



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2020



Mt. Lebanon High School

Mt. Lebanon School District

Mt. Lebanon, Pennsylvania

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
Of
MT. LEBANON SCHOOL DISTRICT
Mt. Lebanon, Pennsylvania

Fiscal year ended
June 30, 2020

BOARD OF SCHOOL DIRECTORS

<u>Calendar 2019</u>	<u>Calendar 2020</u>
Michael J. Riemer, President	Sarah L. Olbrich, President
Sarah L. Olbrich, Vice President	Stephen J. Strotmeyer, Vice President
Hugh L. Beal	Hugh L. Beal
Elaine L. Cappucci	Elaine L. Cappucci
William L. Cooper	Aviva E. Diamond
Aviva E. Diamond	Valerie M. Fleisher
Alfonso Frioni	Justin D. Hackett
Lawrence M. Lebowitz	Michael J. Riemer
Stephen J. Strotmeyer	Jacob W. Wyland

Dr. Timothy J. Steinhauer, Superintendent
Report Issued by the School District's Finance Office
Robert F. Geletko, Director of Business

COMPLIANCE STATEMENT

The Mt. Lebanon School District continues its policy of non-discrimination on the basis of race, age, sex, religion, color, national origin, handicap or disability, as applicable in its educational programs, activities, or employment policies as required by Title IX of the 1972 Educational Amendments, Title VI of the Civil Rights Act of 1964, Section 504 Regulations of the Rehabilitation Act of 1973, the Americans with Disabilities Act and all other applicable state, federal and local law and ordinances.

For information regarding Title IX compliance, contact the High School Principal, Mt. Lebanon High School, 155 Cochran Road, Pittsburgh, PA 15228-1381, (412)344-2003. For information on section 504 compliance, contact the Facilities Director, Mt. Lebanon School District, 7 Horsman Drive, Pittsburgh, PA 15228-1107, (412) 344-2090. For information regarding the Americans with Disabilities Act, contact Human Resources, Mt. Lebanon School District, 7 Horsman Drive, Pittsburgh, PA 15228-1107, (412) 344-2080.

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Introductory Section



Jefferson Middle



Mellon Middle





Mt. Lebanon School District

7 Horsman Drive
Pittsburgh PA 15228-1107
(412) 344-2098

Office of the
Superintendent

CITIZENS OF MT. LEBANON:

December 1, 2020

The Comprehensive Annual Financial Report of Mt. Lebanon School District (School District) for the fiscal year ended June 30, 2020 is submitted herewith. This report was prepared by the School District's Finance Office. Responsibility for both the accuracy of the data presented and the completeness and fairness of presentation, including all disclosures, rests with the School District. We believe that the data is accurately presented in all material respects, that it is presented in a manner designed to fairly present the financial position and results of operations of the School District as measured by the financial activity of the various funds and that all disclosures necessary to enable a reader to gain the maximum understanding of the School District's financial affairs have been included. The report from the independent auditors is presented to provide their opinion on whether or not the statements fairly present the financial position of the School District on June 30, 2020. Their unmodified opinion testifies to that fact.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

AWARD FOR EXCELLENCE IN FINANCIAL REPORTING

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Mt. Lebanon School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019.

In order to be awarded a Certificate of Excellence, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to the program's standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Excellence is valid for a period of one year only. We believe our current report continues to conform to the programs' requirements, and we are submitting it to ASBO this year to determine its eligibility for another certificate for the year ended June 30, 2020.

THE REPORTING ENTITY AND ITS SERVICES

Mt. Lebanon School District is a primary government as determined within the criteria established by the Governmental Accounting Standards Board (GASB). The basic criterion for determining inclusion in the reporting entity is financial accountability and the nature and significance of the relationship.

The School District has examined its relationship with the Parkway West Area Career and Technical School and the South Central Area School. These schools were determined to be non-equity joint ventures of the

School District. The Municipality of Mt. Lebanon is a primary government by itself and is not a component unit of the School District.

Mt. Lebanon School District is a suburban public school district outside the city of Pittsburgh, Pennsylvania. The School District provides a comprehensive educational system from kindergarten through grade twelve, including regular instruction, special instruction and necessary support services.

Mt. Lebanon School District is governed by a nine-member elected School Board which establishes the budget and millage rate each year. There were 5,512 students in our educational system in 2018-19 who chose from a wide range of courses and offerings. Enrollment for 2019-20 is 5,531 with slightly growing enrollment projected over the next few years.

Between 1995 and 2017 all ten school buildings went through major renovations including the addition of air conditioning in all older facilities. While these renovations increased the District's debt over that time, no additional renovations are expected in the near future. During this period when many bonds were issued, the District was able to maintain its Moody's Aa1 bond rating which is indicative of the School Board's commitment to fiscal responsibility over many years.

BUDGETING

In Mt. Lebanon, budgeting is a year-round process. Planning begins in the summer when goals and objectives for the next budget year are established. These goals are communicated to all staff members in anticipation of the budget cycle.

The District presents and adopts only the required General Fund Budget per Public School Code. However, each February the Board of Directors adopts a Capital Projects List that addresses the District's commitment to its infrastructure needs. All other funds budgets are projected for management purposes only.

September marks the beginning of translating the planning process into monetary terms. Inventory, equipment and supply needs for the following school year are determined at each building based on census data. These needs are translated into specific bids as required by the Public School Code.

Review of budget requests occurs first at the building level by each principal, then by program supervisors responsible for specific areas of the budget. These requests are then translated into monetary terms in the form of detailed budgetary schedules.

The budget is presented to the community in its preliminary form during the month of January and in a proposed final form in April. Revisions are made in response to community desires communicated through public hearings and discussions. Final passage of the budget occurs at the May School Board meeting. The spending plan is closely monitored in the Finance Office after implementation on July 1. The budget is prepared on a basis consistent with Generally Accepted Accounting Principles.

The budget is controlled by responsibility centers within program areas, and is reviewed monthly in order to assure funding plans are being implemented properly. Budgetary control is established by function and object within the General Fund to monitor expenditures which cannot legally exceed appropriated amounts. The School District also maintains an encumbrance accounting system to assist with budgetary control. Purchase orders are accrued at year end.

INTERNAL CONTROLS

Internal controls within the School District are refined each year to provide reasonable, but not absolute, assurance regarding both the safeguarding of assets against loss from unauthorized use or disposition and

reliability of financial records. Changes in internal control recognize that the cost of control should not exceed the benefits likely to be derived. Cost and benefits are discussed both with the School Board and the independent auditors as changes become desirable. We believe that the School District's internal control within the accounting system adequately safeguards assets and provides reasonable assurance as to proper recording of financial activity.

COMMUNITY FACTS

Mt. Lebanon is a thriving suburb located six miles southwest of Pittsburgh. The 2010 Census indicates the Municipality's population is 33,137. This is an increase of 120 people compared to the 2000 Census. Mt. Lebanon is a full-service municipality and ranks as one of Western Pennsylvania's few suburban communities that has very healthy and traditional business districts, as well as providing the possibility of living in a home, within neighborhoods that have sidewalks and tree-lined streets.

Mt. Lebanon has consistently been considered one of the most desirable places to live in Pennsylvania and our real estate market reflects this sentiment. Since 2014, the average sale price of residential homes has increased 20.9%, with the average price of a residential property increasing 2.1% compared to the prior year. The housing stock is varied in style and price. In 2019, the average sale price was \$276,206 on 756 residential properties sold.

The commercial and business areas within the community are diverse and offer a prospective business a wealth of opportunity. There are small neighborhood commercial districts, a strong central and identifiable downtown area and mall-like developments. The area provides access to a regional market well in excess of one million persons. Mt. Lebanon is within minutes of world class cultural, educational, and recreational facilities and professional sports events. Mt. Lebanon is strategically located six miles southwest of the city of Pittsburgh. Pittsburgh has more than 100 universities and corporate centers and is one of the nation's leaders in research and development for software engineering, robotics, artificial intelligence, advanced materials and biomedicine.

Mt. Lebanon School District Awards

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

2019 Pittsburgh Business Times Guide to Western PA Schools

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

NICHE.COM Ranking

The Mt. Lebanon School District ranks at the top of the state and region in the 2019 Niche Rankings. Niche ranks the District # 15 in the country, #1 in the region and # 3 in PA. The Niche website rates schools across the state and nation using data from the U.S. Department of Education, surveys and reviews.

Mt. Lebanon School District Designated Best Community for Music Education

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

Mellon Middle School 2018-2019 Schools to Watch

Andrew W. Mellon Middle School was selected as one of three middle schools in Pennsylvania named PA Don Eichhorn Schools: "2018-2019 Schools to Watch" (PA STW) as part of a recognition program developed by the National Forum to Accelerate Middle-Grades Reform.

U.S. Department of Education Green Ribbon School

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

ASBO Meritorious Budget Award

The Association of School Business Officials International (ASBO) awarded the Mt. Lebanon School District with the Meritorious Budget Award (MBA) during the 2019-2020 budget year. The MBA promotes and recognizes excellence in school budget presentation and is conferred only to school districts whose budgets have undergone a rigorous review by financial professionals and have met or exceeded the program's stringent criteria. This is the 25th year in a row the District was selected for this award.

U.S. News and World Report 2018 Best High School Ranking

Mt. Lebanon High School was awarded a silver ranking in the 2018 U.S. News and World Report Best High School Ranking.

The Class of 2018 graduated 465 students with ninety-seven percent continuing to pursue full time or Armed Service education. The class of 2018 had 11 students selected as National Merit Semifinalists and 14 Commended.

COUNTY

Allegheny County provides the District with assessment information upon which we determine real estate tax rates and revenue. A county-wide reassessment occurred in 2012 which increased assessment on properties in our community effective in the 2014 fiscal year. These new assessments provided higher revenue per mill in 2014 and 2015. Further reassessments are not planned by the county at this time. An increase in real estate tax was due to a combination of millage increase in fiscal 2020 as well as an increased assessed value.

A change of methodology in collecting earned income taxes in fiscal 2013 from a local collection method to a county-wide method increased collections dramatically which continued into fiscal 2014. This was due primarily to the requirement of all employers to withhold EIT from employee paychecks regardless of their community of residence. This withholding requirement increased both the timeliness of collections as well as the number of people who paid their taxes. Collections in 2020 were -1.02% lower than the prior year which was in due to the impacts of the COVID-10 pandemic had on the economy and wages in the region.

STATE

The increase in total state subsidies was due to the state share of funding for their half of the retirement rate which increased from 33.43% of eligible salaries to 34.29% in this fiscal year. Gambling funds were sent to schools to offset resident property taxes. These funds had to be rebated to homeowners on a dollar for dollar basis as a reduction in their property tax bill. We anticipate these rebates to continue into the future.

Subsidies for basic education increased 1.93%, however, special education decreased 3.31% in fiscal 2020. While this is an inflationary increase, it does not come close to the rising cost of salaries and benefits

for our staff. In June of 2006, the Pennsylvania Legislature passed Special Session Act 1 limiting the ability of school districts to raise taxes beyond an Index which is an inflationary factor. This has a significant impact upon the ability of schools to raise taxes for their programming. Fortunately for our district these millage increase limits have been sufficient to fund programming needs. This law may become a limiting factor into the future.

FEDERAL

In fiscal 2020 federal funding reflects a decrease of 5.66% because of reduced allocations from the federal government. We expect to have minimal changes in fiscal 2021. Federal grants are not a significant source of funding for our schools.

MAJOR INITIATIVES

To remain competitive and maintain the School District's mission to provide the best education possible for each and every student, the School District includes funds to provide the appropriate curriculum, facilities and support services to our students.

Budget goals for this year were to provide an excellent education system in adequate facilities at a cost reasonable for all residents. The superintendent and administration were given the direction to prepare a budget which addresses the strategic plan goal areas and facility needs for maintenance with little or no millage increase. We were able to fund all programs that were in effect in fiscal 2020.

The 2020 General Fund Budget increased 3.7% with a millage increase of .47 mills needed to balance the \$102.6 million dollar funding plan. The reason a millage increase was necessary was the increases in salaries and benefits. Contribution rates to the retirement system (PSERS) have also moderated in their recent year increases helping keep our tax needs low. There was a 1.9% increase in health insurance rates which accounts for 9% of our expenditure budget. Staffing for fiscal 2020 reflected an increase from the addition of elementary counselors and an increased number of sabbaticals. All other cost areas were adequately budgeted with the exception of increased professional services that was paid for by a State Safety and Security Grant and the additional supplies needed to ensure the continuity of education during the mandatory pandemic shut-down. Payment of retiree healthcare costs came directly from the operating budget rather than allocating it from the OPEB Reserve. Our millage rate is 13th out of 42 schools in our county.

Major capital spending has been limited since the completion of the high school renovation and air conditioning projects. The Board continues to approve the necessary capital improvements to maintain our 5-year capital and preventative maintenance plan. Our only large project completed at our facilities was the resurfacing of the Stadium turf field and surrounding track at the high school site. This project was funded from reserves saved from many years of moderately underspending expenditures and over collecting revenues.

Charter School funding is not a significant portion of our budget. We only spend about \$450,000 each year for students enrolled in approved Cyber and Charter Schools in the area. We are required by law to pay for these students at state set tuition rates based on the cost of educating students enrolled in our programs. This small amount is due to the excellence in education we offer within our system.

FINANCIAL POLICIES WITH A SIGNIFICANT IMPACT ON THIS YEAR'S FINANCIAL STATEMENTS

The District is constantly following the market to assess the best time to refinance our outstanding bond issues, however, with changes to the tax code, the District is not able to advance refund our tax-exempt municipal bonds, unless they are issued as taxable bonds. This transaction would only take place if the

present value savings of a refunding would generate a 3% reduction. The District has now shifted its focus to funding improvements from the general fund as long as the action is beneficial to our schools and residents.

LONG TERM FINANCIAL PLANNING

The District's policy to maintain a General Fund unassigned fund balance of 6% of expenditures assures continued financial stability. The policy allows any excess funds allocated for transfer to the Capital Projects Fund for maintenance of our facilities. This policy has been amended for fiscal year 2021 to allow more monies to be available for Capital Projects. This provides the funds necessary to keep our facilities in excellent condition and limited the need to borrow money for small annual projects.

Also continuing this year are discussions with the School Board concerning GASB #75 Funding for Other Post-Employment Benefits (OPEB). An actuarial valuation of our benefit programs was complete and the need to set money aside for these benefits has become apparent. The School Board revised its policy to permit transfer of fund balances in excess of 6% to both the Capital Fund as well as to assign funds to be used to offset future OPEB obligations. This was established as an assignment of the General Fund fund balance, not as a Trust Fund. The Board set aside \$460,000 to pay for one-year of OPEB retiree healthcare payments which has been now in excess of 21 million. These OPEB reserved funds were not required to be used for this fiscal year since there were adequate funds remaining unspent in the General Fund to cover these costs. The Board continues to look at these reserves annually to assure we have adequate funds to pay these costs.

INDEPENDENT AUDIT

Mt. Lebanon School District engages independent certified public accountants to audit the School District's annual financial statements. The auditor's report on the fiscal 2020 financial statements is included in the financial section of this report, and complies with applicable guidelines.

ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Office. Each member has our sincere appreciation for contributions made in the preparation of this report.

Without the leadership and support of the School Board, preparation of this report would not have been possible.

Respectfully,



Robert F. Geletko
Director of Business

MT. LEBANON SCHOOL DISTRICT
LIST OF SCHOOL DISTRICT OFFICIALS

CENTRAL OFFICE ADMINISTRATORS

Timothy J. Steinhauer, Ed.D..... Superintendent
Marybeth D. Irvin, Ph.D. Assistant Superintendent of Elementary
Ronald P. Davis, Ed.D. Assistant Superintendent of Secondary
Cecile D. Bowman Director of Communications
Richard C. Marciniak, P.E. Director of Facilities/Project Manager
Robert F. Geletko Director of Business
Kathryn A. Devine..... Director of Human Resources
Christopher R. Stengel Director of Technology

BOARD OF SCHOOL DIRECTORS

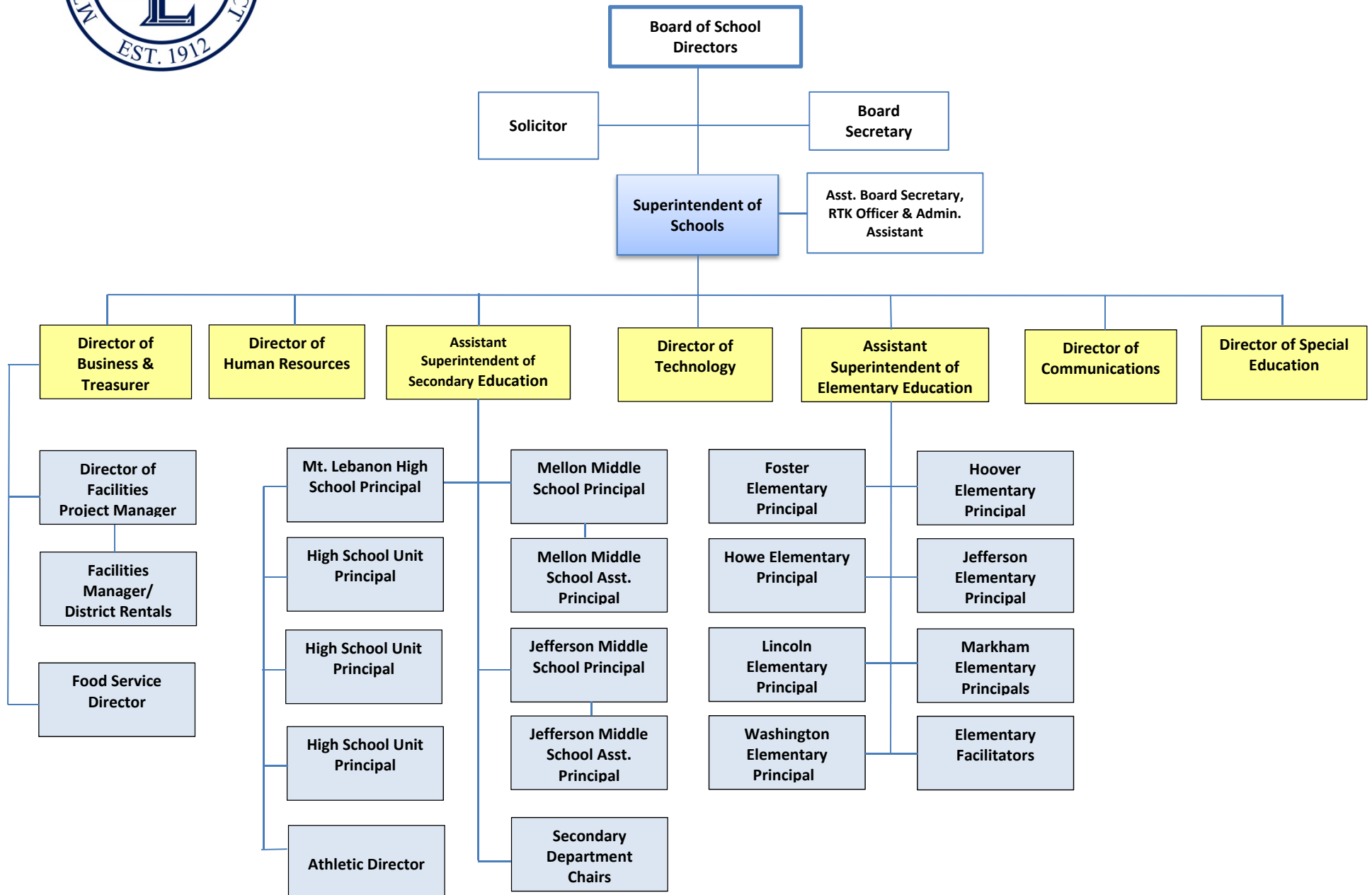
Sarah L. Olbrich..... President
Stephen J. Strotmeyer Vice President
Hugh L. Beal Director
Elaine L. Cappucci..... Director
Aviva E. Diamond Director
Valerie M. Fleisher Director
Justin D. Hackett..... Director
Michael J. Reimer Director
Jacob W. Wyland..... Director

OTHER BOARD SERVICES

Cecile D. Bowman Board Secretary
Thomas P. Peterson Solicitor
Robert F. Geletko Treasurer
Zelenkofske Axelrod LLC Independent Auditors
Kelly Insurance Insurance Agent



Mt. Lebanon School District





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Mt. Lebanon School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director





Financial Section



Mt. Lebanon High School





Zelenkofske Axelrod LLC

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Independent Auditor's Report

Members of the Board
Mt. Lebanon School District
Pittsburgh, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the MT. LEBANON SCHOOL DISTRICT as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the MT. LEBANON SCHOOL DISTRICT'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, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 for the MT. LEBANON SCHOOL DISTRICT as of June 30, 2020, and the respective changes in the financial position, and cash flows, where applicable, thereof for the year ended in conformity with the accounting principles generally accepted in the United States of America.

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Members of the Board
Mt. Lebanon School District
Page 2

Adoption of GASB Statements

As described in Note 1 to the financial statements, in 2020 the District adopted the provisions of Governmental Accounting Standards Board's Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 14, subsequent events may have a significant impact on the operations of the School District. Management has determined that it is not possible to predict the eventual outcome of the subsequent event. The accompanying financial statements do not include any adjustments related to the subsequent event. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – general fund, schedule of changes in the total OPEB liability and related ratios- retirees' health plans, schedule of the district's proportionate share of the net OPEB liability – PSERS plan, schedule of the district's OPEB contributions – PSERS plan, schedule of the district's proportionate share of the net pension liability – last 10 years, and schedule of the district's contributions – last 10 years information on pages 14 through 26 and 70 through 79 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise MT. LEBANON SCHOOL DISTRICT's financial statements as a whole. The Combining Fund Financial Statements and the Statement of Changes in Assets and Liabilities – All Agency Funds on pages 83 through 89 are presented for purposes of additional analysis and are not a required part of the financial statements.



Zelenkofske Axelrod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Members of the Board
Mt. Lebanon School District
Page 3

The Combining Fund Financial Statements and the Statement of Changes in Assets and Liabilities – All Agency Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2020 on our consideration of the MT. LEBANON SCHOOL DISTRICT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Zelenkofske Axelrod LLC

ZELENKOFSCHE AXELROD LLC

December 2, 2020
Pittsburgh, Pennsylvania

MANAGEMENT DISCUSSION AND ANALYSIS

JUNE 30, 2020

Our Management's Discussion and Analysis of Mt. Lebanon School District's (School District) financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2020. Please review this in conjunction with the School District's basic financial statements. The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*," issued June 1999. The intent of this Management's Discussion and Analysis is to look at the School District's financial performance as a whole.

FINANCIAL HIGHLIGHTS

Real Estate Tax is the main source of funding for the School District. This revenue source comprises 65% of total General Fund revenues and is the only revenue source over which the School Board (Board) has control. The tax revenue received from real estate tax increased from 2019 by \$1,430,358 or 2.20%. This increase was primarily the result of a .47 mill increase and a slight uptick in assessed value.

Earned Income Tax (EIT) is another major tax revenue source for the School District. This tax is the result of a half percent rate on income earned by residents. The tax is not applied to passive income such as investment earnings. Income from this source decreased from 2019 by \$83,617 or 1.0% which is consistent with wages around region due to the impact of COVID-19.

The final large tax revenue source for the School District is the Realty Transfer Tax, which taxes one half percent on the sale of homes in our community. The rates on both this tax and the Earned Income Tax rate are not able to be changed per State law. Homes in our community range from small starter homes which are attractive to young families, to expansive properties. This revenue source increased by \$19,347 in fiscal 2020 compared to fiscal 2019. This is the result of slowly rising home costs and moderate mortgage interest rates.

Interest rates on Federal Securities fell this year due to decreasing interest rates on investment securities and an active investment program. The General Fund had investment earnings of \$816,398 this year compared to \$1,057,423 the prior year.

State funding reflects an increase of \$2,464,556 or 11.6% from the prior year. There was a change in recording method for the State receivables in the categories of retirement and social security. In the past, these categories were estimated at fiscal year-end to include the summer pay to teachers in July and August. Going forward, these receivables will be recorded on the actual amount received from the State in August and September. There was a push and pull effect on the aforementioned categories with the 2017-2018 amounts being overstated and the 2018-2019 amounts being understated. This normalized with this year's financial statements.

The State funds half the cost of the Public School Employees' Retirement System (PSERS) costs. That rate increased .86% from 33.43% to 34.29% of the salary cost. While State revenue increased due to state funding of half this changing rate, please note that our expenditures for this program increased by over double that amount. The PSERS rate increase is expected to rise from 34.51% in fiscal year 2021 to over 36.30% in future years.

MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2020

In fiscal year 2004, the School Board took action to officially set the Unassigned Fund Balance at 6% of the subsequent year's expenditure budget, requiring funds in excess of this amount to be transferred to the Capital Fund or another School District Fund. This calculation created assignments of fund balance in fiscal 2020 totaling \$5,719,856. Of this amount, \$2,484,856 is to be transferred to the Capital Fund and \$460,000 is assigned for Other Postemployment Benefit (OPEB) contributions for healthcare for our retired staff. The OPEB assignment was not transferred to a trust fund, so the funds remain assigned in the General Fund. Passage of the 2020-2021 budget allocated \$2,775,000 to keep revenues in balance with expenditures. Therefore an assignment of that amount is also disclosed on the Balance Sheet. The Unassigned Fund Balance is \$5,286,255 or 5% of the fiscal 2020-2021 budget, the May 18, 2020 budget resolution made an exception to board policy DFAA to free up additional funds to accommodate the District's yearly capital investment in infrastructure, technology and textbooks.

Expenditure levels in all governmental funds increased from \$100,879,800 to \$106,455,659 from the prior year. We continue to see reductions in capital spending as all current projects from recent bond refinancing are winding down.

The cost increase in the General Fund is primarily due to the cost increase in the PSERS retirement program already discussed above as well as inflationary increases in salaries and operating costs.

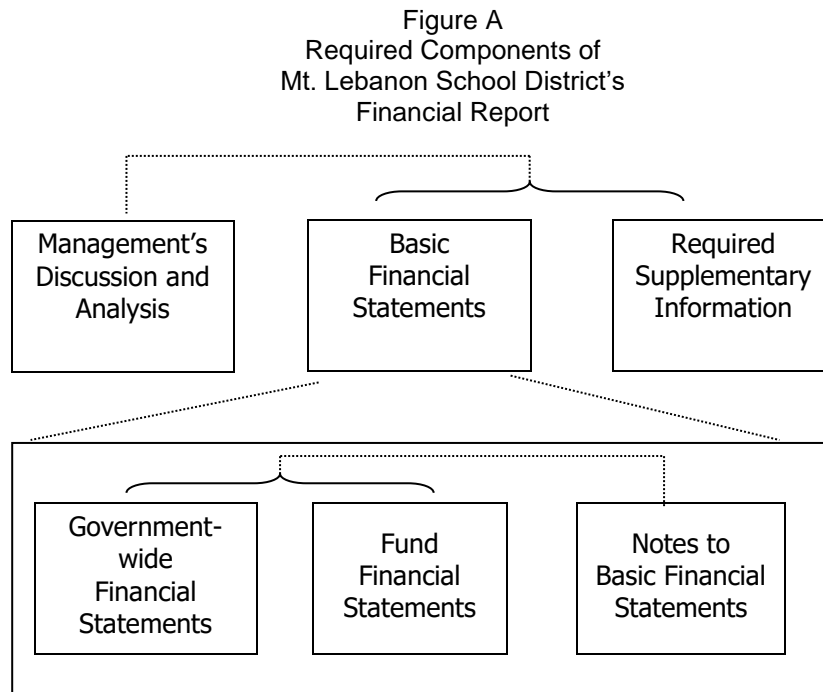
Other expenditures were typical of prior years and increased at inflationary levels in all areas. There was a \$2.4 million fund transfer to the Capital Fund as the Board funded the replacement of the artificial turf and track at the High School Stadium as well as the normal purchase of replacement textbooks, technology and infrastructure improvement throughout the District.

USING THE BASIC FINANCIAL STATEMENT REPORT

This Basic Financial Statement Report consists of the Management's Discussion and Analysis (this section), a series of financial statements and notes to those statements, and Required Supplementary Information. The Statement of Net Position and Statement of Activities, on pages 27 and 28, provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. Fund Financial Statements, which start on page 29, provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The Fund Financial Statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. For the School District, the General Fund is the most significant fund. The financial statements include notes that explain some of the information in the financial statements and provide more detailed data. Lastly, Required Supplementary Information is included on pages 70 through 78 to provide information regarding the School District's Pension and OPEB obligations.

MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2020

Figure A shows how the required parts of the Financial Report are arranged and relate to one another:



Reporting the School District as a Whole
Government-wide Statements

While the Fund Financial Statements beginning on page 29 contain the majority of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during Fiscal Year 2020?” The Statement of Net Position and the Statement of Activities answer this question.

The Government-wide Financial Statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government’s assets, liabilities, deferred inflows of resources, deferred outflows of resources, and net position. All of the current year’s revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two Government-wide Financial Statements report the School District’s net position and how it has changed. Net position (the difference between the School District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources), is one way to measure the School District’s financial health or position.

Over time, increases or decreases in the School District’s net position are an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the School District, you need to consider additional non-financial factors, such as changes in the School District’s property tax base and the performance of the students.

MANAGEMENT DISCUSSION AND ANALYSIS JUNE 30, 2020

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- **Governmental activities** – Most of the School District's basic services are included here, such as instructional services, support services, operation and maintenance of plant, student transportation services, and administration. Property taxes and state and federal subsidies and grants finance most of these activities.
- **Business-type activities** – The School District operates a food service program and charges fees to staff, students, and visitors to help cover the costs of the food service operation.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund Financial Statements, which begin on page 29, provide detailed information about the most significant funds – not the School District as a whole. Some funds are required by state law and by bond requirements.

Governmental funds – Most of the School District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reflected on reconciliations on pages 30 and 32.

Proprietary fund – This fund is used to account for the School District activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, changes in financial position, and a significant portion of funding through user charges. When the School District charges for services it provides – whether to outside customers or to other units in the School District – these services are generally reported in proprietary funds. The Food Service Fund is the School District's only proprietary fund and uses the same basis of accounting as business-type activities; therefore, these statements will essentially match.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The School District's total net position was (\$160,207,805) at June 30, 2020 and (\$153,849,825) at June 30, 2019. This represents a decrease in net position of \$6,357,980, indicating that the School District's overall financial position has regressed since fiscal year 2019.

MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2020

Tables 1A and 1B present a summary of the School District's Statements of Net Position on the following pages.

Table 1A
June 30, 2020

Net Position

	Governmental Activities	Business- type Activities	2020 Total
Current and other assets	\$ 30,891,800	\$ 95,561	\$ 30,987,361
Capital assets	140,998,161	120,256	141,118,417
Total Assets	<u>\$ 171,889,961</u>	<u>\$ 215,817</u>	<u>\$ 172,105,778</u>
Deferred outflows for pension/ OPEB	\$ 19,072,879	\$ 277,345	\$ 19,350,224
Deferred charge on refunding	1,467,327	-	1,467,327
Total Deferred Outflows	<u>\$ 20,540,206</u>	<u>\$ 277,345</u>	<u>\$ 20,817,551</u>
Current and other liabilities	\$ 19,080,232	\$ 17,961	\$ 19,098,193
Long-term liabilities:			
Due within one year	6,040,000	-	6,040,000
Due in more than one year	320,232,930	2,459,580	322,692,510
Total Liabilities	<u>\$ 345,353,162</u>	<u>\$ 2,477,541</u>	<u>\$ 347,830,703</u>
Deferred inflows for pension/ OPEB	\$ 5,225,401	\$ 75,030	\$ 5,300,431
Total Deferred Inflows	<u>\$ 5,225,401</u>	<u>\$ 75,030</u>	<u>\$ 5,300,431</u>
Net investment in capital assets	\$ 2,610,612	\$ 120,256	\$ 2,730,868
Restricted	3,150,598	-	3,150,598
Unrestricted	(163,909,606)	(2,179,665)	(166,089,271)
Total Net Position	<u><u>\$ (158,148,396)</u></u>	<u><u>\$ (2,059,409)</u></u>	<u><u>\$ (160,207,805)</u></u>

**MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Table 1B
June 30, 2019

Net Position

Current and other assets	\$ 34,718,268	\$ 130,671	\$ 34,848,939
Capital assets	150,705,553	722,500	151,428,053
Total Assets	<u>\$ 185,423,821</u>	<u>\$ 853,171</u>	<u>\$ 186,276,992</u>
Deferred outflows for pension	\$ 19,356,333	\$ 291,897	\$ 19,648,230
Deferred charge on refunding	1,614,020	-	1,614,020
Total Deferred Outflows	<u>20,970,353</u>	<u>291,897</u>	<u>21,262,250</u>
Current and other liabilities	\$ 17,916,423	\$ 19,427	\$ 17,935,850
Long-term liabilities:			
Due within one year	5,375,000	-	5,375,000
Due in more than one year	328,611,907	2,510,760	331,122,667
Total Liabilities	<u>\$ 351,903,330</u>	<u>\$ 2,530,187</u>	<u>\$ 354,433,517</u>
Deferred inflows for pension	\$ 4,083,010	\$ 58,116	\$ 4,141,126
Total Deferred Inflows	<u>\$ 4,083,010</u>	<u>\$ 58,116</u>	<u>\$ 4,141,126</u>
Net investment in capital assets	\$ 6,291,410	\$ 722,500	\$ 7,013,910
Restricted	1,175,584	-	1,175,584
Unrestricted	(157,059,120)	(2,165,735)	(159,224,855)
Total Net Position	<u>\$ (149,592,126)</u>	<u>\$ (1,443,235)</u>	<u>\$ (151,035,361)</u>

The results of this year's operations as a whole are reported in the Statement of Activities on page 28. All expenses are reported in the first column. Specific charges, grants, revenues, and subsidies that directly relate to specific expense categories are represented to determine the final amount of the School District's activities that are supported by other general revenues. The four largest general revenues are listed in Table 2.

Table 2
Fiscal Years Ended June 30, 2020 and 2019
General Revenue

	<u>2018-19</u>	<u>2019-20</u>	<u>Increase/ (Decrease)</u>	<u>%</u>
Real estate taxes	\$ 64,974,232	\$ 65,936,080	\$ 961,848	1.48%
Other taxes – mainly earned income taxes	9,146,107	9,116,000	-30,107	-0.33%
Grants and subsidies (mainly provided by the Commonwealth of Pennsylvania)	6,459,753	6,587,531	127,778	1.98%
State property tax reduction	1,703,975	1,708,020	4,045	0.24%

MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2020

The 2020 Government-wide Financial Statements offer a view of the financial condition of the School District on a consolidated basis. For example, investment earnings (Statement of Activities, page 28) not only include interest earnings in the General Fund, but also interest earnings in the Capital Fund and all other Governmental Funds.

Tables 3A and 3B, on the following pages, take the information from the Statement of Activities, rearranging it slightly, so you can see our total revenues and expenditures for the year as compared to last year.

Table 3A
Fiscal Year Ended June 30, 2020
Changes in Net Position

	Governmental Activities	Business- type Activities	2020 Total
Revenues:			
Program revenues:			
Charges for services	\$ 490,025	\$ 1,374,467	\$ 1,864,492
Operating grants and contributions	16,664,230	549,928	17,214,158
Capital grants and contributions	69,869	-	69,869
General revenues:			
Property taxes	65,936,080	-	65,936,080
Other taxes	9,116,000	-	9,116,000
Grants, subsidies, and contributions:			
Unrestricted	8,295,551	-	8,295,551
Investment Earnings	843,901	6,277	850,178
Other income	32,008	-	32,008
Total revenues	<u>101,447,664</u>	<u>1,930,672</u>	<u>103,378,336</u>
Expenses:			
Instructional services	\$ 64,515,193	\$ -	\$ 64,515,193
Pupil services	4,979,380	-	4,979,380
Instructional support services	2,061,043	-	2,061,043
Administration	6,492,803	-	6,492,803
Pupil health services	1,055,727	-	1,055,727
Financial services	1,702,258	-	1,702,258
Operation and maintenance of plant	12,486,321	-	12,486,321
Student transportation services	1,626,683	-	1,626,683
Other support services	1,898,259	-	1,898,259
Student activities	2,469,409	-	2,469,409
Community services	441,514	-	441,514
Intergovernmental:			
Special education	2,262,691	-	2,262,691
Other	659,515	-	659,515
Interest on long-term debt	5,051,505	-	5,051,505
Food services	-	2,034,015	2,034,015
Total expenses	<u>107,702,301</u>	<u>2,034,015</u>	<u>109,736,316</u>
Excess (deficiency) before transfers and loss on disposal of capital assets	(6,254,637)	(103,343)	(6,357,980)
Transfers	(69,601)	69,601	-
Change in net position	(6,324,238)	(33,742)	(6,357,980)
Net position:			
Beginning of year (as restated)	<u>(151,824,158)</u>	<u>(2,025,667)</u>	<u>(153,849,825)</u>
End of year	<u>\$ (158,148,396)</u>	<u>\$ (2,059,409)</u>	<u>\$ (160,207,805)</u>

MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2020

Table 3B
Fiscal Year Ended June 30, 2019
Changes in Net Position

	Governmental Activities	Business- type Activities	2019 Total
Revenues:			
Program revenues:			
Charges for services	\$ 709,356	\$ 1,682,535	\$ 2,391,891
Operating grants and contributions	14,562,574	588,163	15,150,737
Capital grants and contributions	14,596	-	14,596
General revenues:			
Property taxes	64,796,608	-	64,796,608
Other taxes	9,194,560	-	9,194,560
Grants, subsidies, and contributions:			
Unrestricted	8,163,728	-	8,163,728
Investment Earnings	1,150,430	11,887	1,162,317
Other income	217,388	-	217,388
Total revenues	<u>98,809,240</u>	<u>2,282,585</u>	<u>101,091,825</u>
Expenses:			
Instructional services	\$ 62,514,078	\$ -	\$ 62,514,078
Pupil services	4,711,558	-	4,711,558
Instructional support services	2,128,551	-	2,128,551
Administration	6,137,493	-	6,137,493
Pupil health services	1,057,057	-	1,057,057
Financial services	1,236,846	-	1,236,846
Operation and maintenance of plant	11,685,029	-	11,685,029
Student transportation services	1,521,733	-	1,521,733
Other support services	1,677,798	-	1,677,798
Student activities	2,432,201	-	2,432,201
Community services	454,233	-	454,233
Intergovernmental:			
Special education	2,561,545	-	2,561,545
Other	715,841	-	715,841
Interest on long-term debt	5,264,175	-	5,264,175
Food services	-	2,257,364	2,257,364
Total expenses	<u>104,098,138</u>	<u>2,257,364</u>	<u>106,355,502</u>
Excess (deficiency) before transfers and loss on disposal of capital assets	(5,288,898)	25,221	(5,263,677)
Transfers	(69,601)	69,601	-
Change in net position	(5,358,499)	94,822	(5,263,677)
Net position:			
Beginning of year	(144,233,627)	(1,538,057)	(145,771,684)
End of year	<u>\$ (149,592,126)</u>	<u>\$ (1,443,235)</u>	<u>\$ (151,035,361)</u>

MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2020

Table 4 shows the School District's functional areas as well as each program's net cost for governmental activities (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants, subsidies, and contributions to show the remaining financial needs supported by local taxes and other miscellaneous revenues.

Table 4
Fiscal Years Ended June 30, 2020 and 2019
Governmental Activities

	2020 Total Expense of Services	2020 Net Expense of Services	2019 Net Expense of Services
Functions/Programs:			
Instructional services	\$ 64,515,193	\$ 52,801,887	\$ 52,197,390
Pupil services	4,979,380	4,431,232	4,272,239
Instructional support services	2,061,043	1,854,780	1,946,101
Administration	6,492,803	5,836,416	5,603,950
Pupil health services	1,055,727	815,060	835,606
Financial services	1,702,258	1,620,509	1,165,108
Operation and maintenance of plant	12,486,321	11,681,208	11,008,586
Student transportation services	1,626,683	1,398,741	1,360,792
Other support services	1,898,259	1,779,250	1,579,870
Student activities	2,469,409	2,098,366	2,056,975
Community services	441,514	247,396	309,573
Intergovernmental:			
Special education	2,262,691	1,704,556	1,816,071
Other	659,515	659,515	715,841
Interest on long-term debt	5,051,505	3,549,261	3,943,510
Total government activities	<u>\$ 107,702,301</u>	<u>\$ 90,478,177</u>	<u>\$ 88,811,612</u>
 Less: Unrestricted grants, subsidies		 <u>8,295,551</u>	 <u>8,163,728</u>
 Total needs from local taxes and other revenues		 <u><u>\$ 82,182,626</u></u>	 <u><u>\$ 80,647,884</u></u>

The dependence upon tax revenues for governmental activities is apparent. The School District had expenses for governmental activities of \$107,702,301, while only \$490,025 has been provided from program specific charges, \$16,664,230 has been provided by the State and Federal Governments as operating grants, and \$69,869 has been provided by capital grants. The School District also received \$6,587,531 from the State for Basic Education expenses and \$1,708,020 for State Property Tax Reduction, which leaves \$82,182,626 of expenses required to be covered by tax assessments and other revenues. Approximately, 76 percent of School District activities are supported through taxes and other general revenues. The community, as a whole, is the primary support for School District students.

**MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Business-Type Activities

The only business-type activity of the School District is the Food Services operation. This program had operating revenues of \$1,374,467 and operating expenses of \$2,034,015 for fiscal year 2020. Non-operating revenues totaled \$556,205. Additionally, the School District transferred into the food services fund the cost charged for overhead, which totaled \$69,601. The Food Service program pays depreciation on all equipment in cafeterias purchased as part of recent renovations.

THE SCHOOL DISTRICT'S FUNDS

The General Fund, which accounts for the School District's operations, represents the School District's most significant major fund. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds on page 31 is summarized in Table 5.

Table 5
Fiscal Year Ended June 30, 2020
Summary of Governmental Change in Fund Balance

	Beginning Fund Balance	Net Change in Fund Balance	Ending Fund Balance
2020:			
General Fund	\$ 14,547,811	\$ (3,509,916)	\$ 11,037,895
Capital Fund	3,696,834	(1,121,597)	2,575,237
Debt Service Fund	-	-	-
Other Governmental Funds	108,548	22,427	130,975
2020 - Total Governmental Funds	<u>\$ 18,353,193</u>	<u>\$ (4,609,086)</u>	<u>\$ 13,744,107</u>
2019 - Total Governmental Funds	<u>\$ 20,315,730</u>	<u>\$ (1,962,537)</u>	<u>\$ 18,353,193</u>

The decrease in the General Fund Balance is due to the board's decision to transfer \$2,400,000 to the Capital Fund for Safety and Security Improvements and a change in reporting method of the Retirement and Medicare State subsidies. The decrease in fund balance in the Capital Fund is due to expenditures relating to the safety and security improvements, initial costs of the renovation of the new turf practice field and the District's continuing commitment to its 5-year capital improvement and technology plans. Other Governmental Funds reflects a reduction in fund balance as well, due in large part to the spending down of donations from previous years.

GENERAL FUND BUDGETING HIGHLIGHTS

The School District's General Fund budget is prepared according to Pennsylvania law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The only fund for which a budget is legally required is the General Fund.

During the fiscal year, the School Board authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the School District. The budgeting systems are designed to tightly control budgets by making administrators responsible for their individual budget areas. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided on page 70. The budget transfer amendments were primarily composed of a reclassification of intergovernmental expenditures.

**MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2020**

The General Fund net change in fund balance was a negative \$3,509,916.

Revenues were budgeted at \$101,625,872 while actual revenues were \$101,818,802 a net benefit of \$192,930. As stated above, real estate tax revenue was the largest part of this benefit due to favorable assessment appeals and an increasing interest rate earned on invested funds. These show up in these statements as additional revenue. State grants were also higher than the original budgeted projections since the District's budget is approved in advance of state and federal allocation approvals.

Expenditures were budgeted at \$91,390,154 while actual expenditures were \$91,693,699, resulting in a negative variance of \$303,545 (.33% more than budgeted). This spending level is very close to budget considering the size of our organization and the complexity of staffing for students which may arrive in the community beyond the date the budget must be approved. Strong business practices cause us to tighten spending when necessary to fund unknown costs by not replacing staff when possible and closely monitoring supply and service contracts. Healthcare costs were less than originally budgeted enabling us to fund the OPEB retiree healthcare payments in the General Fund rather than reducing the OPEB fund balance set up for that purpose. While many categories of spending were either up or down compared to the budget during the year, they are within typical parameters.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020, the School District's Governmental Activities had \$140,998,161 invested in a broad range of capital assets, including land, site improvements, buildings, equipment, and vehicles. This amount represents a net decrease (including additions, deletions, and depreciation) of about \$10 million from last year.

Table 6
Governmental Activities
Fiscal Years Ended June 30, 2020 and 2019
Capital Assets - Net of Depreciation (if applicable)

	2020	2019
Land	\$ 547,024	\$ 547,024
Buildings and Improvements	233,420,502	233,420,502
Furniture and Equipment	31,522,473	31,509,475
Accumulated Depreciation	(124,491,838)	(117,003,480)
Total (net)	<u>\$140,998,161</u>	<u>\$148,473,521</u>

For more detail of Capital Assets, please refer to the notes to basic financial statements, pages 50 and 51.

**MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Debt Administration

As of June 30, 2020, the School District had total outstanding bond principal of \$129,840,000. More detailed information about our long-term liabilities is included in the notes to basic financial statements beginning on page 52.

Table 7
Fiscal Years Ended June 30, 2020 and 2019
Long-Term Obligations

	<u>2020</u>	<u>2019</u>
General Obligation Bonds and Notes:		
2013 General Obligation Bonds	\$ 33,900,000	\$ 34,190,000
2015 General Obligation Bonds	43,740,000	47,040,000
2017 General Obligation Bonds	<u>52,200,000</u>	<u>53,985,000</u>
Total	<u>\$ 129,840,000</u>	<u>\$ 135,215,000</u>

NEXT YEAR'S BUDGETS AND RATES

The General Fund Budget for the 2021 year is \$3.1 million higher than the original budget for 2020. This represents a 3.0% increase in budgeted expenditures, most of which is due to salary and employee benefit cost increases. The largest increase is due to the increase in the PSERS retirement rate from 34.29% to 34.51% of salaries, a cost increase of 2.6% on top of salary increases. Salary increases are up 3.3%, which is partly due to the number of teachers who are making their way to the top of the salary scale and the additional counselors in each of our elementary buildings. The fiscal year 2021 budget saw debt service payments increase just over \$430,000, that trend will stop as the District refinanced the 2013 bonds that reduced the payments by as much as \$800,000 over the next 7 years.

There was no increase in Real Estate Tax revenue budgeted for 2021. The millage rate remains at 24.79 mills. This budget reflects our School District's millage rate at 12th of 42 school systems in Allegheny County.

The School Board approved a 2015 budget which balanced revenues and expenditures using \$750,000 of the growing fund balance to minimize raising taxes in the year after a county-wide reassessment. This practice increased for fiscal year 2020 as a use of \$1,000,000 of fund balances budgeted. In 2021 the board elected to use \$2,775,000 of fund balance with a zero millage increase in response to the COVID-19 Pandemic. As the PSERS retirement rate nears its anticipated peak we can focus on adjusting our millage rate to cover the PSERS rate at that time. The focus going forward will be to limit the use of fund balance to balance the budget by being prudent. By utilizing the fund balance to minimize the increase in tax rate in any one year, the School Board must now phase in the millage necessary to balance the tax rate. This is the most fiscally prudent method since Act 1 of 2006 does not permit more than an inflationary increase in tax rate from year to year.

**MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2020**

The comparison of revenues and expenditures categories is as follows:

Table 8 BUDGETED REVENUES				
	2020-21	2019-20	Increase/ (Decrease)	%
Local	\$ 78,035,067	\$ 76,410,803	\$ 1,624,264	2.13%
State	24,214,728	23,664,949	549,779	2.32%
Federal/Other	700,120	1,550,120	(850,000)	-54.83%
Use of Fund Balance	2,775,000	1,000,000	1,775,000	177.50%
Total	<u>\$ 105,724,915</u>	<u>\$ 102,625,872</u>	<u>\$ 3,099,043</u>	3.02%

BUDGETED EXPENDITURES				
	2020-21	2019-20	Increase/ (Decrease)	%
Instruction	\$ 62,965,583	\$ 58,290,889	\$ 4,674,694	8.02%
Support Services	28,318,731	30,443,894	(2,125,163)	-6.98%
Non-instruction/Community	2,772,732	2,655,371	117,361	4.42%
Fund Transfers/Debt	11,667,869	11,235,718	432,151	3.85%
Total	<u>\$ 105,724,915</u>	<u>\$ 102,625,872</u>	<u>\$ 3,099,043</u>	3.02%

Act 1 of 2006 limits the ability of school boards to raise millage rates above an inflationary index without asking the community to approve that budget via a voting referendum. This budget did not exceed the Index increase of 2.6% as the additional fund balance use and some saving in professional services enabled a reduction in costs to keep up with the index limitation.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors, and creditors with a general overview of the School District's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Robert Geletko, Director of Business, Mt. Lebanon School District, 7 Horsman Drive, Mt. Lebanon, PA 15228, 412-344-2098, rgeletko@mtlsd.net.

MT. LEBANON SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 22,347,509	\$ 303,208	\$ 22,650,717
Cash and cash equivalents- restricted	3,019,623	-	3,019,623
Property taxes receivable, net of allowance for uncollectible	541,898	-	541,898
Earned income taxes receivable	1,624,354	-	1,624,354
Intergovernmental receivable	2,740,151	1,169	2,741,320
Other receivables	180,509	748	181,257
Internal balances	220,474	(220,474)	-
Inventory	217,282	10,910	228,192
Capital assets:			
Non-depreciable	547,024	-	547,024
Depreciable (net)	140,451,137	120,256	140,571,393
Total Assets	\$ 171,889,961	\$ 215,817	\$ 172,105,778
Deferred Outflows of Resources			
Deferred outflows related to pensions	\$ 17,798,798	\$ 277,345	\$ 18,076,143
Deferred outflows related to OPEB	1,274,081	-	1,274,081
Deferred loss on refunding debt	1,467,327	-	1,467,327
Total deferred outflows of resources	\$ 20,540,206	\$ 277,345	\$ 20,817,551
Liabilities			
Current liabilities:			
Accounts payable	\$ 1,916,907	\$ 10,316	\$ 1,927,223
Accounts payable - restricted	748,239	-	748,239
Accrued payroll and payroll - related liabilities	14,271,736	-	14,271,736
Accrued interest payable	2,143,350	-	2,143,350
Unearned revenue	-	7,645	7,645
Current portions of long- term liabilities:			
Bonds and notes Payable	6,040,000	-	6,040,000
Non-current portions of long-term liabilities:			
Bonds and notes Payable	133,814,876	-	133,814,876
Other post employment benefits	24,071,902	-	24,071,902
Compensated absences	2,261,214	21,738	2,282,952
Net pension liability	160,084,938	2,437,842	162,522,780
Total Liabilities	345,353,162	2,477,541	347,830,703
Deferred Inflows of Resources			
Deferred inflows related to Pensions	4,927,046	75,030	5,002,076
Deferred inflows related to OPEB	298,355	-	298,355
Total deferred inflows of resources	5,225,401	75,030	5,300,431
Net Position			
Net investment in capital Assets	2,610,612	120,256	2,730,868
Restricted	3,150,598	-	3,150,598
Unrestricted	(163,909,606)	(2,179,665)	(166,089,271)
Total Net Position	\$ (158,148,396)	\$ (2,059,409)	\$ (160,207,805)

The accompanying notes are an integral part of the financial statements.

MT. LEBANON SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

					Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
		Program Revenues			Governmental	Business-Type	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Activities	Activities	Total
Primary Government:							
Governmental Activities:							
Instructional services	\$64,515,193	\$284,447	\$11,428,859	-	(\$52,801,887)	-	(\$52,801,887)
Pupil services	4,979,380	-	548,148	-	(4,431,232)	-	(\$4,431,232)
Instructional support services	2,061,043	-	206,263	-	(1,854,780)	-	(\$1,854,780)
Administration	6,492,803	-	656,387	-	(5,836,416)	-	(\$5,836,416)
Pupil health services	1,055,727	-	240,667	-	(815,060)	-	(\$815,060)
Financial services	1,702,258	-	81,749	-	(1,620,509)	-	(\$1,620,509)
Operation of maintenance of plant	12,486,321	-	805,113	-	(11,681,208)	-	(\$11,681,208)
Student transportation services	1,626,683	-	227,942	-	(1,398,741)	-	(\$1,398,741)
Other support services	1,898,259	-	119,009	-	(1,779,250)	-	(\$1,779,250)
Student activities	2,469,409	131,103	239,940	-	(2,098,366)	-	(\$2,098,366)
Community services	441,514	74,475	49,774	69,869	(247,396)	-	(\$247,396)
Intergovernmental:							
Special education	2,262,691	-	558,135	-	(1,704,556)	-	(\$1,704,556)
Other	659,515	-	-	-	(659,515)	-	(\$659,515)
Interest on long-Term Debt	5,051,505	-	1,502,244	-	(3,549,261)	-	(\$3,549,261)
Total Governmental Activities	107,702,301	490,025	16,664,230	69,869	(90,478,177)	-	(90,478,177)
Business-Type Activities:							
Food Service	2,034,015	1,374,467	549,928	-	-	(109,620)	(109,620)
Total Business-Type Activities	2,034,015	1,374,467	549,928	-	-	(109,620)	(109,620)
Total Primary Government	\$109,736,316	\$1,864,492	\$17,214,158	\$69,869	(\$90,478,177)	(\$109,620)	(\$90,587,797)
General Revenues:							
Taxes:							
Property					65,936,080	-	65,936,080
Earned income tax					8,050,963	-	8,050,963
Real estate transfer tax					956,615	-	956,615
Public utility realty tax					66,338	-	66,338
Local services tax revenue					42,084	-	42,084
Grants, subsidies, and contributions not restricted					6,587,531	-	6,587,531
State property tax reduction					1,708,020	-	1,708,020
Investment earnings					843,901	6,277	850,178
Other income					32,008	-	32,008
Transfers					(69,601)	69,601	-
Total General Revenues					84,153,939	75,878	84,229,817
Change in Net Position					(6,324,238)	(33,742)	(6,357,980)
Net Position - Beginning					(151,824,158)	(2,025,667)	(153,849,825)
Net Position - Ending					(\$158,148,396)	(\$2,059,409)	(\$160,207,805)

The accompanying notes are an integral part of the financial statements.

MT. LEBANON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Capital Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 22,212,994	\$ 2,908	\$ -	\$ 131,607	\$ 22,347,509
Cash and cash equivalents- restricted	-	3,019,623	-	-	3,019,623
Receivables:					
Property Taxes	541,898	-	-	-	541,898
Tuition	1,400	-	-	-	1,400
Federal and state government grants	2,740,151	-	-	-	2,740,151
Earned income taxes	1,624,354	-	-	-	1,624,354
Realty transfer taxes	178,550	-	-	-	178,550
Other	559	-	-	-	559
Due from other funds	105,027	115,447	-	-	220,474
Inventory	31,784	185,498	-	-	217,282
Total assets	\$ 27,436,717	\$ 3,323,476	\$ -	\$ 131,607	\$ 30,891,800
Liabilities					
Accounts payable	\$ 1,916,275	\$ -	\$ -	\$ 632	\$ 1,916,907
Accounts payable- restricted	-	748,239	-	-	748,239
Accrued payroll and payroll related liabilities	14,271,736	-	-	-	14,271,736
Total liabilities	16,188,011	748,239	-	632	16,936,882
Deferred Inflows of Resources					
Unavailable revenue - property taxes	210,811	-	-	-	210,811
Total Deferred Inflows of Resources	210,811	-	-	-	210,811
Fund Balances					
Nonspendable:					
Inventory	31,784	185,498	-	-	217,282
Restricted	-	3,019,623	-	130,975	3,150,598
Assigned to:					
Subsequent year's budget	2,775,000	-	-	-	2,775,000
Capital projects	2,484,856	-	-	-	2,484,856
OPEB obligations	460,000	-	-	-	460,000
Unassigned	5,286,255	(629,884)	-	-	4,656,371
Total fund balances	11,037,895	2,575,237	-	130,975	13,744,107
Total liabilities and fund balances	\$ 27,436,717	\$ 3,323,476	\$ -	\$ 131,607	\$ 30,891,800

The accompanying notes are an integral part of the financial statements.

MT. LEBANON SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances of governmental funds	\$	13,744,107
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$265,489,999 and the accumulated depreciation is \$124,491,838.		140,998,161
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Property taxes receivable will be collected, but are not available soon enough to pay for current year's expenditures, and therefore are deferred in the Governmental Funds.		210,811
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Long-term liabilities and related deferrals such as Debt, Accrued Interest, and Compensated Absences are not due and payable in the current period and accordingly are not reported as fund liabilities. Both current and long-term liabilities are reported in the Statement of Net Position.

Long-term Bonds and Notes Payable	\$	(129,840,000)	
Unamortized Loss on Debt Refundings		1,467,327	
Bond Issuance Costs		-	
Bond Discount		-	
Bond Premium		(10,014,876)	
Accrued interest		(2,143,350)	
Other Post Employment Benefits		(24,071,902)	
Deferred Outflows related to Pension and OPEB		19,072,879	
Deferred Inflows related to Pension and OPEB		(5,225,401)	
Net Pension Liability		(160,084,938)	
Compensated Absences		(2,261,214)	(313,101,475)

Total net position of governmental activities	\$	<u>(158,148,396)</u>
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The accompanying notes are an integral part of the financial statements.

MT. LEBANON SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Capital Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Local sources:					
Real estate tax and penalties	\$ 66,404,590	\$ -	\$ -	\$ -	\$ 66,404,590
Earned income tax	8,050,963	-	-	-	8,050,963
Realty transfer tax	956,615	-	-	-	956,615
Public utility tax	66,338	-	-	-	66,338
Investment earnings	816,398	25,767	-	1,736	843,901
Rental of facilities	23,997	-	-	-	23,997
Tuition from patrons	284,447	-	-	-	284,447
Gifts and grants	-	-	-	69,869	69,869
Other local sources, including IDEA funds	813,808	-	-	-	813,808
Total local sources	77,417,156	25,767	-	71,605	77,514,528
State sources:					
Basic education subsidies	6,587,531	-	-	-	6,587,531
Social Security/ retirement subsidies	9,965,942	-	-	-	9,965,942
Special education subsidies	2,715,783	-	-	-	2,715,783
Transportation subsidies	156,198	-	-	-	156,198
Property tax reduction allocation	1,708,020	-	-	-	1,708,020
Other state aid	2,540,283	-	-	-	2,540,283
Total state sources	23,673,757	-	-	-	23,673,757
Federal sources:					
Elementary and Secondary Education Act	413,600	-	-	-	413,600
Other federal grants	314,289	-	-	-	314,289
Total federal sources	727,889	-	-	-	727,889
Total Revenues	101,818,802	25,767	-	71,605	101,916,174
Expenditures					
Current:					
Instructional services	59,110,076	384,034	-	-	59,494,110
Pupil services	4,315,827	360,680	-	-	4,676,507
Instructional support services	1,926,763	-	-	-	1,926,763
Administration	6,070,322	-	-	-	6,070,322
Pupil health services	988,585	-	-	-	988,585
Financial services	1,582,641	-	-	-	1,582,641
Operation and maintenance of plant	8,926,893	2,702,071	-	-	11,628,964
Student transportation services	1,511,731	-	-	-	1,511,731
Other support services	1,630,388	89,494	-	47,689	1,767,571
Student activities	2,295,147	11,085	-	1,319	2,307,551
Community services	413,120	-	-	170	413,290
Intergovernmental:					
Special education	2,262,691	-	-	-	2,262,691
Other	659,515	-	-	-	659,515
Debt service:					
Principal	-	-	5,375,000	-	5,375,000
Interest	-	-	5,790,418	-	5,790,418
Total Expenditures	91,693,699	3,547,364	11,165,418	49,178	106,455,659
Excess (deficiency) of revenues over expenditures	10,125,103	(3,521,597)	(11,165,418)	22,427	(4,539,485)
Other financing sources (uses)					
Transfers in	-	2,400,000	11,165,418	-	13,565,418
Transfers out	(13,635,019)	-	-	-	(13,635,019)
Total other financing sources (uses)	(13,635,019)	2,400,000	11,165,418	-	(69,601)
Net change in fund balance	(3,509,916)	(1,121,597)	-	22,427	(4,609,086)
Fund balance, beginning of year	14,547,811	3,696,834	-	108,548	18,353,193
Fund balance, end of year	\$ 11,037,895	\$ 2,575,237	\$ -	\$ 130,975	\$ 13,744,107

The accompanying notes are an integral part of the financial statements.

MT. LEBANON SCHOOL DISTRICT
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
 FOR THE YEAR ENDED JUNE 30, 2020

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

Net Change in fund balances - total governmental funds	\$ (4,609,086)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital Outlays	12,998	
Depreciation Expense	<u>(7,488,358)</u>	(7,475,360)

Payments of long-term debt and certain expenditures of debt issuance are expensed when paid in the Governmental Funds, but are amortized or recorded as a reduction of long term liabilities in the Statement of Net Position.

Debt Principal Repayments	5,375,000	
Amortization of Bond Premiums	798,327	
Change in Accrued Interest	87,319	
Amortization of Deferred Refunding loss	(146,733)	
Change in Compensated Absences	<u>(110,241)</u>	6,003,672

Governmental funds do not report the changes in the Other Post Employment Benefit liability and related deferred inflows and outflows of resources:	(831,142)
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Governmental funds do not report the changes in the Pension liability and related deferred inflows and outflows of resources:	1,056,188
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Real estate taxes reported in the funds include receipt of prior year delinquent taxes and do not include revenue attributable to the current year's delinquent tax receivable. This amount is the net effect of these differences.

Current year	210,811	
Prior year	<u>(679,321)</u>	<u>(468,510)</u>

Changes in net position of governmental activities	<u>\$ (6,324,238)</u>
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The accompanying notes are an integral part of the financial statements.

MT. LEBANON SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2020

	Business-Type Activities - Enterprise Fund Food Service
<hr/>	
Assets	
<hr/>	
Current Assets:	
Cash and cash equivalents	\$ 303,208
Intergovernmental receivable	1,169
Other receivables	748
Inventories	10,910
	<hr/>
Total current assets	316,035
	<hr/>
Non-current Assets:	
Equipment, furniture, and fixtures	317,127
Less accumulated depreciation	(196,871)
	<hr/>
Total Non-current Assets	120,256
	<hr/>
Total Assets	\$ 436,291
	<hr/>
Deferred Outflows of Resources	
<hr/>	
Deferred outflows of resources for pension	277,345
	<hr/>
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Liabilities	
<hr/>	
Current liabilities:	
Accounts payable and other current liabilities	\$ 10,316
Due to other funds	220,474
Unearned revenue	7,645
	<hr/>
Total current liabilities	238,435
	<hr/>
Noncurrent liabilities:	
Compensated absences	21,738
Net pension liability	2,437,842
	<hr/>
Total noncurrent liabilities	2,459,580
	<hr/>
Total liabilities	2,698,015
	<hr/>
Deferred Inflows of Resources	
<hr/>	
Deferred inflows of resources for pension	75,030
	<hr/>
<hr/>	
Net Position	
<hr/>	
Net investment in capital assets	120,256
Unrestricted	(2,179,665)
	<hr/>
Total net position	\$ (2,059,409)
	<hr/>
Total Liabilities, deferred in flows, and Net Position	\$ 713,636
	<hr/>

The accompanying notes are an integral part of the financial statements.

MT. LEBANON SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Fund <u>Food Service</u>
Operating Revenues	
Sale of food	\$ 1,374,467
Total Operating Revenues	<u>1,374,467</u>
Operating Expenses	
Salaries and wages	652,773
Employee benefits	341,316
Food	891,173
Operation	80,414
Supplies	48,527
Depreciation	19,812
Total Operating Expenses	<u>2,034,015</u>
Operating Loss	<u>(659,548)</u>
Nonoperating Revenues (Expenses)	
Federal programs:	
Subsidies	306,382
Donated commodities	74,070
State subsidies	165,768
Local grants	3,708
Earnings on investments	6,277
Total Nonoperating Revenues (Expenses)	<u>556,205</u>
Loss before transfers	(103,343)
Transfers from other funds	<u>69,601</u>
Total other financing sources (uses)	<u>69,601</u>
Changes in Net Position	(33,742)
Net Position - Beginning of Year (as restated, Note 13)	<u>(2,025,667)</u>
Net Position - End of Year	<u><u>\$ (2,059,409)</u></u>

The accompanying notes are an integral part of the financial statements.

MT. LEBANON SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Fund Food Service
Cash flows from operating activities	
Cash received from customers	\$ 1,375,244
Cash paid to employees	(1,013,803)
Cash paid to suppliers	(943,222)
Net cash used in operating activities	(581,781)
Cash flows from non-capital financing activities	
Grants and subsidies received:	
State	165,768
Federal	316,222
Local	3,708
Transfer	(119,165)
Net cash provided by non-capital financing activities	366,533
Cash flows from capital and related financing activities	
Earnings on investments	6,277
Net cash provided by capital and related financing activities	6,277
Net decrease in cash and cash equivalents	(208,971)
Beginning cash and cash equivalents	512,179
Ending cash and cash equivalents	\$ 303,208
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (659,548)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	19,812
Pension expense	(16,389)
Donated commodities	74,070
(Increase) decrease in assets	
Inventories	5,065
Increase (decrease) in liabilities	
Accounts Payable	2,822
Unearned Revenue	(4,288)
Compensated Absences	(3,325)
Net cash used in operating activities	\$ (581,781)

The accompanying notes are an integral part of the financial statements.

MT. LEBANON SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	Private Purpose Trust Fund	Agency Funds
<u>Assets</u>		
Cash and cash equivalents	\$ 145,600	\$ 158,174
Total Assets	<u>145,600</u>	<u>158,174</u>
<u>Liabilities</u>		
Liabilities		
Due to student organizations	-	158,174
Total Liabilities	-	158,174
<u>Net Position</u>		
Held in trust for scholarships	145,600	-
Total Liabilities and Net Position	<u>\$ 145,600</u>	<u>\$ 158,174</u>

The accompanying notes are an integral part of the financial statements.

MT. LEBANON SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	Private Purpose Trust Fund
Additions:	
Contributions:	
Private donations	\$ 35,079
Investment earnings:	
Interest	1,642
	<hr/>
Total Additions	36,721
	<hr/>
Deductions:	
Education scholarships	27,466
	<hr/>
Total Deletions	27,466
	<hr/>
Change in Net Position	9,255
Net Position - Beginning of Year	136,345
	<hr/>
Net Position - End of Year	\$ 145,600
	<hr/>

The accompanying notes are an integral part of the financial statements.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mt. Lebanon School District (the "School District") is located in Allegheny County, Pennsylvania. The District's tax base consists of the Municipality of Mt. Lebanon.

The School District is governed by an elected nine-member Board of Directors (the "Board") who are residents of the District and who are elected every two years, on a staggered basis, for a four-year term.

The Board of Directors has the power and duty to establish, equip, furnish and maintain a sufficient number of elementary, secondary and other schools necessary to educate every person residing in such district between the ages of six and twenty-one years, who may attend.

In order to establish, enlarge, equip, furnish, operate and maintain any school herein provided, or to pay any school indebtedness, which the School District is required to pay, or to pay an indebtedness that may at any time hereafter be created by the School District. The Board is vested with all the necessary authority and power annually to levy and collect the necessary taxes required and granted by the legislature, in addition to the annual State appropriation, and are vested with all necessary power and authority to comply with and carry out any or all of the provisions of the Public School Code of 1949.

The financial statements of the School District have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles.

A.) Use of Estimates:

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

B.) Reporting Entity:

The School District is the basic level of government, which has financial accountability and control over all activities related to the public school education in the School District. The School District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the School District, is not included in any other governmental "reporting entity" as defined by the GASB pronouncements, since Board members are elected from the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in GASB Statement No. 61, which are included in the School District's reporting entity.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C.) Joint Venture:

The School District is one of twelve member school districts of the Parkway West Career & Technology Center (Parkway). Parkway, which provides vocational-technical education and training for high school students, is controlled and governed by the Joint Board, which is composed of School Board members from all of the member school districts. Direct oversight of Parkway's operations is the responsibility of the Joint Committee, which consists of one representative from each participating school district.

In addition, the School District is one of five members of the Pathfinder School (Pathfinder). Pathfinder, which provides special education and training programs for exceptional children, is controlled and governed by the South Central Area Special Schools Committee, which is composed of representatives from each participating school district. The School District's share of annual operating and capital costs for Parkway and Pathfinder fluctuates based on the percentage enrollment in the applicable school and are reflected as expenditures of the General Fund.

Amounts paid to Parkway and Pathfinder by the School District in the current fiscal year were approximately \$418,308 and \$122,692, respectively. The net current assets of the Parkway and Pathfinder Schools at June 30, 2020 are to be used to fund future year's operations and are not significant. Separate audited financial statements of the Parkway and Pathfinder Schools are available in the School District's business office.

D.) Fund Accounting:

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts, which are comprised of each fund's assets, liabilities, fund balance, revenues and expenditures or expenses as appropriate. Resources are allocated to and accounted for in the individual funds based on the purpose for which they are to be spent.

The School District uses the following funds:

GOVERNMENTAL FUNDS – These funds are used to account for most of the School District's finances. The measurement focus is on determination of the financial position and changes in financial position (current financial resources) rather than on income determination.

The School District reports the following major governmental funds:

1. General Fund – This is the general operating fund of the School District. All activities of the School District are accounted for through this major fund except for those required to be accounted for in another fund.
2. Capital Fund - This major fund is utilized to account for capital projects for a general nature with funding derived from bond proceeds or transfers from the General Fund.
3. Debt Service Fund - This major fund is used to account for the accumulation of resources for, and payment of, principal, interest, and other associated costs on long- term general obligation debt of governmental funds.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D.) Fund Accounting (Continued):

The School District reports the following other governmental funds:

1. Special Revenue Fund – This fund accounts for money donated from outside sources for playground or technology enhancements at various schools.
2. Capital Campaign Fund - This fund, a special revenue fund, accounts for money donated from outside sources through the Century of Excellence Campaign for the purpose of strengthening the School District's programs, including fine arts, athletics, and academics.

PROPRIETARY FUNDS – These funds account for School District activities that are similar to business operations in the private sector or where the reporting focus is on determining net income, financial position and changes in financial position (economic resources measurement focus).

1. Food Service Fund – This major fund is authorized under Section 504 of the Public School Code of 1949 to account for all revenues and expenses pertaining to cafeteria operations.

FIDUCIARY FUNDS – These funds are used to account for assets held by the School District as trustee or agent.

1. Private Purpose Trust Fund – This fund accounts for resources legally held in trust for use by the School District for scholarships. All resources of the fund, including any earnings on invested resources, may be used to support organization's activities. There is no requirement that any portion of these resources be preserved as capital.
2. Student Activities Fund – This fund is used to account for assets held by the School District in a trustee capacity for student activities. They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

E.) Basis of Presentation:

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 School District. As a general rule, the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E.) Basis of Presentation (Continued):

Fund financial statements are also provided in the report for all of the governmental funds, proprietary funds and the fiduciary funds of the School District. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Other governmental funds are aggregated and presented in a single column. The School District has two other governmental funds. Fiduciary funds are reported by fund type.

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 the Proprietary Fund's principal ongoing operations. The principal operating revenues of the School District's Enterprise Fund are food service charges. Operating expenses for the School District's Enterprise Fund include food production costs, supplies, administrative costs and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as non-operating revenues and expenses.

F.) Measurement Focus and Basis of Accounting:

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 the Fiduciary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net Position (total assets and deferred outflows less total liabilities and deferred inflows) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased Net Position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the Statement of Net Position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers tax revenue to be available if collected within sixty days of the end of the fiscal period. Revenue from federal, state, and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. 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 and claims and judgments, are recorded only when payment is due.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G.) Budgetary Data:

In accordance with Act 1, the District elected not to increase the real estate tax rate above the index established by the Pennsylvania Department of Education and, therefore, follows the procedures outlined below in establishing the budgetary data reflected in the basic financial statements:

1. Prior to May 31, the Board submits a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the General Fund.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The budget of the District is the approved spending plan of the District for the year and the Board is prohibited from obligating funds in excess of these amounts. The Board may, during any fiscal year, amend the budget by making additional appropriations or increase existing appropriations to meet emergencies. The funds shall be provided from unexpended balances in existing appropriations, from unappropriated revenues or from temporary loans.
5. Budgetary data is included in the District's management information system and is employed as a management control device during the year.
6. The budget for the General Fund is adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.
7. There were supplemental budgetary appropriations or amendments proposed or approved during the year.

Legal budgetary control is maintained by the District Board at the functional object level. Transfer between functional objects, whether between funds or within a fund or revisions that alters the total revenues and expenditures of any fund, must be approved by the District Board. Budget information in the Budgetary Comparison Schedule for the General Fund is presented at or below the legal level of budgetary control. Instruction expenditures exceeded the budgeted amount; however, these overages were absorbed by surpluses in other functions, revenues and fund balance.

Included in the General Fund budget are program budgets as prescribed by the state and federal agencies funding the program. These budgets are approved on a program basis by the state or federal funding agency.

H.) Cash and Cash Equivalents:

Cash and cash equivalents in the basic financial statements include all highly liquid investments with an original maturity of three months or less, and pooled funds investments subject to daily withdrawal.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.) Interfund Receivables/Payables:

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is 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."

J.) Accounts Receivable:

Accounts receivable are recorded at the invoiced amount. The District determines the allowance for doubtful accounts based on historical write-off experience. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

K.) Inventories and Prepaid Items:

Textbooks and educational software are recorded as instructional expenditures of the General Fund or the Capital Fund, as applicable, when consumed. An annual estimate of the year-end inventory cost value is made, approximating the first-in, first-out method of inventory valuation, which assumes a five- year average life and applies a value factor to purchases of textbooks and software over the last five years. The estimated cost is recorded as an inventory asset which an offsetting nonspendable fund balance.

Inventories of the Food Service Fund consisting of food and paper supplies are carried at cost, using the first-in, first-out method. Federal donated commodities are valued at their fair market value as determined by the U.S. Department of Agriculture at the date of donation.

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both government-wide and fund financial statements.

L.) Capital Assets:

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 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 acquisition value at the date of donation.

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. 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.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L.) Capital Assets (Continued):

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40 – 60
Public domain infrastructure	20
Vehicles (including buses)	8 – 15
Office furniture and fixtures	10 – 20
Equipment	6 – 20
Computer equipment	5
Food service equipment	15

M.) 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 in the applicable governmental activities or proprietary fund type Statement of Net Position. Bond premiums, discounts, and deferred charges on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources, while discounts on debt issuances are reported as other financial uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In both the fund and government- wide financial statements, issue costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

It is expected that the General Fund will continue to provide funds for the debt service payments.

N.) PSERS Net OPEB Liability:

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS' fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O.) Net Position/Fund Balances:

The government-wide and business-type activities fund financial statements utilize a net position presentation. Net positions are categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets:* This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position:* This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation
- *Unrestricted Net Position:* This category represents net position of the District, not restricted for any project or other purpose.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Non-spendable:* This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The School District has \$31,784 in non-spendable fund balance in the General Fund and \$185,498 in the Capital Fund as of June 30, 2020.
- *Restricted:* This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The School District had \$3,150,598 of restricted fund balance as of June 30, 2020. This classification includes funds that are legally restricted for construction costs, funds raised from outside parties to purchase playground equipment and technology, and funds raised for capital purchases through the Century of Excellence Campaign.
- *Committed:* This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School District currently does not have any committed funds.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O.) Net Position/Fund Balances (Continued):

- *Assigned:* This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. The School Board established a policy that General Fund amounts exceeding 6% of the next year's budgeted expenditures will either help pay for retiree healthcare obligations or be transferred to the Capital Fund for use in future capital projects, unless such funds exceed 8% of budgeted expenditures. If such funds exceed 8%, those funds in excess of 8% will be allocated at the Board's discretion. For Fiscal 2021 the policy was reduced to 5% of next year's budget to ensure the continued commitment to capital projects. The actual assignment is made by the School Board after the end of each year. This category also includes the residual balance in the Capital Fund. The School District had \$5,719,856 of assigned resources as of June 30, 2020.
- *Unassigned:* This classification represents all other funds not otherwise defined. The School District had \$4,656,371 of unassigned fund balance as of June 30, 2020.

If funds are available in more than one fund balance level, the School District's policy is to use funds in the order of the most restrictive to the least restrictive.

P.) Deferred Outflows /Inflows of Resources

The Statement of Net Position reports separate sections for deferred outflows and deferred inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources (expense/revenue) until then. The School District has four items that qualify for reporting in these categories: deferred outflows on refunding bonds, deferred outflows and inflows related to pensions, deferred outflows and inflows related to OPEB, and unavailable tax revenue.

In accordance with applicable guidance, the excess of the reacquisition price over the net carrying amount of refunded debt is recorded as a deferred outflow of resources on the statement of net position and amortized as a component of interest expense over the shorter of the term of the refunding issue or refunded bonds.

Deferred outflows and inflows of resources related to pensions are described further in Note 9. Annual changes to the net pension liability resulting from differences between expected and actual experience with regard to economic and demographic factors and from changes of assumptions about future economic or demographic factors or other inputs are deferred and amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits determined for the period during which the changes occurred. Differences between projected and actual earnings on pension plan investments are amortized over a closed five-year period.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P.) Deferred Outflows /Inflows of Resources (Continued)

In the governmental funds balance sheet, the School District has one additional type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable tax revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Q.) Adoption of Governmental Accounting Standards Board Statements

The School District adopted the provisions of GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". The adoption of this statement had no effect on previously reported amounts.

R.) Pending Changes in Accounting Principles

In January 2017, the GASB issued Statement No. 84 "Fiduciary Activities". The District is required to adopt Statement No. 84 for its fiscal year 2021 financial statements.

In June 2017, the GASB issued Statement No. 87, "Leases". The District is required to adopt Statement No. 87 for its fiscal year 2022 financial statements.

In June of 2018, the GASB issued Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". The District is required to adopt statement No. 89 for its fiscal year 2021 financial statements.

In August of 2018, the GASB issued Statement No. 90 "Majority Equity Interests (an Amendment of GASB Statements No. 14 and No. 61)". The District is required to adopt statement No. 90 for its fiscal year 2021 financial statements.

In May of 2019, the GASB issued Statement No. 91 "Conduit Debt Obligations". The District is required to adopt statement No. 91 for its fiscal year 2023 financial statements.

In January of 2020, the GASB issued Statement No. 92, "Omnibus 2020". The District is required to adopt the requirements related to Statement 87 immediate and the rest of the requirement for its fiscal year 2022 financial statements.

In March of 2020, the GASB issued statement No. 93, "Replacement of Interbank Offered Rates". The District is required to adopt Statement No. 93, except for paragraphs 13 and 14, for its fiscal year 2021 financial statements. The District is required to adopt the requirements in paragraph 13 and 14 for its fiscal year 2022 financial statements.

In March of 2020, the GASB issued statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The District is required to adopt Statement No. 94 for its 2023 financial statements.

In May of 2020, the GASB issued statement No. 95 "Postponement of the Effective Dates of Certain Authoritative Guidance". The requirements of this Statement are effective immediately.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R.) Pending Changes in Accounting Principles (Continued)

In May of 2020, the GASB issued statement No. 96 "Subscription-Based Information Technology Arrangements". The District is required to adopt Statement No. 96 for its fiscal year 2023 financial statements.

In June of 2020, the GASB issued statement No. 97 "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". The District is required to adopt paragraphs 4 and 5 of this Statement immediately. The District is required to adopt all other paragraphs for its fiscal year 2022 financial statements.

The School District has not yet completed the various analysis required to estimate the financial statement impact of these new pronouncements.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Under Section 440.1 of the Public School Code of 1949, as amended, the School District is permitted to invest funds in the following types of investments:

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision and (d) shares of an investment company registered under the Investment Company Act of 1940, provided that the instruments are those types of investments listed above, and the investment company is managed so as to maintain its shares at a constant net asset value and the investment company is rated in the highest category by a nationally recognized rating agency. Pursuant to Act 72 of the Pennsylvania State Legislature, a depository must pledge assets to secure state and municipal deposits. The pledged assets must at least be equal to the total amount of such assets required to secure all of the public deposits at the depository and may be on a pooled basis. Additionally, all such pledged assets must be delivered to a legal custodian.

Act 10 of 2016 broadened the scope of investment options for the School District with safeguard measures to protect those investments. The Act added high quality money market instruments including repurchase agreements, commercial paper, negotiable certificates of deposit and bankers' acceptances to the authorized list of investments. The School District elected to maintain its current investment policy due to the additional risk and oversight associated with the expanded investment options under Act 10.

The deposit and investment policy of the School District adheres to State statutes and prudent business practice. There were no deposits or investment transactions during the year that were in violation of either the State statutes or the policy of the District.

PSDLAF and PLGIT were established as common law trusts organized under laws of the Commonwealth of Pennsylvania. Shares of the funds are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools and municipalities. The purpose of these funds is to enable such governmental units to pool available funds

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

for investment in instruments authorized by Section 440.1 of the Pennsylvania Public School Code of 1949, as amended. The School District's deposits in these pooled funds are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. These investments are reflected as cash and cash

equivalents on the balance sheet. The fair value of the School District's position in the external investment pools 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. The School District can withdraw funds from most of its external investment pools without restriction. However, certain limitations can be placed on withdrawals from a few of its pooled accounts, including a provision that only permits withdrawals on a certain day of the week and restrictions related to the redemption of certificates of deposit.

Interest Rate Risk – The School District's investment policy does not place limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All of the School District's investments in PSDLAF and PLGIT have a maturity of one year or less.

Credit Risk – The School District's investment policy requires that investments be rated in the highest category by a nationally recognized rating agency. As of June 30, 2020, investments in PSDLAF and PLGIT have received an AAAm rating from Standard & Poor's.

Custodial Credit Risk – The School District's investment policy requires deposits exceeding FDIC limits be collateralized. At year-end, \$25,532,758 of the School District's \$25,782,758 bank balance for its deposits was not covered by the FDIC.

Concentration of Credit Risk – The School District's investment policy requires that investments are made with an investment company that is managed so as to maintain its shares at a constant net asset value in accordance with 17 CFR 270 2a-7 (relating to money market funds). This policy does not apply to the School District's investments in government securities and external investment pools. The School District's investments comply with this policy.

NOTE 3: REAL ESTATE TAXES RECEIVABLE

Assessed valuation of the School District is based upon 100% of market value, which is provided by Allegheny County. The municipal tax collector bills and collects property taxes on behalf of the School District. The District tax rate for the year ended June 30, 2020 was 24.79 mills (\$24.79 per \$1,000 of assessed valuation) as levied by the Board of School Directors.

The schedule for real estate taxes levied for each fiscal year is as follows:

June 1, 2019	Levy Date
Through July 31, 2019	2% Discount period
Through September 30, 2019	Face payment period
Beginning October 1, 2019	10% Penalty period
July 15, 2020	Lien filing date

The District, in accordance with U.S. generally accepted accounting principles, recognizes the delinquent and unpaid taxes receivable, reduced by an allowance for uncollectible taxes, as determined by management. A portion of the net amount estimated to be collectible, which was measurable and available within sixty days, was recognized as revenue and the balance deferred in the fund financial statements.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 3: REAL ESTATE TAXES RECEIVABLE (CONTINUED)

The School District's 2020 real estate taxes are based on assessed values established by the County of Allegheny's Bureau of Assessments. Assessed values of real property are generally 100% of the market value as determined by the Allegheny County Tax Assessment Office. The total 2019/2020 real estate taxes levied were \$68,320,019 based on a total School District assessed valuation of \$2,755,950,728. Allegheny County completed a countywide reassessment in early 2012. The reassessment increased overall assessments in the School District by approximately 25.1% from the May 2012 assessments used in the 2012-2013 budget. The School District estimated a reduced assessment of 4.5% for the outstanding appeals primarily due to the significant number of outstanding assessment appeals and appeals by commercial properties. As a result, in May 2013, the Board reduced real estate taxes by 4.52 mills or 20% for the 2013-2014 school year. There were many tax appeal hearings held during the 2013-2014 year and as of July 2014, the School District estimated about 250 outstanding appeals for an assessment value of over \$175 million. In accordance with Act 1's anti-windfall rules, the School District transferred \$1,000,000 of real estate taxes collected in 2013-2014 to a new liability account in order to address real estate tax refunds on the properties still in the appeal process. Future refunds for 2013-2014 will be charged against this liability account until the School District is confident that all substantial appeals have been settled. As of June 30, 2020, the balance of this account is less than \$100,000. Every year, the balance of this account, if any, will be reviewed with the Board as to future options.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Land	\$ 547,024	\$ -	\$ -	\$ 547,024
Total Capital Assets, Not Being Depreciated	547,024	-	-	547,024
Capital Assets, Being Depreciated:				
Buildings and Improvements	233,420,502	-	-	233,420,502
Equipment, furnitures, and fixtures	31,509,475	12,998	-	31,522,473
Total Capital Assets, Being Depreciated	264,929,977	12,998	-	264,942,975
Less Accumulated Depreciation For:				
Buildings and Improvements	(94,283,879)	(5,441,285)	-	(99,725,164)
Equipment, furnitures, and fixtures	(22,719,601)	(2,047,073)	-	(24,766,674)
Total Accumulated Depreciation	(117,003,480)	(7,488,358)	-	(124,491,838)
Total Capital Assets, Being Depreciated, Net	147,926,497	(7,475,360)	-	140,451,137
Governmental Activities Capital Assets, Net	\$ 148,473,521	\$ (7,475,360)	\$ -	\$ 140,998,161

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 4: CAPITAL ASSETS (CONTINUED)

BUSINESS TYPE ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated:				
Equipment	\$ 317,127	\$ -	\$ -	\$ 317,127
Total Capital Assets, Being Depreciated	317,127	-	-	317,127
Less Accumulated Depreciation	(177,059)	(19,812)	-	(196,871)
Total Capital Assets, Being Depreciated, Net	140,068	(19,812)	-	120,256
Business Type Activities Capital Assets, Net	\$ 140,068	\$ (19,812)	\$ -	\$ 120,256

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

Governmental Activities:

Instructional services	\$ 4,823,241
Pupil services	379,129
Instructional support services	156,204
Administration	492,126
Pupil health services	80,145
Financial services	128,306
Operation and maintenance of plant	942,770
Student transportation services	122,557
Other support services	143,299
Student activities	187,075
Community services	33,506

Total Depreciation Expense - Governmental Activities	<u>\$ 7,488,358</u>
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Business Type Activities:

Food services	<u>\$ 19,812</u>
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Total Depreciation Expense - Business Type Activities	<u>\$ 19,812</u>
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MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 5: LEASES

The School District has entered into non-cancelable operating leases for copiers, computers, and other equipment and software. Lease payments made during the fiscal year ended June 30, 2020 were approximately \$152,040.

The future minimum lease rental payments are as follows for the fiscal years ending June 30:

2021	156,000
2022	156,000
2023	156,000
	<u>\$ 468,000</u>

NOTE 6: LONG-TERM LIABILITIES OBLIGATIONS

Bonds Payable:

The government issues general obligation bonds/notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds/notes have been issued for government activities. General obligation bond/notes are direct general obligations of the School District. Principal and interest payments are backed by the full faith, credit, and taxing authority of the School District.

During fiscal year 2010, the School District issued \$69,000,000 of 2009 Series A General Obligation Bonds (2009 Series A Bonds) for the purpose of providing a portion of the funds for the School District's senior high school renovation project, to provide funds for various other capital projects throughout the School District, and to pay all costs and expenses incurred in connection with the issuance and sale of the 2009 Series A Bond. During fiscal year 2017, \$56,340,000 of the 2009 Series A Bonds were refunded, on an advance basis, with the issuance of the General Obligation Bonds, Series of 2016. At June 30, 2020 \$49,215,000 of the defeased bonds remain outstanding.

During fiscal year 2014, the School District issued \$34,745,000 of 2013 General Obligation Bonds (2013 Bonds) for the purpose of the completion of the renovations of the high school, various other capital improvements throughout the School District, and the payment of costs of issuing the bonds. The 2013 Bonds bear interest semi-annually at rates ranging from 3.00% to 5.00% and mature in fiscal year 2035.

During fiscal year 2016, the School District issued \$52,425,000 of 2015 General Obligation Bonds (2015 Bonds) for the purpose of refunding, on a current refunding basis, the 2005 Bonds, providing funds for various capital projects throughout the School District, and paying all costs and expenses incurred by the School District in connection with the issuance of the 2015 Bonds. The 2015 Bonds bear interest semi-annually at rates ranging from 3.00% to 5.00% and mature in fiscal year 2031.

During fiscal year 2017, the School District issued \$57,955,000 of 2017 General Obligation Bonds (2017 Bonds) for the purpose of refunding, on an advance basis, the 2009 Series A Bonds, providing funds for various capital projects throughout the School District, and paying all costs associated with the issuance of the 2017 Bonds. The funding was completed to reduce the School District's debt service payments over the next seventeen years by approximately \$3.840 million and to obtain an economic gain (difference between present values of old debt and new debt service payments) of approximately \$3.630 million. The 2017 Bonds bear interest semi-annually at rates ranging from 3.00% to 5.00% and mature in fiscal year 2034.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)

An analysis of debt service requirements to maturity for the governmental activities on these obligations follows (with the exception of the compensated absences, capital lease and postemployment benefit liability):

	Principal	Interest	Total Debt
<u>Governmental Activities</u>	<u>Requirements</u>	<u>Requirements</u>	<u>Service Requirements</u>
Year Ended June 30:			
2021	6,040,000	5,557,869	\$ 11,597,869
2022	6,890,000	5,259,069	12,149,069
2023	7,230,000	4,918,019	12,148,019
2024	7,590,000	4,556,519	12,146,519
2025	7,970,000	4,181,119	12,151,119
2026-2030	45,190,000	15,546,719	60,736,719
2031-2035	<u>48,930,000</u>	<u>6,408,357</u>	<u>55,338,357</u>
Total	<u>\$ 129,840,000</u>	<u>\$ 46,427,671</u>	<u>\$ 176,267,671</u>

Compensated Absences:

Compensated absences are comprised of accumulated unused sick days. The aggregate liability is \$2,282,952 as of June 30, 2020.

Under the current plan, the following is a summary of the items covered:

Teachers – Upon retirement with 15 years of service, are reimbursed for unused sick days at the rate of \$45 per day for days 1-75, \$50 per day for days 76-125, and \$55 per day for days 126 and beyond. The maximum payment is \$13,500.

Administrators – 10 years of service are entitled to \$100 per day for unused sick days up to a maximum payment of \$120,000. They are also paid a per diem for unused vacation days.

Clerical, Secretarial, and Personal Care Assistants – Union members with 12 years of service, up to 20 years of service, are entitled to reimbursement of unused sick days at the rate of \$30 per day with a maximum payout of \$4,000. Workers with 20 or more years of service are entitled to reimbursement of unused sick days at a rate of \$40 per day with a maximum payout of \$5,000. All unused vacation days are paid at a per diem rate.

Specialists and Administrative Assistants – 10 years of service are entitled to reimbursement of unused sick days at the rate of \$40 per day with a maximum payout of \$5,000. All unused vacation days are paid at a per diem rate.

Custodial and Maintenance workers – 12 years of service, up to 20 years of service, are entitled to reimbursement of unused sick days at the rate of \$30 per day with a maximum payout of \$4,000. Workers with 20 or more years of service are entitled to reimbursement of unused sick days at a rate of \$40 per day with a maximum payout of \$5,000. All unused vacation days are paid at a per diem rate.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)

A summary of changes in long-term debt obligations for 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities:</u>					
Bonds payable:					
General obligation bonds	\$ 135,215,000	\$ -	\$ (5,375,000)	\$ 129,840,000	\$ 6,040,000
Total bonds payable	135,215,000	-	(5,375,000)	129,840,000	6,040,000
<u>Other Liabilities:</u>					
Compensated absences	2,150,973	198,206	(87,965)	2,261,214	-
Other Postemployment Benefits	22,580,289	2,095,096	(603,483)	24,071,902	-
Net pension liability	163,227,442	-	(3,142,504)	160,084,938	-
Total Other Liabilities	187,958,704	2,293,302	(3,833,952)	186,418,054	-
Governmental Activities Long-Term Liabilities	\$ 323,173,704	\$ 2,293,302	\$ (9,208,952)	\$ 316,258,054	\$ 6,040,000
			Plus: unamortized premium	10,014,876	
			Total long term liabilities (net)	<u>\$ 326,272,930</u>	
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Business Type Activities:</u>					
<u>Other Liabilities:</u>					
Compensated absences	\$ 25,063	\$ (3,325)	\$ -	\$ 21,738	\$ -
Net pension liability	2,485,697	-	(47,855)	2,437,842	-
Total Other Liabilities	2,510,760	(3,325)	(47,855)	2,459,580	-
Governmental Activities Long-Term Liabilities	\$ 2,510,760	\$ (3,325)	\$ (47,855)	\$ 2,459,580	\$ -

NOTE 7: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The School District maintains insurance through an independent insurance carrier for these types of business losses. Settled claims for 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 fiscal year. Management believes the insurance coverage is sufficient to cover the School District against potential losses.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS

Plan Description:

The District administers a single-employer defined benefit healthcare plan (the "Retiree Health Plan"). The plan provides healthcare, prescription drug, dental and/or vision insurance, at various costs to the member and the District, for the life of the member or until the member is eligible for Medicare, depending on the terms of the contract when they retire, for eligible retirees and their spouses through the District's health insurance plan. The Retiree Health Plan covers both active and retired members.

Benefit provisions are established and may be amended through negotiation with the District and the unions representing the District's employees. The Retiree Health Plan does not issue a publicly available financial report.

Employees covered by benefit terms. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	31
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	627
Total	<u>658</u>

Funding Policy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75. The benefits are expensed when incurred and are financed on a pay-as-you-go basis. Retirees currently pay a portion of the monthly premium. The School District covers the balance of the premium not paid by the retiree. Retiree and dependent coverage, group plans, and costs to the retiree are subject to change. A spouse may be covered as a dependent until the death of the retiree; thereafter, they are eligible to continue coverage by paying 100% of the monthly insurance premium.

Total OPEB Liability. The District's total OPEB liability of \$16,683,253 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Discount Rate	2.75%
Healthcare cost trend rates	2.4% for 2017, and 5.0% from 2018 and later.
Mortality	RP- 2014 Mortality Table projected to improve with rates derived from the Long- Range Demographic Assumptions for the 2015 Social Security Administration's Trustee Report

The discount rate was based on the S & P Municipal Bond 20 Year High Grade Rate Index at June 30, 2020.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Changes in the total OPEB Liability.

The District's total OPEB liability has been measured as of June 30, 2020. The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, and by rolling forward the liabilities from the July 1, 2019 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The net OPEB liability is \$16,683,253, all of which is unfunded. As of June 30, 2020, the total OPEB liability of \$16,683,253 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position.

The District's change in its total OPEB liability for the year ended June 30, 2020 was as follows:

	Governmental Activities
Service cost	\$ 836,750
Interest	453,156
Changes of benefit terms	-
Differences between expected and actual experience	(110,194)
Changes of assumptions or other inputs	613,785
Benefit payments	(493,289)
Net change in total OPEB liability	1,300,208
Total OPEB liability - June 30, 2019	15,383,045
Total OPEB liability - June 30, 2020	<u>\$ 16,683,253</u>

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$850,766. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 98,345
Changes of assumptions or other inputs	547,787	-
	<u>\$ 547,787</u>	<u>\$ 98,345</u>

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The amount reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2021	\$ 54,149
2022	54,149
2023	54,149
2024	54,149
2025	54,149
Thereafter	<u>178,697</u>
Total	<u><u>\$ 449,442</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75 percent) or 1 percentage point higher (3.75 percent) than the current discount rate:

	1% Decrease 1.75%	Current Discount Rate 2.75%	1% Increase 3.75%
School's total OPEB liability	\$ 18,333,502	\$ 16,683,253	\$ 15,157,047

Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following shows presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point higher or 1 percentage point lower than the current healthcare cost trend rates:

	1% Decrease Between 1.4% to 4%	Healthcare Cost Trend Rate Between 2.4% to 5%	1% Increase Between 3.4% to 6%
School's total OPEB liability	\$ 14,429,675	\$ 16,683,253	\$ 19,373,621

Health Insurance Premium Assistance Plan

In addition, the Pennsylvania Public School Employees' Retirement System ("PSERS") provides a Health Insurance Premium Assistance Plan ("PSERS Plan"). The PSERS Plan is a governmental cost-sharing multi-employer postretirement benefits plan that provides premium assistance to eligible public school employees of the Commonwealth of Pennsylvania. Under the PSERS Plan, employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of premium assistance benefits for each succeeding year.

The administrative staff of PSERS administers the PSERS Plan. The control and management of PSERS, including the investment of its assets, is vested in the 15 member Board of Trustees (Board). The Commonwealth General Assembly has the authority to

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

amend the benefit terms of the PSERS Plan by passing a bill in the Senate and House of Representatives and sending the bills to the Governor for approval. PSERS issues a publicly available financial report that can be obtained at www.psers.state.pa.us.

Premium Assistance Eligibility Criteria

Retirees of the System can participate in the PSERS Plan if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of services and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program.

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2019 there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions. The school districts' contractually required contribution rate for fiscal year ended June 30, 2019 was 0.84% of covered payroll, an actuarially determined amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PSERS Plan from the District were \$413,523 for the year ended June 30, 2020.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows or Resources Related to OPEB:

At June 30, 2020, the District reported a liability of \$7,388,649 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2018 to June 30, 2019. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll of all School Districts in the PSERS Plan. At June 30, 2020, the District's proportion was 0.3452 percent, which was an increase of 0.0022 from its proportion measured as of June 30, 2019.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

For the year ended June 30, 2020, the District recognized OPEB expense of (\$211,029). At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,189	\$ -
Net difference between projected and actual investment earnings	7,934	-
Changes of assumptions	200,341	162,076
Changes in proportion	71,307	37,934
Contributions subsequent to the measurement date	413,523	-
	<hr/>	<hr/>
Total	\$ 726,294	\$ 200,010

\$413,523 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2021	\$ 5,910
2022	4,068
2023	2,426
2024	68,160
2025	32,197
	<hr/>
Total	\$ 112,761

Actuarial Assumptions. The total OPEB liability as of June 30, 2019 was determined by rolling forward the System's total OPEB liability as of the June 30, 2018 actuarial valuation to June 30, 2019 measurement date using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 2.79% - S&P 20 Year Municipal Bond Rate.
- Salary growth – Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit and seniority increases.
- Premium assistance reimbursement capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females adjusted to reflect PSERS' experience and projected using a modified version of the RP-2015 Mortality Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate pre age 65 at 50%.
 - Eligible retirees will elect to participate post age 65 at 70%.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2016 determined the employer contribution rate for fiscal year 2019.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality rates and retirement ages were based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 years for both males and females for healthy annuitants and for dependent beneficiaries. For disabled annuitants, the RP-2000 Combined Disabled Tables with age set back 7 years for males and 3 years for females for disabled annuitants. (A unisex table based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 years for both genders assuming the population consists of 25% males and 75% females is used to determine actuarial equivalent benefits).

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study that was performed for the five year the period ending June 30, 2015.

Investments consist primarily of short term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the Program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. The Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2019 were:

OPEB - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	13.2%	0.20%
US Core Fixed Income	83.1%	1.0%
Non - US Developed Fixed	3.7%	0.0%
	<u>100.0%</u>	

Discount rate. The discount rate used to measure the total OPEB liability was 2.79%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 2.79% which represents the S&P 20 year Municipal Bond Rate at June 30, 2019, was applied to all projected benefit payments to measure the total OPEB liability.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2019, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2019, 93,339 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2019, 780 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the District's Proportionate Share of the net OPEB liability as well as what the District's Proportionate Share of the net OPEB liability would be if it was calculated using health cost trends that are 1-percentage point lower or 1-percentage higher than the current rate:

		1% Decrease	Current Trend Rate	1% Increase
System net OPEB liability	\$	7,388,000	7,388,649	7,390,000

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate.

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.79 percent) or higher (3.79 percent) than the current discount rate:

		1% Decrease 1.79%	Current Discount Rate 2.79%	1% Increase 3.79%
School's proportionate share of the net OPEB liability	\$	8,417,000	7,388,649	6,536,000

OPEB plan fiduciary net position.

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at www.psers.pa.gov.

NOTE 9: EMPLOYEE RETIREMENT PLAN

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS' fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 9: EMPLOYEE RETIREMENT PLAN (CONTINUED)

and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension is primarily recorded as a governmental activity expected to be paid from the General Fund. The remaining portion is recorded in the Cafeteria Fund.

General Information about the Pension Plan:

Plan Description. PSERS is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.state.pa.us.

Benefits provided. PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes: Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2% of 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits. Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Contributions. The contribution policy is established in the Public School Employee's Retirement Code and requires contributions by active members, employers and the Commonwealth. Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Membership Class TC) or at 6.5% (Membership Class TD) of the member's qualifying compensation. Members who joined the System on or after July 22, 1983 and who were active or inactive as of July 1, 2001, contribute 6.25% (Membership Class TC) or at 7.5% (Membership Class TD) of the members qualifying compensation. Members who joined the System after June 30, 2001 and before June 1, 2011, contribute at 7.5% (automatic Membership Class TD).

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 9: EMPLOYEE RETIREMENT PLAN (CONTINUED)

For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002. Members who joined the System after June 30, 2011 automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute at 10.30% (base rate) of the member's qualifying compensation. Membership Class T-E and Class T-F are affected by a 'shared risk' provision in Act 120 of 2010 that in future years could cause the Membership Class T-E contribution rate to fluctuate between 7.50% and 9.50% and Membership Class T-F contribution rate to fluctuate between 10.3% and 12.30%.

Employer Contributions. Contributions required of employers are based upon an actuarial valuation. For fiscal year ended June 30, 2020, the rate of employer's contribution was 34.29% of covered payroll. The 34.29% is comprised of a pension contribution rate of 33.36% for pension benefits, 0.84% for healthcare insurance premium assistance and 0.09% act 5 employer contribution. Contributions to the pension plan from the District were \$16,724,154 for the year ended June 30, 2020. Approximately \$16.5 million was contributed by the General Fund and approximately \$0.2 million was contributed by the Cafeteria Fund.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows or Resources Related to Pensions:

At June 30, 2020, the District reported a liability of \$162,522,780 for its proportionate share of the net pension liability. Of this amount, \$2,437,842 is recorded in the Cafeteria Fund, as that is the portion that relates to the cafeteria employees. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2018 to June 30, 2019. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2019, the District's proportion was 0.3474 percent, which was a decrease of 0.0022 from its proportion measured as of June 30, 2018.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 9: EMPLOYEE RETIREMENT PLAN (CONTINUED)

For the year ended June 30, 2020, the District recognized pension expense of \$17,432,633, of which \$17,171,144 was recorded as a governmental activity and \$261,489 was recorded in the Cafeteria Fund. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience:		
Governmental activity	\$ 440,776	\$ 3,165,781
Business-type activity/ proprietary fund	6,712	48,210
Net difference between projected and actual investment earnings:		
Governmental activity	-	1,394,450
Business-type activity/ proprietary fund	-	21,235
Changes in proportion:		
Governmental activity	890,933	366,814
Business-type activity/ proprietary fund	13,568	5,586
District contributions subsequent to the measurement date:		
Governmental activity	16,467,089	-
Business-type activity/ proprietary fund	257,065	-
Total	<u>\$ 18,076,143</u>	<u>\$ 5,002,076</u>

\$16,724,154 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Governmental Activities	Business-type Activities/ Proprietary Fund
Year ended June 30:		
2021	\$ (2,524,604)	\$ (38,446)
2022	(1,353,269)	(20,608)
2023	282,537	4,304
	<u>\$ (3,595,336)</u>	<u>\$ (54,750)</u>

Actuarial Assumptions. The total pension liability as of June 30, 2019 was determined by rolling forward the System's total pension liability as of the June 30, 2018 actuarial valuation to June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal – level % of pay
Salary increases	5.00 percent, average, including inflation of 2.75 percent, and real wage growth and merit or seniority increases of 2.25%
Investment rate of return	7.25 percent, net of pension plan investment expense, includes inflation of 2.75%

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 9: EMPLOYEE RETIREMENT PLAN (CONTINUED)

Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back 3 years for both males and females to the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. For disabled annuitants the RP-2000 Combined Disabled Tables (male and female) with age set back 7 years for males and 3 years for females to the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

The actuarial assumptions used in the June 30, 2019 valuation were based on the experience study that was performed for the five-year period ending June 30, 2015. The recommended assumption changes based on this experience study were adopted by the Board at its June 10, 2016 Board meeting, and were effective beginning with the June 30, 2016 actuarial valuation.

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 pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	20.0%	5.6%
Fixed income	36.0%	1.9%
Commodities	8.0%	2.7%
Absolute return	10.0%	3.4%
Risk parity	10.0%	4.1%
Infrastructure/MLPs	8.0%	5.5%
Real estate	10.0%	4.1%
Alternative investments	15.0%	7.4%
Cash	3.0%	0.3%
Financing (LIBOR)	-20.0%	0.7%
	<u>100.0%</u>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2019.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. 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.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 9: EMPLOYEE RETIREMENT PLAN (CONTINUED)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25 percent) or 1-percentage point higher (8.25 percent) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
School's proportionate share of the net pension liability	\$ 202,440,000	\$ 162,522,780	\$ 128,723,000

Pension plan fiduciary net position. Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at www.psers.state.pa.us.

Act 5 of 2017. On June 12, 2017, the Commonwealth of Pennsylvania Act 5 of 2017 was signed into law. This legislation established a new hybrid defined benefit/defined contribution retirement benefit plan applicable to all school employees who become new members of PSERS on July 1, 2019 and thereafter. The three new plan options under Act 5 include two hybrid plans consisting of defined benefit and defined contribution components and a stand-alone defined contribution plan. The current stand-alone defined benefit plan is no longer available to new members after June 30, 2019.

NOTE 10: INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of Interfund Receivables, Payables, and Transfers at June 30, 2020:

	Due from	Due to
<u>Major Governmental Fund Types</u>		
General Fund	\$ 105,027	\$ -
Capital Fund	115,447	-
Total Governmental Fund Types	<u>220,474</u>	<u>-</u>
<u>Enterprise Fund</u>		
Food Service	-	220,474
Total Enterprise Fund	<u>-</u>	<u>220,474</u>
Total Internal Balances	<u>\$ 220,474</u>	<u>\$ 220,474</u>

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 10: INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

	<u>Transfer In</u>	<u>Transfer Out</u>
<u>Major Governmental Fund Types</u>		
General Fund	\$ -	\$ 13,635,019
Debt Service Fund	11,165,418	-
Capital Fund	2,400,000	
Total Governmental Fund Types	<u>13,565,418</u>	<u>13,635,019</u>
 <u>Enterprise Fund</u>		
Food Service	69,601	-
Total Enterprise Fund	<u>69,601</u>	<u>-</u>
 Total Transfers Balances	 <u>\$ 13,635,019</u>	 <u>\$ 13,635,019</u>

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

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.

Transfers are used to (1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, (2) provide funds from the General Fund to the Capital Projects Fund for capital improvements, and (3) provide operating support to the Cafeteria Fund.

NOTE 11: COMMITMENTS AND CONTINGENCIES

The School District is involved in claims and lawsuits incidental to its operations. In the opinion of the Administration, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the School District.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the state and federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

There is an ongoing appeal process through which a taxpayer may contest the assessed value of their property. This process could result in reductions in tax revenues and refunds of taxes previously collected. Various appeals are outstanding at June 30, 2020. The ultimate outcome of these appeals is uncertain.

MT. LEBANON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 12: HEALTH INSURANCE CONSORTIUM

The School District is one of fifty-two members of the Allegheny County Schools Health Insurance Consortium (Consortium) which purchases health benefits on behalf of participating public school districts. The School District is billed monthly based on employee count and coverage information at rates established by the Consortium at the beginning of each fiscal year. As the Consortium is self-insured, rates are established with the objective of satisfying estimated claims and other costs, as well as maintaining working capital requirements. The School District paid approximately \$10.7 million to the Consortium during fiscal year 2020.

Participating school districts are permitted to withdraw from the Consortium under terms specified in the agreement. Withdrawing participants are entitled to or responsible for a proportionate share of the Consortium net assets or deficiency in net assets, respectively, as determined on the fiscal year-end date after withdrawal. As of June 30, 2020, the Consortium had net assets of approximately \$75.5 million, of which approximately \$2.6 million is attributable to the School District.

NOTE 13: RESTATEMENT

During the 2020 year the School District restated Capital Assets to reflect Capital Asset inventory prepared by an independent company. The following restatement was necessary to reflect the overstatement in the Capital Assets beginning balance due to various reclassifications:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Net position, beginning balance of year as previously stated	\$ (149,592,126)	\$ (1,443,235)
Overstatement of Capital Assets	(2,232,032)	(582,432)
	<hr/>	<hr/>
Net position, beginning balance of year as restated	<u>\$ (151,824,158)</u>	<u>\$ (2,025,667)</u>

NOTE 14: SUBSEQUENT EVENTS

Subsequent to year end, a global pandemic due to the spread of the COVID-19 coronavirus caused the United States government to declare a national emergency. The pandemic has led to widespread voluntary and government-mandated closings of local stores and businesses, which has resulted in significant job losses. These job losses have the potential to have a significant impact on all aspects of the District's operations. In addition, due to the temporary closure of all businesses that are not deemed life sustaining, State and Federal tax revenues are also significantly decreased. This decrease could result in less grant money that is relied upon by counties, school districts, and local municipalities to fund specific projects. In addition, the District's own source revenue or derived revenues could be affected negatively. Overall, decreased funding and increased costs could result in the District having to curtail or eliminate some services.

Additionally, subsequent to year end the District issued General Obligation Bonds Series 2020 in the amount of \$37,535,000. The General Obligation Bonds Series 2020 will be used to advance refund the General Obligation Bonds, Series 2013, as well as to pay the costs and expenses incurred in connection with the issuance and sale of the bonds.

REQUIRED SUPPLEMENTARY INFORMATION

MT. LEBANON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Local sources:				
Real estate tax and penalties	\$ 65,811,120	\$ 65,811,120	\$ 66,404,590	\$ 593,470
Earned income tax	8,161,114	8,161,114	8,050,963	(110,151)
Realty transfer tax	850,000	850,000	956,615	106,615
Public utility tax	80,000	80,000	66,338	(13,662)
Investment earnings	878,569	878,569	816,398	(62,171)
Rental of facilities	26,500	26,500	23,997	(2,503)
Tuition from patrons	405,000	430,000	284,447	(145,553)
Other local sources	143,500	173,500	813,808	640,308
Total local sources	76,355,803	76,410,803	77,417,156	1,006,353
State sources:				
Basic education subsidies	6,567,060	6,567,060	6,587,531	20,471
Social Security/ retirement subsidies	10,396,122	10,396,122	9,965,942	(430,180)
Special education subsidies	2,881,129	2,881,129	2,715,783	(165,346)
Medical, dental, and nurse care	100,000	100,000	-	(100,000)
Transportation subsidies	150,000	150,000	156,198	6,198
Property tax reduction allocation	1,708,020	1,708,020	1,708,020	-
Other state aid	1,852,618	1,862,618	2,540,283	677,665
Total state sources	23,654,949	23,664,949	23,673,757	8,808
Federal sources:				
Elementary and Secondary Education Act	125,379	450,120	413,600	(36,520)
Other federal grants	250,000	1,100,000	314,289	(785,711)
Total federal sources	375,379	1,550,120	727,889	(822,231)
Total Revenues	100,386,131	101,625,872	101,818,802	192,930
Expenditures				
Current:				
Instructional services	60,995,178	59,136,987	59,110,076	26,911
Pupil services	4,293,582	4,333,952	4,315,827	18,125
Instructional support services	2,313,897	1,931,637	1,926,763	4,874
Administration	6,086,365	6,075,893	6,070,322	5,571
Pupil health services	977,180	998,450	988,585	9,865
Financial services	1,025,085	971,885	959,535	12,350
Operation and maintenance of plant	9,997,466	9,118,009	9,549,999	(431,990)
Student transportation services	1,630,940	1,512,650	1,511,731	919
Other support services	1,415,090	1,646,090	1,630,388	15,702
Student activities	2,254,583	2,309,453	2,295,147	14,306
Community services	400,788	424,288	413,120	11,168
Intergovernmental:				
Special education	-	2,262,691	2,262,691	-
Other	-	668,169	659,515	8,654
Total Expenditures	91,390,154	91,390,154	91,693,699	(303,545)
Excess (deficiency) of revenues over expenditures	8,995,977	10,235,718	10,125,103	(110,615)
Other financing sources (uses)				
Transfers out	(11,235,718)	(11,235,718)	(13,635,019)	(2,399,301)
Budgetary Reserve	1,000,000	1,000,000	-	1,000,000
Total other financing sources (uses)	(10,235,718)	(10,235,718)	(13,635,019)	(1,399,301)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (1,239,741)	\$ -	\$ (3,509,916)	\$ (1,509,916)

**Mt. Lebanon School District
2019-2020 Budget**

POLICIES AND PRACTICES

BUDGET DEVELOPMENT - GENERAL FUND

Development of this budget began in the Spring of 2017 when the strategic plan was being reviewed to help with goal setting for the upcoming school year. These goals were communicated through the Board and administrative staff and eventually translated into forecasts of the future in terms of enrollment, staffing, facilities, and finance. The assumptions and goals which were quantified became the guidelines for the development of the 2019-20 Budget.

Having established guidelines, program areas or departments began to develop specific budgetary requests within those guidelines to fund the next school year's needs and special enhancements to the program were reviewed through administrators responsible for strategic plan implementation.

Budget development was a decentralized process which took each instructional program area of the district and projected costs to run that portion of the program. Each course offering at the secondary level had to meet state curriculum requirements, as well as have a minimum student enrollment of twenty. Sections of classes below the minimum required Board review to be funded in the budget. Salary costs were determined by the union contracts. Supplies and replacement equipment were based on program needs.

Any program cost which was new or equipment purchase which changed the nature of the course being offered had to be designated as a 'Program Change Proposal' (PCP) (also called a program enhancement) and segregated in the budget. These items were evaluated in relationship to strategic plan goals and only those items meeting the needs of strategic plan initiatives were recommended for funding. Segregating these costs allowed the Board and the community the opportunity to quickly identify the unusual items in the budget and to assess their impact on the program.

In January, 2019, the School Board approved the accelerated budget opt-out resolution which detailed the District's desire not-to-exceed the Act 1 Index. This resolution was not-to-exceed the Act 1 Index of 2.3% or the millage equivalent of 24.89 mills. The Board did not have to raise taxes to the maximum level in the Final Budget as a millage rate of 24.79 along with a use of \$1M in fund balance was used to balance the budget.

Public hearings were held with the School Board and televised so residents could consider the budget offerings. Use of the District's website kept residents informed on the budget progress. A preliminary budget was approved in April, 2019 as was required by State law. Board meetings were televised for community members unable to attend. The final budget was approved by the Board on May 20, 2019.

BUDGET DEVELOPMENT - CAPITAL PROJECTS FUND

The Capital Projects Fund Budget was developed earlier than the General Fund Budget. Building principals reviewed the needs of their individual buildings and met with the Director of Facilities to discuss solutions and priorities of projects. These needs were prioritized from a district-wide perspective and placed on a list. In prior years this list was not approved by the Board until May, causing us to lose valuable time in aligning bids and contractors for summer construction. We moved the timeline up and now the Board reviews and approves the list in February, enabling us to draft specifications for our projects well in advance of the construction season. This timeline revision benefits the District through better bid competition and reduced quotes on capital projects. This budget is not legally required and is revised during the year. This is evidenced by the budget for textbooks and equipment which is added in May once the instructional budget is better defined.

**Mt. Lebanon School District
2019-2020 Budget**

**POLICIES AND PRACTICES
(Continued)**

BUDGET DEVELOPMENT - FOOD SERVICE FUND

The budget for the Food Service Fund is presented by the food service department management staff to the administration for review and revision. Since the food service operation must be self-supporting, prices of student lunches, a-la-carte costs and marketing plans must cover all anticipated costs of operations. If this will not occur at the current level of operation, then strategies to overcome the problem are developed prior to Board approval of the budget. Over the past years, we decided to increase the nutritional value of the food offered to the students and provide a greater variety of monthly food offerings. The price of our meal plan will increase to \$2.65 for 2019-20 at the secondary level and increase to \$2.50 at the elementary schools, up 5 cents each. Due to the success of these changes, we will continue these practices into this budget year. The new budget projects a profit which is planned to be used to replace old, unusable equipment and to finish paying for the replacement of the high school kitchen equipment upgraded during the recent high school renovation.

BUDGET DEVELOPMENT - OTHER FUNDS

The budgets for the Special Revenue and Trust and Agency Funds are based on the prior year's activities and are not approved by the Board. They are estimated by the administration at the time of budget development.

The Debt Service Fund Budget is based on known bond issues and projections of new issues when realistic. Funds were included in this year's budget for all bond payments. Funds, when needed, either come from an appropriation of the General Fund, or from the proceeds of refinanced bonds as may be approved by the Board. Refinancing the Elementary School Renovation Bonds eliminated the need for a millage increase due to debt service in 2016-17, and the refinancing of the first High School Project Bonds eliminated the need for a millage increase in the 2017-18 Budget. While debt payments remain low due to these earlier refinancings, annual increases in debt over the next few years will have to be accommodated into budget projections.

BUDGET MANAGEMENT

All budgets are managed through a decentralized accounting system where over 3,600 accounts are distributed between 24 administrators and supervisors having budget responsibility. These staff members receive print-outs from the finance office at least monthly to update them on the financial position of each of their accounts. It is their decision as to which items merit purchase and inclusion in budget requests. Budget reductions, when necessary, are prioritized by these staff and then further by the central office administrative staff. The administrative staff maintains effective control over the District's assets as evidenced at the end of each of the past five years, when budget accounts have gone under spent in many categories thus adding to a growing fund balance in the General Fund.

COMMUNITY INPUT

This District enjoys numerous opportunities to meet with community groups through informal discussion forums on specific topics and Ad Hoc resident advisory committees established for special purposes. This interaction not only provides the Board and administration with a finger on the pulse of changing community values and needs, but also expands the "expert" advice available before decisions are made.

**Mt. Lebanon School District
2019-2020 Budget**

**POLICIES AND PRACTICES
(Continued)**

LEGAL REQUIREMENTS

The Commonwealth of Pennsylvania requires all school districts to prepare budgets for their General Funds which account for the day-to-day operations of the school district. The budgets are prepared in accordance with Generally Accepted Accounting Principles, and accounting during the year must also meet these standards. Budgets must be approved by June 30 for the fiscal year beginning July 1, and ending June 30 the subsequent year. Expenditures cannot exceed the budget by function and object during the fiscal year without board approval. Expenditures may not exceed the total appropriated expenditure budget during the year. Budgetary transfers are presented monthly for the board's consideration beginning in October each year and continuing until June.

An annual audit by a CPA is required at year-end and single audit requirements must be met. State compliance audits are also performed on operations.

STRATEGIC PLAN INITIATIVE AND PROGRESS

During the Fall of 2018, the Mt. Lebanon Board of School Directors approved entering into a Constituent-Driven Strategic Planning process. The strategic goal in entering into this process was to determine what constituents required and expected of students and the District for the short term (1-3 years) and long term (3-5 years or more). The process established a Planning Committee chaired by community members and included: Board of Director Representatives, Elementary, middle and high school staff; K-12 Administrators; Parents; Students; Clergy; Members of the community and local businesses. The process included an "environmental scan" activity and discussion of the local, state, national, and international issues facing education. Additionally, the process included a community survey, netting over 1800 responses that asked community members about their perspectives on:

- *What are the greatest challenges and issues MT. LEBANON has to address over the next six years in order to provide an excellent education to our students?*
- *What are the most important skills and abilities students need to know or be able to do?*
- *What evidence do you use to judge the quality of education in MT. LEBANON?*
- *What should the financial priorities be for MT. LEBANON during the next six years?*

The information gathered was utilized to develop the 2019-2025 Strategic Plan. This Plan was approved by the School Board in January of 2019. After School Board approval, the plan was submitted to the Pennsylvania Department Education and received approval in April of 2019.

The Strategic Plan is the road map that will help all areas of the organization achieve performance excellence. Recognizing that we already do many things well, the Plan is not intended to add "more" to what we already do, but to:

- Standardize and align our current practices
- Identify areas of improvement
- Integrate these practices throughout the organization
- Measure our results
- Share best practices within the organization

The mission of the Mt. Lebanon School District is "To provide the best education possible for each and every student". Four major goal areas were identified in the constituent-driven

**Mt. Lebanon School District
2019-2020 Budget**

**POLICIES AND PRACTICES
(Continued)**

strategic planning process: Academic Excellence; Social and Emotional Well-Being; Critical Competencies; and a Welcoming, Safe and Secure Environment. The strategic plan deployment to the school and community occurred with the onset of the 2019-2020 school year.

Administrators take responsibility for each goal, and utilize the PDSA (Plan, Do, Study, Act) cycle to bring about improvement. Data will be collected, analyzed and monitored to determine progress towards goal attainment. PDSA cycles will be adjusted, as needed, based on the information obtained from the data analysis.

The Administration, School Board and community are currently in the process of evaluating the current strategic plan for 2019-2025. These results are reported annually in the District's Student Outcomes Report.

LONG-TERM FINANCIAL POLICIES

The District strives to maintain a sound financial status and has the following practices and policies to assure that financial status. The General Fund Budget each year must balance revenues and expenditures without using the fund balance to offset operating costs. Budgets are to be drafted to include adequate funds to pay for all labor contracts, outsourced contracts and debt service payments. Essential funds for building operations and necessary supplies are to be included in the budget. Continued attention to energy conservation to limit utility bills has been a focus and is to continue into the future. All budgets in recent years have been balanced in this method. While no other fund budgets are required by law, all are prepared balancing revenues and available fund balance with expenditures.

Additionally, at the conclusion of each year's financial audit, an unassigned fund balance of 6% of the subsequent year's expenditure budget must be maintained in the General Fund. This is set in Board Policy, a copy of which is included in this section of the budget. Excess funds beyond 6% of the subsequent year budget are to be transferred to the Capital Project Fund or other funds as approved by the Board. If there is a deficiency of funds to maintain the 6%, it is to be made up through a supplement in the following year's budget appropriation. These policies and practices are to provide assurance to our current and future residents and bond holders that our Moody's bond rating will remain at a healthy Aa1 and Standard & Poors AA or better rating.

The General Fund assigns \$460,000 of the Fund Balance for Other Post Employment Benefits (OPEB). The annual cost of these post retirement healthcare costs are paid in the annual budget.

In order to safeguard all District assets, insurance policies are maintained at amounts to assure that adequate funds will be available in case of property loss. Insurance and bonds are also maintained to protect District staff and Board members performing their jobs.

LONG TERM DEBT PRACTICES:

The School Board evaluates each need for issuance of General Obligation Bonded Debt so that total debt does not exceed the legal debt limit as calculated in the Financial Section of this document. The Board does not borrow to fund operating deficits. Refinancing of bond issues is considered once the savings from refinancing exceeds 3% of the remaining debt net of costs.

MT LEBANON SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED
RATIOS - RETIREES' HEALTH PLAN
JUNE 30, 2020

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB liability			
Service cost	\$ 702,052	\$ 721,358	\$ 836,750
Interest	506,621	528,813	453,156
Differences between expected and actual experience	-	-	(110,194)
Changes of assumptions or other inputs	-	-	613,785
Benefit payments	<u>(681,252)</u>	<u>(505,069)</u>	<u>(493,289)</u>
Net change in total OPEB liability	527,421	745,102	1,300,208
Total OPEB liability - beginning	<u>14,110,522</u>	<u>14,637,943</u>	<u>15,383,045</u>
Total OPEB liability - ending	<u><u>\$ 14,637,943</u></u>	<u><u>\$ 15,383,045</u></u>	<u><u>\$ 16,683,253</u></u>
Covered payroll	\$ 47,199,402	\$ 48,467,695	\$ 43,020,947
School's total OPEB liability as a percentage of covered payroll	31.01%	31.74%	38.78%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively.
This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

MT LEBANON SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY - PSERS PLAN

June 30, 2020

	<u>2018</u>	<u>2019</u>	<u>2020</u>
School's proportion of the net OPEB liability	0.3419%	0.3452%	0.3474%
School's proportionate share of the net OPEB liability	\$ 6,965,912	\$ 7,197,244	\$ 7,388,649
School's covered payroll	\$ 45,516,016	\$ 46,481,830	\$ 47,911,412
School's proportionate share of the net OPEB liability as a percentage of its covered payroll	15.30%	15.48%	15.42%
Plan fiduciary net position as a percentage of the total OPEB liability	5.73%	5.73%	5.73%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively.

This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

MT. LEBANON SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS - PSERS PLAN
JUNE 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually determined contribution	\$ 413,523	\$ 393,507	\$ 379,363	\$ 377,998
Contributions in relation to the contractually determined contribution	<u>413,523</u>	<u>393,507</u>	<u>379,363</u>	<u>377,998</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 49,102,663	\$ 47,911,412	\$ 46,481,830	\$ 45,516,016
Contributions as a percentage of covered payroll	0.86%	0.85%	0.83%	0.83%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively.
This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

MT. LEBANON SCHOOL DISTRICT
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - LAST 6 YEARS
JUNE 30, 2020

(Dollar amounts in thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.3474%	0.3452%	0.3419%	0.3460%	0.3441%	0.3330%
District's proportionate share of the net pension liability	\$ 162,523	\$ 165,713	\$ 168,859	\$ 171,467	\$ 149,048	\$ 131,804
District's covered-employee payroll	\$ 47,911	\$ 46,482	\$ 45,516	\$ 44,807	\$ 44,279	\$ 42,498
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	339.22%	356.51%	370.99%	382.68%	336.61%	310.14%
Plan fiduciary net position as a percentage of the total pension liability	54.00%	54.00%	51.84%	50.14%	54.36%	57.24%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively.
This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

MT. LEBANON SCHOOL DISTRICT
SCHEDULE OF SCHOOL CONTRIBUTIONS - LAST 6 YEARS
JUNE 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 17,137,677	\$ 16,090,682	\$ 15,113,266	\$ 13,136,130	\$ 11,257,220	\$ 8,797,615
Contributions in relation to the contractually required contribution	17,137,677	16,090,682	15,113,266	13,136,130	11,257,220	8,797,615
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
School's covered-employee payroll	\$ 49,102,663	\$ 47,911,412	\$ 46,481,830	\$ 45,516,016	\$ 45,459,973	\$ 44,803,940
Contributions as a percentage of covered-employee payroll	35.77%	34.62%	33.20%	28.90%	25.13%	19.85%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively.
This schedule will accumulate each year until sufficient information to present a ten-year trend is available.



SUPPLEMENTARY INFORMATION

MT. LEBANON SCHOOL DISTRICT

DESCRIPTION OF DISTRICT FUNDS

MAJOR FUNDS

GENERAL FUND

The General Fund accounts for all transactions of the School District which are not required to be accounted for in other funds. The General Fund is used to account for the ordinary operations of the School District which are financed from taxes and other local revenues. It also reflects transfers to the Debt Service Fund, Capital Fund and Enterprise (Food Service) Funds.

CAPITAL FUND

The Capital Fund accounts for transactions related to major capital purchases and renovations in the District.

DEBT SERVICE FUND

The Debt Service Fund accounts for all payments on School District's General Obligation Bond Issues.

MAJOR PROPRIETARY FUND

FOOD SERVICE FUND

The District has only one Business Type Fund, the Food Service Fund. This fund accounts for all transactions related to offering breakfast and lunch programs to our students.

OTHER GOVERNMENTAL FUNDS

FIDUCIARY FUNDS

The Student Activities Fund represents funds for student organizations for which the School District acts as custodian. These funds were obtained as a result of student fundraising activities and belong to the student groups.

The Private Purpose Trust Fund is used to account for resources held in trust for student scholarships.

SPECIAL REVENUE FUND

The Special Revenue Fund accounts for money donated for playground or technology enhancements at various schools.

CAPITAL CAMPAIGN FUND

The Capital Campaign Fund, a special revenue fund, accounts for money donated from outside sources through the Century of Excellence Campaign for the purpose of strengthening the School District's programs, including fine arts, athletics and academics.

MT. LEBANON SCHOOL DISTRICT
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Fund	Capital Campaign Fund	Total Other Governmental Funds
Assets			
Cash and cash equivalents	\$ 21,116	\$ 110,491	\$ 131,607
Total assets	\$ 21,116	\$ 110,491	\$ 131,607
Liabilities			
Accounts payable	\$ -	\$ 632	\$ 632
Total liabilities	-	632	632
Fund Balances			
Restricted	21,116	109,859	130,975
Total fund balances	21,116	109,859	130,975
Total liabilities and fund balances	\$ 21,116	\$ 110,491	\$ 131,607

The accompanying notes are an integral part of the financial statements.

MT. LEBANON SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Fund	Capital Campaign Fund	Total Other Governmental Funds
<u>Revenues</u>			
Local sources:			
Investment earnings	\$ 138	\$ 1,598	\$ 1,736
Gifts and grants	360	69,509	69,869
	<u>498</u>	<u>71,107</u>	<u>71,605</u>
Total local sources			
	<u>498</u>	<u>71,107</u>	<u>71,605</u>
Total revenues	<u>498</u>	<u>71,107</u>	<u>71,605</u>
<u>Expenditures</u>			
Current:			
Other support services	-	47,689	47,689
Student activities	1,319	-	1,319
Community services	-	170	170
	<u>1,319</u>	<u>47,859</u>	<u>49,178</u>
Total expenditures			
	<u>1,319</u>	<u>47,859</u>	<u>49,178</u>
Excess (deficiency) of revenues over expenditures	<u>(821)</u>	<u>23,248</u>	<u>22,427</u>
Net change in fund balance	<u>(821)</u>	<u>23,248</u>	<u>22,427</u>
Fund balance beginning of year	<u>21,937</u>	<u>86,611</u>	<u>108,548</u>
Fund balance, end of year	<u>\$ 21,116</u>	<u>\$ 109,859</u>	<u>\$ 130,975</u>

The accompanying notes are an integral part of the financial statements.

MT. LEBANON SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Balance at July 1, 2019	Additions	Reductions	Balance at June 30, 2020
<u>Assets</u>				
Cash and cash equivalents	<u>\$ 155,435</u>	<u>289,204</u>	<u>286,465</u>	<u>\$ 158,174</u>
<u>Liabilities</u>				
Due to student organizations	<u>\$ 155,435</u>	<u>289,204</u>	<u>286,465</u>	<u>\$ 158,174</u>

MT. LEBANON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass Through Grantor/ Project Title	Federal CFDA Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Total Received for the Year	Accrued or (Deferred) Revenue June 30, 2019	Revenue Recognized	Expenditures	Passed Through to Subrecipients	Accrued or (Deferred) Revenue June 30, 2020
<u>US Department of Education</u>									
Passed through the Pennsylvania Department of Education									
Title I Grants to Local Education Agencies	84.010	013-190273	2018-19	\$ 24,180	\$ 24,180	\$ -	\$ -	\$ -	\$ -
Title I Grants to Local Education Agencies	84.010	013-200273	2019-20	265,721	-	265,721	265,721	-	-
Total Title I Grants to Local Education Agencies				289,901	24,180	265,721	265,721	-	-
Title II-A Supporting Effective Instruction	84.367	020-190273	2018-19	32,985	39,365	-	-	-	6,380
Title II-A Supporting Effective Instruction	84.367	020-200273	2019-20	55,957	-	79,010	79,010	-	23,053
Total Title II-A Supporting Effective Instruction				88,942	39,365	79,010	79,010	-	29,433
English Language Acquisition State Grants	84.365	010-190273	2018-19	1,860	13,021	-	-	-	11,161
English Language Acquisition State Grants	84.365	010-200273	2019-20	22,672	-	45,343	45,343	-	22,671
Total English Language Acquisition State Grants				24,532	13,021	45,343	45,343	-	33,832
Student Support and Academic Enrichment	84.424	144-200273	2019-20	23,526	-	23,526	23,526	-	-
IDEA Part B	84.027	062-200003	2019-20	554,415	-	554,415	554,415	-	-
IDEA B Sec 619	84.173	131-200003	2019-20	3,720	-	3,720	3,720	-	-
Total Special Education Cluster				558,135	-	558,135	558,135	-	-
Total US Department of Education				985,036	76,566	971,735	971,735	-	63,265
<u>US Department of Agriculture</u>									
Passed through the Pennsylvania Department of Education									
National School Lunch Program	10.555	362	2018-19	277,501	9,503	267,998	267,998	-	-
School Breakfast Program	10.553	365	2018-19	38,721	339	38,382	38,382	-	-
Passed through Pennsylvania Department of Agriculture									
National School Lunch Program (Donated Commodities)	10.555	N/A	2018-19	69,782	(11,933)	74,070	74,070	-	(7,645)
Total Child Nutrition Cluster				386,004	(2,091)	380,450	380,450	-	(7,645)
Total US Department of Agriculture				386,004	(2,091)	380,450	380,450	-	(7,645)
<u>US Department of Health and Human Services</u>									
Passed through the Pennsylvania Department of Human Services									
Medicaid Assistance Cluster	93.778	N/A	2019/20	2,785	-	2,785	2,785	-	-
Total US Department of Health and Human Services				2,785	-	2,785	2,785	-	-
Total Federal Awards				\$ 1,373,825	\$ 74,475	\$ 1,354,970	\$ 1,354,970	\$ -	\$ 55,620

MT. LEBANON SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Mt. Lebanon School District (School District) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule is presented using the accrual basis of accounting. Expenditures are recognized following cost principles contained in the Uniform Guidance. The School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: RECONCILIATION TO FEDERAL SUBSIDY CONFIRMATION

Total received for the year	\$ 1,373,825
Less amounts received from other grantor agencies:	
Donated commodities	(69,782)
Special Education - Grants to States	(558,135)
Medical Assistance Title XIX	(2,785)
Plus amounts not required to be reported on the Schedule of Expenditures of Federal Awards:	
Food Nutrition Services	31,277
Medical Assistance - Access	<u>311,506</u>
Total receipts per confirmation	<u><u>\$ 1,085,906</u></u>

MT. LEBANON SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2020

NOTE 4: RECONCILIATION TO FINANCIAL STATEMENTS

Total Revenue	\$ 1,354,970
Less Special Education Cluster, which is included in Local Sources	(558,135)
Plus amounts not required to be reported on the Schedule of Expenditures of Federal Awards:	
Medical Assistance - Access	<u>311,506</u>
	<u>\$ 1,108,341</u>
Total revenue per financial statements:	
General Fund federal revenues	\$ 727,889
Cafeteria Fund federal revenues	<u>380,452</u>
Total revenue per financial statements	<u>\$ 1,108,341</u>

MT. LEBANON SCHOOL DISTRICT

**DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES BY FUNCTION AND OBJECT
BUDGET AND ACTUAL (GAAP BASIS)**

Year ended June 30, 2020

INSTRUCTIONAL SERVICES

Regular Instruction

	Original Budget	Final Budget	Actual	Variance
Salaries	\$29,552,025	\$30,022,025	\$30,018,388	3,637
Employee Benefits	18,251,658	18,393,658	18,392,913	745
Contracted Services	919,889	96,242	95,888	354
Repair and Rental Services	15,690	15,690	12,976	2,714
Purchased Services	579,740	492,215	491,231	984
Supplies and Materials	867,731	891,231	890,965	266
Property	24,329	31,929	31,896	33
Dues and Fees	9,970	9,970	5,974	3,996
Subtotal	<u>50,221,032</u>	<u>49,952,960</u>	<u>49,940,231</u>	<u>12,729</u>

Special Instruction

Salaries	4,941,029	4,917,029	4,916,535	494
Employee Benefits	3,081,380	2,858,380	2,858,282	98
Contracted Services	1,010,000	180,834	179,966	868
Purchased Services	617,750	406,705	406,065	640
Supplies and Materials	102,256	141,256	141,099	157
Property	0	0	0	0
Subtotal	<u>9,752,415</u>	<u>8,504,204</u>	<u>8,501,947</u>	<u>2,257</u>

Other Instructional Programs

Salaries	116,247	138,747	138,737	10
Employee Benefits	72,717	72,717	70,096	2,621
Contracted Services	210,000	237,500	237,298	202
Purchased Services	386,000	20,192	17,000	3,192
Supplies and Materials	3,750	5,250	5,150	100
Subtotal	<u>788,714</u>	<u>474,406</u>	<u>468,281</u>	<u>6,125</u>

Continuing Education

Salaries	129,560	129,560	127,488	2,072
Employee Benefits	85,356	52,356	52,265	91
Repair and Rental Services	4,294	9,694	9,644	50
Purchased Services \ Supplies	13,807	13,807	10,220	3,587
Subtotal	<u>233,017</u>	<u>205,417</u>	<u>199,617</u>	<u>5,800</u>

Total Instructional Services

60,995,178 59,136,987 59,110,076 26,910

Pupil Services

Salaries	2,687,574	2,644,574	2,643,738	836
Employee Benefits	1,526,752	1,613,752	1,613,725	27
Contracted Services	14,500	14,500	12,058	2,442
Purchased Services	0	0	0	0
Supplies and Materials	64,756	61,126	46,306	14,820
Dues and Fees	0	0	0	0
Subtotal	<u>\$4,293,582</u>	<u>\$4,333,952</u>	<u>\$4,315,827</u>	<u>18,125</u>

(Continued)

MT. LEBANON SCHOOL DISTRICT

**DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES BY FUNCTION AND OBJECT
BUDGET AND ACTUAL (GAAP BASIS)**

Year ended June 30, 2020

Instructional Support Services	Original Budget	Final Budget	Actual	Variance
Salaries	1,242,120	1,027,120	1,026,951	169
Employee Benefits	883,964	710,964	710,663	301
Contracted Services	10,000	33,500	33,419	81
Repair and Rental Services	3,000	3,000	639	2,361
Purchased Services	39,100	39,340	39,338	2
Supplies and Materials	134,613	116,613	115,753	860
Property	0	0	0	0
Dues and Fees	1,100	1,100	0	1,100
Subtotal	2,313,897	1,931,637	1,926,763	4,874
Administration				
Salaries	3,337,468	3,528,468	3,527,806	662
Employee Benefits	2,024,530	2,040,530	2,040,239	291
Contracted Services	343,000	365,250	365,114	136
Repair and Rental Services	14,000	0	0	0
Purchased Services	286,000	71,678	71,286	392
Supplies and Materials	66,367	66,367	65,877	490
Property	0	0	0	0
Dues and Fees	15,000	3,600	0	3,600
Subtotal	6,086,365	6,075,893	6,070,322	5,571
Pupil Health Services				
Salaries	586,323	607,323	607,078	245
Employee Benefits	371,051	371,321	371,313	8
Contracted Services	7,126	7,126	7,126	0
Supplies and Materials	12,680	12,680	3,068	9,612
Property	0	0	0	0
Subtotal	977,180	998,450	988,585	9,865
Financial Services				
Salaries	395,524	409,524	409,523	1
Employee Benefits	250,561	250,561	248,306	2,255
Contracted Services	9,000	16,800	16,790	10
Repair and Rental Services	310,000	235,000	234,390	610
Purchased Services	6,000	6,000	5,194	806
Supplies and Materials	54,000	54,000	45,332	8,668
Property	0	0	0	0
Subtotal	1,025,085	971,885	959,535	12,350
Operation & Maintenance of Plant				
Salaries	4,228,240	4,001,240	4,001,064	176
Employee Benefits	2,595,312	2,464,312	2,463,638	674
Contracted Services	438,146	170,189	615,677	(445,488)
Repair and Rental Services	488,723	553,223	553,193	30
Purchased Services	382,140	382,140	370,805	11,335
Supplies and Materials	1,788,605	1,524,605	1,523,842	763
Property	76,000	22,000	21,588	412
Dues and Fees	300	300	192	108
Subtotal	9,997,466	9,118,009	9,549,999	(431,990)

(Continued)

MT. LEBANON SCHOOL DISTRICT

**DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES BY FUNCTION AND OBJECT
BUDGET AND ACTUAL (GAAP BASIS)**

Year ended June 30, 2020

Student Transportation Services	Original Budget	Final Budget	Actual	Variance
Salaries	\$349,689	\$355,089	\$355,051	38
Employee Benefits	207,399	217,199	217,104	95
Purchased Services	1,038,852	899,962	899,213	749
Supplies and Materials	35,000	40,400	40,363	37
Subtotal	<u>1,630,940</u>	<u>1,512,650</u>	<u>1,511,731</u>	<u>919</u>
Other Support Services				
Salaries	582,171	593,421	593,392	29
Employee Benefits	395,169	477,419	477,269	150
Contracted Services	246,000	278,000	277,501	499
Repair and Rental Services	12,600	12,600	11,360	1,240
Purchased Services	15,000	15,000	7,260	7,740
Supplies and Materials	54,150	244,650	244,595	55
Property	0	0	0	0
Dues and Fees	25,000	25,000	19,011	5,989
Subtotal	<u>1,330,090</u>	<u>1,646,090</u>	<u>1,630,388</u>	<u>15,702</u>
Student Activities				
Salaries	1,237,958	1,273,458	1,273,373	85
Employee Benefits	747,921	747,921	743,484	4,437
Contracted Services	61,956	67,956	67,906	50
Repair and Rental Services	19,863	31,863	29,131	2,732
Purchased Services	21,480	21,480	20,511	969
Supplies and Materials	151,275	152,645	152,636	9
Property	0	0	0	0
Dues and Fees	14,130	14,130	8,106	6,024
Subtotal	<u>2,254,583</u>	<u>2,309,453</u>	<u>2,295,147</u>	<u>14,306</u>
Community Services				
Salaries	221,239	244,739	244,695	44
Employee Benefits	158,649	158,649	150,307	8,342
Contracted Services	400	400	(591)	991
Supplies and Materials	20,500	20,500	18,709	1,791
Dues and Fees	0	0	0	0
Subtotal	<u>400,788</u>	<u>424,288</u>	<u>413,120</u>	<u>11,168</u>
Intergovernmental				
Special Education	0	2,262,691	2,262,691	0
Other	0	668,169	659,515	8,654
Subtotal	<u>0</u>	<u>2,930,860</u>	<u>2,922,206</u>	<u>8,654</u>
Total General Fund Expenditures	<u>\$91,305,154</u>	<u>\$91,390,154</u>	<u>\$91,693,699</u>	<u>(303,545)</u> (Concluded)





Statistical Section



Mellon Middle



Mellon Middle



MT. LEBANON SCHOOL DISTRICT

DESCRIPTION OF STATISTICAL SECTION

This section of the Mt. Lebanon School District's 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 School District's overall financial health.

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PAGE(S)

FINANCIAL TRENDS

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

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REVENUE CAPACITY

These schedules contain information to help the reader assess the School District's most significant local revenue sources: the property tax, the earned income tax, and federal and state subsidies.

103-110

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

111-116

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.

117-121

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides.

123-133

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

MT. LEBANON SCHOOL DISTRICT

EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE

LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
Instruction	\$41,641,578	\$43,512,017	\$43,915,623	\$46,855,630	\$53,223,139	\$57,040,179	\$69,453,582	\$63,820,320	\$62,514,078	\$64,515,193
Pupil Services	3,170,406	3,060,588	2,980,031	3,232,610	3,532,605	4,025,876	5,039,195	4,929,735	4,711,558	4,979,380
Instructional Support Services	2,799,921	2,180,133	2,061,329	1,839,474	1,944,810	1,960,169	2,371,870	2,326,644	2,128,551	2,061,043
Administration	4,122,789	4,580,050	4,648,621	4,740,511	5,177,670	5,467,401	6,830,945	6,319,142	6,137,493	6,492,803
Pupil Health Services	743,864	894,490	817,274	881,965	904,583	952,793	1,279,913	1,113,011	1,057,057	1,055,727
Financial Services	972,508	1,162,837	999,374	981,773	1,016,024	1,003,873	1,170,911	1,099,472	1,236,846	1,702,258
Operation and Maintenance of Plant	7,798,144	7,779,298	7,920,327	8,737,963	9,695,398	9,827,457	11,326,107	11,955,640	11,685,029	12,486,321
Student Transportation Services	1,106,780	1,118,689	1,298,391	1,168,135	1,315,148	1,554,201	1,624,471	1,763,514	1,521,733	1,626,683
Other Support Services	1,657,453	1,628,463	1,650,932	1,623,112	1,739,976	1,384,452	1,703,753	1,586,394	1,677,798	1,898,259
Student Activities	1,885,204	1,958,653	1,977,012	2,016,593	2,212,476	2,208,303	2,676,853	2,462,249	2,432,201	2,469,409
Community Services	354,195	382,154	345,941	567,524	619,865	678,378	722,950	582,720	454,233	441,514
Intergovernmental	3,004,045	3,098,715	3,137,240	3,247,238	2,811,850	3,083,439	3,167,599	3,262,323	3,277,386	2,922,206
Interest on Long-Term Debt	6,971,523	5,849,949	5,725,492	7,788,905	7,050,680	7,465,147	5,959,531	5,652,426	5,264,175	5,051,505
Business Type Activities:										
Food Services	1,629,145	1,668,599	1,653,037	1,620,151	1,898,000	2,113,156	2,384,789	2,218,039	2,257,364	2,034,015
Total Primary Government Expenses	77,857,555	78,874,635	79,130,624	85,301,584	93,142,224	98,764,824	115,712,469	109,091,629	106,355,502	109,736,316
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instructional	287,674	241,743	240,736	280,089	475,051	452,656	349,306	400,736	441,116	284,447
Student Support	-	-	38,477	92,903	98,113	91,001	103,103	291,442	268,240	205,578
Operating Grants and Contributions	9,730,294	8,357,832	9,023,772	10,132,893	11,353,854	11,477,827	17,212,673	16,296,108	14,562,574	16,664,230
Capital Grants and Contributions	-	-	-	-	-	129,191	137,560	147,757	14,596	69,869
Business Type Activities:										
Charges for Food Services	1,388,183	1,336,976	1,224,568	1,187,378	1,281,785	1,442,814	1,491,855	1,584,756	1,682,535	1,374,467
Operating Grants and Contributions	274,040	241,372	345,487	370,422	423,718	472,771	532,907	538,997	588,163	549,928
Total Primary Government Program Revenues	11,680,191	10,177,923	10,873,040	12,063,685	13,632,521	14,066,260	19,827,404	19,259,796	17,557,224	19,148,519
Net (Expense)/Revenue										
Total Primary Government	(\$66,177,364)	(\$68,696,712)	(\$68,257,584)	(\$73,237,899)	(\$79,509,703)	(\$84,698,564)	(\$95,885,065)	(\$89,831,833)	(\$88,798,278)	(\$90,587,797)

MT. LEBANON SCHOOL DISTRICT

GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION

LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Total Primary Government Net Expense	(\$66,177,364)	(\$68,696,712)	(\$68,257,584)	(\$73,237,899)	(\$79,509,703)	(\$84,698,564)	(\$95,885,065)	(\$89,831,833)	(\$88,798,278)	(\$90,587,797)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes Levied for General Purposes	54,724,426	54,646,078	56,545,264	57,304,345	60,191,570	61,936,990	64,513,403	63,666,746	64,796,608	65,936,080
Other Taxes Levied for General Purposes	6,786,259	7,164,367	7,996,303	8,135,195	8,306,579	8,277,246	8,427,253	8,658,955	9,194,560	9,116,000
Unrestricted Grants and Contributions	4,761,007	5,584,093	5,584,093	5,796,217	5,796,217	5,987,108	6,236,735	6,381,213	6,459,753	6,587,531
Investment Earnings:										
Governmental Activities	498,339	161,901	112,156	66,871	70,566	81,295	254,724	632,151	1,150,430	843,901
Business-Type Activities	2,114	17,956	922	708	544	966	4,027	7,243	11,887	6,277
Other Income	108,134	44,581	96,632	83,595	92,573	134,656	465,772	6,685	217,388	32,008
State Property Tax Reduction	1,698,323	1,698,229	1,698,149	1,703,512	1,703,049	1,709,444	1,709,769	1,709,285	1,703,975	1,708,020
Loss on Disposal of Capital Assets	-	-	-	-	-	(8,134,610)	-	-	-	-
Total Primary Government	68,578,602	69,317,205	72,033,519	73,090,443	76,161,098	69,993,095	81,611,683	81,062,278	83,534,601	84,229,817
Change in Net Position										
Total Primary Government	\$2,401,238	\$620,493	\$3,775,935	(\$147,456)	(\$3,348,605)	(\$14,705,469)	(\$14,273,382)	(\$8,769,555)	(\$5,263,677)	(\$6,357,980)

MT. LEBANON SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net investment in capital assets	\$3,458,794	\$4,813,773	\$8,117,594	\$9,110,550	\$8,420,974	(\$424,745)	\$7,082,416	\$4,978,685	\$6,291,410	\$2,610,612
Unrestricted	16,483,089	15,708,925	16,173,103	(108,829,199)*	(111,400,915)	(117,085,129)	(138,572,968)	(153,168,665)**	(157,059,120)	(163,909,606)
Restricted	95,081	137,892	158,726	219,973	255,610	207,078	200,773	3,956,353	1,175,584	3,150,598
Subtotal Governmental Activities	<u>20,036,964</u>	<u>20,660,590</u>	<u>24,449,423</u>	<u>(99,498,676)</u>	<u>(102,724,331)</u>	<u>(117,302,796)</u>	<u>(131,289,779)</u>	<u>(144,233,627)</u>	<u>(149,592,126)</u>	<u>(158,148,396)</u>
Business Type Activities										
Net investment in capital assets	52,114	45,821	34,527	25,378	17,347	904,410	848,444	785,472	722,500	120,256
Unrestricted	643,648	646,808	645,204	(1,215,128)*	(1,330,047)	(2,344,114)	(2,574,547)	(2,323,529)	(2,165,735)	(2,179,665)
Subtotal Business Type Activities	<u>695,762</u>	<u>692,629</u>	<u>679,731</u>	<u>(1,189,750)</u>	<u>(1,312,700)</u>	<u>(1,439,704)</u>	<u>(1,726,103)</u>	<u>(1,538,057)</u>	<u>(1,443,235)</u>	<u>(2,059,409)</u>
Total Activities										
Net investment in capital assets	3,510,908	4,859,594	8,152,121	9,135,928	8,438,321	479,665	7,930,860	5,764,157	7,013,910	2,730,868
Unrestricted	17,126,737	16,355,733	16,818,307	(110,044,327)*	(112,730,962)	(119,429,243)	(141,147,515)	(155,492,194)**	(159,224,855)	(166,089,271)***
Restricted	95,081	137,892	158,726	219,973	255,610	207,078	200,773	3,956,353	1,175,584	3,150,598
Total Net Position	<u>\$20,732,726</u>	<u>\$21,353,219</u>	<u>\$25,129,154</u>	<u>(\$100,688,426)*</u>	<u>(\$104,037,031)</u>	<u>(\$118,742,500)</u>	<u>(\$133,015,882)</u>	<u>(\$145,771,684)</u>	<u>(\$151,035,361)</u>	<u>(\$160,207,805)</u>

*Net Position was restated as of July 1, 2013 to record the net pension liability and related components as required under GASB Statement #68 by \$123,283,000 for governmental activities and by \$1,877,000 for business-type activities.

**Net Position was restated as of July 1, 2017 to record the net OPEB liability and related components as required under GASB Statement #75 and to correct error in prior year financial statements by \$4,164,735 for governmental activities and by \$205,488 for business-type activities.

***Net position was restated as of July 1, 2019 to restate capital assets to their correct balance by (\$2,232,032) for governmental activities and (\$582,432) for business-type activities.

MT. LEBANON SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
Net Position:										
Beginning of Year	\$17,712,731	\$20,036,964	\$20,660,590	(\$99,343,701)*	(\$99,498,676)	(\$102,724,331)	(\$117,302,796)	(\$135,481,514)**	(\$144,233,627)	(\$151,824,158)***
End of Year	20,036,964	20,660,590	24,449,423	(99,498,676)*	(102,724,331)	(117,302,796)	(131,289,779)	(144,233,627)	(149,592,126)	(158,148,396)
Change in Net Position	2,324,233	623,626	3,788,833	(154,975)*	(3,225,655)	(14,578,465)	(13,986,983)	(8,752,113)	(5,358,499)	(6,324,238)
Business Type Activities:										
Net Position:										
Beginning of Year	618,757	695,762	692,629	(1,197,269)*	(1,189,750)	(1,312,700)	(1,439,704)	(1,520,615)**	(1,538,057)	(2,025,667)***
End of Year	695,762	692,629	679,731	(1,189,750)*	(1,312,700)	(1,439,704)	(1,726,103)	(1,538,057)	(1,443,235)	(2,059,409)
Change in Net Position	77,005	(3,133)	(12,898)	7,519*	(122,950)	(127,004)	(286,399)	(17,442)	94,822	(33,742)
Total-All Activities										
Net Position:										
Beginning of Year	18,331,488	20,732,726	21,353,219	(100,540,970)*	(100,688,426)	(104,037,031)	(118,742,500)	(137,002,129)**	(145,771,684)	(153,849,825)***
End of Year	20,732,726	21,353,219	25,129,154	(100,688,426)*	(104,037,031)	(118,742,500)	(133,015,882)	(145,771,684)	151,035,361	(160,207,805)
Change in Net Position	\$2,401,238	\$620,493	\$3,775,935	(\$147,456)*	(\$3,348,605)	(\$14,705,469)	(\$14,273,382)	(\$8,769,555)	(\$5,263,677)	(\$6,357,980)

* Net position was restated as of July 1, 2013 to adjust the unamortized bond issue costs as required under GASB Statement #65 by \$510,124.

Net position was restated as of July 1, 2013 to record the net pension liability and related components as required under GASB Statement #68 by \$123,283,000 for governmental activities and by \$1,877,000 for business-type activities.

** Net position was restated as of July 1, 2017 to record the net OPEB liability and related components as required under GASB Statement #75 and to correct error in prior year financial statements by \$4,164,735 for governmental activities and by \$205,488 for business-type activities.

*** Net position was restated as of July 1, 2019 to restate capital assets to their correct balance by (\$2,232,032) for governmental activities and (\$582,432) for business-type activities.

MT. LEBANON SCHOOL DISTRICT

GOVERNMENTAL FUNDS REVENUES

LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Federal Sources:										
Federal Grants	\$2,359,372	\$666,951	\$512,002	\$545,750	\$413,095	\$512,800	\$1,005,388	\$851,176	\$771,627	\$727,889
Total Federal Sources	2,359,372	666,951	512,002	545,750	413,095	512,800	1,005,388	851,176	771,627	727,889
State Sources:										
Basic Education Subsidies	4,761,007	5,584,093	5,584,093	5,796,217	5,796,217	5,987,068	6,236,735	6,381,213	6,459,753	6,587,531
Social Security/ Retirement Subsidies	2,612,487	3,361,467	4,138,444	5,179,397	6,358,540	7,138,119	7,895,319	9,758,681	8,235,606	9,965,942
Special Education Subsidies	2,589,760	2,518,259	2,521,957	2,550,087	2,544,853	2,571,981	2,726,262	2,803,679	2,808,881	2,715,783
Construction Subsidies	794,738	678,063	702,894	707,066	713,596	-	-	-	-	-
Transportation Subsidies	154,886	115,489	118,273	166,074	128,157	110,081	140,240	167,555	103,191	156,198
Property Tax Reduction Allocation	1,698,323	1,698,229	1,698,149	1,703,512	1,703,049	1,709,444	1,709,769	1,709,285	1,703,975	1,708,020
Medical, Dental and Nurse Care Subsidies	118,327	117,152	117,590	99,320	-	167,498	-	-	-	-
State Grants and Other	356,721	148,833	133,272	132,331	315,412	363,471	4,763,862	2,002,067	1,897,795	2,540,283
Total State Sources	13,086,249	14,221,585	15,014,672	16,334,004	17,559,824	18,047,662	23,472,187	22,822,480	21,209,201	23,673,757
Local Sources:										
Real Estate Taxes	55,130,569	54,685,072	56,544,466	57,276,727	60,288,038	61,773,222	64,289,191	63,533,778	64,974,232	66,404,590
Earned Income Taxes	6,094,304	6,445,280	7,135,252	7,182,405	7,392,185	7,254,653	7,470,605	7,613,958	8,134,580	8,050,963
Realty Transfer Taxes	574,866	596,130	728,037	825,839	789,122	900,137	837,750	929,157	937,268	956,615
Public Utility Taxes	79,608	81,571	84,597	78,508	81,601	76,021	76,951	72,068	74,259	66,338
Investment Earnings	498,339	161,901	112,156	66,871	70,566	81,295	254,724	632,151	1,150,430	843,901
Rental of Facilities	80,829	94,145	16,176	18,031	14,687	11,920	16,730	16,539	17,036	23,997
Tuition from Patrons	287,674	241,743	235,812	274,089	475,051	452,656	339,166	400,736	441,116	284,447
Gifts and Grants	130,164	135,212	152,353	201,553	257,080	134,840	137,560	147,757	14,596	69,869
Other Revenues	655,846	659,636	759,137	749,883	832,221	868,440	1,285,834	1,038,310	1,262,519	813,808
Total Local Sources	63,532,199	63,100,690	65,767,986	66,673,906	70,200,551	71,553,184	74,708,511	74,384,454	77,006,036	77,514,528
Total Revenues	<u>\$78,977,820</u>	<u>\$77,989,226</u>	<u>\$81,294,660</u>	<u>\$83,553,660</u>	<u>\$88,173,470</u>	<u>\$90,113,646</u>	<u>\$99,186,086</u>	<u>\$98,058,110</u>	<u>\$98,986,864</u>	<u>\$101,916,174</u>

MT. LEBANON SCHOOL DISTRICT

GENERAL SCHOOL DISTRICT EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Current Expenditures:										
Instructional Services	\$40,005,330	\$41,567,676	\$42,415,665	\$45,106,493	\$49,011,371	\$51,593,501	\$52,868,980	\$55,016,026	\$56,426,828	\$59,494,110
Pupil Services	3,054,279	2,949,078	2,886,992	3,136,318	3,278,213	3,693,489	3,912,203	4,491,914	4,351,200	4,676,507
Instructional Support Services	2,697,364	2,100,702	1,996,973	1,784,681	1,816,542	1,798,519	1,842,197	2,043,855	1,956,855	1,926,763
Administration	3,971,778	4,413,180	4,503,696	4,599,303	4,830,055	5,004,996	5,217,320	5,457,243	5,639,234	6,070,322
Pupil Health	716,617	861,900	791,758	856,053	840,139	878,920	972,860	960,549	966,574	988,585
Financial Services	937,106	1,128,174	968,360	952,707	956,766	928,148	951,397	978,337	1,151,803	1,582,641
Operation and Maintenance of Plant	7,517,574	7,497,850	7,679,317	8,485,585	9,174,547	9,170,490	14,250,841	10,831,192	10,882,292	11,628,964
Student Transportation Services	1,066,240	1,077,931	1,257,854	1,133,339	1,259,033	1,463,334	1,434,370	1,625,681	1,430,150	1,511,731
Other Support Services	1,597,363	1,569,208	1,599,476	1,574,938	1,648,502	1,286,678	1,518,703	1,483,761	1,562,256	1,767,571
Student Activities	1,791,092	1,875,984	1,900,603	1,946,285	2,059,180	2,011,238	2,110,541	2,159,443	2,239,388	2,306,232
Scholarships	26,013	11,734	15,159	10,553	17,471	20,348	3,127	4,944	3,528	1,319
Community Services	341,221	368,231	335,140	339,921	351,526	638,691	566,736	511,129	416,331	413,290
Intergovernmental	2,894,013	2,985,816	3,040,383	3,367,678	2,971,767	2,945,422	3,027,727	3,262,323	3,277,386	2,922,206
Subtotal Noncapital Expenditures	66,615,990	68,407,464	69,391,376	73,293,854	78,215,112	81,433,774	88,677,002	88,826,397	90,303,825	95,290,241
Capital Outlay:										
Capitalized	2,417,478	12,467,376	42,968,801	29,576,394	16,723,880	3,281,812	2,405,700	70,883	-	-
Non-Capitalized	859	3,545	-	-	-	-	-	-	-	-
Subtotal Capital Outlay	2,418,337	12,470,921	42,968,801	29,576,394	16,723,880	3,281,812	2,405,700	70,883	-	-
Debt Service:										
Principal	2,930,000	3,605,000	4,315,000	4,445,000	4,590,000	*3,677,434	4,710,000	5,040,000	4,585,000	5,375,000
Interest	7,060,082	5,976,834	5,854,845	6,367,619	7,245,494	7,524,085	6,659,143	5,541,242	5,990,975	5,790,418
Issuance Costs	73,819	-	-	947,825	-	395,374	232,776	-	-	-
Subtotal Debt Service	10,063,901	9,581,834	10,169,845	11,760,444	11,835,494	7,919,459	11,601,919	10,581,242	10,575,975	11,165,418
Total Expenditures	\$79,098,228	\$90,460,219	\$122,530,022	\$114,630,692	\$106,774,486	\$92,635,045	\$102,684,621	\$99,478,522	\$100,879,800	\$106,455,659
Debt Service as a Percentage of										
Noncapital Expenditures	15.00%	14.01%	14.66%	14.75%	15.13%	13.76%	13.08%	11.91%	11.71%	11.72%

*Refinanced Bond proceeds are excluded from the totals.

MT. LEBANON SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES BY OBJECT

LAST TEN FISCAL YEARS

	2011	2012*	2013	2014	2015	2016**	2017	2018	2019	2020
Salaries	\$40,882,168	\$41,804,508	\$41,719,880	\$42,671,150	\$44,612,370	\$44,905,046	\$45,331,448	\$46,603,533	\$47,844,127	\$49,883,792
Fringe Benefits	13,918,985	15,198,467	16,797,135	19,097,544	21,793,639	23,973,614	26,027,029	27,836,758	29,057,505	30,409,605
Contracted Services	3,230,294	3,221,670	3,199,605	3,111,395	3,368,610	3,246,541	3,131,631	3,438,558	3,647,983	4,699,693
Repair and Rental Services	1,022,221	1,135,392	967,000	1,017,203	984,231	5,042,247	8,842,434	2,617,156	1,574,120	1,480,482
Purchased Services	3,023,557	2,766,080	2,636,034	2,831,261	2,842,638	3,200,727	3,317,408	3,535,663	3,435,130	3,471,546
Supplies	1,275,316	1,794,382	1,153,618	1,247,712	1,206,498	1,322,813	1,431,906	1,688,109	2,193,783	2,399,130
Utilities	1,315,435	958,923	1,114,503	1,303,699	1,349,398	1,037,967	1,092,417	1,003,072	1,072,250	873,121
Books	715,520	178,489	532,394	504,965	433,486	724,437	570,868	886,252	359,242	753,116
Equipment	773,089	686,787	630,797	564,185	554,960	1,111,677	883,055	942,508	804,616	1,237,224
Dues and Fees	63,626	65,960	70,182	49,491	72,310	447,384	288,489	58,977	53,517	33,281
Debt Service**	9,990,082	9,581,834	10,169,845	10,812,619	11,020,033	7,166,300	11,369,143	10,581,242	10,575,975	11,165,418
Other*	2,887,935	13,067,727	43,539,029	31,419,468	18,536,313	456,291	398,793	286,694	261,553	49,251
Total Expenditures	\$79,098,228	\$90,460,219	\$122,530,022	\$114,630,692	\$106,774,486	\$92,635,045	\$102,684,621	\$99,478,522	\$100,879,800	\$106,455,659

*The significant increase beginning in 2012 is due to the high school construction project.

**The increase in debt service in 2016 includes refinancing of the 2005 Elementary School Bonds.

MT. LEBANON SCHOOL DISTRICT

**OTHER FINANCING SOURCES AND USES AND NET CHANGE IN
FUND BALANCES, GOVERNMENTAL FUNDS**

LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Excess of Revenues Over (Under) Expenditures	(\$120,408)	(\$12,470,993)	(\$41,235,362)	(\$31,077,032)	(\$18,601,016)	(\$59,496,399)	(\$3,498,535)	(\$1,420,412)	(\$1,892,936)	(\$4,539,485)
Other Financing Sources (Uses)										
General Long-Term Debt Issued	10,690,000	-	-	34,745,000	-	52,425,000	57,955,000	-	-	-
Payments to Refund Bond Escrow Agent	(10,982,821)	-	-	-	-	-	(60,630,028)	-	-	-
Premium on Issuance of Bonds	366,640	-	-	1,294,382	-	5,125,187	6,662,793	-	-	-
Transfers In	15,628,928	9,591,833	10,169,845	13,964,516	12,872,161	64,421,356	74,599,171	11,301,366	11,575,975	13,565,418
Transfers Out	(15,670,741)	(9,660,995)	(10,239,007)	(14,033,678)	(12,941,164)	(64,490,957)	(74,668,772)	(11,370,967)	(11,645,576)	(13,635,019)
Total Other Financing Sources (Uses)	32,006	(69,162)	(69,162)	35,970,220	(69,003)	57,480,586	3,918,164	(69,601)	(69,601)	(69,601)
Net Change in Fund Balances	<u>(\$88,402)</u>	<u>(\$12,540,155)</u>	<u>(\$41,304,524)</u>	<u>\$4,893,188</u>	<u>(\$18,670,019)</u>	<u>(\$2,015,813)</u>	<u>\$419,629</u>	<u>(\$1,490,013)</u>	<u>(\$1,962,537)</u>	<u>(\$4,609,086)</u>

MT. LEBANON SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

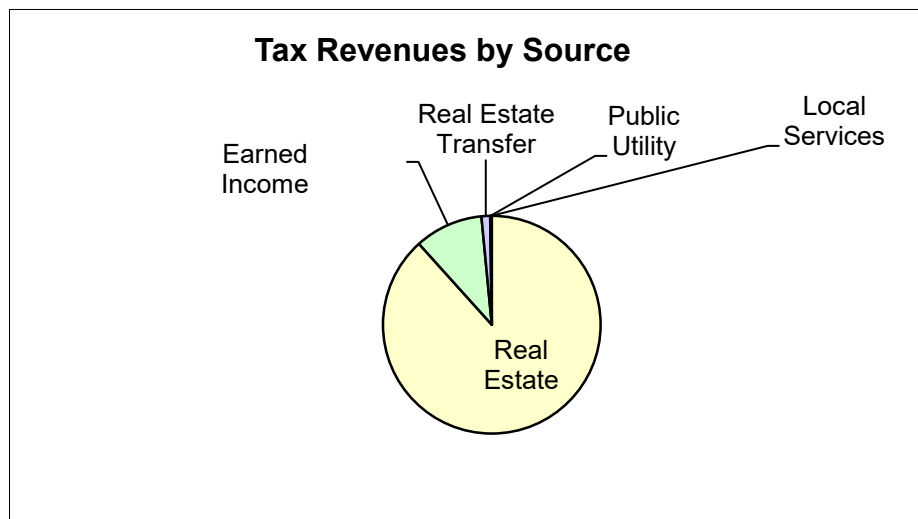
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable:										
Inventory	\$1,090,055	\$899,775	\$456,076	\$358,517	\$288,349	247,187	209,588	140,644	125,942	31,784
Restricted	4,050,512	4,408,159	6,733,779	7,105,213	4,786,355	635,831	587,284	388,531	-	-
Assigned to:										
Subsequent Year's Budget	-	-	-	-	-	\$750,000	\$750,000	\$750,000	\$1,000,000	\$2,775,000
Capital Projects	-	-	-	-	-	1,241,044	3,812,442	4,972,729	4,589,317	2,484,856
OPEB Obligations	-	-	-	-	-	2,675,000	2,675,000	2,675,000	2,675,000	460,000
Unassigned	4,700,870	4,835,070	4,989,870	5,275,471	5,528,625	5,465,438	5,793,965	5,935,999	6,157,552	5,286,255
Total General Fund	9,841,437	10,143,004	12,179,725	12,739,201	10,603,329	11,014,500	13,828,279	14,862,903	14,547,811	11,037,895
All Other Governmental Funds										
Nonspendable	598,298	762,997	697,275	466,474	408,947	322,706	414,088	204,312	220,261	185,498
Restricted	70,492,308	58,267,697	16,411,843	23,532,034	7,110,915	1,916,318	4,065,494	3,567,822	1,175,584	3,150,598
Assigned	10,091,394	9,309,584	7,889,915	5,334,237	5,278,736	8,680,498	4,190,709	1,680,693	2,409,537	-
Unassigned	-	-	-	-	-	(547,908)	(692,827)	-	-	(629,884)
Total All Other Governmental Funds	81,182,000	68,340,278	24,999,033	29,332,745	12,798,598	10,371,614	7,977,464	5,452,827	3,805,382	2,706,212
Grand Total General and All Other Governmental Fund Balances	<u>\$91,023,437</u>	<u>\$78,483,282</u>	<u>\$37,178,758</u>	<u>\$42,071,946</u>	<u>\$23,401,927</u>	<u>\$21,386,114</u>	<u>\$21,805,743</u>	<u>\$20,315,730</u>	<u>\$18,353,193</u>	<u>\$13,744,107</u>

MT. LEBANON SCHOOL DISTRICT

TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

Fiscal Year Ended	Real Estate Taxes	Earned Income Tax	Real Estate Transfer Tax	Public Utility Tax	Local Services Tax	Total Taxes
2011	\$55,130,569	\$6,094,304	\$574,866	\$79,608	\$37,481	\$61,916,828
2012	54,685,072	6,445,280	596,130	81,571	41,271	61,849,324
2013	56,544,466	7,135,252	728,037	84,597	48,417	64,540,769
2014	57,276,727	7,182,405	825,839	78,508	48,443	65,411,922
2015	60,288,038	7,392,185	789,122	81,601	43,671	68,594,617
2016	61,773,222	7,254,653	900,137	76,021	46,435	70,050,468
2017	64,289,191	7,470,605	837,750	76,951	41,947	72,716,444
2018	63,533,778	7,613,958	929,157	72,068	43,772	72,192,733
2019	64,974,232	8,134,580	937,268	74,259	48,453	74,168,792
2020	66,404,590	8,050,963	956,615	66,338	42,084	75,520,590



MT. LEBANON SCHOOL DISTRICT

**ASSESSED VALUE AND PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS**

LAST TEN FISCAL YEARS

Tax Rates (per \$1,000 of Assessed Valuation)

<u>Fiscal Year</u>	<u>Municipal</u>	<u>School</u>	<u>County</u>	<u>Total</u>	<u>Assessed Valuation</u>
2011	4.89	26.63	4.69	36.21	\$2,159,216,301
2012	4.76	26.63	4.69	36.08	2,164,809,298
2013	5.43	27.13	5.69	38.25	2,156,859,685
2014	4.51	22.61	4.73	31.85	2,698,042,173
2015	4.51	23.15	4.73	32.39	2,718,872,379
2016	4.51	23.55	4.73	32.79	2,732,801,335
2017	4.51	23.93	4.73	33.17	2,734,870,374
2018	4.71	23.93	4.73	33.37	2,743,104,034
2019	4.71	24.32	4.73	33.76	2,747,645,634
2020	4.71	24.79	4.73	34.23	2,755,950,728

Source: Municipal information is from the Municipal Finance Office. County information is from the Allegheny County Annual Financial Reports.

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

MT. LEBANON SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Adjusted Total Tax Levy*	Face Value of Current Tax Collections	Percent of Total Tax Levy Collected	Collected at Discount	Percent of Total Levy at Discount	Outstanding Delinquent Taxes	Delinquent Taxes as Percent of Levy	Collections in Subsequent Years**	Collections to Date	Percentage Collected to Date
2011	\$50,361,750	\$49,271,523	97.8%	\$42,944,333	85.3%	\$1,090,227	2.2%	\$952,016	\$50,223,539	99.69%
2012	55,753,393	54,796,333	98.3%	48,682,008	87.3%	957,060	1.7%	1,488,662	56,284,901	101.07%
2013	55,711,107	55,143,005	99.0%	48,400,849	86.9%	568,102	1.0%	803,494	55,941,940	100.48%
2014	56,784,429	56,040,132	98.7%	51,018,625	89.8%	799,709	1.4%	517,607	56,557,739	99.46%
2015	57,315,588	58,978,955	102.9%	51,352,176	89.6%	154,386	0.3%	1,199,549	60,167,712	102.03%
2016	62,515,605	62,021,222	99.2%	53,820,000	86.1%	452,122	0.7%	181,443	62,174,050	99.50%
2017	63,784,912	58,345,318	91.5%	57,235,306	89.7%	542,711	0.9%	449,433	58,731,736	99.84%
2018	63,784,072	58,345,318	91.5%	57,235,306	89.7%	542,711	0.9%	698,779	58,769,251	100.27%
2019	64,634,976	63,273,340	97.9%	63,183,043	97.8%	871,917	1.3%	425,263	63,273,340	99.30%
2020	66,661,505	65,743,198	98.6%	58,195,003	87.3%	918,307	1.4%	0	65,743,198	98.45%

Source: Mt. Lebanon Tax Office

*Adjusted tax levy as of June 30th reflects additions and exonerations granted to property owners.

**Liened taxes begin July 1 of subsequent year.

MT. LEBANON SCHOOL DISTRICT

PROPERTY TAX LEVIES* BY GOVERNMENTAL UNIT

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Municipal</u>	<u>School</u>	<u>County (1)</u>	<u>Total</u>
2011	\$10,289,825	\$55,841,535	\$10,138,504	\$76,269,864
2012	11,715,440	56,800,174	12,276,400	80,792,014
2013	12,232,981	58,531,225	12,829,706	83,593,912
2014	12,169,293	60,753,044	12,761,007	85,683,344
2015	12,336,080	62,706,995	12,937,840	87,980,915
2016	12,339,086	63,761,190	12,940,987	89,041,263
2017	12,924,690	63,957,832	12,979,572	89,862,094
2018	12,947,472	65,150,099	13,003,254	91,100,825
2019	12,980,732	68,321,068	13,035,647	94,337,447
2020	13,042,777	68,647,655	13,098,161	94,788,593

(1) County Real Estate Tax on Mt. Lebanon Properties.

*Original amount levied. Does not reflect subsequent exonerations and additions.

Source: Municipal information is from the Municipal Finance Office. County information is from the Allegheny County Annual Financial Reports.

MT. LEBANON SCHOOL DISTRICT

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Year	Taxable Assessed Value	Exempt Real Property	Total	Estimated Actual Value (1)	Mt. Lebanon School Millage Rate
2011	\$2,159,216,301	\$224,767,840	\$2,383,984,141	\$2,149,416,467	26.63
2012	2,164,809,298	225,175,340	2,389,984,638	2,149,370,980	26.63
2013	2,156,859,685	230,844,340	2,387,704,025	2,227,695,480	27.13
2014	2,698,042,173	469,117,122	3,167,159,295	2,227,695,480	22.61
2015	2,718,872,379	372,261,922	3,091,134,301	2,526,070,683	23.15
2016	2,732,801,335	381,969,222	3,114,770,557	2,537,403,198	23.55
2017	2,734,870,374	381,877,822	3,116,748,196	2,621,302,937	23.93
2018	2,743,104,034	376,669,846	3,119,773,880	2,625,133,850	23.93
2019	2,747,645,634	349,059,900	3,096,705,534	2,712,488,346	24.32
2020	2,755,950,728	349,031,440	3,104,982,168	3,106,026,468	24.79

(1) Data provided by State Tax Equalization Board

Notes: Allegheny County assessment records do not allow categorization by class, use or ownership.

Mt. Lebanon does not tax personal property.

Sources: Mt. Lebanon Tax Office

Mt. Lebanon School District Comprehensive Annual Financial Report

**MT. LEBANON SCHOOL DISTRICT
PRINCIPAL REAL ESTATE TAXPAYERS**

12/31/19 AND 12/31/10

Taxpayer	12/31/2019			12/31/2010		
	Estimated Actual Values of Real Property (1)	Rank	Percentage of Total Assessed Valuation	Estimated Actual Values of Real Property (1) (2)	Rank	Percentage of Total Assessed Valuation
The Galleria (L&B Southpoint) - <i>Retail Shops</i>	\$29,300,000	1	1.06%	\$30,400,000	1	1.41%
Brookdale Senior Housing (A.H. Pennsylvania) - <i>Senior Housing</i>	19,000,000	2	0.69	17,000,000	2	0.79
Bower Hill Development - <i>Co-op Apartments</i>	17,500,000	3	0.63	11,699,700	3	0.54
Concordia Luthern - <i>Senior Housing/Health</i>	13,162,800	4	0.48	8,489,416	4	0.39
Mt. Lebanon Hospitality (Hotel)	10,350,000	5	0.38	-	-	-
IHP/Bower Hill LLC - <i>Apartments</i>	9,500,000	6	0.34	6,831,700	5	0.32
Virgina Manor Shops - <i>Retail Shops</i>	7,931,300	7	0.29	-	-	-
Pendale Towers - <i>Apartments</i>	7,150,000	8	0.26	5,253,200	10	0.24
St. Clair Memorial Hospital - <i>Medical Offices</i>	6,026,680	9	0.22	5,831,220	8	0.27
Tithonus Mount Lebanon - <i>Personal Care Facility</i>	5,700,000	10	0.21	-	-	-
650 Washington Road Associates - <i>Office Building</i>	-	-	-	6,193,900	6	0.29
Asbury Health - <i>Personal Care Facility</i>	-	-	-	5,876,498	7	0.27
Jon Pan Realty Inc - <i>Retail Shops</i>	-	-	-	5,555,000	9	0.26
Total	<u>\$125,620,780</u>		<u>4.56%</u>	<u>\$103,130,634</u>		<u>4.78%</u>
Total Taxable Assessed Valuation	<u>\$3,106,026,468</u>			<u>\$2,159,216,301</u>		

(1) Assessed valuation based on the valuation of property for taxes collected in 2019 and 2010 respectively, and a review of the 10 largest taxpayers for the Municipality.

(2) Assessment valuations were converted to 100% value.

Source: Mt. Lebanon Tax Office.

Mt. Lebanon Comprehensive Annual Financial Reports.

MT. LEBANON SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

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

Source: Mt. Lebanon Tax Office for the calendar year for year 2019 and 2010.

MT. LEBANON SCHOOL DISTRICT

**MT. LEBANON SCHOOL DISTRICT EARNED INCOME TAX
REVENUE BASE AND COLLECTIONS**

LAST TEN YEARS

Calendar Year	Tax Rate	Net Earned Income Tax Collected	Refunds	Total Earned Income Tax Collected
2010	0.5	\$6,094,304	(\$350,280)	\$6,444,584
2011	0.5	6,445,280	(306,335)	6,751,615
2012	0.5	7,135,252	(718,391) *	7,853,643
2013	0.5	6,821,124	(125,450)	6,946,574
2014	0.5	7,045,615	(151,543)	7,197,158
2015	0.5	7,125,908	(144,321)	7,270,229
2016	0.5	6,894,693	(125,911)	7,020,605
2017	0.5	7,143,793	(131,126)	7,274,920
2018	0.5	7,249,225	(133,735)	7,382,960
2019	0.5	7,733,964	(138,122)	7,872,086

Source: Mt. Lebanon Tax Office.

* This year had an increase of refunds due to the transitioning to a new tax collector. Carryovers to the next year did not happen because of this transition. Refunds were the result of this action.

MT. LEBANON SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING DEBT

YEAR ENDED JUNE 30, 2020

Direct Debt	Percentage of Applicable Debt	Face Amount Outstanding
General Obligation Bonds	100.0%	<u>\$129,840,000</u>
Total Direct Debt		<u>129,840,000</u>
Overlapping Debt		
Allegheny County	3.5%	30,790,872 (1) (2)
Mt. Lebanon, Pennsylvania	100.0%	<u>28,873,492 (2)</u>
Total Overlapping Debt		<u>59,664,364</u>
Total Direct and Overlapping Debt		<u><u>\$189,504,364</u></u>

RATIOS

<u>Direct Debt To:</u>		<u>Direct and Overlapping Debt To:</u>	
Assessed Value	4.2%	Assessed Value	6.1%
Market Value	4.7%	Market Value	6.9%
Per Capita	\$3,918	Per Capita	\$5,719
		Assessed Value	\$3,106,026,468
		Market Value	\$2,755,950,728
		Population	33,137

(1) Percentage based on Mt. Lebanon's assessed value as a percentage of Allegheny County's assessed value.

(2) As of December 31, 2019.

Source: Municipal information from the Municipal Finance Office.
County information from the County Finance Office.

MT. LEBANON SCHOOL DISTRICT
COMPUTATION OF NONELECTORAL DEBT MARGIN*
AS OF JUNE 30, 2020

Formula for Debt Limit	Fiscal Year Ended June 30		
	2018	2019	2020
Total General Fund Revenues	\$97,785,736	\$98,710,302	\$101,818,802
Less: Required Deductions Included in Total Revenues			
a. Construction Subsidies	1,300,376	1,320,665	1,502,244
b. Receipts Pledged to Self-Liquidating Debt or Payments under Leases or Guaranties	-	-	-
c. Interest Earned on Sinking Fund	-	-	-
d. Grant Payments for Special Projects	851,176	771,627	727,889
e. Sale of Property and Nonrecurring Revenues	-	-	-
Net Revenues	95,634,184	96,618,010	99,588,669
Total Net Revenues for Three Years	291,840,863		
Borrowing Base - Average Net Revenues for Three-Year Period	97,280,288		
Multiplier	225%		
Total Nonelectoral Debt Limit	218,880,647		
Less: Amount of Debt Applicable to Debt Limit	129,840,000		
	<u>\$89,040,647</u>		

*Note: Act 50 of 1998 amended Section 8022 of the Local Government Unit Debt Act to set the Nonelectoral Debt Limit at 225% of the district's borrowing base as calculated above.

MT. LEBANON SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$170,864,693	\$175,337,503	\$180,316,889	\$184,015,592	\$191,539,949	\$194,659,730	\$209,530,949	\$211,389,560	\$215,667,992	\$218,880,647
Total Net Debt Applicable to Limit	141,468,789	137,523,011	132,867,233	157,075,000	152,485,000	147,935,000	144,840,000	139,800,000	135,215,000	129,840,000
Legal Debt Margin	<u>\$29,395,904</u>	<u>\$37,814,492</u>	<u>\$47,449,656</u>	<u>\$26,940,592</u>	<u>\$39,054,949</u>	<u>\$46,724,730</u>	<u>\$64,690,949</u>	<u>\$71,589,560</u>	<u>\$80,452,992</u>	<u>\$89,040,647</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	82.80%	78.43%	73.69%	85.36%	79.61%	76.00%	69.13%	66.13%	62.70%	59.32%

MT. LEBANON SCHOOL DISTRICT

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES**

LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total Governmental Funds Expenditures	Ratio of Debt Service to General Expenditures
2011	**\$2,930,000	\$7,060,082	*\$9,990,082	\$79,098,228	12.6%
2012	3,605,000	5,976,834	9,581,834	90,460,219	10.6%
2013	4,315,000	5,854,845	10,169,845	122,530,022	8.3%
2014	4,445,000	6,367,619	*10,812,619	114,630,692	9.4%
2015	4,590,000	7,245,494	11,835,494	106,774,486	11.1%
2016	**3,677,434	7,524,085	11,201,519	96,312,479	11.6%
2017	4,710,000	6,659,143	11,369,143	102,684,621	11.1%
2018	5,040,000	5,541,242	10,581,242	99,407,639	10.6%
2019	4,585,000	5,990,975	10,575,975	100,879,800	10.5%
2020	5,375,000	5,790,418	11,165,418	106,455,659	10.5%

*Excludes issue costs.

**Excludes payments related to refunded bonds.

MT. LEBANON SCHOOL DISTRICT

**RATIO OF NET BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA**

LAST TEN FISCAL YEARS

Fiscal Year	Population	Assessed Value	Estimated Actual Value	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita	Ratio of Net Bonded Debt to Estimated Actual Value
2011	33,137	\$2,159,216,301	\$2,149,416,467	\$134,695,000	0	\$134,695,000	6.2%	\$4,065	6.3%
2012	33,137	2,164,809,298	2,149,370,980	131,090,000	0	131,090,000	6.1%	3,956	6.1%
2013	33,137	2,156,859,685	2,227,695,480	126,775,000	0	126,775,000	5.9%	3,826	5.7%
2014	33,137	2,624,320,623	2,227,695,480	157,075,000	1,468,874	155,606,126	5.9%	4,696	7.0%
2015	33,137	2,640,643,028	2,526,070,683	152,485,000	505,541	151,979,459	5.8%	4,586	6.0%
2016	33,137	2,731,822,780	2,537,403,198	147,935,000	0	147,935,000	5.4%	4,464	5.8%
2017	33,137	2,734,870,374	2,621,302,937	144,840,000	0	144,840,000	5.3%	4,371	5.5%
2018	33,137	2,740,089,012	2,625,133,850	139,800,000	0	139,800,000	5.1%	4,219	5.3%
2019	33,137	2,747,645,634	2,712,488,346	135,215,000	0	135,215,000	4.9%	4,080	5.0%
2020	33,137	3,106,026,468	2,755,950,728	129,840,000	0	129,840,000	4.2%	3,918	4.7%

MT. LEBANON SCHOOL DISTRICT

OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2005 General Obligation Bonds	\$52,845,000	\$52,680,000	\$52,510,000	\$52,335,000	\$52,155,000	-	-	-	-	-
2009 General Obligation Bonds	2,975,000	2,505,000	2,025,000	1,540,000	1,040,000	\$525,000	-	-	-	-
2009 A General Obligation Bonds	68,300,000	66,505,000	64,620,000	62,665,000	60,635,000	58,530,000	-	-	-	-
2011 General Obligation Bonds	10,575,000	9,400,000	7,620,000	5,790,000	3,915,000	1,985,000	-	-	-	-
2013 General Obligation Bonds	-	-	-	34,745,000	34,740,000	34,735,000	\$34,730,000	\$34,455,000	\$34,190,000	\$33,900,000
2015 General Obligation Bonds	-	-	-	-	-	52,160,000	52,155,000	49,645,000	47,040,000	43,740,000
2017 General Obligation Bonds	-	-	-	-	-	-	57,955,000	55,700,000	53,985,000	52,200,000
Total Debt	\$134,695,000	\$131,090,000	\$126,775,000	\$157,075,000	\$152,485,000	\$147,935,000	\$144,840,000	\$139,800,000	\$135,215,000	\$129,840,000
Ratio of Debt to Personal Income	9.5%	9.3%	9.0%	11.1%	10.8%	10.5%	10.2%	9.9%	9.6%	9.2%
Debt Per Capita	\$4,080	\$3,970	\$3,840	\$4,757	\$4,618	\$4,481	\$4,387	\$4,234	\$4,095	\$3,933

MT. LEBANON SCHOOL DISTRICT
HISTORICAL SCHEDULE OF TAX RATES AND STATISTICS

LAST 30 YEARS

Fiscal Year	Assessed Valuation	Millage Rate	Earned Income Tax Rate	Realty Transfer Tax Rate	School Buildings In Use	Enrollment
1991	\$264,528,535	92.75	1/2	1/2	8	4,947
1992	271,208,015	98.5	1/2	1/2	8	5,008
1993	281,925,660	98.5	1/2	1/2	8	5,040
1994	289,355,500	98.5	1/2	1/2	8	5,229
1995	339,035,520	90.5	1/2	1/2	8	5,364
1996	340,838,695	90.5	1/2	1/2	8	5,435
1997	338,378,140	90.5	1/2	1/2	8	5,546
1998	336,504,000	91	1/2	1/2	8	5,659
1999	340,928,320	94.9	1/2	1/2	10	5,751
2000	347,621,185	96.4	1/2	1/2	10	5,728
2001	353,449,835	98.65	1/2	1/2	10	5,672
2002	1,855,927,051	20.76	1/2	1/2	10	5,616
2003	2,122,631,133	18.12	1/2	1/2	10	5,616
2004	2,141,508,681	20.16	1/2	1/2	10	5,576
2005	2,113,921,663	22.76	1/2	1/2	10	5,505
2006	2,171,329,944	23.18	1/2	1/2	10	5,454
2007	2,164,018,756	23.56	1/2	1/2	10	5,436
2008	2,154,641,502	23.56	1/2	1/2	10	5,416
2009	2,171,398,932	23.81	1/2	1/2	10	5,294
2010	2,175,275,286	24.11	1/2	1/2	10	5,302
2011	2,159,216,301	26.63	1/2	1/2	10	5,268
2012	2,164,809,298	26.63	1/2	1/2	10	5,297
2013	2,156,859,685	27.13	1/2	1/2	10	5,268
2014	2,624,320,623	22.61	1/2	1/2	10	5,218
2015	2,640,643,028	23.15	1/2	1/2	10	5,321
2016	2,731,822,780	23.55	1/2	1/2	10	5,361
2017	2,734,870,374	23.93	1/2	1/2	10	5,453
2018	2,740,089,012	23.93	1/2	1/2	10	5,528
2019	2,747,645,634	24.32	1/2	1/2	10	5,513
2020	2,755,950,728	24.79	1/2	1/2	10	5,531

Source: School District Finance Office.

MT. LEBANON SCHOOL DISTRICT
SCHEDULE OF TOTAL EXPENDITURES PER PUPIL
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Governmental Expenditures</u>	<u>Enrollment</u>	<u>Cost Per Pupil</u>	<u>General Fund Expenditures</u>	<u>Cost Per Pupil General Fund</u>	<u>Percent Increase(Decrease) General Fund</u>
2011	\$79,098,228	5,268	\$15,015	\$66,286,091	\$12,583	0.3%
*2012	90,460,219	5,297	17,078	67,886,750	12,816	1.9%
*2013	122,530,022	5,268	23,259	68,928,835	13,084	2.1%
*2014	114,630,692	5,218	21,968	72,692,319	13,931	6.5%
*2015	106,774,486	5,321	20,067	77,287,208	14,525	4.3%
*2016	149,610,045	5,361	27,907	79,222,505	14,778	1.7%
*2017	102,684,621	5,453	18,831	82,030,612	15,043	1.8%
*2018	99,478,522	5,528	17,995	85,380,145	15,445	2.7%
2019	100,879,800	5,513	18,299	87,379,818	15,850	2.6%
2020	106,455,659	5,531	19,247	91,693,699	16,578	4.6%

*Reflects the high school renovations.

Source: All Governmental Fund Expenditures or General Fund Expenditures as noted.

MT. LEBANON SCHOOL DISTRICT
PUPIL/TEACHER RATIO AND ATTENDANCE
LAST TEN FISCAL YEARS

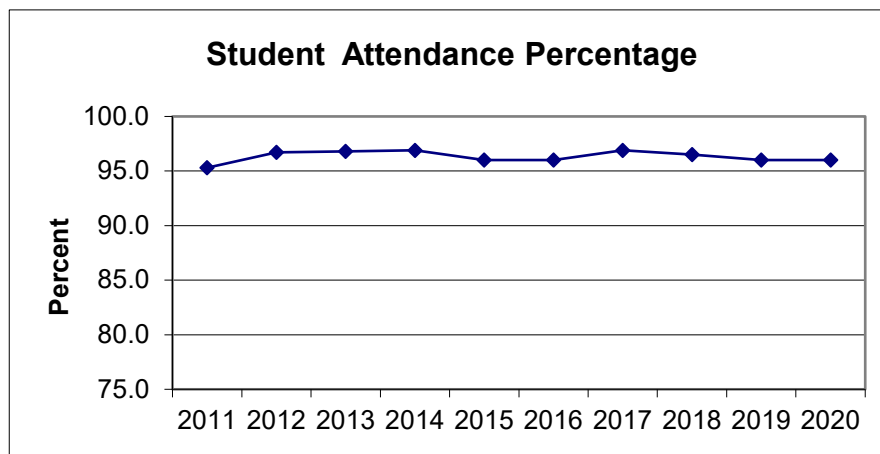
Fiscal Year	Enrollment	Teaching Staff*	Pupil/Teacher Ratio	Student Attendance Percentage	Number of Free & Reduced**	Percentage of Free & Reduced**
2011	5,268	382	13.8	95.3%	***431	8.19%
2012	5,297	384	13.8	96.7%	433	8.19%
2013	5,268	382	13.8	96.8%	412	7.82%
2014	5,218	378	13.8	96.9%	499	9.52%
2015	5,321	380	14.0	96.0%	539	10.13%
2016	5,361	378	14.2	96.0%	660	12.31%
2017	5,453	379	14.4	96.9%	660	12.10%
2018	5,528	376.9	14.7	96.5%	719	13.01%
2019	5,513	377.6	14.6	96.0%	719	13.04%
2020	5,531	379.7	14.6	96.0%	704	12.73%

*Reflects full-time equivalents for professional staff excluding Administrators, but including all special subject areas.

**These are students eligible under Federal guidelines for free or reduced price lunches. All numbers were taken from the month of October for the years which information is available.

***This is the first school year all 10 schools participated in the National School Lunch Program.

Source: School District Human Resource Department and Finance Office



MT. LEBANON SCHOOL DISTRICT
INFORMATION ON TEACHING STAFF
LAST TEN YEARS

Fiscal Year		Education						Average Salary/ Total
		Bachelors	Bachelors +15	Masters	Masters+30	Masters+60	Ph D	
2011	Salary Range	\$45,000-89,600	\$46,000-91,900	\$48,000-96,000	\$48,500-97,000	\$49,000-98,200	\$49,500-98,600	\$66,726
	Number of Teachers	16	81	280	42	10	4	433
2012	Salary Range	\$46,000-91,200	\$46,500-93,800	\$49,000-97,800	\$49,500-98,000	\$50,000-100,000	\$50,500-100,500	\$68,095
	Number of Teachers	15	76	282	43	9	6	431
2013	Salary Range	\$46,500-92,500	\$47,000-95,700	\$50,000-99,700	\$50,500-100,700	\$51,000-101,800	\$51,500-102,300	\$69,265
	Number of Teachers	14	77	281	43	8	5	428
2014	Salary Range	\$47,000-93,500	\$47,500-97,700	\$51,000-101,800	\$51,500-102,800	\$52,000-103,800	\$52,500-104,300	\$71,170
	Number of Teachers	19	68	284	42	8	5	426
2015	Salary Range	\$47,500-95,000	\$48,000-99,600	\$52,000-103,600	\$52,500-104,600	\$53,000-104,600	\$53,500-106,100	\$73,719
	Number of Teachers	18	66	287	42	10	5	428
2016	Salary Range	\$47,500-95,400	\$48,000-100,000	\$52,000-104,000	\$52,500-105,000	\$53,000-106,000	\$53,500-106,500	\$74,405
	Number of Teachers	21	70	285	40	9	5	430
2017	Salary Range	\$47,500-96,100	\$48,000-100,700	\$52,000-104,700	\$52,500-105,700	\$53,000-106,700	\$53,500-107,200	\$77,653
	Number of Teachers	19	72	274	46	8	4	423
2018	Salary Range	\$47,500-97,000	\$48,000-101,600	\$52,000-105,600	\$52,500-106,600	\$53,000-107,600	\$53,500-107,200	\$77,296
	Number of Teachers	21	71	276	45	8	5	426
2019	Salary Range	\$48,500-98,650	\$50,000-103,330	\$52,500-107,400	\$54,000-108,420	\$55,000-109,430	\$56,000-109,940	\$80,096
	Number of Teachers	16	73	276	44	6	5	420
2020	Salary Range	\$49,500-99,750	\$51,000-104,480	\$53,500-108,600	\$55,000-109,630	\$56,000-110,650	\$57,000-111,170	\$81,845
	Number of Teachers	16	73	276	44	6	5	433

Source: School District Human Resource Department.

MT. LEBANON SCHOOL DISTRICT
FULL-TIME EQUIVALENT EMPLOYEES

LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Supervisory										
Central Administration	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Supervisors Of Instruction	8.00	3.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Principals	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Assistant Principals/Athletic Director	6.50	6.50	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Total Supervisory	30.50	26.50	25.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Instruction										
Elementary Classroom Teachers	105.50	106.50	104.50	104.50	107.50	106.50	105.50	105.50	106.00	107.50
Secondary Classroom Teachers	164.90	165.15	164.90	162.50	161.42	160.82	161.20	160.00	160.20	160.30
Other Classroom Teachers*	112.00	112.80	112.60	110.60	111.10	111.90	111.30	111.40	111.40	111.90
Total Instruction	382.40	384.45	382.00	377.60	380.02	379.22	378.00	376.90	377.60	379.70
Student Services										
Guidance Counselors	22.50	22.50	21.50	21.50	21.50	21.50	21.50	21.50	21.50	23.70
Psychologists	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Nurses	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Librarians	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Total Student Services	43.50	42.50	41.50	41.50	41.50	41.50	41.50	41.50	41.50	43.70
Support and Administration										
Clerical/Secretarial	60.83	61.68	56.41	55.69	55.69	54.43	53.45	53.45	54.99	55.19
Administrative Assistant/Specialists	30.50	30.50	30.50	29.00	30.00	30.00	28.00	25.00	24.50	26.50
Other Support Staff**	46.00	43.00	40.50	41.50	42.50	42.06	49.06	49.56	46.56	41.33
Service Workers***	99.93	100.21	97.96	97.43	97.43	97.43	95.86	96.96	96.86	100.50
Total Support and Administration	237.26	235.39	225.37	223.62	225.62	223.92	226.37	224.97	222.91	223.52
TOTAL	693.66	688.84	673.87	666.72	671.14	668.64	669.87	667.37	666.01	670.92

*Other Classroom Teachers = Art, Music, PE, Sp. Ed., Speech/Lang, GAT, Fed. Programs, Strive, FLES.

**Other Support Staff = PCA, Health Aide;

***Service workers = Custodians, Head Custodians, Skilled Trades, Cafeteria.

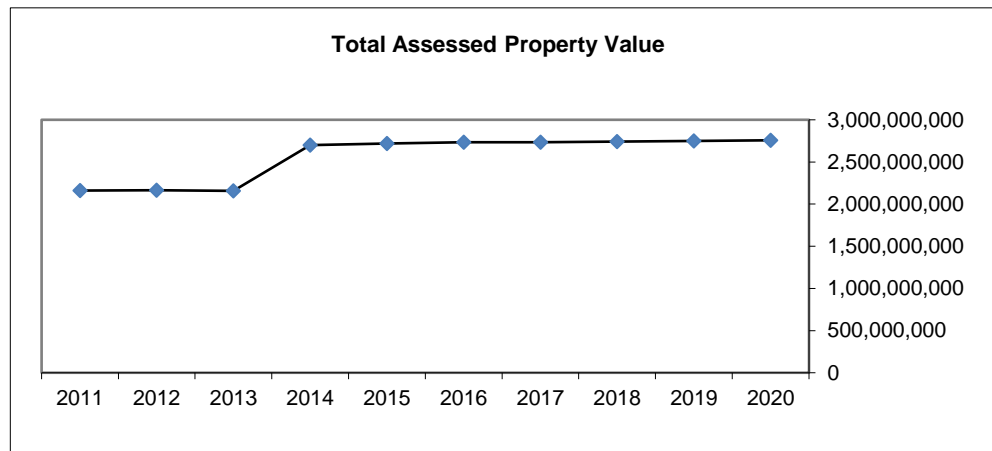
Source: School District Human Resource Department.

MT. LEBANON SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Calendar Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (1)	Median Household Income (1)	Median Age (1)
2011	33,137	\$1,415,314,407	\$42,711	\$74,003	43.8
2012	33,137	1,415,314,407	42,711	74,003	43.8
2013	33,137	1,415,314,407	42,711	74,003	43.8
2014	33,137	1,415,314,407	42,711	74,003	43.8
2015	33,137	1,415,314,407	42,711	74,003	43.8
2016	33,137	1,415,314,407	42,711	74,003	43.8
2017	33,137	1,415,314,407	42,711	74,003	43.8
2018	33,137	1,415,314,407	42,711	74,003	43.8
2019	33,137	1,415,314,407	42,711	74,003	43.8
2020	33,137	1,415,314,407	42,711	74,003	43.8

(1) Source: U.S. Census, Census of population, 2010 U.S. Census

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



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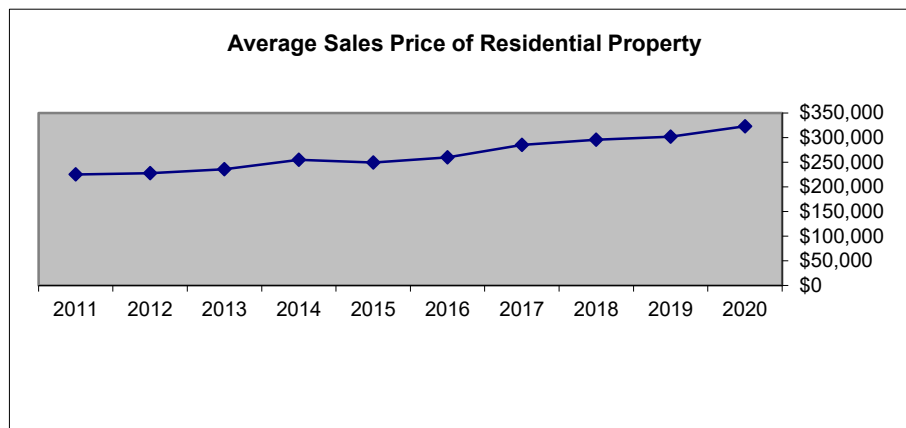
MT. LEBANON SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Educational Attainment Bachelor's Degree or higher	School Enrollment (3)	Unemployment Rate (4)	Average Sales Price of Residential Property (5)	Total Assessed Property Value (5)
61.0	5,302	5.3	225,237	2,159,216,301
64.1	5,268	4.8	228,008	2,164,809,298
64.1	5,297	4.7	235,838	2,156,859,685
64.1	5,268	4.5	255,115	2,698,042,173
64.1	5,218	3.6	249,768	2,718,872,379
64.1	5,321	2.9	260,177	2,732,801,335
64.1	5,361	2.5	285,383	2,734,870,374
64.1	5,453	3.5	295,737	2,743,104,034
64.1	5,528	3.2	301,925	2,747,645,634
64.1	5,513	4.2	323,175	2,756,995,028

(3) Enrollment as of September 1 of the Fiscal Year Ended

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

(5) Source: Mt. Lebanon Tax Office



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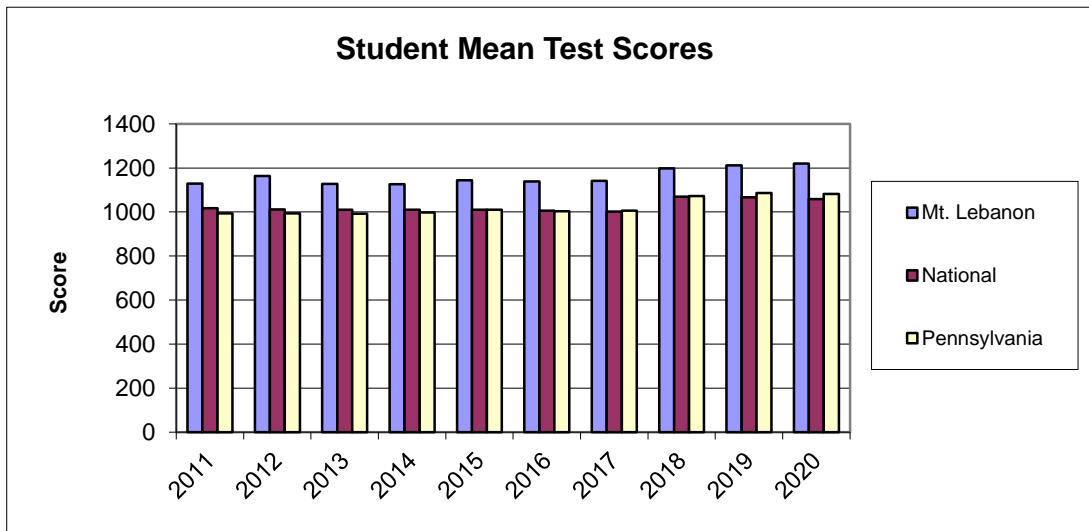
MT. LEBANON SCHOOL DISTRICT

STUDENT MEAN TEST SCORES

LAST TEN YEARS

Graduation Year	Scholastic Aptitude Test - SAT 1			National Merit Results	
	Mt. Lebanon	National	Pennsylvania	Number Semi-Finalists	Number Commended
2011	1164	1011	994	7	13
2012	1127	1010	992	3	14
2013	1126	1010	998	11	16
2014	1144	1010	1001	4	15
2015	1138	1006	1003	10	15
2016	1141	1002	1006	9	9
2017	1198	1070	1073	11	14
2018	1212	1067	1086	5	6
2019	1220	1059	1082	9	13
2020	1197	1051	1077	7	14

Source: School District Guidance Office.



VISION-DRIVEN DECISION-MAKING: DATA GUIDES OUR PROGRESS

Background

The **2020 Student Academic Outcomes Report** is a collection of aggregate data from the 2019-2020 school year used as indicators of programmatic and student success. This report represents summative achievement data that the District collects throughout the year via capstone assessments such as the SAT, ACT, and Advanced Placement (AP). In a typical year, this report would also include data and results for the Keystone exams and the PSSA tests. It is important to emphasize the impact Covid-19 and the related school closures have had on our ability to collect and analyze student data. Following the announcement of school closures by Governor's orders on March 13, 2020, the Pennsylvania Department of Education cancelled all PSSA and PASA testing, as well as the Keystone exams. The school closures also impacted the District's ability to collect formative data using CDTs and MAP testing in the Spring.

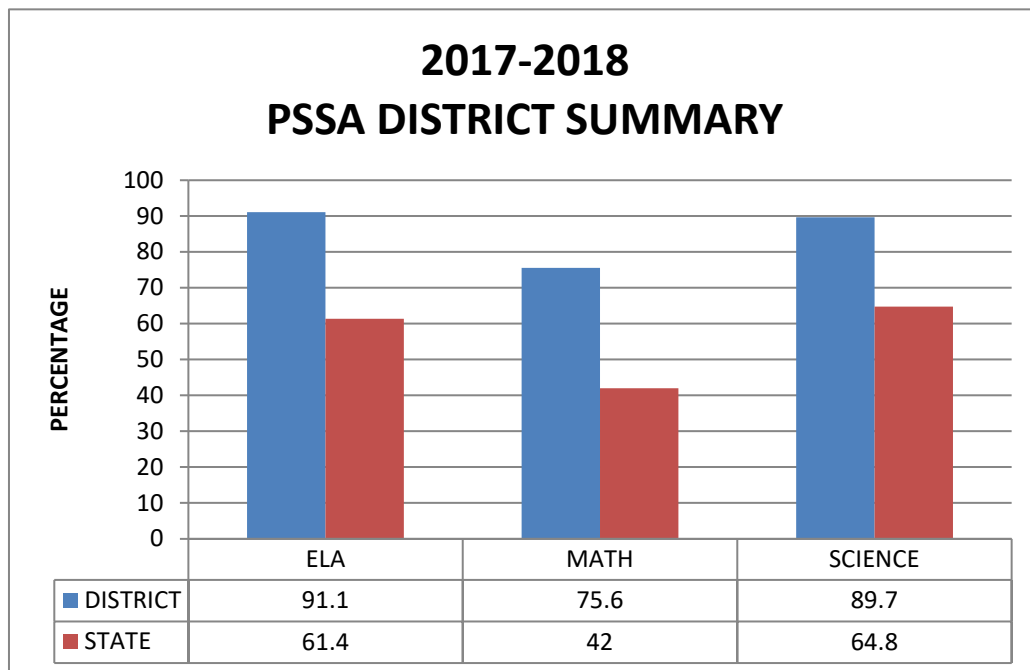
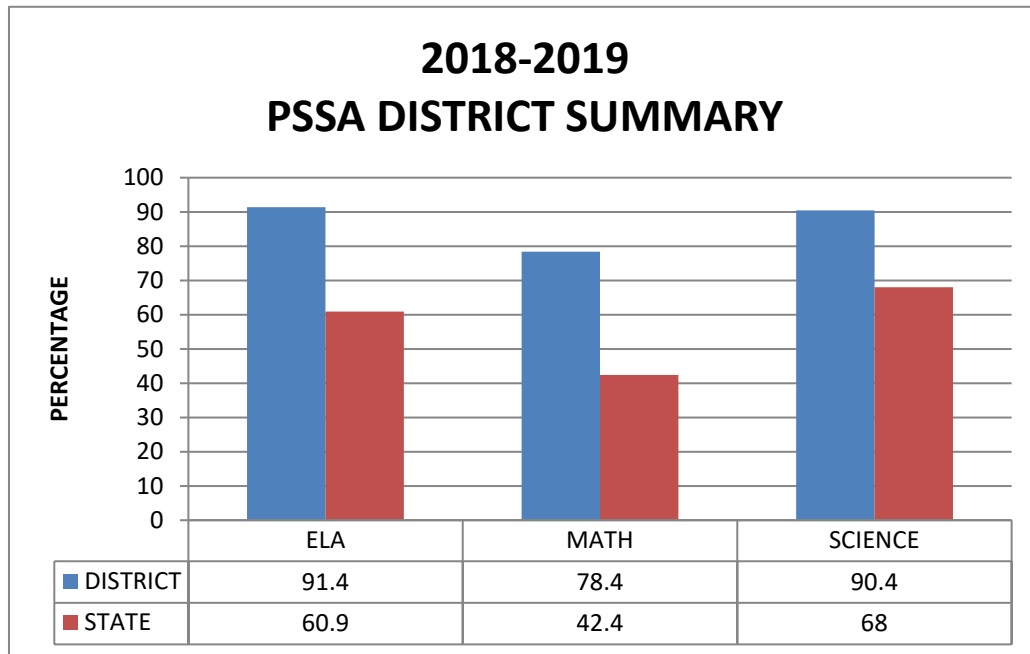
To the extent possible, and especially given the limitations disseminated, the Student Academic Outcomes Report reflects trend data so patterns can be discerned, analyzed, addressed, and/or celebrated. It is important to note that data reflecting any single year is not indicative of a trend. It should be expected that there will be slight fluctuations in the data from year to year. Only through an analysis of a collection of results over time can valid conclusions be drawn regarding changes in student performance.

The District's Administration, Curriculum Councils, Department Chairs and Facilitators regularly examine and analyze additional student data to assist with program planning and evaluation. This additional data can include attendance, discipline, graduation rates, and graduation survey information.

The framework of this report is analogous to our curricular design model, Understanding by Design. This framework emphasizes that our curriculum design begins with the end in mind. Teachers and administrators backwards map the curriculum using "big ideas", "enduring understandings", and "essential questions" before identifying assessments and then lesson plans. This strategy keeps the curricular goal(s) as the focal point(s). Similarly, as a reflection of our curriculum design process, this report will begin with the end in mind: **well-rounded graduates who are prepared for success in their chosen path.** *The focus of this report is academic achievement in the core content areas and does not include the many other important factors of student success, including student engagement in the arts, athletics and extracurricular activities.*

MT. LEBANON SCHOOL DISTRICT

STUDENT TEST SCORES

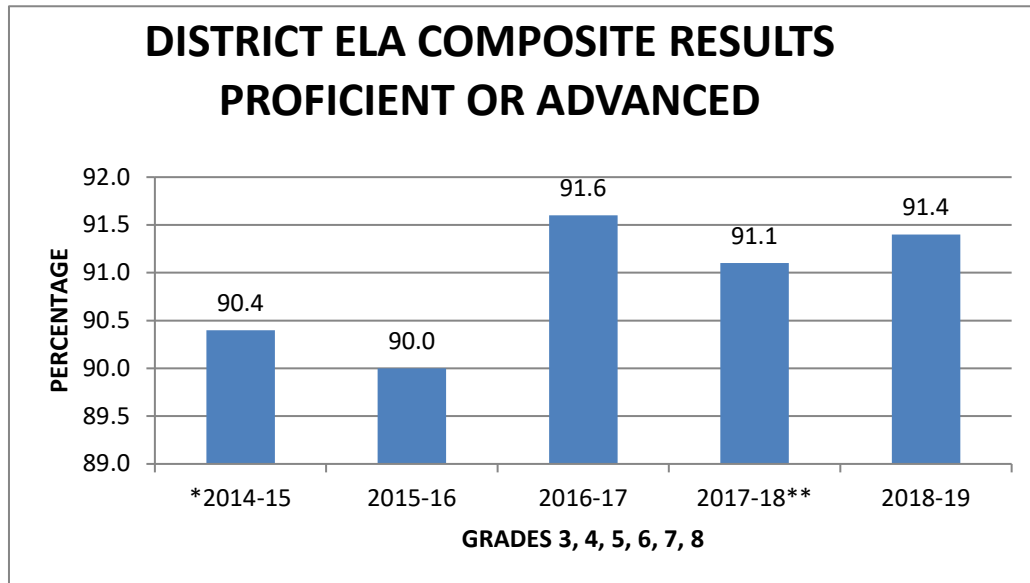


Data compiled from: Emetrics

<http://paayp.emetric.net>

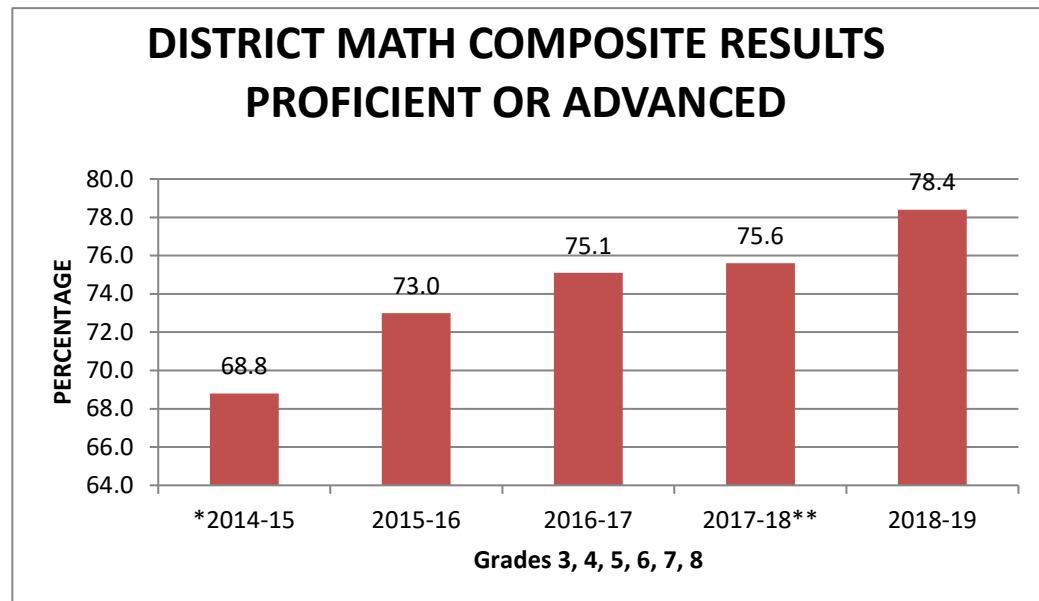
MT. LEBANON SCHOOL DISTRICT

STUDENT TEST SCORES



*First year of the new PSSA Assessment aligned to the new PA Core Standards

**First year of a new modified PSSA Assessment



*First year of the new PSSA Assessment aligned to the new PA Core Standards

**First year of a new modified PSSA Assessment

MT. LEBANON SCHOOL DISTRICT

PROGRAM RESULTS

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

According to available statistics, 90.1% of Mt. Lebanon's class of 2020 is continuing its education at:

- | | |
|--|-------|
| • Four-year college | 80.7% |
| • Two-year college | 10.7% |
| • Vocational, technical or professional school | .23% |
| • Armed services | .7% |

During the 2019-2020 school year, 1,263 students were enrolled in 22 Advanced Placement (college equivalent) courses, and 894 of those students took Advanced Placement exams. Note: Non-duplicated student count of students taking an exam is 500. Advanced Placement course offerings included 22 course offerings: Biology, Calculus AB, Calculus BC, Chemistry, Computer Science A, English Literature & Composition, English Language & Composition, Environmental GeoScience (Environmental Science), European History, Human Geography, Languages (French, German, Spanish), Music Theory, Physics 1, Physics (Mechanics and Electricity & Magnetism), Psychology, Statistics, Studio Art, United States Government & Politics and United States History.

The Mt. Lebanon class of 2020 SAT Reasoning average score, including Critical Reading and Mathematics, was 1197 with 86.9% of the class taking the exam. This score is 146 points more than the national average and 120 points more than the Pennsylvania average. Students of all abilities at Mt. Lebanon are taking the SAT Reasoning test and are being accounted for very favorably in state comparisons.

Of the 85% of the class of 2020 who took the ACT exam, the average composite score was 26.4 compared to the national average of 20.6 and Pennsylvania state average of 23.7. Average composite scores include English, Mathematics, Reading and Science results. Mt. Lebanon students exceeded national and state averages in all four content areas.

MT. LEBANON SCHOOL DISTRICT

MUNICIPALITY CONSTRUCTION COSTS AND PROPERTY VALUES

LAST TEN CALENDAR YEARS

Calendar Year	Building Permits Issued	Estimated Value of Construction(1)	Occupancy Permits Issued	Total Property Value	<u>Property Value (2)</u>	
					Taxable	Exempt
2010	733	\$36,463,804	50	\$2,383,984,141	\$2,159,216,301	\$224,767,840
2011	682	18,645,425	47	2,389,984,638	2,164,809,298	225,175,340
2012	635	128,540,359	45	2,387,704,025	2,156,859,685	230,844,340
2013	482	15,186,564	31	3,167,159,295	2,698,042,173	469,117,122
2014	526	16,872,741	24	3,091,134,301	2,718,872,379	372,261,922
2015	536	14,008,035	43	3,114,770,557	2,732,801,335	381,969,222
2016	585	15,765,213	28	3,116,748,196	2,734,870,374	381,877,822
2017	623	25,555,091	18	3,119,773,880	2,743,104,034	376,669,846
2018	650	34,257,329	25	3,096,705,534	2,747,645,634	349,059,900
2019	637	58,979,386	8	3,106,026,468	2,756,995,028	349,031,440

(1) Construction detail obtained from Mt. Lebanon Inspection Office.

(2) Assessed valuation per Tax Office (as of billing dat

Notes: Bank deposit data is not available. All banks and savings institutions located in Mt. Lebanon are brar offices. Allegheny County assessment records do not allow categorization by use or ownership.

MT. LEBANON SCHOOL DISTRICT

BUILDING INFORMATION

YEAR ENDED JUNE 30, 2020

Building	Year of Construction		Classrooms	Enrollment	Capacity	Percentage of Capacity Used	Staffing		Building Square Footage	Site Acreage
	Original	Latest Renovation					Professional	Support		
Elementary Schools										
Washington	1921	2005	32	426	434	98.2%	33	17	74,428	7.5 (3)
Lincoln	1925	2004	31	440	510	86.3%	32	13	74,510	3.5
Markham	1929	2004	28	321	432	74.3%	28	12	42,513	6.1
Howe	1929	2003	34	367	468	78.4%	29	22	65,662	7.1
Foster	1940	2003	25	264	389	67.9%	23	14	53,560	5.4
Jefferson	1950	2004	26	310	343	90.4%	25	13	51,519	17.7 (1)
Hoover	1963	2005	18	308	342	90.1%	23	14	68,661	5.9
Secondary Schools										
Jefferson	1959	1998	84	638	833	76.6%	57	20	100,835	17.7 (1)
Mellon	1938	1998	53	674	840	80.2%	62	24	111,566	7.5 (3)
Senior High	1930	2016	142	1792	2250	79.6%	131	35	454,817	28.6 (2)
(inc. Stadium)										

(1) The Jefferson Elementary and the Jefferson Middle School share a joint site totaling 17.7 acres.

(2) The Senior High Facility houses the central administration and district support services totaling 16 professional and 28 support staff.
Also included are 38 cafeteria employees and 78 custodial/maintenance employees.

(3) The Mellon Middle School and Washington Elementary share a joint site totaling 7.5 acres.

Source: School District Human Resource Department, Finance Office and Facilities Department.

MT. LEBANON SCHOOL DISTRICT

AWARDS AND RECOGNITIONS

Mt. Lebanon School District Awards

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

2019 Pittsburgh Business Times Guide to Western PA Schools

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

NICHE.COM Ranking

The Mt. Lebanon School District ranks at the top of the state and region in the 2020 Niche Rankings. Niche ranks the District # 15 in the country, #1 in the region and # 3 in PA. The Niche website rates schools across the state and nation using data from the U.S. Department of Education, surveys and reviews.

Mt. Lebanon School District Designated Best Community for Music Education

The Mt. Lebanon School District was named among the Best 100 Communities for Music Education (BCME) in 2020 by the **NAMM Foundation**. BCME is a nationwide survey that acknowledges schools and districts across the U.S. for their commitment and support for music education as part of the core curriculum. This is the 11th year in a row that the Mt. Lebanon School District has been designated a Best Community for Music Education.

Mellon Middle School 2018-2019 Schools to Watch

Andrew W. Mellon Middle School was selected as one of three middle schools in Pennsylvania named PA Don Eichhorn Schools: "2018-2019 Schools to Watch" (PA STW) as part of a recognition program developed by the National Forum to Accelerate Middle-Grades Reform.

U.S. Department of Education Green Ribbon School

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

ASBO Meritorious Budget Award

The Association of School Business Officials International (ASBO) awarded the Mt. Lebanon School District with the Meritorious Budget Award (MBA) during the 2019-2020 budget year. The MBA promotes and recognizes excellence in school budget presentation and is conferred only to school districts whose budgets have undergone a rigorous review by financial professionals and have met or exceeded the program's stringent criteria. This is the 26th year in a row the District was selected for this award.

U.S. News and World Report 2019 Best High School Ranking

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

The Class of 2019 graduated 423 students with ninety-seven percent continuing to pursue full time or Armed Service education. The class of 2019 had 5 students selected as National Merit Semifinalists and 6 Commended.

MT. LEBANON SCHOOL DISTRICT

OTHER INFORMATION

In 1902, the first trolley line from Pittsburgh enabled the Mt. Lebanon area to begin development. Ten years later, the citizens of the Mt. Lebanon area of Scott Township voted to incorporate what is now Mt. Lebanon under the legislative act providing for establishment of "First Class Township" government.

It was in July of 1912 that the Mt. Lebanon School District came into legal existence, established by decree of the Court of Quarter Sessions. At that time, the School District was considered a fourth-class district with a five-member School Board.

In 1912, the school housing consisted of a six-room frame building at the corner of Washington Road and Cedar Boulevard, and a one-room frame building at Beadling Road. The close of World War I signaled the beginning of a planned program of expansion including site selections and bond issues for the building of the ten schools that now reside in the District.

Completion of the Liberty Tubes in 1924 marked a period of rapid growth in the community. By 1961, Mt. Lebanon's population had grown to 35,361 from 1,705 in 1912, thus changing its rating to a second-class school district with nine School Board members.

Throughout its history, Mt. Lebanon residents have always given top priority to their school system, which has enjoyed an excellent national reputation for education of its children. Currently, about 90% of the District's seniors enter some type of post-secondary education and the number of students chosen as National Merit Finalists has continued to place Mt. Lebanon as one of the top high schools in the country.

Enrichment programs occur at every educational level for most children. Advanced placement courses at the High School often permit college-bound students to receive credit toward their freshman year.

Within the six square miles of the community, there are seven elementary schools, two middle schools and one Senior High School. The structure of the schools is K-5, 6-8 and 9-12. All schools are located in areas which permit all, except exceptional children, to walk to school.

The nine-member elected School Board annually establishes the School District budget and millage rate. Each member serves a four-year term with elections occurring every two years for expired terms. Board meetings are usually held the second and third Monday of each month.

The 2019-20 school staff includes 433 certificated classroom teachers with an average salary in fiscal 2020 of \$81,845. Of these teachers, 79% hold masters degrees or doctorates. Average class size at the elementary level is 22.6 students per classroom teacher. At the secondary level, average class size ranges from 23.36 to 26.8 students per teacher, excluding special subjects.

The School District encourages the active involvement of parents, residents and community groups. Voluntary ad hoc advisory committees for various topics provide valuable information and assistance to the District throughout the year. An active PTA makes possible a wide variety of activities and services not provided through the general School District budget.

MT. LEBANON, PENNSYLVANIA



- | | | |
|---|-------------------------------------|--|
| 1 LINCOLN ELEMENTARY SCHOOL | 13 TEMPLE EMANUEL | 26 HOWE ELEMENTARY SCHOOL |
| 2 MT. LEBANON UNITED METHODIST | 14 RECREATION CENTER | 28 SUNSET HILLS PRESBYTERIAN CHURCH |
| 3 MT. LEBANON UNITED PRESBYTERIAN CHURCH | 16 MT. LEBANON CHRISTIAN CHURCH | 27 ST. WINIFREDO'S CHURCH |
| 4 ST. BERNARD CHURCH | 18 MT. LEBANON HIGH SCHOOL | 29 MUNICIPAL GOLF COURSE |
| 5 ST. BERNARD SCHOOL | 17 MT. LEBANON UNITED LUTHERAN | 20 MARKHAM ELEMENTARY SCHOOL |
| 6 DEPAUL INSTITUTE | 19 PUBLIC PARKING GARAGE | 30 HOLY CROSS ORTHODOX CHURCH |
| 7 SETON-LA SALLE HIGH SCHOOL | 10 MUNICIPAL BUILDING | 31 ST. PAUL'S EPISCOPAL CHURCH |
| 8 OUR SAVIOR LUTHERAN CHURCH | 20 PUBLIC PARKING GARAGE | 32 FIRST CHURCH OF CHRIST SCIENTIST OF MT. LEBANON |
| 9 BOWER HILL COMMUNITY CHURCH | 21 WASHINGTON ELEMENTARY SCHOOL | 33 BEVERLY HEIGHTS PRESBYTERIAN CHURCH |
| 10 JEFFERSON ELEMENTARY AND JEFFERSON MIDDLE SCHOOL | 22 MELLON MIDDLE SCHOOL | 34 UNITARIAN UNIVERSALIST CHURCH OF SOUTH HILLS |
| 11 ST. CLAIR HOSPITAL | 23 SOUTHMINSTER PRESBYTERIAN CHURCH | 35 FOSTER ELEMENTARY SCHOOL |
| 12 HOOVER ELEMENTARY SCHOOL | 24 PUBLIC LIBRARY | 36 PUBLIC SAFETY BUILDING |

Updated May 17, 2006



2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT



Mt. Lebanon High School

7 Horsman Drive, Pittsburgh, PA 15228

www.mtlsd.org