



**FISCAL YEAR ENDED DECEMBER 31, 2025**

# **MT. LEBANON, PA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

# **Mt. Lebanon, Pennsylvania**

## Annual Comprehensive Financial Report

Year Ended December 31, 2025

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

# MT. LEBANON, PENNSYLVANIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2025

### TABLE OF CONTENTS

---

	<u>Page No.</u>
<b>INTRODUCTORY SECTION (OTHER INFORMATION):</b>	
Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	11
Organizational Chart	12
Principal Officers	13
<b>FINANCIAL SECTION:</b>	
<b>Independent Auditor's Report</b>	<b>14</b>
<b>Management's Discussion and Analysis (Required Supplementary Information)</b>	<b>18</b>
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Position	49
Statement of Activities	50
Fund Financial Statements:	
Balance Sheet - Governmental Funds	51
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	52
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	53
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	54
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General and Sewage Funds	55
Statement of Net Position – Proprietary Fund – Parking Fund	57
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund – Parking Fund	58
Statement of Cash Flows – Proprietary Fund – Parking Fund	59

# MT. LEBANON, PENNSYLVANIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2025

### TABLE OF CONTENTS

(Continued)

	<u>Page No.</u>
Statement of Plan Net Position – Fiduciary Funds - Trust Funds	60
Statement of Changes in Plan Net Position - Fiduciary Funds - Trust Funds	61
Notes to Financial Statements	62
 <b>Required Supplementary Information:</b>	
Schedule of Changes in the Municipality’s Net Pension (Asset) Liability and Related Ratios:	
General Employees’ Pension Plan	112
Police Pension Plan	113
Firefighter Pension Plan	114
Schedule of Municipality’s Contributions and Investment Returns	115
Notes to Required Supplementary Schedules – Pension Trust Funds	116
Schedule of Changes in the Municipality’s Net OPEB Liability and Related Ratios	120
Schedule of Municipality’s OPEB Contributions and Investment Returns	121
Notes to Required Supplementary Schedules – Other Postemployment Benefits Trust Fund	122
 <b>Combining and Individual Fund Financial Statements and Schedules (Supplementary Information):</b>	
<b>Major Governmental Funds:</b>	
General Fund:	
Comparative Balance Sheet	125
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance	126
Detailed Schedule of General Fund Revenues - Budget and Actual	127
Detailed Schedule of General Fund Expenditures by Program - Budget and Actual	128
Detailed Schedule of General Fund Expenditures by Object - Budget and Actual	130
Sewage Fund:	
Comparative Balance Sheet	131

# MT. LEBANON, PENNSYLVANIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2025

### TABLE OF CONTENTS

(Continued)

	<u>Page No.</u>
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	132
Capital Projects Fund:	
Comparative Balance Sheet	133
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	134
<b>Other Governmental Funds:</b>	
Combining Balance Sheet	136
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	137
State Highway Aid Fund:	
Comparative Balance Sheet	138
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	139
Storm Water Fund:	
Comparative Balance Sheet	140
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	141
Mt. Lebanon Public Library – Library Operating Fund:	
Comparative Balance Sheet	142
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance	143
Industrial Developmental Authority Fund:	
Comparative Balance Sheet	144
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance	145
Solid Waste Fund:	
Comparative Balance Sheet	146
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance	147

# MT. LEBANON, PENNSYLVANIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2025

### TABLE OF CONTENTS

(Continued)

---

	<u>Page No.</u>
<b>Debt Service Fund:</b>	
Comparative Balance Sheet	148
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	149
<b>Parking Fund:</b>	
Combining Schedule of Revenues, Expenses, and Changes in Net Position – By Facility	151
<b>Fiduciary Funds:</b>	
Combining Statement of Plan Net Position – Fiduciary Funds – Trust Funds	153
Combining Statement of Changes in Plan Net Position – Fiduciary Funds – Trust Funds	154
<b>Capital Assets:</b>	
Comparative Schedule of Governmental Capital Assets - By Source	155
Schedule of Changes in Governmental Capital Assets - By Source	156
Schedule of Governmental Capital Assets - By Function and Activity	157
Schedule of Changes in Governmental Capital Assets - By Function and Activity	158
<b>STATISTICAL SECTION (OTHER INFORMATION):</b>	
Table of Contents	159
<b>Financial Trends:</b>	
Net Position by Component	160
Changes in Net Position	161
Fund Balances, Governmental Funds	162
Changes in Fund Balances, Governmental Funds	163
<b>Revenue Capacity:</b>	
Program Revenues by Function/Program	164
Tax Revenues by Source, Governmental Funds	165
Property Tax Rates - Direct and Overlapping Governments	166
Assessed Valuation and Estimated Actual Values of Taxable Property	167

# MT. LEBANON, PENNSYLVANIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

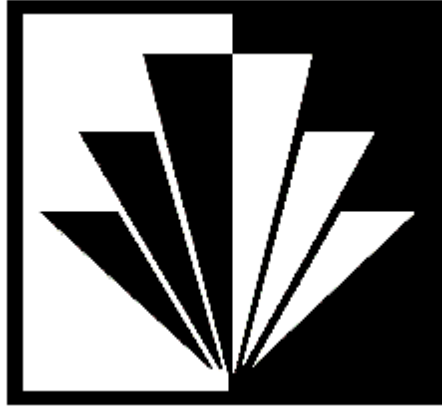
YEAR ENDED DECEMBER 31, 2025

### TABLE OF CONTENTS

---

(Continued)

Principal Taxpayers	168
Property Tax Levies and Collections	169
Municipal Earned Income Revenue Collections	170
Debt Capacity:	
Ratios of General Bonded Debt Outstanding	171
Legal Debt Margin Information	172
Computation of Direct and Overlapping Debt	173
Demographic and Economic Information:	
Principal Employers	174
Demographic and Economic Statistics	175
Operating Information:	
Operating Indicators by Function/Program	176
Capital Asset Statistics by Function/Program	178
Full-time Equivalent Municipal Employees by Function/Program	179



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INTRODUCTORY  
SECTION

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April 16, 2026

The Commission and Citizens of the Municipality  
of Mt. Lebanon, Pennsylvania

The Annual Comprehensive Financial Report (ACFR) of Mt. Lebanon, Pennsylvania (Municipality), for the fiscal year ended December 31, 2025, 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 2025 financial and management items, the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association (GFOA) for the 2024 ACFR, 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, 2025; 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, 2025 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.

## **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 2020 Census indicates the Municipality’s population is 34,075. This is an increase of 938 people compared to the 2010 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 2021, the average sale price of residential homes has increased 30.9%, with the average price of a residential property increasing 11.7% compared to the prior year. The housing stock is varied in style and price. In 2025, the average sale price was \$490,685 on 405 residential properties sold.

The unemployment rate in Mt. Lebanon remains low at 2.5% compared to Allegheny County (3.4%) and the Commonwealth of Pennsylvania (State) (4.2%) according to the US Bureau of Labor Statistics.

## ***Economic Development and Commercial Districts***

The Municipality has intact, accessible, walkable and vibrant traditional business districts, a feature that is not found in many Pittsburgh suburbs. Washington Road, has been designated 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. While the intensity of the pandemic has subsided, the effects have not. Our primary business districts (Uptown + Beverly) have seen a marked increase in the public’s usage of independent contracting delivery firms (i.e., Grubhub). This has been a boon for our restaurant sector; however, it is creating traffic challenges as contractors are using the arterials in new ways that can lead to conflict with other customers and traffic. In addition to this trend, we are needing to prepare for other shopping realignments such as “buy online pickup in store” (BOPIS), which will demand a new way of thinking in terms of our parking assets. Recent economic disruptions are adding new anxiety to small business. It is too early to tell what if any lasting impacts the imposition of tariffs will have on the restaurant and independent retail space. Despite these challenges; in 2026, the public will see many events. This includes, but is not limited to the Uptown Market, Mt. Lebanon Artists’ Market, Final Fridays, and robust Holiday celebrations. The Municipality completed a new placemaking plan entitled Activate Uptown. This activity was a community sourced planning process to active public spaces and reconsider design elements of parklets, connections to light rail assets, and activation of Parse Way which is an underutilized service alley. The Municipality is earmarking \$221,000 to begin work on Phase I which shall make improvement to Clocktower Plaza and the stairway connecting Uptown to our light rail station. Staff has recently submitted a grant request to Main Streets Allegheny for \$100,000 to offset financial burden to the Municipality.

Despite repeated disruptions, all business districts continue to be near full occupancy. The vacancy rate for Washington Road is presently around ~7% and Beverly Road is 0%. 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 and the short commute to center city Pittsburgh.

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 and crime. 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) (Activate Uptown), 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 2026 will be to explore initiatives to continue the pattern of private investment in our commercial districts. The latter could infuse over \$6M in

public investment in the Uptown corridor. The newly formed Resiliency Board will be looking to implement actions items outlined in a recently completed Comprehensive Plan. All plans call for bold approach(es) to maintaining our Central Business District's (CBD) vitality. A new area of focus will be moving the needle forward on a recently adopted Complete Streets policy with the finalization of the Active Transportation Plan (joint plan between Dormont and Mt. Lebanon). This policy enforces our commitment to safe streets for all users. Staff organized a South Hills Mobility Task Force that is now dubbed "Move Lebo" to partner with our neighboring communities to tackle challenges with SR19, pedestrian safety and our light-rail.

### ***Planning and Development Projects***

No subdivision or lot consolidation applications were filed in 2025.

The Planning Board reviewed and recommended final approval for a site plan for the Chabad Lubavitch of the South Hills, located at 1701 McFarland Road. The site plan included revisions to existing grading and drainage for a rear yard landing pad along with construction and repair of a rear yard retaining wall. The project received final approval from the Commission in 2025.

The Planning Board reviewed and recommended approval of a conditional use for JLAB Beauty at 360 Castle Shannon Blvd. The applicant requested a change to the use of a 484 sq ft secondary structure from vehicle sales and service to warehouse/self-storage. Warehousing/ Self-Storage is a conditional use in the C-2 zoning district. No structural changes are being made to the buildings on the property. The Commission approved the conditional use in 2025.

The Planning Board reviewed and recommended approval of a site plan for 500 Washington Road. Babb Orthodontics proposed a 460 sq ft 2-story addition to the rear of the existing building in order to use the structure for a dental/orthodontic office. The Commission granted final approval to the site plan in 2025.

### ***Mt. Lebanon School District***

#### Program Results

Student achievement is the best indicator of a school system's success. Student objectives and various standardized scores are monitored to ensure that we continue to meet our students' needs and provide an effective program across a variety of subject areas.

According to available statistics, 95.9% of Mt. Lebanon's class of 2025 is continuing its education at:

- Four-year college 86.5%
- Two-year college 9.4%

During the 2024-2025 school year, 1,696 students were enrolled in 24 Advanced Placement (college equivalent) courses, and 585 (non-duplicated) of those students took Advanced Placement exams.

Advanced Placement course offerings included 25 course offerings: African-American Studies, Biology, Calculus AB, Calculus BC, Chemistry, Computer Science A, English Literature & Composition, English Language & Composition, Environmental GeoScience (Environmental Science), European History, Human Geography, Languages (French, German, Spanish), Macroeconomics, Music Theory, Physics 1, Physics 2, Physics (Mechanics and Electricity & Magnetism), Psychology, Statistics, Studio Art, United States Government & Politics and United States History.

The Mt. Lebanon class of 2025 SAT Reasoning average score, including Critical Reading and Mathematics, was 1215 with 77.7% of the class taking the exam. This score is 162 points more than the national average and 131 points more than the Pennsylvania average. Students of all abilities at Mt. Lebanon take the SAT Reasoning test and are being accounted for very favorably in state comparisons.

For the class of 2025, the average ACT composite score was 27.0 compared to the national average of 19.4 and the Pennsylvania state average of 24.35. Average composite scores include English, Mathematics, Reading, and Science results. Mt. Lebanon students exceeded national and state averages in all four content areas.

### School District Awards

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

#### *2025 Pittsburgh Business Times Guide to Western PA Schools*

Mt. Lebanon School District ranked #6 in the region according to the 2025 Pittsburgh Business Times Guide to Western PA Schools. The annual Honor Roll ranks the 105 school districts in the region based on three years of scores from the Pennsylvania System of School Assessment tests. Mt. Lebanon Schools have ranked among the top five schools on the list since it was first published in 2005.

#### *NICHE.COM Ranking*

The Mt. Lebanon School District ranks among the best school districts in the state and region in the 2026 Niche Rankings. Niche ranks the District #68 in the country, #2 in the region, and #4 in PA. The Niche website rates schools across the state and nation using data from the U.S. Department of Education, surveys, and reviews.

*U.S. News and World Report 2025 Best High School Ranking*

Mt. Lebanon High School was awarded a silver ranking in the 2025 U.S. News and World Report Best High School Ranking. Schools are ranked on their performance on state-required tests, graduation, and how well they prepare students for college. Mt. Lebanon High School ranked #7 in the state and #1 in the region, #7 in the Pittsburgh area, and among the top 4% out of all high schools across the nation (17,656).

*Mt. Lebanon Schools Receive Accreditation By The Middle States Association Through the 2030-2031 School Year*

For the first time in the Mt. Lebanon School District's history, all 10 schools have earned accreditation by the Middle States Association Commission on Elementary and Secondary Schools, a worldwide leader in accreditation and continuous school improvement. The accreditation will last through the 2030-2031 school year.

*Mt. Lebanon School District Designated Best Community for Music Education*

The Mt. Lebanon School District was named among the Best 100 Communities for Music Education (BCME) in 2025 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 18th year in a row that Mt. Lebanon School District has been designated a Best Community for Music Education.

## **MAJOR INITIATIVES**

The Municipality approached 2025 from a strong financial position from 2024 and ready to start implementing recommendations from the many plans and concepts that had been completed in recent years. Between the 2023 Comprehensive Plan, Main Park master plan that complemented the Parks Master Plan, the active transportation plan and south garage feasibility study, the municipality has begun funding these projects through the 2025 and proposed 2026 bond issue.

The Municipality's two main revenue sources – real estate and earned income taxes – account for 66.0% of the revenue for the General Fund, the Municipality's main operating fund. As part of the 2025 budget, the Commission kept real estate taxes at 4.50 mills and increased storm water and solid waste fees as planned.

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 2025, net earned income taxes increased 7.3% when compared to the prior year. When analyzing quarterly collections, collections for prior tax years (2023 and prior) were up 8.3% when compared to the same collection periods from prior years. Current year collections also increased 5.6% when compared to the same periods in the prior year. The increases in current year collections bodes well for 2026 total collections. As we enter 2026, 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 2025, this policy was met with funding for street construction provided by two sources - \$1.6 million from the General Fund and \$644,891 for curb work and other storm sewer infrastructure from the storm water fee.

Major annual projects continued on sanitary sewers to meet the federal consent order and other requirements. In 2025, sanitary sewer capital expenditures totaled \$3.2 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 fifteen years, \$28.7 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 fourteenth full year, the storm water fee generated \$1.9 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 \$10.13 per month per unit of impervious surface, with single-family residential property paying one unit (\$21.56 per year), and higher rates for multi-family, commercial, and tax-exempt properties. In the last fourteen years, \$14.9 million has been spent on storm water capital projects to maintain, enhance, and expand the storm sewer system.

In order to capitalize on financial opportunities like favorable bond markets and grant opportunities, 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 2030. The 2026 adopted budget provides over \$18.8 million for capital projects and improvements.

Finally, the Comprehensive Plan is done every ten years (2023) and establishes community priorities for the next ten years. Other plans were incorporated into the Comprehensive Plan including the 2021 Parks and Recreation Master Plan, 2023 Main Park Site Plan, and 2023 South Garage structural analysis. Furthermore, an active transportation plan will be completed in 2026. With these plans in tow, the Municipality and its residents should have a guide to the priorities for spending for the remainder of the decade.

## 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 2025 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 2025, the unassigned fund balance was 17.6% of General Fund expenditures.

## **AWARDS AND ACKNOWLEDGEMENTS**

### ***Independent Audit***

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

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

For 2025, the Municipality was not required to comply with the provisions of the Single Audit Act, as the federal funds expended did not total \$1,000,000. If appropriate, the Municipality will perform separate program audits.

### ***Certificate of Achievement***

In 2026, 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 ACFR for the fiscal year ended December 31, 2024. The Municipality has received this award for 49 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 ACFR, 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 ACFR 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". The signature is fluid and cursive, with the first and last names being the most prominent parts.

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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2024

*Christopher P. Morill*

Executive Director/CEO

# MT. LEBANON, PENNSYLVANIA

## ORGANIZATIONAL CHART

DECEMBER 31, 2025



# MT. LEBANON, PENNSYLVANIA

## PRINCIPAL OFFICERS

### COMMISSION

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Craig Grella  
*President*



Jeff Siegler  
*Vice President*



Andrew Flynn



Steven Silverman



Anne Swager  
Wilson

### STAFF

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Keith McGill, *Manager*

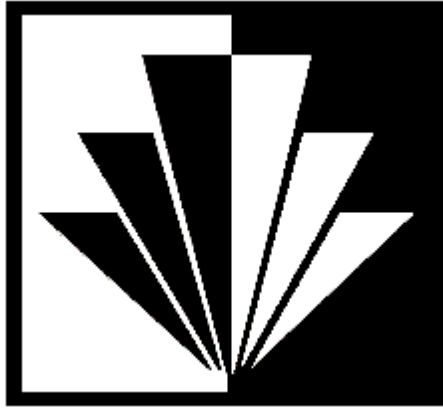
Andrew McCreery, CPA, *Finance Director*

David Donnellan, *Recreation Director*

Rudy Sukal, Jr., *Public Works Director*

Jason Haberman, *Police Chief*

Kurt Christofel, *Fire Chief*



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FINANCIAL

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SECTION

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## Independent Auditor's Report

**The Commission of the Municipality  
of Mt. Lebanon, Pennsylvania**

### Report on the Audit of the Financial Statements

#### Opinions

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, 2025, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the table of contents.

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, 2025, 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.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Municipality and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipality's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipality's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### **Supplementary 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 supplementary information listed in the table of contents is presented for purposes of additional analysis and is 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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, 2024 and 2023, which are not presented with the accompanying financial

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

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 2024 and 2023 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 2024 and 2023 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 2024 and 2023 are fairly stated in all material respects in relation to the basic financial statements from which they were derived.

### Other Information

Management is responsible for the other information listed in the table of contents. The other information listed in the table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Maher Duessel*

Pittsburgh, Pennsylvania  
April 16, 2026

# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

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This section of the Municipality of Mt. Lebanon's (Municipality) annual comprehensive financial report presents a narrative overview and analysis of the Municipality's financial performance for the fiscal year ended December 31, 2025. 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, 2025.

### 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 \$146,607,532 (net position). Of this amount, \$9,113,473 (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 2024 by \$6.9 million, or 5.0% and unrestricted net position decreased by \$6.8 million, or 42.7% in 2025.
  - Net investment in capital assets (net capital assets net of related debt) was \$115,672,899 at December 31, 2025, an increase of \$5.6 million.
  - The Municipality issued general obligation bonds in 2025 totaling \$7,495,000 for facility and recreation improvements.
  - The Municipality's real property tax rate remained at 4.50 mills in 2025. The earned income tax rate remained at 0.8%.
  - The total fund balance for governmental funds was \$29,782,262 at December 31, 2025, with \$7,781,703 in unassigned fund balance.
  - The General Fund had a total fund balance of \$11.4 million, of which \$7.8 million was unassigned. The total fund balance for the General Fund increased by \$1,111,569, or 10.8% and the unassigned fund balance increased by \$275,365, or 3.7%.
  - The unassigned fund balance in the General Fund is 17.6% of the General Fund's total expenditures, including capital transfers.
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# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

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- At December 31, 2025, the Municipality had \$20.6 million of debt outstanding. This represents an increase of \$4,910,000, or 31.6% from the previous year. The amount of outstanding direct debt per capita increased from \$460 to \$604.
- The Municipality's business-type activities (Parking Fund) net position increased by \$464,605, or 4.9% in 2025. The unrestricted portion of net position increased by \$688,835 or 26.3%.
- The plan net position held in trust to pay pension benefits increased \$14.8 million or 10.7% in 2025. Plan net position in the other postemployment benefits trust increased \$296,400 or 11.8% in 2025.

### 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 49-50) are government-wide financial statements that provide long-term and short-term information about the Municipality's overall financial status.
- The remaining statements (pages 51-61) 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, 2025

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The fund financial statements include:

- The governmental funds statements (pages 51-56) 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 57-59) offer financial information about the activity (parking) that the Municipality operates as a business.
- Fiduciary fund statements (pages 60-61) 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.

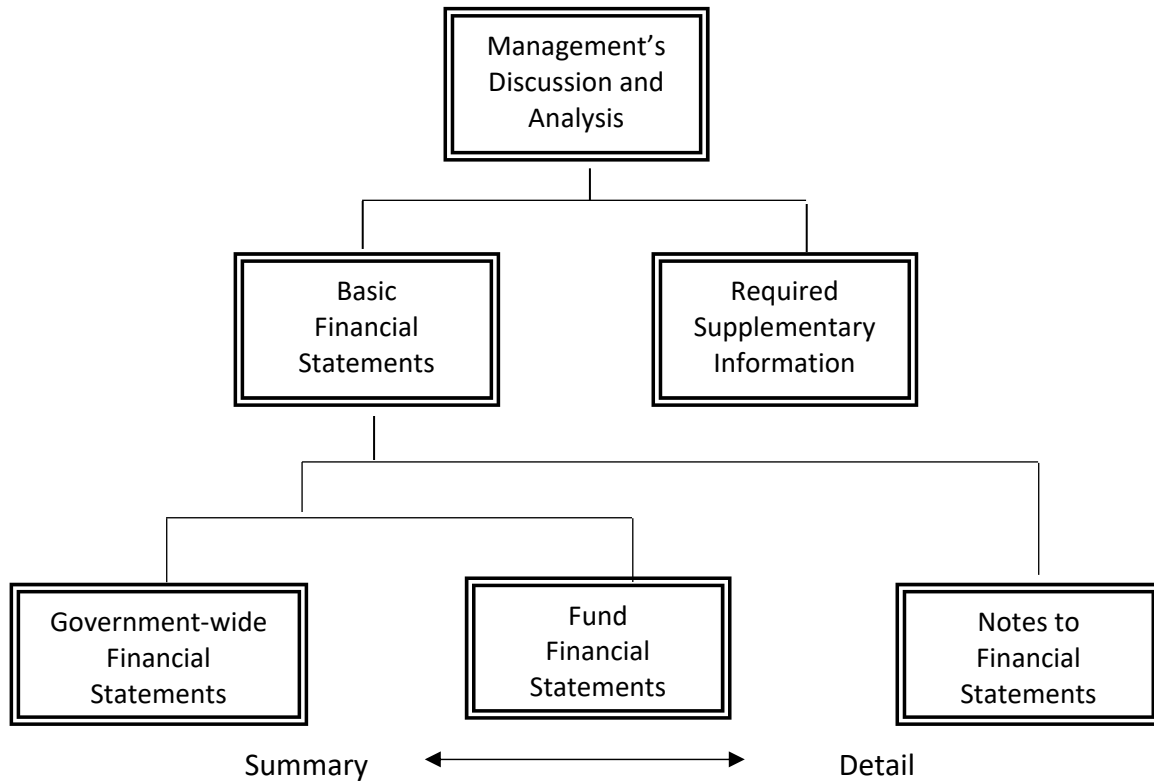
The financial statements include notes that provide an explanation for certain information in the financial statements and also provide more details for this information. The notes are followed by a section of required supplementary information that further explains and supports the information in the 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 125-154 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, 2025

**Figure 1**  
**REQUIRED COMPONENTS OF THE**  
**ANNUAL COMPREHENSIVE 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.

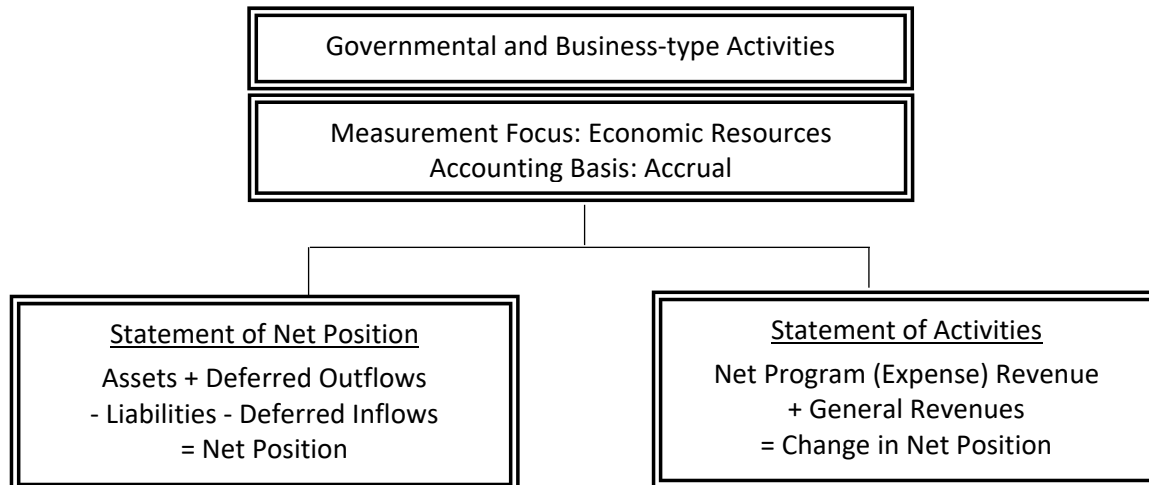
# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

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

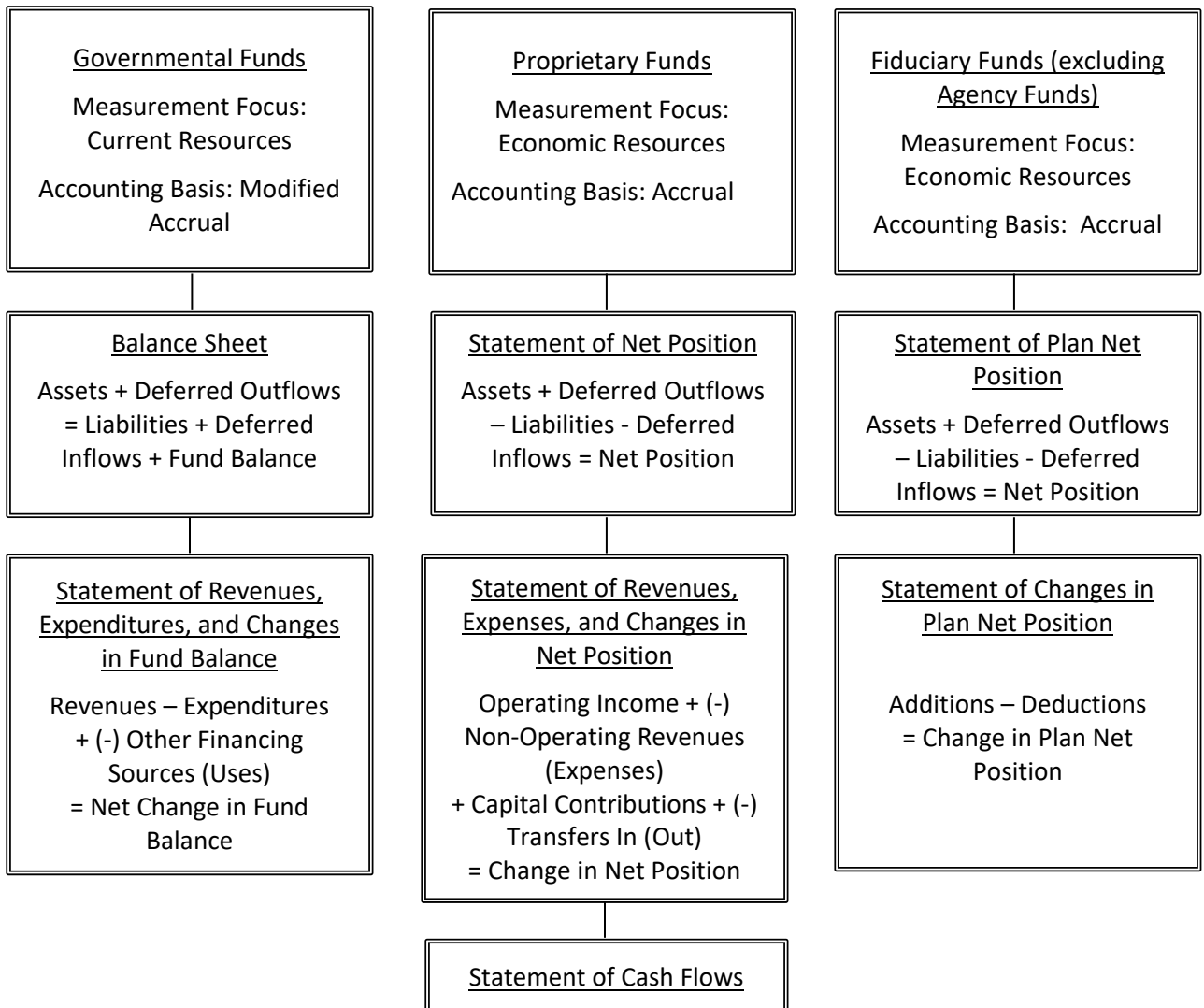
## MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

### 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, 2025

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The Municipality maintains three kinds of funds:

- *Governmental funds* – Reports activities of the Municipality's basic services in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that help to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Municipality's programs. The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation that follows each related governmental fund financial statement.
- *Proprietary fund* – Reports the same type of information for the activity (parking), as is reported in the business-type activities column in the government-wide financial statements. The statements for this fund simply present more detail on the fund's operation.
- *Fiduciary funds* – Reports activities of three single-employer pension plans (General 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, 2025

### FINANCIAL ANALYSIS OF THE MUNICIPALITY AS A WHOLE

The Municipality's net position for its governmental and business-type activities at December 31, 2025 and 2024 are presented below.

	Governmental Activities		Business-type Activities	
	2025	2024	2025	2024
<b>ASSETS</b>				
Current and other assets	\$ 53,204,430	\$ 37,431,036	\$ 3,763,258	\$ 3,195,175
Capital assets	130,798,431	126,222,807	6,620,880	6,870,416
Total Assets	<u>184,002,861</u>	<u>163,653,843</u>	<u>10,384,138</u>	<u>10,065,591</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	1,183,280	3,256,551	-	-
<b>LIABILITIES</b>				
Current and other liabilities	6,311,903	6,441,969	194,459	123,975
Noncurrent liabilities	22,959,631	19,906,390	48,944	72,945
Total Liabilities	<u>29,271,534</u>	<u>26,348,359</u>	<u>243,403</u>	<u>196,920</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	9,307,075	900,378	230,242	422,783
<b>NET POSITION</b>				
Net investment in capital assets	115,672,899	110,028,528	6,601,390	6,825,620
Restricted	21,821,160	13,741,911	-	-
Unrestricted	9,113,473	15,891,218	3,309,103	2,620,268
Total Net Position	<u>\$ 146,607,532</u>	<u>\$ 139,661,657</u>	<u>\$ 9,910,493</u>	<u>\$ 9,445,888</u>

# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT’S DISCUSSION AND ANALYSIS

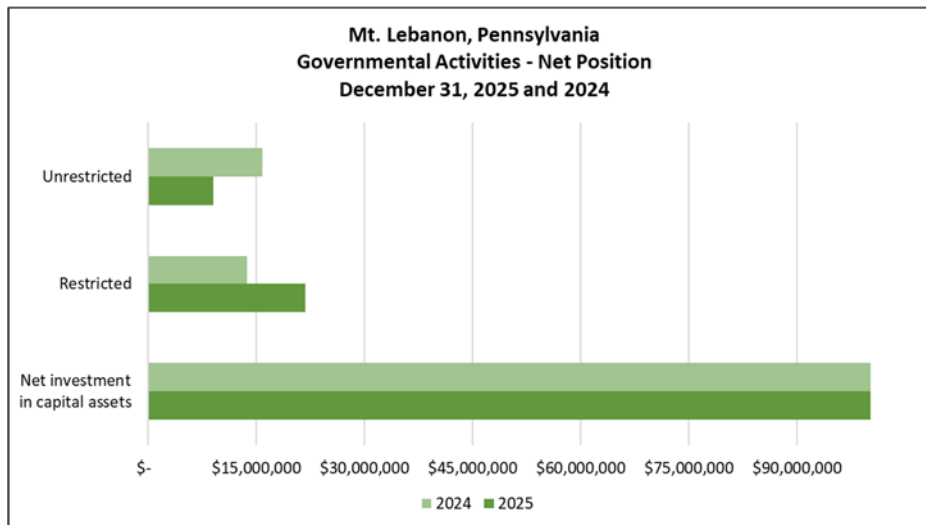
DECEMBER 31, 2025

### Governmental Activities

#### **Net Position**

The net position of governmental activities increased from the previous year by \$6.9 million, or 5.0% to \$146.6 million. Of this amount, \$115.7 million represents the net balance of long-term capital assets and long-term debt. The \$21.8 million in restricted net position is comprised of \$9.8 million for infrastructure upgrades, \$550,750 for donor restricted purposes for the Mt. Lebanon Public Library, \$8,439 for highway related expenditures, \$8,447 for industrial development activities, and \$11,421,758 for net pension assets. The unrestricted net position of \$9,113,473 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, 2025 and 2024:



#### **Capital Assets**

The largest portion of the Municipality’s net position (78.9%) 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, 2025

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, 2025 and 2024:

	Governmental Activities		Business-type Activities	
	2025	2024	2025	2024
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 25,689,585	\$ 24,384,065	\$ 2,276,039	\$ 2,242,136
Operating grants and contributions	4,756,037	3,961,270	-	-
Capital grants and contributions	795,724	402,187	-	-
General revenues:				
Real estate taxes	12,309,723	12,142,989	-	-
Earned income taxes	16,679,829	15,752,079	-	-
Other, including interest	4,912,332	4,736,211	108,351	103,396
<b>Total revenues</b>	<b>65,143,230</b>	<b>61,378,801</b>	<b>2,384,390</b>	<b>2,345,532</b>
<b>Program Expenses:</b>				
General government	6,254,571	5,807,876	-	-
Community development	1,135,499	1,038,979	-	-
Public works	26,068,384	24,509,498	-	-
Human services	3,624,618	3,215,501	-	-
Culture and recreation	5,421,921	5,016,282	-	-
Public safety:				
Police	9,843,271	10,064,800	-	-
Fire	4,167,381	4,337,476	-	-
Other	1,291,086	1,141,211	-	-
Interest on long-term debt	495,639	429,910	-	-
Parking	-	-	1,814,770	1,965,662
<b>Total expenses</b>	<b>58,302,370</b>	<b>55,561,533</b>	<b>1,814,770</b>	<b>1,965,662</b>
Increase (decrease) in net position before transfers	6,840,860	5,817,268	569,620	379,870
Transfers	105,015	97,460	(105,015)	(97,460)
<b>Increase (decrease) in net position</b>	<b>6,945,875</b>	<b>5,914,728</b>	<b>464,605</b>	<b>282,410</b>
Net position-beginning	139,661,657	133,746,929	9,445,888	9,163,478
Net position-ending	<u>\$ 146,607,532</u>	<u>\$ 139,661,657</u>	<u>\$ 9,910,493</u>	<u>\$ 9,445,888</u>

# MT. LEBANON, PENNSYLVANIA

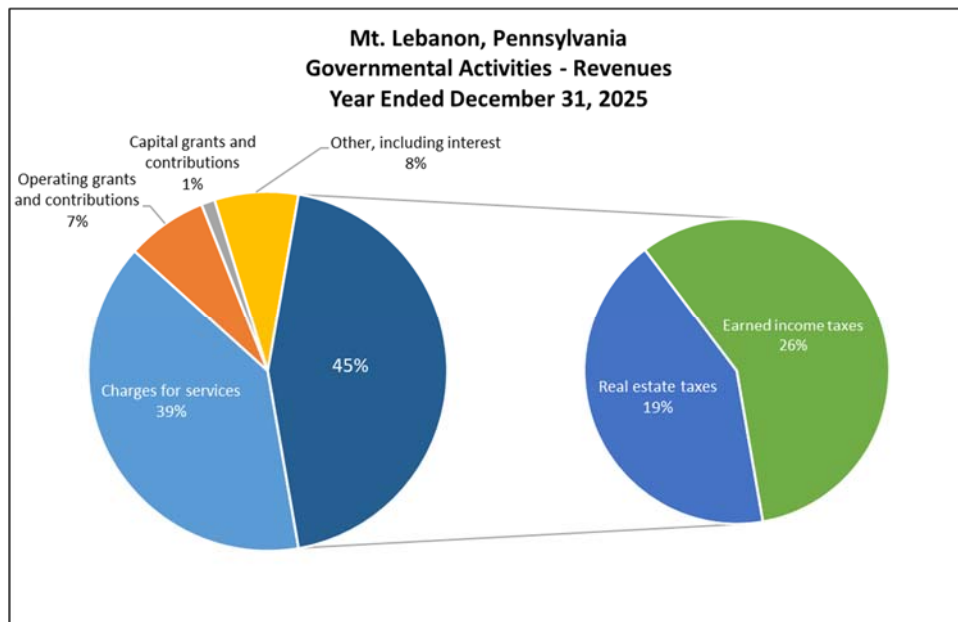
## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

### Revenues

Total revenues for governmental activities of \$65.1 million were largely derived from charges for services, real estate taxes, and earned income taxes (83.9%). Real estate taxes and earned income taxes make up 88.2% of all taxes collected by the Municipality. All sources of taxes provide 50.5% of the Municipality's revenue. Charges for services include sewer processing, storm water management, solid waste collection, 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, 2025:



Overall governmental activities revenues increased \$3,764,429, or 6.1%. Highlighted below are the major program revenue variances.

- **Charges for services** increased \$1.3 million due to increases in sewer processing revenue. This increase was required due to the 7% increase charged by the Allegheny County Sanitary Authority for sewer processing charges. In addition,

# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

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increases to solid waste and storm water fees contributed to the increase. All other charges for service remained stable in 2025 compared to 2024.

- **Operating grants and contributions** increased by \$794,767. The increase was due to insurance proceeds received and grants received related to prior year purchases.
- **Capital grants and contributions** increased \$393,537 due to grant funding received for pedestrian equipment upgrades on Washington Road.

Mt. Lebanon taxpayers continued with strong earnings in 2025. Earned income tax collections increased \$927,750 or 5.9% from 2024. The collection increases were primarily driven by current year collections, which is a positive indicator for 2026.

The Municipality's third 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 2025, 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 2025, the net decrease in taxable assessed value was \$1,553,915 or 0.06%. Due to the Municipality's strong financial position, real estate millage remained at 4.5 mills for 2025. Current real estate collections remained flat. The overall increase in real estate tax revenue of \$166,734 was primarily due to increases in delinquent collections from our delinquent tax collector.

Real estate transfer tax, which is shown under the other category, increased \$157,467, or 8.5% compared with the prior year. This revenue source continues to be variable due to fluctuations in borrowing rates and available housing stock. While the housing prices have increased, the number of transfers during this time have remained flat. Mt. Lebanon staff will continue to monitor the rates of the interest rate changes on transfer activity in 2026.

### ***Program Expenses***

Total 2025 program expenses for all programs were \$58.3 million. The expenses reflect the delivery of a range of services, with the two largest areas being public works and

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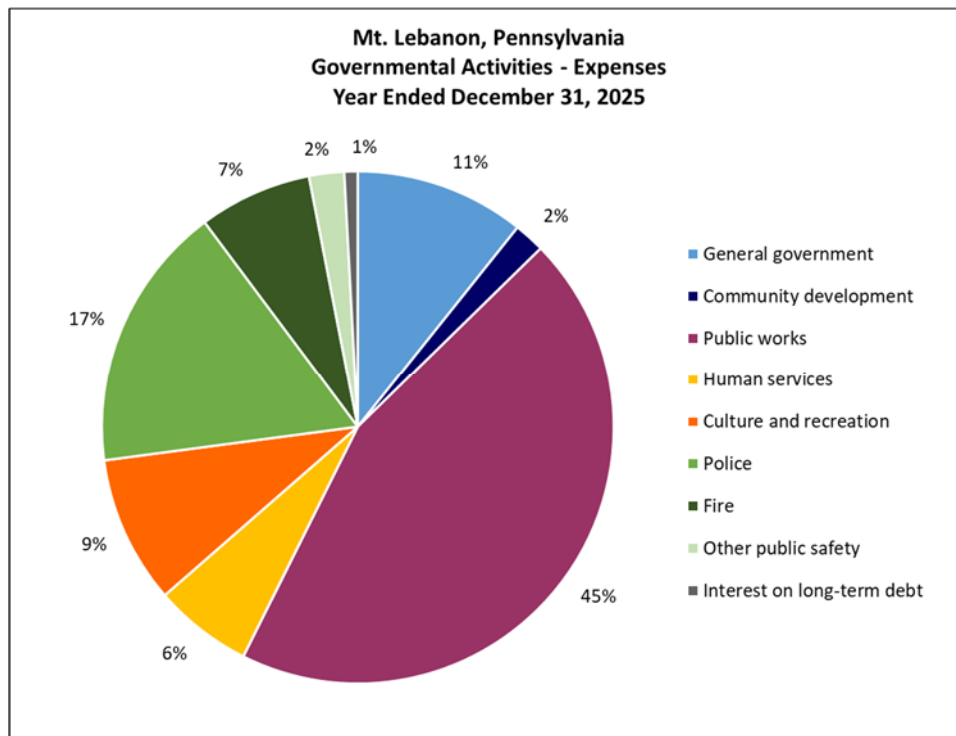
# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

public safety. Public safety has two operational departments – police and fire. The third largest area is general government, which includes administration, legal services, public information, information technology, insurance, and finance/tax functions.

The following chart graphically depicts the governmental activities program expenses for the fiscal year ended December 31, 2025:



Increases in program expenses from the prior year totaled \$2,740,837, or 4.9%. Highlighted below are the major program expense variances exclusive of pension expense increases related to Governmental Accounting Standards Board (GASB) Statement No. 68. A separate table has been provided to show the net increases in functional areas related to pension.

- **General Government** expenses increased due to operational increases of 8.1%, specifically due to increases in insurance premiums and pension funding.
- **Community Development** expenses increased 10.8% due to an active transportation study.

# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

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- **Public Works** experienced increases in capital related expenditures including depreciation, commodity purchases and contractual increases.
- **Human Services** had increases in appropriations to the Library.
- **Culture and Recreation** increased 8.5% compared to 2024 due to increased participation in all recreation areas and finalization of emergency repairs at the ice center.
- **Public Safety** overall saw a decrease of 0.4% compared to 2024. The major contributing factor to the decrease was a decrease in personnel costs in the police and fire departments.
- **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 \$69,464. 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 2026 and future years. The effects of the calculation, as shown below, is only for government-wide financial statement purposes.

# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

Pension Expense for GASB 68	GASB 68 Pension Expense for Defined Benefit Pension Plans		
	2025	2024	Inc/(Dec)
<b>Governmental Activities</b>			
General government	\$ (526)	\$ 23,313	\$ (23,839)
Community development	(335)	14,836	(15,171)
Public works	(1,292)	57,223	(58,515)
Human services	(526)	23,313	(23,839)
Culture and recreation	(478)	21,194	(21,672)
Public safety:			-
Police	(53,236)	120,678	(173,914)
Fire	(12,592)	108,524	(121,116)
Other	(479)	21,194	(21,673)
Total Increase/(Decrease) for GASB 68 Pension Expense	<u>\$ (69,464)</u>	<u>\$ 390,275</u>	<u>\$ (459,739)</u>
Pension Expense (Municipal Contributions)	<u>\$ 2,189,679</u>	<u>\$ 2,560,134</u>	<u>\$ (370,455)</u>
<b>Total Pension Expense for GASB 68</b>	<u><b>\$ 2,120,215</b></u>	<u><b>\$ 2,950,409</b></u>	<u><b>\$ (830,194)</b></u>

### ***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		
	2025	2024	Inc/(Dec)
General government	\$ (2,083,102)	\$ (2,009,716)	\$ 73,386
Community development	(747,161)	(693,195)	53,966
Public works	(6,064,110)	(6,230,701)	(166,591)
Human services	(2,873,045)	(2,488,819)	384,226
Culture and recreation	(1,387,788)	(996,131)	391,657
Public safety:			
Police	(9,094,896)	(9,392,628)	(297,732)
Fire	(3,919,271)	(4,093,479)	(174,208)
Other	(396,012)	(479,432)	(83,420)
Interest on long-term debt	(495,639)	(429,910)	65,729
Total Net Expenses	<u><b>\$ (27,061,024)</b></u>	<u><b>\$ (26,814,011)</b></u>	<u><b>\$ 247,013</b></u>

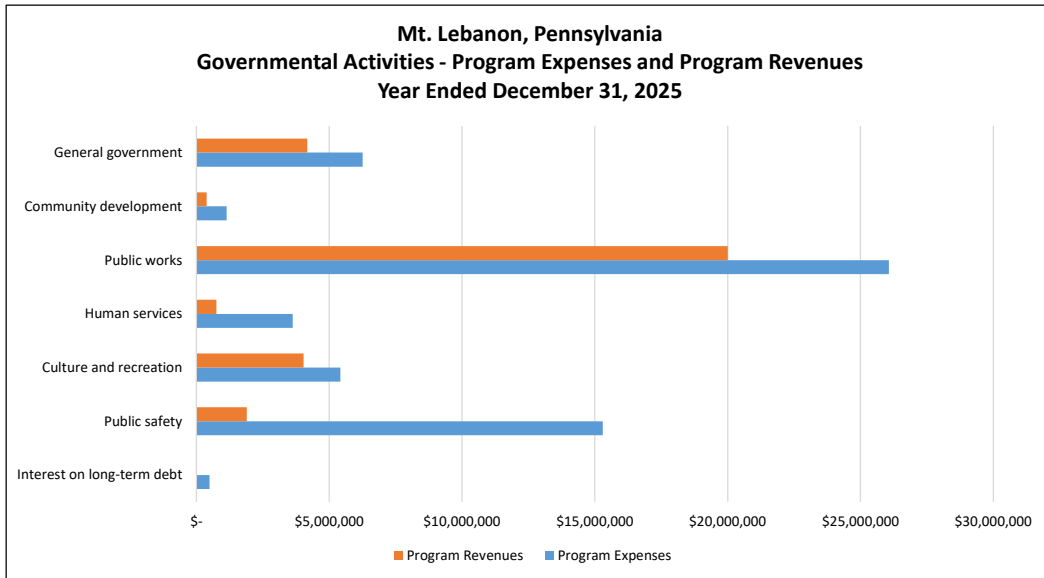
The total net expense increased \$247,013 or 0.9% from 2024 to 2025. The reasons for this increase can be attributed to revenue and expense changes already discussed, such as changes in pension expense and project activities throughout different departments.

# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

The chart below graphically depicts the governmental activities program revenues and program expenses for the fiscal year ended December 31, 2025.



# MT. LEBANON, PENNSYLVANIA

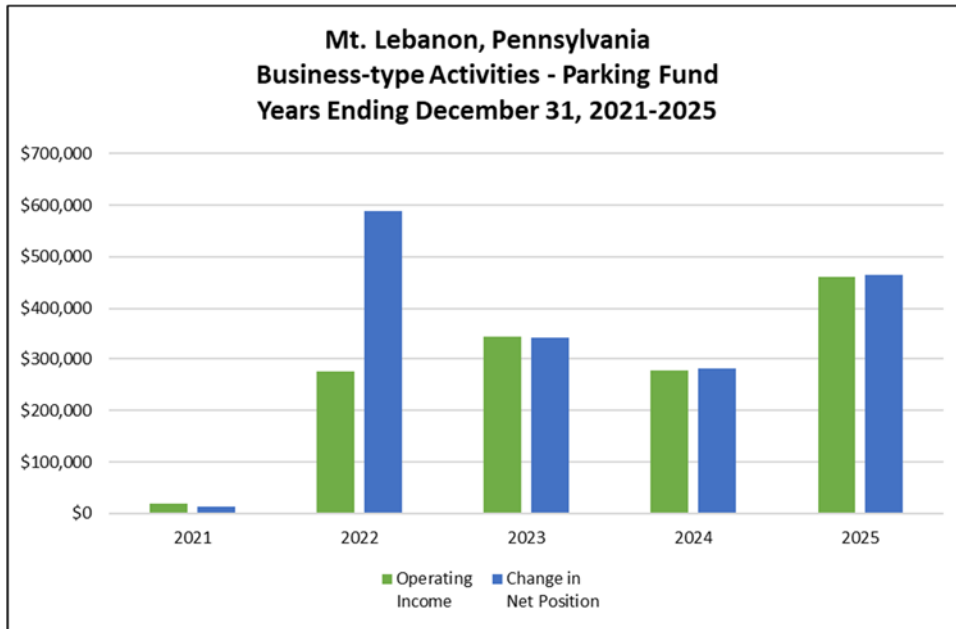
## MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

### Business-type Activities

The Municipality business-type activities consist of the operation of the Parking Fund. The operating results for the Parking Fund were positive for the current fiscal year. Net position increased by \$464,605. The positive change in net position coupled with changes in liabilities and deferred inflows of resources, unrestricted net position increased \$688,835, or 26.3%.

The following chart graphically depicts the parking fund operating income and change in net position for the fiscal years ending December 31, 2021 – December 31, 2025:



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# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

### 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 \$29.8 million, which represents an increase of \$7.4 million from the previous year. The following chart shows the changes in fund balances during 2025:

Fund	Fund Balance		
	2025	2024	Increase (Decrease)
General	\$ 11,441,461	\$ 10,329,892	\$ 1,111,569
Sewage	9,586,583	10,088,522	(501,939)
Capital Projects	7,356,655	830,239	6,526,416
Other governmental funds:			
Storm Water	204,407	16,955	187,452
Library Operating	978,742	921,074	57,668
Industrial Development	8,447	11,515	(3,068)
State Highway Aid	8,439	134,482	(126,043)
Solid Waste	197,528	-	197,528
Total fund balance	<u>\$ 29,782,262</u>	<u>\$ 22,332,679</u>	<u>\$ 7,449,583</u>

In 2025, the fund balance of the General Fund increased by 10.8%. The 2025 final budget appropriated \$1.2 million of fund balance to cover operational and capital expenditures, specifically 2024 capital and operational projects to be completed in 2025 and Commission fund balance assignments to accomplish necessary projects. Final results for 2025 required no use of assigned fund balance.

Overall, General Fund revenues exceeded budget projections by \$1.5 million, with the largest increase coming the area of taxes. Expenditures came in under budget projections by \$1.6 million due to substantial savings in capital outlays, public works, and recreation. In addition, a positive variance was realized in community development due to projects being delayed until 2026. Overall, the Municipality did not need to use all of the assigned 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 2025, sanitary sewer infrastructure work continued to be elevated and the Sewage Fund realized a decrease in fund balance of \$501,939. The Sewage Fund's primary revenue source is assessments, which are based on water consumption. The

# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

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remaining fund balance of \$9.6 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 2025, 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.

Activity related to the 2025 bond issue was the main factor causing the large increase in fund balance in the Capital Projects Fund. The fund balance increased by \$6.5 million due to bond proceeds received in 2025. Of the total \$7.4 million in fund balance, \$5.8 million is bond issue restricted and \$1.6 million is assigned for future projects.

Of the \$29.8 million combined fund balance total, \$16.4 million, or 55.0% 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 \$9.6 million for sanitary sewer improvements (ALCOSAN agreement), \$5.8 million for bond issue projects, \$550,750 at the library (donor), \$204,407 for storm water improvements, \$197,528 for solid waste collection, \$8,447 for industrial development activities (enabling), and \$8,439 for specific State restricted highway maintenance (State agreement).

In addition, assignments totaling \$5.1 million, or 17.2% include \$2.0 million assigned during the 2026 budget process. The amount used to balance the 2026 budget represents fund balance used to complete projects carried over (re-budgeted) into 2026. Assignments related to capital projects are \$1.5 million in the Capital Projects Fund for various community improvements and \$1.1 million in the General Fund for replacement of recreation and fire assets. Operating assignments include \$65,000 for future benefit obligations. Lastly, the Library Operating Fund has \$427,992 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

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# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

\$7,781,703 or 17.6% of total expenditures, including transfers. In another Commission fund balance policy, any General Fund fund balance in excess of the 12% goal becomes the subject of a capital investment discussion. This discussion will be held in April 2026.

### General Fund

The results of the General Fund for 2025 demonstrate that the Municipality has been able adequately fund operations and capital items in 2025 while maintaining the level of service citizens have come to expect. The chart below shows the operating results of this fund for 2025:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance (Unfavorable)</u>
Revenues	\$ 42,472,360	\$ 44,015,127	\$ 1,542,767
Expenditures	38,203,980	36,517,163	1,686,817
Excess of Revenues Over Expenditures	4,268,380	7,497,964	3,229,584
Transfers, net	<u>(5,439,980)</u>	<u>(6,386,395)</u>	<u>(946,415)</u>
Net change in fund balance from operations	<u>\$ (1,171,600)</u>	<u>\$ 1,111,569</u>	<u>\$ 2,283,169</u>

It was planned that the Municipality use \$1.2 million in fund balance to support operations and capital projects for the year, but due to timing of capital projects, increases in tax revenue, one-time grant funding, and operational savings, no fund balance was used in 2025. The sections below will discuss the results that led to this favorable result.

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# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

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### **Revenues**

Total operating revenues were above budget by \$1.5 million or 3.6%. The major budget to actual variances contributing to this result are as follows:

<b>Revenue Source</b>	<b>Exceeds/ (Under) Budget (in thousands)</b>	<b>Reason</b>
Real Estate Taxes	86.0	Delinquent real estate tax collection increased in 2025 due to our third party collector having greater collection success.
Earned income taxes	935.8	Overall collections increased by 7.3% over the prior calendar year. Year over year collections for both current and prior years (2024 and prior) were increased. Current year collections makes up more than 72% of the collected earned income taxes.
Real estate transfer taxes	211.5	Real estate transfer tax was budgeted conservatively as the real estate market has been impacted by higher interest rates. Interest rates have stabilized and the increases to housing prices caused real estate transfer tax totals to increase in 2025.
County sales tax	66.6	County sales tax distributions bounced back from 2024. Distributions increased 5.7% over 2024.
Intergovernmental	128.2	Increases to state pension funding aid and a one-time grant for a leaf grinder purchased in 2024 caused increases in intergovernmental revenues.

# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

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### ***Expenditures***

Overall, expenditures were \$1.7 million or 4.4% less than budgeted. The major budget to actual fluctuations contributing to this favorable performance were:

<b>Function</b>	<b>Under/ (Exceeds) Budget (in thousands)</b>	<b>Reason</b>
Community development	231.6	Delays in two large projects, the active transportation plan and zoning code update, contributed to the large variance.
Ice and snow control	299.6	A mild snow season and a small dump truck has not been received.
Traffic planning and signals	170.2	Traffic calming installations on Scrubgrass Road were delayed until 2026.
Sanitary sewer maintenance	214.0	Expenditures related to the EPA consent order were under budget.
Buildings, grounds, and equipment	212.9	Contractual services and commodity purchases were under budget for 2025.
Medical Rescue Team South	(54.5)	A study of the ambulance service was conducted in 2025.
Recreation center	92.4	Completion of the ice rink repairs from 2023 and 2024. The ice rink chillers were fully restored to operational in 2025.
Police	(188.7)	Reimbursable overtime related to special details exceeded budget by \$101k. In addition, specific programs and investigations required more overtime than budgeted in 2025.
Fire	168.0	Due to retirements and personnel allocations, overall the fire department was under budget for 2025.
Animal control	93.9	Personnel vacancies contributed to the large variance in animal control.
Capital outlay	249.2	Delays in receipt of equipment contributed to the variance, with expenditures carried over to 2026.

These items account for 88% of the expenditure variance.

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# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

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### ***Fund Balance***

The fund balance results and Commission policies related to fund balance were discussed at the beginning of this section. The General Fund fund balance at year-end totaled \$11,441,461, an increase of \$1,111,569 or 10.8% from 2024. The reasons for this increase have been discussed above.

This fund balance is categorized into the following fund balance components:

<b>Fund Balance Component</b>	<b>Amount</b>	<b>Explanation</b>
Nonspendable	\$ 503,527	Prepaid items and inventory
Assigned for:		
Capital projects	1,127,621	Field turf replacement, Fire Truck
Subsequent years budget	1,963,610	2025 budget
Future benefit obligations	65,000	Pension Contributions
Unassigned	7,781,703	Available for expenditure
Total Fund Balance	<u>\$ 11,441,461</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 \$12.7 million and all other income totaled \$565,665. Transfers to the Capital Projects Fund for infrastructure and equipment expenditures were \$3.2 million. In addition, \$614,834 was transferred to the General Fund for sanitary sewer maintenance activities and \$157,631 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.

# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

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 \$9.6 million was restricted for continuing infrastructure work for the EPA mandate and for other expenditures as above (collections costs, maintenance, debt service and ALCOSAN payments).

### ***Capital Projects Fund***

The Capital Projects Fund accounts for funds provided by the Municipality, most frequently from General, Sewage, and Storm Water Fund transfers, contributions, grants, and bond proceeds. In 2025, this fund had expenditures of \$9.4 million, or \$2.0 million more than the previous year. The Capital Projects Fund has a restricted fund balance of \$5.8 million for bond issue projects and an assigned fund balance of \$1.5 million at year-end. 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:

<b>Purpose</b>	<b>Expended in 2025</b>	<b>Assigned Fund Balance 12/31/2025</b>
Sanitary sewers improvements	\$ 3,195,777	\$ -
Street reconstruction	2,273,631	50,000
Storm water system upgrades	430,874	-
Traffic signal/intersection upgrades	611,740	14,530
Building and facility improvements	354,008	-
Recreation facilities improvements	1,426,725	-
Parks and Field Improvements	308,603	-
Pedestrian routes improvements	683,852	-
Large equipment	28,324	-
Other, including debt service	81,864	1,481,190
	<u>\$ 9,395,398</u>	<u>\$ 1,545,720</u>

# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

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### 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.
- **Solid Waste Fund** – Fees assessed by the municipality on properties and used only for collection and disposal of refuse and recycling.
- **Debt Service Fund** – Reporting all debt related activity for governmental funds.

In total, the activities of these funds generated revenues of \$7.1 million and had a net increase in fund balance of \$313,537. The details of the activities of these funds may be found on pages 125-149.

### Budgetary Highlights

The 2025 General Fund budget was adopted in December 2024. The adopted General Fund budget had expenditures, including transfers, of \$44.5 million. Expenditures were covered by current revenues, including transfers, of \$43.5 million and fund balance of \$1.0 million.

# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

There was one budget amendment in 2025. Depicted below is a breakout of the revenues and expenditures included in the amendment.

<b>Amendment Reason</b> Project	<b>Amount</b>
<b>Unanticipated expenditure</b>	
Timbercreek Stairs (2024 completion)	\$ 100,800
Temporary Chiller - Ice Rink	105,100
Rebuild of Compressor - Ice Rink	153,110
Insurance Renewal	102,000
Street Tree Management Consultant Increase	25,000
<b>New Equipment</b>	
Gym Equipment	65,610
Animal Control Box	73,460
<b>Unanticipated Revenue</b>	
Recycling Grant	200,000
Animal Control Escrow Release	73,460
Insurance Proceeds	197,190

The 2026 municipal budget was adopted in December 2025. 2026 budget highlights include:

- The 2026 General Fund budget was adopted at \$46.3 million or an increase of 2.6% from the final 2025 budget. The net increase was a combination of operational expenditures increasing \$738,010, capital expenditures decreasing by \$199,920 and transfers increasing by \$654,130.
- The Commission maintained the real estate tax rate at 4.5 mills.
- The 2026 General Fund budget includes funds to maintain current levels of service as well as for street reconstruction, capital equipment purchases, and traffic calming installations. New capital items funded by the General Fund for 2026 include replacing aging equipment and golf course improvements. In addition, the 2026 budget allocates funds for a new bond issue for various capital improvements.

# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

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- The Capital Projects Fund budget includes funding for the continuation of sanitary sewer work under the interim consent order, storm sewer work, the street reconstruction program (funded by the General Fund and the Storm Water Fund), and sidewalk installations. New projects funded by a proposed 2026 bond issue include field improvements, library revitalization and field parking improvements.

### **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 57-59, provide the same type of information as on the government-wide statements, but in more detail.

As of December 31, 2025, the unrestricted net position of the fund is \$3.3 million, an increase of \$688,835 from the end of 2024. Charges for services for the year were \$2,276,039, which is an increase of 1.5% over the prior year. Increases in revenue were primarily due to increases in meter and ticket collections. The operating expenses of the fund totaled \$1,814,770. This is a decrease of 7.7%. The primary cause of the decrease in expenses was related to contracted services and depreciation.

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# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

### 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, 2025 and 2024:

	<b>Summary of Capital Assets</b>			
	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Land	\$ 7,266,047	\$ 7,266,047	\$ 2,687,084	\$ 2,687,084
Construction in progress	1,438,987	357,575	-	-
Buildings and improvements other than buildings	61,070,554	59,959,490	15,290,413	15,077,643
Infrastructure	133,553,648	127,502,538	-	-
Equipment and other capital assets	27,249,154	25,596,233	1,526,303	1,674,687
<b>Total capital assets</b>	<b>230,578,390</b>	<b>220,681,883</b>	<b>19,503,800</b>	<b>19,439,414</b>
Less accumulated depreciation for:				
Buildings and improvements other than buildings	(31,431,591)	(29,744,487)	(11,630,598)	(11,228,546)
Infrastructure	(51,813,270)	(49,178,841)	-	-
Equipment and other capital assets	(16,535,098)	(15,535,748)	(1,252,322)	(1,340,452)
<b>Total accumulated depreciation</b>	<b>(99,779,959)</b>	<b>(94,459,076)</b>	<b>(12,882,920)</b>	<b>(12,568,998)</b>
<b>Total Capital Assets, Net</b>	<b>\$ 130,798,431</b>	<b>\$ 126,222,807</b>	<b>\$ 6,620,880</b>	<b>\$ 6,870,416</b>

The significant changes in the governmental activities include additions to infrastructure for streets, sanitary and storm sewers, completed improvements at recreation facilities and equipment purchases. In the Parking Fund (business-type activity) there were equipment acquisitions and improvements at the South Garage.

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, 2025

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### **Long-Term Debt**

In 2025, the Municipality's total net debt increased by \$4.9 million, or 31.3% from the previous year. The increase was due to the issuance of the \$7.5 million 2025 bond issue coupled with the continued principal payments on outstanding debt.

At December 31, 2025, the Municipality had \$20,585,000 of debt outstanding. The following details activity related to general obligation bonds during 2025:

<b><u>Summary of General Obligation Bond Activity</u></b>	
Beginning balance at January 1, 2025	\$ 15,675,000
New debt issues	7,495,000
Principal retirement	<u>(2,585,000)</u>
Ending balance at December 31, 2025	<u>\$ 20,585,000</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 2025 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 2025, the combined plan net position increased \$14.8 million, or 10.7%. 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 2025.

# MT. LEBANON, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

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Employee contributions can be reduced or eliminated each year by Ordinance or Resolution subject to the plans meeting certain financial considerations. During 2025, employee contributions were needed in all three plans and were assessed at an allowable percentage in each plan – general 4.5%, uniformed fire 4.5%, 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 1/1/2025 valuation, the actuarial accrued liability (AAL) of the three plans was \$137.3 million. At that time, for the three plans on a summarized basis, the actuarial value of assets exceeded the AAL by \$588,540.

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 subsidies 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, 2025, the date of the most recent actuarial report, the actuarial accrued liability for the plan was \$3.3 million. At that point in time, the plan had \$2.5 million in funding, leaving an unfunded liability of \$745,826, and a funded ratio of 77.1%. The next actuarial valuation will be performed as of January 1, 2027.

As with pensions, recent contract changes will affect this benefit going forward. As of the dates for the negotiated contracts for police and fire, postemployment healthcare

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# **MT. LEBANON, PENNSYLVANIA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

DECEMBER 31, 2025

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benefits have been eliminated for new hires (hires after the effective dates). All public works and non-represented full-time personnel are entitled to a postemployment healthcare stipend dependent on meeting certain requirements.

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](http://www.mtlebanon.org)  
412-343-3410

# MT. LEBANON, PENNSYLVANIA

## STATEMENT OF NET POSITION

DECEMBER 31, 2025

Assets	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Cash and other money market instruments	\$ 32,656,802	\$ 3,366,506	\$ 36,023,308
Receivables:			
Taxes	4,596,028	-	4,596,028
Assessments	2,603,462	-	2,603,462
Accounts	876,061	18,681	894,742
Leases, current	-	134,687	134,687
Due from other governments	559,662	-	559,662
Internal balances	(12,870)	12,870	-
Other assets	503,527	8,140	511,667
Net pension asset	11,421,758	-	11,421,758
Long-term leases and other receivables	-	222,374	222,374
Capital assets, not being depreciated	8,705,034	2,687,084	11,392,118
Capital assets, net of accumulated depreciation	40,353,019	3,933,796	44,286,815
Infrastructure assets, net of accumulated depreciation	81,740,378	-	81,740,378
<b>Total Assets</b>	<b>184,002,861</b>	<b>10,384,138</b>	<b>194,386,999</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources for pension	1,140,440	-	1,140,440
Deferred outflows of resources for other postemployment benefits	42,840	-	42,840
<b>Total Deferred Outflows of Resources</b>	<b>1,183,280</b>	<b>-</b>	<b>1,183,280</b>
<b>Liabilities</b>			
Accounts payable	4,252,679	45,102	4,297,781
Advance deposits	879,896	113,383	993,279
Accrued payroll and deductions payable	1,021,944	35,974	1,057,918
Accrued interest payable	157,384	-	157,384
Noncurrent liabilities:			
Compensated absences, due within one year	697,621	23,044	720,665
Bonds payable, due within one year	2,660,000	-	2,660,000
Net other postemployment benefits liability, due beyond one year	486,001	-	486,001
Compensated absences, due beyond one year	1,191,009	25,900	1,216,909
Bonds payable, due beyond one year	17,925,000	-	17,925,000
<b>Total Liabilities</b>	<b>29,271,534</b>	<b>243,403</b>	<b>29,514,937</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources for pension	8,777,284	-	8,777,284
Deferred inflows of resources for other postemployment benefits	529,791	-	529,791
Lease related	-	230,242	230,242
<b>Total Deferred Inflows of Resources</b>	<b>9,307,075</b>	<b>230,242</b>	<b>9,537,317</b>
<b>Net Position</b>			
Net investment in capital assets	115,672,899	6,601,390	122,274,289
Restricted for:			
Capital projects	9,831,766	-	9,831,766
Library	550,750	-	550,750
Industrial development	8,447	-	8,447
State highway aid	8,439	-	8,439
Pension benefits	11,421,758	-	11,421,758
Unrestricted	9,113,473	3,309,103	12,422,576
<b>Total Net Position</b>	<b>\$ 146,607,532</b>	<b>\$ 9,910,493</b>	<b>\$ 156,518,025</b>

See accompanying notes to financial statements.

# MT. LEBANON, PENNSYLVANIA

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Primary Government		
					<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 6,254,571	\$ 1,567,912	\$ 2,603,557	\$ -	\$ (2,083,102)	\$ -	\$ (2,083,102)
Community development	1,135,499	373,338	15,000	-	(747,161)	-	(747,161)
Public works	26,068,384	18,300,847	907,703	795,724	(6,064,110)	-	(6,064,110)
Human services	3,624,618	28,238	723,335	-	(2,873,045)	-	(2,873,045)
Culture and recreation	5,421,921	3,831,660	202,473	-	(1,387,788)	-	(1,387,788)
Public safety:							
Police	9,843,271	626,135	122,240	-	(9,094,896)	-	(9,094,896)
Fire	4,167,381	66,381	181,729	-	(3,919,271)	-	(3,919,271)
Other	1,291,086	895,074	-	-	(396,012)	-	(396,012)
Interest on long-term debt	495,639	-	-	-	(495,639)	-	(495,639)
Total governmental activities	<u>58,302,370</u>	<u>25,689,585</u>	<u>4,756,037</u>	<u>795,724</u>	<u>(27,061,024)</u>	<u>-</u>	<u>(27,061,024)</u>
Business-Type activities:							
Parking	1,814,770	2,276,039	-	-	-	461,269	461,269
<b>Total primary government</b>	<u>\$ 60,117,140</u>	<u>\$ 27,965,624</u>	<u>\$ 4,756,037</u>	<u>\$ 795,724</u>	<u>(27,061,024)</u>	<u>461,269</u>	<u>(26,599,755)</u>
General revenues:							
Taxes:							
Real estate					12,309,723	-	12,309,723
Earned income					16,679,829	-	16,679,829
Other					3,896,386	-	3,896,386
Interest income					1,015,946	108,351	1,124,297
Transfers - internal activities					105,015	(105,015)	-
Total general revenues and transfers					<u>34,006,899</u>	<u>3,336</u>	<u>34,010,235</u>
<b>Change in Net Position</b>					<u>6,945,875</u>	<u>464,605</u>	<u>7,410,480</u>
Net position - beginning of year					<u>139,661,657</u>	<u>9,445,888</u>	<u>149,107,545</u>
Net position - end of year					<u>\$ 146,607,532</u>	<u>\$ 9,910,493</u>	<u>\$ 156,518,025</u>

See accompanying notes to financial statements.

## MT. LEBANON, PENNSYLVANIA

### BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2025

<u>Assets</u>	General	Sewage	Capital Projects	Other Governmental Funds	Total Governmental Funds
Cash and other money market instruments	\$ 12,289,768	\$ 11,064,075	\$ 7,205,813	\$ 2,097,146	\$ 32,656,802
Receivables:					
Taxes	4,596,028	-	-	-	4,596,028
Assessments	44,246	1,971,792	-	587,424	2,603,462
Accounts	491,935	-	383,011	1,115	876,061
Due from other funds	303,660	-	329,520	2,076	635,256
Due from other governments	559,662	-	-	-	559,662
Other assets	503,527	-	-	-	503,527
<b>Total Assets</b>	<b><u>\$ 18,788,826</u></b>	<b><u>\$ 13,035,867</u></b>	<b><u>\$ 7,918,344</u></b>	<b><u>\$ 2,687,761</u></b>	<b><u>\$ 42,430,798</u></b>
<b>Liabilities, Deferred</b>					
<b>Inflows of Resources, and Fund Balance</b>					
<u>Liabilities:</u>					
Accounts payable	\$ 736,577	\$ 2,372,873	\$ 544,089	\$ 599,140	\$ 4,252,679
Advance deposits	879,896	-	-	-	879,896
Due to other funds	344,466	76,612	-	227,048	648,126
Accrued payroll and deductions payable	1,719,565	-	-	-	1,719,565
<b>Total Liabilities</b>	<b><u>3,680,504</u></b>	<b><u>2,449,485</u></b>	<b><u>544,089</u></b>	<b><u>826,188</u></b>	<b><u>7,500,266</u></b>
<u>Deferred Inflows of Resources:</u>					
Unavailable revenue	3,666,861	999,799	17,600	464,010	5,148,270
<u>Fund Balance:</u>					
Nonspendable:					
Prepaid items and inventory	503,527	-	-	-	503,527
Restricted for:					
Capital projects	-	9,586,583	5,810,935	401,935	15,799,453
Library donor specifications	-	-	-	550,750	550,750
Industrial development	-	-	-	8,447	8,447
State highway aid	-	-	-	8,439	8,439
Assigned for:					
Capital projects	1,127,621	-	1,545,720	-	2,673,341
Library services	-	-	-	427,992	427,992
Subsequent years budget	1,963,610	-	-	-	1,963,610
Future benefit obligations	65,000	-	-	-	65,000
Refund reserve	-	-	-	-	-
Unassigned	7,781,703	-	-	-	7,781,703
<b>Total Fund Balance</b>	<b><u>11,441,461</u></b>	<b><u>9,586,583</u></b>	<b><u>7,356,655</u></b>	<b><u>1,397,563</u></b>	<b><u>29,782,262</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b><u>\$ 18,788,826</u></b>	<b><u>\$ 13,035,867</u></b>	<b><u>\$ 7,918,344</u></b>	<b><u>\$ 2,687,761</u></b>	<b><u>\$ 42,430,798</u></b>

See accompanying notes to financial statements.

# MT. LEBANON, PENNSYLVANIA

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

DECEMBER 31, 2025

<b>Total Fund Balance - Governmental Funds</b>		\$ 29,782,262
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		130,798,431
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.		5,148,270
Interest expense on long-term debt is not recognized on the fund statements until due.		(157,384)
The net other postemployment benefits liability is not reflected on the fund statements.		(486,001)
The net pension asset is not reflected on the fund financial statements.		11,421,758
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.		(8,123,795)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences	\$ (1,191,009)	
Bonds payable	(20,585,000)	
		(21,776,009)
<b>Net Position - Governmental Activities</b>		<b>\$ 146,607,532</b>

See accompanying notes to financial statements.

# MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2025

	General	Sewage	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes:					
Real estate	\$ 12,340,482	\$ -	\$ -	\$ -	\$ 12,340,482
Earned income	16,709,604	-	-	-	16,709,604
Other	3,896,386	-	-	-	3,896,386
Total taxes	<u>32,946,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,946,472</u>
Licenses, permits, and fees	1,104,798	12,712,081	-	5,396,185	19,213,064
Fines, forfeitures, and penalties	52,593	45,431	-	6,071	104,095
Investment earnings	269,956	481,465	151,504	113,021	1,015,946
Intergovernmental	2,617,584	-	445,872	1,396,703	4,460,159
Recreation	4,033,846	-	-	-	4,033,846
Other	2,989,878	38,769	341,133	234,773	3,604,553
Total revenues	<u>44,015,127</u>	<u>13,277,746</u>	<u>938,509</u>	<u>7,146,753</u>	<u>65,378,135</u>
<b>Expenditures:</b>					
Current:					
General government	5,919,356	121,709	-	17,042	6,058,107
Community development	1,130,628	-	-	3,450	1,134,078
Public works	7,723,718	9,689,735	-	4,388,682	21,802,135
Human services	1,057,208	-	-	2,435,559	3,492,767
Culture and recreation	4,832,241	-	-	-	4,832,241
Public safety:					
Police	10,140,162	-	-	-	10,140,162
Fire	3,840,588	-	-	-	3,840,588
Other	1,289,224	-	-	-	1,289,224
Debt service	-	-	81,864	3,056,486	3,138,350
Capital outlay	584,038	-	9,313,534	-	9,897,572
Total expenditures	<u>36,517,163</u>	<u>9,811,444</u>	<u>9,395,398</u>	<u>9,901,219</u>	<u>65,625,224</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>7,497,964</u>	<u>3,466,302</u>	<u>(8,456,889)</u>	<u>(2,754,466)</u>	<u>(247,089)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	1,238,968	-	7,391,648	4,785,586	13,416,202
Transfers out	(7,625,363)	(3,968,241)	-	(1,717,583)	(13,311,187)
Proceeds from issuance of bonds	-	-	7,495,000	-	7,495,000
Bond issue premium	-	-	96,657	-	96,657
Total other financing sources (uses)	<u>(6,386,395)</u>	<u>(3,968,241)</u>	<u>14,983,305</u>	<u>3,068,003</u>	<u>7,696,672</u>
<b>Net Change in Fund Balance</b>	1,111,569	(501,939)	6,526,416	313,537	7,449,583
<b>Fund Balance:</b>					
Beginning of year	<u>10,329,892</u>	<u>10,088,522</u>	<u>830,239</u>	<u>1,084,026</u>	<u>22,332,679</u>
End of year	<u>\$ 11,441,461</u>	<u>\$ 9,586,583</u>	<u>\$ 7,356,655</u>	<u>\$ 1,397,563</u>	<u>\$ 29,782,262</u>

See accompanying notes to financial statements.

# MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2025

**Net Change in Fund Balance - Governmental Funds** \$ 7,449,583

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

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

	Capital outlays	\$ 10,478,748	
	Depreciation expense	<u>(5,869,177)</u>	4,609,571

The net effect of various transactions involving capital assets (e.g., sales, dispositions, trade-ins) is to decrease net position. (33,947)

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. (4,945,000)

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. (234,905)

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. (30,627)

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. 65,682

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. 69,464

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. (3,946)

**Change in Net Position of Governmental Activities** \$ 6,945,875

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, 2025

	General Fund				Sewage Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>								
Taxes	\$ 31,582,200	\$ 31,582,200	\$ 32,946,472	\$ 1,364,272	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	1,143,360	1,143,360	1,104,798	(38,562)	15,000,000	15,000,000	12,712,081	(2,287,919)
Fines, forfeitures, and penalties	74,000	74,000	52,593	(21,407)	15,000	15,000	45,431	30,431
Investment earnings	225,000	225,000	269,956	44,956	250,000	250,000	481,465	231,465
Intergovernmental	2,215,890	2,489,350	2,617,584	128,234	-	-	-	-
Recreation	3,875,250	4,072,440	4,033,846	(38,594)	-	-	-	-
Other	2,886,010	2,886,010	2,989,878	103,868	40,000	40,000	38,769	(1,231)
<b>Total revenues</b>	<b>42,001,710</b>	<b>42,472,360</b>	<b>44,015,127</b>	<b>1,542,767</b>	<b>15,305,000</b>	<b>15,305,000</b>	<b>13,277,746</b>	<b>(2,027,254)</b>

(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, 2025  
(Continued)

	General Fund				Sewage Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Expenditures:</b>								
Current:								
General government	5,794,510	5,896,510	5,919,356	(22,846)	133,840	133,840	121,709	12,131
Community development	1,362,210	1,362,210	1,130,628	231,582	-	-	-	-
Public works	8,537,350	8,663,150	7,723,718	939,432	10,300,000	10,300,000	9,689,735	610,265
Human services	1,031,750	1,031,750	1,057,208	(25,458)	-	-	-	-
Culture and recreation	4,703,430	5,027,250	4,832,241	195,009	-	-	-	-
Public safety:								
Police	9,878,010	9,951,470	10,140,162	(188,692)	-	-	-	-
Fire	4,008,620	4,008,620	3,840,588	168,032	-	-	-	-
Other	1,429,820	1,429,820	1,289,224	140,596	-	-	-	-
Capital outlay	833,200	833,200	584,038	249,162	-	-	-	-
Total expenditures	<u>37,578,900</u>	<u>38,203,980</u>	<u>36,517,163</u>	<u>1,686,817</u>	<u>10,433,840</u>	<u>10,433,840</u>	<u>9,811,444</u>	<u>622,396</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>4,422,810</u>	<u>4,268,380</u>	<u>7,497,964</u>	<u>3,229,584</u>	<u>4,871,160</u>	<u>4,871,160</u>	<u>3,466,302</u>	<u>(1,404,858)</u>
<b>Other Financing Sources (Uses):</b>								
Transfers in	1,492,180	1,492,180	1,238,968	(253,212)	-	-	-	-
Transfers out	(6,932,160)	(6,932,160)	(7,625,363)	(693,203)	(7,187,100)	(7,187,100)	(3,968,241)	3,218,859
Total other financing sources (uses)	<u>(5,439,980)</u>	<u>(5,439,980)</u>	<u>(6,386,395)</u>	<u>(946,415)</u>	<u>(7,187,100)</u>	<u>(7,187,100)</u>	<u>(3,968,241)</u>	<u>3,218,859</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,017,170)</u>	<u>\$ (1,171,600)</u>	<u>1,111,569</u>	<u>\$ 2,283,169</u>	<u>\$ (2,315,940)</u>	<u>\$ (2,315,940)</u>	<u>(501,939)</u>	<u>\$ 1,814,001</u>
<b>Fund Balance:</b>								
Beginning of year			10,329,892				10,088,522	
End of year			<u>\$ 11,441,461</u>				<u>\$ 9,586,583</u>	

(Concluded)

See accompanying notes to financial statements.

# MT. LEBANON, PENNSYLVANIA

## STATEMENT OF NET POSITION PROPRIETARY FUND - PARKING FUND

DECEMBER 31, 2025

<b>Assets</b>	
<hr/>	
Current assets:	
Cash and other money market instruments	\$ 3,366,506
Accounts receivable	18,681
Leases receivable	134,687
Due from other funds	12,870
Prepays and other assets	8,140
	<hr/>
Total current assets	3,540,884
Non-current assets:	
Long-term receivable	69,149
Long-term leases receivable	153,225
Capital assets not being depreciated	2,687,084
Capital assets, net of accumulated depreciation	3,933,796
	<hr/>
Total non-current assets	6,843,254
	<hr/>
<b>Total Assets</b>	<b>\$ 10,384,138</b>
<hr/>	
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>	
<hr/>	
Liabilities:	
Current liabilities:	
Accounts payable	\$ 45,102
Accrued payroll	59,018
Advance deposits	113,383
	<hr/>
Total current liabilities	217,503
Non-current liabilities:	
Compensated absences	25,900
	<hr/>
Total noncurrent liabilities	25,900
	<hr/>
Total Liabilities	243,403
Deferred Inflows of Resources:	
Lease related	230,242
	<hr/>
Net Position:	
Net investment in capital assets	6,601,390
Unrestricted	3,309,103
	<hr/>
Total Net Position	9,910,493
	<hr/>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 10,384,138</b>
<hr/>	

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, 2025

<b>Operating Revenues:</b>	
Vehicle space rental	\$ 1,078,161
Meter collections	677,696
Fine collections	318,437
Leases	198,638
Other	3,107
Total operating revenues	<u>2,276,039</u>
<b>Operating Expenses:</b>	
Personnel	774,862
Contracted services	398,388
Utilities	71,371
Materials and supplies	64,526
Depreciation	505,164
Total operating expenses	<u>1,814,311</u>
<b>Operating Income (Loss)</b>	<u>461,728</u>
<b>Nonoperating Revenues (Expenses):</b>	
Interest income	108,351
Interest expense	(459)
Total nonoperating revenues (expenses)	<u>107,892</u>
Income (loss) before transfers	569,620
Transfers out	<u>(105,015)</u>
<b>Change in Net Position</b>	464,605
<b>Net Position:</b>	
Beginning of year	<u>9,445,888</u>
End of year	<u>\$ 9,910,493</u>

See accompanying notes to financial statements.

# MT. LEBANON, PENNSYLVANIA

## STATEMENT OF CASH FLOWS PROPRIETARY FUND - PARKING FUND

YEAR ENDED DECEMBER 31, 2025

<b>Cash Flows From Operating Activities:</b>	
Receipts from customers	\$ 2,367,010
Payments for goods and services	(518,248)
Payments to employees	(752,612)
Net cash provided by (used in) operating activities	1,096,150
<b>Cash Flows From Investing Activities:</b>	
Interest income	100,131
<b>Cash Flows From Non-Capital Financing Activities:</b>	
Transfers to and from other funds	(200,200)
Repayment of long-term receivable	9,118
Net cash provided by (used in) non-capital financing activities	(191,082)
<b>Cash Flows From Capital and Related Financing Activities:</b>	
Payment of long-term debt	(35,000)
Payment of interest on long-term debt	(787)
Interest income - leases	8,220
Acquisition of property and equipment	(245,934)
Net cash provided by (used in) capital and related financing activities	(273,501)
<b>Net Increase (Decrease) in Cash and Other Money Market Instruments</b>	731,698
<b>Cash and Other Money Market Instruments:</b>	
Beginning of year	2,634,808
End of year	\$ 3,366,506
<b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:</b>	
Operating income (loss)	\$ 461,728
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	505,164
Change in operating assets and liabilities:	
Accounts receivable	15,655
Leases receivable	224,697
Prepays and other assets	9,330
Accounts payable	6,707
Accrued payroll and compensated absences	22,250
Advance deposits	43,160
Deferred inflows of resources	(192,541)
Total adjustments	634,422
Net cash provided by (used in) operating activities	\$ 1,096,150
<b>Schedule of non-cash capital and related financing activities:</b>	
Purchase of capital assets on account	\$ 9,694

See accompanying notes to financial statements.

# MT. LEBANON, PENNSYLVANIA

## STATEMENT OF PLAN NET POSITION FIDUCIARY FUNDS - TRUST FUNDS

DECEMBER 31, 2025

<b>Assets</b>	
Accrued income receivable	\$ 6,229
Investments (at fair value):	
Equity funds	93,942,760
Fixed income funds	45,548,592
Partnerships/joint ventures	13,284,392
Short-term funds	2,672,329
<b>Total Assets</b>	<b>155,454,302</b>
<b>Liabilities</b>	
Accounts payable	284,494
<b>Net Position</b>	
Restricted for pensions	152,361,851
Restricted for OPEB benefits	2,807,957
<b>Total Net Position</b>	<b>\$ 155,169,808</b>

See accompanying notes to financial statements.

# MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2025

### **Additions:**

<hr/>	
Contributions:	
Employer, including state aid	\$ 2,293,552
Employee	635,449
	<hr/>
Total contributions	2,929,001
	<hr/>
Investment gain (loss):	
Net appreciation in fair value of investments	17,108,247
Interest and dividends	3,597,758
	<hr/>
Total investment gain (loss)	20,706,005
	<hr/>
Less investment expense	(17,755)
	<hr/>
Net investment gain (loss)	20,723,760
	<hr/>
Total additions	23,652,761
	<hr/>

### **Deductions:**

<hr/>	
Benefits	8,495,717
Withdrawals	41,528
Administrative expense	52,513
	<hr/>
Total deductions	8,589,758
	<hr/>

**Change in Net Position** 15,063,003

### **Net Position:**

<hr/>	
Beginning of year	140,106,805
	<hr/>
End of year	\$ 155,169,808
	<hr/> <hr/>

See accompanying notes to financial statements.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### 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 34,000 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, 2025

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- 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, 2025

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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, 2025

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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, 2025

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

The Municipality reports the following major proprietary fund:

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

The Municipality also has the following other governmental funds:

Special revenue funds include:

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

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

The *Library Operating Fund* 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.

The *Solid Waste Fund* accounts for the solid waste fees assessed on properties and used for the collection and disposal of refuse and recycling.

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

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

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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Trust Fund accounts for assets held by the Municipality in a trustee capacity for the future payment of postemployment benefits other than retirement benefits.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Municipality's enterprise fund are parking fees and leasing of space. 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, the Solid Waste 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.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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

### **Library**

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

### **IDA**

The IDA did not adopt a legally appropriated operating budget for 2025.

### 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

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

### I. Capital Assets

Capital assets which include equipment, buildings, vehicles, land and building improvements, and infrastructure are recorded at cost or estimated historical cost. In accordance with applicable guidance, infrastructure assets that were acquired or significantly reconstructed, or that received significant improvements, in years ending after 1979 have been capitalized. To the extent the Municipality's capitalization threshold is met, capital outlays are recorded and depreciated using the straight-line method over the following estimated useful lives:

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

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

### J. Leases

The Municipality is a lessor for three noncancellable leases of building space owned by the Parking Fund. The Municipality recognizes leases receivable and deferred inflows of resources in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the Municipality initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Municipality determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Municipality uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Municipality monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the leases receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the leases receivable.

### K. Compensated Absences

The Municipality recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - vacation and sick leave. 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

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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occur, the extra days may qualify for an annual cash payment based on a predetermined scale. Unused vacation and unpaid sick day buy back is accrued in and eventually paid from the General Fund or Parking Fund. The benefits so accrued are not in excess of a normal year's accumulation.

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

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

### L. 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 assets 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 assets 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 three 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, storm water, and solid waste 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.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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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.

Certain amounts determined in connection with lease accounting are reported as deferred inflows of resources on the government-wide financial statements for business-type activities and the proprietary fund statement of net position. This amount will be recognized as an inflow of resources on the straight-line basis over the life of the lease.

### M. 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, 2025 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, 2025, 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, 2025, 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, 2025 are described in the governmental funds balance sheet.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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- Unassigned – This category includes the residual classification for the Municipality’s General Fund and includes all spendable amounts not contained in other classifications for that fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report negative unassigned fund balance in that fund.

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

The Municipality’s fund balance policy for the General Fund provides for a minimum unassigned fund balance of 10%, with a goal of 12-15%, of the Municipality’s General Fund annual expenditures. The Municipality’s fund balance policy also outlines conditions for the use of unassigned fund balance.

### N. 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.”

### O. 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

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# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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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.

P. Adoption of Accounting Pronouncements

The following GASB Statement was adopted for the year ended December 31, 2025: Statement No. 102, Certain Risk Disclosures. This statement had no significant impact on the Municipality's financial statements for the year ended December 31, 2025.

Q. Pending Pronouncements

GASB has issued statements that will become effective in future years including Statement Nos. 103 (Financial Reporting Model Improvements), 104 (Disclosure of Certain Capital Assets), and 105 (Subsequent Events). 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 \$2.7 billion in 2025), the Municipality bills and collects its own property taxes. The schedule for property taxes levied for 2025 is as follows:

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

The municipal tax rate for all purposes in 2025 was 4.5 mills (\$4.50 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, 2025

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### 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) and the Pennsylvania School District Liquid Asset Fund (PSDLAF).

#### Deposits

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

*Custodial Credit Risk – Deposits.* As of December 31, 2025, \$500,000 of the Municipality's \$21,156,941 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 \$21,113,012 as of December 31, 2025.

#### Investments

The Municipality's cash equivalent investments in PLGIT and PSDLAF 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 and PSDLAF 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/Reserve-Class and PLGIT/Prime

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# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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accounts, which limit redemptions or exchanges to two per calendar month. In addition, there are certain limitations placed on the following withdrawals: for PLGIT-Class, PLGIT/Reserve-Class, and PLGIT/Prime accounts, there is a one-day holding period.

As of December 31, 2025, the PLGIT accounts had bank and book balances of \$3,636,041. As of December 31, 2025, the PSDLAF accounts had bank and book balances of \$11,274,255. The accounts are 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, 2025, the investments in PLGIT and PSDLAF 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, 2025

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, 2025:

Investments by Fair Value Level	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Short-term funds	\$ 2,672,329	\$ 2,672,329	\$ -	\$ -
Partnerships/joint ventures	13,284,392	-	-	13,284,392
Total Investments by Fair Value Level	15,956,721	\$ 2,672,329	\$ -	\$ 13,284,392
Investments Measured at NAV:				
Multi-manager series trust:				
Domestic equity fund	58,589,822			
International equity fund	35,352,938			
Fixed income fund	45,548,592			
Total Investments measured at NAV	139,491,352			
Total investments measured at fair value	\$ 155,448,073			

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 \$5,425,018.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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.

<u>Instrument</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Multi-manager series trust (1)	\$ 139,491,352	N/A	Daily	N/A

(1) *Multi-manager series trust.* This investment type includes the PFM Multi-Manager Series Trust (PFM Trust), a Delaware statutory trust organized on December 21, 2016. The PFM Trust offers the following series: Domestic Equity Fund, International Equity Fund, and Fixed Income Fund. The Domestic Equity Fund seeks to provide long-term capital appreciation through a diversified portfolio consisting primarily of U.S. equity securities. The International Equity Fund seeks to provide long-term capital appreciation through a diversified portfolio consisting primarily of non-U.S. equity securities. The Fixed Income Fund seeks to maximize total return (capital appreciation and income) consistent with reasonable risk. The Fixed Income Fund declares and distributes dividends from net investment income, if any, monthly. The Domestic Equity Fund and International Equity Fund each declare and distribute net investment income, 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, 2025

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

<u>Asset Class</u>	<u>Asset Weightings</u>	
	<u>Range</u>	<u>Target</u>
Equity - Domestic	19%-59%	39%
Equity - International	1%-41%	21%
Equity - Other	0%-20%	0%
Fixed Income	8%-48%	28%
Alternatives - Equity	0%-10%	5%
Alternatives - Fixed Income	0%-10%	5%
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:

<u>Asset Class</u>	<u>Asset Weightings</u>	
	<u>Range</u>	<u>Target</u>
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.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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

### Library

In 1990, the Friends of the Library agreed to begin the Mt. Lebanon Public Library Fund (Fund) with a gift of \$15,000 to The Pittsburgh Foundation (Foundation). Subsequently, other donations were received by the Fund. The Foundation is under agreement to manage and invest the Fund. The annual net income of the Fund is paid to the Library, but due to the small amount of income available, the Library has been reinvesting the income into the Fund. As of December 31, 2025, the balance was \$110,193.

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 and other donations were received by 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, 2025, the balance was \$483,436.

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.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### 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, 2025, the amounts are due from the following governmental units:

	General Fund
Due from:	
School District	\$ 226,601
County	284,971
Other	48,090
	\$ 559,662

### 5. Long-Term Liabilities

During 2025, long-term liabilities changed as follows:

	Balance at January 1, 2025	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
<b>Primary Government</b>					
<b>Governmental activities:</b>					
Bonds payable	\$ 15,640,000	\$ 7,495,000	\$ (2,550,000)	\$ 20,585,000	\$ 2,660,000
Compensated absences	1,805,277	1,384,530	(1,301,177)	1,888,630	697,621
Net pension liability	1,656,423	7,871,946	(9,528,369)	-	-
Net other postemployment benefits liability	804,690	272,124	(590,813)	486,001	-
Governmental activities, long-term liabilities	\$ 19,906,390	\$ 17,023,600	\$ (13,970,359)	\$ 22,959,631	\$ 3,357,621
<b>Business-type activities:</b>					
Bonds payable	\$ 35,000	\$ -	\$ (35,000)	\$ -	\$ -
Compensated absences	37,945	30,936	(19,937)	48,944	23,044
Business-type activities, long-term liabilities	\$ 72,945	\$ 30,936	\$ (54,937)	\$ 48,944	\$ 23,044

Compensated absences, the net pension liability, and the net other postemployment benefits liability in governmental activities are liquidated from the General Fund.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

Bonds payable as of December 31, 2025 is composed of the following General Obligation Bond issues:

Description	Interest Rate %	Original Principal	Balance December 31, 2025
2016 Series, maturing in 2027	2.00 - 3.25	4,355,000	\$ 1,075,000
2019 Series, maturing in 2029	2.00 - 4.00	7,765,000	6,115,000
2020 Series A, maturing in 2032	2.00 - 3.00	7,415,000	5,900,000
2025 Series, maturing in 2040	4.00 - 5.00	7,495,000	7,495,000
			\$ 20,585,000

Total payments made on bonds payable in 2025 were \$2,585,000 and \$507,274 for principal and interest, respectively.

The future annual payments required to amortize bonds payable outstanding as December 31, 2025 are as follows:

	Government Activities	
	Principal	Interest
2026	\$ 2,660,000	\$ 664,925
2027	2,735,000	590,325
2028	2,815,000	513,625
2029	2,305,000	436,125
2030	1,760,000	366,625
2031-2035	4,470,000	1,186,375
2036-2040	3,840,000	418,175
Total	\$ 20,585,000	\$ 4,176,175

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

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 2015 Series General Obligation Bonds were paid off during the year ended December 31, 2025.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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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 2019 Series General Obligation Bonds were issued for capital improvement projects, the current refunding of the Municipality's General Obligation Bonds, Series of 2012, and the current refunding of a portion of the Municipality's General Obligation Bonds, Series of 2014.

The 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 2025 Series General Obligation Bonds were issued for capital improvement projects.

The Local Governmental Unit Debt Act (Act 52 of 1978) (Debt Act), 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 Community and Economic Development. Under the Municipality's Home Rule Charter, any new debt in excess of 250% of the borrowing base must be approved by the electorate. The borrowing base as of December 31, 2025 is \$79,301,465. Under the Debt Act, the Municipality could use a legal debt limit multiplier of 350%.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### 6. Capital Assets

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

	January 1, 2025	Additions	Disposals	Transfers/ Reclassifications	December 31, 2025
<b>Governmental activities:</b>					
Land (not depreciated)	\$ 7,266,047	\$ -	\$ -	\$ -	\$ 7,266,047
Construction in progress (not depreciated)	357,575	1,392,892	(311,480)	-	1,438,987
Buildings and improvements other than buildings	59,959,490	1,111,064	-	-	61,070,554
Infrastructure	127,502,538	6,051,110	-	-	133,553,648
Library book collection	2,747,187	380,181	(296,282)	-	2,831,086
Equipment	22,849,046	1,854,981	(225,911)	(60,048)	24,418,068
	<u>220,681,883</u>	<u>10,790,228</u>	<u>(833,673)</u>	<u>(60,048)</u>	<u>230,578,390</u>
Less accumulated depreciation for:					
Buildings and improvements other than buildings	(29,744,487)	(1,687,104)	-	-	(31,431,591)
Infrastructure	(49,178,841)	(2,634,429)	-	-	(51,813,270)
Library book collection	(540,931)	(331,385)	296,282	-	(576,034)
Equipment	(14,994,817)	(1,216,259)	191,964	60,048	(15,959,064)
	<u>(94,459,076)</u>	<u>(5,869,177)</u>	<u>488,246</u>	<u>60,048</u>	<u>(99,779,959)</u>
Governmental activities capital assets, net	<u>\$ 126,222,807</u>	<u>\$ 4,921,051</u>	<u>\$ (345,427)</u>	<u>\$ -</u>	<u>\$ 130,798,431</u>
<b>Business-type activities:</b>					
Land (not depreciated)	\$ 2,687,084	\$ -	\$ -	\$ -	\$ 2,687,084
Buildings and improvements other than buildings	15,077,643	212,770	-	-	15,290,413
Equipment	1,674,687	42,858	(251,290)	60,048	1,526,303
	<u>19,439,414</u>	<u>255,628</u>	<u>(251,290)</u>	<u>60,048</u>	<u>19,503,800</u>
Less accumulated depreciation for:					
Buildings and improvements other than buildings	(11,228,546)	(402,052)	-	-	(11,630,598)
Equipment	(1,340,452)	(103,112)	251,290	(60,048)	(1,252,322)
	<u>(12,568,998)</u>	<u>(505,164)</u>	<u>251,290</u>	<u>(60,048)</u>	<u>(12,882,920)</u>
Business-type activities capital assets, net	<u>\$ 6,870,416</u>	<u>\$ (249,536)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,620,880</u>

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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

Governmental activities:	
General government	\$ 193,869
Public works	3,805,101
Human services	510,412
Culture and recreation	649,037
Public safety:	
Police	347,486
Fire	<u>363,272</u>
Total depreciation expense - governmental activities	<u><u>\$ 5,869,177</u></u>
Business-type activities:	
Parking	<u><u>\$ 505,164</u></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	\$ 303,660	\$ 344,466
Sewage	-	76,612
Capital Projects	329,520	-
Other governmental	<u>2,076</u>	<u>227,048</u>
	635,256	648,126
Parking	<u>12,870</u>	-
	<u><u>\$ 648,126</u></u>	<u><u>\$ 648,126</u></u>

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

	Transfer In				Total
	General Fund	Capital Projects	Other Governmental	Parking	
Transfer out:					
General	\$ -	\$ 3,120,108	\$ 4,505,255	\$ -	\$ 7,625,363
Sewage	614,834	3,195,776	157,631	-	3,968,241
Other governmental	519,119	1,075,764	122,700	-	1,717,583
Parking	105,015	-	-	-	105,015
	\$ 1,238,968	\$ 7,391,648	\$ 4,785,586	\$ -	\$ 13,416,202

Transfers are used to move (1) unrestricted revenues to finance various programs that the Municipality must account for in other funds in accordance with budgetary authorizations, (2) governmental fund revenues to the debt service fund for debt service payments, and (3) governmental fund revenues to the capital projects fund for various capital projects.

## 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, 2025, 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

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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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.

At January 1, 2025, the date of the most recent valuation, participants in the plans were as follows:

	General Employees	Police	Firefighter
Inactive plan members or beneficiaries currently receiving benefits	89	69	20
Inactive plan members entitled to but not yet receiving benefits	19	0	0
Active plan members	85	45	17
Total plan members	<u>193</u>	<u>114</u>	<u>37</u>

### 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.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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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 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.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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*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 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

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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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.

*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.

*Cost-of-Living Adjustments* – Benefit terms provide for annual cost-of-living adjustments for participants hired after August 28, 2011 who retire with at least 20 years of service. Retirees will be entitled to an increase in their retirement benefit each January 1 following attainment of age 60. Total increases may not exceed 15% of the retiree’s original benefit nor may the sum of the retiree’s benefit and all increases exceed 70% of Final Average Monthly Compensation.

### 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

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

Minimum Municipal Obligation (MMO). Certain pension information and calculations are based upon an actuarial valuation performed as of January 1, 2023.

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, 2025, general employees were required to contribute 4.5% of their salary; police officers were required to contribute 4.5% of their salary; and firefighters were required to contribute 4.5% 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 2025. The following table reflects contribution information for 2025:

	General Employees	Police	Firefighter	Total
MMO	<u>\$ 327,372</u>	<u>\$ 1,738,832</u>	<u>\$ 97,296</u>	<u>\$ 2,163,500</u>
Contributions:				
Municipal	\$ -	\$ 823,217	\$ -	\$ 823,217
Allocation of state aid	<u>327,372</u>	<u>941,794</u>	<u>97,296</u>	<u>1,366,462</u>
Total	327,372	1,765,011	97,296	2,189,679
Employee	<u>267,550</u>	<u>279,923</u>	<u>87,976</u>	<u>635,449</u>
Total contributions	<u>\$ 594,922</u>	<u>\$ 2,044,934</u>	<u>\$ 185,272</u>	<u>\$ 2,825,128</u>
Covered payroll	<u>\$ 6,237,554</u>	<u>\$ 6,251,856</u>	<u>\$ 2,306,012</u>	
Employee contributions as a % of covered payroll	<u>4.29%</u>	<u>4.48%</u>	<u>3.82%</u>	

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

The contribution rate for the Police plan is based on the total compensation of the officer. The General Employees (negotiated) and Firefighter (negotiated) plans have a different

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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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.

### Net Pension (Asset) Liability

The components of the net pension (asset) liability of the Plans at December 31, 2025 were as follows:

	<u>General Employees</u>	<u>Police</u>	<u>Firefighter</u>	<u>Total</u>
Total pension liability	\$ 36,531,637	\$ 83,650,785	\$ 20,757,671	\$ 140,940,093
Plan fiduciary net position	<u>(40,828,609)</u>	<u>(87,841,706)</u>	<u>(23,691,536)</u>	<u>(152,361,851)</u>
Net pension liability (asset)	<u>\$ (4,296,972)</u>	<u>\$ (4,190,921)</u>	<u>\$ (2,933,865)</u>	<u>\$ (11,421,758)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>111.76%</u>	<u>105.01%</u>	<u>114.13%</u>	

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### 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, 2025 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at December 31, 2024	\$ 35,501,682	\$ 36,965,315	\$ (1,463,633)
Changes for the year:			
Service cost	743,059	-	743,059
Interest	2,462,601	-	2,462,601
Differences between expected and actual experience	9,292	-	9,292
Contributions - employer	-	327,372	(327,372)
Contributions - employee	-	267,550	(267,550)
Net investment income	-	5,464,749	(5,464,749)
Benefit payments, including refunds	(2,184,997)	(2,184,997)	-
Administrative expense	-	(11,380)	11,380
Net changes	1,029,955	3,863,294	(2,833,339)
Balances at December 31, 2025	\$ 36,531,637	\$ 40,828,609	\$ (4,296,972)

The changes in the net pension (asset) liability of the Municipality for the Police Plan for the year ended December 31, 2025 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at December 31, 2024	\$ 80,521,140	\$ 78,864,717	\$ 1,656,423
Changes for the year:			
Service cost	1,395,278	-	1,395,278
Interest	5,629,385	-	5,629,385
Differences between expected and actual experience	821,973	-	821,973
Contributions - employer	-	1,765,011	(1,765,011)
Contributions - employee	-	279,923	(279,923)
Net investment income	-	11,674,356	(11,674,356)
Benefit payments, including refunds	(4,716,991)	(4,716,991)	-
Administrative expense	-	(25,310)	25,310
Net changes	3,129,645	8,976,989	(5,847,344)
Balances at December 31, 2025	\$ 83,650,785	\$ 87,841,706	\$ (4,190,921)

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

The changes in the net pension (asset) liability of the Municipality for the Firefighter Plan for the year ended December 31, 2025 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at December 31, 2024	\$ 20,447,093	\$ 21,765,216	\$ (1,318,123)
Changes for the year:			
Service cost	340,011	-	340,011
Interest	1,404,809	-	1,404,809
Differences between expected and actual experience	(26,373)	-	(26,373)
Contributions - employer	-	97,296	(97,296)
Contributions - employee	-	87,976	(87,976)
Net investment income	-	3,156,579	(3,156,579)
Benefit payments, including refunds	(1,407,869)	(1,407,869)	-
Administrative expense	-	(7,662)	7,662
Net changes	310,578	1,926,320	(1,615,742)
Balances at December 31, 2025	\$ 20,757,671	\$ 23,691,536	\$ (2,933,865)

*Actuarial Assumptions* - The total pension liability was determined by an actuarial valuation performed on January 1, 2025, and rolled forward to December 31, 2025, using the following actuarial assumptions, applied to all periods in the measurement:

	General Employees	Police	Firefighter
Actuarial assumptions:			
Investment rate of return	7.00%	7.00%	7.00%
Projected salary increases	4.50%	5.25%	4.50%
Inflation rate	2.50%	2.50%	2.50%
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%*	2.0%*

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

N/A - not applicable

\* See page 89 for details

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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*Changes in Actuarial Assumptions* – There were no changes to actuarial assumptions from the January 1, 2023 actuarial valuations.

*Changes in Benefits* – There were no changes to benefits from the January 1, 2023 actuarial valuations.

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

*Long-Term Expected Rate of Return* – The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce 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, 2025

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, 2025:

Asset Class	Target Allocation			Long-Term Expected Real Rate of Return		
	General Employees	Police	Firefighter	General Employees	Police	Firefighter
Domestic equity	39.0%	39.0%	39.0%	5.17%	5.17%	5.17%
International equity	21.0%	21.0%	21.0%	5.02%	5.02%	5.02%
Other equity	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%
Fixed income	28.0%	28.0%	28.0%	2.12%	2.12%	2.12%
Equity alternatives	5.0%	5.0%	5.0%	5.94%	5.94%	5.94%
Fixed income alternatives	5.0%	5.0%	5.0%	4.31%	4.31%	4.31%
Cash	2.0%	2.0%	2.0%	0.12%	0.12%	0.12%
	<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, 2025, the annual money-weighted rate of return on the General Employees, Police, and Firefighter Plan investments, net of investment expense, was 15.19%, 14.94%, and 14.98%, respectively.

*Discount Rate* - The discount rate used to measure the total pension liability for the General Employees, Police, and Firefighter Plans was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Municipality's contributions will be made based on the yearly MMO calculation. Based on those assumptions, the Plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate* – The following presents the net pension (asset) liability of the Plans calculated using the discount rates described above, as well as what the Plan's net pension (assets) liabilities would be if

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
General Employees	\$ (153,630)	\$ (4,296,972)	\$ (7,785,653)
Police Plan	\$ 6,526,575	\$ (4,190,921)	\$ (13,019,282)
Firefighter Plan	\$ (564,649)	\$ (2,933,865)	\$ (4,922,328)

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

For the year ended December 31, 2025, the Municipality recognized aggregate pension expense of approximately \$2,120,000. Of the aggregate total, the Municipality recognized pension expense for the General Employees, Police, and Firefighter pension plans of approximately \$323,000, \$1,712,000, and \$85,000, respectively. At December 31, 2025, the Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Employees	Police	Firefighter	Total
<u>Deferred Outflow of Resources:</u>				
Differences between expected and actual experience	\$ 7,396	\$ 975,561	\$ -	\$ 982,957
Changes in assumption	-	70,253	87,230	157,483
Total deferred outflows of resources	\$ 7,396	\$ 1,045,814	\$ 87,230	\$ 1,140,440
	General Employees	Police	Firefighter	Total
<u>Deferred Inflows of Resources:</u>				
Differences between expected and actual experience	\$ 97,417	\$ 47,682	\$ 187,832	\$ 332,931
Net difference between projected and actual earnings on pension plan investments	2,262,506	4,897,534	1,284,313	8,444,353
Total deferred inflows of resources	\$ 2,359,923	\$ 4,945,216	\$ 1,472,145	\$ 8,777,284

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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
2026	\$ 328,713	\$ 1,090,918	\$ 235,808	\$ 1,655,439
2027	(1,252,588)	(2,325,339)	(744,642)	(4,322,569)
2028	(842,624)	(1,600,483)	(525,262)	(2,968,369)
2029	(586,028)	(1,080,616)	(344,426)	(2,011,070)
2030	-	16,118	(3,996)	12,122
Thereafter	-	-	(2,397)	(2,397)
Total	<u>\$ (2,352,527)</u>	<u>\$ (3,899,402)</u>	<u>\$ (1,384,915)</u>	<u>\$ (7,636,844)</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.

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, 2025, 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.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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.

At January 1, 2025, the date of the most recent valuation, participants in the plans were as follows:

	General Employees	Police	Firefighter
Participants:			
Inactive, currently receiving benefits:			
Health insurance	9	27	10
Life insurance	58	52	14
Active:			
Health insurance	97	19	4
Life insurance	97	46	17

### Benefits Provided - Post-Employment Health Insurance

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

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

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

Service at Retirement	Percentage	2025 Per Month Amount
25+ years	0.80%	\$891.70
20-24 years	0.65%	\$724.50
16-19 years	0.50%	\$557.31

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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*Firefighter:* \$400 per month upon retirement, increasing annually with the percentage change in CPI-W measured July to July.

*General Employees:* \$400 per month

### Benefits Provided - Post-Employment Life Insurance

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

Eligibility: Retirement with 15 years or more of service

Insurance amount:       \$15,000 – Police and Firefighter  
                                  \$10,000 – All others

### Contributions

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

### Net OPEB Liability

The components of the net OPEB liability of the Trust at December 31, 2025 were as follows:

Total OPEB liability	\$ 3,293,958
Plan fiduciary net position	<u>2,807,957</u>
Net OPEB liability	<u>\$ 486,001</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>85.25%</u>

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### Changes in the Net OPEB Liability

The changes in the net OPEB liability of the Municipality for the year ended December 31, 2025 were as follows:

	Increases / Decreases		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2024	\$ 3,316,247	\$ 2,511,557	\$ 804,690
Changes for the year:			
Service cost	40,907	-	40,907
Interest	223,056	-	223,056
Differences between expected and actual experience	(58,864)	-	(58,864)
Contributions - employer	-	103,873	(103,873)
Net investment income	-	428,076	(428,076)
Benefit payments	(227,388)	(227,388)	-
Administrative expense	-	(8,161)	8,161
Net changes	(22,289)	296,400	(318,689)
Balances at December 31, 2025	\$ 3,293,958	\$ 2,807,957	\$ 486,001

*Actuarial Assumptions* – The total OPEB liability was determined by an actuarial valuation performed on January 1, 2025, and rolled forward to December 31, 2025, using the following actuarial assumptions, applied to all periods in the measurement:

- Actuarial cost method – Entry Age Normal Cost;
- Interest rate – 7.00%;
- 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 20 years of service;
- Mortality – 2010 Public Retirement Plan;
- Salary increase – An assumed 5.25% 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: 2.50%.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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*Changes in Actuarial Assumptions* – There were no changes to actuarial assumptions from the January 1, 2023 actuarial valuations.

*Changes in Benefits* – There were no changes to benefits from the January 1, 2023 actuarial valuations.

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

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

The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Trust's target asset allocation as of December 31, 2025:

<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

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# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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year ended December 31, 2025, the annual money-weighted rate of return on the Trust's investments, net of investment expense, was 15.94%.

*Discount Rate* - The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the Municipality's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Trust's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Trust investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
<u>\$ 736,860</u>	<u>\$ 486,001</u>	<u>\$ 265,813</u>

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

For the year ended December 31, 2025, the Municipality recognized OPEB expense of approximately \$38,000. At December 31, 2025, the Municipality reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

<u>Deferred Outflow of Resources:</u>	
Changes in assumption	<u>\$ 42,840</u>
<u>Deferred Inflows of Resources:</u>	
Differences between expected and actual experience	\$ 323,099
Net difference between projected and actual earnings on OPEB plan investments	<u>206,692</u>
Total deferred inflows of resources	<u>\$ 529,791</u>

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# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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>	
2026	\$ (19,664)
2027	(146,472)
2028	(100,936)
2029	(76,230)
2030	(21,525)
Thereafter	<u>(122,124)</u>
Total	<u>\$ (486,951)</u>

### 10. Fiduciary Funds Financial Information

The following financial information represents fiduciary trust funds as of December 31, 2025:

#### Plan Net Position

	<u>General Employees</u>	<u>Police</u>	<u>Firefighter</u>	<u>Other Postemployment Benefits</u>	<u>Total</u>
<b>Assets</b>					
Accrued income receivable	\$ 1,755	\$ 3,657	\$ 794	\$ 23	\$ 6,229
Investments (at fair value):					
Equity funds	24,735,143	52,930,915	14,236,953	2,039,749	93,942,760
Fixed income funds	11,783,795	25,855,774	6,875,383	1,033,640	45,548,592
Partnerships/joint ventures	3,610,871	7,478,965	2,194,556	-	13,284,392
Short-term funds	<u>698,139</u>	<u>1,581,172</u>	<u>385,657</u>	<u>7,361</u>	<u>2,672,329</u>
<b>Total Assets</b>	<u>40,829,703</u>	<u>87,850,483</u>	<u>23,693,343</u>	<u>3,080,773</u>	<u>155,454,302</u>
<b>Liabilities</b>					
Accounts payable	<u>1,094</u>	<u>8,777</u>	<u>1,807</u>	<u>272,816</u>	<u>284,494</u>
<b>Net Position</b>					
Restricted for pensions	40,828,609	87,841,706	23,691,536	-	152,361,851
Restricted for OPEB benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,807,957</u>	<u>2,807,957</u>
<b>Total Net Position</b>	<u>\$ 40,828,609</u>	<u>\$ 87,841,706</u>	<u>\$ 23,691,536</u>	<u>\$ 2,807,957</u>	<u>\$ 155,169,808</u>

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### Changes in Plan Net Position

	General Employees	Police	Firefighter	Other Postemployment Benefits	Total
<b>Additions:</b>					
Contributions:					
Employer, including state aid	\$ 327,372	\$ 1,765,011	\$ 97,296	\$ 103,873	\$ 2,293,552
Employee	267,550	279,923	87,976	-	635,449
Total contributions	594,922	2,044,934	185,272	103,873	2,929,001
Investment gain (loss):					
Net appreciation					
in fair value of investments	4,548,872	9,578,435	2,624,410	356,530	17,108,247
Interest and dividends	911,469	2,085,756	529,783	70,750	3,597,758
Total investment gain (loss)	5,460,341	11,664,191	3,154,193	427,280	20,706,005
Less investment expense	(4,408)	(10,165)	(2,386)	(796)	(17,755)
Net investment gain (loss)	5,464,749	11,674,356	3,156,579	428,076	20,723,760
Total additions	6,059,671	13,719,290	3,341,851	531,949	23,652,761
<b>Deductions:</b>					
Benefits	2,145,877	4,714,583	1,407,869	227,388	8,495,717
Withdrawals	39,120	2,408	-	-	41,528
Administrative expense	11,380	25,310	7,662	8,161	52,513
Total deductions	2,196,377	4,742,301	1,415,531	235,549	8,589,758
<b>Change in Plan Net Position</b>	3,863,294	8,976,989	1,926,320	296,400	15,063,003
<b>Net Position:</b>					
Beginning of year	36,965,315	78,864,717	21,765,216	2,511,557	140,106,805
End of year	\$ 40,828,609	\$ 87,841,706	\$ 23,691,536	\$ 2,807,957	\$ 155,169,808

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### 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)	\$ 1,395,649	\$ 3,109,115	\$ 818,382	\$ 111,586	\$ 5,434,732
Unrealized gain (loss)	3,153,223	6,469,320	1,806,028	244,944	11,673,515
	<u>\$ 4,548,872</u>	<u>\$ 9,578,435</u>	<u>\$ 2,624,410</u>	<u>\$ 356,530</u>	<u>\$ 17,108,247</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 2025, the Municipality contributed \$218,463 to the Plan. The Municipality had no liability outstanding at December 31, 2025.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### 12. Leases

The Parking Fund leases two retail spaces at its North Parking Garage to third parties under lease terms of six 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. The Municipality receives total monthly payments of approximately \$17,000 relating to these leases. The Municipality recognized \$198,638 in lease revenue and \$8,220 in interest revenue during 2025 related to these leases. As of December 31, 2025, the Municipality's receivable for lease payments was \$287,912. Also, the Municipality has deferred inflows of resources associated with leases that will be recognized as revenue over the lease terms. As of December 31, 2025, the balance of the deferred inflows of resources was \$230,242.

As of December 31, 2025, future lease payments are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 134,687	\$ 4,118	\$ 138,805
2027	67,183	2,454	69,637
2028	43,198	1,171	44,369
2029	7,218	918	8,136
2030	7,362	642	8,004
2031-2034	28,264	1,073	29,337
Total	<u>\$ 287,912</u>	<u>\$ 10,376</u>	<u>\$ 298,288</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 approximately 300 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 \$250,000 per occurrence retention. The Trust may impose special assessments, when such assessments are required to reduce or

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# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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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 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 250 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 \$1,000,000 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.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### Pennsylvania Department of Environmental Protection Consent Order

On May 6, 2004, the Municipality 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, the Municipality was required to inventory their system, complete necessary repairs, perform flow monitoring, dye test, adopt a point-of-sale dye testing ordinance, adopt an ordinance to eliminate storm water connections, perform a hydraulic analysis of the collection system, develop an operation and maintenance plan, and prepare a feasibility study to address any collection system deficiencies to eliminate sanitary sewer overflows within six (6) months after the submittal of an ALCOSAN wet weather plan or July 31, 2013, based on the submittal date of the ALCOSAN plan.

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

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

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

Following the Interim COA, a Phase II COA was issued by the ACHD and executed by the Municipality and the ACHD on October 28, 2021. This current COA required the Municipality to design flow reduction corrective action projects in different sewer sheds to meet the required threshold or gold line standard (GLS) of acceptable flows in the system by March

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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2025 and to complete the construction of the corrective action projects by December 31, 2025. A report on the results of repairs and their reductions will be required by December 31, 2026.

In 2022, the Municipality reviewed the GLS as during its due diligence and an updated Schedule B was submitted. The updated Schedule B verified that improvements made to the system since 2008 reduced the measured flow at the point of connections (POC) in the system. In addition, in 2022, flow monitoring on smaller reaches of sewers was completed to obtain more data to strategically select projects to meet the GLS. The Municipality met all the required deadlines of the COA in 2022.

Concurrently in 2022, ALCOSAN continued an effort to regionalize portions of the trunk sewer system that services multiple municipalities. The Municipality in 2023 passed a resolution agreeing to enter into an agreement with ALCOSAN for regionalization of sewers within the municipality that service other municipalities. ALOCSAN is now completing due diligence necessary to make the transfer of ownership. This process has been initiated with the first areas transferred and additional transfers are expected in the future.

During the year ended December 31, 2025, the Municipality incurred approximately \$3.2 million in expenditures related to sanitary sewer improvements.

The Municipality submitted its plans with Castle Shannon Borough and Scott Township to eliminate known sanitary sewer overflows in September 2024 as required by the order.

In 2024, the municipality completed a \$2.2 million source reduction project. This was the first of multiple projects anticipated comply the Phase II consent order gold line standards. Flow monitoring was performed in 2025 after completion of the project to gauge its success.

In 2025, the Municipality completed two source reduction projects totaling \$2.8 million. Construction was completed by the end of 2025 per the order timeline. In addition, a flow monitoring program to evaluate the performance of the source reduction projects was developed and authorized at the end of 2025 to be completed by the Municipality in 2026.

In 2026 flow monitoring has commenced to evaluate the source reduction results in accordance with the gold line standards included in the consent order. The report on the performance results will be prepared with the findings of the metering program by December 31, 2026. The municipal engineer continues to analyze the flow monitoring results leading up to the submission.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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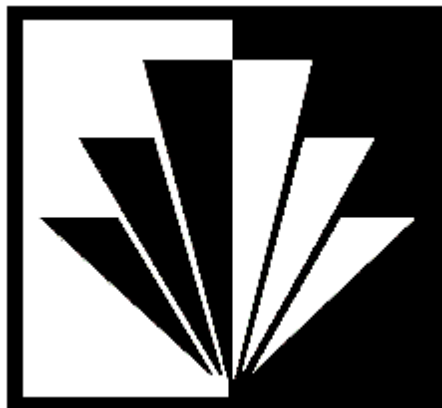
A regional report will be required to be submitted by December 31, 2027, and the current consent order is valid until 2029, at which time it would be expected that the next phase of the Consent Order would be established.

### Commitments

The Municipality has entered into contract commitments related to various capital purchases and projects. As of December 31, 2025, the Municipality had approximately \$6.7 million in commitments related to various capital projects.

## **15. Stormwater Fees**

On January 4, 2023, in the case of *Borough of West Chester v. Pa State System of Higher Education and West Chester University of Pa. of the State System of Higher Education*, No. 260 M.D. 2018 (Pa. Cmwlth. Jan. 4, 2023), the Pennsylvania Commonwealth Court ruled that the Storm Water Fee imposed by the Borough of West Chester constituted a tax and the tax-exempt school system defendants should not be subject to the fee. Since the Municipality imposes a similar fee, the Municipality may be subject to adjustments to the Storm Water Fee depending on appeals filed by the Borough of West Chester or appeals made by similar entities in Mt. Lebanon. Currently, tax-exempt properties make up 11.6% of the Municipality's Storm Water Fees collected.



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REQUIRED

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SUPPLEMENTARY INFORMATION

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**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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability:</b>										
Service cost	\$ 743,059	\$ 661,596	\$ 685,382	\$ 695,210	\$ 642,260	\$ 623,203	\$ 623,431	\$ 591,920	\$ 595,445	\$ 584,860
Interest	2,462,601	2,388,388	2,309,099	2,234,764	2,145,748	2,082,168	2,003,538	1,905,168	1,817,074	1,736,766
Changes of benefit terms	-	-	-	-	-	-	55,521	-	9,176	-
Differences between expected and actual experience	9,292	-	(234,198)	(95,738)	(279,853)	(239,869)	(21,697)	(26,433)	(754,836)	493,888
Changes of assumptions	-	-	-	-	815,757	(60,543)	-	-	655,645	-
Benefit payments, including refunds of member contributions	(2,184,997)	(1,979,598)	(1,701,024)	(1,549,636)	(1,400,064)	(1,254,328)	(1,229,665)	(1,182,357)	(1,153,080)	(1,114,298)
<b>Net Changes in Total Pension Liability</b>	<b>1,029,955</b>	<b>1,070,386</b>	<b>1,059,259</b>	<b>1,284,600</b>	<b>1,923,848</b>	<b>1,150,631</b>	<b>1,431,128</b>	<b>1,288,298</b>	<b>1,169,424</b>	<b>1,701,216</b>
<b>Total Pension Liability - Beginning</b>	<b>35,501,682</b>	<b>34,431,296</b>	<b>33,372,037</b>	<b>32,087,437</b>	<b>30,163,589</b>	<b>29,012,958</b>	<b>27,581,830</b>	<b>26,293,532</b>	<b>25,124,108</b>	<b>23,422,892</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 36,531,637</b>	<b>\$ 35,501,682</b>	<b>\$ 34,431,296</b>	<b>\$ 33,372,037</b>	<b>\$ 32,087,437</b>	<b>\$ 30,163,589</b>	<b>\$ 29,012,958</b>	<b>\$ 27,581,830</b>	<b>\$ 26,293,532</b>	<b>\$ 25,124,108</b>
<b>Plan Fiduciary Net Position:</b>										
Contributions - employer	\$ 327,372	\$ 318,383	\$ 389,508	\$ 397,860	\$ 520,891	\$ 511,555	\$ 456,673	\$ 424,715	\$ 403,602	\$ 413,887
Contributions - member	267,550	254,730	242,184	232,936	259,575	247,441	242,483	233,311	222,616	222,255
Net investment income	5,464,749	3,663,505	4,078,190	(5,454,152)	4,827,232	4,267,341	5,551,354	(1,454,774)	3,903,290	1,344,937
Benefit payments, including refunds of member contributions	(2,184,997)	(1,979,598)	(1,701,024)	(1,549,636)	(1,400,064)	(1,254,328)	(1,229,665)	(1,182,357)	(1,153,080)	(1,114,298)
Administrative expense	(11,380)	(7,602)	(18,276)	(28,823)	(38,840)	(23,208)	(30,566)	(47,065)	(52,741)	(68,792)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>3,863,294</b>	<b>2,249,418</b>	<b>2,990,582</b>	<b>(6,401,815)</b>	<b>4,168,794</b>	<b>3,748,801</b>	<b>4,990,279</b>	<b>(2,026,170)</b>	<b>3,323,687</b>	<b>797,989</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>36,965,315</b>	<b>34,715,897</b>	<b>31,725,315</b>	<b>38,127,130</b>	<b>33,958,336</b>	<b>30,209,535</b>	<b>25,219,256</b>	<b>27,245,426</b>	<b>23,921,739</b>	<b>23,123,750</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 40,828,609</b>	<b>\$ 36,965,315</b>	<b>\$ 34,715,897</b>	<b>\$ 31,725,315</b>	<b>\$ 38,127,130</b>	<b>\$ 33,958,336</b>	<b>\$ 30,209,535</b>	<b>\$ 25,219,256</b>	<b>\$ 27,245,426</b>	<b>\$ 23,921,739</b>
<b>Net Pension (Asset) Liability - Ending (a-b)</b>	<b>\$ (4,296,972)</b>	<b>\$ (1,463,633)</b>	<b>\$ (284,601)</b>	<b>\$ 1,646,722</b>	<b>\$ (6,039,693)</b>	<b>\$ (3,794,747)</b>	<b>\$ (1,196,577)</b>	<b>\$ 2,362,574</b>	<b>\$ (951,894)</b>	<b>\$ 1,202,369</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>111.76%</b>	<b>104.12%</b>	<b>100.83%</b>	<b>95.07%</b>	<b>118.82%</b>	<b>112.58%</b>	<b>104.12%</b>	<b>91.43%</b>	<b>103.62%</b>	<b>95.21%</b>
<b>Covered Payroll</b>	<b>\$ 6,237,554</b>	<b>\$ 6,004,986</b>	<b>\$ 5,636,338</b>	<b>\$ 5,366,094</b>	<b>\$ 5,319,127</b>	<b>\$ 5,032,161</b>	<b>\$ 4,995,603</b>	<b>\$ 4,740,168</b>	<b>\$ 4,452,316</b>	<b>\$ 4,495,374</b>
<b>Net Pension (Asset) Liability as a Percentage of Covered Payroll</b>	<b>(68.89%)</b>	<b>(24.37%)</b>	<b>(5.05%)</b>	<b>30.69%</b>	<b>(113.55%)</b>	<b>(75.41%)</b>	<b>(23.95%)</b>	<b>49.84%</b>	<b>(21.38%)</b>	<b>26.75%</b>

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability:</b>										
Service cost	\$ 1,395,278	\$ 1,473,859	\$ 1,400,341	\$ 1,338,879	\$ 1,444,668	\$ 1,453,363	\$ 1,318,227	\$ 1,410,980	\$ 1,417,581	\$ 1,329,704
Interest	5,629,385	5,417,938	5,250,148	5,027,858	4,862,119	4,693,793	4,452,276	4,243,417	4,052,750	3,845,671
Changes of benefit terms	-	-	-	-	-	-	-	-	256,168	-
Differences between expected and actual experience	821,973	-	717,412	(194,390)	89,180	575,105	168,924	(326,971)	(978,015)	1,570,774
Changes of assumptions	-	-	-	-	1,826,608	(28,404)	-	-	654,822	-
Benefit payments, including refunds of member contributions	(4,716,991)	(4,515,489)	(4,144,787)	(3,801,104)	(3,482,058)	(3,195,714)	(3,048,980)	(2,657,376)	(2,361,531)	(2,319,172)
<b>Net Changes in Total Pension Liability</b>	<b>3,129,645</b>	<b>2,376,308</b>	<b>3,223,114</b>	<b>2,371,243</b>	<b>4,740,517</b>	<b>3,498,143</b>	<b>2,890,447</b>	<b>2,670,050</b>	<b>3,041,775</b>	<b>4,426,977</b>
<b>Total Pension Liability - Beginning</b>	<b>80,521,140</b>	<b>78,144,832</b>	<b>74,921,718</b>	<b>72,550,475</b>	<b>67,809,958</b>	<b>64,311,815</b>	<b>61,421,368</b>	<b>58,751,318</b>	<b>55,709,543</b>	<b>51,282,566</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 83,650,785</b>	<b>\$ 80,521,140</b>	<b>\$ 78,144,832</b>	<b>\$ 74,921,718</b>	<b>\$ 72,550,475</b>	<b>\$ 67,809,958</b>	<b>\$ 64,311,815</b>	<b>\$ 61,421,368</b>	<b>\$ 58,751,318</b>	<b>\$ 55,709,543</b>
<b>Plan Fiduciary Net Position:</b>										
Contributions - employer	\$ 1,765,011	\$ 2,146,110	\$ 2,298,109	\$ 2,257,099	\$ 2,278,991	\$ 2,388,374	\$ 2,352,549	\$ 2,353,133	\$ 2,109,775	\$ 2,053,201
Contributions - member	279,923	263,879	260,057	251,818	247,264	248,961	250,972	232,434	238,177	207,998
Net investment income	11,674,356	7,886,316	8,644,090	(11,336,821)	9,996,060	8,723,018	11,370,132	(2,938,933)	7,657,620	2,561,820
Benefit payments, including refunds of member contributions	(4,716,991)	(4,515,489)	(4,144,787)	(3,801,104)	(3,482,058)	(3,195,714)	(3,048,980)	(2,657,376)	(2,361,531)	(2,319,172)
Administrative expense	(25,310)	(11,987)	(26,624)	(50,738)	(64,150)	(45,077)	(50,780)	(88,187)	(95,084)	(120,705)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>8,976,989</b>	<b>5,768,829</b>	<b>7,030,845</b>	<b>(12,679,746)</b>	<b>8,976,107</b>	<b>8,119,562</b>	<b>10,873,893</b>	<b>(3,098,929)</b>	<b>7,548,957</b>	<b>2,383,142</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>78,864,717</b>	<b>73,095,888</b>	<b>66,065,043</b>	<b>78,744,789</b>	<b>69,768,682</b>	<b>61,649,120</b>	<b>50,775,227</b>	<b>53,874,156</b>	<b>46,325,199</b>	<b>43,942,057</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 87,841,706</b>	<b>\$ 78,864,717</b>	<b>\$ 73,095,888</b>	<b>\$ 66,065,043</b>	<b>\$ 78,744,789</b>	<b>\$ 69,768,682</b>	<b>\$ 61,649,120</b>	<b>\$ 50,775,227</b>	<b>\$ 53,874,156</b>	<b>\$ 46,325,199</b>
<b>Net Pension (Asset) Liability - Ending (a-b)</b>	<b>\$ (4,190,921)</b>	<b>\$ 1,656,423</b>	<b>\$ 5,048,944</b>	<b>\$ 8,856,675</b>	<b>\$ (6,194,314)</b>	<b>\$ (1,958,724)</b>	<b>\$ 2,662,695</b>	<b>\$ 10,646,141</b>	<b>\$ 4,877,162</b>	<b>\$ 9,384,344</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>105.01%</b>	<b>97.94%</b>	<b>93.54%</b>	<b>88.18%</b>	<b>108.54%</b>	<b>102.89%</b>	<b>95.86%</b>	<b>82.67%</b>	<b>91.70%</b>	<b>83.15%</b>
<b>Covered Payroll</b>	<b>\$ 6,251,856</b>	<b>\$ 5,894,398</b>	<b>\$ 5,866,446</b>	<b>\$ 5,618,946</b>	<b>\$ 5,500,832</b>	<b>\$ 5,533,253</b>	<b>\$ 5,577,948</b>	<b>\$ 5,165,202</b>	<b>\$ 5,292,825</b>	<b>\$ 5,202,636</b>
<b>Net Pension (Asset) Liability as a Percentage of Covered Payroll</b>	<b>(67.03%)</b>	<b>28.10%</b>	<b>86.06%</b>	<b>157.62%</b>	<b>(112.61%)</b>	<b>(35.40%)</b>	<b>47.74%</b>	<b>206.11%</b>	<b>92.15%</b>	<b>180.38%</b>

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability:</b>										
Service cost	\$ 340,011	\$ 326,016	\$ 344,725	\$ 311,703	\$ 290,755	\$ 287,561	\$ 286,393	\$ 297,870	\$ 311,943	\$ 352,303
Interest	1,404,809	1,376,552	1,337,795	1,291,452	1,261,248	1,230,072	1,220,594	1,172,120	1,126,813	1,101,371
Changes of benefit terms	-	-	84,095	-	-	-	23,995	-	-	-
Differences between expected and actual experience	(26,373)	-	(44,619)	(189,827)	(39,427)	(572,633)	3,234	(86,189)	(736,092)	78,650
Changes of assumptions	-	-	-	-	461,498	44,105	-	-	256,159	-
Benefit payments, including refunds of member contributions	(1,407,869)	(1,169,191)	(1,053,123)	(975,322)	(928,756)	(855,164)	(842,843)	(792,299)	(637,575)	(531,475)
<b>Net Changes in Total Pension Liability</b>	<b>310,578</b>	<b>533,377</b>	<b>668,873</b>	<b>438,006</b>	<b>1,045,318</b>	<b>133,941</b>	<b>691,373</b>	<b>591,502</b>	<b>321,248</b>	<b>1,000,849</b>
<b>Total Pension Liability - Beginning</b>	<b>20,447,093</b>	<b>19,913,716</b>	<b>19,244,843</b>	<b>18,806,837</b>	<b>17,761,519</b>	<b>17,627,578</b>	<b>16,936,205</b>	<b>16,344,703</b>	<b>16,023,455</b>	<b>15,022,606</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 20,757,671</b>	<b>\$ 20,447,093</b>	<b>\$ 19,913,716</b>	<b>\$ 19,244,843</b>	<b>\$ 18,806,837</b>	<b>\$ 17,761,519</b>	<b>\$ 17,627,578</b>	<b>\$ 16,936,205</b>	<b>\$ 16,344,703</b>	<b>\$ 16,023,455</b>
<b>Plan Fiduciary Net Position:</b>										
Contributions - employer	\$ 97,296	\$ 95,641	\$ 152,630	\$ 131,174	\$ 213,578	\$ 230,607	\$ 220,441	\$ 230,060	\$ 338,241	\$ 364,036
Contributions - member	87,976	91,251	91,520	88,794	94,114	88,209	88,473	89,058	91,154	84,081
Net investment income	3,156,579	2,168,440	2,430,682	(3,248,513)	2,943,462	2,578,936	3,464,190	(884,144)	2,443,097	832,846
Benefit payments, including refunds of member contributions	(1,407,869)	(1,169,191)	(1,053,123)	(975,322)	(928,756)	(855,164)	(842,843)	(792,299)	(637,575)	(531,475)
Administrative expense	(7,662)	(6,753)	(12,009)	(21,449)	(24,898)	(14,047)	(20,249)	(29,911)	(33,886)	(43,140)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>1,926,320</b>	<b>1,179,388</b>	<b>1,609,700</b>	<b>(4,025,316)</b>	<b>2,297,500</b>	<b>2,028,541</b>	<b>2,910,012</b>	<b>(1,387,236)</b>	<b>2,201,031</b>	<b>706,348</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>21,765,216</b>	<b>20,585,828</b>	<b>18,976,128</b>	<b>23,001,444</b>	<b>20,703,944</b>	<b>18,675,403</b>	<b>15,765,391</b>	<b>17,152,627</b>	<b>14,951,596</b>	<b>14,245,248</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 23,691,536</b>	<b>\$ 21,765,216</b>	<b>\$ 20,585,828</b>	<b>\$ 18,976,128</b>	<b>\$ 23,001,444</b>	<b>\$ 20,703,944</b>	<b>\$ 18,675,403</b>	<b>\$ 15,765,391</b>	<b>\$ 17,152,627</b>	<b>\$ 14,951,596</b>
<b>Net Pension (Asset) Liability - Ending (a-b)</b>	<b>\$ (2,933,865)</b>	<b>\$ (1,318,123)</b>	<b>\$ (672,112)</b>	<b>\$ 268,715</b>	<b>\$ (4,194,607)</b>	<b>\$ (2,942,425)</b>	<b>\$ (1,047,825)</b>	<b>\$ 1,170,814</b>	<b>\$ (807,924)</b>	<b>\$ 1,071,859</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>114.13%</b>	<b>106.45%</b>	<b>103.38%</b>	<b>98.60%</b>	<b>122.30%</b>	<b>116.57%</b>	<b>105.94%</b>	<b>93.09%</b>	<b>104.94%</b>	<b>93.31%</b>
<b>Covered Payroll</b>	<b>\$ 2,306,012</b>	<b>\$ 2,299,135</b>	<b>\$ 2,305,171</b>	<b>\$ 2,177,584</b>	<b>\$ 2,071,148</b>	<b>\$ 1,893,835</b>	<b>\$ 1,920,449</b>	<b>\$ 1,929,787</b>	<b>\$ 1,823,074</b>	<b>\$ 1,895,055</b>
<b>Net Pension (Asset) Liability as a Percentage of Covered Payroll</b>	<b>(127.23%)</b>	<b>(57.33%)</b>	<b>(29.16%)</b>	<b>12.34%</b>	<b>(202.53%)</b>	<b>(155.37%)</b>	<b>(54.56%)</b>	<b>60.67%</b>	<b>(44.32%)</b>	<b>56.56%</b>

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>GENERAL EMPLOYEES PLAN:</b>										
<u>Schedule of Municipality's Contributions</u>										
Actuarially determined contribution	\$ 327,372	\$ 318,383	\$ 389,508	\$ 397,860	\$ 520,891	\$ 511,555	\$ 456,673	\$ 424,715	\$ 403,602	\$ 413,887
Contributions in relation to the actuarially determined contribution	327,372	318,383	389,508	397,860	520,891	511,555	456,673	424,715	403,602	413,887
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,237,554	\$ 6,004,986	\$ 5,636,338	\$ 5,366,094	\$ 5,319,127	\$ 5,032,161	\$ 4,995,603	\$ 4,740,168	\$ 4,452,316	\$ 4,495,374
Contributions as a percentage of covered payroll	5.25%	5.30%	6.91%	7.41%	9.79%	10.17%	9.14%	8.96%	9.06%	9.21%
<u>Investment Returns</u>										
Annual money-weighted rate of return, net of investment expense	15.19%	10.58%	13.99%	-15.79%	13.96%	14.55%	20.64%	-4.77%	16.41%	5.96%
<b>POLICE PLAN:</b>										
<u>Schedule of Municipality's Contributions</u>										
Actuarially determined contribution	\$ 1,738,832	\$ 2,133,475	\$ 2,240,219	\$ 2,210,149	\$ 2,278,991	\$ 2,287,919	\$ 2,306,379	\$ 2,331,048	\$ 2,067,756	\$ 2,053,201
Contributions in relation to the actuarially determined contribution	1,765,011	2,146,110	2,298,109	2,257,099	2,278,991	2,388,374	2,352,549	2,353,133	2,109,775	2,053,201
Contribution deficiency (excess)	\$ (26,179)	\$ (12,635)	\$ (57,890)	\$ (46,950)	\$ -	\$ (100,455)	\$ (46,170)	\$ (22,085)	\$ (42,019)	\$ -
Covered payroll	\$ 6,251,856	\$ 5,894,398	\$ 5,866,446	\$ 5,618,946	\$ 5,500,832	\$ 5,533,253	\$ 5,577,948	\$ 5,165,202	\$ 5,292,825	\$ 5,202,636
Contributions as a percentage of covered payroll	28.23%	36.41%	39.17%	40.17%	41.43%	43.16%	42.18%	45.56%	39.86%	39.46%
<u>Investment Returns</u>										
Annual money-weighted rate of return, net of investment expense	14.94%	10.63%	14.04%	-15.64%	13.87%	14.51%	20.72%	-4.81%	16.39%	5.98%
<b>FIREFIGHTER PLAN:</b>										
<u>Schedule of Municipality's Contributions</u>										
Actuarially determined contribution	\$ 97,296	\$ 95,641	\$ 152,630	\$ 131,174	\$ 213,578	\$ 230,607	\$ 220,441	\$ 230,060	\$ 338,241	\$ 364,036
Contributions in relation to the actuarially determined contribution	97,296	95,641	152,630	131,174	213,578	230,607	220,441	230,060	338,241	364,036
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,306,012	\$ 2,299,135	\$ 2,305,171	\$ 2,177,584	\$ 2,071,148	\$ 1,893,835	\$ 1,920,449	\$ 1,929,787	\$ 1,823,074	\$ 1,895,055
Contributions as a percentage of covered payroll	4.22%	4.16%	6.62%	6.02%	10.31%	12.18%	11.48%	11.92%	18.55%	19.21%
<u>Investment Returns</u>										
Annual money-weighted rate of return, net of investment expense	14.98%	10.58%	14.03%	15.59%	13.98%	14.40%	20.66%	-4.67%	16.36%	5.95%

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

# MT. LEBANON, PENNSYLVANIA

## NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2025

### Actuarial Methods and Assumptions

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

	<u>General Employees</u>	<u>Police</u>	<u>Firefighter</u>
Actuarial valuation date	1/1/2023	1/1/2023	1/1/2023
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	7.00%	7.00%	7.00%
Projected salary increases	4.50%	5.25%	4.50%
Inflation rate	2.50%	2.50%	2.50%
Cost-of-living adjustments	N/A	2.0% *	2.0% **
Mortality table	2010 Public Retirement Plans - General Employee	2010 Public Retirement Plans - Public Safety	2010 Public Retirement Plans - Public Safety

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.

\*\* If hired on or after August 28, 2011, retirees who had completed 20 years of service will receive an increase in the monthly benefit upon attainment of age 60 equal to the percentage change in CPI-W.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2025

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### 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.

In 2023, benefit terms were amended to address gaps in the Final Average Monthly Compensation calculation for participants who return from an Authorized Leave of Absence.

#### 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.

#### Firefighter Plan

In 2023, benefit terms were modified to add a COLA for participants hired after August 28, 2011 who retire with at least 20 years of service.

### 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.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2025

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

In 2021, the investment rate of return was lowered from 7.25% to 7.00%, projected salary increases were lowered from 4.75% to 4.5%, and the inflation rate was lowered from 2.75% to 2.50%. The mortality table was updated from the RP-2014 table to the 2010 Public Retirement Plans – General Employees table.

In 2023, the asset smoothing corridor was reduced from 20% to 10% of the market value of assets.

### 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.

In 2021, the investment rate of return was lowered from 7.25% to 7.00%, projected salary increases were lowered from 5.50% to 5.25%, and the inflation rate was lowered from 2.75% to 2.50%. The mortality table was updated from the RP-2014 with 50% of the Blue Collar adjustment table to the 2010 Public Retirement Plans – Public Safety table.

# MT. LEBANON, PENNSYLVANIA

## NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2025

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In 2023, the asset smoothing corridor was reduced from 20% to 10% of the market value of assets.

### Firefighter Plan

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

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

In 2021, the investment rate of return was lowered from 7.25% to 7.00%, projected salary increases were lowered from 4.75% to 4.50%, and the inflation rate was lowered from 2.75% to 2.50%. The mortality table was updated from the RP-2014 with 50% of the Blue Collar adjustment table to the 2010 Public Retirement Plans – Public Safety table.

In 2023, the asset smoothing corridor was reduced from 20% to 10% of the market value of assets.

**MT. LEBANON, PENNSYLVANIA**

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

YEARS ENDED DECEMBER 31  
LAST TEN YEARS\*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability:</b>									
Service cost	\$ 40,907	\$ 49,745	\$ 48,532	\$ 55,870	\$ 54,507	\$ 59,103	\$ 57,523	\$ 69,975	\$ 68,102
Interest	223,056	224,445	220,399	228,120	220,784	225,520	216,439	214,728	205,526
Changes of benefit terms	-	-	31,431	-	-	-	-	-	-
Differences between expected and actual experience	(58,864)	-	(243,158)	-	(151,136)	-	(103,546)	-	-
Changes of assumptions	-	-	15,444	-	75,252	-	-	-	-
Benefit payments, including refunds of member contributions	(227,388)	(225,315)	(199,771)	(181,917)	(162,096)	(159,300)	(141,557)	(148,546)	(148,590)
<b>Net Changes in Total OPEB Liability</b>	<b>(22,289)</b>	<b>48,875</b>	<b>(127,123)</b>	<b>102,073</b>	<b>37,311</b>	<b>125,323</b>	<b>28,859</b>	<b>136,157</b>	<b>125,038</b>
<b>Total OPEB Liability - Beginning</b>	<b>3,316,247</b>	<b>3,267,372</b>	<b>3,394,495</b>	<b>3,292,422</b>	<b>3,255,111</b>	<b>3,129,788</b>	<b>3,100,929</b>	<b>2,964,772</b>	<b>2,839,734</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 3,293,958</b>	<b>\$ 3,316,247</b>	<b>\$ 3,267,372</b>	<b>\$ 3,394,495</b>	<b>\$ 3,292,422</b>	<b>\$ 3,255,111</b>	<b>\$ 3,129,788</b>	<b>\$ 3,100,929</b>	<b>\$ 2,964,772</b>
<b>Plan Fiduciary Net Position:</b>									
Contributions - employer	\$ 103,873	\$ 143,007	\$ 143,007	\$ 129,821	\$ 129,821	\$ 184,191	\$ 184,191	\$ 201,692	\$ 201,692
Net investment income (loss)	428,076	258,583	332,524	(475,686)	349,970	330,798	389,484	(111,628)	248,280
Benefit payments, including refunds of member contributions	(227,388)	(225,315)	(199,771)	(181,917)	(162,096)	(159,300)	(141,557)	(148,546)	(148,590)
Administrative expense	(8,161)	(1,483)	(7,005)	(6,137)	(7,779)	(3,254)	(7,246)	(4,359)	(6,413)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>296,400</b>	<b>174,792</b>	<b>268,755</b>	<b>(533,919)</b>	<b>309,916</b>	<b>352,435</b>	<b>424,872</b>	<b>(62,841)</b>	<b>294,969</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>2,511,557</b>	<b>2,336,765</b>	<b>2,068,010</b>	<b>2,601,929</b>	<b>2,292,013</b>	<b>1,939,578</b>	<b>1,514,706</b>	<b>1,577,547</b>	<b>1,282,578</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 2,807,957</b>	<b>\$ 2,511,557</b>	<b>\$ 2,336,765</b>	<b>\$ 2,068,010</b>	<b>\$ 2,601,929</b>	<b>\$ 2,292,013</b>	<b>\$ 1,939,578</b>	<b>\$ 1,514,706</b>	<b>\$ 1,577,547</b>
<b>Net OPEB Liability (Asset) - Ending (a-b)</b>	<b>\$ 486,001</b>	<b>\$ 804,690</b>	<b>\$ 930,607</b>	<b>\$ 1,326,485</b>	<b>\$ 690,493</b>	<b>\$ 963,098</b>	<b>\$ 1,190,210</b>	<b>\$ 1,586,223</b>	<b>\$ 1,387,225</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	<b>85.25%</b>	<b>75.73%</b>	<b>71.52%</b>	<b>60.92%</b>	<b>79.03%</b>	<b>70.41%</b>	<b>61.97%</b>	<b>48.85%</b>	<b>53.21%</b>
<b>Covered Employee Payroll</b>	<b>\$ 15,617,033</b>	<b>\$ 15,620,901</b>	<b>\$ 15,223,545</b>	<b>\$ 14,511,420</b>	<b>\$ 14,167,519</b>	<b>\$ 13,773,626</b>	<b>\$ 13,376,391</b>	<b>\$ 13,117,492</b>	<b>\$ 12,515,658</b>
<b>Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll</b>	<b>3.11%</b>	<b>5.15%</b>	<b>6.11%</b>	<b>9.14%</b>	<b>4.87%</b>	<b>6.99%</b>	<b>8.90%</b>	<b>12.09%</b>	<b>11.08%</b>

\* 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\*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
<b>Schedule of Municipality's Contributions</b>									
Actuarially determined contribution	\$ 103,873	\$ 143,007	\$ 143,007	\$ 129,821	\$ 129,821	\$ 184,191	\$ 184,191	\$ 201,692	\$ 201,692
Contributions in relation to the actuarially determined contribution	103,873	143,007	143,007	129,821	129,821	184,191	184,191	201,692	201,692
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 15,617,033	\$ 15,620,901	\$ 15,223,545	\$ 14,511,420	\$ 14,167,519	\$ 13,773,626	\$ 13,376,391	\$ 13,117,492	\$ 12,515,658
Contributions as a percentage of covered employee payroll	0.67%	0.92%	0.94%	0.89%	0.92%	1.34%	1.38%	1.54%	1.61%
<b>Investment Returns</b>									
Annual money-weighted rate of return, net of investment expense	15.94%	11.13%	15.06%	-17.38%	14.16%	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, 2025

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### Actuarial Methods and Assumptions

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

- Actuarial valuation date – January 1, 2025;
- Actuarial cost method – Entry Age Normal Cost;
- Actuarial value of assets – Fair Value;
- Amortization method – Level Dollar Open;
- Amortization period – 30 years;
- Interest rate – 7.00%;
- 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 20 years of service;
- Mortality – Police and Firefighter, 2010 Public Retirement Plans – Public Safety; General and Public Works, 2010 Public Retirement Plans – General Employee;
- Salary increase – An assumed 5.25% 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: 2.50%.

### Changes in Actuarial Assumptions

The interest rate was decreased from 7.50% to 7.25% in the January 1, 2017 actuarial valuation. In addition, mortality rates were updated.

For the January 1, 2021 actuarial valuation, the interest rate was decreased from 7.25% to 7.00%, the mortality assumption was updated, the salary increase assumption was decreased from 5.50% to 5.25%, and inflation was decreased from 2.75% to 2.50%.

For the January 1, 2023 actuarial valuation report, the retirement age assumption for General and Public Works employees was changed from attainment of age 60 and 25 years of service to age 60 and 20 years of service.

### Change in Benefits

As of January 1, 2023, the maximum medical reimbursement rate for future Fire Union retirees will be \$400, with this amount increasing annually by the percentage change in the

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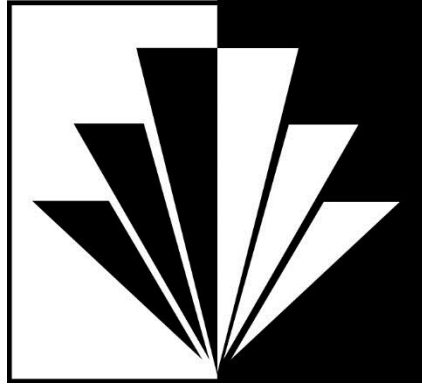
# **MT. LEBANON, PENNSYLVANIA**

## **NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES OTHER POSTEMPLOYMENT BENEFITS TRUST FUND**

YEAR ENDED DECEMBER 31, 2025

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CPI-W measured from July to July. Additionally, as of January 1, 2023, “other” participants who were not previously eligible for the post-retirement medical reimbursement benefit (employees hired after January 1, 2012) are now eligible for a medical reimbursement of \$400 per month upon separation after age 60 and completion of 20 years of service.



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COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES

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## **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.

# MT. LEBANON, PENNSYLVANIA

## GENERAL FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2025, 2024, AND 2023

	2025	2024	2023
<b>Assets</b>			
Cash and other money market instruments	\$ 12,289,768	\$ 11,372,326	\$ 10,318,209
Receivables:			
Taxes	4,596,028	4,504,243	4,281,196
Assessments	44,246	26,160	45,177
Accounts	491,935	1,025,971	554,867
Due from other funds	303,660	358,202	2,513,341
Due from other governments	559,662	528,724	497,773
Other assets	503,527	742,254	684,388
	<b>\$ 18,788,826</b>	<b>\$ 18,557,880</b>	<b>\$ 18,894,951</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>			
Liabilities:			
Accounts payable	\$ 736,577	\$ 1,484,281	\$ 1,102,146
Advance deposits	879,896	1,063,912	598,847
Due to other funds	344,466	551,727	1,313,721
Accrued payroll and deductions payable	1,719,565	1,383,054	1,414,514
	3,680,504	4,482,974	4,429,228
Deferred Inflows of Resources:			
Unavailable revenue	3,666,861	3,745,014	3,567,367
Fund Balance:			
Nonspendable:			
Prepaid items and inventory	503,527	742,254	684,388
Assigned for:			
Capital projects	1,127,621	508,068	395,418
Subsequent years budget	1,963,610	1,017,170	2,150,400
Future benefit obligations	65,000	65,000	65,000
Refund reserve	-	491,062	491,062
Unassigned	7,781,703	7,506,338	7,112,088
	11,441,461	10,329,892	10,898,356
	<b>\$ 18,788,826</b>	<b>\$ 18,557,880</b>	<b>\$ 18,894,951</b>

# MT. LEBANON, PENNSYLVANIA

## GENERAL FUND COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED DECEMBER 31, 2025  
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2024 AND 2023)

	2025	2024	2023
<b>Revenues:</b>			
<u>Taxes:</u>			
Real estate	\$ 12,340,482	\$ 12,147,633	\$ 13,443,752
Earned income	16,709,604	15,576,092	15,002,005
Other	3,896,386	3,645,226	4,042,419
Total taxes	32,946,472	31,368,951	32,488,176
Licenses, permits, and fees	1,104,798	1,055,039	1,236,692
Fines, forfeitures, and penalties	52,593	86,585	87,014
Investment earnings	269,956	337,843	398,505
Intergovernmental	2,617,584	1,710,934	1,612,286
Recreation	4,033,846	3,911,976	3,297,167
Other	2,989,878	3,081,838	2,555,879
Total revenues	44,015,127	41,553,166	41,675,719
<b>Expenditures:</b>			
<u>Current:</u>			
General government	5,919,356	5,442,381	5,329,471
Community development	1,130,628	1,023,070	1,016,319
Public works	7,723,718	7,418,500	9,566,307
Human services	1,057,208	668,590	625,289
Culture and recreation	4,832,241	4,458,148	3,701,631
Public safety:			
Police	10,140,162	9,868,344	9,952,686
Fire	3,840,588	3,671,354	3,665,495
Other	1,289,224	1,122,922	1,188,304
Capital outlay	584,038	3,297,291	2,440,705
Total expenditures	36,517,163	36,970,600	37,486,207
<b>Excess of Revenues over Expenditures</b>	<b>7,497,964</b>	<b>4,582,566</b>	<b>4,189,512</b>
<b>Other Financing Sources (Uses):</b>			
<u>Transfers in:</u>			
Storm Water Fund	519,119	548,240	454,904
Parking Fund	105,015	97,460	74,116
Sewage Fund	614,834	862,072	712,439
Total transfers in	1,238,968	1,507,772	1,241,459
<u>Transfers out:</u>			
Library Operating Fund	(1,729,100)	(1,681,420)	(1,631,055)
Debt Service Fund	(2,776,155)	(3,031,852)	(3,040,463)
Capital Projects Fund	(3,120,108)	(1,826,968)	(1,748,658)
Solid Waste Fund	-	(118,562)	-
Total transfers out	(7,625,363)	(6,658,802)	(6,420,176)
Total other financing sources (uses)	(6,386,395)	(5,151,030)	(5,178,717)
<b>Net Change in Fund Balance</b>	<b>1,111,569</b>	<b>(568,464)</b>	<b>(989,205)</b>
<b>Fund Balance:</b>			
Beginning of year	10,329,892	10,898,356	11,887,561
End of year	\$ 11,441,461	\$ 10,329,892	\$ 10,898,356

# MT. LEBANON, PENNSYLVANIA

## DETAILED SCHEDULE OF GENERAL FUND REVENUES BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2025

	Final Budget	Actual	Variance
<b>Real Estate Taxes:</b>			
Current year taxes	\$ 12,014,400	\$ 12,015,203	\$ 803
Prior years' taxes and penalties	240,000	325,279	85,279
Total real estate taxes	12,254,400	12,340,482	86,082
<b>Earned Income Taxes</b>	15,773,800	16,709,604	935,804
<b>Other Taxes:</b>			
Local Services tax	425,000	489,155	64,155
Real estate transfer taxes	1,800,000	2,011,456	211,456
Utility taxes	29,000	29,199	199
County sales tax	1,300,000	1,366,576	66,576
Total other taxes	3,554,000	3,896,386	342,386
Total taxes	31,582,200	32,946,472	1,364,272
<b>Licenses, Permits, and Fees:</b>			
Public works permits	85,000	81,772	(3,228)
Building permits	230,000	270,006	40,006
Other permits, licenses, and fees	171,660	169,634	(2,026)
Cable TV franchise fees	646,700	573,486	(73,214)
Liquor license fees	10,000	9,900	(100)
Total licenses, permits, and fees	1,143,360	1,104,798	(38,562)
<b>Fines, Forfeitures, and Penalties:</b>			
Motor vehicle code violations	50,000	33,606	(16,394)
Ordinance violation fines	10,000	1,746	(8,254)
Animal fines and kennel charges	1,500	2,922	1,422
Alarm system and other fines	12,500	14,319	1,819
Total fines, forfeitures, and penalties	74,000	52,593	(21,407)
<b>Investment Earnings</b>	225,000	269,956	44,956
<b>Intergovernmental</b>	2,489,350	2,617,584	128,234
<b>Recreation:</b>			
Recreation center	2,275,430	2,212,335	(63,095)
Golf course	549,170	525,939	(23,231)
Racket center	630,430	674,450	44,020
Seasonal programs	617,410	621,122	3,712
Total recreation	4,072,440	4,033,846	(38,594)
<b>Other:</b>			
Joint programs	1,242,380	1,227,912	(14,468)
Mt. Lebanon magazine	531,680	559,235	27,555
Charges for service	653,280	680,641	27,361
Other	374,320	419,935	45,615
Assessments	84,350	102,155	17,805
Total other	2,886,010	2,989,878	103,868
Total revenues	\$ 42,472,360	\$ 44,015,127	\$ 1,542,767

# MT. LEBANON, PENNSYLVANIA

## DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES BY PROGRAM BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2025

	Final Budget	Actual	Variance
<b>General Government:</b>			
General management	\$ 724,420	\$ 746,938	\$ (22,518)
Public information	978,800	957,336	21,464
Legal services	382,180	343,553	38,627
Financial management	640,520	659,420	(18,900)
Treasury management	33,010	33,258	(248)
Real estate tax collection	128,780	141,400	(12,620)
Earned income tax collection	227,240	243,800	(16,560)
Other tax collection	7,650	8,909	(1,259)
Insurance	541,800	525,974	15,826
Information services	742,990	690,009	52,981
Office services	124,010	100,701	23,309
Fringe benefits unallocated	1,365,110	1,468,058	(102,948)
Total general government	<u>5,896,510</u>	<u>5,919,356</u>	<u>(22,846)</u>
<b>Community Development:</b>			
Economic development	290,230	257,681	32,549
Planning	356,990	215,833	141,157
Engineering	41,200	32,078	9,122
Inspection	530,230	507,787	22,443
Civic activity	143,560	117,249	26,311
Total community development	<u>1,362,210</u>	<u>1,130,628</u>	<u>231,582</u>
<b>Public Works:</b>			
Administration	544,420	535,175	9,245
Transportation:			
Street maintenance	763,130	763,747	(617)
Curb maintenance	195,050	209,406	(14,356)
Pedestrian routes	311,370	378,972	(67,602)
Ice and snow control	684,110	384,498	299,612
Traffic planning and signals	418,240	248,080	170,160
Traffic signs and painting	234,490	182,830	51,660
Street lighting	7,500	3,911	3,589
Total transportation	<u>2,613,890</u>	<u>2,171,444</u>	<u>442,446</u>
Sanitation:			
Sanitary sewer maintenance	828,880	614,834	214,046
Storm sewer maintenance	311,380	255,715	55,665
Refuse collection	101,760	87,497	14,263
Street sweeping	530,910	540,048	(9,138)
Total sanitation	<u>1,772,930</u>	<u>1,498,094</u>	<u>274,836</u>
Buildings, grounds, and equipment:			
Public safety building	358,900	416,811	(57,911)
Municipal building maintenance	329,900	329,564	336
Public works building maintenance	225,440	245,306	(19,866)
Firing range	79,050	53,273	25,777
Library building maintenance	297,860	302,081	(4,221)
Parks maintenance	857,030	728,735	128,295
Planting areas	67,900	37,672	30,228
Forestry	782,190	743,086	39,104
Equipment maintenance	733,640	662,477	71,163
Total buildings, grounds, and equipment	<u>3,731,910</u>	<u>3,519,005</u>	<u>212,905</u>
Total public works	<u>8,663,150</u>	<u>7,723,718</u>	<u>939,432</u>

(Continued)

# MT. LEBANON, PENNSYLVANIA

## DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES BY PROGRAM BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2025  
(Continued)

	Final Budget	Actual	Variance
<b>Human Services:</b>			
Library	-	7,596	(7,596)
Outreach program	141,630	120,000	21,630
Medical Rescue Team South	835,120	889,612	(54,492)
Community organizations	55,000	40,000	15,000
Total human services	1,031,750	1,057,208	(25,458)
<b>Culture and Recreation:</b>			
Recreation management	351,810	349,531	2,279
Recreation center	2,713,310	2,620,885	92,425
Golf course	627,800	644,802	(17,002)
Racket center	852,710	774,924	77,786
Seasonal programs	481,620	442,099	39,521
Total culture and recreation	5,027,250	4,832,241	195,009
<b>Public Safety:</b>			
Police:			
Administration	874,260	833,628	40,632
Field service	6,406,290	6,570,586	(164,296)
Support service	392,350	399,552	(7,202)
Investigations	1,012,670	1,047,920	(35,250)
Traffic safety	732,890	729,003	3,887
Community outreach	533,010	559,473	(26,463)
Total police	9,951,470	10,140,162	(188,692)
Fire	4,008,620	3,840,588	168,032
Other:			
Emergency management	48,940	41,158	7,782
Crossing guards	599,010	560,125	38,885
Animal control	781,870	687,941	93,929
Total other	1,429,820	1,289,224	140,596
Total public safety	15,389,910	15,269,974	119,936
<b>Capital Outlay:</b>			
Equipment	653,230	381,428	271,802
Buildings and other improvements	179,970	202,610	(22,640)
Total capital outlay	833,200	584,038	249,162
Total expenditures by program	\$ 38,203,980	\$ 36,517,163	\$ 1,686,817

(Concluded)

# MT. LEBANON, PENNSYLVANIA

## DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES BY OBJECT BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2025

	Final Budget	Actual	Variance
<b>Personnel Costs:</b>			
Regular salaries and wages	\$ 13,681,970	\$ 13,472,480	\$ 209,490
Overtime wages	1,294,130	1,655,243	(361,113)
Part-time and temporary wages	1,930,710	1,717,621	213,089
Retainers and special salaries	27,400	26,600	800
Fringe benefits	7,235,750	7,045,519	190,231
Total personnel costs	24,169,960	23,917,463	252,497
<b>Contractual Services:</b>			
Special appropriations	1,502,870	1,541,679	(38,809)
Professional and consulting services	2,133,910	1,707,595	426,315
Training and conferences	170,300	140,982	29,318
Memberships	38,470	33,693	4,777
Insurance	541,800	525,974	15,826
Utilities and telephone	1,299,280	1,350,537	(51,257)
Repairs and maintenance	195,800	291,276	(95,476)
Printing and photography	181,920	160,327	21,593
Postage	90,150	82,619	7,531
Rentals	143,730	123,634	20,096
Contractual service	3,212,180	3,115,477	96,703
Other contractual services	880,490	642,966	237,524
Total contractual services	10,390,900	9,716,759	674,141
<b>Commodities:</b>			
Office supplies	31,400	21,964	9,436
Books and periodicals	16,010	6,460	9,550
Equipment	1,595,210	1,265,098	330,112
Maintenance supplies	750,500	621,792	128,708
Construction supplies	39,700	50,937	(11,237)
Supplies for resale and recreation supplies	109,800	82,008	27,792
Botanical supplies	33,400	46,898	(13,498)
Fuels and lubricants	233,900	203,746	30,154
Total commodities	2,809,920	2,298,903	511,017
<b>Capital Budget</b>			
Total expenditures by object	\$ 38,203,980	\$ 36,517,163	\$ 1,686,817

# MT. LEBANON, PENNSYLVANIA

## SEWAGE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2025, 2024, AND 2023

	2025	2024	2023
<b>Assets</b>			
Cash and other money market instruments	\$ 11,064,075	\$ 11,597,945	\$ 14,423,218
Assessments receivable	1,971,792	1,999,653	1,726,591
<b>Total Assets</b>	<b>\$ 13,035,867</b>	<b>\$ 13,597,598</b>	<b>\$ 16,149,809</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>			
Liabilities:			
Accounts payable	\$ 2,372,873	\$ 2,257,155	\$ 2,055,298
Due to other funds	76,612	198,245	1,470,256
Total Liabilities	2,449,485	2,455,400	3,525,554
Deferred Inflows of Resources:			
Unavailable revenue	999,799	1,053,676	805,385
Fund Balance:			
Restricted for capital projects	9,586,583	10,088,522	11,818,870
Total Fund Balance	9,586,583	10,088,522	11,818,870
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 13,035,867</b>	<b>\$ 13,597,598</b>	<b>\$ 16,149,809</b>

# MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2025  
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2024 AND 2023)

	2025		2024	2023
	Final Budget	Actual		
<b>Revenues:</b>				
Licenses, permits, and fees	\$ 15,000,000	\$ 12,712,081	\$ 11,755,234	\$ 11,380,304
Fines, forfeitures, and penalties	15,000	45,431	25,975	12,330
Investment earnings	250,000	481,465	637,821	554,093
Other	40,000	38,769	38,311	39,760
Total revenues	15,305,000	13,277,746	12,457,341	11,986,487
<b>Expenditures:</b>				
General government	133,840	121,709	127,366	128,848
Public works	10,300,000	9,689,735	9,073,586	8,691,162
Total expenditures	10,433,840	9,811,444	9,200,952	8,820,010
<b>Excess of Revenues over Expenditures</b>	4,871,160	3,466,302	3,256,389	3,166,477
<b>Other Financing Sources (Uses):</b>				
Transfers out:				
Debt Service Fund	(157,640)	(157,631)	(156,273)	(157,702)
General Fund	(829,460)	(614,834)	(862,072)	(712,439)
Capital Projects Fund	(6,200,000)	(3,195,776)	(3,968,392)	(2,248,340)
Total other financing sources (uses)	(7,187,100)	(3,968,241)	(4,986,737)	(3,118,481)
<b>Net Change in Fund Balance</b>	\$ (2,315,940)	(501,939)	(1,730,348)	47,996
<b>Fund Balance:</b>				
Beginning of year		10,088,522	11,818,870	11,770,874
End of year		\$ 9,586,583	\$ 10,088,522	\$ 11,818,870

# MT. LEBANON, PENNSYLVANIA

## CAPITAL PROJECTS FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2025, 2024, AND 2023

	2025	2024	2023
<b>Assets</b>			
Cash and other money market investments	\$ 7,205,813	\$ 886,947	\$ 400,000
Receivables - accounts	383,011	26,403	144,297
Due from other funds	329,520	424,130	1,312,471
<b>Total Assets</b>	<b>\$ 7,918,344</b>	<b>\$ 1,337,480</b>	<b>\$ 1,856,768</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 544,089	\$ 480,841	\$ 654,952
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue	17,600	26,400	35,200
<b>Fund Balance:</b>			
Restricted	5,810,935	-	88,280
Assigned	1,545,720	830,239	1,078,336
Total Fund Balance	7,356,655	830,239	1,166,616
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 7,918,344</b>	<b>\$ 1,337,480</b>	<b>\$ 1,856,768</b>

# MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2025  
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2024 AND 2023)

	2025		2024	2023
	Final Budget	Actual		
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 151,504	\$ -	\$ 4,885
Intergovernmental	795,680	445,872	10,700	849,520
Other	61,870	341,133	400,287	8,800
Total revenues	857,550	938,509	410,987	863,205
<b>Expenditures:</b>				
Debt service	-	81,864	-	-
Capital outlay	15,413,690	9,313,534	7,395,113	6,464,401
Total expenditures	15,413,690	9,395,398	7,395,113	6,464,401
<b>Deficiency of Revenues over Expenditures</b>	(14,556,140)	(8,456,889)	(6,984,126)	(5,601,196)
<b>Other Financing Sources:</b>				
Transfers in:				
General Fund	2,174,430	3,120,108	1,826,968	1,748,658
Storm Water Fund	1,147,480	1,075,764	852,389	868,696
Sewage Fund	6,200,000	3,195,776	3,968,392	2,248,340
Net transfers	9,521,910	7,391,648	6,647,749	4,865,694
Issuance of debt	4,897,180	7,495,000	-	-
Bond issue premium	-	96,657	-	-
Total other financing sources	14,419,090	14,983,305	6,647,749	4,865,694
<b>Net Change in Fund Balance</b>	\$ (137,050)	6,526,416	(336,377)	(735,502)
<b>Fund Balance:</b>				
Beginning of year		830,239	1,166,616	1,902,118
End of year		\$ 7,356,655	\$ 830,239	\$ 1,166,616

## **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.

The *Solid Waste Fund* accounts for the solid waste fees assessed on properties and used for the collection and disposal of refuse and recycling.

### **Debt Service:**

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

# MT. LEBANON, PENNSYLVANIA

## OTHER GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

DECEMBER 31, 2025

Assets	Special Revenue Funds						Total
	State Highway Aid	Storm Water	Library Operating	Industrial Development Authority	Solid Waste	Debt Service	
Cash and other money market instruments	\$ 8,439	\$ 287,766	\$ 1,103,087	\$ 8,447	\$ 689,407	\$ -	\$ 2,097,146
Receivables:							
Assessments	-	275,446	-	-	311,978	-	587,424
Accounts	-	-	1,115	-	-	-	1,115
Due from other funds	-	-	-	-	2,076	-	2,076
<b>Total Assets</b>	<b>\$ 8,439</b>	<b>\$ 563,212</b>	<b>\$ 1,104,202</b>	<b>\$ 8,447</b>	<b>\$ 1,003,461</b>	<b>\$ -</b>	<b>\$ 2,687,761</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>							
Liabilities:							
Accounts payable	\$ -	\$ 8,223	\$ 26,202	\$ -	\$ 564,715	\$ -	\$ 599,140
Due to other funds	-	127,790	99,258	-	-	-	227,048
Total Liabilities	-	136,013	125,460	-	564,715	-	826,188
Deferred Inflows of Resources:							
Unavailable revenue	-	222,792	-	-	241,218	-	464,010
Fund Balance:							
Restricted	8,439	204,407	550,750	8,447	197,528	-	969,571
Assigned	-	-	427,992	-	-	-	427,992
Total Fund Balance	8,439	204,407	978,742	8,447	197,528	-	1,397,563
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 8,439</b>	<b>\$ 563,212</b>	<b>\$ 1,104,202</b>	<b>\$ 8,447</b>	<b>\$ 1,003,461</b>	<b>\$ -</b>	<b>\$ 2,687,761</b>

# MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2025

	Special Revenue Funds						Total
	State Highway Aid	Storm Water	Library Operating	Industrial Development Authority	Solid Waste	Debt Service	
<b>Revenues:</b>							
Licenses, permits, and fees	\$ -	\$ 1,895,963	\$ -	\$ -	\$ 3,500,222	\$ -	\$ 5,396,185
Fines, forfeitures, and penalties	-	-	6,071	-	-	-	6,071
Investment earnings	32,041	26,114	12,554	382	41,930	-	113,021
Intergovernmental	885,974	-	510,729	-	-	-	1,396,703
Other	-	-	234,773	-	-	-	234,773
Total revenues	918,015	1,922,077	764,127	382	3,542,152	-	7,146,753
<b>Expenditures:</b>							
Current:							
General government	-	17,042	-	-	-	-	17,042
Community development	-	-	-	3,450	-	-	3,450
Public works	1,044,058	-	-	-	3,344,624	-	4,388,682
Human services	-	-	2,435,559	-	-	-	2,435,559
Debt service:							
Principal	-	-	-	-	-	2,550,000	2,550,000
Interest	-	-	-	-	-	506,486	506,486
Total expenditures	1,044,058	17,042	2,435,559	3,450	3,344,624	3,056,486	9,901,219
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(126,043)</b>	<b>1,905,035</b>	<b>(1,671,432)</b>	<b>(3,068)</b>	<b>197,528</b>	<b>(3,056,486)</b>	<b>(2,754,466)</b>
<b>Other Financing Sources (Uses):</b>							
Transfer in from General Fund	-	-	1,729,100	-	-	2,776,155	4,505,255
Transfer in from Sewage Fund	-	-	-	-	-	157,631	157,631
Transfer in from Storm Water Fund	-	-	-	-	-	122,700	122,700
Transfer out to Capital Projects Fund	-	(1,075,764)	-	-	-	-	(1,075,764)
Transfer out to Debt Service Fund	-	(122,700)	-	-	-	-	(122,700)
Transfer out to General Fund	-	(519,119)	-	-	-	-	(519,119)
Total other financing sources (uses)	-	(1,717,583)	1,729,100	-	-	3,056,486	3,068,003
<b>Net Change in Fund Balance</b>	<b>(126,043)</b>	<b>187,452</b>	<b>57,668</b>	<b>(3,068)</b>	<b>197,528</b>	<b>-</b>	<b>313,537</b>
<b>Fund Balance:</b>							
Beginning of year	134,482	16,955	921,074	11,515	-	-	1,084,026
End of year	<b>\$ 8,439</b>	<b>\$ 204,407</b>	<b>\$ 978,742</b>	<b>\$ 8,447</b>	<b>\$ 197,528</b>	<b>\$ -</b>	<b>\$ 1,397,563</b>

# MT. LEBANON, PENNSYLVANIA

## STATE HIGHWAY AID FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2025, 2024, AND 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>Assets</b>			
Cash and other money market instruments	<u>\$ 8,439</u>	<u>\$ 134,482</u>	<u>\$ 363,125</u>
<b>Liabilities and Fund Balance</b>			
Liabilities:			
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288,444</u>
Fund Balance - Restricted	<u>8,439</u>	<u>134,482</u>	<u>74,681</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 8,439</u></u>	<u><u>\$ 134,482</u></u>	<u><u>\$ 363,125</u></u>

# MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2025  
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2024 AND 2023)

	2025		2024	2023
	Final Budget	Actual		
<b>Revenues:</b>				
Investment earnings	\$ 10,000	\$ 32,041	\$ 40,330	\$ 34,067
Intergovernmental - state allocation	870,000	885,974	884,676	890,565
Total revenues	880,000	918,015	925,006	924,632
<b>Expenditures:</b>				
Current - public works	880,000	1,044,058	865,205	860,373
<b>Net Change in Fund Balance</b>	\$ -	(126,043)	59,801	64,259
<b>Fund Balance:</b>				
Beginning of year		134,482	74,681	10,422
End of year		\$ 8,439	\$ 134,482	\$ 74,681

# MT. LEBANON, PENNSYLVANIA

## STORM WATER FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2025, 2024, AND 2023

	2025	2024	2023
<b>Assets</b>			
Cash and other money market instruments	\$ 287,766	\$ 519	\$ 570,651
Receivables - assessments	275,446	291,664	193,827
Due from other funds	-	9,052	-
<b>Total Assets</b>	<b>\$ 563,212</b>	<b>\$ 301,235</b>	<b>\$ 764,478</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 8,223	\$ 825	\$ 1,736
Due to other funds	127,790	-	582,731
Total Liabilities	136,013	825	584,467
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue	222,792	283,455	180,011
Fund Balance - Restricted	204,407	16,955	-
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 563,212</b>	<b>\$ 301,235</b>	<b>\$ 764,478</b>

# MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2025  
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2024 AND 2023)

	2025		2024	2023
	Final Budget	Actual		
<b>Revenues:</b>				
Licenses, permits, and fees	\$ 1,835,150	\$ 1,895,963	\$ 1,529,515	\$ 1,456,812
Investment earnings	25,000	26,114	22,754	41,011
Total revenues	1,860,150	1,922,077	1,552,269	1,497,823
<b>Expenditures:</b>				
Current - general government	27,250	17,042	7,642	48,206
<b>Excess of Revenues Over Expenditures</b>	1,832,900	1,905,035	1,544,627	1,449,617
<b>Other Financing Uses:</b>				
Transfer out to Capital Projects Fund	(1,147,480)	(1,075,764)	(852,389)	(868,696)
Transfer out to Debt Service Fund	(122,700)	(122,700)	(127,043)	(126,017)
Transfer out to General Fund	(562,720)	(519,119)	(548,240)	(454,904)
Total other financing uses	(1,832,900)	(1,717,583)	(1,527,672)	(1,449,617)
<b>Net Change in Fund Balance</b>	\$ -	187,452	16,955	-
<b>Fund Balance:</b>				
Beginning of year		16,955	-	-
End of year		\$ 204,407	\$ 16,955	\$ -

# MT. LEBANON, PENNSYLVANIA

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

DECEMBER 31, 2025, 2024, AND 2023

	2025	2024	2023
<b>Assets</b>			
Cash and money market instruments	\$ 1,103,087	\$ 1,003,062	\$ 955,562
Receivables - accounts	1,115	1,206	1,291
<b>Total Assets</b>	<b>\$ 1,104,202</b>	<b>\$ 1,004,268</b>	<b>\$ 956,853</b>
<b>Liabilities and Fund Balance</b>			
Liabilities:			
Accounts payable	\$ 26,202	\$ 5,552	\$ 5,609
Due to other funds	99,258	77,642	101,417
Total Liabilities	125,460	83,194	107,026
Fund Balance:			
Restricted	550,750	469,190	406,104
Assigned	427,992	451,884	443,723
Total Fund Balance	978,742	921,074	849,827
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,104,202</b>	<b>\$ 1,004,268</b>	<b>\$ 956,853</b>

## MT. LEBANON, PENNSYLVANIA

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

YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023

	2025	2024	2023
<b>Revenues:</b>			
Fines, forfeitures, and penalties	\$ 6,071	\$ 6,363	\$ 5,989
Investment earnings	12,554	11,127	4,759
Intergovernmental	510,729	489,803	627,116
Other	234,773	230,516	246,530
Total revenues	764,127	737,809	884,394
<b>Expenditures:</b>			
Current - human services:			
Salaries, payroll taxes, and benefits	1,727,541	1,646,130	1,619,019
Collection	475,281	465,249	483,362
General administration	232,737	236,603	213,554
Total expenditures	2,435,559	2,347,982	2,315,935
<b>Deficiency of Revenues Over Expenditures</b>	<b>(1,671,432)</b>	<b>(1,610,173)</b>	<b>(1,431,541)</b>
<b>Other Financing Sources:</b>			
Transfer in from General Fund	1,729,100	1,681,420	1,631,055
<b>Net Change in Fund Balance</b>	57,668	71,247	199,514
<b>Fund Balance:</b>			
Beginning of year	921,074	849,827	650,313
End of year	\$ 978,742	\$ 921,074	\$ 849,827

# MT. LEBANON, PENNSYLVANIA

## INDUSTRIAL DEVELOPMENT AUTHORITY FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2025, 2024, AND 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>Assets</b>			
Cash and other money market instruments	\$ 8,447	\$ 11,515	\$ 13,099
Receivables - assessments	-	-	-
Due from other funds	-	-	1,250
<b>Total Assets</b>	<b><u>\$ 8,447</u></b>	<b><u>\$ 11,515</u></b>	<b><u>\$ 14,349</u></b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities:</b>			
Due to other funds	\$ -	\$ -	\$ -
Fund Balance - Restricted	8,447	11,515	14,349
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 8,447</u></b>	<b><u>\$ 11,515</u></b>	<b><u>\$ 14,349</u></b>

# MT. LEBANON, PENNSYLVANIA

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

YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023

	2025	2024	2023
<b>Revenues:</b>			
Licenses, permits, and fees	\$ -	\$ -	\$ 1,250
Investment earnings	382	616	624
Total revenues	382	616	1,874
<b>Expenditures:</b>			
Current - community development	3,450	3,450	3,430
<b>Net Change in Fund Balance</b>	(3,068)	(2,834)	(1,556)
<b>Fund Balance:</b>			
Beginning of year	11,515	14,349	15,905
End of year	\$ 8,447	\$ 11,515	\$ 14,349

# MT. LEBANON, PENNSYLVANIA

## SOLID WASTE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2025, 2024, AND 2023

	2025	2024	2023
<b>Assets</b>			
Cash and other money market instruments	\$ 689,407	\$ 105,342	\$ -
Receivables - assessments	311,978	308,549	-
Due from other funds	2,076	118,545	-
	<b>Total Assets</b>	<b>\$ 532,436</b>	<b>\$ -</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 564,715	\$ 257,806	\$ -
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue	241,218	274,630	-
Fund Balance - Restricted	197,528	-	-
	<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 532,436</b>	<b>\$ -</b>

# MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2025  
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2024 AND 2023)

	2025		2024	2023
	Final Budget	Actual		
<b>Revenues:</b>				
Licenses, permits, and fees	\$ 3,370,950	\$ 3,500,222	\$ 2,905,901	\$ -
Investment earnings	37,190	41,930	40,494	-
Total revenues	3,408,140	3,542,152	2,946,395	-
<b>Expenditures:</b>				
Current - public works	3,408,140	3,344,624	3,064,957	-
<b>Deficiency of Revenues Over Expenditures</b>	-	197,528	(118,562)	-
<b>Other Financing Sources:</b>				
Transfer in from General Fund	-	-	118,562	-
<b>Net Change in Fund Balance</b>	\$ -	197,528	-	-
<b>Fund Balance:</b>				
Beginning of year		-	-	-
End of year		\$ 197,528	\$ -	\$ -

# MT. LEBANON, PENNSYLVANIA

## DEBT SERVICE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2025, 2024, AND 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>Assets</b>			
Cash and other money market instruments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities and Fund Balance</b>			
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance - Restricted	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

# MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2025  
(COMPARATIVE ACTUAL FOR YEARS ENDED DECEMBER 31, 2024 AND 2023)

	2025		2024	2023
	Final Budget	Actual		
<b>Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Debt service:				
Principal	2,550,010	2,550,000	2,865,000	2,835,000
Interest	758,960	506,486	450,168	489,182
Bond issuance cost	-	-	-	-
Total expenditures	3,308,970	3,056,486	3,315,168	3,324,182
<b>Deficiency of Revenues Over Expenditures</b>	(3,308,970)	(3,056,486)	(3,315,168)	(3,324,182)
<b>Other Financing Sources (Uses):</b>				
Transfers in from General Fund	3,028,630	2,776,155	3,031,852	3,040,463
Transfers in from Sewage Fund	157,640	157,631	156,273	157,702
Transfers in from Storm Water Fund	122,700	122,700	127,043	126,017
Total other financing sources (uses)	3,308,970	3,056,486	3,315,168	3,324,182
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance:</b>				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

**PARKING FUND**

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

# MT. LEBANON, PENNSYLVANIA

## PARKING FUND

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

YEAR ENDED DECEMBER 31, 2025

	North Garage	South Garage	Meter	Lot	Properties	General	Total
<b>Operating Revenues:</b>							
Vehicle space rental	\$ 511,150	\$ 402,882	\$ -	\$ 164,129	\$ -	\$ -	\$ 1,078,161
Meter collections	-	-	431,228	246,468	-	-	677,696
Fine collections	-	-	107,725	35,015	-	175,697	318,437
Leases	192,050	-	-	-	6,588	-	198,638
Other	2,075	712	1,584	-	-	(1,264)	3,107
<b>Total operating revenues</b>	<b>705,275</b>	<b>403,594</b>	<b>540,537</b>	<b>445,612</b>	<b>6,588</b>	<b>174,433</b>	<b>2,276,039</b>
<b>Operating Expenses:</b>							
Personnel	223,819	217,952	125,485	84,879	-	122,727	774,862
Contracted services	111,572	51,467	118,149	52,469	197	64,534	398,388
Utilities	32,412	26,920	238	9,548	238	2,015	71,371
Materials and supplies	14,712	13,088	19,911	4,218	-	12,597	64,526
Depreciation	261,228	112,254	44,554	59,303	-	27,825	505,164
<b>Total operating expenses</b>	<b>643,743</b>	<b>421,681</b>	<b>308,337</b>	<b>210,417</b>	<b>435</b>	<b>229,698</b>	<b>1,814,311</b>
<b>Operating Income (Loss)</b>	<b>61,532</b>	<b>(18,087)</b>	<b>232,200</b>	<b>235,195</b>	<b>6,153</b>	<b>(55,265)</b>	<b>461,728</b>
<b>Nonoperating Revenues (Expenses):</b>							
Interest income	6,875	-	-	-	1,345	100,131	108,351
Interest expense	-	-	-	-	-	(459)	(459)
<b>Total nonoperating revenues (expenses)</b>	<b>6,875</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,345</b>	<b>99,672</b>	<b>107,892</b>
<b>Income (loss) before transfers</b>	<b>68,407</b>	<b>(18,087)</b>	<b>232,200</b>	<b>235,195</b>	<b>7,498</b>	<b>44,407</b>	<b>569,620</b>
Transfers out	-	-	-	-	-	(105,015)	(105,015)
<b>Change in Net Position</b>	<b>\$ 68,407</b>	<b>\$ (18,087)</b>	<b>\$ 232,200</b>	<b>\$ 235,195</b>	<b>\$ 7,498</b>	<b>\$ (60,608)</b>	<b>\$ 464,605</b>

## **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, 2025

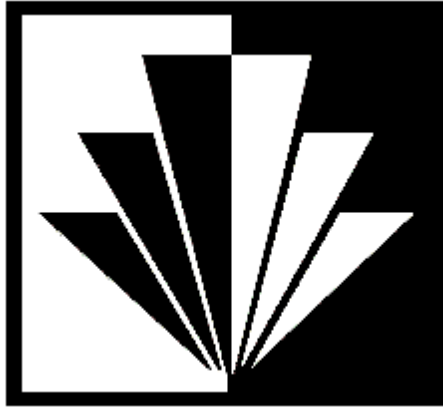
	Pension Trust Funds				Other Postemployment Benefits	Total Trust Funds
	General Employees	Police	Firefighter	Total Pension		
<b>Assets</b>						
Accrued income receivable	\$ 1,755	\$ 3,657	\$ 794	\$ 6,206	\$ 23	\$ 6,229
Investments (at fair value):						
Equity funds	24,735,143	52,930,915	14,236,953	91,903,011	2,039,749	93,942,760
Fixed income funds	11,783,795	25,855,774	6,875,383	44,514,952	1,033,640	45,548,592
Partnerships/joint ventures	3,610,871	7,478,965	2,194,556	13,284,392	-	13,284,392
Short-term funds	698,139	1,581,172	385,657	2,664,968	7,361	2,672,329
<b>Total Assets</b>	<b>40,829,703</b>	<b>87,850,483</b>	<b>23,693,343</b>	<b>152,373,529</b>	<b>3,080,773</b>	<b>155,454,302</b>
<b>Liabilities</b>						
Accounts payable	1,094	8,777	1,807	11,678	272,816	284,494
<b>Net Position</b>						
Restricted for pensions	40,828,609	87,841,706	23,691,536	152,361,851	-	152,361,851
Restricted for OPEB benefits	-	-	-	-	2,807,957	2,807,957
<b>Total Net Position</b>	<b>\$ 40,828,609</b>	<b>\$ 87,841,706</b>	<b>\$ 23,691,536</b>	<b>\$ 152,361,851</b>	<b>\$ 2,807,957</b>	<b>\$ 155,169,808</b>

# MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2025

	Pension Trust Funds				Other Postemployment Benefits	Total Trust Funds
	General Employees	Police	Firefighter	Total Pension		
<b>Additions:</b>						
Contributions:						
Employer, including state aid	\$ 327,372	\$ 1,765,011	\$ 97,296	\$ 2,189,679	\$ 103,873	\$ 2,293,552
Employee	267,550	279,923	87,976	635,449	-	635,449
<b>Total contributions</b>	<b>594,922</b>	<b>2,044,934</b>	<b>185,272</b>	<b>2,825,128</b>	<b>103,873</b>	<b>2,929,001</b>
Investment gain (loss):						
Net appreciation in fair value of investments	4,548,872	9,578,435	2,624,410	16,751,717	356,530	17,108,247
Interest and dividends	911,469	2,085,756	529,783	3,527,008	70,750	3,597,758
<b>Total investment gain (loss)</b>	<b>5,460,341</b>	<b>11,664,191</b>	<b>3,154,193</b>	<b>20,278,725</b>	<b>427,280</b>	<b>20,706,005</b>
Less investment expense	(4,408)	(10,165)	(2,386)	(16,959)	(796)	(17,755)
<b>Net investment gain (loss)</b>	<b>5,464,749</b>	<b>11,674,356</b>	<b>3,156,579</b>	<b>20,295,684</b>	<b>428,076</b>	<b>20,723,760</b>
<b>Total additions</b>	<b>6,059,671</b>	<b>13,719,290</b>	<b>3,341,851</b>	<b>23,120,812</b>	<b>531,949</b>	<b>23,652,761</b>
<b>Deductions:</b>						
Benefits	2,145,877	4,714,583	1,407,869	8,268,329	227,388	8,495,717
Withdrawals	39,120	2,408	-	41,528	-	41,528
Administrative expense	11,380	25,310	7,662	44,352	8,161	52,513
<b>Total deductions</b>	<b>2,196,377</b>	<b>4,742,301</b>	<b>1,415,531</b>	<b>8,354,209</b>	<b>235,549</b>	<b>8,589,758</b>
<b>Change in Plan Net Position</b>	<b>3,863,294</b>	<b>8,976,989</b>	<b>1,926,320</b>	<b>14,766,603</b>	<b>296,400</b>	<b>15,063,003</b>
<b>Net Position:</b>						
Beginning of year	36,965,315	78,864,717	21,765,216	137,595,248	2,511,557	140,106,805
End of year	<u>\$ 40,828,609</u>	<u>\$ 87,841,706</u>	<u>\$ 23,691,536</u>	<u>\$ 152,361,851</u>	<u>\$ 2,807,957</u>	<u>\$ 155,169,808</u>



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CAPITAL  
ASSETS

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# MT. LEBANON, PENNSYLVANIA

## COMPARATIVE SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY SOURCE

DECEMBER 31, 2025, 2024, AND 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>Capital Assets:</b>			
Land	\$ 7,266,047	\$ 7,266,047	\$ 7,266,047
Construction in progress	1,438,987	357,575	262,008
Buildings and improvements other than buildings	61,070,554	59,959,490	57,487,405
Infrastructure	133,553,648	127,502,538	121,453,214
Library book collection	2,831,086	2,747,187	2,724,249
Equipment	24,418,068	22,849,046	21,680,637
	<u>\$ 230,578,390</u>	<u>\$ 220,681,883</u>	<u>\$ 210,873,560</u>
<b>Investments in Capital Assets By Source:</b>			
Governmental funds	\$ 157,953,187	\$ 150,474,192	\$ 140,665,869
General Obligation Bonds	67,945,841	65,982,829	65,982,829
Gifts, grants, and other resources	4,679,362	4,224,862	4,224,862
	<u>\$ 230,578,390</u>	<u>\$ 220,681,883</u>	<u>\$ 210,873,560</u>

## MT. LEBANON, PENNSYLVANIA

### SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS - BY SOURCE

YEAR ENDED DECEMBER 31, 2025

	Land	Construction in Progress	Buildings and Improvements Other Than Buildings	Infrastructure	Library Book Collection	Equipment	Total
<b>Capital Assets, Beginning of Year</b>	\$ 7,266,047	\$ 357,575	\$ 59,959,490	\$ 127,502,538	\$ 2,747,187	\$ 22,849,046	\$ 220,681,883
Expenditures from:							
General Fund	-	183,288	240,934	-	-	1,286,850	1,711,072
General Obligation Bonds	-	1,209,604	753,408	-	-	-	1,963,012
Special Revenue and Capital Projects Funds	-	-	116,722	6,051,110	380,181	568,131	7,116,144
Gifts, Grants and Other Sources	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Less capital asset disposals	-	(311,480)	-	-	(296,282)	(285,959)	(893,721)
<b>Capital Assets, End of Year</b>	<u>\$ 7,266,047</u>	<u>\$ 1,438,987</u>	<u>\$ 61,070,554</u>	<u>\$ 133,553,648</u>	<u>\$ 2,831,086</u>	<u>\$ 24,418,068</u>	<u>\$ 230,578,390</u>

# MT. LEBANON, PENNSYLVANIA

## SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY

DECEMBER 31, 2025

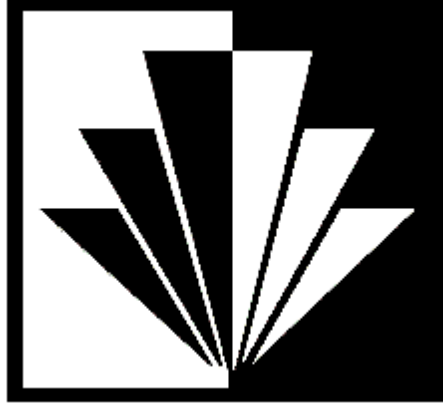
	Land	Construction in Progress	Buildings and Improvements other than Buildings	Infrastructure	Library Book Collection	Equipment	Total
<b>Administration:</b>							
General	\$ 94,563	\$ -	\$ 8,692,675	\$ -	\$ -	\$ 738,143	\$ 9,525,381
<b>Parks and Recreation:</b>							
Facilities	6,687,739	1,028,017	20,750,342	-	-	-	28,466,098
Vehicles and special purpose equipment	-	-	-	-	-	1,479,619	1,479,619
Total parks and recreation	<u>6,687,739</u>	<u>1,028,017</u>	<u>20,750,342</u>	<u>-</u>	<u>-</u>	<u>1,479,619</u>	<u>29,945,717</u>
<b>Public Works:</b>							
General	48,750	227,682	14,174,137	-	-	1,712,560	16,163,129
Infrastructure	-	-	-	133,553,648	-	-	133,553,648
Traffic installations	-	-	-	-	-	6,202,351	6,202,351
Vehicles and special purpose equipment	-	133,674	-	-	-	6,086,581	6,220,255
Total public works	<u>48,750</u>	<u>361,356</u>	<u>14,174,137</u>	<u>133,553,648</u>	<u>-</u>	<u>14,001,492</u>	<u>162,139,383</u>
<b>Fire Department:</b>							
General	-	-	-	-	-	982,538	982,538
Communications	-	-	-	-	-	310,931	310,931
Vehicles and apparatus	-	-	-	-	-	3,364,964	3,364,964
Total fire department	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,658,433</u>	<u>4,658,433</u>
<b>Police Department:</b>							
General	-	-	-	-	-	458,214	458,214
Communications	-	-	-	-	-	452,982	452,982
Vehicles	-	49,614	-	-	-	2,392,074	2,441,688
Total police department	<u>-</u>	<u>49,614</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,303,270</u>	<u>3,352,884</u>
<b>Public Safety:</b>							
General	370,479	-	-	-	-	-	370,479
Facilities	-	-	11,804,355	-	-	-	11,804,355
Total public safety	<u>370,479</u>	<u>-</u>	<u>11,804,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,174,834</u>
<b>Public Library:</b>							
General	64,516	-	5,649,045	-	2,831,086	237,111	8,781,758
Total capital assets	<u>\$ 7,266,047</u>	<u>\$ 1,438,987</u>	<u>\$ 61,070,554</u>	<u>\$ 133,553,648</u>	<u>\$ 2,831,086</u>	<u>\$ 24,418,068</u>	<u>\$ 230,578,390</u>

# MT. LEBANON, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2025

	January 1, 2025	Additions	Disposals	Transfers/ Reclassifications	December 31, 2025
<b>Administration:</b>					
General	\$ 9,525,381	\$ -	\$ -	\$ -	\$ 9,525,381
<b>Parks and Recreation:</b>					
Facilities	27,052,860	1,426,727	(13,489)	-	28,466,098
Vehicles and special purpose equipment	1,319,755	159,864	-	-	1,479,619
Total parks and recreation	28,372,615	1,586,591	(13,489)	-	29,945,717
<b>Public Works:</b>					
General	15,530,950	777,219	(145,040)	-	16,163,129
Infrastructure	127,521,856	6,051,110	(19,318)	-	133,553,648
Traffic installations	5,634,220	568,131	-	-	6,202,351
Vehicles and special purpose equipment	5,887,768	691,369	(358,882)	-	6,220,255
Total public works	154,574,794	8,087,829	(523,240)	-	162,139,383
<b>Fire Department:</b>					
General	982,538	-	-	-	982,538
Communications	310,931	-	-	-	310,931
Vehicles and apparatus	3,300,729	64,235	-	-	3,364,964
Total fire department	4,594,198	64,235	-	-	4,658,433
<b>Police Department:</b>					
General	458,214	-	-	-	458,214
Communications	452,982	-	-	-	452,982
Vehicles	1,947,728	554,670	(60,710)	-	2,441,688
Total police department	2,858,924	554,670	(60,710)	-	3,352,884
<b>Public Safety:</b>					
General	370,479	-	-	-	370,479
Facilities	11,687,633	116,722	-	-	11,804,355
Total public safety	12,058,112	116,722	-	-	12,174,834
<b>Public Library:</b>					
General	8,697,859	380,181	(296,282)	-	8,781,758
Total capital assets	\$ 220,681,883	\$ 10,790,228	\$ (893,721)	\$ -	\$ 230,578,390



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STATISTICAL

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SECTION

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# Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Municipality's financial performance and well-being have changed over time.	160
<b>Revenue Capacity</b> 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.	164
<b>Debt Capacity</b> 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.	171
<b>Demographic and Economic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the Municipality's financial activities take place.	174
<b>Operating Information</b> 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.	176

**MT. LEBANON, PENNSYLVANIA**

NET POSITION BY COMPONENT  
LAST TEN YEARS  
ACCRUAL BASIS OF ACCOUNTING

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017 <sup>(1)</sup></u>	<u>2016</u>
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 115,672,899	\$ 110,028,528	\$ 102,707,342	\$ 96,590,736	\$ 92,471,301	\$ 88,715,893	\$ 87,061,522	\$ 80,723,787	\$ 77,334,705	\$ 74,482,051
Restricted	21,821,160	13,741,911	13,466,952	12,688,706	16,390,298	12,552,251	10,697,277	10,026,812	8,967,508	6,940,867
Unrestricted	<u>9,113,473</u>	<u>15,891,218</u>	<u>17,572,635</u>	<u>18,390,959</u>	<u>11,761,017</u>	<u>8,316,488</u>	<u>2,671,486</u>	<u>3,479,951</u>	<u>4,452,226</u>	<u>5,569,888</u>
<i>Total Governmental Activities Net Position</i>	<u>\$ 146,607,532</u>	<u>\$ 139,661,657</u>	<u>\$ 133,746,929</u>	<u>\$ 127,670,401</u>	<u>\$ 120,622,616</u>	<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>
<b>Business-type Activities:</b>										
Net investment in capital assets	\$ 6,601,390	\$ 6,825,620	\$ 7,088,910	\$ 7,316,917	\$ 7,398,705	\$ 7,533,617	\$ 7,609,277	\$ 7,344,896	\$ 7,061,560	\$ 6,340,964
Unrestricted	<u>3,309,103</u>	<u>2,620,268</u>	<u>2,074,568</u>	<u>1,504,261</u>	<u>832,976</u>	<u>685,036</u>	<u>952,358</u>	<u>865,809</u>	<u>917,286</u>	<u>1,218,662</u>
<i>Total Business-type Activities Net Position</i>	<u>\$ 9,910,493</u>	<u>\$ 9,445,888</u>	<u>\$ 9,163,478</u>	<u>\$ 8,821,178</u>	<u>\$ 8,231,681</u>	<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>
<b>Primary Government:</b>										
Net investment in capital assets	\$ 122,274,289	\$ 116,854,148	\$ 109,796,252	\$ 103,907,653	\$ 99,870,006	\$ 96,249,510	\$ 94,670,799	\$ 88,068,683	\$ 84,396,265	\$ 80,823,015
Restricted	21,821,160	13,741,911	13,466,952	12,688,706	16,390,298	12,552,251	10,697,277	10,026,812	8,967,508	6,940,867
Unrestricted	<u>12,422,576</u>	<u>18,511,486</u>	<u>19,647,203</u>	<u>19,895,220</u>	<u>12,593,993</u>	<u>9,001,524</u>	<u>3,623,844</u>	<u>4,345,760</u>	<u>5,369,512</u>	<u>6,788,550</u>
<i>Total Primary Government Net Position</i>	<u>\$ 156,518,025</u>	<u>\$ 149,107,545</u>	<u>\$ 142,910,407</u>	<u>\$ 136,491,579</u>	<u>\$ 128,854,297</u>	<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>

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

**MT. LEBANON, PENNSYLVANIA**

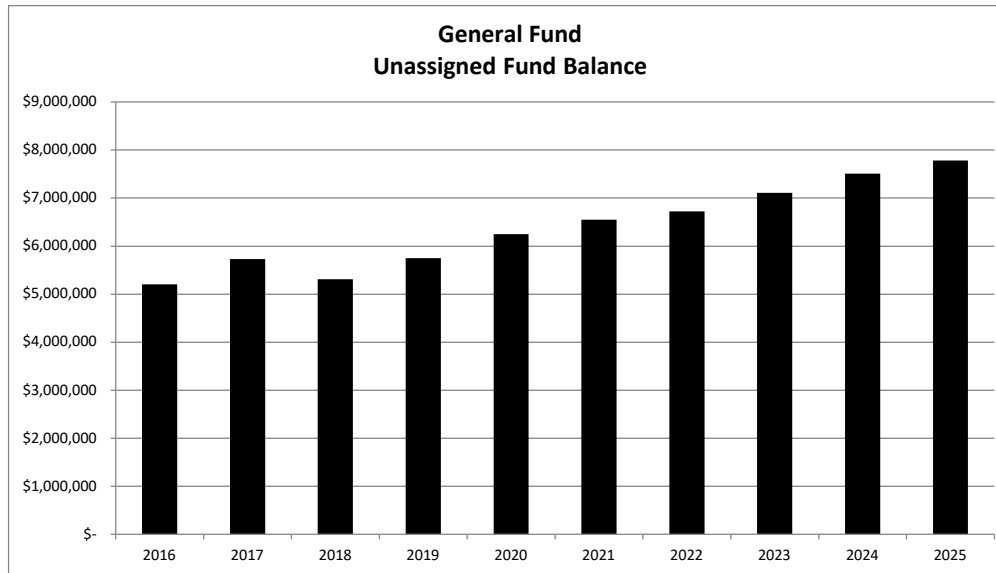
CHANGES IN NET POSITION  
LAST TEN YEARS  
ACCRUAL BASIS OF ACCOUNTING

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services:										
General government	\$ 1,567,912	\$ 2,190,900	\$ 1,299,700	\$ 1,275,296	\$ 1,460,350	\$ 1,513,544	\$ 1,301,857	\$ 1,394,665	\$ 1,523,785	\$ 1,575,830
Community development	373,338	345,784	396,797	403,700	225,844	196,537	541,433	482,238	367,164	224,375
Public works	18,300,847	17,087,559	13,294,859	12,737,313	12,338,838	12,290,474	11,187,632	10,940,692	10,566,251	10,221,004
Human services	28,238	21,316	20,729	23,559	11,367	19,808	76,163	81,887	80,284	80,179
Cultural and recreation	3,831,660	3,483,074	3,296,364	3,329,303	2,555,085	1,411,668	2,936,559	2,867,480	2,591,871	3,004,355
Public safety	1,587,590	1,255,432	1,516,269	1,176,770	1,280,316	1,463,259	1,361,481	1,195,842	1,246,112	1,322,757
Operating grants and contributions	4,756,037	3,961,270	3,612,505	6,331,715	3,914,410	4,018,551	3,474,743	3,366,768	3,166,698	3,060,795
Capital grants and contributions	795,724	402,187	849,520	683,800	416,809	324,482	909,670	93,422	60,000	237,291
<i>Total governmental activities program revenues</i>	<u>31,241,346</u>	<u>28,747,522</u>	<u>24,286,743</u>	<u>25,961,456</u>	<u>22,203,019</u>	<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>
Business-type Activities - Parking	2,276,039	2,242,136	2,155,912	2,040,744	1,704,167	1,356,516	2,211,179	2,080,753	2,041,315	2,026,701
<i>Total primary government program revenues</i>	<u>\$ 33,517,385</u>	<u>\$ 30,989,658</u>	<u>\$ 26,442,655</u>	<u>\$ 28,002,200</u>	<u>\$ 23,907,186</u>	<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>
<b>Expenses:</b>										
Governmental Activities:										
General government	\$ 6,254,571	\$ 5,807,876	\$ 5,686,908	\$ 5,399,783	\$ 4,839,354	\$ 4,931,438	\$ 5,062,474	\$ 5,083,689	\$ 4,889,807	\$ 5,222,338
Community development	1,135,499	1,038,979	991,927	944,634	563,788	551,669	845,932	807,040	765,250	866,012
Public works	26,068,384	24,509,498	22,931,515	21,850,085	20,115,421	19,454,765	18,472,233	17,914,631	16,483,756	15,888,156
Human services	3,624,618	3,215,501	3,075,539	2,957,609	2,520,950	2,481,193	2,844,101	2,677,144	2,450,286	2,543,208
Cultural and recreation	5,421,921	5,016,282	4,302,351	4,210,977	3,451,649	2,890,377	3,818,175	3,270,388	3,509,202	3,674,132
Public safety	15,301,738	15,543,487	14,482,325	15,404,361	9,841,954	11,301,368	14,191,519	15,391,328	14,098,357	15,116,604
Interest on long-term debt	495,639	429,910	473,834	510,233	543,378	647,717	435,968	717,438	773,131	493,804
<i>Total governmental activities expenses</i>	<u>58,302,370</u>	<u>55,561,533</u>	<u>51,944,399</u>	<u>51,277,682</u>	<u>41,876,494</u>	<u>42,258,527</u>	<u>45,670,402</u>	<u>45,861,658</u>	<u>42,969,789</u>	<u>43,804,254</u>
Business-type Activities - Parking	1,814,770	1,965,662	1,815,908	1,769,676	1,691,954	1,553,022	1,702,327	1,691,641	1,467,454	1,613,856
<i>Total primary government expenses</i>	<u>\$ 60,117,140</u>	<u>\$ 57,527,195</u>	<u>\$ 53,760,307</u>	<u>\$ 53,047,358</u>	<u>\$ 43,568,448</u>	<u>\$ 43,811,549</u>	<u>\$ 47,372,729</u>	<u>\$ 47,553,299</u>	<u>\$ 44,437,243</u>	<u>\$ 45,418,110</u>
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental Activities:										
Taxes:										
Real estate	\$ 12,309,723	\$ 12,142,989	\$ 13,521,114	\$ 13,478,250	\$ 12,990,197	\$ 12,909,098	\$ 12,919,031	\$ 12,868,406	\$ 12,856,418	\$ 12,344,588
Earned income	16,679,829	15,752,079	15,058,591	14,821,018	13,622,877	13,135,608	12,950,010	12,210,864	12,214,397	11,764,177
Other	3,896,386	3,645,226	4,042,419	4,044,100	4,053,453	3,759,170	3,586,749	3,300,552	3,186,782	3,154,416
Other - interest and transfer	1,120,961	1,188,445	1,112,060	20,643	44,932	370,675	624,809	534,953	338,830	195,903
<i>Total governmental activities</i>	<u>34,006,899</u>	<u>32,728,739</u>	<u>33,734,184</u>	<u>32,364,011</u>	<u>30,711,459</u>	<u>30,174,551</u>	<u>30,080,599</u>	<u>28,914,775</u>	<u>28,596,427</u>	<u>27,459,084</u>
Business-type Activities - Parking	3,336	5,936	2,296	318,429	815	(146,476)	(157,922)	(157,253)	(154,641)	(158,761)
<i>Total primary government</i>	<u>\$ 34,010,235</u>	<u>\$ 32,734,675</u>	<u>\$ 33,736,480</u>	<u>\$ 32,682,440</u>	<u>\$ 30,712,274</u>	<u>\$ 30,028,075</u>	<u>\$ 29,922,677</u>	<u>\$ 28,757,522</u>	<u>\$ 28,441,786</u>	<u>\$ 27,300,323</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 6,945,875	\$ 5,914,728	\$ 6,076,528	\$ 7,047,785	\$ 11,037,984	\$ 9,154,347	\$ 6,199,735	\$ 3,476,111	\$ 5,228,803	\$ 3,381,416
Business-type Activities	464,605	282,410	342,300	589,497	13,028	(342,982)	350,930	231,859	419,220	254,084
<i>Total primary government</i>	<u>\$ 7,410,480</u>	<u>\$ 6,197,138</u>	<u>\$ 6,418,828</u>	<u>\$ 7,637,282</u>	<u>\$ 11,051,012</u>	<u>\$ 8,811,365</u>	<u>\$ 6,550,665</u>	<u>\$ 3,707,970</u>	<u>\$ 5,648,023</u>	<u>\$ 3,635,500</u>

## MT. LEBANON, PENNSYLVANIA

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>General Fund:</b>										
Nonspendable	\$ 503,527	\$ 742,254	\$ 684,388	\$ 555,480	\$ 594,143	\$ 419,510	\$ 533,088	\$ 727,810	\$ 371,430	\$ 343,329
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	3,156,231	2,081,300	3,101,880	4,611,224	1,961,259	2,167,958	1,482,032	1,623,437	1,299,833	1,123,098
Unassigned	7,781,703	7,506,338	7,112,088	6,720,857	6,551,600	6,249,719	5,752,087	5,310,208	5,731,065	5,204,358
<b>Total General Fund</b>	<b>11,441,461</b>	<b>10,329,892</b>	<b>10,898,356</b>	<b>11,887,561</b>	<b>9,107,002</b>	<b>8,837,187</b>	<b>7,767,207</b>	<b>7,661,455</b>	<b>7,402,328</b>	<b>6,670,785</b>
<b>All Other Governmental Funds:</b>										
Restricted	16,367,089	10,720,664	12,402,284	12,517,041	14,982,035	16,256,310	15,754,252	12,645,773	15,949,669	7,170,091
Assigned	1,973,712	1,282,123	1,522,059	1,832,591	1,329,714	1,184,564	835,080	1,984,845	1,223,257	1,102,033
<b>Total All Other Governmental Funds</b>	<b>18,340,801</b>	<b>12,002,787</b>	<b>13,924,343</b>	<b>14,349,632</b>	<b>16,311,749</b>	<b>17,440,874</b>	<b>16,589,332</b>	<b>14,630,618</b>	<b>17,172,926</b>	<b>8,272,124</b>
<b>Total Governmental Funds</b>	<b>\$ 29,782,262</b>	<b>\$ 22,332,679</b>	<b>\$ 24,822,699</b>	<b>\$ 26,237,193</b>	<b>\$ 25,418,751</b>	<b>\$ 26,278,061</b>	<b>\$ 24,356,539</b>	<b>\$ 22,292,073</b>	<b>\$ 24,575,254</b>	<b>\$ 14,942,909</b>



**MT. LEBANON, PENNSYLVANIA**

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Revenues:</b>										
Real estate taxes	\$ 12,340,482	\$ 12,147,633	\$ 13,443,752	\$ 13,475,998	\$ 13,052,389	\$ 12,906,801	\$ 12,949,165	\$ 12,889,134	\$ 12,824,898	\$ 12,362,890
Earned income taxes	16,709,604	15,576,092	15,002,005	14,647,833	13,375,606	13,180,483	12,841,790	12,330,334	12,036,410	11,677,730
Other taxes	3,896,386	3,645,226	4,042,419	4,044,100	4,053,453	3,759,170	3,586,749	3,300,552	3,186,782	3,154,416
Licenses, permits, and fees	19,213,064	17,245,689	14,075,058	13,389,667	12,955,803	13,013,863	12,418,675	12,060,282	11,638,711	11,340,061
Fines, forfeitures, and penalties	104,095	118,923	105,333	101,557	96,761	126,029	201,964	186,559	207,410	221,927
Investment and rental	1,015,946	1,090,985	1,037,944	310,788	44,932	219,255	452,919	368,653	176,679	36,291
Intergovernmental	4,460,159	3,096,113	3,979,487	6,327,454	3,696,820	3,461,422	3,688,462	2,765,572	2,575,004	2,469,729
Recreation	4,033,846	3,911,976	3,297,167	3,330,805	2,571,758	1,414,325	2,936,875	2,867,680	2,591,989	3,005,162
Other	3,604,553	3,750,952	2,850,969	2,664,672	2,602,140	3,036,257	2,637,315	2,543,176	2,576,343	2,716,154
<b>Total Revenues</b>	<b>65,378,135</b>	<b>60,583,589</b>	<b>57,834,134</b>	<b>58,292,874</b>	<b>52,449,662</b>	<b>51,117,605</b>	<b>51,713,914</b>	<b>49,311,942</b>	<b>47,814,226</b>	<b>46,984,360</b>
<b>Expenditures:</b>										
Current:										
General government	6,058,107	5,577,389	5,506,525	5,175,304	4,837,037	4,835,494	4,789,502	4,854,640	4,625,018	4,902,311
Community development	1,134,078	1,026,520	1,019,749	913,374	703,974	639,895	831,029	759,586	753,027	816,691
Public works	21,802,135	20,422,248	19,117,842	17,970,350	17,279,035	16,041,127	15,336,470	15,056,574	13,893,163	13,574,639
Human services	3,492,767	3,016,572	2,941,224	2,764,024	2,595,328	2,452,800	2,939,130	2,449,806	2,314,781	2,375,751
Cultural and recreation	4,832,241	4,458,148	3,701,631	3,559,075	2,969,415	2,322,576	3,062,313	2,959,763	2,704,130	2,849,603
Public Safety:										
Police	10,140,162	9,868,344	9,952,686	9,781,733	9,783,359	9,796,156	9,576,569	9,525,675	9,171,497	8,922,309
Fire	3,840,588	3,671,354	3,665,495	3,568,933	3,405,991	3,191,112	3,287,275	3,220,552	3,276,014	3,329,331
Other	1,289,224	1,122,922	1,188,304	1,066,803	1,215,574	934,804	1,080,581	1,002,111	898,368	880,789
Debt service:										
Principal Retirement	2,550,000	2,865,000	2,835,000	2,820,000	2,850,000	9,702,442	5,469,640	2,436,210	2,527,468	1,415,516
Interest and Fiscal Charges	588,350	450,168	489,182	524,036	496,000	920,826	779,680	737,176	699,482	510,567
Capital Outlay	9,897,572	10,692,404	8,905,106	9,040,655	7,173,259	6,473,081	10,855,641	9,285,251	6,288,179	5,469,916
<b>Total Expenditures</b>	<b>65,625,224</b>	<b>63,171,069</b>	<b>59,322,744</b>	<b>57,184,287</b>	<b>53,308,972</b>	<b>57,310,313</b>	<b>58,007,830</b>	<b>52,287,344</b>	<b>47,151,127</b>	<b>45,047,423</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(247,089)</b>	<b>(2,587,480)</b>	<b>(1,488,610)</b>	<b>1,108,587</b>	<b>(859,310)</b>	<b>(6,192,708)</b>	<b>(6,293,916)</b>	<b>(2,975,402)</b>	<b>663,099</b>	<b>1,936,937</b>
<b>Other Financing Sources (Uses):</b>										
Transfers in	13,416,202	13,270,671	11,062,390	11,700,253	10,273,451	11,282,823	10,754,401	9,613,868	9,344,199	8,779,157
Transfers out	(13,311,187)	(13,173,211)	(10,988,274)	(11,990,398)	(10,273,451)	(11,131,403)	(10,582,511)	(9,447,568)	(9,182,048)	(8,619,545)
Refunds of prior year expenditures	-	-	-	-	-	-	52,264	525,921	-	-
Debt proceeds	7,495,000	-	-	-	-	-	4,855,000	-	8,800,000	-
Bond issuance premium (discount)	96,657	-	-	-	-	494,318	369,228	-	7,095	140,754
Proceeds of refunding bonds	-	-	-	-	-	13,940,000	2,910,000	-	-	4,355,000
Payment to refunded bond escrow agent	-	-	-	-	-	(6,471,508)	-	-	-	(4,479,327)
<b>Total Other Financing Sources (Uses)</b>	<b>7,696,672</b>	<b>97,460</b>	<b>74,116</b>	<b>(290,145)</b>	<b>-</b>	<b>8,114,230</b>	<b>8,358,382</b>	<b>692,221</b>	<b>8,969,246</b>	<b>176,039</b>
<b>Net Change in Fund Balances</b>	<b>\$ 7,449,583</b>	<b>\$ (2,490,020)</b>	<b>\$ (1,414,494)</b>	<b>\$ 818,442</b>	<b>\$ (859,310)</b>	<b>\$ 1,921,522</b>	<b>\$ 2,064,466</b>	<b>\$ (2,283,181)</b>	<b>\$ 9,632,345</b>	<b>\$ 2,112,976</b>
Debt service as a percentage of non-capital expenditures	5.5%	6.3%	6.6%	7.0%	7.3%	20.8%	13.3%	7.5%	7.8%	4.9%
Debt service as a percentage of total expenditures	4.7%	5.2%	5.6%	5.8%	6.3%	18.5%	10.8%	6.1%	6.7%	4.3%

## MT. LEBANON, PENNSYLVANIA

### PROGRAM REVENUES BY FUNCTION/PROGRAM

LAST TEN YEARS

ACCRUAL BASIS OF ACCOUNTING

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Function/Program:</b>										
Governmental Activities:										
General government	\$ 4,171,469	\$ 3,798,160	\$ 2,773,152	\$ 5,619,997	\$ 3,535,161	\$ 3,650,708	\$ 2,821,509	\$ 2,809,402	\$ 2,859,294	\$ 2,846,674
Community development	388,338	345,784	456,797	403,700	225,844	196,537	541,433	482,238	367,164	226,875
Public works	20,004,274	18,278,797	14,872,776	14,300,428	13,661,525	13,566,209	13,116,322	12,001,459	11,525,427	11,117,197
Human services	751,573	726,682	879,635	809,388	695,779	736,891	808,967	840,630	807,598	782,810
Cultural and recreation	4,034,133	4,020,151	3,343,594	3,332,939	2,573,802	1,416,796	2,937,738	2,869,864	2,594,292	3,139,992
Public safety:										
Police	748,375	672,172	693,228	615,127	523,071	825,698	686,145	609,748	722,699	887,848
Fire	248,110	243,997	498,959	230,812	207,870	240,951	217,531	218,138	226,777	249,094
Other	895,074	661,779	768,602	649,065	779,967	604,533	659,893	591,515	498,914	476,096
<i>Total Governmental Activities</i>	<u>31,241,346</u>	<u>28,747,522</u>	<u>24,286,743</u>	<u>25,961,456</u>	<u>22,203,019</u>	<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>
Business-type Activity - Parking	<u>2,276,039</u>	<u>2,242,136</u>	<u>2,155,912</u>	<u>2,040,744</u>	<u>1,704,167</u>	<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>
<i>Total Primary Government</i>	<u>\$ 33,517,385</u>	<u>\$ 30,989,658</u>	<u>\$ 26,442,655</u>	<u>\$ 28,002,200</u>	<u>\$ 23,907,186</u>	<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>

# 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
2025	\$12,340,482	\$16,709,604	\$489,155	\$2,011,456	\$29,199	\$1,366,576	\$32,946,472
2024	12,147,633	15,576,092	467,008	1,853,989	30,913	1,293,316	31,368,951
2023	13,443,752	15,002,005	478,617	2,139,858	28,748	1,395,196	32,488,176
2022	13,475,998	14,647,833	462,562	2,262,135	29,601	1,289,802	32,167,931
2021	13,052,389	13,375,606	409,242	2,491,366	29,752	1,123,093	30,481,448
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

# MT. LEBANON, PENNSYLVANIA

## PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN YEARS

Tax Year	Mills Levied			Total
	Mt. Lebanon	Mt. Lebanon School District	Allegheny County	
2025	4.50	30.95	6.43	41.88
2024	4.50	29.3005	4.73	38.5305
2023	4.91	27.59	4.73	37.23
2022	4.91	26.39	4.73	36.03
2021	4.71	25.59	4.73	35.03
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

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

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

## MT. LEBANON, PENNSYLVANIA

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

Year	Taxable Real Property	Exempt Real Property	Total	Estimated Actual Values of Real Property	Mt. Lebanon Municipal Millage Rate
2025	\$2,746,984,666	\$441,289,200	\$3,188,273,866	\$3,188,273,866	4.50
2024	2,748,538,581	388,796,800	3,137,335,381	3,137,335,381	4.50
2023	2,758,364,656	388,443,700	3,146,808,356	3,146,808,356	4.91
2022	2,776,754,924	368,238,700	3,144,993,624	3,144,993,624	4.91
2021	2,784,336,730	368,164,100	3,152,500,830	3,152,500,830	4.71
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

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 Annual Comprehensive Financial Reports

# MT. LEBANON, PENNSYLVANIA

## PRINCIPAL TAXPAYERS

DECEMBER 31, 2025 AND DECEMBER 31, 2016

<i>Taxpayer - Type of Real Property</i>	December 31, 2025			December 31, 2016		
	Estimated Actual Values of Real Property	Rank	Percentage of Total Assessed Valuation	Estimated Actual Values of Real Property	Rank	Percentage of Total Assessed Valuation
Brookdale Senior Housing (A.H. Pennsylvania) - <i>Senior Housing</i>	19,000,000	1	0.69%	\$ 19,000,000	2	0.69%
Bower Hill Development - <i>Co-op Apartments</i>	14,789,773	2	0.54%	17,500,000	3	0.64%
The Galleria (L&B Southpoint) - <i>Retail Shops</i>	12,121,000	3	0.44%	29,300,000	1	1.07%
IHP/Bower Hill LLC - <i>Apartments</i>	9,500,000	4	0.35%	9,500,000	6	0.35%
St. Clair Memorial Hospital - <i>Medical Offices</i>	9,187,300	5	0.33%	6,026,680	9	0.22%
Virginia Manor Shops - <i>Retail Shops</i>	7,931,300	6	0.29%	7,931,300	7	0.29%
Springhill Suites (Mt. Lebanon Acquisitions LLC) - <i>Hotel</i>	7,632,000	7	0.28%	13,768,900	4	0.50%
Pendale Towers - <i>Apartments</i>	7,150,000	8	0.26%	7,150,000	8	0.26%
Public Storage - <i>Storage Facility</i>	6,265,400	9	0.23%			
Tithonus Mount Lebanon - <i>Personal Care Facility</i>	5,700,000	10	0.21%	5,700,000	10	0.21%
Concordia Lutheran - <i>Senior Housing/Health</i>				13,162,800	5	0.48%
	\$ 99,276,773		3.62%	\$ 129,039,680		4.71%
Total Taxable Assessed Valuation	\$ 2,746,984,666			\$ 2,734,870,374		

Source: Mt. Lebanon Tax Office

Mt. Lebanon Annual Comprehensive 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
2025	\$12,361,431	\$12,167,999	98.44%	\$0	\$12,167,999	98.44%
2024	12,369,542	12,122,336	98.00%	173,625	12,295,961	99.41%
2023	13,634,539	13,407,469	98.33%	174,752	13,582,221	99.62%
2022	13,640,970	13,443,060	98.55%	166,582	13,609,642	99.77%
2021	13,114,226	12,912,805	98.46%	175,069	13,087,874	99.80%
2020	13,001,574	12,665,937	97.42%	323,239	12,989,176	99.90%
2019	12,982,654	12,768,207	98.32%	200,401	12,968,608	99.89%
2018	12,941,411	12,730,211	98.37%	201,844	12,932,055	99.93%
2017	12,917,422	12,679,105	98.16%	229,228	12,908,333	99.93%
2016	12,323,667	12,120,139	98.35%	196,109	12,316,248	99.94%

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<sup>(1)</sup></u>	<u>Collections for Current Year</u>	<u>Collections for Prior Years</u>	<u>Refunds</u>	<u>Total Collections</u>	<u>Commission<sup>(2)</sup></u>	<u>Total Remitted</u>
2025	0.80%	\$12,632,064	\$4,419,099	(\$341,559)	\$16,709,604	(\$225,908)	\$16,483,696
2024	0.80%	11,884,241	4,039,759	(347,908)	15,576,092	(229,955)	15,346,137
2023	0.80%	10,680,680	4,614,731	(340,045)	14,955,366	(272,678)	14,682,688
2022	0.80%	10,335,842	4,611,796	(346,527)	14,601,111	(267,890)	14,333,221
2021	0.80%	9,820,838	4,000,502	(293,316)	13,528,024	(249,218)	13,278,806
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

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) Per 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 1.45% 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
2025	\$20,585,000	\$0	\$20,585,000	0.75%	\$604	\$604	1.08%
2024	15,640,000	35,000	15,675,000	0.57%	460	460	0.82%
2023	18,505,000	120,000	18,625,000	0.68%	547	547	0.98%
2022	21,340,000	205,000	21,545,000	0.78%	632	632	1.13%
2021	24,160,000	285,000	24,445,000	0.88%	717	717	1.28%
2020	27,010,000	365,000	27,375,000	0.99%	803	803	1.43%
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%

## MT. LEBANON, PENNSYLVANIA

### LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS

	<u>Three year average revenue (borrowing base) <sup>(1)</sup></u>	<u>Legal debt limit <sup>(2)</sup></u>	<u>Debt applicable to limit</u>	<u>Legal debt margin</u>	<u>Legal debt margin % <sup>(3)</sup></u>
2025	\$79,301,465	\$198,253,663	\$20,585,000	\$177,668,663	89.62%
2024	69,464,845	173,662,113	15,675,000	157,987,113	90.97%
2023	68,382,291	170,955,728	18,625,000	152,330,728	89.11%
2022	66,147,506	165,368,765	21,545,000	143,823,765	86.97%
2021	71,891,777	179,729,443	24,445,000	155,284,443	86.40%
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%

(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 250% 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, 2025

<u>Jurisdiction</u>	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to Mt. Lebanon</u>	<u>Amount Applicable to Mt. Lebanon</u>
<b>Direct</b>			
Mt. Lebanon (1)	<u>\$20,585,000</u>	100.0%	<u>\$20,585,000</u>
<b>Overlapping</b>			
Mt. Lebanon School District (2)	98,815,000	100.0%	98,815,000
County of Allegheny (3)	<u>953,463,515</u>	3.2%	<u>30,858,857</u>
<i>Total Overlapping Debt</i>	<u>1,052,278,515</u>		<u>129,673,857</u>
<b>Total</b>	<u><u>\$1,072,863,515</u></u>		<u><u>\$150,258,857</u></u>

Sources: Municipal Finance Department.

Mt. Lebanon School District ACFR 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 250% of the borrowing base must be approved by the electorate.

(2) Mt. Lebanon School District figures are for the year ending June 30, 2025.

(3) Proportionate share of Allegheny County's existing debt as of December 31, 2025 (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, 2025			December 31, 2016		
	Employees	Rank	Percentage of Total Municipality Employment	Employees	Rank	Percentage of Total Municipality Employment
St Clair Hospital	1,856	1	18.2%	2,053	1	22.7%
Mt. Lebanon School District	809	2	7.9%	715	2	7.9%
Asbury Health Center	311	3	3.0%	201	5	2.2%
Crown Castle USA	253	4	2.5%			-
Mt. Lebanon Municipality	206	5	2.0%	225	3	2.5%
Concordia of South Hills	172	6	1.7%	118	7	1.3%
Keystone Oaks School District	165	7	1.6%	170	6	1.9%
Brookdale Senior Living	125	8	1.2%			-
PNC Bank	116	9	1.1%			-
WeCare Centers	103	10	1.0%			-
Giant Eagle				114	8	1.3%
Baptist Homes Nursing				222	4	2.5%
UPMC				113	9	1.3%
Shop n Save				112	10	1.2%
<b>Total</b>	<b>4,116</b>		<b>40.2%</b>	<b>4,043</b>		<b>44.8%</b>
<b>Total Employees</b>	<b>10,204</b>			<b>9,039</b>		

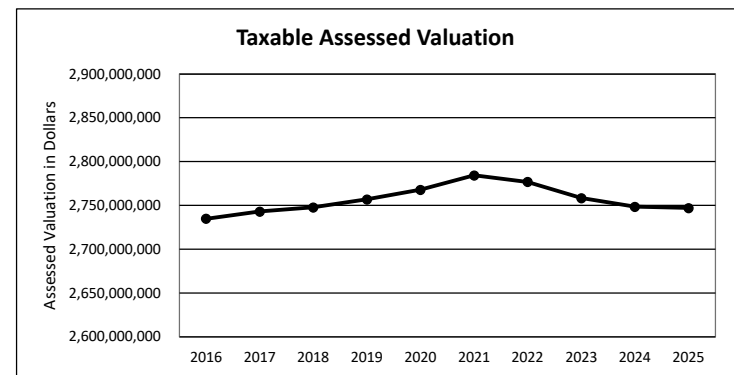
Source: Mt. Lebanon Tax Office

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

Year	Population <sup>(1)</sup>	Total Personal Income <sup>(2)</sup>	Per Capita Personal Income <sup>(1)</sup>	Median Household Income <sup>(1)</sup>	Median Age <sup>(1)</sup>	Educational Attainment: Bachelor's Degree or higher <sup>(1)</sup>	School Enrollment <sup>(3)</sup>	Unemployment Rate <sup>(4)</sup>	Average Sales Price of Residential Property <sup>(5)</sup>	Total Taxable Assessed Property Value <sup>(5)</sup>
2025	34,075	\$ 1,910,005,975	\$ 56,053	\$ 100,011	43.8	70.6%	5,504	2.5%	\$ 490,685	\$2,746,984,666
2024	34,075	1,910,005,975	56,053	100,011	43.8	70.6%	5,498	1.8%	439,118	2,748,538,581
2023	34,075	1,910,005,975	56,053	100,011	43.8	70.6%	5,497	1.7%	428,019	2,758,364,656
2022	34,075	1,910,005,975	56,053	100,011	43.8	70.6%	5,402	2.3%	397,090	2,776,754,924
2021	34,075	1,910,005,975	56,053	100,011	43.8	70.6%	5,361	2.6%	374,790	2,784,336,730
2020	34,075	1,910,005,975	56,053	100,011	43.8	70.6%	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

175

- (1) Source: 2016-2019, 2010 U. S. Census/2020-2025, 2020 U.S. Census (Median Age not available from 2020 Census)
- (2) Computation of per capita personal income multiplied by population for given census year
- (3) Source: Mt. Lebanon School District
- (4) US Census Bureau American Community Survey (2016-2018); US Bureau of Labor Statistics for Mt. Lebanon (2019-2025)
- (5) Source: Mt. Lebanon Tax Office



# MT. LEBANON, PENNSYLVANIA

## OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

Function/program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>General Government:</b> <sup>(1)</sup>										
Lien letter & tax certification requests	856	775	808	990	1,777	2,022	1,293	952	1,802	1,161
LeboAlerts (online and SMS notification system)	279	249	252	294	269	229	367	375	339	413
<b>Community Development:</b>										
Number of permits issued <sup>(2)</sup>	1,098	962	1,000	1,054	819	745	637	650	623	585
Estimated value of construction <sup>a (2)</sup>	\$34,812,361	\$23,178,820	\$42,559,706	\$33,972,051	\$23,660,230	\$17,375,334	\$58,979,386	\$34,257,329	\$25,555,091	\$15,765,213
Occupancy permits issued <sup>(2)</sup>	87	60	62	56	38	33	8	25	18	28
Number of Planning Commission agenda items <sup>(3)</sup>	4	4	8	9	7	5	6	13	14	12
<b>Police:</b> <sup>(4)</sup>										
Calls for service <sup>b</sup>	21,886	21,177	19,557	18,588	18,750	18,790	20,819	21,819	23,094	25,796
Total arrests	293	278	274	314	246	378	487	548	565	609
Part I Offenses reported (major offenses)	233	269	267	157	210	170	264	293	280	414
Part I Offenses cleared percentage	63%	47%	42%	46%	23%	77%	37%	45%	50%	39%
Part II Offenses reported (other crimes)	543	468	578	552	609	518	647	611	610	716
Part II Offenses cleared percentage	60%	55%	35%	55%	22%	42%	53%	57%	54%	47%
DUI arrests	37	40	50	71	32	36	58	68	57	76
Animal control calls for service	1,324	1,514	1,454	1,567	1,489	1,924	1,691	2,207	1,881	2,203
<b>Fire:</b> <sup>(5)</sup>										
Calls for service (emergency and non-emergency) <sup>c</sup>	4,117	4,334	4,025	3,786	3,919	3,708	4,385	4,502	3,875	3,695
Responses involving loss	19	18	15	12	13	16	22	30	25	22
Fire loss (per capita)	\$12.08	\$17.33	\$9.58	\$6.87	\$10.54	\$6.49	\$9.74	\$31.21	\$4.27	\$10.83
Structure fires	11	13	6	17	9	11	16	17	9	29
<b>Public Works:</b> <sup>(6)</sup>										
Roads resurfaced (linear feet)	8,237	5,267	7,181	6,706	7,762	7,400	8,080	11,804	8,080	7,247
Roads reconstructed (linear feet)	3,400	4,098	4,055	4,687	4,750	5,450	5,300	6,500	6,564	5,875
Sidewalks repaired (square feet)	11,562	0	11,077	10,616	9,786	0	0	0	2,860	5,957
Curb replacement (linear feet)	1,856	1,348	2,211	2,265	2,228	1,866	1,459	2,614	1,604	2,341
Number of trees removed	187	165	159	129	160	176	147	157	122	146
Number of trees planted	206	154	129	146	120	175	121	58	116	157
Number of municipal trees	11,422	11,403	11,414	11,444	11,427	11,467	11,468	11,494	11,494	11,500
Residential curb side recycling tons picked up <sup>d</sup>	1,675	1,485	1,126	1,383	1,527	1,526	1,499	2,612	2,447	2,110
Truckloads of leaves picked-up <sup>e</sup>	969	982	1,059	1,350	962	959	892	1,624	1,033	1,030
Tons of snow melting salt used	5,789	3,181	2,496	5,522	4,708	3,813	4,893	5,463	3,006	5,519
Closed circuit televising (miles)	21.7	25.4	24.1	25.1	20.8	17.5	18.1	27.0	15.1	16.0
Point repairs	10	10	70	11	44	11	14	25	30	3
Root damage sidewalk restoration (square feet)	13,725	10,544	11,383	15,549	11,346	14,817	17,727	18,054	14,140	12,242
Structural liner corrections (linear feet)	19,000	25,554	15,342	19,144	24,580	17,444	17,317	11,295	3,526	2,350

# MT. LEBANON, PENNSYLVANIA

## OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

Function/program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Recreation: <sup>f (7)</sup></b>										
Ice Center Attendance	44,961	38,134	44,764	42,816	26,182	18,060	59,042	65,345	33,254	62,485
Pool Attendance	48,585	51,885	50,874	57,437	56,042	0	54,281	55,318	60,032	68,546
Number of golf rounds played	25,362	26,151	25,793	24,442	23,926	21,896	20,865	19,088	22,662	23,183
Number of Seasonal Programs	324	307	292	297	215	144	429	425	410	449
Seasonal Program Enrollment	8,648	8,458	9,619	9,068	6,742	3,430	10,876	10,417	11,291	11,790
Seasonal Program Attendance	67,519	65,976	66,764	64,585	52,786	22,479	66,170	67,418	72,537	74,038
Tennis Center Attendance (Outdoor)	14,738	13,622	13,977	15,337	8,298	6,609	9,464	9,653	10,311	11,963
Tennis Center Attendance (Indoor) <sup>i</sup>	26,248	9,884	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of Tennis Programs	208	124	124	130	125	87	122	118	108	113
Tennis Program Enrollment	1,472	1,393	1,197	1,253	1,182	798	1,044	1,006	993	1,051
Platform Tennis Center Attendance	10,578	9,198	7,893	7,861	7,818	5,974	6,988	6,480	7,320	7,084
<b>Library: <sup>(8)</sup></b>										
Physical Collection	139,884	137,838	138,338	136,636	136,807	147,783	146,699	145,801	147,518	153,225
E-book Collection <sup>g</sup>	n/a	186,413	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Circulation	785,346	763,648	816,686	709,292	668,672	533,413	698,151	702,637	724,875	632,983
Reference questions	28,166	23,658	24,285	17,452	5,084	2,386	29,652	32,929	42,075	57,909
Number of programs	1,672	1,499	1,331	1,391	2,298	1,123	2,211	2,095	1,832	1,654
Program attendance	38,066	35,297	24,700	22,502	16,690	14,954	43,899	46,399	42,247	35,882
Registration	19,152	19,177	18,899	17,606	16,720	17,224	17,857	17,814	18,129	18,680
Registrations as a percentage of population	56%	56%	55%	52%	49%	52%	54%	54%	54%	56%
Visits by library patrons	275,910	299,713	301,832	248,872	140,122	108,059	360,720	343,995	368,930	328,774
Minutes patrons spent on computers in library <sup>h</sup>	813,531	723,680	669,480	544,224	1,005,488	1,175,244	6,337,740	7,286,840	6,417,127	6,297,676
<b>Parking: <sup>(1)</sup></b>										
Meter tickets	9,143	9,290	7,677	7,466	7,287	5,791	6,413	6,516	7,098	5,029
Police tickets	6,668	6,123	6,309	7,471	4,911	3,088	6,815	6,846	6,704	7,514
Tickets paid online	11,244	11,160	9,276	9,316	7,964	5,614	7,189	4,950	3,749	3,232

(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 2024, the Library e-book collection tracked separately.
  - h: Beginning in 2022, minutes spent on computers does not include public wifi.
  - i: Municipality took over operations of indoor tennis season in October-2024
  - 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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>General Government</b>										
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	3	3	3	4	4	4	4	4	3	4
<b>Public Works</b>										
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	42	42	42	42	42	42	42	42	42	42
Sanitary sewers (miles) <sup>(1)</sup>	147.08	147.23	147.68	159.95	159.87	159.87	147.60	147.52	145.39	145.39
Storm sewers (miles)	74.04	72.40	71.91	71.58	75.81	75.81	74.30	72.33	60.51	60.51
Vehicles	30	30	30	28	28	28	28	29	28	28
<b>Library</b>										
Square footage occupied	30,060	30,060	30,060	30,060	30,060	30,060	30,060	30,060	30,060	30,060
Collection	139,884	137,838	138,338	136,636	136,807	147,783	146,699	145,801	147,518	153,225
<b>Recreation</b>										
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	304.11	304.11
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	13	15	15	15	15	15	15	15	15	15
Pickleball Courts <sup>(2)</sup>	6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
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
<b>Public Safety</b>										
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	10	10	10	10	10	11	11	12	12	11
Police vehicles	34	36	36	34	35	34	34	40	32	35
<b>Parking</b>										
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	1,026	1,026	1,026	1,026	1,026	1,026	1,018	1,018	1,018	1,018
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) 6 additional pickleball courts were installed on leased school district property at N. Meadowcroft Park in 2023.

# MT. LEBANON, PENNSYLVANIA

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

<u>Function/program</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Government:										
Administration	4.1	4.2	4.3	4.2	4.2	4.1	4.2	4.2	4.0	3.8
Information Technology	4.0	4.0	4.0	3.8	4.0	4.0	4.0	3.4	3.7	3.7
Finance	5.2	5.1	4.5	4.7	4.8	4.4	4.6	4.6	4.7	4.7
Tax	2.2	2.1	2.0	1.7	1.7	1.5	1.7	1.5	1.8	2.0
Public Information	6.8	6.5	6.4	7.0	5.9	5.7	5.8	6.4	6.3	6.3
Parking Clerical	1.0	1.0	1.0	1.0	1.0	0.8	1.0	1.0	1.0	1.0
Community Development										
Economic Develop/Planning	3.6	3.3	3.5	2.8	2.5	2.5	2.5	2.5	2.8	2.8
GIS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Inspections	5.0	5.0	4.8	5.0	3.8	3.7	4.0	4.0	4.0	4.0
Public Works										
Administration	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	3.0
Maintenance/Labor	26.5	25.1	23.7	24.8	24.9	23.3	23.7	25.7	24.7	24.8
Maintenance/Labor - Parking	3.0	3.0	2.7	2.4	3.0	3.0	3.0	3.0	2.5	3.0
Human Services/Library	24.2	24.2	23.8	22.6	22.9	20.6	24.7	23.9	23.3	23.9
Public Safety										
Police Officers	44.3	45.1	43.4	42.7	44.4	44.6	45.5	43.8	44.7	45.0
Police Civilians <sup>(1)</sup>	9.3	10.0	9.5	9.4	10.2	9.8	9.6	9.7	8.8	8.8
Crossing Guards <sup>(2)</sup>	41.0	42.0	42.0	42.0	42.0	42.0	42.0	43.0	43.0	43.0
Fire	17.6	17.7	17.7	18.0	17.0	16.6	17.0	16.7	17.0	17.0
Fire civilians	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.1	1.2
Parking Enforcement	7.7	7.8	7.8	7.7	8.1	6.6	7.6	7.6	7.7	7.6
Recreation										
Management	4.0	4.2	4.0	4.0	4.0	3.8	4.0	4.1	4.9	5.3
Seasonal	2.1	2.0	1.7	2.0	1.5	0.1	2.0	2.0	2.0	1.4
Golf	5.0	4.8	5.2	6.1	5.9	5.5	5.8	5.4	5.3	5.5
Tennis	7.8	4.8	2.7	2.3	2.4	1.4	1.8	2.1	2.2	2.2
Ice Rink	15.2	17.0	16.2	16.4	13.1	11.4	17.2	16.0	14.4	17.2
Pool	8.6	8.1	8.0	9.0	7.5	0.0	7.8	8.0	8.1	8.5
Totals:	<u>254.3</u>	<u>253.1</u>	<u>245.0</u>	<u>245.7</u>	<u>240.9</u>	<u>221.5</u>	<u>245.6</u>	<u>244.6</u>	<u>243.0</u>	<u>246.7</u>

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

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

Sources: Mt. Lebanon financial and personnel records



**MUNICIPAL BUILDING  
710 WASHINGTON ROAD  
PITTSBURGH, PA 15228**

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