



MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

Municipality of Bethel Park, Pennsylvania

Comprehensive Annual Financial Report

For the Year Ended December 31, 2015

Prepared by the Finance Department
Joseph Vilella, Finance Director

**MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015**

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INTRODUCTORY SECTION



MUNICIPALITY OF BETHEL PARK

Municipal Building • 5100 West Library Avenue • Bethel Park, PA 15102 • 412-831-6800 • FAX 412-831-8675 • www.bethelpark.net

June 16, 2016

To Bethel Park Municipal Council, Mayor, and Citizens of the Municipality of Bethel Park:

The Comprehensive Annual Financial Report (CAFR) of the Municipality of Bethel Park, Pennsylvania (Municipality) for the year ended December 31, 2015 is hereby submitted.

This report consists of management's representations concerning the finances of the Municipality. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management has established a comprehensive framework of internal control designed both to protect the Municipality's assets from loss, theft, or misuse, and to compile sufficient reliable information for the presentation of the Municipality's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we believe that this financial report is complete and reliable in all material respects.

The Municipality's financial statements have been audited by Maher Duessel, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Municipality for the fiscal year ending December 31, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures of the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Municipality's financial statements for the year ended December 31, 2015 are fairly presented, in all material respects, in conformity with GAAP. The independent auditor's report is presented at the beginning of the financial section of this report.

Immediately following the independent auditor's report is the Management's Discussion and Analysis (MD&A). The MD&A provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The Municipality was founded in 1886 and incorporated as a Borough in 1949. In 1978, the Municipality became a Home Rule Municipality pursuant to its Home Rule Charter dated

November 18, 1975. The Municipality continues to operate today under the Charter (as amended).

The Municipality's Charter provides for the Council-Manager form of government. Municipal Council is comprised of nine members. Each of the nine members is elected by ward to serve a four-year term. The terms are staggered so that the Council members representing the odd-numbered wards are elected two years apart from the members representing the even-numbered wards. The Charter also calls for a Mayor to be elected at large. The Mayor votes only in the event of a tie.

The daily operations of the Municipality are directed by an appointed Municipal Manager and a full-time professional staff. The Municipality's operations include services such as police protection, infrastructure maintenance and construction (e.g., roads and sewers), recreation and leisure, public access television, zoning regulation, building inspection, wastewater treatment, and refuse collection.

LOCAL ECONOMY

The Municipality is located approximately ten miles south of downtown Pittsburgh, Allegheny County, Pennsylvania. The Municipality is 12 square miles in size with approximately 114 miles of road. According to the 2010 U.S. Census, the Municipality's population of 32,313 ranks fourth out of Allegheny County's 130 municipalities. Approximately 83% of the Municipality is presently developed, 90% of which is residential and devoted almost exclusively to single-family housing.

Industrial activity in the Municipality is concentrated in light manufacturing and some service-related areas. The business districts in the Municipality are found along Library Road, South Park Road, Bethel Church Road, Brightwood Road, Washington Road, Oxford Drive, and Fort Couch Road. The Municipality is also home to the largest industrial park in the South Hills of Pittsburgh. The Industrial Park is comprised of 117 acres of land and houses approximately 100 businesses. More than 1,300 people work in the Industrial Park, and less than 20 acres presently remain available for future development.

Light manufacturing, storage, and some heavy industry occupy slightly more than 100 acres of the Municipality. However, the Municipality is primarily residential in nature, with its residents commuting to various employment concerns in the Pittsburgh metropolitan area. Given the efficient road network and public transportation system, and the close proximity to the City of Pittsburgh, the residents are subject to reasonable commuting time to the industries and businesses of the area.

Commercial land use is geared to neighborhood convenience. Located in the Municipality is approximately half of the South Hills Village Shopping Mall, an enclosed shopping center which includes approximately 100 stores. Also situated in the Municipality is Village Square Mall, which houses a number of retail department stores and other businesses.

Throughout the nation's recent economic troubles, unemployment rates in the region have remained below the state and national rates. This has helped insulate the Municipality's largest revenue source – Earned Income Tax – from the drops experienced by many state and local

governments across the country. As presented in the Statistical Section, the Municipality's two major tax revenues – Real Estate Tax and Earned Income Tax – continue to trend upward.

FINANCIAL OPERATIONS

Budget

The Municipality uses the following procedures in establishing the budgetary data reflected in the financial statements as prescribed in the Home Rule Charter. On or before September 1st, the Municipal Manager submits an operating budget and an accompanying message to Council. At least two months prior to the date for submission of the proposed budget, the Municipal Manager submits to Council a five-year capital program. A general summary of the preliminary budget and capital program must be published in one or more newspapers of general circulation in the Municipality, including a notice that the preliminary budget or capital program is available for public inspection. Advertisement of the preliminary budget or capital program must include times and places where copies of the preliminary budget and capital program are available for viewing by the public and when hearings will be held. After adequate public hearing, Council must adopt the final balanced budget by ordinance prior to the beginning of the fiscal year for which the budget has been prepared.

Policy

The finance department continually reviews established policies and procedures, and considers the implementation of new policies and procedures when necessary. We believe that the Municipality's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement

In December 2015, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Municipality for its CAFR for the fiscal year ended December 31, 2014. This represents the fourth consecutive year the Municipality has achieved this award.

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

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

Acknowledgements

Without the responsiveness and cooperation of all Municipal departments, production of this CAFR would not have been possible. I sincerely appreciate the time and effort contributed by Municipal staff throughout the year, particularly that of Accounting Supervisor Pamela Inglis. Appreciation is also extended to Municipal Manager William Spagnol and Assistant Municipal Manager Judith Miller for their leadership and support. Finally, I also wish to express my thanks to Bethel Park Municipal Council and the Mayor for their cooperation and interest in the professional management of the Municipality's finances.

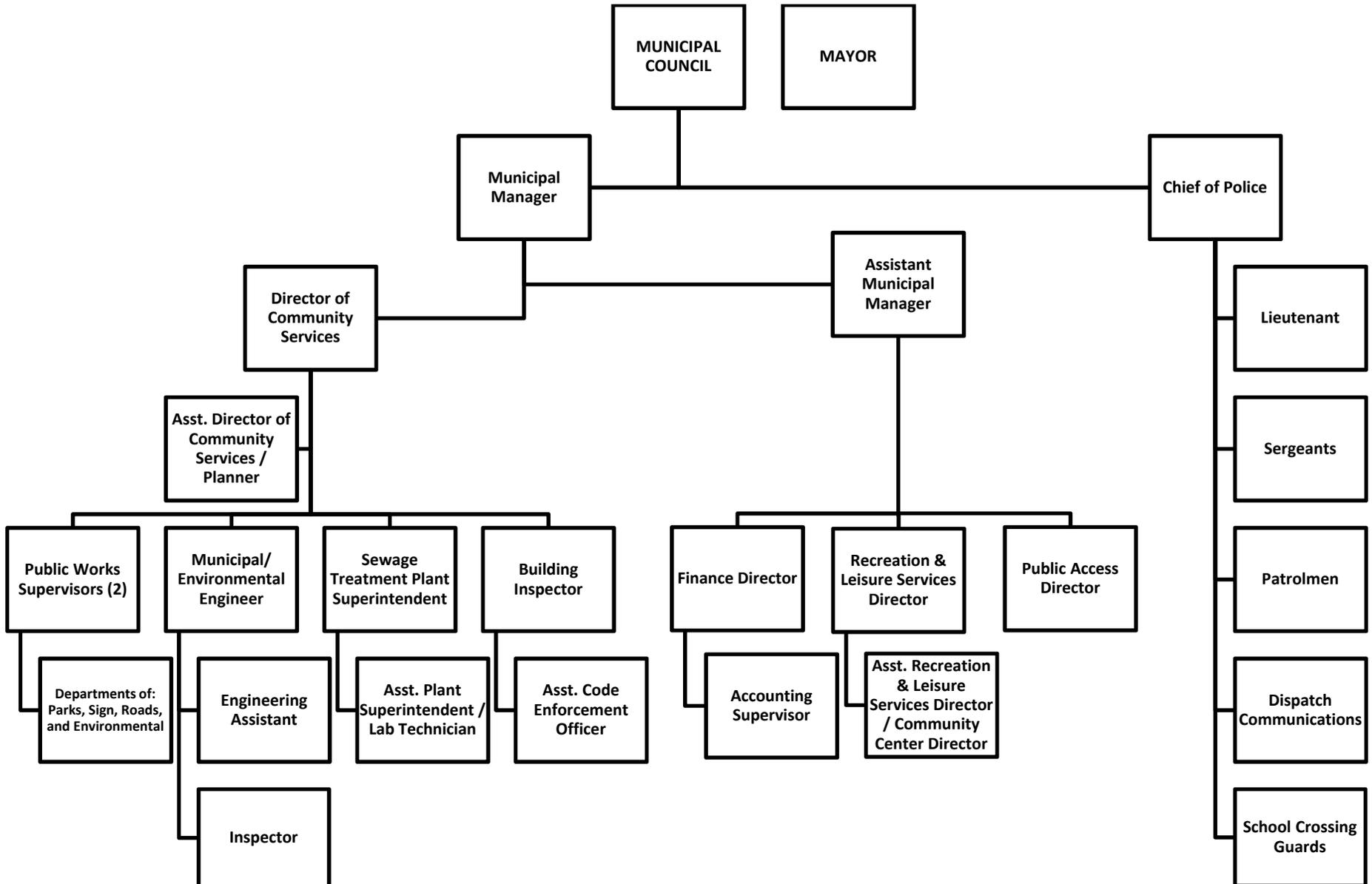
Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Vilella". The signature is written in a cursive, flowing style.

Joseph Vilella
Finance Director

June 16, 2016

**MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
ORGANIZATION CHART
AS OF DECEMBER 31, 2015**



**MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2015**

ELECTED OFFICIALS

Council, Ward 1	John Pape
Council, Ward 2	Brandon Colella
Council, Ward 3	James Hannan (Vice President)
Council, Ward 4	Paul Dixon
Council, Ward 5	Donald Harrison
Council, Ward 6	Mark O'Brien
Council, Ward 7	James McLean
Council, Ward 8	Timothy Moury (President)
Council, Ward 9	Lorrie Gibbons
Mayor	Jack Allen

CHIEF APPOINTED OFFICIALS

Municipal Manager	William Spagnol
Assistant Municipal Manager	Judith Miller
Finance Director	Joseph Vilella
Police Chief	Timothy O'Connor
Director of Community Services	Gerald Duke
Municipal Planner	Michael Smith
Municipal Engineer	Jean Statler
Code Enforcement Officer	Rodney Sarver
Recreation Director	Charles Stover
Public Access Director	Dave Cable
Sewage Plant Superintendent	Scott Dunn
Municipal Solicitor	Robert McTiernan



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Municipality of Bethel Park
Pennsylvania**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO



FINANCIAL SECTION

Independent Auditor's Report

Members of Council
Municipality of Bethel Park

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 Bethel Park, Pennsylvania (Municipality), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Municipality, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, the Municipality adopted Governmental Accounting Standards Board (GASB) Statement No. 68, "*Accounting and Financial Reporting for Pensions*," and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date*," which requires the Municipality to record its net pension liability and related items on the government-wide financial statements and proprietary fund financial statements. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and OPEB information on pages 10 through 21 and pages 78 through 84, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The schedules contained in the supplementary information section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Maher Duessel

Pittsburgh, Pennsylvania
June 16, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Municipality of Bethel Park, Pennsylvania (Municipality), we offer readers of the Municipality's financial statements this narrative overview and analysis of the financial activities of the Municipality for the fiscal year ended December 31, 2015.

FINANCIAL HIGHLIGHTS

- The Municipality's total net position decreased \$1,318,668 in 2015, or 5.58%.
- Total unrestricted net position was \$7,722,597 at December 31, 2015.
- The Municipality's real property tax rate remained at 2.32 mills in 2015, which included a mandated .34 mills in real estate tax dedicated as an annual source of revenue for the Bethel Park Volunteer Fire Company. This revenue was primarily used to pay for the debt service associated with the construction of a new fire station on Brightwood Road, as well as operating expenses, such as building utilities and maintenance.
- The Municipality's earned income tax rate remained at 0.9% in 2015.
- At December 31, 2015, the Municipality had \$71,064,180 of outstanding net debt, which represents an increase of \$15,845,964, or 28.7% from the previous year.
- The total fund balance of the General Fund at December 31, 2015 was \$8,882,977. The unassigned portion of the fund balance was \$8,670,674, which is approximately 51.1% of General Fund expenditures for fiscal year 2015. The 2015 unassigned fund balance is \$583,617 higher than the 2014 unassigned fund balance.
- During 2015, the Municipality has adopted GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*," and Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date*." These Statements establish new financial reporting requirements for most governments that provide their employees with pension benefits (see Note 7). As a result of this implementation, the government-wide net position as of January 1, 2015 was restated with a decrease of \$4,975,509 and the proprietary fund net position as of January 1, 2015 was restated with a decrease of \$605,276 to record the Municipality's net pension liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the Municipality's basic financial statements. The Municipality's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains required supplementary and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Municipality's finances, in a manner similar to private-sector business.

The statement of net position presents information on all of the Municipality's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position

may serve as a useful indicator of whether the financial position of the Municipality is improving or deteriorating.

The statement of activities presents information showing how the Municipality's net position changed during fiscal year 2015. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Municipality that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). The governmental activities of the Municipality include general government, public safety, public works, culture and recreation, and conservation and development. The business-type activities of the Municipality include the Municipality's sewer services.

The government-wide financial statements can be found on pages 22 and 23 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Municipality, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Municipality can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Municipality's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Municipality's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Municipality maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Volunteer Fire Department Fund, and the Capital Reserve Fund, all of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The Municipality adopts an annual budget for all governmental funds. Budgetary comparison statements for all governmental funds are provided in this report, either in the basic financial statements or as supplementary information, to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 24-29 of this report.

Proprietary funds. The Municipality maintains one type of proprietary fund. An Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Municipality uses an Enterprise Fund to account for its sewer system.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer system, which is considered to be a major fund of the Municipality.

The basic proprietary fund financial statements can be found on pages 30-33 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Municipality. The Municipality is the trustee, or fiduciary, for two single-employer pension plans: non-uniformed employees and police. These plans cover essentially all full-time employees. The Municipality is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Municipality's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the Municipality's government-wide financial statements because the Municipality cannot use these assets to finance its operations.

The Municipality also maintains two escrow accounts to hold bonds and other deposits received from developers doing work within the Municipality. Engineer's Inspection Fee Escrow is an account that is used to hold subdivision fees, which are then used to offset the cost of engineering inspection to the Municipality. Escrow Savings is an account used to hold monument bonds posted by developers to assure the installation of monuments after the completion of construction. Both accounts are periodically reviewed for balances that may be refunded or escheated to the State. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 34-35 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 36-77 of this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Municipality's net pension liability, contributions, investment returns, and progress in funding its obligation to provide postemployment benefits other than pension benefits (OPEBs) to its employees. Required supplementary information can be found on pages 78-84 of this report.

Supplementary information. The combining statements referred to earlier in this report are presented in a section called supplementary information immediately following the required supplementary information on pensions and OPEBs. The supplementary information containing the combining and individual fund statements can be found on pages 85-96 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of the Municipality's financial position. In the case of the Municipality, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$24,950,072 at the close of fiscal year 2015.

The Municipality's net position at December 31, 2015 and 2014 is presented below:

Municipality of Bethel Park's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2014	2013
Current and other assets	\$ 23,861,866	\$ 18,409,544	\$ 21,360,819	\$ 24,662,937	\$ 45,222,685	\$ 43,072,481
Capital assets	23,759,419	18,648,496	27,637,716	25,291,946	51,397,135	43,940,442
Total assets	\$ 47,621,285	\$ 37,058,040	\$ 48,998,535	\$ 49,954,883	\$ 96,619,820	\$ 87,012,923
Deferred outflows for pension*	\$ 2,545,954	\$ -	\$ 218,608	\$ -	\$ 2,764,562	\$ -
Current and other liabilities	\$ 2,180,068	\$ 1,453,937	\$ 2,843,709	\$ 2,684,619	\$ 5,023,777	\$ 4,138,556
Non-current liabilities*	29,598,366	18,487,178	39,730,890	40,755,785	69,329,256	59,242,963
Total liabilities	\$ 31,778,434	\$ 19,941,115	\$ 42,574,599	\$ 43,440,404	\$ 74,353,033	\$ 63,381,519
Net position:						
Net investment in capital assets	\$ 14,119,506	\$ 13,899,420	\$ 2,543,218	\$ 3,742,506	\$ 16,662,724	\$ 17,641,926
Restricted	564,751	143,861	-	-	564,751	143,861
Unrestricted*	3,647,654	3,073,644	4,074,943	2,771,973	7,722,597	5,845,617
Total net position	\$ 18,331,911	\$ 17,116,925	\$ 6,618,161	\$ 6,514,479	\$ 24,950,072	\$ 23,631,404

* As restated due to the recording of the net pension liability in accordance with GASB Statement No. 68.

Net Position

One portion of the Municipality's net position (66.8%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Municipality uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Municipality's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other funding sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Municipality's net position (2.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (30.9%, or \$7,722,597) may be used to meet the Municipality's ongoing obligations to citizens and creditors.

At the end of 2015, the Municipality reported positive balances in all three categories of net position, both for the Municipality as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

For 2015, total net position increased by \$1,318,668, or 5.58%, to \$24,950,072. The governmental activities portion of net position increased by \$1,214,986 or 7.10%, which is largely due to the Municipality's increase in general revenue related to earned income taxes and real estate transfer taxes for

the year in 2015. The business-type activities portion of net position increased by \$103,682 or 1.59%, which is a result of decreased expenditures in 2015 related to the Bethel Park Municipal Authority Guaranteed Sewer Revenue Bonds, Refunding Series of 2013 for repair and maintenance to the Municipality's sewer system and a minor increase in sewer revenue in 2015.

The following presents the Municipality's change in net position for the fiscal years ended December 31, 2015 and 2014:

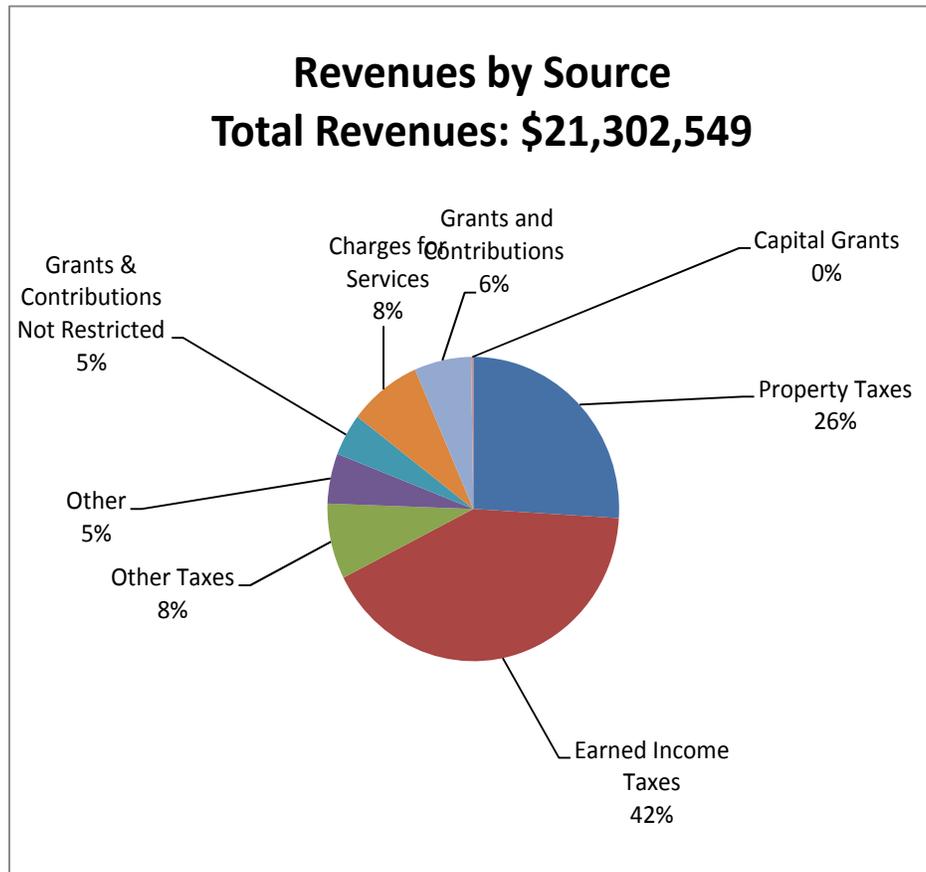
Municipality of Bethel Park's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 1,725,359	\$ 1,438,802	\$ 9,187,995	\$ 8,946,605	\$ 10,913,354	\$ 10,385,407
Operating grants and contributions	1,337,636	1,486,583	-	-	1,337,636	1,486,583
Capital grants and contributions	54,864	492,974	277	86	55,141	493,060
General revenues:						
Property taxes	5,530,903	5,462,811	-	-	5,530,903	5,462,811
Earned income taxes	8,854,334	7,414,508	-	-	8,854,334	7,414,508
Other taxes	1,714,005	1,510,306	-	-	1,714,005	1,510,306
Grants and contributions not restricted to specific programs						
Other	952,078	704,048	-	-	952,078	704,048
Total revenues	21,302,549	19,889,122	9,377,775	8,954,193	30,680,324	28,843,315
Expenses:						
Program expenses:						
General government	2,497,242	2,747,093	-	-	2,497,242	2,747,093
Public safety	8,542,147	8,121,090	-	-	8,542,147	8,121,090
Public works	6,456,964	7,741,073	-	-	6,456,964	7,741,073
Culture and recreation	1,691,236	1,788,040	-	-	1,691,236	1,788,040
Conservation and developme	221,721	178,454	-	-	221,721	178,454
Interest on long-term debt	678,253	323,553	-	-	678,253	323,553
Sewer services	-	-	9,274,093	11,598,092	9,274,093	11,598,092
Total expenses	20,087,563	20,899,303	9,274,093	11,598,092	29,361,656	32,497,395
Change in net position	1,214,986	(1,010,181)	103,682	(2,643,899)	1,318,668	(3,654,080)
Net position - beginning	17,116,925	23,102,615	6,514,479	9,763,654	23,631,404	32,866,269
Effect of implementation of GASB Statement No. 68	-	(4,975,509)	-	(605,276)	-	(5,580,785)
Net position - ending	\$ 18,331,911	\$ 17,116,925	\$ 6,618,161	\$ 6,514,479	\$ 24,950,072	\$ 23,631,404

GOVERNMENTAL ACTIVITIES

Revenue Sources

Total governmental activities revenues of \$21,302,549 were derived primarily from Earned Income Taxes, representing 42% of the total. Property Taxes made up the second largest source of revenue at 26%, followed by Other Taxes at 8%, Grants and Contributions at 6%, Charges for Services at 8%, Other General Revenue at 5%, and Grants and Contributions not Restricted to Specific Programs at 5%.

The following chart graphically depicts the governmental activities revenues by source for the fiscal year ended December 31, 2015:

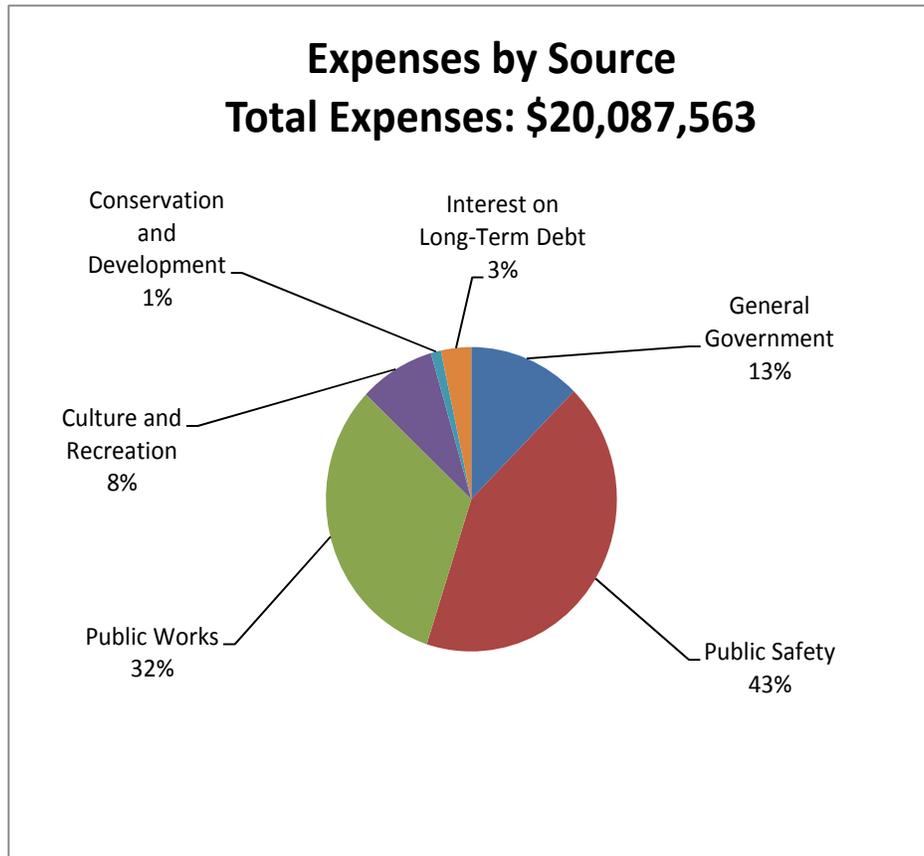


GOVERNMENTAL ACTIVITIES

Program Expenses

Total governmental activities expenses for all programs in 2015 were \$20,087,563. The expenses cover a range of services, with the largest being Public Safety at 43%. The second largest program area was Public Works at 32%, followed by General Government at 13%, Culture and Recreation at 8%, and all others totaling 4%.

The following chart graphically depicts the governmental activities expenses for the fiscal year ended December 31, 2015:

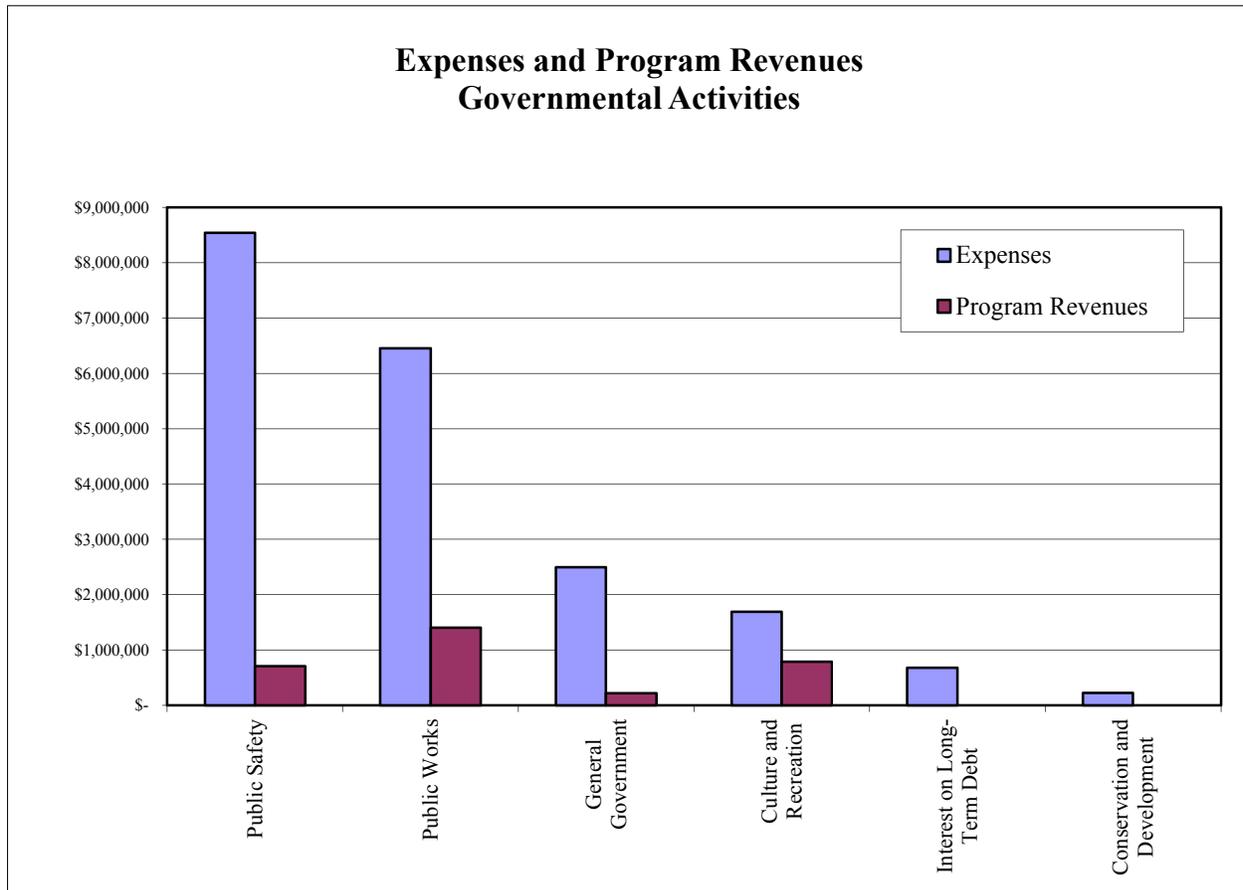


GOVERNMENTAL ACTIVITIES

Net Program Expenses/Revenues

Net program expenses/revenues indicate the amount of support required from taxes and other general revenues for the year. Public Safety expenses required the most general revenue for support, needing \$7,834,476 in 2015. Public Works required \$5,051,633 general revenues for support, while General Government required \$2,278,102, Culture and Recreation required \$905,519, Interest on long-term debt required \$678,253, and Conservation and Development required \$221,721.

The following chart graphically depicts the net program expenses/revenues by function/program of governmental activities for the fiscal year ended December 31, 2015:



FINANCIAL ANALYSIS OF THE MUNICIPALITY'S FUNDS

As noted earlier, the Municipality uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Municipality's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Municipality's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Municipality's net resources available for spending at the end of the fiscal year.

As of the end of 2015, the Municipality's governmental funds reported combined ending fund balances of \$21,669,959, an increase of \$4,923,700 in comparison with the prior year. Of this combined fund balance total, \$8,670,320, or 40%, represents unassigned fund balance, meaning it is available to meet the Municipality's current and future needs. In addition, \$220,000 has been assigned to balance the Municipality's 2016 budget, \$904,956 is assigned for specific capital projects, \$16,706 is assigned for the cable television facility, and \$24,275 is assigned for recreation improvements. There is \$2,102,368 restricted for the construction of a new building for the Municipality's Volunteer Fire Department, \$8,950,682 restricted for the construction of a new public works building and capital improvements at the community center, \$142,785 restricted for the Oxford Drive Transportation District, and \$421,966 restricted for Volunteer Fire Department operations. The remaining \$215,901 represents nonspendable prepaid expenditures.

The General Fund is the chief operating fund of the Municipality. At the end of 2015, unassigned fund balance of the General Fund was \$8,670,674, while total fund balance reached \$8,882,977. This represents an increase of \$702,872 or 8.6% over the prior fiscal year's total fund balance. This increase is due to the Municipality's increased tax revenue for 2015. Specifically, earned income tax increased by \$244,790, real estate transfer tax increased \$201,915, and building permit revenue increased \$196,578. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 51.1% of total General Fund expenditures, while total fund balance represents 52.4% of the same.

The Capital Reserve Fund accounts for funds provided by the Municipality, most frequently from General Fund transfers, for use on capital projects. At the end of 2015, total fund balance of the Capital Reserve Fund was \$10,075,638; \$1,124,956 of which is assigned for capital projects in 2016 and \$8,950,682 of which was restricted for capital projects in 2016. The total fund balance increased by \$9,215,317 or 1,071.1% over the prior fiscal year as a result the Municipality's issuance of General Obligation Bonds, Series of 2015 in the amount of \$9,105,000. Transfers from the General Fund to the Capital Reserve Fund increased to \$2,627,727 in 2015 to match the planned level of capital projects. These funds are expected to be spent as the projects are completed in 2016.

The Volunteer Fire Department Fund accounts for financial resources and expenditures related to the construction of a new building for the Bethel Park Volunteer Fire Company, and for the operations of the Bethel Park Volunteer Fire Company. At the end of 2015, total fund balance of the Volunteer Fire Department Fund was \$2,568,913, \$2,102,368 of which is restricted for the construction of a new building for the Bethel Park Volunteer Fire Department Company, \$44,579 of nonspendable prepaid expenditures, and \$421,966 which is restricted for operations of the volunteer fire department. The total fund balance decreased by \$4,993,059, or 66.03% over the prior fiscal year as a result of the Municipality spending down General Obligation Bonds, Series of 2013, for the construction of a new building for the Bethel Park Volunteer Fire Company.

Proprietary funds. The Municipality's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Sewage Fund accounts for a customer service charge and water usage charge assessed to properties in the Municipality. Also included in the Sewage Fund is money received by and paid to neighboring communities for sewage treatment service. Expenses from this fund include those necessary for the operation of the sanitary sewer treatment plant, all costs associated with the maintenance of the sanitary sewer infrastructure, and the Municipality's payments to the Allegheny County Sanitary Authority (ALCOSAN). In 2015, Sewage Fund revenues were comprised of: charges for services totaling \$9,176,667, license and permit fees totaling \$11,328, and interest income totaling \$189,780. In 2015, Sewage Fund expenses were comprised of: administration totaling \$471,135, operations totaling \$3,419,011, maintenance totaling \$2,879,433, depreciation totaling \$1,141,026, and interest expense totaling \$1,363,488. Total net position of the Sewage Fund at the end of 2015 amounted to \$6,618,161. This represents an increase of \$103,682 or 1.6% over the prior fiscal year's total net position. Charges for services revenues increased by \$241,113 despite a freeze on sewer rates for 2015 and maintenance expenses decreased by \$3,543,977 due to the decreased spending of the Bethel Park Municipal Authority's Guaranteed Sewer Revenue Bonds, Refunding Series of 2013 for repairs to the sanitary sewer system.

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2015, actual revenues were \$2,221,878 over budget and actual expenditures were \$1,025,733 under budget, resulting in a \$3,274,368 budget-to-actual variance overall. Some notable expenditure variances include the Culture and Recreation Department, whose \$101,415 savings came mostly from a decrease in program expenditures, Public Works, whose \$689,337 savings came mostly from decreased snow and ice control expenditures as a result of a decrease in purchased road salt, and General Government, whose \$237,773 savings came mostly from a decrease in community center program expenditures and a decrease in police department expenditures due to reduced overtime expenditures. General Fund revenues exceeded budgeted amounts by \$2,221,878. One of the major reasons for the high revenues was the amount of earned income tax received and the Act 32 collection process. Actual earned income tax revenue exceeded budgeted by \$854,334. Real estate transfer tax revenue exceeded budget by \$363,266 and state tax distribution revenue exceeded budget by \$115,472. It is important to note that actual 2015 expenditures and revenues also reflect a \$212,080 pass-through grant to the Bethel Park Volunteer Firefighters' Relief Association. The Municipality does not budget for this grant because it simply serves as a pass-through and has no control over the amount or use of the grant. As a result, the budget-to-actual comparison is skewed by this amount in both Intergovernmental revenues and Volunteer Fire Department expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Municipality's investment in capital assets for its governmental and business-type activities as of December 31, 2015 amounts to \$51,397,135 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, vehicles, infrastructure, and the sewage system. The total increase in the Municipality's investment in capital assets for 2015 was 16.97% (a 27.40% increase for governmental activities and a 9.27% increase for business-type activities).

In 2015, the most significant capital expenditures were the purchase of vehicles totaling \$526,575, storm sewer installations totaling \$976,500, and \$5,236,534 in construction in progress related to the new building for the Bethel Park Volunteer Fire Company. Various other machinery and equipment were also purchased. Within business-type activities, capital expenditures included upgrades at the sewage treatment plant and ongoing upgrades of the Municipality's sanitary sewer system.

The following is a summary of the Municipality's capital assets at December 31, 2015 and 2014:

Municipality of Bethel Park's Capital Assets (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 2,420,455	\$ 2,420,455	\$ 766,000	\$ 766,000	\$ 3,186,455	\$ 3,186,455
Construction in progress	6,407,597	1,171,063	-	-	-	-
Buildings	8,992,365	8,985,015	8,181,085	8,181,085	17,173,450	17,166,100
Machinery and equipment	5,098,284	5,028,447	10,117,138	10,056,339	15,215,422	15,084,786
Vehicles	3,972,748	3,461,930	-	-	3,972,748	3,461,930
Infrastructure	41,494,441	40,517,491	-	-	41,494,441	40,517,491
Sewage system	-	-	47,782,571	44,357,521	47,782,571	44,357,521
Total capital assets	68,385,890	61,584,401	66,846,794	63,360,945	135,232,684	124,945,346
Less accumulated depreciation	(44,626,471)	(42,935,905)	(39,209,078)	(38,068,999)	(83,835,549)	(81,004,904)
Net capital assets	\$ 23,759,419	\$ 18,648,496	\$ 27,637,716	\$ 25,291,946	\$ 51,397,135	\$ 43,940,442

More detailed information about the Municipality's capital assets can be found in Note 4 of the notes to financial statements.

Long-term debt. At the end of 2015, the Municipality had total outstanding debt of \$71,064,180. Of this amount, \$57,735,000 comprises debt backed by the full faith and credit of the government, \$3,012,963 is for one bank note (for the 2007 gymnasium addition to the Community Center), \$485,524 is for compensated absences to be paid out if employees leave, the Municipality's OPEB obligation is \$1,593,724, and the Municipality's net pension liability is \$8,236,969. The Municipality's total debt decreased by \$15,845,964 during 2015.

The following is a summary of the Municipality's outstanding debt at December 31, 2015 and 2014:

Municipality of Bethel Park's Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 17,680,000	\$ 8,850,000	\$ 40,055,000	\$ 41,220,000	\$ 57,735,000	\$ 50,070,000
Notes payable	3,012,963	3,129,605	-	-	3,012,963	3,129,605
Compensated absences	383,754	406,846	101,770	108,741	485,524	515,587
Net pension obligation	-	98,927	-	-	-	98,927
OPEB obligation	1,593,724	1,503,024	-	-	1,593,724	1,503,024
Net pension liability	7,451,139	-	785,830	-	8,236,969	-
Total outstanding debt	\$ 30,121,580	\$ 13,988,402	\$ 40,942,600	\$ 41,328,741	\$ 71,064,180	\$ 55,317,143

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

The most recent bond rating for the Municipality was completed in 2013, at which time it was assigned a rating of AA from Standard & Poor's (S&P).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The factors below were considered when preparing the budget and setting rates for the 2016 fiscal year:

- Act 32 of 2008 was primarily designed to simplify the state's fragmented tax collection system by consolidating Earned Income Tax collection on a regional basis. 2012 was the first year the regional collection system was in place and the effect of the new system still remains positive to date. After the 2015 year, tax revenue appears to be consistent with the prior year. The Municipality has yet to see any long delays under the new tax collection system, and does not expect any in 2016.
- The 2016 real estate tax rate was increased from 2.32 mills to 2.53 mills. The dedicated millage of .34 mills for the Volunteer Fire Department Fund remains unchanged from 2015. The .21 mill increase for 2016 will be used to offset the expenditures associated with construction costs related to the new public works building and community center upgrades.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Municipality's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Municipal Manager, 5100 West Library Avenue, Bethel Park, PA 15102.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF NET POSITION

DECEMBER 31, 2015

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 9,523,916	\$ 3,775,899	\$ 13,299,815
Investments - restricted	11,825,840	15,439,745	27,265,585
Receivables:			
Taxes	1,619,681	-	1,619,681
Sewer charges	-	1,744,935	1,744,935
Other	674,992	335,203	1,010,195
Internal balances	1,536	(1,536)	-
Prepaid expenses	215,901	66,573	282,474
Capital assets:			
Non-depreciable	8,828,052	766,000	9,594,052
Depreciable, net of accumulated depreciation	14,931,367	26,871,716	41,803,083
Total Assets	47,621,285	48,998,535	96,619,820
Deferred Outflows of Resources:			
Deferred outflows of resources for pension	2,545,954	218,608	2,764,562
Liabilities:			
Accounts payable	1,005,831	547,848	1,553,679
Accrued liabilities	145,713	17,386	163,099
Due to other governmental units	-	619,768	619,768
Accrued interest payable	56,693	446,997	503,690
Unearned revenue	448,617	-	448,617
Long-term liabilities - due within one year:			
Bonds payable	360,000	1,200,000	1,560,000
Note payable	121,291	-	121,291
Compensated absences	41,923	11,710	53,633
Long-term liabilities - due in more than one year:			
Bonds payable	17,320,000	38,855,000	56,175,000
Note payable	2,891,672	-	2,891,672
Compensated absences	341,831	90,060	431,891
Net pension liability	7,451,139	785,830	8,236,969
OPEB obligation	1,593,724	-	1,593,724
Total Liabilities	31,778,434	42,574,599	74,353,033
Deferred Inflows of Resources:			
Deferred inflows of resources for pension	56,894	24,383	81,277
Net Position:			
Net investment in capital assets	14,119,506	2,543,218	16,662,724
Restricted for:			
Transportation district	142,785	-	142,785
Volunteer fire department operations	421,966	-	421,966
Unrestricted	3,647,654	4,074,943	7,722,597
Total Net Position	\$ 18,331,911	\$ 6,618,161	\$ 24,950,072

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 2,497,242	\$ 22,792	\$ 196,348	\$ -	\$ (2,278,102)	\$ -	\$ (2,278,102)
Public safety	8,542,147	375,966	331,705	-	(7,834,476)	-	(7,834,476)
Public works	6,456,964	634,672	769,114	1,545	(5,051,633)	-	(5,051,633)
Culture and recreation	1,691,236	691,929	40,469	53,319	(905,519)	-	(905,519)
Conservation and development	221,721	-	-	-	(221,721)	-	(221,721)
Interest on long-term debt	678,253	-	-	-	(678,253)	-	(678,253)
Total governmental activities	20,087,563	1,725,359	1,337,636	54,864	(16,969,704)	-	(16,969,704)
Business-Type Activities:							
Sewer services	9,274,093	9,187,995	-	277	-	(85,821)	(85,821)
Total	\$ 29,361,656	\$ 10,913,354	\$ 1,337,636	\$ 55,141	(16,969,704)	(85,821)	(17,055,525)
General revenues:							
Taxes:							
Property taxes					5,530,903	-	5,530,903
Earned income taxes					8,854,334	-	8,854,334
Real estate transfer taxes					1,065,266	-	1,065,266
Local services taxes					596,271	-	596,271
Other taxes					52,468	-	52,468
Grants, subsidies, and contributions not restricted to specific programs					952,078	-	952,078
Investment earnings					165,583	189,503	355,086
Franchise fees					808,283	-	808,283
Miscellaneous income					159,504	-	159,504
Total general revenues					18,184,690	189,503	18,374,193
Change in Net Position					1,214,986	103,682	1,318,668
Net Position:							
Beginning of year, restated					17,116,925	6,514,479	23,631,404
End of year					\$ 18,331,911	\$ 6,618,161	\$ 24,950,072

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2015

Assets	General Fund	Capital Reserve	Volunteer Fire Department	Other Governmental Funds	Total
Cash and cash equivalents	\$ 7,445,744	\$ 1,513,399	\$ 421,966	\$ 142,807	\$ 9,523,916
Investments - restricted	-	8,950,682	2,875,158	-	11,825,840
Receivables (net, where applicable, of allowance for uncollectibles):					
Taxes	1,603,138	-	16,543	-	1,619,681
Other	297,865	17,127	-	-	314,992
Other funds	1,912	56,888	-	-	58,800
Prepaid expenditures	171,322	-	44,579	-	215,901
Total Assets	\$ 9,519,981	\$ 10,538,096	\$ 3,358,246	\$ 142,807	\$ 23,559,130
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$ 219,200	\$ 13,841	\$ 772,790	\$ -	\$ 1,005,831
Accrued liabilities	145,713	-	-	-	145,713
Due to other funds	56,888	-	-	376	57,264
Unearned revenue	-	448,617	-	-	448,617
Total Liabilities	421,801	462,458	772,790	376	1,657,425
Deferred Inflows of Resources:					
Unavailable revenue	215,203	-	16,543	-	231,746
Fund Balance:					
Nonspendable - prepaid expenditures	171,322	-	44,579	-	215,901
Restricted for:					
Transportation District	-	-	-	142,785	142,785
Capital projects	-	8,950,682	2,102,368	-	11,053,050
Volunteer fire department operations	-	-	421,966	-	421,966
Assigned to:					
Cable television	16,706	-	-	-	16,706
Recreation improvements	24,275	-	-	-	24,275
Capital projects	-	904,956	-	-	904,956
Future year's budget	-	220,000	-	-	220,000
Unassigned	8,670,674	-	-	(354)	8,670,320
Total Fund Balance	8,882,977	10,075,638	2,568,913	142,431	21,669,959
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 9,519,981	\$ 10,538,096	\$ 3,358,246	\$ 142,807	\$ 23,559,130

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

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

DECEMBER 31, 2015

Total Fund Balance - Governmental Funds \$ 21,669,959

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$68,385,890 and the accumulated depreciation is \$44,626,471. 23,759,419

Property taxes and earned income taxes receivable will be collected next year, but are not considered available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds. 231,746

Special assessments receivable from various entities are recognized upon assessment on the government-wide statements, but are not considered measurable and available in the funds. 360,000

The net pension liability is not reflected on the fund financial statements. (7,451,139)

Deferred outflows and inflows of resources for pension are recorded and amortized in the statement of net position. However, these items are not recorded on the fund financial statements. 2,489,060

The actuarially accrued other post-employment benefit (OPEB) obligation for the police and non-uniformed employees are not recorded on the fund financial statements. (1,593,724)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Additionally, accrued interest is not due and payable in the current period and, therefore, is not reported as a liability in the funds. Long-term liabilities at year-end consist of:

Bonds payable	\$ (17,680,000)	
Note payable	(3,012,963)	
Accrued interest on payable	(56,693)	
Compensated absences	(383,754)	(21,133,410)

Total Net Position - Governmental Activities \$ 18,331,911

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2015

	General	Capital Reserve	Volunteer Fire Department	Other Governmental Funds	Total
Revenues:					
Taxes	\$ 15,281,253	\$ -	\$ 782,227	\$ -	\$ 16,063,480
Licenses and permits	1,390,524	-	-	-	1,390,524
Fines and forfeits	92,599	-	-	-	92,599
Intergovernmental	1,520,049	53,319	-	768,514	2,341,882
Charges for services	876,716	-	-	-	876,716
Interest and rent	179,581	5,713	109,369	1,989	296,652
Miscellaneous	180,123	1,545	-	133,266	314,934
Total revenues	19,520,845	60,577	891,596	903,769	21,376,787
Expenditures:					
Current:					
General government	2,253,875	-	-	-	2,253,875
Public safety	7,412,256	-	128,090	-	7,540,346
Public works	5,270,304	-	-	-	5,270,304
Culture and recreation	1,682,498	-	-	-	1,682,498
Conservation and development	100,553	-	-	-	100,553
Capital outlay	-	2,423,669	5,236,534	-	7,660,203
Debt service:					
Principal	116,642	-	165,000	110,000	391,642
Interest	124,715	-	355,031	24,602	504,348
Bond issuance costs	-	105,377	-	-	105,377
Total expenditures	16,960,843	2,529,046	5,884,655	134,602	25,509,146
Excess (Deficiency) of Revenues Over Expenditures	2,560,002	(2,468,469)	(4,993,059)	769,167	(4,132,359)
Other Financing Sources (Uses):					
Issuance of general obligation bonds	-	9,105,000	-	-	9,105,000
Bond discount	-	(48,941)	-	-	(48,941)
Transfers in	770,597	2,627,727	-	-	3,398,324
Transfers out	(2,627,727)	-	-	(770,597)	(3,398,324)
Total other financing sources (uses)	(1,857,130)	11,683,786	-	(770,597)	9,056,059
Net Change in Fund Balance	702,872	9,215,317	(4,993,059)	(1,430)	4,923,700
Fund Balance:					
Beginning of year	8,180,105	860,321	7,561,972	143,861	16,746,259
End of year	<u>\$ 8,882,977</u>	<u>\$ 10,075,638</u>	<u>\$ 2,568,913</u>	<u>\$ 142,431</u>	<u>\$ 21,669,959</u>

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2015

Net Change in Fund Balance - Governmental Funds \$ 4,923,700

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 amount represents the difference between depreciation and capital outlays in the current period.

	Capital outlays	\$ 6,872,212	
	Less: depreciation expense	<u>(1,761,289)</u>	5,110,923

Some taxes will not be collected until after the year-end; they are not considered "available" revenues in the governmental funds. Unavailable revenues changed by this amount during the year.	35,762
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The issuance of long-term obligations provides financial resources to the governmental funds. Likewise, the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has an effect on net position. Long-term obligations changed by this amount during the year.	(8,713,358)
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Changes in the net pension liability and related deferred inflows of resources and deferred outflows of resources do not affect current financial resources and, therefore, are not reflected on the fund financial statements.	55,154
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Interest on long-term obligations in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The difference in interest accrued in the statement of activities versus the amount due is shown here.	(19,587)
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Compensated absences and the actuarially accrued other post-employment benefit (OPEB) obligation for the police and non-uniformed employees are not recorded on the fund financial statements. The value of these items changed by this amount during the year.

	Compensated absences	23,092	
	OPEB obligation	<u>(90,700)</u>	(67,608)

Special assessments receivable from various entities are recognized upon assessment on the government-wide statements, but are not considered measurable and available in the funds. The amount due from these entities decreased by this amount during the year.	<u>(110,000)</u>
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Change in Net Position of Governmental Activities \$ 1,214,986

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes:				
Real estate:				
Current	\$ 4,535,239	\$ 4,535,239	\$ 4,540,962	\$ 5,723
Delinquent and liened	180,000	180,000	171,952	(8,048)
Real estate transfer	702,000	702,000	1,065,266	363,266
Earned income tax	8,000,000	8,000,000	8,854,334	854,334
Amusement tax	1,800	1,800	11,128	9,328
Mechanical device tax	15,400	15,400	12,800	(2,600)
Local services tax	600,000	600,000	596,271	(3,729)
Parking tax	29,600	29,600	28,540	(1,060)
Total taxes	14,064,039	14,064,039	15,281,253	1,217,214
Licenses and permits	1,005,490	1,005,490	1,390,524	385,034
Fines and forfeits	103,000	103,000	92,599	(10,401)
Intergovernmental	1,073,053	1,073,053	1,520,049	446,996
Charges for services	772,142	772,142	876,716	104,574
Interest and rent	143,913	143,913	179,581	35,668
Miscellaneous	137,330	137,330	180,123	42,793
Total revenues	17,298,967	17,298,967	19,520,845	2,221,878
Expenditures:				
General government:				
Administration	518,970	518,970	498,564	20,406
Tax collection	137,760	137,760	109,028	28,732
Buildings and grounds	448,390	448,390	363,485	84,905
Legislative	222,738	222,738	240,768	(18,030)
Engineering, inspection, and code	448,348	448,348	413,917	34,431
Finance department	389,437	389,437	385,184	4,253
Community Center	326,005	326,005	242,929	83,076
Total general government	2,491,648	2,491,648	2,253,875	237,773
Public safety:				
Volunteer fire department	144,920	144,920	390,509	(245,589)
Police department	5,199,348	5,199,348	5,038,414	160,934
Juvenile and investigations	660,990	660,990	698,759	(37,769)
Animal control	60,766	60,766	60,410	356
Police-radio communications	420,989	420,989	370,946	50,043
School guards	318,071	318,071	312,466	5,605
Traffic safety department	534,614	534,614	540,752	(6,138)
Total public safety	7,339,698	7,339,698	7,412,256	(72,558)

(Continued)

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2015

(Continued)

	Budget		Actual	Variance with Final Budget
	Original	Final		
Public works:				
Sanitation	2,066,256	2,066,256	2,021,922	44,334
Highways	816,837	816,837	673,338	143,499
Snow and ice control	1,310,867	1,310,867	953,986	356,881
Traffic signals and signs department	337,342	337,342	266,261	71,081
Street lighting	430,000	430,000	472,105	(42,105)
Environmental	501,491	501,491	450,035	51,456
Parks	496,848	496,848	432,657	64,191
Total public works	<u>5,959,641</u>	<u>5,959,641</u>	<u>5,270,304</u>	<u>689,337</u>
Culture and recreation:				
Cable access	97,280	97,280	89,499	7,781
Library	712,940	712,940	712,940	-
Recreation	973,693	973,693	880,059	93,634
Total culture and recreation	<u>1,783,913</u>	<u>1,783,913</u>	<u>1,682,498</u>	<u>101,415</u>
Conservation and development:				
Community development	170,319	170,319	100,553	69,766
Debt service:				
Principal and interest	241,357	241,357	241,357	-
Total expenditures	<u>17,986,576</u>	<u>17,986,576</u>	<u>16,960,843</u>	<u>1,025,733</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(687,609)</u>	<u>(687,609)</u>	<u>2,560,002</u>	<u>3,247,611</u>
Other Financing Sources (Uses):				
Transfers in	743,840	743,840	770,597	26,757
Transfers out	<u>(2,627,727)</u>	<u>(2,627,727)</u>	<u>(2,627,727)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,883,887)</u>	<u>(1,883,887)</u>	<u>(1,857,130)</u>	<u>26,757</u>
Net Change in Fund Balance	<u>\$ (2,571,496)</u>	<u>\$ (2,571,496)</u>	<u>\$ 702,872</u>	<u>\$ 3,274,368</u>

(Concluded)

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF NET POSITION PROPRIETARY FUND

DECEMBER 31, 2015

	Enterprise Fund Sewer System
Assets:	
<hr/>	
Current assets:	
Cash and cash equivalents	\$ 3,775,899
Investments - restricted per indenture of trust	15,439,745
Receivables (net, where applicable, of allowance for uncollectibles):	
Sewer charges	1,744,935
Accrued interest receivable	123,222
Other	211,981
Prepaid expenses	66,573
Total current assets	21,362,355
Non-current assets:	
Capital assets:	
Non-depreciable	766,000
Depreciable, net of accumulated depreciation	26,871,716
Total non-current assets	27,637,716
Total Assets	49,000,071
Deferred Outflows of Resources:	
<hr/>	
Deferred outflows of resources for pension	218,608
Liabilities:	
<hr/>	
Current liabilities:	
Accounts payable	547,848
Accrued liabilities	17,386
Due to other governmental units	619,768
Due to other funds	1,536
Compensated absences	11,710
Accrued interest payable	446,997
Bonds payable due within one year	1,200,000
Total current liabilities	2,845,245
Non-current liabilities:	
Net pension liability	785,830
Bonds payable	38,855,000
Compensated absences	90,060
Total non-current liabilities	39,730,890
Total Liabilities	42,576,135
Deferred Inflows of Resources:	
<hr/>	
Deferred inflows of resources for pension	24,383
Net Position:	
<hr/>	
Net investment in capital assets	2,543,218
Unrestricted	4,074,943
Total Net Position	\$ 6,618,161

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Enterprise Fund Sewer System</u>
<u>Operating Revenues:</u>	
Charges for services	\$ 9,176,667
Licenses and permits	11,328
Total operating revenues	<u>9,187,995</u>
<u>Operating Expenses:</u>	
Administration	471,135
Operations	3,419,011
Maintenance	2,879,433
Depreciation	1,141,026
Total operating expenses	<u>7,910,605</u>
Operating Income (Loss)	<u>1,277,390</u>
<u>Non-operating Revenues (Expenses):</u>	
Interest income	189,780
Interest expense	(1,363,488)
Total non-operating revenues (expenses)	<u>(1,173,708)</u>
Change in Net Position	103,682
<u>Net Position:</u>	
Beginning of year, restated	<u>6,514,479</u>
End of year	<u><u>\$ 6,618,161</u></u>

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF CASH FLOWS PROPRIETARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Enterprise Fund Sewer System</u>
Cash Flows From Operating Activities:	
Receipts from customers	\$ 9,302,684
Payments to employees	(1,525,679)
Payments to suppliers	(5,270,703)
	<hr/>
Net cash provided by (used in) operating activities	2,506,302
	<hr/>
Cash Flows From Capital and Related Financing Activities:	
Principal paid on debt	(1,165,000)
Interest paid on debt	(1,374,738)
Sewage capital asset purchases	(3,486,796)
	<hr/>
Net cash provided by (used in) capital and related financing activities	(6,026,534)
	<hr/>
Cash Flows From Investing Activities:	
Purchase of investments	(151,014)
Sale of investments	4,732,869
Interest income received	189,780
	<hr/>
Net cash provided by (used in) investing activities	4,771,635
	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	1,251,403
	<hr/>
Cash and Cash Equivalents:	
Beginning of year	2,524,496
	<hr/>
End of year	\$ 3,775,899
	<hr/> <hr/>

(Continued)

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF CASH FLOWS PROPRIETARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)

	<u>Enterprise Fund Sewer System</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
<u>Operating income (loss)</u>	\$ 1,277,390
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	1,141,026
Pension expense	(13,671)
Change in assets and liabilities:	
Sewer charges receivable	126,670
Accrued interest receivable	(123,222)
Other receivables	(11,981)
Prepaid expenses	(21,337)
Accounts payable	107,243
Accrued liabilities	(37,609)
Due to other governmental units	61,793
	<u>61,793</u>
Net cash provided by (used in) operating activities	<u>\$ 2,506,302</u>
	(Concluded)

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2015

	Pension Trust Funds	Agency Funds
Assets:		
Cash and cash equivalents	\$ 422,636	\$ 323,032
Receivables:		
Accrued interest receivable	33,306	-
Benefit payment	17,369	-
Total receivables	50,675	-
Investments:		
Exchange traded funds	4,503,243	-
Mutual funds	1,898,385	-
Fixed income funds	12,055,205	-
Corporate bonds	1,283,638	-
Equities	13,371,218	-
Total investments	33,111,689	-
Total Assets	33,585,000	323,032
Liabilities:		
Benefits payable	17,369	-
Returnable deposits	-	323,032
Total Liabilities	17,369	\$ 323,032
Net Position:		
Restricted for Pension Benefits	\$ 33,567,631	

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Pension Trust Funds
Additions:	
<hr/>	
Contributions:	
Commonwealth	\$ 497,557
Municipality	1,358,741
Employee	400,207
	<hr/>
Total contributions	2,256,505
	<hr/>
Investment income:	
Net appreciation in fair value of investments	48,284
Less investment expense	(161,653)
	<hr/>
Net investment income	(113,369)
	<hr/>
Total additions	2,143,136
	<hr/>
Deductions:	
<hr/>	
Benefits	2,120,628
Administrative expense	51,734
Refund of member contributions	17,180
Killed-in-service insurance premium	12,036
	<hr/>
Total deductions	2,201,578
	<hr/>
Change in Net Position	(58,442)
	<hr/>
Net Position:	
<hr/>	
Beginning of year	33,626,073
	<hr/>
End of year	\$ 33,567,631
	<hr/> <hr/>

The notes to financial statements are an integral part of this statement.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Municipality of Bethel Park, Pennsylvania (Municipality) was incorporated April 20, 1949 and implemented a home rule charter on January 2, 1978. The Municipality is governed by an elected Council who appoints a manager and provides the following services as authorized by its charter: public safety, highways and streets, sanitation, culture and recreation, and general administrative services.

In evaluating the Municipality as a primary government, management has evaluated all potential component units and determined that the Municipality has no discretely presented component units that will be included.

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 case, the Municipality reviews the applicability of the following criteria:

The Municipality is financially accountable for:

1. Organizations that make up its legal entity.
 2. Legally separate organizations if the Municipality Council appoint a voting majority of the organization's 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 benefits on the Municipality as defined below:
 - a. Impose its Will – If the Municipality can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.
 - b. Financial Benefit or Burden – If the Municipality (1) is entitled to the organization's resources, (2) is legally obligated or has otherwise assumed 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. Fiscal dependency is established if the organization is unable to adopt its own budget, levy taxes or set rates or charges, or issue bonded debt without approval of the Municipality.
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MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

Bethel Park Municipal Authority (Authority)

The Authority owns the sewage treatment plant and conveyance system (Sewer System) which principally serves the residents of the Municipality. The Municipality leases the Sewer System from the Authority under an agreement dated November 15, 1962, with supplemental agreements signed May 1, 1990, March 15, 1995, September 1, 1998, December 1, 2004, June 15, 2008, May 17, 2012, and June 26, 2013.

The Authority is a component unit of the Municipality because the Municipality appoints its Board, guarantees its debt, and the Authority receives 100% of its funding from the Municipality. Accordingly, the Municipality is financially accountable for the Authority. The Authority is therefore blended in the Sewer System Fund. Separate audited financial statements for the Authority are available through the Authority's offices.

Bethel Park Public Library (Library)

The Library receives approximately 50% of its financial support from the Municipality (approximately \$605,000 in 2015). The Municipality also provides the Library with space in the municipal building free of charge. The Municipality does not participate in governing the Library, nor does Council appoint any voting members to the Board. As such, it has been determined that the Library is not a component unit of the Municipality.

Joint Venture

The Municipality is a member of a joint venture with two other local government units. The joint venture, Tri-Community South Emergency Medical Services (TCS), provides emergency and non-emergency transport and first-aid services to the residents of the three communities. TCS is administered by a three-member Board, composed of members of all three participating governments. Neither the Municipality, nor the other two local governments, exercise specific control over the fiscal policies or operations of TCS. TCS's operating budget is funded by annual subscriptions, non-subscriber medical charges, third-party billings, and non-emergency transport fees. The Municipality had no equity interest in TCS as of December 31, 2015. Complete financial statements for TCS can be obtained from the administrative offices of TCS at 5490 Progress Boulevard, Bethel Park, Pennsylvania 15102.

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 Municipality. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

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, franchise fees based on gross receipts, and other items not properly included among program revenues are reported instead as general revenues.

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 the major individual proprietary fund are reported as separate columns in the fund financial statements.

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. Agency funds are also reported on the accrual basis; however, however, they have no measurement focus. 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 60 days to pay liabilities of the current period. Major revenues that are susceptible to accrual in governmental funds are taxes, grants from other governments, and interest on investments. The Municipality does not consider revenues from fines, forfeits, and penalties to be available until received.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and OPEBs, and claims and judgments, are recorded only when payment is due.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

The Municipality reports the following major governmental funds:

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

The Capital Reserve Fund accounts for financial resources and expenditures related to the acquisition or construction of major capital facilities (other than those financed by the proprietary fund).

The Volunteer Fire Department Fund accounts for financial resources and expenditures related to the construction of a new building for the Bethel Park Volunteer Fire Company, and for the operations of the Bethel Park Volunteer Fire Company.

The Municipality reports the following major proprietary fund:

The Sewer System Fund accounts for the operations of the Municipality's public sewer system. Under the provisions of the Lease with the Authority defined above, the Municipality is responsible for operation and maintenance of the Sewer System until the Lease expires. Operations include providing sewage conveyance and treatment services to residents of the Municipality and a portion of South Park Township. The Authority, the Allegheny County Sanitary Authority, and the Pleasant Hills Authority provide sewage treatment.

Other governmental funds are comprised of the following funds:

The State Highway Aid Fund is a special revenue fund that accounts for monies received that are legally restricted for specific purposes.

The Transportation District Fund is a capital projects fund that is used to account for activity related to the acquisition or construction of major capital facilities.

Additionally, the Municipality reports the following fiduciary funds:

The Non-Uniformed Employees Pension Fund and the Police Pension Fund were established to account for assets held by the Municipality in a trustee capacity for its Non-Uniformed Employees and Police pension plans.

The Escrow Fund and the Engineer Inspection Fund are used to account for assets held by the Municipality on behalf of others as an agent. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

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 charges to customers for services relating to the sewer system. Operating expenses for enterprise funds include the cost of sales and 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.

DEPOSITS AND INVESTMENTS

The Municipality's cash and cash equivalents include all highly liquid investments with maturity of twelve months or less when purchased. Investments are stated at fair value based on quoted market prices.

RESTRICTED ASSETS

Restricted investments are maintained in separate bank accounts and their use is limited for satisfying debt service requirements for previously issued bonds or for specific sewer or fire capital construction projects.

RECEIVABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Inter-fund services provided and used are not eliminated in the process of consolidation.

No provision has been made for uncollectible taxes, as the Municipality has the ability to assess liens on properties for any unpaid balances.

Property taxes are levied as of July 1 on property values assessed as of the same date. The billings are considered past due on November 1, and penalties and interest are assessed.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

All unbilled and billed but unpaid sewer charges are reflected on the statement of net position as sewer charges receivable, net of allowance for doubtful accounts of \$20,000. Unbilled sewer charges at December 31, 2015 approximate \$365,000.

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Municipality as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The Municipality reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Municipality chose to include all such items regardless of their acquisition date or amount. For the initial reporting of these assets, the Municipality was able to use actual historical cost or estimated historical cost through backtrending. As the Municipality constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and recorded at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

Property, plant, and equipment of the Municipality are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Site improvements	10-25
Vehicles	5-15
Office equipment	8-10
Computer equipment	5
Infrastructure	10-50
Sewage system	15-40
Sewage equipment	5-10

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. In 2015, there was no interest included as part of the cost of capitalized assets under construction in connection with business-type activities.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to 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:

In conjunction with pension accounting requirements, the difference between actual and expected experience, the effect of the changes in assumptions, and the difference between projected and actual earnings on pension plan investments are recorded as deferred outflows of resources related to pensions on the government-wide financial statements. These amounts are determined based on actuarial valuations performed for the plans. Note 7 presents additional information about the pension plans.

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

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

Unavailable revenue is reported only on the balance sheet and represents property and earned income taxes 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.

In conjunction with pension accounting requirements, the difference between expected and actual experience is recorded as a deferred inflow of resources related to pensions on the government-wide financial statements. This amount is determined based on the actuarial valuations performed for the pension plans.

LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as refunding adjustments, where applicable and to the extent material, are amortized over the life of the bonds using the effective interest method. Bonds are reported net of the applicable bond premium or discount.

In the fund financial statements, the face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are also reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

It is expected that the Sewer Fund will continue to provide funds for the debt service payments of the Municipal Authority debt and the General Fund will fund the Community Center bonds. The Municipality receives annual special assessments in the amount of \$133,266 from various entities. These special assessments are expected to continue to provide funds for the debt service payments of the Transportation District bonds. Debt service payments of the Volunteer Fire Company bonds are paid via a dedicated real estate tax.

COMPENSATED ABSENCES

The Municipality accrues for certain accumulated employee benefits, such as unpaid vacation and sick pay. The amount of the accrual is based on the vacation and sick payments that are expected to be paid to employees upon their termination or retirement from the Municipality. Compensated absences are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. It is expected that the General Fund and Sewer Fund will continue to provide funds for the payment of their respective compensated absences.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

Employees earn vacation based upon their anniversary date for use during the current calendar year. The number of days earned each month varies depending upon length of service and union contracts. If an employee leaves the Municipality, the portion of vacation days earned and not taken through the last day of work is paid.

Employees earn one sick day per month up to a maximum of 100 days. The total number of days accumulated is reviewed at the end of November each year. For those days in excess of 100, payment is made in December of each year at 50% of the employee's current pay rate. Only employees who retire are eligible to receive payment of the 100 days of accumulated sick days which is paid at 50%, 60%, or 70% of the employee's current pay rate depending upon the length of service and union contract. All sick days earned but not used as of December 31, 2015 have been accrued at 50% of the employee's current pay rate.

FUND BALANCE

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

- ◆ Nonspendable – This category represents funds that are not in spendable form and includes prepaid expenditures.
 - ◆ 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. This category includes:
 - Restricted for Transportation District – to fund costs incurred for the Oxford Drive Transportation District
 - Restricted for capital projects – to fund the costs of the Bethel Park Volunteer Fire Department building, to fund the costs of the public works building, and to fund the costs for improvements at the community center
 - Restricted for volunteer fire department operations – to fund the costs of the Bethel Park Volunteer Fire Department
 - ◆ Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by Council. Such commitment is made via majority vote by Council. Council action to commit fund balance must occur within the fiscal reporting period, no later than December 31st; however, the amount of the commitment can be determined subsequent to the close of the fiscal period. The Municipality currently does not have any committed funds.
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MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

- ◆ Assigned – This category represents intentions of the Municipality to use the funds for specific purposes. In accordance with the Municipality’s adopted fund balance policy on December 12, 2011, Council delegates the authority to assign amounts to be used for specific purposes to the Finance Director. This authority is granted solely for the purpose of reporting these amounts in the annual financial statements, and such authority does not extend to the expenditure of assigned fund balance. In the absence of the Finance Director, this authority is delegated to the Municipal Manager or Assistant Municipal Manager.
 - Assigned to cable television – to fund capital purchases for the Bethel Park Cable Access program
 - Assigned to recreation improvements – represents revenue received from the sale of banner advertisements in certain Municipal parks that is reserved for future recreation field improvements
 - Assigned to capital projects – to fund future capital projects
 - Assigned to future year’s budget - for use in the 2016 budget

- ◆ Unassigned – This category represents all other funds not otherwise defined. The General Fund is the only fund that reports a positive unassigned fund balance. 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 a 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.

NET POSITION

The government-wide and proprietary fund financial statements are required to report three components of net position:

- ◆ Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the
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MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the same net position component (restricted or unrestricted) as the unspent amount.

- ◆ Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with restricted assets.
- ◆ Unrestricted – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

BUDGETARY INFORMATION

Annual appropriated budgets are adopted on a modified accrual basis of accounting for all funds except the Enterprise, Pension Trust, and Agency Funds. The Enterprise Fund adopted a flexible budget, and budgetary control for the Pension Trust Funds is maintained through the provisions of the plans as implemented by the Municipality.

The Municipality uses the following procedures in establishing the budgetary data reflected in the financial statements as prescribed in the Home Rule Charter:

- ◆ On or before September 1, the manager submits an operating budget and an accompanying message to Council.
 - ◆ At least two (2) months prior to the date for submission of the proposed budget, the manager submits to Council a five (5) year capital program, including the following:
 - A concise, general summary of the program contents.
 - A summary of pending and proposed projects for the period, with estimated cost and proposed financing for each.
 - The estimated cost of operating and maintaining any facilities to be constructed or acquired.
 - ◆ Council must publish the preliminary capital program by September 1. A general summary of the preliminary budget and capital program must be published immediately upon adoption in one or more newspapers of general circulation in the Municipality, including a notice that the preliminary budget or capital program is available for public inspection.
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MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

- ◆ Advertisement of the preliminary budget or capital program must include times and places where copies of the preliminary budget and capital program are available for viewing by the public and when hearings will be held.
- ◆ After adequate public hearing, Council must adopt the final balanced budget by ordinance prior to the beginning of the fiscal year for which the budget has been prepared.

Appropriations may be transferred between accounts only if approved by Council ordinance. In addition, Council must approve all supplemental and emergency appropriations. Every unexpended appropriation lapses at the end of the fiscal year. The legal level of control over expenditures for each fund is exercised by department. A detailed report of the budget at the legal level of control is maintained in the municipal finance office and is available for public inspection. There were instances where the actual expenditures exceeded budgeted amounts at the legal level of control. However, in all instances, sufficient revenues and/or fund equity were available to cover the excess.

ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

ADOPTED PRONOUNCEMENTS

The Municipality has adopted GASB Statement No. 68, “*Accounting and Financial Reporting for Pensions*,” and Statement No. 71, “*Pension Transition for Contributions Made Subsequent to the Measurement Date*.” These Statements establish new financial reporting requirements for most governments that provide their employees with pension benefits (see Note 7). As a result of this implementation, the governmental activities net position as of January 1, 2015 was restated with a decrease of \$4,975,509 and the proprietary fund and business-type net position as of January 1, 2015 was restated with a decrease of \$605,276 to record the Municipality’s net pension liability.

The Municipality has adopted GASB Statement No. 69, “*Government Combinations and Disposals of Government Operations*.” This Statement provides new accounting and financial reporting standards for government mergers and acquisitions and for government operations that have been transferred or sold. The Municipality has no mergers, acquisitions or operations that have been transferred or sold to report.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

PENDING PRONOUNCEMENTS

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

GASB Statement No. 72, "*Fair Value Measurement and Application*," effective for fiscal years beginning after June 15, 2015 (the Municipality's financial statements for the year ending December 31, 2016). This Statement addresses accounting and financial reporting issues related to fair value measurements.

GASB Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*," effective for fiscal years beginning after June 15, 2015 (the Municipality's financial statements for the year ending December 31, 2016) – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for financial statements for fiscal years beginning after June 15, 2016 (the Municipality's financial statements for the year ending December 31, 2017). This Statement establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (those not covered by Statements No. 67 and 68).

GASB Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*," effective for fiscal years beginning after June 15, 2016 (the Municipality's financial statements for the year ending December 31, 2017). This Statement addresses reporting by OPEB plans that administer benefits on behalf of governments. This Statement replaces Statement No. 43.

GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*," effective for fiscal years beginning after June 15, 2017 (the Municipality's financial statements for the year ending December 31, 2018). This Statement addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. This Statement replaces the requirements of Statement No. 45.

GASB Statement No. 76, "*Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*," effective for fiscal years beginning after June 15, 2015 (the Municipality's financial statements for the year ending December 31, 2016). This Statement identifies the hierarchy of generally accepted accounting principles (GAAP), reduces this hierarchy to two categories of authoritative GAAP, and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55.

GASB Statement No. 77, "*Tax Abatement Disclosures*," effective for fiscal years beginning after December 15, 2015 (the Municipality's financial statements for the year ending December 31, 2016). This Statement requires state and local governments for the first time to disclose information about tax abatement agreements, and is designed to provide financial statement users with essential information about these agreements and the impact that they have on a government's finances.

GASB Statement No. 78, "*Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*," effective for fiscal years beginning after December 31, 2015 (the Municipality's financial statements for the year ending December 31, 2016). This Statement addresses a practice issue regarding the scope and applicability of Statement No. 68, "*Accounting and Financial Reporting for Pensions*." The issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local government employers whose employees are provided with such pensions.

GASB Statement No. 79, "*Certain External Investment Pools and Pool Participants*," effective for fiscal years beginning after June 15, 2015 (the Municipality's financial statements for the year ending December 31, 2016). This Statement addresses accounting and reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for the election to measure all of its investments at amortized cost for financial reporting purposes.

GASB Statement No. 80, "*Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*," effective for fiscal years beginning after June 15, 2016 (the Municipality's financial statements for the year ending December 31, 2017). The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units.

GASB Statement No. 81, "*Irrevocable Split-Interest Agreements*," effective for fiscal years beginning after December 31, 2016 (the Municipality's financial statements for the year ending December 31, 2017). The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 82, "*Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*," effective for fiscal years beginning after June 15, 2016 (the Municipality's financial statements for the year ending December 31, 2017). The objective of this Statement is to address certain issues that have been raised with respect to GASB Statement No. 67,

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

“Financial Reporting for Pension Plans,” GASB Statement No. 68, “Accounting and Financial Reporting for Pensions,” and GASB Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.”

2. DEPOSITS AND INVESTMENTS

The Municipality's investment authority for all funds, except Fiduciary Funds, is set by State statute to include: U.S. Treasury Bills, short-term U.S. Government or Agency obligations, deposits in savings accounts, time deposits or share accounts, obligations of the United States or any of its agencies or instrumentalities, obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities, shares of any investment company which invests only in the above, and certificates of deposit. Fiduciary fund investments may also be made in corporate stocks and bonds, real estate, and other investments consistent with sound business practice.

In addition, the Municipality is permitted to invest with the Pennsylvania School District Liquid Asset Fund (PSDLAF) and other cash management account deposits. PSDLAF was established as a common law trust organized under the laws of the Commonwealth of Pennsylvania. Shares of the fund are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools, and municipalities. The purpose of this fund is to enable such governmental units to pool their available funds for investment in authorized instruments. The fair value of the Municipality's position in the external investment pool is the same as the value of the pool shares. All investments in an external investment pool that is not SEC-registered are subject to oversight by the Commonwealth of Pennsylvania. Pooled investments are short term in nature and are included in cash and cash equivalents on the statement of net position.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

Throughout the year ended December 31, 2015, the Municipality invested its funds only in one or more of the above-authorized investments. At December 31, 2015, the Municipality's deposits and investments were as follows:

	Carrying Value at December 31, 2015			
	Governmental Activities	Business-Type Activities	Pension Trust Funds	Agency Funds
Deposits:				
Cash and cash equivalents	\$ 3,199,676	\$ 2,727,899	\$ -	\$ 323,032
Certificates of deposit	6,241,000	1,048,000	-	-
Total deposits	<u>9,440,676</u>	<u>3,775,899</u>	<u>-</u>	<u>323,032</u>
Investments:				
PSDLAF	83,240	-	-	-
Money market funds	11,825,840	15,439,745	422,636	-
Exchange-traded funds	-	-	4,503,243	-
Mutual funds	-	-	1,898,385	-
Fixed income funds	-	-	12,055,205	-
Corporate bonds	-	-	1,283,638	-
Equities	-	-	13,371,218	-
Total investments	<u>11,909,080</u>	<u>15,439,745</u>	<u>33,534,325</u>	<u>-</u>
Total deposits and investments	<u>\$ 21,349,756</u>	<u>\$ 19,215,644</u>	<u>\$ 33,534,325</u>	<u>\$ 323,032</u>
Reconciliation to Financial Statements:				
Cash and cash equivalents	\$ 9,523,916	\$ 3,775,899	\$ 422,636	\$ 323,032
Investments	-	-	33,111,689	-
Investments - restricted	11,825,840	15,439,745	-	-
Total deposits and investments	<u>\$ 21,349,756</u>	<u>\$ 19,215,644</u>	<u>\$ 33,534,325</u>	<u>\$ 323,032</u>
Total deposits and investments - bank balance	<u>\$ 21,745,582</u>	<u>\$ 19,357,476</u>	<u>\$ 33,534,325</u>	<u>\$ 323,032</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

Deposits

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

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. The Municipality does not have a formal deposit policy for custodial credit risk. As of December 31, 2015, \$7,666,961 of the Municipality's \$13,207,507 bank balance was covered by federal depository insurance. All deposits were collateralized in accordance with Act 72 of the Pennsylvania State Legislature, which requires financial institutions to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the financial institution's name.

Investments

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, 2015, investments in PSDLAF (described above) have received an AAAM rating from Standard & Poor's. The Municipality's money market funds are rated AAAM by Standard & Poor's.

Interest Rate Risk – The Municipality does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All of the Municipality's investments in PSDLAF and money market funds have a maturity of less than one year.

AGENCY FUNDS

Deposits

As noted above, the Agency Funds' investments consist of cash and cash equivalents. As noted above, the Municipality does not have a formal deposit policy for custodial credit risk. As of December 31, 2015, \$250,000 of the Municipality's \$323,032 bank balance was covered by federal depository insurance. All deposits were collateralized in accordance with Act 72 of the Pennsylvania State.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

PENSION TRUST FUNDS

Investments

The Pension Trust Funds are used to account for assets held by the Municipality in a trustee capacity for future payment of retirement benefits to employees or former employees. The Pension Trust Funds have formal investment policies as described below. Pension Trust Fund investments are held separately from those of other municipal funds. Municipal Council determines the investment managers of the Pension Trusts. Trust agreements have been signed with financial organizations that invest the assets of the Pension Trusts and pay benefits.

The following is a description of the Pension Trust Funds' 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 Pension Trust Funds' investment policies require the average quality of the fixed income portfolios to be maintained at a rating of "A" or better. As of December 31, 2015, the Blackrock CoreAlpha Bond Fund is rated A+ and the US Debt Index Fund is rated A+ by Standard & Poor's. All other investments are unrated.

Concentration of credit risk – The investment policies of the Pension Trust Funds limits the range of allocation of the investment portfolio as follows:

Investment Type	% Range of Allocation	
	Minimum	Maximum
Equities	50%	70%
Fixed income	20%	50%
Cash equivalents	0%	20%
Alternative investments	0%	5%

At December 31, 2015, no investments exceed 5% with any one issuer.

Interest rate risk - The Pension Trust Funds do not have formal investment policies that limit investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates. The following is a description of the maturities for the Pension Trust Funds' investments:

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Carrying Value	Maturity in Years	
		Less than 1 year	1 - 5 years
Exchange traded funds	\$ 4,503,243	\$ 4,503,243	\$ -
Mutual funds	1,898,385	1,898,385	-
Fixed income funds	12,055,205	-	12,055,205
Corporate bonds	1,283,638	1,283,638	-
Total	<u>\$ 19,740,471</u>	<u>\$ 7,685,266</u>	<u>\$ 12,055,205</u>

3. PROPERTY TAXES

The Municipality is permitted by the Home Rule Charter Law of the State of Pennsylvania to levy property taxes at the Municipality's discretion as considered necessary for general governmental services or payment of principal and interest on long-term debt. The tax rate to finance general government services for the year ended December 31, 2015 was \$2.32 per \$1,000 of assessed valuation. Total assessed value was \$2,405,756,168 (approximates 100% of fair value).

Property liens on delinquent taxpayers do not attach on a specified schedule. The lien date and the period to which it applies are determined by the tax collector and must be approved by the Municipal Council. All unpaid taxes through 2015 will be liened in February 2016. The property tax calendar for 2015 was as follows:

2015 Millage rate adopted	November 11, 2014
2015 Bills dated	July 1, 2015
2015 Two percent discount period ended	August 31, 2015
2015 Penalty period begun	November 1, 2015

The individual components of the 2015 tax levy were as follows:

General purposes	2.18 mills
Volunteer fire department	<u>0.14 mills</u>
Total	<u><u>2.32 mills</u></u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

4. CAPITAL ASSETS

A summary of changes in capital assets during fiscal year 2015 is as follows:

	Balance at January 1, 2015	Additions	Deletions	Balance at December 31, 2015
Governmental Activities:				
Non-depreciable assets:				
Land	\$ 2,420,455	\$ -	\$ -	\$ 2,420,455
Construction in progress	1,171,063	5,236,534	-	6,407,597
Total non-depreciable assets	<u>3,591,518</u>	<u>5,236,534</u>	<u>-</u>	<u>8,828,052</u>
Depreciable assets:				
Buildings	8,985,015	7,350	-	8,992,365
Equipment	5,028,447	124,803	(54,966)	5,098,284
Vehicles	3,461,930	526,575	(15,757)	3,972,748
Infrastructure	40,517,491	976,950	-	41,494,441
	<u>57,992,883</u>	<u>1,635,678</u>	<u>(70,723)</u>	<u>59,557,838</u>
Less: accumulated depreciation:				
Buildings	(4,226,965)	(212,874)	-	(4,439,839)
Equipment	(3,423,585)	(271,347)	54,966	(3,639,966)
Vehicles	(2,362,954)	(301,895)	15,757	(2,649,092)
Infrastructure	(32,922,401)	(975,173)	-	(33,897,574)
	<u>(42,935,905)</u>	<u>(1,761,289)</u>	<u>70,723</u>	<u>(44,626,471)</u>
Total depreciable assets	<u>15,056,978</u>	<u>(125,611)</u>	<u>-</u>	<u>14,931,367</u>
Governmental activities capital assets, net	<u>\$ 18,648,496</u>	<u>\$ 5,110,923</u>	<u>\$ -</u>	<u>\$ 23,759,419</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Balance at January 1, 2015	Additions	Deletions	Balance at December 31, 2015
Business-Type Activities:				
Non-depreciable assets:				
Land	\$ 766,000	\$ -	\$ -	\$ 766,000
Depreciable assets:				
Buildings	8,181,085	-	-	8,181,085
Machinery and equipment	10,056,339	61,746	(947)	10,117,138
Sewage system	44,357,521	3,425,050	-	47,782,571
	<u>62,594,945</u>	<u>3,486,796</u>	<u>(947)</u>	<u>66,080,794</u>
Less: accumulated depreciation:				
Buildings	(4,173,764)	(182,221)	-	(4,355,985)
Machinery and equipment	(7,631,887)	(279,395)	947	(7,910,335)
Sewage system	(26,263,348)	(679,410)	-	(26,942,758)
	<u>(38,068,999)</u>	<u>(1,141,026)</u>	<u>947</u>	<u>(39,209,078)</u>
Total depreciable assets	<u>24,525,946</u>	<u>2,345,770</u>	<u>-</u>	<u>26,871,716</u>
Business-type activities capital assets, net	<u>\$ 25,291,946</u>	<u>\$ 2,345,770</u>	<u>\$ -</u>	<u>\$ 27,637,716</u>

Depreciation expense was charged to functions/programs of the Municipality as follows:

Governmental Activities:

General government	\$ 172,913
Public safety	932,440
Public works	527,542
Culture and recreation	121,168
Conservation and development	7,226
Total depreciation expense - governmental activities	<u>\$ 1,761,289</u>

Business-Type Activities:

Sewer	<u>\$ 1,141,026</u>
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MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables and payables at December 31, 2015 are summarized below:

Fund	Interfund Receivables	Interfund Payables
Major Funds:		
General	\$ 1,912	\$ 56,888
Capital Reserve	56,888	-
Enterprise	-	1,536
Other Governmental Funds	-	376
Total	\$ 58,800	\$ 58,800

The outstanding balances between funds 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.

Interfund transfers at December 31, 2015 are summarized below:

Fund	Transfers In	Transfers Out
Major Funds:		
General	\$ 770,597	\$ 2,627,727
Capital Reserve	2,627,727	-
Other Governmental Funds	-	770,597
Total	\$ 3,398,324	\$ 3,398,324

Transactions between funds which are not expected to be repaid are accounted for as transfers. In those cases when repayment is expected within the next fiscal year, the transactions are accounted for through the various due from and due to accounts.

Transfers are used to move monies from one fund to pay for various programs or functions that the Municipality accounts for in other funds.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

6. LONG-TERM LIABILITIES

GOVERNMENTAL ACTIVITIES

General Obligation Bonds

During April 1999, the Municipality issued \$1,680,000 of General Obligation Bonds, Series B of 1999 (Series B Bonds) to be used to complete the Oxford Drive transportation project. The Series B Bonds bear interest at rates ranging from 3.10% to 4.80% and mature annually through 2017. At December 31, 2015, principal outstanding on the Series B Bonds was \$210,000.

During December 2013, the Municipality issued \$8,680,000 of General Obligation Bonds, Series of 2013 (2013 Bonds) to be used for the construction of a new building for the Municipality of Bethel Park Volunteer Fire Company. The 2013 Bonds bear interest at rates ranging from 2.00% to 4.00% and mature semi-annually on June 1 and December 1 through 2044. At December 31, 2015, principal outstanding on the 2013 Bonds was \$8,365,000.

During December 2015, the Municipality issued \$9,105,000 of General Obligation Bonds, Series of 2015 (2015 Bonds) to be used for the acquisition, development, construction, and equipping of a public works building, and for capital improvements at the community center. The 2015 Bonds bear interest at rates ranging from 2.00% to 4.00% and mature semi-annually on June 1 and December 1 through 2045. At December 31, 2015, principal outstanding on the 2015 Bonds was \$9,105,000.

The annual requirements to amortize the bonds outstanding as of December 31, 2015 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 360,000	\$ 653,393	\$ 1,013,393
2017	415,000	667,889	1,082,889
2018	330,000	649,729	979,729
2019	335,000	643,129	978,129
2020	345,000	634,629	979,629
2021-2025	1,855,000	3,030,469	4,885,469
2026-2030	2,175,000	2,707,385	4,882,385
2031-2035	2,615,000	2,272,256	4,887,256
2036-2040	3,860,000	1,669,925	5,529,925
2041-2045	5,390,000	700,513	6,090,513
	<u>\$ 17,680,000</u>	<u>\$ 13,629,317</u>	<u>\$ 31,309,317</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

Note Payable

In April 2007, the Municipality issued loan financing of \$3,747,184 to finance the Community Center Phase 2 construction project. \$3,046,439 of this amount was drawn down in 2007 and \$700,745 was drawn down in 2008. The loan bears interest at 3.99% and matures in 2033. At December 31, 2015, \$3,012,963 is outstanding.

Future debt service requirements of the Municipality's note payable as of December 31, 2015 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 121,291	\$ 120,067	\$ 241,358
2017	126,124	115,233	241,357
2018	131,150	110,207	241,357
2019	136,376	104,981	241,357
2020	141,811	99,546	241,357
2021-2025	798,464	408,322	1,206,786
2026-2030	970,753	236,033	1,206,786
2031-2033	586,994	43,771	630,765
	<u>\$ 3,012,963</u>	<u>\$ 1,238,160</u>	<u>\$ 4,251,123</u>

Employee Benefits

Refer to Notes 1, 7, and 8, respectively, for a description of the Municipality's long-term obligations relating to compensated absences, pension plans, and postemployment benefits other than pension benefits (OPEBs).

BUSINESS-TYPE ACTIVITIES

Guaranteed Sewer Revenue Bonds, Refunding Series of 2012

On May 17, 2012, the Authority issued Guaranteed Sewer Revenue Bonds, Refunding Series of 2012 (2012 Bonds), in the amount of \$9,975,000 to advance refund \$8,750,000 of the 2004 Bonds.

The 2012 Bonds bear interest semi-annually at rates ranging from 0.400% to 2.800% and mature in 2024. Interest payments are required semi-annually on March 1 and September 1. The 2012 Bonds are due annually on September 1. The Municipality has guaranteed payment pursuant to a lease agreement and has pledged its full faith, credit, and taxing power to the repayment of these 2012 Bonds. At December 31, 2015, \$9,515,000 is outstanding.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

Guaranteed Sewer Revenue Bonds, Refunding Series of 2013

On May 23, 2013, the Authority issued Guaranteed Sewer Revenue Bonds, Refunding Series of 2013 (2013 Bonds), in the amount of \$33,500,000 to advance refund the outstanding Guaranteed Sewer Revenue Bonds, Series of 2004 (2004 Bonds) and to be used for various capital projects.

The 2013 Bonds bear interest semi-annually at rates ranging from 2.000% to 4.000% and mature in 2039. Interest payments are required semi-annually on March 1 and September 1. The 2013 Bonds are due annually on September 1. The Municipality has guaranteed payment pursuant to a lease agreement and has pledged its full faith, credit, and taxing power to the repayment of these 2013 Bonds. At December 31, 2015, \$30,540,000 is outstanding.

Annual debt service requirements to maturity are as follows for each fiscal year ending December 31:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,200,000	\$ 1,340,988	\$ 2,540,988
2017	1,245,000	1,295,388	2,540,388
2018	1,275,000	1,267,638	2,542,638
2019	1,310,000	1,229,712	2,539,712
2020	1,335,000	1,203,186	2,538,186
2021-2025	7,190,000	5,511,422	12,701,422
2026-2030	8,285,000	4,396,232	12,681,232
2031-2035	9,985,000	2,700,490	12,685,490
2036-2039	8,230,000	720,378	8,950,378
Total	<u>\$ 40,055,000</u>	<u>\$ 19,665,434</u>	<u>\$ 59,720,434</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

Employee Benefits

Refer to Notes 1 and 7, respectively, for a description of the Municipality's long-term obligation relating to compensated absences and pension.

Changes in the Municipality's long-term liabilities during fiscal year 2015 were as follows:

Governmental Activities:

	Balance at January 1, 2015	Additions	Reductions	Balance at December 31, 2015	Due Within One Year
G.O. Bonds	\$ 8,850,000	\$ 9,105,000	\$ (275,000)	\$ 17,680,000	\$ 360,000
Notes payable	3,129,605	-	(116,642)	3,012,963	121,291
Compensated absences	406,846	38,339	(61,431)	383,754	41,923
OPEB obligation	1,503,024	214,476	(123,776)	1,593,724	-
	<u>\$ 13,889,475</u>	<u>\$ 9,357,815</u>	<u>\$ (576,849)</u>	22,670,441	<u>\$ 523,214</u>
			Plus: net pension liability (see Note 7)	<u>7,451,139</u>	
			Total long-term liabilities	<u>\$ 30,121,580</u>	

Business-Type Activities:

	Balance at January 1, 2015	Additions	Reductions	Balance at December 31, 2015	Due Within One Year
G.O. Bonds	\$ 41,220,000	\$ -	\$ (1,165,000)	\$ 40,055,000	\$ 1,200,000
Compensated absences	108,741	6,261	(13,232)	101,770	11,710
	<u>\$ 41,328,741</u>	<u>\$ 6,261</u>	<u>\$ (1,178,232)</u>	40,156,770	<u>\$ 1,211,710</u>
			Plus: net pension liability (see Note 7)	<u>785,830</u>	
			Total long-term liabilities	<u>\$ 40,942,600</u>	

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

7. PENSION PLANS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial information of the Municipality's pension 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.

PLAN DESCRIPTIONS

The Municipality's Non-Uniformed Employee pension plan is a single-employer defined benefit pension plan. The plan was established effective November 1, 1964 (adopted pursuant to Act 600 of 1956). The pension plan was amended and restated effective January 1, 2007. The pension plan is governed by the Council of the Municipality, which may amend plan provisions, and which is responsible for the management of pension plan assets. The Municipality's Council has delegated the authority to manage certain pension plan assets to the Bank of New York Mellon. The pension plan is required to file Form PC-203C biennially with the Public Employee Retirement Commission (PERC). The most recent filing was on January 1, 2015.

The Municipality's Police pension plan is a single-employer defined benefit pension plan. The pension plan was established effective May 29, 1955 (adopted pursuant to Act 600 of 1956). The pension plan was amended and restated effective January 1, 2004. The pension plan is governed by the Council of the Municipality, which may amend plan provisions, and which is responsible for the management of pension plan assets. The Municipality's Council has delegated the authority to manage certain pension plan assets to the Bank of New York Mellon. The pension plan is required to file Form PC-203C biennially with the PERC. The most recent filing was on January 1, 2015.

The activity of the Plans is reported as the Pension Trust Funds in the accompanying financial statements. Separate plan financial statements are not available.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

At December 31, 2015, pension plan membership consisted of the following:

	<u>Non-Uniformed</u>	<u>Police</u>
Active employees	57	32
Retirees and beneficiaries currently receiving benefits	40	34
Terminated employees entitled to benefits but not yet receiving them	5	2
Total plan members	<u>102</u>	<u>68</u>

BENEFITS PROVIDED

Non-Uniformed Employees Plan

Retirement Benefit - A participant is entitled to begin receiving retirement benefits after completing five years of service and attaining age 65 for employment that began prior to January 1, 1993. Those employees hired after January 1, 1993 are entitled to receive benefits after completing 15 years of service and attaining age 65. A participant is entitled to begin receiving early retirement benefits after completing 15 years of service and attaining the age of 55. The early retirement may be elected immediately, but will be reduced by 1/180 for each of the first 60 months early and by 1/360 for each of the next 60 months early. Participants are 100% vested after the completion of 10 years of service. The scheduled monthly retirement benefit is 45% (50% for participants retiring with 16 to 20 years of service; 55% for participants retiring with 21 to 25 years of service; and 60% for participants retiring with at least 26 years of service) of compensation averaged over the final 36 months of employment times the ratio of completed years of service from the date of hire through the retirement date to 15 years (ratio not to exceed 1.0).

Death Benefit - If a participant's death occurs before retirement eligibility and before 10 years of service, the participant's estate receives a refund of contributions made by the participant, plus interest. If a participant's death occurs before retirement eligibility and after 10 years of service, the participant's spouse will receive the participant's portion of the accrued benefit actuarially converted to a joint and 50% survivor annuity, reduced for early commencement. If a participant's death occurs after retirement, the normal form of payment is a life annuity, with payments guaranteed to be not less than the participant's contributions plus interest. An optional form of benefit payment may be selected by the participant at retirement that is actuarially equivalent to the normal form.

Police Plan

Retirement Benefit - A participant is entitled to begin receiving retirement benefits after completing 25 years of service and attaining age 50 for employment that began prior to January

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

1, 2001. Those employees hired after January 1, 2001 are entitled to receive benefits after completing 25 years of service and attaining age 55. Participants are 100% vested after the completion of 12 years of service. The scheduled monthly retirement benefit is 60% of final monthly average salary (averaged over the last 36 months of employment), plus an additional monthly benefit of \$100 for service in excess of 26 years. For participants hired after January 1, 2001, a monthly benefit equal to 50% of final monthly average salary (averaged over the last 36 months of employment), plus service increment, if any.

Disability Benefit – For participants hired on or after January 1, 2001, 50% of salary at disablement offset by any Social Security disability benefits recurred for the same condition.

Deferred Retirement Option Program (DROP) Benefit – The normal retirement benefit is deposited into a separate account and credited with interest during the period of DROP participation, for a maximum of three years. At December 31, 2015, there were four employees participating in the DROP plan. At December 31, 2015, DROP balances amounting to \$289,439 are included in net position restricted for pension benefits.

Death Benefit – Upon an active participant's death after normal retirement eligibility, the surviving spouse will automatically receive 50% of the participant's normal retirement benefit until death. For participants hired before January 1, 2001, who die prior to normal retirement eligibility, a survivor's benefit equal to 25% (30% if after normal retirement eligibility) of base monthly salary, up to a maximum of \$800 per month, is payable until death or remarriage. For participants who are killed in service, a monthly benefit equal to 100% of the participant's salary is payable to the participant's spouse until death.

Cost of Living Adjustments – Participants who retire on or after January 1, 2000 under the normal or late provisions of the pension plan will be eligible on each anniversary of benefit commencement to an increase in their monthly benefit equal to the percentage change in the CPI-W during the last year times the pension benefits, less service increments, if any. The total increase shall not exceed 5% of final monthly average salary.

CONTRIBUTIONS

The pension plans are funded by the Municipality on an annual basis pursuant to the provisions of Act 205 of 1984 of the Commonwealth of Pennsylvania (Act). The Act requires that annual contributions be based upon the calculation of the Minimum Municipal Obligation (MMO). Employees are not required to contribute under the Act; such contributions are subject to collective bargaining. For the year ended December 31, 2015, participating employees in the Non-Uniformed Employees and Police pension plans were required to contribute 4.0% and 8.0% of their compensation, respectively. Certain pension information and calculations are based upon an actuarial valuation performed as of January 1, 2015; however, this valuation is

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

not used for funding purposes. The January 1, 2013 valuation was used in the calculation of the Municipality's 2015 MMO.

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 2015. The following table reflects contribution information for 2015:

	<u>Non-Uniformed</u>	<u>Police</u>	<u>Total</u>
MMO	\$ 653,896	\$ 1,202,402	\$ 1,856,298
Contributions:			
Municipality	\$ 488,044	\$ 870,697	\$ 1,358,741
Allocation of state aid	165,852	331,705	497,557
Total	653,896	1,202,402	1,856,298
Employee	138,109	262,098	400,207
Total contributions	\$ 792,005	\$ 1,464,500	\$ 2,256,505
Covered payroll	\$ 3,218,217	\$ 2,741,667	
Employee contributions as a % of covered payroll	4.29%	9.56%	

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

NET PENSION LIABILITY

The components of the net pension liability of the pension plans at December 31, 2015 were as follows:

	<u>Non-Uniformed</u>	<u>Police</u>
Total pension liability	\$ 15,204,687	\$ 26,599,913
Plan fiduciary net position	(12,585,253)	(20,982,378)
Net pension liability	\$ 2,619,434	\$ 5,617,535
Plan fiduciary net position as a percentage of the total pension liability	82.77%	78.88%

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

CHANGES IN THE NET PENSION LIABILITY

The changes in the net pension liability of the Municipality for the year ended December 31, 2015, were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2014	\$ 39,248,582	\$ 33,626,073	\$ 5,622,509
Changes for the year:			
Service cost	803,268	-	803,268
Interest	2,992,522	-	2,992,522
Differences between expected and actual	237,814	-	237,814
Changes of assumptions	660,222	-	660,222
Contributions - employer	-	1,856,298	(1,856,298)
Contributions - employee	-	400,207	(400,207)
Net investment income	-	48,284	(48,284)
Benefit payments, including refunds	(2,137,808)	(2,137,808)	-
Administrative expense	-	(225,423)	225,423
Net changes	<u>2,556,018</u>	<u>(58,442)</u>	<u>2,614,460</u>
Balances at December 31, 2015	<u>\$ 41,804,600</u>	<u>\$ 33,567,631</u>	<u>\$ 8,236,969</u>
Plan fiduciary net position as a percentage of the total pension liability			<u>80.30%</u>

Actuarial assumptions - The total pension liability was determined by an actuarial valuation performed on January 1, 2015, and rolled forward to December 31, 2015, using the following actuarial assumptions, applied to all periods in the measurement:

	Non-Uniformed	Police
Actuarial valuation date	1/1/2015	1/1/2015
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	5.0%	5.0%
Underlying inflation rate	3.0%	3.0%
Cost of living adjustments	Not Applicable	5.0%

Actuarial assumptions based on actuarial experience study for the period January 1, 2014 to December 31, 2014.

Non-Uniformed: RP-2000 Combined Healthy Annuitant Mortality Table. Rates are projected to improve with 75% of scale AA.

Police: RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with rates set forward 5 years for disabled lives. Rate are projected to improve with 75% of scale AA.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

Changes in Actuarial Assumptions – Effective January 1, 2015, an additional twenty percent salary projection was added to the final year of pay for the Police pension plan. This assumption change increased the total pension liability by \$2,012,612.

Investment Policy – The pension plan’s policies in regard to the allocation of invested assets is established and may be amended by the Municipality’s Investment Committee by a majority vote of its members. It is the policy of the Municipality’s Investment Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Long-Term Expected Rate of Return – The long-term expected rate of return on pension 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 inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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, 2015:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	Non-Uniformed	Police	Non-Uniformed	Police
Equity	50-70%	50-70%	6.3%	6.3%
Fixed income	20-50%	20-50%	2.0%	2.0%
Cash equivalents	0-20%	0-20%	0.0%	0.0%
Alternative investments	0-5%	0-5%	0.0%	0.0%

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, 2015, the annual money-weighted rate of return on the Non-Uniformed Employees and Police pension plan investments, net of investment expense, was 0.15% and 0.15%, respectively.

Concentrations – The pension plans place no limit on the amount that may be invested in any one issuer. At December 31, 2015, the pension plans had no investments (other than U.S. Government and U.S. Government guaranteed obligations, mutual funds, or other pooled investments) in any one issuer that represents 5% or more of fiduciary net position.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

Discount Rate - The discount rate used to measure the total pension liability for the Non-Uniformed Employees and Police pension plans was 7.50%. 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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Non-Uniformed Employees	\$ 4,312,902	\$ 2,619,434	\$ 1,156,878
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Police	\$ 8,571,899	\$ 5,617,535	\$ 3,093,186

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended December 31, 2015, the Municipality recognized pension expense of \$1,787,473. \$1,604,975 was recorded as a governmental activity; \$182,498 was recorded as a business-type activity.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

At December 31, 2015, the Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Non-Uniformed</u>	<u>Police</u>
<u>Deferred Outflows of Resources:</u>		
Differences between expected and actual experience:		
Governmental activity	\$ -	\$ 274,033
Changes in assumption:		
Governmental activity	-	542,325
Net difference between projected and actual earnings on pension plan investments:		
Governmental activity	510,085	1,219,511
Business-type activity/proprietary fund	218,608	-
Total deferred outflows of resources	<u>\$ 728,693</u>	<u>\$ 2,035,869</u>
	<u>Non-Uniformed</u>	<u>Police</u>
<u>Deferred Inflows of Resources:</u>		
Differences between expected and actual experience:		
Governmental activity	\$ 56,894	\$ -
Business-type activity/proprietary fund	24,383	-
Total deferred outflows of resources	<u>\$ 81,277</u>	<u>\$ -</u>

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

<u>Year ended December 31,</u>	<u>Governmental Activities</u>	<u>Business-type Activities/ Proprietary Fund</u>
2016	\$ 599,708	\$ 50,298
2017	599,708	50,298
2018	599,708	50,298
2019	599,708	50,298
2020	96,322	(4,354)
Thereafter	<u>(6,094)</u>	<u>(2,613)</u>
Total	<u>\$ 2,489,060</u>	<u>\$ 194,225</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

PENSION TRUST FUND FINANCIAL INFORMATION AS OF DECEMBER 31, 2015

PLAN NET POSITION

<u>Assets</u>	<u>Non-Uniformed Employees</u>	<u>Police</u>	<u>Total</u>
Cash and cash equivalents	\$ 129,953	\$ 292,683	\$ 422,636
Receivables:			
Accrued interest receivable	12,462	20,844	33,306
Benefit payment	-	17,369	17,369
Total receivables	<u>12,462</u>	<u>38,213</u>	<u>50,675</u>
Investments at fair value:			
Exchange traded funds	1,681,477	2,821,766	4,503,243
Mutual funds	786,743	1,111,642	1,898,385
Fixed income funds	4,504,924	7,550,281	12,055,205
Corporate bonds	481,364	802,274	1,283,638
Equities	<u>5,005,699</u>	<u>8,365,519</u>	<u>13,371,218</u>
Total investments	<u>12,460,207</u>	<u>20,651,482</u>	<u>33,111,689</u>
Total Assets	<u>12,602,622</u>	<u>20,982,378</u>	<u>33,585,000</u>
<u>Liabilities</u>			
Benefits payable	<u>17,369</u>	<u>-</u>	<u>17,369</u>
Net Position Restricted for Pension Benefits	<u>\$ 12,585,253</u>	<u>\$ 20,982,378</u>	<u>\$ 33,567,631</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

CHANGES IN PLAN NET POSITION

	Non-Uniformed Employees	Police	Total
Additions:			
<hr/>			
Contributions:			
Commonwealth	\$ 165,852	\$ 331,705	\$ 497,557
Municipality	488,044	870,697	1,358,741
Employee	138,109	262,098	400,207
Total contributions	<hr/> 792,005	<hr/> 1,464,500	<hr/> 2,256,505
Investment income:			
Net appreciation in fair value of investments	18,263	30,021	48,284
Less investment expense	<hr/> (62,099)	<hr/> (99,554)	<hr/> (161,653)
Net investment income	<hr/> (43,836)	<hr/> (69,533)	<hr/> (113,369)
Total additions	<hr/> 748,169	<hr/> 1,394,967	<hr/> 2,143,136
Deductions:			
<hr/>			
Benefits	655,499	1,465,129	2,120,628
Administrative expenses	24,560	27,174	51,734
Refund of member contributions	17,180	-	17,180
Killed-in-service insurance premium	<hr/> -	<hr/> 12,036	<hr/> 12,036
Total deductions	<hr/> 697,239	<hr/> 1,504,339	<hr/> 2,201,578
Change in Plan Net Position	50,930	(109,372)	(58,442)
Net Position Restricted for Pension Benefits:			
<hr/>			
Beginning of year	12,534,323	21,091,750	33,626,073
End of year	<hr/> \$ 12,585,253	<hr/> \$ 20,982,378	<hr/> \$ 33,567,631

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEBs)

PLAN DESCRIPTION

In addition to the pension benefits previously described, the Municipality provides a post-retirement death benefit to non-uniformed retirees and post-retirement life insurance benefits and medical, dental, and vision coverage to police retirees through a single employer defined benefit plan. The benefit limits and employee and employer contributions are established through union contracts and past practices. The plan is not accounted for as a trust fund, an irrevocable trust has not been established, the plan does not issue a separate report, and activity of the plan is reported in the Municipality's General Fund.

Details of the benefits provided are as follows:

Police

The Municipality provides post-retirement life insurance benefits to all eligible police retirees in accordance with the requirements set forth by the union contract. Retired members are provided a term life insurance policy ranging from \$6,000 to \$10,000, depending on date of retirement, as outlined in the union contract. Currently, 23 retirees meet the eligibility requirements to receive these insurance benefits. The Municipality's General Fund expenditures for all police postemployment life insurance benefits were \$1,016 in 2015.

The Municipality provides post-retirement medical, dental, and vision coverage to all eligible police retirees in accordance with the requirements set forth by the union contract. The Municipality pays 60% of the total premium for medical, dental, and vision coverage of the retiree's choice until Medicare eligibility. Currently, four retirees meet the eligibility requirements to receive these medical benefits. The Municipality's General Fund expenditures for all police postemployment medical, dental, and vision benefits were \$102,553 (net of \$40,991 of retiree contributions) in 2015.

Non-Uniformed

The Municipality provides a \$5,000 post-retirement death benefit to all eligible non-uniformed retirees in accordance with the requirements set forth by the union contract. Currently, 36 retirees meet the eligibility requirements to receive this death benefit. The Municipality's General Fund expenditures for all non-uniformed postemployment death benefits were \$808 in 2015.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

FUNDING POLICY

These benefits are expensed when incurred and are financed on a pay-as-you-go basis. For fiscal year 2015, the Municipality incurred \$123,776 for post-employment benefits other than pension benefits which includes an implicit rate subsidy of \$19,399. Retirees receiving benefits contributed \$40,991 through their deductions.

The Municipality's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over an open period not to exceed 30 years. The following table shows the component of the Municipality's annual OPEB cost for the year, the amount actually contributed, and changes in the Municipality's net OPEB obligation:

Annual required contribution	\$	238,764
Interest on net OPEB obligation		66,677
Adjustment to annual required contribution		<u>(90,965)</u>
Annual OPEB cost		214,476
Contributions made		<u>(123,776)</u>
Increase in net OPEB obligation		90,700
Net OPEB obligation - beginning of year		<u>1,503,024</u>
Net OPEB obligation - end of year	\$	<u><u>1,593,724</u></u>

It is expected that the General Fund will continue to provide funds for the payment of the net OPEB obligation.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

The Municipality's annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation were as follows:

Fiscal Year Ending	Annual OPEB Cost	% of AOC Contributed	Net OPEB Obligation (Asset)
December 31, 2015	\$ 214,476	57.71%	\$ 1,593,724
December 31, 2014	216,547	28.85%	1,503,024
December 31, 2013	218,905	31.45%	1,355,366

The ARC for the current year was computed as of January 1, 2013 using the following actuarial assumptions:

- actuarial cost method - entry age normal cost;
- amortization method - level dollar;
- amortization period – 30-year open;
- inflation rate – not applicable
- discount rate - 4.5% compounded annually;
- mortality – police: RP-2000 Combined Mortality Table with Blue Collar Adjustment and rates set forward 5 years for disabled lives; non-uniformed: RP-2000 Combined Mortality Table;
- health care cost trend rates – increase of 5% per year;
- dental/vision care cost trend rates –increase of 3% per year.

The schedule of funding progress for the postemployment medical and life insurance benefits is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b)-(a)]/(c)
January 1, 2013	\$ -	\$ 2,276,721	\$ 2,276,721	0.0%	\$ 6,071,586	37.5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Healthcare cost trend assumptions are based on recent experience and anticipated future cost increases under the Municipality's medical plans. Amounts determined regarding the funded status and the annual

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress reported as Required Supplementary Information presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

9. INTERGOVERNMENTAL AGREEMENT

The Municipality, the Authority, and the Township of South Park (Township) entered into an agreement in June 1990, and updated in April 2007, which requires the Township and the Municipality to share the annual maintenance and operating costs of sewer system assets that serve both communities (Agreement). This includes the cost of financing and constructing such assets, as well as related administration expenses. Under the Agreement, costs are allocated between the Municipality and the Township using a ratio of the water consumption of customers within each community. In accordance with this Agreement, the Municipality received approximately \$800,000 from the Township in 2015.

10. COMMITMENTS AND CONTINGENCIES

Various claims and lawsuits are pending against the Municipality. The ultimate outcome of these claims and lawsuits cannot presently be determined and, accordingly, no provision for amounts arising from settlements has been made in these financial statements. In the opinion of management and legal counsel, the effect on the financial statements of potential losses on any claim and/or lawsuit should not be material.

During 1995, the Authority entered into a consent order and agreement with the Commonwealth of Pennsylvania Department of Environmental Resources (Pennsylvania DER), which requires the Authority to implement various improvements to its sewage conveyance and treatment system to eliminate alleged violations of the Clean Streams Law and the Pennsylvania Sewage Facilities Act. In order to provide the funds necessary for the projects required by the consent order and other sewer system improvements, the Authority issued sewer revenue bonds, as discussed in Note 6, which are guaranteed by the Municipality. Under the terms of a lease

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

agreement with the Authority, the Municipality is responsible for additional lease rental payments sufficient for the Authority to meet debt service obligations on its debt. In addition, the Municipality could be subject to fines related to the alleged violations. The ultimate amount of such fines, if any, is not known. However, for required projects that have been completed, management does not believe fines will be levied.

In December 2015, the Authority entered into an Interim Administrative Consent Order and Agreement with the Commonwealth of PA, Department of Environmental Protection. The consent order requires the Authority to identify areas of excess infiltration and inflow within the system tributary to the Allegheny County Sanitary Authority system through a flow monitoring program, to complete a flow reduction project, to conduct post-rehabilitation flow monitoring, and to provide a final report which summarizes results of the flow reduction project. Interim Consent Order work is required to be completed by June 30, 2017. During the extent of the Interim Consent Order, the Authority will be able to self-regulate the release of taps for new construction within the Municipality.

At December 31, 2015, the Authority had approximately \$10,123,000 in outstanding construction commitments.

11. RISK MANAGEMENT

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

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

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 for which the Municipality carries commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There have been no significant changes in insurance coverage since the prior year.



REQUIRED SUPPLEMENTARY INFORMATION

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

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

NON-UNIFORMED EMPLOYEES PENSION PLAN

YEARS ENDED DECEMBER 31,

	2015	2014
Total Pension Liability:		
Service cost	\$ 336,566	\$ 348,162
Interest	1,084,681	1,037,820
Differences between expected and actual experience	(95,791)	-
Changes of assumptions	-	-
Benefit payments, including refunds of member contributions	(672,678)	(635,549)
Net Changes in Total Pension Liability	652,778	750,433
Total Pension Liability - Beginning	14,551,909	13,801,476
Total Pension Liability - Ending (a)	\$ 15,204,687	\$ 14,551,909
Plan Fiduciary Net Position:		
Contributions - employer	\$ 653,896	\$ 566,305
Contributions - member	138,109	131,903
Net investment income	18,263	1,071,812
Benefit payments, including refunds of member contributions	(672,679)	(635,549)
Administrative expense	(86,659)	(68,080)
Net Change in Plan Fiduciary Net Position	50,930	1,066,391
Plan Fiduciary Net Position - Beginning	12,534,323	11,467,932
Plan Fiduciary Net Position - Ending (b)	\$ 12,585,253	\$ 12,534,323
Net Pension Liability - Ending (a-b)	\$ 2,619,434	\$ 2,017,586
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.77%	86.14%
Covered Employee Payroll	\$ 3,389,482	\$ 3,218,217
Net Pension Liability as a Percentage of Covered Employee Payroll	77.28%	62.69%

See accompanying notes to required supplementary information.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

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

POLICE PENSION PLAN

YEARS ENDED DECEMBER 31,

	2015	2014
Total Pension Liability:		
Service cost	\$ 466,702	\$ 489,143
Interest	1,907,841	1,765,497
Differences between expected and actual experience	333,605	-
Changes of assumptions	660,222	-
Benefit payments, including refunds of member contributions	(1,465,130)	(1,195,967)
Net Changes in Total Pension Liability	1,903,240	1,058,673
Total Pension Liability - Beginning	24,696,673	23,638,000
Total Pension Liability - Ending (a)	\$ 26,599,913	\$ 24,696,673
Plan Fiduciary Net Position:		
Contributions - employer	\$ 1,202,402	\$ 1,054,563
Contributions - member	262,098	254,863
Net investment income	30,021	1,808,047
Benefit payments, including refunds of member contributions	(1,465,129)	(1,195,967)
Administrative expense	(138,764)	(120,413)
Net Change in Plan Fiduciary Net Position	(109,372)	1,801,093
Plan Fiduciary Net Position - Beginning	21,091,750	19,290,657
Plan Fiduciary Net Position - Ending (b)	\$ 20,982,378	\$ 21,091,750
Net Pension Liability - Ending (a-b)	\$ 5,617,535	\$ 3,604,923
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.88%	85.40%
Covered Employee Payroll	\$ 3,343,281	\$ 2,741,667
Net Pension Liability as a Percentage of Covered Employee Payroll	168.02%	131.49%

See accompanying notes to required supplementary information.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

SCHEDULES OF MUNICIPALITY CONTRIBUTIONS AND INVESTMENT RETURNS

PENSION PLANS

YEARS ENDED DECEMBER 31,

	<u>2015</u>	<u>2014</u>
NON-UNIFORMED EMPLOYEES PLAN:		
Schedule of Municipality Contributions		
Actuarially determined contribution	\$ 653,896	\$ 565,349
Contributions in relation to the actuarially determined contribution	<u>653,896</u>	<u>565,349</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	<u>\$ 3,389,482</u>	<u>\$ 3,218,217</u>
Contributions as a percentage of covered employee payroll	19.29%	17.57%
Investment Returns		
Annual money-weighted rate of return, net of investment expense	0.15%	9.30%

POLICE PLAN:

Schedule of Municipality Contributions		
Actuarially determined contribution	\$ 1,202,402	\$ 1,054,563
Contributions in relation to the actuarially determined contribution	<u>1,202,402</u>	<u>1,054,563</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	<u>\$ 3,343,281</u>	<u>\$ 2,741,667</u>
Contributions as a percentage of covered employee payroll	35.96%	38.46%
Investment Returns		
Annual money-weighted rate of return, net of investment expense	0.15%	9.47%

See accompanying notes to required supplementary information.

MUNICIPALITY OF BETHEL PARK

NOTES TO SCHEDULES OF REQUIRED INFORMATION PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2015

Actuarial Methods and Assumptions

The information presented in the “Required Supplementary Information – Pension Trust Funds” was determined as part of the actuarial valuations at the dates indicated. Methods and assumptions used to determine contribution rates are as follows:

	Police	Non-Union
Actuarial valuation date	1/1/2013	1/1/2013
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Closed	Level Dollar Closed
Amortization period	14 years aggregate	10 years aggregate
Asset valuation method	4-Year Smoothing	4-Year Smoothing
Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
Projected salary increases	5.00%	5.00%
Cost-of-living adjustments	Not Applicable	5.00%
Underlying inflation rate	3.00%	3.00%
Mortality:	RP-2000 Combined Healthy Mortality Table. Rates projected to improve with 75% of scale AA.	RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with rates set forward 5 years for disabled lives. Rates projected to improve with 75% of scale AA.

Benefit Changes

No benefit terms were modified.

Change in Actuarial Assumptions

Police Plan

Effective January 1, 2015, an additional twenty percent salary projection was added to the final year of pay.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEBs) SCHEDULES OF FUNDING PROGRESS

FOR THE YEAR ENDED DECEMBER 31, 2015

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/07	\$ -	\$ 2,999,090	\$ 2,999,090	0%	\$ 5,473,293	55%
1/1/10	-	2,532,954	2,532,954	0%	5,924,852	43%
1/1/13	-	2,276,721	2,276,721	0%	6,071,586	37%

See accompanying notes to required supplementary information.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEBs)
FACTORS AND TRENDS USED IN ACTUARIAL VALUATION

FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)

Economic Assumptions:

Interest Rate:	4.50%			
Annual Trend Rates for OPEB Costs:	<u>Year</u>	<u>Medical/Rx</u>	<u>Dental</u>	<u>Vision</u>
	2013	2.0%	-9.9%	8.5%
	2014 and later	5%	3%	3%

Insurance Premiums:

Current Premium Schedules: The following are the reported annual applicable rates for medical, dental, and vision coverage:

	<u>Medical</u>		<u>Dental</u>		<u>Vision</u>
Single	\$ 5,373.48	\$	412.56	\$	131.40
Parent/Children	10,747.08		1,279.80		131.40
Husband/Wife	14,777.16		1,279.80		131.40
Family	16,120.56		1,279.80		131.40

Age Adjustments:

Police Medical/Rx: 2013 healthcare rates for the Police were provided by the insurer. Costs for medical benefits are projected with age-adjusted rates derived from the 2013 premium schedules for the available plans. Since premiums do not reflect a retiree-only group and these costs tend to increase significantly by age, GASB Statement No. 45 requires an age adjustment. Accordingly, age-adjusted per person costs have been estimated. The following amounts represent the cost of medical coverage for future police retirees.

<u>Age Group</u>	<u>Age-Adjusted Annual Cost</u>
Children	\$ 2,877.00
45	5,629.00
50	6,621.00
55	7,789.00
60	9,295.00
64	10,462.00

Police Dental/Vision: Age is not considered a material factor. The charged premiums are projected without age adjustment.

Non-Uniformed: Not applicable



SUPPLEMENTARY INFORMATION



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.

CAPITAL RESERVE FUND: The Capital Reserve Fund accounts for financial resources and expenditures related to the acquisition or construction of major capital facilities (other than those financed by the proprietary fund).

VOLUNTEER FIRE DEPARTMENT FUND: The Volunteer Fire Department Fund accounts for financial resources and expenditures related to the construction of a new building for the Bethel Park Volunteer Fire Company.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

GENERAL FUND SCHEDULE OF REVENUES AND EXPENDITURES - RECREATION DEPARTMENT

FOR THE YEAR ENDED DECEMBER 31, 2015

Revenues:		
<hr/>		
Program fees	\$	565,140
		<hr/>
Expenditures:		
<hr/>		
Program:		
Program costs		130,492
Salaries and benefits		683,571
Contractual/maintenance		30,522
Supplies		6,972
Capital expenses		12,785
		<hr/>
Total program		864,342
		<hr/>
Administration:		
General expenses		10,084
Utilities		1,997
Insurance		3,636
		<hr/>
Total administration		15,717
		<hr/>
Total expenditures		880,059
		<hr/>
Excess (Deficiency) of Revenues Over Expenditures	\$	(314,919)
		<hr/> <hr/>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget Original and Final	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$ -	\$ 53,319	\$ 53,319
Interest and rent	300	5,713	5,413
Miscellaneous	-	1,545	1,545
Total revenues	300	60,577	60,277
Expenditures:			
Capital outlay	3,154,700	2,423,669	731,031
Bond issuance costs	-	105,377	(105,377)
Total expenditures	3,154,700	2,529,046	625,654
Excess (Deficiency) of Revenues Over Expenditures	(3,154,400)	(2,468,469)	685,931
Other Financing Sources (Uses):			
Issuance of general obligation bonds	-	9,105,000	9,105,000
Bond discount	-	(48,941)	(48,941)
Transfers in	2,627,727	2,627,727	-
Total other financing sources (uses)	2,627,727	11,683,786	9,056,059
Net Change in Fund Balance	(526,673)	9,215,317	9,741,990
Fund Balance:			
Beginning of year	860,321	860,321	-
End of year	\$ 333,648	\$ 10,075,638	\$ 9,741,990

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

VOLUNTEER FIRE DEPARTMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget Original and Final	Actual	Variance with Final Budget
Revenues:			
Real estate taxes	\$ -	\$ 782,227	\$ 782,227
Interest and rent	-	109,369	109,369
Total revenues	-	891,596	891,596
Expenditures:			
Public safety	313,618	128,090	185,528
Capital outlay	-	5,236,534	(5,236,534)
Debt service	520,031	520,031	-
Total expenditures	833,649	5,884,655	(5,051,006)
Excess (Deficiency) of Revenues Over Expenditures	(833,649)	(4,993,059)	(4,159,410)
Other Financing Sources (Uses):			
Transfers in	783,361	-	(783,361)
Net Change in Fund Balance	(50,288)	(4,993,059)	(4,942,771)
Fund Balance:			
Beginning of year	7,561,972	7,561,972	-
End of year	\$ 7,511,684	\$ 2,568,913	\$ (4,942,771)

Note: The Municipality's adopted budget for the Volunteer Fire Department Fund includes only those expenditures related to the operation of the Bethel Park Volunteer Fire Company, and for the required debt service expenditures related to the General Obligation Bonds, Series of 2013. The Municipality's budgeted transfer in relates to the dedicated real estate tax revenue transferred from the Municipality's General Fund.



OTHER GOVERNMENTAL FUNDS

STATE HIGHWAY AID FUND: The State Highway Aid Fund is a special revenue fund that accounts for monies received that are legally restricted for specific purposes, such as salt purchases and street lighting.

TRANSPORTATION DISTRICT FUND: The Transportation District Fund is a capital projects fund that is used to account for activity related to the acquisition or construction of major capital facilities related to the Oxford Drive Transportation District.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2015

	Special Revenue State Highway Aid	Capital Projects Transportation District	Total Other Governmental Funds
Assets			
Cash and cash equivalents	\$ 22	\$ 142,785	\$ 142,807
Total Assets	\$ 22	\$ 142,785	\$ 142,807
Liabilities and Fund Balance			
Liabilities:			
Due to other funds	\$ 376	\$ -	\$ 376
Fund Balance:			
Unassigned	(354)	-	(354)
Restricted for Transportation District	-	142,785	142,785
Total Fund Balance	(354)	142,785	142,431
Total Liabilities and Fund Balance	\$ 22	\$ 142,785	\$ 142,807

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Special Revenue</u> State Highway Aid	<u>Capital Projects</u> Transportation District	<u>Total Other</u> Governmental Funds
Revenues:			
Intergovernmental	\$ 768,514	\$ -	\$ 768,514
Interest and rent	1,707	282	1,989
Miscellaneous	-	133,266	133,266
Total revenues	<u>770,221</u>	<u>133,548</u>	<u>903,769</u>
Expenditures:			
Debt service	-	134,602	134,602
Excess (Deficiency) of Revenues Over Expenditures	<u>770,221</u>	<u>(1,054)</u>	<u>769,167</u>
Other Financing Sources (Uses):			
Transfers out	<u>(770,597)</u>	-	<u>(770,597)</u>
Net Change in Fund Balance	(376)	(1,054)	(1,430)
Fund Balance:			
Beginning of year	<u>22</u>	<u>143,839</u>	<u>143,861</u>
End of year	<u>\$ (354)</u>	<u>\$ 142,785</u>	<u>\$ 142,431</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget Original and Final	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 743,840	\$ 768,514	\$ 24,674
Interest and rent	400	1,707	1,307
Total revenues	744,240	770,221	25,981
Expenditures			
	-	-	-
Excess (Deficiency) of Revenues Over Expenditures			
	744,240	770,221	25,981
Other Financing Sources (Uses):			
Transfers out	(744,240)	(770,597)	(26,357)
Net Change in Fund Balance	-	(376)	(376)
Fund Balance:			
Beginning of year	22	22	-
End of year	\$ 22	\$ (354)	\$ (376)

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget		Variance with
	Original and Final	Actual	Final Budget
Revenues:			
Interest and rent	\$ -	\$ 282	\$ 282
Miscellaneous	133,266	133,266	-
Total revenues	133,266	133,548	282
Expenditures:			
Debt service	133,340	134,602	(1,262)
Excess (Deficiency) of Revenues Over Expenditures	(74)	(1,054)	980
Fund Balance:			
Beginning of year	143,839	143,839	-
End of year	\$ 143,765	\$ 142,785	\$ 980



MAJOR ENTERPRISE FUND

SEWER SYSTEM FUND: The Sewer System Fund accounts for the operations of the Municipality's public sewer system.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

COMBINING SCHEDULE OF NET POSITION
 PROPRIETARY FUND

DECEMBER 31, 2015

	Municipality Sewer Fund	Municipal Authority	Combining Entries	Totals
Assets:				
Current assets:				
Cash and cash equivalents	\$ 3,650,028	\$ 125,871	\$ -	\$ 3,775,899
Investments - restricted per indenture of trust	-	15,439,745	-	15,439,745
Receivables (net, where applicable, of allowance for uncollectibles):				
Sewer charges	1,744,935	-	-	1,744,935
Accrued interest receivable	-	123,222	-	123,222
Lease rental	-	40,501,914	(40,501,914)	-
Other	211,981	-	-	211,981
Prepaid expenses	66,573	-	-	66,573
Total current assets	5,673,517	56,190,752	(40,501,914)	21,362,355
Capital assets (net of accumulated depreciation)	-	-	27,637,716	27,637,716
Total Assets	5,673,517	56,190,752	(12,864,198)	49,000,071
Deferred Outflows of Resources:				
Deferred outflows of resources for pension	218,608	-	-	218,608
Liabilities:				
Current liabilities:				
Accounts payable	68,605	479,243	-	547,848
Accrued liabilities	17,386	-	-	17,386
Due to other governmental units	619,768	-	-	619,768
Due to other funds	1,536	-	-	1,536
Compensated absences	11,710	-	-	11,710
Accrued interest payable	-	446,997	-	446,997
Bonds payable due within one year	-	1,200,000	-	1,200,000
Total current liabilities	719,005	2,126,240	-	2,845,245
Non-current liabilities:				
Net pension liability	785,830	-	-	785,830
Bonds payable	-	38,855,000	-	38,855,000
Compensated absences	90,060	-	-	90,060
Total non-current liabilities	875,890	38,855,000	-	39,730,890
Total Liabilities	1,594,895	40,981,240	-	42,576,135
Deferred Inflows of Resources:				
Deferred inflows of resources for pension	24,383	-	-	24,383
Net Position:				
Net investment in capital assets	-	-	2,543,218	2,543,218
Restricted for construction	-	15,083,641	(15,083,641)	-
Unrestricted	4,272,847	125,871	(323,775)	4,074,943
Total Net Position	\$ 4,272,847	\$ 15,209,512	\$ (12,864,198)	\$ 6,618,161

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2015

	Municipality Sewer Fund	Municipal Authority	Combining Entries	Totals
Operating Revenues:				
Charges for services	\$ 9,176,667	\$ -	\$ -	\$ 9,176,667
Intergovernmental	-	1,363,434	(1,363,434)	-
Licenses and permits	11,328	-	-	11,328
Total operating revenues	9,187,995	1,363,434	(1,363,434)	9,187,995
Operating Expenses:				
Administration	312,226	158,909	-	471,135
Operations	3,480,757	-	(61,746)	3,419,011
Maintenance	1,537,412	-	1,342,021	2,879,433
Depreciation	-	-	1,141,026	1,141,026
Intergovernmental	2,664,084	-	(2,664,084)	-
Total operating expenses	7,994,479	158,909	(242,783)	7,910,605
Operating Income (Loss)	1,193,516	1,204,525	(1,120,651)	1,277,390
Non-Operating Revenues (Expenses):				
Intergovernmental transfer	-	124,237	(124,237)	-
Interest income	9,693	180,087	-	189,780
Interest expense	-	(1,363,488)	-	(1,363,488)
Capital outlay	-	(4,766,952)	4,766,952	-
Total non-operating revenues (expenses)	9,693	(5,826,116)	4,642,715	(1,173,708)
Change in Net Position	1,203,209	(4,621,591)	3,522,064	103,682
Net Position:				
Beginning of year, restated	3,069,638	19,831,103	(16,386,262)	6,514,479
End of year	\$ 4,272,847	\$ 15,209,512	\$ (12,864,198)	\$ 6,618,161



FIDUCIARY FUNDS

NON-UNIFORMED EMPLOYEES PENSION FUND: The Non-Uniformed Employees Pension Fund was established to account for assets held in a trustee capacity for the Municipality's pension plan for eligible general employees.

POLICE PENSION FUND: The Police Pension Fund was established to account for assets held in a trustee capacity for the Municipality's pension plan for eligible police officers.

ESCROW FUND: The Escrow Fund is an agency fund that is used to hold monument bonds posted by developers to assure the installation of monuments after the completion of construction.

ENGINEER INSPECTION FUND: The Engineer Inspection Fund is an agency fund that is used to hold subdivision fees, which are then used to offset the cost of engineering inspection to the Municipality.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS

DECEMBER 31, 2015

Assets	Non-Uniformed Employees Pension Fund	Police Pension Fund	Total Pension Trust Funds
Cash and cash equivalents	\$ 129,953	\$ 292,683	\$ 422,636
Receivables:			
Accrued interest receivable	12,462	20,844	33,306
Benefit payment	-	17,369	17,369
Total receivables	12,462	38,213	50,675
Investments at fair value:			
Exchange traded funds	1,681,477	2,821,766	4,503,243
Mutual funds	786,743	1,111,642	1,898,385
Fixed income funds	4,504,924	7,550,281	12,055,205
Corporate bonds	481,364	802,274	1,283,638
Equities	5,005,699	8,365,519	13,371,218
Total investments	12,460,207	20,651,482	33,111,689
Total Assets	12,602,622	20,982,378	33,585,000
Liabilities			
Benefits payable	17,369	-	17,369
Net Position Restricted for Pension Benefits	\$ 12,585,253	\$ 20,982,378	\$ 33,567,631

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Non-Uniformed Employees Pension Fund	Police Pension Fund	Total Pension Trust Funds
Additions:			
<u>Contributions:</u>			
Commonwealth	\$ 165,852	\$ 331,705	\$ 497,557
Municipality	488,044	870,697	1,358,741
Employee	138,109	262,098	400,207
Total contributions	<u>792,005</u>	<u>1,464,500</u>	<u>2,256,505</u>
<u>Investment income:</u>			
Net appreciation in fair value of investments	18,263	30,021	48,284
Less investment expense	<u>(62,099)</u>	<u>(99,554)</u>	<u>(161,653)</u>
Net investment income	<u>(43,836)</u>	<u>(69,533)</u>	<u>(113,369)</u>
Total additions	<u>748,169</u>	<u>1,394,967</u>	<u>2,143,136</u>
Deductions:			
<u>Benefits</u>			
Administrative expenses	655,499	1,465,129	2,120,628
Refund of member contributions	24,560	27,174	51,734
Killed-in-service insurance premium	17,180	-	17,180
	-	12,036	12,036
Total deductions	<u>697,239</u>	<u>1,504,339</u>	<u>2,201,578</u>
Change in Net Position	50,930	(109,372)	(58,442)
Net Position Restricted for Pension Benefits:			
Beginning of year	<u>12,534,323</u>	<u>21,091,750</u>	<u>33,626,073</u>
End of year	<u>\$ 12,585,253</u>	<u>\$ 20,982,378</u>	<u>\$ 33,567,631</u>

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2015

	January 1, 2015	Additions	Withdrawals	December 31, 2015
Escrow Fund:				
Assets:				
Cash and cash equivalents	\$ 66,607	\$ 19,787	\$ -	\$ 86,394
Liabilities:				
Returnable deposits	\$ 66,607	\$ 19,787	\$ -	\$ 86,394
Engineer Inspection Fund:				
Assets:				
Cash and cash equivalents	\$ 215,890	\$ 21,348	\$ 600	\$ 236,638
Liabilities:				
Returnable deposits	\$ 215,890	\$ 21,348	\$ 600	\$ 236,638
Total Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 282,497	\$ 41,135	\$ 600	\$ 323,032
Liabilities:				
Returnable deposits	\$ 282,497	\$ 41,135	\$ 600	\$ 323,032



STATISTICAL SECTION

STATISTICAL SECTION

This part of the Municipality of Bethel Park's (Municipality) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Municipality's overall financial health.

FINANCIAL TRENDS **98-102**

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

REVENUE CAPACITY **103-110**

These schedules contain information to help the reader assess the factors affecting the Municipality's ability to generate its property and earned income taxes.

DEBT CAPACITY **111-113**

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.

DEMOGRAPHIC AND ECONOMIC INFORMATION **114-115**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Municipality's financial activities take place and to help make comparisons over time and with other governments.

OPERATING INFORMATION **116-118**

These schedules contain information about the Municipality's operations and resources to help the reader understand how the Municipality's financial information relates to the services the Municipality provides and the activities it performs.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
NET POSITION BY COMPONENT
LAST TEN YEARS
ACCRUAL BASIS OF ACCOUNTING

	<u>2015</u>	<u>2014⁽¹⁾</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010⁽²⁾</u>	<u>2009</u>	<u>2008</u>	<u>2007⁽³⁾</u>	<u>2006</u>
Governmental activities:										
Net investment in capital assets	\$ 14,119,506	\$ 13,899,420	\$ 14,784,843	\$ 15,620,226	\$ 16,678,614	\$ 16,362,339	\$ 17,437,675	\$ 16,790,070	\$ 15,830,182	\$ 6,910,916
Restricted	564,751	143,861	136,106	128,553	117,271	-	-	-	-	-
Unrestricted	3,647,654	3,073,644	8,181,666	7,345,334	6,613,748	6,782,859	6,847,474	7,627,062	8,443,918	8,654,650
<i>Total governmental activities net position</i>	<u>\$ 18,331,911</u>	<u>\$ 17,116,925</u>	<u>\$ 23,102,615</u>	<u>\$ 23,094,113</u>	<u>\$ 23,409,633</u>	<u>\$ 23,145,198</u>	<u>\$ 24,285,149</u>	<u>\$ 24,417,132</u>	<u>\$ 24,274,100</u>	<u>\$ 15,565,566</u>
Business-type activities:										
Net investment in capital assets	\$ 2,543,218	\$ 3,742,506	\$ 5,472,252	\$ 5,592,564	\$ 7,213,412	\$ 7,977,009	\$ 14,903,473	\$ 13,043,730	\$ 11,988,933	\$ 10,417,991
Restricted	-	-	1,922,022	1,765,125	2,504,378	896,039	895,855	947,636	1,716,692	1,815,583
Unrestricted	4,074,943	2,771,973	2,369,380	2,458,117	1,730,768	3,680,946	4,285,336	3,751,461	2,460,037	1,175,852
<i>Total business-type activities net position</i>	<u>\$ 6,618,161</u>	<u>\$ 6,514,479</u>	<u>\$ 9,763,654</u>	<u>9,815,806</u>	<u>\$ 11,448,558</u>	<u>\$ 12,553,994</u>	<u>\$ 20,084,664</u>	<u>\$ 17,742,827</u>	<u>\$ 16,165,662</u>	<u>\$ 13,409,426</u>
Primary government:										
Net investment in capital assets	\$ 16,662,724	\$ 17,641,926	\$ 20,257,095	\$ 21,212,790	\$ 23,892,026	\$ 24,339,348	\$ 32,341,148	\$ 29,833,800	\$ 27,819,115	\$ 17,328,907
Restricted	564,751	143,861	2,058,128	1,893,678	2,621,649	896,039	895,855	947,636	1,716,692	1,815,583
Unrestricted	7,722,597	5,845,617	10,551,046	9,803,451	8,344,516	10,463,805	11,132,810	11,378,523	10,903,955	9,830,502
<i>Total primary government net position</i>	<u>\$ 24,950,072</u>	<u>\$ 23,631,404</u>	<u>\$ 32,866,269</u>	<u>\$ 32,909,919</u>	<u>\$ 34,858,191</u>	<u>\$ 35,699,192</u>	<u>\$ 44,369,813</u>	<u>\$ 42,159,959</u>	<u>\$ 40,439,762</u>	<u>\$ 28,974,992</u>

(1) A restatement in 2014 was done to record the net pension liability and related components. The restatement resulted in a decrease to the governmental net position of \$4,975,509 and a decrease to the business-type to the business-type net position of \$605,276.

(2) A restatement in 2010 was done to reflect the results of an appraisal of historical capital asset detail. The restatement resulted in a decrease to the governmental net position of \$590,108, and a decrease to the business-type net position of \$6,013,808.

(3) A restatement in 2007 was done to retroactively record infrastructure and related accumulated depreciation. The restatement resulted in an increase to the governmental net position of \$7,313,189.

Source: Municipality of Bethel Park Audited Financial Statements

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
 CHANGES IN NET POSITION
 LAST TEN YEARS
 ACCRUAL BASIS OF ACCOUNTING

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Program Revenues:										
Governmental Activities:										
Charges for services:										
General government	\$ 22,792	\$ 14,147	\$ 8,843	\$ 7,375	\$ 8,422	\$ 7,948	\$ 7,450	\$ 8,120	\$ 8,817	\$ 7,890
Public safety	375,966	330,285	367,649	394,154	480,364	389,605	377,608	363,271	340,474	357,972
Public works	634,672	466,923	311,287	205,622	233,410	248,480	455,902	379,999	265,729	316,577
Culture and recreation	691,929	627,447	638,661	584,384	586,468	600,204	619,921	609,916	574,921	547,514
Conservation and development	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,337,636	1,486,583	1,446,664	1,411,107	1,836,220	1,441,160	1,369,349	795,977	1,422,404	1,453,954
Capital grants and contributions	54,864	492,974	3,685	17,856	333,204	1,510	22,800	73,463	198,160	55,550
Total Governmental Activities Program Revenues	3,117,859	3,418,359	2,776,789	2,620,498	3,478,088	2,688,907	2,853,030	2,230,746	2,810,505	2,739,457
Business-Type Activities:										
Charges for services - sewer services	9,187,995	8,946,605	7,799,542	6,769,752	7,008,814	6,242,879	6,418,982	6,380,565	6,823,566	5,147,200
Operating grants and contributions - sewer services	-	-	-	-	-	604,546	1,080,745	713,001	1,614,587	1,650,111
Capital Grants and Contributions - Sewer Services	277	86	726	68	158	882	25,265	17,710	-	-
Total Business-type Activities Program Revenues	9,188,272	8,946,691	7,800,268	6,769,820	7,008,972	6,848,307	7,524,992	7,111,276	8,438,153	6,797,311
Total Primary Government Program Revenues	\$ 12,306,131	\$ 12,365,050	\$ 10,577,057	\$ 9,390,318	\$ 10,487,060	\$ 9,537,214	\$ 10,378,022	\$ 9,342,022	\$ 11,248,658	\$ 9,536,768
Expenses:										
Governmental Activities:										
General government	\$ 2,497,242	\$ 2,747,093	\$ 2,467,227	\$ 2,635,995	\$ 3,084,237	\$ 2,583,509	\$ 2,572,590	\$ 2,673,101	\$ 2,170,313	\$ 2,102,168
Public safety	8,542,147	8,121,090	8,073,485	7,424,701	7,380,882	7,189,272	6,555,541	6,189,472	5,894,923	5,897,140
Public works	6,456,964	7,741,073	6,322,571	6,039,794	5,458,149	5,735,028	4,915,569	4,431,823	4,034,542	3,761,781
Culture and recreation	1,691,236	1,788,040	1,796,436	1,831,592	1,680,296	1,812,922	1,677,898	1,696,253	1,494,314	1,696,399
Conservation and development	221,721	178,454	160,103	157,389	152,615	158,203	135,096	124,588	121,460	117,716
Interest on long-term debt	678,253	323,553	354,242	184,456	221,790	234,796	288,276	316,812	204,401	177,555
Total Governmental Activities Expenses	20,087,563	20,899,303	19,174,064	18,273,927	17,977,969	17,713,730	16,144,970	15,432,049	13,919,953	13,752,759
Business-Type Activities:										
Sewer services	9,274,093	11,598,092	7,857,364	8,412,783	8,121,588	8,380,286	5,212,530	5,844,689	5,814,866	5,262,401
Total Business-Type Activities Expenses	9,274,093	11,598,092	7,857,364	8,412,783	8,121,588	8,380,286	5,212,530	5,844,689	5,814,866	5,262,401
Total Primary Government Expenses	\$ 29,361,656	\$ 32,497,395	\$ 27,031,428	\$ 26,686,710	\$ 26,099,557	\$ 26,094,016	\$ 21,357,500	\$ 21,276,738	\$ 19,734,819	\$ 19,015,160
Net (Expense)/Revenue:										
Governmental Activities	\$ (16,969,704)	\$ (17,480,944)	\$ (16,397,275)	\$ (15,653,429)	\$ (14,499,881)	\$ (15,024,823)	\$ (13,291,940)	\$ (13,201,303)	\$ (11,109,448)	\$ (11,013,302)
Business-Type Activities	(85,821)	(2,651,401)	(57,096)	(1,642,963)	(1,112,616)	(1,531,979)	2,312,462	1,266,587	2,623,287	1,534,910
Total Primary Government Net (Expense)/Revenue	\$ (17,055,525)	\$ (20,132,345)	\$ (16,454,371)	\$ (17,296,392)	\$ (15,612,497)	\$ (16,556,802)	\$ (10,979,478)	\$ (11,934,716)	\$ (8,486,161)	\$ (9,478,392)

(Continued)

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
 CHANGES IN NET POSITION
 LAST TEN YEARS
 ACCRUAL BASIS OF ACCOUNTING

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property taxes	\$ 5,530,903	\$ 5,462,811	\$ 4,708,595	\$ 4,749,860	\$ 4,234,480	\$ 4,222,887	\$ 4,210,435	\$ 3,742,060	\$ 3,562,260	\$ 3,721,474
Earned income taxes	8,854,334	7,414,508	8,448,037	7,715,896	7,786,668	7,407,185	6,550,131	6,383,270	5,925,006	6,263,317
Other taxes	1,714,005	1,510,306	1,686,993	1,448,867	1,312,420	1,403,897	1,289,573	1,085,844	1,522,256	1,213,561
Grants, subsidies, and contributions	952,078	704,048	600,506	544,804	553,176	592,554	460,671	1,246,728	445,872	400,920
Investment earnings	165,583	141,331	17,075	16,008	15,344	26,278	75,569	234,073	370,056	321,629
Franchise fees	808,283	779,851	778,584	678,417	670,988	686,752	464,990	390,852	523,603	446,960
Miscellaneous income	159,504	457,908	165,987	184,057	191,240	135,427	108,588	261,508	155,740	87,126
Total Governmental Activities General Revenues	<u>18,184,690</u>	<u>16,470,763</u>	<u>16,405,777</u>	<u>15,337,909</u>	<u>14,764,316</u>	<u>14,474,980</u>	<u>13,159,957</u>	<u>13,344,335</u>	<u>12,504,793</u>	<u>12,454,987</u>
Business-Type Activities:										
Sewer services	189,503	7,502	4,944	10,211	7,180	15,117	29,375	310,578	132,949	120,819
Total Business-Type Activities General Revenues	<u>189,503</u>	<u>7,502</u>	<u>4,944</u>	<u>10,211</u>	<u>7,180</u>	<u>15,117</u>	<u>29,375</u>	<u>310,578</u>	<u>132,949</u>	<u>120,819</u>
<i>Total Primary Government General Revenues</i>	<u>\$ 18,374,193</u>	<u>\$ 16,478,265</u>	<u>\$ 16,410,721</u>	<u>\$ 15,348,120</u>	<u>\$ 14,771,496</u>	<u>\$ 14,490,097</u>	<u>\$ 13,189,332</u>	<u>\$ 13,654,913</u>	<u>\$ 12,637,742</u>	<u>\$ 12,575,806</u>
Change in Net Position:										
Governmental Activities	\$ 1,214,986	\$ (1,010,181)	\$ 8,502	\$ (315,520)	\$ 264,435	\$ (549,843)	\$ (131,983)	\$ 143,032	\$ 1,395,345	\$ 1,441,685
Business-Type Activities	103,682	(2,643,899)	(52,152)	(1,632,752)	(1,105,436)	(1,516,862)	2,341,837	1,577,165	2,756,236	1,655,729
<i>Total Primary Government Change in Net Position</i>	<u>\$ 1,318,668</u>	<u>\$ (3,654,080)</u>	<u>\$ (43,650)</u>	<u>\$ (1,948,272)</u>	<u>\$ (841,001)</u>	<u>\$ (2,066,705)</u>	<u>\$ 2,209,854</u>	<u>\$ 1,720,197</u>	<u>\$ 4,151,581</u>	<u>\$ 3,097,414</u>

(Concluded)

Source: Municipality of Bethel Park Audited Financial Statements

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 ⁽¹⁾</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,346	\$ 158,841	\$ 128,491	\$ 123,326	\$ 168,549
Unreserved	-	-	-	-	-	-	-	-	-	-
Designated	-	-	-	-	-	1,317,865	1,596,278	992,275	1,023,363	320,554
Undesignated	-	-	-	-	-	1,841,218	2,031,368	2,617,195	2,284,492	2,706,589
Nonspendable	171,322	52,067	257,154	160,606	81,759	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	40,981	40,981	40,981	72,641	465,961	-	-	-	-	-
Unassigned	8,670,674	8,087,057	7,153,798	6,504,257	3,383,377	-	-	-	-	-
<i>Total General Fund</i>	<u>8,882,977</u>	<u>8,180,105</u>	<u>7,451,933</u>	<u>6,737,504</u>	<u>3,931,097</u>	<u>3,379,429</u>	<u>3,786,487</u>	<u>3,737,961</u>	<u>3,431,181</u>	<u>3,195,692</u>
All Other Governmental Funds:										
Unreserved, Reported in:										
Designated, Capital Projects Fund	-	-	-	-	-	270,599	272,940	272,837	265,834	252,126
Undesignated, Capital Projects Fund	-	-	-	-	-	750,645	424,402	814,201	1,411,230	1,557,306
Undesignated, Special Revenue Fund	-	-	-	-	-	88,131	90,358	93,653	98,290	96,449
Nonspendable	44,579	-	-	-	-	-	-	-	-	-
Restricted	11,617,801	7,705,833	8,423,039	128,553	117,271	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,124,956	860,321	666,636	550,168	400,710	-	-	-	-	-
Unassigned	(354)	-	-	-	-	-	-	-	-	-
<i>Total all other governmental funds</i>	<u>12,786,982</u>	<u>8,566,154</u>	<u>9,089,675</u>	<u>678,721</u>	<u>517,981</u>	<u>1,109,375</u>	<u>787,700</u>	<u>1,180,691</u>	<u>1,775,354</u>	<u>1,905,881</u>
<i>Total governmental funds</i>	<u>\$ 21,669,959</u>	<u>\$ 16,746,259</u>	<u>\$ 16,541,608</u>	<u>\$ 7,416,225</u>	<u>\$ 4,449,078</u>	<u>\$ 4,488,804</u>	<u>\$ 4,574,187</u>	<u>\$ 4,918,652</u>	<u>\$ 5,206,535</u>	<u>\$ 5,101,573</u>

Source: Municipality of Bethel Park Audited Financial Statements

(1) The Municipality implemented GASB Statement No. 54 in 2011, creating new fund balance categories of Nonspendable, Restricted, Committed, Assigned, and Unassigned.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues:										
Real estate taxes	\$ 5,495,141	\$ 5,462,811	\$ 4,708,595	\$ 4,749,860	\$ 4,234,480	\$ 4,222,887	\$ 4,210,435	\$ 3,742,060	\$ 3,562,260	\$ 3,721,474
Earned income taxes	8,854,334	8,609,544	8,151,792	9,658,402	7,441,390	7,132,755	6,574,319	6,261,330	5,925,006	6,263,317
Other taxes	1,714,005	1,510,306	1,686,993	1,448,867	1,312,420	1,403,897	1,289,573	1,085,844	1,230,638	1,214,447
Licenses and permits	1,390,524	1,192,564	1,037,645	842,368	841,012	870,473	856,856	701,894	718,161	705,271
Fines and forfeits	92,599	90,827	99,530	112,554	138,701	140,573	126,546	178,278	131,663	118,184
Intergovernmental	2,341,882	2,675,517	2,047,170	1,952,639	2,686,396	2,033,714	1,845,020	2,104,248	2,033,733	1,869,874
Charges for services	876,716	784,890	818,231	760,494	840,070	761,597	777,728	702,119	688,073	649,371
Interest and rent	296,652	263,437	133,427	132,278	131,947	142,434	190,882	350,674	487,437	467,450
Miscellaneous	314,934	599,262	302,938	338,451	360,710	271,127	250,816	406,694	321,709	260,942
<i>Total revenues</i>	<u>21,376,787</u>	<u>21,189,158</u>	<u>18,986,321</u>	<u>19,995,913</u>	<u>17,987,126</u>	<u>16,979,457</u>	<u>16,122,175</u>	<u>15,533,141</u>	<u>15,098,680</u>	<u>15,270,330</u>
Expenditures:										
Current:										
General government	2,253,875	2,289,968	2,174,421	2,153,519	2,237,229	2,121,696	2,059,591	1,980,941	2,025,673	1,922,325
Public safety	7,540,346	7,169,495	6,957,111	6,627,213	6,567,003	6,244,651	5,767,441	5,472,720	5,538,587	5,418,497
Public works	5,270,304	5,115,946	5,116,605	4,687,308	4,909,859	4,933,016	4,490,120	4,046,771	3,758,802	3,307,403
Culture and recreation	1,682,498	1,606,336	1,584,873	1,566,300	1,525,719	1,626,800	1,565,885	1,512,807	1,371,238	1,300,974
Conservation and development	100,553	160,251	146,666	141,732	136,866	141,392	126,473	117,238	114,602	108,776
Capital outlay	7,660,203	3,976,194	1,804,630	1,391,387	1,726,952	1,518,621	1,935,535	2,803,034	4,724,088	1,994,879
Debt service:										
Principal	399,715	437,618	287,618	287,618	746,993	287,552	275,210	311,904	341,576	323,638
Interest	496,275	228,699	176,919	173,689	176,231	191,112	246,385	276,354	165,591	140,391
Bond issuance costs	105,377	-	141,218	-	-	-	-	-	-	-
<i>Total expenditures</i>	<u>25,509,146</u>	<u>20,984,507</u>	<u>18,390,061</u>	<u>17,028,766</u>	<u>18,026,852</u>	<u>17,064,840</u>	<u>16,466,640</u>	<u>16,521,769</u>	<u>18,040,157</u>	<u>14,516,883</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(4,132,359)</u>	<u>204,651</u>	<u>596,260</u>	<u>2,967,147</u>	<u>(39,726)</u>	<u>(85,383)</u>	<u>(344,465)</u>	<u>(988,628)</u>	<u>(2,941,477)</u>	<u>753,447</u>
Other Financing Sources (Uses):										
Issuance of general obligation bonds	9,105,000	-	8,680,000	-	-	-	-	700,745	3,046,439	-
Bond discount	(48,941)	-	(150,877)	-	-	-	-	-	-	-
Transfers in	3,398,324	3,203,901	2,464,129	2,181,652	2,119,016	2,814,823	2,503,215	2,389,126	2,151,100	3,136,455
Transfers out	(3,398,324)	(3,203,901)	(2,464,129)	(2,181,652)	(2,119,016)	(2,814,823)	(2,503,215)	(2,389,126)	(2,151,100)	(3,136,455)
<i>Total other financing sources (uses)</i>	<u>9,056,059</u>	<u>-</u>	<u>8,529,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>700,745</u>	<u>3,046,439</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 4,923,700</u>	<u>\$ 204,651</u>	<u>\$ 9,125,383</u>	<u>\$ 2,967,147</u>	<u>\$ (39,726)</u>	<u>\$ (85,383)</u>	<u>\$ (344,465)</u>	<u>\$ (287,883)</u>	<u>\$ 104,962</u>	<u>\$ 753,447</u>
Debt service as a percentage of non-capital expenditures	5.37%	3.54%	3.47%	2.95%	5.66%	3.08%	3.59%	4.29%	3.81%	3.71%
Debt service as a percentage of total expenditures	3.93%	3.18%	3.29%	2.71%	5.12%	2.80%	3.17%	3.56%	2.81%	3.20%

Source: Municipality of Bethel Park Audited Financial Statements

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN YEARS
ACCRUAL BASIS OF ACCOUNTING

Function/Program:	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
General government	\$ 219,140	\$ 198,469	\$ 280,915	\$ 183,851	\$ 390,912	\$ 243,560	\$ 224,199	\$ 22,432	\$ 120,821	\$ 80,806
Public safety	707,671	906,986	862,728	944,921	1,266,458	890,254	851,917	365,331	962,764	1,063,228
Public works	1,405,331	1,165,660	963,162	882,425	937,250	901,991	1,141,993	1,146,780	934,277	1,015,927
Culture and recreation	785,717	1,147,244	669,984	609,301	883,468	653,102	634,921	696,203	792,643	579,496
Conservation and development	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Total governmental activities	3,117,859	3,418,359	2,776,789	2,620,498	3,478,088	2,688,907	2,853,030	2,230,746	2,810,505	2,739,457
Business-type activities:										
Sewer services	9,188,272	8,946,691	7,800,268	6,769,820	7,008,972	6,848,307	7,524,992	7,111,276	8,438,153	6,797,311
Total business-type activities	9,188,272	8,946,691	7,800,268	6,769,820	7,008,972	6,848,307	7,524,992	7,111,276	8,438,153	6,797,311
Total primary government	\$ 12,306,131	\$ 12,365,050	\$ 10,577,057	\$ 9,390,318	\$ 10,487,060	\$ 9,537,214	\$ 10,378,022	\$ 9,342,022	\$ 11,248,658	\$ 9,536,768

Source: Municipality of Bethel Park Audited Financial Statements

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

<u>Year</u>	<u>Real Estate</u>	<u>Real Estate Transfer</u>	<u>Earned Income</u>	<u>Amusement</u>	<u>Mechanical Device</u>	<u>Local Services ⁽⁵⁾</u>	<u>Parking ⁽⁶⁾</u>	<u>Total</u>
2015	\$ 5,495,141	\$ 1,065,266	\$ 8,854,334	\$ 11,128	\$ 12,800	\$ 596,271	\$ 28,540	\$ 16,063,480
2014 ⁽¹⁾	5,462,811	863,351	8,609,544	6,751	15,800	595,291	29,113	15,582,661
2013 ⁽²⁾	4,708,595	887,749	8,151,792	150,480	18,200	603,959	26,605	14,547,380
2012 ⁽³⁾	4,749,860	769,256	9,658,402	59,005	19,700	566,060	34,846	15,857,129
2011	4,234,480	656,810	7,441,390	20,493	24,407	570,427	40,283	12,988,290
2010	4,222,887	795,576	7,132,755	8,799	24,800	542,614	32,108	12,759,539
2009 ⁽⁴⁾	4,210,435	794,030	6,574,319	15,936	11,000	429,424	39,183	12,074,327
2008	3,742,060	821,302	6,261,330	23,478	40,000	160,624	40,440	11,089,234
2007	3,562,260	953,203	5,925,006	62,197	28,500	166,459	20,279	10,717,904
2006	3,721,474	938,894	6,263,317	49,372	37,600	172,749	15,832	11,199,238
<u>Change</u>								
2006-2015	47.7%	13.5%	41.4%	-77.5%	-66.0%	245.2%	80.3%	43.4%

(1) In 2014, the following tax rate was increased: Real Estate Tax (from 1.98 mills to 2.32 mills)

(2) In 2013, the following tax rate was decreased: Real Estate Tax (from 2.43 mills to 1.98 mills)

(3) In 2012, the Real Estate Tax rate was increased from 2.18 mills to 2.43 mills. Also in 2012, Pennsylvania Law changed the way that Earned Income Tax is collected for all political subdivisions within the state. The change in collection procedures altered the timing of Earned Income Tax receipts which led to an increase in 2012 revenue.

(4) In 2009, the following tax rates were increased: Real Estate Tax (from 1.93 mills to 2.18 mills), Earned Income Tax (from 0.8% to 0.9%), and local services tax (from \$10/year to \$52/year).

(5) Prior to 2009, the Local Services Tax was known as the Emergency and Municipal Services Tax.

(6) The Municipality's parking tax was enacted in 2006.

Source: Municipality of Bethel Park Audited Financial Statements

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS

<u>Tax Year</u>	<u>Municipality of Bethel Park</u>			<u>Bethel Park School District</u>	<u>Allegheny County</u>	<u>Total</u>
	<u>General Millage</u>	<u>VFD Millage</u>	<u>Total</u>			
2015	1.98	0.34	2.32	22.88	4.73	29.93
2014	1.98	0.34	2.32	22.43	4.73	29.48
2013	1.98	0.00	1.98	21.86	4.73	26.59
2012	2.43	0.00	2.43	25.49	5.69	31.18
2011	2.18	0.00	2.18	24.97	4.69	29.66
2010	2.18	0.00	2.18	24.56	4.69	29.25
2009	2.18	0.00	2.18	23.73	4.69	28.42
2008	1.93	0.00	1.93	23.18	4.69	27.87
2007	1.93	0.00	1.93	22.75	4.69	27.44
2006	1.93	0.00	1.93	22.75	4.69	27.44

Note: A mill is one one-thousandth of a dollar Used to calculate a tax levied on real estate.
(One mill= \$.001)

Sources: Municipality of Bethel Park
Bethel Park School District
Allegheny County

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
ASSESSED VALUATION AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
LAST TEN YEARS

Year	Taxable Property Values ⁽¹⁾	Exempt Property Values	Total Property Values	Estimated Actual Values of Real Property ⁽²⁾	Ratio of Total Assessed to Estimated Actual Value	Bethel Park Municipality Millage Rate
2015	\$ 2,405,756,168	\$ 309,100,450	\$ 2,714,856,618	\$ 2,714,856,618	100%	2.32
2014	2,375,592,133	309,100,450	2,684,692,583	2,684,692,583	100%	2.32
2013	2,376,436,198	307,568,550	2,684,004,748	2,684,004,748	100%	1.98
2012	1,990,678,017	183,033,200	2,173,711,217	2,173,711,217	100%	2.43
2011	1,986,610,267	183,320,300	2,169,930,567	2,169,930,567	100%	2.18
2010	1,975,848,627	183,193,600	2,159,042,227	2,159,042,227	100%	2.18
2009	1,963,861,677	180,254,200	2,144,115,877	2,144,115,877	100%	2.18
2008	1,954,490,877	171,553,200	2,126,044,077	2,126,044,077	100%	1.93
2007	1,938,404,077	172,802,800	2,111,206,877	2,111,206,877	100%	1.93
2006	1,923,110,481	172,571,700	2,095,682,181	2,095,682,181	100%	1.93

Source: Allegheny County Office of Property Assessments

(1) A court-ordered reassessment of all real estate within Allegheny County was completed in early 2012, resulting in a significant increase in taxable property values.

(2) Estimated actual value is computed based on the assessed value and the assessment ratio as determined by the Allegheny County Office of Property Assessments.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
 PRINCIPAL REAL ESTATE TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	<u>December 31, 2015</u>			<u>December 31, 2006</u>		
	<u>Estimated Actual Values of Real Property</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Estimated Actual Values of Real Property</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
South Hills Village Associates	\$ 75,701,350	1	3.18%	\$ 71,862,000	1	3.76%
4000 Oxford Drive Associates	45,015,200	2	1.89%	28,536,400	2	1.49%
Joseph Horne Co. Inc.	23,892,100	3	1.00%	13,500,000	6	0.71%
Lincoln Pointe Associates Limited	18,917,000	4	0.80%	18,726,800	3	0.98%
Centro NP Bethel Park/New Plan Realty Trust	16,270,600	5	0.68%	14,214,700	4	0.74%
HCRI Pennsylvania Properties	16,129,600	6	0.68%	-	-	-
L&M Associates	12,314,000	7	0.52%	13,480,400	7	0.71%
Zipporah Sheila LP	11,596,200	8	0.49%	13,715,900	5	0.72%
University of Pittsburgh Medical Center	11,400,000	9	0.48%	10,317,300	8	0.54%
35th Strouss Associates	11,333,800	10	0.48%	9,645,200	9	0.51%
Edwin Cabot Real Estate LLC	-		-	9,394,000	10	0.49%
	<u>\$ 242,569,850</u>		<u>10.20%</u>	<u>\$ 203,392,700</u>		<u>10.65%</u>
Total Taxable Assessed Valuation	<u>\$ 2,377,402,523</u>			<u>\$ 1,908,872,171</u>		

Sources: Allegheny County Office of Property Assessments
 Jordan Tax Service

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<u>Year</u>	<u>Adjusted Total Tax Levy</u>	<u>Collected within Fiscal Year of Levy</u>			<u>Total Collections to Date</u>	
		<u>Face Value of Collections</u>	<u>Percent of Adjusted Total Tax Levy</u>	<u>Collections in Subsequent Years</u>	<u>Amount</u>	<u>Percent of Levy</u>
2015	\$ 4,707,257	\$ 4,611,158	97.96%	\$ -	\$ 4,611,158	97.96%
2014	4,703,672	4,613,100	98.07%	79,069	4,692,169	99.76%
2013	4,705,344	4,591,754	97.59%	63,008	4,654,762	98.93%
2012	4,774,860	4,668,060	97.76%	40,210	4,708,270	98.61%
2011	4,274,751	4,184,807	97.90%	62,358	4,247,165	99.35%
2010	4,266,210	4,170,761	97.76%	65,410	4,236,171	99.30%
2009	4,246,203	4,127,765	97.21%	82,853	4,210,618	99.16%
2008	3,727,572	3,616,380	97.02%	86,691	3,703,071	99.34%
2007	3,717,622	3,533,944	95.06%	158,265	3,692,209	99.32%
2006	3,716,155	3,636,583	97.86%	52,441	3,689,024	99.27%

Source: Municipality of Bethel Park Tax Records

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
MUNICIPAL EARNED INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

<u>Fiscal Year</u>	<u>Tax Rate</u>	<u>Total Earned Income Tax Collected</u>	<u>Refunds</u>	<u>Net Earned Income Tax Collected</u>
2015	0.90%	\$ 8,970,185	\$ (115,851)	\$ 8,854,334
2014	0.90%	8,726,966	(117,422)	8,609,544
2013	0.90%	8,254,803	(103,011)	8,151,792
2012	0.90%	9,933,961	(275,559)	9,658,402
2011	0.90%	7,642,967	(201,577)	7,441,390
2010	0.90%	7,276,479	(143,724)	7,132,755
2009	0.90%	6,678,431	(104,112)	6,574,319
2008	0.80%	6,343,294	(81,964)	6,261,330
2007	0.80%	6,025,488	(100,482)	5,925,006
2006	0.80%	6,362,175	(98,858)	6,263,317

Note: Earned income tax rate and collection amounts represent only the municipal share. Bethel Park School District levies a separate earned income tax at a rate of 0.50% for a 2015 combined rate of 1.40%.

Sources: Municipality of Bethel Park Tax Records
Municipality of Bethel Park Annual Financial Reports

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
EARNED INCOME TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS

Tax Year	Municipality of Bethel Park	Bethel Park School District	Direct & Overlapping Rate Total
2015	0.90%	0.50%	1.40%
2014	0.90%	0.50%	1.40%
2013	0.90%	0.50%	1.40%
2012	0.90%	0.50%	1.40%
2011	0.90%	0.50%	1.40%
2010	0.90%	0.50%	1.40%
2009	0.90%	0.50%	1.40%
2008	0.80%	0.50%	1.30%
2007	0.80%	0.50%	1.30%
2006	0.80%	0.50%	1.30%

Sources: Municipality of Bethel Park
 Bethel Park School District

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-type</u> <u>Activities</u>	<u>Total Primary</u> <u>Government</u>	<u>% of Taxable</u> <u>Assessed</u> <u>Valuation</u>	<u>% of Personal</u> <u>Income ⁽¹⁾</u>	<u>Debt per</u> <u>Capita ⁽¹⁾</u>
	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>General</u> <u>Obligation</u> <u>Notes</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>				
2015	\$ 17,680,000	\$ 3,012,963	\$ 40,055,000	\$ 60,747,963	2.53%	5.54%	\$ 1,880
2014	8,850,000	3,129,605	41,220,000	53,199,605	2.24%	4.85%	1,646
2013	9,105,000	3,213,450	44,310,000	56,628,450	2.38%	5.17%	1,752
2012	690,000	3,735,862	18,250,000	22,675,862	1.14%	2.71%	702
2011	940,000	3,810,236	19,045,000	23,795,236	1.20%	2.17%	736
2010	1,330,000	4,167,230	20,905,000	26,402,230	1.34%	2.41%	817
2009	1,560,000	4,224,782	22,705,000	28,489,782	1.45%	3.28%	849
2008	1,780,000	4,279,992	24,450,000	30,509,992	1.56%	3.52%	909
2007	1,990,000	3,681,151	25,545,000	31,216,151	1.61%	3.60%	930
2006	2,190,000	776,288	27,055,000	30,021,288	1.56%	3.46%	895

Note: Details regarding the Municipality's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on page 114 for earned income and population data.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

<u>Year</u>	<u>Three year average revenue (borrowing base)⁽¹⁾</u>	<u>Legal debt limit ⁽²⁾</u>	<u>Debt applicable to limit ⁽³⁾</u>	<u>Legal debt margin</u>	<u>Legal debt margin %</u>
2015	\$ 24,986,516	\$ 62,466,290	\$ 20,692,963	\$ 41,773,327	66.87%
2014	23,793,047	59,482,618	11,659,605	47,823,013	80.40%
2013	21,883,505	54,708,763	11,893,450	42,815,313	78.26%
2012	20,931,669	52,329,173	3,900,862	48,428,311	92.55%
2011	19,776,218	49,440,545	4,130,237	45,310,308	91.65%
2010	19,328,424	48,321,060	4,637,230	43,683,830	90.40%
2009	18,938,805	47,347,013	4,834,782	42,512,231	89.79%
2008	18,214,136	45,535,340	5,024,992	40,510,348	88.96%
2007	17,229,668	43,074,170	4,556,151	38,518,019	89.42%
2006	16,320,244	40,800,610	1,776,288	39,024,322	95.65%

(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.

(2) 250% of borrowing base

(3) Includes non-electoral debt less self-liquidating debt (the 1999 Series B bonds are considered self-liquidating). All business-type activity debt is excluded because it is all considered lease rental debt, which is not counted against the legal debt limit reported above.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 DECEMBER 31, 2015

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Municipality of Bethel Park</u>	<u>Amount Applicable to Municipality of Bethel Park</u>
Direct			
Municipality of Bethel Park (1)	\$ 20,692,963	100.00%	\$ 20,692,963
<i>Total Direct Debt</i>	<u>20,692,963</u>		<u>20,692,963</u>
Overlapping			
Bethel Park School District (2)	98,051,410	100.00%	98,051,410
County of Allegheny (3)	<u>857,148,929</u>	2.72%	<u>23,314,451</u>
<i>Total Overlapping Debt</i>	<u>955,200,339</u>		<u>121,365,861</u>
Total Debt	<u>\$ 975,893,302</u>		<u>\$ 142,058,824</u>

(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. The calculation of direct net outstanding debt excludes \$40,055,000 of debt related to business type activities of the Municipality.

(2) Source: Pennsylvania Department of Education (figures are for the fiscal year ending June 30, 2015)

(3) Proportional share of Allegheny County's existing debt as of December 31, 2015 based on the ratio of the Municipality of Bethel Park's assessed valuation to Allegheny County's 2012 assessed valuation. (Sources: 12/31/15 Allegheny County CAFR - Tables XI and XIV)

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population ⁽¹⁾	Total Personal Income ⁽²⁾	Per Capita Personal Income ⁽³⁾	Median Age ⁽³⁾	Educational Attainment: Bachelor's Degree or Higher ⁽⁴⁾	Unemployment Rate ⁽⁵⁾	Average Sales Price of Residential Property ⁽⁶⁾
2015	32,313 (a)	\$ 1,096,315,464	\$ 33,928 (a)	46.1 (a)	40.8% (a)	4.3%	\$ 179,620
2014	32,313 (a)	1,096,315,464	33,928 (a)	46.1 (a)	40.8% (a)	4.1%	175,478
2013	32,313 (a)	1,096,315,464	33,928 (a)	46.1 (a)	40.8% (a)	5.9%	124,153
2012	32,313 (a)	1,096,315,464	33,928 (a)	46.1 (a)	40.8% (a)	6.8%	122,426
2011	32,313 (a)	1,096,315,464	33,928 (a)	46.1 (a)	40.8% (a)	6.2%	153,692
2010	32,313 (a)	1,096,315,464	33,928 (a)	46.1 (a)	40.8% (a)	7.1%	162,136
2009	33,556 (b)	867,993,052	25,867 (b)	42.1 (b)	40.8% (b)	7.0%	154,866
2008	33,556 (b)	867,993,052	25,867 (b)	42.1 (b)	40.8% (b)	5.3%	155,823
2007	33,556 (b)	867,993,052	25,867 (b)	42.1 (b)	40.8% (b)	4.1%	153,466
2006	33,556 (b)	867,993,052	25,867 (b)	42.1 (b)	40.8% (b)	3.7%	149,245

(1) Source: 2010 U.S. Census (a), 2000 U.S. Census (b)

(2) Source: Computation of per capita personal income multiplied by population

(3) Source: 2010 U.S. Census (a), 2000 U.S. Census (b)

(4) Source: 2010 U.S. Census (a), 2000 U.S. Census (b)

(5) Source: U.S. Bureau of Labor Statistics Local Area Unemployment Statistics for Allegheny County

(6) Source: RealSTATs, Inc.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer:	2015⁽¹⁾			2006		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Bethel Park School District	758	1	6.61 %	959	1	6.05 %
Giant Eagle Markets, Inc.	593	2	5.17	470	2	2.96
Macy's Retail Holding, Inc.	355	3	3.10	-	-	-
Eat'N Park Restaurants	205	4	1.79	397	3	2.50
UPMC	172	5	1.50	-	-	-
Suzanne & Assoc., Inc. (Southwest Human Services)	165	6	1.44	-	-	-
Walmart Associates, Inc.	163	7	1.42	-	-	-
Kohl's Department Store	151	8	1.32	-	-	-
South Hills Movers, Inc	151	9	1.32			
Lowes Homecenters, Inc.	147	10	1.28	-	-	-
Bethel Park Shop & Save	-	-	-	312	4	1.97
Holiday Inn	-	-	-	268	5	1.69
Manpower	-	-	-	246	6	1.55
McDonalds	-	-	-	235	7	1.48
Toys R Us	-	-	-	208	8	1.31
Federated Department Stores	-	-	-	204	9	1.29
Municipality of Bethel Park	-	-	-	191	10	1.20
Total	2,860		24.95 %	3,490		22.00 %
Total Employees	11,467			15,854		

(1) Source: Municipality of Bethel Park Local Services Tax records

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
 FULL-TIME EQUIVALENT MUNICIPAL EMPLOYEES
 LAST TEN YEARS

Function/Program:	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government:										
Administration	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Finance	4.00	4.00	4.00	4.00	3.75	3.75	3.75	3.75	3.75	4.75
Public safety:										
Police officers	36.00	35.00	35.00	35.00	36.00	37.00	37.00	38.00	38.00	38.00
Dispatch	4.00	4.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Other department personnel	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public works:										
Administration	7.50	7.50	7.50	7.50	8.75	8.75	8.75	8.75	8.75	8.75
Labor force	22.00	22.00	22.00	22.00	23.00	23.00	23.00	22.00	22.00	22.00
Sewage treatment	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Culture and recreation:										
Administration	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Community Center staff	4.82	4.82	4.82	4.82	5.07	5.07	5.07	4.27	3.89	2.84
Public Access Television	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Conservation and development:										
Administration	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	<u>100.57</u>	<u>100.07</u>	<u>99.57</u>	<u>99.57</u>	<u>102.82</u>	<u>103.82</u>	<u>103.82</u>	<u>103.02</u>	<u>102.64</u>	<u>102.59</u>

Source: Municipality of Bethel Park finance and personnel records.

Note: Part-time employees' FTE was calculated by dividing each employee's total annual hours by 2,080.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/program:	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>General Government:</u>										
Dye tests certified	452	442	456	402	347	350	421	376	449	489
<u>Conservation and Development:</u>										
Building permits issued	301	284	347	375	390	379	323	323	350	334
Estimated value of construction (1)	\$61,738,695	\$24,782,198	\$14,291,342	\$12,240,151	\$18,830,156	\$17,098,042	\$100,915,834	\$28,289,925	\$20,654,016	\$37,471,129
<u>Public Works:</u>										
Roads resurfaced/reconstructed (linear feet)	20,567	31,599	27,372	19,373	21,010	16,667	15,712	16,988	13,991	26,475
Snow storm call-outs (2)	52	52	43	23	23	62	45	53	39	31
Salt used (in tons) (2)	10,000	13,501	13,059	7,474	4,517	13,512	9,332	9,785	8,333	7,123
<u>Public Works (Sewer):</u>										
Sanitary sewers rehabilitated (linear feet) (4)	53,409	46,092	658	199	9,085	16,044	21,748	17,619	3,893	19,801
Average daily sewage treatment (in millions of gallons)	3.8	3.8	3.8	3.5	4.1	3.5	3.2	3.9	3.8	3.5
<u>Culture and Recreation:</u>										
Number of seasonal programs	140	167	163	150	153	157	153	182	154	147
Community Center memberships sold (3)	1,168	1,111	1,443	1,184	1,586	187	n/a	n/a	n/a	n/a
Hours of broadcasting aired on BPTV	5,824	6,552	5,460	4,380	4,380	4,380	4,380	4,380	4,380	4,380
<u>Public Safety:</u>										
Calls for service	14,442	14,359	14,880	14,914	16,090	14,903	16,345	17,680	17,149	16,193
Total arrests	533	458	509	663	662	694	845	791	755	652
Part I offenses reported (major offenses)	387	357	357	447	401	395	422	388	383	425
Part I offenses cleared	235	204	229	284	223	224	260	207	172	201
Part II offenses reported (other crimes)	564	575	588	679	605	628	768	817	737	776
Part II offenses cleared	244	241	281	391	317	364	455	514	524	501
DUI arrests	39	35	39	55	34	60	100	84	72	86

Source: Municipality of Bethel Park records

(1) The large figure in 2009 includes the \$88,000,000 estimated construction value of the new Bethel Park High School.

(2) Figures for snow storm call-outs and salt used are reported on a snow season basis, which overlaps years. The season is typically October through April. The reporting year used above represents the year in which the season began. For example, the figures reported in the 2013 column correspond to the snow season that began in October 2013.

(3) Community Center memberships were not sold prior to 2009.

(4) The large figure in 2015 is the result of the Bethel Park Municipal Authority spending down Guaranteed Sewer Revenue Bonds, Series of 2013 proceeds for various improvements to the Municipality's sewer system.

MUNICIPALITY OF BETHEL PARK, PENNSYLVANIA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/program:	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>General Government:</u>										
Square footage occupied (1)	14,645	14,645	14,645	14,645	14,645	14,645	14,645	14,645	14,645	14,645
<u>Conservation and Development:</u>										
Square footage occupied (1)	200	200	200	200	200	200	200	200	200	200
<u>Public Works:</u>										
Municipal street (lane miles)	112	112	112	112	112	112	112	112	112	112
Sanitary sewers (miles)	208	208	208	208	193	193	193	193	193	193
Storm sewers (miles)	120	120	120	120	120	120	120	193	120	120
Square footage occupied - Municipal Building (1)	3,312	3,312	3,312	3,312	3,312	3,312	3,312	3,312	3,312	3,312
Square footage occupied - Public Works Complex	25,625	25,625	25,625	25,625	25,625	25,625	25,625	25,625	27,017	27,017
<u>Culture and Recreation:</u>										
Number of parks	14	14	14	14	14	14	14	14	14	14
Acreage of park land and open space	137	137	137	137	137	136	136	136	136	136
Recreation centers	1	1	1	1	1	1	1	1	1	1
Recreation center square footage	40,495	40,495	40,495	40,495	40,495	40,495	40,495	40,495	18,100	18,100
<u>Public Safety:</u>										
Square footage occupied (1)	7,047	7,047	7,047	7,047	7,047	7,047	7,047	7,047	7,047	7,047

(1) The reported square footage occupied is within the Bethel Park Municipal Building. In addition to the functions listed above, the Bethel Park Municipal Building is also partially occupied by the Bethel Park Library (16,931 sq. feet) and the Court of Common Pleas of Allegheny County (1,344 sq. feet).
The total square footage of the Bethel Park Municipal Building is 43,622.

Source: Municipality of Bethel Park