

**COUNTY OF FAYETTE
UNIONTOWN, PENNSYLVANIA**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

COUNTY OF FAYETTE, PENNSYLVANIA
YEAR ENDED DECEMBER 31, 2022

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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, each major fund, and the aggregate remaining fund information of County of Fayette, as of and for the year ended December 31, 2022, 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, each major fund, and the aggregate remaining fund information of County of Fayette as of December 31, 2022, 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.

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.



To the Board of Commissioners
County of Fayette
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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, and schedules of net pension liability and contributions related to pension plans (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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023 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

ZELENKOFKSKE AXELROD LLC

September 29, 2023
Pittsburgh, Pennsylvania

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

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, 2022. 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, 2022.

FINANCIAL HIGHLIGHTS

Fund Balance

The County's General Fund reported a fund balance in the amount of \$8,677,551 for the year ended December 31, 2022. This was a decrease of \$4,045,262 in 2022 due to Capital Programs. The County reported an unassigned fund balance amount for the General Fund of \$3,852,291.

Real Estate Taxes

The County's assessed valuation increased from \$4,833,209,580 in 2021 to \$4,866,366,090 in 2022. The County's millage stayed the same at 6.76 mills in 2022. The 2022 the General Fund millage was set at 6.04 and the Debt Service Fund was set at .72. In 2022, \$30,377,918 of real estate tax revenue was received for General Fund purposes and \$2,618,825 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 2022, the County expended \$9,849,765 in health insurance costs leaving a net position of \$4,278,168.

Retirement Assets

The County's Retirement Trust Fund had a decrease in the plan net position of \$11,564,056. The decrease was due to a depreciation in fair market value on the investments made during 2022. The County's retirement net position value was \$88,277,283 at December 31, 2022

County's Net Position

The County's Governmental Activities had a total Net Position of \$56,362,823 for the year ended December 31, 2022.

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2022

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

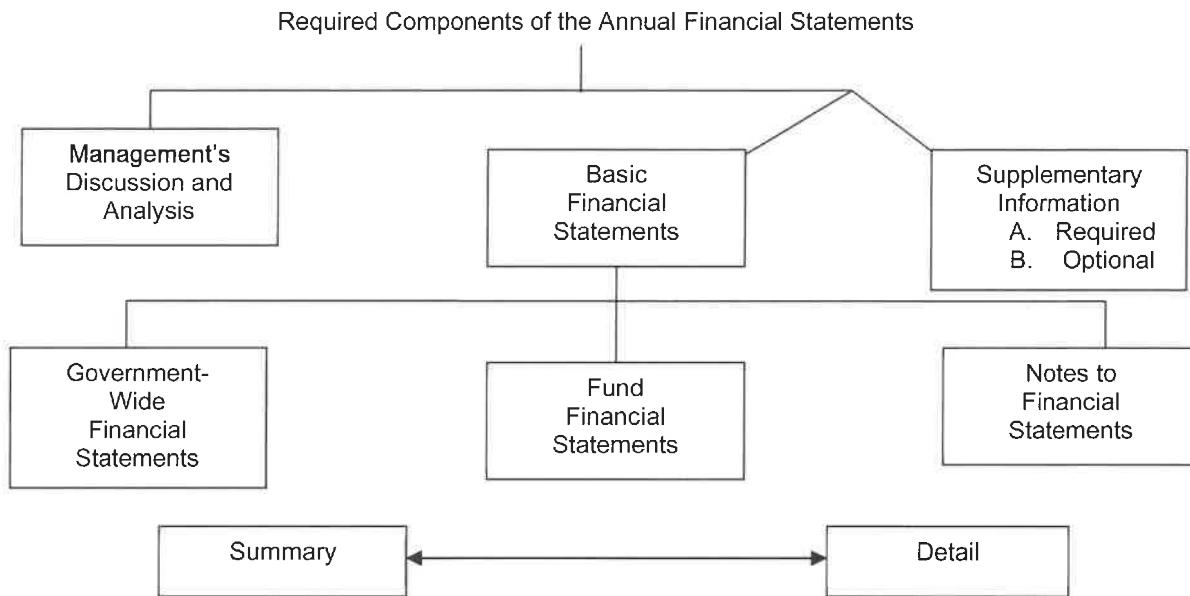
Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the COUNTY's government. The basic financial statements include notes that provide additional information essential to a full understanding of the 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, 2022

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, 2022

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, 2022

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/deferred outflows or resources and liabilities/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, 2022

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, 2022

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

The COUNTY's total assets were \$168,361,494 at December 31, 2022.

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.

Table A-3
County of Fayette
Condensed Statement of Net Position

	Governmental Activities	Net Change	% of Change
	2022	2021	from 2021 to 2022
Assets:			
Current and Other Assets	\$ 90,949,581	\$ 88,842,410	\$ 2,107,171
Capital Assets	77,411,913	50,052,750	27,359,163
Total Assets	<u>168,361,494</u>	<u>138,895,160</u>	<u>29,466,334</u>
Deferred Outflows of Resources	10,284,164	2,239,425	8,044,739
Liabilities:			
Current and Other Liabilities	74,680,439	46,527,279	28,153,160
Long-Term Liabilities	47,529,110	40,740,731	6,788,379
Total Liabilities	<u>122,209,549</u>	<u>87,268,010</u>	<u>34,941,539</u>
Deferred Inflows of Resources	73,286	7,259,493	(7,186,207)
Net Position:			
Net Investment in Capital Assets	17,460,467	12,670,710	4,789,757
Assigned	2,401,250	-	2,401,250
Restricted	41,555,905	34,717,181	6,838,724
Unrestricted	(5,054,799)	(778,013)	(4,276,786)
Total Net Position	<u>\$ 56,362,823</u>	<u>\$ 46,609,878</u>	<u>\$ 9,752,945</u>

The 2022 increase in current and other assets was primarily due to an increase in other Governments grants receivable and real estate taxes compared to 2021. The increase in capital assets was due to the construction on the \$51 million prison project in 2022.

The 2022 increase in liabilities was primarily due to the additional debt issued in 2022, \$18,552,720 and the pension liability increased from \$5,102,276 to \$22,320,032 as compared to 2021.

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2022

Change in Net Position

The following statement of activities represents changes in net position for the year ended December 31, 2022. It shows revenues by source and expenses by function for governmental activities and the government as a whole.

	<u>2022</u>	<u>2021</u>	<u>Total Change</u>	<u>Percent Change</u>
Revenues				
Program Revenue:				
Charges for Services	\$ 80,872,300	\$ 67,037,024	\$ 13,835,276	20.6%
Operating Grants and Contributions	53,100,170	53,798,822	(698,652)	-1.3%
Capital Grants and Contributions	1,819,163	1,923,948	(104,785)	-5.4%
General Revenue:				
Real Estate Taxes	32,908,727	32,823,539	85,188	0.3%
Hotel Tax	3,274,360	2,888,168	386,192	13.4%
Interest and Royalties	<u>863,000</u>	<u>548,454</u>	<u>314,546</u>	<u>57.4%</u>
Total Revenue	<u>\$ 172,837,720</u>	<u>\$ 159,019,955</u>	<u>\$ 13,817,765</u>	<u>8.7%</u>
Expenses				
General Government	26,964,471	12,927,921	14,036,550	108.6%
Judicial Government	15,249,684	12,268,633	2,981,051	24.3%
Public Safety	16,564,034	20,125,059	(3,561,025)	-17.7%
Public Works	1,159,812	1,301,605	(141,793)	-10.9%
Human Services	109,989,031	92,347,610	17,641,421	19.1%
Culture/Recreation	1,312,180	528,282	783,898	148.4%
Community Services	5,128,048	7,399,737	(2,271,689)	-30.7%
Conservation/Development	409,165	1,178,744	(769,579)	-65.3%
Interest on Long-Term Liabilities	<u>827,338</u>	<u>1,696,618</u>	<u>(869,280)</u>	<u>-51.2%</u>
Total Expenses	<u>177,603,763</u>	<u>149,774,209</u>	<u>27,829,554</u>	<u>18.6%</u>
Change in Net Position	(4,766,043)	9,245,746	(14,011,789)	-151.5%
Net Position-Beginning	<u>61,128,866</u>	<u>37,364,132</u>	<u>(23,764,734)</u>	<u>-63.6%</u>
Net Position-Ending	<u>\$ 56,362,823</u>	<u>\$ 46,609,878</u>	<u>\$ 9,752,945</u>	<u>20.9%</u>

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2022

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 2022, real estate taxes brought in \$32,908,727.

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

	Total Cost of Services	Net Cost of Services
Program:		
General Government	\$ 26,964,471	\$ (18,082,413)
Judicial Government	15,249,684	(10,792,080)
Public Safety	16,564,034	(9,744,895)
Public Works	1,159,812	2,129,014
Human Services	109,989,031	(211,416)
Culture/Recreation	1,312,180	(564,951)
Community Services	5,128,048	(3,308,885)
Conservation/Development	409,165	(409,165)
Interest on Long-Term Debt	<u>827,338</u>	<u>(827,338)</u>
Total	<u>\$ 177,603,763</u>	<u>\$ (41,812,130)</u>

The COUNTY relied on real estate taxes and other general revenues to fund 18.53% of its governmental activities in 2022.

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 2022 was 6.04 mills for general purposes and debt service purposes were set at .72 mills.

Approximately 70.77% 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 58.83% of public safety costs with the remainder coming from grants and fees covering room and board at the county prison.

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2022

Capital Assets

The COUNTY's capital assets, net of accumulated depreciation, were \$77,411,913 at December 31, 2022. A summary of capital assets at December 31, 2022 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	14,327,763	24,724,978	(781,979)	38,270,762
Total Capital Assets				
Not Being Depreciated	<u>17,553,233</u>	<u>24,724,978</u>	<u>(781,979)</u>	<u>41,496,232</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	51,684,682	249,167	781,979	52,715,828
Right of Use - Buildings	1,747,706	-	-	1,747,706
Furniture, Fixtures and Equipment	15,050,746	520,003	(15,760)	15,554,989
Vehicles	10,685,830	931,527	-	11,617,357
Infrastructure	22,373,509	1,787,883	-	24,161,392
Total Capital Assets Being Depreciated	<u>101,542,473</u>	<u>3,488,580</u>	<u>766,219</u>	<u>105,797,272</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(38,698,665)	(860,323)	-	(39,558,988)
Right of Use - Buildings	-	(207,860)	-	(207,860)
Furniture, Fixtures, and Equipment	(10,828,348)	(446,220)	15,760	(11,258,808)
Vehicles	(9,685,819)	(286,200)	-	(9,972,019)
Infrastructure	(8,079,622)	(804,294)	-	(8,883,916)
Total Accumulated Depreciation	<u>(67,292,454)</u>	<u>(2,604,897)</u>	<u>15,760</u>	<u>(69,881,591)</u>
Total Capital Assets, Net of				
Accumulated Depreciation	<u>\$ 51,803,252</u>	<u>\$ 25,608,661</u>	<u>\$ -</u>	<u>\$ 77,411,913</u>

The total depreciation expense charged to governmental activities for 2022 was \$2,604,897.

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

Governmental Activities	
General Government	\$ 367,976
Judicial	150,419
Public Safety	537,627
Public Works	766,664
Culture/Recreation	150,155
Human Services	632,056
Conservation and Development	-
Total Depreciation	<u>\$ 2,604,897</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, 2022

Debt Administration

At December 31, 2022, the COUNTY had \$58,368,704 of long term bonds, notes and financed purchases outstanding. The County's general obligation debt increased 56.42% in 2022.

Statement of Long-Term Debt
County of Fayette

	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Bonds	\$ 4,660,000	\$ -	\$ (705,000)	\$ 3,955,000
General Obligation Notes	<u>32,655,160</u>	<u>24,316,373</u>	<u>(2,557,829)</u>	<u>54,413,704</u>
	<u>37,315,160</u>	<u>24,316,373</u>	<u>(3,262,829)</u>	<u>58,368,704</u>
Total Long-Term Debt	<u>\$ 37,315,160</u>	<u>\$ 24,316,373</u>	<u>\$ (3,262,829)</u>	<u>\$ 58,368,704</u>

The County made principal payments on the General Obligation Bonds 2011 and 2012 totaling \$705,000. In 2022 the County borrowed \$18,366,745 with a construction loan for the \$51 million Prison Construction Project. In 2022 the County started a Infrastructure bank to assist municipalities in the County. 2022 General Obligation Note in the amount of \$8,500,000 at interest rate of 4.24%. The first draw was \$185,976.

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, 2022

GOVERNMENTAL FUND REVENUES

Governmental fund revenues by source at December 31, 2022, and December 31, 2021, were as follows.

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

	2022	2021	Changes from 2021 to 2022	Percentage Variance
Revenues:				
Taxes	\$ 32,996,743	\$ 32,815,949	\$ 180,794	0.6%
Hotel Tax	3,274,360	2,888,168	386,192	13%
Licenses and Permits	29,705	28,840	865	3%
Grants and Gifts	54,919,333	55,535,071	(615,738)	-1%
Charges for Services	70,842,869	66,443,430	4,399,439	7%
Fines & Forfeitures	384,832	380,415	4,417	1%
Interest and Royalties	863,000	548,454	314,546	57%
Miscellaneous	307,374	372,039	(64,665)	100%
Note Proceeds	24,316,373	30,566,350	(6,249,977)	-20%
Operating Transfers In	11,592,783	5,126,403	6,466,380	126%
 Total Revenue	 \$ 199,527,372	 \$ 194,705,119	 \$ 4,822,253	 2.5%

Governmental fund revenues totaled \$199,527,372 for the year ended December 31, 2022. This was an overall 2.5% increase in the amount of \$4,822,253 from 2021. Real Estate Taxes increased 0.6%, for a total increase of \$180,794. The Real Estate Tax stayed the same for 2022 as in 2021 at 6.76 mills. Hotel Taxes increased \$386,192 or 13% in 2022. The Hotel Excise Tax is set at 5%. Licenses and Permits had an increase of 3% or \$865. Grants decreased in the amount of \$615,738 or 1%. The major decrease was the American Rescue Plan Act (ARPA) Funding in the amount of \$3,225,525 in 2022, used for Governmental Services. The American Rescue Plan Act (ARPA) Funding decreased \$7,241,130 or 69.2%. Children and Youth grants increased in 2022, \$1,636,632 or 11.75%. Behavior Health had a 2.37% decrease in grant funds in the amount of \$279,455. The General Fund had an increase on grants funds of 32.75%, \$1,369,533. The Community Development program, which is a Federal CDBG Funds program, decreased 5.76% the amount of \$104,785. The 911 fund decreased the amount of revenue from the Commonwealth of Pennsylvania, \$32,362 or .94%. The Human Service Program increased \$2,052,606 or 28.4%. Sheepskin Trial received \$703,909 grant funds in 2022 a 100% increase. Charges for Service has an increase in 2022 the amount of \$4,399,440 or 7%. The major various was in Health Choices which the Federal Government increased the funding in 2022 by \$4,005,899 or 6.52%. General Fund reported an increase in Charges for Service in the amount of \$769,075 or 11.59%. The increase was mainly due the County not being shut down by the Commonwealth of Pennsylvania. Fines and Forfeitures reported a 1% increase in the amount of \$4,417. Interest and Royalties increased \$314,546, which was a 57% increase from 2021 for a total of \$863,000 in 2022. Miscellaneous revenue was decreased \$64,665 in 2022. Note Proceeds decreased in 2022, \$6,249,976 from 2021. Operating Transfer In increased due to General Fund funding Capital Programs.

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2022

GOVERNMENTAL FUND EXPENDITURES

Governmental fund expenditures by function at December 31, 2021 and December 31, 2022 were as follows:

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

<u>Expenditures:</u>	<u>2022</u>	<u>2021</u>	<u>Changes from 2021 to 2022</u>	<u>Percentage Change</u>
General Administrative	\$ 24,764,421	\$ 12,647,343	\$ 12,117,078	95.8%
General Judicial	11,811,788	12,739,638	(927,850)	-7.3%
Public Safety	35,113,883	33,027,494	2,086,389	6.3%
Public Works	2,267,942	2,041,156	226,786	11.1%
Human Services	102,720,761	91,929,886	10,790,875	11.7%
Culture/Recreation	1,162,025	408,631	753,394	184.4%
Community Service	5,128,048	7,399,737	(2,271,689)	-30.7%
Conservation/Development	409,165	1,171,388	(762,223)	-65.1%
Retirement	2,787,780	1,144,954	1,642,826	143.5%
Debt Service-Principal	3,262,829	15,832,374	(12,569,545)	-79.4%
Debt Service - Interest	830,245	935,947	(105,702)	-11.3%
Operating Transfer Out	11,592,783	5,126,403	6,466,380	126.1%
	<u>\$ 201,851,670</u>	<u>\$ 184,404,951</u>	<u>\$ 17,446,719</u>	<u>9.5%</u>

Governmental fund expenditures totaled \$201,851,670 for the year ended December 31, 2022. This was an overall increase of \$17,446,719 from 2021, or 9.5%. The increase was from the Human Services \$10,790,875, 11.7%, General Administrative increase \$12,117,078, 95.8% and Operating Transfer Out \$6,466,380 at 126.1% this was mainly for Capital Programs.

Total expenditures for the County's funds were as follows: The General Fund, \$42,179,785 which was an increase of \$12,384,895 from 2021. The functions that made up this increase in the General Fund was:

<u>Functions:</u>	<u>2022</u>	<u>2021</u>	<u>Changes from 2021 to 2022</u>
General Government	\$ 18,239,049	\$ 8,592,104	\$ 9,646,945
Judicial Government	8,621,213	7,584,525	1,036,688
Public Safety	9,230,199	9,939,345	(709,146)
Public Works	699,022	557,358	141,664
Human Services	393,233	450,094	(56,861)
Recreation	328,233	354,507	(26,274)
Community Service	114,364	615	113,749
Conservation Development	409,165	1,171,388	(762,223)
Contribution/Retirement	2,787,780	1,144,954	1,642,826
Debt Service-Principal	1,357,527	-	1,357,527
	<u>\$ 42,179,785</u>	<u>\$ 29,794,890</u>	<u>\$ 12,384,895</u>

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2022

GOVERNMENTAL FUND EXPENDITURES (Continued)

The Children and Youth expenditures totaled \$16,203,782 for 2022, which was an increase of \$1,559,802, from 2021 an increase of 22.5%. Behavioral Health expenditures totaled \$12,293,483 for 2022, which as an increase in the amount of \$327,868.26 which is 2.6%. Health Choices expenditures totaled \$61,286,845 for 2022, which was an increase of \$6,849,044 which is 12.5%. Transportation (FACT) expenditures totaled \$5,229,077 an increase \$644,573 which was 14%. Domestic Relations expenditures totaled \$1,808,811, which was an increase of \$146,641 from 2021. Community Development Fund expenditures totaled \$1,819,163 for 2022, which was a decrease \$104,785 from 2021. For 2022, the Debt Service Fund expenditures totaled \$3,006,987. Special Revenue Funds Other Government Funds expenditures totaled \$17,556,818 an increase of \$3,325,358 from 2021. The increase was due to the Public Safety function 911. The Capital Project Fund 2022 expenditures were a \$25,648,650 increase from 2021 of \$7,776,108. \$19.1 million was the New Prison Construction and \$5.8 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, 2022.

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

<u>Funds</u>	
General Fund	\$ 8,677,551
Debt Service	2,647,976
Health Choices	12,164,689
Transportation (FACT)	3,286,350
Domestic Relations	1,009,309
Capital Projects	(436,650)
American Rescue Plan	108,970
Non-major Governmental Funds	<u>6,928,469</u>
Total Fund Balances-Governmental Funds	<u>\$ 34,386,664</u>

The County's governmental funds reported a combined fund balance of \$34,386,664 at December 31, 2022. Of the total, the General Fund reported a fund balance in the amount of \$8,677,551. A detailed breakdown of the other governmental funds can be found on pages 66-77 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, 2022, actual general fund revenues were \$757,511 or 1.8% under budget and actual expenditures were \$2,829,165 or 6.3% under budget. For the year ended December 31, 2022, the fund balance of the General Fund decreased \$4,186,692 due to the Capital Expenditures Projects in 2022.

COUNTY OF FAYETTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2022

NEXT YEAR'S BUDGET

The 2022 ending fund balance of the General Fund was \$8,677,551. In 2022, the County kept the Real Estate Taxes the same at 6.76 millage.

The 2023 General Fund Budget was put on display on November 17, 2022 as a balanced budget and adopted on December 15, 2022. The total revenue and expenditures are \$55,582,375. The 2023 General Fund Budget millage was set at 6.76 mills. The total mills are 6.76, with the General Fund set at 6.33 and Debt Service set at .43 mills. General Fund mills increased .29 mills and Debt Service mills decreased .29 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 2023.

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, 2022

	Primary Government		
	Governmental		
	Activities	Total	
<u>Assets</u>			
Cash and Cash Equivalents	\$ 32,446,172	\$ 32,446,172	
Investments	1,046,895	1,046,895	
Restricted Cash	13,662,393	13,662,393	
Receivables:			
Taxes, Net	4,122,213	4,122,213	
Accounts, Net	19,950,592	19,950,592	
Due from Other Government Units	16,510,504	16,510,504	
Other Assets	3,210,812	3,210,812	
Capital Assets, Not Being Depreciated	41,496,232	41,496,232	
Capital Assets Being Depreciated, Net	35,915,681	35,915,681	
Total Assets	<u>168,361,494</u>	<u>168,361,494</u>	
<u>Deferred Outflows of Resources</u>			
Pensions	<u>10,284,164</u>	<u>10,284,164</u>	
<u>Liabilities</u>			
Accounts Payable	12,895,348	12,895,348	
Accrued Liabilities	1,190,443	1,190,443	
Claims Payable	3,087,935	3,087,935	
Capiton Payable	684,681	684,681	
Current Liabilities	3,750,977	3,750,977	
Funds Held in Escrow	178,963	178,963	
Unearned Revenue	18,039,440	18,039,440	
Interest Payable	66,770	66,770	
Current Portion of Long-Term Debt			
Operating Leases	173,874	173,874	
Bonds Payable	715,000	715,000	
Notes Payable	33,897,008	33,897,008	
Non-Current Portion of Long-Term Debt			
Operating Leases	1,408,868	1,408,868	
Bonds Payable	3,240,000	3,240,000	
Notes Payable	20,516,696	20,516,696	
Compensated Absences	43,514	43,514	
Net Pension Liability	<u>22,320,032</u>	<u>22,320,032</u>	
Total Liabilities	<u>122,209,549</u>	<u>122,209,549</u>	
<u>Deferred Inflows of Resources</u>			
Pensions	<u>73,286</u>	<u>73,286</u>	
<u>Net Position</u>			
Net Investment in Capital Assets	17,460,467	17,460,467	
Assigned for:			
Capital Projects	2,125,500	2,125,500	
Culture and Recreation	275,750	275,750	
Restricted for:			
Program Purposes	39,593,681	39,593,681	
Debt Service	1,962,224	1,962,224	
Unrestricted	<u>(5,054,799)</u>	<u>(5,054,799)</u>	
Total Net Position	<u>\$ 56,362,823</u>	<u>\$ 56,362,823</u>	

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

COUNTY OF FAYETTE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
	Operating		Capital	Primary Government		
	Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Total	
Primary Government Activities:						
General Government	\$ 26,964,471	\$ 4,165,445	\$ 4,716,613	\$ -	\$ (18,082,413)	\$ (18,082,413)
Judicial Government	15,249,684	2,323,741	2,133,863	-	(10,792,080)	(10,792,080)
Public Safety	16,564,034	1,379,447	5,439,692	-	(9,744,895)	(9,744,895)
Public Works	1,159,812	1,470,927	1,817,899	-	2,129,014	2,129,014
Human Services	109,989,031	71,532,740	38,244,874	-	(211,416)	(211,416)
Culture/Recreation	1,312,180	-	747,229	-	(564,951)	(564,951)
Community Services	5,128,048	-	-	-	(3,308,885)	(3,308,885)
Conservation/Development	409,165	-	-	-	(409,165)	(409,165)
Interest on Long-Term Liabilities	827,338	-	-	-	(827,338)	(827,338)
Total Governmental Activities	177,603,763	80,872,300	53,100,170	1,819,163	(41,812,130)	(41,812,130)
Total Primary Government	177,603,763	80,872,300	53,100,170	1,819,163	(41,812,130)	(41,812,130)
General Revenues:						
Property Taxes - General Levy				32,908,727	32,908,727	
Hotel Tax				3,274,360	3,274,360	
Interest, Investment Earnings and Royalties				863,000	863,000	
Total General Revenues				37,046,087	37,046,087	
Change in Net Position				(4,766,043)	(4,766,043)	
Net Position - Beginning				61,128,866	61,128,866	
Net Position - Ending				\$ 56,362,823	\$ 56,362,823	

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

COUNTY OF FAYETTE
BALANCE SHEET- GOVERNMENT FUNDS
DECEMBER 31, 2022

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, 2022

Total Fund Balance of Governmental Funds \$ 34,386,664

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 77,411,913

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. 3,149,442

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 4,278,168

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	(3,955,000)
General Obligation Note Payable	(54,413,704)
Operating Leases	(1,582,742)
Accrued Interest Payable	(66,770)
Accrued Compensated Absences	(43,514)
Net Pension Liability	(22,320,032)
Deferred Outflows of Resources - Pension	(73,286)
Deferred Inflows of Resources - Pension	<u>10,284,164</u> <u>(72,170,884)</u>

Revenues not available for current use are recorded as deferred inflows
in the funds

Opioid Settlement 9,307,520

Total Net Position of Governmental Activities \$ 56,362,823

COUNTY OF FAYETTE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2022

	General Fund	Children and Youth Fund		Behavioral Health Fund		Transportation (FACT) Fund		Domestic Relations Fund		American Rescue Plan Fund		Capital Project Fund		Community Development Fund		Other Governmental Funds		Total Governmental Funds	
		\$	30,377,918	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																			
Real Estate and Per Capita Taxes	29,705																		32,596,743
Hotel Tax	4,182,345																		3,274,360
Licenses and Permits	384,832																		29,360
Grants and Gifts																			54,319,333
Fines																			384,832
Charges for Services	6,635,819																		70,942,469
Interest, Perints, and Royalties	504,643																		65,333
Miscellaneous	101,732																		863,000
Total Revenues	42,216,994																		307,374
Expenditures																			
General Government-Administration	18,239,049																		24,764,421
General Government-Judicial	8,621,213																		18,888
Public Safety	9,230,199																		11,311,788
Public Works	639,022																		35,113,883
Human Services	393,233																		1,456,635
Culture/Recreation	328,233																		2,267,944
Community Service	114,364																		7,253,443
Conservation/Development	409,165																		746,998
Retirement	2,787,780																		3,101,719
Debt Service-Principal	1,357,527																		409,165
Debt Service-Interest																			3,262,829
Total Expenditures	42,179,785																		830,245
Other Financing Sources (Use(s))																			
Note Proceeds	5,763,652																		24,316,373
Operating Transfers In	2,153,951																		11,592,683
Operating Transfers Out	(9,846,123)																		(11,392,783)
Total Other Financing Sources	(4,082,471)																		
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses																			
Fund Balances-Beginning of Year As Restated (Note 16)	12,722,813																		
Fund Balances-End of Year	\$ 8,677,551																		

Excess of Revenues and Other Financing

Sources Over (Under) Expenditures and

Other Financing Uses

Fund Balances-Beginning of Year As Restated (Note 16)																			
Fund Balances-End of Year	\$ 8,677,551																		

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

COUNTY OF FAYETTE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

Net Change in fund balances-total government funds	\$ (2,324,298)
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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 \$(2,604,897) was exceeded by capital outlays of \$28,213,558 in the current period.

25,608,661

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.

(88,016)

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

76,537

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:

2020/2022 General Obligation Note Proceeds	(24,316,373)
2012 General Obligation Bond Principal Repayments	620,000
2011 General Obligation Bond Principal Repayments	85,000
2021 A&B General Obligation Note Principal Repayments	50,000
Payments on Financed Purchases	<u>2,507,829</u>
	(21,053,544)

The acquisition of assets through lease arrangements are presented as other financing sources on the governmental fund statements. Such transactions do not affect net position since they are liabilities equal to the assets acquired. This is the amount presented in the governmental fund statements.

Lease Payments	<u>164,964</u>	164,964
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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	(16,505,796)
Compensated Absences	45,022
Accrual of Interest on Long-Term Debt	<u>2,907</u>

(16,457,867)

Certain revenues are not available for use in the government funds.

Opioid Settlement	<u>9,307,520</u>	9,307,520
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Change in Net Position of Governmental Activities	<u>\$ (4,766,043)</u>
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COUNTY OF FAYETTE
 STATEMENT OF FUND NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2022

Governmental
 Activities
 Internal
Service Fund

Assets

Restricted Cash and Cash Equivalents	\$ 3,819,208
Restricted Investments	1,046,895
Other Assets	<u>441,000</u>
Total Assets	<u>\$ 5,307,103</u>

Liabilities and Net Position

Liabilities	
Claims Payable	\$ 587,935
Reserve to Highmark	<u>441,000</u>
Total Liabilities	<u>1,028,935</u>
Net Position	
Restricted	<u>4,278,168</u>
Total Net Position	<u>4,278,168</u>
Total Liabilities and Net Position	<u>\$ 5,307,103</u>

COUNTY OF FAYETTE
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2022

	Governmental Activities Internal <u>Service Fund</u>
Operating Revenues	
Employer Contributions:	
General Government	\$ 1,473,358
Judicial Government	2,422,215
Public Safety	2,507,192
Public Works	126,372
Human Services	<u>2,814,987</u>
Total Employer Contributions	9,344,124
Employee Contributions	<u>549,511</u>
Total Operating Revenues	<u>9,893,635</u>
Operating Expenses	
Employee Benefits:	
General Government	2,047,617
Judicial Government	1,660,132
Public Safety	2,999,235
Public Works	147,746
Human Services	<u>2,995,035</u>
Total Operating Expenditures	<u>9,849,765</u>
Operating Income	<u>43,870</u>
Non Operating Revenue	
Interest	<u>32,667</u>
Total Nonoperating Revenue	<u>32,667</u>
Change in Net Position	76,537
Total Net Position-Beginning	<u>4,201,631</u>
Total Net Position-Ending	<u>\$ 4,278,168</u>

**COUNTY OF FAYETTE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Goernmental
Activities
Internal
Service Fund

Cash Flows From Operating Activities	
Cash Received for Medical Claims	\$ 10,354,405
Cash Payments for Medical Claims	<u>(9,849,765)</u>
Net Cash Used in Operating Activities	<u>504,640</u>
Cash Flows from Investing Activities	
Interest	<u>32,667</u>
Net Cash Provided by Investing Activities	<u>32,667</u>
Net Decrease in Cash and Cash Equivalents	537,307
Cash and Cash Equivalents, Beginning of Year	<u>4,328,796</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,866,103</u>
Reconciliation of Operating Income to Net Cash Used for Operating Activities:	
Operating Income	<u>\$ 43,870</u>
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities:	
Decrease in Accounts Receivable	(848,169)
Increase in Accounts Payable and Accrued Liabilities	<u>387,399</u>
Total Adjustments	<u>(460,770)</u>
Net Cash Used in Operating Activities	<u>\$ (416,900)</u>
Presented on the Financial Statements as Follows:	
Restricted Cash and Cash Equivalents	<u>\$ 4,866,103</u>
Total Cash and Cash Equivalents	<u>\$ 4,866,103</u>

COUNTY OF FAYETTE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	Retirement Trust Fund	Custodial Funds	Total
<u>Assets</u>			
Cash and Cash Equivalents	<u>\$ 1,861,806</u>	<u>\$ 7,403,218</u>	<u>\$ 9,265,024</u>
Investments:			
Government Agency Obligations	8,522,051	-	8,522,051
Corporate Debt	3,031,391	-	3,031,391
Mutual Funds	4,895,097	-	4,895,097
Corporate Common Stocks	54,052,019	-	54,052,019
Other Assets	1,700,000	-	1,700,000
Other Equities	<u>14,306,527</u>	-	<u>14,306,527</u>
Total Investments	<u>86,507,085</u>	<u>7,403,218</u>	<u>86,507,085</u>
Accounts Receivable:			
Accounts Receivable			
Accounts Receivable	<u>90,383</u>	<u>122,274</u>	<u>212,657</u>
Total Accounts Receivable	<u>90,383</u>	<u>122,274</u>	<u>212,657</u>
Total Assets	<u>\$ 88,459,274</u>	<u>\$ 7,525,492</u>	<u>\$ 95,984,766</u>
<u>Liabilities and Net Position</u>			
Liabilities:			
Accounts Payable			
Accounts Payable	<u>\$ -</u>	<u>\$ 668,921</u>	<u>\$ 668,921</u>
Investment Expense Payable	<u>181,991</u>	-	181,991
Funds Held in Fiduciary Capacity	<u>-</u>	<u>58,019</u>	<u>58,019</u>
Total Liabilities	<u>181,991</u>	<u>726,940</u>	<u>908,931</u>
Net Position:			
Held in Trust for Employees'			
Pension Benefits	88,277,283	-	88,277,283
Custodial Funds	<u>-</u>	<u>6,798,552</u>	<u>6,798,552</u>
Total Net Position	<u>88,277,283</u>	<u>6,798,552</u>	<u>95,075,835</u>
Total Liabilities and Net Position	<u>\$ 88,459,274</u>	<u>\$ 7,525,492</u>	<u>\$ 95,984,766</u>

COUNTY OF FAYETTE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2022

	<u>Retirement Trust Fund</u>
Additions	
Contributions:	
Employer	\$ 1,816,611
Employee	2,293,112
Miscellaneous	1,854
Total Contributions	<u>4,111,577</u>
Investment Income:	
Net Appreciation in Fair Value of Investments	(10,737,244)
Interest	354,165
Dividends	1,122,605
Other	-
Less: Investment Expense	<u>(245,441)</u>
Net Investment Income	<u>(9,505,915)</u>
Total Additions (Net)	<u>(5,394,338)</u>
Deductions	
Administrative costs	36,762
Retirement benefits	5,105,725
Death benefits	105,889
Member Contribution Refunds	527,972
Option 4 Refund	<u>393,370</u>
Total Deductions	<u>6,169,718</u>
Net Decrease	<u>(11,564,056)</u>
Net Position Held in Trust for Employees' Pension Benefits:	
Net Position, Beginning of Year	<u>99,841,339</u>
Net Position, End of Year	<u>\$ 88,277,283</u>

COUNTY OF FAYETTE
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2022

PLAN NET POSITION	Custodial Funds
FIDUCIARY FUNDS	
YEAR ENDED DECEMBER 31, 2022	
Property Tax Collected for Other Governments	\$ 14,157,109
Inheritance Tax Collected for Other Governments	9,872,886
Payroll Tax Fund Tax Received	-
Fees Collected for Other Governments	7,504,753
Fees Collected for Permits & Other Governments	1,128,959
Fees Collected on Library Fund	134,635
Fees from Individuals on Probations	4,050
Youth Commission Program	575,830
JCR JPO Program	5,780
Inmate Account Collections	382,917
Collections for Children & Youth Trust	75,725
Collections for Support	398,286
Recording and Filing Fees	9,695,988
Interest and Dividends	46,381
Fees and Fines Collected - Other	327,529
Fees on Prothonotary Trust Account	193,832
Fees on Prothonotary divorce Account	31,650
Miscellaneous Collections	1,215
Total Additions	\$ 44,537,525
Deductions	
Property Tax Collections to Other Governments	\$ 11,444,722
Realty Tax Collections to Other Governments	12,585,586
Inheritance Tax Collected to Other Governments	9,746,971
Payroll Taxes Paid to Other Governments	-
Fees Collected to Other Governments	7,652,844
Payment on Library Fund	101,706
Sheriff Permit Expenditures	1,078,379
APO Expenditure on Probation	581,191
JPO Commission and JCR Program Cost	2,198
Inmate Disbursements	4,365
Payments of Children & Youth Trust Funds	469,892
Support Payments	396,639
Payments to Other Entities	328,936
Payment on Prothonotary Trust Account	192,133
Payment on Prothonotary divorce Account	36,556
Miscellaneous Payments	493
Total Deductions	\$ 44,622,611
Change in net position	\$ (85,086)
Net Position – January 1	6,883,638
Net Position – December 31	\$ 6,798,552

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.

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

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

- 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.
- 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.

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)

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.)

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, 2022, an accrued liability in the amount of \$43,514 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.

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

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

7. Long-Term Obligations (Continued)

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.

8. Leases

The County is a lessee of noncancelable leases of equipment, buildings and vehicles. The County recognizes a lease liability and an intangible right-of-use lease assets (lease asset) in the government-wide financial statements for each type of lease.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise. The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease assets and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of debt position.

9. 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.

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

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

9. Deferred Outflows/Inflows of Resources (Continued)

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), 5.1 year (2021) and 5.0 year (2022) 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.

10. 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)

10. 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 assignation, 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.

11. 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.

12. 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. 87. "Leases" The adoption of this statement resulted in the addition of right-to-use assets and lease liabilities which are now presented on the statement of net position, and leases receivables and deferred inflows of resources that are now presented as well.

The County adopted the provisions of GASB Statement No. 91 "Conduit Debt Obligations": The adoption of this statement had no effect on previously reported amounts.

The County adopted the provisions of GASB Statement No. 92 "Omnibus 2020": The adoption of this statement had no effect on previously reported amounts.

The County adopted the provisions of GASB Statement No. 93 "Replacement of Interbank Offered Rates": The adoption of this statement had no effect on previously reported amounts.

The County adopted the provisions of GASB Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.- an amendment of GASB Statement No. 14 and No. 84 and a supersession of GASB Statement No.32*". The adoption of this statement had no effect on previously reported amounts.

G) Pending Changes in Accounting Principles

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 2023 financial statements.

COUNTY OF FAYETTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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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 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, 2022, are as follows:

	Cash & Cash Equivalents	Investments	Total
General Fund	\$ 2,605,733	\$ -	\$ 2,605,733
Children and Youth Fund	1,053,124	-	1,053,124
Behavioral Health Fund	3,314,169	-	3,314,169
Health Choices	14,180,076	-	14,180,076
Transportation Fund	1,970,105	-	1,970,105
Domestic Relations Fund	779,904	-	779,904
Debt Service Fund	1,461,945	-	1,461,945
CARES ACT Funding	9,240,955	-	9,240,955
Capital Project Fund	207,661	-	207,661
Nonmajor Funds	7,475,685	-	7,475,685
Internal Service Fund	3,819,208	1,046,895	4,866,103
Fiduciary Funds	9,265,024	86,507,085	95,772,109
Total	<u>\$ 55,373,589</u>	<u>\$ 87,553,980</u>	<u>\$ 142,927,569</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.

COUNTY OF FAYETTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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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, 2022, the County's cash and restricted cash balances for its governmental activities and fiduciary funds, excluding the pension fund were \$53,511,783 and its bank balances were \$58,647,525. Of those bank balances, \$57,104,370 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, 2022, the County's retirement fund had the following investments and maturities:

Investment Type	Investment Maturity (In Years)				
	Fair Value	Less Than 1	1-5	6-10	More than 10
U.S. Government Agencies	\$ 181,380	\$ -	\$ 6,622	\$ 174,758	\$ -
U.S. Government Treasuries	8,340,671	1,100,601	4,748,874	2,322,776	168,420
Corporate Bonds	3,031,391	119,219	1,510,146	1,393,422	8,604
Total	<u>\$ 11,553,442</u>	<u>\$ 1,219,820</u>	<u>\$ 6,265,642</u>	<u>\$ 3,890,956</u>	<u>\$ 177,024</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.

COUNTY OF FAYETTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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NOTE 2: DEPOSIT AND INVESTMENT RISK (CONTINUED)

As of December 31, 2022, the County's retirement investments had credit quality ratings as follows:

Investment Type	Credit Quality Rating	Percent of Investment Type
Corporate Bonds	A-1	2.25%
Corporate Bonds	A-2	3.49%
Corporate Bonds	A-3	3.58%
Corporate Bonds	AAA	0.00%
Corporate Bonds	AA-2	0.39%
Corporate Bonds	AA-3	0.00%
Corporate Bonds	AA-3	0.11%
Corporate Bonds	AAA	72.34%
Corporate Bonds	BA-1	1.43%
Corporate Bonds	BA-2	0.28%
Corporate Bonds	BA-3	0.16%
Corporate Bonds	BAA-1	4.36%
Corporate Bonds	BAA-2	7.32%
Corporate Bonds	BAA-3	4.29%
Total		<u>100.00%</u>

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, 2022, the County's cash balance for its pension funds were \$1,861,806 and its bank balance was \$133,242. Of the bank balance, \$1,478,564 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, 2022.

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.

COUNTY OF FAYETTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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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.

	12/31/2022	Fair Value Measurements		
		Level 1	Level 2	Level 3
Investments measured by fair value level				
U.S. Government Securities	\$ 8,522,051	\$ 8,522,051	\$ -	\$ -
Domestic Corporate Debt	3,031,391	3,031,391	-	-
Fixed Income	4,895,097	4,895,097	-	-
Equities	54,052,019	54,052,019	-	-
Other	16,006,527	16,006,527	-	-
Total investments by fair value level	<u>\$86,507,085</u>	<u>\$86,507,085</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:

General Fund

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. \$ 504,553

Health Choices

The restricted cash balance is composed of a risk contingency reserve and a restricted reserve for equity. \$ 9,338,632

Internal Service Fund

Cash and cash equivalents for health insurance are assets used to fund medical claims incurred by the county. \$ 4,866,103

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COUNTY OF FAYETTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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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 2022 are recorded as receivables, net of estimated uncollectible. The net receivables collected during 2022 and expected to be collected within the first sixty (60) days of 2022 are recognized as revenue in 2022. 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 2022 real estate taxes are based on assessed values established by the County's Bureau of Assessments. The total 2022 real estate tax levied equaled \$32,908,727, based on a total County assessed valuation of \$4,866,366,090. Based on the 2022 levy of 6.04 mills for general purposes and .72 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, 2022

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NOTE 5: CAPITAL ASSETS

A summary of changes in the capital assets for the year ended December 31, 2022 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	<u>14,327,763</u>	<u>24,724,978</u>	<u>-</u>	<u>(781,979)</u>	<u>38,270,762</u>
Total Capital Assets not Being Depreciated	<u>17,553,233</u>	<u>24,724,978</u>	<u>-</u>	<u>(781,979)</u>	<u>41,496,232</u>
Capital Assets Being Depreciated:					
Buildings and Improvements	51,684,682	249,167	781,979	-	52,715,828
Right of Use - Buildings	1,747,706	-	-	-	1,747,706
Furniture, Fixtures and Equipment	15,050,746	520,003	-	(15,760)	15,554,989
Vehicles	10,685,830	931,527	-	-	11,617,357
Infrastructure	22,373,509	1,787,883	-	-	24,161,392
Total Capital Assets Being Depreciated	<u>101,542,473</u>	<u>3,488,580</u>	<u>781,979</u>	<u>(15,760)</u>	<u>105,797,272</u>
Less Accumulated Depreciation for:					
Buildings and Improvements	(38,698,665)	(860,323)	-	-	(39,558,988)
Right of Use - Buildings	-	(207,860)	-	-	(207,860)
Furniture, Fixtures and Equipment	(10,828,348)	(446,220)	-	15,760	(11,258,808)
Vehicles	(9,685,819)	(286,200)	-	-	(9,972,019)
Infrastructure	(8,079,622)	(804,294)	-	-	(8,883,916)
Total Accumulated Depreciation	<u>(67,292,454)</u>	<u>(2,604,897)</u>	<u>-</u>	<u>15,760</u>	<u>(69,881,591)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 51,803,252</u>	<u>\$ 25,608,661</u>	<u>\$ 781,979</u>	<u>\$ (781,979)</u>	<u>\$ 77,411,913</u>

The total depreciation expense charged to the governmental activities for 2022 was \$2,604,897.

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

Governmental Activities	\$	General Government	367,976
Judicial	150,419		
Public Safety	537,627		
Public Works	766,664		
Culture/Recreation	150,155		
Human Services	632,056		
Conservation and Development	-		
Total Depreciation	<u>\$ 2,604,897</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, 2022, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	354
Inactive plan members entitled to but not yet receiving benefits	48
Active plan members	<u>570</u>
Total plan members	<u>972</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 2022 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 2022 measurement period:

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

COUNTY OF FAYETTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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NOTE 6: PENSION PLAN (CONTINUED)

B. Investments (Continued):

Rate of return:

For the 2022 measurement period, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (11.04%). 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, 2022 measurement period were as follows:

Total Pension Liability	\$ 110,597,315
Less: Plan Fiduciary Net Position	<u>(88,277,283)</u>
Net Pension Liability	<u>\$ 22,320,032</u>
Plan fiduciary net position as a percentage of total pension liability	79.82%

Changes in the County's net pension liability for the plan for the year ended December 31, 2022 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Position Liability (a) - (b)
Balances at 12/31/21	\$ 104,943,615	\$ 99,841,339	\$ 5,102,276
Service Cost	2,708,534	-	2,708,534
Interest	7,439,342	-	7,439,342
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	1,638,780	-	1,638,780
Changes in Assumptions	-	-	-
Contributions - Employer	-	1,816,611	(1,816,611)
Contributions - Member	-	2,293,112	(2,293,112)
Net Investment Income	-	(9,505,915)	9,505,915
Benefit Payments, Including Refunds of Member Contributions	(6,132,956)	(6,132,956)	-
Plan Administrative Expenses	-	(36,762)	36,762
Other Changes	-	1,854	(1,854)
Net Changes	<u>5,653,700</u>	<u>(11,564,056)</u>	<u>17,217,756</u>
Balances at 12/31/2022	<u>\$ 110,597,315</u>	<u>\$ 88,277,283</u>	<u>\$ 22,320,032</u>

NOTE 6: PENSION PLAN (CONTINUED)

B. Net Pension Liability (Continued):

Deferred Outflows of Resources and Deferred Inflows of Resources:

The total pension expense recognized in 2022 for the plan was \$3,803,421. At December 31, 2022, 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	\$ 2,728,744	\$ (73,286)
Difference between actual and projected investment earnings	7,555,420	-
Total	<u>\$ 10,284,164</u>	<u>\$ (73,286)</u>

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

Year Ended December 31:	Year	Governmental Activities	
		2023	\$ 1,204,326
2022	2024	2,631,216	
2023	2025	2,744,209	
2024	2026	3,631,127	
Total		<u>\$ 10,210,878</u>	

D. Actuarial assumptions:

The total pension liability was determined by an actuarial valuation as of December 31, 2022, 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 2022 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.

NOTE 6: PENSION PLAN (CONTINUED)

D. Actuarial assumptions (Continued):

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 2022 measurement period (see the discussion of the pension plan's investment policy) are summarized in the following table:

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	\$ 35,526,783	\$ 22,320,032	\$ 13,386,249

COUNTY OF FAYETTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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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	\$ 3,935,000	\$ -	\$ (620,000)	\$ 3,315,000	\$ 630,000
GOB, Series 2011	725,000	-	(85,000)	640,000	85,000
GON, Series 2020	13,821,350	18,366,745	-	32,188,095	32,188,095
GON, Series 2021A	13,600,000	-	(45,000)	13,555,000	45,000
GON, Series 2021B	3,135,000	-	(5,000)	3,130,000	15,000
GON, Series 2022		185,976		185,976	185,976
Financed purchases	2,098,810	5,763,652	(2,507,829)	5,354,633	1,462,937
Total Bonds, Notes and Loans Payable	37,315,160	24,316,373	(3,262,829)	58,368,704	34,612,008
Total Long Term Debt	\$ 37,315,160	\$ 24,316,373	\$ (3,262,829)	\$ 58,368,704	\$ 34,612,008

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
2023	\$ 34,612,008	\$ 556,314	\$ 35,168,322
2024	2,251,801	515,944	2,767,745
2025	2,147,495	474,653	2,622,148
2026	1,967,400	439,517	2,406,917
2027	880,000	417,916	1,297,916
2028-2032	4,270,000	1,748,720	6,018,720
2033-2037	3,695,000	1,276,650	4,971,650
2038-2042	4,080,000	874,500	4,954,500
2043-2047	4,465,000	395,000	4,860,000
Total	\$ 58,368,704	\$ 6,699,214	\$ 65,067,918

COUNTY OF FAYETTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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NOTE 7: LONG-TERM DEBT (CONTINUED)

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

	Balance Outstanding
	<u>December 31, 2022</u>
\$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.	\$ 640,000
\$14,075,000 General Obligation 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 2002 and GOB 2007 bonds.	3,315,000
\$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	
<u>2021 Series A</u> \$13,605,000 with a interest rate from 2% to 3% with a final payment on November 11, 2047.	13,555,000
<u>2021 Series B FEDERAL TAXABLE SERIES</u> \$3,1450,000 with a interest rate .466% to 2.001% with the final payment on November 15, 2031. 2021 Series B was used to pay addational principal payment on the GOB 2011 and 2012.	3,130,000
\$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	32,188,095
<u>2022 General Obligation Note</u> \$8,500,000 General Obligation Note Series 2022 interest rate 4.24%	185,976
<u>Financed purchases</u> Various financed purchases for county equipment	5,354,633
Total Bonds and Notes and Loans Payable	<u>\$ 58,368,704</u>

COUNTY OF FAYETTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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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, 2022, total claims expenses and stop-loss insurance expenses were \$9,849,765. Claims expenses recorded as employee fringe expenditures represent claims processed as of December 31, 2022 and includes (\$587,935) claims payable.

The claims liability of \$587,935 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	<u>(9,520,615)</u>	<u>(9,161,135)</u>	<u>(9,284,913)</u>	<u>(11,464,396)</u>
Claims Liability-End of Year	<u>\$ (657,225)</u>	<u>\$ (610,578)</u>	<u>\$ 96,731</u>	<u>\$ (975,335)</u>
<hr/>				
	2022			
Claims Liability-Beginning of Year	\$ (975,335)			
Current Year Premiums	10,237,165			
Claims Payments and Administration	<u>(9,849,765)</u>			
Claims Liability-End of Year	<u>\$ (587,935)</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.

COUNTY OF FAYETTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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NOTE 9: LEASE OBLIGATIONS

In 2022 the County adopted the provisions of Governmental Accounting Standards Board Statement No. 87, "Leases". In conjunction with the adoption of this standard, the County recognized an initial lease obligation, and a corresponding right of use asset in the amounts listed below.

	Beginning Balance	Lease Additions	Lease Payments	Ending Balance	Current Portion
Governmental Activities	<u>\$ 1,747,706</u>	<u>\$ -</u>	<u>\$ (164,964)</u>	<u>\$ 1,582,742</u>	<u>\$ 173,874</u>

Pertinent information regarding the leases is as follows:

The County leases space for various County agencies and departments from external parties. The leases mature from 2025 through 2041, and have an imputed interest rate of 4.24%. The initial value of the lease liability for buildings as of January 1, 2022, was \$1,747,706, of which \$1,582,742 was outstanding as of December 31, 2022. A corresponding right of use asset was initially recorded in the amount of \$1,747,706, and there was \$207,860 of accumulated amortization as of December 31, 2022.

Aggregate annual commitments on leases at December 31, 2022 are as follows:

Year ended December 31	Governmental Activities		
	Principal	Interest	Total
2023	\$ 173,874	\$ 63,773	\$ 237,647
2024	186,282	56,144	242,426
2025	198,253	48,014	246,267
2026	129,152	40,836	169,988
2027	134,425	35,363	169,788
2028-2032	513,987	94,167	608,154
2033-2037	118,940	40,660	159,600
2038-2041	127,829	11,371	139,200
	<u>\$ 1,582,742</u>	<u>\$ 390,328</u>	<u>\$ 1,973,070</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 2022 for \$9,000,000, with an interest rate of 0.90%, and subsequently paid off the balance by December 31, 2022.

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.

COUNTY OF FAYETTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables balances of each individual fund as of December 31, 2022, are as follows:

	Due From Other Funds	Due to Other Funds
General Fund	\$ 3,806,995	\$ 134,594
Children and Youth Fund	-	3,655,784
Behavioral Health	-	96,994
Debt Service Fund	42,606	-
Domestic Relation Fund	-	11,998
Other Government Funds	91,986	42,217
 Total	 \$ 3,941,587	 \$ 3,941,587

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, 2022:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 9,846,123
Children and Youth Fund	2,153,951	-
Behavioral Health Fund	390,000	-
FACT Transportation	311,212	-
Domestic Relations Fund	447,376	-
Debt Service Fund	1,473,520	515,000
Capital Fund	5,945,800	273,140
Other Governmental Funds	870,924	958,520
 Total	 \$ 11,592,783	 \$ 11,592,783

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").

NOTE 14: TAX ABATEMENTS (CONTINUED)

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 2022, 35 properties received the KOZ exemption from the County's real estate property tax at a total of \$30,943.

COUNTY OF FAYETTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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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
<i>Major Funds:</i>		
General Fund	<u>Non-Spendable:</u> These amounts are prepaid expenses	\$ 1,611,612
<u>Restricted:</u>		
	<u>Public Works</u> County Buildings Improvements	375,750
	<u>Debt Service</u> These funds are restricted within the Capital Program	436,648
<u>Assigned :</u>		
	<u>Culture and Recreation</u> General Fund match on Sheepskin Trail Project and County Parks.	275,750
	<u>Capital Program</u> Additional funding for County buildings, Public Safety Building, District Attorney Connector Bridge and the Public Service Building.	2,125,500
Health Choices	<u>Restricted:</u> These amounts are restricted for the Health Choices Behavioral Health program	14,334,945
Debt Service	<u>Non-Spendable:</u> 911 Motorola Lease payment made in December 2022 that is due on January 1 2023	1,122,400
	<u>Restricted:</u> Funding for Debt payments in 2022	1,525,576
Transportation	<u>Non-Spendable:</u> These amounts are prepaid expenses	35,800
	<u>Restricted:</u> These funds are restricted within the Transportation Program	3,250,550
Domestic Relations	<u>Restricted:</u> These funds are restricted for Child Support Enforcement	1,009,309

COUNTY OF FAYETTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

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NOTE 15: FUND BALANCE (CONTINUED)

Non-Major Funds

Special Revenue Funds

Restricted:

These funds are restricted within the departments of General Government	107,058
These funds are restricted within the Judicial System	292,617
These funds are restricted within the Public Safety Programs	1,761,365
These funds are restricted within the Public Works Programs	4,129,138
These funds are restricted within the Community Service Programs	552,420
These funds are restricted within the Culture and Recreation Programs	85,871

Fiduciary Funds

Restricted:

Retirement Trust Fund	88,277,283
Custodial Funds	6,798,532

NOTE 16: SUBSEQUENT EVENTS

During December 2022, the County authorized the issuance of issued a Tax Revenue and Anticipation Note for 2023 in an amount not to exceed \$9,000,000 at an interest rate of 4.99%.

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, 2022

	Original Budget	Final Budget	Actual	Variance Positive/ (Negative)
Revenues				
Real Estate and Per Capita Taxes	\$ 30,854,130	\$ 30,854,130	\$ 30,377,918	\$ (476,212)
Licenses and Permits	28,525	28,525	29,705	1,180
Grants and Gifts	4,715,975	5,201,118	4,182,345	(1,018,773)
Fines and Cost	441,000	441,000	384,832	(56,168)
Charges for Services	6,130,550	6,133,667	6,635,819	502,152
Interest, Rents, and Royalties	316,065	316,065	504,643	188,578
Miscellaneous	-	-	101,732	101,732
 Total Revenues	 42,486,245	 42,974,505	 42,216,994	 (757,511)
 Expenditures				
General Government-Administration	\$ 11,083,820	13,632,674	18,239,049	(4,606,375)
General Government-Judicial	10,967,731	11,546,488	8,621,213	2,925,275
Public Safety	13,817,101	14,050,691	9,230,199	4,820,492
Public Works	1,267,582	808,947	699,022	109,925
Human Services	508,010	539,304	393,233	146,071
Culture/Recreation	737,901	725,136	328,233	396,903
Community Service	-	155,465	114,364	41,101
Conservation/Development	227,460	227,460	409,165	(181,705)
Contributions	1,727,755	3,322,785	2,787,780	535,005
Debt Principal	-	-	1,357,527	(1,357,527)
 Total Expenditures	 40,337,360	 45,008,950	 42,179,785	 2,829,165
 Other Financing Sources (Uses)				
Loan Proceeds	288,030	447,025	5,763,652	-
Operating Transfers In	1,018,820	9,406,095	-	(9,406,095)
Operating Transfers(Out)	(3,455,735)	(9,572,037)	(9,846,123)	(274,086)
 Total Other Financing Sources	 (2,148,885)	 281,083	 (4,082,471)	 (9,680,181)
 Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 \$ _____ -	 \$ (1,753,362)	 \$ (4,045,262)	 \$ (2,291,900)

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	2022
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	\$ 2,708,534
Interest	4,487,857	4,852,177	5,298,642	5,675,499	5,952,586	6,368,376	6,777,279	7,056,420	7,439,342
Changes of benefit terms									
Differences between expected and actual experience	(309,892)	965,190	1,835,539	679,873	(989,351)	471,835	1,523,459	1,107,022	947,096
Changes of assumptions									1,638,780
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)	(6,132,956)
Net change in total pension liability	4,441,992	5,521,353	6,606,614	5,630,072	3,270,791	5,990,341	5,124,311	4,915,813	5,653,700
Total pension liability- beginning	63,492,328	67,884,320	73,405,673	80,012,287	85,642,359	88,913,150	94,903,491	100,027,802	104,943,615
Total pension liability- ending (a)	\$67,884,320	\$73,405,673	\$80,012,287	\$85,642,359	\$88,913,150	\$94,903,491	\$100,027,802	\$104,943,615	\$110,597,315
Plan fiduciary net position									
Contributions- employer	\$ 1,542,792	\$ 1,600,239	\$ 1,752,756	\$ 1,813,621	\$ 986,423	\$ 906,281	\$ 1,286,078	\$ 1,689,248	\$ 2,077,037
Contributions- employee	3,899,257	(40,291)	4,204,196	9,594,185	(2,694,238)	1,844,945	1,916,246	2,047,340	2,021,846
Net investment income	(2,950,156)	(3,101,096)	(3,682,624)	(3,999,434)	(4,083,687)	(2,694,238)	12,793,748	7,652,451	(9,505,915)
Benefit payments, including refunds of employee contributions	(28,825)	(44,676)	(35,436)	(28,095)	(42,366)	(35,953)	(48,021,142)	(5,213,046)	(5,740,522)
Administrative expense							(42,858)	(37,523)	(36,762)
Other							2,788	958	1,854
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	(11,564,056)
Plan fiduciary net position - beginning	64,051,126	66,514,188	64,028,364	68,217,923	76,583,830	72,513,765	83,671,702	89,807,625	99,841,539
Plan fiduciary net position - ending (b)	\$66,514,188	\$64,928,364	\$68,217,923	\$76,583,830	\$72,513,765	\$83,671,702	\$89,807,625	\$99,841,339	\$88,277,283
County's net pension liability - ending (a)-(b)	\$ 1,370,323	\$ 8,477,309	\$11,794,364	\$ 9,058,529	\$ 16,395,385	\$11,231,789	\$ 10,220,177	\$ 5,102,276	\$ 22,320,032
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%	79.82%
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	\$27,012,499
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%	82.63%

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 SUPPLEMENTARY INFORMATION
EMPLOYEE PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS-LAST 10 YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 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	\$ 3,035,608
Contributions in relation to the actuarially determined contribution	<u>\$ 1,722,251</u>	<u>\$ 1,740,335</u>	<u>\$ 2,113,391</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>	<u>\$ 1,816,611</u>
Contributions deficiency (excess)				<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>	<u>\$ 1,218,997</u>
Covered - employee payroll	\$ 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	\$ 27,012,499
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	4.59%	4.25%	3.81%	5.28%	6.70%	7.80%	6.73%

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 65 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>	<u>2022</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%	-11.04%

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
DECEMBER 31, 2022**

	Human Services	Act 13 Fund	Conciliation Fee Fund	Affordable Housing Fund	C-17 Fund
Assets					
Cash and Cash Equivalents	\$ 2,933,482	\$ 1,377,505	\$ 89,597	\$ 250,440	\$ 172,619
Accounts Receivable	-	1,351,000	1,800	5,600	24,549
Due from Other Governments	20,058	203,464	-	-	-
Due from Other Funds	-	-	-	-	-
Total Assets	\$ 2,953,540	\$ 2,931,969	\$ 91,397	\$ 256,040	\$ 197,168
Liabilities					
Accounts Payable	\$ 801,702	\$ -	\$ 240	\$ -	\$ 7,868
Accrued Expenses	-	-	-	-	-
Unearned Revenue	2,151,838	-	791	-	33,356
Due to Other Funds	-	-	-	-	-
Total Liabilities	2,953,540	-	1,031	-	41,224
Fund Balances					
Restricted:					
General Government	-	-	-	-	-
Judicial Government	-	-	90,366	-	155,944
Public Safety	-	-	-	-	-
Public Works	-	2,931,969	-	-	-
Community Service	-	-	-	256,040	-
Culture and Recreation	-	-	-	-	-
Total Restricted Fund Balance	-	2,931,969	90,366	256,040	155,944
Total Liabilities & Fund Balances	\$ 2,953,540	\$ 2,931,969	\$ 91,397	\$ 256,040	\$ 197,168

**FAYETTE COUNTY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2022**

	IPP Fund	Hotel Tax Fund	Liquid Fuel Fund	DA Law Enforcement	Hazmat
Assets					
Cash and Cash Equivalents	\$ 18,133	\$ 104,112	\$ 1,205,816	\$ 200	\$ 163,697
Accounts Receivable	-	457,851	-	-	3,700
Due from Other Governments	55,771	-	-	-	5,840
Due from Other Funds	-	-	16,827	-	-
Total Assets	\$ 73,904	\$ 561,963	\$ 1,222,643	\$ 200	\$ 173,237
Liabilities					
Accounts Payable	\$ 24,883	\$ 265,583	\$ 9,348	\$ -	\$ 97
Accrued Expenses	14,349	-	11,773	-	-
Unearned Revenue	10,000	-	-	-	-
Due to Other Funds	2,027	-	4,353	-	19
Total Liabilities	51,259	265,583	25,474	-	116
Fund Balances					
Restricted:					
General Government	-	-	-	-	-
Judicial Government	-	-	-	200	-
Public Safety	22,645	-	-	-	173,121
Public Works	-	-	1,197,169	-	-
Community Service	-	296,380	-	-	-
Culture and Recreation	-	-	-	-	-
Total Restricted Fund Balance	22,645	296,380	1,197,169	200	173,121
Total Liabilities & Fund Balances	\$ 73,904	\$ 561,963	\$ 1,222,643	\$ 200	\$ 173,237

COUNTY OF FAYETTE
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2022

	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	\$ 925,536	\$ 85,871	\$ 5,827	\$ 104,910	\$ 25,267	\$ 12,673	\$ 7,475,685
Accounts Receivable	-	-	1,614	2,868	386	340	1,849,708
Due from Other Governments	693,601	-	-	-	-	-	978,734
Due from Other Funds	75,159	-	-	-	-	-	91,986
Total Assets	\$ 1,694,296	\$ 85,871	\$ 7,441	\$ 107,778	\$ 25,653	\$ 13,013	\$10,396,113
Liabilities							
Accounts Payable	\$ 58,042	\$ -	\$ -	\$ 720	\$ -	\$ -	\$ 1,168,483
Accrued Expenses	68,984	-	-	-	-	-	95,106
Unearned Revenue	-	-	-	-	-	-	2,161,838
Due to Other Funds	1,671	-	-	-	-	-	42,217
Total Liabilities	128,697	-	-	720	-	-	3,467,644
Fund Balances							
Restricted:							
General Government	-	-	-	107,058	-	-	107,058
Judicial Government	-	-	7,441	-	25,653	13,013	292,617
Public Safety	1,565,599	-	-	-	-	-	1,761,365
Public Works	-	-	-	-	-	-	4,129,138
Community Service	-	-	-	-	-	-	552,420
Culture and Recreation	-	85,871	-	-	-	-	85,871
Total Restricted Fund Balance	1,565,599	85,871	7,441	107,058	25,653	13,013	6,928,469
Total Liabilities & Fund Balances	\$ 1,694,296	\$ 85,871	\$ 7,441	\$ 107,778	\$ 25,653	\$ 13,013	\$10,396,113

COUNTY OF FAYETTE
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHARGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

	Human Service Fund	Act 13 Fund	Conciliation Fee Fund	Affordable Housing Fund	C-17 Fund
Revenues					
Hotels	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and Gifts	7,226,332	1,009,412	-	-	21,398
Charges for Services	-	1,304,351	27,400	74,000	103,220
Interest and Royalties	27,211	15,696	622	1,709	1,329
Total Revenues	7,253,543	2,329,459	28,022	75,709	125,947
Expenditures					
Current:					
General Government -Administration	-	-	-	-	-
General Government-Judicial	-	-	7,016	-	86,548
Public Safety	-	-	-	-	-
Public Works	-	914,757	-	-	-
Human Services	7,253,543	-	-	-	-
Culture and Recreation	-	10,000	-	-	-
Community Service	-	-	-	-	-
Total Expenditures	7,253,543	924,757	7,016	-	86,548
Excess of Revenues Over (Under) Expenditures	-	1,404,702	21,006	75,709	39,399
Other Financing Sources (Uses)					
Operating Transfers In	-	-	-	-	-
Operating Transfers (Out)	-	(958,520)	-	-	-
Total Other Financing Sources (Uses)	-	(958,520)	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	446,182	21,006	75,709	39,399
Fund Balances-Beginning of Year	-	2,485,787	69,360	180,331	116,545
Fund Balances-End of Year	\$ -	\$ 2,931,969	\$ 90,366	\$ 256,040	\$ 155,944

COUNTY OF FAYETTE
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHARGES IN FUND BALANCE
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	IPP Fund	Hotel Tax Fund	Liquid Fuel Fund	DA Law Enforcement	Hazmat
Revenues					
Hotels	\$ -	3,274,360.00	\$ -	\$ -	\$ -
Grants and Gifts	180,273	-	579,153	-	20,429
Charges for Services	560,935	-	4,188	-	21,275
Interest and Royalties	271	2,330	7,276	-	1,266
Total Revenues	741,479	3,276,690	590,617	-	42,970
Expenditures					
Current:					
General Government -Administration	-	-	-	-	-
General Government-Judicial	-	-	-	-	-
Public Safety	879,694	-	-	-	61,580
Public Works	-	-	543,878	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Community Service	-	3,101,719	-	-	-
Total Expenditures	879,694	3,101,719	543,878	-	61,580
Excess of Revenues Over (Under) Expenditures	(138,215)	174,971	46,739	-	(18,610)
Other Financing Sources (Uses)					
Operating Transfers In	-	-	37,059	-	35,000
Operating Transfers (Out)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	37,059	-	35,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(138,215)	174,971	83,798	-	16,390
Fund Balances-Beginning of Year	160,860	121,409	1,113,371	200	156,731
Fund Balances-End of Year	\$ 22,645	\$ 296,380	\$ 1,197,169	\$ 200	\$ 173,121

COUNTY OF FAYETTE
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHARGES IN FUND BALANCE
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,274,360
Grants and Gifts	3,428,806	703,909	-	-	-	-	13,169,712
Charges for Services	3,641	-	21,324	42,050	5,337	4,485	2,172,206
Interest and Royalties	5,763	630	50	1,180	-	-	65,333
Total Revenues	3,438,210	704,539	21,374	43,230	5,337	4,485	18,681,611
Expenditures							
Current:							
General Government -Administration	-	-	-	18,888	-	-	18,888
General Government-Judicial	-	-	24,935	-	2,991	6,718	128,208
Public Safety	3,907,653	-	-	-	-	-	4,848,927
Public Works	-	-	-	-	-	-	1,458,635
Human Services	-	-	-	-	-	-	7,253,543
Culture and Recreation	-	736,898	-	-	-	-	746,898
Community Service	-	-	-	-	-	-	3,101,719
Total Expenditures	3,907,653	736,898	24,935	18,888	2,991	6,718	17,556,818
Excess of Revenues Over (Under) Expenditures	(469,443)	(32,359)	(3,561)	24,342	2,346	(2,233)	1,124,793
Other Financing Sources (Uses)							
Note Proceeds	-	-	-	-	-	-	-
Operating Transfers In	798,865	-	-	-	-	-	870,924
Operating Transfers (Out)	-	-	-	-	-	-	(958,520)
Total Other Financing Sources (Uses)	798,865	-	-	-	-	-	(87,596)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	329,422	(32,359)	(3,561)	24,342	2,346	(2,233)	1,037,197
Fund Balances-Beginning of Year	1,236,177	118,230	11,002	82,716	23,307	15,246	5,891,272
Fund Balances-End of Year	\$ 1,565,599	\$ 85,871	\$ 7,441	\$ 107,058	\$ 25,653	\$ 13,013	\$ 6,928,469

COUNTY OF FAYETTE
CUSTODIAL FUNDS
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
DECEMBER 31, 2022

	Tax Claim	Treasurer State License and Fees	Recorder of Deeds	Clerk of Courts Criminal Fees	Custodial Funds Register of Wills	Prothonotary Civil Fees	Sheriff General & PFA	Prison Inmate Fund
Assets								
Cash and pooled investments	\$ 4,821,256	\$ 49,908	\$ 402,475	\$ 456,535	\$ 228,637	\$ 111,584	\$ 197,454	\$ 731,738
Cash under Court Order	-	-	-	4,249	-	20,461	-	-
Accounts receivable	-	14,676	14,817	-	72,606	3,430	1,849	-
Total Assets	\$ 4,821,256	\$ 64,584	\$ 417,292	\$ 460,784	\$ 301,243	\$ 135,475	\$ 199,303	\$ 731,738
Liabilities								
Accounts payable	\$ 345,268	\$ 42,028	\$ 22,957	\$ 79,623	\$ -	\$ 24,589	\$ 7,745	\$ -
Funds held by Court Order	-	-	-	-	37,557	20,462	-	-
Total Liabilities	\$ 345,268	\$ 42,028	\$ 22,957	\$ 79,623	\$ 37,557	\$ 45,051	\$ 7,745	\$ -
Net Position								
Restricted for Individuals, organizations, other governments	\$ 4,475,988	\$ 22,556	\$ 394,335	\$ 381,161	\$ 263,686	\$ 90,424	\$ 191,558	\$ 731,738
Total Liabilities and Net Position	\$ 4,821,256	\$ 64,584	\$ 417,292	\$ 460,784	\$ 301,243	\$ 135,475	\$ 199,303	\$ 731,738

COUNTY OF FAYETTE
CUSTODIAL FUNDS
COMBINING SCHEDULE OF FIDUCIARY NET POSITION (CONTINUED)
DECEMBER 31, 2022

	MDJS Combined	C&Y Trust	Domestic Relations	Coroner Fund	Library Fund	Adult Probation Fund	Juvenile Probation Fund	Total Custodial Funds
Assets								
Cash and pooled investments	\$ 246,871	\$ 8,250	\$ 16,302	\$ 2,833	\$ 29,775	\$ 50,045	\$ 29,094	\$ 7,382,757
Cash under Court Order	-	-	-	-	-	-	-	20,461
Accounts receivable	7,326	611	10	-	-	-	-	122,274
Total Assets	\$ 254,197	\$ 8,861	\$ 16,312	\$ 2,833	\$ 29,775	\$ 50,045	\$ 31,794	\$ 7,525,492
Liabilities								
Accounts payable	\$ 129,841	\$ -	\$ 13	\$ -	\$ -	\$ -	\$ 16,857	\$ 668,921
Funds held by Court Order	-	-	-	-	-	-	-	58,019
Total Liabilities	\$ 129,841	\$ -	\$ 13	\$ -	\$ -	\$ -	\$ 16,857	\$ 726,940
Net Position								
Restricted for Individuals, organizations, other governments	\$ 124,356	\$ 8,861	\$ 16,299	\$ 2,833	\$ 29,775	\$ 50,045	\$ 14,937	\$ 6,798,552
Total Liabilities and Net Position	\$ 254,197	\$ 8,861	\$ 16,312	\$ 2,833	\$ 29,775	\$ 50,045	\$ 31,794	\$ 7,525,492

**COUNTY OF FAYETTE
CUSTODIAL FUNDS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022**

		Treasurer	State License and Fees	Recorder of Deeds	Clerk of Courts Criminal Fees	Register of Wills	Prothonotary Civil Fees	Sheriff General & PF4	Prison Inmate Fund
Custodial Funds									
Additions									
Property Tax Collected for Other Governments	\$ 11,499,576	\$ 2,657,533	\$ -	\$ -	\$ -	\$ 9,872,886	\$ -	\$ -	\$ -
Inheritance Tax Collected for Other Governments	-	-	-	-	-	-	-	-	-
Payroll Tax Fund Tax Received	-	-	-	-	-	-	-	-	-
Payroll Deduction on Child Support	-	-	-	-	-	-	-	-	-
Fees Collected for Other Governments	1,647,987	238,694	-	2,277,798	316,170	-	-	-	-
Fees Collected for Permits & Other Gov	-	-	-	-	-	-	-	-	-
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 Fees	-	-	-	-	-	-	-	-	-
Recording and Filing Fees	-	-	-	-	-	-	-	-	-
Interest and Dividends	39,033	-	-	-	-	238	3	5,148	-
Interest and Dividends	-	-	-	-	-	327,529	-	-	-
Interest and Dividends	-	-	-	-	-	193,832	-	-	-
Fees and Fines Collected - Other	-	-	-	-	-	31,650	-	-	-
Fees on Prothonotary Trust Account	-	-	-	-	-	-	-	-	-
Fees on Prothonotary Divorce Account	-	-	-	-	-	-	-	-	-
Miscellaneous Collections	1,215	-	-	-	-	-	-	-	-
Total Additions	\$ 13,187,811	\$ 2,896,227	\$ 9,695,988	\$ 2,277,798	\$ 10,189,056	553,249	\$ 1,132,201	\$ 388,065	
Deductions									
Property Tax Collections to Other Governments	8,787,190	2,657,532	-	-	-	-	-	-	-
Property Tax Collections to Other Governments	2,772,256	-	9,813,330	-	-	9,746,971	-	-	-
Inheritance Tax Collected to Other Governments	-	-	-	-	-	-	-	-	-
Payroll Taxes Paid to Other Governments	-	-	-	-	-	-	-	-	-
Payment on Child Support from PR Deduction	-	-	-	-	-	-	-	-	-
Fees Collected to Other Governments	1,847,622	216,220	-	2,306,712	317,979	-	-	-	-
Payment on Library Fund	-	-	-	-	-	-	-	-	-
Sheriff Permit Expenditures	-	-	-	-	-	-	-	1,078,379	500
JPO Expenditure on Probation	-	-	-	-	-	-	-	-	-
JPO Commission and JCR Program Cost	-	-	-	-	-	-	-	-	-
Inmate Disbursements	-	-	-	-	-	-	-	-	-
Payments of Children & Youth Trust Funds	-	-	-	-	-	-	-	-	-
Support Payments	-	-	-	-	-	-	-	-	-
Payments to Other Entities	-	-	-	-	-	-	-	-	-
Payments on Prothonotary Trust Accounts	-	-	-	-	-	-	-	-	-
Miscellaneous Payments	493	-	-	-	-	-	-	-	-
Total Deductions	\$ 13,407,561	\$ 2,873,752	\$ 9,813,330	\$ 2,306,712	\$ 10,064,950	557,625	\$ 1,078,879	\$ 397,750	
Change in net position	\$ (219,750)	\$ 22,475	\$ (117,342)	\$ (28,914)	\$ 124,106	(4,376)	\$ 53,322	\$ (9,685)	
Net Position - January 1	4,695,738	81	511,677	410,075	139,580	94,800	138,236	741,423	
Net Position - December 31	4,475,988	22,556	394,335	381,161	263,686	90,424	191,558	731,738	

**COUNTY OF FAYETTE
CUSTODIAL FUNDS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

	MDJs Combined	C&Y Trust	Domestic Relations	Coroner Fund	Library Fund	Juvenile Probation Fund	Adult Probatio Fund	Total Custodial Funds
Additions								
Property Tax Collected for Other Governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,157,109
Inheritance Tax Collected for Other Governments								9,872,856
Payroll Tax Fund Tax Received								-
Payroll Deduction on Child Support			1,748					7,504,753
Fees Collected for Other Governments	3,022,356							1,128,959
Fees Collected for Permits & Other Gov								134,635
Fees Collected on Library Fund								4,050
Youth Commissioner Program								575,830
Fees from Individuals on Probations								575,830
JCR-JPO Program								5,780
Inmate Account Collections								382,917
Collections for Children & Youth Trust	75,725		398,286					75,725
Collections for Support								398,286
Recording and Filing Fees								9,695,988
Interest and Dividends	1,237	62				601	59	46,381
Fees and Fines Collected - Other								327,529
Fees on Prothonotary Trust Account								193,832
Fees on Prothonotary Divorce Account								31,650
Miscellaneous Collections								1,215
Total Additions	\$ 3,023,593	\$ 75,787	\$ 400,034	\$ -	\$ 131,396	\$ 10,431	\$ 575,889	\$ 44,537,525
Deductions								
Property Tax Collections to Other Governments								11,444,722
Reality Tax Collections to Other Governments								12,585,586
Inheritance Tax Collected to Other Governments								9,746,971
Payroll Taxes Paid to Other Governments								-
Payment on Child Support from PR Deduction								7,652,844
Fees Collected to Other Governments	2,962,573		1,738					101,706
Payment on Library Fund								101,706
Sheriff Permit Expenditures								1,078,379
JPO Commission and JCR Program Cost								581,191
Inmate Disbursements								2,198
Payments of Children & Youth Trust Funds								4,365
Support Payments								469,892
Payments to Other Entities								396,639
Payments on Prothonotary Trust Accounts								328,936
Payments on Prothonotary Divorce Accounts								192,133
Miscellaneous Payments								36,556
Total Deductions	\$ 2,962,573	\$ 72,142	\$ 398,377	\$ -	\$ 101,706	\$ 6,563	\$ 580,691	\$ 44,622,611
Change in net position	\$ 61,020	\$ 3,645	\$ 1,657	\$ -	\$ 29,690	\$ 3,868	\$ (4,802)	\$ (85,086)
Net Position - January 1	63,336	5,216	14,642	2,833	85	46,177	19,739	6,883,638
Net Position - December 31	124,356	8,861	16,299	2,833	29,775	50,045	14,937	6,798,552