

COUNTY OF INDIANA, PENNSYLVANIA

INDIANA, PENNSYLVANIA

**FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

COUNTY OF INDIANA, PENNSYLVANIA
YEAR ENDED DECEMBER 31, 2022

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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, 2022, 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.

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.

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, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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. Highridge Water Authority was not audited in accordance with Government Auditing Standards.

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 contributions related to pension plans and investment returns (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 29, 2023 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 scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Axelrod LLC

ZELENKOFSCHE AXELROD LLC

September 29, 2023
Pittsburgh, Pennsylvania

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

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, 2022. 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

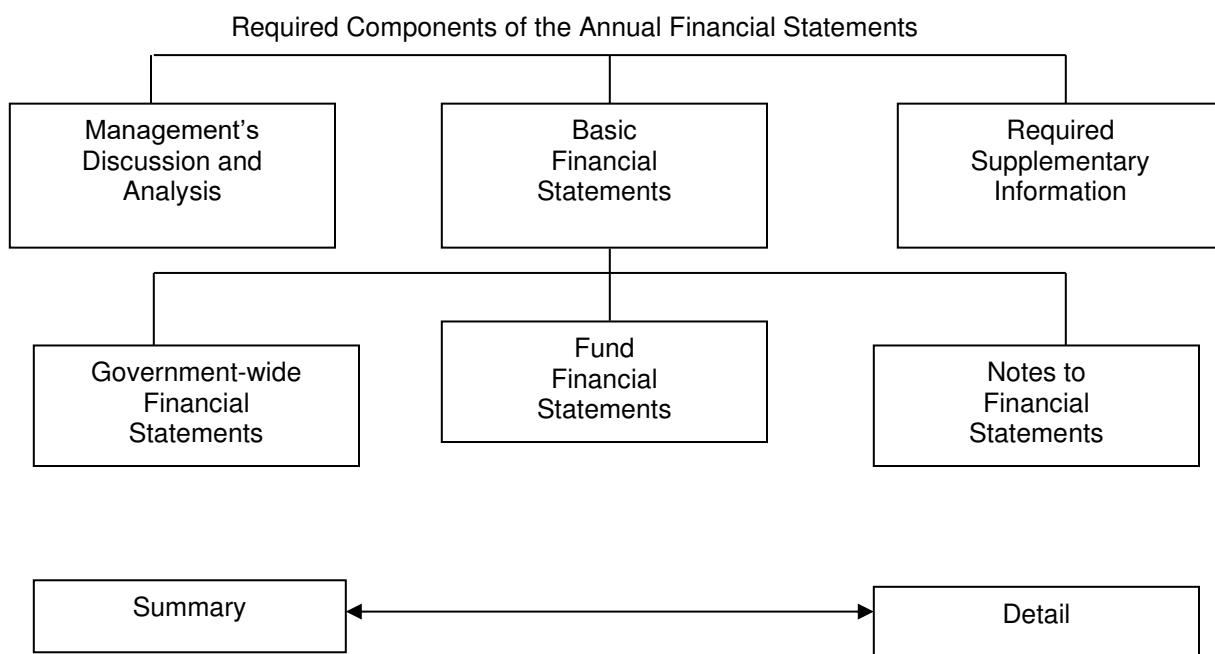
Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the COUNTY's government. The basic financial statements include notes that provide additional information essential to a full understanding of the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

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



**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

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

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

	Government-wide Statements	Fund Financial Statements		
		<u>Governmental</u>	<u>Proprietary</u>	<u>Fiduciary</u>
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	-Balance sheet	-Statement of net position	-Statement of fiduciary net position
	-Statement of activities	-Statement of revenues, expenditures and changes in fund balances	-Statement of revenues, expenses and changes in net position -Statement of cash flows	
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, 2022

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, 2022

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, 2022**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

The COUNTY's total assets were \$136,599,723 at December 31, 2022. Of this amount, \$73,289,168 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 – 2022/2021

	<u>2022 Governmental Activities</u>	<u>2021 Governmental Activities</u>	<u>2022 Business- type Activities</u>	<u>2021 Business- type Activities</u>	<u>2022 Total</u>	<u>2021 Total</u>
Capital Assets	\$ 72,319,851	\$ 69,672,929	\$ 969,317	\$1,035,770	\$ 73,289,168	\$ 70,708,699
Other Assets	<u>59,320,755</u>	<u>50,986,999</u>	<u>3,989,800</u>	<u>3,901,668</u>	<u>63,310,555</u>	<u>54,888,667</u>
Total Assets	<u>\$ 131,640,606</u>	<u>\$ 120,659,928</u>	<u>\$4,959,117</u>	<u>\$4,937,438</u>	<u>\$136,599,723</u>	<u>\$125,597,366</u>
Deferred Outflows	<u>\$ 5,627,758</u>	<u>\$ 3,092,381</u>	<u>\$1,550,505</u>	<u>\$ 851,982</u>	<u>\$ 7,178,263</u>	<u>\$ 3,944,363</u>
Current Liabilities	\$ 17,923,197	\$ 22,010,098	\$1,943,362	\$ 773,278	\$ 19,866,559	\$ 22,783,376
Long-term Liabilities	<u>49,438,101</u>	<u>41,722,108</u>	<u>-</u>	<u>-</u>	<u>49,438,101</u>	<u>41,722,108</u>
Total Liabilities	<u>\$ 67,361,298</u>	<u>\$ 63,732,206</u>	<u>\$1,943,362</u>	<u>\$ 773,278</u>	<u>\$ 69,304,660</u>	<u>\$ 64,505,484</u>
Deferred Inflows	<u>\$ 666,358</u>	<u>\$ 3,776,695</u>	<u>\$ 183,589</u>	<u>\$1,040,518</u>	<u>\$ 849,947</u>	<u>\$ 4,817,213</u>
Net Position:						
Net Investment In Capital Assets	\$ 19,648,632	\$ 23,378,122	\$ 969,317	\$1,035,770	\$ 20,617,949	\$ 24,413,892
Restricted Net Position	14,466,192	9,193,138	566	564	14,466,758	9,193,702
Unrestricted Net Position	<u>35,125,884</u>	<u>23,672,148</u>	<u>3,412,788</u>	<u>2,939,290</u>	<u>38,538,672</u>	<u>26,611,438</u>
Total Net Position	<u>\$ 69,240,708</u>	<u>\$ 56,243,408</u>	<u>\$4,382,671</u>	<u>\$3,975,624</u>	<u>\$ 73,623,379</u>	<u>\$ 60,219,032</u>

MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

Change in Net Position

The following statement of activities represents the change in net position for the years ended December 31, 2022 and 2021. 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

	2022 Governmental Activities	2021 Governmental Activities	2022 Business-type Activities	2021 Business-type Activities	2022 Total	2021 Total
Program Revenues:						
Charges for Services	\$13,949,658	\$ 8,975,408	\$ 7,353,256	\$ 6,764,315	\$21,302,914	\$15,739,723
Grants and Contributions	33,698,847	24,891,967	510,352	526,540	34,209,199	25,418,507
General Revenues:						
Property Taxes	23,020,454	23,369,823	-	-	23,020,454	23,369,823
Hotel Taxes	570,220	452,124	-	-	570,220	452,124
Unrestricted Investment Earnings	604,231	256,205	8,657	3,655	612,888	259,860
Transfers	132,000	132,000	(132,000)	(132,000)	-	-
Miscellaneous Revenue	55,455	51,311	-	-	55,455	51,311
Gain/(Loss) on disposal of assets	850	-	-	-	850	-
Total Revenues	<u>\$72,031,715</u>	<u>\$58,128,838</u>	<u>\$ 7,740,265</u>	<u>\$ 7,162,510</u>	<u>\$79,771,980</u>	<u>\$65,291,348</u>
Expenses:						
General Government - Administrative	\$16,669,519	\$ 6,165,458	\$ -	\$ -	\$16,669,519	\$ 6,165,458
General Government - Judicial	6,414,604	7,312,708	-	-	6,414,604	7,312,708
Public Safety	12,020,736	19,472,427	-	-	12,020,736	19,472,427
Public Works	4,181,916	1,901,602	-	-	4,181,916	1,901,602
Human Services	13,995,231	14,839,863	7,333,218	7,066,172	21,328,449	21,906,035
Culture and Recreation	2,413,478	1,291,473	-	-	2,413,478	1,291,473
Conservation and Development	1,602,258	7,710,087	-	-	1,602,258	7,710,087
Interest on Long-Term Debt	937,851	868,346	-	-	937,851	868,346
Other expenses	798,822	338,558	-	-	798,822	338,558
Total Expenses	<u>59,034,415</u>	<u>59,900,522</u>	<u>7,333,218</u>	<u>7,066,172</u>	<u>66,367,633</u>	<u>66,966,694</u>
Change in Net Position	<u>12,997,300</u>	<u>(1,771,684)</u>	<u>407,047</u>	<u>96,338</u>	<u>13,404,347</u>	<u>(1,675,346)</u>
Net Position - January 1	<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>
Net Position - December 31	<u>\$69,240,708</u>	<u>\$56,243,408</u>	<u>\$ 4,382,671</u>	<u>\$ 3,975,624</u>	<u>\$73,623,379</u>	<u>\$60,219,032</u>

MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

Net Program Expenses

Net program expenses indicate the amount of support required from taxes and other general revenues for a program of the government. In 2022, property taxes brought in \$23,020,454.

Net Cost of Governmental and Business-type Activities

	2022	2021	2022	2021
	Total Cost	Total Cost	Net Cost	Net Cost
	of Services	of Services	of Services	of Services
Program:				
General Government-Administrative	\$16,669,519	\$ 6,165,458	\$ 924,092	\$ (3,649,184)
General Government-Judicial	6,414,604	7,312,708	(2,828,533)	(4,355,078)
Public Safety	12,020,736	19,472,427	(4,701,666)	(10,938,513)
Public Works	4,181,916	1,901,602	(3,413,770)	(1,139,686)
Human Service	13,995,231	14,839,863	1,970,801	(1,244,657)
Culture and Recreation	2,413,478	1,291,473	(2,293,257)	(955,554)
Conservation and Development	1,602,258	7,710,087	693,096	(2,543,571)
Miscellaneous	798,822	338,558	(798,822)	(338,558)
Interest on Long-Term Debt	937,851	868,346	(937,851)	(868,346)
Communities at Indian Haven	<u>7,333,218</u>	<u>7,066,172</u>	<u>530,390</u>	<u>224,683</u>
Total	<u>\$66,367,633</u>	<u>\$66,966,694</u>	<u>\$(10,855,520)</u>	<u>\$(25,808,464)</u>

The COUNTY relied on property taxes and other general revenues to fund 16.4% of its governmental and business-type activities in 2022.

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

Capital Assets

The COUNTY's investment in capital assets at December 31, 2022, net of accumulated depreciation, was \$73,289,168. Capital assets consist primarily of land, buildings and equipment. The following is a summary of capital assets at December 31, 2022 and 2021:

	Capital Assets					
	2022 Governmental Activities	2021 Governmental Activities	2022 Business- type Activities	2021 Business- type Activities	2022 Total	2021 Total
Land	\$ 2,085,470	\$ 2,085,470	\$ -	\$ -	\$ 2,085,470	\$ 2,085,470
Building and Improvements	79,711,932	70,339,442	4,717,789	4,690,244	84,429,721	75,029,686
Right of Use Buildings and Space	2,384,574	2,384,574	-	-	2,384,574	2,384,574
Equipment and machinery	33,988,856	33,337,646	4,342,493	4,305,812	38,331,349	37,643,458
Right of Use Equipment and Vehicles	2,669,193	2,669,193	-	-	2,669,193	2,669,193
Construction in Progress	2,038,316	5,901,892	-	-	2,038,316	5,901,892
Infrastructure	20,121,343	20,121,343	-	-	20,121,343	20,121,343
Capitalized Interest	-	-	-	-	-	-
Accumulated Depreciation	<u>(70,679,833)</u>	<u>(62,112,864)</u>	<u>(8,090,965)</u>	<u>(7,960,286)</u>	<u>(78,770,798)</u>	<u>(70,073,150)</u>
Total Net Capital Assets	<u>\$ 72,319,851</u>	<u>\$ 74,726,696</u>	<u>\$ 969,317</u>	<u>\$ 1,035,770</u>	<u>\$ 73,289,168</u>	<u>\$ 75,762,466</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, 2022

Debt Administration

At December 31, 2022, the COUNTY had \$47,202,711 of debt outstanding. Debt increased 4.9% from the previous year. The following is a summary of debt obligations for the 2022 year:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities</u>					
Bonds and Notes Payable:					
General Obligation Notes	\$44,015,294	\$ 5,214,010	\$ (2,919,161)	\$ 46,310,143	\$7,750,002
Total Bonds and Notes Payable	<u>44,015,294</u>	<u>5,214,010</u>	<u>(2,919,161)</u>	<u>46,310,143</u>	<u>7,750,002</u>
		Plus Bond Premium		<u>2,072,284</u>	
		Total General Obligation Bonds and Notes		<u>48,382,427</u>	
Other Liabilities:					
Compensated Absences	<u>880,569</u>	<u>12,059</u>	<u>-</u>	<u>892,628</u>	<u>-</u>
Total Other Liabilities	<u>880,569</u>	<u>12,059</u>	<u>-</u>	<u>892,628</u>	<u>-</u>
Governmental Activities					
Long-Term Liabilities	<u>44,895,863</u>	<u>5,226,069</u>	<u>(2,919,161)</u>	<u>47,202,771</u>	<u>7,750,002</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

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, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Revenues:		
Taxes	\$24,275,723	\$23,702,877
Intergovernmental Revenues	33,949,417	24,892,265
Departmental Charges	7,175,300	7,588,679
Charges for Services	1,680,956	1,386,430
Interest	604,231	256,205
Other	55,455	51,311
Debt Proceeds	5,214,010	23,349,622
Bond Premium	-	2,486,742
Amounts Received from Loans	605,753	5,661,208
Disposal of Fixed Assets	850	11,448
Capital Lease Proceeds	-	359,866
Operating Transfers In	<u>230,939</u>	<u>195,661</u>
Total Revenues	<u>\$73,792,634</u>	<u>\$89,942,314</u>

There are several factors relating to increases/decreases in revenues from 2022 to 2021. The county tax millage rate remained 4.905 in 2022, which resulted in real estate taxes being relatively flat year over year. The county had an increase in intergovernmental revenues in 2022 due to additional revenues received as a result of the COVID-19 pandemic. The County had a decrease in debt proceeds as a result of minimal additional borrowings to fund County capital projects.

MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

GOVERNMENTAL FUND EXPENDITURES

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

	<u>2022</u>	<u>2021</u>
Expenditures:		
General Government- Administrative	\$17,049,993	\$ 7,832,551
General Government-Judicial	7,547,387	7,960,549
Public Safety	10,174,138	17,139,173
Public Works	777,180	739,701
Human Services	13,566,879	14,872,333
Culture and Recreation	1,481,135	1,448,848
Conservation and Development	3,654,574	10,833,585
Other	709,796	338,558
Debt Service	4,077,130	26,716,055
Capital Outlay	89,026	359,866
Amounts Loaned to Others	530,000	5,950,200
Operating Transfers Out	<u>98,939</u>	<u>63,661</u>
Total Expenditures	<u>\$59,756,177</u>	<u>\$94,255,080</u>

The increase in General Government expenditures represents an increase in expenses related to the American Rescue Plan Act fund. The expenses related to this fund were offset by corresponding revenue in 2022. The decrease in debt service was the result of the County not refinancing several Notes as compared to 2021.

GOVERNMENTAL FUND BALANCES AND PROPRIETARY FUND NET POSITION

Ending balances for governmental funds and net position for proprietary funds at December 31, 2022 and 2021 were as follows:

<u>Fund</u>	<u>2022</u> <u>Governmental</u> <u>Funds</u>	<u>2021</u> <u>Governmental</u> <u>Funds</u>	<u>2022</u> <u>Proprietary</u> <u>Funds</u>	<u>2021</u> <u>Proprietary</u> <u>Funds</u>
General Fund	\$ 27,603,069	\$ 13,655,086	\$ -	\$ -
Community Program for Restoration	445,499	464,010	-	-
Revolving Loan	1,485,014	1,524,494	-	-
Nonmajor Governmental Funds	5,319,334	5,172,869	-	-
Communities at Indian Haven	<u>-</u>	<u>-</u>	<u>4,382,671</u>	<u>3,975,624</u>
Total	<u>\$ 34,852,916</u>	<u>\$ 20,816,459</u>	<u>\$4,382,671</u>	<u>\$3,975,624</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, 2022**

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 deficit of the budget of \$343,413. The general fund expenditures had a positive variance from the actual budget of \$14,561,355. Other financing sources and uses showed a surplus in budget of \$3,964,652 as a result of debt transactions. This showed a surplus of revenue over expenditures of \$13,947,983. 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, and multiple major capital projects in progress. The 2022 budget was completed for the general fund, the liquid fuels fund, and the capital improvement fund. The original general fund budget in 2022 had an operating deficit of \$4,234,611 and the final general fund budget in 2022 had an operating deficit of \$4,234,611 after a budget revision was made on December 31, 2022. The real estate tax rate was 4.905 mills, .70 mills applied to debt and the remaining 4.205 mills applied to general obligations.

ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET

The 2023 budget was completed for the general fund, the liquid fuels, and the capital improvement fund. The general fund budget in 2023 had an operating deficit of \$5,557,792. The real estate tax rate was 4.905 mills, .86 mills applied to debt and the remaining 4.045 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, 2022

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
<hr/>				
Assets				
Cash and Cash Equivalents	\$ 32,936,122	\$ 3,078,184	\$ 36,014,306	\$ 2,469,216
Investments	111,927	-	111,927	-
Restricted Assets				
Cash and Cash Equivalents	-	566	566	1,456,412
Resident's Cash	-	12,823	12,823	-
Receivables (Net, where applicable, of Allowance for Uncollectibles)				
Accounts	1,422,716	796,519	2,219,235	1,158,557
Taxes	2,865,845	-	2,865,845	-
Loans	9,441,140	-	9,441,140	-
Grants	11,697,706	-	11,697,706	-
Notes (current)	-	-	-	101,485
Prepaid Assets	-	101,708	101,708	85,670
Inventory	-	-	-	180,978
Other Assets	542,773	-	542,773	276,136
Internal Balances	302,526	-	302,526	-
Intangible Assets	-	-	-	763,155
Note Receivable Less Current Portion	-	-	-	1,216,339
Capital Assets: (Net)				
Depreciable	68,196,065	969,317	69,165,382	116,395,583
Non-depreciable	4,123,786	-	4,123,786	-
Total Assets	131,640,606	4,959,117	136,599,723	124,103,531
<hr/>				
Deferred Outflow of Resources				
Deferred amounts related to pension	\$ 5,627,758	\$ 1,550,505	\$ 7,178,263	\$ -
<hr/>				
Liabilities				
Accounts Payable	\$ 3,952,554	\$ 173,722	\$ 4,126,276	\$ 302,395
Accrued Expenses	355,832	-	355,832	380,064
Unearned Revenues	4,984,870	219,250	5,204,120	148,823
Due to Other Governments	2,331	-	2,331	-
Funds Held in Fiduciary Capacity	-	16,741	16,741	-
Accrued Interest Payable on Debt	33,344	-	33,344	141,256
Internal Balances	-	302,526	302,526	-
Current Portions of Long-Term Liabilities:				
Bonds and Notes Payable	7,750,002	-	7,750,002	3,837,369
Lease Liability	844,264	-	844,264	-
Non-Current Portions of Long-Term Liabilities:				
Bonds and Notes Payable	40,632,425	-	40,632,425	47,025,498
Compensated Absences	892,628	-	892,628	211,989
Lease Liability	3,444,528	-	3,444,528	-
Net Pension Liability	4,468,520	1,231,123	5,699,643	-
Total Liabilities	67,361,298	1,943,362	69,304,660	52,047,394
<hr/>				
Deferred Inflow of Resources				
Deferred amounts related to pension	666,358	183,589	849,947	-
<hr/>				
Net Position				
Net Investment in Capital Assets	19,648,632	969,317	20,617,949	65,695,135
Restricted Net Position				
Program Purposes	14,466,192	-	14,466,192	-
Bond Indenture	-	-	-	1,394,164
Capital projects	-	566	566	62,248
Unrestricted	35,125,884	3,412,788	38,538,672	4,904,590
Total Net Position	\$ 69,240,708	\$ 4,382,671	\$ 73,623,379	\$ 72,056,137

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

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government - Administrative	\$ 16,669,519	\$ 2,129,797	\$ 15,463,814	\$ -	\$ 924,092	\$ -	\$ 924,092	
General Government - Judicial	6,414,604	2,282,707	1,303,364	-	(2,828,533)	-	(2,828,533)	
Public Safety	12,020,736	3,923,580	3,395,490	-	(4,701,666)	-	(4,701,666)	
Public Works	4,181,916	12,163	-	755,983	(3,413,770)	-	(3,413,770)	
Human Services	13,995,231	5,064,871	10,901,161	-	1,970,801	-	1,970,801	
Culture and Recreation	2,413,478	90,221	30,000	-	(2,293,257)	-	(2,293,257)	
Conservation and Development	1,602,258	446,319	1,849,035	-	693,096	-	693,096	
Miscellaneous	798,822	-	-	-	(798,822)	-	(798,822)	
Interest on Long-Term Debt	937,851	-	-	-	(937,851)	-	(937,851)	
Total Governmental Activities	59,034,415	13,949,658	32,942,864	755,983	(11,385,910)	-	(11,385,910)	
Business-Type Activities:								
Communities at Indian Haven	7,333,218	7,353,256	510,352	-	-	530,390	530,390	
Total Business-Type Activities	7,333,218	7,353,256	510,352	-	-	530,390	530,390	
Total Primary Government	\$ 66,367,633	\$ 21,302,914	\$ 33,453,216	\$ 755,983	\$ (11,385,910)	\$ 530,390	\$ (10,855,520)	
Component Units:								
Indiana County Municipal Services Authority	\$ 8,902,471	\$ 7,692,624	\$ -	\$ 2,123,370				\$ 913,523
Highridge Water Authority	3,900,631	3,717,372	-	300,293				117,034
Total Component Units	\$ 12,803,102	\$ 11,409,996	\$ -	\$ 2,423,663				\$ 1,030,557
General Revenues:								
Taxes:								
Property					23,020,454	-	23,020,454	-
Hotel Taxes					570,220	-	570,220	-
Unrestricted investment earnings					604,231	8,657	612,888	32,643
Gain (loss) from sale of assets					850	-	850	25,900
Miscellaneous					55,455	-	55,455	-
Transfers					132,000	(132,000)	-	-
Total General Revenues					24,383,210	(123,343)	24,259,867	58,543
Change in Net Position					12,997,300	407,047	13,404,347	1,089,100
Net Position - Beginning					56,243,408	3,975,624	60,219,032	70,967,037
Net Position - Ending					\$ 69,240,708	\$ 4,382,671	\$ 73,623,379	\$ 72,056,137

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

COUNTY OF INDIANA, PENNSYLVANIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	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	\$ 12,960,239	\$ 3,399,109	\$ 438,352	\$ 1,485,964	\$ 8,751,538	\$ 5,900,920	\$ 32,936,122
Investments	-	-	-	-	-	111,927	111,927
Receivables:							
Taxes	1,422,716	-	-	-	-	-	1,422,716
Other governmental grants	10,501,489	-	-	-	-	1,196,217	11,697,706
Other	2,770,202	-	7,148	-	-	88,495	2,865,845
Loans	5,429,367	-	1,071,000	1,825,526	-	1,115,247	9,441,140
Due from other funds	7,452,500	-	-	-	-	181,830	7,634,330
Other assets	<u>457,712</u>	<u>-</u>	<u>65,910</u>	<u>-</u>	<u>-</u>	<u>19,151</u>	<u>542,773</u>
Total assets	<u>\$ 40,994,225</u>	<u>\$ 3,399,109</u>	<u>\$ 1,582,410</u>	<u>\$ 3,311,490</u>	<u>\$ 8,751,538</u>	<u>\$ 8,613,787</u>	<u>\$ 66,652,559</u>
<u>Liabilities</u>							
Accounts Payable	\$ 1,739,827	\$ 169,032	\$ 65,910	\$ -	\$ -	\$ 1,977,785	\$ 3,952,554
Accrued liabilities	324,324	-	-	950	-	30,558	355,832
Due to other funds	164,387	-	1	-	6,996,745	170,671	7,331,804
Due to other governments	2,139	-	-	-	-	192	2,331
Unearned revenues	-	3,230,077	-	-	1,754,793	-	4,984,870
Unearned loans receivable	<u>5,429,367</u>	<u>-</u>	<u>1,071,000</u>	<u>1,825,526</u>	<u>-</u>	<u>1,115,247</u>	<u>9,441,140</u>
Total liabilities	<u>7,660,044</u>	<u>3,399,109</u>	<u>1,136,911</u>	<u>1,826,476</u>	<u>8,751,538</u>	<u>3,294,453</u>	<u>26,068,531</u>
<u>Deferred Inflows of Resources</u>							
Unavailable Revenue - Opioid Settlement	4,842,832	-	-	-	-	-	4,842,832
Unavailable Revenue - Property Taxes	<u>888,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>888,280</u>
Total Deferred Inflows of Resources	<u>5,731,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,731,112</u>
<u>Fund Balances</u>							
Nonspendable	457,712	-	-	-	-	19,151	476,863
Restricted	2,311,906	-	445,499	1,485,014	-	5,380,941	9,623,360
Assigned	20,378,375	-	-	-	-	-	20,378,375
Unassigned	<u>4,455,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(80,758)</u>	<u>4,374,318</u>
Total fund balances	<u>27,603,069</u>	<u>-</u>	<u>445,499</u>	<u>1,485,014</u>	<u>-</u>	<u>5,319,334</u>	<u>34,852,916</u>
Total liabilities and fund balances	<u>\$ 40,994,225</u>	<u>\$ 3,399,109</u>	<u>\$ 1,582,410</u>	<u>\$ 3,311,490</u>	<u>\$ 8,751,538</u>	<u>\$ 8,613,787</u>	<u>\$ 66,652,559</u>

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, 2022

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

Total fund balances of governmental funds		\$ 34,852,916
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$142,999,685 and the accumulated depreciation is \$70,679,833.		72,319,851
Revenues not available to pay for current period expenditures and therefore reported as unearned revenue in the funds:		
Loans Receivable	9,441,140	
Real estate taxes	888,280	10,329,420
Net pension liabilities are not reported in the the funds:		(4,468,520)
Deferred outflow of resources related to pensions is not reported in the funds		5,627,758
Deferred inflows of resources related to pensions is not reported in the funds		(666,358)
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	(48,382,427)	
Leases	(4,288,792)	
Accrued interest on long-term debt	(33,344)	
Compensated absences	<u>(892,628)</u>	(53,597,191)
Revenues not available for current use are recorded as deferred inflows in the funds		<u>4,842,832</u>
		<u><u>\$ 69,240,708</u></u>

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	ERAP Fund	Community Program for Restoration	Revolving Loan Fund	ARP Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes, Real estate	\$ 23,705,503	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,705,503
Taxes, Hotel	-	-	-	-	-	570,220	570,220
Intergovernmental revenue	10,046,697	2,633,542	68,942	422,884	14,575,402	6,201,950	33,949,417
Charges for services	462,807	-	613	23,614	-	1,193,922	1,680,956
Departmental charges	7,175,300	-	-	-	-	-	7,175,300
Interest income	413,051	31,184	1,575	53,180	75,928	29,313	604,231
Other revenue	49,069	-	-	-	-	6,386	55,455
Total Revenues	41,852,427	2,664,726	71,130	499,678	14,651,330	8,001,791	67,741,082
Expenditures							
Current operating:							
General government	2,292,942	-	-	-	14,651,330	105,721	17,049,993
Judicial	6,107,924	-	-	-	-	1,439,463	7,547,387
Public safety	7,131,869	-	-	-	-	3,042,269	10,174,138
Public works	248,535	-	-	-	-	528,645	777,180
Human services	10,385,351	2,664,726	-	-	-	516,802	13,566,879
Culture and recreation	839,135	-	-	-	-	642,000	1,481,135
Conservation and development	1,670,850	-	117,208	162,295	-	1,704,221	3,654,574
Other	709,796	-	-	-	-	-	709,796
Capital Outlay	89,026	-	-	-	-	-	89,026
Debt service							
Principal	2,919,161	-	-	-	-	-	2,919,161
Interest	1,157,969	-	-	-	-	-	1,157,969
Total Expenditures	33,552,558	2,664,726	117,208	162,295	14,651,330	7,979,121	59,127,238
Excess (deficiency) of revenues over expenditures	8,299,869	-	(46,078)	337,383	-	22,670	8,613,844
Other financing sources (uses)							
Proceeds from long-term debt	5,214,010	-	-	-	-	-	5,214,010
Amounts received from loans	368,034	-	27,567	153,137	-	57,015	605,753
Disposal of fixed assets	850	-	-	-	-	-	850
Transfers in	132,000	-	-	-	-	98,939	230,939
Amounts loaned to others	-	-	-	(530,000)	-	-	(530,000)
Transfers out	(66,780)	-	-	-	-	(32,159)	(98,939)
Total other financing sources (uses)	5,648,114	-	27,567	(376,863)	-	123,795	5,422,613
Net change in fund balance	13,947,983	-	(18,511)	(39,480)	-	146,465	14,036,457
Fund balances, beginning of year	13,655,086	-	464,010	1,524,494	-	5,172,869	20,816,459
Fund balances, end of year	\$ 27,603,069	\$ -	\$ 445,499	\$ 1,485,014	\$ -	\$ 5,319,334	\$ 34,852,916

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, 2022

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

Net Change in fund balances - total governmental funds \$ 14,036,457

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	6,160,124	
Depreciation expense	<u>(8,566,969)</u>	(2,406,845)

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	(5,214,010)	
Change in interest payable on long-term debt	16,337	
Amortization of Bond Premium	203,781	
Principal repayments	<u>2,919,161</u>	(2,074,731)

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

Lease Payments	<u>764,975</u>	764,975
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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	530,000	
Amounts received from loans	<u>(605,753)</u>	(75,753)

Governmental funds do not report the changes in compensated absences: (12,059)

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	888,280	
Prior year	<u>(1,573,329)</u>	(685,049)

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

Opioid Settlement	<u>4,842,832</u>	4,842,832
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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.

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

(1,392,527)

Changes in net position of governmental activities

\$ 12,997,300

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2022

	Business-Type Activities - Enterprise Fund The Communities at Indian Haven
<u>Assets</u>	
Current Assets:	
Cash and cash equivalents	\$ 3,078,184
Resident's cash	12,823
Accounts receivable	796,519
Prepaid expenses and other current assets	<u>101,708</u>
	<u>3,989,234</u>
Noncurrent assets:	
Cash, funded depreciation	566
Capital assets (net of accumulated depreciation)	<u>969,317</u>
Total noncurrent assets	<u>969,883</u>
Total assets	<u>\$ 4,959,117</u>
<u>Deferred Outflow of Resources</u>	
Deferred amounts from pension liability	<u>\$ 1,550,505</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	\$ 173,722
Due to Primary Government	302,526
Unearned revenue	219,250
Funds held in fiduciary capacity	<u>16,741</u>
Total current liabilities	<u>712,239</u>
Noncurrent liabilities:	
Pension liability	<u>1,231,123</u>
Total noncurrent liabilities	<u>1,231,123</u>
Total liabilities	<u>1,943,362</u>
<u>Deferred Inflow of Resources</u>	
Deferred amounts from pension liability	<u>\$ 183,589</u>
<u>Net Position</u>	
Net investment in capital assets	\$ 969,317
Restricted	566
Unrestricted	<u>3,412,788</u>
Total net position	<u>4,382,671</u>
Total liabilities and net position	<u>\$ 6,509,622</u>

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, 2022

	Business-Type Activities - <u>Enterprise Fund</u> <u>The Communities at Indian Haven</u>
Operating Revenues	
Receipts from Providing Services	\$ 7,353,256
Total Operating Revenues	<u>7,353,256</u>
Operating Expenses	
Human Services	7,202,539
Depreciation and amortization	<u>130,679</u>
Total Operating Expenses	<u>7,333,218</u>
Operating Income	<u>20,038</u>
Nonoperating Revenues (Expenses)	
Grant Income	510,352
Interest Income	<u>8,657</u>
Total Nonoperating Expenses	<u>519,009</u>
Excess of revenues under expenditures	<u>539,047</u>
Transfers to other funds	<u>(132,000)</u>
Total other financing uses	<u>(132,000)</u>
Change in Net Position	<u>407,047</u>
Net Position - Beginning of Year	<u>3,975,624</u>
Net Position - End of Year	<u>\$ 4,382,671</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, 2022

	Business-Type Activities - Enterprise Fund The Communities at Indian Haven
Cash flows from operating activities	
Cash received from residents	\$ 7,044,534
Cash paid for goods and services	(7,347,081)
Net cash provided by operating activities	<u>(302,547)</u>
Cash flows from investing activities	
Net (increase)decrease in cash, funded depreciation	<u>(2)</u>
Net cash used in investing activities	<u>(2)</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	<u>(65,772)</u>
Net cash used in capital and related financing activities	<u>(65,772)</u>
Cash flows from financing activities	
Interest income	8,657
Grant revenues	510,352
Transfers to other funds	<u>(132,000)</u>
Net cash used in financing activities	<u>387,009</u>
Net increase in cash and cash equivalents	18,688
Beginning cash and cash equivalents	<u>3,059,496</u>
Ending cash and cash equivalents	<u>\$ 3,078,184</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 20,038
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	(130,679)
Decrease in pension liability	(1,939,107)
Change in deferred (inflows) outflows related to pension liability	1,366,916
Increase in assets	
Increase in accounts receivable, net of allowances	(159,539)
Prepaid expenses	(2,357)
Restricted cash	(2,622)
Increase(decrease) in liabilities	
Accounts payable	(53,537)
Funds held in a fiduciary capacity	(1,306)
Due to primary government	<u>(310,382)</u>
Net cash provided by operating activities	<u>\$ (1,212,575)</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, 2022

	Employee Retirement Trust Fund	Custodial Fund
<u>Assets</u>		
Cash and Cash Equivalents	\$ 577,772	\$ 1,506,289
Investments	<u>55,686,255</u>	<u>62,833</u>
Total Assets	<u>\$ 56,264,027</u>	<u>\$ 1,569,122</u>
<u>Liabilities</u>		
Liabilities		
Accounts payable	\$ -	\$ 125,808
Total Liabilities	<u>-</u>	<u>125,808</u>
Net Position Restricted for:		
Individuals, Organizations, and Other Governments	-	1,443,314
Employees' Pension Benefits	<u>56,264,027</u>	<u>-</u>
Total Net Position	<u>\$ 56,264,027</u>	<u>\$ 1,443,314</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, 2022

	Employee Retirement Trust Fund	Custodial Fund
Additions:		
Property Taxes Collected for Other Governments	\$ -	\$ 6,870,779
Fees Collected for Other Governments	-	6,464,167
Inmate Account Collections	-	414,373
Fees and Fines Collected - Other	-	1,147,967
Miscellaneous Income	-	1,721,709
	<hr/>	<hr/>
Contributions:		
Employee	1,074,282	-
County Contribution	625,654	-
	<hr/>	<hr/>
	1,699,936	-
	<hr/>	<hr/>
Investment Income:		
Interest and Dividends	488,265	7,436
	<hr/>	<hr/>
Total Investment Income	488,265	7,436
	<hr/>	<hr/>
Net decrease in fair value of assets	(6,471,025)	-
Investment Expense	(109,876)	-
	<hr/>	<hr/>
Net Investment Income	(6,092,636)	7,436
	<hr/>	<hr/>
Total Additions	(4,392,700)	16,626,431
	<hr/>	<hr/>
Deductions:		
Employee Benefits Paid	3,336,341	-
Administrative Expenses	103,161	-
Taxes Collected for Other Governments	-	6,523,599
Payments to Other Individuals	-	1,533,230
Fees Collected for Other Governments	-	6,144,275
Inmate Disbursements	-	410,298
Payments to Other Entities	-	1,728,552
Other expenses	9,508	-
	<hr/>	<hr/>
Total Deductions	3,449,010	16,339,954
	<hr/>	<hr/>
Net Increase	(7,841,710)	286,477
Restricted Net Position		
Beginning of Year	64,105,737	1,156,837
End of Year	<u>\$ 56,264,027</u>	<u>\$ 1,443,314</u>

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

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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 is 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, 2022, 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, 2022

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 \$496,639.

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. Leases

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

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

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

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

8. Leases (Continued)

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

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

9. 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.

10. 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.

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

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

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

10. Net Position/Fund Balances (Continued)

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.

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.

11. Accounting Estimates

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

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

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

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

12. 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.

13. 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).

14. Adoption of Governmental Accounting Standards Board Statements

The County adopted the provisions of GASB Statement No. 87 "Leases". The adoption of this Statement resulted in the addition of right-of-use assets and lease liabilities which are now presented on the statement of net position, and lease receivables and deferred inflows of resources that are now presented as well.

The County adopted the provisions of GASB Statement No. 91, "Conduit Debt Obligations". The adoption of this Statement had no effect on the County's financial statements.

The County adopted the provision of GASB Statement No. 92 "Omnibus 2020". The adoption of this Statement had no effect on the County's financial statements.

The County adopted the provisions of GASB Statement No. 93, "Replacement of Interbank Offered Rates". The adoption of this Statement had no effect on the County's financial statements.

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

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

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

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

15. Pending Changes in Accounting Principles

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 2023 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 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.

In June 2022, the GASB issued Statement No. 101, "Compensated Absences". The County is required to adopt Statement No. 101 for its fiscal year 2023 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.

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

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

E) Component Unit – Summary of Significant Accounting Policies

Highridge Water Authority (Continued)

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 2022 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.

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.

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

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)

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.

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.

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

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 2022 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.
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.

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

NOTE 3: DEPOSIT AND INVESTMENT RISK

As of December 31, 2022, the County had the following investments:

	<u>Market</u>
Governmental Funds	
Nonmajor Governmental Funds	
Certificates of Deposit	<u>\$ 111,927</u>
Total Governmental Funds	<u>111,927</u>
Fiduciary Funds	
Custodial Funds	
Certificates of Deposit	-
Retirement Fund	
Fixed Income Securities	15,740,167
Domestic Equities	23,742,151
International Equities	5,715,375
Real Estate/Alternative	<u>10,488,562</u>
Total Fiduciary Funds	<u>55,686,255</u>
Total Investments	<u>\$55,798,182</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.

Credit Risk – The County has no formal investment policy for its operating funds that addresses credit risk. As of December 31, 2022, 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, 2022, the County's cash balances for its governmental activities, business-type activities and custodial fund were \$37,596,816 and its bank balances were \$36,452,969. Of these bank balances, \$35,427,29 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 \$577,772 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, 2022 because the custodians hold the securities in an account that designates the County as the owner of the securities.

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

NOTE 3: DEPOSIT AND INVESTMENT RISK (CONTINUED)

Concentration of Credit Risk – The County has no formal investment policy for operating investments pertaining to the concentration of credit risk. At December 31, 2022, 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, 2022, the County had the following recurring fair value measurements:

<u>Investments measured by fair value level</u>	<u>12/31/22</u>	Fair Value Measurements Using Level 1
Certificates of Deposit	\$ 111,927	\$ 111,927
Corporate Bonds	15,740,167	15,740,167
Common Stock	23,742,151	23,742,151
International Stock	5,715,375	5,715,375
Mutal Funds	<u>10,488,562</u>	<u>10,488,562</u>
Total investments by fair value level	<u>\$55,798,182</u>	<u>\$ 55,798,182</u>

Component Unit

Indiana County Municipal Services Authority

At December 31, 2022, the carrying amount of the Authority's cash deposits was \$2,793,628 and the bank balance was \$2,812,710. Of the bank balance, \$1,811,189 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.

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.

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

NOTE 4: PROPERTY TAXES (CONTINUED)

Real Estate Property Taxes (Continued)

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 2022 the County had total millage of 4.905, of which .70 mill was reserved for principal and interest on debt, and 4.205 mills for general county purposes.

The County's 2022 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 2022 real estate taxes levied was \$23,208,009 based on a total County assessed valuation of \$4,731,500,389. Based on the 2022 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 \$4,011,773 as of December 31, 2022. 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 as follows:

	Balance at December 31, 2021	Payments Received from Others	Amounts Loaned to Others	Discounts	Balance at December 31, 2022
KCAC Project	\$ 473,919	\$ -	\$ -	\$ -	\$ 473,919
Corporate Campus Multi-Tenant Building Loan	127,482	-	-	-	127,482
Indian Springs Multi-Tenant Building Loan	<u>5,196,000</u>	<u>368,034</u>	<u>-</u>	<u>-</u>	<u>4,827,966</u>
Total	<u>\$ 5,797,401</u>	<u>\$ 368,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,429,367</u>

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

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 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	<u>5,901,892</u>	<u>2,038,315</u>	<u>(5,901,891)</u>	<u>2,038,316</u>
Total Capital Assets, Not Being Depreciated	<u>7,987,362</u>	<u>2,038,315</u>	<u>(5,901,891)</u>	<u>4,123,786</u>
Capital Assets, Being Depreciated:				
Building and Improvements	70,339,442	9,372,490	-	79,711,932
Right of Use - Buildings and Space	2,384,574	-	-	2,384,574
Equipment and Vehicles	33,337,646	651,210	-	33,988,856
Right of Use - Equipment and Vehicles	2,669,193	-	-	2,669,193
Infrastructure	<u>20,121,343</u>	<u>-</u>	<u>-</u>	<u>20,121,343</u>
Total Capital Assets, Being Depreciated	<u>128,852,198</u>	<u>10,023,700</u>	<u>-</u>	<u>138,875,898</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(31,024,770)	(2,610,835)	-	(33,635,605)
Right of Use - Buildings and Space	-	(348,229)	-	(348,229)
Equipment and Vehicles	(24,228,392)	(2,562,553)	-	(26,790,945)
Right of Use - Equipment and Vehicles	-	(617,336)	-	(617,336)
Infrastructure	<u>(6,859,702)</u>	<u>(2,428,016)</u>	<u>-</u>	<u>(9,287,718)</u>
Total Accumulated Depreciation	<u>(62,112,864)</u>	<u>(8,566,969)</u>	<u>-</u>	<u>(70,679,833)</u>
Total Capital Assets, Being Depreciated, Net	<u>66,739,334</u>	<u>1,456,731</u>	<u>-</u>	<u>68,196,065</u>
Governmental Activities Capital Assets, Net	<u>\$74,726,696</u>	<u>\$3,495,046</u>	<u>\$(5,901,891)</u>	<u>\$72,319,851</u>
BUSINESS-TYPE ACTIVITIES				
Capital Assets, Being Depreciated:				
Building and Improvements	\$ 4,690,244	\$ 27,545	\$ -	\$ 4,717,789
Equipment and Vehicles	<u>4,305,812</u>	<u>36,681</u>	<u>-</u>	<u>4,342,493</u>
Total Capital Assets, Being Depreciated	<u>8,996,056</u>	<u>64,226</u>	<u>-</u>	<u>9,060,282</u>
Less Accumulated Depreciation	(7,960,286)	(130,679)	-	(8,090,965)
Total Capital Assets, Being Depreciated, Net	<u>1,035,770</u>	<u>(66,453)</u>	<u>-</u>	<u>969,317</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,035,770</u>	<u>\$ (66,453)</u>	<u>\$ -</u>	<u>\$ 969,317</u>

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

NOTE 6: CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

General Government-Administrative	\$ 395,271
General Government-Judicial	186,856
Public Safety	3,410,492
Public Works	3,386,195
Human Services	106,263
Culture and Recreation	998,055
Conservation and Development	<u>83,837</u>

Total Depreciation Expense-Governmental Activities	<u><u>\$8,566,969</u></u>
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Business-Type Activities:

Human Services	<u>\$ 130,679</u>
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Total Depreciation Expense-Business-Type Activities	<u><u>\$ 130,679</u></u>
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Component Unit – Capital Assets

Highridge Water Authority

Capital assets and accumulated depreciation as of December 31, 2022 is as follows:

Highridge Water Authority

Buildings	\$40,341,599
Land and improvements	<u>14,160,607</u>
Total	54,502,206
Less accumulated depreciation	<u>27,799,613</u>
Capital Assets, net	<u><u>\$26,702,593</u></u>

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

NOTE 6: CAPITAL ASSETS (CONTINUED)

Component Unit – Capital Assets (Continued)

Indiana County Municipal Services Authority

Capital assets and accumulated depreciation as of December 31, 2022 is as follows:

Indiana County Municipal Services Authority

Fixed equipment	\$ 138,572,227
Moveable equipment	938,487
Vehicles	725,430
Construction in progress	<u>11,689,660</u>
Total	151,925,804
Less accumulated depreciation	<u>62,232,814</u>
Capital Assets, net	<u>\$ 89,692,990</u>

NOTE 7: RESTRICTED ASSETS

Business Type Activities

The County has restricted cash of \$566 in the business type activities which is restricted for capital purchases and repairs to existing capital assets.

The County also has restricted cash of \$12,823 that is owed to residents of the nursing home.

Component Unit – Designated Assets

Indiana County Municipal Services Authority

Restricted Assets at December 31, 2022 are as follows:

Debt Service Fund	\$ 431,198
Debt Service Reserve and Repair Fund	962,966
Internal Service Fund	<u>62,248</u>
Total	<u>\$ 1,456,412</u>

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

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.

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 2022 measurement period, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	276
Inactive plan members entitled to but not yet receiving benefits	66
Active plan members	<u>389</u>
	<u>731</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.

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

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

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, 2022, the minimum required active member contribution rate was 5 percent of annual pay and the County's average contribution rate was 3.58 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 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, 2022, the County has a balance of \$11,822,334 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, 2022. Since these accumulations represent the present value as of December 31, 2022 of future benefits, the reserve balance and liability are identical.

The County has a balance of \$7,321,785 in the County Annuity Reserve Account as of December 31, 2022. 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 \$29,183,104 as of December 31, 2022. The corresponding liability for those annuitants on the roll is identical.

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

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Plan Reporting

Net Pension Liability of the County

The total pension liability was based on an actuarial valuation dated January 1, 2022 and update procedures were used to rollforward the total pension liability to the December 31, 2022 measurement date. The components of the net pension liability of the County for the 2022 measurement period were as follows:

Total Pension Liability	\$ 61,963,670
Plan Fiduciary Net Position	<u>56,264,027</u>
Net Pension Liability	<u><u>\$ 5,699,643</u></u>

Plan Fiduciary net position as a percentage of the total pension liability	90.80%
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The net pension liability breakdown for governmental activities and business type activities was as follows:

	Governmental <u>Activities</u>	Business Type <u>Activities</u>
Net Pension Liability	\$ <u>4,468,520</u>	\$ <u>1,231,123</u>

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

	Increase/(Decrease)		
	Total Pension Liability (a)	Pan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at 12/31/2021	\$ 60,828,034	\$ 64,105,737	\$ (3,277,703)
Service Cost	1,336,839	-	1,336,839
Interest Cost	4,164,676	-	4,164,676
Changes in Benefit Terms	-	-	-
Changes for Experience	(1,029,538)	-	(1,029,538)
Changes of Assumptions	-	-	-
Contributions - Employer	-	625,654	(625,654)
Contributions - Member	-	1,074,282	(1,074,282)
Net Investment Income	-	(6,092,636)	6,092,636
Benefit Payments, including Refunds of Member			
Contributions	(3,336,341)	(3,336,341)	-
Administrative Expenses	-	(103,161)	103,161
Other Changes	-	(9,508)	9,508
Net Changes	<u>\$ 1,135,636</u>	<u>\$ (7,841,710)</u>	<u>\$ 8,977,346</u>
Balances at 12/31/2022	<u>\$ 61,963,670</u>	<u>\$ 56,264,027</u>	<u>\$ 5,699,643</u>

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

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Deferred (Inflows) Outflows of Resources

The total pension expense recognized in 2022 for the plan was \$2,401,820. At December 31, 2022, 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	\$ 299,383	\$ (849,947)
Changes in Assumptions	4,423,230	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,455,650	-
Total	<u>\$ 7,178,263</u>	<u>\$ (849,947)</u>

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

Year ended December 31:	Governmental Activities	Business Type Activities	Total
2023	\$ 756,776	\$ 208,499	\$ 965,275
2024	1,245,658	343,192	1,588,850
2025	1,414,732	389,774	1,804,506
2026	1,544,232	425,453	1,969,685
	<u>\$ 4,961,398</u>	<u>\$ 1,366,918</u>	<u>\$ 6,328,316</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 2022 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.

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

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Plan Actuarial Methods and Assumptions (Continued)

The actuarial assumptions used in the valuation for the 2022 measurement period were based on past experience under the Plan and reasonable future expectations which represent our best estimate of anticipated experience under the Plan. An actuarial experience study was performed 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.

The following was the Board's asset allocation policy for the 2022 measurement period:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	40%
International equity	10%
Fixed income	30%
Real Estate/Alternative	20%
Cash	0%
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 2022 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

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

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Plan Actuarial Methods and Assumptions (Continued)

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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability	\$12,341,840	\$5,699,643	\$(332,461)

Rate of return. For the 2022 measurement period, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was (9.54) 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 \$1.20 per hour for union and 50 cents per hour for non union employees. Participants are 100% vested after 3 years. Contributions for 2022 amounted to \$23,187.

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 \$69,000.

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

NOTE 9: LINE OF CREDIT

Component Unit – Line of CreditIndiana 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 (5.2% at December 31, 2022). There was no balance at December 31, 2022.

NOTE 10: LONG-TERM OBLIGATIONS

A summary of changes in long-term debt obligations for 2022 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	\$44,015,294	\$ 5,214,010	\$ (2,919,161)	\$46,310,143	\$7,750,002
Total Bonds and Notes Payable	<u>44,015,294</u>	<u>5,214,010</u>	<u>(2,919,161)</u>	<u>46,310,143</u>	<u>7,750,002</u>
			Plus Bond Premium	<u>2,072,284</u>	
			Total General Obligation Bonds and Notes	<u>48,382,427</u>	
 Other Liabilities:					
Compensated Absences	<u>880,569</u>	<u>12,059</u>	<u>-</u>	<u>892,628</u>	<u>-</u>
Total Other Liabilities	<u>880,569</u>	<u>12,059</u>	<u>-</u>	<u>892,628</u>	<u>-</u>
 Governmental Activities					
Long-Term Liabilities	<u>44,895,863</u>	<u>5,226,069</u>	<u>(2,919,161)</u>	<u>47,202,771</u>	<u>7,750,002</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

	Principal Requirements	Interest Requirements	Total Debt Service Requirements
Year Ended December 31			
2023	\$ 7,750,002	\$ 1,342,668	\$ 9,092,670
2024	3,684,979	1,176,339	4,861,318
2025	3,758,931	1,074,636	4,833,567
2026	3,678,555	971,738	4,650,293
2027	3,792,117	875,144	4,667,261
2028-2032	19,329,942	2,536,193	21,866,135
2033-2037	3,188,617	676,942	3,865,559
2038-2042	629,000	110,354	739,354
2043-2047	<u>498,000</u>	<u>39,851</u>	<u>537,851</u>
Total	<u>\$46,310,143</u>	<u>\$ 8,803,865</u>	<u>\$ 55,114,008</u>

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

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, 2022
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.	\$ 2,525,189
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.	\$ 2,430,259
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.	\$ 1,218,954
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.	\$ 4,196,624
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.	\$ 1,941,739
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.	\$ 5,374,000
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.	\$ 4,093,196
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.	\$ 592,000
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	To refinance and consolidate existing outstanding debt. 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.	\$ 15,245,000
Series A of 2022	\$ 3,575,000	To finance the Courthouse capital projects including Courthouse HVAC update, Jail Boilers Update, and Jail security update.	\$ 3,575,000
Various	\$ 832,182	Financed purchases of various County equipment.	\$ 832,182
			<u>\$ 46,310,143</u>

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

NOTE 10: LONG-TERM OBLIGATIONS (CONTINUED)

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 2022.

Highridge Water Authority

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

	Balance as of December 31, 2021	Additions	Reductions	Balance as of December 31, 2022
Debt Guaranteed by Indiana County:				
Water Revenue Bonds, Series of 2020	\$ 6,041,000	\$ -	\$ (506,000)	\$ 5,535,000
PennVest Loan	741,411	-	(267,249)	474,162
Other Long-Term Debt:				
PennVest Loan	1,238,812	-	(95,018)	1,143,794
Total Long-Term Debt	<u>\$ 8,021,223</u>	<u>\$ -</u>	<u>\$ (868,267)</u>	<u>\$ 7,152,956</u>

<u>Year Ended December 31</u>	<u>Principal Payments</u>
2023	\$ 881,503
2024	896,373
2025	911,747
2026	461,375
2027	469,029
Thereafter	<u>3,532,929</u>
Total	<u>\$ 7,152,956</u>

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

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:

Indiana County Municipal Services Authority

	Balance as of 2022
Debt Guaranteed by Indiana County:	
Sewage Renovation I	\$ 3,950,000
Sewage Renovation III	1,039,812
Sewage Renovation IV - Cherry Tree	159,682
Sewage Renovation VI	721,412
Crooked Creek Water Project	6,804,758
Cherry Tree Water System Project	510,660
Other Long-Term Debt:	
WR XVIII Interim Financing	4,743,715
Pennvest WB XX	1,362,200
Water Bond Refinance I & II	198,917
Water Bond VII	-
Water Bond VIII	-
Heilwood Water Bond	-
PennVest Water Bond XV	688,234
PennVest Water Bond XVI	1,453,249
West Lebanon Reservoir Bond	17,775
Water Bond XIV Interim Financing	-
Water Bond XI	2,087,090
Water Bond XII	4,123,533
Water Bond XIII	2,907,655
Water Bond XVIII	3,195,646
Vehicle Loan II	36,688
Vehicle Loan III	24,489
Vehicle Loan IV	18,089
Vehicle Loan V	24,097
Vehicle Loan VI	26,530
Water Bond XX Interim Financing	190,854
Pine Grove Sewer Bonds	-
Sewer Revenue Bonds, Series 2022	6,550,000
Sewage Renovation III Refinance	124,594
Sewage Renovation V	142,220
Sewage Renovation X	1,510,242
Sewage Renovation IX - Alverda	706,186
Total Bonds and Notes	43,318,327
Bond Premium	391,584
Total Debt	\$ 43,709,911

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

NOTE 10: LONG-TERM OBLIGATIONS (CONTINUED)

Component Units (Continued)

Indiana County Municipal Services Authority (Continued)

<u>Year Ended December 31</u>	<u>Principal Payments</u>
2023	\$ 2,955,866
2024-2028	12,935,847
2029-2033	13,039,788
2034-2038	8,535,653
2039-2043	4,383,510
2044-2048	1,248,929
Thereafter	<u>218,734</u>
Total	<u>\$ 43,318,327</u>

NOTE 11: LEASE OBLIGATIONS

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

	<u>Beginning Balance</u>	<u>Lease Additions</u>	<u>Lease Payments</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Governmental Activities	<u>\$ 5,053,767</u>	<u>\$ -</u>	<u>\$ 764,975</u>	<u>\$ 4,288,792</u>	<u>\$ 844,264</u>

Pertinent information regarding the leases is as follows:

The County leases space for various County agencies and departments from external parties. The leases mature from 2024 through 2031, and have an imputed interest rate of 4.31%. The initial value of the lease liability for buildings as of January 1, 2022, was \$2,384,574, of which \$2,103,108 was outstanding as of December 31, 2022. A corresponding right of use asset was initially recorded in the amount of \$2,384,574, and there was \$348,229 of accumulated amortization as of December 31, 2022.

The County leases copiers from external parties. The leases mature from 2024 through 2027, and have an imputed interest rate of 4.31%. The initial value of the lease liability for buildings as of January 1, 2022, was \$37,833, of which \$29,339 was outstanding as of December 31, 2022. A corresponding right of use asset was initially recorded in the amount of \$37,833, and there was \$11,290 of accumulated amortization as of December 31, 2022.

The County leases equipment for various County agencies from external parties. The leases mature in 2025, and have an interest rate of 3.5%. The initial value of the lease liability for buildings as of January 1, 2022, was \$93,862, of which \$66,102 was outstanding as of December 31, 2022. A corresponding right of use asset was initially recorded in the amount of \$93,862, and there was \$62,574 of accumulated amortization as of December 31, 2022.

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

NOTE 11: LEASE OBLIGATIONS (CONTINUED)

The County leases tower for various County agencies from external parties. The leases mature from 2025 through 2032, and have an interest rate between 1.2% and the imputed interest rate of 4.31%. The initial value of the lease liability for buildings as of January 1, 2022, was \$1,478,741, of which \$1,260,439 was outstanding as of December 31, 2022. A corresponding right of use asset was initially recorded in the amount of \$1,478,741, and there was \$310,070 of accumulated amortization as of December 31, 2022.

The County leases vehicles for various County agencies and departments from external parties. The leases mature in 2026, and have an imputed interest rate of 4.31%. The initial value of the lease liability for buildings as of January 1, 2022, was \$1,058,757, of which \$826,765 was outstanding as of December 31, 2022. A corresponding right of use asset was initially recorded in the amount of \$1,058,757, and there was \$264,689 of accumulated amortization as of December 31, 2022.

Future maturities of lease obligations are as follows:

Year ended December 31	Governmental Activities		
	Principal	Interest	Total
2023	\$ 844,264	\$ 140,586	\$ 984,850
2024	858,860	106,145	965,005
2025	835,730	72,106	907,836
2026	613,880	54,566	668,446
2027	363,281	39,759	403,040
2028-2032	772,777	46,366	819,143
	<u>\$ 4,288,792</u>	<u>\$ 459,528</u>	<u>\$ 4,748,320</u>

NOTE 12: 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, 2022. 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, 2022 the outstanding principal amount of the guarantee is \$510,660.

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, 2022 the outstanding principal amount of the guarantee is \$6,804,758.

In 1999, the County guaranteed the Municipal Services Authority \$6,258,000 Sewer Revenue Notes, Series 1999. These notes mature in December 2039. As of December 31, 2022 the outstanding principal amount of the guarantee is \$3,950,000.

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, 2022 the outstanding principal amount of the guarantee is \$1,039,812.

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

NOTE 12: GUARANTEES OF COMPONENT UNITS (CONTINUED)

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, 2022 the outstanding principal amount of the guarantee is \$721,412.

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, 2022 the outstanding principal amount of the guarantee is \$159,682.

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, 2022. 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, 2022 the outstanding principal amount of the guarantee is \$5,535,000.

In 1994, the County guaranteed Highridge Water Authority \$6,715,890 PennVest Installment Note. This note matures in September 2024. As of December 31, 2022 the outstanding principal amount of the guarantee is \$474,162.

NOTE 13: 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, 2022, are as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
<u>Governmental Fund Types</u>		
General Fund	\$7,452,500	\$ 164,387
Revolving Loan Fund	-	-
Other Governmental Fund Type	<u>181,830</u>	<u>7,167,417</u>
Total Governmental Fund Types	<u>7,634,330</u>	<u>7,331,804</u>
<u>Proprietary Fund</u>		
Communities at Indian Haven	<u>-</u>	<u>302,526</u>
Total Proprietary Fund Type	<u>-</u>	<u>302,526</u>
Total Interfund Balances	<u>\$7,634,330</u>	<u>\$ 7,634,330</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.

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

NOTE 14: INTERFUND OPERATING TRANSFERS

Interfund operating transfers are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Fund Types</u>		
General Fund	\$ 132,000	\$ 66,780
Other Governmental Funds	98,939	32,159
Total Governmental Fund Type	<u>230,939</u>	<u>98,939</u>
<u>Proprietary Fund</u>		
Communities at Indian Haven	-	132,000
Total Proprietary Fund Type	<u>-</u>	<u>132,000</u>
 Total Interfund Transfers	 <u>\$ 230,939</u>	 <u>\$ 230,939</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.

NOTE 15: 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.

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

NOTE 16: 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	\$ 457,712
		<u>457,712</u>
	<u>Restricted Funds:</u>	
	These funds are restricted for Coroner Act 122	33,294
	These funds are restricted for Coroner Data	61,485
	These funds are restricted for Coroner Training	107,862
	These funds are restricted for Victim Services	40,042
	These funds are restricted for Act 13 Shale Impact	780,947
	These funds are restricted for Act 13 Highway Bridge	1,085,739
	These funds are restricted for Act 13 Greenways Rehab	177,737
	These funds are restricted for Airport Construction	<u>24,800</u>
		2,311,906
	<u>Assigned Funds:</u>	
	These funds are assigned for Workforce Development	4,306,272
	These funds are assigned for Suicide Task Force	25,442
	These funds are assigned for Elections Machine	53,410
	These funds are assigned for Assess Appeals	13,122
	These funds are assigned for American Rescue Plan	12,327,834
	These funds are assigned for Bar Association Donations	4,647
	These funds are assigned for Capital Projects	<u>3,647,648</u>
		20,378,375
Community Program for Restoration	<u>Restricted Funds:</u>	
	These funds are restricted for the Community Program Restoration.	445,499
Revolving Loan	<u>Restricted Funds:</u>	
	These funds are restricted for the Revolving Loan Program.	1,485,014
Non-Major Governmental Funds		
Special Revenue Funds	<u>Non-Spendable:</u>	
	These amounts are prepaid expenses.	19,151
	<u>Restricted Funds:</u>	
	These funds are restricted within the departments of the General Government.	473,606
	These funds are restricted within the Judicial System.	1,873,087
	These funds are restricted within the Public Safety programs.	208,917
	These funds are restricted within the Human Service programs.	49,634
	These funds are restricted within the Public Works programs.	1,876,910
	These funds are restricted within the Culture and Recreation programs.	139,620
	These funds are restricted within the Conservation and Development programs.	<u>759,167</u>
		\$5,380,941

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

NOTE 17: 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 18: 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, 2022, the County paid insurance premiums of \$238,723 to the Trust.

NOTE 19: SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 29, 2023, 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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Taxes, Real estate	\$ 23,117,435	\$ 23,117,435	\$ 23,705,503	\$ 588,068
Intergovernmental grants	10,953,759	11,155,743	10,046,697	(1,109,046)
Charges for services	522,850	522,850	462,807	(60,043)
Departmental charges	7,062,309	7,275,745	7,175,300	(100,445)
Interest income	87,710	87,710	413,051	325,341
Other revenue	30,500	36,357	49,069	12,712
Total Revenues	<u>41,774,563</u>	<u>42,195,840</u>	<u>41,852,427</u>	<u>(343,413)</u>
Expenditures				
Current operating:				
General government	7,179,795	7,469,337	2,292,942	5,176,395
Judicial	7,145,502	7,146,687	6,107,924	1,038,763
Public safety	14,738,761	15,695,945	7,131,869	8,564,076
Public works	350,074	350,074	248,535	101,539
Human services	11,912,489	11,943,809	10,385,351	1,558,458
Culture and recreation	760,355	904,185	839,135	65,050
Conservation and development	285,009	504,492	1,670,850	(1,166,358)
Miscellaneous	353,000	713,357	709,796	3,561
Capital outlay	-	-	89,026	(89,026)
Debt service	<u>3,351,209</u>	<u>3,386,027</u>	<u>4,077,130</u>	<u>(691,103)</u>
Total Expenditures	<u>46,076,194</u>	<u>48,113,913</u>	<u>33,552,558</u>	<u>14,561,355</u>
Excess (deficiency) of revenues over expenditures	<u>(4,301,631)</u>	<u>(5,918,073)</u>	<u>8,299,869</u>	<u>(14,904,768)</u>
Other financing sources (uses)				
Proceeds from long term debt	-	1,619,061	5,214,010	3,594,949
Proceeds from disposal of fixed assets	-	-	850	850
Amounts received from loans	-	-	368,034	368,034
Transfers in	132,000	132,000	132,000	-
Transfers out	<u>(64,980)</u>	<u>(67,599)</u>	<u>(66,780)</u>	<u>819</u>
Total other financing sources (uses)	<u>67,020</u>	<u>1,683,462</u>	<u>5,648,114</u>	<u>3,964,652</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (4,234,611)</u>	<u>\$ (4,234,611)</u>	<u>\$ 13,947,983</u>	<u>\$ (10,940,116)</u>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability									
Service Cost	\$ 1,482,615	\$ 1,487,234	\$ 1,505,842	\$ 1,519,127	\$ 1,382,786	\$ 1,384,446	\$ 1,441,239	\$ 1,395,959	\$ 1,336,839
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	4,164,676
Differences between expected and actual experience	(460,609)	(216,483)	(164,293)	(125,284)	(39,350)	202,191	(110,141)	449,560	(1,029,538)
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)	(3,336,341)
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>	<u>1,135,636</u>
Total pension liability - beginning	<u>35,235,769</u>	<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>
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>	<u>\$61,963,670</u>
Plan fiduciary net position									
Contributions - employer	\$ -	\$ 243,566	\$ 500,000	\$ 652,173	\$ 525,933	\$ 500,000	\$ 500,000	\$ 891,623	\$ 625,654
Contributions - employee	884,856	857,245	886,553	903,146	918,025	957,060	991,006	1,048,477	1,074,282
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	(6,092,636)
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)	(3,336,341)
Administrative expense	(27,415)	(25,839)	(48,112)	(71,893)	(78,734)	(67,614)	(75,798)	(61,709)	(103,161)
Other	-	-	-	-	(17,399)	(8,172)	-	(138,324)	(9,508)
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>	<u>(7,841,710)</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>	<u>64,105,737</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>	<u>\$56,264,027</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>	<u>\$ 5,699,643</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%	90.80%
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	\$ 17,465,816
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%	32.63%

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 117,162	\$ 243,566	\$ 682,497	\$ 652,173	\$ 525,933	\$ 734,293	\$ 875,063	\$ 891,623	\$ 625,654
Contributions in relation to the actuarially determined contribution	-	243,566	500,000	652,173	525,933	500,000	500,000	891,623	625,654
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>	<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	17,465,816
Contributions as a percentage of covered - employee payroll	0.00%	1.47%	2.98%	3.80%	3.00%	2.98%	2.79%	4.82%	3.58%

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	January 1, 2022
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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>	<u>2022</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%	-9.54%

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.

**OTHER
SUPPLEMENTAL
INFORMATION**

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2022

	Capital Improvements Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 57,407	\$ 5,843,513	\$ 5,900,920
Investments	-	111,927	111,927
Receivables:			
Other governmental grants	-	1,196,217	1,196,217
Other	-	88,495	88,495
Loans	-	1,115,247	1,115,247
Due from other funds	-	181,830	181,830
Prepaid expenses	-	19,151	19,151
Total assets	<u>\$ 57,407</u>	<u>\$ 8,556,380</u>	<u>\$ 8,613,787</u>
<u>Liabilities</u>			
Accounts payable	-	1,977,785	1,977,785
Accrued Liabilities	-	30,558	30,558
Due to other governments	-	192	192
Due to other funds	-	170,671	170,671
Unearned loans receivable	-	1,115,247	1,115,247
Total liabilities	<u>-</u>	<u>3,294,453</u>	<u>3,294,453</u>
<u>Fund Balance</u>			
Fund balance:			
Nonspendable	-	19,151	19,151
Restricted	57,407	5,323,534	5,380,941
Unassigned	-	(80,758)	(80,758)
Total fund balance	<u>57,407</u>	<u>5,261,927</u>	<u>5,319,334</u>
Total liabilities and fund balance	<u>\$ 57,407</u>	<u>\$ 8,556,380</u>	<u>\$ 8,613,787</u>

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Capital Improvements Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes, Hotel	\$ -	\$ 570,220	\$ 570,220
Intergovernmental revenue	-	6,201,950	6,201,950
Charges for services	-	1,193,922	1,193,922
Interest income	104	29,209	29,313
Other revenue	-	6,386	6,386
Total Revenues	<u>104</u>	<u>8,001,687</u>	<u>8,001,791</u>
Expenditures			
Current operating:			
General government	6,844	98,877	105,721
Judicial	-	1,439,463	1,439,463
Public safety	-	3,042,269	3,042,269
Public works	-	528,645	528,645
Human services	-	516,802	516,802
Culture and recreation	-	642,000	642,000
Conservation and development	-	1,704,221	1,704,221
Total Expenditures	<u>6,844</u>	<u>7,972,277</u>	<u>7,979,121</u>
Excess (deficiency) of revenues over expenditures	<u>(6,740)</u>	<u>29,410</u>	<u>22,670</u>
Other financing sources (uses)			
Amounts received from loans	-	57,015	57,015
Transfers in	21,780	77,159	98,939
Transfers out	-	(32,159)	(32,159)
Total other financing sources (uses)	<u>21,780</u>	<u>102,015</u>	<u>123,795</u>
Net change in fund balance	15,040	131,425	146,465
Fund balance, beginning of year	<u>42,367</u>	<u>5,130,502</u>	<u>5,172,869</u>
Fund balance, end of year	<u>\$ 57,407</u>	<u>\$ 5,261,927</u>	<u>\$ 5,319,334</u>

COUNTY OF INDIANA, PENNSYLVANIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022

	Liquid Fuels	Human Services Development	Planning Fund	Airport Construction	Children's Advisory Commission	Enhanced 911	Hazardous Materials	Indiana County Code Division
Assets								
Cash and cash equivalents	\$ 1,835,267	\$ 19,465	\$ 45,092	\$ 27,640	\$ 2,838	\$ 717,152	\$ 28,714	\$ 92,732
Investments	8,259	-	-	-	-	-	-	-
Receivables:								
Other governmental grants	26,803	-	-	11,667	-	641,797	-	-
Other	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	15,000	-
Prepaid expenses	-	-	-	-	-	-	19,151	-
Total assets	\$ 1,870,329	\$ 19,465	\$ 45,092	\$ 39,307	\$ 2,838	\$ 1,358,949	\$ 62,865	\$ 92,732
Liabilities								
Accounts payable	\$ -	\$ 20,763	\$ 2,043	\$ 11,667	\$ 179	\$ 1,435,069	\$ 2,054	\$ 74,922
Accrued liabilities	21,059	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	192
Due to other funds	-	-	2,217	-	-	-	45,000	-
Unearned loans receivable	-	-	-	-	-	-	-	-
Total liabilities	21,059	20,763	4,260	11,667	179	1,435,069	47,054	75,114
Fund Balance								
Fund balance:								
Nonspendable	-	-	-	-	-	-	19,151	-
Restricted	1,849,270	-	40,832	27,640	2,659	-	-	17,618
Unassigned	-	(1,298)	-	-	-	(76,120)	(3,340)	-
Total fund balance	1,849,270	(1,298)	40,832	27,640	2,659	(76,120)	15,811	17,618
Total liabilities and fund balance	\$ 1,870,329	\$ 19,465	\$ 45,092	\$ 39,307	\$ 2,838	\$ 1,358,949	\$ 62,865	\$ 92,732

COUNTY OF INDIANA, PENNSYLVANIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022

	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
<u>Assets</u>								
Cash and cash equivalents	\$ 6	\$ 192,442	\$ 26,221	\$ 146,522	\$ 110,640	\$ 59,710	\$ 59,128	\$ 1,384,951
Investments	-	-	-	-	-	-	-	-
Receivables:								
Other governmental grants	-	-	-	-	-	-	-	247,119
Other	-	21,280	-	1,418	-	669	669	49
Loans	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	149,387
Prepaid expenses	-	-	-	-	-	-	-	-
Total assets	<u>\$ 6</u>	<u>\$ 213,722</u>	<u>\$ 26,221</u>	<u>\$ 147,940</u>	<u>\$ 110,640</u>	<u>\$ 60,379</u>	<u>\$ 59,797</u>	<u>\$ 1,781,506</u>
<u>Liabilities</u>								
Accounts payable	\$ -	\$ 4,805	\$ -	\$ -	\$ 180	\$ -	\$ -	\$ 36,040
Accrued liabilities	-	0	-	-	-	-	-	8,606
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	108,229
Unearned loans receivable	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>4,805</u>	<u>-</u>	<u>-</u>	<u>180</u>	<u>-</u>	<u>-</u>	<u>152,875</u>
<u>Fund Balance</u>								
Fund balance:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	6	208,917	26,221	147,940	110,460	60,379	59,797	1,628,631
Unassigned	-	-	-	-	-	-	-	-
Total fund balance	<u>6</u>	<u>208,917</u>	<u>26,221</u>	<u>147,940</u>	<u>110,460</u>	<u>60,379</u>	<u>59,797</u>	<u>1,628,631</u>
Total liabilities and fund balance	<u>\$ 6</u>	<u>\$ 213,722</u>	<u>\$ 26,221</u>	<u>\$ 147,940</u>	<u>\$ 110,640</u>	<u>\$ 60,379</u>	<u>\$ 59,797</u>	<u>\$ 1,781,506</u>

COUNTY OF INDIANA, PENNSYLVANIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022

	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
<u>Assets</u>								
Cash and cash equivalents	\$ 14,197	\$ 181,791	\$ 8,211	\$ 11,159	\$ 7,102	\$ 19,930	\$ 74,690	\$ 30,195
Investments	-	-	-	-	-	-	-	-
Receivables:								
Other governmental grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	75	43,872	2,672
Loans	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
Total assets	<u>\$ 14,197</u>	<u>\$ 181,791</u>	<u>\$ 8,211</u>	<u>\$ 11,159</u>	<u>\$ 7,102</u>	<u>\$ 20,005</u>	<u>\$ 118,562</u>	<u>\$ 32,867</u>
<u>Liabilities</u>								
Accounts payable	\$ 2,913	\$ -	\$ 237	\$ 300	\$ -	\$ -	\$ 112,409	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Unearned loans receivable	-	-	-	-	-	-	-	-
Total liabilities	<u>2,913</u>	<u>-</u>	<u>237</u>	<u>300</u>	<u>-</u>	<u>-</u>	<u>112,409</u>	<u>-</u>
<u>Fund Balance</u>								
Fund balance:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	11,284	181,791	7,974	10,859	7,102	20,005	6,153	32,867
Unassigned	-	-	-	-	-	-	-	-
Total fund balance	<u>11,284</u>	<u>181,791</u>	<u>7,974</u>	<u>10,859</u>	<u>7,102</u>	<u>20,005</u>	<u>6,153</u>	<u>32,867</u>
Total liabilities and fund balance	<u>\$ 14,197</u>	<u>\$ 181,791</u>	<u>\$ 8,211</u>	<u>\$ 11,159</u>	<u>\$ 7,102</u>	<u>\$ 20,005</u>	<u>\$ 118,562</u>	<u>\$ 32,867</u>

COUNTY OF INDIANA, PENNSYLVANIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022

	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	\$ 107,102	\$ 22,730	\$ 1,344	\$ 4,706	\$ -	\$ 101,145	\$ 29,335	\$ 99
Investments	-	-	-	-	-	103,668	-	-
Receivables:								
Other governmental grants	238	-	196,871	9,000	-	-	-	62,722
Other	-	2,846	-	-	1,050	13,895	-	-
Loans	-	-	-	-	-	53,718	55,696	-
Due from other funds	-	-	2,217	-	-	15,226	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
Total assets	<u>\$ 107,340</u>	<u>\$ 25,576</u>	<u>\$ 200,432</u>	<u>\$ 13,706</u>	<u>\$ 1,050</u>	<u>\$ 287,652</u>	<u>\$ 85,031</u>	<u>\$ 62,821</u>
<u>Liabilities</u>								
Accounts payable	\$ 6,740	\$ 6,732	\$ 193,843	\$ 9,000	\$ -	\$ -	\$ 83	\$ 47,582
Accrued liabilities	-	-	367	526	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	15,225
Unearned loans receivable	-	-	-	-	-	53,718	55,696	-
Total liabilities	<u>6,740</u>	<u>6,732</u>	<u>194,210</u>	<u>9,526</u>	<u>-</u>	<u>53,718</u>	<u>55,779</u>	<u>62,807</u>
<u>Fund Balance</u>								
Fund balance:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	100,600	18,844	6,222	4,180	1,050	233,934	29,252	14
Unassigned	-	-	-	-	-	-	-	-
Total fund balance	<u>100,600</u>	<u>18,844</u>	<u>6,222</u>	<u>4,180</u>	<u>1,050</u>	<u>233,934</u>	<u>29,252</u>	<u>14</u>
Total liabilities and fund balance	<u>\$ 107,340</u>	<u>\$ 25,576</u>	<u>\$ 200,432</u>	<u>\$ 13,706</u>	<u>\$ 1,050</u>	<u>\$ 287,652</u>	<u>\$ 85,031</u>	<u>\$ 62,821</u>

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022

	Community Development Fund	Community Revitalization Program	General Economic Development	Homeless Assistance Program	Enterprise Zone	DA Forfeitures Account	Total
<hr/> Assets <hr/>							
Cash and cash equivalents	\$ 29,575	\$ 103	\$ 21,875	\$ 49,113	\$ 373,392	\$ 7,199	\$ 5,843,513
Investments	-	-	-	-	-	-	111,927
Receivables:							
Other governmental grants	-	-	-	-	-	-	1,196,217
Other	-	-	-	-	-	-	88,495
Loans	-	150,000	-	-	855,833	-	1,115,247
Due from other funds	-	-	-	-	-	-	181,830
Prepaid expenses	-	-	-	-	-	-	19,151
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 29,575</u>	<u>\$ 150,103</u>	<u>\$ 21,875</u>	<u>\$ 49,113</u>	<u>\$ 1,229,225</u>	<u>\$ 7,199</u>	<u>\$ 8,556,380</u>
<hr/> Liabilities <hr/>							
Accounts payable	\$ -	\$ -	\$ 98	\$ 10,126	\$ -	\$ -	\$ 1,977,785
Accrued liabilities	-	-	-	-	-	-	30,558
Due to other governments	-	-	-	-	-	-	192
Due to other funds	-	-	-	-	-	-	170,671
Unearned loans receivable	-	150,000	-	-	855,833	-	1,115,247
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>150,000</u>	<u>98</u>	<u>10,126</u>	<u>855,833</u>	<u>-</u>	<u>3,294,453</u>
<hr/> Fund Balance <hr/>							
Fund balance:							
Nonspendable	-	-	-	-	-	-	19,151
Restricted	29,575	103	21,777	38,987	373,392	7,199	5,323,534
Unassigned	-	-	-	-	-	-	(80,758)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balance	<u>29,575</u>	<u>103</u>	<u>21,777</u>	<u>38,987</u>	<u>373,392</u>	<u>7,199</u>	<u>5,261,927</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ 29,575</u>	<u>\$ 150,103</u>	<u>\$ 21,875</u>	<u>\$ 49,113</u>	<u>\$ 1,229,225</u>	<u>\$ 7,199</u>	<u>\$ 8,556,380</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, 2022

	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	367,656	88,585	27,200	351,055	-	2,564,008	54,786	-
Charges for services	-	440	-	-	5,906	-	20,363	52,763
Interest income	5,269	55	115	50	11	1,553	38	437
Other revenue	-	-	-	-	-	-	-	-
Total Revenues	<u>372,925</u>	<u>89,080</u>	<u>27,315</u>	<u>351,105</u>	<u>5,917</u>	<u>2,565,561</u>	<u>75,187</u>	<u>53,200</u>
Expenditures								
Current operating:								
General government	-	-	-	-	-	-	-	61,747
Judicial	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	2,875,661	119,964	-
Public works	140,500	-	-	388,145	-	-	-	-
Human services	-	118,664	-	-	8,483	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Conservation and development	-	-	6,963	-	-	-	-	-
Total Expenditures	<u>140,500</u>	<u>118,664</u>	<u>6,963</u>	<u>388,145</u>	<u>8,483</u>	<u>2,875,661</u>	<u>119,964</u>	<u>61,747</u>
Excess (deficiency) of revenues over expenditures	<u>232,425</u>	<u>(29,584)</u>	<u>20,352</u>	<u>(37,040)</u>	<u>(2,566)</u>	<u>(310,100)</u>	<u>(44,777)</u>	<u>(8,547)</u>
Other financing sources (uses)								
Amounts received from loans	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	45,000	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,000</u>	<u>-</u>
Net change in fund balance	232,425	(29,584)	20,352	(37,040)	(2,566)	(310,100)	223	(8,547)
Fund balance, beginning of year	<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>
Fund balance, end of year	<u>\$ 1,849,270</u>	<u>\$ (1,298)</u>	<u>\$ 40,832</u>	<u>\$ 27,640</u>	<u>\$ 2,659</u>	<u>\$ (76,120)</u>	<u>\$ 15,811</u>	<u>\$ 17,618</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, 2022

	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	52,785	-	-	-	-	-	-	779,215
Charges for services	-	137,004	5,151	18,550	28,560	8,750	8,750	455,370
Interest income	4	289	-	516	18	171	211	10,129
Other revenue	-	-	-	-	-	-	-	-
Total Revenues	<u>52,789</u>	<u>137,293</u>	<u>5,151</u>	<u>19,066</u>	<u>28,578</u>	<u>8,921</u>	<u>8,961</u>	<u>1,244,714</u>
Expenditures								
Current operating:								
General government	-	-	-	14,320	2,800	11,452	8,558	-
Judicial	-	-	-	-	-	-	-	1,204,929
Public safety	-	46,644	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Conservation and development	52,784	-	-	-	-	-	-	-
Total Expenditures	<u>52,784</u>	<u>46,644</u>	<u>-</u>	<u>14,320</u>	<u>2,800</u>	<u>11,452</u>	<u>8,558</u>	<u>1,204,929</u>
Excess (deficiency) of revenues over expenditures	<u>5</u>	<u>90,649</u>	<u>5,151</u>	<u>4,746</u>	<u>25,778</u>	<u>(2,531)</u>	<u>403</u>	<u>39,785</u>
Other financing sources (uses)								
Amounts received from loans	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
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	5	90,649	5,151	4,746	25,778	(2,531)	403	39,785
Fund balance, beginning 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>
Fund balance, end of year	<u>\$ 6</u>	<u>\$ 208,917</u>	<u>\$ 26,221</u>	<u>\$ 147,940</u>	<u>\$ 110,460</u>	<u>\$ 60,379</u>	<u>\$ 59,797</u>	<u>\$ 1,628,631</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, 2022

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 570,220	\$ -
Intergovernmental revenue	72,500	-	-	-	-	-	-	-
Charges for services	-	276,649	7,042	7,680	9,104	1,350	-	16,988
Interest income	-	16	37	27	3	68	111	97
Other revenue	-	-	-	-	-	-	-	-
Total Revenues	<u>72,500</u>	<u>276,665</u>	<u>7,079</u>	<u>7,707</u>	<u>9,107</u>	<u>1,418</u>	<u>570,331</u>	<u>17,085</u>
Expenditures								
Current operating:								
General government	-	-	-	-	-	-	-	-
Judicial	58,328	118,878	-	3,968	13,173	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Human services	-	-	10,925	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	582,336	7,199
Conservation and development	-	-	-	-	-	-	-	-
Total Expenditures	<u>58,328</u>	<u>118,878</u>	<u>10,925</u>	<u>3,968</u>	<u>13,173</u>	<u>-</u>	<u>582,336</u>	<u>7,199</u>
Excess (deficiency) of revenues over expenditures	<u>14,172</u>	<u>157,787</u>	<u>(3,846)</u>	<u>3,739</u>	<u>(4,066)</u>	<u>1,418</u>	<u>(12,005)</u>	<u>9,886</u>
Other financing sources (uses)								
Amounts received from loans	-	-	-	-	-	-	-	-
Transfers in	7,159	-	-	-	-	-	-	-
Transfers out	-	(7,159)	-	-	-	-	-	-
Total other financing sources (uses)	<u>7,159</u>	<u>(7,159)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	21,331	150,628	(3,846)	3,739	(4,066)	1,418	(12,005)	9,886
Fund balance, beginning 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>
Fund balance, end of year	<u>\$ 11,284</u>	<u>\$ 181,791</u>	<u>\$ 7,974</u>	<u>\$ 10,859</u>	<u>\$ 7,102</u>	<u>\$ 20,005</u>	<u>\$ 6,153</u>	<u>\$ 32,867</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, 2022

	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	-	3,287	1,210,036	174,407	-	-	-	142,188
Charges for services	67,395	2,500	-	-	-	45,905	9	-
Interest income	1,159	6,549	-	-	-	343	67	-
Other revenue	<u>6,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>74,940</u>	<u>12,336</u>	<u>1,210,036</u>	<u>174,407</u>	<u>-</u>	<u>46,248</u>	<u>76</u>	<u>142,188</u>
Expenditures								
Current operating:								
General government	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	142,177
Culture and recreation	52,465	-	-	-	-	-	-	-
Conservation and development	<u>-</u>	<u>10,368</u>	<u>1,213,042</u>	<u>174,652</u>	<u>-</u>	<u>21,898</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>52,465</u>	<u>10,368</u>	<u>1,213,042</u>	<u>174,652</u>	<u>-</u>	<u>21,898</u>	<u>-</u>	<u>142,177</u>
Excess (deficiency) of revenues over expenditures	<u>22,475</u>	<u>1,968</u>	<u>(3,006)</u>	<u>(245)</u>	<u>-</u>	<u>24,350</u>	<u>76</u>	<u>11</u>
Other financing sources (uses)								
Amounts received from loans	-	-	-	-	-	2,163	1,794	-
Transfers in	-	-	-	-	-	-	25,000	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,837)</u>	<u>26,794</u>	<u>-</u>
Net change in fund balance	22,475	1,968	(3,006)	(245)	-	1,513	26,870	11
Fund balance, beginning 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>
Fund balance, end of year	<u>\$ 100,600</u>	<u>\$ 18,844</u>	<u>\$ 6,222</u>	<u>\$ 4,180</u>	<u>\$ 1,050</u>	<u>\$ 233,934</u>	<u>\$ 29,252</u>	<u>\$ 14</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, 2022

	Community Development Fund	Community Revitalization Program	General Economic Development	Homeless Assistance Program	Enterprise Zone	DA Forfeitures Account	Total
Revenues							
Taxes, Hotel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 570,220
Intergovernmental revenue	-	-	43,750	223,106	-	47,386	6,201,950
Charges for services	-	-	-	-	17,693	-	1,193,922
Interest income	325	0	85	201	1,255	-	29,209
Other revenue	-	-	-	-	-	-	6,386
Total Revenues	<u>325</u>	<u>-</u>	<u>43,835</u>	<u>223,307</u>	<u>18,948</u>	<u>47,386</u>	<u>8,001,687</u>
Expenditures							
Current operating:							
General government	-	-	-	-	-	-	98,877
Judicial	-	-	-	-	-	40,187	1,439,463
Public safety	-	-	-	-	-	-	3,042,269
Public works	-	-	-	-	-	-	528,645
Human services	-	-	-	236,553	-	-	516,802
Culture and recreation	-	-	-	-	-	-	642,000
Conservation and development	<u>163,247</u>	<u>-</u>	<u>47,238</u>	<u>-</u>	<u>14,029</u>	<u>-</u>	<u>1,704,221</u>
Total Expenditures	<u>163,247</u>	<u>-</u>	<u>47,238</u>	<u>236,553</u>	<u>14,029</u>	<u>40,187</u>	<u>7,972,277</u>
Excess (deficiency) of revenues over expenditures	<u>(162,922)</u>	<u>-</u>	<u>(3,403)</u>	<u>(13,246)</u>	<u>4,919</u>	<u>7,199</u>	<u>29,410</u>
Other financing sources (uses)							
Amounts received from loans	-	-	-	-	53,058	-	57,015
Transfers in	-	-	-	-	-	-	77,159
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,159)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,058</u>	<u>-</u>	<u>102,015</u>
Net change in fund balance	(162,922)	-	(3,403)	(13,246)	57,977	7,199	131,425
Fund balance, beginning of year	<u>192,497</u>	<u>103</u>	<u>25,180</u>	<u>52,233</u>	<u>315,415</u>	<u>-</u>	<u>5,130,502</u>
Fund balance, end of year	<u>\$ 29,575</u>	<u>\$ 103</u>	<u>\$ 21,777</u>	<u>\$ 38,987</u>	<u>\$ 373,392</u>	<u>\$ 7,199</u>	<u>\$ 5,261,927</u>

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING STATEMENT OF NET POSITION
 DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 2022

	Indiana County Municipal Services Authority	Highridge Water Authority	Total Component Units
<hr/>			
Assets			
<hr/>			
Current Assets:			
Cash and cash equivalents	\$ 1,337,216	\$ 1,132,000	\$ 2,469,216
Restricted cash and cash equivalents	1,456,412	-	1,456,412
Accounts Receivable	866,212	292,345	1,158,557
Note Receivable - current	101,485	-	101,485
Prepaid expenses and other current assets	-	85,670	85,670
Inventories	-	180,978	180,978
	<hr/>	<hr/>	<hr/>
	3,761,325	1,690,993	5,452,318
	<hr/>	<hr/>	<hr/>
Noncurrent assets:			
Capital Assets (net of accumulated depreciation)	89,692,990	26,702,593	116,395,583
Note Receivable less current portion	1,216,339	-	1,216,339
Intangible assets	-	763,155	763,155
Other assets	276,136	-	276,136
	<hr/>	<hr/>	<hr/>
Total noncurrent assets	91,185,465	27,465,748	118,651,213
	<hr/>	<hr/>	<hr/>
Total assets	\$ 94,946,790	\$ 29,156,741	\$ 124,103,531
Liabilities			
<hr/>			
Current liabilities:			
Accounts payable	\$ 193,528	\$ 108,867	\$ 302,395
Accrued Expenses	334,690	45,374	380,064
Accrued Interest Payable	113,717	27,539	141,256
Current portion of long-term debt	2,955,866	881,503	3,837,369
Customer Deposits	100,779	48,044	148,823
	<hr/>	<hr/>	<hr/>
Total current liabilities	3,698,580	1,111,327	4,809,907
	<hr/>	<hr/>	<hr/>
Compensated absences	-	211,989	211,989
Long-term debt	40,754,045	6,271,453	47,025,498
	<hr/>	<hr/>	<hr/>
Total noncurrent liabilities	40,754,045	6,483,442	47,237,487
	<hr/>	<hr/>	<hr/>
Total Liabilities	44,452,625	7,594,769	52,047,394
Net Position			
<hr/>			
Net investment in capital assets	46,145,498	19,549,637	65,695,135
Restricted per bond indenture	1,394,164	-	1,394,164
Restricted for construction	62,248	-	62,248
Unrestricted	2,892,255	2,012,335	4,904,590
	<hr/>	<hr/>	<hr/>
Total net position	50,494,165	21,561,972	72,056,137
	<hr/>	<hr/>	<hr/>
Total liabilities and net position	\$ 94,946,790	\$ 29,156,741	\$ 124,103,531
	<hr/>	<hr/>	<hr/>

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING STATEMENT OF ACTIVITIES
 DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Indiana County Municipal Services Authority	Highridge Water Authority	Total Component Units
Operating Revenues			
Charges for services	\$ 7,666,364	\$ 3,011,595	\$ 10,677,959
Other revenue	<u>26,260</u>	<u>661,113</u>	<u>687,373</u>
Total Operating Revenues	<u>7,692,624</u>	<u>3,672,708</u>	<u>11,365,332</u>
Operating Expenses			
General and administration	429,181	603,756	1,032,937
Operating costs	3,731,966	1,698,683	5,430,649
Depreciation and amortization	<u>3,849,644</u>	<u>1,450,217</u>	<u>5,299,861</u>
Total Operating Expenses	<u>8,010,791</u>	<u>3,752,656</u>	<u>11,763,447</u>
Operating Income	<u>(318,167)</u>	<u>(79,948)</u>	<u>(398,115)</u>
Nonoperating Revenues (Expenses)			
Interest Income	27,878	4,765	32,643
Tap fees	-	44,664	44,664
Amorization of bond discount and issuance costs	(273,401)	(17,320)	(290,721)
Loss on diposal of assets	-	(711)	(711)
Interest expense	(618,279)	(129,944)	(748,223)
Gain on sale of asset	11,800	14,100	25,900
Grants for construction	<u>2,123,370</u>	<u>300,293</u>	<u>2,423,663</u>
Total Nonoperating Revenues (Expenses)	<u>1,271,368</u>	<u>215,847</u>	<u>1,487,215</u>
Changes in Net Position	<u>953,201</u>	<u>135,899</u>	<u>1,089,100</u>
Net Position - Beginning of Year	<u>49,540,964</u>	<u>21,426,073</u>	<u>70,967,037</u>
Net Position - End of Year	<u><u>\$ 50,494,165</u></u>	<u><u>\$ 21,561,972</u></u>	<u><u>\$ 72,056,137</u></u>