

**COUNTY OF FAYETTE
UNIONTOWN, PENNSYLVANIA**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

COUNTY OF FAYETTE, PENNSYLVANIA
YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

County Commissioners
County of Fayette
Uniontown, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities,, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Fayette, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise County of Fayette's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Fayette as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Community Development Fund which is a major fund and represents 0%, 1.10%, respectively, of the assets, net position and revenues of the governmental activities, and 100% of the assets, net position, and revenues of the Community Development Fund which is reported as major. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units listed above is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Fayette's ability to continue as a going concern for one year after the date that the financial statements are issued.



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To the Board of Commissioners
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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of net pension liability and contributions related to pension plans, and schedules of total OPEB liability (as listed in the table of contents as required supplementary information) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.



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To the Board of Commissioners
County of Fayette
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We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Fayette's basic financial statements. The other supplementary information in the financial section (as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information in the annual comprehensive financial report. The other information comprises the introductory and statistical sections, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022 on our consideration of the County of Fayette's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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* in considering County of Fayette's internal control over financial reporting and compliance.

Zelenkofske Axelrod LLC

ZELENKOFSCHE AXELROD LLC

September 30, 2022
Pittsburgh, Pennsylvania

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

The COUNTY OF FAYETTE, hereafter referred to as the "COUNTY", is pleased to present its financial statements developed in compliance with Statement No. 34 of the Governmental Accounting Standard Board (GASB), entitled "Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments (hereafter "GASB 34"), and related standards. GASB 34 enhances information provided to the users of its financial statements. This section of the financial reporting package presents our discussion and analysis of the COUNTY's financial performance during the year ended December 31, 2021. We recommend that it be read in conjunction with the accompanying basic financial statements in order to obtain a thorough understanding of the COUNTY's financial condition at December 31, 2021.

FINANCIAL HIGHLIGHTS

Fund Balance

The County's General Fund reported a fund balance in the amount of \$12,722,813 for the year ended December 31, 2021. This was an increase of \$6,044,701 in 2021. The County reported an unassigned fund balance amount for the General Fund of \$3,492,897.

Real Estate Taxes

The County's assessed valuation increased from \$4,794,912,260 in 2020 to \$4,833,209,580 in 2021. The County's millage stayed the same at 6.76 mills in 2021. The 2021 the General Fund millage was set at 6.11 and the Debt Service Fund was set at .65. In 2021, \$30,008,325 of real estate tax revenue was received for General Fund purposes and \$2,807,624 was received for Debt Service purposes.

Employee Health Cost

In 2010, the County commenced a self-funded health insurance program in order to help control the rising costs of health insurance. An internal service fund was created in order to handle the accounting process. In 2021, the County expended \$10,520,399 in health insurance costs leaving a net position of \$4,201,631.

Retirement Assets

The County's Retirement Trust Fund had an increase in the plan net position of \$10,033,714. The increase was due to an appreciation in fair market value on the investments and County contributions made during 2021. The County's retirement net position value was \$99,841,339 at December 31, 2021.

County's Net Position

The County's Governmental Activities had a total Net Position of \$46,609,878 for the year ended December 31, 2021.

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial section of this report consists of four parts:

- Management's discussion and analysis (this section)
- Basic financial statements (including notes)
- Required supplementary information
- Other supplementary information

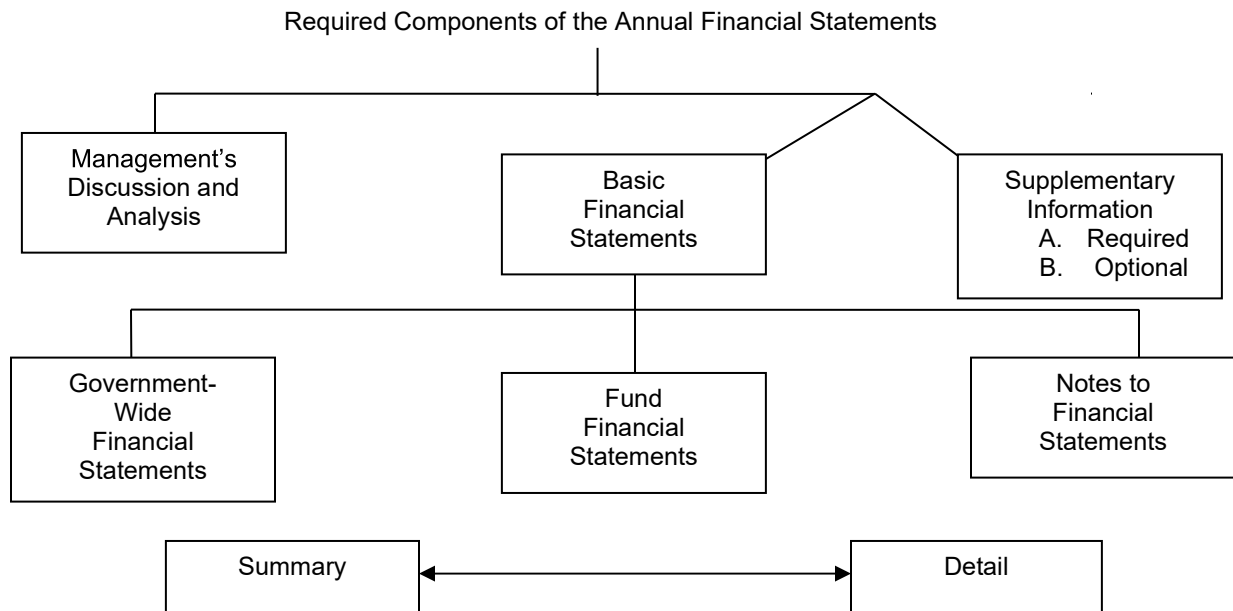
Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the COUNTY's government. The basic financial statements include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements. Required supplementary information is provided on the COUNTY's budget to actual figures for the general fund. In addition to the required elements, another supplementary section is included with combining and other statements that provide details about non-major funds.

The basic financial statements present two different views of the COUNTY.

- *Government-wide financial statements*, the first two statements, provide information about the COUNTY's overall financial status.
- *Fund financial statements*, the remaining statements, focus on individual parts of the COUNTY's government. They provide more detail on operations than the government-wide statements. There are three types of fund financial statements:
 - *Governmental funds statements* show how general government services such as public safety, public works, human services, culture and recreation, conservation and development, and economic development were financed in the short term, as well as what remains for future spending.
 - *Proprietary fund statements* offer short-term and long-term financial information about the activities the COUNTY operates like a business, like the Internal Service Fund.
 - *Fiduciary funds statements* reflect activities involving resources that are held by the COUNTY as a trustee or agent for the benefit of others. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support the COUNTY's programs.

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

Table A-1: Organization of the County's annual financial report



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COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

Table A-2 summarizes the major features of the County's financial statements, including the area of the County's activities they cover and the types of information they contain.

Table A-2: Major features of the government-wide and fund financial statements

		Fund Financial Statements		
	Government-wide Statements	Governmental	Proprietary	Fiduciary
Scope	Primary government	The day-to-day operating activities of the County, such as public safety and public works	The activities of the County, such as the Internal Service Fund	Instances in which the County administers resources on behalf of others
Required Financial Statements	-Statement of net position -Statement of activities	-Balance Sheet -Statement of revenues, expenditures and changes in fund balance	- Statement of net position - Statement of revenues, expenses and changes in net position - Statement of cash flows	-Statement of fiduciary net position Statement of Changes in Plan Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources measurement focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset and liability information	All assets and liabilities both financial and capital, short term and long term	Current assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both financial and capital short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year; regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

The remainder of this overview explains the structure and contents of the government-wide and fund financial statements.

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

Government-wide financial statements

Government-wide financial statements report information about the COUNTY as a whole using accounting methods similar to those used by private-sector companies.

- The statement of net position includes all of the COUNTY's assets, as well as liabilities and deferred inflows of resources, excluding fiduciary funds. The difference between assets and liabilities plus deferred inflows of resources is reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business.
- The statement of activities focuses on how the COUNTY's net position changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on local taxes for funding.

All changes to net position are reported using the accrual method of accounting, which requires that revenues be reported when they are earned and expenses be reported when the goods and/or services are received, regardless of when cash is received or paid.

Net position is one way to measure the COUNTY's financial position. Over time, increases or decreases in the COUNTY's net position are one indicator of whether the COUNTY's financial position is improving or deteriorating; however, other non-financial factors such as changes in the COUNTY's real estate property tax base and general economic conditions must be considered to assess the overall position of the COUNTY.

The primary government is included in the government-wide financial statements. (See Note 1, Notes to the Financial Statements for additional information).

There is one category of activity for the primary government:

- *Governmental activities* include the COUNTY's basic services such as general and judicial administration, corrections, public safety, public works and human services. Property taxes and state and federal grants finance most of these activities.

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources are expended to purchase or build assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated as it does not provide or reduce current financial resources. Finally, capital assets and long-term debt do not affect fund balances.

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

Government wide statements are reported using an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the statement of net position:

- Report long-term debt as a liability
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting
- Allocate net position balances as follows:
 - Net investment in capital assets
 - Restricted net positions are those with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation
 - Unrestricted net positions are net positions that do not meet any of the above restrictions

Fund Financial Statements

Fund financial statements provide more detailed information on the COUNTY's most significant funds, not the COUNTY as a whole. Funds are accounting devices, i.e., a group of related accounts, the COUNTY uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law. Other funds are established to control and manage resources designated for specific purposes. Fund financial statements are reported using current financial resources and modified accrual accounting established by the Government Accounting Standards Board (GASB) for governments.

The COUNTY has three kinds of funds:

- *Governmental funds* include most of the COUNTY's basic services and focus on: (1) the flow in and out of cash and other financial assets that can readily be converted into cash, and: (2) the balances left at year-end that are available for spending. These funds are reported using the modified accrual accounting basis, and a current financial resources measurement focus. Consequently, the governmental funds statements provide a detailed short-term view that helps the financial resources available in the near future to finance the COUNTY's programs.

The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements.

The COUNTY adopts an annual budget for the general fund, as required by state law, certain special revenue funds and capital projects funds. A budgetary comparison of the COUNTY's general fund is presented as required supplementary information.

- *Proprietary funds* consist of the County's internal service fund. An internal service fund is an accounting device used to accumulate and allocate cost internally among the COUNTY's various functions. The COUNTY uses an internal service fund to account for the cost of employee fringe benefits, primarily the self-funded medical and dental programs. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.
- *Fiduciary funds* are funds for which the COUNTY is the trustee or fiduciary. These include certain agency funds, or clearing accounts for assets held by the COUNTY in its role as custodian until the funds are allocated to the private parties, organizations, or government agencies to which they belong. The COUNTY is responsible to ensure the assets reported in these funds are used for their intended purposes. This fiduciary activity is reported in a separate statement of fiduciary net position. These funds are excluded from the COUNTY's government-wide financial statements because the COUNTY cannot use these assets to finance its operations.

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

The COUNTY's total assets were \$138,897,956 at December 31, 2021.

GASB No. 34 requires that all capital assets, including infrastructure, be valued and reported within the governmental activities column of the government-wide financial statements.

	Governmental Activities 2021	2020	Net Change from 2020 to 2021	% of Change
Assets:				
Current and				
Other Assets	\$ 88,842,410	\$ 53,786,723	\$ 35,055,687	65.2%
Capital Assets	50,052,750	37,464,302	12,588,448	33.6%
Total Assets	138,895,160	91,251,025	47,644,135	52.2%
Deferred Outflows of Resources	2,239,425	2,453,494	(214,069)	-8.7%
Liabilities:				
Current and				
Other Liabilities	46,527,279	21,208,686	25,318,593	119.4%
Long-Term Liabilities	40,740,731	30,787,509	9,953,222	32.3%
Total Liabilities	87,268,010	51,996,195	35,271,815	67.8%
Deferred Inflows of Resources	7,259,493	4,351,038	2,908,455	100%
Net Position:				
Net Investment in Capital Assets	12,670,710	15,566,406	(2,895,696)	-18.6%
Restricted	34,717,181	19,374,117	15,343,064	79.2%
Unrestricted	(778,013)	2,416,763	(3,194,776)	-132.2%
Total Net Position	\$ 46,609,878	\$ 37,357,286	\$ 9,252,592	24.8%

The 2021 increase in current and other assets was primarily due to an increase in other Governments grants receivable and real estate taxes compared to 2020. The increase in capital assets was due to starting construction on the \$51 million prison project in 2021.

The 2021 increase in liabilities was primarily due to the additional debt issued in 2021, \$35,216,350 as compared to 2020.

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

Change in Net Position

The following statement of activities represents changes in net position for the year ended December 31, 2021. It shows revenues by source and expenses by function for governmental activities and the government as a whole.

	<u>2021</u>	<u>2020</u>	<u>Total Change</u>	<u>Percent Change</u>
Revenues				
Program Revenue:				
Charges for Services	\$ 67,037,024	\$ 58,658,184	\$ 8,378,840	14.3%
Operating Grants and Contributions	53,798,822	47,733,797	6,065,025	12.7%
Capital Grants and Contributions	1,923,948	1,570,150	353,798	22.5%
General Revenue:				
Real Estate Taxes	32,823,539	32,580,061	243,478	0.7%
Hotel Tax	2,888,168	1,430,434	1,457,734	101.9%
Interest and Royalties	548,454	503,582	44,872	8.9%
Total Revenue	<u>\$ 159,019,955</u>	<u>\$ 142,476,208</u>	<u>\$ 16,543,747</u>	<u>11.6%</u>
Expenses				
General Government	12,927,921	11,462,432	1,465,489	12.8%
Judicial Government	12,268,633	11,374,009	894,624	7.9%
Public Safety	20,125,059	18,161,619	1,963,440	10.8%
Public Works	1,301,605	2,229,346	(927,741)	-41.6%
Human Services	92,347,610	78,821,980	13,525,630	17.2%
Culture/Recreation	528,282	443,388	84,894	19.1%
Community Services	7,399,737	9,283,236	(1,883,499)	-20.3%
Community Development	1,178,744	286,152	892,592	311.9%
Interest on Long-Term Liabilities	1,696,618	697,167	999,451	143.4%
Total Expenses	<u>149,774,209</u>	<u>132,759,329</u>	<u>17,014,880</u>	<u>12.8%</u>
Change in Net Position	9,245,746	9,716,879	(471,133)	-4.8%
Net Position-Beginning	<u>37,364,132</u>	<u>27,640,407</u>	<u>(9,723,725)</u>	<u>-35.2%</u>
Net Position-Ending	<u>\$ 46,609,878</u>	<u>\$ 37,357,286</u>	<u>\$ 9,252,592</u>	<u>24.8%</u>

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

Net Program Expenses

Net program expenses indicate the amount of support required from taxes and other general revenues for a program of the government. In 2021, real estate taxes brought in \$32,823,539.

Table A-5
County of Fayette
Net Cost of Governmental Activities

	Total Cost of Services	Net Cost of Services
Program:		
General Government	\$ 12,927,921	\$ 1,405,977
Judicial Government	12,268,633	(8,114,415)
Public Safety	20,125,059	(13,827,471)
Public Works	1,301,605	640,526
Human Services	92,347,610	1,505,011
Culture/Recreation	528,282	(522,892)
Community Services	7,399,737	(5,225,789)
Conservation/Development	1,178,744	(1,178,744)
Interest on Long-Term Debt	1,696,618	(1,696,618)
Total	<u>\$ 149,774,209</u>	<u>\$ (27,014,415)</u>

The COUNTY relied on real estate taxes and other general revenues to fund 18.04% of its governmental activities in 2021.

The real estate tax is based on the assessed value of real property. Changes in the assessed valuation affect tax revenues. The rate of taxation in 2021 was 6.11 mills for general purposes and debt service purposes were set at .65 mills.

Approximately 66.14% of judicial system spending came from property tax and other general revenues with the remainder coming from grants, fines, and courts costs. Property taxes and other general revenues covered more than 68.71% of public safety costs with the remainder coming from grants and fees covering room and board at the county prison.

Administrative, public works, human services, culture and recreation, Community Services, Conservation/Development and Interest expenditures required 0%, 0%, 0%, 98.98%, 70.62%, 100% and 100% respectively, from property taxes and other general revenue.

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

Capital Assets

The COUNTY's capital assets, net of accumulated depreciation, were \$50,055,546 at December 31, 2021. A summary of capital assets at December 31, 2021 is as follows:

Governmental Activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets not Being Depreciated:				
Land	\$ 3,225,470	\$ -	\$ -	\$ 3,225,470
Construction in Progress	<u>2,211,661</u>	<u>12,144,020</u>	<u>(27,918)</u>	<u>14,327,763</u>
Total Capital Assets Not Being Depreciated	<u>5,437,131</u>	<u>12,144,020</u>	<u>(27,918)</u>	<u>17,553,233</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	50,321,785	1,334,979	27,918	51,684,682
Furniture, Fixtures and Equipment	13,888,344	1,209,159	(46,757)	15,050,746
Vehicles	10,113,068	572,762	-	10,685,830
Infrastructure	<u>22,030,431</u>	<u>343,078</u>	<u>-</u>	<u>22,373,509</u>
Total Capital Assets Being Depreciated	<u>96,353,628</u>	<u>3,459,978</u>	<u>(18,839)</u>	<u>99,794,767</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(37,647,794)	(1,050,871)	-	(38,698,665)
Furniture, Fixtures, and Equipment	(10,117,473)	(757,632)	46,757	(10,828,348)
Vehicles	(9,190,542)	(495,277)	-	(9,685,819)
Infrastructure	<u>(7,370,648)</u>	<u>(708,974)</u>	<u>-</u>	<u>(8,079,622)</u>
Total Accumulated Depreciation	<u>(64,326,457)</u>	<u>(3,012,754)</u>	<u>46,757</u>	<u>(67,292,454)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 37,464,302</u>	<u>\$ 12,591,244</u>	<u>\$ -</u>	<u>\$ 50,055,546</u>

The total depreciation expense charged to governmental activities for 2021 was \$3,012,754.

Depreciation Expense was charged to functions/programs of the County as follows:

Governmental Activities	
General Government	\$ 662,437
Judicial	277,421
Public Safety	382,320
Public Works	610,649
Culture/Recreation	119,651
Human Services	952,920
Conservation and Development	<u>7,356</u>
Total Depreciation	<u>\$ 3,012,754</u>

See Note 5 to the financial statements for further detail on capital assets.

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

Debt Administration

At December 31, 2021, the COUNTY had \$37,315,160 of long term bonds, notes and capital leases outstanding. The County's general obligation debt increased 87.97%, capital leases decreased 32.60% in 2021.

**Statement of Long-Term Debt
County of Fayette**

	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Bonds	\$ 8,950,000	\$ -	\$ (4,290,000)	\$ 4,660,000
General Obligation Notes	9,795,384	30,566,350	(9,805,384)	30,556,350
	<u>18,745,384</u>	<u>30,566,350</u>	<u>(14,095,384)</u>	<u>35,216,350</u>
Capital Leases	<u>3,113,861</u>	<u>-</u>	<u>(1,015,051)</u>	<u>2,098,810</u>
Total Long-Term Debt	<u>\$ 21,859,245</u>	<u>\$ 30,566,350</u>	<u>\$(15,110,435)</u>	<u>\$ 37,315,160</u>

The County made principal payments on the General Obligation Bonds 2011 and 2012 totaling \$4,290,000. The County refinanced the 2017 Note with a 2021 General Obligation Note with a 2021 Series A \$13,605,000 which paid off the 2017 General Obligation Note and added \$3.5 million for Capital projects. The 2021 Series B \$3,140,000 paid additional debt payments on the 2011 and 2012 General Obligation Bonds which was saving on the Bond interest rate. In 2021 the County borrowed \$13,821,350 with a construction loan for the \$51 million Prison Construction Project.

See Note 7 to the financial statements for further detail on long term debt.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

The COUNTY uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The COUNTY's governmental funds include the general fund, special revenue funds, capital project funds, and the debt service funds. The general fund is the chief operating fund for the COUNTY. Special revenue funds are restricted to specific legislated use. Capital project funds account for the proceeds of bond issues. Debt service funds account for the accumulation of financial resources for, and the payment of, general long-term obligations' principal, interest, and related costs. The major funds are shown on the statement of revenues, expenditures and changes in fund balances in the financial statements.

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

GOVERNMENTAL FUND REVENUES

Governmental fund revenues by source at December 31, 2020, and December 31, 2021, were as follows.

Table A-8
County of Fayette
Revenues by Source, Governmental Funds

	2021	2020	Changes from 2020 to 2021	Percentage Variance
Revenues:				
Taxes	\$ 32,815,949	\$ 32,288,927	\$ 527,022	1.6%
Hotel Tax	2,888,168	1,430,434	1,457,734	102%
Licenses and Permits	28,840	24,200	4,640	19%
Grants and Gifts	55,535,071	49,433,496	6,101,575	12%
Charges for Services	66,443,430	58,164,444	8,278,986	14%
Fines & Forfeitures	380,415	339,991	40,424	12%
Interest and Royalties	548,454	503,582	44,872	9%
Miscellaneous	372,039	-	372,039	100%
Lease Proceeds	-	1,446,200	(1,446,200)	100%
Note Proceeds	30,566,350	3,880,085	26,686,265	688%
Operating Transfers In	5,126,403	14,288,908	(9,162,505)	-64%
Total Revenue	<u>\$ 194,705,119</u>	<u>\$ 161,800,267</u>	<u>\$ 32,904,852</u>	<u>20.3%</u>

Governmental fund revenues totaled \$194,705,119 for the year ended December 31, 2021. This was an overall 20.3% increase in the amount of \$32,903,832 from 2020. Real Estate Taxes increased 1.6%, for a total increase of \$527,022. The Real Estate Tax stayed the same for 2021 as in 2020 at 6.76 mills. Hotel Taxes increased \$1,457,734 or 102% in 2021. In 2020 the Commonwealth of Pennsylvania shut down from the COVID-19 Pandemic. The Hotel Excise Tax is set at 5%. Licenses and Permits had an increase for 19% or \$4,640. Grants increased in the amount of \$6,289,275 or 13%. The major increase was the American Rescue Plan Act (ARPA) Funding in the amount of \$9,002,450 used for Governmental Services. Children and Youth grants increased in 2021, \$655,579 or 5.33%. Behavior Health has a 4.96% increase in grant funds in the amount of \$597,316. The General Fund had a decrease on grants funds of 18.79%, \$528,511. The Community Development program, which is a Federal CDBG Funds program, increased 18.39% the amount of \$353,798. The 911 fund has an increase amount of revenue from the Commonwealth of Pennsylvania, \$537,449 or 15.53%. The Human Service Program increased \$4,429,108 or 85.61%. The Commonwealth of Pennsylvania not being shut down in 2021 due to COVID-19 Pandemic had a major impact on the increase of Grant funding. Charges for Service has an increase in 2021 the amount of \$8,277,966 or 14%. The major various was in Health Choices which the Federal Government increased the funding in 2021 by \$7,899,291 or 13.77%. General Fund reported an increase in Charges for Service in the amount of \$479,285 or 8.17%. The increase was mainly due the County not being shut down by the Commonwealth of Pennsylvania. Fines and Forfeitures reported a 12% increase in the amount of \$40,424. Interest and Royalties increased \$44,872, which was a 9% increase from 2020 for a total of \$548,454 in 2021. Miscellaneous revenue was increased \$184,339 in 2021. Note Proceeds increased in 2021 \$26,686,265 from 2020 due to the Refinancing the 2017 Note with 2021 Series A and B General Obligation Note totaling \$16,745,000 and the Prison Construction Loan Proceeds in the amount of \$13,821,350 in 2021.

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

GOVERNMENTAL FUND EXPENDITURES

Governmental fund expenditures by function at December 31, 2020 and December 31, 2021 were as follows:

Table A-9
County of Fayette
Expenditures by Function, Governmental Funds

<u>Expenditures:</u>	<u>2021</u>	<u>2020</u>	<u>Changes from 2020 to 2021</u>	<u>Percentage Change</u>
General Administrative	\$ 12,647,343	\$ 13,117,149	\$ (469,806)	-3.6%
General Judicial	12,739,638	11,956,292	783,346	6.6%
Public Safety	33,027,494	20,505,540	12,521,954	61.1%
Public Works	2,041,156	1,498,974	542,182	36.2%
Human Services	91,929,886	78,940,291	12,989,595	16.5%
Culture/Recreation	408,631	315,096	93,535	29.7%
Community Service	7,399,737	9,283,236	(1,883,499)	-20.3%
Conservation/Development	1,171,388	279,487	891,901	319.1%
Retirement	1,144,954	925,000	219,954	23.8%
Debt Service-Principala	15,832,374	2,054,436	13,777,938	670.6%
Debt Service - Interest	935,947	700,705	235,242	33.6%
Operating Transfer Out	5,126,403	14,288,908	(9,162,505)	-64.1%
	<u>\$ 184,404,951</u>	<u>\$ 153,865,114</u>	<u>\$ 30,539,837</u>	<u>19.8%</u>

Governmental fund expenditures totaled \$184,404,951 for the year ended December 31, 2021. This was an overall increase of \$30,540,805 from 2020, or 19.8%. The increase was from the CARES ACT Funding in 2020 of \$11,674,587.

Total expenditures for the County's funds were as follows: The General Fund, \$29,794,890 which was an decrease of \$9,924,359 from 2020. The functions that made up this increase in the General Fund was: The decrease is related to the American Rescue Plan Act (ARPA) Funding from 2021 used for Governmental Services totaling \$9,002,450.

<u>Functions:</u>	<u>2021</u>	<u>2020</u>	<u>Changes from 2020 to 2021</u>
General Government	\$ 8,592,104	\$ 12,723,155	\$ 4,131,051
Judicial Government	7,584,525	9,898,294	2,313,769
Public Safety	9,939,345	13,830,578	3,891,233
Public Works	557,358	640,227	82,869
Human Services	450,094	407,436	(42,658)
Recreation	354,507	273,030	(81,477)
Community Service	615	742,042	741,427
Conservation Development	1,171,388	279,487	(891,901)
Retirement	1,144,954	925,000	(219,954)
	<u>\$ 29,794,890</u>	<u>\$ 39,719,249</u>	<u>\$ 9,924,359</u>

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

GOVERNMENTAL FUND EXPENDITURES (Continued)

The Children and Youth expenditures totaled \$14,643,980 for 2021, which was an increase of \$1,769,910 from 2020 an increase of 13.75%. Behavioral Health expenditures totaled \$12,621,351 for 2021, which was an increase in the amount of \$508,511 which is 4.20%. Health Choices expenditures totaled \$54,437,801 for 2021, which was an increase of \$6,162,615 which is 12.77%. Transportation (FACT) expenditures totaled \$4,584,504 an increase \$59,449 which was only 1%. Domestic Relations expenditures totaled \$1,662,170, which was a decrease of \$145,344 from 2020. Community Development Fund expenditures totaled \$1,923,948 for 2021, which was an increase \$353,798 from 2020. For 2021, the Debt Service Fund expenditures totaled \$17,039,176 compared to \$2,813,962 in 2020. The additional debt service was due to the New Prison Project that started in 2020 and the refinancing 2017 GON. Special Revenue Funds Other Government Funds expenditures totaled \$14,232,428 an increase of \$6,182,206 from 2020. The increase was due to the Public Safety function 911. The Capital Project Fund 2021 expenditures were a \$7,872,500 increase from 2020 of \$15,668,359. \$12.5 million was the New Prison Construction and \$3.1 million the Capital improvement to the Courthouse buildings and property.

Governmental Fund Balances

Table A-10 reflects ending balances for governmental funds at December 31, 2021.

Table A-10
County of Fayette
Ending Fund Balances, Governmental Funds

<u>Funds</u>	
General Fund	\$ 12,722,813
Debt Service	1,630,907
Health Choices	11,976,841
Transportation (FACT)	2,627,249
Domestic Relations	962,177
Capital Projects	884,207
American Rescue Plan	15,496
Non-major Governmental Funds	<u>5,891,272</u>
Total Fund Balances-Governmental Funds	<u><u>\$ 36,710,962</u></u>

The County's governmental funds reported a combined fund balance of \$36,708,974 at December 31, 2021. Of the total, the General Fund reported a fund balance in the amount of \$12,722,813. A detailed breakdown of the other governmental funds can found on pages 72-81 in the other supplemental information section of the financial statements.

BUDGETARY HIGHLIGHTS

The County Board of Commissioners review the budget to actual comparison on a monthly basis. For the year ended December 31, 2021, actual general fund revenues were \$2,910,486 or 6.8% under budget and actual expenditures were \$9,831,752 or 24.8% under budget. The decreases were from COVID-19 when the County and Commonwealth of Pennsylvania was shut down. For the year ended December 31, 2021, the fund balance of the General Fund increased \$6,044,701 due to the ARPA funding for Governmental Service.

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

NEXT YEAR'S BUDGET

The 2021 ending fund balance of the General Fund was \$12,722,813. In 2021, the County kept the Real Estate Taxes the same at 6.76 millage.

The 2022 General Fund Budget was put on display on November 18, 2021 as a balanced budget and adopted on December 16, 2021. The total revenue and expenditures are \$43,793,095. The 2022 General Fund Budget millage was set at 6.76 mills. The total mills are 6.76, with the General Fund set at 6.04 and Debt Service set at .72 mills. General Fund mills decreased .07 mills and Debt Service mills increased .07 mills.

Economic Conditions

According to the U.S. Department of Labor, the unemployment rate for Fayette County was 6.6 percent in December 2016, compared to the rate of 8.7 percent in December 2015. The State's unemployment rate was 5.0 percent in December 2015 and 6.5 percent in December 2014.

The County experienced a small decrease in property tax revenue in fiscal year 2014 due to a small decrease in the housing market. Spending for goods and services throughout the state and the country increased as unemployment rates, as indicated above, declined.

The county experienced a 26 percent increase in full value since 2010, largely attributed to the Marcellus Shale boom over the past few years. There are significant developments in progress. They include Boeing Corporation's construction of a 65,000 square foot facility.

Second only to agriculture in terms of economic impact and job creation, Fayette County's tourism industry continues to thrive and is a major employer in the county. The Commonwealth of Pennsylvania budget provides an increase of \$1.25 million to bolster statewide travel, tourism and film-related economic development.

This increase will support thousands of Pennsylvanians who work in the tourism industry and will assist in marketing Fayette County's rich history and attractions.

All of the above factors were considered in preparing the County's budget for fiscal year 2022.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the COUNTY's finances and to demonstrate the COUNTY's accountability. Questions concerning this financial information or requests for additional information should be directed to:

COUNTY OF FAYETTE
Fayette County Controller
61 East Main Street
Uniontown, PA 15401
Phone: 724-430-1217

COUNTY OF FAYETTE
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Primary Government	
	Governmental	
	Activities	Total
<u>Assets</u>		
Cash and Cash Equivalents	\$ 36,327,872	\$ 36,327,872
Investments	1,759,126	1,759,126
Restricted Cash	12,620,368	12,620,368
Receivables:		
Taxes, Net	4,210,230	4,210,230
Accounts, Net	16,725,485	16,725,485
Due from Other Government Units	14,071,313	14,071,313
Other Assets	3,128,016	3,128,016
Capital Assets, Not Being Depreciated	17,553,233	17,553,233
Capital Assets Being Depreciated, Net	32,502,313	32,502,313
Total Assets	138,897,956	138,897,956
<u>Deferred Outflows of Resources</u>		
Pensions	2,239,425	2,239,425
<u>Liabilities</u>		
Accounts Payable	11,007,023	11,007,023
Accrued Liabilities	1,292,748	1,292,748
Claims Payable	2,299,970	2,299,970
Capitation Payable	775,364	775,364
Other Current Liabilities	13,371,348	13,371,348
Funds Held in Escrow	181,107	181,107
Unearned Revenue	15,764,800	15,764,800
Interest Payable	69,677	69,677
Current Portion of Long-Term Debt		
Capital Leases	1,010,241	1,010,241
Bonds Payable	705,000	705,000
Notes Payable	50,000	50,000
Non-Current Portion of Long-Term Debt		
Capital Leases	1,088,569	1,088,569
Bonds Payable	3,955,000	3,955,000
Notes Payable	30,506,350	30,506,350
Compensated Absences	88,536	88,536
Net Pension Liability	5,102,276	5,102,276
Total Liabilities	87,268,009	87,268,009
<u>Deferred Inflows of Resources</u>		
Pensions	7,259,493	7,259,493
<u>Net Position</u>		
Net Investment in Capital Assets	12,670,710	12,670,710
Restricted for:		
Program Purposes	33,324,468	33,324,468
Capital Projects	884,207	884,207
Debt Service	508,507	508,507
Unrestricted	(778,013)	(778,013)
Total Net Position	\$ 46,609,878	\$ 46,609,878

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

COUNTY OF FAYETTE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position	
		Charges for	Operating	Capital	Primary Government	
	Expenses	Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Total
Functions/Programs						
Primary Government:						
Governmental Activities:						
General Government	\$ 12,927,921	\$ 3,027,227	\$ 11,306,671	\$ -	\$ 1,405,977	\$ 1,405,977
Judicial Government	12,268,633	2,346,590	1,807,628	-	(8,114,415)	(8,114,415)
Public Safety	20,125,059	1,573,600	4,723,988	-	(13,827,471)	(13,827,471)
Public Works	1,301,605	995,694	946,437	-	640,526	640,526
Human Services	92,347,610	59,093,913	34,758,708	-	1,505,011	1,505,011
Culture/Recreation	528,282	-	5,390	-	(522,892)	(522,892)
Community Services	7,399,737	-	250,000	1,923,948	(5,225,789)	(5,225,789)
Conservation/Development	1,178,744	-	-	-	(1,178,744)	(1,178,744)
Interest on Long-Term Liabilities	1,696,618	-	-	-	(1,696,618)	(1,696,618)
Total Governmental Activities	<u>149,774,209</u>	<u>67,037,024</u>	<u>53,798,822</u>	<u>1,923,948</u>	<u>(27,014,415)</u>	<u>(27,014,415)</u>
Total Primary Government	<u>149,774,209</u>	<u>67,037,024</u>	<u>53,798,822</u>	<u>1,923,948</u>	<u>(27,014,415)</u>	<u>(27,014,415)</u>
General Revenues:						
Property Taxes - General Levy					32,823,539	32,823,539
Hotel Tax					2,888,168	2,888,168
Interest, Investment Earnings and Royalties					548,454	548,454
Total General Revenues					<u>36,260,161</u>	<u>36,260,161</u>
Change in Net Position					9,245,746	9,245,746
Net Position - Beginning					<u>37,364,132</u>	<u>37,364,132</u>
Net Position - Ending					<u>\$ 46,609,878</u>	<u>\$ 46,609,878</u>

The accompanying notes are an integral part of the financial statements

COUNTY OF FAYETTE
BALANCE SHEET- GOVERNMENT FUNDS
DECEMBER 31, 2021

<u>Assets</u>	General Fund	Children and Youth	Behavioral Health	Health Choices	Transportation (FACT)	Domestic Relations	Debt Service	American Rescue Plan Fund	Capital Project Fund	Community Development Fund	Other Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 2,585,669	\$ 361,335	\$ 2,868,165	\$ 2,258,473	\$ 3,102,915	\$ 822,199	\$ 311,769	\$ 8,642,974	\$ 2,551,936	\$ -	\$ 12,822,437	\$ 36,327,872
Restricted Cash	499,278	-	-	9,551,420	-	-	-	-	-	-	-	10,050,698
Accounts Receivable	11,284,808	3,912	-	668	110,828	-	7,555	3,927,501	1,082	-	540,962	15,877,316
Taxes Receivable	4,037,300	-	-	-	-	-	172,930	-	-	-	-	4,210,230
Due from Other Governments	665,339	5,011,556	1,505,577	5,645,990	92,957	209,235	-	-	-	-	940,659	14,071,313
Due from Other Funds	2,938,999	-	-	-	-	67,108	623,948	-	-	-	93,884	3,723,939
Other Assets	1,526,416	-	-	-	38,200	-	1,122,400	-	-	-	-	2,687,016
Total Assets	\$ 23,537,809	\$ 5,376,803	\$ 4,373,742	\$ 17,456,551	\$ 3,344,900	\$ 1,098,542	\$ 2,238,602	\$ 12,570,475	\$ 2,553,018	\$ -	\$ 14,397,942	\$ 86,948,384
<u>Liabilities and Fund Balance</u>												
Liabilities												
Accounts Payable	3,190,459	1,565,668	1,865,418	945,575	97,760	8,426	-	-	1,630,111	-	1,703,606	11,007,023
Accrued Expenses	750,806	131,066	165,988	43,118	-	125,413	34,071	-	38,700	-	3,586	1,292,748
Claims Payable	-	-	-	1,324,635	-	-	-	-	-	-	-	1,324,635
Capitol Payable	-	-	-	775,364	-	-	-	-	-	-	-	775,364
Unearned Revenue	115,946	78,415	2,245,342	2,391,018	619,891	-	-	3,552,529	-	-	6,761,659	15,764,800
Other Liabilities	3,127,898	800,000	-	-	-	-	-	9,002,450	-	-	-	12,930,348
Funds Held in Escrow	181,107	-	-	-	-	-	-	-	-	-	-	181,107
Due to Other Funds	266,124	2,801,654	96,994	-	-	2,526	518,822	-	-	-	37,819	3,723,939
Total Liabilities	7,632,340	5,376,803	4,373,742	5,479,710	717,651	136,365	552,893	12,554,979	1,668,811	-	8,506,670	46,999,964
Deferred Inflow s of Resources												
Unavailable Revenue-Property Taxes	3,182,656	-	-	-	-	-	54,802	-	-	-	-	3,237,458
Total Deferred Inflow s of Resources	3,182,656	-	-	-	-	-	54,802	-	-	-	-	3,237,458
Fund Balance												
Non Spendable	1,526,416	-	-	-	38,200	-	1,122,400	-	-	-	-	2,687,016
Assigned:	-	-	-	-	-	-	-	-	-	-	-	-
Community Service	3,750,750	-	-	-	-	-	-	-	-	-	-	3,750,750
Sheepskin Trail	375,750	-	-	-	-	-	-	-	-	-	-	375,750
County Capital Projects	2,750,500	-	-	-	-	-	-	-	-	-	-	2,750,500
Restricted:												
General Government	-	-	-	-	-	-	-	-	-	-	82,716	82,716
Judicial Government	-	-	-	-	-	962,177	-	-	-	-	235,660	1,197,837
Public Safety	450,750	-	-	-	-	-	-	-	-	-	1,553,768	2,004,518
Public Works	375,750	-	-	-	-	-	-	-	-	-	3,599,158	3,974,908
Human Services	-	-	-	11,976,841	2,589,049	-	-	-	-	-	-	14,565,890
Community Service	-	-	-	-	-	-	-	-	-	-	301,740	301,740
Culture and Recreation	-	-	-	-	-	-	-	-	-	-	118,230	118,230
Capital Projects	-	-	-	-	-	-	-	-	884,207	-	-	884,207
Debt Service	-	-	-	-	-	-	508,507	-	-	-	-	508,507
Unassigned	3,492,897	-	-	-	-	-	-	15,496	-	-	-	3,508,393
Total Fund Balance	12,722,813	-	-	11,976,841	2,627,249	962,177	1,630,907	15,496	884,207	-	5,891,272	36,710,962
Total Liabilities, Deferred Inflow s of Resources and Fund Balance	\$ 23,537,809	\$ 5,376,803	\$ 4,373,742	\$ 17,456,551	\$ 3,344,900	\$ 1,098,542	\$ 2,238,602	\$ 12,570,475	\$ 2,553,018	\$ -	\$ 14,397,942	\$ 86,948,384

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

COUNTY OF FAYETTE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF NET POSITION
DECEMBER 31, 2021

Total Fund Balance of Governmental Funds \$ 36,710,962

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

Capital assets, including infrastructure assets, used in governmental activities are not current financial resources and, therefore are not reported in the funds 50,055,546

The funds record only tax revenue received through a period of 60 days subsequent to year-end. The statement of Net Position includes a receivable for the County's anticipated collections on the levy. 3,237,458

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities statement of net position 4,201,630

Long-term liabilities are not due and payable in the current period and accordingly not reported as fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year end consisted of:

General Obligation Bonds Payable	(4,660,000)	
General Obligation Note Payable	(30,556,350)	
Capital Leases	(2,098,810)	
Accrued Interest Payable	(69,677)	
Accrued Compensated Absences	(88,536)	
Net Pension Liability	(5,102,276)	
Deferred Outflows of Resources - Pension	(7,259,493)	
Deferred Inflows of Resources - Pension	2,239,425	(47,595,717)

Total Net Position of Governmental Activities \$ 46,609,878

COUNTY OF FAYETTE
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General Fund	Children and Youth Fund	Behavioral Health Fund	Heath Choices	Transporation (FACT) Fund	Domestic Relations Fund	Debt Service Fund	CARES ACT Fund	CAPTIAL PROJECT FUND	Community Development Fund	Other Governmental Funds	Total Governmental Funds
Revenues												
Real Estate and Per Capita Taxes	\$ 30,008,325	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,807,624	\$ -	\$ -	\$ -	\$ -	\$ 32,815,949
Hotel Tax	-	-	-	-	-	-	-	-	-	-	2,888,168	2,888,168
Licenses and Permits	28,840	-	-	-	-	-	-	-	-	-	-	28,840
Grants and Gifts	2,812,812	12,104,702	12,048,351	-	5,224,230	1,147,888	-	10,466,655	-	1,923,948	9,806,485	55,535,071
Fines	380,415	-	-	-	-	-	-	-	-	-	-	380,415
Charges for Services	5,866,744	65,097	177,440	57,350,776	213,216	5,832	632,811	-	430,495	-	1,701,019	66,443,430
Interest, Rents, and Royalties	386,568	2,976	5,560	77,084	5,430	1,575	1,867	14,108	24,087	-	29,199	548,454
Miscellaneous	151,408	220,631	-	-	-	-	-	-	-	-	-	372,039
Total Revenues	39,635,112	12,393,406	12,231,351	57,427,860	5,442,876	1,155,295	3,442,302	10,480,763	454,582	1,923,948	14,424,871	159,012,366
Expenditures												
General Government-Administration	8,592,104	-	-	-	-	-	270,855	1,622,697	2,050,250	-	111,437	12,647,343
General Government-Judicial	7,584,525	-	-	-	-	1,662,170	-	3,211,230	226,278	-	55,435	12,739,638
Public Safety	9,939,345	-	-	-	-	-	-	4,168,523	13,923,427	-	4,996,199	33,027,494
Public Works	557,358	-	-	-	-	-	-	-	589,586	-	894,212	2,041,156
Human Services	450,094	14,643,980	12,621,351	54,437,801	4,584,504	-	-	-	-	-	5,192,156	91,929,886
Culture/Recreation	354,507	-	-	-	-	-	-	-	41,624	-	12,500	408,631
Community Service	615	-	-	-	-	-	-	1,464,318	1,041,335	1,923,948	2,969,521	7,399,737
Conservation/Development	1,171,388	-	-	-	-	-	-	-	-	-	-	1,171,388
Contribution/Retirement	1,144,954	-	-	-	-	-	-	-	-	-	-	1,144,954
Debt Service-Principal	-	-	-	-	-	-	15,832,374	-	-	-	-	15,832,374
Debt Service-Interest	-	-	-	-	-	-	935,947	-	-	-	-	935,947
Total Expenditures	29,794,890	14,643,980	12,621,351	54,437,801	4,584,504	1,662,170	17,039,176	10,466,768	17,872,500	1,923,948	14,231,460	179,278,548
Other Financing Sources (Uses)												
Note Proceeds	-	-	-	-	-	-	13,214,955	-	17,351,395	-	-	30,566,350
Operating Transfers In	2,377	2,252,951	390,000	-	200,000	475,511	844,768	1,501	-	-	959,295	5,126,403
Operating Transfers(Out)	(3,797,898)	(2,377)	-	-	-	-	-	-	(481,360)	-	(844,768)	(5,126,403)
Total Other Financing Sources	(3,795,521)	2,250,574	390,000	-	200,000	475,511	14,059,723	1,501	16,870,035	-	114,527	30,566,350
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	6,044,701	-	-	2,990,059	1,058,372	(31,364)	462,849	15,496	(547,883)	-	307,938	10,300,168
Fund Balances-Beginning of Year As Restated (Note 16)	6,678,112	-	-	8,986,782	1,568,877	993,541	1,168,058	-	1,432,090	-	5,583,334	26,410,794
Fund Balances-End of Year	\$ 12,722,813	\$ -	\$ -	\$ 11,976,841	\$ 2,627,249	\$ 962,177	\$ 1,630,907	\$ 15,496	\$ 884,207	\$ -	\$ 5,891,272	\$ 36,710,962

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

COUNTY OF FAYETTE
 RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2021

Net Change in fund balances-total government funds \$ 10,300,168

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense for the year \$(3,012,754) was exceeded by capital outlays of \$15,603,998 in the current period. 12,591,244

The Statement of Revenues, Expenses and Changes in Fund Balance-Governmental funds report tax revenue received within 60 days of the subsequent period. The Statement of Activities includes the full amount of the tax levy deemed collectible by the County. 7,590

The Internal Service Fund is used by management for self insurance on medical health claims. The net gain of these activities is reported within the governmental activities (128,068)

The issuance of long-term liabilities provide financial resources to governmental funds and contribute to the change in fund balance. However, the issuance of debt does not affect the Statement of Activities since it increases long-term liabilities in the Statement of Net Position. Accordingly, the repayment of principal is reported as an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position. The amounts related to the above items that make up the difference is:

2020 General Obligation Note Proceeds	(13,821,350)	
2021 A General Obligation Bond Proceeds	(13,605,000)	
2021 B General Obligation Bond Proceeds	(3,140,000)	
2012 General Obligation Bond Principal Repayments	3,595,000	
2011 General Obligation Bond Principal Repayments	695,000	
2017 General Obligation Note Principal Repayments	9,795,384	
2021 A General Obligation Bond Principal Payment	5,000	
2021 B General Obligation Bond Principal Payment	5,000	
Payments on Capital Leases	1,015,051	(15,455,915)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following balances:

Pension Expense	1,995,377	
Compensated Absences	(33,622)	
Accrual of Interest on Long-Term Debt	(31,027)	1,930,728

Change in Net Position of Governmental Activities \$ 9,245,746

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

COUNTY OF FAYETTE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	Governmental Activities Internal <u>Service Fund</u>
<u>Assets</u>	
Restricted Cash and Cash Equivalents	\$ 2,569,670
Restricted Investments	1,759,126
Receivables	848,169
Other Assets	<u>441,000</u>
Total Assets	<u>\$ 5,617,965</u>
<u>Liabilities and Net Position</u>	
Liabilities	
Claims Payable	975,334
Reserve to Highmark	<u>441,000</u>
Total Liabilities	<u>1,416,334</u>
Net Position	
Restricted	<u>4,201,631</u>
Total Net Position	<u>4,201,631</u>
Total Liabilities and Net Position	<u>\$ 5,617,965</u>

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

COUNTY OF FAYETTE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	Governmental Activities Internal <u>Service Fund</u>
Operating Revenues	
Employer Contributions:	
General Government	\$ 1,400,468
Judicial Government	2,323,634
Public Safety	2,706,619
Public Works	550,885
Human Services	<u>2,532,440</u>
Total Employer Contributions	<u>9,514,046</u>
Employee Contributions	<u>861,346</u>
Total Operating Revenues	<u>10,375,392</u>
Operating Expenses	
Employee Benefits:	
General Government	2,009,940
Judicial Government	2,096,682
Public Safety	2,746,574
Public Works	324,655
Human Services	<u>3,342,547</u>
Total Operating Expenditures	<u>10,520,398</u>
Operating Income	<u>(145,006)</u>
Non Operating Revenue	
Interest	<u>16,938</u>
Total Nonoperating Revenue	<u>16,938</u>
Change in Net Position	(128,068)
Total Net Position-Beginning	<u>4,329,699</u>
Total Net Position-Ending	<u><u>\$ 4,201,631</u></u>

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

COUNTY OF FAYETTE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Internal Service Fund</u>
Cash Flows From Operating Activities	
Cash Received for Medical Claims	\$ 7,860,017
Cash Payments for Medical Claims	<u>(9,545,064)</u>
Net Cash Used in Operating Activities	<u>(1,685,047)</u>
Cash Flows from Investing Activities	
Interest	<u>16,938</u>
Net Cash Provided by Investing Activities	<u>16,938</u>
Net decrease in Cash and Cash Equivalents	(1,668,109)
Cash and Cash Equivalents, Beginning of Year	<u>4,237,779</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,569,670</u>
Reconciliation of Operating Income to Net Cash Used for Operating Activities:	
Operating Loss	<u>\$ (145,006)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities:	
Decrease in Accounts Receivable	(1,514,341)
Increase in Accounts Payable and Accrued Liabilities	<u>(25,699)</u>
Total Adjustments	<u>(1,540,040)</u>
Net Cash Used in Operating Activities	<u>\$ (1,685,046)</u>
Presented on the Financial Statements as Follows:	
Restricted Cash and Cash Equivalents	\$ 2,569,670
Total Cash and Cash Equivalents	<u>\$ 2,569,670</u>

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

COUNTY OF FAYETTE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

	Component Unit		
	Retirement Trust Fund	Custodial Funds	Total
<u>Assets</u>			
Cash and Cash Equivalents	\$ 2,465,084	\$ 7,594,270	\$ 10,059,354
Investments:			
Government Agency Obligations	7,206,893	-	7,206,893
Corporate Debt	4,792,064	-	4,792,064
Mutual Funds	11,042,109	-	11,042,109
Corporate Common Stocks	61,540,809	-	61,540,809
Other Equities	12,821,951	-	12,821,951
Total Investments	<u>97,403,826</u>	<u>7,594,270</u>	<u>97,403,826</u>
Accounts Receivable:			
Accounts Receivable	67,404	115,676	183,080
Total Accounts Receivable	<u>67,404</u>	<u>115,676</u>	<u>183,080</u>
 Total Assets	 <u>\$ 99,936,314</u>	 <u>\$ 7,709,946</u>	 <u>\$ 107,646,260</u>
<u>Liabilities and Net Position</u>			
Liabilities:			
Accounts Payable			
Accounts Payable	-	582,016	582,016
Investment Expense Payable	94,975	-	94,975
Funds Held in Fiduciary Capacity	<u>-</u>	<u>244,293</u>	<u>244,293</u>
Total Liabilities	<u>94,975</u>	<u>826,309</u>	<u>921,284</u>
Net Position:			
Held in Trust for Employees'			
Pension Benefits	<u>99,841,339</u>	<u>-</u>	<u>99,841,339</u>
Total Net Position	<u>99,841,339</u>	<u>6,883,637</u>	<u>99,841,339</u>
 Total Liabilities and Net Position	 <u>\$ 99,936,314</u>	 <u>\$ 7,709,946</u>	 <u>\$ 100,762,623</u>

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

COUNTY OF FAYETTE
STATEMENT OF CHANGES IN PLAN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Component Unit
	<u>Retirement Trust Fund</u>
Additions	
Contributions:	
Employer	\$ 2,021,846
Employee	<u>2,077,037</u>
Total Contributions	<u>4,098,883</u>
Investment Income:	
Net Appreciation in Fair Value of Investments	9,755,417
Interest	153,073
Dividends	2,061,235
Other	958
Less: Investment Expense	<u>(257,807)</u>
Net Investment Income	<u>11,712,876</u>
Total Additions	<u>15,811,759</u>
Deductions	
Administrative costs	37,523
Retirement benefits	4,503,503
Death benefits	684,037
Member Contribution Refunds	254,987
Option 4 Refund	<u>297,995</u>
Total Deductions	<u>5,778,045</u>
Net Increase	10,033,714
Net Position Held in Trust for Employees' Pension Benefits:	
Net Position, Beginning of Year	<u>89,807,625</u>
Net Position, End of Year	<u>\$ 99,841,339</u>

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

COUNTY OF FAYETTE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

PLAN NET POSITION FIDUCIARY FUNDS <u>YEAR ENDED DECEMBER 31, 2021</u>	<u>Custodial Funds</u>
Property Tax Collected for Other Governments	16,067,349
Inheritance Tax Collected for Other Governments	10,591,229
Payroll Tax Fund Tax Received	7,860,377
Fees Collected for Other Governments	6,992,408
Fees Collected for Permits & Other Gov	887,555
Fees Collected on Library Fund	126,770
Fees from Individuals on Probations	9,734
Youth Commission Program	560,426
JCR JPO Program	4,904
Inmate Account Collections	482,385
Collections for Children & Youth Trust	74,277
Collections for Support	340,435
Recording and Filing Fees	8,275,176
Interest and Dividends	11,912
Fees and Fines Collected - Other	317,521
Fees on Prothonotary Trust Account	56,163
Fees on Prothonotary divorce Account	26,687
Miscellaneous Collections	1,120
	<hr/>
Total Additions	\$ 52,686,428
<u>Deductions</u>	
Property Tax Collections to Other Governments	16,057,607
Realty Tax Collections to Other Governments	8,230,561
Inheritance Tax Collected to Other Governments	10,508,705
Payroll Taxes Paid to Other Governments	7,860,379
Fees Collected to Other Governments	6,635,483
Payment on Library Fund	126,724
Sheriff Permit Expenditures	887,999
APO Expenditure on Probation	561,112
JPO Commission and JCR Program Cost	20,036
Inmate Disbursements	234,746
Payments of Children & Youth Trust Funds	74,450
Support Payments	340,720
Payments to Other Entities	316,731
Payment on Prothonotary Trust Account	58,294
Payment on Prothonotary divorce Account	20,975
Miscellaneous Payments	3,406
	<hr/>
Total Deductions	\$ 51,937,928
Change in net position	\$ 748,500
Net Position – January 1	<hr/> 6,135,137
Net Position – December 31	\$ <hr/> 6,883,637

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

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

A) Reporting Entity

The County of Fayette (the "County") was formed on September 26, 1783, and operates under the direction of an elected Board of Commissioners and provides the following services: general administrative services, tax assessment and collections, judicial, public improvements, public safety, and human service programs.

The County follows the criteria promulgated by the Governmental Accounting Standards Board ("GASB") Statement No. 61, *"The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34"*, for purposes of determining the scope of its reporting entity. As required by accounting principles generally accepted in the United States of America, the financial statements include those of the County of Fayette (the "Primary Government") and its Component Unit. The Component Unit discussed below is included in the County's financial reporting entity because of its operational or financial relationship with the County.

Blended Component Unit

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the Component Unit discussed below has been included in the financial reporting entity as a Blended Component Unit.

Redevelopment Authority of the County of Fayette ("Authority")

The Authority was established on August 15, 1949 by resolution of the Commissioners of Fayette County under Act No. 385 of the General Assembly of the Commonwealth of Pennsylvania which was approved May 25, 1943. The primary function of the Authority is to undertake programs to redevelop and improve blighted areas within the County of Fayette. Funding for the programs has been provided primarily through federal, state and local grants.

The Authority administers state and federal grant programs intended to stimulate urban revitalization and growth in the County. The Authority's Board of Directors is appointed by the County and the Authority operates independently of any ongoing involvement of the County except that the County is a contractual recipient of Federal financial assistance under agreements with the U.S. Department of Housing and Urban Development (HUD). The County has authorized HUD to transmit funds under these programs directly to the Authority. HUD recognizes the Authority as the representative agency with program oversight responsibility. The County approves all projects of the Authority. The Authority is included in the Special Revenue Funds of the Financial Statements of the County.

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

A) Reporting Entity (Continued)

Related Organizations

The Board of County Commissioners is also responsible for appointing the members of governing boards of other organizations, but the County's accountability for these organizations does not extend beyond making appointments. The County does not designate management nor does it have the ability to significantly influence the operations of these entities. In addition, the County does not have any financial accountability. These organizations include:

- a. Fayette County Community Action Agency
- b. Fayette County Housing Authority
- c. Lafayette Manor, Inc.
- d. Fayette County Airport Authority
- e. Drug and Alcohol Commission

B) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of Activities) report information on all the non-fiduciary activities of the primary government and its blended component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are affected by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1.) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2.) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, fiduciary funds and proprietary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. 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.

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

C) Measurement Focus, Basis of Accounting , and Financial Statement Presentation
(Continued):

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Governmental Funds

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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 365 days of the end of the current fiscal period with the exception of property taxes which must be received within 60 days of the year end to be deemed available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Licenses, operating and capital grants, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when the cash is received by the County.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during the period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as another financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

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

C) Measurement Focus, Basis of Accounting , and Financial Statement Presentation
(Continued):

Proprietary Funds

The County's internal service fund is a proprietary fund. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness are reported as reduction of the related liabilities, rather than an expense.

Fiduciary Funds

The County's fiduciary funds are presented in the fund financial statements activity by (pension trust fund, tax claim fund and other agency funds). Since, by definition, the assets of these funds are held for the benefit of a third party (individuals, private organizations, and/ or other governments) and cannot be used to satisfy obligations of the County, these funds are not incorporated into the government-wide financial statements. The County's fiduciary funds are presented on the accrual basis of accounting.

The County reports the following major governmental funds:

- The General Fund is the primary government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues from this fund are generally derived from real estate taxes, state and federal grants, and fees for services.
- The Domestic Relations Fund is used to account for Judicial expenditures relating to the County's child support enforcement program, which is funded by Federal and County funds.

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

C) Measurement Focus, Basis of Accounting , and Financial Statement Presentation
(Continued):

- The Health Choices Fund accounts for the medical assistance funding for mental health, drug and alcohol and children services programs.
- The Behavioral Health Fund is used to account for specific revenue sources related to the provisions of Mental Health/Mental Retardation services that are restricted to expenditures for those specified purposes.
- The Children and Youth Fund is used to account for specific revenue sources related to the provisions of Children and Youth services that are restricted to expenditures for those specified purposes.
- The Transportation Fund is used to account for specific revenue sources related to the provisions of Transportation services that are restricted to expenditures for those specified purposes.
- The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest except that payable from proprietary, fiduciary, or special assessment funds.
- The Capital Project Fund is used to for Capital expenditures on buildings and grounds within Fayette County.
- The American Rescue Plan Act Fund is used for the funds received from the US Treasury until how the County will use these funds.
- The Community Development Fund is to undertake programs to redevelop and improve blighted areas within Fayette County.

Additionally, the County reports the following fund types:

- The County reports the following major proprietary fund: the Internal Service Fund accounts for finance services and commodities furnished exclusively to user offices, departments and other funds of the County on a cost reimbursement basis. The principal service provided includes a self-insurance program for health and prescription drug coverage. Operating revenues are from employer and employee premiums and operating expenses include benefit claims expense. All other revenues and expenses are recorded as non-operating. The Internal Service Fund (after elimination) is included in governmental activities for government-wide reporting purposes.
- The Employee Retirement Trust Fund accounts for the revenue (i.e., member contributions, County contributions, and net investment income) and the expenses (i.e., contributions refunded, retirement allowances, and death benefits paid) of the Retirement Trust Fund.
- The Custodial Agency Funds consist of restricted revenues of the various row offices of the County. The row office funds, in essence, are escrow funds maintained by the row offices for bails posted, funds held for sheriff's sales,

realty transfer taxes held and owed to other governmental entities, and other funds reserved for disposition of legal action.

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

C) Measurement Focus, Basis of Accounting , and Financial Statement Presentation (Continued):

- The Tax Claim Fund is used to account for sales on properties that have been taken over by the County as a result of delinquent taxes. These proceeds are distributed to municipalities who were owed the back taxes.

D) Assets, Liabilities, and Net Position or Fund Balances

1. Cash and Cash Equivalents

Cash and cash equivalents include certain short-term investments generally maturing in three months or less, when acquired.

2. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as "due to/from other funds." All receivables are shown net of an allowance for doubtful accounts.

3. Investments

Investments for the County are reported at fair value. Investments that do not have an established market value are reported at estimated values.

4. Restricted Assets

Assets whose use is limited to a specific purpose have been classified as "restricted" in the statement of net assets and balance sheets and offset by either corresponding liabilities or reserved and restricted net assets or fund balance. The restricted amounts are held for future debt service payments, special project funds and funds held in fiduciary capacity, as detailed in Note 3.

5. Capital Assets

The cost of capital assets acquired for general government purposes is recorded as an expenditure in the governmental funds and as an asset in the government-wide financial statements to the extent the County's capitalization threshold has been met. Capital assets, which include land; buildings and improvements; furniture, fixtures and equipment; and infrastructure assets are recorded in the government-wide financial statements.

Capital assets are defined by the County as assets with a value of \$5,000 or more and useful life longer than one year. This capitalization threshold is applied to individual capital assets rather than to groups/sets of capital assets (e.g., chairs, desks, etc.). Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated.

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

D) Assets, Liabilities, and Net Position or Fund Balances (Continued)

5. Capital Assets (Continued)

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

In accordance with GASB Statement No. 34, the County's infrastructure has been capitalized retroactively to 1980.

Capital assets of the County are depreciated using the straight-line method over the estimated useful lives of purchased, donated, and leased assets as follows:

Infrastructure	50 years
Vehicles	5 years
Buildings and improvements	20-40 years
Furniture, fixtures and equipment	5-10 years

6. Compensated Absences

County policy for vacation leave is that vacation leave is to be used within the year earned. As a result, there is no liability for vacation leave at year-end.

Sick leave may be accumulated up to 120 days. Effective January 1, 2014, upon termination, an employee who retires with more than twenty years of service may receive a one-time payout equal to \$35 per accumulated sick day. Children and Youth will receive a one-time payout equal to \$40 per accumulated sick day. As of December 31, 2021, an accrued liability in the amount of \$88,536 has been included in the government-wide statement of net position associated with this benefit.

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

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

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

D) Assets, Liabilities, and Net Position or Fund Balances (Continued)

8. Deferred Outflows/Inflows of Resources

The Statement of Net Position report 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 County has two items that qualify for reporting in these categories: deferred outflows and inflows related to pensions and unavailable tax revenue.

Deferred outflows and inflows of resources related to pensions are described further in Note 6. The components of deferred outflows of resources and deferred inflows of resources, other than the difference between the projected and actual investment earnings on investments, are amortized into pension expense over a 7.4 year (2015), 5.7 year (2016 and 2017), 5.4 year (2018), 5.3 year (2019), 5.2 year (2020) and 5.1 year (2021) closed period, which reflects the weighted average remaining service life of all members of the plan beginning the year in which the deferred amount occurs (current year). The annual difference between the projected and actual earnings on plan investments is amortized over a five-year closed period beginning the year in which the difference occurs (current year). *Unavailable tax revenue*, which arises under the modified accrual basis of accounting, 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.

9. Net Position/Fund Balances

The government-wide 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 into one component of net assets. 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 County, not restricted for any project or other purpose.

GASB Statement No. 54 establishes accounting and financial standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions as follows:

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

D) Assets, Liabilities, and Net Position or Fund Balances (Continued)

9. Net Position/Fund Balances (Continued)

Non-spendable – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally required to be maintained intact.

Restricted – This classification consists of amounts that are restricted to specific purposes, as defined below by GASB Statement No. 34. The County's restricted fund balances consist of external enabling legislation for the state, federal or local government grants.

Committed – This classification consists of amounts used for specific purposes imposed by formal action of the County's highest level of decision making authority (County Commissioners). The removal or modification of the use of committed funds can only be accomplished by formal action prior to fiscal year-end by the County's highest level of authority.

Assigned – This classification consists of amounts constrained by the County's intent to be used for specific purposes that are neither restricted nor committed. The present procedure is for the Director of Finance to assign amounts to be used for specific purposes before issuance of audited financial statements. After such fund assignment, the Accounting Department will provide the County Commissioners with a full reporting of its actions within thirty days.

Unassigned – This classification consists of amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance.

The County's GASB 54 Fund Balance Policy is to apply expenditures against any non-spendable funds, restricted fund balance, committed fund balance, assigned fund balance, and then unassigned fund balance.

10. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions except quasi-external transactions and reimbursements are reported as transfers.

11. Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts may differ from those estimates.

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

E) Budgets and Budgetary Accounting

Legal Requirements

Commonwealth of Pennsylvania statutes require that County Governments establish budgetary systems and adopt annual operating budgets. The County's annual budget includes the General Fund, which is based on estimates of revenues and expenditures which are approved by the Commissioners. The County adopted the 2021 budget on the modified accrual basis of accounting. The County follows these procedures in establishing the budgetary date reflected in the financial statements.

County Budget Process

1. Prior to October 1, the department heads submit to the County Commissioners proposed operating budgets for the fiscal year which commences January 1.
2. The Commissioners then interview all department heads to discuss their budgets as submitted and allow them to substantiate projected expenditures at public hearings.
3. Subsequently, the County administrator's office assembles the preliminary projections of revenues and expenditures into a formal budget incorporating any revisions or adjustments resulting from the Commissioners' review
4. Public hearings are conducted on the proposed budget. The proposed budget is available for public inspection for 20 days prior to final adoption.
5. After the 20 day inspection period, but prior to December 31, the County Commissioners adopt the final budget by enacting an appropriate resolution.
6. The formal budgeting process is employed as a planning device. The budget adopted is on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budget amounts are as originally adopted, or as amended by the County Commissioners.

Level of Control

The County maintains budgetary control at the individual fund level.

Lapsing of Appropriations

Unexpended appropriations lapse at year-end.

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

E) Budgets and Budgetary Accounting (Continued)

Management Amendment Authority

During the course of the year, departmental needs may change, emergencies may occur, or additional revenue sources may arise. As a result, funds are occasionally transferred between line items of a department's budget or additional revenue may need to be budgeted for a specific project or grant. Adjustments to the budget are made on a line item basis during the year and are approved by the County Commissioners.

Financial analysis is provided monthly to management showing spending levels in comparison to the current budget. The budget is also reviewed by management with operating departments.

F) Adoption of Governmental Accounting Standards Board Statements

The County adopted the provisions of GASB Statement No. 89. "Accounting for Interest Cost Incurred before the End of Construction Period: The adoption of this statement had no effect on previously reported amounts.

The County adopted the provisions of GASB Statement No. 98 "The Annual Comprehensive Financial Report: The adoption of this statement had no effect on previously reported amounts.

G) Pending Changes in Accounting Principles

In June of 2017, The GASB issued Statement No. 87 "Leases". The County is required to adopt statement No. 87 for its calendar year 2022 financial statements.

In May of 2019, The GASB issued Statement No. 91 "*Conduit Debt Obligations*". The County is required to adopt statement No. 91 for its calendar year 2022 financial statements.

In January of 2020, The GASB issued Statement No. 92 "*Omnibus 2020*". The County is required to adopt statement No. 92 for its calendar year 2022 financial statements.

In March of 2020, The GASB issued Statement No. 93 "*Replacement of Interbank Offered Rates*". The County is required to adopt statement No. 93 for its calendar year 2022 financial statements.

In March of 2020, The GASB issued Statement No. 94 "*Public-Private and Public-Public Partnership and Availability Payment Arrangements*". The County is required to adopt statement No. 94 for its calendar year 2022 financial statements.

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

G) Pending Changes in Accounting Principles (Continued)

In May of 2020, The GASB issued Statement No. 96 "*Subscription-Based Information Technology Arrangements*". The County is required to adopt statement No. 96 for its calendar 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*." The County is required to adopt paragraphs 4 and 5 of this Statement immediately. The County is required to adopt all other paragraphs for its fiscal year 2022 financial statements.

In April 2022, the GASB issued Statement No. 99 "Omnibus 2022". The County is required to adopt statement No. 99 for its calendar year 2023 financial statements.

In June 2022, the GASB issued Statement No. 100 "Accounting Changes and Error Corrections -An amendment of GASB Statement No. 62. The County is required to adopt statement No. 100 for its calendar year 2024 financial statements.

In June 2022, the GASB issued Statement No. 101 "Compensated Absences". The County is required to adopt statement No. 101 for its calendar year 2024 financial statements.

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

NOTE 2: DEPOSIT AND INVESTMENT RISK

The components of cash and cash equivalents, and investments at December 31, 2021, are as follows:

	Cash & Cash Equivalents	Investments	Total
General Fund	\$ 2,585,669	\$ -	\$ 2,585,669
Children and Youth Fund	361,335	-	361,335
Behavioral Health Fund	2,868,165	-	2,868,165
Health Choices	11,809,893	-	11,809,893
Transportation Fund	3,102,915	-	3,102,915
Domestic Relations Fund	822,199	-	822,199
Debt Service Fund	311,769	-	311,769
CARES ACT Funding	8,642,974	-	8,642,974
Capital Project Fund	2,551,936	-	-
Nonmajor Funds	12,822,437	-	12,822,437
Internal Service Fund	2,569,670	1,759,126	4,328,796
Fiduciary Funds	10,059,355	97,403,826	107,463,181
Total	<u>\$ 58,508,317</u>	<u>\$ 99,162,952</u>	<u>\$ 155,119,333</u>

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's Operating Funds Investment Policy states that maturities will be set to generally match the projected cash flow requirements for the County as determined by the County Treasurer, unless market conditions dictate otherwise.

NOTE 2: DEPOSIT AND INVESTMENT RISK (CONTINUED)

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The County's Operating Funds Investment Policy limits investments in federal agency securities that carry direct and implied guarantees of the U.S. Government.

Custodial Credit Risk – For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2021, the County's cash and restricted cash balances for its governmental activities and fiduciary funds, excluding the pension fund were \$56,539,765 and its bank balances were \$60,546,391. Of those bank balances, \$59,304,074 was collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the County's name.

Pension Trust Fund

As of December 31, 2021, the County's retirement fund had the following investments and maturities:

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1	1-5	6-10	More than 10
U.S. Government Agencies	\$ 253,181	\$ -	\$ 22,642	\$ 117,519	\$ 113,020
U.S. Government Treasuries	6,953,712	902,468	4,902,371	1,031,354	117,519
Corporate Bonds	<u>4,792,064</u>	<u>160,758</u>	<u>2,003,619</u>	<u>2,494,367</u>	<u>133,320</u>
Total	<u>\$ 11,998,957</u>	<u>\$ 1,063,226</u>	<u>\$ 6,928,632</u>	<u>\$ 3,643,240</u>	<u>\$ 363,859</u>

Interest Rate Risk - The County's Retirement Fund Investment Policy does not address interest rate risk.

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The County's Retirement Investment Policy states fixed income securities must be rated as investment grade by Moody's and/or Standard's and Poor's.

NOTE 2: DEPOSIT AND INVESTMENT RISK (CONTINUED)

As of December 31, 2021, the County's retirement investments had credit quality ratings as follows:

Investment Type	Credit Quality Rating	Percent of Investment Type
Corporate Bonds	A-1	1.90%
Corporate Bonds	A-2	5.30%
Corporate Bonds	A-3	4.40%
Corporate Bonds	AA-2	0.70%
Corporate Bonds	AA-3	0.10%
Corporate Bonds	AAA	59.89%
Corporate Bonds	BA-1	1.50%
Corporate Bonds	BA-2	1.10%
Corporate Bonds	BA-3	0.20%
Corporate Bonds	BAA-1	6.61%
Corporate Bonds	BAA-2	10.40%
Corporate Bonds	BAA-3	7.90%
Total		100.00%

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside entity. The Pension Trust Funds do not have a formal deposit or investment policy for custodial credit risk. The County's investments in guaranteed investment contracts are also not subject to custodial credit risk.

As of December 31, 2021, the County's cash balance for its pension funds were \$2,465,084 and its bank balance was \$2,465,845. Of the bank balance, \$406,481 was collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the County's name. None of the County's investments were exposed to custodial credit risk at December 31, 2021.

Concentration of Credit Risk – The Retirement Investment Policy requires that no more than 5% of the total equity holdings of the entire Fund shall be invested in the securities of any one issuer (measured at market or at purchase). Similarly, fixed income investments in any one issuer shall not exceed 5% of the total fixed income assets of the entire fund (based on market value measured at market or time of purchase). The policy places no limitations on investments in United States Government Guaranteed Obligations and fully backed Federal Agency Obligations.

NOTE 2: DEPOSIT AND INVESTMENT RISK (CONTINUED)

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

	12/31/2021	Fair Value Measurements		
		Level 1	Level 2	Level 3
Investments measured by fair value level				
U.S. Government Securities	\$ 7,206,893	\$ 7,206,893	\$ -	\$ -
Domestic Corporate Debt	4,792,064	4,792,064	-	-
Domestic Corporate Stock	11,042,109	11,042,109	-	-
Registered Investment Companies	61,540,809	61,540,809	-	-
Other	12,821,951	12,821,951	-	-
Total investments by fair value level	<u>\$ 97,403,826</u>	<u>\$ 97,403,826</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 3: RESTRICTED ASSETS

Assets whose use is limited to a specific purpose have been classified as restricted in balance sheet/statement of net assets. Restricted cash is composed of the following:

Restricted cash is composed of the Coroner Vital Statistics
Project, Project 70, Election Bureau, Jacob Creek Park, and Hotel
Tax whose use is limited to a specific purpose. \$ 499,278

Health Choices

The restricted cash balance is composed of a risk contingency
reserve and a restricted reserve for equity. \$ 9,551,420

Internal Service Fund

Cash and cash equivalents for health insurance are assets used to
fund medical claims incurred by the county. \$ 4,328,796

NOTE 4: REAL ESTATE TAXES

Real estate taxes for the calendar year are levied on March 1 of each year. Any unpaid real estate taxes attach as an enforceable lien on property as of January 1 of the following year. Taxes are levied on March 1 and payable with a 2% discount to April 30, with no discount or penalty to June 30 and with a 10% penalty from July 1 till December 31 of the current year. The County bills these taxes which are collected by either the County's Treasurers office or by elected local tax collectors. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities. Real estate property taxes levied for 2021 are recorded as receivables, net of estimated uncollectible. The net receivables collected during 2021 and expected to be collected within the first sixty (60) days of 2021 are recognized as revenue in 2021. Net receivables estimated to be collectible on or after March 1 are reflected in unearned revenue. Prior years' levies are recorded using these same principles, and remaining receivables are annually reevaluated as to collectability.

The County is permitted by the County Code of the Commonwealth of Pennsylvania to levy real estate taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on funded debt.

The County's 2021 real estate taxes are based on assessed values established by the County's Bureau of Assessments. The total 2021 real estate tax levied equaled \$32,655,584, based on a total County assessed valuation of \$4,833,209,580. Based on the 2021 levy of 6.11 mills for general purposes and .65 mills for debt services purposes a property owner would pay \$6.76 per \$1,000 of assessed valuation.

COUNTY OF FAYETTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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NOTE 5: CAPITAL ASSETS

A summary of changes in the capital assets for the year ended December 31, 2021 is as follows:

Governmental Activities	Beginning Balance	Additions	Addition from CIP	Retirements	Ending Balance
Capital Assets not Being Depreciated:					
Land	\$ 3,225,470	\$ -	\$ -	\$ -	\$ 3,225,470
Construction in Progress	2,211,661	12,144,020	-	(27,918)	14,327,763
Total Capital Assets Not Being Depreciated	<u>5,437,131</u>	<u>12,144,020</u>	<u>-</u>	<u>(27,918)</u>	<u>17,553,233</u>
Capital Assets Being Depreciated:					
Buildings and Improvements	50,321,785	1,334,979	27,918	-	51,684,682
Furniture, Fixtures and Equipment	13,888,344	1,209,159	-	(46,757)	15,050,746
Vehicles	10,113,068	572,762	-	-	10,685,830
Infrastructure	22,030,431	343,078	-	-	22,373,509
Total Capital Assets Being Depreciated	<u>96,353,628</u>	<u>3,459,978</u>	<u>27,918</u>	<u>(46,757)</u>	<u>99,794,767</u>
Less Accumulated Depreciation for:					
Buildings and Improvements	(37,647,794)	(1,050,871)	-	-	(38,698,665)
Furniture, Fixtures and Equipment	(10,117,473)	(757,632)	-	46,757	(10,828,348)
Vehicles	(9,190,542)	(495,277)	-	-	(9,685,819)
Infrastructure	(7,370,648)	(708,974)	-	-	(8,079,622)
Total Accumulated Depreciation	<u>(64,326,457)</u>	<u>(3,012,754)</u>	<u>-</u>	<u>46,757</u>	<u>(67,292,454)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 37,464,302</u>	<u>\$ 12,591,244</u>	<u>\$ 27,918</u>	<u>\$ (27,918)</u>	<u>\$ 50,055,546</u>

The total depreciation expense charged to the governmental activities for 2021 was \$3,012,754.

Depreciation Expense was charged to functions/programs of the County as follows:

Governmental Activities	
General Government	\$ 662,437
Judicial	277,421
Public Safety	382,320
Public Works	610,649
Culture/Recreation	119,651
Human Services	952,920
Conservation and Development	7,356
Total Depreciation	<u>\$ 3,012,754</u>

NOTE 6: PENSION PLAN

A. Plan Description:

General

The County has a single employer defined benefit pension plan covering substantially all full-time and part-time employees working over 1,000 hours per year. The plan is included in the financial statements of the County and does not issue a stand-alone report. The plan provides retirement, disability, and death benefits to plan members and their beneficiaries pursuant to Act 96 of 1971 of the Commonwealth of Pennsylvania (County Pension Law.)

The Retirement Board administers the Plan. Management of the Plan is vested in the Board, which consists of five members - three elected County Commissioners, the County Controller and the County Treasurer.

Plan Membership:

Membership of the Plan consisted of the following at December 31, 2021¹, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	317
Inactive plan members entitled to but not yet receiving benefits	47
Active plan members	<u>584</u>
Total plan members	<u>948</u>

Benefit Provisions:

Fayette County Employees Pension Plan provides retirement, disability, and death benefits. Retirement benefits for plan members are calculated as a percent of the member's final 3-year average salary times the member's years of service depending on class basis. Plan members with 20 years of service are eligible to retire at age 55. Plan members that have attained age 60 are eligible to retire. All plan members are eligible for disability benefits after 5 years of service if disabled while in service and unable to continue as a county employee. Disability retirement benefits are equal to 25% of final average salary at time of retirement. Death benefits for a member who dies with 10 years of service prior to retirement is the total present value of member's retirement paid in a lump sum. A plan member who leaves County service with less than 5 years of service may withdraw his or her contributions, plus any accumulated interest.

On an ad hoc basis, cost-of-living adjustments to each member's retirement allowance shall be reviewed at least once in every three years subsequent to the member's retirement date. The adjustment, should the County elect to give one, is a percentage of the change in the Consumer Price Index. The plan did not include an assumption for projected ad hoc postemployment benefit changes as they are not substantively automatic.

Contributions:

An actuarially determined contribution is recommended by the plan actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance an unfunded accrued liability. For the 2021 measurement period, the active member contribution rate was 5.0 percent of annual pay, and the County average contribution rate was 7.80 percent of annual payroll.

NOTE 6: PENSION PLAN (CONTINUED)

A. Plan Description (Continued):

Measurement Focus and Basis of Accounting

The Plan's operations are accounted for on an economic resources measurement focus and the accrual basis of accounting. Employer and member contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Investment income is recognized as revenue when earned. Retirement benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred. The net appreciation/(depreciation) in fair value of investments is recorded as an increase/(decrease) to investment income based on the valuation of investments. The entire expense of Plan administration is charged against the earnings of the Plan. Investment earnings are reduced for investment management fees, portfolio evaluation, custodial services, and actuarial services, as required by State statutes.

B. Investments:

Methods Used to Value Investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. By contract, an independent appraisal is obtained once every year to determine the fair market value of the real estate assets.

Investment Policy:

The Plan is governed by the Retirement Board who is responsible for the management of plan assets. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's asset allocation (no official policy exists) for the 2021 measurement period:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	49%
International Equity	16%
Fixed Income	<u>35%</u>
Total	<u>100%</u>

NOTE 6: PENSION PLAN (CONTINUED)

B. Investments (Continued):

Concentrations:

As of December 31, 2021, the following are investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one issuer that represent 5.00% or more of net position available for benefits (\$97,403,826 x .05 = \$4,870,191):

Investment	Fair Value
Total Corporate Common Stocks	\$ 5,008,140
Registered Investment Companies	56,532,669
	<u>\$ 61,540,809</u>

Rate of return:

For the 2021 measurement period, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.70%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

C. Net Pension Liability:

The components of the net pension liability of the County for the December 31, 2021 measurement period were as follows:

Total Pension Liability	\$ 104,943,615
Less: Plan Fiduciary Net Position	<u>(99,841,339)</u>
Net Pension Liability	<u>\$ 5,102,276</u>

Plan fiduciary net position as a percentage of total pension liability	95.14%
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COUNTY OF FAYETTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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NOTE 6: PENSION PLAN (CONTINUED)

Changes in the County's net pension liability for the plan for the year ended December 31, 2021 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Position Liability (a) - (b)
Balances at 12/31/20	\$ 100,027,802	\$ 89,807,625	\$ 10,220,177
Service Cost	2,652,819	-	2,652,819
Interest	7,056,420	-	7,056,420
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	947,096	-	947,096
Changes in Assumptions	-	-	-
Contributions - Employer	-	2,077,037	(2,077,037)
Contributions - Member	-	2,021,846	(2,021,846)
Net Investment Income	-	11,711,918	(11,711,918)
Benefit Payments, Including Refunds of Member Contributions	(5,740,522)	(5,740,522)	-
Plan Administrative Expenses	-	(37,523)	37,523
Other Changes	-	958	(958)
Net Changes	<u>4,915,813</u>	<u>10,033,714</u>	<u>(5,117,901)</u>
Balances at 12/31/2021	<u>\$ 104,943,615</u>	<u>\$ 99,841,339</u>	<u>\$ 5,102,276</u>

Deferred Outflows of Resources and Deferred Inflows of Resources:

The total pension expense recognized in 2021 for the plan was \$81,661. At December 31, 2021, the plan reports the following deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actuarial assumptions	\$ 2,239,425	\$ (256,499)
Difference between actual and projected investment earnings	<u>-</u>	<u>(7,002,994)</u>
Total	<u>\$ 2,239,425</u>	<u>\$ (7,259,493)</u>

NOTE 6: PENSION PLAN (CONTINUED)

The deferred outflows of resources will be recognized in pension expense as follows:

<u>Year</u>	<u>Governmental Activities</u>
2022	\$ (780,728)
2023	(2,408,228)
2024	(981,338)
2025	(868,345)
2026	18,571
	<u>\$ (5,020,068)</u>

D. Actuarial assumptions:

The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	3.00%
Salary Increases	3.50%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2013 Annuitant and Non-Annuitant Mortality Tables for Males and Females with no projected improvement. Mortality

The actuarial assumptions used in the valuation for the 2021 measurement period were based on past experience under the plan and reasonable future expectations which represent our best estimate of anticipated experience under the plan. An actuarial experience study was performed during 2016; however, no modifications to assumptions were made as a result.

Discount Rate:

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates. 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 (i.e. no depletion date is projected to occur).

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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation for the 2021 measurement period (see the discussion of the pension plan's investment policy) are summarized in the following table:

NOTE 6: PENSION PLAN (CONTINUED)

D. Actuarial assumptions (Continued):

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	5.4-6.4%
International Equity	5.5-6.5%
Fixed Income	1.3-3.3%
Real Estate/Alternative	4.5-5.5%
Cash	0.0-1.0%

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the County, calculated using the discount rate of 7.0 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension Liability	\$ 17,782,630	\$ 5,102,276	\$ (3,489,119)

COUNTY OF FAYETTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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NOTE 7: LONG-TERM DEBT

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

Government Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds, Notes and Loans Payable:					
GOB, Series 2012	\$ 7,530,000	\$ -	\$ (3,595,000)	\$ 3,935,000	\$ 620,000
GOB, Series 2011	1,420,000	-	(695,000)	725,000	85,000
GON, Series 2017	9,795,384	-	(9,795,384)	-	-
GON, Series 2020	-	13,821,350	-	13,821,350	-
GON, Series 2021A	-	13,605,000	(5,000)	13,600,000	45,000
GON, Series 2021B	-	3,140,000	(5,000)	3,135,000	5,000
Total Bonds, Notes and Loans Payable	<u>18,745,384</u>	<u>30,566,350</u>	<u>(14,095,384)</u>	<u>35,216,350</u>	<u>755,000</u>
Other Liabilities:					
Capital Leases	<u>3,113,861</u>	<u>-</u>	<u>(1,015,051)</u>	<u>2,098,810</u>	<u>1,010,241</u>
Total Long Term Debt	<u>\$ 21,859,245</u>	<u>\$ 30,566,350</u>	<u>\$ (15,110,435)</u>	<u>\$ 37,315,160</u>	<u>\$ 1,765,241</u>

An analysis of debt service requirements, excluding capital leases, to maturity on these obligations follows:

Year Ended December 31,	Principal Requirements	Interest Requirements	Total Debt Requirements
2022	\$ 755,000	\$ 536,533	\$ 1,291,533
2023	14,596,350	514,857	15,111,207
2024	800,000	490,751	1,290,751
2025	830,000	465,623	1,295,623
2026	850,000	439,517	1,289,517
2027-2031	4,465,000	1,849,386	6,314,386
2032-2036	3,605,000	1,352,400	4,957,400
2037-2041	4,000,000	954,500	4,954,500
2042-2046	4,445,000	511,200	4,956,200
2047-2051	870,000	26,100	896,100
Total	<u>\$ 35,216,350</u>	<u>\$ 7,140,867</u>	<u>\$ 42,357,217</u>

Pertinent information regarding long-term debt obligations outstanding is presented below:

COUNTY OF FAYETTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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NOTE 7: LONG-TERM DEBT (CONTINUED)

Balance
Outstanding
December 31, 2021

\$2,230,000 General Obligation Bonds, Series 2011, dated September 28, 2011. The 2011 bonds have interest rates from 4.0% to 5.23% with a final maturity date on November 1, 2023. The proceeds of the 2011 bonds were used to undertake renovations, upgrades, repairs, replacements and improvements equipment and infrastructures in County buildings.

\$ 725,000

\$14,075,000 General Obligations Bonds, Series 2012 dated July 17, 2012. The 2012 bonds have interest rates from 2.0% to 3.375% with a final maturity date on November 15, 2028. The proceeds of the 2012 bonds were used to refund, on a current refunding basis, the GOB 20002 and GOB 2027 bonds.

3,935,000

\$16,745,000 General Obligation Notes, 2021 Series A and General Obligation Notes, Federally Taxable 2021 Series B on March 11, 2021. The Proceeds was used to payoff the 2017 Note and to pay on the 2011 and 2012 General Obligation Bonds and additional funds for Capital Projects

2021 Series A

\$13,605,000 with a interest rate from 2% to 3% with a final payment on November 11, 2047.

13,600,000

2021 Series B FEDERAL TAXABLE SERIES

\$3,145,000 with a interest rate .466% to 2.001% with the final payment on November 15, 2031. 2021 Series B was used to pay additional principal payment on the GOB 2011 and 2012.

3,135,000

\$51,000,000 General Obligation Note Series 2020 for term of 360 months at a interest rate of 1.65%. The loan proceeds to be use for the Fayette County New Prison Construction to be completed in the Spring of 2023

13,821,350

Total Bonds and Notes and Loan Payable

\$ 35,216,350

NOTE 7: LONG-TERM DEBT (CONTINUED)

Capital Lease One

During 2012, 911 signed a lease with Motorola Solutions Inc. in the amount of \$7,469,381 (including interest) with an interest rate of 2.68% for a period of 10 years for the purpose of leasing equipment. The remaining payments on the remaining lease are as follows:

Year Ended December 31,	Principal Amount	Interest Amount	Total
2022	\$ 822,719	\$ 22,049	\$ 844,768
Total	<u>\$ 822,719</u>	<u>\$ 22,049</u>	<u>\$ 844,768</u>

Capital Lease Two

During 2020, the County signed a lease with Ford Business in the amount of \$1,445,200 with interest of 3.05% for a period of 60 months for Ford Business Copiers. The remaining payments on the lease are as follows:

Year Ended December 31,	Principal Amount	Interest Amount	Total
2022	\$ 119,330	\$ 22,226	\$ 141,556
2023	122,151	19,269	141,420
2024	125,040	16,242	141,282
2025	127,997	13,144	141,141
2026	131,024	9,972	140,996
2027-2030	555,820	10,127	565,947
Total	<u>\$ 1,181,362</u>	<u>\$ 90,980</u>	<u>\$ 1,272,342</u>

Capital Lease Three

During 2019, the County signed a lease with Ford Credit the amount of \$82,948 with interest of 5.95% for a period of 48 months for three Ford Vehicles (2019 Ford Explorer, 2019 Ford F-150 and 2019 Ford Escape). This was for Children and Youth. The remaining payments on the lease are as follows:

Year Ended December 31,	Principal Amount	Interest Amount	Total
2022	\$ 5,692	\$ 85	\$ 5,777
Total	<u>\$ 5,692</u>	<u>\$ 85</u>	<u>\$ 5,777</u>

NOTE 7: LONG-TERM DEBT (CONTINUED)

Capital Lease Four

During 2019, the County signed a lease agreement with Fort Capital Resources to Judicial records scan. The total lease amount of \$170,000 with interest of 8.062% for a period of 54 months. The remaining payments on the lease are as follows:

Year Ended December 31,	Principal Amount	Interest Amount	Total
2022	\$ 37,068	\$ 4,032	\$ 41,100
2023	26,537	863	27,400
Total	<u>\$ 63,605</u>	<u>\$ 4,895</u>	<u>\$ 68,500</u>

Capital Lease Five

During 2019, the County signed a lease with Ford Credit the amount of \$70,910 with interest of 7.25% for a period of 48 months for three Ford Vehicles (2019 Ford Explorer, 2019 Ford F-150 and 2019 Ford Escape). This was for Children and Youth. The remaining payments on the lease are as follows:

Year Ended December 31,	Principal Amount	Interest Amount	Total
2022	\$ 17,726	\$ 2,488	\$ 20,214
Total	<u>\$ 17,726</u>	<u>\$ 2,488</u>	<u>\$ 20,214</u>

Capital Lease Six

During 2019, the County signed a lease with Ford Credit the amount of \$30,826 with interest of 7.25% for a period of 48 months for Ford Vehicles (2019 Ford Explorer., This was for Juvenile Probation. The remaining payments on the lease are as follows:

Year Ended December 31,	Principal Amount	Interest Amount	Total
2022	\$ 7,706	\$ 1,081	\$ 8,787
Total	<u>\$ 7,706</u>	<u>\$ 1,081</u>	<u>\$ 8,787</u>

NOTE 7: LONG-TERM DEBT (CONTINUED)

Maturities on outstanding capital leases are as follows:

Year Ended December 31,	Principal Amount	Interest Amount	Total
2022	\$ 1,010,241	\$ 51,961	\$ 1,062,202
2023	148,688	20,132	168,820
2024	125,040	16,242	141,282
2025	127,997	13,144	141,141
2026	131,024	9,972	140,996
2027-2030	555,820	10,128	565,948
Total	\$ 2,098,810	\$ 121,579	\$ 2,220,389

NOTE 8: RISK MANAGEMENT

The County is exposed to many risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. There have been no significant changes in insurance coverage since the prior year.

Health Care – Self Insurance

The County maintains a self-insurance program for health and prescription drug coverage for eligible employees on cost-reimbursement basis. Employees contribute from a range of \$31.54 to \$318.70 a month depending on single or dependent coverage election. Monthly, each department is charged for their employees' health claims.

A stop-loss insurance contract executed with an insurance carrier covers independent claims in excess of \$150,000 up to \$1,875,000 maximum and the minimum aggregated amount of \$11,638,281 for all claims paid.

During the year ended December 31, 2021, total claims expenses and stop-loss insurance expenses were \$10,520,399. Claims expenses recorded as employee fringe expenditures represent claims processed as of December 31, 2021 and includes (\$975,335) claims payable.

NOTE 8: RISK MANAGEMENT (CONTINUED)

The claims liability of \$975,335 is based on requirements of Governmental Accounting Standards Board (GASB) Statement No. 10, which was amended by GASB Statement No. 30, that requires a liability for claims be reported if information prior to the issuance of financial statements indicates that a liability had been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. The claim liability is recorded in the internal service fund accounts payable. Changes in the claims liability is as follows:

	2018	2019	2020	2021
Claims Liability-Beginning of Year	\$ (901,244)	\$ (657,225)	\$ (610,578)	\$ 96,731
Current Year Premiums	9,764,634	9,207,782	9,992,222	10,392,330
Claims Payments and Administration	(9,520,615)	(9,161,135)	(9,284,913)	(11,464,396)
Claims Liability-End of Year	<u>\$ (657,225)</u>	<u>\$ (610,578)</u>	<u>\$ 96,731</u>	<u>\$ (975,335)</u>

The financial statement does reflect a contingent liability for any unassisted claims. The County does maintain a deposit of \$441,000 with Highmark Blue Cross Blue Shield.

NOTE 9: OPERATING LEASES

In the normal course of business, the County leases IT services and office space for operations. Aggregate annual commitments on leases at December 31, 2021 are as follows:

Year Ended December 31,	Total
2022	\$ 327,687
2023	327,687
2024	326,967
2025	327,687
2026	327,687
Total	<u>\$ 1,637,715</u>

NOTE 10: SHORT-TERM OBLIGATIONS

The County utilizes short-term financing, when needed, in the form of a Tax Anticipation Note (TAN). The TAN is secured to finance general operations through periods of uneven property tax collection, so that cash flows are not restricted. The County received a TAN in January 2021 for \$8,000,000, with an interest rate of 0.90%, and subsequently paid off the balance by December 31, 2021.

NOTE 11: LITIGATION

The County is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the County financial statements.

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables balances of each individual fund as of December 31, 2021, are as follows:

	Due From Other Funds	Due to Other Funds
General Fund	\$ 2,938,999	\$ 266,124
Children and Youth Fund	-	2,801,654
Behavioral Health	-	96,994
Debt Service Fund	623,948	518,822
Domestic Relation Fund	67,108	2,526
Other Government Funds	93,884	37,819
Total	<u>\$ 3,723,939</u>	<u>\$ 3,723,939</u>

NOTE 13: INTERFUND OPERATING TRANSFERS

Interfund transfers are executed as a result of the requirements for certain funds to fund a portion of the expenditures or expenses of other funds. Interfund operating transfers were as follows for the year ended December 31, 2021:

	Transfers In	Transfers Out
General Fund	\$ 2,377	\$ 3,797,898
Children and Youth Fund	2,252,951	2,377
Behavioral Health Fund	390,000	-
FACT Transportation	200,000	-
Domestic Relations Fund	475,511	-
Debt Service Fund	844,768	-
CARES ACT Funding	1,501	-
Capital Fund	-	481,360
Other Governmental Funds	959,295	844,768
Total	<u>\$ 5,126,403</u>	<u>\$ 5,126,403</u>

NOTE 14: TAX ABATEMENTS

Tax Abatements are the result of agreements that are entered into by the County to forgo real estate tax revenues for the promise by an individual or entity to take specific action that contributes to economic development in the County. The County has two real estate abatement programs: Local Economic Revitalization Tax Assistance ("LERTA") and Keystone Opportunity Zone ("KOZ").

Local Economic Revitalization Tax Assistance (LERTA)

The LERTA program exists pursuant to the Commonwealth of Pennsylvania Local Economic Revitalization Tax Assistance Act 76 of 1977 (72 P.S. §4722, et seq.). Currently, the LERTA is only in certain municipalities that have adopted a LERTA ordinance. There is not a "county-wide" LERTA program. Once a LERTA ordinance is adopted by a municipality, the County will follow with an ordinance specific to the County and that particular municipality. The LERTA exemption must be applied for by the landowner to the municipality. Once approved by the municipality, the approved application is passed to the county for exemption and LERTA schedule. Some school districts also participate in the LERTA in the same manner as the County. LERTA schedules are 5 to 10 years with most municipalities adopting a five year, 20% per year declining schedule on the new construction value. New construction value is determined by the County Assessment Office. The LERTA program is, generally, on both Residential and Commercial properties. Many municipalities have the LERTA as a municipal-wide program, where a few municipalities have specified certain areas that the LERTA would be available. During 2021, 7 properties received the LERTA exemption from the County's real estate property tax at a total of \$17,527 for various projects.

Keystone Opportunity Zone ("KOZ")

The KOZ program exists pursuant to the Commonwealth of Pennsylvania Keystone Opportunity Zone, Keystone Opportunity Expansion Zone, and Keystone Opportunity Improvement Zone Act (73 P.S. §§820.101- 820.1309). A KOZ is designated by Executive Order of the Governor after approval by the municipality, the school district and the County. While designation is for a ten year period, a designated parcel only qualifies for tax abatement once it is developed. A KOZ provides a significant reduction in state and local taxes. During 2021, 35 properties received the KOZ exemption from the County's real estate property tax at a total of \$30,943.

NOTE 15: FUND BALANCE

Under GASB 54, fund balances are recorded as non-spendable, restricted, committed, and assigned are not available for payments of other subsequent expenditures. The following fund balances are recorded on the fund level of the financial statements:

Fund	Fund Balance	Amount
<u>Major Funds:</u>		
General Fund	<u>Non-Spendable:</u>	
	These amounts are prepaid expenses	\$ 1,526,416
	<u>Restricted:</u>	
	<u>Public Safety</u>	
	Funding for 911 Capital Program in 2019	
	Additional cost for Adult Probation program that will off set prison out of County rentals on prisoners	450,750
	<u>Public Works</u>	
	County Buildings Improvements	375,750
	<u>Assigned :</u>	
	<u>Community Service</u>	
	Funding for Broadband and the new Interstructure Bank for Municipalities in Fayette County.	3,750,750
	<u>Culture and Recreation</u>	
	General Fund match on Sheepskin Trail Project and County Parks.	375,750
	<u>Capital Program</u>	
	Additional funding for County buildings, Public Safety Building, and Public Service building.	2,750,000
Health Choices	<u>Restricted:</u>	
	These amounts are restricted for the Health Choices Behavioral Health program	11,976,841

NOTE 15: FUND BALANCE (CONTINUED)

Debt Service	<u>Non-Spendable:</u>	
	911 Motorola Lease payment made in December	
	2020 that is due on January 1, 2022.	\$1,122,400
Transportation	<u>Restricted:</u>	
	Fundings for Debt payments in 2022	508,507
Domestic Relations	<u>Non-Spendable:</u>	
	These amounts are prepaid expenses	38,200
	<u>Restricted:</u>	
	These funds are restricted within the Transportation Program	2,589,049
Domestic Relations	<u>Restricted:</u>	
	These funds are restricted for Child Support Enforcement	962,177

NOTE 15: FUND BALANCE (CONTINUED)

Special Revenue Funds

Restricted:

These funds are restricted within the departments of General Government	82,716
These funds are restricted within the Judicial System	235,660
These funds are restricted within the Public Safety Programs	1,553,768
These funds are restricted within the Public Works Programs	3,599,158
These funds are restricted within the Community Service Programs	301,740
These funds are restricted within the Culture and Recreation Programs	118,230

Capital Project Funds

Restricted:

This amount is restricted for capital projects	884,207
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Fiduciary Funds

Restricted:

Retirement Trust Fund	99,841,339
Custodial Funds	6,883,638

NOTE 17: SUBSEQUENT EVENTS

During December 2021, the County issued a Tax Revenue and Anticipation Note for 2022 in an amount not to exceed \$9,000,000 at an interest rate of .90%.

COUNTY OF FAYETTE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

REQUIRED
SUPPLEMENTARY
INFORMATION

COUNTY OF FAYETTE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL-GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive/ (Negative)
Revenues				
Real Estate and Per Capita Taxes	\$ 30,619,775	\$ 30,619,775	\$ 30,008,325	\$ (611,450)
Licenses and Permits	30,250	30,250	28,840	(1,410)
Grants and Gifts	4,880,585	5,712,655	2,812,812	(2,899,843)
Fines and Cost	447,250	447,250	380,415	(66,835)
Charges for Services	5,377,780	5,480,068	6,018,152	538,084
Interest, Rents, and Royalties	<u>255,600</u>	<u>255,600</u>	<u>386,568</u>	<u>130,968</u>
Total Revenues	<u>41,611,240</u>	<u>42,545,598</u>	<u>39,635,112</u>	<u>(2,910,486)</u>
Expenditures				
General Government-Administration	\$9,416,490	10,585,763	8,592,104	1,993,659
General Government-Judicial	10,830,780	11,148,579	7,584,525	3,564,054
Public Safety	13,641,320	13,823,306	9,939,345	3,883,961
Public Works	806,375	764,435	557,358	207,077
Human Services	431,785	479,055	450,094	28,961
Culture/Recreation	586,420	514,060	354,507	159,553
Community Service	-	615	615	-
Conservation/Development	221,460	233,425	1,171,388	(937,963)
Contributions	<u>1,541,835</u>	<u>2,077,404</u>	<u>1,144,954</u>	<u>932,450</u>
Total Expenditures	<u>37,476,465</u>	<u>39,626,642</u>	<u>29,794,890</u>	<u>9,831,752</u>
Other Financing Sources (Uses)				
Loan Proceeds	288,030	288,030	-	-
Operating Transfers In	458,030	527,175	2,377	(524,798)
Operating Transfers(Out)	<u>(4,592,805)</u>	<u>(3,339,273)</u>	<u>(3,797,898)</u>	<u>(458,625)</u>
Total Other Financing Sources	<u>(3,846,745)</u>	<u>(2,524,068)</u>	<u>(3,795,521)</u>	<u>(983,423)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 288,030</u>	<u>\$ 394,888</u>	<u>\$ 6,044,701</u>	<u>\$ 5,649,813</u>

COUNTY OF FAYETTE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	2014	2015	2016	2017	2018	2019	2020	2021
Total pension liability								
Service cost	\$ 3,254,374	\$ 2,805,082	\$ 3,154,866	\$ 3,207,877	\$ 2,391,243	\$ 2,428,813	\$ 2,513,056	\$ 2,652,819
Interest	4,487,857	4,852,177	5,298,642	5,675,499	5,952,586	6,368,376	6,717,279	7,056,420
Changes of benefit terms		-	-	66,257	-	471,835	-	-
Differences between expected and actual experience	(309,892)	965,190	1,835,539	679,873	(989,351)	1,523,459	1,107,022	947,096
Changes of assumptions		-	-	-	-	-	-	-
Benefits payments, including refunds of member contributions	(2,950,347)	(3,101,096)	(3,682,433)	(3,999,434)	(4,083,687)	(4,802,142)	(5,213,046)	(5,740,522)
Net change in total pension liability	4,481,992	5,521,353	6,606,614	5,630,072	3,270,791	5,990,341	5,124,311	4,915,813
Total pension liability- beginning	63,402,328	67,884,320	73,405,673	80,012,287	85,642,359	88,913,150	94,903,491	100,027,802
Total pension liability- ending (a)	<u>\$ 67,884,320</u>	<u>\$ 73,405,673</u>	<u>\$ 80,012,287</u>	<u>\$ 85,642,359</u>	<u>\$ 88,913,150</u>	<u>\$ 94,903,491</u>	<u>\$ 100,027,802</u>	<u>\$ 104,943,615</u>
Plan fiduciary net position								
Contributions- employer	\$ -	\$ -	\$ 1,050,637	\$ 986,423	\$ 906,281	\$ 1,286,078	\$ 1,689,248	\$ 2,077,037
Contributions- employee	1,542,792	1,600,239	1,752,786	1,813,021	1,844,945	1,916,246	2,047,340	2,021,846
Net investment income	3,899,257	(40,291)	4,204,196	9,594,185	(2,695,238)	12,793,748	7,652,451	11,711,918
Benefit payments, including refunds of employee contributions	(2,950,156)	(3,101,096)	(3,682,624)	(3,999,434)	(4,083,687)	(4,802,142)	(5,213,046)	(5,740,522)
Administrative expense	(28,825)	(44,676)	(35,436)	(28,095)	(42,366)	(35,993)	(42,858)	(37,523)
Other	-	-	-	(193)	-	-	2,788	958
Net change in plan fiduciary position	2,463,068	(1,585,824)	3,289,559	8,365,907	(4,070,065)	11,157,937	6,135,923	10,033,714
Plan fiduciary net position - beginning	64,051,120	66,514,188	64,928,364	68,217,923	76,583,830	72,513,765	83,671,702	89,807,625
Plan fiduciary net position - ending (b)	<u>\$ 66,514,188</u>	<u>\$ 64,928,364</u>	<u>\$ 68,217,923</u>	<u>\$ 76,583,830</u>	<u>\$ 72,513,765</u>	<u>\$ 83,671,702</u>	<u>\$ 89,807,625</u>	<u>\$ 99,841,339</u>
County's net pension liability - ending (a)-(b)	<u>\$ 1,370,323</u>	<u>\$ 8,477,309</u>	<u>\$ 11,794,364</u>	<u>\$ 9,058,529</u>	<u>\$ 16,399,385</u>	<u>\$ 11,231,789</u>	<u>\$ 10,220,177</u>	<u>\$ 5,102,276</u>
Plan fiduciary net position as a percentage of the total pension liability	97.98%	88.45%	85.26%	89.42%	81.56%	88.17%	89.78%	95.14%
Covered- employee payroll	\$ 17,714,203	\$ 20,297,545	\$ 22,876,556	\$ 23,215,519	\$ 23,765,303	\$ 24,343,258	\$ 25,228,103	\$ 26,639,741
County net pension liability as a percentage of covered- employee payroll	7.74%	41.77%	51.56%	39.02%	69.01%	46.14%	40.51%	19.15%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10- year trend is compiled, pension plans should present information for those years for which information is available.

COUNTY OF FAYETTE
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF INVESTMENT RETURNS

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contribution	\$ 1,514,812	\$ 1,722,251	\$ 1,740,335	\$ 2,113,391	\$ 2,472,543	\$ 2,513,493	\$ 2,237,978	\$ 2,740,910	\$ 3,014,153	\$ 3,089,368
Contributions in relation to the actuarially determined contribution	<u>1,514,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,050,637</u>	<u>986,423</u>	<u>906,281</u>	<u>1,286,078</u>	<u>1,689,248</u>	<u>2,077,037</u>
Contributions deficiency (excess)	<u>\$ (71)</u>	<u>\$ 1,722,251</u>	<u>\$ 1,740,335</u>	<u>\$ 2,113,391</u>	<u>\$ 1,421,906</u>	<u>\$ 1,527,070</u>	<u>\$ 1,331,697</u>	<u>\$ 1,454,832</u>	<u>\$ 1,324,905</u>	<u>\$ 1,012,331</u>
Covered - employee payroll	\$ 16,448,620	\$ 17,057,828	\$ 17,714,203	\$ 20,297,545	\$ 22,876,556	\$ 23,215,519	\$ 23,765,303	\$ 24,343,258	\$ 25,228,103	\$ 26,639,741
Contributions as a percentage of covered- employee payroll	9.21%	0.00%	0.00%	0.00%	4.59%	4.25%	3.81%	5.28%	6.70%	7.80%

Notes to Schedule

Valuation date: Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level dollar
Remaining Amortization Period:	22 years
Asset Valuation Method:	Fair-Market value
Inflation	3.00%
Salary increases	3.5 average, including inflation
Investment rate of return	7.0% net of pension plan investment expense including inflation
Retirement age	Age 60 or 55 with 20 years' service
Mortality	2013 RP Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvement

COUNTY OF FAYETTE
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF INVESTMENT RETURNS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	6.70%	0.15%	7.10%	14.79%	-3.44%	18.80%	10.32%	14.70%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

OTHER
SUPPLEMENTARY
INFORMATION

COUNTY OF FAYETTE
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2021

	Human Services	Act 13 Fund	Concilation Fee Fund	Affordable Housing Fund	C-17 Fund
<hr/>					
Assets					
Cash and Cash Equivalents	\$ 7,349,850	\$ 2,481,547	\$ 70,595	\$ 180,331	\$ 143,569
Accounts Receivable	-	-	-	-	6,474
Due from Other Governments	25,585	162,462	-	-	-
Due from Other Funds	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 7,375,435</u>	<u>\$ 2,644,009</u>	<u>\$ 70,595</u>	<u>\$ 180,331</u>	<u>\$ 150,043</u>
Liabilities					
Accounts Payable	613,776	158,222	444	-	142
Accrued Expenses	-	-	-	-	-
Unearned Revenue	6,761,659				
Due to Other Funds	-	-	791	-	33,356
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>7,375,435</u>	<u>158,222</u>	<u>1,235</u>	<u>-</u>	<u>33,498</u>
Fund Balances					
Restricted:					
General Government	-	-	-	-	-
Judicial	-	-	69,360	-	116,545
Public Safety	-	-	-	-	-
Public Works	-	2,485,787	-	-	-
Community Service	-	-	-	180,331	-
Culture and Recreation	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted Fund Balance	<u>-</u>	<u>2,485,787</u>	<u>69,360</u>	<u>180,331</u>	<u>116,545</u>
Total Liabilities & Fund Balances	<u>\$ 7,375,435</u>	<u>\$ 2,644,009</u>	<u>\$ 70,595</u>	<u>\$ 180,331</u>	<u>\$ 150,043</u>

FAYETTE COUNTY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2021

	IPP Fund	Hotel Tax Fund	Liquid Fuel Fund	DA Law Enforcement	Hazmat
<u>Assets</u>					
Cash and Cash Equivalents	\$ 144,470	\$ 427,790	\$ 1,141,763	\$ 200	\$ 157,946
Accounts Receivable	-	492,484	3,000	-	-
Due from Other Governments	49,972	-	-	-	3,700
Due from Other Funds	-	-	16,827	-	-
Total Assets	<u>\$ 194,442</u>	<u>\$ 920,274</u>	<u>\$ 1,161,590</u>	<u>\$ 200</u>	<u>\$ 161,646</u>
 Liabilities					
Accounts Payable	33,582	798,865	41,338	-	4,896
Accrued Expenses	-	-	3,586	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Funds	-	-	3,295	-	19
Total Liabilities	<u>33,582</u>	<u>798,865</u>	<u>48,219</u>	<u>-</u>	<u>4,915</u>
 Fund Balances					
Restricted:					
General Government	-	-	-	-	-
Judicial	-	-	-	200	-
Public Safety	160,860	-	-	-	156,731
Public Works	-	-	1,113,371	-	-
Community Service	-	121,409	-	-	-
Culture and Recreation	-	-	-	-	-
Total Restricted Fund Balance	<u>160,860</u>	<u>121,409</u>	<u>1,113,371</u>	<u>200</u>	<u>156,731</u>
Total Liabilities & Fund Balances	<u>\$ 194,442</u>	<u>\$ 920,274</u>	<u>\$ 1,161,590</u>	<u>\$ 200</u>	<u>\$ 161,646</u>

COUNTY OF FAYETTE
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2021

	911 Fund	Sheepskin Trail Fund	Prothonotary Automation Fund	Record of Deeds Improvement Fund	Clerk of Courts Automation Fund	Register of Wills Automation Fund	Total
Assets							
Cash and Cash Equivalents	\$ 473,439	\$ 118,230	\$ 9,615	\$ 83,479	\$ 24,512	\$ 15,101	\$ 12,822,437
Accounts Receivable	32,960	-	1,387	3,930	342	385	540,962
Due from Other Governments	698,940	-	-	-	-	-	940,659
Due from Other Funds	<u>77,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,884</u>
Total Assets	<u>\$ 1,282,396</u>	<u>\$ 118,230</u>	<u>\$ 11,002</u>	<u>\$ 87,409</u>	<u>\$ 24,854</u>	<u>\$ 15,486</u>	<u>\$ 14,397,942</u>
Liabilities							
Accounts Payable	45,861	-	-	4,693	1,547	240	1,703,606
Accrued Expenses	-	-	-	-	-	-	3,586
Unearned Revenue	-	-	-	-	-	-	6,761,659
Due to Other Funds	<u>358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,819</u>
Total Liabilities	<u>46,219</u>	<u>-</u>	<u>-</u>	<u>4,693</u>	<u>1,547</u>	<u>240</u>	<u>8,506,670</u>
Fund Balances							
Restricted:							
General Government	-	-	-	82,716	-	-	82,716
Judicial	-	-	11,002	-	23,307	15,246	235,660
Public Safety	1,236,177	-	-	-	-	-	1,553,768
Public Works	-	-	-	-	-	-	3,599,158
Community Service	-	-	-	-	-	-	301,740
Culture and Recreation	<u>-</u>	<u>118,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,230</u>
Total Restricted Fund Balance	<u>1,236,177</u>	<u>118,230</u>	<u>11,002</u>	<u>82,716</u>	<u>23,307</u>	<u>15,246</u>	<u>5,891,272</u>
Total Liabilities & Fund Balances	<u>\$ 1,282,396</u>	<u>\$ 118,230</u>	<u>\$ 11,002</u>	<u>\$ 87,409</u>	<u>\$ 24,854</u>	<u>\$ 15,486</u>	<u>\$ 14,397,942</u>

COUNTY OF FAYETTE
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Human Service Fund	Act 13 Fund	Concilation Fee Fund	Affordable Housing Fund	C-17 Fund
Revenues					
Hotels	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and Gifts	5,173,726	354,295	-	-	9,540
Charges for Services	-	828,201	30,700	79,410	109,762
Interest and Royalties	<u>18,430</u>	<u>5,453</u>	<u>113</u>	<u>264</u>	<u>198</u>
Total Revenues	<u>5,192,156</u>	<u>1,187,949</u>	<u>30,813</u>	<u>79,674</u>	<u>119,500</u>
Expenditures					
Current:					
General Government -Administration	-	-	-	-	-
General Government-Judicial	-	-	4,832	-	32,712
Public Safety	-	-	-	-	-
Public Works	-	332,477	-	-	-
Human Services	5,192,156	-	-	-	-
Culture and Recreation	-	10,000	-	-	-
Community Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>5,192,156</u>	<u>342,477</u>	<u>4,832</u>	<u>-</u>	<u>32,712</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>845,472</u>	<u>25,981</u>	<u>79,674</u>	<u>86,788</u>
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers (Out)	<u>-</u>	<u>(844,768)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(844,768)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	704	25,981	79,674	86,788
Fund Balances-Beginning of Year	<u>-</u>	<u>2,485,083</u>	<u>43,379</u>	<u>100,657</u>	<u>29,757</u>
Fund Balances-End of Year	<u>\$ -</u>	<u>\$ 2,485,787</u>	<u>\$ 69,360</u>	<u>\$ 180,331</u>	<u>\$ 116,545</u>

COUNTY OF FAYETTE
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

	IPP Fund	Hotel Tax Fund	Liquid Fuel Fund	DA Law Enforcement	Hazmat
Revenues					
Hotels	\$ -	\$ 2,888,168	\$ -	\$ -	\$ -
Grants and Gifts	207,655	-	570,305	-	29,796
Charges for Services	550,891	-	3,140	-	21,950
Interest and Royalties	159	625	2,046	-	101
Total Revenues	758,705	2,888,793	575,491	-	51,847
Expenditures					
Current:					
General Government -Administration	-	-	-	-	-
General Government-Judicial	-	-	-	-	-
Public Safety	694,106	-	-	-	81,046
Public Works	-	-	561,735	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Community Service	-	2,969,521	-	-	-
Total Expenditures	694,106	2,969,521	561,735	-	81,046
Excess of Revenues Over (Under) Expenditures	64,599	(80,728)	13,756	-	(29,199)
Other Financing Sources (Uses)					
Operating Transfers In	-	-	23,660	-	30,000
Operating Transfers (Out)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	23,660	-	30,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	64,599	(80,728)	37,416	-	801
Fund Balances-Beginning of Year	96,261	202,137	1,075,955	200	155,930
Fund Balances-End of Year	\$ 160,860	\$ 121,409	\$ 1,113,371	\$ 200	\$ 156,731

COUNTY OF FAYETTE
CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
DECEMBER 31, 2021

	911 Fund	Sheepskin Trail Fund	Prothonotary Automation Fund	Record of Deeds Improvement Fund	Clerk of Courts Automation Fund	Register of Wills Automation Fund	Total
Revenues							
Hotels	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,888,168
Grants and Gifts	3,461,168	-	-	-	-	-	9,806,485
Charges for Services	215	-	19,177	43,632	9,181	4,760	1,701,019
Interest and Royalties	<u>1,545</u>	<u>244</u>	<u>7</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>29,199</u>
Total Revenues	<u>3,462,928</u>	<u>244</u>	<u>19,184</u>	<u>43,646</u>	<u>9,181</u>	<u>4,760</u>	<u>14,424,871</u>
Expenditures							
Current:							
General Government -Administration	-	-	-	111,437	-	-	111,437
General Government-Judicial	-	-	14,372	-	1,314	2,205	55,435
Public Safety	4,221,047	-	-	-	-	-	4,996,199
Public Works	-	-	-	-	-	-	894,212
Human Services	-	-	-	-	-	-	5,192,156
Culture and Recreation	-	2,500	-	-	-	-	12,500
Community Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,969,521</u>
Total Expenditures	<u>4,221,047</u>	<u>2,500</u>	<u>14,372</u>	<u>111,437</u>	<u>1,314</u>	<u>2,205</u>	<u>14,231,460</u>
Excess of Revenues Over (Under) Expenditures	<u>(758,119)</u>	<u>(2,256)</u>	<u>4,812</u>	<u>(67,791)</u>	<u>7,867</u>	<u>2,555</u>	<u>193,411</u>
Other Financing Sources (Uses)							
Operating Transfers In	905,635	-	-	-	-	-	959,295
Operating Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(844,768)</u>
Total Other Financing Sources (Uses)	<u>905,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,527</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	147,516	(2,256)	4,812	(67,791)	7,867	2,555	307,938
Fund Balances-Beginning of Year	<u>1,088,661</u>	<u>120,486</u>	<u>6,190</u>	<u>150,507</u>	<u>15,440</u>	<u>12,691</u>	<u>5,583,334</u>
Fund Balances-End of Year	<u>\$ 1,236,177</u>	<u>\$ 118,230</u>	<u>\$ 11,002</u>	<u>\$ 82,716</u>	<u>\$ 23,307</u>	<u>\$ 15,246</u>	<u>\$ 5,891,272</u>

COUNTY OF FAYETTE
CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
DECEMBER 31, 2021

	Capital Project Fund	Capital Reserve Fund	Capital Bond Fund	Total Capital Project Funds
Revenues				
Grants and Gifts	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Interest and Royalties	-	617	-	617
Total Revenue	-	617	-	617
Expenditures				
General Administration	-	292,030	-	292,030
Judicial Government	-	95,143	-	95,143
Public Safety	-	1,815,519	-	1,815,519
Community Service	-	1,449	-	1,449
Recreation & Culture	-	-	-	-
Total Expenditures	-	2,204,141	-	2,202,692
Other Financing Sources (Uses)				
Note Proceeds 2017 Note	-	3,880,085	-	3,880,085
Transfer In	-	92,000	-	92,000
Transfer Out	-	(343,425)	-	(343,425)
Total Other Financing Sources (Uses)	-	3,628,660	-	3,628,660
Excess of Revenues Over (Under) Expenditures	-	1,425,136	-	1,426,585
Fund Balances-Beginning of Year	-	6,954	-	6,954
Fund Balances-End of Year	\$ -	\$ 1,432,090	\$ -	\$ 1,433,539

COUNTY OF FAYETTE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

					Custodial Funds				
	Tax Claim	Treasurer State License and Fees	Recorder of Deeds	Clerk of Courts Criminal Fees	Register of Wills	Prothonotary Civil Fees	Sheriff General & PFA	Prison Inmate Fund	MDJS Combined
<u>Assets</u>									
Cash and pooled investments	\$ 5,046,051	\$ 51,748	\$ 511,677	\$ 413,756	\$ 112,555	121,541	\$ 146,161	\$ 741,166	\$ 108,131
Cash under Court Order	-	-	-	-	-	244,293	-	-	-
Accounts receivable	9,367	20,949	33,335	9,394	27,025	2,695	1,130	485	5,396
Total Assets	\$ 5,055,418	\$ 72,697	\$ 545,012	\$ 423,150	\$ 139,580	\$ 368,529	\$ 147,291	\$ 741,651	\$ 113,527
<u>Liabilities</u>									
Accounts payable	\$ 359,680	\$ 72,616	\$ 33,335	\$ 13,075	\$ -	\$ 29,436	\$ 9,055	\$ 228	\$ 50,191
Funds held by Court Order	-	-	-	-	-	244,293	-	-	-
Total Liabilities	\$ 359,680	\$ 72,616	\$ 33,335	\$ 13,075	\$ -	\$ 273,729	\$ 9,055	\$ 228	\$ 50,191
<u>Net Position</u>	4,695,738	\$ 81	511,677	410,075	139,580	94,800	138,236	741,423	63,336
<u>Restricted for</u>									
Individuals, organizations, other governments	\$ 5,055,418	\$ 72,697	\$ 545,012	\$ 423,150	\$ 139,580	\$ 368,529	\$ 147,291	\$ 741,651	\$ 113,527

COUNTY OF FAYETTE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

				<u>Custodial Funds</u>			
	<u>C&Y Trust</u>	<u>Domestic Relations</u>	<u>Coroner Fund</u>	<u>Library Fund</u>	<u>Adult Probation Fund</u>	<u>Juvenile Probation Fund</u>	<u>Total Custodial Funds</u>
<u>Assets</u>							
Cash and pooled investments	\$ 4,986	\$ 12,600	\$ 2,833	\$ 1,310	\$ 28,610	\$ 46,853	\$ 7,349,978
Cash under Court Order	-	-	-	-	-	-	244,292
Accounts receivable	230	2,042	-	-	2,925	703	115,676
Total Assets	\$ 5,216	\$ 14,642	\$ 2,833	\$ 1,310	\$ 31,535	\$ 47,556	\$ 7,709,946
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ -	\$ 1,225	\$ 11,796	\$ 1,379	\$ 582,016
Funds held by Court Order	-	-	-	-	-	-	244,293
Total Liabilities	\$ -	\$ -	\$ -	\$ 1,225	\$ 11,796	\$ 1,379	\$ 826,309
<u>Net Position</u>	5,216	14,642	2,833	85	19,739	46,177	\$ 6,883,637
<u>Restricted for</u>							
Individuals, organizations, other governments	\$ 5,216	\$ 14,642	\$ 2,833	\$ 1,310	\$ 31,535	\$ 47,556	\$ 7,709,946

COUNTY OF FAYETTE
STATEMENT OF CHANGES IN PLAN NET POSITION
(CONTINUED)
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Custodial Funds						
	Tax Claim	Treasurer State License and Fees	Recorder of Deeds	Clerk of Courts Criminal Fees	Register of Wills	Prothonotary Civil Fees	Sheriff General & PFA
Additions							
Property Tax Collected for Other Governments	\$ 13,417,799	\$ 2,649,550	\$ -	\$ -	\$ -	\$ -	\$ -
Inheritance Tax Collected for Other Governments	-	-	-	-	10,591,229	-	-
Payroll Tax Fund Tax Received	-	7,860,377	-	-	-	-	-
Payroll Deduction on Child Support	-	0	-	-	-	-	-
Fees Collected for Other Governments	749,998	253,623	-	2,658,197	356,135	-	-
Fees Collected for Permits & Other Gov	-	-	-	-	-	-	887,555
Fees Collected on Library Fund	-	-	-	-	-	-	-
Youth Commissioner Program	-	-	-	-	-	-	-
Fees from Individuals on Probations	-	-	-	-	-	-	-
JCR JPO Program	-	-	-	-	-	-	-
Inmate Account Collections	-	-	-	-	-	-	-
Collections for Children & Youth Trust	-	-	-	-	-	-	-
Collections for Support	-	-	-	-	-	-	-
Recording and Filing Fees	-	-	8,275,176	-	-	-	-
Interest and Dividends	9,813	-	-	-	-	445	2
Fees and Fines Collected - Other	-	-	-	-	-	317,521	-
Fees on Prothonotary Trust Account	-	-	-	-	-	56,163	-
Fees on Prothonotary Divorce Account	-	-	-	-	-	26,687	-
Miscellaneous Collections	901	-	219.00	-	-	-	-
Total Additions	\$ 14,178,511	\$ 10,763,550	\$ 8,275,395	\$ 2,658,197	\$ 10,947,364	400,816	\$ 887,557
Deductions							
Property Tax Collections to Other Governments	13,383,586	2,674,021	-	-	-	-	-
Realty Tax Collections to Other Governments	-	-	8,230,561	-	-	-	-
Inheritance Tax Collected to Other Governments	-	-	-	-	10,508,705	-	-
Payroll Taxes paid to Other Governments	-	7,860,379	-	-	-	-	-
Payment on Child Support from PR Deduction	-	-	-	-	-	-	-
Fees Collected to Other Governments	279,793	255,600	-	2,730,716	361,791	-	-
Payment on Library Fund	-	-	-	-	-	-	-
Sheriff Permit Expenditures	-	-	-	-	-	-	887,999
APO Expenditure on Probation	-	-	-	-	-	-	-
JPO Commission and JCR Program Cost	-	-	-	-	-	-	-
Inmate Disbursements	-	-	-	-	-	-	-
Payments of Children & Youth Trust Funds	-	-	-	-	-	-	-
Support Payments	-	-	-	-	-	-	-
Payments to Other Entities	-	-	-	-	-	316,731	-
Payments on Prothonotary Trust Accounts	-	-	-	-	-	58,294	-
Payments on Prothonotary Divorce Accounts	-	-	-	-	-	20,975	-
Miscellaneous Payments	3,405	-	-	-	-	-	-
Total Deductions	\$ 13,666,784	\$ 10,790,000	\$ 8,230,561	\$ 2,730,716	\$ 10,870,496	396,000	\$ 887,999
Change in net position	\$ 511,727	\$ (26,450)	\$ 44,834	\$ (72,519)	\$ 76,868	4,816	\$ (442)
Net Position – January 1	4,184,011	26,531	466,843	482,594	62,712	89,984	138,678
Net Position – December 31	4,695,738	81	511,677	410,075	139,580	94,800	138,236

COUNTY OF FAYETTE
STATEMENT OF CHANGES IN PLAN NET POSITION
(CONTINUED)
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Custodial Funds								Total Other
	Prison Inmate Fund	MDJs Combined	C&Y Trust	Domestic Relations	Coroner Fund	Library Fund	Juvenile Probation Fund	Adult Probation Fund	Custodial Funds
Additions									
Property Tax Collected for Other Governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,067,349
Inheritance Tax Collected for Other Governments	-	-	-	-	-	-	-	-	10,591,229
Payroll Tax Fund Tax Received	-	-	-	-	-	-	-	-	7,860,377
Payroll Deduction on Child Support	-	-	-	-	-	-	-	-	-
Fees Collected for Other Governments	-	2,970,912	-	3,543	-	-	-	-	6,992,408
Fees Collected for Permits & Other Gov	-	-	-	-	-	-	-	-	887,555
Fees Collected on Library Fund	-	-	-	-	-	126,770	-	-	126,770
Youth Commissioner Program	-	-	-	-	-	-	9,734	-	9,734
Fees from Individuals on Probations	-	-	-	-	-	-	-	560,426	560,426
JCR JPO Program	-	-	-	-	-	-	4,904	-	4,904
Inmate Account Collections	482,385	-	-	-	-	-	-	-	482,385
Collections for Children & Youth Trust	-	-	74,277	-	-	-	-	-	74,277
Collections for Support	-	-	-	340,435	-	-	-	-	340,435
Recording and Filing Fees	-	-	-	-	-	-	-	-	8,275,176
Interest and Dividends	1,210	294	19	-	-	-	96	33	11,912
Fees and Fines Collected - Other	-	-	-	-	-	-	-	-	317,521
Fees on Prothonotary Trust Account	-	-	-	-	-	-	-	-	56,163
Fees on Prothonotary Divorce Account	-	-	-	-	-	-	-	-	26,687
Miscellaneous Collections	-	-	-	-	-	-	-	-	1,120
Total Additions	\$ 483,595	\$ 2,971,206	\$ 74,296	\$ 343,978	\$ -	126,770	\$ 14,734	\$ 560,459	\$ 52,686,428
Deductions									
Property Tax Collections to Other Governments	-	-	-	-	-	-	-	-	16,057,607
Realty Tax Collections to Other Governments	-	-	-	-	-	-	-	-	8,230,561
Inheritance Tax Collected to Other Governments	-	-	-	-	-	-	-	-	10,508,705
Payroll Taxes paid to Other Governments	-	-	-	-	-	-	-	-	7,860,379
Payment on Child Support from PR Deduction	-	-	-	-	-	-	-	-	-
Fees Collected to Other Governments	-	3,004,042	-	3,541	-	-	-	-	6,635,483
Payment on Library Fund	-	-	-	-	-	126,724	-	-	126,724
Sheriff Permit Expenditures	-	-	-	-	-	-	-	-	887,999
APO Expenditure on Probation	-	-	-	-	-	-	-	561,112	561,112
JPO Commission and JCR Program Cost	-	-	-	-	-	-	20,036	-	20,036
Inmate Disbursements	234,746	-	-	-	-	-	-	-	234,746
Payments of Children & Youth Trust Funds	-	-	74,450	-	-	-	-	-	74,450
Support Payments	-	-	0	340,720	-	-	-	-	340,720
Payments to Other Entities	-	-	-	-	-	-	-	-	316,731
Payments on Prothonotary Trust Accounts	-	-	-	-	-	-	-	-	58,294
Payments on Prothonotary Divorce Accounts	-	-	-	-	-	-	-	-	20,975
Miscellaneous Payments	-	-	-	-	-	-	-	-	3,405
Total Deductions	\$ 234,746	\$ 3,004,042	\$ 74,450	\$ 344,261	\$ -	126,724	\$ 20,036	\$ 561,112	\$ 51,937,927
Change in net position	\$ 248,849	\$ (32,836)	\$ (154)	\$ (283)	\$ -	46	\$ (5,302)	\$ (653)	\$ 748,501
Net Position – January 1	492,574	96,172	5,370	14,925	2,833	39	51,479	20,392	6,135,137
Net Position – December 31	741,423	63,336	5,216	14,642	2,833	85	46,177	19,739	6,883,637