

COUNTY OF INDIANA, PENNSYLVANIA

INDIANA, PENNSYLVANIA

**FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

COUNTY OF INDIANA, PENNSYLVANIA
YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

County Commissioners
County of Indiana
Indiana, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

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

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

We did not audit the financial statements of Indiana County Municipal Services Authority and Highridge Water Authority which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units listed above, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of Indiana 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 Indiana'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.



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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 Indiana's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 Indiana'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 Indiana's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of net pension liability and contributions related to pension plans (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



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consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Indiana's basic financial statements. The other supplemental 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 supplemental 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 30, 2022 on our consideration of the County of Indiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the score of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Indiana's internal control over financial reporting and compliance.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

September 30, 2022
Pittsburgh, Pennsylvania

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

The COUNTY OF INDIANA, hereafter referred to as the "COUNTY", is pleased to present its financial statements developed in compliance with Statement of Governmental Accounting Standard No. 34, 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 that ended on December 31, 2021. Please read this Management Discussion and Analysis in conjunction with the COUNTY's financial statements that follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of the following four parts:

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

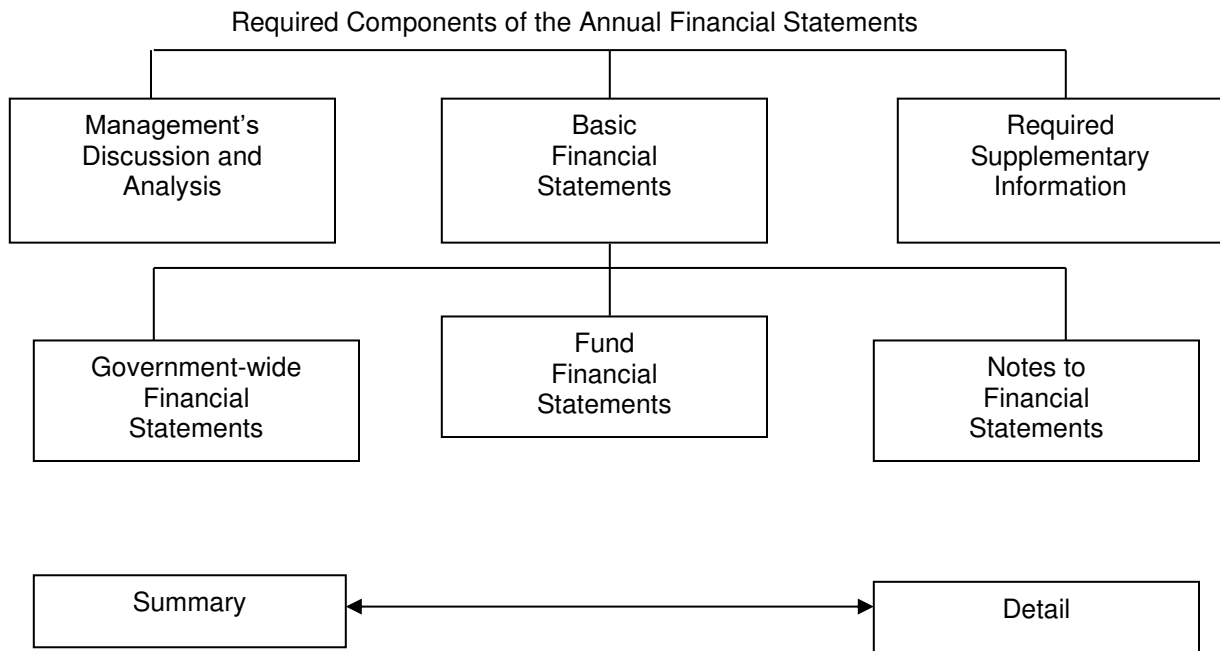
Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the COUNTY's government. The basic financial statements include notes that provide additional information essential to a full understanding of the 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, schedule of changes in the net pension liability and related ratios, schedule of employer contributions- last 10 years and schedule of investment returns.

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 as well as the financial status of the County's component units.
- *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, human services, public works, culture and recreation, and conservation and development are 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 Communities at Indian Haven.
 - *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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

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



**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

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

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

	Government-wide Statements	Fund Financial Statements		
		Governmental	Proprietary	Fiduciary
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the County, such as public safety and courts	The activities of the County, such as the Communities at Indian Haven	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 balances	-Statement of net position -Statement of revenues, expenses and changes in net position -Statement of cash flows	-Statement of fiduciary net position
Accounting basis and measurement focus	Accrual	Modified Accrual	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset and liability information	All assets and liabilities, 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, short-term and long-term	All assets and liabilities, short-term and long-term
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenue 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 year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

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

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 the COUNTY's assets and liabilities, except fiduciary funds, with the difference between the two 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 economic resources measurement focus and the accrual basis of accounting, which requires that revenues be reported when they are earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow.

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 property tax base and general economic conditions must be considered to assess the overall position of the COUNTY.

The primary government and its component units are included in the government-wide financial statements. The component units reflect the activities of the legally separate government entities over which the COUNTY can exercise influence and/or be obligated to provide financial support. The COUNTY has two discretely presented component units that it reports in the financial statements – Indiana County Municipal Services Authority and Highridge Water Authority. The County also reports one blended component unit, the Communities at Indian Haven. Complete and detailed financial statements for these component units can be obtained from their administrative offices (see Note 1, Notes to the financial statements).

There are two categories of activities for the primary government:

- *Governmental activities* include the COUNTY's basic services such as general government, judicial, public safety, public works, human services, culture and recreation, and conservation and development.
- *Business-type activities* such as the Communities at Indian Haven charge a fee to customers to help cover the costs of services.

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 in the fund level statements are reported as expenditures when financial resources (money) 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 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.

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

Government wide statements are reported on the accrual basis of accounting that involves the following steps to format the statement of net position:

- Capitalize current outlays for capital assets
- Report long-term debt as a liability
- Depreciate capital assets and allocate the depreciation to the proper program/activities
- Allocate net position balances as follows:
 - Net investment in capital assets
 - Restricted net position 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 position is net position that does 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 the modified accrual basis of accounting.

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 basis of accounting.

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. The County also adopts a budget for the capital projects and liquid fuels funds. A budgetary comparison of the COUNTY's general fund is presented as required supplementary information.

- *Proprietary Funds* report business-type programs and activities that charge fees designed to recover the cost of providing services. The proprietary fund reports using the accrual basis of accounting.
- *Fiduciary Funds* are 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. The fiduciary funds are reported using the accrual basis of accounting.

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

The COUNTY's total assets were \$125,597,366 at December 31, 2021. Of this amount, \$70,708,699 were capital assets.

GASB No. 34 required that all capital assets, including infrastructure, be valued and reported within the governmental activities column of the government-wide financial statements, but allowed infrastructure to be added over several years. The COUNTY adopted the provisions of GASB 34 related to infrastructure on the retroactive basis.

Condensed Statement of Net Position – 2021/2020

	<u>2021 Governmental Activities</u>	<u>2020 Governmental Activities</u>	<u>2021 Business- type Activities</u>	<u>2020 Business- type Activities</u>	<u>2021 Total</u>	<u>2020 Total</u>
Capital Assets	\$ 69,672,929	\$ 67,847,964	\$1,035,770	\$3,922,348	\$ 70,708,699	\$ 71,770,312
Other Assets	<u>50,986,999</u>	<u>42,561,696</u>	<u>3,901,668</u>	<u>1,129,030</u>	<u>54,888,667</u>	<u>43,690,726</u>
Total Assets	<u>\$ 120,659,928</u>	<u>\$ 110,409,660</u>	<u>\$4,937,438</u>	<u>\$5,051,378</u>	<u>\$125,597,366</u>	<u>\$115,461,038</u>
Deferred Outflows	<u>\$ 3,092,381</u>	<u>\$ 423,322</u>	<u>\$ 851,982</u>	<u>\$ 116,629</u>	<u>\$ 3,944,363</u>	<u>\$ 539,951</u>
Current Liabilities	\$ 22,010,098	\$ 7,647,849	\$ 773,278	\$ 874,965	\$ 22,783,376	\$ 8,522,814
Long-term Liabilities	<u>41,722,108</u>	<u>43,668,259</u>	<u>-</u>	<u>-</u>	<u>41,722,108</u>	<u>43,668,259</u>
Total Liabilities	<u>\$ 63,732,206</u>	<u>\$ 51,316,108</u>	<u>\$ 773,278</u>	<u>\$ 874,965</u>	<u>\$ 64,505,484</u>	<u>\$ 52,191,073</u>
Deferred Inflows	<u>\$ 3,776,695</u>	<u>\$ 1,501,782</u>	<u>\$1,040,518</u>	<u>\$ 413,756</u>	<u>\$ 4,817,213</u>	<u>\$ 1,915,538</u>
Net Position:						
Net Investment In Capital Assets	\$ 23,378,122	\$ 21,711,208	\$1,035,770	\$1,129,030	\$ 24,413,892	\$ 22,840,238
Restricted Net Position	9,193,138	9,032,007	564	563	9,193,702	9,032,570
Unrestricted Net Position	<u>23,672,148</u>	<u>27,271,877</u>	<u>2,939,290</u>	<u>2,749,693</u>	<u>26,611,438</u>	<u>30,021,570</u>
Total Net Position	<u>\$ 56,243,408</u>	<u>\$ 58,015,092</u>	<u>\$3,975,624</u>	<u>\$3,879,286</u>	<u>\$ 60,219,032</u>	<u>\$ 61,894,378</u>

MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

Change in Net Position

The following statement of activities represents the change in net position for the years ended December 31, 2021 and 2020. It shows revenues by source and expenses by function for governmental activities, business-type activities and the government as a whole.

Condensed Statement of Activities

	2021	2020	2021	2020	2021	2020
	Governmental	Governmental	Business-type	Business-type	2021	2020
	Activities	Activities	Activities	Activities	Total	Total
Program Revenues:						
Charges for Services	\$ 8,975,408	\$ 8,423,074	\$ 6,764,315	\$ 7,727,752	\$ 15,739,723	\$ 16,150,826
Grants and Contributions	24,891,967	24,048,098	526,540	348,342	25,418,507	24,396,440
General Revenues:						
Property Taxes	23,369,823	21,310,637	-	-	23,369,823	21,310,637
Hotel Taxes	452,124	287,935	-	-	452,124	287,935
Unrestricted Investment Earnings	256,205	160,772	3,655	12,815	259,860	173,587
Transfers	132,000	180,147	(132,000)	(180,147)	-	-
Miscellaneous Revenue	51,311	51,623	-	-	51,311	51,623
Gain/(Loss) on disposal of assets	-	6,834	-	-	-	6,834
Total Revenues	<u>\$58,128,838</u>	<u>\$54,469,120</u>	<u>\$ 7,162,510</u>	<u>\$ 7,908,762</u>	<u>\$65,291,348</u>	<u>\$62,377,882</u>
Expenses:						
General Government - Administrative	\$ 6,165,458	\$ 7,155,667	\$ -	\$ -	\$ 6,165,458	\$ 7,155,667
General Government - Judicial	7,312,708	6,809,732	-	-	7,312,708	6,809,732
Public Safety	19,472,427	20,942,502	-	-	19,472,427	20,942,502
Public Works	1,901,602	1,827,199	-	-	1,901,602	1,827,199
Human Services	14,839,863	10,526,118	7,066,172	7,897,701	21,906,035	18,423,819
Culture and Recreation	1,291,473	1,291,492	-	-	1,291,473	1,291,492
Conservation and Development	7,710,087	1,139,142	-	-	7,710,087	1,139,142
Interest on Long-Term Debt	868,346	907,376	-	-	868,346	907,376
Other expenses	338,558	322,677	-	-	338,558	322,677
Total Expenses	<u>59,900,522</u>	<u>50,921,905</u>	<u>7,066,172</u>	<u>7,897,701</u>	<u>66,966,694</u>	<u>58,819,606</u>
Change in Net Position	<u>(1,771,684)</u>	<u>3,547,215</u>	<u>96,338</u>	<u>11,061</u>	<u>(1,675,346)</u>	<u>3,558,276</u>
Net Position - January 1	58,015,092	54,467,877	3,879,286	3,868,225	61,894,378	58,336,102
Net Position - December 31	<u>\$56,243,408</u>	<u>\$58,015,092</u>	<u>\$ 3,975,624</u>	<u>\$ 3,879,286</u>	<u>\$60,219,032</u>	<u>\$61,894,378</u>

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

Net Program Expenses

Net program expenses indicate the amount of support required from taxes and other general revenues for a program of the government. In 2021, property taxes brought in \$23,369,823.

	Net Cost of Governmental and Business-type Activities			
	2021	2020	2021	2020
	Total Cost of Services	Total Cost of Services	Net Cost of Services	Net Cost of Services
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Program:				
General Government-Administrative	\$ 6,165,458	\$ 7,155,667	\$ (3,649,184)	\$ (4,422,390)
General Government-Judicial	7,312,708	6,809,732	(4,355,078)	(3,765,823)
Public Safety	19,472,427	20,942,502	(10,938,513)	(12,665,740)
Public Works	1,901,602	1,827,199	(1,139,686)	(988,071)
Human Service	14,839,863	10,526,118	(1,244,657)	(2,055,696)
Culture and Recreation	1,291,473	1,291,492	(955,554)	(929,073)
Conservation and Development	7,710,087	1,139,142	(2,543,571)	7,606,113
Miscellaneous	338,558	322,677	(338,558)	(322,677)
Interest on Long-Term Debt	868,346	907,376	(868,346)	(907,376)
Communities at Indian Haven	<u>7,066,172</u>	<u>7,897,701</u>	<u>224,683</u>	<u>178,393</u>
Total	<u>\$66,966,694</u>	<u>\$58,819,606</u>	<u>\$(25,808,464)</u>	<u>\$(18,272,340)</u>

The COUNTY relied on property taxes and other general revenues to fund 39% of its governmental and business-type activities in 2021.

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

Capital Assets

The COUNTY's investment in capital assets at December 31, 2021, net of accumulated depreciation, was \$70,708,699. Capital assets consist primarily of land, buildings and equipment. The following is a summary of capital assets at December 31, 2021 and 2020:

Capital Assets						
	2021	2020	2021	2020	2021	2020
	Governmental	Governmental	Business-type	Business-type	Total	Total
	Activities	Activities	Activities	Activities	Total	Total
Land	\$ 2,085,470	\$ 2,085,470	\$ -	\$ -	\$ 2,085,470	\$ 2,085,470
Building and Improvements	70,339,442	67,110,945	4,690,244	4,690,244	75,029,686	71,801,189
Equipment and machinery	33,337,646	33,073,272	4,305,812	4,220,564	37,643,458	37,293,836
Construction in Progress	5,901,892	4,987,335	-	-	5,901,892	4,987,335
Infrastructure	20,121,343	18,266,353	-	-	20,121,343	18,266,353
Capitalized Interest	-	-	-	165,318	-	165,318
Accumulated Depreciation	<u>(62,112,864)</u>	<u>(57,675,411)</u>	<u>(7,960,286)</u>	<u>(7,947,096)</u>	<u>(70,073,150)</u>	<u>(65,622,507)</u>
Total Net Capital Assets	<u>\$ 69,672,929</u>	<u>\$ 67,847,964</u>	<u>\$ 1,035,770</u>	<u>\$ 1,129,030</u>	<u>\$ 70,708,699</u>	<u>\$ 68,976,994</u>

Detailed information about the COUNTY's capital assets can be found in Note 6, Notes to the Financial Statements.

MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

Debt Administration

At December 31, 2021, the COUNTY had \$44,895,863 of debt outstanding. Debt decreased 4.8% from the previous year. The following is a summary of debt obligations for the 2021 year:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities</u>					
Bonds and Notes Payable:					
General Obligation Bonds and Notes	\$ 45,192,182	\$ 23,349,622	\$ (25,592,735)	\$ 42,949,069	\$ 5,136,252
Total Bonds and Notes Payable	<u>45,192,182</u>	<u>23,349,622</u>	<u>(25,592,735)</u>	<u>42,949,069</u>	<u>5,136,252</u>
			Plus Bond Premium	<u>2,279,513</u>	
			Total General Obligation Bonds and Notes	<u>45,228,582</u>	
Other Liabilities:					
Capital Lease Obligations	1,027,745	359,866	(321,386)	1,066,225	317,086
Compensated Absences	<u>948,533</u>	<u>-</u>	<u>(67,964)</u>	<u>880,569</u>	<u>-</u>
Total Other Liabilities	<u>1,976,278</u>	<u>359,866</u>	<u>(389,350)</u>	<u>1,946,794</u>	<u>317,086</u>
Governmental Activities					
Long-Term Liabilities	<u>47,168,460</u>	<u>23,709,488</u>	<u>(25,982,085)</u>	<u>44,895,863</u>	<u>5,453,338</u>

See Note 10 for more information regarding long-term debt.

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

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 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 and various special revenue funds. The general fund is the chief operating fund for the COUNTY. Special revenue funds are restricted to specific legislated use. The major funds are shown on the statement of revenues, expenditures and changes in fund balances in the financial statements.

GOVERNMENTAL FUND REVENUES

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

	<u>2021</u>	<u>2020</u>
Revenues:		
Taxes	\$23,702,877	\$21,724,424
Intergovernmental Revenues	24,892,265	24,048,098
Departmental Charges	7,588,679	7,053,920
Charges for Services	1,386,430	1,369,153
Interest	256,205	160,772
Other	51,311	49,430
Debt Proceeds	23,349,622	10,759,590
Bond Premium	2,486,742	-
Amounts Received from Loans	5,661,208	801,566
Disposal of Fixed Assets	11,448	6,769
Capital Lease Proceeds	359,866	394,985
Operating Transfers In	<u>195,661</u>	<u>280,714</u>
Total Revenues	<u>\$89,942,314</u>	<u>\$66,649,421</u>

There are several factors relating to increases/decreases in revenues from 2021 to 2020. The county increased the tax millage rate from 4.445 to 4.905 which resulted in an increase in real estate taxes of almost \$2 million. The county had an increase in intergovernmental revenues in 2021 due to additional revenues received as a result of the COVID-19 pandemic. The County also had an increase in debt proceeds as a result of refinancing several Notes, one of which refinanced one of the outstanding ICDC Notes, and additional borrowings to fund County capital projects.

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

GOVERNMENTAL FUND EXPENDITURES

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

	<u>2021</u>	<u>2020</u>
Expenditures:		
General Government- Administrative	\$ 7,832,551	\$ 9,709,629
General Government-Judicial	7,960,549	7,657,785
Public Safety	17,139,173	18,591,981
Public Works	739,701	902,810
Human Services	14,872,333	10,504,284
Culture and Recreation	1,448,848	1,406,946
Conservation and Development	10,833,585	3,603,512
Other	338,558	322,677
Debt Service	26,716,055	9,192,400
Capital Outlay	359,866	394,985
Amounts Loaned to Others	5,950,200	50,000
Operating Transfers Out	<u>63,661</u>	<u>100,567</u>
Total Expenditures	<u>\$94,255,080</u>	<u>\$62,437,576</u>

The decrease in General Government expenditures represents a decrease in Commissioners' expenditures for Broadband projects, due mostly to timing of the expenses. The large increase in Human Services expenditures is a result of the Federal ERAP Program for rental assistance during 2021. The large increase in Conservation and Development expenditures is for two large capital projects, the new Conservation District building and the WCCC building project in that function. The increase in debt service was the result of the refinancing several Notes. The increase in amounts loaned to others was the result of refinancing the ICDC debt to gain more favorable terms, and passing that on to ICDC.

GOVERNMENTAL FUND BALANCES AND PROPRIETARY FUND NET POSITION

Ending balances for governmental funds and net position for proprietary funds at December 31, 2021 and 2020 were as follows:

<u>Fund</u>	<u>2021</u> <u>Governmental</u> <u>Funds</u>	<u>2020</u> <u>Governmental</u> <u>Funds</u>	<u>2021</u> <u>Proprietary</u> <u>Funds</u>	<u>2020</u> <u>Proprietary</u> <u>Funds</u>
General Fund	\$ 13,655,086	\$ 18,290,856	\$ -	\$ -
Community Program for Restoration	464,010	492,021	-	-
Revolving Loan	1,524,494	1,352,402	-	-
Nonmajor Governmental Funds	5,172,869	4,993,946	-	-
Communities at Indian Haven	<u>-</u>	<u>-</u>	<u>3,975,624</u>	<u>3,879,286</u>
Total	<u>\$ 20,816,459</u>	<u>\$ 25,129,225</u>	<u>\$3,975,624</u>	<u>\$3,879,286</u>

The reasons for the changes in governmental fund balances are explained above in the governmental funds revenues and expenditures sections.

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

BUDGETARY HIGHLIGHTS

The County adopts an annual appropriated budget for its general fund, capital improvements fund, and liquid fuels fund. Detailed information about the COUNTY's general fund budget can be found in Required Supplemental Information.

Overall the County general fund actual revenue had a surplus of the budget of \$139,991. The general fund expenditures had a deficit from the actual budget of \$26,662,385. Other financing sources and uses showed a surplus in budget of 26,423,869 as a result of debt transactions. This showed a deficit of revenue over expenditures of \$98,525. Numerous factors went into these results including the management of the commissioners on the oversight of the budget, additional federal funding due to the COVID pandemic, multiple major capital projects in progress, and refinancing debt. The 2021 budget was completed for the general fund, the liquid fuels fund, and the capital improvement fund. The original general fund budget in 2021 had an operating deficit of \$3,747,245 and the final general fund budget in 2021 had an operating deficit of \$4,537,245 after a budget revision was made on December 15, 2021. There was a .46 mil increase in taxes. The real estate tax rate was 4.905 mills, .78 mills applied to debt and the remaining 4.125 mills applied to general obligations.

ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET

The 2022 budget was completed for the general fund, the liquid fuels, and the capital improvement fund. The general fund budget in 2022 had an operating deficit of \$4,234,611. The real estate tax rate was 4.905 mills, .70 mills applied to debt and the remaining 4.205 mills applied to general obligations

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 Indiana
County Commissioners
825 Philadelphia Street
Indiana, PA 15701

Phone: 724-465-3805

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2021

Assets	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Cash and Cash Equivalents	\$ 24,801,921	\$ 3,059,496	\$ 27,861,417	\$ 1,889,629
Investments	111,789	-	111,789	-
Restricted Assets				
Cash and Cash Equivalents	-	564	564	2,520,548
Resident's Cash	-	10,201	10,201	-
Receivables (Net, where applicable, of Allowance for Uncollectibles)				
Accounts	2,054,702	636,980	2,691,682	1,311,326
Taxes	3,151,840	-	3,151,840	-
Loans	9,516,895	-	9,516,895	-
Notes (current)	-	-	-	100,475
Due From Other Governments	7,728,524	-	7,728,524	-
Prepaid Assets	-	99,351	99,351	78,132
Inventory	-	-	-	135,188
Net Pension Asset	2,569,719	707,984	3,277,703	-
Other Assets	438,701	-	438,701	421,535
Internal Balances	612,908	(612,908)	-	-
Trustee Held Funds	-	-	-	-
Intangible Assets	-	-	-	854,460
Note Receivable Less Current Portion	-	-	-	1,317,824
Capital Assets: (Net)				
Depreciable	61,685,567	1,035,770	62,721,337	117,777,022
Non-depreciable	7,987,362	-	7,987,362	-
Total Assets	120,659,928	4,937,438	125,597,366	126,406,139
Deferred Outflow of Resources				
Deferred amounts related to pension	\$ 3,092,381	\$ 851,982	\$ 3,944,363	\$ -
Liabilities				
Accounts Payable	\$ 4,983,967	\$ 227,259	\$ 5,211,226	\$ 180,840
Accrued Expenses	456,669	-	456,669	454,956
Unearned Revenues	11,069,373	527,972	11,597,345	154,957
Due to Other Governments	588	-	588	-
Funds Held in Fiduciary Capacity	-	18,047	18,047	-
Accrued Interest Payable on Debt	46,233	-	46,233	141,713
Current Portions of Long-Term Liabilities:				
Bonds and Notes Payable	5,136,252	-	5,136,252	3,816,513
Capital Lease Payable	317,016	-	317,016	14,557
Non-Current Portions of Long-Term Liabilities:				
Bonds and Notes Payable	40,092,330	-	40,092,330	50,465,204
Capital Lease Payable	749,209	-	749,209	-
Compensated Absences	880,569	-	880,569	210,362
Total Liabilities	63,732,206	773,278	64,505,484	55,439,102
Deferred Inflow of Resources				
Deferred amounts related to pension	3,776,695	1,040,518	4,817,213	-
Net Position				
Net Investment in Capital Assets	23,378,122	1,035,770	24,413,892	63,790,800
Restricted Net Position				
Program Purposes	9,193,138	-	9,193,138	-
Bond Indenture	-	-	-	2,439,140
Capital projects	-	564	564	81,408
Unrestricted	23,672,148	2,939,290	26,611,438	4,655,689
Total Net Position	\$ 56,243,408	\$ 3,975,624	\$ 60,219,032	\$ 70,967,037

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

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government - Administrative	\$ 6,165,458	2,147,577	368,697	\$ -	\$ (3,649,184)	\$ -	\$ (3,649,184)	
General Government - Judicial	7,312,708	1,755,771	1,201,859	-	(4,355,078)	-	(4,355,078)	
Public Safety	19,472,427	4,578,881	3,955,033	-	(10,938,513)	-	(10,938,513)	
Public Works	1,901,602	10,981	-	750,935	(1,139,686)	-	(1,139,686)	
Human Services	14,839,863	227,864	13,367,342	-	(1,244,657)	-	(1,244,657)	
Culture and Recreation	1,291,473	82,310	253,609	-	(955,554)	-	(955,554)	
Conservation and Development	7,710,087	172,024	4,994,492	-	(2,543,571)	-	(2,543,571)	
Miscellaneous	338,558	-	-	-	(338,558)	-	(338,558)	
Interest on Long-Term Debt	868,346	-	-	-	(868,346)	-	(868,346)	
Total Governmental Activities	59,900,522	8,975,408	24,141,032	750,935	(26,033,147)	-	(26,033,147)	
Business-Type Activities:								
Communities at Indian Haven	7,066,172	6,764,315	526,540	-	-	224,683	224,683	
Total Business-Type Activities	7,066,172	6,764,315	526,540	-	-	224,683	224,683	
Total Primary Government	\$ 66,966,694	\$ 15,739,723	\$ 24,667,572	\$ 750,935	\$ (26,033,147)	\$ 224,683	\$ (25,808,464)	
Component Units:								
Indiana County Municipal Services Authority	\$ 8,975,361	\$ 7,715,617	\$ -	\$ 5,894,276				\$ 4,634,532
Highridge Water Authority	3,865,959	3,780,944	-	-				(85,015)
Total Component Units	\$ 12,841,320	\$ 11,496,561	\$ -	\$ 5,894,276				\$ 4,549,517
General Revenues:								
Taxes:								
Property					23,369,823	-	23,369,823	-
Hotel Taxes					452,124	-	452,124	-
Unrestricted investment earnings					256,205	3,655	259,860	19,207
Gain (loss) from sale of assets					-	-	-	6,500
Miscellaneous					51,311	-	51,311	-
Transfers					132,000	(132,000)	-	-
Total General Revenues					24,261,463	(128,345)	24,133,118	25,707
Change in Net Position					(1,771,684)	96,338	(1,675,346)	4,575,224
Net Position - Beginning					58,015,092	3,879,286	61,894,378	66,391,813
Net Position - Ending					\$ 56,243,408	\$ 3,975,624	\$ 60,219,032	\$ 70,967,037

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

COUNTY OF INDIANA, PENNSYLVANIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General Fund	ERAP Fund	Community Program for Restoration	Revolving Loan Fund	ARP Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>							
Cash and cash equivalents	\$ 6,322,972	\$ 2,996,717	\$ 455,158	\$ 1,525,444	\$ 7,655,931	\$ 5,845,699	\$ 24,801,921
Investments	-	-	-	-	-	111,789	111,789
Receivables:							
Taxes	2,054,702	-	-	-	-	-	2,054,702
Other governmental grants	6,137,432	-	-	-	-	1,591,092	7,728,524
Other	2,548,497	-	8,852	-	518,403	76,088	3,151,840
Loans	5,797,401	-	1,119,038	1,390,905	-	1,209,551	9,516,895
Due from other funds	741,027	-	-	-	-	132,626	873,653
Other assets	422,956	-	-	-	-	15,745	438,701
Total assets	\$ 24,024,987	\$ 2,996,717	\$ 1,583,048	\$ 2,916,349	\$ 8,174,334	\$ 8,982,590	\$ 48,678,025
<u>Liabilities</u>							
Accounts Payable	\$ 2,482,574	\$ 101,678	\$ -	\$ -	\$ -	\$ 2,399,715	\$ 4,983,967
Accrued liabilities	395,822	-	-	950	-	59,897	456,669
Due to other funds	120,613	-	-	-	-	140,132	260,745
Due to other governments	162	-	-	-	-	426	588
Unearned revenues	-	2,895,039	-	-	8,174,334	-	11,069,373
Unearned loans receivable	5,797,401	-	1,119,038	1,390,905	-	1,209,551	9,516,895
Total liabilities	8,796,572	2,996,717	1,119,038	1,391,855	8,174,334	3,809,721	26,288,237
<u>Deferred Inflows of Resources</u>							
Unavailable Revenue - Property Taxes	1,573,329	-	-	-	-	-	1,573,329
Total Deferred Inflows of Resources	1,573,329	-	-	-	-	-	1,573,329
<u>Fund Balances</u>							
Nonspendable	422,956	-	-	-	-	15,745	438,701
Restricted	2,037,463	-	464,010	1,524,494	-	5,167,171	9,193,138
Assigned	3,688,591	-	-	-	-	-	3,688,591
Unassigned	7,506,076	-	-	-	-	(10,047)	7,496,029
Total fund balances	13,655,086	-	464,010	1,524,494	-	5,172,869	20,816,459
Total liabilities and fund balances	\$ 24,024,987	\$ 2,996,717	\$ 1,583,048	\$ 2,916,349	\$ 8,174,334	\$ 8,982,590	\$ 48,678,025

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

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

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

Total fund balances of governmental funds		\$ 20,816,459
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$131,785,793 and the accumulated depreciation is \$62,112,864.		69,672,929
Revenues not available to pay for current period expenditures and therefore reported as unearned revenue in the funds:		
Loans Receivable	9,516,895	
Real estate taxes	1,573,329	11,090,224
Net pension assets are not reported in the the funds:		2,569,719
Deferred outflow of resources related to pensions is not reported in the funds		3,092,381
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Both current and long-term liabilities are reported in the Statement of Net Position. Long-term liabilities at year-end consist of:		
Long-term debt	(45,228,582)	
Accrued interest on long-term debt	(46,233)	
Capital Lease Payable	(1,066,225)	
Compensated absences	<u>(880,569)</u>	(47,221,609)
Deferred inflow of resources related to pensions is not reported in the funds		<u>(3,776,695)</u>
		<u>\$ 56,243,408</u>

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	ERAP Fund	Community Program for Restoration	Revolving Loan Fund	ARP Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes, Real estate	\$ 23,250,753	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,250,753
Taxes, Hotel	-	-	-	-	-	452,124	452,124
Intergovernmental revenue	10,493,245	4,386,926	57,146	875,112	-	9,079,836	24,892,265
Charges for services	490,105	-	2,960	24,156	-	869,209	1,386,430
Departmental charges	7,588,679	-	-	-	-	-	7,588,679
Interest income	230,075	8,397	997	3,323	-	13,413	256,205
Other revenue	48,529	-	-	-	-	2,782	51,311
Total Revenues	<u>42,101,386</u>	<u>4,395,323</u>	<u>61,103</u>	<u>902,591</u>	<u>-</u>	<u>10,417,364</u>	<u>57,877,767</u>
Expenditures							
Current operating:							
General government	7,746,328	-	-	-	-	86,223	7,832,551
Judicial	6,566,749	-	-	-	-	1,393,800	7,960,549
Public safety	13,901,735	-	-	-	-	3,237,438	17,139,173
Public works	225,946	-	-	-	-	513,755	739,701
Human services	9,975,171	4,395,323	-	-	-	501,839	14,872,333
Culture and recreation	976,793	-	-	-	-	472,055	1,448,848
Conservation and development	6,450,844	-	124,194	89,053	-	4,169,494	10,833,585
Other	338,558	-	-	-	-	-	338,558
Capital Outlay	359,866	-	-	-	-	-	359,866
Debt service							
Principal	25,592,735	-	-	-	-	-	25,592,735
Interest	1,123,320	-	-	-	-	-	1,123,320
Total Expenditures	<u>73,258,045</u>	<u>4,395,323</u>	<u>124,194</u>	<u>89,053</u>	<u>-</u>	<u>10,374,604</u>	<u>88,241,219</u>
Excess (deficiency) of revenues over expenditures	<u>(31,156,659)</u>	<u>-</u>	<u>(63,091)</u>	<u>813,538</u>	<u>-</u>	<u>42,760</u>	<u>(30,363,452)</u>
Other financing sources (uses)							
Proceeds from capital lease	359,866	-	-	-	-	-	359,866
Proceeds from long-term debt	23,349,622	-	-	-	-	-	23,349,622
Amounts received from loans	5,440,802	-	39,280	108,554	-	72,572	5,661,208
Disposal of fixed assets	11,448	-	-	-	-	-	11,448
Bond premium	2,486,742	-	-	-	-	-	2,486,742
Transfers in	132,070	-	-	-	-	63,591	195,661
Amounts loaned to others	(5,196,000)	-	(4,200)	(750,000)	-	-	(5,950,200)
Transfers out	(63,661)	-	-	-	-	-	(63,661)
Total other financing sources (uses)	<u>26,520,889</u>	<u>-</u>	<u>35,080</u>	<u>(641,446)</u>	<u>-</u>	<u>136,163</u>	<u>26,050,686</u>
Net change in fund balance	<u>(4,635,770)</u>	<u>-</u>	<u>(28,011)</u>	<u>172,092</u>	<u>-</u>	<u>178,923</u>	<u>(4,312,766)</u>
Fund balances, beginning of year	<u>18,290,856</u>	<u>-</u>	<u>492,021</u>	<u>1,352,402</u>	<u>-</u>	<u>4,993,946</u>	<u>25,129,225</u>
Fund balances, end of year	<u>\$ 13,655,086</u>	<u>\$ -</u>	<u>\$ 464,010</u>	<u>\$ 1,524,494</u>	<u>\$ -</u>	<u>\$ 5,172,869</u>	<u>\$ 20,816,459</u>

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

COUNTY OF INDIANA, PENNSYLVANIA
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2021

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

Net Change in fund balances - total governmental funds \$ (4,312,766)

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

Capital Outlays	6,673,527	
Difference between carrying value and accumulated depreciation of capital assets deletions	(19,141)	
Depreciation expense	<u>(4,829,421)</u>	1,824,965

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.

Proceeds from long term debt	(23,349,622)	
Change in interest payable on long-term debt	47,745	
Premium on Bond Issuance	(2,486,742)	
Amortization of Bond Premium	207,229	
Principal repayments	<u>25,592,735</u>	11,345

The acquisition of capital assets through capital lease arrangements are only expensed when the monthly payments made on the leases at the fund level. Such transactions only effect net position when new capital leases are entered into. This amount is the difference between capital lease payments and new capital lease obligations.

Payments made on capital lease obligations	321,386	
New capital assets acquired through capital leases	<u>(359,866)</u>	(38,480)

Changes in loans receivable are reflected as an increase to revenue and expense in the fund statements, but shown as an increase or decrease to loans receivable on the statement of net position. The amortization of the discount on the loans receivable is reported as interest earnings in the statement of activities.

Amounts loaned to others	5,950,200	
Amounts received from loans	<u>(5,661,208)</u>	288,992

Governmental funds do not report the changes in compensated absences:

67,964

Real estate taxes reported in the funds include receipt of prior year delinquent taxes and do not include revenue attributable to the current year's delinquent tax receivable. This amount is the net effect of these differences.

Current year	1,573,329	
Prior year	<u>(1,454,259)</u>	119,070

The change in the net pension asset and other pension related items does not require financial resources and is therefore not reported in the funds but is shown as an expense in the statement of activities.

267,226

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2021

Assets	Business-Type Activities - Enterprise Fund The Communities at Indian Haven
Current Assets:	
Cash and cash equivalents	\$ 3,059,496
Resident's cash	10,201
Accounts receivable	636,980
Prepaid expenses and other current assets	99,351
	3,806,028
Noncurrent assets:	
Cash, funded depreciation	564
Net pension asset	707,984
Capital assets (net of accumulated depreciation)	1,035,770
Total noncurrent assets	1,744,318
Total assets	\$ 5,550,346
Deferred Outflow of Resources	
Deferred amounts from pension liability	\$ 851,982
Liabilities	
Current liabilities:	
Accounts payable	\$ 227,259
Due to primary government	612,908
Unearned revenue	527,972
Funds held in fiduciary capacity	18,047
Total current liabilities	1,386,186
Total liabilities	1,386,186
Deferred Inflow of Resources	
Deferred amounts from pension liability	1,040,518
Net Position	
Net investment in capital assets	1,035,770
Restricted	564
Unrestricted	2,939,290
Total net position	3,975,624
Total liabilities and net position	\$ 6,402,328

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

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-Type Activities - <u>Enterprise Fund</u> <u>The Communities at Indian Haven</u>
Operating Revenues	
Receipts from Providing Services	\$ 6,764,315
Total Operating Revenues	<u>6,764,315</u>
Operating Expenses	
Human Services	6,929,301
Depreciation and amortization	<u>136,871</u>
Total Operating Expenses	<u>7,066,172</u>
Operating Income	(301,857)
Nonoperating Revenues (Expenses)	
Grant Income	526,540
Interest Income	<u>3,655</u>
Total Nonoperating Expenses	<u>530,195</u>
Excess of revenues under expenditures	228,338
Transfers to other funds	<u>(132,000)</u>
Total other financing uses	<u>(132,000)</u>
Change in Net Position	96,338
Net Position - Beginning of Year	<u>3,879,286</u>
Net Position - End of Year	<u>\$ 3,975,624</u>

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

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-Type Activities - Enterprise Fund <u>The Communities at Indian Haven</u>
Cash flows from operating activities	
Cash received from residents	\$ 6,925,523
Cash paid for goods and services	<u>(6,847,634)</u>
Net cash provided by operating activities	<u>77,889</u>
Cash flows from investing activities	
Net (increase)decrease in cash, funded depreciation	<u>(1)</u>
Net cash used in investing activities	<u>(1)</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	<u>(85,248)</u>
Net cash used in capital and related financing activities	<u>(85,248)</u>
Cash flows from financing activities	
Interest income	3,655
Grant revenues	527,972
Transfers to other funds	<u>(132,000)</u>
Net cash used in financing activities	<u>399,627</u>
Net increase in cash and cash equivalents	392,267
Beginning cash and cash equivalents	<u>2,667,229</u>
Ending cash and cash equivalents	<u>\$ 3,059,496</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ (301,857)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	136,871
Loss on disposal of asset	41,637
Increase in pension asset	34,968
Change in deferred (inflows) outflows related to pension liability	(108,591)
Decrease (increase) in assets	
Decrease in accounts receivable, net of allowances	161,208
Prepaid expenses	(59,413)
Restricted cash	1,559
Increase(decrease) in liabilities	
Accounts payable	(39,496)
Accrued expenses	(63,623)
Due to primary government	<u>274,626</u>
Net cash provided by operating activities	<u>\$ 77,889</u>

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

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

	<u>Employee Retirement Trust Fund</u>	<u>Custodial Fund</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 818,283	\$ 1,402,124
Investments	<u>63,287,454</u>	<u>62,645</u>
Total Assets	<u>\$ 64,105,737</u>	<u>\$ 1,464,769</u>
<u>Liabilities</u>		
Liabilities		
Accounts payable	\$ -	\$ 307,932
Total Liabilities	<u>-</u>	<u>307,932</u>
<u>Net Position Restricted for:</u>		
Individuals, Organizations, and Other Governments	-	1,156,837
Employees' Pension Benefits	<u>64,105,737</u>	<u>-</u>
Total Net Position	<u>\$ 64,105,737</u>	<u>\$ 1,156,837</u>

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

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
EMPLOYEE RETIREMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Employee Retirement Trust Fund	Custodial Fund
Additions:		
Property Taxes Collected for Other Governments	\$ -	\$ 6,801,626
Fees Collected for Other Governments	-	6,764,698
Inmate Account Collections	-	470,446
Fees and Fines Collected - Other	-	1,335,653
Miscellaneous Income	-	72,896
Contributions:		
Employee	1,048,477	-
County Contribution	891,623	55,000
	1,940,100	55,000
Investment Income:		
Net increase in fair value of assets	7,654,778	-
Interest and Dividends	639,881	10,228
	8,294,659	10,228
Total Investment Income	8,294,659	10,228
Investment Expense	(130,294)	-
	8,164,365	10,228
Net Investment Income	8,164,365	10,228
Total Additions	10,104,465	15,510,547
Deductions:		
Employee Benefits Paid	2,922,560	-
Administrative Expenses	61,709	-
Taxes Collected for Other Governments	-	7,624,908
Payments to Other Individuals	-	1,660,082
Fees Collected for Other Governments	-	6,540,137
Inmate Disbursements	-	465,936
Payments to Other Entities	-	90,002
Other expenses	138,324	-
	3,122,593	16,381,065
Total Deductions	3,122,593	16,381,065
Net Increase	6,981,872	(870,518)
Restricted Net Position		
Beginning of Year	57,123,865	2,027,355
End of Year	\$ 64,105,737	\$ 1,156,837

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

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

A summary of the County's significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

The County of Indiana (the "County") was formed in 1803. The County operates under the direction of an elected three member Board of Commissioners and provides the following services: general administrative services, tax assessment and collections, judicial, public improvements, public safety, public works, human services, culture and recreation, and conservation and development. The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units, as prescribed by the Governmental Accounting Standards Board ("GASB").

A) Reporting Entity

The County follows the criteria promulgated by the Governmental Auditing Standards Board ("GASB") No. 61 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 Indiana (the "Primary Government") and its Component Units. The Component Units discussed below are included in the County's financial reporting entity because of their operational or financial relationship with the County.

1. Component Units

In conformity with GAAP, the financial statements of Component Units have been included in the financial reporting entity either as a Blended Component Unit or as a Discretely Presented Component Unit.

a. Blended Component Unit

Some component units, despite being legally separate from the primary government, are so intertwined with the primary government that they are, in substance, the same as the primary government and are reported as part of the primary government. The only component unit reported in this way is The Communities at Indian Haven, Inc.

The Communities at Indian Haven, Inc. (Indian Haven) is a 108 bed skilled nursing facility located in Indiana, Pennsylvania.

Indian Haven reports on a calendar year basis.

The Indiana County Employee's Retirement Fund is considered a blended Fiduciary Component Unit under the Government Accounting Standards Board Statement No. 84.

b. Discretely Presented Component Units

In conformity with GAAP, the financial statements of the Component Units described below have been included in the financial reporting entity as discretely presented Component Units.

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

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

A) Reporting Entity (Continued)

1. Component Units (Continued)

b. Discretely Presented Component Units (Continued)

The Highridge Water Authority (the "Water Authority") was created pursuant to the Municipal Authorities Act of 1945. The organizational meeting was held on April 25, 1991, at which time the By-laws were adopted. The purpose of the Water Authority is to acquire and provide water service to customers in the southern Indiana County and northeastern Westmoreland County areas. The County guarantees the debt of the Water Authority. A copy of the separate Financial Statements can be obtained at the Highridge Water Authority, 17 Maple Avenue, Blairsville, PA 15717.

The Water Authority operates on a calendar year basis.

The Indiana County Municipal Services Authority (the "Municipal Services Authority") is a body politic and corporate organized on April 23, 1972 under provisions of the Act of the General Assembly of the Commonwealth of Pennsylvania, approved May 2, 1945, P.L. 382, as amended and supplemented, known as the Municipality Authorities Act of 1945. The purpose of the Municipal Services Authority is to provide water and sewage service to areas of Indiana, Armstrong and Cambria Counties, Pennsylvania. The County guarantees the debt of the Municipal Services Authority. A copy of the separate Financial Statements can be obtained at the Indiana County Municipal Services Authority, 602 Kolter Drive, Indiana, PA 15701.

The Municipal Services Authority operates on a calendar year basis.

2. Related Organizations

The Board of County Commissioners is also responsible for appointing the members of the governing boards of other organizations, but the County's accountability for the organizations does not extend beyond making the appointments. These organizations include:

- Farmland Preservation
- Indiana County Airport Authority
- Indiana County Conservation District
- Indiana County Hospital Authority
- Indiana County Housing Authority
- Indiana County Redevelopment Authority
- Indiana County Solid Waste Authority
- Indiana County Transportation Authority
- Indiana County Development Corporation

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

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

3. Joint Venture

The County participates in a joint venture with another governmental entity. Based upon the foregoing criteria, the County has determined that the joint venture should not be included in its financial reporting entity. The Armstrong-Indiana Behavioral and Developmental Health Program was created for the delivery of various human services activities to the counties of Indiana and Armstrong. The counties exercise joint control and both counties have an ongoing financial responsibility to the joint venture. However, neither county has an ongoing financial interest or equity interest in the joint venture.

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 component units. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely, to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component units for which the primary government is financially accountable.

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

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

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

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.

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 other financing sources. 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 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.

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

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

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

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude 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 other financing sources rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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 of this fund are primarily derived from real estate taxes, state and federal grants, and fees for services. Many of the basic activities of the County are accounted for in this fund including operation of general County government, boards, commissions, the court system, and health and welfare services.
- Community Program for Restoration is used to account for a revolving loan program within the County which uses program income from several federal grant programs to make low interest loans to residents of the County for eligible projects such as house repairs or repairs of property damage.
- The Revolving Loan Fund is used to account for the revolving loan program the County administers to stimulate economic development within the County by granting loans with low interest rates to businesses in the County. The loan program was originally established in 1993 with grant funding from the United States Economic Development Administration.
- The ARP Fund was established to account for the federal funding received under the American Rescue Plan Act of 2021. The fund helped with the County's response to the Coronavirus Pandemic.
- The ERAP Fund was established to account for the Federal Emergency Rental Assistance Program that was authorized as part of the American Rescue Plan to help renters and landlords during the Coronavirus Pandemic.

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 nonexchange transactions or ancillary activities.

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

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

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

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

The County reports the following major proprietary fund:

- The Communities at Indian Haven, an enterprise fund, is used to account for the operations of the County's nursing home.

The Communities at Indian Haven functions as a business-type activity, as defined by the Governmental Accounting Standards Board (GASB). Indian Haven's financial statements have been prepared using the economic resource focus and the accrual basis of accounting.

Additionally, the County reports the following fiduciary fund types:

- The Indiana County Employee's Retirement System Fund is a Pension Trust Fund used to account for the pension plan contributions of the County and its employees and the related benefit payments and other plan costs.
- The Custodial Fund is used to account for assets held by certain County offices that are subsequently disbursed to the County, other governments, and other activities for which it was collected.

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

1. Cash and Cash Equivalents

The County considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

2. Investments

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

3. Interfund Transactions

The County affects a variety of transactions between funds to finance operations. Certain interfund transactions have not been paid or received as of December 31, 2021, and appropriate interfund receivables or payables have been established accordingly.

Any residual balances outstanding between the governmental activities and business-type activities are reported as internal balances in the government-wide financial statements.

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activity column in the government-wide financial statements. Property, plant and equipment with initial, individual costs that equal or exceed \$5,000 and estimated useful lives of over one year are recorded as capital assets. The County adopted the provisions of GASB 34 related to infrastructure on the retroactive basis. Capital assets are recorded at historical costs or

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

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

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

4. Capital Assets (Continued)

estimated historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are completed.

Capital assets of the County are depreciated using the straight line method over the following intended useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and Improvements	20-40
Equipment and Vehicles	5-15
Infrastructure	50

5. Allowance for Doubtful Accounts

Taxes receivable have been reported net of allowance for doubtful accounts of \$487,967.

6. Long-Term Obligations

In the government-wide financial statements, long-term debt is reported as liabilities in the Statement of Net Position and bond discounts and premiums are deferred and amortized over the life of the bonds using the straight line method.

In the fund financial statements, the face amount of debt issued is reported as other financing sources.

7. Compensated Absences

County policy permits employees to accumulate a limited amount of earned but unused vacation and sick leave time. These benefits are payable to employees upon separation of services. All leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is recorded. The computed liability is in compliance with GASB 16, *Accounting for Compensated Absences*.

8. Unearned Revenues

Unearned revenues are reported in the government-wide and enterprise fund financial statements. Unearned revenues represent unearned revenues or revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as unearned revenues. The County deems revenues received within 365 days of year end to be available.

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

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

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

9. Net Position/Fund Balances

The government-wide financial statements utilize a net position presentation. Net position is 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 position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the 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:

- Non-spendable – This classification consists of accounts that cannot be spent because they are not in spendable form or are legally required to be maintained intact.
- Restricted – This classification consists of amounts that are restricted to specific purposes. The County's restricted fund balances consist of external enabling legislation for the state, federal, or local government.
- Committed – This classification consists of amounts used for specific purposes imposed by formal action of the County's Board of Commissioners. The removal or modification of the use of committed funds can only be accomplished by a formal action of the Commissioners prior to fiscal year end.
- Assigned – This classification consists of amounts constrained by the County's intent to be used for specific purposes that are neither restricted or committed. The County Commissioners have delegated the authority to assign fund balance for specific purposes to the Financial Supervisor.
- 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 is the only fund permitted to report a positive unassigned fund balance.

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

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

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

The County's GASB 54 policy is to first apply expenditures against any restricted fund balances, committed fund balances, assigned fund balances, and then unassigned fund balances, in that order.

10. 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.

11. Deferred Inflows of Resources

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government only has one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

12. Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Deferred outflows of resources related to pensions are described further in Note 8. The components of deferred outflows of resources, other than the difference between the projected and actual investment earnings on investments, are amortized into pension expense over a 4.8 year 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).

13. Adoption of Governmental Accounting Standards Board Statements

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

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

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

13. Adoption of Governmental Accounting Standards Board Statements
(Continued)

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

14. Pending Changes in Accounting Principles

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

In May 2019 the GASB issued Statement No. 91 “Conduit Debt Obligations”. The County is required to adopt Statement No. 91 for is fiscal year 2022 financial statements.

In January 2020, the GASB issued Statement No. 92 “Omnibus 2020”. The County is required to adopt Statement No. 92 for its fiscal year 2022 financial statements.

In March 2020, the GASB issued Statement No. 93 “Replacement of Interbank Offered Rates”. The County is required to adopt Statement No. 93 for its fiscal year 2022 Financial Statements.

In March 2020, the GASB issued Statement No. 94 “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”. The County is required to adopt Statement No. 94 for its 2022 financial statements.

In May 2020, The GASB issued Statement No. 96, “Subscription Based Information Technology Arrangements.” The County is required to adopt Statement No. 96 for its fiscal 2023 financial statements.

In June 2020, the GASB issued Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans.” The County is required to adopt paragraphs 4 and 5 of this Statement immediately. The County is required to adopt all other paragraphs for its fiscal year 2022 financial statements.

In April 2022, the GASB issued Statement No. 99 “Omnibus 2022”. The County is required to adopt Statement No. 99 for its fiscal 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 fiscal year 2024 financial statements.

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

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

14. Pending Changes in Accounting Principles (Continued)

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

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

E) Component Unit – Summary of Significant Accounting Policies

Highridge Water Authority

Basis of Accounting

The financial statements of the Water Authority have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents

For purposes of the balance sheet, the Water Authority considers non-restricted, highly liquid short-term investments that have an original maturity of three months or less to be cash equivalents.

Property

Property is stated at cost. Depreciation is provided on a straight-line basis over the estimated useful life of the respective asset which lives range from 5 to 125 years. Maintenance and repairs are charged to income as incurred and renewals and betterments are capitalized.

Goodwill

The excess acquisition cost over the fair market value of net position acquired is being amortized using the straight-line method over a period of 40 years. Amortization expense for 2021 amounted to \$73,985.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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

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

E) Component Unit – Summary of Significant Accounting Policies (Continued)

Indiana County Municipal Services Authority

Basis of Accounting

The financial statements of the Municipal Services Authority have been prepared on the accrual basis of accounting.

Cash and Cash Equivalent

The Municipal Services Authority considers all liquid investments that are readily convertible to cash with an original maturity of three months or less to be cash equivalents.

Accounts Receivable – Trade

Accounts receivable – trade are reported at net realizable value. Accounts are charged to bad debt expense when deemed uncollectible based on a periodic review by management. The allowance for doubtful accounts is estimated based upon periodic review of individual accounts. The allowance for doubtful accounts was approximately \$525,000.

Designated Assets

Designated assets consist of cash and money market accounts that are designed for the following purposes:

Debt Service Fund – Established to account for funds held for payment of principal and interest on water and sewer revenue bonds designated by bond indentures as debt service reserves.

Debt Service Reserve and Repair Fund – Established in compliance with requirements of the United States Department of Agriculture, Rural Utilities Service (“RUS”) notes to accumulate funds for the purpose of paying the cost of repairing or replacing any damage of the water system which may be caused by any unforeseen catastrophe.

Construction Fund – Established to control funds from various sources to be used for the purchase and renovation of water and sewage facilities.

Utility Plant

Utility plant is recorded at historical cost and consists of utility plant, equipment, furniture and fixtures. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

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

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

E) Component Unit – Summary of Significant Accounting Policies (Continued)

Indiana County Municipal Services Authority (Continued)

Capital Grants and Contributions

The Municipal Services Authority receives capital grants from certain federal and state agencies to be used for various purposes connected with the planning and construction of water and sewage systems and equipment. Capital grants of the Municipal Services Authority are reported as revenue rather than contributed capital as required by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2: BUDGETARY DATA

Commonwealth of Pennsylvania statutes require that all County Governments establish budgetary systems and approve annual operating budgets. The County's annual budget relates to only the General Fund and the Liquid Fuels Fund, and is based on estimates of revenues and expenditures approved by the Board of County Commissioners. The County of Indiana adopted the 2021 budget on the same basis of accounting as reported in the fund financial statements. The County of Indiana follows these procedures in establishing the budgetary data reflected in the financial statements:

County Budget Process

1. During the fall, preliminary individual budgets are prepared by each department or agency and are reviewed by the Commissioners.
2. During November, the County Commissioners, or their designee, meet with the head of each department and agency to review proposed changes to the preliminary budget.
3. The Commissioners' Office then reassembles the preliminary budget data and prepares a final budget draft including all proposed expenditures and the financing plan, incorporating any revisions or adjustments evolving from the departmental meetings.
4. In early December, the final budget is presented at a public Commissioners' meeting. In accordance with statutes contained in the County Code, public notice is given that the proposed budget is available for inspection for a twenty-day period.
5. Prior to December 31, after the twenty-day inspection period, the County Commissioners, at a public meeting properly announced, the final budget is adopted by resolution.

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

NOTE 2: BUDGETARY DATA (CONTINUED)

6. Formal budgeting integration is employed as a planning device. The budget adopted is on the modified accrual basis. Budget amounts are as originally adopted, or as amended by the County Commissioners.

- Level of Control

The County maintains budgeting control at the individual fund level.

- Lapsing of Appropriations

Unexpended appropriations lapse at year-end.

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 the 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 other departments.

NOTE 3: DEPOSIT AND INVESTMENT RISK

As of December 31, 2021, the County had the following investments:

	<u>Market</u>
Governmental Funds	
Nonmajor Governmental Funds	
Certificates of Deposit	\$ 111,789
Total Governmental Funds	<u>111,789</u>
Fiduciary Funds	
Custodial Funds	
Certificates of Deposit	62,645
Retirement Fund	
Fixed Income Securities	15,916,835
Domestic Equities	26,062,699
International Equities	6,493,395
Real Estate/Alternative	<u>14,814,525</u>
Total Fiduciary Funds	<u>63,350,099</u>
Total Investments	<u>\$ 63,461,888</u>

Interest Rate Risk – The County does not have a formal investment policy for the County's operating funds that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The County's Retirement Fund investment policy states that the trustees exercise good judgment in the selection of securities or in the selection of a plan administrator.

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

NOTE 3: DEPOSIT AND INVESTMENT RISK (CONTINUED)

Credit Risk – The County has no formal investment policy for its operating funds that addresses credit risk. As of December 31, 2021, the County’s operating investments were all maintained in Certificates of Deposit.

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 investment or collateral securities that are in the possession of an outside party. As of December 31, 2021, the County’s cash balances for its governmental activities, business-type activities and custodial fund were \$29,336,951 and its bank balances were \$29,623,276. Of these bank balances, \$28,623,276 was collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the County’s name. The entire cash and cash equivalent balance in the Retirement Fund of \$818,283 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 retirement investments were exposed to custodial credit risk at December 31, 2021 because the custodians hold the securities in an account that designates the County as the owner of the securities.

Concentration of Credit Risk – The County has no formal investment policy for operating investments pertaining to the concentration of credit risk. At December 31, 2021, the County is not subject to concentration of credit risk.

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.

At December 31, 2021, the County had the following recurring fair value measurements:

<u>Investments measured by fair value level</u>	<u>12/31/21</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of Deposit	\$ 174,434	\$ 174,434	\$ -	\$ -
Corporate Bonds	15,916,835	15,916,835	-	-
Common Stock	26,062,699	26,062,699	-	-
International Stock	6,493,395	6,493,395	-	-
Mutal Funds	14,814,525	14,814,525	-	-
Total investments by fair value level	<u>\$ 63,461,888</u>	<u>\$ 63,461,888</u>	<u>\$ -</u>	<u>\$ -</u>

Component Unit

Indiana County Municipal Services Authority

At December 31, 2021, the carrying amount of the Authority’s cash deposits was \$2,108,812 and the bank balance was \$3,087,520. Of the bank balance, \$2,389,485 was not covered by federal depository insurance. The Authority grants credit without collateral to its customers. The Authority’s service area is located in portions of Indiana, Armstrong, and Cambria Counties, Pennsylvania. The Authority charges residents within its service area based upon usage and connection charges. The ability of each of the Authority’s customers to honor their obligations to the Authority is dependent upon economic and other factors affecting the customers.

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

NOTE 4: PROPERTY TAXES

Real Estate Property Taxes

Real estate property 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 5% penalty from July 1 to December 31. In some instances certain tax collectors have been allowed to extend the discount and face value periods due to unusual office hours of these tax collectors by a few days. The County bills these taxes which are collected by local tax collectors.

The County is permitted by the County Code of the Commonwealth of Pennsylvania to levy real estate taxes up to 30 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on bonded or funded debt. In 2021 the County had total millage of 4.905, of which .78 mill was reserved for principal and interest on debt, and 4.125 mills for general county purposes.

The County's 2021 real estate taxes are based on assessed values established by the County's Bureau of Assessments. The County had a complete reassessment from 2015 to 2018 with assessed valuation of \$4,860,733,387 in 2016 to \$4,763,924,406 in 2020. The County was able to lower the millage rate from 37.40 to 4.905 mills. Assessed values of real property are generally 100% of the market value as determined by the Indiana County Tax Assessment Office. The total 2021 real estate taxes levied was \$23,264,571 based on a total County assessed valuation of \$4,743,031,821. Based on the 2021 levy of 4.905 mills, a property owner would pay \$4.905 per \$1,000 of assessed valuation.

NOTE 5: LOANS RECEIVABLE

The County has various loans outstanding that are used for multiple purposes within the County. The County has 6 revolving loan programs in which the County loans money to local small businesses or home owners for various reasons - home repairs, working capital for the businesses, new equipment for the businesses, etc. These loans are reported in the Enterprise Zone, Community Program for Restoration, Revolving Loan, Emergency Repair, Community Revitalization Program, and Affordable Housing Funds and had a total balance of \$3,719,494 as of December 31, 2021. All loans are fully deferred at the fund level.

The County also contracts with the Indiana County Development Corporation (ICDC) in which the County obtains loans and immediately loans that money to ICDC with the same terms. The activity on these loans is reported in the General Fund. All loans are fully deferred in the General Fund at the fund level.

The County also has a loan with the Kovalchick Convention and Athletic Complex.

A summary of the long-term General Fund receivables is shown on the following page:

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

NOTE 5: LOANS RECEIVABLE (CONTINUED)

	Balance at December 31, 2020	Payments Received from Others	Amounts Loaned to Others	Balance at December 31, 2021
KCAC Project	\$ 473,919	\$ -	\$ -	\$ 473,919
Corporate Campus Multi-Tenant Building Loan	373,095	245,613	-	127,482
Indian Springs Multi-Tenant Building Loan	<u>5,195,189</u>	<u>5,195,189</u>	<u>5,196,000</u>	<u>5,196,000</u>
Total	<u>\$ 6,042,203</u>	<u>\$ 5,440,802</u>	<u>\$ 5,196,000</u>	<u>\$ 5,797,401</u>

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,085,470	\$ -	\$ -	\$ 2,085,470
Construction in Progress	4,987,335	5,901,891	(4,987,334)	5,901,892
Total Capital Assets, Not Being Depreciated	<u>7,072,805</u>	<u>5,901,891</u>	<u>(4,987,334)</u>	<u>7,987,362</u>
Capital Assets, Being Depreciated:				
Building and Improvements	67,110,945	3,228,497	-	70,339,442
Equipment and Vehicles	33,073,272	675,483	(411,109)	33,337,646
Infrastructure	18,266,353	1,854,990	-	20,121,343
Total Capital Assets, Being Depreciated	<u>118,450,570</u>	<u>5,758,970</u>	<u>(411,109)</u>	<u>123,798,431</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(28,863,301)	(2,161,469)	-	(31,024,770)
Equipment and Vehicles	(22,066,201)	(2,554,159)	391,968	(24,228,392)
Infrastructure	(6,745,909)	(113,793)	-	(6,859,702)
Total Accumulated Depreciation	<u>(57,675,411)</u>	<u>(4,829,421)</u>	<u>391,968</u>	<u>(62,112,864)</u>
Total Capital Assets, Being Depreciated, Net	<u>60,775,159</u>	<u>929,549</u>	<u>(19,141)</u>	<u>61,685,567</u>
Governmental Activities Capital Assets, Net	<u>\$ 67,847,964</u>	<u>\$ 6,831,440</u>	<u>\$ (5,006,475)</u>	<u>\$ 69,672,929</u>
BUSINESS-TYPE ACTIVITIES				
Capital Assets, Being Depreciated:				
Building and Improvements	\$ 4,690,244	\$ -	\$ -	\$ 4,690,244
Equipment and Vehicles	4,220,564	85,248	-	4,305,812
Capital Interest	165,318	-	(165,318)	-
Total Capital Assets, Being Depreciated	<u>9,076,126</u>	<u>85,248</u>	<u>(165,318)</u>	<u>8,996,056</u>
Less Accumulated Depreciation	(7,947,096)	(136,871)	123,681	(7,960,286)
Total Capital Assets, Being Depreciated, Net	<u>1,129,030</u>	<u>(51,623)</u>	<u>(41,637)</u>	<u>1,035,770</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,129,030</u>	<u>\$ (51,623)</u>	<u>\$ (41,637)</u>	<u>\$ 1,035,770</u>

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

NOTE 6: CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General Government-Administrative	\$ 299,708
General Government-Judicial	143,346
Public Safety	2,949,206
Public Works	1,167,685
Human Services	53,499
Culture and Recreation	195,193
Conservation and Development	<u>20,784</u>
Total Depreciation Expense-Governmental Activities	<u>\$4,829,421</u>
Business-Type Activities:	
Human Services	<u>\$ 136,871</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 136,871</u>

Component Unit – Capital AssetsHighridge Water Authority

Capital assets and accumulated depreciation as of December 31, 2021 is as follows:

Highridge Water Authority

Buildings	\$ 39,780,274
Land and improvements	<u>13,645,325</u>
Total	53,425,599
Less accumulated depreciation	<u>26,519,602</u>
Capital Assets, net	<u>\$ 26,905,997</u>

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

NOTE 6: CAPITAL ASSETS (CONTINUED)

Component Unit – Capital Assets (Continued)Indiana County Municipal Services Authority

Capital assets and accumulated depreciation as of December 31, 2021 is as follows:

Indiana County Municipal Services Authority	
Fixed equipment	\$ 138,572,227
Moveable equipment	932,092
Vehicles	748,627
Construction in progress	<u>9,024,446</u>
Total	149,277,392
Less accumulated depreciation	<u>58,406,367</u>
Capital Assets, net	<u>\$ 90,871,025</u>

NOTE 7: RESTRICTED ASSETS

Business Type Activities

The County has restricted cash of \$564 in the business type activities which is restricted for capital purchases and repairs to existing capital assets.

The County also has restricted cash of \$10,201 that is owed to residents of the nursing home.

Component Unit – Designated AssetsIndiana County Municipal Services Authority

Restricted Assets at December 31, 2021 are as follows:

Debt Service Fund	\$ 728,441
Debt Service Reserve and Repair Fund	1,710,699
Construction Fund	<u>81,408</u>
Total	<u>\$ 2,520,548</u>

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND

The Indiana County Employee's Retirement System (the "Plan") is a single-employer defined benefit pension plan that covers all full time employees of the County. The Plan provides retirement, disability and death benefits to Plan members and their beneficiaries. The Plan is part of the County's financial reporting entity and is included in the County's financial statements as a Pension Trust Fund.

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

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Summary of Significant Accounting Policies

Method used to value investments. Investments are reported at 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. An independent appraisal should be obtained once every year to determine the fair market value of the real estate assets.

Description of Plan

Plan Administration. The Retirement Board administers the Plan. The Plan is governed by the 1971 County Pension Law, Act 96, of the General Assembly of the Commonwealth of Pennsylvania, as amended (the "Act"). Benefit and contribution provisions of the Plan are established and can be amended as provided by the Act. Cost of living adjustments are provided at the discretion of the County Retirement Board.

Management of the Plan is vested in the Board, which consists of five members - three elected County Commissioners, the treasurer, and the chief clerk.

Plan membership. For the 2021 measurement period, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	279
Inactive plan members entitled to but not yet receiving benefits	56
Active plan members	<u>385</u>
	<u>720</u>

Benefits provided. The Plan provides retirement, disability, and death benefits. Retirement benefits for Plan members are calculated as a percent of the member's highest 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 highest 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.

Contributions. The Retirement Board establishes contribution rates based on an actuarially determined contribution recommended by an independent 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 any unfunded accrued liability. For the year ended December 31, 2021, the minimum required active member contribution rate was 5 percent of annual pay and the County's average contribution rate was 4.82 percent of annual payroll.

Per Act 96 of 1971, as amended, contribution requirements of the Plan members and the County may be amended by the General Assembly of the Commonwealth of

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

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Pennsylvania. Interest is credited each year in an amount allowed by the County Retirement Board to each member's account.

Administrative costs of the Plan may be financed through investment earnings. The Act makes no provision for termination of the Plan. The County does not issue a separate financial report for the Plan.

Legally Required Reserves

At December 31, 2021, the County has a balance of \$11,625,358 in the Members' Annuity Reserve Account. This account is the total of the contributions deducted from the salaries of the active and terminated vested members of the retirement system and the IRC 414(h)(2) pickup contributions together with the interest additions as of December 31, 2021. Since these accumulations represent the present value as of December 31, 2021 of future benefits, the reserve balance and liability are identical.

The County has a balance of \$10,062,878 in the County Annuity Reserve Account as of December 31, 2021. This balance and the amounts expected to be credited in the future, plus investment earnings, represent the reserves set aside for the payment of the County's share of the retirement allowances and this reserve is fully funded.

This is the account out of which regular interest is credited to the member's annuity and retired members' reserve account, administrative expenses may be paid and the pension obligations of the County are funded.

When a County annuity is scheduled to commence for a particular member, sufficient monies are transferred from the County annuity reserve account to the retired members' reserve account to provide for such County annuities actually entered into.

The Retired Members' Reserve Account is the account out of which monthly retirement allowances, including cost-of-living adjustments and death benefits are paid. The balance in this account was \$28,009,672 as of December 31, 2021. The corresponding liability for those annuitants on the roll is identical.

Plan Reporting

Net Pension Liability of the County

The total pension liability was based on an actuarial valuation dated January 1, 2021 and update procedures were used to rollforward the total pension liability to the December 31, 2021 measurement date. The components of the net pension liability of the County for the 2021 measurement period were as follows:

Total Pension Liability	\$ 60,828,034
Plan Fiduciary Net Position	<u>64,105,737</u>
Net Pension Asset	<u><u>\$ (3,277,703)</u></u>

Plan Fiduciary net position as a percentage of the total pension liability	105.39%
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COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

The net pension liability breakdown for governmental activities and business type activities was as follows:

	Governmental Activities	Business Type Activities
Net Pension Liability	\$ (2,569,719)	\$ (707,984)

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

	Increase/(Decrease)		
	Total Pension Liability (a)	Pan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at 12/31/2020	\$ 53,684,274	\$ 57,123,865	\$ (3,439,591)
Service Cost	1,395,959	-	1,395,959
Interest Cost	4,076,619	-	4,076,619
Changes in Benefit Terms	-	-	-
Changes for Experience	449,560	-	449,560
Changes of Assumptions	4,144,182	-	4,144,182
Contributions - Employer	-	891,623	(891,623)
Contributions - Member	-	1,048,477	(1,048,477)
Net Investment Income	-	8,164,365	(8,164,365)
Benefit Payments, including Refunds of Member			
Contributions	(2,922,560)	(2,922,560)	-
Administrative Expenses	-	(61,709)	61,709
Other Changes	-	(138,324)	138,324
Net Changes	<u>\$ 7,143,760</u>	<u>\$ 6,981,872</u>	<u>\$ 161,888</u>
Balances at 12/31/2021	<u>\$ 60,828,034</u>	<u>\$ 64,105,737</u>	<u>\$ (3,277,703)</u>

Deferred (Inflows) Outflows of Resources

The total pension expense recognized in 2021 for the plan was \$550,788. At December 31, 2021, the County reported deferred outflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 434,304	\$ (97,361)
Changes in Assumptions	3,510,059	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(4,719,852)
Total	<u>\$ 3,944,363</u>	<u>\$ (4,817,213)</u>

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

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

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

Year ended December 31:	Governmental Activities	Business Type Activities	Total
2022	\$ 320,642	\$ 88,340	\$ 408,982
2023	(717,266)	(197,614)	(914,880)
2024	(228,383)	(62,922)	(291,305)
2025	(59,308)	(16,339)	(75,647)
	<u>\$ (684,315)</u>	<u>\$ (188,535)</u>	<u>\$ (872,850)</u>

The schedule of changes in the net pension liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about the Plan.

Plan Actuarial Methods and Assumptions

Actuarial assumptions. The total pension liability was determined by an actuarial valuation for the 2021 measurement period, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 percent, average, including inflation
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PubG-2010 Mortality Tables for Males and Females set forward one year with generational mortality improvement using MP20.

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

Under the Act, cost-of-living adjustments to each member's retirement allowance shall be reviewed at least once every three years subsequent to the member's retirement date. The adjustment, should the Plan 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 considered to be substantively automatic.

Investment policy. The 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.

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

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Plan Actuarial Methods and Assumptions (Continued)

The following was the Board's asset allocation policy for the 2021 measurement period:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	40%
International equity	10%
Fixed income	30%
Real Estate/Alternative	20%
Cash	<u>0%</u>
Total	<u>100%</u>

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 Plan's target asset allocation for the 2021 measurement period (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
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

Discount rate. The discount rate used to measure the total pension liability was 7.00 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 in accordance with the County's recently adopted funding policy. Based on those assumptions, the 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 Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.00 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 percent) or 1-percentage-point higher (8 percent) than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate (7.00%)	1% Increase <u>(8.00%)</u>
County's net pension liability	\$2,530,392	\$(3,277,703)	\$(9,841,060)

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

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Plan Actuarial Methods and Assumptions (Continued)

Rate of return. For the 2021 measurement period, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 14.6 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Component Unit – Retirement Plan

Highridge Water Authority

The Water Authority adopted a retirement plan covering all eligible employees effective January 1, 1995. Terms of the plan require Authority contributions at 50 cents per hour worked on a monthly basis. Participants are 100% vested after 5 years. Contributions for 2021 amounted to \$26,432.

Indiana County Municipal Services Authority

The Municipal Services Authority has a defined contribution retirement plan which provides retirement benefits for all full-time employees. The Authority contributed an amount equal to 5% of the full-time employees' gross salaries. Employees become 10% vested after two years of employment. An additional 20% is vested for each additional year of employment until they are fully vested after 7 years. Pension expense was approximately \$73,000.

NOTE 9: LINE OF CREDIT

Component Unit – Line of Credit

Indiana County Municipal Services Authority

The Municipal Services Authority has available a \$250,000 unsecured line of credit with First Commonwealth Bank, which is due on demand, with interest at 75% of the prime rate (2.75% at December 31, 2021). There was no balance at December 31, 2021.

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

NOTE 10: LONG-TERM OBLIGATIONS

A summary of changes in long-term debt obligations for 2021 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities</u>					
Bonds and Notes Payable:					
General Obligation Bonds and Notes	\$ 45,192,182	\$ 23,349,622	\$ (25,592,735)	\$ 42,949,069	\$ 5,136,252
Total Bonds and Notes Payable	<u>45,192,182</u>	<u>23,349,622</u>	<u>(25,592,735)</u>	<u>42,949,069</u>	<u>5,136,252</u>
			Plus Bond Premium	2,279,513	
			Total General Obligation Bonds and Notes	<u>45,228,582</u>	
Other Liabilities:					
Capital Lease Obligations	1,027,745	359,866	(321,386)	1,066,225	317,086
Compensated Absences	<u>948,533</u>	<u>-</u>	<u>(67,964)</u>	<u>880,569</u>	<u>-</u>
Total Other Liabilities	<u>1,976,278</u>	<u>359,866</u>	<u>(389,350)</u>	<u>1,946,794</u>	<u>317,086</u>
Governmental Activities					
Long-Term Liabilities	<u>47,168,460</u>	<u>23,709,488</u>	<u>(25,982,085)</u>	<u>44,895,863</u>	<u>5,453,338</u>

An analysis of debt service requirements to maturity for the governmental and business-type activities on these obligations follows (with the exception of capital leases and compensated absences liability):

Governmental Activities

Year Ended December 31	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Debt Service Requirements</u>
2022	\$ 5,136,252	\$ 1,265,799	\$ 6,402,051
2023	3,166,304	1,172,884	4,339,188
2024	3,277,296	1,028,954	4,306,250
2025	3,401,805	937,137	4,338,942
2026	3,446,777	851,348	4,298,125
2027-2031	18,906,712	2,618,773	21,525,485
2032-2036	4,345,923	375,630	4,721,553
2037-2041	678,000	128,118	806,118
2042-2046	485,000	52,557	537,557
2047-2048	<u>105,000</u>	<u>2,751</u>	<u>107,751</u>
Total	<u>\$ 42,949,069</u>	<u>\$ 8,433,951</u>	<u>\$ 51,383,020</u>

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

NOTE 10: LONG-TERM OBLIGATIONS (CONTINUED)

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

Governmental Activities

Issuance	Amount of Original Issue	Purpose	Balance Outstanding December 31, 2021
Series C of 2005	\$ 4,250,000	To finance the construction of a multi-tenant building at the Indiana County Corporate Campus. The note has an interest rate of 3.97%. This note was loaned to ICDC under the same terms.	\$ 127,482
2006	\$ 2,610,000	To finance the construction of a multi-tenant building on Indian Springs Road. The note has an interest rate of 2.75% per annum and a final maturity of July 2033. The note was loaned to ICDC under the same terms.	\$ 2,610,000
2006	\$ 2,586,000	To finance the construction of a multi-tenant building on Indian Springs Road. The note has an interest rate of 3.50% per annum and a final maturity of July 2033. The note was loaned to ICDC under the same terms.	\$ 2,586,000
Series A of 2013	\$ 3,500,000	To refinance GON, Series B of 2010. The note has an interest rate of 3.31% with a final maturity in December 2025.	\$ 1,598,660
Series B of 2018	\$ 7,200,000	To refinance and consolidate existing outstanding debt. The note has an interest rate of 1.993% with a final maturity in October of 2028.	\$ 4,862,363
Series D of 2018	\$ 4,125,000	To refinance and consolidate existing outstanding debt. The note has an interest rate of 1.918% with a final maturity in October of 2026.	\$ 2,431,351
Series A of 2020	\$ 5,709,000	To finance the construction of the Westmoreland County Community College/Challenger building in addition to capital and renovation projects at the Courthouse. The note has an interest rate of 2.62% with a final maturity date of December of 2047.	\$ 5,615,000
Series B of 2020	\$ 4,918,000	To finance the construction of the Westmoreland County Community College/Challenger building. This loan is a grant anticipation loan and will be paid off when the grant is received. The note has an interest rate of 2.67% with a final maturity date of December 2023.	\$ 2,543,213
Series C of 2020	\$ 710,000	To refinance and consolidate existing outstanding debt. The note has an interest rate of 2.91% with a final maturity in December of 2026.	\$ 684,000
Series D of 2020	\$ 4,286,000	To refinance and consolidate existing outstanding debt. The note has an interest rate of 2.7% with a final maturity in December of 2031.	\$ 4,286,000
Series A of 2021	\$ 15,665,000	The note has an interest rate of 2.0% through 2023, 3% through 2026, 4% through 2030, and 3% through 2032 with a final maturity in December of 2032.	\$ 15,605,000
			<u>\$ 42,949,069</u>

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

NOTE 10: LONG-TERM OBLIGATIONS (CONTINUED)

Governmental Activities (Continued)

Capital Leases

The County has entered into capital leases for equipment to be used in operations. Amortization expense has been included with depreciation. Future minimum lease payments at December 31, 2021 and present value of capital lease obligations were:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
\$ 1,027,745	\$ 359,866	\$ (321,386)	\$ 1,066,225	\$ 317,086

<u>Year ended December 31</u>	<u>Governmental Activities</u>
2022	\$ 357,267
2023	317,017
2024	220,718
2024-2029	<u>292,613</u>
Total Minimum Lease Payments	1,187,615
Less Amount Representing Interest	121,390
Present Value of Net Minimum Lease Payments	1,066,225
Less: Amount Due Within One Year	<u>317,086</u>
Non-Current Portion	<u>\$ 749,139</u>

Component Units

In addition to the long-term debt above, the County also guarantees debt for the Indiana County Municipal Services Authority and the Highridge Water Authority. This schedule summarizes the activity on this debt for 2021.

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

NOTE 10: LONG-TERM OBLIGATIONS (CONTINUED)

Component Units (Continued)Highridge Water Authority

An analysis of debt service requirements to maturity on these obligations follows:

	Balance as of December 31, 2020	Additions	Reductions	Balance as of December 31, 2021
Debt Guaranteed by Indiana County:				
Water Revenue Bonds, Series of 2020	\$ 6,540,000	\$ -	\$ (499,000)	\$ 6,041,000
PennVest Loan	1,006,020	-	(264,609)	741,411
Other Long-Term Debt:				
PennVest Loan	<u>1,332,324</u>	<u>-</u>	<u>(93,512)</u>	<u>1,238,812</u>
Total Long-Term Debt	<u>\$ 8,878,344</u>	<u>\$ -</u>	<u>\$ (857,121)</u>	<u>\$ 8,021,223</u>

<u>Year Ended December 31</u>	<u>Principal Payments</u>
2022	\$ 868,267
2023	881,503
2024	896,373
2025	911,747
2026	461,375
Thereafter	<u>4,001,958</u>
Total	<u>\$ 8,021,223</u>

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

NOTE 10: LONG-TERM OBLIGATIONS (CONTINUED)

Component Units (Continued)Indiana County Municipal Services Authority

An analysis of debt service requirements to maturity on these obligations follows:

	Balance as of 2021
Debt Guaranteed by Indiana County:	
Sewage Renovation I	\$ 4,150,000
Sewage Renovation III	1,135,669
Sewage Renovation IV - Cherry Tree	222,446
Sewage Renovation VI	767,991
Crooked Creek Water Project	7,246,869
Cherry Tree Water System Project	543,426
Other Long-Term Debt:	
WR XVIII Interim Financing	4,903,852
Pennvest WB XX	1,051,449
Water Bond Refinance I & II	356,102
Heilwood Water Bond	18,756
PennVest Water Bond XV	737,902
PennVest Water Bond XVI	1,561,088
West Lebanon Reservoir Bond	26,658
Water Bond XI	2,188,782
Water Bond XII	4,468,121
Water Bond XIII	3,046,594
Water Bond XVIII	3,378,910
Vehicle Loan II	48,928
Vehicle Loan III	29,817
Vehicle Loan IV	22,981
Vehicle Loan V	32,255
Vehicle Loan VI	32,301
Water Bond XX Interim Financing	221,216
Pine Grove Sewer Bonds	7,295,000
Sewage Renovation III Refinance	189,739
Sewage Renovation V	180,111
Sewage Renovation X	1,631,682
Sewage Renovation IX - Alverda	771,849
Total	<u>\$ 46,260,494</u>

Year Ended December 31	Principal Payments
2022	\$ 2,948,246
2023-2027	13,326,706
2028-2032	12,868,522
2033-2037	10,210,533
2038-2042	5,340,803
2043-2047	1,188,227
Thereafter	<u>377,457</u>
Total	<u>\$ 46,260,494</u>

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

NOTE 11: GUARANTEES OF COMPONENT UNITS

The County has agreed to guarantee the Municipal Services Authority's indebtedness. The Municipal Services Authority is required to repay the County for any payments the County makes pursuant to the guarantee. The County has not made any payments on behalf of the Municipal Services Authority as of December 31, 2021. A summary of all guaranteed debt is listed below.

In 2005, the County guaranteed the Municipal Services Authority \$989,074 PennVest Cherry Tree Installment Note. This note matures in May 2037. As of December 31, 2021 the outstanding principal amount of the guarantee is \$543,426.

In 2005, the County guaranteed the Municipal Services Authority \$13,299,915 Crooked Creek Installment Note. This note matures in March 2037. As of December 31, 2021 the outstanding principal amount of the guarantee is \$7,246,869.

In 1999, the County guaranteed the Municipal Services Authority \$6,258,000 Sewer Revenue Notes, Series 1999. These notes mature in April 2039. As of December 31, 2021 the outstanding principal amount of the guarantee is \$4,150,000.

In 2001, the County guaranteed the Municipal Services Authority \$2,770,000 Sewage Renovation III Installment Note. This note matures in March 2033. As of December 31, 2021 the outstanding principal amount of the guarantee is \$1,135,669.

In 2002, the County guaranteed the Municipal Services Authority \$1,351,200 Sewage Renovation VI Installment Note. This note matures in April 2037. As of December 31, 2021 the outstanding principal amount of the guarantee is \$767,991.

In 2003, the County guaranteed the Municipal Services Authority \$1,173,199 Sewage Renovation IV Installment Note. This note matures in June 2025. As of December 31, 2021 the outstanding principal amount of the guarantee is \$222,446.

The County has agreed to guarantee Highridge Water Authority's indebtedness. Highridge Water Authority is required to repay the County for any payments the County makes pursuant to the guarantee. The County has not made any payments on behalf of Highridge Water Authority as of December 31, 2021. A summary of all guaranteed debt is listed below:

In 2020, the County guaranteed Highridge Water Authority \$6,540,000 Water Revenue Notes Series 2020. This note matures in April 2025. As of December 31, 2021 the outstanding principal amount of the guarantee is \$6,041,000.

In 1994, the County guaranteed Highridge Water Authority \$6,715,890 PennVest Installment Note. This note matures in September 2024. As of December 31, 2021 the outstanding principal amount of the guarantee is \$741,411.

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

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

Certain funds have paid the expenditures of the other funds and the amounts have not been repaid at year end, resulting in interfund balances. Interfund receivable and payable balances of each major fund as of December 31, 2021, are as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
<u>Governmental Fund Types</u>		
General Fund	\$ 741,027	\$ 120,613
Other Governmental Fund Type	<u>132,626</u>	<u>140,132</u>
Total Governmental Fund Types	<u>873,653</u>	<u>260,745</u>
<u>Proprietary Fund</u>		
Communities at Indian Haven	<u>-</u>	<u>612,908</u>
Total Proprietary Fund Type	<u>-</u>	<u>612,908</u>
 Total Interfund Balances	 <u>\$ 873,653</u>	 <u>\$ 873,653</u>

The outstanding balances between the funds result mainly from the time lag between the dates that (1) interfund goods and services are provided, (2) reimbursable expenditures occur, and (3) payments between funds are made.

NOTE 13: INTERFUND OPERATING TRANSFERS

Interfund operating transfers are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Fund Types</u>		
General Fund	\$ 132,070	\$ 63,661
Other Governmental Funds	<u>63,591</u>	<u>-</u>
Total Governmental Fund Type	<u>195,661</u>	<u>63,661</u>
<u>Proprietary Fund</u>		
Communities at Indian Haven	<u>-</u>	<u>132,000</u>
Total Proprietary Fund Type	<u>-</u>	<u>132,000</u>
 Total Interfund Transfers	 <u>\$ 195,661</u>	 <u>\$ 195,661</u>

Certain funds are required to fund a portion or all of the expenses of other funds or cover deficits in those funds. The County records operating transfers to account for these transactions.

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

NOTE 14: NET PATIENT SERVICE REVENUE

The Communities at Indian Haven, Inc.

Indian Haven has agreements with third-party payors that provide for payments to Indian Haven at amounts different from its established rates. A significant portion of Indian Haven's revenues are derived from third-party payor programs. A summary of the principal payment arrangements with third-party payors follows:

- Medical Assistance – Nursing services provided to Medical Assistance program beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident classification system that is based on clinical, diagnostic, and other factors and the reimbursement methodology is subject to various limitations and adjustments.
- Medicare – Nursing and ancillary services rendered to Medicare Part A beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident classification system that is based on clinical, diagnostic, and other factors, and the reimbursement methodology is subject to various limitations and adjustments.

Indian Haven is reimbursed for therapy services provided to Medicare Part B beneficiaries at the lesser of a published fee schedule or actual charges.

As described above, the Medical Assistance and Medicare Part A rates are based on clinical, diagnostic, and other factors. Indian Haven is required to clinically assess its residents at predetermined periods throughout the year. The documented assessments are subject to review and adjustment by the Medical Assistance and Medicare Programs. Indian Haven also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to Indian Haven under these agreements includes prospectively determined rates per day or discounts from established charges.

NOTE 15: FUND BALANCES

Under GASB 54, fund balances are recorded as non-spendable, restricted, committed, assigned, and unassigned. The following fund balances are recorded on the fund level of the financial statements:

Fund:	Fund Balance:	Balances
Major Funds		
General Fund	<u>Non-Spendable:</u>	
	These amounts are other assets	\$ 422,956
		<u>422,956</u>
	<u>Restricted Funds:</u>	
	These funds are restricted for Coroner Act 122	20,477
	These funds are restricted for Coroner Data	46,485
	These funds are restricted for Coroner Training	82,261
	These funds are restricted for Victim Services	44,717
	These funds are restricted for Act 13 Shale Impact	693,048
	These funds are restricted for Act 13 Highway Bridge	947,937
	These funds are restricted for Act 13 Greenways Rehab	177,738
	These funds are restricted for Airport Construction	24,800
		<u>2,037,463</u>

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

NOTE 15: FUND BALANCES (CONTINUED)

	<u>Assigned Funds:</u>	
	These funds are assigned for Workforce Development	2,200,000
	These funds are assigned for Suicide Task Force	15,824
	These funds are assigned for CYS Special Fund	8,812
	These funds are assigned for Employee Vending Fund	2,323
	These funds are assigned for Elections Machine	53,410
	These funds are assigned for Assess Appeals	53,460
	These funds are assigned for Bar Association Donations	4,928
	These funds are assigned for Capital Projects	1,349,834
		<hr/> 3,688,591
Community Program for Restoration	<u>Restricted Funds:</u>	
	These funds are restricted for the Community Program Restoration.	464,010
Revolving Loan	<u>Restricted Funds:</u>	
	These funds are restricted for the Revolving Loan Program.	1,524,494
Non-Major Governmental Funds		
Special Revenue Funds	<u>Non-Spendable:</u>	
	These amounts are prepaid expenses.	15,745
	<u>Restricted Funds:</u>	
	These funds are restricted within the departments of the General Government.	437,299
	These funds are restricted within the Judicial System.	1,659,367
	These funds are restricted within the Public Safety programs.	353,016
	These funds are restricted within the Human Service programs.	1,681,525
	These funds are restricted within the Public Works programs.	96,642
	These funds are restricted within the Culture and Recreation programs.	119,264
	These funds are restricted within the Conservation and Development programs.	820,058
		<hr/> \$ 5,167,171

NOTE 16: 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's financial statements.

NOTE 17: RISK MANAGEMENT

The County participates in the Pennsylvania Counties' Workers' Compensation Trust (the "Trust") insurance pool for workers' compensation insurance. Insurance premiums are developed based on employee job descriptions, rate factors, and payroll costs for the year. The Trust has an audit performed each year and the County may be required to pay an additional premium as a result of the audit, or, the County may be entitled to a refund as a result of the audit. For the year ended December 31, 2021, the County paid insurance premiums of \$263,857 to the Trust.

NOTE 18: EXPENDITURES IN EXCESS OF APPROPRIATIONS

In 2021 the County General Fund expenditures exceeded appropriations by \$26,662,385. This was the result of unanticipated debt refinancings, the proceeds of which fully covered the deficit.

NOTE 19: SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 30, 2022, the date the financial statements were available to be issued.

**REQUIRED
SUPPLEMENTAL
INFORMATION**

COUNTY OF INDIANA, PENNSYLVANIA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes, Real estate	\$ 23,563,283	\$ 23,563,283	\$ 23,250,753	\$ (312,530)
Intergovernmental grants	10,089,276	10,700,450	10,493,245	(207,205)
Charges for services	581,450	581,450	490,105	(91,345)
Departmental charges	7,001,067	7,001,067	7,588,679	587,612
Interest income	87,345	87,345	230,075	142,730
Other revenue	27,800	27,800	48,529	20,729
Total Revenues	<u>41,350,221</u>	<u>41,961,395</u>	<u>42,101,386</u>	<u>139,991</u>
Expenditures				
Current operating:				
General government	6,981,321	7,985,571	7,746,328	239,243
Judicial	7,117,595	7,155,767	6,566,749	589,018
Public safety	14,718,135	14,776,384	13,901,735	874,649
Public works	335,405	335,405	225,946	109,459
Human services	11,086,059	11,121,957	9,975,171	1,146,786
Culture and recreation	743,214	1,012,929	976,793	36,136
Conservation and development	258,393	283,393	6,450,844	(6,167,451)
Miscellaneous	169,235	196,379	338,558	(142,179)
Capital outlay	-	-	359,866	(359,866)
Debt service	3,755,129	3,727,875	26,716,055	(22,988,180)
Total Expenditures	<u>45,164,486</u>	<u>46,595,660</u>	<u>73,258,045</u>	<u>(26,662,385)</u>
Excess (deficiency) of revenues over expenditures	<u>(3,814,265)</u>	<u>(4,634,265)</u>	<u>(31,156,659)</u>	<u>(26,522,394)</u>
Other financing sources (uses)				
Proceeds from long term debt	-	-	23,709,488	23,709,488
Premium	-	-	2,486,742	2,486,742
Proceeds from disposal of fixed assets	-	-	11,448	11,448
Amounts loaned to others	-	-	(5,196,000)	(5,196,000)
Amounts received from loans	-	-	5,440,802	5,440,802
Transfers in	132,000	132,000	132,070	70
Transfers out	(64,980)	(34,980)	(63,661)	(28,681)
Total other financing sources (uses)	<u>67,020</u>	<u>97,020</u>	<u>26,520,889</u>	<u>26,423,869</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses				
	<u>\$ (3,747,245)</u>	<u>\$ (4,537,245)</u>	<u>\$ (4,635,770)</u>	<u>\$ (98,525)</u>

COUNTY OF INDIANA, PENNSYLVANIA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total pension liability								
Service Cost	\$ 1,482,615	\$ 1,487,234	\$ 1,505,842	\$ 1,519,127	\$ 1,382,786	\$ 1,384,446	\$ 1,441,239	\$ 1,395,959
Interest	2,632,137	2,809,872	2,983,894	3,163,224	3,345,611	3,545,607	3,719,355	4,076,619
Differences between expected and actual experience	(460,609)	(216,483)	(164,293)	(125,284)	(39,350)	202,191	(110,141)	449,560
Changes of assumptions	-	-	-	-	993,400	-	-	4,144,182
Benefits payments, including refunds of member contributions	(1,450,606)	(1,647,228)	(1,991,410)	(1,964,563)	(2,014,674)	(2,338,347)	(2,627,087)	(2,922,560)
Net change in total pension liability	<u>2,203,537</u>	<u>2,433,395</u>	<u>2,334,033</u>	<u>2,592,504</u>	<u>3,667,773</u>	<u>2,793,897</u>	<u>2,423,366</u>	<u>7,143,760</u>
Total pension liability - beginning	35,235,769	37,439,306	39,872,701	42,206,734	44,799,238	48,467,011	51,260,908	53,684,274
Total pension liability - ending (a)	<u>\$ 37,439,306</u>	<u>\$ 39,872,701</u>	<u>\$ 42,206,734</u>	<u>\$ 44,799,238</u>	<u>\$ 48,467,011</u>	<u>\$ 51,260,908</u>	<u>\$ 53,684,274</u>	<u>\$ 60,828,034</u>
Plan fiduciary net position								
Contributions - employer	\$ -	\$ 243,566	\$ 500,000	\$ 652,173	\$ 525,933	\$ 500,000	\$ 500,000	\$ 891,623
Contributions - employee	884,856	857,245	886,553	903,146	918,025	957,060	991,006	1,048,477
Net investment income	2,371,131	(853,587)	3,336,471	5,714,759	(2,391,937)	6,831,698	5,706,610	8,164,365
Benefit payments, including refunds of employee contributions	(1,450,606)	(1,647,228)	(1,991,410)	(1,964,563)	(2,014,674)	(2,338,347)	(2,627,087)	(2,922,560)
Administrative expense	(27,415)	(25,839)	(48,112)	(71,893)	(78,734)	(67,614)	(75,798)	(61,709)
Other	-	-	-	-	(17,399)	(8,172)	-	(138,324)
Net change in plan fiduciary position	<u>1,777,966</u>	<u>(1,425,843)</u>	<u>2,683,502</u>	<u>5,233,622</u>	<u>(3,058,786)</u>	<u>5,874,625</u>	<u>4,494,731</u>	<u>6,981,872</u>
Plan fiduciary net position - beginning	<u>41,544,045</u>	<u>43,322,014</u>	<u>41,896,171</u>	<u>44,579,673</u>	<u>49,813,295</u>	<u>46,754,509</u>	<u>52,629,134</u>	<u>57,123,865</u>
Plan fiduciary net position - ending (b)	<u>\$ 43,322,011</u>	<u>\$ 41,896,171</u>	<u>\$ 44,579,673</u>	<u>\$ 49,813,295</u>	<u>\$ 46,754,509</u>	<u>\$ 52,629,134</u>	<u>\$ 57,123,865</u>	<u>\$ 64,105,737</u>
County's net pension liability (asset) - ending (a) - (b)	<u>\$ (5,882,705)</u>	<u>\$ (2,023,470)</u>	<u>\$ (2,372,939)</u>	<u>\$ (5,014,057)</u>	<u>\$ 1,712,502</u>	<u>\$ (1,368,226)</u>	<u>\$ (3,439,591)</u>	<u>\$ (3,277,703)</u>
Plan fiduciary net position as a percentage of the total pension liability	115.71%	105.07%	105.62%	111.19%	96.47%	102.67%	106.41%	105.39%
Covered - employee payroll	\$ 15,621,894	\$ 16,530,669	\$ 16,789,363	\$ 17,153,570	\$ 17,504,938	\$ 16,751,771	\$ 17,904,426	\$ 18,498,187
County net pension liability as a percentage of covered - employee payroll	-37.66%	-12.24%	-14.13%	-29.23%	9.78%	-8.17%	-19.21%	-17.72%

This schedule is presented to illustrate the requirement 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 INDIANA, PENNSYLVANIA
 REQUIRED SUPPLEMENTAL INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS - LAST 10 YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contribution	\$ 117,162	\$ 243,566	\$ 682,497	\$ 652,173	\$ 525,933	\$ 734,293	\$ 875,063	\$ 891,623
Contributions in relation to the actuarially determined contribution	-	243,566	500,000	652,173	525,933	500,000	500,000	891,623
Contribution deficiency (excess)	<u>\$ 117,162</u>	<u>\$ -</u>	<u>\$ 182,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,293</u>	<u>\$ 375,063</u>	<u>\$ -</u>
Covered - employee payroll	15,621,894	16,530,669	16,789,363	17,153,570	17,504,938	16,751,771	17,904,426	18,498,187
Contributions as a percentage of covered - employee payroll	0.00%	1.47%	2.98%	3.80%	3.00%	2.98%	2.79%	4.82%

Notes to Schedule

Valuation date: January 1, 2014 January 1, 2015 January 1, 2016 January 1, 2017 January 1, 2018 January 1, 2019 January 1, 2020 January 1, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Remaining amortization period	15 years
Asset valuation method	Market value adjusted for unrecognized gains and losses from prior years
Inflation	3.00%
Salary increases	3.50 average, including inflation
Investment rate of return	7% net of pension plan investment expense, including inflation
Retirement age	Age 60 or 55 with 20 years' service
Mortality	PubG-2010 Mortality Table for males and females set forward on year with generational mortality improvement using MP20

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.

COUNTY OF INDIANA, PENNSYLVANIA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF INVESTMENT RETURNS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	5.99%	1.65%	8.26%	13.01%	-4.69%	16.80%	10.57%	14.60%

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

**OTHER
SUPPLEMENTAL
INFORMATION**

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2021

	<u>Capital Improvements Fund</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<hr/> <u>Assets</u> <hr/>			
Cash and cash equivalents	\$ 42,367	\$ 5,803,332	\$ 5,845,699
Investments	-	111,789	111,789
Receivables:			
Other governmental grants	-	1,591,092	1,591,092
Other	-	76,088	76,088
Loans	-	1,209,551	1,209,551
Due from other funds	-	132,626	132,626
Prepaid expenses	-	15,745	15,745
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 42,367</u>	<u>\$ 8,940,223</u>	<u>\$ 8,982,590</u>
<hr/> <u>Liabilities</u> <hr/>			
Accounts payable	-	2,399,715	2,399,715
Accrued Liabilities	-	59,897	59,897
Due to other governments	-	426	426
Due to other funds	-	140,132	140,132
Unearned revenue	-	-	-
Unearned loans receivable	-	1,209,551	1,209,551
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>3,809,721</u>	<u>3,809,721</u>
Unearned loans receivable			
Fund Balance			
<hr/>			
Fund balance:			
Nonspendable	-	15,745	15,745
Restricted	42,367	5,124,804	5,167,171
Unassigned	-	(10,047)	(10,047)
	<hr/>	<hr/>	<hr/>
Total fund balance	<u>42,367</u>	<u>5,130,502</u>	<u>5,172,869</u>
Total liabilities and fund balance	<u>\$ 42,367</u>	<u>\$ 8,940,223</u>	<u>\$ 8,982,590</u>

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Capital Improvements Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes, Hotel	\$ -	\$ 452,124	\$ 452,124
Intergovernmental revenue	-	9,079,836	9,079,836
Charges for services	-	869,209	869,209
Interest income	91	13,322	13,413
Other revenue	-	2,782	2,782
Total Revenues	<u>91</u>	<u>10,417,273</u>	<u>10,417,364</u>
Expenditures			
Current operating:			
General government	14,673	71,550	86,223
Judicial	-	1,393,800	1,393,800
Public safety	-	3,237,438	3,237,438
Public works	-	513,755	513,755
Human services	-	501,839	501,839
Culture and recreation	-	472,055	472,055
Conservation and development	-	4,169,494	4,169,494
Total Expenditures	<u>14,673</u>	<u>10,359,931</u>	<u>10,374,604</u>
Excess (deficiency) of revenues over expenditures	<u>(14,582)</u>	<u>57,342</u>	<u>42,760</u>
Other financing sources (uses)			
Amounts received from loans	-	72,572	72,572
Transfers in	18,591	45,000	63,591
Transfers to fiduciary fund	-	-	-
Total other financing sources (uses)	<u>18,591</u>	<u>117,572</u>	<u>136,163</u>
Net change in fund balance	4,009	174,914	178,923
Fund balance, beginning of year	<u>38,358</u>	<u>4,955,588</u>	<u>4,993,946</u>
Fund balance, end of year	<u>\$ 42,367</u>	<u>\$ 5,130,502</u>	<u>\$ 5,172,869</u>

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2021

	Liquid Fuels	Human Services Development	Planning Fund	Airport Construction	Children's Advisory Commission	Enhanced 911	Hazardous Materials	Indiana County Code Division
<hr/> Assets <hr/>								
Cash and cash equivalents	\$ 1,643,593	\$ 34,561	\$ 22,509	\$ 30,390	\$ 5,451	\$ 1,098,620	\$ 21,880	\$ 88,770
Investments	8,250	-	-	-	-	-	-	-
Receivables:								
Other governmental grants	135,497	-	7,500	50,540	-	858,978	-	-
Other	-	-	-	3,150	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Prepaid expenses	-	925	-	-	-	-	14,820	-
Total assets	<u>\$ 1,787,340</u>	<u>\$ 35,486</u>	<u>\$ 30,009</u>	<u>\$ 84,080</u>	<u>\$ 5,451</u>	<u>\$ 1,957,598</u>	<u>\$ 36,700</u>	<u>\$ 88,770</u>
<hr/> Liabilities <hr/>								
Accounts payable	\$ 170,495	\$ 7,200	\$ 5,694	\$ 19,400	\$ 226	\$ 1,673,107	\$ 1,112	\$ 62,179
Accrued liabilities	-	-	-	-	-	50,511	-	-
Due to other governments	-	-	-	-	-	-	-	426
Due to other funds	-	-	3,835	-	-	-	20,000	-
Unearned revenue	-	-	-	-	-	-	-	-
Unearned loans receivable	-	-	-	-	-	-	-	-
Total liabilities	<u>170,495</u>	<u>7,200</u>	<u>9,529</u>	<u>19,400</u>	<u>226</u>	<u>1,723,618</u>	<u>21,112</u>	<u>62,605</u>
<hr/> Fund Balance <hr/>								
Fund balance:								
Nonspendable	-	925	-	-	-	-	14,820	-
Restricted	1,616,845	27,361	20,480	64,680	5,225	233,980	768	26,165
Unassigned	-	-	-	-	-	-	-	-
Total fund balance	<u>1,616,845</u>	<u>28,286</u>	<u>20,480</u>	<u>64,680</u>	<u>5,225</u>	<u>233,980</u>	<u>15,588</u>	<u>26,165</u>
Total liabilities and fund balance	<u>\$ 1,787,340</u>	<u>\$ 35,486</u>	<u>\$ 30,009</u>	<u>\$ 84,080</u>	<u>\$ 5,451</u>	<u>\$ 1,957,598</u>	<u>\$ 36,700</u>	<u>\$ 88,770</u>

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2021

	Keystone Communities	Jail Commissary	Register of Wills Ck of Orphan Ct	County Record's Improvement	Register and Recorder Records Improvement	Assessment Uniform Parcel ID	Recorder's Uniform Parcel ID	Domestic Relations
<hr/> Assets <hr/>								
Cash and cash equivalents	\$ 1	\$ 112,052	\$ 21,070	\$ 141,302	\$ 84,862	\$ 62,005	\$ 58,489	\$ 1,343,333
Investments	-	-	-	-	-	-	-	-
Receivables:								
Other governmental grants	-	-	-	-	-	-	-	258,158
Other	-	7,640	-	1,892	-	905	905	130
Loans	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	120,613
Prepaid expenses	-	-	-	-	-	-	-	-
Total assets	<u>\$ 1</u>	<u>\$ 119,692</u>	<u>\$ 21,070</u>	<u>\$ 143,194</u>	<u>\$ 84,862</u>	<u>\$ 62,910</u>	<u>\$ 59,394</u>	<u>\$ 1,722,234</u>
<hr/> Liabilities <hr/>								
Accounts payable	\$ -	\$ 224	\$ -	\$ -	\$ 180	\$ -	\$ -	\$ 17,949
Accrued liabilities	-	1,200	-	-	-	-	-	7,320
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	108,119
Unearned revenue	-	-	-	-	-	-	-	-
Unearned loans receivable	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,424</u>	<u>-</u>	<u>-</u>	<u>180</u>	<u>-</u>	<u>-</u>	<u>133,388</u>
<hr/> Fund Balance <hr/>								
Fund balance:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	1	118,268	21,070	143,194	84,682	62,910	59,394	1,588,846
Unassigned	-	-	-	-	-	-	-	-
Total fund balance	<u>1</u>	<u>118,268</u>	<u>21,070</u>	<u>143,194</u>	<u>84,682</u>	<u>62,910</u>	<u>59,394</u>	<u>1,588,846</u>
Total liabilities and fund balance	<u>\$ 1</u>	<u>\$ 119,692</u>	<u>\$ 21,070</u>	<u>\$ 143,194</u>	<u>\$ 84,862</u>	<u>\$ 62,910</u>	<u>\$ 59,394</u>	<u>\$ 1,722,234</u>

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2021

	Drug Task Force	DA Special Investigations	Health and Human Services Sub-Committee	Sheriff Public Safety Training	Prothonotary Automation	Adoption Counseling	Hotel Tax	Parks Gas Lease
Assets								
Cash and cash equivalents	\$ 304	\$ 31,163	\$ 12,067	\$ 7,120	\$ 11,168	\$ 18,512	\$ 30,153	\$ 16,212
Investments	-	-	-	-	-	-	-	-
Receivables:								
Other governmental grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	75	39,135	6,769
Loans	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
Total assets	<u>\$ 304</u>	<u>\$ 31,163</u>	<u>\$ 12,067</u>	<u>\$ 7,120</u>	<u>\$ 11,168</u>	<u>\$ 18,587</u>	<u>\$ 69,288</u>	<u>\$ 22,981</u>
Liabilities								
Accounts payable	\$ 10,351	\$ -	\$ 247	\$ -	\$ -	\$ -	\$ 51,130	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Unearned loans receivable	-	-	-	-	-	-	-	-
Total liabilities	<u>10,351</u>	<u>-</u>	<u>247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,130</u>	<u>-</u>
Fund Balance								
Fund balance:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	31,163	11,820	7,120	11,168	18,587	18,158	22,981
Unassigned	(10,047)	-	-	-	-	-	-	-
Total fund balance	<u>(10,047)</u>	<u>31,163</u>	<u>11,820</u>	<u>7,120</u>	<u>11,168</u>	<u>18,587</u>	<u>18,158</u>	<u>22,981</u>
Total liabilities and fund balance	<u>\$ 304</u>	<u>\$ 31,163</u>	<u>\$ 12,067</u>	<u>\$ 7,120</u>	<u>\$ 11,168</u>	<u>\$ 18,587</u>	<u>\$ 69,288</u>	<u>\$ 22,981</u>

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2021

	Parks Enterprise	Farmlands Preservation	Community Development Block Grant	HOME Investment	Escrow Fund	Affordable Housing and Act 137	Emergency Repair	Emergency Shelter Grant
<u>Assets</u>								
Cash and cash equivalents	\$ 78,462	\$ 22,084	\$ 2,505	\$ 4,688	\$ -	\$ 107,309	\$ 2,382	\$ 97
Investments	-	-	-	-	-	103,539	-	-
Receivables:								
Other governmental grants	238	-	223,371	9,524	-	-	-	47,286
Other	-	1,042	-	-	1,050	13,395	-	-
Loans	-	-	-	-	-	55,881	57,489	-
Due from other funds	-	-	3,835	-	-	8,178	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
 Total assets	 <u>\$ 78,700</u>	 <u>\$ 23,126</u>	 <u>\$ 229,711</u>	 <u>\$ 14,212</u>	 <u>\$ 1,050</u>	 <u>\$ 288,302</u>	 <u>\$ 59,871</u>	 <u>\$ 47,383</u>
<u>Liabilities</u>								
Accounts payable	\$ 575	\$ 6,250	\$ 220,125	\$ 9,279	\$ -	\$ -	\$ -	\$ 39,202
Accrued liabilities	-	-	358	508	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	8,178
Unearned revenue	-	-	-	-	-	-	-	-
Unearned loans receivable	-	-	-	-	-	55,881	57,489	-
 Total liabilities	 <u>575</u>	 <u>6,250</u>	 <u>220,483</u>	 <u>9,787</u>	 <u>-</u>	 <u>55,881</u>	 <u>57,489</u>	 <u>47,380</u>
<u>Fund Balance</u>								
Fund balance:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	78,125	16,876	9,228	4,425	1,050	232,421	2,382	3
Unassigned	-	-	-	-	-	-	-	-
 Total fund balance	 <u>78,125</u>	 <u>16,876</u>	 <u>9,228</u>	 <u>4,425</u>	 <u>1,050</u>	 <u>232,421</u>	 <u>2,382</u>	 <u>3</u>
 Total liabilities and fund balance	 <u>\$ 78,700</u>	 <u>\$ 23,126</u>	 <u>\$ 229,711</u>	 <u>\$ 14,212</u>	 <u>\$ 1,050</u>	 <u>\$ 288,302</u>	 <u>\$ 59,871</u>	 <u>\$ 47,383</u>

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2021

	Community Development Fund	Community Revitalization Program	General Economic Development	Homeless Assistance Program	Enterprise Zone	Total
<hr/> Assets <hr/>						
Cash and cash equivalents	\$ 192,497	\$ 103	\$ 25,180	\$ 157,023	\$ 315,415	\$ 5,803,332
Investments	-	-	-	-	-	111,789
Receivables:						
Other governmental grants	-	-	-	-	-	1,591,092
Other	-	-	-	-	-	76,088
Loans	-	150,000	-	-	946,181	1,209,551
Due from other funds	-	-	-	-	-	132,626
Prepaid expenses	-	-	-	-	-	15,745
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 192,497</u>	<u>\$ 150,103</u>	<u>\$ 25,180</u>	<u>\$ 157,023</u>	<u>\$ 1,261,596</u>	<u>\$ 8,940,223</u>
<hr/> Liabilities <hr/>						
Accounts payable	\$ -	\$ -	\$ -	\$ 104,790	\$ -	\$ 2,399,715
Accrued liabilities	-	-	-	-	-	59,897
Due to other governments	-	-	-	-	-	426
Due to other funds	-	-	-	-	-	140,132
Unearned revenue	-	-	-	-	-	-
Unearned loans receivable	-	150,000	-	-	946,181	1,209,551
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>104,790</u>	<u>946,181</u>	<u>3,809,721</u>
<hr/> Fund Balance <hr/>						
Fund balance:						
Nonspendable	-	-	-	-	-	15,745
Restricted	192,497	103	25,180	52,233	315,415	5,124,804
Unassigned	-	-	-	-	-	(10,047)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balance	<u>192,497</u>	<u>103</u>	<u>25,180</u>	<u>52,233</u>	<u>315,415</u>	<u>5,130,502</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ 192,497</u>	<u>\$ 150,103</u>	<u>\$ 25,180</u>	<u>\$ 157,023</u>	<u>\$ 1,261,596</u>	<u>\$ 8,940,223</u>

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

	Liquid Fuels	Human Services Development	Planning Fund	Airport Construction	Children's Advisory Commission	Enhanced 911	Hazardous Materials	Indiana County Code Division
Revenues								
Taxes, Hotel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	494,812	88,585	27,347	256,430	-	2,899,828	49,032	-
Charges for services	-	40	-	-	4,767	-	20,526	43,049
Interest income	954	55	31	60	4	2,365	43	185
Other revenue	-	-	-	-	-	-	-	-
Total Revenues	495,766	88,680	27,378	256,490	4,771	2,902,193	69,601	43,234
Expenditures								
Current operating:								
General government	-	-	-	-	-	-	-	65,546
Judicial	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	3,061,079	130,508	-
Public works	276,455	-	-	237,300	-	-	-	-
Human services	-	82,408	-	-	1,193	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Conservation and development	-	-	25,195	-	-	-	-	-
Total Expenditures	276,455	82,408	25,195	237,300	1,193	3,061,079	130,508	65,546
Excess (deficiency) of revenues over expenditures	219,311	6,272	2,183	19,190	3,578	(158,886)	(60,907)	(22,312)
Other financing sources (uses)								
Amounts received from loans	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	45,000	-
Transfers to fiduciary fund	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	45,000	-
Net change in fund balance	219,311	6,272	2,183	19,190	3,578	(158,886)	(15,907)	(22,312)
Fund balance, beginning of year	1,397,534	22,014	18,297	45,490	1,647	392,866	31,495	48,477
Fund balance, end of year	\$ 1,616,845	\$ 28,286	\$ 20,480	\$ 64,680	\$ 5,225	\$ 233,980	\$ 15,588	\$ 26,165

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

	Keystone Communities Program	Jail Commissary	Register of Wills Ck of Orphan Ct	County Record's Improvement	Register and Recorder Records Improvement	Assessment Uniform Parcel ID	Recorder's Uniform Parcel ID	Domestic Relations
Revenues								
Taxes, Hotel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	-	-	-	-	724,830
Charges for services	-	96,566	4,470	21,325	29,473	9,779	9,779	432,907
Interest income	-	195	-	197	155	10	116	3,299
Other revenue	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>96,761</u>	<u>4,470</u>	<u>21,522</u>	<u>29,628</u>	<u>9,789</u>	<u>9,895</u>	<u>1,161,036</u>
Expenditures								
Current operating:								
General government	-	-	18	3,376	2,610	-	-	-
Judicial	-	-	-	-	-	-	-	1,263,841
Public safety	-	45,851	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>45,851</u>	<u>18</u>	<u>3,376</u>	<u>2,610</u>	<u>-</u>	<u>-</u>	<u>1,263,841</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>50,910</u>	<u>4,452</u>	<u>18,146</u>	<u>27,018</u>	<u>9,789</u>	<u>9,895</u>	<u>(102,805)</u>
Other financing sources (uses)								
Amounts received from loans	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers to fiduciary fund	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	50,910	4,452	18,146	27,018	9,789	9,895	(102,805)
Fund balance, beginning of year	<u>1</u>	<u>67,358</u>	<u>16,618</u>	<u>125,048</u>	<u>57,664</u>	<u>53,121</u>	<u>49,499</u>	<u>1,691,651</u>
Fund balance, end of year	<u>\$ 1</u>	<u>\$ 118,268</u>	<u>\$ 21,070</u>	<u>\$ 143,194</u>	<u>\$ 84,682</u>	<u>\$ 62,910</u>	<u>\$ 59,394</u>	<u>\$ 1,588,846</u>

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

	Drug Task Force	DA Special Investigations	Health and Human Services Sub-Committee	Sheriff Public Safety Training	Prothonotary Automation	Adoption Counseling	Hotel Tax	Parks Gas Lease
Revenues								
Taxes, Hotel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 452,124	\$ -
Intergovernmental revenue	63,350	-	-	-	-	-	-	-
Charges for services	-	27,174	3,325	4,500	9,654	1,275	-	12,953
Interest income	-	5	28	13	2	27	28	32
Other revenue	-	-	-	-	-	-	-	-
Total Revenues	63,350	27,179	3,353	4,513	9,656	1,302	452,152	12,985
Expenditures								
Current operating:								
General government	-	-	-	-	-	-	-	-
Judicial	84,178	33,486	-	2,793	9,502	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Human services	-	-	3,645	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	434,391	7,000
Conservation and development	-	-	-	-	-	-	-	-
Total Expenditures	84,178	33,486	3,645	2,793	9,502	-	434,391	7,000
Excess (deficiency) of revenues over expenditures	(20,828)	(6,307)	(292)	1,720	154	1,302	17,761	5,985
Other financing sources (uses)								
Amounts received from loans	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers to fiduciary fund	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	(20,828)	(6,307)	(292)	1,720	154	1,302	17,761	5,985
Fund balance, beginning of year	10,781	37,470	12,112	5,400	11,014	17,285	397	16,996
Fund balance, end of year	<u>\$ (10,047)</u>	<u>\$ 31,163</u>	<u>\$ 11,820</u>	<u>\$ 7,120</u>	<u>\$ 11,168</u>	<u>\$ 18,587</u>	<u>\$ 18,158</u>	<u>\$ 22,981</u>

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

	Parks Enterprise	Farmlands Preservation	Community Development Block Grant	HOME Investment	Escrow Fund	Affordable Housing and Act 137	Emergency Repair	Emergency Shelter Grant
Revenues								
Taxes, Hotel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	238	3,207	1,061,821	188,715	-	-	-	190,044
Charges for services	61,986	-	-	-	-	56,912	6	-
Interest income	55	3,587	-	-	-	640	3	-
Other revenue	2,782	-	-	-	-	-	-	-
Total Revenues	<u>65,061</u>	<u>6,794</u>	<u>1,061,821</u>	<u>188,715</u>	<u>-</u>	<u>57,552</u>	<u>9</u>	<u>190,044</u>
Expenditures								
Current operating:								
General government	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	190,113
Culture and recreation	30,664	-	-	-	-	-	-	-
Conservation and development	-	8,938	1,058,712	188,470	-	73,578	-	-
Total Expenditures	<u>30,664</u>	<u>8,938</u>	<u>1,058,712</u>	<u>188,470</u>	<u>-</u>	<u>73,578</u>	<u>-</u>	<u>190,113</u>
Excess (deficiency) of revenues over expenditures	<u>34,397</u>	<u>(2,144)</u>	<u>3,109</u>	<u>245</u>	<u>-</u>	<u>(16,026)</u>	<u>9</u>	<u>(69)</u>
Other financing sources (uses)								
Amounts received from loans	-	-	-	-	-	19,995	569	-
Transfers in	-	-	-	-	-	-	-	-
Transfers to fiduciary fund	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,995</u>	<u>569</u>	<u>-</u>
Net change in fund balance	34,397	(2,144)	3,109	245	-	3,969	578	(69)
Fund balance, beginning of year	<u>43,728</u>	<u>19,020</u>	<u>6,119</u>	<u>4,180</u>	<u>1,050</u>	<u>228,452</u>	<u>1,804</u>	<u>72</u>
Fund balance, end of year	<u>\$ 78,125</u>	<u>\$ 16,876</u>	<u>\$ 9,228</u>	<u>\$ 4,425</u>	<u>\$ 1,050</u>	<u>\$ 232,421</u>	<u>\$ 2,382</u>	<u>\$ 3</u>

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

	Community Development Fund	Community Revitalization Program	General Economic Development	Homeless Assistance Program	Enterprise Zone	Total
Revenues						
Taxes, Hotel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 452,124
Intergovernmental revenue	150,000	-	2,658,491	223,106	-	9,079,836
Charges for services	-	-	-	-	18,743	869,209
Interest income	270	0	506	21	436	13,322
Other revenue	-	-	-	-	-	2,782
Total Revenues	<u>150,270</u>	<u>-</u>	<u>2,658,997</u>	<u>223,127</u>	<u>19,179</u>	<u>10,417,273</u>
Expenditures						
Current operating:						
General government	-	-	-	-	-	71,550
Judicial	-	-	-	-	-	1,393,800
Public safety	-	-	-	-	-	3,237,438
Public works	-	-	-	-	-	513,755
Human services	-	-	-	224,480	-	501,839
Culture and recreation	-	-	-	-	-	472,055
Conservation and development	135,532	-	2,660,025	-	19,044	4,169,494
Total Expenditures	<u>135,532</u>	<u>-</u>	<u>2,660,025</u>	<u>224,480</u>	<u>19,044</u>	<u>10,359,931</u>
Excess (deficiency) of revenues over expenditures	<u>14,738</u>	<u>-</u>	<u>(1,028)</u>	<u>(1,353)</u>	<u>135</u>	<u>57,342</u>
Other financing sources (uses)						
Amounts received from loans	-	-	-	-	52,008	72,572
Transfers in	-	-	-	-	-	45,000
Transfers to fiduciary fund	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,008</u>	<u>117,572</u>
Net change in fund balance	14,738	-	(1,028)	(1,353)	52,143	174,914
Fund balance, beginning of year	<u>177,759</u>	<u>103</u>	<u>26,208</u>	<u>53,586</u>	<u>263,272</u>	<u>4,955,588</u>
Fund balance, end of year	<u>\$ 192,497</u>	<u>\$ 103</u>	<u>\$ 25,180</u>	<u>\$ 52,233</u>	<u>\$ 315,415</u>	<u>\$ 5,130,502</u>

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING STATEMENT OF NET POSITION
 DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 2021

Assets	Indiana County Municipal Services Authority	Highridge Water Authority	Total Component Units
Current Assets:			
Cash and cash equivalents	\$ 316,705	\$ 1,572,924	\$ 1,889,629
Restricted cash and cash equivalents	2,520,548	-	2,520,548
Accounts Receivable	1,024,271	287,055	1,311,326
Note Receivable - current	100,475	-	100,475
Prepaid expenses and other current assets	-	78,132	78,132
Inventories	-	135,188	135,188
	<u>3,961,999</u>	<u>2,073,299</u>	<u>6,035,298</u>
Noncurrent assets:			
Capital Assets (net of accumulated depreciation)	90,871,025	26,905,997	117,777,022
Note Receivable less current portion	1,317,824	-	1,317,824
Intangible assets	-	854,460	854,460
Other assets	421,535	-	421,535
	<u>92,610,384</u>	<u>27,760,457</u>	<u>120,370,841</u>
Total noncurrent assets	<u>92,610,384</u>	<u>27,760,457</u>	<u>120,370,841</u>
Total assets	<u>\$ 96,572,383</u>	<u>\$ 29,833,756</u>	<u>\$ 126,406,139</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 130,782	\$ 50,058	\$ 180,840
Accrued Expenses	407,515	47,441	454,956
Accrued Interest Payable	111,483	30,230	141,713
Current portion of long-term debt	2,948,246	868,267	3,816,513
Current portion of capital lease	14,557	-	14,557
Customer Deposits	106,588	48,369	154,957
	<u>3,719,171</u>	<u>1,044,365</u>	<u>4,763,536</u>
Total current liabilities	<u>3,719,171</u>	<u>1,044,365</u>	<u>4,763,536</u>
Compensated absences	-	210,362	210,362
Long-term debt	43,312,248	7,152,956	50,465,204
	<u>43,312,248</u>	<u>7,363,318</u>	<u>50,675,566</u>
Total noncurrent liabilities	<u>43,312,248</u>	<u>7,363,318</u>	<u>50,675,566</u>
Total Liabilities	<u>47,031,419</u>	<u>8,407,683</u>	<u>55,439,102</u>
Net Position			
Net investment in capital assets	44,906,026	18,884,774	63,790,800
Restricted per bond indenture	2,439,140	-	2,439,140
Restricted for construction	81,408	-	81,408
Unrestricted	2,114,390	2,541,299	4,655,689
	<u>49,540,964</u>	<u>21,426,073</u>	<u>70,967,037</u>
Total net position	<u>49,540,964</u>	<u>21,426,073</u>	<u>70,967,037</u>
Total liabilities and net position	<u>\$ 96,572,383</u>	<u>\$ 29,833,756</u>	<u>\$ 126,406,139</u>

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING STATEMENT OF ACTIVITIES
 DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Indiana County Municipal Services Authority</u>	<u>Highridge Water Authority</u>	<u>Total Component Units</u>
Operating Revenues			
Charges for services	\$ 7,630,513	\$ 3,070,301	\$ 10,700,814
Other revenue	<u>85,104</u>	<u>667,885</u>	<u>752,989</u>
Total Operating Revenues	<u>7,715,617</u>	<u>3,738,186</u>	<u>11,453,803</u>
Operating Expenses			
General and administration	501,673	569,136	1,070,809
Operating costs	3,803,530	1,719,234	5,522,764
Depreciation and amortization	<u>3,898,976</u>	<u>1,401,852</u>	<u>5,300,828</u>
Total Operating Expenses	<u>8,204,179</u>	<u>3,690,222</u>	<u>11,894,401</u>
Operating Income	<u>(488,562)</u>	<u>47,964</u>	<u>(440,598)</u>
Nonoperating Revenues (Expenses)			
Interest Income	15,690	3,517	19,207
Tap fees	-	42,758	42,758
Amorization of bond discount and issuance costs	(14,902)	(17,320)	(32,222)
Loss on diposal of assets	-	(16,172)	(16,172)
Interest expense	(756,280)	(142,245)	(898,525)
Gain on sale of asset	6,500	-	6,500
Grants for construction	<u>5,894,276</u>	<u>-</u>	<u>5,894,276</u>
Total Nonoperating Revenues (Expenses)	<u>5,145,284</u>	<u>(129,462)</u>	<u>5,015,822</u>
Changes in Net Position	<u>4,656,722</u>	<u>(81,498)</u>	<u>4,575,224</u>
Net Position - Beginning of Year	<u>44,884,242</u>	<u>21,507,571</u>	<u>66,391,813</u>
Net Position - End of Year	<u>\$ 49,540,964</u>	<u>\$ 21,426,073</u>	<u>\$ 70,967,037</u>