington Road is presently ~9% 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 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 2021 will be to explore initiatives to continue the pattern of private investment in our commercial districts and commencement of 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 2020.

Planning and Development Projects

In 2020, the Planning Board recommended, and the Commission approved, a text amendment to the Zoning Ordinance. The text amendment added Townhouses as a permitted use within the R-7 zoning district and provisions for definitions and area and bulk regulations regarding Townhouses in the R-7 district.

The Planning Board recommended approval of a site plan for the expansion of the Primanti Brothers restaurant. Due to the COVID pandemic, the property owner did not move forward to the Commission to obtain a final approval for the site plan. The owner received a 6-month extension of the preliminary approval for the site plan in February 2021.

In 2020, the Planning Board recommended approval of a site plan for Concordia Lutheran Ministries, which operates an existing continuing care facility with skilled nursing, personal care, and independent living at 1300 Bower Hill Road. The facility also has an on-site parking garage. Concordia is seeking to construct a covered walkway to connect the primary structure to the parking garage. Additionally, Concordia is seeking to put a roof over the top floor of the parking structure. The site plan also includes amendments to the parking alignments in the turn-around area at the main entrance of the primary structure. The Planning Board also recommended approval of amending the existing conditional use plan for Concordia of the South Hills to include the new site plan. The Commission granted final approval to the site plan and approved the conditional use amendment in 2021.

Construction continued on the St. Clair Hospital Ambulatory Care Center project in 2020. The project spans the border of Mt. Lebanon and Scott Township and was approved by both municipalities in 2018. Construction of 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 2021.

The Planning Board recommended, and the Commission approved, an amendment to the Zoning Ordinance regarding Wireless Communication Facilities. The ordinance revises definitions, establishes certain general and specific standards relating to the location, placement, construction, and maintenance of tower-based wireless communication facilities, non-tower wireless communication facilities, and small wireless communications facilities. The ordinance further provides for the regulation and enforcement of such facilities within the public rights-of-way and outside the public rights-of-way.

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 #3 in Allegheny County and #4 in the state in the 2020 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 the list since it was first published in 2005.

The Mt. Lebanon School District ranks among the best school districts in the state and region in the 2021 Niche Rankings. Niche ranks the District #28 in the country, #2 in the region, and #5 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 2020 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 12th year in a row that the Mt. Lebanon School District has been designated a Best Community for Music Education.

The Association of School Business Officials International (ASBO) awarded the Mt. Lebanon School District with the Meritorious Budget Award (MBA) during the 2020-2021 budget year. The MBA promotes and recognizes excellence in school budget presentation and is conferred only to school districts whose budgets have undergone a rigorous review by financial professionals and have met or exceeded the program's stringent criteria. This is the 26th year in a row the District was selected for this award.

The Association of School Business Officials (ASBO) International has awarded Mt. Lebanon School District its Certificate of Excellence in Financial Reporting for the 35th year in a row for excellence in financial reporting and accountability for its Comprehensive Annual Financial Report for the fiscal year ending 2019.

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.

MAJOR INITIATIVES

Like many other local governments, the Municipality was severely impacted operationally by the COVID-19 pandemic. From shifting public safety schedules to organizing a neighborhood aid program, the Municipality was able to navigate through a tough 2020 and 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 68.5% of the revenue for the General Fund, the Municipality's main operating fund. As part of the 2020 budget, the Commission held the line on real estate taxes at 4.71 mills. Also, in response to the pandemic, the Commission extended the face period for real estate tax collection to December 31, 2020. These two factors caused a slight dip in real estate tax collections of \$6,329.

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 2020, net earned income taxes increased 2.6% when compared to the prior year. When analyzing quarterly collections, collections for prior tax years (2019 and prior) were higher than the same collection periods from prior years. As we projected mid-year, current year collections dipped due to the pandemic shutdowns from March 2020 through June 2020. Collections started to pick back up in the 3rd quarter 2020 and remained steady through year-end. Overall, current year collections only dipped slightly by .5% when compared to the same collection periods in the prior year. As we enter 2021, 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 2020, this policy was met with funding for street construction provided by two sources - \$1.5 million from the General Fund and \$646,371 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 2020, sanitary sewer capital expenditures totaled \$1.6 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 ten years, \$15.7 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 ninth full year, the storm water fee generated \$1.4 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 nine years, \$8.5 million has been spent on storm water capital projects to maintain, enhance, and expand the storm sewer system.

The Municipality completed projects initiated in 2020 funded by the 2019 bond issue. Activity in 2020 included improvements to the library building HVAC system, repaving and replacement fencing installed at the North Meadowcroft tennis courts, improvements to the stream bank in Bird Park, reconstruction of a set of tennis courts at the Tennis Center, and restroom upgrades at Dixon Field. In addition, improvements at the intersection of Hoodridge Drive and Rockwood Avenue were completed.

Mt. Lebanon continually looks for financial opportunities that benefit the community. Due to favorable bond markets in 2020, the Municipality issued bonds to maximize a refunding opportunity related to our 2013, 2015, and 2017 bonds. The municipality was able to receive \$671,199 in net proceeds after refunding to be used for future capital projects.

In order to capitalize on financial opportunities like that of the 2020 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 2025. The 2021 adopted budget provides over \$12.3 million for capital projects and improvements, including the 2019 and 2020 bond issue projects.

Finally, as the Municipality and the world start to approach a post-COVID world, the Mt. Lebanon Commission held an all-day priority setting retreat in February 2021. As it did in 2019, these priorities will guide the municipality over the next two years. These priorities will be formally available in April 2021 and will be used to guide some financial decisions for the 2022 budget.

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 2020 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 Industrial Development Authority 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 2020, the unassigned fund balance was 16.9% 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, CPAs 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 2020, 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 2021, 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 CAR for the fiscal year ended December 31, 2019. The Municipality has received this award for 44 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 CAR, 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 CAR 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', with a stylized flourish at the end.

Andrew McCreery, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Municipality of Mt. Lebanon
Pennsylvania**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

MT. LEBANON, PENNSYLVANIA

ORGANIZATIONAL CHART

DECEMBER 31, 2020



MT. LEBANON, PENNSYLVANIA

PRINCIPAL OFFICERS

COMMISSION



Craig Grella
President



Mindy Ranney
Vice President



Andrew Flynn



Leeann Foster



Steven Silverman

STAFF

Keith McGill, *Manager*

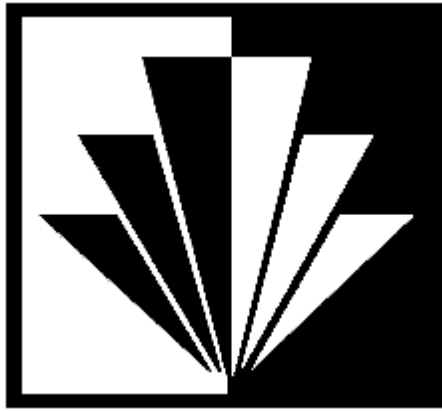
Andrew McCreery, CPA, *Finance Director*

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, 2020, 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, 2020, 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 47, 109 through 116, and 117 through 119, 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, 2019 and 2018, 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 2019 and 2018 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 2019 and 2018 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 2019 and 2018 are fairly stated in all material respects in relation to the basic financial statements from which they were derived.

Maher Duessel

Pittsburgh, Pennsylvania
April 12, 2021

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

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, 2020. 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, 2020.

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 \$109,584,632 (net position). Of this amount, \$8,316,488 (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 2019 by \$9.2 million, or 9.1% and unrestricted net position increased by \$5.6 million, or 211.3% in 2020.
- Net investment in capital assets (net capital assets net of related debt) was \$88,715,893 at December 31, 2020, an increase of \$1.7 million.
- The Municipality issued general obligation bonds in 2020 totaling \$13,940,000. Tax-exempt principal of \$7,415,000 and a taxable principal of \$6,525,000 were issued to refund all or portions of general obligation bonds series 2013, 2015, and 2017.
- 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 \$26,278,061 at December 31, 2020, with \$6,249,719 in unassigned fund balance.
- The General Fund had a total fund balance of \$8.8 million, of which \$6.2 million was unassigned. The total fund balance for the General Fund increased by \$1.1 million, or 13.8% and the unassigned fund balance increased by \$497,632, or 8.7%.

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

-
- The unassigned fund balance in the General Fund is 16.9% of the General Fund's total expenditures, including capital transfers.
 - At December 31, 2020, the Municipality had \$27.4 million of debt outstanding. This represents a decrease of \$1,945,000, or 6.6% from the previous year. The amount of outstanding direct debt per capita decreased from \$885 to \$826.
 - The Municipality's business-type activities (Parking Fund) net position decreased by \$342,982, or 4.0% in 2020. The unrestricted portion of net position decreased by \$267,322 or 28.1%.
 - The plan net position held in trust to pay pension benefits increased \$13.9 million or 12.6% in 2020. Plan net position in the other postemployment benefits trust increased \$352,435 or 18.2% in 2020.

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 48-49) are government-wide financial statements that provide long-term and short-term information about the Municipality's overall financial status.
- The remaining statements (pages 50-60) 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, 2020

The fund financial statements include:

- The governmental funds statements (pages 50-55) 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 56-58) offer financial information about the activity (parking) that the Municipality operates as a business.
- Fiduciary fund statements (pages 59-60) 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 121-148 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.

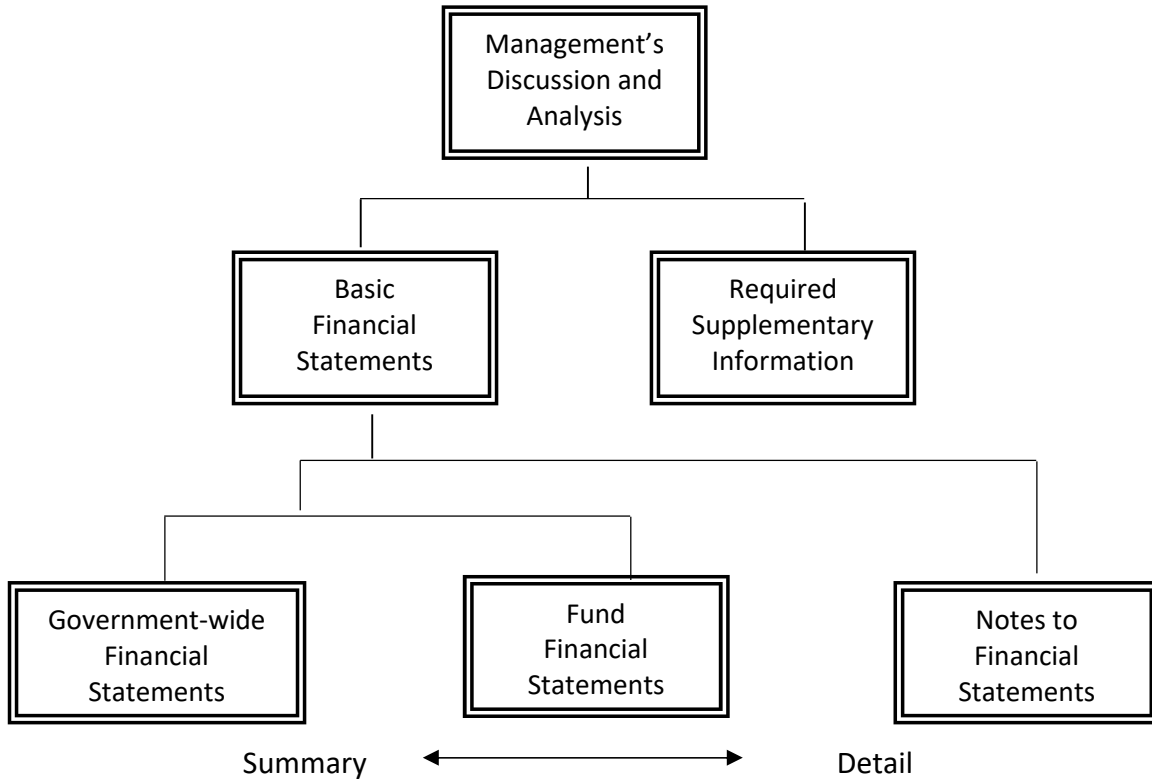
MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

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

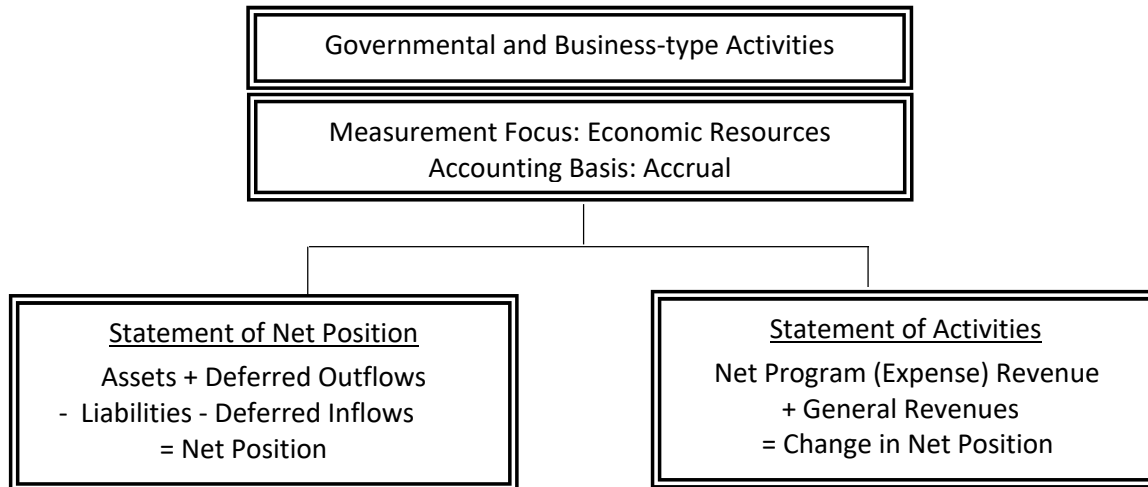
MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

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

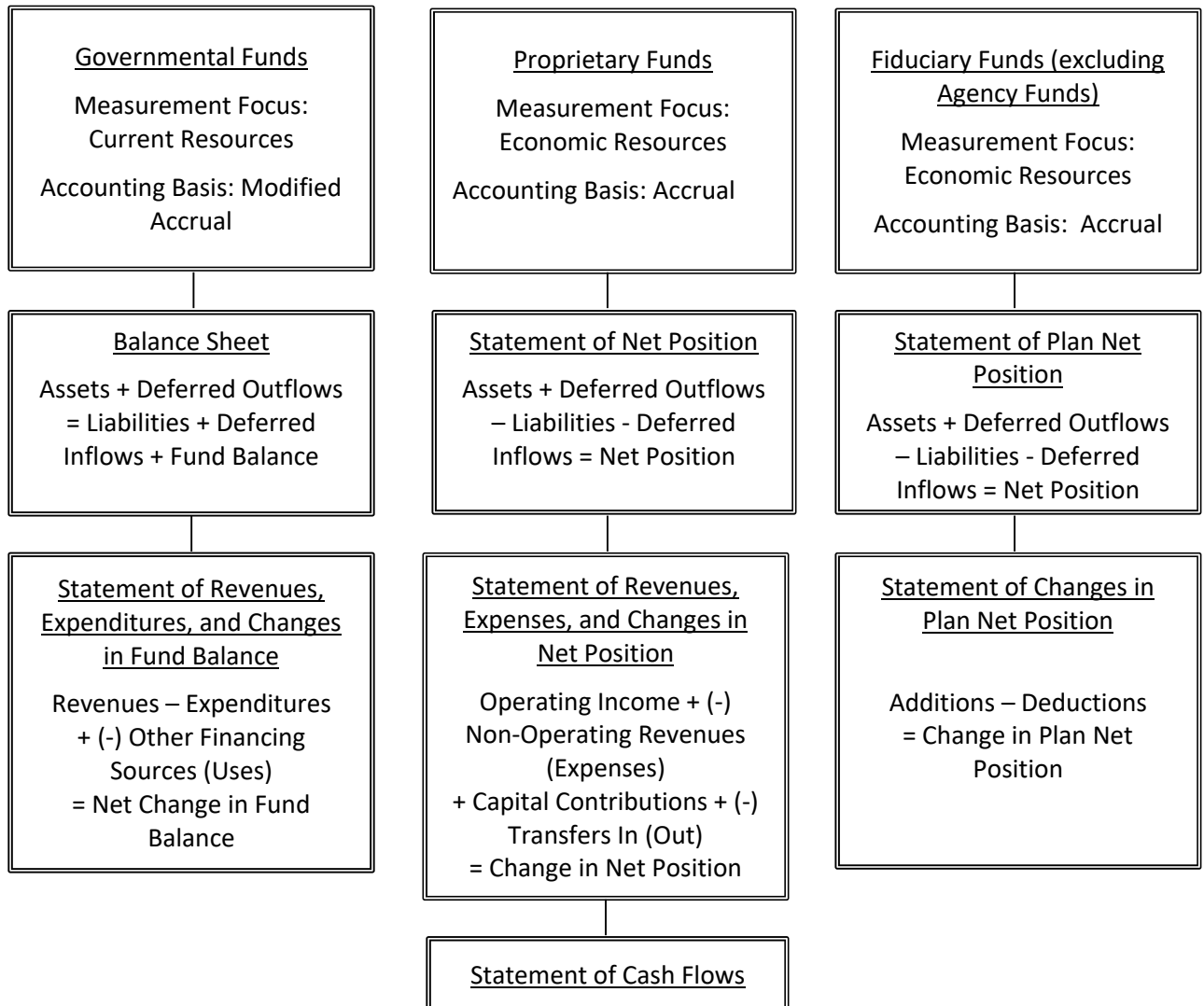
DECEMBER 31, 2020

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, 2020

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, 2020

FINANCIAL ANALYSIS OF THE MUNICIPALITY AS A WHOLE

The Municipality's net position for its governmental and business-type activities at December 31, 2020 and 2019 are presented below.

	Governmental Activities		Business-type Activities	
	2020	2019	2020	2019
ASSETS				
Current and other assets	\$ 44,854,425	\$ 35,108,562	\$ 858,736	\$ 1,145,775
Capital assets	111,882,327	110,911,133	7,898,617	8,055,785
Total Assets	156,736,752	146,019,695	8,757,353	9,201,560
DEFERRED OUTFLOWS OF RESOURCES				
	1,316,181	1,879,661	-	-
LIABILITIES				
Current and other liabilities	9,198,205	7,845,898	217,344	230,447
Non-current liabilities	26,464,554	31,456,584	321,356	409,478
Total Liabilities	35,662,759	39,302,482	538,700	639,925
DEFERRED INFLOWS OF RESOURCES				
	12,805,542	8,166,589	-	-
NET POSITION				
Net investment in capital assets	88,715,893	87,061,522	7,533,617	7,609,277
Restricted	12,552,251	10,697,277	-	-
Unrestricted	8,316,488	2,671,486	685,036	952,358
Total Net Position	\$ 109,584,632	\$ 100,430,285	\$ 8,218,653	\$ 8,561,635

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

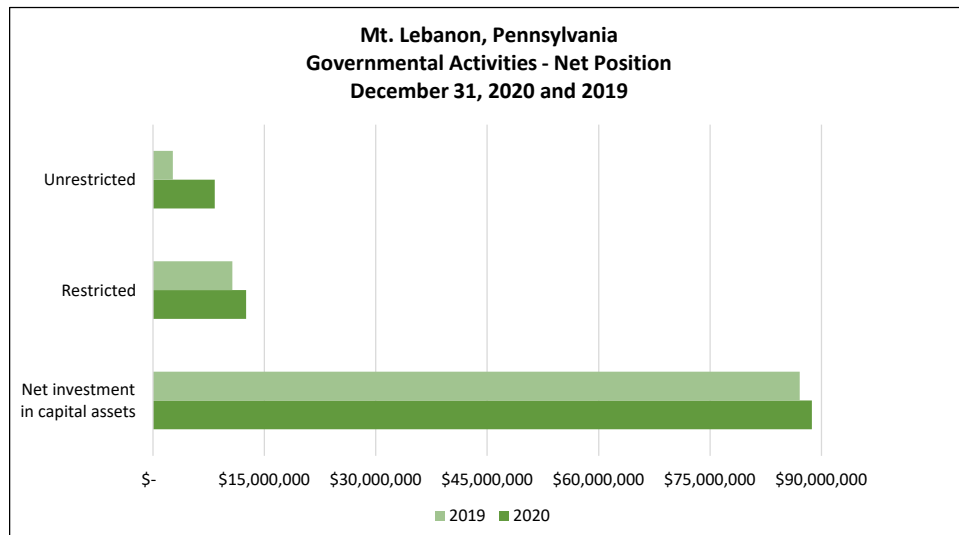
DECEMBER 31, 2020

Governmental Activities

Net Position

The net position of governmental activities increased from the previous year by \$9.2 million, or 9.1%, to \$109.6 million. Of this amount, \$88.7 million represents the net balance of long-term capital assets and long-term debt. The \$12.6 million in restricted net position is comprised of \$12,159,248 for infrastructure upgrades, \$174,889 for donor-restricted purposes for the Mt. Lebanon Public Library, \$202,885 for street maintenance expenses, and \$15,229 for industrial development activities. The unrestricted net position of \$8.3 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, 2020 and 2019:



Capital Assets

The largest portion of the Municipality's net position (81.0%) 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, 2020

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, 2020 and 2019:

	Governmental Activities		Business-type Activities	
	2020	2019	2020	2019
Revenues:				
Program revenues:				
Charges for services	\$ 16,895,290	\$ 17,405,125	\$ 1,356,516	\$ 2,211,179
Operating grants and contributions	4,018,551	3,474,743	-	-
Capital grants and contributions	324,482	909,670	-	-
General revenues:				
Real estate taxes	12,909,098	12,919,031	-	-
Earned income taxes	13,135,608	12,950,010	-	-
Other, including interest	3,978,425	4,039,668	4,944	13,968
Total revenues	51,261,454	51,698,247	1,361,460	2,225,147
Program Expenses:				
General government	4,931,438	5,062,474	-	-
Community development	551,669	845,932	-	-
Public works	19,454,765	18,472,233	-	-
Human services	2,481,193	2,844,101	-	-
Culture and recreation	2,890,377	3,818,175	-	-
Public safety:				
Police	7,736,965	9,560,548	-	-
Fire	2,755,255	3,612,717	-	-
Other	809,148	1,018,254	-	-
Interest on long-term debt	647,717	435,968	-	-
Parking	-	-	1,553,022	1,702,327
Total expenses	42,258,527	45,670,402	1,553,022	1,702,327
Increase (decrease) in net position before transfers	9,002,927	6,027,845	(191,562)	522,820
Transfers	151,420	171,890	(151,420)	(171,890)
Increase (decrease) in net position	9,154,347	6,199,735	(342,982)	350,930
Net position-beginning	100,430,285	94,230,550	8,561,635	8,210,705
Net position-ending	\$ 109,584,632	\$ 100,430,285	\$ 8,218,653	\$ 8,561,635

MT. LEBANON, PENNSYLVANIA

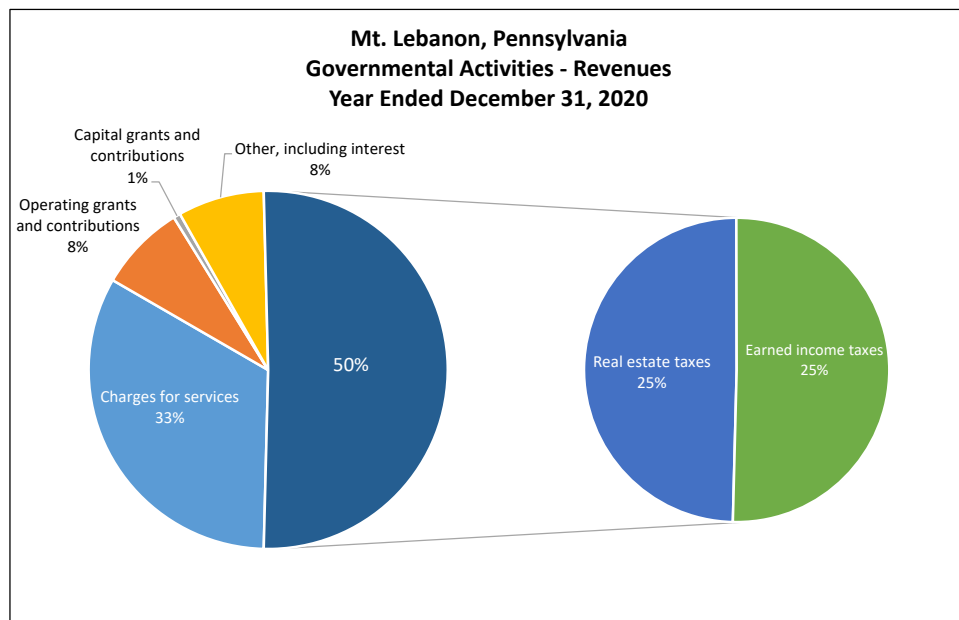
MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Revenues

Total revenues for governmental activities of \$51.3 million were largely derived from charges for services, real estate taxes, and earned income taxes (83.8%). Real estate taxes and earned income taxes make up 87.4% of all taxes collected by the Municipality. All sources of taxes provide 58.1% 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, 2020:



Overall governmental activities revenues increased \$9,154,347, or 9.1%. Highlighted below are the major program revenue variances.

- **Charges for services** decreased \$509,835 due to combination of decreases in storm water user fee collections and recreation revenue decreasing due to the COVID-19 pandemic. Storm water user fee collections decreased \$87,315 from 2019. Recreation fees decreased over 50%. Offsetting those decreases were increases in sewage fee collections and reimbursements for police contractual

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

details (\$197k). In 2020, the pass-through sewer processing fee from ALCOSAN increased 7%. Overall, sewer user fee collections were up \$977,715 from 2019.

- **Capital grants and contributions** decreased \$585,188 due to funding received in 2019 not received in 2020. Offsetting that variance were **Operating grants and contributions** received in 2020 from the CARES Act (\$250,000) and ALCOSAN's grow grant (\$438,206).

The Municipality's second 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 2020, 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 2020, the net increase in taxable assessed value was \$10,730,682 or 0.4%. Current real estate tax collections decreased by \$81,533 or 0.6% compared to prior year collections due to the Mt. Lebanon Commission extending the face period to December 31, 2020.

As was expected, earned income tax collections took a slight dip in the middle of 2020 due to the economic impacts of COVID-19. Even with the dip in the middle of the year, when compared to 2019, collections were up \$185,598, or 1.4% on a government-wide basis. Real Estate Transfer Tax, which is shown under the other category, increased \$251,857, or 12.1% compared with the prior year. Both increases continue to show the strong resident employment earning rate and housing market.

Program Expenses

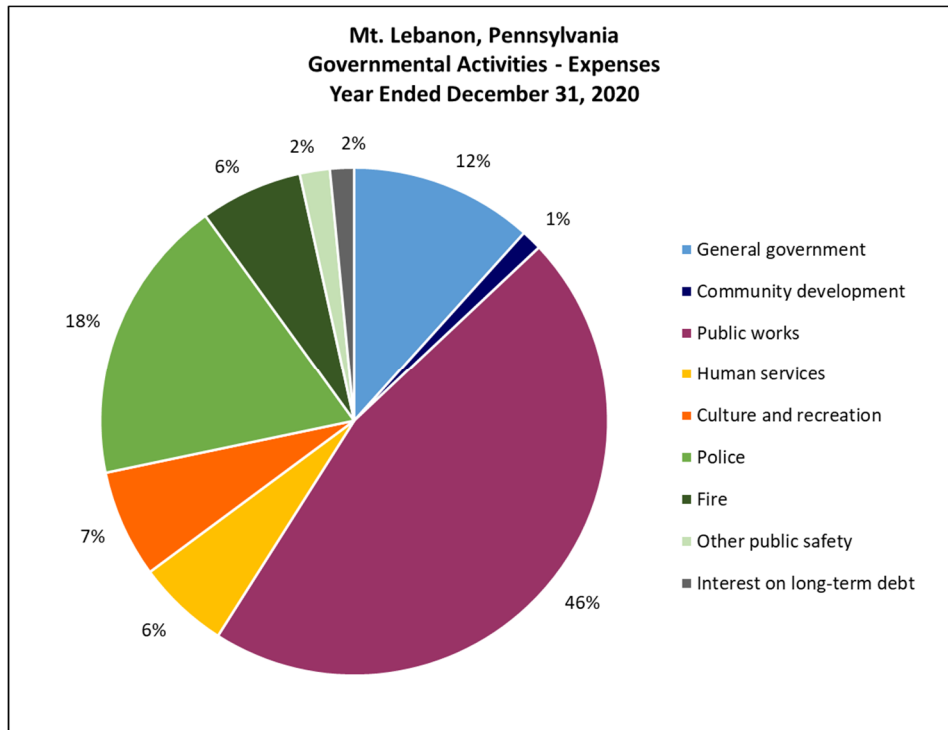
Total 2020 program expenses for all programs were \$42.3 million. The expenses reflect the delivery of a range of services, with the two largest areas being public works and public safety. Public safety has two operational departments – police and fire. The third largest area is general government, which includes administration, legal services, public information, information technology, insurance, and finance/tax functions.

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

The following chart graphically depicts the governmental activities program expenses for the fiscal year ended December 31, 2020:



Decreases in program expenses from the prior year totaled \$3,411,875. 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 1.0%.
- **Community Development** expenses decreased due to operational closures due to COVID-19 impacts.
- **Public Works** experienced increases in capital related expenditures including depreciation and sewer processing charges netted with contractual savings.
- **Human Services** had decreases in appropriations to the Library due to COVID-19 shutdowns causing personnel decreases for a period in 2020.
- **Culture and Recreation** decreased due to operational shutdowns related to COVID-19. The golf course, tennis center, and ice rink were able to open in some capacity throughout the year after initial shutdowns.

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

- **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 \$4,008,753. 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 2021 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		
	2020	2019	Inc/(Dec)
<u>Governmental Activities</u>			
General government	\$ (141,152)	\$ 22,923	\$ (164,075)
Community development	(89,824)	14,587	(104,411)
Public works	(346,464)	56,264	(402,728)
Human services	(141,152)	22,923	(164,075)
Culture and recreation	(128,320)	20,839	(149,159)
Public safety:			-
Police	(2,214,592)	(367,902)	(1,846,690)
Fire	(818,930)	(26,961)	(791,969)
Other	(128,319)	20,838	(149,157)
Total Increase/(Decrease) for GASB 68 Pension Expense	<u>\$ (4,008,753)</u>	<u>\$ (236,489)</u>	<u>\$ (3,772,264)</u>
Pension Expense (Municipal Contributions)	<u>\$ 3,130,536</u>	<u>\$ 3,029,662</u>	<u>\$ 100,874</u>
Total Pension Expense for GASB 68	<u>\$ (878,217)</u>	<u>\$ 2,793,173</u>	<u>\$ (3,671,390)</u>

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

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		
	2020	2019	Inc/(Dec)
General government	\$ (1,280,730)	\$ (2,240,965)	\$ (960,235)
Community development	(355,132)	(304,499)	50,633
Public works	(5,888,556)	(5,355,911)	532,645
Human services	(1,744,302)	(2,035,134)	(290,832)
Culture and recreation	(1,473,581)	(880,437)	593,144
Public safety:			
Police	(6,911,267)	(8,874,403)	(1,963,136)
Fire	(2,514,304)	(3,395,186)	(880,882)
Other	(204,615)	(358,361)	(153,746)
Interest on long-term debt	(647,717)	(435,968)	211,749
Total Net Expenses	<u>\$ (21,020,204)</u>	<u>\$ (23,880,864)</u>	<u>\$ (2,860,660)</u>

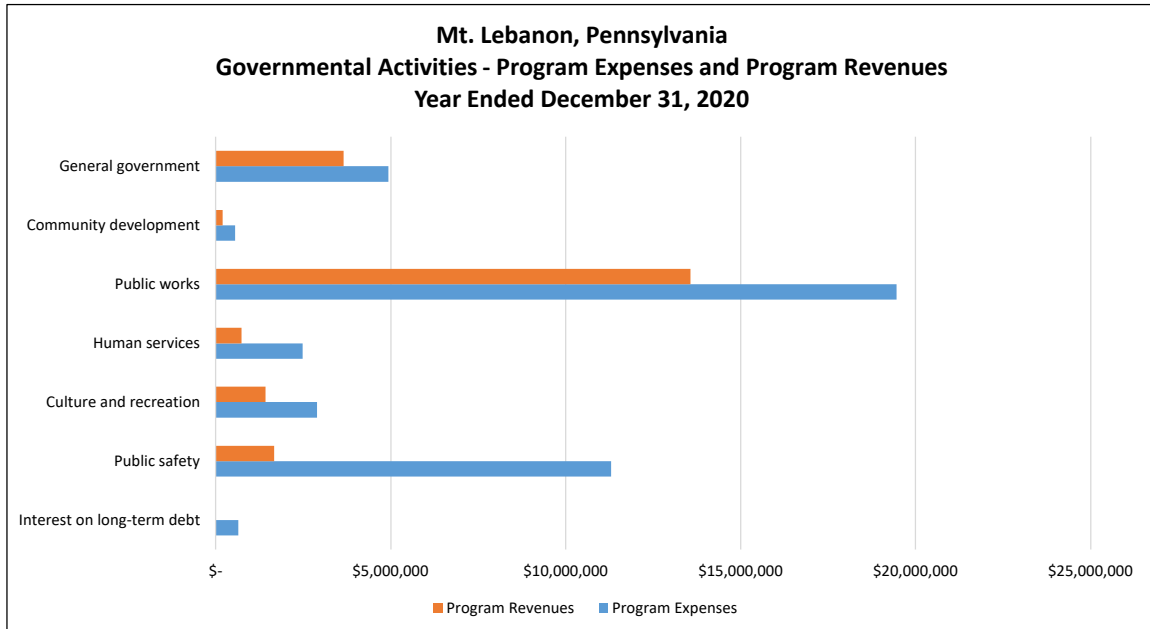
The total net expense decreased \$2,860,660 or 12.0% from 2019 to 2020. The reasons for this decrease can be attributed to revenue and expense changes already discussed, such as a decrease in pension expense and project activities throughout different departments.

The chart on the following page graphically depicts the governmental activities program revenues and program expenses for the fiscal year ended December 31, 2020:

MT. LEBANON, PENNSYLVANIA

MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020



Business-type Activities

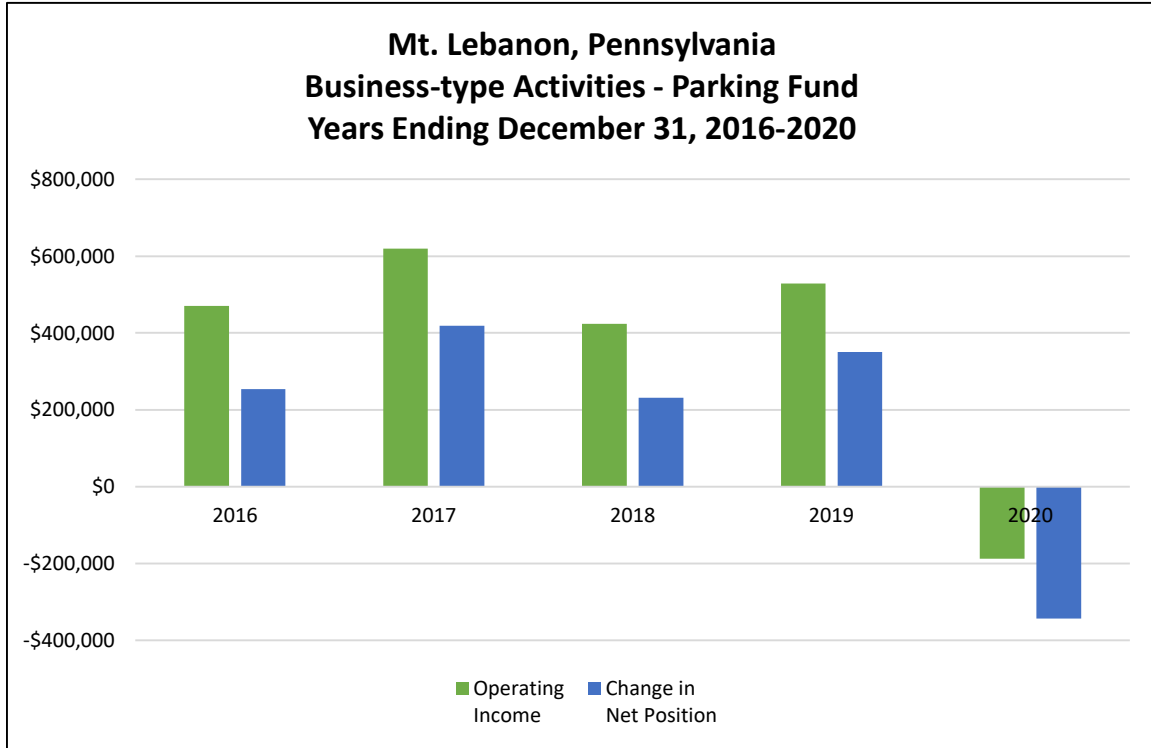
The Municipality business-type activities consist of the operation of the Parking Fund. The operating results for the Parking Fund were negative for the current fiscal year. Net position decreased \$342,982 or 4.0% due to a parking use reduction due to COVID-19. For the months of April and May 2020, the parking operation did not collect revenue. Since returning to full operation, parking use has declined 25%+ in the business districts.

The following chart graphically depicts the parking fund operating income and change in net position for the fiscal years ending December 31, 2016 – December 31, 2020:

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020



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 \$26.3 million, which represents an increase of \$1.9 million from the previous year. The following chart shows the changes in fund balances during 2020:

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Fund	Fund Balance		
	2020	2019	Increase (Decrease)
General	\$ 8,837,187	\$ 7,767,207	\$ 1,069,980
Sewage	11,348,542	10,535,042	813,500
Capital Projects	5,494,322	5,646,660	(152,338)
Other governmental funds:			
Library Operating	379,896	328,026	51,870
Industrial Development	15,229	14,938	291
State Highway Aid	202,885	64,666	138,219
Total fund balance	<u>\$ 26,278,061</u>	<u>\$ 24,356,539</u>	<u>\$ 1,921,522</u>

In 2020, the fund balance of the General Fund increased by 13.8%. The 2020 final budget appropriated \$814,150 of fund balance to cover operational and capital expenditures, specifically 2019 capital and operational projects to be completed in 2020 and Commission fund balance assignments to accomplish necessary projects.

Revenues did not meet budget projections by \$1.5 million due to revenue declines in various recreation functions due to COVID-19 shutdowns. Expenditures came in under budget projections by \$3.5 million due to substantial savings in public works and recreation discussed later. 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 2020, sanitary sewer infrastructure work continued at a lower than anticipated pace and the Sewage Fund realized an increase in fund balance of \$813,500. The Sewage Fund's primary revenue source are assessments, which are based on water consumption. The remaining fund balance of \$11.3 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 2020, 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.

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Activities related to the 2019 and 2020 bond issues were the main factors causing a slight fund balance negative variance of \$152,338 in the Capital Projects Fund. 1) Restricted proceeds of \$1.2 million were expended related to 2019 bond issue projects and 2) restricted proceeds of \$671,199 resulting from the 2020 bond issue refinancing were deposited. The restricted and assigned funds remaining are expected to be spent in future years. Of the total \$5.5 million in fund balance, \$4.5 million is bond issue restricted and \$979,557 is assigned for future projects.

The final variance of note was the fund balance increase of \$138,219 in the State Highway Aid Fund. Restricted funds received from the Commonwealth of Pennsylvania exceeded the needed funds for 2020. The increased fund balance will be used in future years according to the restricted use.

Of the \$26.3 million combined fund balance total, \$16.3 million, or 61.9% 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 \$11.3 million for sanitary sewer improvements (ALCOSAN agreement), \$4.5 million for municipal facilities and equipment (bond proceeds), \$174,889 at the library (donor), \$202,885 for specific State restricted highway maintenance (State agreement), and \$15,229 for industrial development activities (enabling).

In addition, assignments totaling \$3.4 million, or 12.8% include \$1,170,560 assigned during the 2021 budget process. The amount used to balance the 2021 budget represents fund balance used to complete projects carried over (re-budgeted) into 2021. Assignments related to capital projects are \$979,557 in the Capital Projects Fund for various community improvements, \$229,642 in the General Fund for replacement of the field turf located at Clint Seymour Field, \$702,756 for building improvements and equipment replacements and \$65,000 for future benefit obligations. Lastly, the Library Operating Fund has \$205,007 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 \$6,249,719 or 16.9% of total expenditures, including transfers. In another Commission

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

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 2021.

General Fund

The results of the General Fund for 2020 demonstrate that the Municipality has been able adequately fund operations and capital items in 2020 while maintaining the level of service citizens have come to expect. The chart below shows the operating results of this fund for 2020:

	Final Budget	Actual	Variance (Unfavorable)
Revenues	\$ 38,527,650	\$ 37,067,193	\$ (1,460,457)
Expenditures	33,613,700	30,114,690	3,499,010
Excess of Revenues Over Expenditures	4,913,950	6,952,503	2,038,553
Transfers, net	(5,728,100)	(5,882,523)	(154,423)
Net change in fund balance from operations	<u>\$ (814,150)</u>	<u>\$ 1,069,980</u>	<u>\$ 1,884,130</u>

It was planned that the Municipality use \$814,150 in fund balance to support operations and capital projects for the year, but due to timing of capital projects, increases in tax revenue and operational savings, no fund balance was used in 2020. The sections below will discuss the results that led to this favorable result.

Revenues

Total operating revenues did not meet budget by \$1.5 million or 3.8%. The major budget to actual variances contributing to this result are as follows:

Revenue Source	Exceeds/ (Under) Budget (in thousands)	Reason
Earned income taxes	165.5	Overall collections increased by 2.6%. Current collections dipped slightly by .5%, which was expected with the lost collections during COVID-19 shutdowns. Prior year collections increased 4.1% in 2020.

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Revenue Source	Exceeds/ (Under) Budget (in thousands)	Reason
Real estate transfer taxes	438.1	Real estate transfer tax had another banner year with over \$2.3 million in collections. Most notably, the municipality had a large increase in commercial property transfers, resulting in \$400k increase over 2019.
County sales tax	(76.7)	County sales taxes dipped during the initial shutdowns due to COVID-19. In July-2020, collections started to return to historical levels.
Investment Earnings	(60.8)	Interest rates started to plummet in mid-2020. The municipality's budget for investment earnings was based on a stable interest rate market.
Recreation	(1706.1)	Due to COVID-19 statewide restrictions, our recreation functions were shut down for periods of time in 2020. The golf course and tennis center were able to re-open in mid-2020. The ice rink, which is the largest revenue generator for recreation, was able to open to limited capacity in July-2020, but had to close again for a period of time in November-2020. Overall, revenues were under the 2020 budget by 54.7%.
Charges for Service	344.1	Contractors who require police traffic detail for work in our roadways fully reimburse the municipality for the wages paid to the officers. Reimbursements in 2020 exceeded budget estimates.

Expenditures

Overall, expenditures were \$3.5 million or 10.4% less than budgeted. The major budget to actual fluctuations contributing to this favorable performance were:

Function	Under/ (Exceeds) Budget (in thousands)	Reason
General Government	233.2	Due to unknowns caused by the COVID-19 pandemic, management decided to halt any new hiring. The public information office did not fill a budgeted position for an extended portion of 2020. In addition, state aid for pension purposes did not meet budget. This savings is offset with a decrease in intergovernmental revenue.
Community development	179.3	A new budgeted position in the inspections department was deferred to 2021. All of our civic activities, which typically draw large crowds, were canceled out of an abundance of caution.
Refuse collection	78.5	Glass recycling events were postponed in 2020. Funds were carried over to 2021.
Parks Maintenance	144.9	The parks and recreation master plan was delayed in 2020. The funds are carried over to 2021.

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Function	Under/ (Exceeds) Budget (in thousands)	Reason
Transportation	572.9	Pedestrian routes had a deferral of budgeted expenditures to 2021. Ice and snow control had lower than expected personnel costs for snow call outs, lower quantities of rock salt purchased and a small dump truck was not received in 2020. Traffic planning and signals did not have any construction activity for traffic calming in 2020 and the municipality carried those funds into 2021.
Equipment maintenance	115.3	Gas prices were lower in 2020 and the municipal departments did not use as much fuel due to lower activity in the municipality due to COVID-19.
Recreation	974.2	As mentioned in the revenue section, recreation functions were severely limited due to COVID-19 shutdowns. Overall, expenditures were down 29.6% from the 2020 budget.
Public Safety	236.5	Savings were realized in the fire department and the crossing guards functions. The fire department had a new budgeted position that was not filled and a retirement of a fire officer in June 2020. Crossing guards had periods of inactivity due to schools attending virtually.
Capital outlay	815.4	The fire department deferred replacement of equipment to 2021 and the public works department did not receive a large dump truck before year-end.

These items account for 96% of the expenditure variance.

Fund Balance

The fund balance results and Commission policies related to fund balance were discussed at the beginning of this section. The General Fund fund balance at year-end totaled \$8,837,187, an increase of \$1,069,980 from 2019. The reasons for this increase have been discussed above. This fund balance is categorized into the following fund balance components:

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Fund Balance Component	Amount	Explanation
Nonspendable	\$ 419,510	Prepaid items and inventory
Assigned for:		
Capital projects	229,642	Field turf replacement
Capital projects	375,000	Firing range upgrades
Capital projects	327,756	Equipment Upgrades
Subsequent years budget	1,170,560	2020 budget
Future benefit obligations	65,000	Pension Contributions
Unassigned	6,249,719	Available for expenditure
Total Fund Balance	<u>\$ 8,837,187</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 \$10,423,033 and all other income totaled \$145,784. Transfers to the Capital Projects Fund for infrastructure and equipment expenditures were \$1.6 million. In addition, \$427,133 was transferred to the General Fund for sanitary sewer maintenance activities and \$157,249 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.

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 \$11,348,542 was restricted for continuing infrastructure work for the EPA mandate and for other expenditures as above (collections costs, maintenance, debt service and ALCOSAN payments).

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

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 2020, this fund had expenditures of \$6.2 million, or \$3.7 million less than the previous year. The Capital Projects Fund has a fund balance of \$5.5 million at year-end. Of this balance, \$4.5 million is restricted for the completion of improvements to municipal facilities, infrastructure and equipment funded by the 2019 and 2020 bond issues. 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:

Purpose	Expended in 2020	Restricted Fund Balance 12/31/2020	Assigned Fund Balance 12/31/2020
Sanitary sewers improvements	\$ 1,605,279	\$ -	\$ -
Street reconstruction	2,155,092	-	-
Storm water system upgrades	893,730	209,698	75,000
Traffic signal/intersection upgrades	239,111	-	-
Building and facility improvements	493,648	744,138	33,929
Recreation facilities improvements	478,873	-	-
Parks and Field Improvements	281,268	46,108	370,628
Pedestrian routes improvements	85,404	2,843,622	-
Large equipment	-	-	-
Other, including debt service	-	671,199	500,000
	<u>\$ 6,232,405</u>	<u>\$ 4,514,765</u>	<u>\$ 979,557</u>

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Debt Service Fund

The Debt Service Fund reports all governmental fund debt related activity. In 2020, the Municipality refunded all remaining 2013 bonds and portions of the 2015 and 2017 bonds. The total principal issued related to the refunding was \$13,940,000. In aggregate, the total principal paid was \$9.7 million and total interest was \$824,655 in 2020.

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 \$3.1 million and had a net increase in fund balance of \$190,380. The details of the activities of these funds may be found on pages 134-143.

Budgetary Highlights

The 2020 General Fund budget was adopted in December 2019. The adopted General Fund budget had expenditures, including transfers, of \$40.5 million. Expenditures were covered by current revenues, including transfers, of \$38.9 million and fund balance of \$1.6 million.

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

There was one budget amendment in 2020. Depicted below is a breakout of the revenues and expenditures included in the amendment.

Amendment Reason	
Project	Amount
Unanticipated expenditure	
Additional Animal Control Community	\$ 70,000
Intersection Improvements	35,000
Unanticipated Revenue	
CARES Act	250,000
ALCOSAN Grow Grant	514,000
Additional Animal Control Community	70,000

The 2021 municipal budget was adopted in December 2020. 2021 budget highlights include:

- The 2021 General Fund budget was adopted at \$39.7 million or a decrease of 1.9% from the final 2020 budget. The net decrease was a combination of operational expenditures increasing \$337,390 and capital expenditures decreasing by \$489,570. The operating budget includes the conversion of a part-time position to full-time in the public information office.
- The 2021 General Fund budget includes funds to maintain current levels of service as well as for street reconstruction, capital equipment purchases, and park renovations. Capital items funded by the General Fund for 2021 include police and fire equipment and improvements at Robb Hollow Park.
- 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 and 2020 bond issue projects are budgeted at more than \$4.0 million.

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

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 56-58, provide the same type of information as on the government-wide statements, but in more detail.

As of December 31, 2020, the unrestricted net position of the fund is \$685,036, a decrease of \$267,322 from the end of 2019. Charges for services for the year were \$1,356,516, which is a decrease of 38.7% over the prior year. The operating expenses of the fund totaled \$1,543,671. This is a decrease of 8.2%. The primary cause of the decreases in both revenue and expense were related to parking demand decreases in the business districts due to COVID-19 restrictions. The Parking Facilities Advisory Board continues to analyze future short and long-term capital needs of the facilities operated by the fund.

THIS SPACE HAS BEEN LEFT BLANK INTENTIONALLY

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

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, 2020 and 2019:

<u>Summary of Capital Assets</u>				
	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 7,266,047	\$ 7,266,047	\$ 2,687,084	\$ 2,687,084
Construction in progress	1,182,088	353,205	-	-
Buildings and improvements other than buildings	54,086,302	53,183,407	14,345,778	14,117,817
Infrastructure	103,329,870	99,734,713	-	-
Equipment and other capital assets	22,186,650	22,141,454	1,436,081	1,341,630
Total capital assets	<u>188,050,957</u>	<u>182,678,826</u>	<u>18,468,943</u>	<u>18,146,531</u>
Less accumulated depreciation for:				
Buildings and improvements other than buildings	(23,167,863)	(21,904,263)	(9,429,525)	(9,002,443)
Infrastructure	(40,398,256)	(38,497,196)	-	-
Equipment and other capital assets	<u>(12,602,511)</u>	<u>(11,366,234)</u>	<u>(1,140,801)</u>	<u>(1,088,303)</u>
Total accumulated depreciation	<u>(76,168,630)</u>	<u>(71,767,693)</u>	<u>(10,570,326)</u>	<u>(10,090,746)</u>
Total Capital Assets, Net	<u><u>\$ 111,882,327</u></u>	<u><u>\$ 110,911,133</u></u>	<u><u>\$ 7,898,617</u></u>	<u><u>\$ 8,055,785</u></u>

The significant changes in the governmental activities include additions to infrastructure for streets, sanitary and storm sewers, completed improvements at the library building and equipment purchases. In the Parking Fund (business-type activity) there were improvements to the Overlook parking lot.

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

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Long-Term Debt

In 2020, the Municipality's total debt decreased by \$1.9 million, or 6.6% from the previous year. The decrease was due to the combination of the issuance of refunding debt as part of the 2020 bond issue and the continued principal payments on outstanding debt.

At December 31, 2020, the Municipality had \$27,375,000 of debt outstanding. The following details activity related to general obligation bonds during 2020:

<u>Summary of General Obligation Bond Activity</u>	
Beginning balance at January 1, 2020	\$ 29,320,000
New debt issues	13,940,000
Principal retirement	<u>(15,885,000)</u>
Ending balance at December 31, 2020	<u>\$ 27,375,000</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 2020 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 2020, the combined plan net position increased \$13.9 million, or 12.6%. 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 2020.

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Employee contributions can be reduced or eliminated each year by Ordinance or Resolution subject to the plans meeting certain financial considerations. During 2020, 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

MT. LEBANON, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

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, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and other money market instruments	\$ 29,029,737	\$ 830,032	\$ 29,859,769
Receivables:			
Taxes	3,928,060	-	3,928,060
Assessments	1,366,310	-	1,366,310
Accounts	648,288	34,966	683,254
Due from other governments	645,845	-	645,845
Internal balances	120,779	(120,779)	-
Other assets	419,510	9,506	429,016
Net pension asset	8,695,896	-	8,695,896
Long-term receivable	-	105,011	105,011
Capital assets, not being depreciated	8,448,135	2,687,084	11,135,219
Capital assets, net of accumulated depreciation	40,502,578	5,211,533	45,714,111
Infrastructure assets, net of accumulated depreciation	62,931,614	-	62,931,614
Total Assets	156,736,752	8,757,353	165,494,105
Deferred Outflows of Resources			
Deferred outflows of resources for pension	1,316,181	-	1,316,181
Liabilities			
Accounts payable	4,072,266	32,624	4,104,890
Advance deposits	846,069	54,759	900,828
Accrued payroll and deductions payable	545,398	24,470	569,868
Accrued interest payable	155,469	3,122	158,591
Compensated absences, current portion	729,003	22,369	751,372
Bonds payable, current portion	2,850,000	80,000	2,930,000
Noncurrent liabilities:			
Net other postemployment benefits liability	963,098	-	963,098
Compensated absences	1,341,456	36,356	1,377,812
Bonds payable	24,160,000	285,000	24,445,000
Total Liabilities	35,662,759	538,700	36,201,459
Deferred Inflows of Resources			
Deferred inflows of resources for pension	12,481,320	-	12,481,320
Deferred inflows of resources for other postemployment benefits	324,222	-	324,222
Total Deferred Inflows of Resources	12,805,542	-	12,805,542
Net Position			
Net investment in capital assets	88,715,893	7,533,617	96,249,510
Restricted for:			
Capital projects	12,159,248	-	12,159,248
Library	174,889	-	174,889
Industrial development	15,229	-	15,229
State highway aid	202,885	-	202,885
Unrestricted	8,316,488	685,036	9,001,524
Total Net Position	\$ 109,584,632	\$ 8,218,653	\$ 117,803,285

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

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	\$ 4,931,438	\$ 1,513,544	\$ 2,137,164	\$ -	\$ (1,280,730)	\$ -	\$ (1,280,730)
Community development	551,669	196,537	-	-	(355,132)	-	(355,132)
Public works	19,454,765	12,290,474	951,253	324,482	(5,888,556)	-	(5,888,556)
Human services	2,481,193	19,808	717,083	-	(1,744,302)	-	(1,744,302)
Culture and recreation	2,890,377	1,411,668	5,128	-	(1,473,581)	-	(1,473,581)
Public safety:							
Police	7,736,965	764,295	61,403	-	(6,911,267)	-	(6,911,267)
Fire	2,755,255	94,431	146,520	-	(2,514,304)	-	(2,514,304)
Other	809,148	604,533	-	-	(204,615)	-	(204,615)
Interest on long-term debt	647,717	-	-	-	(647,717)	-	(647,717)
Total governmental activities	42,258,527	16,895,290	4,018,551	324,482	(21,020,204)	-	(21,020,204)
Business-Type activities:							
Parking	1,553,022	1,356,516	-	-	-	(196,506)	(196,506)
Total primary government	\$ 43,811,549	\$ 18,251,806	\$ 4,018,551	\$ 324,482	(21,020,204)	(196,506)	(21,216,710)
General revenues:							
Taxes:							
Real estate					12,909,098	-	12,909,098
Earned income					13,135,608	-	13,135,608
Other					3,759,170	-	3,759,170
Interest income					219,255	4,944	224,199
Transfers - internal activities					151,420	(151,420)	-
Total general revenues and transfers					30,174,551	(146,476)	30,028,075
Change in Net Position					9,154,347	(342,982)	8,811,365
Net position - beginning of year					100,430,285	8,561,635	108,991,920
Net position - end of year					\$ 109,584,632	\$ 8,218,653	\$ 117,803,285

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2020

Assets	General	Sewage	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
Cash and other money market instruments	\$ 9,189,605	\$ 13,156,076	\$ 5,189,825	\$ -	\$ 1,494,231	\$ 29,029,737
Receivables:						
Taxes	3,928,060	-	-	-	-	3,928,060
Assessments	10,494	1,195,900	-	-	159,916	1,366,310
Accounts	579,233	-	69,055	-	-	648,288
Due from other funds	1,612,931	-	1,625,061	-	3,750	3,241,742
Due from other governments	645,845	-	-	-	-	645,845
Other assets	419,510	-	-	-	-	419,510
Total Assets	\$ 16,385,678	\$ 14,351,976	\$ 6,883,941	\$ -	\$ 1,657,897	\$ 39,279,492
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable	\$ 914,763	\$ 1,862,615	\$ 1,141,038	\$ -	\$ 153,850	\$ 4,072,266
Advance deposits	635,725	-	204,581	-	5,763	846,069
Due to other funds	1,628,811	749,892	-	-	742,260	3,120,963
Accrued payroll and deductions payable	1,274,401	-	-	-	-	1,274,401
Total Liabilities	4,453,700	2,612,507	1,345,619	-	901,873	9,313,699
Deferred Inflows of Resources:						
Unavailable revenue	3,094,791	390,927	44,000	-	158,014	3,687,732
Fund Balance:						
Nonspendable:						
Prepaid items and inventory	419,510	-	-	-	-	419,510
Restricted for:						
Capital projects	-	11,348,542	4,514,765	-	-	15,863,307
Library donor specifications	-	-	-	-	174,889	174,889
Industrial development	-	-	-	-	15,229	15,229
State highway aid	-	-	-	-	202,885	202,885
Assigned for:						
Capital projects	932,398	-	979,557	-	-	1,911,955
Library services	-	-	-	-	205,007	205,007
Subsequent years budget	1,170,560	-	-	-	-	1,170,560
Future benefit obligations	65,000	-	-	-	-	65,000
Unassigned	6,249,719	-	-	-	-	6,249,719
Total Fund Balance	8,837,187	11,348,542	5,494,322	-	598,010	26,278,061
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 16,385,678	\$ 14,351,976	\$ 6,883,941	\$ -	\$ 1,657,897	\$ 39,279,492

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

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

DECEMBER 31, 2020

Total Fund Balance - Governmental Funds	\$ 26,278,061
--	----------------------

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.	111,882,327
---	-------------

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.	3,687,732
---	-----------

Interest expense on long-term debt is not recognized on the fund statements until due.	(155,469)
--	-----------

The net other postemployment benefits liability is not reflected on the fund statements.	(963,098)
--	-----------

The net pension asset is not reflected on the fund financial statements.	8,695,896
--	-----------

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.	(11,489,361)
---	--------------

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences	\$ (1,341,456)	
Bonds payable	(27,010,000)	(28,351,456)

Net Position - Governmental Activities	\$ 109,584,632
---	-----------------------

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2020

	General	Sewage	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Real estate	\$ 12,906,801	\$ -	\$ -	\$ -	\$ -	\$ 12,906,801
Earned income	13,180,483	-	-	-	-	13,180,483
Other	3,759,170	-	-	-	-	3,759,170
Total taxes	29,846,454	-	-	-	-	29,846,454
Licenses, permits, and fees	1,178,776	10,423,033	-	-	1,412,054	13,013,863
Fines, forfeitures, and penalties	93,060	16,958	-	-	16,011	126,029
Investment earnings	48,301	92,646	67,363	-	10,945	219,255
Intergovernmental	1,997,000	-	-	-	1,464,422	3,461,422
Recreation	1,414,325	-	-	-	-	1,414,325
Other	2,489,277	36,180	333,282	-	177,518	3,036,257
Total revenues	37,067,193	10,568,817	400,645	-	3,080,950	51,117,605
Expenditures:						
Current:						
General government	4,697,139	126,965	-	-	11,390	4,835,494
Community development	636,315	-	-	-	3,580	639,895
Public works	7,815,138	7,438,691	-	-	787,298	16,041,127
Human services	480,774	-	-	-	1,972,026	2,452,800
Culture and recreation	2,322,576	-	-	-	-	2,322,576
Public safety:						
Police	9,796,156	-	-	-	-	9,796,156
Fire	3,191,112	-	-	-	-	3,191,112
Other	934,804	-	-	-	-	934,804
Debt service	-	-	-	10,623,268	-	10,623,268
Capital outlay	240,676	-	6,232,405	-	-	6,473,081
Total expenditures	30,114,690	7,565,656	6,232,405	10,623,268	2,774,294	57,310,313
Excess (Deficiency) of Revenues Over Expenditures	6,952,503	3,003,161	(5,831,760)	(10,623,268)	306,656	(6,192,708)
Other Financing Sources (Uses):						
Transfers in	985,424	-	5,679,422	3,331,657	1,286,320	11,282,823
Transfers out	(6,867,947)	(2,189,661)	-	(671,199)	(1,402,596)	(11,131,403)
Issuance of refunding bonds	-	-	-	13,940,000	-	13,940,000
Bond issue premium	-	-	-	494,318	-	494,318
Payment to refunded bonds escrow agent	-	-	-	(6,471,508)	-	(6,471,508)
Total other financing sources (uses)	(5,882,523)	(2,189,661)	5,679,422	10,623,268	(116,276)	8,114,230
Net Change in Fund Balance	1,069,980	813,500	(152,338)	-	190,380	1,921,522
Fund Balance:						
Beginning of year	7,767,207	10,535,042	5,646,660	-	407,630	24,356,539
End of year	\$ 8,837,187	\$ 11,348,542	\$ 5,494,322	\$ -	\$ 598,010	\$ 26,278,061

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, 2020

Net Change in Fund Balance - Governmental Funds \$ 1,921,522

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	\$ 6,173,285	
Depreciation expense	<u>(5,155,838)</u>	1,017,447

The net effect of various transactions involving capital assets (e.g., sales, dispositions, trade-ins) is to decrease net position. (46,253)

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. 1,863,492

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. 143,849

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. (33,827)

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. 130,115

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. 4,008,753

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. 149,249

Change in Net Position of Governmental Activities \$ 9,154,347

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, 2020

	General Fund				Sewage Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:								
Taxes	\$ 29,366,130	\$ 29,366,130	\$ 29,846,454	\$ 480,324	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	1,160,200	1,160,200	1,178,776	18,576	12,000,000	12,000,000	10,423,033	(1,576,967)
Fines, forfeitures, and penalties	123,800	123,800	93,060	(30,740)	19,500	19,500	16,958	(2,542)
Investment earnings	109,140	109,140	48,301	(60,839)	200,000	200,000	92,646	(107,354)
Intergovernmental	1,564,060	2,328,060	1,997,000	(331,060)	-	-	-	-
Recreation	3,120,460	3,120,460	1,414,325	(1,706,135)	-	-	-	-
Other	2,249,860	2,319,860	2,489,277	169,417	35,500	35,500	36,180	680
Total revenues	37,693,650	38,527,650	37,067,193	(1,460,457)	12,255,000	12,255,000	10,568,817	(1,686,183)

(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, 2020
(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	4,930,420	4,930,420	4,697,139	233,281	138,000	138,000	126,965	11,035
Community development	815,570	815,570	636,315	179,255	-	-	-	-
Public works	8,865,700	8,865,700	7,815,138	1,050,562	7,500,000	7,500,000	7,438,691	61,309
Human services	490,490	490,490	480,774	9,716	-	-	-	-
Culture and recreation	3,296,790	3,296,790	2,322,576	974,214	-	-	-	-
Public safety:								
Police	9,600,980	9,600,980	9,796,156	(195,176)	-	-	-	-
Fire	3,410,030	3,410,030	3,191,112	218,918	-	-	-	-
Other	1,077,600	1,147,600	934,804	212,796	-	-	-	-
Capital outlay	1,056,120	1,056,120	240,676	815,444	-	-	-	-
Total expenditures	33,543,700	33,613,700	30,114,690	3,499,010	7,638,000	7,638,000	7,565,656	72,344
Excess (Deficiency) of Revenues Over Expenditures	4,149,950	4,913,950	6,952,503	2,038,553	4,617,000	4,617,000	3,003,161	(1,613,839)
Other Financing Sources (Uses):								
Transfers in	1,166,450	1,166,450	985,424	(181,026)	-	-	-	-
Transfers out	(6,929,550)	(6,894,550)	(6,867,947)	26,603	(4,488,510)	(4,488,510)	(2,189,661)	2,298,849
Total other financing sources (uses)	(5,763,100)	(5,728,100)	(5,882,523)	(154,423)	(4,488,510)	(4,488,510)	(2,189,661)	2,298,849
Net Change in Fund Balance	<u>\$ (1,613,150)</u>	<u>\$ (814,150)</u>	1,069,980	<u>\$ 1,884,130</u>	<u>\$ 128,490</u>	<u>\$ 128,490</u>	813,500	<u>\$ 685,010</u>
Fund Balance:								
Beginning of year			7,767,207				10,535,042	
End of year			<u>\$ 8,837,187</u>				<u>\$ 11,348,542</u>	

(Concluded)

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

STATEMENT OF NET POSITION PROPRIETARY FUND - PARKING FUND

DECEMBER 31, 2020

Assets	
Current assets:	
Cash and other money market instruments	\$ 830,032
Accounts receivable	34,966
Prepays and other assets	9,506
Total current assets	874,504
Non-current assets:	
Long-term receivable	105,011
Capital assets not being depreciated	2,687,084
Capital assets, net of accumulated depreciation	5,211,533
Total non-current assets	8,003,628
Total Assets	\$ 8,878,132
Liabilities and Net Position	
Liabilities:	
Current liabilities:	
Current portion of bonds payable	\$ 80,000
Accrued interest payable	3,122
Accounts payable	32,624
Accrued payroll	46,839
Due to other funds	120,779
Advance deposits	54,759
Total current liabilities	338,123
Non-current liabilities:	
Bonds payable	285,000
Compensated absences	36,356
Total noncurrent liabilities	321,356
Total Liabilities	659,479
Net Position:	
Net investment in capital assets	7,533,617
Unrestricted	685,036
Total Net Position	8,218,653
Total Liabilities and Net Position	\$ 8,878,132

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, 2020

Operating Revenues:

Vehicle space rental	\$ 728,740
Meter collections	335,281
Fine collections	144,435
Rental	144,292
Other	3,768
	<hr/>
Total operating revenues	1,356,516

Operating Expenses:

Personnel	703,843
Contracted services	249,821
Utilities	57,704
Materials and supplies	52,721
Depreciation	479,582
	<hr/>
Total operating expenses	1,543,671

Operating Income (Loss)	<hr/> (187,155)
--------------------------------	-----------------

Nonoperating Revenues (Expenses):

Interest income	4,944
Interest expense	(9,351)
	<hr/>
Total nonoperating revenues (expenses)	(4,407)

Income (loss) before transfers	(191,562)
--------------------------------	-----------

Transfers out	<hr/> (151,420)
---------------	-----------------

Change in Net Position	(342,982)
-------------------------------	-----------

Net Position:

Beginning of year	<hr/> 8,561,635
End of year	<hr/> \$ 8,218,653

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

STATEMENT OF CASH FLOWS PROPRIETARY FUND - PARKING FUND

YEAR ENDED DECEMBER 31, 2020

Cash Flows From Operating Activities:

Receipts from customers	\$ 1,322,430
Payments for goods and services	(352,195)
Payments to employees	(690,344)
Net cash provided by (used in) operating activities	279,891

Cash Flows From Investing Activities:

Interest income	4,944
-----------------	-------

Cash Flows From Non-Capital Financing Activities:

Transfers to and from other funds	122,635
Repayment of long-term receivable	9,118
Net cash provided by (used in) non-capital financing activities	131,753

Cash Flows From Capital and Related Financing Activities:

Payment of long-term debt	(81,508)
Payment of interest on long-term debt	(10,679)
Acquisition of property and equipment	(322,414)
Net cash provided by (used in) capital and related financing activities	(414,601)

Net Increase (Decrease) in Cash and Other Money Market Instruments 1,987

Cash and Other Money Market Instruments:

Beginning of year	828,045
End of year	\$ 830,032

Reconciliation of Operating Income to Net

Cash Provided by (Used in) Operating Activities:

Operating income (Loss)	\$ (187,155)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	479,582
Change in operating assets and liabilities:	
Accounts receivable	3,375
Prepays and other assets	2,478
Accounts payable	5,573
Accrued payroll	13,499
Advance deposits	(37,461)
Total adjustments	467,046
Net cash provided by (used in) operating activities	\$ 279,891

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

STATEMENT OF PLAN NET POSITION FIDUCIARY FUNDS - TRUST FUNDS

DECEMBER 31, 2020

Assets	
Accrued income receivable	\$ 45
Investments (at fair value):	
Equity funds	82,581,909
Fixed income funds	35,424,792
Partnerships/joint ventures	7,003,847
Short-term funds	1,888,611
Total Assets	126,899,204
Liabilities	
Accounts payable	176,229
Net Position	
Restricted for pensions	124,430,962
Restricted for OPEB benefits	2,292,013
Total Net Position	\$ 126,722,975

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2020

Additions:

Contributions:

Employer, including state aid	\$ 3,314,727
Employee	584,611

Total contributions	3,899,338
---------------------	-----------

Investment gain:

Net appreciation in fair value of investments	14,146,372
Interest and dividends	1,753,721

Total investment gain	15,900,093
-----------------------	------------

Less investment expense	64,792
-------------------------	--------

Net investment gain	15,835,301
---------------------	------------

Total additions	19,734,639
-----------------	------------

Deductions:

Benefits	5,449,496
Withdrawals	15,010
Administrative expense	20,794

Total deductions	5,485,300
------------------	-----------

Change in Net Position	14,249,339
-------------------------------	------------

Net Position:

Beginning of year	112,473,636
-------------------	-------------

End of year	\$ 126,722,975
-------------	----------------

See accompanying notes to financial statements.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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, 2020

- 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, 2020

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. Interfund services provided and used are not eliminated in the process of consolidation. *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, 2020

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, 2020

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, 2020

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. Interfund services provided and used are not eliminated in the process of consolidation.

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

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

the budget for the department as a whole; however, operating departments may exceed the appropriation with Manager approval.

Library

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

IDA

The IDA did not adopt a legally appropriated operating budget for 2020.

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

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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 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.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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

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.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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:

- **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, 2020 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, 2020, 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, 2020, 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, 2020 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.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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 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, 2020: Statement Nos. 95 (Postponement of the Effective Dates of Certain Authoritative

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Guidance) and 97 (Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans). These statements had no significant impact on the Municipality's financial statements for the year ended December 31, 2020.

P. Pending Pronouncements

GASB has issued statements that will become effective in future years, including Statement Nos. 87 (Leases), 89 (Accounting for Interest Cost), 91 (Conduit Debt Obligations), 92 (Omnibus 2020), 93 (Interbank Offered Rates), 94 (Public-Private and Public-Public Partnerships), 96 (Information Technology Arrangements), and 97 (Deferred Compensation Plans). 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 2020), the Municipality bills and collects its own property taxes. The schedule for property taxes levied for 2020 is as follows:

June 1	- levy date
June 1 - July 31	- 2% discount period
August 1 - December 31*	- face payment period
January 1 - April 30	- 10% penalty period
May 1	- delinquency period
July 20	- lien filing date

*The 2020 face payment period was extended from September 30 to December 31 as a COVID-19 relief measure. The municipality saw no significant impact due to this date change.

The municipal tax rate for all purposes in 2020 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.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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.

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, 2020, \$500,000 of the Municipality's \$25,897,416 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 \$25,636,111 as of December 31, 2020.

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 account, which can only be withdrawn at maturity, and investments within the PLGIT/Reserve-Class account, which limits redemptions or exchanges to two per calendar month. In addition, there are certain limitations placed on

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

the following withdrawals: for PLGIT-Class and PLGIT/Reserve-Class accounts, there is a one-day holding period; for PLGIT CD accounts, there is a 60-day holding period and a penalty for early withdrawal.

As of December 31, 2020, the total of PLGIT accounts had bank and book balances of \$4,223,658, 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 would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. As of December 31, 2020, 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.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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, 2020:

Investments by Fair Value Level	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Short-term funds	\$ 1,888,611	\$ 1,888,611	\$ -	\$ -
Partnerships/joint ventures	7,003,847	-	-	7,003,847
Total Investments by Fair Value Level	8,892,458	\$ 1,888,611	\$ -	\$ 7,003,847
Investments Measured at NAV:				
Multi-manager series trust:				
Domestic equity fund	51,565,912			
International equity fund	31,015,997			
Fixed income fund	35,424,792			
Total Investments measured at NAV	118,006,701			
Total investments measured at fair value	\$ 126,899,159			

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

Partnerships/joint ventures classified in Level 3 are valued based upon the Municipality's share of the trust assets held. The underlying assets of the partnerships/joint ventures 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 \$4,552,690.

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)	\$ 118,006,701	N/A	Daily	N/A

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

(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, if any, 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.

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.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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 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

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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, 2020, the balance was \$99,739.

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, 2020, the balance was \$170,746.

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.

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, 2020, the amounts are due from the following governmental units:

	<u>General Fund</u>
Due from:	
School District	\$ 149,762
County	487,544
Other	<u>8,539</u>
	<u>\$ 645,845</u>

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

5. Long-Term Liabilities

During 2020, long-term liabilities changed as follows:

	Balance at January 1, 2020	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
Primary Government					
Governmental activities:					
Bonds payable	\$ 28,873,492	\$ 13,940,000	\$ (15,803,492)	\$ 27,010,000	\$ 2,850,000
Compensated absences	1,954,877	998,147	(882,565)	2,070,459	729,003
Net pension liability	2,662,695	6,767,338	(9,430,033)	-	-
Net other postemployment benefits liability	1,190,210	287,877	(514,989)	963,098	-
Governmental activities, long-term liabilities	<u>\$ 34,681,274</u>	<u>\$ 21,993,362</u>	<u>\$ (26,631,079)</u>	<u>\$ 30,043,557</u>	<u>\$ 3,579,003</u>
Business-type activities:					
Bonds payable	\$ 446,508	\$ -	\$ (81,508)	\$ 365,000	\$ 80,000
Compensated absences	55,080	50,265	(46,620)	58,725	22,369
Business-type activities, long-term liabilities	<u>\$ 501,588</u>	<u>\$ 50,265</u>	<u>\$ (128,128)</u>	<u>\$ 423,725</u>	<u>\$ 102,369</u>

Bonds payable as of December 31, 2020 is composed of the following General Obligation Bond issues:

Description	Interest Rate %	Original Principal	Balance December 31, 2020
2014 Series, maturing in 2028	0.35 - 3.00	\$ 4,175,000	\$ 430,000
2015 Series, maturing in 2025	2.00 - 4.00	9,620,000	365,000
2016 Series, maturing in 2027	2.00 - 3.25	4,355,000	3,580,000
2017 Series, maturing in 2032	0.80 - 3.25	8,800,000	1,335,000
2019 Series, maturing in 2029	2.00 - 4.00	7,765,000	7,725,000
2020 Series A, maturing in 2032	2.00 - 3.00	7,415,000	7,415,000
2020 Series B, maturing in 2024	0.35 - 0.79	6,525,000	6,525,000
			<u>\$ 27,375,000</u>

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Total payments made on bonds payable in 2020 were \$2,655,000 and \$763,566 for principal and interest, respectively. There was also \$13,230,000 in long-term debt principal refunded during the year.

The future annual payments required to amortize bonds payable outstanding as December 31, 2020 are as follows:

	Government Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 2,850,000	\$ 496,000	\$ 80,000	\$ 7,494
2022	2,820,000	524,095	80,000	5,894
2023	2,835,000	489,297	85,000	4,294
2024	2,865,000	450,768	85,000	2,594
2025	2,550,000	397,700	35,000	788
2026-2030	11,720,000	942,500	-	-
2031-2032	1,370,000	40,000	-	-
Total	<u>\$ 27,010,000</u>	<u>\$ 3,340,360</u>	<u>\$ 365,000</u>	<u>\$ 21,064</u>

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

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

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

the current refunding of a portion of the Municipality's General Obligation Bonds, Series of 2014.

The 2020 Series A General Obligation Bonds were issued for the current refunding of the Municipality's General Obligation Bonds, Refunding Series of 2015, the current refunding of the Municipality's General Obligation Bonds, Series of 2013, and capital improvement projects. The 2020 Series B General Obligation Bonds were issued for the advance refunding of the Municipality's General Obligation Bonds, Series of 2017. The issuance of the 2020 General Obligation Bonds resulted in cash flow savings of \$671,199 and net present value savings of \$640,425.

6. Capital Assets

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

	January 1, 2020	Additions	Disposals	December 31, 2020
Governmental activities:				
Land (not depreciated)	\$ 7,266,047	\$ -	\$ -	\$ 7,266,047
Construction in progress (not depreciated)	353,205	851,075	(22,192)	1,182,088
Buildings and improvements other than buildings	53,183,407	1,230,204	(327,309)	54,086,302
Infrastructure	99,734,713	3,595,157	-	103,329,870
Library book collection	2,647,867	288,798	(184,621)	2,752,044
Equipment	19,493,587	230,243	(289,224)	19,434,606
	<u>182,678,826</u>	<u>6,195,477</u>	<u>(823,346)</u>	<u>188,050,957</u>
Less accumulated depreciation for:				
Buildings and improvements other than buildings	(21,904,263)	(1,590,909)	327,309	(23,167,863)
Infrastructure	(38,497,196)	(1,901,060)	-	(40,398,256)
Library book collection	(416,029)	(317,266)	184,621	(548,674)
Equipment	(10,950,205)	(1,346,603)	242,971	(12,053,837)
	<u>(71,767,693)</u>	<u>(5,155,838)</u>	<u>754,901</u>	<u>(76,168,630)</u>
Governmental activities capital assets, net	<u>\$ 110,911,133</u>	<u>\$ 1,039,639</u>	<u>\$ (68,445)</u>	<u>\$ 111,882,327</u>
Business-type activities:				
Land (not depreciated)	\$ 2,687,084	\$ -	\$ -	\$ 2,687,084
Buildings and improvements other than buildings	14,117,815	227,963	-	14,345,778
Equipment	1,341,630	94,451	-	1,436,081
	<u>18,146,529</u>	<u>322,414</u>	<u>-</u>	<u>18,468,943</u>
Less accumulated depreciation for:				
Buildings and improvements other than buildings	(9,002,443)	(427,082)	-	(9,429,525)
Equipment	(1,088,301)	(52,500)	-	(1,140,801)
	<u>(10,090,744)</u>	<u>(479,582)</u>	<u>-</u>	<u>(10,570,326)</u>
Business-type activities capital assets, net	<u>\$ 8,055,785</u>	<u>\$ (157,168)</u>	<u>\$ -</u>	<u>\$ 7,898,617</u>

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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

Governmental activities:	
General government	\$ 233,367
Public works	2,965,400
Human services	455,413
Culture and recreation	727,583
Public safety:	
Police	398,530
Fire	375,545
	<u>5,155,838</u>
Total depreciation expense - governmental activities	<u>\$ 5,155,838</u>
Business-type activities:	
Parking	<u>\$ 479,582</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	\$ 1,612,931	\$ 1,628,811
Sewage	-	749,892
Capital Projects	1,625,061	-
Other governmental	3,750	742,260
	<u>3,241,742</u>	<u>3,120,963</u>
Parking	-	120,779
	<u>\$ 3,241,742</u>	<u>\$ 3,241,742</u>

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

	Transfer In				
	General	Capital	Debt	Other	
	Fund	Projects	Service	Governmental	Total
Transfer out:					
General	\$ -	\$ 2,538,561	\$ 3,043,066	\$ 1,286,320	\$ 6,867,947
Sewage	427,133	1,605,279	157,249	-	2,189,661
Debt service	-	671,199	-	-	671,199
Other governmental	406,871	864,383	131,342	-	1,402,596
Parking	151,420	-	-	-	151,420
	<u>\$ 985,424</u>	<u>\$ 5,679,422</u>	<u>\$ 3,331,657</u>	<u>\$ 1,286,320</u>	<u>\$ 11,282,823</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, 2020, 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.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

At December 31, 2020, participants in the plans were as follows:

	General Employees	Police	Firefighter
Inactive plan members or beneficiaries currently receiving benefits	68	57	16
Inactive plan members entitled to but not yet receiving benefits	19	2	1
Active plan members	76	45	17
Total plan members	163	104	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

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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, 2019.

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, 2020, 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 2020. The following table reflects contribution information for 2020:

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

	General Employees	Police	Firefighter	Total
MMO	\$ 511,555	\$ 2,287,919	\$ 230,607	\$ 3,030,081
Contributions:				
Municipal	\$ 132,420	\$ 1,935,382	\$ 63,197	\$ 2,130,999
Allocation of state aid	379,135	452,992	167,410	999,537
Total	511,555	2,388,374	230,607	3,130,536
Employee	247,441	248,961	88,209	584,611
Total contributions	\$ 758,996	\$ 2,637,335	\$ 318,816	\$ 3,715,147
Covered payroll	\$ 5,032,161	\$ 5,533,253	\$ 1,893,835	
Employee contributions as a % of covered payroll	4.92%	4.50%	4.66%	

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.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Net Pension (Asset) Liability

The components of the net pension (asset) liability of the Plans at December 31, 2020 were as follows:

	General Employees	Police	Firefighter	Total
Total pension liability	\$ 30,163,589	\$ 67,809,958	\$ 17,761,519	\$ 115,735,066
Plan fiduciary net position	(33,958,336)	(69,768,682)	(20,703,944)	(124,430,962)
Net pension liability (asset)	<u>\$ (3,794,747)</u>	<u>\$ (1,958,724)</u>	<u>\$ (2,942,425)</u>	<u>\$ (8,695,896)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>112.58%</u>	<u>102.89%</u>	<u>116.57%</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, 2020 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at December 31, 2019	\$ 29,012,958	\$ 30,209,535	\$ (1,196,577)
Changes for the year:			
Service cost	623,203	-	623,203
Interest	2,082,168	-	2,082,168
Differences between expected and actual experience	(239,869)	-	(239,869)
Changes of assumptions	(60,543)	-	(60,543)
Contributions - employer	-	511,555	(511,555)
Contributions - employee	-	247,441	(247,441)
Net investment income	-	4,267,341	(4,267,341)
Benefit payments, including refunds	(1,254,328)	(1,254,328)	-
Administrative expense	-	(23,208)	23,208
Net changes	<u>1,150,631</u>	<u>3,748,801</u>	<u>(2,598,170)</u>
Balances at December 31, 2020	<u>\$ 30,163,589</u>	<u>\$ 33,958,336</u>	<u>\$ (3,794,747)</u>

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The changes in the net pension (asset) liability of the Municipality for the Police Plan for the year ended December 31, 2020 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at December 31, 2019	\$ 64,311,815	\$ 61,649,120	\$ 2,662,695
Changes for the year:			
Service cost	1,453,363	-	1,453,363
Interest	4,693,793	-	4,693,793
Differences between expected and actual experience	575,105	-	575,105
Changes of assumptions	(28,404)	-	(28,404)
Contributions - employer	-	2,388,374	(2,388,374)
Contributions - employee	-	248,961	(248,961)
Net investment income	-	8,723,018	(8,723,018)
Benefit payments, including refunds	(3,195,714)	(3,195,714)	-
Administrative expense	-	(45,077)	45,077
Net changes	3,498,143	8,119,562	(4,621,419)
Balances at December 31, 2020	\$ 67,809,958	\$ 69,768,682	\$ (1,958,724)

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The changes in the net pension (asset) liability of the Municipality for the Firefighter Plan for the year ended December 31, 2020 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at December 31, 2019	\$ 17,627,578	\$ 18,675,403	\$ (1,047,825)
Changes for the year:			
Service cost	287,561	-	287,561
Interest	1,230,072	-	1,230,072
Differences between expected and actual experience	(572,633)	-	(572,633)
Changes of assumptions	44,105	-	44,105
Contributions - employer	-	230,607	(230,607)
Contributions - employee	-	88,209	(88,209)
Net investment income	-	2,578,936	(2,578,936)
Benefit payments, including refunds	(855,164)	(855,164)	-
Administrative expense	-	(14,047)	14,047
Net changes	133,941	2,028,541	(1,894,600)
Balances at December 31, 2020	\$ 17,761,519	\$ 20,703,944	\$ (2,942,425)

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation performed on January 1, 2020, and rolled forward to December 31, 2020, 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	4.50%	5.50%	4.50%
Inflation rate	2.75%	2.75%	2.75%
Mortality	2010 Public Retirement Plans - General Employee	2010 Public Retirement Plans - Public Safety	2010 Public Retirement Plans - Public Safety
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 – For the General Employees and Firefighter Plans, the projected salary increase was reduced from 4.75% to 4.50% per year. For the General Employees Plan, the mortality assumption changed from the RP-2014 Mortality Table with improvement projected based on rates derived from the Long-Range Demographic Assumptions for the 2015 SSA Trustee Report to the 2010 Public Retirement Plans – General Employee mortality table projected from the year 2015 with rates derived from the Long-Range Demographic Assumptions for the 2018 SSA Trustee Report. For the Police and Firefighter Plans, the mortality assumption was changed from the RP-2014 Mortality Table with 50% Blue Collar adjustment and mortality improvement projected with rates derived from the Long-Range Demographic Assumptions for the 2015 SSA Trustee Report to the 2010 Public Retirement Plan – Public Safety mortality rates projected from the year 2015 with rates derived from the Long-Range Demographic Assumptions from the 2018 SSA Trustee Report.

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

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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 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, 2020:

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, 2020, the annual money-weighted rate of return on the General Employees, Police, and Firefighter Plan investments, net of investment expense, was 14.55%, 14.51%, and 14.40%, 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

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
General Employees	\$ (278,473)	\$ (3,794,747)	\$ (6,758,755)
Police Plan	\$ 6,871,299	\$ (1,958,724)	\$ (9,250,748)
Firefighter Plan	\$ (656,464)	\$ (2,942,425)	\$ (4,612,136)

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

For the year ended December 31, 2020, the Municipality recognized pension expense of approximately (\$528,000) for the General Employees Plan, \$225,000 for the Police Plan, and (\$575,000) for the Firefighter Plan. At December 31, 2020, the Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

	General Employees	Police	Firefighter	Total
Deferred Outflow of Resources:				
Differences between expected and actual experience	\$ 102,379	\$ 789,217	\$ 3,795	\$ 895,391
Changes in assumption	159,919	160,618	100,253	420,790
Total deferred outflows of resources	<u>\$ 262,298</u>	<u>\$ 949,835</u>	<u>\$ 104,048</u>	<u>\$ 1,316,181</u>
	General Employees	Police	Firefighter	Total
Deferred Inflows of Resources:				
Differences between expected and actual experience	\$ 380,994	\$ 378,225	\$ 709,515	\$ 1,468,734
Changes in assumption	47,662	23,144	-	70,806
Net difference between projected and actual earnings on pension plan investments	3,004,131	6,104,076	1,833,573	10,941,780
Total deferred inflows of resources	<u>\$ 3,432,787</u>	<u>\$ 6,505,445</u>	<u>\$ 2,543,088</u>	<u>\$ 12,481,320</u>

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
2021	\$ (930,876)	\$ (1,636,633)	\$ (752,956)	\$ (3,320,465)
2022	(536,822)	(952,123)	(417,114)	(1,906,059)
2023	(1,237,085)	(2,262,250)	(811,906)	(4,311,241)
2024	(465,706)	(745,100)	(329,356)	(1,540,162)
2025	-	40,496	(79,660)	(39,164)
Thereafter	-	-	(48,048)	(48,048)
Total	<u>\$ (3,170,489)</u>	<u>\$ (5,555,610)</u>	<u>\$ (2,439,040)</u>	<u>\$ (11,165,139)</u>

9. Other Postemployment Benefits

Summary of Significant Accounting Policies

Financial information of the Mt. Lebanon OPEB 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.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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, 2020, 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.

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, 2020, participants in the Trust were as follows:

	<u>General Employees</u>	<u>Police</u>	<u>Firefighter</u>
Participants:			
Inactive, currently receiving benefits:			
Health insurance	4	22	7
Life insurance	47	43	11
Active:			
Health insurance	52	29	8
Life insurance	88	44	16

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

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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>2020 Per Month Amount</u>
25+ years	0.80%	\$778.34
20-24 years	0.65%	\$632.40
16-19 years	0.50%	\$486.46

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.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Net OPEB Liability

The components of the net OPEB liability of the Trust at December 31, 2020 were as follows:

Total OPEB liability	\$ 3,255,111
Plan fiduciary net position	<u>2,292,013</u>
Net OPEB liability	<u>\$ 963,098</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>70.41%</u>

Changes in the Net OPEB Liability

The changes in the net OPEB liability of the Municipality for the year ended December 31, 2020 were as follows:

	Increases / Decreases		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2019	\$ 3,129,788	\$ 1,939,578	\$ 1,190,210
Changes for the year:			
Service cost	59,103	-	59,103
Interest	225,520	-	225,520
Differences between expected and actual experience	-	-	-
Contributions - employer	-	184,191	(184,191)
Net investment income	-	330,798	(330,798)
Benefit payments	(159,300)	(159,300)	-
Administrative expense	-	(3,254)	3,254
Net changes	<u>125,323</u>	<u>352,435</u>	<u>(227,112)</u>
Balances at December 31, 2020	<u>\$ 3,255,111</u>	<u>\$ 2,292,013</u>	<u>\$ 963,098</u>

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation performed on January 1, 2019, and rolled forward to December 31, 2020, 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%.

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.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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, 2020:

<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, 2020, the annual money-weighted rate of return on the Trust's investments, net of investment expense, was 16.19%.

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:

<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
<u>\$ 1,233,248</u>	<u>\$ 963,098</u>	<u>\$ 725,398</u>

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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

For the year ended December 31, 2020, the Municipality recognized OPEB expense of approximately \$54,000. At December 31, 2020, 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	\$ 79,466
Net difference between projected and actual earnings on OPEB plan investments	<u>244,756</u>
Total deferred inflows of resources	<u><u>\$ 324,222</u></u>

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>	
2021	\$ (85,618)
2022	(55,850)
2023	(102,885)
2024	(48,563)
2025	(12,040)
Thereafter	<u>(19,266)</u>
Total	<u><u>\$ (324,222)</u></u>

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

10. Fiduciary Funds Financial Information

The following financial information represents fiduciary trust funds as of December 31, 2020:

Plan Net Position

	General Employees	Police	Firefighter	Other Postemployment Benefits	Total
Assets					
Accrued income receivable	\$ 14	\$ 24	\$ 7	\$ -	\$ 45
Investments (at fair value):					
Equity funds	22,090,162	45,323,448	13,475,622	1,692,677	82,581,909
Fixed income funds	9,428,360	19,538,717	5,709,776	747,939	35,424,792
Partnerships/joint ventures	1,898,432	3,881,068	1,224,347	-	7,003,847
Short-term funds	545,657	1,034,234	296,834	11,886	1,888,611
Total Assets	33,962,625	69,777,491	20,706,586	2,452,502	126,899,204
Liabilities					
Accounts payable	4,289	8,809	2,642	160,489	176,229
Net Position					
Restricted for pensions	33,958,336	69,768,682	20,703,944	-	124,430,962
Restricted for OPEB benefits	-	-	-	2,292,013	2,292,013
Total Net Position	\$ 33,958,336	\$ 69,768,682	\$ 20,703,944	\$ 2,292,013	\$ 126,722,975

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Changes in Plan Net Position

	General Employees	Police	Firefighter	Other Postemployment Benefits	Total
Additions:					
Contributions:					
Employer, including state aid	\$ 511,555	\$ 2,388,374	\$ 230,607	\$ 184,191	\$ 3,314,727
Employee	247,441	248,961	88,209	-	584,611
Total contributions	758,996	2,637,335	318,816	184,191	3,899,338
Investment gain:					
Net appreciation					
in fair value of investments	3,799,545	7,759,470	2,292,939	294,418	14,146,372
Interest and dividends	467,796	963,548	285,997	36,380	1,753,721
Total investment gain	4,267,341	8,723,018	2,578,936	330,798	15,900,093
Less investment expense	17,275	35,745	10,688	1,084	64,792
Net investment gain	4,250,066	8,687,273	2,568,248	329,714	15,835,301
Total additions	5,009,062	11,324,608	2,887,064	513,905	19,734,639
Deductions:					
Benefits	1,241,633	3,193,399	855,164	159,300	5,449,496
Withdrawals	12,695	2,315	-	-	15,010
Administrative expense	5,933	9,332	3,359	2,170	20,794
Total deductions	1,260,261	3,205,046	858,523	161,470	5,485,300
Change in Plan Net Position	3,748,801	8,119,562	2,028,541	352,435	14,249,339
Net Position:					
Beginning of year	30,209,535	61,649,120	18,675,403	1,939,578	112,473,636
End of year	\$ 33,958,336	\$ 69,768,682	\$ 20,703,944	\$ 2,292,013	\$ 126,722,975

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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)	\$ 2,383,958	\$ 4,844,567	\$ 1,456,156	\$ 177,998	\$ 8,862,679
Unrealized gain (loss)	1,415,587	2,914,903	836,783	116,420	5,283,693
	<u>\$ 3,799,545</u>	<u>\$ 7,759,470</u>	<u>\$ 2,292,939</u>	<u>\$ 294,418</u>	<u>\$ 14,146,372</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 2020, the Municipality contributed \$194,608 to the Plan. The Municipality had no liability outstanding at December 31, 2020.

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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 \$144,292 during the year ended December 31, 2020.

As of December 31, 2020, minimum annual rentals remaining under these lease arrangements are as follows:

Year Ending	
2021	\$ 138,904
2022	148,356
2023	159,482
2024	163,821
2025	167,060
Thereafter	185,524
Total	<u>\$ 963,147</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 policy or fiscal year by giving 90 days written notice to the Trust prior to the beginning of

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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. Lebanon was required to inventory their system, complete necessary repairs, perform flow

MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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, 2020, the Municipality incurred approximately \$1.6 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, 2020, the Municipality had approximately \$3 million in commitments related to various capital projects.

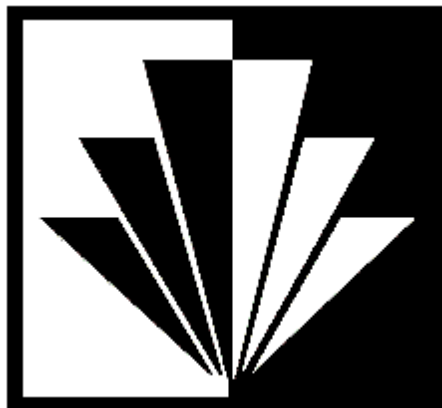
MT. LEBANON, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

15. COVID-19

The COVID-19 outbreak in the United States caused business disruption through mandated and voluntary closings. While the disruption impacted various aspects of municipal operations, particularly in the Parking, Library and Recreation functions, the municipal financial position at year-end 2020 was not materially affected. However, municipal staff will continue to monitor operating results to mitigate any financial impacts that may arise.



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*

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:							
Service cost	\$ 623,203	\$ 623,431	\$ 591,920	\$ 595,445	\$ 584,860	\$ 524,753	\$ 487,918
Interest	2,082,168	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	(239,869)	(21,697)	(26,433)	(754,836)	493,888	(391,056)	-
Changes of assumptions	(60,543)	-	-	655,645	-	604,646	-
Benefit payments, including refunds of member contributions	(1,254,328)	(1,229,665)	(1,182,357)	(1,153,080)	(1,114,298)	(1,066,084)	(1,055,408)
Net Changes in Total Pension Liability	1,150,631	1,431,128	1,288,298	1,169,424	1,701,216	1,292,288	1,013,988
Total Pension Liability - Beginning	29,012,958	27,581,830	26,293,532	25,124,108	23,422,892	22,130,604	21,116,616
Total Pension Liability - Ending (a)	\$ 30,163,589	\$ 29,012,958	\$ 27,581,830	\$ 26,293,532	\$ 25,124,108	\$ 23,422,892	\$ 22,130,604
Plan Fiduciary Net Position:							
Contributions - employer	\$ 511,555	\$ 456,673	\$ 424,715	\$ 403,602	\$ 413,887	\$ 433,269	\$ 432,172
Contributions - member	247,441	242,483	233,311	222,616	222,255	222,399	200,620
Net investment income	4,267,341	5,551,354	(1,454,774)	3,903,290	1,344,937	56,604	1,500,399
Benefit payments, including refunds of member contributions	(1,254,328)	(1,229,665)	(1,182,357)	(1,153,080)	(1,114,298)	(1,066,084)	(1,055,408)
Administrative expense	(23,208)	(30,566)	(47,065)	(52,741)	(68,792)	(79,994)	(13,394)
Net Change in Plan Fiduciary Net Position	3,748,801	4,990,279	(2,026,170)	3,323,687	797,989	(433,806)	1,064,389
Plan Fiduciary Net Position - Beginning	30,209,535	25,219,256	27,245,426	23,921,739	23,123,750	23,557,556	22,493,167
Plan Fiduciary Net Position - Ending (b)	\$ 33,958,336	\$ 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)	\$ (3,794,747)	\$ (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	112.58%	104.12%	91.43%	103.62%	95.21%	98.72%	106.45%
Covered Payroll	\$ 5,032,161	\$ 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	(75.41%)	(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*

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:							
Service cost	\$ 1,453,363	\$ 1,318,227	\$ 1,410,980	\$ 1,417,581	\$ 1,329,704	\$ 1,244,919	\$ 1,124,408
Interest	4,693,793	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	575,105	168,924	(326,971)	(978,015)	1,570,774	(231,435)	-
Changes of assumptions	(28,404)	-	-	654,822	-	1,596,283	-
Benefit payments, including refunds of member contributions	(3,195,714)	(3,048,980)	(2,657,376)	(2,361,531)	(2,319,172)	(2,267,742)	(2,209,527)
Net Changes in Total Pension Liability	3,498,143	2,890,447	2,670,050	3,041,775	4,426,977	4,018,051	2,290,875
Total Pension Liability - Beginning	64,311,815	61,421,368	58,751,318	55,709,543	51,282,566	47,264,515	44,973,640
Total Pension Liability - Ending (a)	\$ 67,809,958	\$ 64,311,815	\$ 61,421,368	\$ 58,751,318	\$ 55,709,543	\$ 51,282,566	\$ 47,264,515
Plan Fiduciary Net Position:							
Contributions - employer	\$ 2,388,374	\$ 2,352,549	\$ 2,353,133	\$ 2,109,775	\$ 2,053,201	\$ 1,906,718	\$ 1,869,761
Contributions - member	248,961	250,972	232,434	238,177	207,998	203,554	181,912
Net investment income	8,723,018	11,370,132	(2,938,933)	7,657,620	2,561,820	107,540	2,626,108
Benefit payments, including refunds of member contributions	(3,195,714)	(3,048,980)	(2,657,376)	(2,361,531)	(2,319,172)	(2,267,742)	(2,209,526)
Administrative expense	(45,077)	(50,780)	(88,187)	(95,084)	(120,705)	(141,950)	(16,497)
Net Change in Plan Fiduciary Net Position	8,119,562	10,873,893	(3,098,929)	7,548,957	2,383,142	(191,880)	2,451,758
Plan Fiduciary Net Position - Beginning	61,649,120	50,775,227	53,874,156	46,325,199	43,942,057	44,133,937	41,682,179
Plan Fiduciary Net Position - Ending (b)	\$ 69,768,682	\$ 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)	\$ (1,958,724)	\$ 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	102.89%	95.86%	82.67%	91.70%	83.15%	85.69%	93.38%
Covered Payroll	\$ 5,533,253	\$ 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	(35.40%)	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*

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:							
Service cost	\$ 287,561	\$ 286,393	\$ 297,870	\$ 311,943	\$ 352,303	\$ 330,893	\$ 364,155
Interest	1,230,072	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	(572,633)	3,234	(86,189)	(736,092)	78,650	(179,545)	-
Changes of assumptions	44,105	-	-	256,159	-	324,581	-
Benefit payments, including refunds of member contributions	(855,164)	(842,843)	(792,299)	(637,575)	(531,475)	(478,956)	(489,422)
Net Changes in Total Pension Liability	133,941	691,373	591,502	321,248	1,000,849	1,028,959	868,415
Total Pension Liability - Beginning	17,627,578	16,936,205	16,344,703	16,023,455	15,022,606	13,993,647	13,125,232
Total Pension Liability - Ending (a)	\$ 17,761,519	\$ 17,627,578	\$ 16,936,205	\$ 16,344,703	\$ 16,023,455	\$ 15,022,606	\$ 13,993,647
Plan Fiduciary Net Position:							
Contributions - employer	\$ 230,607	\$ 220,441	\$ 230,060	\$ 338,241	\$ 364,036	\$ 455,969	\$ 448,324
Contributions - member	88,209	88,473	89,058	91,154	84,081	82,730	72,526
Net investment income	2,578,936	3,464,190	(884,144)	2,443,097	832,846	31,987	887,616
Benefit payments, including refunds of member contributions	(855,164)	(842,843)	(792,299)	(637,575)	(531,475)	(478,956)	(489,422)
Administrative expense	(14,047)	(20,249)	(29,911)	(33,886)	(43,140)	(51,122)	(9,888)
Net Change in Plan Fiduciary Net Position	2,028,541	2,910,012	(1,387,236)	2,201,031	706,348	40,608	909,156
Plan Fiduciary Net Position - Beginning	18,675,403	15,765,391	17,152,627	14,951,596	14,245,248	14,204,640	13,295,484
Plan Fiduciary Net Position - Ending (b)	\$ 20,703,944	\$ 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)	\$ (2,942,425)	\$ (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	116.57%	105.94%	93.09%	104.94%	93.31%	94.83%	101.51%
Covered Payroll	\$ 1,893,835	\$ 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	(155.37%)	(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*

	2020	2019	2018	2017	2016	2015	2014
GENERAL EMPLOYEES PLAN:							
Schedule of Municipality's Contributions							
Actuarially determined contribution	\$ 511,555	\$ 456,673	\$ 424,715	\$ 403,602	\$ 413,887	\$ 433,269	\$ 432,172
Contributions in relation to the actuarially determined contribution	511,555	456,673	424,715	403,602	413,887	433,269	432,172
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,032,161	\$ 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	10.17%	9.14%	8.96%	9.06%	9.21%	9.68%	10.78%
Investment Returns							
Annual money-weighted rate of return, net of investment expense	14.55%	20.64%	-4.77%	16.41%	5.96%	0.04%	6.86%
POLICE PLAN:							
Schedule of Municipality's Contributions							
Actuarially determined contribution	\$ 2,287,919	\$ 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	2,388,374	2,352,549	2,353,133	2,109,775	2,053,201	1,906,718	1,869,761
Contribution deficiency (excess)	\$ (100,455)	\$ (46,170)	\$ (22,085)	\$ (42,019)	\$ -	\$ -	\$ -
Covered payroll	\$ 5,533,253	\$ 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	43.16%	42.18%	45.56%	39.86%	39.46%	37.52%	41.20%
Investment Returns							
Annual money-weighted rate of return, net of investment expense	14.51%	20.72%	-4.81%	16.39%	5.98%	0.02%	6.53%
FIREFIGHTER PLAN:							
Schedule of Municipality's Contributions							
Actuarially determined contribution	\$ 230,607	\$ 220,441	\$ 230,060	\$ 338,241	\$ 364,036	\$ 455,969	\$ 448,324
Contributions in relation to the actuarially determined contribution	230,607	220,441	230,060	338,241	364,036	455,969	448,324
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,893,835	\$ 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	12.18%	11.48%	11.92%	18.55%	19.21%	23.19%	24.54%
Investment Returns							
Annual money-weighted rate of return, net of investment expense	14.40%	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.

MT. LEBANON, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2020

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	1/1/2019	1/1/2019	1/1/2019
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, 2020

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

MT. LEBANON, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2020

projected to improve based on the Long-Range Demographic Assumptions for the 2015 Social Security Administration's Trustee Report.

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

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.

There are no changes in assumptions since the January 1, 2017 actuarial valuation 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-

MT. LEBANON, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2020

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.

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

MT. LEBANON, PENNSYLVANIA

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

YEARS ENDED DECEMBER 31
LAST TEN YEARS*

	2020	2019	2018	2017
Total OPEB Liability:				
Service cost	\$ 59,103	\$ 57,523	\$ 69,975	\$ 68,102
Interest	225,520	216,439	214,728	205,526
Differences between expected and actual experience	-	(103,546)	-	-
Benefit payments, including refunds of member contributions	(159,300)	(141,557)	(148,546)	(148,590)
Net Changes in Total OPEB Liability	125,323	28,859	136,157	125,038
Total OPEB Liability - Beginning	3,129,788	3,100,929	2,964,772	2,839,734
Total OPEB Liability - Ending (a)	<u>\$ 3,255,111</u>	<u>\$ 3,129,788</u>	<u>\$ 3,100,929</u>	<u>\$ 2,964,772</u>
Plan Fiduciary Net Position:				
Contributions - employer	\$ 184,191	\$ 184,191	\$ 201,692	\$ 201,692
Net investment income (loss)	330,798	389,484	(111,628)	248,280
Benefit payments, including refunds of member contributions	(159,300)	(141,557)	(148,546)	(148,590)
Administrative expense	(3,254)	(7,246)	(4,359)	(6,413)
Net Change in Plan Fiduciary Net Position	352,435	424,872	(62,841)	294,969
Plan Fiduciary Net Position - Beginning	1,939,578	1,514,706	1,577,547	1,282,578
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,292,013</u>	<u>\$ 1,939,578</u>	<u>\$ 1,514,706</u>	<u>\$ 1,577,547</u>
Net OPEB Liability (Asset) - Ending (a-b)	<u>\$ 963,098</u>	<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>70.41%</u>	<u>61.97%</u>	<u>48.85%</u>	<u>53.21%</u>
Covered Employee Payroll	<u>\$ 13,773,626</u>	<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	6.99%	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*

	2020	2019	2018	2017
Schedule of Municipality's Contributions				
Actuarially determined contribution	\$ 184,191	\$ 184,191	\$ 201,692	\$ 201,692
Contributions in relation to the actuarially determined contribution	184,191	184,191	201,692	201,692
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 13,773,626	\$ 13,376,391	\$ 13,117,492	\$ 12,515,658
Contributions as a percentage of covered employee payroll	1.34%	1.38%	1.54%	1.61%
Investment Returns				
Annual money-weighted rate of return, net of investment expense	16.19%	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, 2020

Actuarial Methods and Assumptions

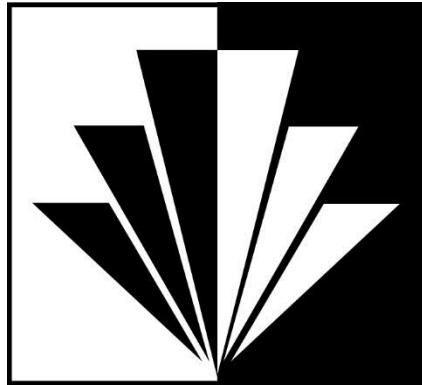
The methods and assumptions used to determine contribution rates are as follows:

- Actuarial valuation date – January 1, 2019;
- Actuarial cost method – Entry Age Normal Cost;
- Actuarial value of assets – Fair 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 are 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, 2020, 2019, AND 2018

	2020	2019	2018
Assets			
Cash and other money market instruments	\$ 9,189,605	\$ 8,933,375	\$ 9,479,490
Receivables:			
Taxes	3,928,060	3,742,942	3,758,329
Assessments	10,494	12,791	13,405
Accounts	579,233	558,923	675,702
Due from other funds	1,612,931	376,077	1,384,494
Due from other governments	645,845	456,141	412,492
Other assets	419,510	533,088	727,810
Total Assets	\$ 16,385,678	\$ 14,613,337	\$ 16,451,722
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities:			
Accounts payable	\$ 914,763	\$ 650,605	\$ 1,313,717
Advance deposits	635,725	578,894	552,367
Due to other funds	1,628,811	1,449,671	2,717,859
Accrued payroll and deductions payable	1,274,401	1,076,511	1,081,038
Total Liabilities	4,453,700	3,755,681	5,664,981
Deferred Inflows of Resources:			
Unavailable revenue	3,094,791	3,090,449	3,125,286
Fund Balance:			
Nonspendable:			
Prepaid items and inventory	419,510	533,088	727,810
Assigned for:			
Capital projects	932,398	323,032	152,567
Subsequent years budget	1,170,560	1,094,000	1,405,870
Future benefit obligations	65,000	65,000	65,000
Unassigned	6,249,719	5,752,087	5,310,208
Total Fund Balance	8,837,187	7,767,207	7,661,455
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 16,385,678	\$ 14,613,337	\$ 16,451,722

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2020
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2019 AND 2018)

	2020	2019	2018
Revenues:			
Taxes:			
Real estate	\$ 12,906,801	\$ 12,949,165	\$ 12,889,134
Earned income	13,180,483	12,841,790	12,330,334
Other	3,759,170	3,586,749	3,300,552
Total taxes	29,846,454	29,377,704	28,520,020
Licenses, permits, and fees	1,178,776	1,473,988	1,443,968
Fines, forfeitures, and penalties	93,060	112,785	101,794
Investment earnings	48,301	130,930	102,097
Intergovernmental	1,997,000	1,380,239	1,252,083
Recreation	1,414,325	2,936,875	2,867,680
Other	2,489,277	2,328,702	2,174,164
Total revenues	37,067,193	37,741,223	36,461,806
Expenditures:			
Current:			
General government	4,697,139	4,651,403	4,666,971
Community development	636,315	827,389	755,871
Public works	7,815,138	7,861,754	7,822,003
Human services	480,774	485,935	404,622
Culture and recreation	2,322,576	3,062,313	2,959,763
Public safety:			
Police	9,796,156	9,576,569	9,525,675
Fire	3,191,112	3,287,275	3,220,552
Other	934,804	1,080,581	1,002,111
Capital outlay	240,676	938,265	527,671
Total expenditures	30,114,690	31,771,484	30,885,239
Excess of Revenues over Expenditures	6,952,503	5,969,739	5,576,567
Other Financing Sources (Uses):			
Transfers in:			
Storm Water Fund	406,871	427,169	16,942
Parking Fund	151,420	171,890	166,300
Sewage Fund	427,133	485,211	588,113
Total transfers in	985,424	1,084,270	771,355
Transfers out:			
Library Operating Fund	(1,286,320)	(1,400,450)	(1,342,130)
Debt Service Fund	(3,043,066)	(2,893,067)	(2,891,452)
Capital Projects Fund	(2,538,561)	(2,654,740)	(1,855,213)
Total transfers out	(6,867,947)	(6,948,257)	(6,088,795)
Total other financing sources (uses)	(5,882,523)	(5,863,987)	(5,317,440)
Net Change in Fund Balance	1,069,980	105,752	259,127
Fund Balance:			
Beginning of year	7,767,207	7,661,455	7,402,328
End of year	\$ 8,837,187	\$ 7,767,207	\$ 7,661,455

MT. LEBANON, PENNSYLVANIA

DETAILED SCHEDULE OF GENERAL FUND REVENUES BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance
Real Estate Taxes:			
Current year taxes	\$ 12,587,130	\$ 12,551,523	\$ (35,607)
Prior years' taxes and penalties	326,000	355,278	29,278
Total real estate taxes	12,913,130	12,906,801	(6,329)
Earned Income Taxes	13,015,000	13,180,483	165,483
Other Taxes:			
Local Services tax	440,000	398,978	(41,022)
Real estate transfer taxes	1,900,000	2,338,095	438,095
Utility taxes	28,000	28,750	750
County sales tax	1,070,000	993,347	(76,653)
Total other taxes	3,438,000	3,759,170	321,170
Total taxes	29,366,130	29,846,454	480,324
Licenses, Permits, and Fees:			
Public works permits	89,000	142,781	53,781
Building permits	140,000	130,934	(9,066)
Other permits, licenses, and fees	163,850	179,441	15,591
Cable TV franchise fees	759,100	717,470	(41,630)
Liquor license fees	8,250	8,150	(100)
Total licenses, permits, and fees	1,160,200	1,178,776	18,576
Fines, Forfeitures, and Penalties:			
Motor vehicle code violations	120,000	87,644	(32,356)
Ordinance violation fines	2,200	4,391	2,191
Animal fines and kennel charges	1,500	825	(675)
Alarm system fines	100	200	100
Total fines, forfeitures, and penalties	123,800	93,060	(30,740)
Investment Earnings	109,140	48,301	(60,839)
Intergovernmental	2,328,060	1,997,000	(331,060)
Recreation:			
Recreation center	1,874,750	665,246	(1,209,504)
Golf course	435,250	402,327	(32,923)
Tennis center	217,100	133,271	(83,829)
Seasonal programs	593,360	213,481	(379,879)
Total recreation	3,120,460	1,414,325	(1,706,135)
Other:			
Joint programs	845,210	738,431	(106,779)
Mt. Lebanon magazine	501,500	441,645	(59,855)
Charges for service	394,050	738,169	344,119
Other	505,600	568,489	62,889
Assessments	73,500	2,543	(70,957)
Total other	2,319,860	2,489,277	169,417
Total revenues	\$ 38,527,650	\$ 37,067,193	\$ (1,460,457)

MT. LEBANON, PENNSYLVANIA

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES BY PROGRAM BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance
General Government:			
General management	\$ 620,710	\$ 586,744	\$ 33,966
Public information	852,330	774,296	78,034
Legal services	302,940	287,607	15,333
Financial management	471,210	466,747	4,463
Treasury management	40,610	41,259	(649)
Real estate tax collection	125,900	132,781	(6,881)
Earned income tax collection	236,330	243,222	(6,892)
Other tax collection	7,920	7,472	448
Insurance	380,800	349,983	30,817
Information services	651,570	640,833	10,737
Office services	97,520	89,401	8,119
Fringe benefits unallocated	1,142,580	1,076,794	65,786
Total general government	4,930,420	4,697,139	233,281
Community Development:			
Economic development	173,900	174,262	(362)
Planning	106,390	104,824	1,566
Engineering	32,700	21,860	10,840
Inspection	393,740	304,980	88,760
Civic activity	108,840	30,389	78,451
Total community development	815,570	636,315	179,255
Public Works:			
Administration	493,360	493,114	246
Transportation:			
Street maintenance	528,360	481,401	46,959
Curb maintenance	159,630	145,616	14,014
Pedestrian routes	335,370	226,974	108,396
Ice and snow control	601,790	206,382	395,408
Traffic planning and signals	199,780	172,672	27,108
Traffic signs and painting	156,260	176,319	(20,059)
Street lighting	13,000	11,881	1,119
Total transportation	1,994,190	1,421,245	572,945
Sanitation:			
Sanitary sewer maintenance	480,670	427,134	53,536
Storm sewer maintenance	310,740	221,275	89,465
Refuse collection	2,302,210	2,223,730	78,480
Street sweeping	427,780	437,074	(9,294)
Total sanitation	3,521,400	3,309,213	212,187
Buildings, grounds, and equipment:			
Public safety building	368,250	373,051	(4,801)
Municipal building maintenance	266,530	255,396	11,134
Public works building maintenance	89,150	131,179	(42,029)
Firing range	30,020	25,776	4,244
Library building maintenance	226,060	174,410	51,650
Parks maintenance	661,870	516,985	144,885
Planting areas	38,230	38,882	(652)
Forestry	615,370	629,963	(14,593)
Equipment maintenance	561,270	445,924	115,346
Total buildings, grounds, and equipment	2,856,750	2,591,566	265,184
Total public works	8,865,700	7,815,138	1,050,562

(Continued)

MT. LEBANON, PENNSYLVANIA

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES BY PROGRAM BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2020
(Continued)

	Final Budget	Actual	Variance
Human Services:			
Library	12,810	16,024	(3,214)
Outreach program	109,040	109,040	-
Medical Rescue Team South	342,140	340,710	1,430
Community organizations	26,500	15,000	11,500
Total human services	490,490	480,774	9,716
Culture and Recreation:			
Recreation management	371,860	326,742	45,118
Recreation center	1,765,880	1,088,193	677,687
Golf course	454,540	472,039	(17,499)
Tennis center	263,900	217,433	46,467
Seasonal programs	440,610	218,169	222,441
Total culture and recreation	3,296,790	2,322,576	974,214
Public Safety:			
Police:			
Administration	754,040	762,002	(7,962)
Field service	6,269,380	6,495,668	(226,288)
Support service	380,950	360,780	20,170
Investigations	1,004,360	1,024,328	(19,968)
Traffic safety	649,670	598,676	50,994
Crime prevention	542,580	554,702	(12,122)
Total police	9,600,980	9,796,156	(195,176)
Fire	3,410,030	3,191,112	218,918
Other:			
Emergency management	38,100	20,089	18,011
Crossing guards	573,790	467,328	106,462
Animal control	535,710	447,387	88,323
Total other	1,147,600	934,804	212,796
Total public safety	14,158,610	13,922,072	236,538
Capital Outlay:			
Equipment	920,470	68,046	852,424
Buildings and other improvements	135,650	172,630	(36,980)
Total capital outlay	1,056,120	240,676	815,444
Total expenditures by program	\$ 33,613,700	\$ 30,114,690	\$ 3,499,010

(Concluded)

MT. LEBANON, PENNSYLVANIA

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES BY OBJECT BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance
Personnel Costs:			
Regular salaries and wages	\$ 11,745,120	\$ 11,406,917	\$ 338,203
Overtime wages	1,103,390	1,300,992	(197,602)
Part-time and temporary wages	1,515,040	922,579	592,461
Retainers and special salaries	27,400	27,060	340
Fringe benefits	7,201,940	7,081,461	120,479
Total personnel costs	21,592,890	20,739,009	853,881
Contractual Services:			
Special appropriations	900,800	879,291	21,509
Professional and consulting services	1,356,090	1,086,573	269,517
Training and conferences	129,170	47,131	82,039
Memberships	31,560	26,757	4,803
Insurance	380,800	349,983	30,817
Utilities and telephone	933,950	855,845	78,105
Repairs and maintenance	194,200	109,955	84,245
Printing and photography	150,550	144,587	5,963
Postage	70,540	73,204	(2,664)
Rentals	140,530	124,998	15,532
Contractual service	4,203,440	3,982,551	220,889
Other contractual services	702,860	367,872	334,988
Total contractual services	9,194,490	8,048,747	1,145,743
Commodities:			
Office supplies	31,800	19,107	12,693
Books and periodicals	11,280	8,044	3,236
Equipment	737,010	449,601	287,409
Maintenance supplies	652,050	429,689	222,361
Construction supplies	33,500	20,257	13,243
Supplies for resale and recreation supplies	87,770	31,347	56,423
Botanical supplies	25,300	23,786	1,514
Fuels and lubricants	191,490	104,427	87,063
Total commodities	1,770,200	1,086,258	683,942
Capital Budget	1,056,120	240,676	815,444
Total expenditures by object	\$ 33,613,700	\$ 30,114,690	\$ 3,499,010

MT. LEBANON, PENNSYLVANIA

SEWAGE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2020, 2019, AND 2018

	2020	2019	2018
Assets			
Cash and other money market instruments	\$ 13,156,076	\$ 11,496,293	\$ 11,433,956
Assessments receivable	1,195,900	1,031,564	1,038,834
Total Assets	<u>\$ 14,351,976</u>	<u>\$ 12,527,857</u>	<u>\$ 12,472,790</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities:			
Accounts payable	\$ 1,862,615	\$ 1,543,463	\$ 1,531,863
Due to other funds	749,892	174,802	1,097,397
Total Liabilities	<u>2,612,507</u>	<u>1,718,265</u>	<u>2,629,260</u>
Deferred Inflows of Resources:			
Unavailable revenue	390,927	274,550	268,441
Fund Balance:			
Restricted for capital projects	11,348,542	10,535,042	9,575,089
Total Fund Balance	<u>11,348,542</u>	<u>10,535,042</u>	<u>9,575,089</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 14,351,976</u>	<u>\$ 12,527,857</u>	<u>\$ 12,472,790</u>

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2020
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2019 AND 2018)

	2020		2019	2018
	Final Budget	Actual		
Revenues:				
Licenses, permits, and fees	\$ 12,000,000	\$ 10,423,033	\$ 9,445,318	\$ 9,188,878
Fines, forfeitures, and penalties	19,500	16,958	25,987	18,841
Investment earnings	200,000	92,646	233,609	144,944
Other	35,500	36,180	35,529	34,589
Total revenues	12,255,000	10,568,817	9,740,443	9,387,252
Expenditures:				
General government	138,000	126,965	116,190	133,095
Public works	7,500,000	7,438,691	6,519,246	6,155,425
Total expenditures	7,638,000	7,565,656	6,635,436	6,288,520
Excess of Revenues over Expenditures	4,617,000	3,003,161	3,105,007	3,098,732
Other Financing Sources (Uses):				
Transfers out:				
Debt Service Fund	(157,420)	(157,249)	(110,787)	(150,262)
General Fund	(481,090)	(427,133)	(485,211)	(588,113)
Capital Projects Fund	(3,850,000)	(1,605,279)	(1,549,056)	(1,239,640)
Total other financing sources (uses)	(4,488,510)	(2,189,661)	(2,145,054)	(1,978,015)
Net Change in Fund Balance	\$ 128,490	813,500	959,953	1,120,717
Fund Balance:				
Beginning of year		10,535,042	9,575,089	8,454,372
End of year		\$ 11,348,542	\$ 10,535,042	\$ 9,575,089

MT. LEBANON, PENNSYLVANIA

CAPITAL PROJECTS FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2020, 2019, AND 2018

	2020	2019	2018
Assets			
Cash and other money market investments	\$ 5,189,825	\$ 5,315,072	\$ 3,396,742
Receivables - accounts	69,055	76,283	117,909
Due from other funds	1,625,061	1,296,395	2,717,859
Total Assets	\$ 6,883,941	\$ 6,687,750	\$ 6,232,510
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities:			
Accounts payable	\$ 1,141,038	\$ 688,909	\$ 1,450,523
Advance deposits	204,581	299,381	310,000
Total Liabilities	1,345,619	988,290	1,760,523
Deferred Inflows of Resources:			
Unavailable revenue	44,000	52,800	61,600
Fund Balance:			
Restricted	4,514,765	5,023,880	2,615,279
Assigned	979,557	622,780	1,795,108
Total Fund Balance	5,494,322	5,646,660	4,410,387
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 6,883,941	\$ 6,687,750	\$ 6,232,510

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2020
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2019 AND 2018)

	2020		2019	2018
	Final Budget	Actual		
Revenues:				
Investment earnings	\$ -	\$ 67,363	\$ 57,590	\$ 96,780
Intergovernmental	1,476,660	-	846,787	84,622
Other	260,000	333,282	94,683	590,123
Total revenues	1,736,660	400,645	999,060	771,525
Expenditures:				
Debt service	-	-	53,301	-
Capital outlay	12,804,360	6,232,405	9,917,376	8,757,580
Total expenditures	12,804,360	6,232,405	9,970,677	8,757,580
Deficiency of Revenues over Expenditures	<u>(11,067,700)</u>	<u>(5,831,760)</u>	<u>(8,971,617)</u>	<u>(7,986,055)</u>
Other Financing Sources:				
Transfers in:				
General Fund	2,474,970	2,538,561	2,654,740	1,855,213
Storm Water Fund	866,450	864,383	943,017	1,232,144
Sewage Fund	3,850,000	1,605,279	1,549,056	1,239,640
Debt Service Fund	-	671,199	-	-
Net transfers	7,191,420	5,679,422	5,146,813	4,326,997
Issuance of debt	-	-	4,855,000	-
Bond issue premium	-	-	206,077	-
Total other financing sources	7,191,420	5,679,422	10,207,890	4,326,997
Net Change in Fund Balance	<u>\$ (3,876,280)</u>	<u>(152,338)</u>	<u>1,236,273</u>	<u>(3,659,058)</u>
Fund Balance:				
Beginning of year		5,646,660	4,410,387	8,069,445
End of year		<u>\$ 5,494,322</u>	<u>\$ 5,646,660</u>	<u>\$ 4,410,387</u>

MT. LEBANON, PENNSYLVANIA

DEBT SERVICE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2020, 2019, AND 2018

	2020	2019	2018
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, 2020
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2019 AND 2018)

	2020		2019	2018
	Final Budget	Actual		
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt service:				
Principal	2,577,450	9,698,492	5,469,640	2,436,210
Interest	755,480	824,655	689,774	737,176
Bond issuance cost	-	100,121	36,605	-
Total expenditures	3,332,930	10,623,268	6,196,019	3,173,386
Deficiency of Revenues Over Expenditures	(3,332,930)	(10,623,268)	(6,196,019)	(3,173,386)
Other Financing Sources (Uses):				
Transfers in from General Fund	3,043,760	3,043,066	2,893,067	2,891,452
Transfers in from Sewage Fund	157,420	157,249	110,787	150,262
Transfers in from Storm Water Fund	131,750	131,342	119,014	131,672
Transfers out to Capital Projects Fund	-	(671,199)	-	-
Issuance of refunding bonds	-	13,940,000	2,910,000	-
Bond issue premium	-	494,318	163,151	-
Payment to refunded bond escrow agent	-	(6,471,508)	-	-
Total other financing sources (uses)	3,332,930	10,623,268	6,196,019	3,173,386
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, 2020

	Special Revenue Funds				Total
	State Highway Aid	Storm Water	Library Operating	Industrial Development Authority	
Assets					
Cash and other money market instruments	\$ 349,076	\$ 437,033	\$ 696,643	\$ 11,479	\$ 1,494,231
Receivables - assessments	-	159,916	-	-	159,916
Due from other funds	-	-	-	3,750	3,750
Total Assets	\$ 349,076	\$ 596,949	\$ 696,643	\$ 15,229	\$ 1,657,897
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$ 121,437	\$ 334	\$ 32,079	\$ -	\$ 153,850
Advance deposits	-	5,763	-	-	5,763
Due to other funds	24,754	432,838	284,668	-	742,260
Total Liabilities	146,191	438,935	316,747	-	901,873
Deferred Inflows of Resources:					
Unavailable revenue	-	158,014	-	-	158,014
Fund Balance:					
Restricted	202,885	-	174,889	15,229	393,003
Assigned	-	-	205,007	-	205,007
Total Fund Balance	202,885	-	379,896	15,229	598,010
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 349,076	\$ 596,949	\$ 696,643	\$ 15,229	\$ 1,657,897

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2020

	Special Revenue Funds				
	State Highway Aid	Storm Water	Library Operating	Industrial Development Authority	Total
Revenues:					
Licenses, permits, and fees	\$ -	\$ 1,408,304	\$ -	\$ 3,750	\$ 1,412,054
Fines, forfeitures, and penalties	-	-	16,011	-	16,011
Investment earnings	4,457	5,682	685	121	10,945
Intergovernmental	921,060	-	543,362	-	1,464,422
Other	-	-	177,518	-	177,518
Total revenues	925,517	1,413,986	737,576	3,871	3,080,950
Expenditures:					
Current:					
General government	-	11,390	-	-	11,390
Community development	-	-	-	3,580	3,580
Public works	787,298	-	-	-	787,298
Human services	-	-	1,972,026	-	1,972,026
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total expenditures	787,298	11,390	1,972,026	3,580	2,774,294
Excess (Deficiency) of Revenues Over Expenditures	138,219	1,402,596	(1,234,450)	291	306,656
Other Financing Sources (Uses):					
Transfer in from General Fund	-	-	1,286,320	-	1,286,320
Transfer in from Sewage Fund	-	-	-	-	-
Transfer in from Storm Water Fund	-	-	-	-	-
Transfer out to Capital Projects Fund	-	(864,383)	-	-	(864,383)
Transfer out to Debt Service Fund	-	(131,342)	-	-	(131,342)
Transfer out to General Fund	-	(406,871)	-	-	(406,871)
Total other financing sources (uses)	-	(1,402,596)	1,286,320	-	(116,276)
Net Change in Fund Balance	138,219	-	51,870	291	190,380
Fund Balance:					
Beginning of year	64,666	-	328,026	14,938	407,630
End of year	\$ 202,885	\$ -	\$ 379,896	\$ 15,229	\$ 598,010

MT. LEBANON, PENNSYLVANIA

STATE HIGHWAY AID FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2020, 2019, AND 2018

	2020	2019	2018
Assets			
Cash and other money market instruments	\$ 349,076	\$ 88,645	\$ 186,934
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 121,437	\$ 23,979	\$ 126,913
Due to other funds	24,754	-	-
Total Liabilities	146,191	23,979	126,913
Fund Balance - Restricted	202,885	64,666	60,021
Total Liabilities and Fund Balance	\$ 349,076	\$ 88,645	\$ 186,934

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2020
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2019 AND 2018)

	2020			
	Final Budget	Actual	2019	2018
Revenues:				
Investment earnings	\$ 10,000	\$ 4,457	\$ 13,789	\$ 11,834
Intergovernmental - state allocation	945,000	921,060	946,326	924,382
Total revenues	955,000	925,517	960,115	936,216
Expenditures:				
Current - public works	995,000	787,298	955,470	1,079,146
Net Change in Fund Balance	<u>\$ (40,000)</u>	138,219	4,645	(142,930)
Fund Balance:				
Beginning of year		64,666	60,021	202,951
End of year		<u>\$ 202,885</u>	<u>\$ 64,666</u>	<u>\$ 60,021</u>

MT. LEBANON, PENNSYLVANIA

STORM WATER FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2020, 2019, AND 2018

	2020	2019	2018
Assets			
Cash and other money market instruments	\$ 437,033	\$ 20,326	\$ 124,251
Receivables - assessments	159,916	167,352	255,869
Total Assets	\$ 596,949	\$ 187,678	\$ 380,120
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities:			
Accounts payable	\$ 334	\$ 4,041	\$ 20,656
Advance deposits	5,763	7,347	6,496
Due to other funds	432,838	50,206	196,481
Total Liabilities	438,935	61,594	223,633
Deferred Inflows of Resources:			
Unavailable revenue	158,014	126,084	156,487
Fund Balance - Restricted	-	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 596,949	\$ 187,678	\$ 380,120

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2020
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2019 AND 2018)

	2020			
	Final Budget	Actual	2019	2018
Revenues:				
Licenses, permits, and fees	\$ 1,513,380	\$ 1,408,304	\$ 1,495,619	\$ 1,423,686
Investment earnings	15,000	5,682	15,490	11,646
Total revenues	1,528,380	1,413,986	1,511,109	1,435,332
Expenditures:				
Current - general government	24,000	11,390	21,909	54,574
Excess of Revenues Over Expenditures	1,504,380	1,402,596	1,489,200	1,380,758
Other Financing Uses:				
Transfer out to Capital Projects Fund	(866,450)	(864,383)	(943,017)	(1,232,144)
Transfer out to Debt Service Fund	(131,750)	(131,342)	(119,014)	(131,672)
Transfer out to General Fund	(506,180)	(406,871)	(427,169)	(16,942)
Total other financing uses	(1,504,380)	(1,402,596)	(1,489,200)	(1,380,758)
Net Change in Fund Balance	\$ -	-	-	-
Fund Balance:				
Beginning of year		-	-	-
End of year		\$ -	\$ -	\$ -

MT. LEBANON, PENNSYLVANIA

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

DECEMBER 31, 2020, 2019, AND 2018

	2020	2019	2018
Assets			
Cash and money market instruments	\$ 696,643	\$ 569,703	\$ 752,545
Receivables - accounts	-	-	432
Total Assets	<u>\$ 696,643</u>	<u>\$ 569,703</u>	<u>\$ 752,977</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 32,079	\$ 90,608	\$ 41,164
Due to other funds	284,668	151,069	141,229
Total Liabilities	<u>316,747</u>	<u>241,677</u>	<u>182,393</u>
Fund Balance:			
Restricted	174,889	115,726	380,847
Assigned	205,007	212,300	189,737
Total Fund Balance	<u>379,896</u>	<u>328,026</u>	<u>570,584</u>
Total Liabilities and Fund Balance	<u>\$ 696,643</u>	<u>\$ 569,703</u>	<u>\$ 752,977</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, 2020, 2019, AND 2018

	2020	2019	2018
Revenues:			
Fines, forfeitures, and penalties	\$ 16,011	\$ 63,192	\$ 65,924
Investment earnings	685	1,220	1,170
Intergovernmental	543,362	515,110	504,485
Other	177,518	230,665	270,221
Total revenues	737,576	810,187	841,800
Expenditures:			
Current - human services:			
Salaries, payroll taxes, and benefits	1,426,443	1,523,636	1,455,778
Collection	366,752	761,529	430,732
General administration	178,831	168,030	158,674
Total expenditures	1,972,026	2,453,195	2,045,184
Deficiency of Revenues Over Expenditures	(1,234,450)	(1,643,008)	(1,203,384)
Other Financing Sources:			
Transfer in from General Fund	1,286,320	1,400,450	1,342,130
Net Change in Fund Balance	51,870	(242,558)	138,746
Fund Balance:			
Beginning of year	328,026	570,584	431,838
End of year	\$ 379,896	\$ 328,026	\$ 570,584

MT. LEBANON, PENNSYLVANIA

INDUSTRIAL DEVELOPMENT AUTHORITY FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2020, 2019, AND 2018

	2020	2019	2018
Assets			
Cash and other money market instruments	\$ 11,479	\$ 14,938	\$ 14,537
Due from other funds	3,750	-	-
Total Assets	\$ 15,229	\$ 14,938	\$ 14,537
Liabilities and Fund Balance			
Liabilities:			
Due to other funds	\$ -	\$ -	\$ -
Fund Balance - Restricted	15,229	14,938	14,537
Total Liabilities and Fund Balance	\$ 15,229	\$ 14,938	\$ 14,537

MT. LEBANON, PENNSYLVANIA

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

YEARS ENDED DECEMBER 31, 2020, 2019, AND 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues:			
Licenses, permits, and fees	\$ 3,750	\$ 3,750	\$ 3,750
Investment earnings	<u>121</u>	<u>291</u>	<u>182</u>
Total revenues	<u>3,871</u>	<u>4,041</u>	<u>3,932</u>
Expenditures:			
Current - community development	<u>3,580</u>	<u>3,640</u>	<u>3,715</u>
Net Change in Fund Balance	291	401	217
Fund Balance:			
Beginning of year	<u>14,938</u>	<u>14,537</u>	<u>14,320</u>
End of year	<u><u>\$ 15,229</u></u>	<u><u>\$ 14,938</u></u>	<u><u>\$ 14,537</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, 2020

	North Garage	South Garage	Meter	Lot	Properties	General	Total
Operating Revenues:							
Vehicle space rental	\$ 274,240	\$ 319,725	\$ -	\$ 134,775	\$ -	\$ -	\$ 728,740
Meter collections	-	-	228,796	106,485	-	-	335,281
Fine collections	-	-	144,435	-	-	-	144,435
Rental	136,292	-	-	-	8,000	-	144,292
Other	498	-	3,230	-	-	40	3,768
Total operating revenues	411,030	319,725	376,461	241,260	8,000	40	1,356,516
Operating Expenses:							
Personnel	165,639	170,885	160,587	96,413	3,021	107,298	703,843
Contracted services	84,145	35,560	64,643	35,521	-	29,952	249,821
Utilities	32,243	18,797	766	5,710	188	-	57,704
Materials and supplies	8,798	10,249	13,968	17,816	-	1,890	52,721
Depreciation	232,641	171,191	13,470	51,439	-	10,841	479,582
Total operating expenses	523,466	406,682	253,434	206,899	3,209	149,981	1,543,671
Operating Income (Loss)	(112,436)	(86,957)	123,027	34,361	4,791	(149,941)	(187,155)
Nonoperating Revenues (Expenses):							
Interest income	-	-	-	-	-	4,944	4,944
Interest expense	-	-	-	-	-	(9,351)	(9,351)
Total nonoperating revenues (expenses)	-	-	-	-	-	(4,407)	(4,407)
Income (loss) before transfers	(112,436)	(86,957)	123,027	34,361	4,791	(154,348)	(191,562)
Transfers out	-	-	(58,250)	-	-	(93,170)	(151,420)
Change in Net Position	<u>\$ (112,436)</u>	<u>\$ (86,957)</u>	<u>\$ 64,777</u>	<u>\$ 34,361</u>	<u>\$ 4,791</u>	<u>\$ (247,518)</u>	<u>\$ (342,982)</u>

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, 2020

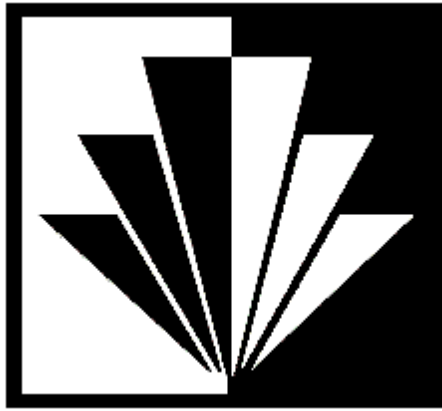
	Pension Trust Funds				Other	Total
	General Employees	Police	Firefighter	Total Pension	Postemployment Benefits	Trust Funds
Assets						
Accrued income receivable	\$ 14	\$ 24	\$ 7	\$ 45	\$ -	\$ 45
Investments (at fair value):						
Equity funds	22,090,162	45,323,448	13,475,622	80,889,232	1,692,677	82,581,909
Fixed income funds	9,428,360	19,538,717	5,709,776	34,676,853	747,939	35,424,792
Partnerships/joint ventures	1,898,432	3,881,068	1,224,347	7,003,847	-	7,003,847
Short-term funds	545,657	1,034,234	296,834	1,876,725	11,886	1,888,611
Total Assets	33,962,625	69,777,491	20,706,586	124,446,702	2,452,502	126,899,204
Liabilities						
Accounts payable	4,289	8,809	2,642	15,740	160,489	176,229
Net Position						
Restricted for pensions	33,958,336	69,768,682	20,703,944	124,430,962	-	124,430,962
Restricted for OPEB benefits	-	-	-	-	2,292,013	2,292,013
Total Net Position	\$ 33,958,336	\$ 69,768,682	\$ 20,703,944	\$ 124,430,962	\$ 2,292,013	\$ 126,722,975

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2020

	Pension Trust Funds				Other Postemployment Benefits	Total Trust Funds
	General Employees	Police	Firefighter	Total Pension		
Additions:						
Contributions:						
Employer, including state aid	\$ 511,555	\$ 2,388,374	\$ 230,607	\$ 3,130,536	\$ 184,191	\$ 3,314,727
Employee	247,441	248,961	88,209	584,611	-	584,611
Total contributions	758,996	2,637,335	318,816	3,715,147	184,191	3,899,338
Investment gain:						
Net appreciation in fair value of investments	3,799,545	7,759,470	2,292,939	13,851,954	294,418	14,146,372
Interest and dividends	467,796	963,548	285,997	1,717,341	36,380	1,753,721
Total investment gain	4,267,341	8,723,018	2,578,936	15,569,295	330,798	15,900,093
Less investment expense	17,275	35,745	10,688	63,708	1,084	64,792
Net investment gain	4,250,066	8,687,273	2,568,248	15,505,587	329,714	15,835,301
Total additions	5,009,062	11,324,608	2,887,064	19,220,734	513,905	19,734,639
Deductions:						
Benefits	1,241,633	3,193,399	855,164	5,290,196	159,300	5,449,496
Withdrawals	12,695	2,315	-	15,010	-	15,010
Administrative expense	5,933	9,332	3,359	18,624	2,170	20,794
Total deductions	1,260,261	3,205,046	858,523	5,323,830	161,470	5,485,300
Change in Plan Net Position	3,748,801	8,119,562	2,028,541	13,896,904	352,435	14,249,339
Net Position:						
Beginning of year	30,209,535	61,649,120	18,675,403	110,534,058	1,939,578	112,473,636
End of year	\$ 33,958,336	\$ 69,768,682	\$ 20,703,944	\$ 124,430,962	\$ 2,292,013	\$ 126,722,975



CAPITAL

ASSETS

MT. LEBANON, PENNSYLVANIA

COMPARATIVE STATEMENT OF GOVERNMENTAL CAPITAL ASSETS - BY SOURCE

DECEMBER 31, 2020, 2019, AND 2018

	2020	2019	2018
Capital Assets:			
Land	\$ 7,266,047	\$ 7,266,047	\$ 7,266,047
Construction in progress	1,182,088	353,205	4,391,873
Buildings and improvements other than buildings	54,086,302	53,183,407	44,346,942
Infrastructure	103,329,870	99,734,713	96,448,479
Library book collection	2,752,044	2,647,867	2,683,691
Equipment	19,434,606	19,493,587	17,397,477
	<u>\$ 188,050,957</u>	<u>\$ 182,678,826</u>	<u>\$ 172,534,509</u>
Investments in Capital Assets By Source:			
Governmental funds	\$ 123,026,070	\$ 119,234,278	\$ 114,818,785
General Obligation Bonds	59,257,425	57,911,840	53,697,211
Gifts, grants, and other resources	5,767,462	5,532,708	4,018,513
	<u>\$ 188,050,957</u>	<u>\$ 182,678,826</u>	<u>\$ 172,534,509</u>

MT. LEBANON, PENNSYLVANIA

SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS - BY SOURCE

YEAR ENDED DECEMBER 31, 2020

	Land	Construction in Progress	Buildings and Improvements Other Than Buildings	Infrastructure	Library Book Collection	Equipment	Total
Capital Assets, Beginning of Year	\$ 7,266,047	\$ 353,205	\$ 53,183,407	\$ 99,734,713	\$ 2,647,867	\$ 19,493,587	\$ 182,678,826
Expenditures from:							
General Fund	-	-	132,790	-	288,798	230,243	651,831
General Obligation Bonds	-	51,224	1,097,414	196,947	-	-	1,345,585
Special Revenue and Capital Projects Funds	-	565,097	-	3,398,210	-	-	3,963,307
Gifts, Grants and Other Sources	-	234,754	-	-	-	-	234,754
Less capital asset disposals	-	(22,192)	(327,309)	-	(184,621)	(289,224)	(823,346)
Capital Assets, End of Year	<u>\$ 7,266,047</u>	<u>\$ 1,182,088</u>	<u>\$ 54,086,302</u>	<u>\$ 103,329,870</u>	<u>\$ 2,752,044</u>	<u>\$ 19,434,606</u>	<u>\$ 188,050,957</u>

MT. LEBANON, PENNSYLVANIA

SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY

DECEMBER 31, 2020

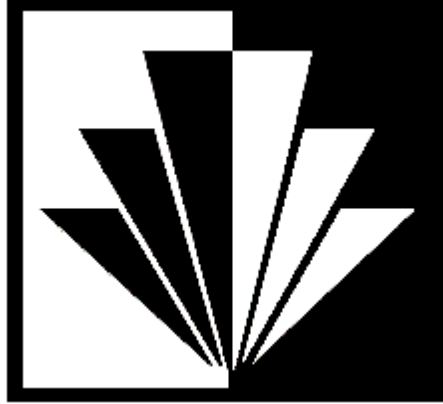
	Land	Construction in Progress	Buildings and Improvements other than Buildings	Infrastructure	Library Book Collection	Equipment	Total
Administration:							
General	\$ 94,563	\$ -	\$ 8,692,675	\$ -	\$ -	\$ 786,259	\$ 9,573,497
Parks and Recreation:							
Facilities	6,687,739	-	18,541,287	-	-	-	25,229,026
Vehicles and special purpose equipment	-	-	-	-	-	937,869	937,869
Total parks and recreation	6,687,739	-	18,541,287	-	-	937,869	26,166,895
Public Works:							
General	48,750	65,871	11,952,876	-	-	1,712,560	13,780,057
Infrastructure	-	1,010,797	-	103,329,870	-	-	104,340,667
Traffic installations	-	105,420	-	-	-	4,881,225	4,986,645
Vehicles and special purpose equipment	-	-	-	-	-	4,237,097	4,237,097
Total public works	48,750	1,182,088	11,952,876	103,329,870	-	10,830,882	127,344,466
Fire Department:							
General	-	-	-	-	-	838,584	838,584
Communications	-	-	-	-	-	293,953	293,953
Vehicles and apparatus	-	-	-	-	-	3,142,930	3,142,930
Total fire department	-	-	-	-	-	4,275,467	4,275,467
Police Department:							
General	-	-	-	-	-	452,482	452,482
Communications	-	-	-	-	-	452,982	452,982
Vehicles	-	-	-	-	-	1,513,224	1,513,224
Total police department	-	-	-	-	-	2,418,688	2,418,688
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	-	2,752,044	185,441	7,984,489
Total capital assets	\$ 7,266,047	\$ 1,182,088	\$ 54,086,302	\$ 103,329,870	\$ 2,752,044	\$ 19,434,606	\$ 188,050,957

MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2020

	January 1, 2020	Additions	Disposals	Transfers/ Reclassifications	December 31, 2020
Administration:					
General	\$ 9,518,341	\$ -	\$ -	\$ 55,156	\$ 9,573,497
Parks and Recreation:					
Facilities	25,064,561	325,342	(160,877)	-	25,229,026
Vehicles and special purpose equipment	903,211	34,658	-	-	937,869
Total parks and recreation	25,967,772	360,000	(160,877)	-	26,166,895
Public Works:					
General	12,998,145	961,780	(179,868)	-	13,780,057
Infrastructure	100,054,909	4,294,514	(8,756)	-	104,340,667
Traffic installations	4,891,845	94,800	-	-	4,986,645
Vehicles and special purpose equipment	4,320,534	74,580	(158,017)	-	4,237,097
Total public works	122,265,433	5,425,674	(346,641)	-	127,344,466
Fire Department:					
General	838,584	-	-	-	838,584
Communications	293,953	-	-	-	293,953
Vehicles and apparatus	3,274,137	-	(131,207)	-	3,142,930
Total fire department	4,406,674	-	(131,207)	-	4,275,467
Police Department:					
General	452,482	-	-	-	452,482
Communications	452,982	-	-	-	452,982
Vehicles	1,447,375	121,005	-	(55,156)	1,513,224
Total police department	2,352,839	121,005	-	(55,156)	2,418,688
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	7,880,312	288,798	(184,621)	-	7,984,489
Total capital assets	\$ 182,678,826	\$ 6,195,477	\$ (823,346)	\$ -	\$ 188,050,957



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.	154
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.	158
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.	165
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.	168
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.	170

MT. LEBANON, PENNSYLVANIA

NET POSITION BY COMPONENT

LAST TEN YEARS

ACCRUAL BASIS OF ACCOUNTING

	2020	2019	2018	2017 ⁽³⁾	2016	2015	2014 ⁽²⁾	2013	2012	2011
Governmental Activities:										
Net investment in capital assets	\$ 88,715,893	\$ 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
Restricted	12,552,251	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
Unrestricted	8,316,488	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
<i>Total Governmental Activities Net Position</i>	<u>\$ 109,584,632</u>	<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>
Business-type Activities ⁽¹⁾ :										
Net investment in capital assets	\$ 7,533,617	\$ 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	685,036	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>\$ 8,218,653</u>	<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	\$ 96,249,510	\$ 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
Restricted	12,552,251	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
Unrestricted	9,001,524	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
<i>Total Primary Government Net Position</i>	<u>\$ 117,803,285</u>	<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>

(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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General government	\$ 1,513,544	\$ 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
Community development	196,537	541,433	482,238	367,164	224,375	195,858	239,577	161,723	907,386	322,617
Public works	12,290,474	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
Human services	19,808	76,163	81,887	80,284	80,179	84,711	77,849	99,676	87,739	87,622
Cultural and recreation	1,411,668	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
Public safety	1,463,259	1,361,481	1,195,842	1,246,112	1,322,757	1,168,198	748,128	797,843	762,864	911,304
Operating grants and contributions	4,018,551	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
Capital grants and contributions	324,482	909,670	93,422	60,000	237,291	152,630	459,955	618,683	524,105	466,102
<i>Total governmental activities program revenues</i>	<i>21,238,323</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>
Business-type Activities - Parking ⁽¹⁾	1,356,516	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
<i>Total primary government program revenues</i>	<i>\$ 22,594,839</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>
Expenses:										
Governmental Activities:										
General government	\$ 4,931,438	\$ 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
Community development	551,669	845,932	807,040	765,250	866,012	902,482	862,888	893,173	917,814	855,815
Public works	19,454,765	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
Human services	2,481,193	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
Cultural and recreation	2,890,377	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
Public safety	11,301,368	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
Interest on long-term debt	647,717	435,968	717,438	773,131	493,804	487,306	633,388	549,138	883,776	979,150
<i>Total governmental activities expenses</i>	<i>42,258,527</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>
Business-type Activities - Parking	1,553,022	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
<i>Total primary government expenses</i>	<i>\$ 43,811,549</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>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Real estate	\$ 12,909,098	\$ 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
Earned income	13,135,608	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
Other	3,759,170	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
Other - interest and transfer	370,675	624,809	534,953	338,830	195,903	184,986	181,454	179,593	150,953	22,069
<i>Total governmental activities</i>	<i>30,174,551</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>
Business-type Activities - Parking	(146,476)	(157,922)	(157,253)	(154,641)	(158,761)	(145,232)	(8,673)	(155,751)	(132,460)	N/A
<i>Total primary government</i>	<i>\$ 30,028,075</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>
Change in Net Position										
Governmental Activities	\$ 9,154,347	\$ 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
Business-type Activities	(342,982)	350,930	231,859	419,220	254,084	376,380	518,502	(129,292)	446,992	N/A
<i>Total primary government</i>	<i>\$ 8,811,365</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>

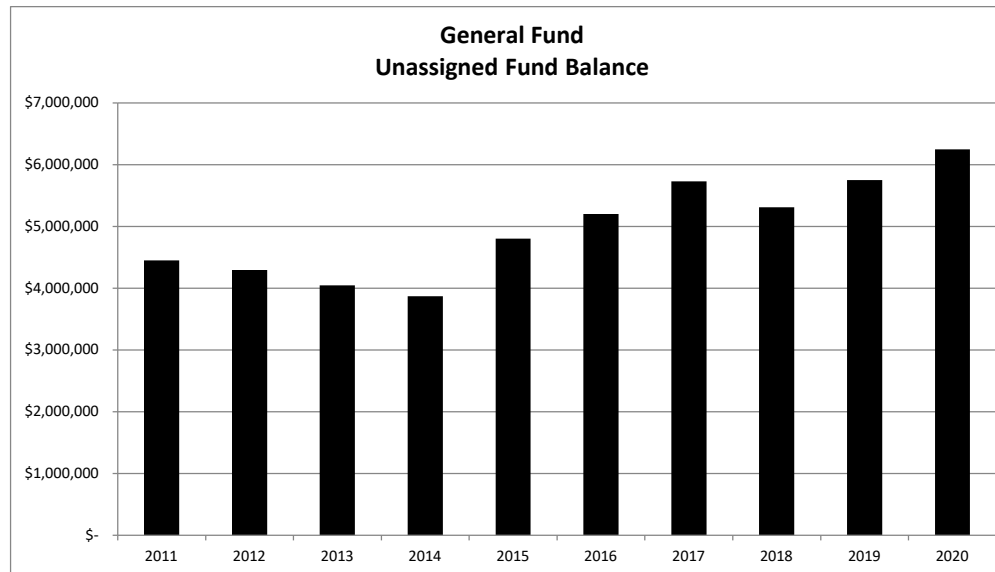
(1) The Parking Fund (the business-type activity) was established January 1, 2012 upon the consolidation of the Mt. Lebanon Parking Authority, a component unit of Mt. Lebanon. N/A=Not Applicable.

MT. LEBANON, PENNSYLVANIA

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Nonspendable	\$ 419,510	\$ 533,088	\$ 727,810	\$ 371,430	\$ 343,329	\$ 344,193	\$ 548,231	\$ 285,567	\$ -	\$ 3,376,398
Restricted	-	-	-	-	-	-	-	-	-	462,248
Assigned	2,167,958	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
Unassigned	6,249,719	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
<i>Total General Fund</i>	<u>8,837,187</u>	<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>
All Other Governmental Funds:										
Restricted	16,256,310	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
Assigned	1,184,564	835,080	1,984,845	1,223,257	1,102,033	820,942	1,263,009	1,653,844	1,132,814	343,381
Total All Other Governmental Funds	<u>17,440,874</u>	<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>
<i>Total Governmental Funds</i>	<u>\$ 26,278,061</u>	<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>

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 a 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Real estate taxes	\$ 12,906,801	\$ 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
Earned income taxes	13,180,483	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
Other taxes	3,759,170	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
Licenses, permits, and fees	13,013,863	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
Fines, forfeitures, and penalties	126,029	201,964	186,559	207,410	221,927	227,209	234,949	215,515	225,963	350,189
Investment and rental ⁽¹⁾	219,255	452,919	368,653	176,679	36,291	27,389	26,265	22,217	18,493	22,069
Intergovernmental	3,461,422	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
Recreation	1,414,325	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
Other	3,036,257	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
Total Revenues	51,117,605	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
Expenditures:										
Current:										
General government	4,835,494	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
Community development	639,895	831,029	759,586	753,027	816,691	1,020,972	859,928	890,553	950,207	854,267
Public works	16,041,127	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
Human services	2,452,800	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
Cultural and recreation	2,322,576	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
Public Safety:										
Police	9,796,156	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
Fire	3,191,112	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
Other	934,804	1,080,581	1,002,111	898,368	880,789	852,520	833,449	812,528	799,852	811,966
Debt service:										
Principal Retirement	9,702,442	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
Interest and Fiscal Charges	920,826	779,680	737,176	699,482	510,567	710,652	660,227	648,349	666,602	722,849
Capital Outlay	6,473,081	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
Total Expenditures	57,310,313	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
Excess (Deficiency) of Revenues Over Expenditures	(6,192,708)	(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
Other Financing Sources (Uses):										
Transfers in	11,282,823	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
Transfers out	(11,131,403)	(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)
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	-
Bond issuance premium (discount)	494,318	369,228	-	7,095	140,754	261,969	31,949	142,182	(16,812)	2,134
Proceeds of refunding bonds	13,940,000	2,910,000	-	-	4,355,000	9,015,864	-	-	3,355,000	4,005,000
Payment to refunded bond escrow agent	(6,471,508)	-	-	-	(4,479,327)	(9,216,401)	-	-	(3,277,355)	(3,956,975)
Total Other Financing Sources (Uses)	8,114,230	8,358,382	692,221	8,969,246	176,039	219,029	2,732,138	4,749,558	(1,111,153)	50,159
Net Change in Fund Balances	\$ 1,921,522	\$ 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
Debt service as a percentage of non-capital expenditures	20.8%	13.3%	7.5%	7.8%	4.9%	6.9%	6.5%	6.6%	6.9%	6.8%
Debt service as a percentage of total expenditures	18.5%	10.8%	6.1%	6.7%	4.3%	5.6%	5.0%	5.4%	5.5%	6.0%

(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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Function/Program:										
Governmental Activities:										
General government	\$ 3,650,708	\$ 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
Community development	196,537	541,433	482,238	367,164	226,875	299,419	239,577	161,723	907,386	322,617
Public works	13,566,209	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
Human services	736,891	808,967	840,630	807,598	782,810	753,240	828,435	698,325	678,353	637,173
Cultural and recreation	1,416,796	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
Public safety:										
Police	825,698	686,145	609,748	722,699	887,848	667,662	254,379	284,326	296,239	341,428
Fire	240,951	217,531	218,138	226,777	249,094	241,097	321,892	276,188	681,504	621,573
Other	604,533	659,893	591,515	498,914	476,096	492,550	484,377	490,628	493,492	465,735
<i>Total Governmental Activities</i>	<u>21,238,323</u>	<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>
Business-type Activity - Parking ⁽¹⁾	<u>1,356,516</u>	<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>	<u>N/A</u>
<i>Total Primary Government</i>	<u>\$ 22,594,839</u>	<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>

(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
2020	\$12,906,801	\$13,180,483	\$398,978	\$2,338,095	\$28,750	\$993,347	\$29,846,454
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

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
2020	4.71	24.79	4.73	34.23
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

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>
2020	\$2,767,725,710	\$368,060,000	\$3,135,785,710	\$3,135,785,710	4.71
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

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, 2020 AND DECEMBER 31, 2011

Taxpayer - <i>Type of Real Property</i>	December 31, 2020			December 31, 2011		
	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	1.40%
Brookdale Senior Housing (A.H. Pennsylvania) - <i>Senior Housing</i>	19,000,000	2	0.69%	20,630,200	2	0.95%
Bower Hill Development - <i>Co-op Apartments</i>	17,500,000	3	0.63%	11,699,700	3	0.54%
Concordia Lutheran - <i>Senior Housing/Health</i>	13,162,800	4	0.48%	8,721,269	4	0.40%
Mt. Lebanon Hospitality - <i>Hotel</i>	10,350,000	5	0.37%			
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%			
Pendale Towers - <i>Apartments</i>	7,150,000	8	0.26%	5,253,200	10	0.24%
Beyond Self-Storage - <i>Storage Facility</i>	6,265,400	9	0.23%			
St. Clair Memorial Hospital - <i>Medical Offices</i>	6,026,680	10	0.22%	5,831,220	8	0.27%
650 Washington Road Associates - <i>Office Building</i>				6,193,900	6	0.29%
Asbury Health - <i>Personal Care Facility</i>				5,897,672	7	0.27%
Jon Pan Realty Inc. - <i>Retail Shops</i>				5,555,000	9	0.26%
	<u>\$ 126,186,180</u>		<u>4.57%</u>	<u>\$ 107,013,861</u>		<u>4.94%</u>
Total Taxable Assessed Valuation	<u>\$ 2,767,725,710</u>			<u>\$ 2,164,809,298</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
2020	\$13,001,574	\$12,665,937	97.42%	\$0	\$12,665,937	97.42%
2019	12,982,654	12,768,207	98.32%	123,653	12,891,860	99.30%
2018	12,941,411	12,730,211	98.37%	153,507	12,883,718	99.55%
2017	12,917,422	12,679,105	98.16%	201,018	12,880,123	99.71%
2016	12,323,667	12,120,139	98.35%	186,389	12,306,528	99.86%
2015	12,309,292	12,132,595	98.56%	163,707	12,296,302	99.89%
2014	12,206,460	12,024,213	98.51%	169,870	12,194,083	99.90%
2013	12,089,325	11,994,251	99.21%	85,698	12,079,949	99.92%
2012	11,711,617	11,452,904	97.79%	250,538	11,703,442	99.93%
2011	10,254,783	10,097,309	98.46%	149,642	10,246,951	99.92%

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>
2020	0.80%	\$9,330,499	\$4,068,273	(\$369,227)	\$13,029,545	(\$239,019)	\$12,790,526
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

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
2020	\$27,010,000	\$365,000	\$27,375,000	0.99%	\$826	\$826	1.94%
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%

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⁾
2020	\$65,392,694	\$163,481,735	\$27,375,000	\$136,106,735	83.26%
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%

(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, 2020

<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>\$27,010,000</u>	100.0%	<u>\$27,010,000</u>
Overlapping			
Mt. Lebanon School District (2)	129,840,000	100.0%	129,840,000
County of Allegheny (3)	<u>1,013,192,685</u>	3.4%	<u>34,386,711</u>
<i>Total Overlapping Debt</i>	<u>1,143,032,685</u>		<u>164,226,711</u>
Total	<u><u>\$1,170,042,685</u></u>		<u><u>\$191,236,711</u></u>

Sources: Municipal Finance Department.

Mt. Lebanon School District Comprehensive Annual Financial Report 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, 2020.

(3) Proportionate share of Allegheny County's existing debt as of December 31, 2020 (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, 2020			December 31, 2011		
	Employees	Rank	Percentage of Total Municipality Employment	Employees	Rank	Percentage of Total Municipality Employment
St Clair Hospital	2,025	1	23.6%	2,175	1	28.2%
Mt. Lebanon School District	804	2	9.4%	678	2	8.8%
Mt. Lebanon Municipality	191	3	2.2%	247	4	3.2%
Keystone Oaks School District	163	4	1.9%	168	6	2.2%
Baptist Homes Nursing	162	5	1.9%	234	5	3.0%
Asbury Health Center	134	6	1.6%	360	3	4.7%
Concordia of South Hills	126	7	1.5%	133	9	1.7%
Shop N Save	110	8	1.3%			
Brookdale Senior Living	105	9	1.2%			
Giant Eagle	102	10	1.2%	152	7	2.0%
Family Hospice				147	8	1.9%
Houlihan's				116	10	1.5%
Total	<u>3,922</u>		<u>45.8%</u>	<u>4,410</u>		<u>57.2%</u>
Total Employees	<u>8,571</u>			<u>7,723</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⁾
2020	33,137	\$ 1,410,189,087	\$ 42,711	\$ 74,003	43.8	64.1%	5,531	4.2%	\$ 346,781	\$2,767,725,710
2019	33,137	1,410,189,087	42,711	74,003	43.8	64.1%	5,513	2.9%	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

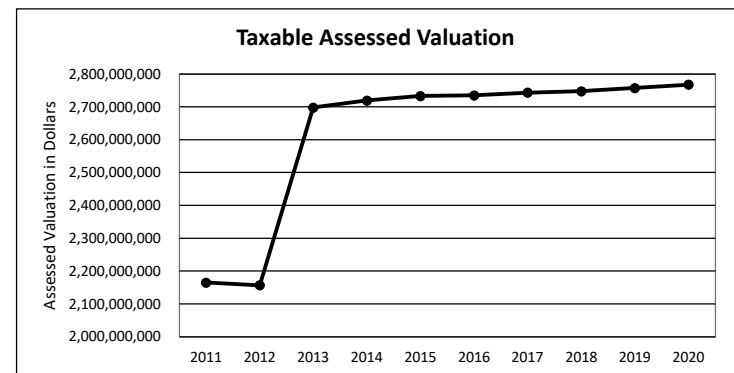
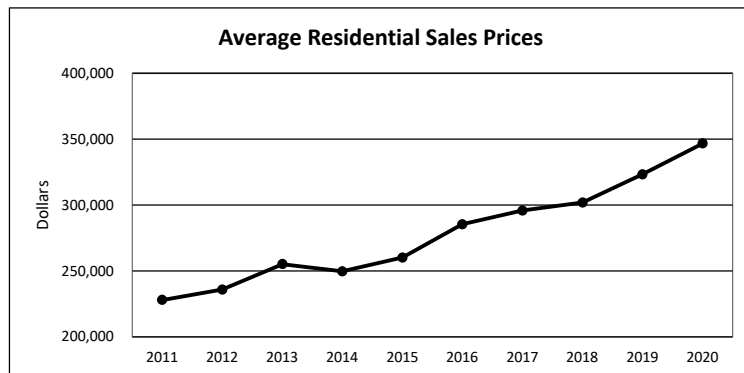
(1) Source: 2010, 2000 U. S. Census; 2011-2020, 2010 U. S. Census

(2) 2010 Computation of per capita personal income multiplied by population; 2011-2020, 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 Mt. Lebanon (2019-2020)

(5) Source: Mt. Lebanon Tax Office



MT. LEBANON, PENNSYLVANIA

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

Function/program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government: ⁽¹⁾										
Lien letter & tax certification requests	2,022	1,293	952	1,802	1,161	2,381	1,341	1,165	1,624	1,262
LeboAlerts (online and SMS notification system)	229	367	375	339	413	442	347	414	365	260
Community Development:										
Number of permits issued ⁽²⁾	745	637	650	623	585	536	526	482	635	682
Estimated value of construction ^{a (2)}	\$17,375,334	\$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
Occupancy permits issued ⁽²⁾	33	8	25	18	28	43	24	31	45	47
Number of Planning Commission agenda items ⁽³⁾	5	6	13	14	12	10	14	14	9	18
Police: ⁽⁴⁾										
Calls for service ^b	18,790	20,819	21,819	23,094	25,796	26,996	27,385	27,286	26,162	26,930
Total arrests	378	487	548	565	609	603	635	587	643	693
Part I Offenses reported (major offenses)	170	264	293	280	414	315	276	317	274	269
Part I Offenses cleared percentage	77%	37%	45%	50%	39%	41%	44%	47%	49%	41%
Part II Offenses reported (other crimes)	518	647	611	610	716	674	676	549	655	673
Part II Offenses cleared percentage	42%	53%	57%	54%	47%	57%	59%	65%	78%	66%
DUI arrests	36	58	68	57	76	94	118	88	95	117
Animal control calls for service	1,924	1,691	2,207	1,881	2,203	2,093	2,089	1,691	1,641	1,739
Fire: ⁽⁵⁾										
Calls for service (emergency and non-emergency) ^c	3,708	4,385	4,502	3,875	3,695	3,886	3,952	3,884	3,762	3,373
Responses involving loss	16	22	30	25	22	23	36	34	24	24
Fire loss (per capita)	\$6.49	\$9.74	\$31.21	\$4.27	\$10.83	\$23.73	\$6.69	\$8.88	\$21.40	\$23.72
Structure fires	11	16	17	9	29	15	15	16	27	22
Public Works: ⁽⁶⁾										
Roads resurfaced (linear feet)	7,400	8,080	11,804	8,080	7,247	4,475	6,900	5,485	1,702	7,609
Roads reconstructed (linear feet)	5,450	5,300	6,500	6,564	5,875	6,250	5,600	3,473	6,625	4,075
Sidewalks repaired (square feet)	0	0	0	2,860	5,957	4,074	0	7,579	6,659	3,591
Curb replacement (linear feet)	1,866	1,459	2,614	1,604	2,341	1,515	695	1,469	1,341	1,442
Number of trees removed	176	147	157	122	146	134	149	325	126	250
Number of trees planted	175	121	58	116	157	133	343	219	121	330
Number of municipal trees	11,467	11,468	11,494	11,494	11,500	11,489	11,490	11,296	11,402	11,407
Residential curb side recycling tons picked up ^d	1,526	1,499	2,612	2,447	2,110	2,128	2,542	2,616	2,227	2,420
Truckloads of leaves picked-up ^e	959	892	1,624	1,033	1,030	926	1,529	1,392	1,309	1,300
Tons of snow melting salt used	3,813	4,893	5,463	3,006	5,519	3,748	7,202	6,060	1,170	6,356
Closed circuit televising (miles)	17.5	18.1	27.0	15.1	16.0	17.0	3.2	20.9	19.6	16.3
Point repairs	11	14	25	30	3	6	23	8	51	34
Root damage sidewalk restoration (square feet)	14,817	17,727	18,054	14,140	12,242	20,569	37,696	37,840	40,000	30,336
Structural liner corrections (linear feet)	17,444	17,317	11,295	3,526	2,350	11,100	16,425	9,670	1,770	4,523

(Continued)

MT. LEBANON, PENNSYLVANIA

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

Function/program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Recreation: ^{f (7)}										
Ice Center Attendance	18,060	59,042	65,345	33,254	62,485	67,081	70,691	69,576	64,646	69,883
Pool Attendance	0	54,281	55,318	60,032	68,546	67,142	59,516	40,054	49,749	54,007
Number of golf rounds played	21,896	20,865	19,088	22,662	23,183	23,459	22,916	23,824	27,619	24,039
Number of Seasonal Programs	144	429	425	410	449	449	443	417	410	443
Seasonal Program Enrollment	3,430	10,876	10,417	11,291	11,790	10,696	10,815	10,100	10,003	10,204
Seasonal Program Attendance	22,479	66,170	67,418	72,537	74,038	68,726	70,966	71,733	65,353	67,959
Tennis Center Attendance	6,609	9,464	9,653	10,311	11,963	12,900	12,617	13,399	15,978	15,827
Number of Tennis Programs	87	122	118	108	113	117	131	130	111	126
Tennis Program Enrollment	798	1,044	1,006	993	1,051	1,121	1,280	1,215	1,061	1,273
Platform Tennis Center Attendance	5,974	6,988	6,480	7,320	7,084	7,471	7,115	6,505	5,790	5,183
Library: ⁽⁸⁾										
Collection ^g	147,783	146,699	145,801	147,518	153,225	157,393	154,648	152,272	156,800	166,393
Circulation ^g	533,413	698,151	702,637	724,875	632,983	609,329	583,771	597,446	529,966	523,517
Reference questions	2,386	29,652	32,929	42,075	57,909	72,169	71,993	62,956	68,145	56,482
Number of programs	1,123	2,211	2,095	1,832	1,654	1,674	1,821	1,438	1,476	1,323
Program attendance	14,954	43,899	46,399	42,247	35,882	35,279	37,743	30,738	29,025	27,785
Registration	17,224	17,857	17,814	18,129	18,680	20,779	21,279	22,111	20,845	21,534
Registrations as a percentage of population	52%	54%	54%	54%	56%	63%	64%	67%	63%	65%
Visits by library patrons	108,059	360,720	343,995	368,930	328,774	359,104	360,960	326,128	382,027	374,551
Minutes patrons spent on computers in library	1,175,244	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
Parking: ^{h (1)}										
Meter tickets	5,791	6,413	6,516	7,098	5,029	5,781	7,423	7,886	9,557	
Police tickets	3,088	6,815	6,846	6,704	7,514	8,084	8,195	7,525	7,721	
Tickets paid online	5,614	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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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	4	3	4	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⁾	159.87	147.60	147.52	145.39	145.39	145.37	144.97	144.75	144.75	144.75
Storm sewers (miles)	75.81	74.30	72.33	60.51	60.51	60.25	59.97	59.58	58.92	58.92
Vehicles	28	28	29	28	28	26	26	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	147,783	146,699	145,801	147,518	153,225	157,393	154,648	152,272	156,800	166,393
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	304.11	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	11	12	12	11	12	12	12	12	12
Police vehicles	34	34	40	32	35	30	30	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	1,018	1,020	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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Function/program										
General Government:										
Administration	4.1	4.2	4.2	4.0	3.8	4.3	4.0	3.7	4.2	4.1
Information Technology	4.0	4.0	3.4	3.7	3.7	3.8	3.1	3.1	3.1	3.7
Finance	4.4	4.6	4.6	4.7	4.7	4.7	4.5	4.7	3.8	3.8
Tax	1.5	1.7	1.5	1.8	2.0	2.0	2.0	2.0	3.6	4.7
Public Information	5.7	5.8	6.4	6.3	6.3	6.3	5.0	7.0	6.6	6.6
Parking Clerical	0.8	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0
Community Development										
Economic Develop/Planning	2.5	2.5	2.5	2.8	2.8	3.0	3.2	3.0	3.0	3.0
GIS	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Inspections	3.7	4.0	4.0	4.0	4.0	4.0	4.2	4.3	4.0	4.6
Public Works										
Administration	5.0	5.0	5.0	5.0	3.0	2.5	3.6	3.7	3.5	3.8
Maintenance/Labor	23.3	23.7	25.7	24.7	24.8	24.4	23.0	23.1	23.5	26.7
Maintenance/Labor - Parking	3.0	3.0	3.0	2.5	3.0	3.0	3.0	3.0	3.0	0.0
Human Services/Library	20.6	24.7	23.9	23.3	23.9	23.8	20.2	21.5	20.9	21.1
Public Safety										
Police Officers	44.6	45.5	43.8	44.7	45.0	44.6	45.0	44.0	44.0	44.0
Police Civilians ⁽¹⁾	9.8	9.6	9.7	8.8	8.8	8.5	8.6	8.8	8.9	8.9
Crossing Guards ⁽²⁾	42.0	42.0	43.0	43.0	43.0	43.0	43.0	56.0	58.0	58.0
Fire	16.6	17.0	16.7	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Fire civilians	1.1	1.1	1.0	1.1	1.2	1.2	1.2	1.3	1.3	1.2
Parking Enforcement ⁽³⁾	6.6	7.6	7.6	7.7	7.6	8.3	7.6	8.0	7.4	0.0
Recreation										
Management	3.8	4.0	4.1	4.9	5.3	5.4	5.3	5.7	5.8	5.6
Seasonal	0.1	2.0	2.0	2.0	1.4	1.5	1.7	1.7	3.1	2.1
Golf	5.5	5.8	5.4	5.3	5.5	5.2	3.5	5.5	3.2	5.0
Tennis	1.4	1.8	2.1	2.2	2.2	2.5	1.6	2.0	1.4	1.5
Ice Rink	11.4	17.2	16.0	14.4	17.2	16.0	13.2	14.5	16.3	15.0
Pool	0.0	7.8	8.0	8.1	8.5	9.1	6.7	6.2	5.8	6.1
Totals:	221.5	245.6	244.6	243.0	246.7	246.1	232.2	251.8	253.4	247.5

(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
710 WASHINGTON ROAD
PITTSBURGH, PA 15228
412.343.3400
www.mtlebanon.org