

# 2018 COUNTY OF ALLEGHENY PENNSYLVANIA

## Comprehensive Annual Financial Report

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For the Fiscal Year Ended  
December 31, 2018



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PREPARED BY CHELSA WAGNER, CONTROLLER



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## Controller's Letter of Transmittal

**COUNTY OF ALLEGHENY****OFFICE OF THE CONTROLLER**

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April 29, 2019

***TO THE CITIZENS OF ALLEGHENY COUNTY:***

I am pleased to present the 2019 Comprehensive Annual Financial Report (CAFR) for the County of Allegheny County (the County).

The financial information presented herein is accurate in all material respects and is reported in a manner designed to fairly set forth the County's financial position and the results of its operations for the year ended December 31, 2018. This report contains the government-wide financial statements and fund financial statements of the County, as well as the financial data of the discretely presented component units that are included as part of the County's reporting entity. Management is responsible for the contents of this report.

This report is intended to provide information to various users, stakeholders and persons interested in the fiscal health of the County, including: the taxpayers of the County, investors, creditors, government officials and the general public. The intent of the CAFR is to describe an accurate portrayal of the County's financial position and the financial results of its operations as of and for the year ended December 31, 2018.

This CAFR also includes a narrative introduction and an analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A). This analysis is similar to the types of information provided in the private sector in an annual report, and information regarding the County's results of operations, formerly included in this transmittal letter, can now be found in the MD&A.

***PROFILE OF THE GOVERNMENT******COUNTY OF ALLEGHENY, PENNSYLVANIA***

Founded in 1788, the County of Allegheny is the second most populous county in Pennsylvania and the 28th most populous county in the United States with 1.2 million residents residing in 730.74 square miles encompassing 130 municipalities. The County provides numerous essential services to

## Controller's Letter of Transmittal

the poor and needy (including operating nursing homes for the indigent elderly), enforces laws, constructs roads and seeks to stimulate economic development to make Allegheny County and its greater region more prosperous and competitive in the 21st century global marketplace.

The County serves as the municipal core and primary economic engine of the seven-county, Southwestern Pennsylvania area known as the Greater Pittsburgh Metropolitan Region (the Region) that also comprises Armstrong, Beaver, Butler, Fayette, Washington and Westmoreland counties.

Effective January 1, 2000, the County began operating under a Home Rule Charter (the Charter). The Charter superseded certain provisions of the Pennsylvania Second Class County Code pertaining to the County's governing framework. Specifically, the Charter established a 15-member County Council to serve as the legislative branch of government and a Chief Executive to perform the executive branch functions. Under the Chief Executive, the Charter requires the appointment of a County Manager to manage the day-to-day affairs of the County in a professional, non-partisan manner. The County Council and Chief Executive replaced the three-member Board of Commissioners that previously performed all legislative and executive functions as set forth in the Second Class County Code.

The Charter also required adoption of an Administrative Code to direct the internal operation of the County. Unless expressly and implicitly modified or repealed by the Charter, all provisions of the Second Class County Code and other applicable state laws still govern the operations of the County.

The Controller is elected to serve as the County's Chief Financial Officer. The Controller is independent of both the County Council and Chief Executive. The statutory duties and obligations of the Controller derive from the Second Class County Code and were not affected or diminished by the Home Rule Charter. The Treasurer is elected to collect taxes and invest government funds. The other independently elected row officers are the District Attorney and the Sheriff. The Court of Common Pleas of Allegheny County is part of the unified judicial system provided for in the Pennsylvania Constitution, and the ultimate supervision and management of the local court system lies with the Pennsylvania Supreme Court.

### **REPORTING ENTITY**

Statement of Governmental Accounting Standards No. 14, "The Financial Reporting Entity," and as amended by Statement No. 61 establishes standards for defining and reporting on the financial reporting entity - in this case the County. The core of the financial reporting entity is the "primary government." The Governmental Accounting Standards Board's Codification, Section 2100.112, classifies all general-purpose local governments as primary governments. For this report, the County is considered the primary government.

The financial reporting entity includes both the primary government and all of its "component units." A component unit is a legally separate entity that meets any one of the following criteria:

- The primary government appoints a voting majority of the board, and is able to impose its will on the component unit, or is in a relationship of financial benefit or burden with the component unit;
- The component unit is fiscally accountable to the primary government, or;
- The financial statements of the primary government and component units are closely related to or integrated with and would be misleading if not included.

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In conformity with generally accepted accounting principles (GAAP) in the United States, the financial statements of the County's component units are included in this report because of the significance of their operation or financial relationships with the County. The majority of the board of directors of the component units, except Soldiers' and Sailors' Memorial Hall and Museum Trust, Inc. (Memorial Hall) are appointed by the County's Chief Executive and confirmed by the County Council.

Individual financial data for the Allegheny County Airport Authority (ACAA), Port Authority of Allegheny County (PAT), Community College of Allegheny County (CCAC), Redevelopment Authority of Allegheny County (RAAC), Allegheny County Industrial Development Authority (ACIDA), and combined data for the Allegheny HealthChoices, Inc. (AHCI), Allegheny County Parks Foundation (Parks Foundation), and Memorial Hall have been included in the County's government-wide financial statements. They are reported in a separate column to emphasize that they are legally separate from the County.

### **COUNTY WIDE SERVICES**

Reflected in this report are the services provided by the County, including health and social services, education and cultural programs, public safety, operation of a jail, construction, maintenance and repair of infrastructure, judicial services, transportation, economic development, long-term nursing care and rehabilitation of the chronically ill and elderly, treatment, counseling and housing for people with intellectual disabilities or drug and alcohol dependency, shelter for delinquent children, services for abused children and their families, support of a system of county parks for conservation and recreation, and general government administration.

### **INTERNAL CONTROL**

The County's internal accounting control system is an established comprehensive framework that provides taxpayers and other interested persons and entities with assurances that the assets of the County are reasonably safeguarded against loss from unauthorized use, mismanagement and negligence. These controls are also utilized to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the County's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Under provisions of the Second Class County Code, the Controller is responsible for developing and maintaining the accounting system for the County. In addition, the Controller must audit all claims before disbursement, audit accounts of all County offices, file an annual financial report with the Court of Common Pleas and perform many administrative and board functions.

### **INDEPENDENT AUDIT**

For the 39th consecutive year, an independent public accounting firm audited the County's financial statements. The firm of Zelenkofske Axelrod LLC, Certified Public Accountants, performed the current audit. Such an audit is performed to provide reasonable assurance the financial statements of the County for the year ending December 31, 2018 stood free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The auditor concluded there to be a reasonable basis upon which to render an unmodified opinion that the County's financial statements for the year ended December 31, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented in the Financial Section of this report.

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### **BUDGET**

As specified in the Home Rule Charter, the Chief Executive must present the annual operating and capital budgets to County Council 75 days before the end of each fiscal year. No later than 25 days before the end of the year, County Council must adopt, by resolution, balanced operating and capital budgets. The annual operating budget contains estimated revenues and expenditures for the following funds: General, Liquid Fuel Tax, Transportation, Infrastructure and Debt Service. Budgetary control is maintained at the total budget, fund, department and character levels of expenditures by encumbering the total dollars indicated on purchase requisitions prior to their release to vendors. Encumbrance, as employed in governmental accounting, means a restriction is placed on the budget allowance to control expenditures. Expenditure documents that result in an overrun of available appropriation balances at the various levels of control are not released until appropriation transfers are officially requested and made available pursuant to the County's Administrative Code. At year-end, open encumbrances in the General Fund are reported as assigned fund balance and re-appropriated at the start of the next fiscal year.

### **FISCAL ISSUES**

Allegheny County's General Fund balance continued to increase in 2019. Financial experts and rating agencies recommend governments should maintain a fund balance of at least 5.0% of operating revenues. The General Fund's unassigned portion of the fund balance of \$50.5 million represents 6.5% of General Fund revenue and 5.5% of the County's Operating Budget. The County's fund balance more than doubled in 2012 and almost doubled again in 2013, correlating with a 2012 increase in the property tax millage. In recent years, however, this upward trend is beginning to slow.

Bond ratings serve as a key indicator of a government's creditworthiness and provide governments with the fiscal flexibility to borrow funds to build and rehabilitate essential infrastructure. Rating agencies have lauded the fiscal improvements undertaken by the County over the last decade. The County received an increased investment rating of "Aa3" from "A1" by Moody's Rating Services. In support of its rating, Moody's cited to the County's large and growing tax base anchored upon the education, medical and technology sectors. An outlook of stable was assigned. Additionally, S&P Global Ratings affirmed its "AA-" long-term rating to the County, noting that the County had a "stable outlook." Rating agencies did cite long-term concerns with the County's underfunded pension status, a concern certainly not unique to the County.

The County ended 2018 with a General Obligation Bond Debt of \$939.5 million, an increase of \$53.8 million over 2017. Debt levels represent about \$763 for every County resident as compared to \$719 as of December 2017. Debt service payments currently stand at \$72.1 million annually. Managing debt levels will continue to be a challenge to the County moving forward. The County has a plethora of existing roads and bridges within its jurisdiction in need of repair and improvement. Additionally, unanticipated problems caused by extreme weather events also demand funding, such as recent projects to remediate/prevent landslides. The County will need to continue to balance these immediate needs with prudent concerns of not burdening future residents and taxpayers with unsustainable levels of debt.

A chronic concern for the County is an underfunded pension liability. Typically, a "healthy" pension fund has a funded ratio of at least 80%. Despite increasing the contribution rate in 4 of the last 7 years, the County's pension fund stood at 56.6% funded status in 2015, dropped to 43.4% in 2016, then 46.4% in 2017, and now stands at 40.5% with a net pension liability of \$1.2 billion. Even with rate increases, a 40.5% funded pension is significantly lower than the 80% funded ratio goal. The County has enacted policies to strengthen the liquidity of the Fund. In December 2013, at the County's

## Controller's Letter of Transmittal

insistence, the Commonwealth passed Act 125, amending the pension structure for Allegheny County. Under Act 125, new employees, as of February 25, 2014, must have 10 to 25 years of service (rather than the previous 8 to 20 years) to qualify for retirement benefits. Additionally, contribution rates on salary calculations are now based upon the highest 48 months of the last 8 years of employment rather than the highest 24 months of the last 4 years. Overtime wages are only included in pensionable wages up to 10% of base pay. Contributions of both the employee and the County have increased from 7.0% in 2011 to the current contribution rate of 10% in 2019. These changes, in aggregate, will eventually reduce the County's actuarial liability and could save an estimated \$340 million. However, such steps are a mere tourniquet over a more systemic funding issue. The positive changes enacted by the County provide an estimated savings based upon hypothetical future employees. The changes do not improve the immediate outlook of an underfunded pension. Additionally, since based upon current trends the County in future years will likely employ less persons than it does now, the hypothetical future pension system will have fewer active employees paying into the system to provide liquidity. Therefore, the pension system remains a concern, presenting an obstacle to fiscal stability as more tax revenues will need to be devoted to pay for the County's pension liabilities over the next three decades.

Challenges faced by the County can be exacerbated by cuts in funding of mandated services from higher levels of government. Both the federal and state governments continue to limit funding of mandated essential services provided by urban municipalities, and budgetary instability at both the state and federal levels threaten additional austerity at a time when multiple social and public health crises loom, including an opiate addiction and our sewage and drinking water infrastructure.

In addition to these acute challenges, two of the County's major authorities, the Allegheny County Airport Authority (ACAA) and the Allegheny County Sanitary Authority (ALCOSAN), continue to encounter challenges that will impact the Region's economic performance; although, in the case of the ACAA, recent trends offer encouragement that those challenges are surmountable.

### LOCAL ECONOMIC CONDITIONS

By most measures, the economy of Allegheny County is on an upward trajectory: gross domestic product is consistently among the 25 largest in the United States and has outpaced comparable metropolitan areas; wages and income are rising faster than in the country as a whole; and unemployment stands at its lowest rate since 1970. After years of flat job growth, companies in the region added 13,000 jobs in 2018, the second year in a row that employment has increased.

This positive picture translates into increasingly sunny attitudes about the quality of life. In a survey conducted by researchers at the University of Pittsburgh, 67% of Allegheny County residents rated the quality of life in southwestern Pennsylvania as either "excellent" or "very good" in 2018; fewer than 1% rate it as "poor." More than 52% said that quality of life in the region has improved in the last few years, compared with just 27% who said that in 2011; and fewer than 10% felt that quality of life in the region has declined.

However, there are also weak spots and areas for improvement. Population growth, often an indicator of long-term economic growth, continues to trend downward. Job growth has lagged behind both the national average and other nearby large metropolitan regions like Philadelphia, Cleveland, and Cincinnati. Ultimately, if the region cannot retain and build its workforce, it will have trouble attracting new business investment and existing businesses could look elsewhere for workers.



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It has also become increasingly clear that recent economic success has not been evenly distributed. While the technology, health, and education sectors continue to grow, manufacturing employment in the region, traditionally a source of good paying jobs for non-college-educated workers, is at an all-time low. The income gap for African-Americans in the region is much wider than the national average. In that same University of Pittsburgh survey referenced above, just 29% of African Americans in Allegheny County rate the quality of life as “very good” or “excellent.” Geographically, some parts of the county have seen an enormous amount of new development, in some cases leading to the displacement of residents as housing costs rise. (A recent study by the National Community Reinvestment Coalition ranked Pittsburgh the eighth most gentrified city in the nation) Other parts of the county have seen little investment and continue to suffer from decades of disinvestment and entrenched poverty. The key for the coming years will be to find ways to bridge these gaps in growth and opportunity.

### GROSS DOMESTIC PRODUCT & SOURCES OF ECONOMIC GROWTH

With a gross domestic product of \$147 billion, the Pittsburgh region ranks 25th of the 383 metropolitan areas in the United States in terms of size. Between 2016 and 2017 (the most recent year for which data is available), the region’s economy grew 3.7%, the 45th highest percentage of all metros, faster than nearly all nearby benchmark metros like Cleveland, Philadelphia, Columbus, Cincinnati, and Indianapolis.

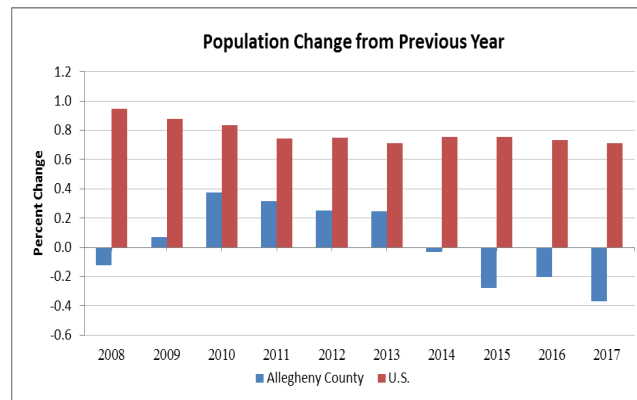
While education, healthcare, and technology have dominated the economic news about the region, over half of the growth in GDP (1.89%) came from Natural Resources and Mining, which is mostly attributable to natural gas drilling in the Marcellus shale. The next largest sources of growth were Finance & Insurance (0.75%), and then Education and Healthcare (0.30%). Growth in those three sectors can be expected to continue given some of the large projects currently underway. In 2017, UPMC announced a \$2 billion plan to build three new specialty hospitals; it broke ground on the first, in the City of Pittsburgh’s Uptown neighborhood, in early 2019. Construction continues on a \$6 billion ethane cracker complex nearby in Beaver County; there are currently 3,000 people working on site, and the company expects to ramp up to 6,000 workers in 2019. When completed, the plant is expected to employ 600 permanent workers and could lead to the construction of other petrochemical plants in the area. The \$1.1 billion terminal modernization project at the Pittsburgh International Airport will be another major source of growth for the construction industry, with groundbreaking expected by the end of 2019.

The region’s technology industry has continued to grow as well. Allegheny County may not have been chosen as the site of Amazon’s HQ2, but homegrown startups in the area have raised nearly \$1.7 billion in venture funding in the past three years (including Ford Motor Company’s \$1 billion investment in the autonomous vehicle startup, Argo AI). Twenty-three startups came out of the University of Pittsburgh alone in the 2017-18 fiscal year, a record for the third year in a row. And in the past decade, more than eighty local companies were acquired by tech giants like Amazon, IBM, and Yelp who maintained operations in the area; while other major technology companies, including Uber, Facebook, and Apple have opened offices here in the past few years. On the other hand, this region is still far from a global tech center along the lines of Seattle or the Bay Area. In a ranking of the most innovative regions in the U.S., based on the number of patents issued per 100,000 residents, the Pittsburgh metro area didn’t make the top 25. In the Kauffman Index report on startup activity in the 40 largest metro areas, Pittsburgh tied for last place. And in the real estate research firm CBRE’s 2018 Scoring Tech Talent report, the Pittsburgh region ranked 28th among tech talent markets, improving two places from 2017, but still behind nearby Columbus and Philadelphia.

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**DEMOGRAPHIC**

The population of Allegheny County and the larger Pittsburgh Metropolitan Region has declined slightly in recent years. Between 2013 and 2017, while the United States population grew 0.7% per year on average, Allegheny County declined by 0.1% annually, and the population of the larger Pittsburgh metropolitan area declined by 0.2% per year. For the second straight year, this region lost more residents than any other area except Chicago. The recent population losses are still relatively small, especially when compared to the massive population drop between 1970 and the mid-2000s, when Allegheny County lost nearly 400,000 residents. However, it does represent a worrying trend at a time when most other areas are gaining residents.



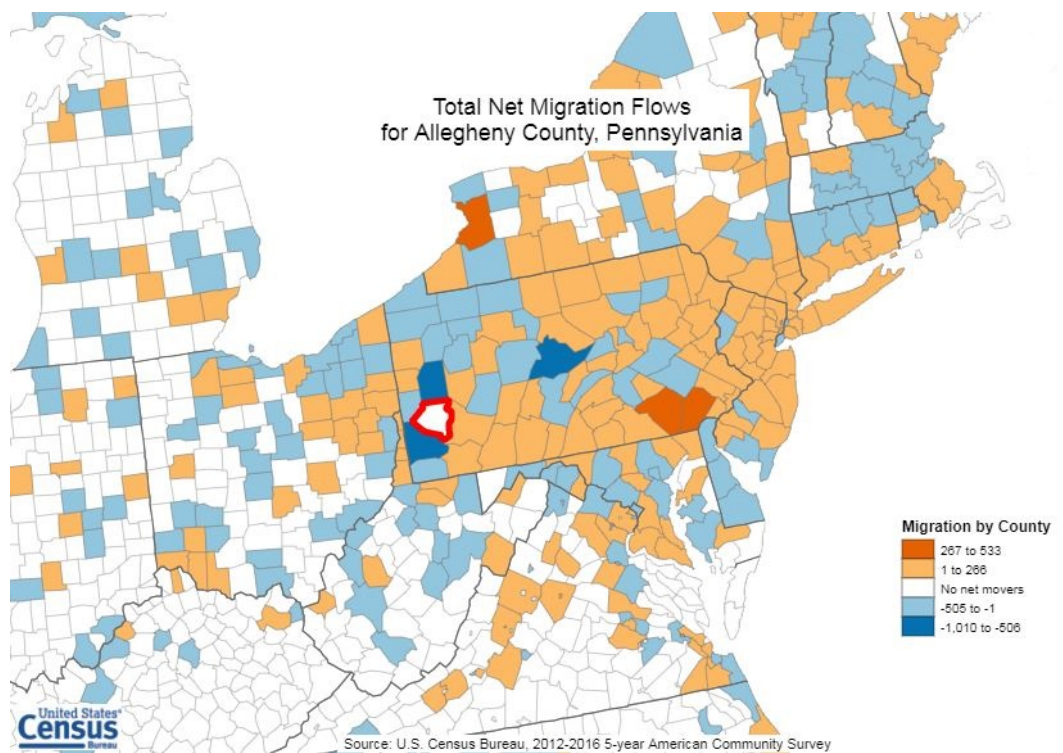
**Age:** Part of the reason for the declining population is that there have been more deaths than births in the region: 550 more in Allegheny County and 3,825 in the metro area in 2016-2017. This imbalance is due to the growing share of older residents: in 2010 16.8% of Allegheny County's residents were age 65 or older; in 2017 that percentage had grown to 18.4%, well above the U.S. average of 15.6%. At the other end of the age scale, 18.8% of Allegheny County residents were under 18 in 2017, below the national average of 22.6%.

**Percent of the population in each age bracket**

	Allegheny County	US	Difference
<b>Under 5</b>	5.3%	6.1%	-0.8%
<b>Under 18</b>	18.8%	22.6%	-3.8%
<b>Over 65</b>	18.4%	15.6%	2.8%

**Migration:** Another reason for the slightly declining population of Allegheny County is that more people are moving out than moving in. In 2016, Allegheny County lost an estimated 2,800 residents to migration; only slightly fewer than the 3,300 lost in 2015. In fact, for all but one of the last five years for which migration data is available (2012 to 2016), net migration flow for Allegheny County was negative. Between 2015 and 2016, the largest net losses for the Pittsburgh metro area have come from residents moving to Dallas-Ft. Worth, Tampa-St. Petersburg, and Houston. The largest net gains came from Morgantown WV, Erie PA, and the New York City area. This map shows regional migration patterns to/from Allegheny County specifically:

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International migration to Allegheny County also lags behind other places. The most recent Census estimate puts the share of foreign-born residents at 5.7%; for the U.S. as a whole it was 13.4%. The number of foreign-born residents in the region has been growing-- between 2016 and 2017 the region gained over 4,300 international residents-- however it's been growing at a slower rate than other nearby metro areas including Cleveland, Columbus, and Indianapolis.

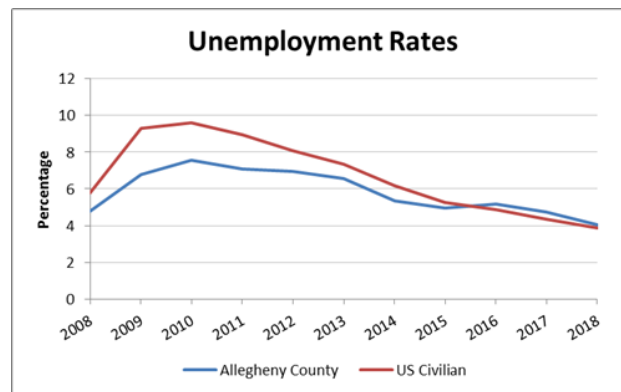
**Education:** The population of Allegheny County is more educated than most other counties: 94.1% of residents age 25 and older have graduated from high school and 40.0% have a Bachelor's Degree or higher; nationwide those figures are 87.3% and 30.9% respectively. Allegheny County's levels of educational attainment are also well above nearby benchmark counties like Cuyahoga (Cleveland), Franklin (Columbus), Erie County, NY (Buffalo), Marion (Indianapolis) and Philadelphia.

## EMPLOYMENT

**Unemployment:** The unemployment rate continues to fall in Allegheny County: the monthly average was 4.1% in 2018, down from 4.8% in 2017 and the lowest it's been since 2000. That was only slightly higher than the U.S. civilian unemployment rate of 3.9% in 2018. In February 2019, the seasonally adjusted unemployment rate for the Pittsburgh MSA fell to 3.6%-- the last time it was lower was February 1970.

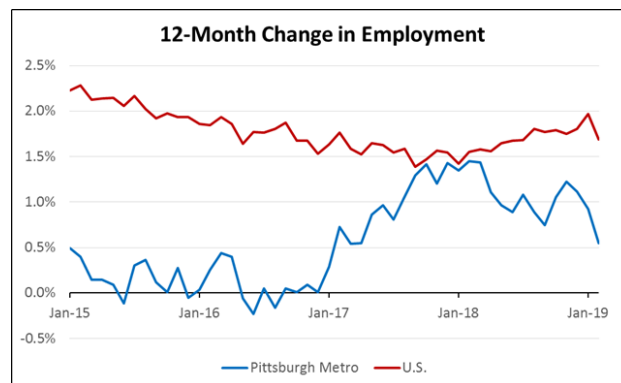


## Controller's Letter of Transmittal



However, the overall unemployment rates hide pervasive racial inequality. The U.S. Census American Community Survey estimates for 2013-2017 show an unemployment rate for African Americans in Allegheny County of 14.4%. That's three times the rate for Whites in Allegheny County (4.8%), and also significantly higher than the unemployment rate for African Americans nationwide (11.9%).

**Job growth:** After several years of flat job growth, employment has started to creep up over the past few years. In early 2018, employment growth rate hit a peak of 1.5% over the previous year; however by the end of 2018 employment growth had slowed to around 0.5% over the previous year. While growing employment is good news, job growth here has still lagged behind the national employment growth rate, which has hovered between 1.5% and 2.0% in recent years.



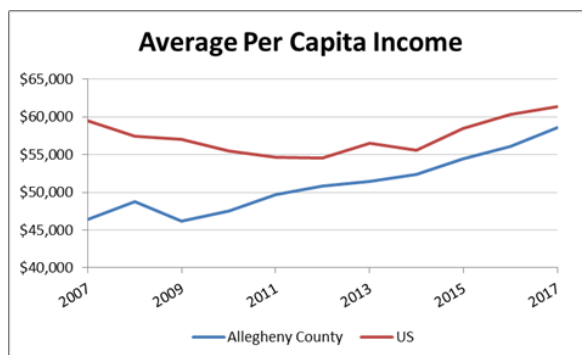
**Industries:** The region's largest employment sectors are Education and Health (21.3%), Trade, Transportation, and Utilities (18.1%), and Professional and Business (15.5%). In Allegheny County, Education, Healthcare, and Financial Activities make up a particularly large share of employment compared to other parts of the country; and of the top ten employers, six are either hospitals, universities, or banks.

Even though Pittsburgh did not succeed in its bid to land Amazon's HQ2, the region has still continued its transition toward technology-focused industries and away from its traditional manufacturing base. In 2014, employment in research and development exceeded employment in iron and steel mills for the first time; by March, 2018, there were 41% more jobs in R&D than in the mills. In February 2019, manufacturing employment in the Pittsburgh MSA hit an all-time low, with fewer than 85,000 workers in this field.

## Controller's Letter of Transmittal

### INCOME & WAGE EARNINGS

**Per Capita Income:** According to the Federal Bureau of Economic Analysis, average per capita income from all sources in Allegheny County was \$58,146 in 2017; an increase of 4.9% from 2016 (and well above the 2.1% rate of inflation). It also rose faster than the state average, which increased by 3.7% to \$53,000 in 2017. Income in Allegheny County is still below the median income nationwide, but the gap has been closing in recent years.



**Employment earnings:** Average earnings per job in Western Pennsylvania rebounded in 2017 after dropping the previous year. In 2017, average pay in the Pittsburgh Metropolitan Area was \$62,049, a 1.7% inflation-adjusted increase from 2016; the US average for metro areas in 2017 was \$62,970, a 1.1% increase. In Allegheny County itself, the average wage was higher than the national average: \$67,636, a 1.8% increase from 2016.

**Poverty:** While other income and earnings indicators are moving in a positive direction, poverty rates have also risen slightly. In 2017 the poverty rate for the Pittsburgh metro area was 11.0%; up from 10.8% in 2016, although still below the national rate of 12.3%. Similarly the percentage of children in poverty rose from 14.4% in 2016 to 14.7% in 2017. The Pittsburgh MSA's poverty rate is below other Rustbelt metro areas like Cleveland, Indianapolis, Cincinnati, Philadelphia, and Milwaukee, but still above metro areas in other parts of the country, like Seattle, Boston, Baltimore, and Denver.

**Inequality:** The income gap for African-Americans in the Pittsburgh MSA is wider than the national average. In 2017, the median income for White residents was \$59,044; for African-Americans it was just \$30,044, 48% less than Whites, and things haven't been improving: that gap is roughly the same as it was ten years ago. Nationwide the income gap between Whites and African-Americans is 38%.

### HOUSING

Allegheny County managed to avoid the housing bubble and subsequent burst that devastated much of the U.S. economy in the late 2000's. Instead, home values here leveled off during the years of the Great Recession until 2013 when they began to rise at a relatively steady rate once again. However, geographically the growth in home prices has been uneven, with home values skyrocketing in some parts of the County and stagnating in others.

**Home prices:** At the end of 2018, the median home price in Allegheny County was \$153,400 (compared to \$211,000 nationally), a 5.9% increase from the previous year; and the real estate website Zillow projects that prices will rise another 3.8% in 2019. Data shows that 131 of 144 municipalities in Allegheny County had positive house appreciation between 2008 and 2017. However, housing prices in Allegheny County are rising more slowly than the country as a whole: nationally prices increased by 7.1% in 2018, and are projected to increase more quickly (4.9%) in the next year.

## Controller's Letter of Transmittal

as well. And with home prices well below the U.S. average, Allegheny County has a high rate of home-ownership: 69.9% here compared to 63.9% nationally. There is a huge racial gap in ownership though: just 38.5% of African-Americans in Allegheny County report living in a home that they or a family member own, about half the rate of White residents.

**Affordability:** Despite the low housing prices, many in the County still struggle with housing costs, although fewer than in previous years. In 2017, 27.8% of homeowners in Allegheny County were considered cost-burdened (meaning they report spending more than 30% of their income on rent or a mortgage); however that's down from 29.5% five years ago, and 28.2% in 2016. It's also below the U.S. average of 31.5% in 2017. A much higher percentage of renters struggles with housing costs: over 2013 to 2017 45.8% of Allegheny County renters were considered cost-burdened. However, this was below the national average of 50.6% over the same time period. The current average rent for a two-bedroom apartment in Allegheny County is \$965, up from \$950 in 2018.

**Uneven growth:** Much of the overall increase in housing prices in Allegheny County has been driven by the City of Pittsburgh: while over the past five years the median price increased by 31.9% in Allegheny County and 30.6% nationally, the median home price in the City of Pittsburgh increased by 61.5%. Within the City, certain neighborhoods have seen home prices skyrocket: between 2008 and 2017 home prices in Lawrenceville increased 224%; in Polish Hill and Manchester they grew by 145%. In the suburbs, price appreciation was more modest with some of the most rapid growth coming from Mt. Lebanon (37.4%), Bethel Park (24.5%), and Upper St. Clair (12.6%).

**Building permits:** Meanwhile, the number of new building permits issued in the region has decreased in recent years, from a recent peak of 5,264 units in 2015 to 4,328 in 2017, a 3.2% decrease. The decline was steeper for larger apartment buildings (-5.2%) than for single family construction (-0.9%). The trend is somewhat surprising because the County has a relatively low vacancy rate for housing: the 2013-17 vacancy rate was 1.5% for homes being sold and 4.8% for rentals, compared to national rates of 1.7% and 6.1% respectively.

## INFRASTRUCTURE & ENVIRONMENT

**Roads and Bridges:** Over the past few years, the region has made some headway in repairing its crumbling roads and bridges. In 2014, over 20% of the bridges in Allegheny County and its surrounding counties were classified as structurally deficient (meaning one or more elements is in poor or worse condition); by 2018 that percentage had fallen to just 14.3%. That's a lower percentage of structurally deficient bridges than in the state as a whole (16.6%), but still much higher than the national average (7.6%). Congestion in the region is still worse than other places. Americans in 2018 lost an average of 97 hours due to congestion, costing \$1,348 per driver, according to the study. In the Pittsburgh area drivers lost 127 hours last year to congestion, the seventh most of all U.S. urban areas, costing an average of \$1,776 per driver.

**Port Authority:** Most of the Region's public transit users rely upon the Port Authority of Allegheny County ("PAT") fleet of buses and light rail. Despite a slight decline in Allegheny County's population, PAT ridership increased by 1.95% in 2018, bucking the national trend of decreasing transit usage. PAT logged 64.2 million rides last year, and likely would have seen more were it not for two major light-rail disruptions due to flooding and derailment.

The share of commuters in Allegheny County that commute by transit (10%) is almost double the national rate (5%); and more than double the share of its regional peers: Cuyahoga County (Cleveland), Hamilton County (Cincinnati area), and Franklin County (Columbus). However, approximately 20% of transit commuters in Allegheny County experience a commute time of over 60 minutes each way.

## Controller's Letter of Transmittal

For Allegheny County residents, just 11% of jobs are within a 60 minute transit commute, and 30% are within a 90 minute transit ride. Jobs requiring a high school diploma or less are particularly inaccessible by transit.

In 2017, PAT put forward plans for a \$200 million bus rapid transit (BRT) system linking the region's two largest economic centers, Pittsburgh's Oakland and Downtown neighborhoods. The project would do little to address the inaccessibility of many job sites and neighborhoods, since that corridor already enjoys regular bus service, but the project could help reduce traffic congestion. PAT applied for \$100 million in federal funding for the BRT plan in 2018, and this spring it was one of just a few projects to receive a "high" rating from the Federal Transit Administration, putting it in a good position to receive the funding. Local officials have said they are also preparing a backup plan, in case the federal money does not come through. On the other hand, a federal lawsuit, currently on appeal, from interstate truckers challenging the state's use of Pennsylvania Turnpike tolls to pay for transit could put PAT's capital projects, like BRT, in jeopardy. If the lawsuit is successful and the state fails to find a new funding source, the Port Authority could face a shortfall of \$76 million per year. PAT says it would have to halt over 150 capital projects without that money.

**ACAA:** In 2018, passenger traffic increased by 7.5% to bring total passenger traffic to nearly 9.7 million passengers, the most since 2007. As of March 2019, 17 carriers provide nonstop service to 66 airports, up from 37 at the beginning of 2015. One new addition since then was British Airways, which started year-round nonstop service to London Heathrow on April 2. The ACAA management attributes the performance in 2018 passenger levels to new carriers and routes that have succeeded in attracting more travelers with the growth of the regional economy.

The ACAA is also in the midst of a \$1.1 billion-dollar Terminal Modernization Program to update and "right size" the terminal, which was designed to handle 35 million annual passengers as a hub for U.S. Airways. (U.S. Airways abandoned Pittsburgh as a primary hub in the early 2000's.) Concept designs for the new terminal were released in Q1 of 2019, with schematic designs and groundbreaking expected to occur before the end of the year. The new terminal is expected to open in 2023. Even with a new terminal though, access to the airport will continue to be a challenge for workers and travelers who rely on public transit. There is just one Port Authority bus, which takes an hour from downtown Pittsburgh. Suggested extensions of the West Busway or additional airport bus routes could shorten commuting times for those riders.

**ALCOSAN:** The Allegheny County Sanitary Authority (ALCOSAN) processes sewage for the City of Pittsburgh and 82 other nearby municipalities. However, during even modest rainfall its processing plant gets overwhelmed and sewage spills untreated into the rivers, violating the Clean Water Act. To address the sewage overflow violations, in 2008 ALCOSAN was forced into a consent decree with the federal government in which it agreed to upgrade its sewer system at a cost of at least \$2 billion. The entire overhaul is expected to take until at least 2037.

In 2018, ALCOSAN hired an engineering firm to oversee the sewage plant expansion part of the project; and in April 2019 it announced that it plans to take over maintenance and management of around 200 miles of shared sewage pipes in the county as part of an updated consent decree. The latter addresses some of the municipal fragmentation that has made fixing the region's sewage system more challenging, and ALCOSAN says it should help keep costs down. Also, in order to begin paying for the consent decree's system upgrades, in November 2017 ALCOSAN's board approved a four-year series of rate hikes that will increase the average household's monthly sewer bill from around \$32.50 to \$42.75 by 2021.

## Controller's Letter of Transmittal

**Public Health:** In the annual “County Health Rankings and Roadmaps” report from the Robert Wood Johnson Foundation, Allegheny County ranked 34 of 67 counties in Pennsylvania, continuing its decline from 29th in 2017 and 26th in 2016. The region ranks higher than most counties in terms of clinical care, with more doctors, dentists, and mental health providers per capita than some top performing U.S. counties; and the uninsured rate of 5% is below the state and national average. There are still some concerns about access though: the expiration of consent decrees between UPMC and Highmark on June 30, 2019, means that over 100,000 Medicare Advantage could patients could soon be shut out of one of the regions two largest health systems, and thousands of patients could lose access to their current healthcare providers.

However, when it comes to the report’s measures of physical environment and its effect on health, Allegheny County does abysmally, ranking almost dead last (66th of PA’s 67 counties). Air quality is of particular concern: in 2019 the County has already been in nonattainment of Clean Air Act standards for its ozone, fine particulate matter, and sulfur dioxide levels. The American Lung Association’s 2018 State of the Air report gave Allegheny County “F” ratings on ozone, on the frequency of days with unhealthy particulate levels, and on the annual overall particulate level. Outside of California, Allegheny County is the only county in the United States that recorded failing grades for all three. Things should improve somewhat in 2019: pollution control equipment at U.S. Steel’s Clairton coke plant, which was damaged in a fire at the end of 2018, has now been repaired. However, air quality was a concern well before the fire, and likely diminishes the ability of the County to attract and retain residents.

Lead levels in the County’s water have also been a concern in recent years. The Pittsburgh Water and Sewage Authority is now under a legal order to replace at least 7% of its lead lines each year until 90% of tested homes consistently show lead concentrations below 15 parts per billion. PWSA said it had replaced 2,761 lead lines by the end of 2018, and expects to have replaced at least 5,000 of an estimated 12,500 residential lead service connections system-wide by the end of 2019, with the rest finished by 2026. However, in early 2019 more than 10% of homes were still showing high lead levels. In addition to the potential health risks, especially to young children, lead lines are a financial drain on the County-- a 2018 study by University of Pittsburgh researchers showed that in Pittsburgh the expected presence of lead lines in a home correlated with a 5% decrease in a home’s sale price.

## Controller's Letter of Transmittal

**Healthcare Providers:** The presence of two large healthcare systems, UPMC and Highmark, has been a major source of employment and economic growth in Allegheny County; 10 of the 25 largest employers in the county are subsidiaries of one or both companies. However, the competition between UPMC and Highmark has led to access problems for many residents. UPMC has refused to negotiate a new contract with Highmark since the last one expired at the end of 2013. An estimated 58% of all Allegheny County residents have coverage through either UPMC or Highmark, which means they don't have in-network access to the other health system. Consent decrees with the state extended access for tens of thousands of seniors, cancer patients, and other vulnerable groups, but without intervention by the courts or state lawmakers, those protections will expire on June 30, 2019. Meanwhile, there's little evidence that the competition between UPMC and Highmark has kept premiums and hospital prices low (premiums in Allegheny County were already lower than state and U.S. averages before the separation); and research on healthcare markets indicates that it will in fact likely lead to higher prices in the long run.

### 2019 OUTLOOK

The general consensus among economists is that the U.S. economy will not fall into a recession in 2019, but economic growth is expected to slow down nationally. Unemployment, both nationally and in this region, is expected to fall even further, further tightening the job market. This should lead to higher wages over the next year, but it could also slow job growth.

In Allegheny County, job growth in Leisure & Hospitality (one of the largest sources of job growth last year), Healthcare, and Technology is expected to continue in 2019. Construction is also expected to remain strong, as work begins on a number of large projects and new ones continue to be announced. Pennsylvania's new Clean Slate law, which makes it easier for nonviolent ex-offenders to get jobs, could also help grow the County's labor force. There's also a sense of optimism among residents of Allegheny County: just 16% expect the region's economy to decline in 2019.

The County's biggest long-term challenge, according to most economists, is our shrinking population. Over the next decade, local business groups estimate that the region could see a shortage of 80,000 workers as job growth and Baby Boomer retirements result in more job openings than the local talent pipeline can produce. If businesses can't find workers here, they could go elsewhere. Population decline also means fewer customers for consumer-facing businesses, like retail. In 2019, local leaders should work to encourage more new people and businesses to move here and existing ones to stay.

Far too many residents are being left out of the steady economic growth of recent years. With the county now on solid fiscal footing, we should use some of the new unassigned revenue to address our large and persistent racial gaps in unemployment, income, and home-ownership. We should also ensure that growth is distributed more equitably across the county, taking proactive steps to ensure that longtime residents aren't pushed out of the neighborhoods where development has caused housing prices to skyrocket, while investing in places that have been ignored for far too long. With smart investments and bold policies we can ensure that Allegheny County is a place where every resident can thrive.



## Controller's Letter of Transmittal

**LONG-TERM FINANCIAL PLANNING****FIVE-YEAR CAPITAL IMPROVEMENT PLAN**

The Five-Year Capital Improvement Plan (CIP) for Allegheny County is a strategic planning instrument utilized by the County to identify, and plan for, capital projects. It is also used to coordinate the financing of capital projects in order to maximize the benefits to the public. The CIP is a guide for expenditure decisions and not necessarily a firm commitment, as priorities and needs may change from year to year. This document has been prepared based on the priority of identified projects and the funding available. The mix of projects in the CIP is evaluated annually. Projects are added or subtracted based on priority and available funding. Some of the 2019 and 2020 planned projects for bridges include \$8.5 million for the rehabilitation of the Dooker's Hollow Bridge including deck replacement, expansion dam replacement, deteriorated concrete repair, structural steel repair and painting; \$19.8 million for the rehabilitation of the 9th Street Bridge in Pittsburgh including structural steel repairs, concrete repairs, deck replacement and cleaning and painting; and \$13 million for similar repairs to the 6th Street Bridge in the City of Pittsburgh. The County also plans to spend \$4.3 million for inspecting and repairing the concrete structure, replacing and upgrading all mechanical and electrical systems, drainage and concrete repairs, traffic analysis, and fire and life safety features upgrades to the Armstrong Tunnel. Building projects include \$15 million for continuing roof repair or replacement for various county facilities.

**FUTURE COUNTY OPERATING BUDGETS**

The Home Rule Charter requires the County to project revenues and expenditures for two subsequent years. The County's 2019 budget is \$932.4 million. The 2020 and 2021 budgets were forecasted at \$951.6 million and \$980.2 million, respectively.

**RELEVANT FINANCIAL POLICIES**

It is the County's goal to ensure current year operating revenues are sufficient to fund current year expenditures without using non-recurring and/or unbudgeted revenues. However, non-recurring and unbudgeted revenues used to finance 2018 expenditures are as follows (in millions):

Sale of Health Department Buildings	\$ 4.0
Sale of Kane Community Living Center Building	1.2
Act 13 Marcellus Shale fees used for Parks	1.1
Total	\$ <u>6.3</u>

As described in the Notes to the Financial Statements, the County has a pay-as-you-go policy for the following:

Self-Insured Healthcare, Workers' Compensation and Dental Care  
 Accrued Sick Time  
 Net Pension Liability  
 Postemployment Benefits Other than Pension Benefits  
 Termination Payments

## Controller's Letter of Transmittal

### **AWARDS AND ACKNOWLEDGMENTS**

#### ***CERTIFICATE OF ACHIEVEMENT FOR CAFR***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Allegheny, Pennsylvania, for its CAFR for the fiscal year ended December 31, 2017. This was the 36th consecutive year that the County Controller's Office has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### ***INTERNAL AUDIT PEER REVIEW***

The Association of Local Government Auditors (ALGA) conducted an external quality control review on the Controller's Audit Division in 2016. The objectives of the peer review were to ensure the Audit Division's internal quality control system was suitably designed, operating effectively and in compliance with Government Auditing Standards issued by the Comptroller General of the United States. Organizations meeting ALGA's standards receive full compliance, permitting them to issue audits in accordance with Generally Accepted Government Auditing Standards. The Audit Division received full compliance, which is the best score possible. The peer review is valid for a period of three years. This was the third time that the County Controller's Office has requested a peer review and received full compliance.



## Controller's Letter of Transmittal

**INTERNAL AUDIT**

The Controller's Audit Division routinely conducts financial and compliance audits of County departments, agencies, row offices and federal and State grants to ensure that County government is efficient, effective and compliant. Management and performance reviews are performed when the need arises. The division issued 40 financial and compliance audits, reviews and special reports to the County Manager, County Council and the general public during the 2018 calendar year to inform County taxpayers and protect their financial interests.

**ACKNOWLEDGMENTS**

In closing, I am very proud of all of my employees in the Controller's Office who contributed to the 2018 Comprehensive Annual Financial Report. The Controller's Office will continue to monitor and report wasteful spending, identify ways to reduce costs and remain a forthright advocate for the taxpayer to encourage government to become more innovative, transparent and efficient in all that it does.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Chelsea Wynne". The signature is fluid and cursive, with a long horizontal stroke at the end.

Controller

## Controller's Letter of Transmittal



The Controller's Office has dedicated this 2018 CAFR to Bob Lentz, Assistant Deputy Controller of Accounting. Bob retired this year after providing 43 years of service with the County. The Controller's Office staff will sincerely miss his leadership skills, loyalty and knowledge of the County, as well as GASBs past, present and future. Bob was known as a leader and mentor, but most importantly, Bob was our friend. We would like to express our appreciation and wish him all of the best on a well-deserved retirement.



Government Finance Officers Association

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Pennsylvania**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morrell*

Executive Director/CEO

## GFOA Certificate of Achievement





## Organizational Chart



## Officials of Allegheny County

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Officials of Allegheny County**  
**December 31, 2018**

**CHIEF EXECUTIVE**

Rich Fitzgerald

**COUNCIL DISTRICT AT LARGE #1**

John P. DeFazio\*

**COUNCIL DISTRICT #1**

Thomas J. Baker

**COUNCIL DISTRICT #2**

Cynthia R. Kirk

**COUNCIL DISTRICT #3**

Anita Prizio

**COUNCIL DISTRICT #4**

Patrick Catena

**COUNTY COUNCIL****COUNCIL DISTRICT #5**

Sue Means

**COUNCIL DISTRICT #6**

John F. Palmiere

**COUNCIL DISTRICT #7**

Nicholas Futules\*\*

**COUNCIL DISTRICT #8**

Charles J. Martoni, PhD.

**COUNCIL DISTRICT #9**

Robert J. Macey

**COUNCIL DISTRICT AT LARGE #2**

Samuel DeMarco III

**COUNCIL DISTRICT #10**

DeWitt Walton

**COUNCIL DISTRICT #11**

Paul M. Klein

**COUNCIL DISTRICT #12**

Robert Palmosina

**COUNCIL DISTRICT #13**

Denise Ranalli Russell

**CONTROLLER**

Chelsa Wagner

**TREASURER**

John K. Weinstein

**ROW OFFICERS****DISTRICT ATTORNEY**

Stephen A. Zappala, Jr.

**SHERIFF**

William P. Mullen, Jr.

**COUNTY MANAGER**

William D. McKain, CPA

**DIRECTOR OF  
BUDGET AND FINANCE**

Mary Soroka

**SOLICITOR**

Andrew F. Szefi, Esquire

\*President of Council

\*\*Vice President of Council

## Officials of Allegheny County





## Independent Auditor's Report



## INDEPENDENT AUDITORS' REPORT

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## Independent Auditor's Report





# *Zelenkofske Axelrod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

## *Independent Auditor's Report*

To the Allegheny County Chief Executive,  
Controller, and County Council

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Allegheny (County), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise County of Allegheny's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Allegheny County Airport Authority, Port Authority of Allegheny County, Community College of Allegheny County, Allegheny County Industrial Development Authority, Allegheny HealthChoices, Inc., Soldiers' and Sailors' Memorial Hall and Museum Trust, Inc., and Allegheny County Parks Foundation, which represent 97.00 percent, 93.89 percent, and 95.68 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We did not audit the financial statements of the Pension Trust Fund, which represent 91.01 percent, 97.86 percent, and 26.67 percent, respectively, of the assets, net position/fund balance, and revenues of the aggregate remaining fund information. 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 and Pension Trust Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



# *Zelenkofske Axelrod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

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To the Allegheny County Chief Executive,  
Controller, and County Council  
Page 2

## **Opinions**

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Allegheny, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Adoption of GASB Statements**

In 2018 County of Allegheny adopted the provisions of Governmental Accounting Standards Board Statement No. 85, "*Omnibus 2017*" and Statement No. 86, "*Certain Debt Extinguishments*". In addition, Community College of Allegheny County and Port Authority of Allegheny County adopted the provisions of Governmental Accounting Standards Board Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". Our opinion is not modified in respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Allegheny's basic financial statements. The introductory section, other supplementary information in the financial section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.



# *Zelenkofske Axelrod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

To the Allegheny County Chief Executive,  
Controller, and County Council  
Page 3

The other supplementary information in the financial section is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. 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.

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

*Zelenkofske Axelrod LLC*

Zelenkofske Axelrod LLC

April 29, 2019  
Pittsburgh, Pennsylvania

## Independent Auditor's Report



## Management's Discussion and Analysis



### **MANAGEMENT'S DISCUSSION AND ANALYSIS**



## Management's Discussion and Analysis





## Management's Discussion and Analysis

### **INTRODUCTION**

This section of the County's CAFR presents a narrative overview and analysis of the County's financial performance for the year ended December 31, 2018. It is recommended that it be read in conjunction with the accompanying basic financial statements and notes to the financial statements in order to obtain a thorough understanding of the County's financial condition at December 31, 2018.

### **RESULTS IN BRIEF**

- Government-wide net position deficit increased \$55.7 million in 2018.
- Government-wide unrestricted net deficit at December 31, 2018 was \$841.2 million.
- The net pension liability increased \$179.7 million to \$1.2 billion.
- The County's real property tax rate remained at 4.73 mills.
- The County's investment bond rating from Standard & Poor is AA- with a stable outlook and Aa3 (upgraded from A1, with a positive outlook) with a stable outlook from Moody's Investor Service.
- At December 31, 2018, the County had \$939.5 million of bond debt outstanding. This represents an increase of \$53.8 million from the previous year.
- The General Fund's total fund balance increased \$4.9 million in 2018 to \$88.5 million from \$83.6 million in 2017. The unassigned portion of the fund balance was \$50.5 million, which is 6.5% of revenues in the General Fund for fiscal year 2018. The unassigned fund balance increased \$1.9 million, or 3.9% between years. The County has assigned \$38.0 million of fund balance to pay appeals in litigation from reassessments, future healthcare cost, claims and judgments and purchases on order.

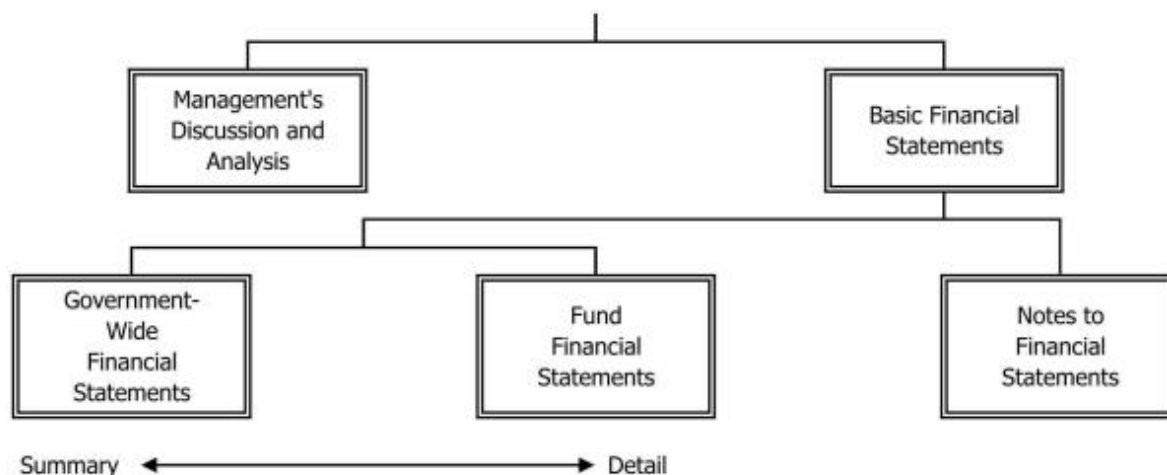
### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis provided here are intended to serve as an introduction to the County's basic financial statements. The basic financial statements consist of three parts: government-wide financial statements, fund financial statements and the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves. The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements.

## Management's Discussion and Analysis

The following diagram shows how the required components of this comprehensive annual financial report are arranged and relate to one another.

### **REQUIRED COMPONENTS OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT**



The first two statements (pages 55-59) are government-wide financial statements that provide information about the primary government's overall financial status, as well as the financial status of the County's component units (pages 76-83). The remaining statements (pages 60-75) are fund financial statements that focus on individual parts of County government, reporting the County's operations in more detail than the government-wide statements. The fund financial statements include:

- *Governmental funds statements (pages 60-70) which explain how services such as public safety were financed in the short term, as well as what remains for future spending. A budgetary comparison statement is provided to demonstrate compliance.*
- *Proprietary fund statements (pages 71-73) which offer financial information about the activities the County operates like a business.*
- *Fiduciary funds statements (pages 74-75) which reflect activities involving resources that are held by the County as a trustee or agent for individuals, private organizations, or other government units. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support the County's programs.*

The financial statements also include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements (pages 85-199) as well as required supplementary information including the County's budget and pension as well as the component units pension (pages 203-220).

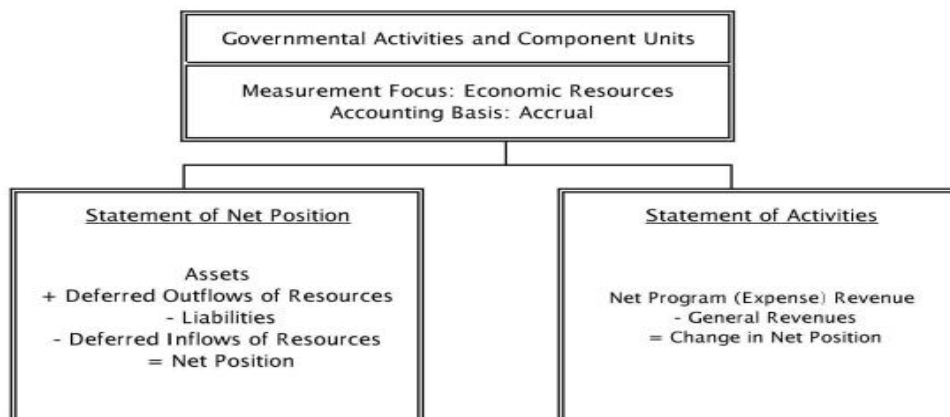
In addition to these required elements, a section is included with combining and detailed individual comparative statements, capital assets and debt schedules, and schedules that provide specifics about major and nonmajor funds (pages 225-320).

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

## Management's Discussion and Analysis

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The primary features are reflected in the following diagram.

**Government-wide Financial Statements**

The statement of net position includes all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources except fiduciary funds, with the difference 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 others sources not tied to a particular program), it shows to what extent each program has to rely on taxes for funding. All changes in net position are reported using the accrual method of accounting, which requires that revenues be reported when they are earned and expenses be reported when the goods and/or services are received, regardless of when cash is received or paid. Net position is one way to measure the County's financial condition. Over time, increases or decreases in the County's net position are one indicator of whether the County's financial condition is improving or deteriorating. However, other non-financial factors such as changes in the County's real property tax base and general economic conditions must be considered to assess whether overall the County is improving or deteriorating.

The County's government-wide financial statements are divided into two categories:

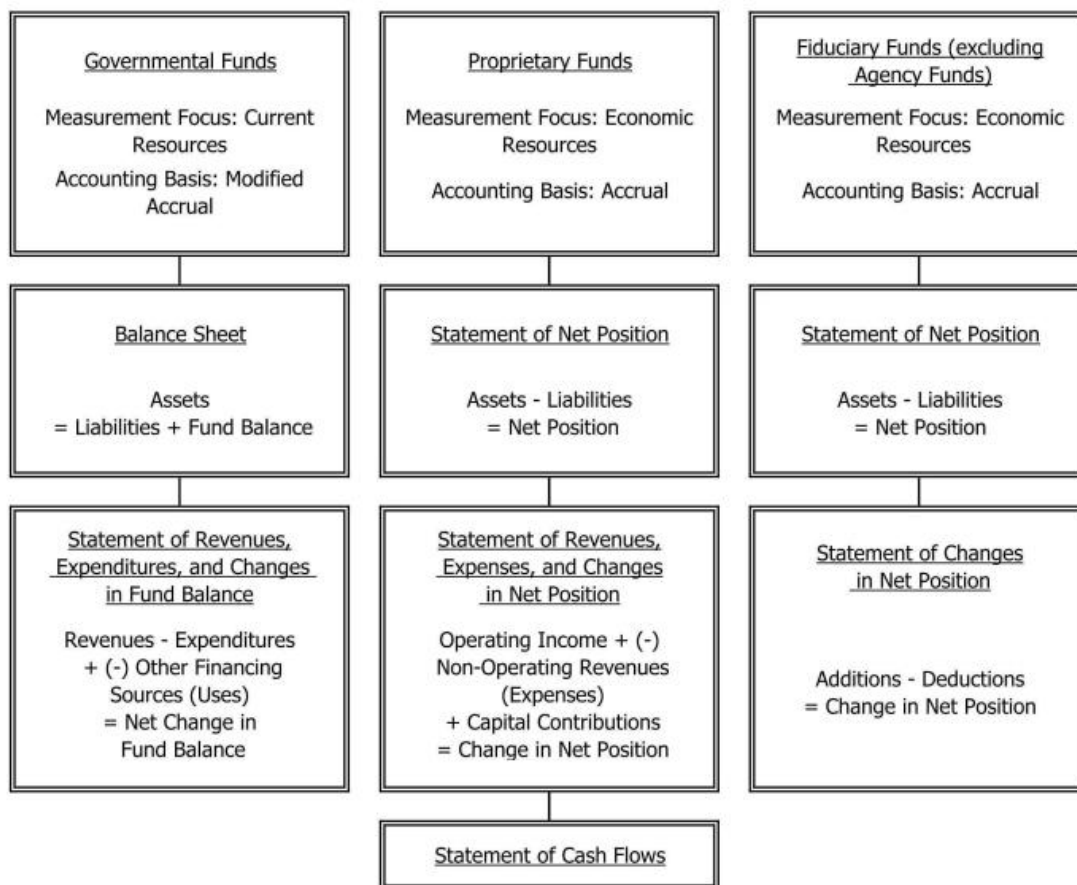
- *Governmental activities* – include the County's basic services such as public safety, public works, health and welfare, and general government, funded through program based charges for services and intergovernmental operating and capital grants, as well as general revenues such as property taxes, sales taxes and other revenues.
- *Component units* – reflecting the activities of legally separate entities for which the County is financially accountable.

## Management's Discussion and Analysis

### FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. Funds are accounting groups that 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. The following diagram presents the major features of the fund financial statements, including the types of information contained therein.

#### Fund Financial Statements



## Management's Discussion and Analysis

The County has three kinds of funds, in addition to its component units:

- *Governmental funds* – Most of the County's basic services are included in governmental funds, which focus on: (1) the flow in and out of cash and other financial assets that can readily be converted into cash, and; (2) the balances left at year-end that are available for spending. These funds are reported using the modified accrual accounting basis and a current financial resources measurement focus. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the financial resources available in the near future to finance County programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements. The County adopts an annual budget for the General Fund, Transportation and Liquid Fuel Tax Funds and Debt Service Fund, as required by the Home Rule Charter. Because it is considered one of the County's major funds, a budgetary comparison schedule is presented for the General Fund, reflecting the following: (1) the original budget; (2) the final amended budget; (3) actual revenues and expenditures, and; (4) the variance between the final budget and actual revenues and expenditures.
- *Proprietary funds* – Used to report activities that provide services for the County's other programs and activities. These internal service activities predominantly benefit governmental rather than business-type activities; therefore, they have been included with governmental activities in the government-wide financial statements.
- *Fiduciary funds* – The County is the trustee, or fiduciary, for the Employees' Retirement System. In addition, the County is also responsible for certain agency funds, which are 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 for ensuring that 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 and a Statement of Changes in 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.

## Management's Discussion and Analysis

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

The County is presenting its financial statements as required by the Government Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements – and MD&A – for State and Local Governments." The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities to measure the results of the year's activities.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS:**

The County's net position at December 31, 2018 and 2017 are presented below:

<b>Summary of Statement of Net Position</b> <b>December 31, 2018</b> <b>With Comparative Totals for December 31, 2017</b> <b>(rounded in millions)</b>		
	<b>Governmental</b> <b>Activities</b>	
	<b><u>2018</u></b>	<b><u>2017</u></b>
Current and other assets	\$ <b>601.1</b>	<b>548.0</b>
Capital assets	<b>850.0</b>	<b>807.5</b>
<b>Total assets</b>	<b><u>1,451.1</u></b>	<b><u>1,355.5</u></b>
Deferred outflows of resources	<b>363.5</b>	<b>341.1</b>
<b>Total deferred outflows</b>	<b><u>363.5</u></b>	<b><u>341.1</u></b>
Current and other liabilities	<b>292.9</b>	<b>295.5</b>
Non-current liabilities	<b>2,165.5</b>	<b>1,932.9</b>
<b>Total liabilities</b>	<b><u>2,458.4</u></b>	<b><u>2,228.4</u></b>
Deferred inflows of resources	<b>60.9</b>	<b>117.2</b>
<b>Total deferred inflows</b>	<b><u>60.9</u></b>	<b><u>117.2</u></b>
Net position:		
Net investment in capital assets	<b>86.0</b>	<b>48.2</b>
Restricted	<b>50.5</b>	<b>50.6</b>
Unrestricted	<b>(841.2)</b>	<b>(747.8)</b>
<b>Total net position</b>	\$ <b><u>(704.7)</u></b>	<b><u>(649.0)</u></b>

## Management's Discussion and Analysis

**NET POSITION:**

For 2018, net position of governmental activities decreased (\$55.7) million to (\$704.7) million from (\$649.0) million in 2017. Net position consists of \$86.0 million in net investment in capital assets, \$50.5 million restricted for various grant related purposes; and an unrestricted net deficit of (\$841.2) million. Unfunded long-term liabilities for compensated absences of \$8.8 million, workers' compensation of \$3.8 million, pension of \$1.2 billion, and Other Post-Employment Benefits (OPEB) of \$57.7 million are responsible for the County's unrestricted net deficit.

The following table presents the County's change in net position for the years ended December 31, 2018 and 2017:

<b>Change in Net Position</b> <b>Year Ended December 31, 2018</b> <b>With Comparative Amounts for December 31, 2017</b> <b>(rounded in millions)</b>			
	<b>Governmental Activities</b>		
	<b>2018</b>	<b>2017</b>	<b>Variance</b>
<b>Revenues</b>			
Program revenues:			
Fees, fines and charges for services	\$ 141.9	104.8	37.1
Operating grants and contributions	1,104.1	1,076.3	27.8
Capital grants and contributions	43.0	35.8	7.2
General revenues:			
Property taxes	369.0	364.9	4.1
Sales and use taxes	51.4	49.1	2.3
Gaming local share assessment	5.5	5.3	0.2
Hotel Tax	5.3	5.2	0.1
Other	6.6	4.5	2.1
<b>Total revenues</b>	<b>1,726.8</b>	<b>1,645.9</b>	<b>80.9</b>
<b>Program expenses</b>			
General government	358.5	327.3	31.2
Public safety	177.8	161.8	16.0
Public works	30.3	48.2	(17.9)
Transportation	47.1	40.8	6.3
Health and welfare	1,020.4	979.5	40.9
Culture and recreation	26.7	19.5	7.2
Education	25.9	25.4	0.5
Economic development	28.9	29.9	(1.0)
Economic opportunity	29.0	22.1	6.9
Interest on long-term debt	37.9	38.0	(0.1)
<b>Total expenses</b>	<b>1,782.5</b>	<b>1,692.5</b>	<b>90.0</b>
<b>Change in net position</b>	<b>(55.7)</b>	<b>(46.6)</b>	<b>(9.1)</b>
<b>Net position – beginning</b>	<b>(649.0)</b>	<b>(602.4)</b>	
<b>Net position – ending</b>	<b>\$ (704.7)</b>	<b>(649.0)</b>	

## Management's Discussion and Analysis

### *CHANGE IN NET POSITION:*

In 2018, the change in net position decreased (\$55.7) million compared to a decrease of (\$46.6) million in 2017, resulting in a (\$9.0) million decrease over 2017. Revenue increased \$80.9 million over 2017 due to a \$37.1 million increase in fees, fines and charges for services, \$27.8 million increase in operating grants and contributions, a \$7.2 million increase in capital grants contributions, a \$4.1 million increase in property taxes, a \$2.3 million increase in sales and uses taxes, and a \$2.1 million increase in interest and investment earnings, a \$0.2 million increase in gaming local share assessment and a \$0.1 million increase in hotel tax. A brief summary of the \$89.9 million increase in program expenses follows.

General government expenses increased \$31.2 million or 9.5% due to increases in special elections of \$0.7 million, non-departmental of \$1.0 million, Controller of \$0.4 million, Medical Examiner of \$0.7 million, District Attorney of \$1.0 million, Court of Common Pleas of \$2.6 million, and Facilities Management of \$1.2 million. There was also an increase in capital asset repairs and improvements.

Public safety expenses increased \$16.0 million or 9.9% due to increases in the Jail of \$5.6 million and the County Police of \$2.6 million. There was also an increase of about \$6.2 million in grant spending due to new dispatch furniture was purchased for the 9-1-1 center and more projects met PEMA's criteria for Statewide Interconnectivity System projects.

Public works expenses decreased by (\$17.9) million or 37.1% due to a decline in public works capital asset outlays.

Health and welfare expenses increased \$40.9 million or 4.2% in 2018. Human Services increased \$7.5 million due to additional State funding in 2018. Also, due to Kane's nursing shortage, an additional \$0.7 million was spent of temporary nursing staff.

Culture and recreation expenses increased \$7.2 million or 36.9%, as Parks increased by \$1.0 million and costs for capital asset repairs and improvements increased.

Economic development expenses decreased (\$1.0) million or 3.3%, due to the expiration of several TIFs in 2018.

Economic opportunity expenses increased \$6.9 million or 31.2% because of more participants in 2018 compared to 2017.

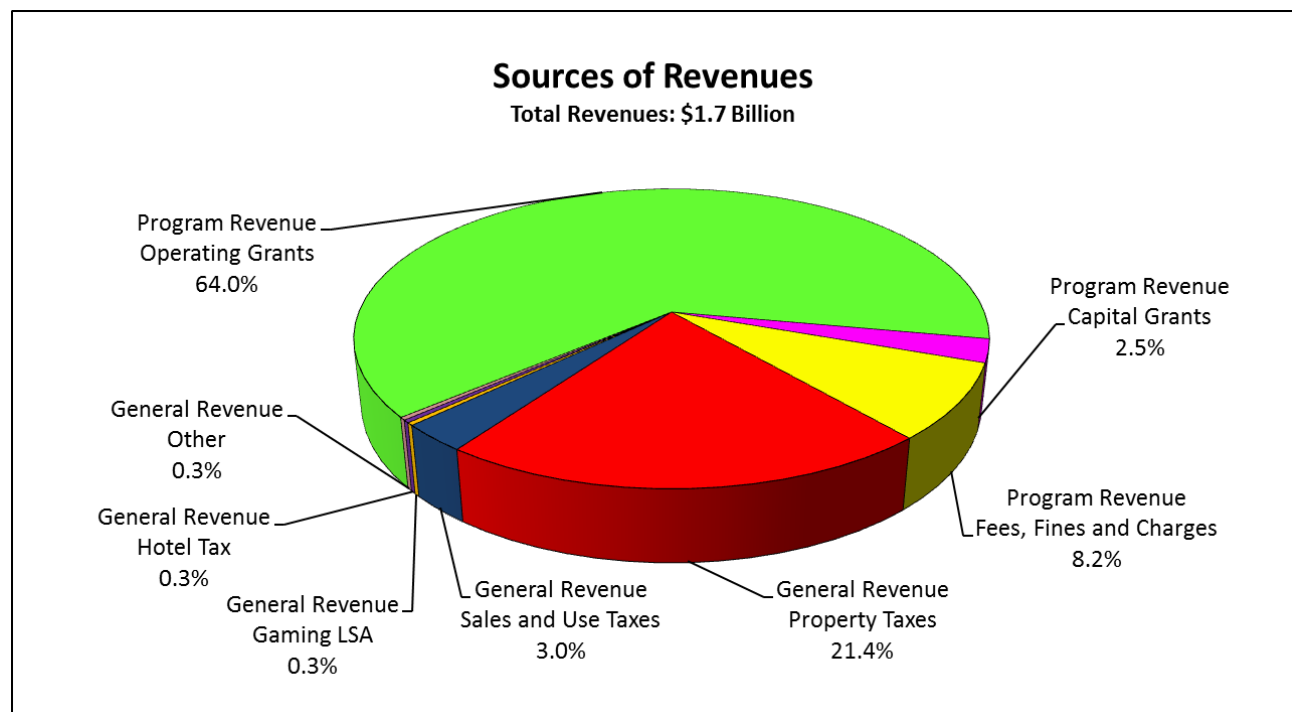
Interest on long-term debt decreased (\$0.1) million or 0.3% from \$38.0 million in 2017 to \$37.9 million for 2018.



## Management's Discussion and Analysis

*SOURCES OF REVENUES:*

The following chart graphically depicts the government-wide sources of revenues for the year ended December 31, 2018:

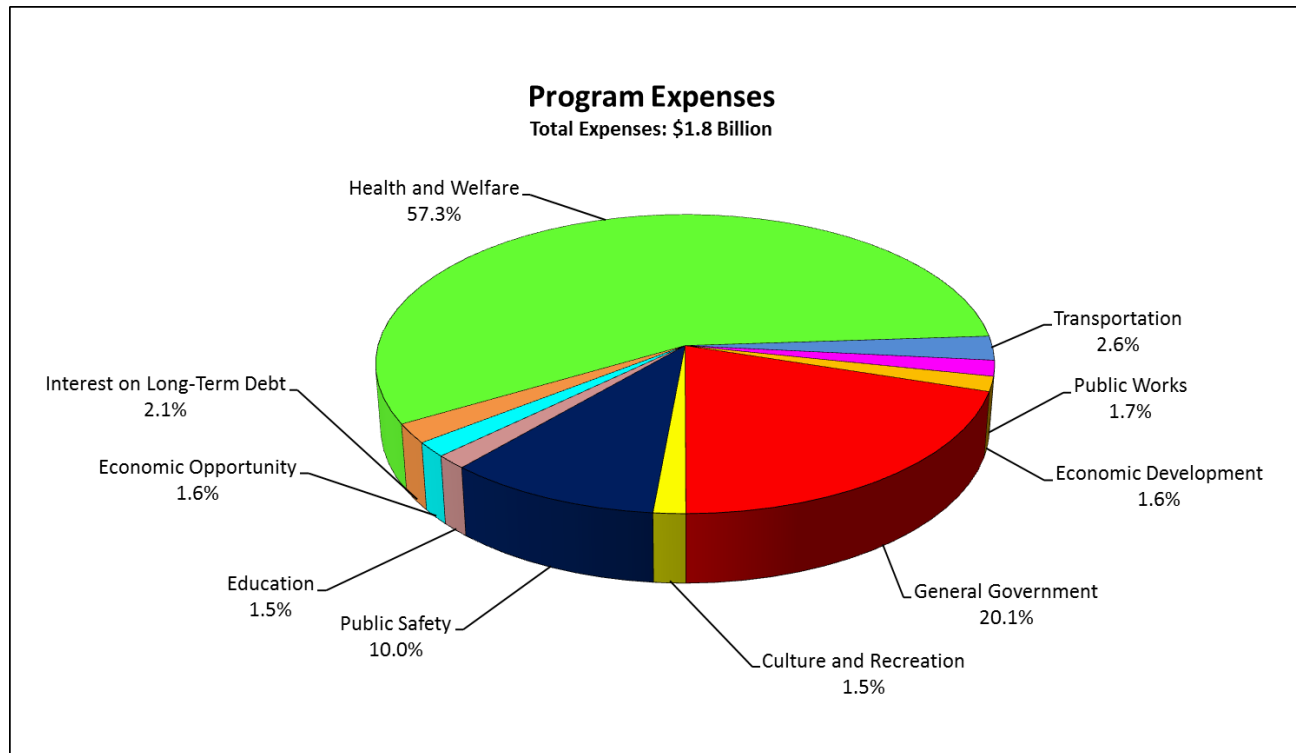


Total government-wide revenues of \$1.7 billion were derived primarily from program based operating grants and contributions, representing 64.0% of the total. Property taxes made up the second largest source of revenue at 21.4%, followed by program fees, fines and charges at 8.2%, sales and use tax at 3.0%, program based capital grants and contributions at 2.5%, gaming taxes at 0.3%, hotel tax at 0.3%, and other general revenue at 0.3%.

## Management's Discussion and Analysis

### PROGRAM EXPENSES:

The following chart graphically depicts the government-wide program expenses for the year ended December 31, 2018:

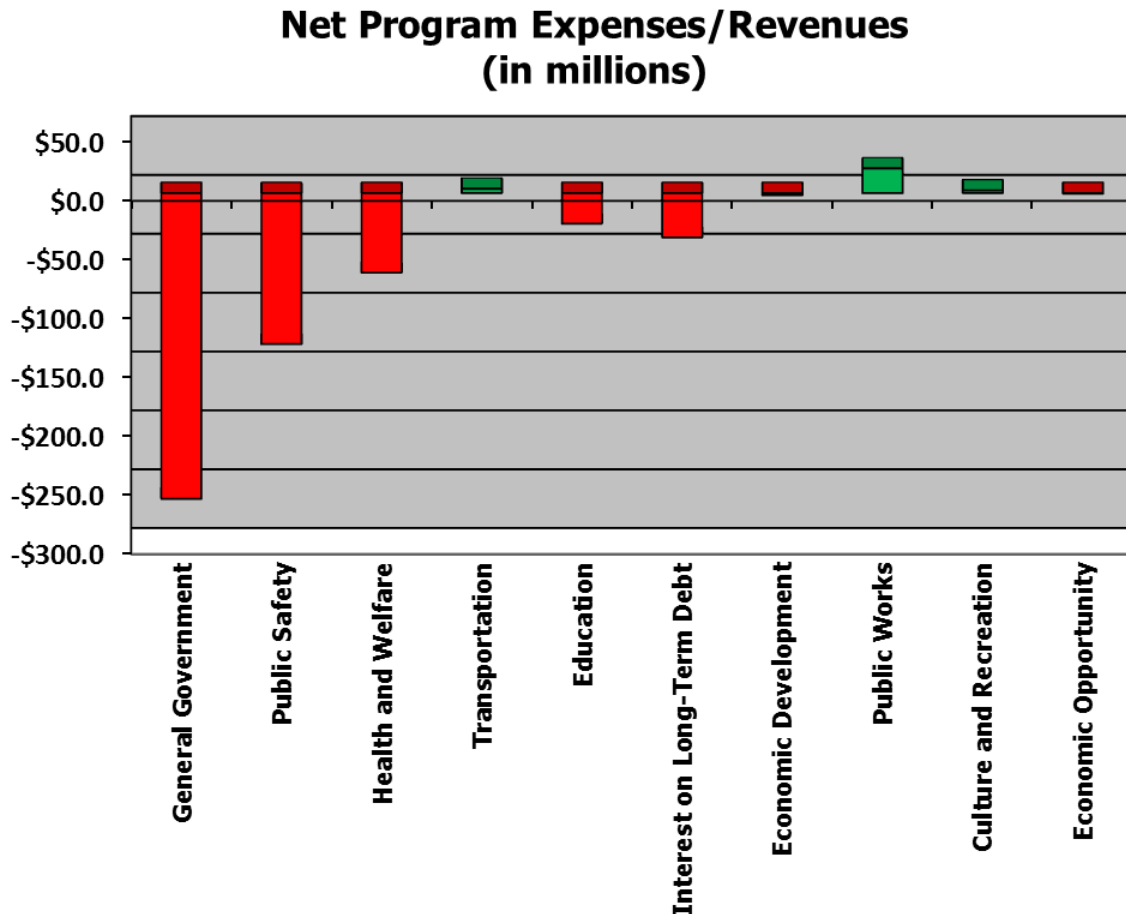


Total expenses for all programs in 2018 were \$1.8 billion. The expenses cover a range of services, with the largest being health and welfare (Health, Behavioral Health, Intellectual Disability, Drug and Alcohol program, Children, Youth and Family Services, Aging, Kane Community Living Centers) at 57.3%. The second largest program area was general government (central management, Facilities Management, Administrative Services, Row Offices and Courts) at 20.1%, followed by public safety (Jail, Police, Emergency Services) at 10.0%, transportation expenses (contributions to the Port Authority of Allegheny County) at 2.6%, interest and long term debt at 2.1%, public works (maintenance and engineering) at 1.7%, economic development (community development) at 1.6%, economic opportunity (community service, employment and training) at 1.6%, education (contributions to the Community College of Allegheny County) at 1.5% and culture and recreation (Parks) at 1.5%.

## Management's Discussion and Analysis

**NET PROGRAM EXPENSES/REVENUES:**

Net program expenses/revenues indicates the amount of support required from taxes and other general revenues for the year. The following chart graphically depicts the net program expenses/revenues by function/program for the year ended December 31, 2018:



General government expenses required the most general revenue for support, needing \$259.7 million or 72.4% of the \$358.5 million in 2018 expenses. Public safety required \$128.2 million or 72.1% in general revenue support for \$177.8 million of total expenses, while health and welfare required \$67.5 million or 6.6% of \$1.0 billion of expenses; interest payments of long-term debt required \$37.6 million or 99.1% of the \$37.9 million of interest expense, education programs required \$25.8 million or 99.5% of \$25.9 million of expenses, economic development required \$1.7 million or 6.0% of the \$28.9 million of expenses, and economic opportunity required \$0.3 million or 1.0% of the \$29.0 million of expenses. Public works had an excess of \$21.1 million or 69.6% on expenses of \$30.3 million, transportation had an excess of \$3.8 million or 8.0% on expenses of \$47.1 million and culture and recreation has an excess of \$2.4 million or 8.9% on expenses of \$26.7 million.

## Management's Discussion and Analysis

### **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

As noted earlier, Allegheny County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **GOVERNMENTAL FUNDS:**

The General, County Grants, Human Services Grants and Capital Projects make up the County's major governmental funds. The Liquid Fuel Tax, Transportation, Infrastructure Support and Debt Service Funds, are considered non-major (other governmental) funds. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned General Fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

#### **NORMAL IMPACTS:**

There are nine basic impacts on revenues and expenditures, as outlined below:

##### **Revenues:**

**Economic conditions** – which can reflect a growing, stable or declining economic environment, and have a substantial impact on tax revenues as well as public spending habits for permits and other elective user fees and taxable consumer spending

**Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring)** – certain recurring revenues (formula grants, etc.) may experience significant changes periodically while non-recurring or one-time revenues (project grants, direct payments for specified use, etc.) are less predictable and often distorting in their impact on year-to-year comparisons

**Increase in assessed valuations of real property** – the County derives a substantial amount of its revenues from property taxes, which are based on the market value of real property. The County's Home Rule Charter limits property tax revenue from a countywide reassessment to an amount of real estate tax revenue received in the preceding year, excluding new construction or improvements made to existing structures

**Increase/decrease in County Council approved rates** – while the County's sales tax is fixed at one percent, County Council has the authority to periodically increase or decrease various other rates (property taxes, alcoholic beverage and rental vehicle taxes, recording and filing fees, recreation fees, etc.)

**Market impacts on investments** – market conditions can cause income on the County's investment portfolio to fluctuate year-to-year

## Management's Discussion and Analysis

**Expenditures:**

**Introduction of new programs** – within the functional expense categories (public safety, public works, health and welfare, etc.) individual programs may be added or deleted based upon the changing needs of the community

**Increase/decrease in personnel** – changes in service demand may cause an increase or decrease in staffing costs (salaries and fringe benefits), which represent a significant expense to the County

**Salary increases (cost of living, merit and market adjustment and collective bargaining agreements)** – the ability to attract and retain human resources requires the County to strive to approach a competitive salary range position in the marketplace

**Inflation** – while overall inflation appears to be modest, the various health related programs and services the County provides have increased significantly. This sector of the economy has in recent years experienced above average increases in costs. In addition, the County is a consumer of various commodities which may experience unusual commodity specific increases

Governmental fund revenues, expenditures and net changes at fiscal year ended December 31, 2018 and 2017 were:

<b>Governmental Fund Revenues, Expenditures, Other Financing and Net Change in Fund Balance (rounded in millions)</b>					
<b>Fund</b>	<b>2018</b>			<b>Net Change in Fund Balances</b>	
	<b>Revenues</b>	<b>Expenditures</b>	<b>Net Other Financing</b>	<b>2018</b>	<b>2017</b>
<b>General</b>	\$ 778.2	758.4	(14.9)	4.9	5.6
<b>County Grants</b>	121.2	126.5	7.2	1.9	(0.8)
<b>Human Services Grants</b>	657.3	666.1	8.8	-	-
<b>Capital Projects</b>	46.0	100.0	104.5	50.5	(40.6)
<b>Other</b>	119.5	112.5	(10.4)	(3.4)	(4.3)
<b>Total Change</b>	\$ <u>1,722.2</u>	<u>1,763.5</u>	<u>95.2</u>	<u>53.9</u>	<u>(40.1)</u>

At December 31, 2018, the County's government funds reported a combined fund balance of \$313.8 million, an increase of \$53.9 million compared to the previous year's decrease of (\$40.1) million.

## Management's Discussion and Analysis

The General Fund net change in fund balance was an increase of \$4.9 million compared to a \$5.6 million increase in 2017. General Fund revenues increased \$24.4 million, net other financing uses decreased (\$3.1) million and expenditures were \$22.0 million higher than the previous year.

The following is an analysis of the increase in General Fund revenue of \$24.4 million and decrease in net other financing uses of (\$3.1) million.

The major factor for the \$5.2 million increase in General Fund taxes is the increase in property tax assessments and new construction.

Sales tax revenues increased \$2.3 million or 4.7% as collections indicate a growing economy.

Federal revenues decreased by (\$25.3) million or 30.5% as detailed below (in millions):

- Skilled nursing care decreased \$ (23.8)
- Medicare decreased (3.7)
- Title IV-E - Adoption/Guardianship Assistance decreased (2.3)
- Title IV-E - Independent Living decreased (0.4)
- Title IV-E - Child Placement increased 2.1
- Reimbursement for federal prisoners increased 2.8

State revenues decreased by (\$18.8) million or 10.0% for the reasons detailed below (in millions):

- Skilled and intermediate nursing care decreased \$ (21.9)
- Act 148 Special Grant Initiative decreased (3.8)
- Medical assistance paid prescriptions decreased (0.4)
- Act 12 and Act 315 funding decreased (0.4)
- Miscellaneous decreased (0.3)
- Act 148 CYF services increased 8.0

## Management's Discussion and Analysis

Local government units revenues increased \$0.4 million or 2.0% in 2018.

Charges for services increased \$54.0 million or 61.4% for the following reasons (in millions):

• Commercial insurance at Kane increased	\$ 52.4
• Managed care intergovernmental transfers increased	6.6
• Indirect cost recovery increased	1.5
• Police services provided to ACAA increased	0.3
• Special elections reimbursement increased	0.2
• Collections from parents and guardians increased	0.2
• Use of property and equipment increased	0.2
• Private pay at Kane decreased	(0.4)
• Patient income decreased	(7.0)

Other financing uses - net totaled \$14.9 million in 2018 for the following reasons (in millions):

• Matching requirement for County Grants funding	(9.3)
• Matching requirement for Human Services grants	(7.8)
• Transfer of capital projects portion of fixed asset expenditures	1.1
• Interdepartmental transfer agreements	1.1

The following is an analysis of the General Fund expenditures increase of \$22.0 million.

General government expenditures increased by \$6.6 million or 3.2% between years. The increases are the Court of Common Pleas of \$2.6 million, Facilities Management of \$1.2 million, the District Attorney of \$1.0 million, Medical Examiner of \$0.7 million and Administrative Services of \$0.7 million.

Public safety expenditures increased by \$8.3 million or 6.9% as follows: \$5.6 million in the Jail, \$2.6 million in County Police and \$0.1 million in Emergency Services.

Public works expenditures increased \$1.0 million or 6.7% in 2018.

CCAC's appropriation was increased by \$0.5 million or 2.0% in 2018.

Health and welfare expenditures increased \$6.7 million or 1.9% in 2018. There was an increase of \$7.5 million in Human Services and \$0.7 million in the Kane facilities. To offset these increases were decreases of (\$0.6) million in Juvenile Court, (\$0.5) million in the Health Department and (\$0.4) million in the Shuman Center.

The \$1.0 million or 5.5% increase in culture and recreation expenditures is attributed to the Parks division.

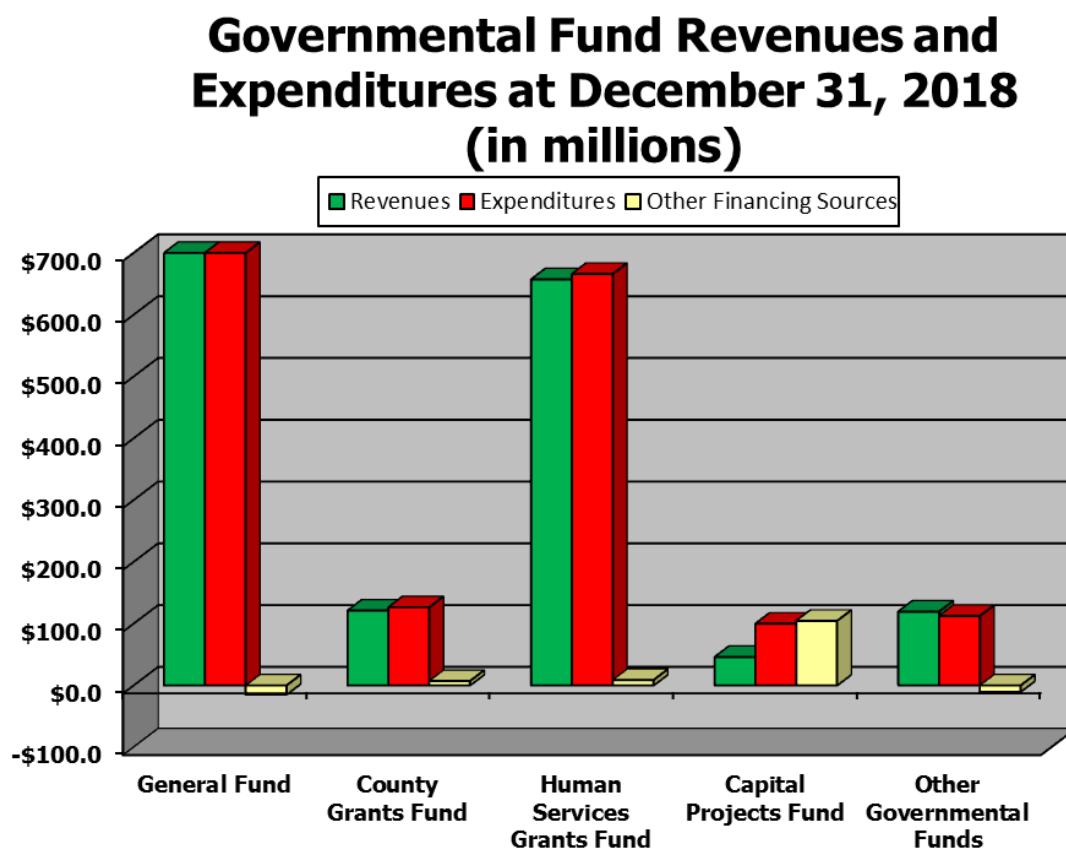
The Human Services Grants Fund had no significant change in net fund balances in 2018. This occurs because grants are generally expenditure driven and capped at mandated spending levels. The County Grants Fund's \$1.9 million increase in fund balance is due to additional funding provided by the General Fund to cover deficits in various grant programs this year. It should be noted the County received Human Services Grants Fund intergovernmental revenues of \$638.6 million and County Grants Fund revenue of \$92.3 million in 2018. Human Services revenues increased \$26.9 million compared to last year and County Grants revenues increased \$8.4 million.

## Management's Discussion and Analysis

The Capital Projects increase in fund balance was \$50.5 million in 2018 opposed to a (\$40.6) million decrease in 2017. There was a bond issue in 2018. The County did not issue bonds in 2017.

Other governmental fund balances decreased by (\$3.4) million. The Debt Service's fund balance increased \$1.9 million, Transportation Fund decreased (\$5.4) million, Infrastructure Fund increased \$0.2 million and Liquid Fuel Fund decreased (\$0.1) million.

The following chart graphically depicts the total revenues received and expenditures incurred by fund for the year ended December 31, 2018:



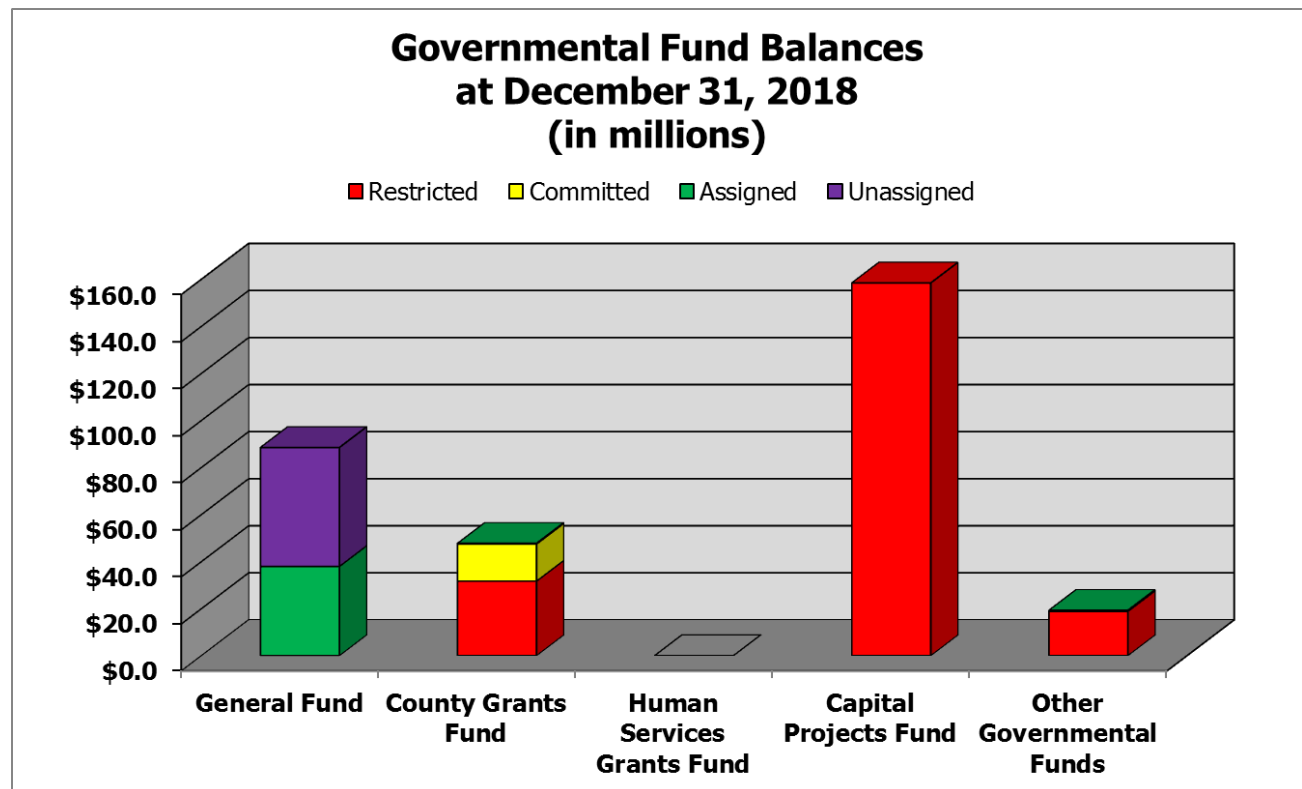


## Management's Discussion and Analysis

The following table presents the County's previously analyzed change in governmental fund balances for the year ended December 31, 2018:

Change in Governmental Fund Balances Year Ended December 31, 2018 (rounded in millions)						
Fund Balance		General	County Grants	Human Services Grants	Capital Projects	Other Governmental
Beginning 1/1/18	\$	83.6	45.8	-	107.9	22.6
Net Change		4.9	1.9	-	50.5	(3.4)
Ending 12/31/18	\$	88.5	47.7	-	158.4	19.2

The following chart illustrates the governmental fund balances at December 31, 2018:



The General Fund is the chief operating fund of the County. At December 31, 2018, the total fund balance in the General Fund was \$88.5 million. The unassigned fund balance was \$50.5 million, which is 6.5% of 2018 General Fund revenues. The unassigned fund balance increased \$1.9 million, or 3.9% between years. The County has assigned \$1.0 million of fund balance to pay appeals for litigation from reassessment, \$33.0 million for future healthcare costs, \$3.0 million for claims and judgments and \$0.9 million for purchases on order. These assignments should not affect the availability of fund resources for future use.

## Management's Discussion and Analysis

### **2018 GENERAL FUND BUDGET**

The difference between the 2018 adopted and the 2018 final (includes financing uses) General Fund budget of \$778.0 million, net of \$0.9 million in reappropriated 2017 encumbrances, was an increase of \$20.1 million. Numerous budget transfers were approved by County Council throughout the year to increase some and reduce other departments' appropriations to arrive at the final budget. The major transfers to provide appropriations were \$11.5 million to Human Services - \$9.8 million to the Jail and \$1.1 million to Emergency Services.

The variance between actual revenues to final budget was a \$2.4 million favorable variance. Miscellaneous revenues were \$6.0 million over budget and charges for services were \$45.8 million higher than projected. This is offset by federal revenues that were \$27.9 million under budget and State revenues were \$24.6 million less than budgeted. The variance between actual expenditures and budget was a \$3.3 million favorable variance. The decreases in expenditures are attributed to Economic Development being \$1.9 million under budget, health and welfare programs being \$0.9 million under budget, general government being \$0.4 million under budget and culture and recreation programs being \$0.1 million less than projected.

### **2019 OPERATING BUDGET**

On December 5, 2018, Allegheny County Council adopted a 2019 operating budget of \$932.4 million, which is \$26.6 million or 2.9% higher than 2018's budget. This also marks the seventh consecutive year that the Comprehensive Fiscal Plan is presented without the use of one-time revenue sources to balance the county's Operating Budget. Some highlights:

During our 2018 bond rating review, S&P Global cited our strong economy, management with good financial policies, budgetary flexibility and strong institutional framework as key factors in affirming our AA- rating. Moody's Investors Services increased our rating to Aa3, citing that this rating reflects their belief that the county's tax base will continue to grow while its financial position will remain stable.

Renovation and planning are underway for Emergency Services' move, including the 9-1-1 Call Center, to the new state-of-the-art facility on Hookstown Road in Moon Township. It is the busiest center by volume and has the most complex operations and communications systems in the Commonwealth.

Our Kane Community Living Centers continue to identify and address the needs of our residents through the development and implementation of specialty units such as substance abuse, behavioral health and memory care. The 2019 budget includes the necessary resources to fully implement the Substance Use Disorder Unit at the McKeesport Kane Community Living Center to address an identified need within the county.

The budget continues to focus on ensuring services are available to the most vulnerable in our community. In July of 2019, Human Services (DHS) will begin administering funding from the state that will provide for an Early Learning Resource Center (ELRC). The ELRC will provide a single-entry point for families to connect with important services such as family support and early intervention, to access quality care for their children, and to continually improve the quality of early learning and education in the county.

## Management's Discussion and Analysis

**CAPITAL ASSET AND DEBT ADMINISTRATION****CAPITAL ASSETS:**

The County's investment in capital assets at December 31, 2018, net of accumulated depreciation, amounted to \$850.0 million. Capital assets consist primarily of land, land improvements, construction in progress, buildings, equipment and infrastructure. The following is a summary of capital assets at December 31, 2018 and 2017:

Summary of Capital Assets			
	Balance at December 31, 2018	Balance at December 31, 2017	Increase (Decrease)
Land	\$ 30,194,856	29,154,402	1,040,454
Land improvements	8,192,901	8,192,901	-
Construction in progress	73,085,223	53,312,958	19,772,265
Buildings	467,904,925	458,686,973	9,217,952
Infrastructure	659,070,549	626,500,907	32,569,642
Furniture & other equipment	105,380,786	104,746,918	633,868
<b>Total capital assets</b>	<b>1,343,829,240</b>	<b>1,280,595,059</b>	<b>63,234,181</b>
<b>Less accumulated depreciation for:</b>			
Land improvements	8,192,901	7,917,025	275,876
Buildings	224,819,380	216,498,061	8,321,319
Infrastructure	217,560,244	207,933,588	9,626,656
Furniture & other equipment	43,299,210	40,796,181	2,503,029
<b>Total accumulated depreciation</b>	<b>493,871,735</b>	<b>473,144,855</b>	<b>20,726,880</b>
<b>Total</b>	<b>\$ 849,957,505</b>	<b>807,450,204</b>	<b>42,507,301</b>

The increase in total capital assets of \$42.5 million is due to increases in land, construction in progress, buildings, infrastructure, and furniture and other equipment of \$1.0 million, \$19.8 million, \$9.2 million, \$32.6 million and \$0.6 million, respectively. The total capital assets increase of \$63.2 million was offset by the increase in accumulated depreciation of \$20.7 million, resulting in a net increase in capital assets of \$42.5 million.

Major capital events during the current fiscal year included the following:

- The Rehabilitation of the 10th Street Bridge continued and increased infrastructure by \$13.5 million.
- Reconstruction of various county roads started in 2017 and completed in 2018 increased infrastructure by \$7.8 million.
- The Homerville Viaduct (Thompson Run No. 2) Bridge rehabilitation was completed in 2018 and increased infrastructure by \$10.0 million.
- The South Park Ice Rink renovation and repair increased construction in progress by \$2.5 million.
- The 7th Street (Andy Warhol) Bridge reconstruction continued and added \$5.0 million to construction in progress.
- Courthouse roof replacement continued adding \$7.5 million to construction in progress.
- Approximately 8 acres of property located on McIntyre Road in Ross Township, identified as a portion of Lot & Block No. 612-S-64, known as the John J. Kane Community Living Center-Ross Township was sold to Regional Development Partners - McKnight Road LP for the sale price of \$1.3 million.
- Property located at 3441 Forbes Avenue Pittsburgh, identified as Lot & Block No 28-F-172 was sold to 3441 F Street LLC for \$1.9 million, and property located at 3342 5th Avenue

## Management's Discussion and Analysis

Pittsburgh, identified as Lot & Block No 28-F-19 was sold to 3441 Walnut Capital – Fifth LP for \$2.1 million.

Additional information on the County's capital assets can be found in Note 5 of this report.

### *LONG-TERM DEBT:*

At December 31, 2018, the County had \$939.5 million of bond debt outstanding. This was an increase of \$53.8 million, or 6.1%, from the previous year. The following chart details activity related to general obligation bonds during 2018:

<b>Summary of General Obligation Bond Activity</b>		
<b>Beginning Balance at 1/1/2018</b>	<b>\$</b>	<b>885,680,977</b>
<b>Premium on New Issue</b>		<b>7,719,996</b>
<b>Debt Issued</b>		<b>87,565,000</b>
<b>Less: Principal Payments</b>		<b>(34,362,500)</b>
<b>General Obligation Bonds/Notes</b>		<b>946,603,473</b>
<b>Less: Amortization of Premium/Discount</b>		<b>(7,132,498)</b>
<b>Ending Balance at 12/31/2018</b>	<b>\$</b>	<b>939,470,975</b>

Additional information on the County's long-term debt can be found in Note 8 of this report.

### *BOND RATING:*

The County received an upgrade in investment grade bond ratings from Moody's, one of the two major rating agencies on its outstanding debt. Our ratings are: Aa3, with a stable outlook from Moody's Investor Service (upgraded from A1, with a positive outlook) and AA- from Standard & Poor's with a stable outlook.

### **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 report or requests for additional information should be directed to:

Office of the Controller  
County of Allegheny, Pennsylvania  
Room 104 Courthouse  
436 Grant Street  
Pittsburgh, PA 15219-2498

## Basic Financial Statements



### **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**  
**GOVERNMENTAL FUND FINANCIAL STATEMENTS**  
**PROPRIETARY FUND FINANCIAL STATEMENTS**  
**FIDUCIARY FUND FINANCIAL STATEMENTS**  
**COMPONENT UNIT FINANCIAL STATEMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

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## Basic Financial Statements



## Basic Financial Statements

## Exhibit 1 (Page 1 of 3)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Net Position**  
**December 31 or June 30, 2018**

	Governmental Activities	Component Units
<u>Assets</u>		
Cash and short-term investments (note 3)	\$ 305,671,765	277,789,312
Time deposits and other investments (note 3)	27,164,133	31,110,658
Restricted/noncurrent cash and short-term investments (note 3)	77,509,738	173,265,023
Delinquent property taxes receivable, net (note 4)	9,372,139	-
Liened property taxes receivable, net (note 4)	34,996,507	-
Sales tax receivable (note 4)	9,194,488	-
Due from other governments, net (note 4)	105,398,724	45,977,026
Due from component units (note 9)	3,156,126	-
Due from primary government (note 9)	-	77,908
Loans receivable (note 4)	-	18,096,404
Alcoholic beverage tax receivable (note 4)	3,657,760	-
Rental vehicle tax receivable (note 4)	596,803	-
Accounts receivable (note 4):		
Trade	-	12,425,362
Other	23,306,439	24,419,564
Accrued penalty and interest receivable	377,593	-
Accrued interest and dividends receivable	779,436	91,260
Derivative instruments - forward delivery agreements	-	523,796
Inventory	-	27,540,167
Other assets	-	8,367,064
Prepaid bond insurance costs	-	62,469
Designated for reserve fund	-	34,982,415
Land (note 5)	30,194,856	223,718,191
Construction in progress (note 5)	73,085,223	139,516,443
Infrastructure, net of accumulated depreciation (note 5)	441,510,305	-
Buildings and equipment, net of accumulated depreciation (note 5)	305,167,121	1,727,637,503
<b>Total assets</b>	<b>1,451,139,156</b>	<b>2,745,600,565</b>
<u>Deferred Outflows of Resources</u>		
Deferred loss on refunding debt	21,570,021	10,945,944
Accumulated decrease in fair value of hedging derivative (note 14)	2,985,731	-
Net difference between projected and actual earnings on pension plan investments	57,151,934	37,532,080
Difference between expected and actual experience	49,901,157	5,379,673
Change of assumptions - net pension liability	226,399,922	30,192,833
Change in proportion - net pension liability	627,783	3,423,603
Difference between employer contributions and proportionate share of total contributions	-	8,091
Contributions subsequent to the measurement date - pension	-	15,600,803
Contributions subsequent to the measurement date - OPEB	-	113,060
Deferred charges on OPEB liability	-	61,018,734
Change of assumptions or other inputs OPEB	2,599,315	-
Benefit payments subsequent to the measurement date OPEB	2,268,716	-
<b>Total deferred outflows of resources</b>	<b>363,504,579</b>	<b>164,214,821</b>

## Basic Financial Statements

## Exhibit 1 (Page 2 of 3)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Net Position**  
**December 31 or June 30, 2018**

	Governmental Activities	Component Units
<u>Liabilities</u>		
Vouchers payable	38,658,888	43,338,825
Accrued interest payable	5,192,995	60,699
Accrued payroll	10,183,393	24,944,881
Payroll withholdings	2,192,609	-
Due to component units (note 9)	827,908	-
Due to primary government (note 9)	-	3,156,126
Due to other governments	322,634	306,615
Amount due airlines	-	204,921
Accrued liabilities	80,322,445	14,158,093
Retainage payable	85,166	-
Tax refunds payable	664,866	-
Unearned revenue:		
Current	111,061,772	153,451,435
Non-current	-	1,410,340
Unearned tuition and student deposits	-	2,516,681
Accrued unemployment compensation	171,215	-
Matured bonds payable	80,000	-
Other liabilities:		
Current	-	5,864,047
Non-current (note 6)	-	1,148,153
Other post employment benefits (note 11):		
Non-current	57,721,395	632,577,122
Accrued pension costs:		
Current contributions	1,770,754	-
Non-current net pension liability (note 10)	1,184,473,647	428,383,922
Accrued workers' compensation (notes 6 and 8):		
Current	4,359,156	-
Non-current	3,762,917	-
Compensated absences (notes 1 and 8):		
Current	811,464	3,077,486
Non-current	8,772,830	-
Derivative instrument - rate swap	2,985,731	-
General obligation/revenue bonds/notes/leases (notes 8 and 14):		
Current	36,160,644	33,442,495
Non-current	907,804,166	324,339,845
Reserve for claims and settlements (note 6):		
Current	-	33,375,383
Non-current	51,247	3,634,522
<b>Total liabilities</b>	<b>2,458,437,842</b>	<b>1,709,391,591</b>
<u>Deferred Inflows of Resources</u>		
Changes in fair values of forward delivery agreements	-	523,796
Changes in pension plan assumptions	53,054,426	14,511,685
Net difference between projected and actual earnings		
on pension plan investments	-	47,631,735
Changes in proportions	2,275,420	769,723
Net difference between expected and actual experience	305,611	3,097,431
Difference between employer contributions and proportionate share of total contributions	-	26,394
Net difference between expected and actual experience - OPEB	5,225,952	1,574
Deferred amounts on OPEB liability	-	8,000
<b>Total deferred inflows of resources</b>	<b>60,861,409</b>	<b>66,570,338</b>



## Basic Financial Statements

## Exhibit 1 (Page 3 of 3)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Net Position**  
**December 31 or June 30, 2018**

	Governmental Activities	Component Units
<u>Net Position</u>		
Net position (deficit): (note 1)		
Net investment in capital assets	85,998,671	1,818,578,144
Restricted for:		
County grants	31,719,354	-
Capital projects	-	61,215,724
Debt service	8,140,683	17,261,196
Liquid fuel	14,055	-
Transportation	10,669,287	-
Scholarship and tuition funds	-	127,731
Other student funds	-	906,542
Other projects	-	64,673,226
Permanently	-	4,467,486
Unrestricted net position (deficit)	(841,197,566)	(833,376,592)
Total net position	\$ (704,655,516)	1,133,853,457

See accompanying notes to financial statements.

## Basic Financial Statements

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Activities**  
**Year Ended December 31 or June 30, 2018**

Functions/Programs	Expenses	Charges for Services
Primary government:		
General government	\$ 358,511,208	39,240,471
Public safety	177,801,654	10,520,769
Public works	30,274,174	-
Transportation	47,057,719	-
Health and welfare	1,020,490,288	87,263,760
Culture and recreation	26,660,585	4,913,859
Education	25,911,305	-
Economic development	28,892,462	-
Economic opportunity	29,026,045	-
Interest on long-term debt	37,894,473	-
Total primary government	<u>\$ 1,782,519,913</u>	<u>141,938,859</u>
Component units:		
Allegheny County Airport Authority	\$ 185,814,669	143,083,886
Port Authority of Allegheny County	533,694,061	105,578,055
Community College of Allegheny County	134,352,479	33,234,719
Redevelopment Authority of Allegheny County	29,171,250	1,626,664
Allegheny County Industrial Development Authority	214,102	181,734
Nonmajor Component Units	11,911,064	2,284,339
Total component units	<u>\$ 895,157,625</u>	<u>285,989,397</u>

## General Revenues:

Property taxes, levied for general purpose
Property taxes, levied for debt service
Sales taxes
Hotel rental tax
Gaming local share assessment
Payment from Allegheny County
Interest and investment earnings
Gaming Act revenue
Gas drilling revenue
Gain on investment
Miscellaneous
Total general revenues
Change in net position
Net position - beginning of year - restated
Net position - end of year

See accompanying notes to financial statements.

## Basic Financial Statements

## Exhibit 2

Program Revenues		Net (Expense) Revenue and Changes in Net Position	
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total	Component Units
59,596,372	-	(259,674,365)	-
39,115,839	-	(128,165,046)	-
10,041,305	41,301,967	21,069,098	-
50,812,549	-	3,754,830	-
865,703,340	-	(67,523,188)	-
22,806,421	1,319,970	2,379,665	-
116,941	-	(25,794,364)	-
27,172,466	-	(1,719,996)	-
28,739,440	-	(286,605)	-
-	333,714	(37,560,759)	-
<u>1,104,104,673</u>	<u>42,955,651</u>	<u>(493,520,730)</u>	<u>-</u>
5,928,821	48,860,183	-	12,058,221
266,385,449	132,363,245	-	(29,367,312)
75,480,557	2,992,368	-	(22,644,835)
28,336,470	-	-	791,884
61,955	-	-	29,587
8,107,806	1,796,608	-	277,689
<u>384,301,058</u>	<u>186,012,404</u>	<u>-</u>	<u>(38,854,766)</u>
		\$ 308,924,010	-
		60,022,021	-
		51,445,652	-
		5,335,932	-
		5,546,519	-
		-	62,924,277
		5,620,318	4,155,314
		-	8,000,000
		-	19,266,592
		-	192,196
		955,780	856,434
		<u>437,850,232</u>	<u>95,394,813</u>
		(55,670,498)	56,540,047
		(648,985,018)	1,077,313,410
		<u>\$ (704,655,516)</u>	<u>1,133,853,457</u>

## Basic Financial Statements

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2018**

	General	County Grants Fund	Human Services Grants Fund
<b>Assets</b>			
Cash and short-term investments (note 3)	\$ 98,362,146	38,673,286	21,846,883
Time deposits and other investments (note 3)	-	-	-
Restricted cash and short-term investments (note 3)	-	2,305,546	65,506,672
Delinquent property taxes receivable, net (note 4)	7,845,455	-	-
Liened property taxes receivable, net (note 4)	27,858,855	-	-
Sales tax receivable (note 4)	9,194,488	-	-
Due from other funds (note 9)	13,335,419	5,293,737	6,451,320
Due from other governments, net of \$971,480 allowance for doubtful accounts in the General Fund	33,687,785	23,426,194	38,274,182
Due from component units (note 9)	1,121,943	-	2,005,870
Alcoholic beverage tax receivable (note 4)	-	-	-
Rental vehicle tax receivable (note 4)	-	-	-
Accounts receivable:			
Other, net of \$2,514,556 allowance for doubtful accounts in the General Fund	16,822,098	396,468	6,053,483
Accrued penalty and interest receivable	317,481	-	-
Accrued interest and dividends receivable	321,117	24,979	147,086
<b>Total assets</b>	<b>\$ 208,866,787</b>	<b>70,120,210</b>	<b>140,285,496</b>
<b>Liabilities</b>			
Vouchers payable	\$ 22,769,447	743,067	10,105,966
Accrued payroll	8,179,131	1,578,735	425,527
Payroll withholdings	2,192,609	-	-
Due to other funds (note 9)	12,545,332	1,157,572	11,467,193
Tax refunds payable	556,562	-	-
Accrued pension costs	1,392,794	300,980	76,980
Accrued liabilities	24,888,422	1,772,527	33,616,000
Accrued interest payable	-	-	-
Due to component units (note 9)	-	-	77,908
Retainage payable	-	61	-
Due to other governments	322,634	-	-
Unearned revenue	9,780,558	16,772,279	84,508,935
Accrued workers' compensation (note 6)	657,328	10,823	3,243
Accrued unemployment compensation	127,486	39,985	3,744
Matured bonds payable	-	-	-
<b>Total liabilities</b>	<b>83,412,303</b>	<b>22,376,029</b>	<b>140,285,496</b>

## Basic Financial Statements

## Exhibit 3 (Page 1 of 2)

Capital Projects	Other Governmental Funds	Total Governmental Funds
139,758,663	6,414,724	305,055,702
27,164,133	-	27,164,133
-	9,697,520	77,509,738
-	1,526,684	9,372,139
-	7,137,652	34,996,507
-	-	9,194,488
307,856	304,231	25,692,563
10,010,563	-	105,398,724
28,313	-	3,156,126
-	3,657,760	3,657,760
-	596,803	596,803
34,390	-	23,306,439
-	60,112	377,593
272,306	13,948	779,436
<u>177,576,224</u>	<u>29,409,434</u>	<u>626,258,151</u>
4,564,182	359,494	38,542,156
-	-	10,183,393
-	-	2,192,609
200,698	633,219	26,004,014
-	108,304	664,866
-	-	1,770,754
14,290,284	415,948	74,983,181
-	1,759	1,759
-	-	77,908
85,105	-	85,166
-	-	322,634
-	-	111,061,772
-	-	671,394
-	-	171,215
-	80,000	80,000
<u>19,140,269</u>	<u>1,598,724</u>	<u>266,812,821</u>

## Basic Financial Statements

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2018**

	General	County Grants Fund	Human Services Grants Fund
Deferred Inflows of Resources			
Unavailable revenue - property taxes	36,964,322	-	-
Fund Balances (note 11)			
Restricted for:			
Special projects	-	2,380,156	-
Community redevelopment	-	4,535,713	-
Law enforcement	-	6,711,127	-
Transit system	-	-	-
Emergency services	-	753,622	-
Rehabilitation programs	-	2,694,120	-
Health services	-	8,479,360	-
Technology projects	-	2,355,394	-
Debt service	-	-	-
Bridges	-	-	-
Roads	-	-	-
Feasibility studies	-	-	-
Various projects	-	-	-
Judicial services	-	3,696,028	-
Recreation events	-	113,834	-
Committed to:			
Law enforcement	-	448,101	-
Emergency services	-	310,849	-
Health services	-	14,550,493	-
Judicial services	-	335,552	-
Recreation events	-	73,045	-
Assigned to:			
Purchases on order	926,009	-	-
2013 Board of Viewers tax appeals	361,694	-	-
2014 Board of Viewers tax appeals	674,278	-	-
Future healthcare cost	33,000,000	-	-
Claims and Judgments	3,000,000	-	-
Special projects	-	18,167	-
Judicial services	-	62,647	-
Recreation events	-	108,758	-
Public maintenance	-	117,215	-
Unassigned	50,528,181	-	-
Total fund balances	88,490,162	47,744,181	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 208,866,787	70,120,210	140,285,496

See accompanying notes to financial statements.

## Basic Financial Statements

## Exhibit 3 (Page 2 of 2)

Capital Projects	Other Governmental Funds	Total Governmental Funds
-	8,664,336	45,628,658
-	-	2,380,156
-	-	4,535,713
-	-	6,711,127
-	10,669,287	10,669,287
-	-	753,622
-	-	2,694,120
-	-	8,479,360
-	-	2,355,394
-	8,140,683	8,140,683
7,033,082	-	7,033,082
-	14,055	14,055
414,244	-	414,244
150,988,629	-	150,988,629
-	-	3,696,028
-	-	113,834
-	-	448,101
-	-	310,849
-	-	14,550,493
-	-	335,552
-	-	73,045
-	454,962	1,380,971
-	-	361,694
-	-	674,278
-	-	33,000,000
-	-	3,000,000
-	-	18,167
-	-	62,647
-	-	108,758
-	-	117,215
-	(132,613)	50,395,568
158,435,955	19,146,374	313,816,672
177,576,224	29,409,434	626,258,151

## Basic Financial Statements





## Basic Financial Statements

## Exhibit 3-A

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**December 31, 2018**

<b>Total Fund Balance - Governmental Funds</b>	\$ 313,816,672
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, including infrastructure and construction in progress, used in governmental activities are not current financial resources and therefore, are not reported as assets in governmental funds.	849,957,505
Property taxes receivable will be collected in the future, but are not available to pay for the current period's expenditures and therefore, are deferred in the fund statements.	45,628,658
Governmental funds report the effect of deferred refunding loss when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	21,570,021
Net pension obligation, net of deferred inflows and outflows and other post employment benefits are reflected on the Statement of Net Position, but are not considered a current liability for the fund statements.	(964,107,624)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
Accrued workers' compensation	\$ (7,450,679)
Compensated absences	(9,584,294)
GO Bonds/Revenue Bonds/Notes/Leases	(943,964,810)
Accrued interest on bonds	(5,191,236)
Obligation to component unit	(750,000)
Obligation for Healthcare IBNR	(4,528,482)
Claims and settlements	(51,247)
	<u>(971,520,748)</u>
<b>Total Net Position - Governmental Activities</b>	<b>\$ <u>(704,655,516)</u></b>

See accompanying notes to financial statements.

## Basic Financial Statements

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended December 31, 2018**

	General	County Grants Fund	Human Services Grants Fund
Revenues:			
Property taxes (notes 1 and 4)	\$ 304,975,720	-	-
Sales and use tax (note 4)	51,445,652	-	-
Alcoholic beverage tax	-	-	-
Rental vehicle tax	-	-	-
Hotel tax	5,335,932	-	-
Gaming local share assessment	5,546,519	-	-
Licenses and permits	3,134,459	-	-
Federal revenues	57,595,831	48,216,851	80,401,223
State revenues	170,053,561	44,101,790	558,241,102
Local governmental units revenues	20,610,439	-	-
Charges for services and facilities	141,938,859	19,988,170	-
Fines and forfeitures	4,121,219	-	-
Interest earnings	2,788,165	431,573	1,722,525
Miscellaneous	10,600,781	8,508,420	16,980,644
Total revenues	<u>778,147,137</u>	<u>121,246,804</u>	<u>657,345,494</u>
Expenditures:			
Current:			
General government	212,652,508	44,161,039	-
Public safety	128,662,942	37,494,203	-
Public works	16,779,002	97,024	-
Transportation	-	-	-
Health and welfare	353,169,475	17,756,032	637,087,083
Culture and recreation	19,205,759	523,543	-
Education	25,794,339	116,966	-
Economic development	2,102,899	26,437,896	-
Economic opportunity	-	-	29,026,045
Capital projects	-	-	-
Debt Service (note 8):			
Principal	-	-	-
Interest	-	-	-
Cost of issuance	-	-	-
Total expenditures	<u>758,366,924</u>	<u>126,586,703</u>	<u>666,113,128</u>
Excess (deficiency) of revenue over expenditures	<u>19,780,213</u>	<u>(5,339,899)</u>	<u>(8,767,634)</u>

## Basic Financial Statements

## Exhibit 4 (Page 1 of 2)

Capital Projects	Other Governmental Funds	Total Governmental Funds
-	59,253,705	364,229,425
-	-	51,445,652
-	43,224,155	43,224,155
-	7,588,394	7,588,394
-	-	5,335,932
-	-	5,546,519
-	-	3,134,459
26,448,426	333,180	212,995,511
15,016,691	8,583,536	795,996,680
1,156,820	534	21,767,793
-	-	161,927,029
-	-	4,121,219
2,307,062	525,091	7,774,416
1,022,749	-	37,112,594
<u>45,951,748</u>	<u>119,508,595</u>	<u>1,722,199,778</u>
-	-	256,813,547
-	-	166,157,145
-	8,462,232	25,338,258
-	31,894,599	31,894,599
-	-	1,008,012,590
-	-	19,729,302
-	-	25,911,305
-	-	28,540,795
-	-	29,026,045
99,527,346	-	99,527,346
-	34,362,500	34,362,500
-	37,766,389	37,766,389
459,772	-	459,772
<u>99,987,118</u>	<u>112,485,720</u>	<u>1,763,539,593</u>
<u>(54,035,370)</u>	<u>7,022,875</u>	<u>(41,339,815)</u>

## Basic Financial Statements

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended December 31, 2018**

	General	County Grants Fund	Human Services Grants Fund
Other financing sources (uses):			
Issuance of general obligation bonds (note 8)	-	-	-
Premium on bond issuance	-	-	-
Transfers in (note 9)	2,221,749	14,627,877	8,767,634
Transfers out (note 9)	(17,095,183)	(7,391,640)	-
Total other financing sources (uses)	(14,873,434)	7,236,237	8,767,634
Net change in fund balances	4,906,779	1,896,338	-
Fund balances at beginning of year	83,583,383	45,847,843	-
Fund balances at end of year	\$ 88,490,162	47,744,181	-

See accompanying notes to financial statements.

## Basic Financial Statements

## Exhibit 4 (Page 2 of 2)

Capital Projects	Other Governmental Funds	Total Governmental Funds
82,804,986	4,760,014	87,565,000
7,719,996	-	7,719,996
15,163,120	9,120,362	49,900,742
(1,130,437)	(24,283,482)	(49,900,742)
104,557,665	(10,403,106)	95,284,996
50,522,295	(3,380,231)	53,945,181
107,913,660	22,526,605	259,871,491
158,435,955	19,146,374	313,816,672

## Basic Financial Statements

## Exhibit 4-A

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**And Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**Year Ended December 31, 2018**

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<b>Net Change in Fund Balance - Governmental Funds</b>	\$	53,945,181
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Amounts reported for governmental activities in the statement of net position are different because:

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

	\$	66,911,542	
Capital outlays			
Less: Depreciation expense		(24,404,241)	
			42,507,301

Some taxes will not be collected for several months after the County's year end, they are not considered as "available" revenues in the governmental fund statements. Unavailable revenue - property taxes increased by this amount during the year.		4,716,606
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The issuance of long-term obligations (e.g. bonds, leases, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of deferred refunding loss when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.		(55,253,603)
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Net pension obligation, net of deferred inflows and outflows and other post employment benefits are reflected on the statement of net position, but are not considered a current expenditure for the fund statements.		(100,885,489)
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In the statement of net position, long term obligations due for Healthcare IBNR and due to component units are included, whereas these amounts are not current financial liabilities and are not reported on the government funds.		(730,194)
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Interest on long-term obligations in the statement of net position differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of net position, interest expense is recognized as the interest accrues, regardless of when it is due. The difference between the interest accrued in the statement of net position and the amount due is shown here.		(11,879)
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In the statement of net position, certain operating expenses - accumulated employee benefits (workers' compensation, sick days and voluntary separation, claims and settlements) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used.		41,579
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<b>Change in Net Position of Governmental Activities</b>	\$	(55,670,498)
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See accompanying notes to financial statements.

## Basic Financial Statements

## Exhibit 5

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Net Position**  
**Proprietary Fund**  
**December 31, 2018**

	<u>Governmental Activities Risk Management Fund</u>
<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 616,063
Due from other funds:	
General Fund	<u>433,666</u>
Total assets	<u>1,049,729</u>
<u>Liabilities</u>	
Current liabilities:	
Vouchers payable	116,732
Due to other funds:	
General Fund	122,215
Accrued liabilities	<u>810,782</u>
Total liabilities	<u>1,049,729</u>
<u>Net Position</u>	
Net position:	
Unrestricted net position	\$ <u><u>-</u></u>

See accompanying notes to financial statements.

## Basic Financial Statements

## Exhibit 6

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Fund**  
**Year Ended December 31, 2018**

	Governmental Activities Risk Management Fund
Operating revenues:	
Contribution - employee	\$ 192,960
Contribution - employer	1,273,278
Miscellaneous income	21,291
Total operating revenues	<u>1,487,529</u>
Operating expenses:	
Insurance claims expense	1,487,529
Total operating expenses	<u>1,487,529</u>
Operating income	-
Change in net position	<u>-</u>
Net position at beginning of year	<u>-</u>
Net position at end of year	<u><u>\$ -</u></u>

See accompanying notes to financial statements.



## Basic Financial Statements

## Exhibit 7

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**Year Ended December 31, 2018**

	Governmental Activities Risk Management Fund
Cash flows from operating activities:	
Receipts from customers	\$ 1,906,175
Payments to suppliers	(1,859,805)
Net cash used for operating activities	<u>46,370</u>
Balance - beginning of year	<u>569,693</u>
Balance - end of year	\$ <u><u>616,063</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	-
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in due from other funds	\$ 3,354
Decrease in due from other funds	415,292
Increase in due to other funds	33,999
Increase in vouchers payable	82,627
Decrease in accrued liabilities	(488,902)
Total adjustments	<u>46,370</u>
Net cash used for operating activities	\$ <u><u>46,370</u></u>

See accompanying notes to financial statements.

## Basic Financial Statements

## Exhibit 8

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2018**

<u>Assets</u>	Pension Trust Fund	Combined Agency Funds
Cash and short-term investments (note 3)	\$ 19,982,905	52,621,382
Investments (at fair value): (note 3)		
Equity:		
U.S. common and preferred stock	113,362,368	-
American Depositary Receipts (ADRs)	2,250,658	-
S&P 500 index fund	76,574,960	-
Non-U.S. stock and equity mutual fund	120,866,664	-
Bonds and Notes:		
Corporate certificates of deposit	3,194,843	-
U.S. government and related agency debt	21,843,589	-
Fannie Mae and Freddie Mac debt	9,912,244	-
Fixed income mutual funds	137,450,881	-
U.S. corporate debt instruments	63,506,049	-
Non-U.S. government and corporate debt	17,945,500	-
Other Investments:		
Hedge funds	1,265,826	-
Real estate	97,819,299	-
Venture capital / private equity	187,068,404	-
	<u>853,061,285</u>	<u>-</u>
Amount due from brokers	2,443,512	-
Accrued interest and dividends receivable	1,656,684	2,422
Accrued employer contributions receivable	967,933	-
Accrued employee contributions receivable	967,933	-
Other assets	2,569	4,762,883
	<u>879,082,821</u>	<u>57,386,687</u>
<u>Liabilities</u>		
Accrued payroll	\$ 5,179	-
Vouchers payable	63,452	1,570,137
Payroll withholdings	2,697	-
Accrued liabilities	1,977,830	-
Due to other governments	-	12,477,024
Due to litigants	-	16,564,337
Collections held in trust	-	21,440,176
Amount due to brokers	1,493,885	-
Other liabilities	25,916	5,335,013
	<u>3,568,959</u>	<u>57,386,687</u>
Net position:		
Restricted for Pensions	\$ <u>875,513,862</u>	

See accompanying notes to financial statements.

## Basic Financial Statements

## Exhibit 9

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Changes in Fiduciary Net Position**  
**Pension Trust Fund**  
**Year Ended December 31, 2018**

	Pension Trust Fund
Additions:	
Contributions:	
Employee	\$ 38,344,289
Employer	38,142,513
	<u>76,486,802</u>
Total contributions	
	<u>76,486,802</u>
Investment income:	
Net depreciation in fair value of investments	(43,343,857)
Interest	5,367,873
Dividends	7,120,811
Stock loan income	49,179
Partnership income	3,333,354
	<u>(27,472,640)</u>
Less: Investment management fees	5,580,439
	<u>(33,053,079)</u>
Total investment income - net	
	<u>(33,053,079)</u>
Miscellaneous income	36,890
	<u>36,890</u>
Total additions - net	
	<u>43,470,613</u>
Deductions:	
Benefit payments	101,701,023
Refunds of employee contributions	5,305,324
Salaries, wages and related expenses	298,845
Administrative and miscellaneous expenses	1,306,400
	<u>108,611,592</u>
Total deductions	
	<u>108,611,592</u>
Change in net position	(65,140,979)
Net position - beginning of year	940,654,841
	<u>940,654,841</u>
Net position - end of year	\$ <u><u>875,513,862</u></u>

See accompanying notes to financial statements.

## Basic Financial Statements

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Net Position**  
**Component Units**  
**December 31 or June 30, 2018**

	Allegheny County Airport Authority as of December 31	Port Authority of Allegheny County as of June 30
<u>Assets</u>		
Cash and short-term investments (note 3)	\$ 72,655,919	132,466,339
Time deposits and other investments (note 3)	20,765,672	-
Restricted cash and short-term investments (note 3)	85,609,333	17,014,733
Due from other governments (note 4)	7,802,368	26,483,945
Due from primary government (note 9)	-	-
Accounts receivable (note 4):		
Trade, net of allowance for doubtful accounts	5,026,002	-
Other	12,770,630	8,568,257
Accrued interest and dividends receivable	91,260	-
Inventory	2,275,821	14,923,218
Other assets	2,963,689	510,202
Loans receivable, net of allowance for loan losses (note 4)	-	-
Derivative instruments - forward delivery agreements	523,796	-
Prepaid bond insurance costs	62,469	-
Designated for reserve fund	-	34,982,415
Land (note 5)	113,155,708	103,605,436
Construction in progress (note 5)	41,890,824	91,658,075
Buildings and equipment net of accumulated depreciation (note 5)	450,143,366	1,124,297,973
Total assets	815,736,857	1,554,510,593
<u>Deferred Outflows of Resources</u>		
Loss on refunding debt	1,423,685	8,426,227
Net difference between projected and actual earnings on pension plan investments	4,773,335	32,656,745
Difference between expected and actual experience	4,163,115	1,130,427
Change of assumptions - net pension liability	18,884,763	11,070,242
Change in proportion - net pension liability	2,275,420	-
Difference between employer contributions and proportionate share of total contributions	-	-
Contributions subsequent to the measurement date - pension	-	14,992,764
Contributions subsequent to the measurement date - OPEB	113,060	-
Deferred charges on OPEB liability	-	60,976,741
Total deferred outflows of resources	31,633,378	129,253,146

## Basic Financial Statements

## Exhibit 10 (Page 1 of 3)

Community College of Allegheny County as of June 30	Redevelopment Authority of Allegheny County as of December 31	Allegheny County Industrial Development Authority as of December 31	Nonmajor Component Units as of December 31	Total
35,782,276	25,708,457	3,094,710	8,081,611	277,789,312
9,930,618	414,368	-	-	31,110,658
29,159,619	14,867,908	32,844	26,580,586	173,265,023
1,633,466	9,234,135	823,112	-	45,977,026
-	-	-	77,908	77,908
7,174,514	-	15,649	209,197	12,425,362
1,975,042	130,990	-	974,645	24,419,564
-	-	-	-	91,260
-	10,318,880	-	22,248	27,540,167
4,572,255	80,530	-	240,388	8,367,064
-	17,144,259	952,145	-	18,096,404
-	-	-	-	523,796
-	-	-	-	62,469
-	-	-	-	34,982,415
4,028,747	2,928,300	-	-	223,718,191
5,967,544	-	-	-	139,516,443
148,075,205	1,598,625	-	3,522,334	1,727,637,503
248,299,286	82,426,452	4,918,460	39,708,917	2,745,600,565
1,096,032	-	-	-	10,945,944
102,000	-	-	-	37,532,080
86,131	-	-	-	5,379,673
237,828	-	-	-	30,192,833
1,148,183	-	-	-	3,423,603
8,091	-	-	-	8,091
608,039	-	-	-	15,600,803
-	-	-	-	113,060
41,993	-	-	-	61,018,734
3,328,297	-	-	-	164,214,821

## Basic Financial Statements

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Net Position**  
**Component Units**  
**December 31 or June 30, 2018**

	Allegheny County Airport Authority as of December 31	Port Authority of Allegheny County as of June 30
<u>Liabilities</u>		
Vouchers payable	\$ 18,153,920	18,165,819
Accrued interest payable	-	-
Accrued payroll	-	21,184,512
Due to primary government (note 9)	1,121,943	-
Due to other governments	-	-
Amounts due to airlines	204,921	-
Accrued liabilities	9,653,301	-
Unearned tuition and student deposits	-	-
Other liabilities:		
Current	1,618,030	3,188,846
Non-current	1,148,153	-
Unearned revenue:		
Current	3,481,401	146,519,877
Non-current (note 8)	1,410,340	-
Reserve for claims and settlements:		
Current	-	7,900,548
Non-current	-	3,634,522
Compensated absences:		
Current	-	-
General obligation/revenue bonds/notes/leases (notes 8 and 14):		
Current	11,850,000	12,520,000
Non-current	59,661,923	173,203,749
Accrued pension costs:		
Non-current net pension liability	98,817,359	322,797,115
Accrued OPEB liability:		
Current	-	-
Non-current	1,276,559	631,119,563
Total liabilities	<u>208,397,850</u>	<u>1,340,234,551</u>
<u>Deferred Inflows of Resources</u>		
Forward delivery agreements	523,796	-
Net difference between projected and actual earnings on pension plan investments	-	47,537,367
Changes in proportions - net pension liability	627,783	-
Net difference between expected and actual experience - pension	25,496	2,999,869
Difference between employer contributions and proportionate share of total contributions	-	-
Change of assumptions - net pension liability	4,424,069	10,087,616
Net difference between expected and actual experience - OPEB	1,574	-
Deferred amounts on OPEB liability	-	-
Total deferred inflows of resources	<u>5,602,718</u>	<u>60,624,852</u>

## Basic Financial Statements

## Exhibit 10 (Page 2 of 3)

Community College of Allegheny County as of June 30	Redevelopment Authority of Allegheny County as of December 31	Allegheny County Industrial Development Authority as of December 31	Nonmajor Component Units as of December 31	Total
4,445,352	2,338,947	71,091	163,696	43,338,825
-	60,699	-	-	60,699
3,760,369	-	-	-	24,944,881
-	28,313	-	2,005,870	3,156,126
-	306,615	-	-	306,615
-	-	-	-	204,921
3,838,932	-	-	665,860	14,158,093
2,516,681	-	-	-	2,516,681
873,802	-	-	183,369	5,864,047
-	-	-	-	1,148,153
-	1,773,641	18,616	1,657,900	153,451,435
-	-	-	-	1,410,340
-	-	-	25,474,835	33,375,383
-	-	-	-	3,634,522
3,065,628	-	-	11,858	3,077,486
6,185,485	2,887,010	-	-	33,442,495
85,735,699	5,738,474	-	-	324,339,845
6,769,448	-	-	-	428,383,922
-	-	-	-	-
181,000	-	-	-	632,577,122
117,372,396	13,133,699	89,707	30,163,388	1,709,391,591
-	-	-	-	523,796
94,368	-	-	-	47,631,735
141,940	-	-	-	769,723
72,066	-	-	-	3,097,431
26,394	-	-	-	26,394
-	-	-	-	14,511,685
-	-	-	-	1,574
8,000	-	-	-	8,000
342,768	-	-	-	66,570,338

## Basic Financial Statements

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Net Position**  
**Component Units**  
**December 31 or June 30, 2018**

	Allegheny County Airport Authority as of December 31	Port Authority of Allegheny County as of June 30
<u>Net Position</u>		
Net investment in capital assets	537,519,690	1,188,638,067
Restricted for:		
Capital projects	53,764,257	-
Debt service	17,261,196	-
Scholarship and tuition funds	-	-
Other student funds	-	-
Other projects	-	-
Permanently	-	-
Unrestricted (deficit)	24,824,524	(905,733,731)
Total net position	\$ 633,369,667	282,904,336

See accompanying notes to financial statements.



## Basic Financial Statements

## Exhibit 10 (Page 3 of 3)

Community College of Allegheny County as of June 30	Redevelopment Authority of Allegheny County as of December 31	Allegheny County Industrial Development Authority as of December 31	Nonmajor Component Units as of December 31	Total
86,665,038	2,349,441	-	3,405,908	1,818,578,144
5,346,399	-	-	2,105,068	61,215,724
-	-	-	-	17,261,196
127,731	-	-	-	127,731
906,542	-	-	-	906,542
3,125,611	57,039,489	4,508,126	-	64,673,226
4,467,486	-	-	-	4,467,486
33,273,612	9,903,823	320,627	4,034,553	(833,376,592)
133,912,419	69,292,753	4,828,753	9,545,529	1,133,853,457

## Basic Financial Statements

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Activities**  
**Component Units**  
**Year Ended December 31, 2018 or June 30, 2018**

		Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions
	Expenses			
Allegheny County Airport Authority	\$ 185,814,669	143,083,886	5,928,821	48,860,183
Port Authority of Allegheny County	533,694,061	105,578,055	266,385,449	132,363,245
Community College of Allegheny County				
Education	131,756,981	32,517,434	75,028,782	-
Auxiliary enterprise - Bookstore	63,654	649,850	-	-
Educational Foundation	2,531,844	67,435	451,775	2,992,368
	<u>134,352,479</u>	<u>33,234,719</u>	<u>75,480,557</u>	<u>2,992,368</u>
Redevelopment Authority of Allegheny County				
General government	1,842,044	-	-	-
Community development	25,853,268	430,520	28,336,470	-
Lending	547,889	180,384	-	-
Rental Activity	928,049	1,015,760	-	-
Total Redevelopment Authority	<u>29,171,250</u>	<u>1,626,664</u>	<u>28,336,470</u>	<u>-</u>
Allegheny County Industrial Development Authority				
Economic opportunity	391	28,256	61,955	-
Administrative fund	213,711	153,478	-	-
Total Industrial Development Authority	<u>214,102</u>	<u>181,734</u>	<u>61,955</u>	<u>-</u>
Nonmajor Component Units	<u>11,911,064</u>	<u>2,284,339</u>	<u>8,107,806</u>	<u>1,796,608</u>
Total Component Units	<u>\$ 895,157,625</u>	<u>285,989,397</u>	<u>384,301,058</u>	<u>186,012,404</u>
General Revenues:				
Payment from County				
Interest and investment earnings				
Gaming Act revenue				
Gas drilling revenue				
Net increase in the fair value of investments				
Miscellaneous income				
Total general revenues				
Change in net position				
Net Position beginning of year - restated				
Net Position end of year				

See accompanying notes to financial statements.

## Basic Financial Statements

## Exhibit 11

Net Revenue (Expense) and Changes in Net Position						
Allegheny County Airport Authority Year Ended December 31	Port Authority of Allegheny County Year Ended June 30	Community College of Allegheny County Year Ended June 30	Redevelopment Authority of Allegheny County Year Ended December 31	Allegheny County Industrial Develop Authority Year Ended December 31	Nonmajor Component Units Year Ended December 31	Total
12,058,221	-	-	-	-	-	12,058,221
-	(29,367,312)	-	-	-	-	(29,367,312)
-	-	(24,210,765)	-	-	-	(24,210,765)
-	-	586,196	-	-	-	586,196
-	-	979,734	-	-	-	979,734
-	-	(22,644,835)	-	-	-	(22,644,835)
-	-	-	(1,842,044)	-	-	(1,842,044)
-	-	-	2,913,722	-	-	2,913,722
-	-	-	(367,505)	-	-	(367,505)
-	-	-	87,711	-	-	87,711
-	-	-	791,884	-	-	791,884
-	-	-	-	89,820	-	89,820
-	-	-	-	(60,233)	-	(60,233)
-	-	-	-	29,587	-	29,587
-	-	-	-	-	277,689	277,689
12,058,221	(29,367,312)	(22,644,835)	791,884	29,587	277,689	(38,854,766)
\$ -	34,671,274	25,156,215	2,443,538	-	653,250	62,924,277
2,667,551	224,059	955,761	267,613	15,115	25,215	4,155,314
8,000,000	-	-	-	-	-	8,000,000
19,266,592	-	-	-	-	-	19,266,592
203,976	-	-	-	-	(11,780)	192,196
322,646	-	70,389	391,375	-	72,024	856,434
30,460,765	34,895,333	26,182,365	3,102,526	15,115	738,709	95,394,813
42,518,986	5,528,021	3,537,530	3,894,410	44,702	1,016,398	56,540,047
590,850,681	277,376,315	130,374,889	65,398,343	4,784,051	8,529,131	1,077,313,410
\$ 633,369,667	282,904,336	133,912,419	69,292,753	4,828,753	9,545,529	1,133,853,457

## Basic Financial Statements



## Basic Financial Statements

***(1) Summary of Significant Accounting Policies******(A) Organization and Reporting Entity***

The organization of the County and the basis of the reporting entity are presented below to assist the reader in evaluating the financial statements and the accompanying notes. The County follows Statement of Governmental Accounting Standards No. 61, "The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34." As noted below, this statement has required the inclusion of component units in the accompanying financial statements, as well as disclosures concerning other related entities. The reporting period for the County is for the year ended December 31, 2018.

The County provides public safety, public works, health and welfare, economic development, education, economic opportunity, cultural, recreation and transportation services.

The County was organized in 1788. Until January 1, 2000, the County operated under the Second Class County Code, adopted by the Commonwealth of Pennsylvania State Legislature in 1953. A three-member Board of County Commissioners, elected County-wide for four-year terms, performed the executive and legislative functions.

In accordance with the Constitution and laws of the Commonwealth of Pennsylvania, the electorate of Allegheny County approved adoption of the Charter, to supersede certain provisions of the Second Class County Code pertaining to the governing framework of the County. The effective date of the Charter was January 1, 2000.

The Charter transferred substantial authority and responsibility to act in local affairs from State law to the County's electorate through their locally elected officials. With regard to County governance, the Charter replaced the three-commissioner form of government with an elected Chief Executive, an elected, 15-member, part-time County Council and an appointed professional County Manager. It also required adoption of an Administrative Code to detail the County's administration and operation. The Administrative Code was enacted June 30, 2000.

Unless expressly or implicitly modified or repealed by the Charter, the provisions of the Second Class County Code and other applicable laws still govern the operations of the County.

In June 1999, GASB issued Statement No. 34, "Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments." This statement, known as the "Reporting Model" statement, affects the way the County and its component units prepare and present financial information. State and local governments traditionally have used a financial reporting model substantially different from the one used to prepare private-sector financial reports. GASB Statement No. 35, "Basic Financial Statement and Management's Discussion and Analysis - For Public Colleges and Universities" establishes accounting and financial reporting standards for public colleges within the financial reporting guidelines of GASB 34.

GASB Statement Nos. 34 and 35 established requirements and a reporting model for the annual financial reports of state and local governments and colleges. The Statements were developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions and includes:

## Basic Financial Statements

**Management's Discussion and Analysis**– Requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of MD&A. This analysis is similar to analysis the private sector provides in their annual reports.

**Government-wide Financial Statements**– The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter.

**Statement of Net Position**– The Statement of Net Position is designed to display all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the net financial position of the primary government (governmental activities) and its discretely presented component units. Governments report all debt and long-term liabilities as well as, capital assets, including infrastructure, in the government-wide Statement of Net Position and report depreciation expense – the cost of "using up" capital assets – in the Statement of Activities. The net position of a government will be broken down into three components - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

**Statement of Activities**– The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

**Budgetary Comparison Schedules**– Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. The County and many other governments revise their original budgets over the course of the year for a variety of reasons. Under the new reporting model, governments will continue to provide budgetary comparison information in their annual report and are required to add the government's original budget to the current comparison of final budget and actual results.

As required by the generally accepted accounting principles in the United States, these financial statements present the primary government and its component units. A component unit is a legally separate entity for which the primary government is financially accountable based on the following criteria: 1) the primary government appoints the voting majority of the board and is able to impose its will on the component unit, or there is the potential the component unit could provide a specific financial benefit or burden on the primary government; 2) the component unit is fiscally dependent on the primary government, and there is potential the component unit could provide a specific financial benefit or burden on the primary government; or 3) management's professional judgment concludes the reporting entity's financial statements would be misleading without the component unit. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The County has no component units that meet the requirements for blending. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide statements to emphasize they are legally separate from the primary government. The discretely presented component units have various fiscal year-ends.

## Basic Financial Statements

**Component Unit**

The following entities are included in the financial statements because of the significance of their operations or financial relationships with the County. The majority of the board of directors of the component units, except Memorial Hall are appointed by the County's Chief Executive and confirmed by the County Council. The component units' column of the applicable government-wide statements include financial data for the Allegheny County Airport Authority (ACAA); the Port Authority of Allegheny County (PAT); the Community College of Allegheny County (CCAC); the Redevelopment Authority of Allegheny County (RAAC), and Allegheny County Industrial Development Authority (ACIDA). These entities are considered major component units of the County. Allegheny HealthChoices, Inc. (AHC), Allegheny County Parks Foundation (Parks Foundation) and Soldiers' and Sailors' Memorial Hall and Museum Trust, Inc. (Memorial Hall) are nonmajor component units. They are included with the major component units in the Statement of Net Position in the nonmajor component units' column of the Statement of Net Position – Component Units and Statement of Activities – Component Units.

ACAA was established in 1999 to manage and operate Pittsburgh International Airport (PIA) and the Allegheny County Airport (collectively, the Airport System). On September 16, 1999, pursuant to an Airport Operation, Management and Transfer Agreement and Lease between the County and ACAA, as amended (the Transfer Agreement), the County leased and transferred the Airport System to ACAA for a term of 25 years with two 25-year extension options exercisable at ACAA's option.

In connection with the Transfer Agreement, the County leased to ACAA all land, buildings, fixtures, improvements, structures, aviation easements, rights of access and appurtenances pertaining thereto and all of the listed properties. In addition, the County transferred all of its rights, title and interest in fixtures, equipment, materials and furnishings utilized by the County in connection with the Airport System. Also, all contractual rights and obligations and liabilities pertaining to the Airport System, including revenue and general obligation bonds issued by the County to finance construction and development of PIA, were transferred to ACAA by the County. In addition to appointing the majority of the board, the County has the ability to impose its will on ACAA.

PAT was established under the Second Class County Port Authority Act of 1956 to provide mass transit services to the citizens of Allegheny County and portions of adjacent counties. The County provides significant annual operating and capital subsidies to PAT.

As discussed in Note 13, PAT contracts with Transdev Services, Inc. for professional services to coordinate ACCESS, a paratransit system. ACCESS financial statements have not been included in the reporting entity because PAT has neither control, financial responsibility, nor accountability for ACCESS.

CCAC was established under the Community College Act of 1963 to provide two-year post-secondary and college-parallel education programs, as well as education programs for out-of-school youths and adults within Allegheny County. The County, as sponsor, advances its funding based on its budget allocation that is on a calendar year basis. Included in the advance is the County's required one-half share of capital expenditures.

The Educational Foundation of CCAC (the "Foundation") is a legally separate, tax-exempt component unit of CCAC that acts primarily as a fund-raising organization to supplement the resources that are available to CCAC. The Foundation operates under an independent Board of Trustees and management. In carrying out its responsibilities, the Board of Trustees of the Foundation forms policy and maintains fiscal accountability over funds administered by the Foundation. The majority of

## Basic Financial Statements

resources, or income thereon, are restricted to the activities of CCAC by the donors. Accordingly, the financial statements of the Foundation have been included in the basic financial statements with CCAC.

RAAC was incorporated in the Commonwealth of Pennsylvania in 1950 as a redevelopment authority under the provisions of the Urban Redevelopment Law, Act No. 385. RAAC was established with the power to undertake programs for the voluntary repair, rehabilitation and conservation of residential housing and to stimulate residential, office, retail, commercial, industrial and other development. The County allocates a portion of its sales tax receipts from the Allegheny Regional Asset District to RAAC for the purpose of meeting the debt service obligations of bonds issued by RAAC to provide loans related to economic development projects.

RAAC has entered into an agreement whereby the County agreed to provide administrative services on behalf of RAAC at a cost of \$677,501 for 2018.

ACIDA was established under the Economic Development Financing Law to aid in alleviating unemployment and to maintain levels of existing employment by promoting the construction of industrial, manufacturing and research and development facilities within the County.

ACIDA has entered into an agreement with the County to provide administrative services on its behalf. As compensation for these services, ACIDA has agreed to pay \$100,000 for administrative services for 2018.

AHCI was incorporated in 1998 as a private, non-profit corporation for the purpose of monitoring the County's behavioral health services of the HealthChoices program. AHCI has been determined to be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as "other than a private foundation." The County provides the bulk of AHCI's funding through medical assistance capitation revenue received from the Commonwealth of Pennsylvania.

The Parks Foundation was established in 2007 to facilitate public investment in the Allegheny County parks system, the county riverfront trail system and other greenway initiatives. The Parks Foundation has been determined to be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The County has provided a significant subsidy to the Parks Foundation's operations and is committed to match funds, dollar for dollar, raised by the Parks Foundation in the amount of \$10.0 million for approved capital projects.

Soldiers' and Sailors' Memorial Hall separated from the County on January 1, 2000 and became an independent non-profit corporation. Prior to 2000, it was an operating division of the County. Memorial Hall's goal is to preserve a lasting tribute to those who served their country during the wars spanning the period from the Civil to our current era. The County annually appropriates a material subsidy and has assigned certain receipts from the adjacent parking lot to Memorial Hall. In addition, management of the County believes it would be misleading to exclude Memorial Hall.

The reporting periods for ACAA, RAAC, ACIDA, AHCI, Parks Foundation and Memorial Hall are for the year ended December 31, 2018. The reporting periods for PAT and CCAC are for the year ended June 30, 2018. Complete and more detailed financial statements for all of the individual component units can be obtained from their respective administrative offices.



## Basic Financial Statements

Administrative Offices

Allegheny County Airport Authority  
Pittsburgh International Airport  
Landside Terminal, Suite 4000  
Pittsburgh, PA 15231-0370

Port Authority of Allegheny County  
345 Sixth Avenue, 3<sup>rd</sup> Floor  
Pittsburgh, PA 15222-2527

Community College of Allegheny County  
800 Allegheny Avenue  
Pittsburgh, PA 15233-1895

Redevelopment Authority of Allegheny County  
One Chatham Center, Suite 900  
112 Washington Place  
Pittsburgh, PA 15219

Allegheny County Industrial Development Authority  
One Chatham Center, Suite 900  
112 Washington Place  
Pittsburgh, PA 15219

Allegheny HealthChoices, Inc.  
444 Liberty Avenue, Suite 240  
Pittsburgh, PA 15222

Allegheny County Parks Foundation  
675 Old Frankstown Road  
Pittsburgh, PA 15239

Soldiers' and Sailors' Memorial Hall and Museum Trust, Inc.  
4141 Fifth Avenue  
Pittsburgh, PA 15213

***Related Organizations***

The Chief Executive is also responsible for appointing, and the County Council is responsible for confirming, the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. These organizations include:

Allegheny County Residential Finance Authority  
Authority for Improvements in Municipalities  
Allegheny County Hospital Development Authority  
Allegheny County Higher Education Building Authority  
Allegheny County Housing Authority

The financial statements for these organizations are not included herein.

## Basic Financial Statements

### ***Joint Ventures***

The Sports and Exhibition Authority of Pittsburgh and Allegheny County was incorporated under the Public Auditorium Authorities Act of 1953 as a joint authority organized by the City of Pittsburgh (the City) and the County to provide space for educational, cultural, physical, civic and social events of benefit to the general public. The County's only access to the Sports and Exhibition Authority's resources would be a residual interest in the net position in the event of dissolution.

The City and the County are equally responsible for funding certain debt service requirements of the Sports and Exhibition Authority. At December 31, 2018 the County had no outstanding balance on this debt. Additionally, in accordance with the fiduciary responsibilities of the Hotel Room Rental Tax Act of 1990, the County collects a 7% hotel room tax and distributes the funds to designated agencies, including the Sports and Exhibition Authority. Complete and more detailed financial statements for the Sports and Exhibition Authority of Pittsburgh and Allegheny County can be obtained from the Sports and Exhibition Authority's administrative office:

Sports and Exhibition Authority  
of Pittsburgh and Allegheny County  
171 10th Street, 2nd Floor  
Pittsburgh, PA 15222

### ***Jointly Governed Organization***

The Allegheny County Sanitary Authority (ALCOSAN) was organized under the Municipality Authorities Act of 1945 to collect, transport and treat wastewater for the City and 82 other Allegheny County municipalities. ALCOSAN's board has seven members; three are appointed by the County, three are appointed by the City and one is appointed jointly by the County and City. The County has no ongoing financial accountability for ALCOSAN.

### ***(B) Government-wide and Fund Financial Statements***

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. While the previous reporting model emphasized fund types (the total of all funds of a particular type), in the new reporting model, the focus is either on the County as a whole (which includes component units) or major individual funds within the fund financial statements.

Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental. In the government-wide statement of net position, governmental activities are presented on a consolidated basis, and are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. For the most part, the effect of interfund activity has been eliminated from these statements. Activity between component units and the primary government is generally reported as external transactions and not operating transfers. Internal service account balances are reported as governmental activities on the statements of net position and activities.

The government-wide statement of activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) that are otherwise being supported by general government revenues (property, sales and use taxes, interest earnings and certain other general revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.). Program revenues include 1) charges (including fines) to customers or applicants who purchase, use,

## Basic Financial Statements

or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. The County does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

The County's fiduciary funds are presented in the fund financial statements by type (pension and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, litigants, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The following is a brief description of the specific funds used by the County in the current year.

### **Governmental Funds**

Governmental funds are those through which most governmental functions of the County are financed. The County's expendable, available financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds wherein the measurement focus is on changes in financial position, rather than on net income. Following are descriptions of the County's governmental funds:

General Fund- Accounts for all financial resources except those accounted for in another fund. Operating activities reflected in the General Fund include County administrative, planning and service departments, the County's Court of Common Pleas and the elected County row officers, as well as the operations of the Kane Community Living Centers, a series of four regional, long-term healthcare facilities for the chronically ill and elderly who have limited financial resources. The Centers are operated as a general welfare benefit for these people and are partially supported by property tax revenues. Other activities accounted for in the General Fund include child welfare services, social services for the elderly and the Shuman Juvenile Detention Center. The General Fund is always considered a major fund for government-wide reporting purposes.

Special Revenue Funds- Account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Special Revenue Funds consist of the following: Transportation Fund, Liquid Fuel Tax Fund, Infrastructure Support Fund, County Grants Fund and Human Services Grants Fund. Operating activities in the Human Services Grants Fund include Behavior Health/Intellectual Disability/Drug & Alcohol (BH/ID/DA), Aging, Community, and Children, Youth and Family services to eligible citizens. The County Grants Fund operating activities mainly consist of public safety, health and welfare, economic development and general government services.

## Basic Financial Statements

The County Grants Fund and Human Services Grants Fund are considered major funds for government-wide reporting purposes. While both of these major funds receive federal and State revenue, the County Grants Fund receives a large portion of its revenue from federal grants such as Community Development Block Grant, Child Support Enforcement Program, and Women, Infants and Children Program, and some revenue from State grants such as 911 Act 12, Community Infrastructure and Drug Court Restrictive Intermediate Punishment Program. Also, County Grant Funds receive fees related to the services provided. Human Services Grant Fund receives the larger portion of its revenue from State grants such as Behavioral Health Managed Care, and Human Services Block Grant, Human Services Aging Block Grants, and the Medical Assistance Transportation Program. The County Grants Fund predominantly uses its revenues for general government expenditures, while the Human Services Grants Fund revenues are used mostly for health and welfare expenditures.

Capital Projects Fund- Accounts for financial resources that are restricted, committed, or assigned to expenditures for capital outlays including acquisition or construction of capital facilities and other capital assets. The Capital Projects Fund is considered a major fund for government-wide reporting purposes.

Debt Service Fund- Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

### ***Proprietary Fund***

Proprietary fund accounts for the County's ongoing activities that are similar to those found in the private sector. The measurement focus is on determination of net income. Following is a description of the County's proprietary fund:

Internal Service Fund- Accounts for and finances services furnished exclusively to user offices, departments and other agencies and funds of the County on a cost reimbursement basis. The principal services provided include a self-insurance program for health and dental coverage and risk management. Operating revenues are from charges for services and employer/employee contributions and claims expense. The Internal Service Fund is included in governmental activities for government-wide reporting purposes.

### ***Fiduciary Funds***

Fiduciary funds account for assets held by the County as the agent for litigants, individuals, private organizations, Kane residents, the Convention Centers, Visitor's Bureau, Landfill Trust, state and local governmental units. Following is a description of the County's fiduciary funds:

Trust and Agency Funds - Include the Pension Trust, which accounts for the activities of the Allegheny County Employees' Retirement System, and the Agency Fund, which accounts for funds held by the County on behalf of others. The Pension Trust is accounted for in a manner similar to a proprietary fund. The Agency Funds are for fines and fees for the State, escrow from Sheriff sales, tax refunds and hotel taxes for Convention Centers. Agency Funds (assets equal liabilities) do not involve the measurement or results of operations. Fiduciary funds are not included in the government-wide statements.

### ***(C) Measurement Focus and Basis of Accounting***

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included

## Basic Financial Statements

on the balance sheet in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of the governmental funds present increases (i.e. revenues and other financial sources) and decreases (i.e. expenditures and other financing uses) in net fund balance. Note 9 discloses interfund transactions and their accounting treatment on the government-wide statement of activities.

The government-wide statements of net position and statements of activities, the proprietary fund, and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the statement of net position or on the statement of fiduciary net position.

The statements of net position, statements of activities and the financial statements of the Internal Service Fund and Fiduciary Funds are presented on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

The fund financial statements of the Governmental Funds are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. With respect to real property tax revenue and sales taxes, the term "available" is limited to collection within 60 days of the year-end. Property taxes of \$45,628,658 is the portion of the County's deferred inflows of resources recorded because it is not available. Interest income is recorded as earned. Federal and State reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures, other than accrued interest on long-term debt, as well as the long-term expenditures related to compensated absences, workers compensation, settlements and other postemployment benefits, are recorded when the fund liability is incurred. Agency Funds do not have a measurement focus.

#### ***(D) Allowance for Uncollectible Accounts***

The County calculated its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance at December 31, 2018, is composed of the following:

	General Fund	Other Governmental Funds	Total
Taxes receivable:			
Property taxes:			
Delinquent	\$ 960,904	186,987	1,147,891
Liened	4,515,888	3,176,457	7,692,345
Total taxes	5,476,792	3,363,444	8,840,236
Due from other governments	971,480	-	971,480
Other accounts receivable	2,514,556	-	2,514,556
Total allowance	\$ 8,962,828	3,363,444	12,326,272

There were no allowances for: sales tax receivable; loans receivable; accounts receivable trade; and accrued interest and dividends receivable.

## Basic Financial Statements

**Component Units - Allowance for Uncollectible Accounts****All Component Units**

The allowance at the component unit's respective year-end is composed of the following:

	<u>ACAA</u>	<u>CCAC</u>	<u>RAAC</u>	<u>ACIDA</u>
Trade receivable	\$ 81,864	10,266,674	-	-
Other receivable	-	30,000	-	-
Loans receivable	-	-	1,565,953	200,000
Liens receivable	-	-	1,700,000	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total allowance	\$ 81,864	10,296,674	3,265,953	200,000

**(E) Cash, Cash Equivalents and Investments**

For purposes of the accompanying Statement of Cash Flows, the County considers all highly liquid investments with an original maturity of three months or less when acquired to be cash equivalents.

The County follows GASB Statement No. 72, "Fair Value Measurement and Application" and reports investments at fair value. Securities traded on a national exchange are valued at the last reported sales price. Other investments not regularly traded on a national exchange are valued based on the last reported sales price or mean of the latest bid and ask price.

The County allocates income to the various funds based upon their average monthly investment balances.

**(F) Capital Assets**

Capital outlays are recorded as expenditures of the Governmental Funds and as assets in the government-wide financial statements to the extent the County's capitalization threshold of \$5,000 is met and a useful life of greater than one year. To the extent the County's capitalization threshold of \$5,000 is met, capital outlays are recorded as capital assets and depreciated over their estimated useful lives on the government-wide statements, using the straight-line method and the following estimated useful lives:

	<u>Years</u>
Buildings	50
Buildings - Leasehold Improvements	20
Furniture and Other Equipment	3-20
Shelter	25
Infrastructure	7-40

All capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are reported at acquisition value at the time of donation. The County maintains many artifacts, books, art objects and buildings of historical significance that are held for educational, research, and curatorial purposes. Each of the items is cataloged, preserved, cared for, and activities verifying their existence and assessing their condition are performed periodically. The County has a policy that requires that the proceeds from the sale of historical treasures or works of art be used to acquire other items for the collection. The County does not capitalize historic treasures or works of art.

## Basic Financial Statements

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

**(G) *Compensated Absences***

Certain union employees of the District Attorney's Office, Court Records, the Public Defender's Office and the Medical Examiner's Office may carryover five days of vacation to be used in the following year. The liability for such benefits is recorded in the governmental statements at current rates of compensation; amounts currently payable are not material.

The County's vacation policy for all other union and nonunion employees provides that such employees are to take vacation within the year it is earned, with no carry forward provisions.

Certain County police, jail guards, probation officers and deputy sheriffs earn vested sick benefits that are paid at termination or retirement based on current rates of compensation. The liability for such benefits is recorded in the government-wide statements at current rates of compensation (see Note 8); amounts currently payable are not material.

Personnel of all other County departments generally may accumulate up to 120 days of sick leave. These future benefits do not vest and, accordingly, have not been recognized in the accompanying financial statement.

**(H) *Pension Trust Fund***

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

**(I) *Fund Balances/Net Position***

Classification of Fund Balance

As of December 31, 2018 the County had \$1,380,971 of encumbrances in operating funds which rolled over into the next fiscal year. Capital Projects had \$38,688,558 of encumbrances at December 31, 2018. For more details on Capital Projects encumbrances, see Note 5.

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:

Nonspendable -- This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally required to be maintained intact. The County has no amount to report in this classification.

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 grants.



## Basic Financial Statements

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

Assigned -- This classification consists of amounts constrained by the County's intent to be used for specific purposes that are neither restricted nor committed. The policy is for the Chief Executive to assign amounts to be used for specific purposes for Controller review before issuance of audited financial statements.

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

It is the County's policy, when more than one classification of fund balance is available for a particular purpose, to first apply expenditures against the restricted fund followed by committed, assigned, and then unassigned fund balance.

### Classification of Net Position

GASB Statement No. 63 requires the classification of net position into three components – Net Investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in capital assets -- This component of net position consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of these assets.

Restricted -- This component of net position consists of constraints placed on net position use through external restrictions, such as, constitutional provisions or enabling legislation reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted -- This component of net position consists of net amount not included in the determination of the net investment in capital assets or the restricted component of net position.

The County's policy is to apply expenses against restricted and then unrestricted net position.

### ***(J) Pending Governmental Accounting Standards Board Pronouncements***

GASB Statement No. 83, "Certain Asset Retirement Obligations," effective for periods beginning after June 15, 2018. This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). The effect of implementation of this statement has not yet been determined.

GASB Statement No. 84, "Fiduciary Activities," effective for periods beginning after December 15, 2018. This statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The effect of implementation of this statement has not yet been determined.

GASB Statement No. 87, "Leases," effective for periods beginning after December 15, 2019. The statement provides guidance regarding improving accounting and financial reporting for leases by governments. The effect of implementation of this statement has not yet been determined.



## Basic Financial Statements

GASB Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements," effective for periods beginning after June 15, 2018. The statement is to improve the information that is disclosed in notes to governments financial statements related to debt. It clarifies what liabilities governments should include when disclosing information related to debt. The effect of implementation of this statement has not yet been determined.

GASB Statement No. 89, "Accounting for Interest Costs," effective for reporting periods beginning after December 15, 2019. This statement provides guidance regarding improving information about capital assets and the cost of borrowing by governments. The effect of implementation of this statement has not yet been determined.

GASB Statement No. 90, "Majority Equity Interests," effective for reporting periods beginning after December 15, 2018. This statement is to improve reporting of majority equity interests in separate organizations by governments. The effect of implementation of this statement has not yet been determined.

### ***(K) Reclassification of Prior Year Statements***

Certain previously reported items in the financial statements have been reclassified to conform with the current year's classifications.

### ***Component Units - Summary of Significant Accounting Policies***

Significant accounting policies for the component units included in the accompanying financial statements are described below:

#### ***Allegheny County Airport Authority***

##### ***Basis of Accounting***

ACAA is accounted for as single-purpose, business-type entity since its' operations are financed and operated in a manner similar to a private business. ACAA's financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related obligations are incurred.

##### ***Recognition of Revenue, Receivables and Deferred Revenue***

Airport Operating Agreement (AOA) - Landing fees and terminal building lease rental revenues include amounts computed in accordance with the AOA, between the County, as sponsor of ACAA, and those airlines that sign this agreement serving PIA. The original term of the AOA expired on May 8, 2018. Before the expiration of the original AOA, the Authority amended and extended the agreement through December 31, 2019. The Authority is in the process of writing a new long-term AOA that will begin after the next expiration. Such revenues are also realized from certain fixed fees for nonscheduled airlines and private users of Allegheny County Airport (AGC).

American Airlines, together with its affiliated commuter airlines, accounted for approximately 24% of total enplaned passengers at PIA in 2018. Southwest Airlines accounted for approximately 26% of total enplaned passengers at PIA in 2018. The American Airlines revenue represents 19% of operating revenue in 2018. No other airline represents more than 10% operating revenue.

## Basic Financial Statements

The AOA provides that the aggregate of airline fees and charges together with other revenues, including non-airline revenues, for each fiscal year should be sufficient to pay the operating expenses of the cost centers included in the AOA and to make all deposits and payments under bond ordinances and indentures issued for capital projects for ACAA.

**Concession and rental car revenues** - Concession and rental car fees are generally based on a fixed percentage of tenant revenues subject to certain minimum monthly fees. Concessions are operated under a Master Lease Development and Concession Agreement (Master Lease). The Master Lease was extended from its initial term through December 31, 2029. During 2017, ACAA revenue sharing percentage was 59%, however, effective January 1, 2018, this increased to 77%. In return for the extension, the concessionaire agreed to provide a nonrefundable up-front payment of \$6,666,667, which has been recorded as unearned revenue and has been fully amortized to operating revenues.

**Parking Revenues** - Parking fees are based on a fixed percentage of net revenues of a third-party operator, as defined in the associated management agreement.

**Gas drilling revenues** - In February 2013, a lease was executed with CNX Gas Company LLC for the exploration, drilling and production of minerals, namely Marcellus Shale natural gas, on the properties of ACAA. The contract includes an approximate \$46.3 million non-refundable bonus amount of which approximately \$3.5 million is held in escrow until certain property deed mineral rights issues are resolved. The initial bonus payment received of \$42.8 million has been recognized as unearned revenue and was amortized to nonoperating revenues over the five-year initial term of the lease based upon straight-line methodology. Any amounts received from the escrow will be recognized over the remaining term of the initial lease period. As of December 31, 2018, all funds have been released and recognized as revenue. During 2016, ACAA began receiving royalty revenue payments. Total royalty revenue approximated \$17.2 million during 2018. The ACAA also receives surface and ground rents for the completed oil pads that are to be amortized over the remaining life of the contract. ACAA received \$346,000 of ground rent during 2018 but received no cash rent payments during 2017. ACAA will continue to receive additional funds for surface and ground rents as the oil pads are completed.

**Passenger Facility Charges (PFC)** - On October 1, 2001, the airlines began collection of PFCs. PFCs are classified as non-operating and are imposed on enplaning passengers by airports to finance eligible airport-related projects that preserve or enhance safety, capacity, or security of the national air transportation system; fund noise mitigation; or furnish opportunities for enhance competition between air carriers. Both the fee and intended uses must be reviewed and approved by the Federal Aviation Administration (FAA).

**Customer Facility Charges (CFC)** - CFC were instituted on June 1, 2011. CFC revenues are classified as non-operating as the amounts are restricted for operating and maintenance expense, capital improvements, and debt services related to the rental car operation at ACAA. As of November 1, 2018 the CFC rate has increased from \$3.00 to \$5.50.

**Federal and State grants** - Grants from governmental agencies for eligible construction projects are recognized as non-operating revenue as the related expenditures are made.

**Tenant financed improvements** - Unearned revenues also include amounts funded by tenant of ACAA for certain capital assets. These unearned revenue amounts are being amortized to contribution revenue using the straight-line method over the depreciable lives of the related assets through credits to current rents payable.

## Basic Financial Statements

***Cash and Cash Equivalents***

The ACAA considers money market mutual funds, treasury notes and commercial paper to be cash equivalents.

***Investments***

Investments are carried at fair value, based on quoted market prices, and changes in the fair value of investments are reported as non-operating revenues.

***Inventories***

Inventories are stated at cost, which is determined using the weighted average method of accounting. Inventories are comprised of construction related materials and parts used for maintenance of the facilities and equipment.

***Capital Assets***

Land, buildings, and equipment are stated at historical cost. ACAA's capitalization threshold for capital assets is \$5,000. Cost incurred for major improvements are carried in construction in progress until the assets are placed in service or are available for use. Depreciation is computed using the straight-line method over the estimated economic lives of the respective assets.

The estimated useful lives are as follows:

	<u>Years</u>
Terminal buildings	10-30
Runways and taxiways	20
Site development	30-50
Parking Garage/Lots/Etc.	15-40
Hangars	5-30
Other Structures	10-30
Roadways	10-20
Mobile and Other Equipment	10-20
Computer/Security Equip & Systems	5-20
Utilities	10-40
Other Assets	10-30

***Capitalized Interest***

During 2017, interest incurred during construction periods is capitalized and included in the cost of property and equipment. Interest capitalized on projects funded by internally generated funds is based on the weighted average borrowing rate and actual expenditures during the period of construction. Interest capitalized on projects funded from bond proceeds is based on the interest cost of the specific borrowing, less interest earned on unspent construction-related bond proceeds during construction.

In 2018, GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, was adopted so no interest was capitalized. Total interest expense (excluding amortization included within interest expense) during 2018 was approximately \$4.1 million.

## Basic Financial Statements

### ***Vested Sick Benefits***

Certain firefighters employed by ACAA earn vested sick benefits that are paid at termination or retirement based upon current rates of compensation. Liabilities for such benefits are accrued at current rates of compensation plus appropriate taxes.

### ***Net Position***

The following schedule summarizes the effect of restating certain items on the net position at the beginning of the year due to GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions:

Net position at end of year as previously reported	\$ 592,061,788
Adjustment due to GASB 75	(1,211,107)
Net position at beginning of year as restated	<u>\$ 590,850,681</u>

### ***Port Authority of Allegheny County***

#### ***Basis of Accounting***

The financial statements of PAT have been prepared in conformity with generally accepted accounting principles in the United States of America as applicable to governments as previously summarized. PAT applies all GASB pronouncements. Accounting records covering both transit operations and capital grant projects are maintained on the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single enterprise fund.

PAT's policy is to first apply expenses incurred to restricted net position to the extent such are available and then to unrestricted net position.

#### ***Cash and Cash Equivalents***

Cash and cash equivalents include amounts in demand deposits, as well as short-term investments with a maturity date within three months of the date acquired.

#### ***Recognition of Revenue, Receivables and Unearned Revenue***

Passenger fares are recorded as revenue at the time services are performed. Monthly "flash" passes are sold on a consignment basis to vendors who maintain the right of return on unsold passes. In Fiscal Year 2018, the automated fare collection system (AFCS) eliminated the remaining consignment products sold to vendors except for the Pittsburgh Public School Board.

Grants and contributions are recorded as revenue when all applicable eligibility requirements are met. The Federal Transit Administration (FTA), the Pennsylvania Department of Transportation and the County provide financial assistance and make grants directly to PAT for operations, acquisitions of property and equipment and other capital related expenditures.

In fiscal year 2008, Act 44 was enacted by the Commonwealth of Pennsylvania. The Act created a dedicated source of funding called the Public Transportation Trust Fund (PTTF) which provides both operating and capital assistance to PAT as well as all other transit agencies in the State. The PTTF includes several existing sources of state funding as well as some new sources. Also, it eliminates the filing of separate applications to receive those funds.

## Basic Financial Statements

The sources of revenue available to the State to fund PTTF are: A percentage from sales tax (4.4%), lottery funds for the Free Transit for Senior Citizens Program, State bond funding for capital projects, the remainder of Public Transportation Assistance Fund (PTAF) after funding payments on existing debt, and annual payments from the Turnpike Commission. During fiscal year 2019, the Authority was notified that the Turnpike Commission payments to the PTTF fund have been suspended due to outstanding litigation regarding the issue of using Turnpike toll revenue for non-Turnpike projects.

Five program accounts have been created within the new trust fund: Transit Operating Assistance, Asset Improvement Program, Capital Improvements Program, New Initiatives, and Programs of Statewide Significance. Local matching funds are required to receive assistance under most programs.

PAT received \$229.5 million in State operating assistance during fiscal 2018. This funding required local matching funds of \$34.7 million. Allegheny County provided \$31.7 million in local match with an additional \$3.0 million provided by the Regional Asset District (RAD).

Because of existing debt agreements, PAT obtained capital funding under PTAF totaling \$22.1 million to use for debt service. Local matching share required for this funding was provided by the County.

PAT also received \$211.0 million in capital funding under Act 44. PAT utilized \$55.4 million of this capital funding in its operating budget, and \$132.4 million was used to match federal grants for other state of good repair capital projects, debt service payments, and to support bus purchases.

PAT was awarded a total of \$11.2 million in capital funding from the County, which is used to match federal and state capital grants.

Unearned revenue at June 30, 2018, included: \$120.2 million of State operating assistance carryover, \$15.5 million of County funds to be used for capital grant matching and \$7.6 million of State PTAF funds to be used for 2019 debt service.

### ***Capital Assets***

Transit operating property and equipment are recorded at cost and include certain property acquired from predecessor private mass transportation companies. Transit operating property and equipment also include certain capitalized labor and overhead expenses incurred to ready such property and equipment for use. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. During the current year, no interest expense was capitalized.

Depreciation is recorded using the straight-line method based on estimated useful lives that generally range from 4 to 30 years.

Construction in progress primarily consists of various infrastructure upgrades as well as building improvements.

### ***Compensated Absences***

PAT accrues vacation benefits earned by its employees.

## Basic Financial Statements

### ***Refunding Transactions***

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

### ***Net Position***

The following schedule summarizes the effect of restating certain items on the net position at the beginning of the year due to GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions:

Net position at end of year as previously reported	\$ 487,116,058
Adjustment due to GASB 75	(209,739,743)
Net position at beginning of year as restated	<u>\$ 277,376,315</u>

### ***Community College of Allegheny County***

#### ***Basis of Accounting***

The financial statements of CCAC have been prepared in accordance with the generally accepted accounting principles in the United States of America, using the economic resources measurement focus and the accrual basis of accounting. CCAC follows accounting principles issued by the GASB.

CCAC has determined that it functions as a business type activity, as defined by GASB. The effect of interfund activity has been eliminated from these financial statements, and they have been prepared on the accrual basis of accounting with a flow of economic measurement focus. Revenues are recognized when earned and expenses are recognized when incurred.

CCAC has not adopted a formal policy regarding whether to apply restricted resources or unrestricted resources when an expense is incurred for purposes that both restricted and unrestricted net position are available. Generally CCAC attempts to utilize restricted net position first when practicable.

The Foundation is a private non-profit organization that reports under FASB standards, including FASB No. 117, Financial Reporting for Not-for-Profit Organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in CCAC's financial reporting entity for these differences.

Of the total net position of CCAC as of June 30, 2018, the following constraints upon their use have been imposed, either externally or internally by action of the CCAC Board of Trustees or the Foundation's Board of Directors, as follows:

## Basic Financial Statements

Restricted Net Position:		
Scholarship and tuition funds	\$	127,731
Student development funds		906,542
Capital outlay		5,346,399
Restricted Foundation Net Position:		
Other projects		3,125,611
Permanently		4,467,486
		<u>13,973,769</u>
Total restricted net position	\$	<u>13,973,769</u>
Unrestricted Net Position:		
Board-designated Net Position:		
Campus building projects	\$	4,474,912
Reserve for facilities, emergency and other compelling needs		4,178,591
915 Ridge property		498,564
Allegheny County Schools Health Consortium		3,208,195
Visual Arts Center		50,893
Auxiliary services		7,763,155
Future operations		6,630,843
Future capital projects		2,465,670
Foundation Unrestricted Net Position		<u>4,002,789</u>
Total unrestricted net position	\$	<u>33,273,612</u>

## Restricted Net Position:

Scholarships and Development -- Scholarship, tuition and student development funds that have been generated from student related sources, the principal source of which is student fees. As such, the funds must be used specifically for the benefit of students. The Board of Trustees determines the allocation of scholarships and development.

Capital Outlay Reserve -- Funds may be reserved or restricted by the Board of Trustees or debt related restrictions. Current restrictions include the terms of appropriations, interest earned on bond proceeds, and unspent bond proceeds, which are restricted for the use of capital purchases. As of June 30, 2018, funds restricted amounted to \$5,346,399.

## Restricted Foundation Net Position:

Temporarily Restricted -- Temporarily restricted assets whose use is limited by stipulations imposed by contributors or grantors until those stipulations are fulfilled and removed by the Foundation's actions.

Permanently Restricted -- The use of principal is restricted indefinitely by stipulations imposed by contributors or donors. Income earned on permanently restricted assets is recorded as unrestricted income.

## Board-Designated Net Position:

Campus Building Projects and West Hill Renovation Project -- At the October 1997 meeting, the Board of Trustees authorized an increase in Campus building projects reserve from a balance of \$1,470,613 to \$5,000,000 to provide the CCAC share of funds for renovation and construction of science labs at the campuses. The science labs project total was estimated at that time at \$10,000,000 and consisted of a new science building at Allegheny Campus, major improvements to the South Campus labs, and less extensive updating costs to the Boyce and North Campuses. In 1998, after discussions with the



## Basic Financial Statements

architect the estimate was increased to \$12,000,000. Accordingly, at the October 1998 meeting, the Board allocated an additional \$1,000,000 to the reserve from that fiscal year's interest income. The reserve then amounted to \$6,000,000. In May 2006 the Board approved the 2006–2008 Capital Outlay Plan, which included the transfer of this \$6,000,000 to a new reserve called the "West Hills Renovation Project Reserve." At its November 2007 meeting, the Board authorized an addition of \$1,000,000 to the Campus Building Projects Reserve from unrestricted net position as of June 30, 2007, bringing the total in this reserve as of June 30, 2007 to \$3,000,000. During fiscal year 2008, \$569,435 was spent from that reserve for CCAC's one-half share of the fiscal 2008 debt service on the portion of the new 2008 bond issue attributable to the Science Center construction project. At its November 2008 meeting, the Board authorized an addition of \$3,000,000 from unrestricted net position as of June 30, 2008, bringing the total of the Campus Building Projects Reserve as of June 30, 2008 to \$5,430,565. Payments during 2008-2009 for CCAC's one-half share amounted to \$567,386, further reducing the Reserve to \$4,863,179. Payments made during fiscal 2010 for CCAC's one-half share were \$567,586. The Board designated an additional \$1,704,407, bringing the reserve total to \$6,000,000. Payments made during fiscal 2011 for CCAC's one-half share were \$565,661, reducing the reserve to \$5,434,339. For fiscal year 2011, an additional \$3,565,661 was added, bringing the reserve total to \$9,000,000, which was the projected amount required to complete the Science Center project as of June 30, 2011. For fiscal year 2012, expenses of \$1,172,984 were incurred for the Science Center reducing the reserve to \$7,827,016 as of June 30, 2012. For fiscal year 2013, expenses of \$5,708,963 were incurred for the Science Center, reducing the reserve to \$2,118,053 as of June 30, 2013. For fiscal year 2014, expenses of \$506,852 were incurred for the Science Center, reducing the reserve to \$1,611,200 as of June 30, 2014. For the fiscal year 2015, operating transfers-in and revenues exceeded expenses by \$683,020, increasing the reserve to \$2,294,220 as of June 30, 2015. For fiscal year 2016, board designated operating transfers-in and revenues exceeded expenses by \$967,104, increasing the reserve to \$3,261,324 as of June 30, 2016. For fiscal year 2017, board-designated operating transfers-in, the receipt of a legal settlement of \$550,000 related to the construction of the Science Center, and revenue exceeded expenses by \$1,068,038, increasing the reserve to \$4,879,361 as of June 30, 2017. For fiscal year 2018, board-designated operating transfers and revenues exceeded expenses by \$851,438. Due to the Science Center project nearing completion, the Board removed \$1,255,887 from the designation for the project and transferred it to the Reserve for Future Capital Projects. Despite this transfer, overall activity during 2018 decreased the reserve to \$4,474,912 as of June 30, 2018. The reserves will be utilized to complete various campus building projects.

Reserve for Board-Designated Facilities Emergency and Other Compelling Needs - During fiscal year 2008, a \$4,000,000 reserve was established. In fiscal year 2009, the reserve was increased by an additional \$2,000,000. For fiscal year 2010, the reserve was increased by another \$295,593, resulting in a total of \$6,295,593. For fiscal year 2011, the reserve was decreased by \$368,690 for maintenance projects, resulting in a total of \$5,926,903. The reserve was further reduced by \$2,776,903, which was transferred to Campus Building Projects Reserve for the completion of the Science Center building, leaving a balance of \$3,150,000 as of June 30, 2011. For fiscal year 2012, expenses of \$25,314 were incurred for maintenance projects and \$968,000 was transferred to the Reserve for Future Operations, reducing the reserve to \$2,156,686 as of June 30, 2012. For fiscal year 2013, there were no expenses incurred that were charged to the reserve. For fiscal year 2014, expenses of \$192,590 were incurred for maintenance projects, reducing the reserve to \$1,964,096 as of June 30, 2014. For fiscal year 2015, revenues and operating transfers-in to fund maintenance projects and ITS infrastructure improvements exceeded expenses by \$573,101 increasing the reserve to \$2,537,197 as of June 30, 2015. For fiscal year 2016, the Board designated \$1,000,000 for the reserve for future operations for facilities, emergency and other compelling needs reserve. That plus transfers in, plus miscellaneous revenues exceed expenses by \$655,604 thereby increasing the reserve to \$3,192,801, as of June 30, 2016. For fiscal year 2017, expenses and Board-designated transfers-out to fund deferred maintenance



## Basic Financial Statements

projects and the State match required for the electrical power upgrades loan exceeded revenues by \$318,590. In addition, CCAC transferred \$281,069 from this reserve to reserve for Future Capital Projects, thereby reducing the reserve to \$2,593,142 as of June 30, 2017. For fiscal 2018, board designated transfers-in from Future Capital Projects and miscellaneous revenues to fund network infrastructure upgrades and the State match required for the new HVAC upgrades loan and hot site project totaled \$2,722,800. In addition, board designated transfers-out and expenses to fund deferred maintenance and the State match required for the HVAC loans and hot site project totaled \$1,137,351, resulting in revenues exceeding expenses by \$1,585,449, thereby increasing the reserve to \$4,178,591 as of June 30, 2018. The reserve has been designated for the following capital projects: Electrical Upgrade Project Match \$1,293,543; HVAC Upgrade Project Match \$1,107,312; Allegheny Parking Lots \$68,161; Network Infrastructure \$1,244,023; and Miscellaneous Deferred Maintenance Projects - College-wide \$465,552.

915 Ridge Property -- Rental income in excess of rental expenses is designated for future improvements or renovations to 915 Ridge property. During fiscal 2018, expenses exceeded revenues by \$12,826, thereby reducing the designated net position.

Allegheny County Schools Health Insurance Consortium (Consortium) -- CCAC is a member of the Consortium which was formed to purchase health benefits on behalf of Allegheny County Schools. CCAC's portion of the Consortium's total net assets available for benefits as of June 30, 2018 was \$3,208,195.

Visual Arts Center (900 Lincoln Ave Property) -- In August 2016, CCAC entered into a three-year lease agreement with the City of Pittsburgh for the space that formerly served as CCACs Visual Arts Center. The City will utilize the space as a training center for its police force. The income in excess of rental expenses is designated for future improvements and renovation to the property. During fiscal year 2018, expenses exceeded revenues by \$156,127, thereby reducing the designated net position.

Reserve for Auxiliary Services -- The reserve is the excess of revenues over expenses from auxiliary enterprise operations.

Reserve for Future Operation -- Funds that have not been designated by the Board, for future operations.

Reserve for Future Capital Projects -- Funds have been reserved for future operations, emergency, and other compelling needs.

Unrestricted Net Position -- Resources which are not subject to restrictions imposed by contributors or grantors. May be designated by actions of the Board.

### ***Recognition of Revenue***

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Non-exchange transactions, in which CCAC receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which CCAC must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to CCAC on a reimbursement basis. Reimbursements for operating expenditures from the County and the State are recorded as revenue when earned.

## Basic Financial Statements

Unearned revenue arises when cash is received before revenue recognition criteria has been satisfied. Unearned revenues are composed of deferred grant revenue and student tuition revenue and deposits. Unearned grant revenue represents monies received on approved grants in advance of incurring the corresponding expenses. Student deposits and tuition received at June 30, and applicable to subsequent summer and fall terms, have been deferred and are included in revenue in the succeeding year.

### **Capital Assets**

Land, buildings and equipment are recorded at cost at the date of acquisition, or fair value at the date of donation. Building improvements and improvements other than buildings are recorded at the aggregate cost of the construction of the improvement. Expenditures for construction in progress are capitalized as incurred. Repair and maintenance costs are expensed as incurred; renovations and improvements, which extend the physical or economic life of an asset, are capitalized.

Interest expense is capitalized on qualifying assets during the period necessary to ready the assets for its intended use. Interest capitalized is net of interest earnings, if any, on qualifying assets. For fiscal year 2018, the total interest incurred amounted to \$2,612,848, of which \$2,155 was capitalized.

Depreciation and amortization of leased and owned assets are computed on the straight-line method over the estimated useful lives of the leased and owned property and equipment.

The estimated useful lives are as follows:

	Years
Buildings	50
Leasehold improvements	25
Infrastructures	25
Land improvements	15
Furniture and fixtures	10
Library books	10
Vehicles	7
Computer equipment	5
Computer software	3
All other equipment	7

### **Operating Revenues and Expenses**

All revenues from tuition, auxiliary enterprises and grant sources are considered to be operating revenues. Operating expenses include educational costs, auxiliary enterprises, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition, including State appropriations, investment income and interest on capital asset-related debt, are reported as non-operating revenues and expenses.

### **Scholarship Allowances**

Scholarship allowances represent the difference between the stated charge for services provided by CCAC and the amount that is paid by the student or third parties making payments on behalf of the student. Accordingly, some types of student financial aid, such as Pell grants and scholarships awarded by CCAC, are considered to be scholarship allowances. The allowances are netted against tuition and fee revenues in the statement of activities.

## Basic Financial Statements

**Foundation Endowment**

The Foundation's endowment was established for a variety of purposes, including for scholarships, facilities, or unrestricted operating purposes. Its endowment includes both donor-restricted endowment funds and unrestricted funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation has interpreted Pennsylvania State Act 141 of 1998 (Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund and investment income in excess of amounts designated for current operations and losses up to the extent of accumulated gains.

Endowment net position composition by type of fund at June 30, 2018 and changes in endowment net position for the fiscal year ended June 30, 2018, are as follows:

	Unrestricted Board Designated	Permanently Restricted	Total
Endowment Net Position, Beginning of Year	\$ 1,838,899	4,365,643	6,204,542
Investment income	48,447	84,359	132,806
Net appreciation (realized and unrealized)	117,836	293,468	411,304
Total investment	166,283	377,827	544,110
Contributions	-	101,843	101,843
Other changes:			
Withdrawals	(107,153)	-	(107,153)
Transfers out	-	(377,827)	(377,827)
Miscellaneous expense	(10,652)	-	(10,652)
Endowment Net Position, End of Year	\$ 1,887,377	4,467,486	6,354,863

## Basic Financial Statements

### ***Redevelopment Authority of Allegheny County***

#### ***Basis of Accounting***

The financial statements of RAAC have been prepared using the accrual basis of accounting, and accordingly reflect all receivables, payables, and other liabilities in conformity with generally accepted accounting principles in the United States as applicable to governments as previously summarized for the County.

#### ***Intergovernmental Revenue***

Intergovernmental revenue is recognized when the related expenditure is incurred. Deferred revenues arise when RAAC receives resources prior to incurring qualifying expenditures. Any amounts not collected, for which related expenditures have been incurred prior to December 31, 2018, are reflected as due from other governments.

#### ***Loans Receivable***

Loans receivable are recognized when the loan is established. Loans receivable are recorded at their principal balance due, less an allowance for uncollectible loans. Interest income on loans is recognized at the loans' stated interest rates.

RAAC has residential rehabilitation loans, which are presented at a net zero value, as they are only repayable out of available sales proceeds. These loans are fully reserved at the time of issue. The reserve is reversed and income is recognized when the loans are repaid, or when the amount of repayment is determinable and reasonably assured.

Included in RAAC are Economic Development Fund receivables consisting of 24 loans (between \$100,000 and \$2,500,000) with rates ranging from 0% to 5.5% and with terms ranging from 10 years to 20 years.

It is RAAC's policy to provide for future losses on loans based on an evaluation that, in RAAC's judgment, require consideration in estimating loan losses of the various programs.

#### ***Liens Receivable***

As of year-end, the liens are fully reserved, as management determined the receivable to be uncollectable.

#### ***Capital Assets***

Real estate acquired in conjunction with RAAC's various programs are recognized as expenditures when purchased and are not capitalized because: (1) the property is not used in RAAC's operations, and; (2) the ultimate amount to be realized upon disposition of the property does not generally accrue to RAAC's benefit. Land inventory is recorded as an asset at the lower of cost or market value until released to a developer for development program activities.

Capital assets, which include land, buildings, and building improvements, are reported in the applicable business-type activities. Capital assets are defined by RAAC as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend assets' lives is not capitalized.

## Basic Financial Statements

Buildings and building improvements are depreciated using the straight-line method. Buildings are assigned a useful life of 30 years and tenant improvements are amortized over the life of the lease.

### ***Allegheny County Industrial Development Authority***

#### ***Basis of Accounting***

ACIDA has various programs that are reported as separate Enterprise Funds. The ACIDA accounts for its programs on the accrual basis of accounting. Accordingly, revenues are recorded when earned and expenses are recorded when incurred.

#### ***Cash and Cash Equivalents***

For purposes of presentation, the ACIDA considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

#### ***Allowance for Uncollectible Accounts***

ACIDA uses the allowance method in providing for loan losses. Accordingly, potential loan losses are recorded to the allowance and provided for as bad debt expense when the collection is doubtful. Conversely, when management is of the opinion that previously reserved loans are collectible, the current year's provision is reduced.

#### ***Administrative Fees***

The ACIDA charges those entities on whose behalf debt is issued a closing fee at the inception of each issue and annual fees due on each anniversary of the issue for as long as the issue is outstanding. Beginning in 2003, new loans issued must pay the first annual fee at closing and then on each anniversary of the issue for as long as the issue is outstanding. Administrative fees are non-refundable and are recognized as revenue at the time they are due as management believes this approach best matches revenues with related expenses.

### ***Allegheny HealthChoices, Inc.***

#### ***Basis of Accounting***

The financial statements of AHCI have been prepared using the accrual basis of accounting, and accordingly reflect all significant receivables, payables, and other liabilities.

#### ***Capital Assets***

Prior to 2001, capital assets purchased with Allegheny County BH/ID base funds, as well as, certain capital assets purchased with Allegheny HealthChoices funds were expensed as opposed to being capitalized and depreciated as Allegheny County retains title to these assets. These amounts are reported as capital assets with offset costs applied to the program.

In 2008, the threshold for capitalization was raised to \$3,000. During 2011, the capitalization threshold was raised to \$5,000 for new purchases. Furniture and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation was computed using the straight-line method over the estimated useful lives of the capital assets.

## Basic Financial Statements

### ***Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand, in banks, as well as, all short-term highly liquid investments with maturities from date of purchase of three months or less.

### ***Recognition of Revenue and Unearned Revenue***

Effective January 1, 2017, AHCI entered into an amended agreement with the County's Human Services – Division of Behavioral Health. This agreement is for the period January 1, 2017 through December 31, 2018. Under this agreement, AHCI will be paid 2.75% of the capitation payments made by the Pennsylvania Department of Human Services to Allegheny County. Total grant revenue for the year ended December 31, 2018 is \$7,634,000. This amount is comprised of gross capitation revenues received of \$7,634,000, plus interest earned of \$0, less the amount to be repaid to the County of \$1,221,711 related to 2018, and the change in the amount of capitation revenue deferred. The change in the deferred balance from December 31, 2017, of \$28,914 is reflected as a decrease in the payable to the County.

The agreement permitted AHCI to defer an amount equal to approximately two months' revenue as of December 31, 2018 for cash flow purposes. The total deferred amount is \$1,480,776 at December 31, 2018.

### ***Concentrations***

AHCI receives a substantial amount of its support from various government sources. A significant reduction in the level of this support, if this were to occur, could have an effect on the programs and activities of AHCI.

### ***Allegheny County Parks Foundation***

#### ***Basis of Accounting***

The financial statements of the Parks Foundation have been prepared using the accrual basis of accounting. Net position, revenues and support are classified based on the existence or absence of donor-imposed stipulations. Accordingly, the net position of Parks Foundation and the changes therein are classified and reported as either unrestricted net position—not subject to donor-imposed stipulations and temporarily restricted net position—subject to donor-imposed stipulation that may or will be met, either by action of the Parks Foundation and/or the passage of time. When a restriction expires, temporarily restricted net position is reclassified to unrestricted net position.

### ***Capital Assets***

Property and equipment in excess of \$500 are capitalized and are valued at cost for purchased assets and fair value for contributed assets. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which range from 3 or more years. Maintenance and repairs are expensed as incurred.

## Basic Financial Statements

Net position restricted for projects as of December 31, 2018, subject exclusively to purpose or period restrictions by donors, are as follows:

Hartwood Sculpture Garden	\$	398,575
North Park Multi-Use Trail		227,224
Allegheny Green Web		110,574
Settlers Cabin - Pinkertons Run		85,534
South Park Oval Green Parking		77,152
Volunteer Mobilization		52,643
Community Awareness		49,558
South Park Eco Plan Implementation		42,185
Bench Program		18,739
Boyce + Round Hill + Settlers Cabin Sign Implementation		14,217
Children's Projects		14,000
Round Hill Animal Shelters		13,847
Fundraising		13,770
Chimney Swift Towers		11,925
Settlers Cabin - Panhandle Trail		10,000
Settlers Cabin - Waterfall Trail		10,000
Hartwood & Settlers Cabin Eco Plan		9,422
Community Trails and Health		8,749
Hartwood Eco Plan Implementation		6,160
South - Corrigan Drive Pool Reuse		5,509
South - Cascades Restoration		3,880
Communications and Marketing		2,990
Hartwood Sculptures		2,919
Networking		2,384
Friends of Harrison Hills		1,900
Youth Park Stewardship		1,884
Friends of South Parks Projects		1,520
Boyce Eco Plan Implementation		1,436
Eagle Scout Program		1,065
		<hr/>
		1,199,761
Subject to passage of time:		750,000
	\$	<hr/> <hr/>
		1,949,761

### ***Contributions Receivable***

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. At December 31, 2018, approximately \$470,000 is to be received within one year. Decisions to charge off receivables are based on management's judgment after consideration of facts and circumstances surrounding potential uncollectible accounts. As of December 31, 2018 there is no allowance for doubtful accounts.

### ***Soldiers' and Sailors' Memorial Hall and Museum Trust, Inc.***

#### ***Basis of Accounting***

The financial statements of Memorial Hall have been prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

#### ***Cash and Cash Equivalents***

For presentation purposes, Memorial Hall considers all highly liquid investments with original maturities of three months or less when acquired to be cash equivalents.

## Basic Financial Statements

### ***Contributions***

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net position items are reclassified to unrestricted net position and reported in the statement of activities as net position released from restrictions.

Contributed services (in-kind contributions) for the year ending December 31, 2018 do not meet the criteria for inclusion in the accompanying financial statements. Memorial Hall receives donation of services of immeasurable benefit to the organization from many individuals.

### ***Capital Assets***

Capital assets are recorded at cost. Depreciation of capital assets and leasehold improvements are calculated on a straight-line basis over the estimated service lives. Capital purchases greater than \$1,000 and with a life greater than one year are capitalized. Estimated useful lives are: Equipment 3-15 years and Leasehold improvements 10-40 years.

In prior years, the County transferred ownership of the artifacts and collections held to Memorial Hall. The collections are not recognized as assets on the statement of net position. Purchases of collection items are recorded as decreases in unrestricted net position in the year in which the items are acquired or as decreases in temporarily restricted net position if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net position classes.



## Basic Financial Statements

**(2) Legal Compliance**

To comply with no windfall legislation, County management has assigned \$0.4 million for 2013 real estate taxes and \$0.7 million for 2014 real estate taxes at December 31, 2018 to pay pending Board of Viewer's settlements.

**(3) Cash and Investments**

GASB Statement No. 40, "Deposit and Investment Risk Disclosures," requires disclosures related to the following deposit and investment risks: credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. The following is a description of the County's deposit and investment risks:

**Deposits and Investments**

Pennsylvania statutes provide for investment of governmental funds into certain authorized investments. The statutes also allow pooling of governmental funds for investment purposes. The County Investment Board has adopted an investment policy that adheres to State statutes and further limits permitted investment types and procedures. This policy was last revised June 2018. The primary objectives, in priority order, of the Board's investment activities are safety of principal, liquidity, and return on investment.

As of December 31, 2018 the book value of County cash, short-term investments, and long-term investments (excluding Trust and Agency funds which will be described separately) was \$410,345,636. Of this book value of County cash, are restricted funds of \$77,509,738 for debt service, liquid fuel, infrastructure support, managed care, aging and economic development.

The bank balance of deposits and fair value of short and long term investments was as follows:

Cash on hand	\$	96,795
Checking and savings accounts		6,823,418
Certificates of deposit		10,000,000
Money market checking/savings accounts		247,354,082
Pennsylvania INVEST		117,663,001
Total cash and cash equivalents		<u>381,937,296</u>
U.S Government Agencies		25,171,953
Corporate and Foreign Bonds		1,992,180
Total Investments		<u>27,164,133</u>
Total Deposits	\$	<u><u>409,101,429</u></u>

The following is a description of the risks related to the cash deposits:

**Deposits**

**Custodial Credit Risk** – The risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County's investment policy mitigates custodial credit risk by requiring collateralization of uninsured balances of certain investments, including certificates of deposit, savings accounts, time deposits, checking with interest accounts, and repurchase agreements. The County's investment policy limits collateral to U.S. Treasury Obligations and U.S. Government Agency investments. The policy requires a collateralization level of 102% of the market value of principal and accrued interest and that collateralization be pledged in accordance with Act 72 of the Pennsylvania State Legislature, Section 3836-1 through Section 3836-6.

## Basic Financial Statements

As of December 31, 2018, \$2,253,796 of the County's bank balance was insured by the Federal Depository Insurance Corporation. The remaining bank balance of \$406,847,633 is uninsured, exposed to custodial credit risk but is collateralized in accordance with Act 72, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name.

### Investments

As of December 31, 2018, the County's short term investments are considered to be cash equivalents for presentation on the Statement of Net Position and Governmental Fund Balance Sheet. The County had the following long term investments and maturities.

<b>Investment Type</b>	<b>Market Value</b>	<b>Less than 1 Year</b>	<b>1 - 5 Years</b>	<b>5 - 10 years</b>	<b>More than 10 Years</b>
U.S Government Agencies	\$ 25,171,953	17,702,775	1,879,321	711,586	4,878,271
Corporate and Foreign Bonds	1,992,180	1,992,180	-	-	-
Total	\$ 27,164,133	19,694,955	1,879,321	711,586	4,878,271

The following is a description of the risks related to the County's investments:

**Credit Risk**-The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. Since the highest priority of the investment program is safety of principal, the County's investment policy minimizes credit risk by permitting only certain types of investments and establishing minimum quality levels for the riskier investments.

The County Treasurer is authorized by the County Board of Investment to invest in U.S. Treasury Obligations, directly issued U.S. Federal Agency securities, repurchase agreements, deposit accounts, obligations of the Commonwealth of Pennsylvania, shares of investment companies (mutual funds), certificates of deposit, commercial paper, Pennsylvania Local Government Investment Trust (PLGIT), and INVEST. INVEST is a government pool established by the State Treasurer exclusively for investment by Pennsylvania municipalities.

Repurchase agreements may only be established with a primary government securities dealer or a depository institution doing business in Pennsylvania. All agreements must be collateralized at 100% of the market value of principal and accrued interest by U.S. Treasury or U.S. Government Agency securities with A ratings and maturities up to 40 years. In addition, the agreements must include a definite termination date.

Shares of Investment Companies must be rated AAA. The Investment Company's holdings may only be in the investments listed in the previous paragraph. In addition, the Companies must be in compliance with Section 2a-7 of the SEC rules.

Commercial Paper must be rated A-1 / P-1 (by Moody's and S&P respectively) or better. Maturities of commercial paper must not exceed 270 days. All transactions must be made from a registered broker or dealer.

At December 31, 2018, the Pennsylvania INVEST Daily (investment pool) was rated AAAM by S&P.

**Custodial Credit Risk** – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside entity. The County's safekeeping and custody policy minimally requires that all security transactions be conducted within the confines of Act 72. Direct

## Basic Financial Statements

security transactions must be on a delivery-versus payment basis. All securities are to be held in the Treasurer's name. If a counterparty is used, the counterparty must send written confirmation of the transaction to the Treasurer.

**Concentration of Credit Risk** – According to the County's investment policy, diversification will prevent over concentration in a sector and minimize the opportunity for risky investments. With the exception of U.S. Treasury securities, no more than 55% of Allegheny County's total investment portfolio will be invested in a single security type or with a single financial institution. As of December 31, 2018, there were no investments over 55% in a single security type or with a single financial institution, therefore the Treasurer's Office was in compliance with this policy.

**Interest Rate Risk** – Unless matching reserve funds to a specific cash flow, the County's investment policy limits investment maturities to a maximum of 13 months from the date of purchase. An exception to this rule regards repurchase agreements which should be collateralized with maturities up to forty years. Reserve funds may be invested in securities exceeding five years if the maturity of such investments reasonably coincides with the expected use of the funds.

### **Fair Value of Assets**

The County categorized its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value: Level 1 quoted prices in active markets for identical assets or liabilities; Level 2 Inputs are significant other observable inputs; and Level 3 Inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of December 31, 2018:

- U.S. Government Agencies of \$25,171,953 are valued at \$25,171,953 at quoted prices in active markets for identical assets (Level 1).
- Corporate and foreign bonds of \$1,992,180 are valued at \$1,992,180 at quoted prices in active markets for identical assets (Level 1).
- PA Invest Program funds (external investment pool) of \$117,663,001 are valued at \$117,663,001 the same as the value of the pool shares of \$1 and are reported at NAV.

### ***Agency Fund Deposits and Investments***

The County maintains bank accounts for the various Trust & Agency funds. The Office of the County Treasurer is responsible for investing a portion of these deposits. All the policies described above which govern investment of the County's other funds also govern the Trust & Agency deposits the County Treasurer manages. The other County departments manage the rest of the deposits in accordance with various legislation. The amount of deposits held in investments by departments other than the Treasurer's Office is very minimal. Most funds are held in FDIC insured checking, savings, or certificates of deposit.

## Basic Financial Statements

All investments are considered cash equivalents for presentation on the Statement of Fiduciary Net Position. The maturity dates of all investments are less than one year. As of December 31, 2018 the total book balance for cash and investments was \$52,621,382. The bank balance of deposits and fair value of short-term investments were as follows:

Cash on hand	\$	65,379
Checking and savings accounts		45,803,908
Certificates of deposit		2,390,356
Money market checking/savings accounts		2,548,771
	\$	<u>50,808,414</u>

As of December 31, 2018, \$1,004,112 of the bank balance was insured by the Federal Depository Insurance Corporation. The remaining bank balance of \$49,804,302 was uninsured, exposed to custodial credit risk, but is collateralized in accordance with Act 72 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name.

### ***Pension Trust Fund Deposits and Investments***

The Pension Trust Fund's investments are held separately from those of other County funds. Investments in the pension trust fund are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued based on the last reported sale price. Bonds and notes not regularly traded on a national exchange are valued based on the last reported sale price. Other investments consist of ownership interests in various private equity funds. These interests are recorded at the latest available book value of the Pension Trust Fund's ownership interest, generally being December 31, 2018. The book value for the investments approximates fair value due to the requirement for these funds to follow the guidance of accounting standards.

### **Fair Value of Assets**

The Pension Trust categorized its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value: Level 1 quoted prices in active markets for identical assets or liabilities; Level 2 Inputs are significant other observable inputs; and Level 3 Inputs are significant unobservable inputs. The Level 3 investments are classified at the book value of the ownership interest in the limited partnership.

## Basic Financial Statements

The Pension Trust has the following recurring fair value measurements as of December 31, 2018:

Investments	Fair Value	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured At Net Asset Value (NAV)
Stocks & ADRS	\$ 115,613,026	115,613,026	-	-	-
S&P 500 Index Fund	76,574,960	472,978	-	-	76,101,982
Non-U.S. Stocks / Equity Mutual Funds	120,866,664	29,536,926	-	-	91,329,738
U.S Gov't & Related Agency Debt	21,843,589	21,843,589	-	-	-
Fannie Mae & Freddie Mac	9,912,244	9,912,244	-	-	-
Bond Mutual Funds	137,450,881	7,649,319	-	-	129,801,562
U.S. Corporate Debt	63,506,049	-	63,506,049	-	-
Non-US Govt and Corp Debt	17,945,500	-	17,945,500	-	-
Hedge Funds	1,265,826	-	-	-	1,265,826
Real Estate Investment Trusts	97,819,299	-	-	-	97,819,299
Commodities Funds	-	-	-	-	-
Private Equity/Venture Capital	187,068,404	-	-	-	187,068,404
Totals	\$ 849,866,442	185,028,082	81,451,549	-	583,386,811

There are no remaining unfunded commitments for the investments measured at net asset value or limitations on the ability of the Pension Trust Fund to redeem their shares in these investments.

The Retirement Board has adopted investment guidelines that summarize the investment philosophy of the Board and set forth investment targets and performance objectives for the Pension Fund. In 2016 the Retirement Board approved changes to the target allocations for investments. The investment guidelines, adopted June 16, 2011, were last revised April 21, 2016. The target allocations are included in the revised investment guidelines and are included in these notes.

As of December 31, 2018 the Retirement Board had the following cash and investments in its Pension Trust Fund:

Cash or Investment Type	Fair Value	Effective Investment Maturities from December 31, 2018			
		Less than 1 year	1-10 Years	10-20 Years	More than 20 years
U.S. government & related agency debt	\$ 21,843,589	1,298,527	16,276,880	345,496	3,922,686
FNMA & FHLMC	9,912,244	-	362,651	1,769,827	7,779,766
Certificates of deposit	3,194,843	-	3,194,843	-	-
Corporate debt	63,506,049	1,912,049	55,092,258	1,356,946	5,144,796
Non-U.S. government and corporate debt	17,945,500	2,299,359	14,568,536	320,703	756,902
Total debt securities	116,402,225	5,509,935	89,495,168	3,792,972	17,604,150
Cash and cash equivalents	19,982,905				
Fixed income mutual funds	137,450,881				
U.S. common and preferred stock	113,362,368				
ADR's	2,250,658				
Index funds	76,574,960				
Non-U.S. stocks and equity mutual funds	120,866,664				
Hedge funds	1,265,826				
Real estate investment trusts	97,819,299				
Private equity/venture capital	187,068,404				
Total cash and other investments	756,641,965				
Total cash and investments reported on Pension Trust Fund Statement of Net Position	\$ 873,044,190				

## Basic Financial Statements

Following is a description of the Pension Trust Fund's deposit and investment risks:

**Credit Risk** - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Pension Fund's Fixed-Income Investment Managers are authorized by the Retirement Board to invest in marketable debt issues of the U.S. Treasury, U.S. Agencies, U.S. corporations, U.S. banks or other financial institutions, mortgage or asset backed securities, Yankee bonds, and cash equivalents. Domestic bonds in the core-fixed income portfolios must be rated Baa/BBB or better by either Moody's or Standard & Poor's.

The investment guidelines allow for two different classifications of fixed-income managers – core fixed income or high-yield fixed income. Core-fixed income portfolios should normally maintain an average market-weighted quality of Aa/AA. High-yield fixed income securities are bonds that are typically below investment grade bonds. These high-yield income securities do carry credit ratings below BBB by definition.

The Retirement Board has passed a "Statement of Investment Policy" which gives the High Yield Fixed Income asset class a target asset allocation of 12% of total fund assets. Within the High Yield Fixed Income class, the policy allows 60% of this class to be invested in Defensive High Yield investments and 40% to be invested in Opportunistic High Yield Investments. The Policy further defines the Opportunistic High Yield investments as "may include CCC and below rated securities", and Defensive High Yield investments "only generally excludes CCC and below securities".

The Pension Trust Fund's December 31, 2018 fixed income investments have received the following ratings:

Standard & Poor's Rating	Investment Type				
	Corporate Bonds	Corporate Certificates of Deposit	FNMA & FHLMC	Other Government Securities	Non-U.S. Gov't & Corporate Debt
AAA	\$ 1,961,684	-	-	-	165,570
AA	2,435,459	-	-	5,894,325	444,166
A	10,526,560	-	-	-	1,290,630
BBB	11,456,526	-	-	-	1,697,057
BB	14,062,769	-	-	-	2,150,135
B	12,468,369	-	-	-	3,601,368
CCC	6,513,676	-	-	-	804,663
CC	66,813	-	-	-	-
D	54,666	-	-	-	-
Not Rated	3,959,527	3,194,843	9,912,244	15,949,264	7,791,911
Totals	<u>\$ 63,506,049</u>	<u>3,194,843</u>	<u>9,912,244</u>	<u>21,843,589</u>	<u>17,945,500</u>

Moody's Rating	Investment Type				
	Corporate Bonds	Corporate Certificates of Deposit	FNMA & FHLMC	Other Government Securities	Non-U.S. Gov't & Corporate Debt
Aaa	\$ 3,212,970	-	-	16,778,701	265,221
Aa	2,253,618	-	-	-	299,853
A	12,286,847	-	-	-	2,061,689
Baa	9,461,413	-	-	-	1,502,666
Ba	8,701,024	-	-	-	1,365,566
B	15,805,176	-	-	-	3,444,180
Caa	8,693,161	-	-	-	1,683,788
Ca	23,125	-	-	-	-
C	56,875	-	-	-	-
WR	1,129,701	-	-	1,847,615	-
Not Rated	1,882,139	3,194,843	9,912,244	3,217,273	7,322,537
Totals	<u>\$ 63,506,049</u>	<u>3,194,843</u>	<u>9,912,244</u>	<u>21,843,589</u>	<u>17,945,500</u>

The credit ratings for the Pension Fund's mutual fund investments are unknown.

## Basic Financial Statements

**Custodial Credit Risk – Cash and Cash equivalents** - For deposits custodial credit risk is the risk that, in the event of bank failure, the fund's deposits may not be returned to it. As of December 31, 2018, the book value of the Pension Trust Fund's cash and deposits was \$3,386,514 and the bank balance was \$3,648,939. Of the \$3,648,939 bank balance, \$250,000 is covered by federal depository insurance. \$3,398,939 is uninsured and subject to custodial credit risk and is collateralized in accordance with Act 72. An additional \$16,596,391 in cash equivalents was held by the fund's investment managers in temporary investment vehicles. The investment guidelines state cash equivalent investments may be U.S. Treasury Bills, U.S. Government repurchase agreements (with a minimum of 102% collateral), money market funds, or commercial paper. If commercial paper is used for short-term investments, it must be rated at least A-1 or A by Moody's or Standard & Poor's.

**Custodial Credit Risk - Investments** - For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside entity. To mitigate custodial credit risk, the Board's investment guidelines set target asset allocations for all investments.

The 2018 approved target allocations are as follows:

<u>Asset Allocation</u>	<u>Target</u>
Diversified Equity	35%
Fixed-income	27%
Real Estate	10%
Venture Capital/Private Equity	20%
Commodities	8%
Total	<u>100%</u>

**Concentration of Credit Risk** - The Retirement Board's investment guidelines do not set total fund diversification guidelines. However they do attempt to minimize the impact of substantial loss in any specific industry or issue by establishing specific limits for the portfolios of each of the investment managers. For equity investment managers, no more than 5% of each manager's equity portfolio may be invested in any one company (valued at cost), and no more than 10% of each manager's equity portfolio may be invested in any one company (valued at market). In addition, equity investments may not exceed the benchmark index by 20% of the GICS economic sector allocation.

## Basic Financial Statements

For the core fixed-income managers - Except for U.S. Treasury and Agency obligations, each manager's fixed-income portfolio may not contain more than 10% (valued at market) of a given domestic issuer; no more than 10% of each portfolio's market value may be in Yankee bonds. If an investment manager chooses to invest in SEC Rule 144A securities without registration rights, such securities may not consist of more than 10% of the portfolio.

Interest Rate Risk - Limiting investment maturities is a means of managing exposure to fair value losses arising from rising interest rates. The Retirement Board's investment guidelines require the effective duration of each fixed-income manager's portfolio to comply with the following schedule:

<u>Fixed-Income Class</u>	<u>Index</u>	<u>Duration Limitation</u>
Short-term	Merrill Lynch One-Three-Year Gov't	±20%
Government/Credit	Lehman Brothers Gov't/Credit	±20%
Core	Lehman Brothers Aggregate	±20%

Foreign Currency Risk – For cash and investments, foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. At December 31, 2018 the Pension Trust Fund held \$23,367 in foreign cash; \$27,749,156 in common stock investments and \$17,945,500 in fixed income investments, all in various non-U.S. dollar denominations.



## Basic Financial Statements

**Component Units - Cash and Investments****Allegheny County Airport Authority**

Commonwealth of Pennsylvania law requires that ACAA's deposits be placed in savings accounts, time deposits, or share accounts of institutions insured by the FDIC, the Federal Savings and Loan Insurance Corporation or the National Credit Union Insurance Fund. To the extent that such accounts are so insured, and for any amounts above the insured maximum, the approved collateral as provided by law shall be pledged by the depository.

ACAA's cash deposits are insured up to \$250,000 at financial institutions insured by the FDIC. Any cash deposits in excess of the FDIC limits are uninsured and collateralized by financial institutions via single collateral pool arrangements as permitted by Act 72 of the Pennsylvania State Legislature.

As of December 31, 2018, ACAA had the following cash and cash equivalents and investments in mutual funds:

<u>Cash Equivalents:</u>	Standard & Poor's	Moody's Investor Service	Amount	Less Than 1 Year	1-5 Years
U.S. treasury notes	AA+	Aaa	\$ 123,493,854	93,364,856	30,128,998
U.S. Government-sponsored enterprise securities (GSE's)	AA+	Aaa	8,452,457	-	8,452,457
Pennsylvania municipal securities					
Bethlehem PA Txbl - Ref Ser B	A+	Not Rated	276,070	-	276,070
Pennsylvania St Build America Bonds	Not Rated	Aa3	619,213	619,213	-
			<u>895,283</u>	<u>619,213</u>	<u>276,070</u>
Commercial Paper	A-1+/A-1	P-1	21,281,730	21,281,730	-
Money Market Mutual Funds					
Wells Fargo Investments:					
Wells Fargo Advantage Government Fund	AAAm	Aaa-mf	9,624,273	9,624,273	-
PNC Government Money Market Fund	AAAm	Aaa-mf	236,518	236,518	-
Huntington - Federated Government Obligations Money Market Fund	AAAm	Aaa-mf	103,162	103,162	-
Total money market mutual funds			<u>9,963,953</u>	<u>9,963,953</u>	<u>-</u>
Total investments			\$ <u>164,087,277</u>	<u>125,229,752</u>	<u>38,857,525</u>

Interest Rate Risk - The risk that changes in interest rates of debt securities will adversely affect the value of an investment. ACAA does not have a formal investment policy that manages exposure to fair value losses arising from rising interest rates.

## Basic Financial Statements

**Credit Risk** - The risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Act provides for investment of governmental funds into certain authorized investment types. Statutes do not prescribe regulations related to demand deposits; however, they do allow pooling of governmental funds for investment. ACAA has no investment policy that would further limit its investment choices. The deposit and investment policy of the ACAA adheres to state statutes, related trust indentures, and prudent business practice.

**Custodial Credit Risk:** The risk that, in the event of the failure of the counterparty, ACAA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2018 ACAA's investments were not exposed to custodial credit risk. ACAA's investments in commercial paper, U.S. Government-sponsored enterprise securities, Pennsylvania municipal bonds and US treasury notes are held by the pledging financial institution's trust department or agent in ACAA name. ACAA's open-end money market mutual funds are not subject to custodial credit risk at December 31, 2018 as their existence is not evidenced by securities that exist in physical or book form. ACAA's investment policy does not address how investment securities and securities underlying repurchase agreements are to be held.

**Concentration of Credit Risk** - ACAA places no limit on the amount ACAA may invest in any one issuer. At December 31, 2018, the Authority did not have any concentration in any one issuer.

**Foreign Currency Risk** - This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. ACAA's exposure to foreign currency risk derives from its investments in commercial paper issued by Canadian and Asian corporations. ACAA's investment policy permits it to hold commercial paper rated in the highest rating category, without reference to a subcategory, by a rating agency. ACAA's investment in commercial paper matured in less than one year and had a fair value of \$19,292,328.

Cash, cash equivalents, and investment securities included in the net position are classified as follows:

Cash and cash equivalents:	
Current - unrestricted	\$ 22,738,808
Current - restricted	11,427,437
Total cash and cash equivalents	<u>34,166,245</u>
Investment securities	
Current - unrestricted	49,917,111
Current - restricted	56,090,043
Noncurrent - unrestricted	20,765,672
Noncurrent - restricted	18,091,853
Total investment securities	<u>144,864,679</u>
	<u>\$ 179,030,924</u>

### Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs.

There is a hierarchy of three levels of inputs that may be used to measure fair value: Level 1 Inputs are quoted prices in active markets for identical assets or liabilities; Level 2 Inputs are significant other observable inputs; and Level 3 Inputs are significant unobservable inputs.

The ACAA has the following recurring fair value measurements as of December 31, 2018:

## Basic Financial Statements

- U.S. Treasury notes of \$123,493,854 and money market mutual funds of \$9,963,953 are valued at \$123,493,854 and \$9,963,953, respectively at quoted prices in active markets for identical assets (Level 1).
- U.S. Government-sponsored enterprise securities of \$8,452,457, Pennsylvania municipal securities of \$895,283 and Commercial paper of \$21,281,730 are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments and cash flows are valued at \$8,452,457, \$895,283 and \$21,281,730 (Level 2), respectively.
- Forward delivery agreements (Note 14) of \$523,796 are valued at \$523,796 by the counterparty using a proprietary model (Level 3).

**Port Authority of Allegheny County**

PAT's unrestricted cash and investments are available for general operating purposes, and restricted cash and investments are available for acquisition of assets under capital projects and scheduled payments of the Special Revenue Transportation Bonds (see Note 8).

Cash equivalents, which consist primarily of money market accounts and repurchase agreements, are stated at fair value, which approximates market.

The investment and deposit policy of PAT funds is governed by the by-laws of PAT and the Second Class County Port Authority Act. In accordance with these regulations, PAT has established investment procedures that require that monies be deposited with FDIC-insured banks in demand deposit accounts or certificates of deposit (which are required to be 100% collateralized by separately identified U.S. obligations, if not covered by FDIC insurance). Investments are limited to U.S. obligations and repurchase agreements. Repurchase agreements must be purchased from banks located within the State and the underlying collateral securities must have a market value of at least 100% of the cost of the related repurchase agreement.

PAT's investment procedures do not require the delivery of the underlying securities to PAT; however, it is the obligation of the bank to deposit the pledged obligations with either the Federal Reserve Bank, the trust department of the financial institution issuing the repurchase agreement or another bank, trust company or depository satisfactory to PAT. There were no deposits or investment transactions during fiscal 2018 that were in violation of either State statutes or the policies of PAT.

PAT does not have a formal investment policy for custodial credit risk, interest rate risk, credit risk, or concentration of credit risk.

The following is a description of PAT's deposit and investment risks:

**Custodial Credit Risk** - Custodial credit risk is that in the event of a bank failure, PAT's deposits may not be returned to it. As of June 30, 2018, \$36,988,188 of PAT's bank balance of \$37,488,188 was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits have a carrying amount of \$32,753,733 as of June 30, 2018.

## Basic Financial Statements

In addition to the deposits noted above, included in cash and cash equivalents on the statements of net position is the following short-term investment: \$132,466,339 invested in the external investment Pool (INVEST) at June 30, 2018.

At June 30, 2018, included in restricted assets for capital additions and related debt on the statements of net position are \$8,197,841 invested in the external investment Pool (INVEST) and \$11,045,574 in a money market account.

	Fair Value
Money Market	\$ 11,045,574

The fair value of PATs investments is the same as their carrying amount. The fair value of PATs investments in the external investment pool (INVEST) is the same as the value of the pool shares.

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of PAT's investments. The investments noted above have maturities of less than one year.

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2018, PAT's investments in the state investment pool (INVEST) and money markets were rated AAA by Standard & Poor's.

### ***Community College of Allegheny County***

By policy of the Board, CCAC is permitted to invest funds consistent with sound business practices in the following types of investments: U.S. Treasury Bills, obligations of the United States of America and related agencies, and the Commonwealth of Pennsylvania, A-1, P-1 rated commercial paper, or equivalent instruments, fully collateralized, per Act 72, time deposits, certificates of deposit, and repurchase agreements of financial institutions which have a short-term rating by Moody's (or equivalent) of "P-1" or better and whose long-term senior debt rating is "A2" or better, and which have a combined capital surplus and undivided profits of not less than \$1,000,000, money market mutual fund/investment companies that are AAA-rated by Moody's (or equivalent), managed to a \$1.00 NAV, and are in compliance with Section 2A-7 of SEC rules, and which restrict their investment to instruments described above.

**Custodial Credit Risk** - Custodial credit risk is the risk that in the event of a financial institution failure, CCAC will be unable to recover the value of deposits or collateral securities that are in the possession of an outside party. CCAC policy for deposits requires any balance not covered by depository insurance to be collateralized by the financial institution with eligible pledged securities. As of June 30, 2018, bank balance of \$37,109,031 and \$24,712,223 were covered by federal depository insurance of \$1,084,086 and \$50,566,536 was covered by pledged securities held by the financial institution's trust department or in the name of CCAC. The remaining bank balances as of June 30, 2018 of \$10,170,632 was not covered by depository insurance or collateralized by the financial institution with eligible pledged securities.

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of CCAC's investments. By policy of the Board, CCAC is not permitted to invest more than \$5 million of cash reserves in instruments with maturities of more than one year and in no event may any investment have a maturity of more than five years. CCAC had no investments as of June 30, 2018. The Foundation has investments of \$9,930,618.

## Basic Financial Statements

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. CCAC's Board policy minimizes credit risk by permitting only certain types of investments and establishing minimum quality levels.

### Investments

Fair value for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values for Level 2 investments are determined by reference to quoted prices for similar investments in active markets. Level 3 investments have significant unobservable inputs, as they trade infrequently or not at all. Fair value for Level 3 financial instruments are determined by significant unobservable inputs, including the Foundation's own assumptions in determining the fair value of financial instruments.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Fair values of assets measured on a recurring basis at June 30, 2018 are as follows:

	June 30, 2018	Fair Value Measurement at Reporting Date		
		Level 1	Level 2	Level 3
Equities:				
Domestic stocks	\$ 684,005	684,005	-	-
Foreign stocks	931,033	931,033	-	-
Other equity	2,089	-	2,089	-
Mutual Funds:				
Fixed income	1,294,576	1,294,576	-	-
Real estate	175,631	175,631	-	-
ETF funds	6,162,532	6,162,532	-	-
Alternative investments	483,408	483,408	-	-
Money Market Funds	197,344	197,344	-	-
Total investments	\$ 9,930,618	9,928,529	2,089	-

### **Redevelopment Authority of Allegheny County**

RAAC's cash and cash equivalents consist of demand deposits as well as short-term certificates of deposit with a maturity date within three months of the date acquired. Certain cash and cash equivalents are classified as restricted assets because their use is limited by applicable project contracts.

The following is a description of RAAC's deposit and investment risks:

**Deposits - Custodial Credit Risk** - Custodial credit risk is the risk that in the event of a bank failure, RAAC's deposits may not be returned to it. RAAC does not have a formal deposit policy for custodial credit risk. As of December 31, 2018, \$39,121,633 of RAAC's bank balance of \$40,371,633 was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania State Legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institutions name. As of December 31, 2018, the carrying amounts of RAAC's deposits were \$39,892,829.

**Investments** - In addition to the deposits noted above, RAAC holds short-term investments of mutual funds of \$1,097,904.

## Basic Financial Statements

Interest Rate Risk - RAAC does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All of RAAC's investments have a maturity of less than one year.

Credit Risk - RAAC does not have a formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations.

RAAC categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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, 2018, RAAC's mutual funds of \$1,097,904 are valued using quoted market prices (Level 1 inputs).

### ***Allegheny County Industrial Development Authority***

The following is a description of ACIDA's deposit and investment risks:

Deposits - Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, ACIDA's deposits may not be returned to it. ACIDA does not have a formal deposit policy for custodial credit risk. As of December 31, 2018, approximately \$2.2 million of ACIDA's bank balance was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institutions name.

Investments - ACIDA is authorized to make investments of the following types: (1) United States Treasury bills, (2) short-term obligation of the United States government or its agencies or instrumentalities, (3) deposits in saving accounts or time deposits or share accounts of institutions which are insured, (4) obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities of any political subdivision thereof, and (5) shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the investments of that company meet the criteria in (1) through (4) above.

ACIDA has deposits managed by the Pennsylvania Local Government Investment Trust (PLGIT). These funds are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. ACIDA has approximately \$700,000 deposited with PLGIT as of December 31, 2018.

Interest Rate Risk - ACIDA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates; however, the investments in PLGIT described above all have maturities of less than one year.

## Basic Financial Statements

***Allegheny HealthChoices, Inc.***

In accordance with the AHCI contract, separate cash accounts are maintained for claims funding. AHCI holds the funds on behalf of Allegheny County, therefore; a corresponding liability is reflected on the Statement of Net Position.

The following is a description of AHCI's deposit and investment risks:

Custodial Credit Risk - Custodial credit risk is that in the event of a bank failure, AHCI deposits may not be returned to it. AHCI does not have a formal deposit policy for custodial credit risk. As of December 31, 2018, \$28,181,378 of AHCI's bank balance of \$28,431,378 was exposed to custodial credit risk, which is collateralized in accordance with Act 72. As of December 31, 2018, the carrying amount of AHCI's deposits was \$28,323,639. At December 31, 2018, the investment balance was \$3,114,597 and included investments in annuity contracts and in marketable securities such as government - ultrashort funds and fixed income bonds. The carrying amount of the marketable securities was a fair value of \$3,114,597. At December 31, 2018 the annuities are valued at \$167,365. Annuities are valued at the net asset value of shares held by the 457(B) deferred compensation plan. These investments are valued based on the underlying market value of investments as of the close of trading.

***Allegheny County Parks Foundation***

Custodial Credit Risk - Custodial credit risk is that in the event of a bank failure, Parks Foundation deposits may not be returned to it. The Parks Foundation does not have a formal investment policy. Cash and cash equivalents are held in a bank which carries FDIC insurance. At December 31, 2018, book balance and bank balance of all deposits totaled \$1,420,721 and \$1,436,594, respectively. \$250,000 of the bank balance was FDIC insured.

***Soldiers' and Sailors' Memorial Hall and Museum Trust, Inc.***

Cash and cash equivalents are held in a bank which carries FDIC insurance. At December 31, 2018, book balance and bank balance of all deposits totaled \$1,803,240 and \$1,804,937, respectively. \$351,069 of the \$1,804,937 bank balance was FDIC insured.



## Basic Financial Statements

**(4) Property and Sales Tax Revenue and Receivables**

Receivables at December 31, 2018 consist of the following:

Governmental Activities	Property Taxes Receivable		Sales Tax Receivable	Due from Other Governments	Alcohol / Car Rental Tax Receivable	Other Accounts Receivable
	Delinquent	Lien				
General Fund	\$ 8,806,359	32,374,743	9,194,488	34,659,265	-	19,336,654
County Grants Fund	-	-	-	23,426,194	-	396,468
Human Service Grant Fund	-	-	-	38,274,182	-	6,053,483
Capital Projects Fund	-	-	-	10,010,563	-	34,390
Other Governmental Funds	1,713,671	10,314,109	-	-	4,254,563	-
Total Governmental Receivables	10,520,030	42,688,852	9,194,488	106,370,204	4,254,563	25,820,995
Less: allowances (Note 1D)	1,147,891	7,692,345	-	971,480	-	2,514,556
Net Governmental Receivables	\$ 9,372,139	34,996,507	9,194,488	105,398,724	4,254,563	23,306,439

The reconciliations (Exhibits 3A and 4A) of Governmental Funds to the government-wide statements contain information related to revenue recognition.

**Property and Sales Taxes**

The County's real property tax is levied by ordinance of the County Council on real property located in the County. In 2001, the County changed its predetermined ratio, which is the ratio of assessed value to market value uniformly applied in determining assessed value in any year. Prior to 2001, the assessed value of real property equaled 25% of market value. Beginning in 2001, the assessed value equaled 100% of market value. The last revaluation of real property was completed for the property list of January 1, 2013. The total estimated assessed and market value of taxable real estate at January 1, 2018 was \$78,927,137,001.

The tax rate to finance general governmental services, other than debt service requirements, for the year ended December 31, 2018 was \$.39595 per \$100. The tax rate to finance debt service requirements for the year ended December 31, 2018 was \$.07705 per \$100.

Real property taxes levied are recorded as receivables, net of amounts estimated to be uncollectible. At December 31, 2018, the allowances for uncollectible delinquent and lien property taxes aggregated \$1,147,891 and \$7,692,345 respectively.

Real property taxes for 2018 were levied on January 1, 2018, with a final due date of April 30, 2018. A 2% discount was granted on remittances through March 31, 2018. In 2018, tax liens were filed for taxes due April 30, 2017.

Effective July 1, 1994, under authority granted by the Commonwealth of Pennsylvania, the Board of Commissioners adopted an ordinance imposing a 1% sales, use and hotel occupancy excise tax within the County. One-half of the annual revenue generated by the sales tax was dedicated to funding regional assets throughout the County. One-quarter of the annual revenue generated was used for municipal tax reform, and the remaining one-quarter was used for County tax reform. Accordingly, the County eliminated the personal property tax in 1995 and reduced real property taxes. The County's sales tax revenue for 2018 was \$51,445,652.



## Basic Financial Statements

**Component Units – Receivables****All Component Units**

Receivables at the component unit's respective year ends consisted of following:

Component Unit	Due from Other Governments	Due from Primary Government	Trade Receivable	Other Receivable	Interest & Dividends	Loans Receivable
ACAA	\$ 7,802,368	-	5,107,866	12,770,630	91,260	-
PAT	26,483,945	-	-	8,568,257	-	-
CCAC	1,633,466	-	17,441,188	2,005,042	-	-
RAAC	9,234,135	-	-	1,830,990	-	18,710,212
ACIDA	823,112	-	15,649	-	-	1,152,145
AHCI	-	77,908	185,183	-	-	-
Parks Foundation	-	-	-	969,704	-	-
SSMH	-	-	24,014	4,941	-	-
	<u>45,977,026</u>	<u>77,908</u>	<u>22,773,900</u>	<u>26,149,564</u>	<u>91,260</u>	<u>19,862,357</u>
Less: allowances	-	-	10,348,538	1,730,000	-	1,765,953
Total	<u>\$ 45,977,026</u>	<u>77,908</u>	<u>12,425,362</u>	<u>24,419,564</u>	<u>91,260</u>	<u>18,096,404</u>

**Redevelopment Authority of Allegheny County**

RAAC makes loans through the Economic Development Fund (EDF) which is a revolving loan fund and the Allegheny County Home Improvement Loan Program (AHILP). The purpose of the EDF is to positively impact the regional economy by promoting economic development and improved employment opportunities in the County. The AHILP issues loans to finance the rehabilitation of residential housing for persons and families of low to middle income throughout the County.

The Section 108 Loan fund has six loans outstanding to a single borrower. These loans earn variable rates of interest of 3 month LIBOR plus 50 basis points. As of December 31, 2018, 3 month LIBOR was 2.8%.

The following is a summary of loans receivable outstanding at December 31, 2018:

	Receivable Balance	Allowance for Loan Losses	Net Receivable Balance
Economic Development Fund (EDF)	\$ 11,394,209	1,460,609	9,933,600
Home Improvement Loan Program (AHILP)	2,862,412	105,344	2,757,068
Section 108 Loan Fund*	4,143,000	-	4,143,000
Other loan programs	<u>310,591</u>	<u>-</u>	<u>310,591</u>
	<u>\$ 18,710,212</u>	<u>1,565,953</u>	<u>17,144,259</u>

\* See Note 8 for more information.

## Basic Financial Statements

***Allegheny County Industrial Development Authority***

The due from other governments of \$823,112 is due from RAAC. It is the amount ACIDA expects to receive as repayment from a revolving loan agreement with RAAC to assist small businesses adversely affected by Hurricane Ivan in 2004 and the communities surrounding Pittsburgh.

ACIDA administers certain programs on behalf of other entities. Under this arrangement, ACIDA collects certain loans from third parties. These loans receivable are recorded in the various Proprietary Funds.

The following is a summary of commercial loans outstanding, not including deferred loans that are recorded at a net zero value, at December 31, 2018:

Program	Receivable Balance	Allowance for Loan Losses	Net Receivable Balance
Small Business Distressed Communities	\$ 565,795	-	565,795
Development Action Assistance Program	420,394	200,000	220,394
Allegheny County EDA Program	165,956	-	165,956
	<u>\$ 1,152,145</u>	<u>200,000</u>	<u>952,145</u>

The above loans bear interest at rates ranging from 1.50% to 9% per annum. These loans range in amounts from \$1,000 to \$500,000 and mature through 2024.

## Basic Financial Statements

**(5) Capital Assets**

The following is a summary of the changes in capital assets for the year ended December 31, 2018:

	Balance January 1, 2018	Increases	Decreases	Balance December 31, 2018
Capital Assets, not being depreciated:				
Land	\$ 29,154,402	1,107,423	66,969	30,194,856
Construction in progress	53,312,958	55,836,645	36,064,380	73,085,223
Total capital assets, not being depreciated	82,467,360	56,944,068	36,131,349	103,280,079
Capital Assets, being depreciated:				
Land Improvements	8,192,901	-	-	8,192,901
Buildings	430,423,374	9,518,281	300,329	439,641,326
Buildings - Capital Lease	7,678,839	-	-	7,678,839
Buildings - Leasehold Improvements	20,584,760	-	-	20,584,760
Infrastructure	626,500,907	32,569,642	-	659,070,549
Furniture and Other Equipment	104,746,918	4,010,900	3,377,032	105,380,786
Total capital assets, being depreciated	1,198,127,699	46,098,823	3,677,361	1,240,549,161
Less accumulated depreciation for:				
Land Improvements	7,917,025	275,876	-	8,192,901
Buildings	216,498,061	8,621,648	300,329	224,819,380
Infrastructure	207,933,588	9,626,656	-	217,560,244
Furniture and Other Equipment	40,796,181	5,880,061	3,377,032	43,299,210
Total accumulated depreciation	473,144,855	24,404,241	3,677,361	493,871,735
Net depreciated assets	724,982,844	21,694,582	-	746,677,426
Net capital assets	\$ 807,450,204	78,638,650	36,131,349	849,957,505

**Governmental Activities**

No events or changes in circumstances affected a capital asset that may indicate impairment.

## Basic Financial Statements

Depreciation was charged to governmental functions as follows:

General government	\$	3,234,753
Public safety		4,530,873
Public works		12,555,479
Health and welfare		2,275,157
Culture and recreation		1,799,756
Economic development		8,223
Total	\$	<u>24,404,241</u>

The County has active construction projects as of December 31, 2018. The projects include bridge design, construction, and repairs; road improvement and reconstruction; park repairs and improvements; purchases of equipment; and building improvements, repairs, and renovations. At year end, the County's encumbrances with contractors for major capital projects are as follows:

<u>Project</u>	<u>Encumbrance</u>
Fleming Park Bridge	\$ 7,336,711
South 10th Street Bridge Repairs	4,563,239
Bridge Preservation and Construction	2,677,071
Courthouse Roof Replacement	2,664,598
Homestead High Level Bridge	2,379,199
9th Street Bridge Repair	2,292,851
Reconstruction Projection County Roads	1,969,346

This year's encumbrances were mostly for bridge and road projects. They are being financed through capital fund general obligation bonds, with the subsequent costs to be reimbursed by federal and state funding. All other funds encumbrances are insignificant.

## Basic Financial Statements

**Component Units - Capital Assets****Allegheny County Airport Authority**

Capital asset activity for the year ended December 31, 2018 is as follows:

	Balance January 1, 2018	Increases	Decreases	Transfers	Balance December 31, 2018
Capital assets, not being depreciated:					
Land	\$ 112,760,052	-	-	395,656	113,155,708
Construction in progress	29,179,617	66,975,916	-	(54,264,709)	41,890,824
Total capital assets, not being depreciated	141,939,669	66,975,916	-	(53,869,053)	155,046,532
Capital assets, being depreciated:					
Terminal buildings	764,603,256	-	-	5,414,362	770,017,618
Airfield (Runways & taxiways)	539,712,699	-	1,196,245	3,291,247	541,807,701
Site development	81,493,578	-	-	-	81,493,578
Parking Garage / Lots / Etc.	125,157,385	-	-	1,792,300	126,949,685
Hangars	45,578,731	-	-	1,358,216	46,936,947
Other Structures	167,475,112	-	-	33,327,944	200,803,056
Roadways	68,823,926	-	-	36,725	68,860,651
Mobile and Other Equipment	49,602,509	13,000	1,804,435	3,351,060	51,162,134
Computer/Security Equip & Systems	57,518,389	-	-	1,563,982	59,082,371
Utilities	48,319,861	-	-	1,023,100	49,342,961
Other Assets	20,201,690	-	-	2,710,117	22,911,807
Total capital assets, being depreciated	1,968,487,136	13,000	3,000,680	53,869,053	2,019,368,509
Less accumulated depreciation for:					
Terminal buildings	641,866,857	18,140,105	-	-	660,006,962
Runways & taxiways	398,740,873	16,485,510	1,196,246	-	414,030,137
Site development	47,007,998	1,761,942	-	-	48,769,940
Parking Garage / Lots / Etc.	76,267,240	5,296,277	-	-	81,563,517
Hangars	40,713,759	566,994	-	-	41,280,753
Other Structures	116,953,724	5,106,102	-	-	122,059,826
Roadways	61,296,557	687,906	-	-	61,984,463
Mobile and Other Equipment	38,715,914	1,864,674	1,791,930	-	38,788,658
Computer/Security Equip & Systems	38,036,453	3,197,244	-	-	41,233,697
Utilities	41,118,665	1,290,437	-	-	42,409,102
Other Assets	15,708,397	1,389,691	-	-	17,098,088
Total accumulated depreciation	1,516,426,437	55,786,882	2,988,176	-	1,569,225,143
Net depreciated assets	452,060,699	(55,773,882)	12,504	53,869,053	450,143,366
Net capital assets	\$ 594,000,368	11,202,034	12,504	-	605,189,898

ACAA maintains various collections of inexhaustible assets to which no value can be determined. Such collections could include contributed works of art, historical treasures, literature, etc. that are held for exhibition and public service. These collections are neither disposed of for financial gain nor encumbered in any means. Accordingly, such collections are not capitalized or recognized for financial statement purposes.

As of December 31, 2018, ACAA had equipment purchase and construction commitments of approximately \$37.9 million.

## Basic Financial Statements

**Port Authority of Allegheny County**

The following is a summary of changes in capital assets for the year ended June 30, 2018:

	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 103,588,510	16,926	-	103,605,436
Construction in progress	45,201,568	53,497,382	7,040,875	91,658,075
Total capital assets, not being depreciated	148,790,078	53,514,308	7,040,875	195,263,511
Capital assets, being depreciated:				
Buildings	357,013,960	1,019,855	689,778	357,344,037
Transportation equipment	679,718,843	53,038,358	39,410,331	693,346,870
Track, roadway, and subway stations	1,643,841,611	9,054,372	2,963,948	1,649,932,035
Other property, equipment, and assets	152,401,295	3,119,721	23,956	155,497,060
Total capital assets, being depreciated	2,832,975,709	66,232,306	43,088,013	2,856,120,002
Less accumulated depreciation for:				
Buildings	176,825,757	10,992,967	687,658	187,131,066
Transportation equipment	431,272,264	32,995,027	39,410,331	424,856,960
Track, roadway, and subway stations	971,336,379	38,807,871	2,964,323	1,007,179,927
Other property, equipment, and assets	101,291,322	11,386,710	23,956	112,654,076
Total accumulated depreciation	1,680,725,722	94,182,575	43,086,268	1,731,822,029
Net depreciated assets	1,152,249,987	(27,950,269)	1,745	1,124,297,973
Net capital assets	\$ 1,301,040,065	25,564,039	7,042,620	1,319,561,484

## Basic Financial Statements

**Community College of Allegheny County**

The following is a summary of changes in capital assets for the year ended June 30, 2018:

	Balance July 1, 2017	Increases	Decreases*	Balance June 30, 2018
Capital assets, not being depreciated:				
Construction in progress	\$ 5,357,738	3,518,410	2,908,604	5,967,544
Land	4,028,747	-	-	4,028,747
	<u>9,386,485</u>	<u>3,518,410</u>	<u>2,908,604</u>	<u>9,996,291</u>
Capital assets, being depreciated:				
Buildings	219,955,755	6,004,464	-	225,960,219
Land improvements	7,403,595	44,555	-	7,448,150
Infrastructures	8,979,536	77,389	-	9,056,925
Leasehold improvements	403,476	-	-	403,476
Equipment & A.V. equipment	14,536,564	2,132,611	626,444	16,042,731
Grant related equipment	6,332,564	476,893	40,843	6,768,614
Furniture & fixtures	2,466,032	255,253	6,086	2,715,199
Computer equipment	18,708,763	1,966,567	540,735	20,134,595
Computer software	4,433,369	328,257	-	4,761,626
Library books	5,447,708	239,525	-	5,687,233
	<u>288,667,362</u>	<u>11,525,514</u>	<u>1,214,108</u>	<u>298,978,768</u>
Less accumulated depreciation for:				
Buildings	96,680,326	3,988,271	-	100,668,597
Land improvements	5,918,028	249,007	-	6,167,035
Infrastructures	1,996,987	341,318	-	2,338,305
Leasehold improvements	41,980	16,139	-	58,119
Equipment & A.V. equipment	9,606,088	1,280,946	405,247	10,481,787
Grant related equipment	4,673,950	531,415	40,843	5,164,522
Furniture & fixtures	2,063,385	108,471	6,085	2,165,771
Computer equipment	13,785,414	1,736,854	535,262	14,987,006
Computer software	4,175,049	128,538	-	4,303,587
Library books	4,383,386	185,448	-	4,568,834
	<u>143,324,593</u>	<u>8,566,407</u>	<u>987,437</u>	<u>150,903,563</u>
Total accumulated depreciated				
Net depreciated assets	<u>145,342,769</u>	<u>2,959,107</u>	<u>226,671</u>	<u>148,075,205</u>
Net capital assets	<u>154,729,254</u>			<u>158,071,496</u>
Foundation assets, being depreciated:				
Property and equipment	25,531	-	-	25,531
Less: accumulated depreciation	<u>25,531</u>	<u>-</u>	<u>-</u>	<u>25,531</u>
Net depreciated assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net capital assets with foundation assets	<u>\$ 154,729,254</u>			<u>158,071,496</u>

\* Included within retirement is the transfer of assets capitalized from within the construction in progress category.

## Basic Financial Statements

**Redevelopment Authority of Allegheny County**

The following is a summary of changes in capital assets for the year ended December 31, 2018:

	Balance January 1, 2018	Increases	Decreases	Balance December 31, 2018
Capital Assets, not being depreciated:				
Land	\$ 2,928,300	-	-	2,928,300
Capital Assets, being depreciated:				
Buildings and tenant improvements	5,489,223	-	-	5,489,223
Less: accumulated depreciation	3,677,886	212,712	-	3,890,598
Net depreciated assets	<u>1,811,337</u>	<u>(212,712)</u>	<u>-</u>	<u>1,598,625</u>
Net capital assets	<u>\$ 4,739,637</u>	<u>(212,712)</u>	<u>-</u>	<u>4,526,925</u>

**Allegheny HealthChoices, Inc.**

The following is a summary of changes in capital assets for the year ended December 31, 2018:

	Balance January 1, 2018	Increases	Decreases	Balance December 31, 2018
Capital Assets, being depreciated:				
Furniture & Equipment	\$ 1,274,992	47,583	8,590	1,313,985
Leasehold Improvements	21,927	-	-	21,927
	<u>1,296,919</u>	<u>47,583</u>	<u>8,590</u>	<u>1,335,912</u>
Less: accumulated depreciation	1,130,629	101,527	8,590	1,223,566
Net depreciated assets	<u>\$ 166,290</u>	<u>(53,944)</u>	<u>-</u>	<u>112,346</u>

Under provisions of the Contract with the County, furniture and equipment acquired with BH/ID/DA funds remain the property of the funding agency. If the contractual relationship is terminated, the funding agency may, at its discretion, take possession of such assets. The total cost of furniture and equipment acquired with BH/ID/DA funds, including capital assets donated by the County and retained by AHCI at December 31, 2018 is \$85,875.



## Basic Financial Statements

**Allegheny County Parks Foundation**

The following is a summary of changes in capital assets for the year ended December 31, 2018:

	Balance January 1, 2018	Increases	Decreases	Balance December 31, 2018
Capital Assets, being depreciated:				
Equipment	\$ 37,545	-	-	37,545
Less accumulated depreciation for:				
Equipment	29,968	3,497	-	33,465
Net depreciated assets	<u>\$ 7,577</u>	<u>(3,497)</u>	<u>-</u>	<u>4,080</u>

**Soldiers' and Sailors' Memorial Hall and Museum Trust, Inc.**

The following is a summary of changes in capital assets for the year ended December 31, 2018:

	Balance January 1, 2018	Increases	Decreases/ Transfers	Balance December 31, 2018
Capital Assets, not being depreciated:				
Leasehold improvements in progress	\$ 100,800	7,000	-	107,800
Capital Assets, being depreciated:				
Equipment	311,394	13,089	-	324,483
Leasehold improvements	7,081,934	54,001	-	7,135,935
Total capital assets, being depreciated	7,393,328	67,090	-	7,460,418
Less accumulated depreciation for:				
Equipment	298,302	7,197	-	305,499
Leasehold improvements	3,584,351	272,460	-	3,856,811
Total accumulated depreciation	3,882,653	279,657	-	4,162,310
Net depreciated assets	3,510,675	(212,567)	-	3,298,108
Net capital assets	<u>\$ 3,611,475</u>	<u>(205,567)</u>	<u>-</u>	<u>3,405,908</u>

The building (Hall) is owned by Allegheny County and leased to Memorial Hall for \$1 per year until December 31, 2025, with options to renew. No financial statement value has been assigned to this donated space, as its fair value is not susceptible to reasonable estimation. Memorial Hall is required to maintain the property in good working order. Memorial Hall reflects renovations to its facilities as leasehold improvements in the statement of net position.

**(6) Risk Management**

The County is exposed to various risks of losses related to torts, theft of, damage to and destruction of assets; errors and omissions; employee injuries and occupational diseases; residential care facility operations; jail operations and natural disasters. The Risk Management Fund is used to account for the risks associated with a limited self-insured medical plan, dental program and settlements. The General Fund accounts for all other risks.

## Basic Financial Statements

The County is self-insured for healthcare. The County has retained its self-insured dental program and has a third-party insurance for dental. The Risk Management Fund provides coverage for up to a maximum of \$1,000 per year for dental coverage, and between \$100,000 and \$250,000 for individual medical claims.

Payments are made to the Risk Management Fund from the various County funds based on appropriations required to pay prior and current year claims.

The healthcare, dental, workers' compensation settlements, workers' compensation claims and general, automobile and public official liability balance at December 31, 2018 of \$8,984,102 is based on the requirements of GASB Statement No. 10, as amended by GASB Statement No. 30, which requires that a liability for claims be reported if information prior to the issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated (IBNR).

The claim liability is provided to the County by the various healthcare third-party administrators and the workers' compensation third-party administrator and other third-party advisors. Any adjustments made to previously recorded estimated liabilities are reflected in current operating result.

The County is self-insured for workers' compensation and claims are paid from the General Fund. As required by the Commonwealth of Pennsylvania, commercial insurance is purchased with a retention of \$1,250,000 for each accident and each employee. The County contracts with a program administrator to operate the program.

Changes in the various claims liability for the years ended December 31, 2018 and 2017 were:

		Liability Balance as of January 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability Balance as of December 31
Risk Management fund (Dental and Settlements)					
2018	\$	1,299,684	1,578,904	2,067,806	810,782
2017		753,165	2,594,521	2,048,002	1,299,684
Government-wide Financial Statement (General, Automobile, and Public Officials Liability)					
2018	\$	693,506	(538,864)	103,395	51,247
2017		637,898	123,534	67,926	693,506
Government-wide Financial Statement (Worker's Compensation Claims)					
2018	\$	6,865,963	5,537,099	4,280,989	8,122,073
2017		7,245,214	3,774,700	4,153,951	6,865,963
Total all Funds and government-wide financial statement (Dental and Settlements, Workers' Compensation, General, Automobile and Public Officials Liabilities)					
2018	\$	8,859,153	6,577,139	6,452,190	8,984,102
2017		7,981,204	6,492,755	6,269,879	8,859,153

The non-current portion of unpaid workers' compensation claims amounted to \$3,762,917 as of December 31, 2018, and is reflected in the government-wide statements. The government-wide financial statements record one year as current claims. The liability in the General Fund is the amount that is due and payable at the end of the year. Liabilities are reported when it is probable that losses have occurred and the amounts of the losses can be reasonably estimated. Liabilities include an

## Basic Financial Statements

amount for claims that have been incurred but not reported to date. Liabilities are determined using a combination of actual claims experience and actuarially determined amounts and include incremental claim adjustment expense and estimated recoveries.

There have been no significant changes in insurance coverage since the prior year. Settled claims from risks have not exceeded commercial insurance coverage for the past three years.

### **Component Units – Risk Management**

#### **Allegheny County Airport Authority**

ACAA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; illnesses or injuries to employees and natural disasters. ACAA carries commercial insurance to cover these risks of loss. The commercial insurance coverage is on a guaranteed cost basis covering any expense of the ACAA. Settled claims have not exceeded this coverage in any of the past three years.

#### **Port Authority of Allegheny County**

PAT has a self-insurance program for public liability, property damage, and workers' compensation claims. Estimated costs for these self-insurance programs are accrued in the year the expenses are incurred, based upon the estimates of the claim liabilities made by management and legal counsel. Estimates of claim liabilities are accrued based on projected settlement for claims and include estimates for claims incurred but not reported. Any adjustments made to previously recorded reserves are reflected in current operating results.

The Supreme Court of Pennsylvania has held PAT to be a Commonwealth Agency as defined in the Political Subdivision Tort Claims Act. As such, PAT is immune from certain claims and its liability is limited to \$1,000,000 per occurrence and \$250,000 per plaintiff claim arising out of an occurrence. As the result of this holding, it has not been necessary for PAT to purchase excess public liability insurance and is self-insured for public liability claims.

PAT is self-insured for its compensation and occupational disease liability in accordance with the provisions of Article III, Section 305 of the Pennsylvania Workers' Compensation Act. On a yearly basis, PAT carries excess workers' compensation insurance in the amount of \$5,000,000 over its self-insurance retention of \$1,000,000 per occurrence to further ensure that it can meet its obligation under the Workers' Compensation Act. PAT maintains an estimate of its potential liability related to claims that have been filed as of June 30, 2018. The reserve balance is approximately \$11.5 million at June 30, 2018.

Changes in the claims liability for the years ended June 30, 2018 and 2017 were:

		Liability Balance as of July 1	Current Year Claims and Changes In Estimates	Claim Payments	Liability Balance as of June 30
2018	\$	11,167,180	2,913,274	2,545,384	11,535,070
2017		12,727,725	2,119,581	3,680,126	11,167,180

## Basic Financial Statements

### ***Community College of Allegheny County***

The nature of the educational industry is such that, from time to time, CCAC is exposed to various risks of loss related to torts; alleged negligence; acts of discrimination; breach of contract; disagreements arising from the interpretation of laws or regulations; theft of; damage to; and destruction of assets; errors and omissions; injuries to employees and natural disasters.

While some of these claims may be for substantial amounts, they are not unusual in the ordinary course of providing education services in a higher education system. In addition, CCAC's liability associated with some claims may be negated or substantially reduced by the governmental or sovereign immunity afforded to it through the Torts Claims Act.

CCAC has not reduced any of its insurance coverage from the prior year and settled claims have not significantly exceeded CCAC's coverage in any of the past three years. CCAC does not participate in any public entity risk pools, and does not retain risk related to any aforementioned exposure, except for those amounts incurred relative to policy deductibles that are not significant.

### ***Redevelopment Authority of Allegheny County***

RAAC relies on grants from governmental agencies to fund a significant portion of the operations of RAAC's Governmental Funds. During 2018, grants represented \$28,336,470 or 93.5% of total revenues in the Governmental Funds. If these grants were to cease RAAC would not be able to sustain its current level of operations.

### ***Industrial Development Authority of Allegheny County***

ACIDA receives significant financial assistance from governmental agencies in the form of contracts, grants, and other entitlements. The disbursement of funds received under such programs generally requires compliance with terms and conditions specified in the contract/grant agreements and are subject to audit by grantor agencies. Any disallowed costs resulting from such audits could become a liability of ACIDA. The amount, if any, of expenditure that may be disallowed by the granting agencies cannot be determined at this time. Management expects such amount, if any, to be immaterial.

### ***Parks Foundation***

For the year ended December 31, 2018, the Parks Foundation received contributions from three donors representing approximately 67% of the Parks Foundation's revenue and support, and had contributions receivable from two donors for approximately 93% of total receivable.

### ***(7) Short-Term Debt***

#### ***Component Units - Short-Term Debt***

##### ***Soldiers' and Sailors' Memorial Hall and Museum Trust, Inc.***

Memorial Hall established two \$100,000 lines of credit, renewed annually, for short-term operating cash flow purposes. The rates of interest are 5.50% and 6.50% at December 31, 2018. There was no activity during the year and no outstanding balance under these lines of credit at December 31, 2018.

## Basic Financial Statements

**(8) Long-Term Debt**

General obligation bonds payable at December 31, 2018, are summarized as follows:

Bond Series	Interest Rate	Issue Dates	Final Maturity Dates	Amount	
				Issued	Outstanding
C-50	Variable (1)	2000	2027	\$ 37,345,000	37,275,000
C-51	Variable (1)	2000	2027	14,455,000	14,455,000
C-59B	Indexed (2)	2007	2026	43,945,000	36,520,000
C-64	6.25	2010	2027	9,385,000	9,385,000
C-65	1.50 - 5.375	2011	2031	76,155,000	36,805,000
C-66	1.50 - 5.375	2011	2020	13,895,000	3,460,000
C-67	1.00 - 5.000	2011	2031	39,510,000	37,465,000
C-68	1.00 - 5.000	2011	2028	35,715,000	24,150,000
C-69	2.00 - 5.000	2012	2032	54,560,000	54,525,000
C-70	2.00 - 5.000	2012	2037	112,600,000	112,570,000
C-72	2.00 - 5.250	2013	2024	37,950,000	37,495,000
C-73	3.00 - 5.000	2014	2020	123,925,000	32,595,000
C-74	3.00 - 5.000	2014	2034	63,570,000	63,570,000
C-75	2.00 - 5.000	2016	2033	208,215,000	204,975,000
C-76	2.25 - 5.000	2016	2041	68,600,000	68,600,000
C-77	3.00 - 5.000	2018	2043	87,565,000	87,565,000
General obligation (G.O.) bonds				\$ <u>1,027,390,000</u>	861,410,000
Premium on issues					78,071,000
Discount on issues					(10,025)
Total long-term debt					939,470,975
Less: current maturities					<u>35,855,000</u>
					<u>\$ 903,615,975</u>

(1) At December 31, 2018, the rate was 1.71%; the maximum for this issue is 10%.

(2) The 4.1355% synthetic fixed rate achieved through a pay-fixed, receive variable interest rate swap contract (Note 14).

## Basic Financial Statements

The following is a summary of the changes in general obligation bonds payable of the County during 2018:

	Governmental Funds
G.O. Bonds payable at January 1, 2018	\$ 885,680,977
Additions:	
General Obligation Bonds Series C-77	87,565,000
Premium on new issues	7,719,996
	<u>95,284,996</u>
Deletions:	
Retirements	34,362,500
Amortization of premium and adjustments	7,132,498
Total deductions	<u>41,494,998</u>
G.O. Bonds payable at December 31, 2018	939,470,975
Less: Current maturities	<u>35,855,000</u>
	<u>\$ 903,615,975</u>

On July 24, 2018 the County issued General Obligation Bonds, Series C-77 in the amount of \$87,565,000. The proceeds of the Series C-77 Bonds will be used to (1) provide funds for various capital projects approved in the Allegheny County Capital Budget, (2) pay capitalized interest on the C-77 Bonds and (3) pay for the costs of issuing the C-77 Bonds.

On July 7, 2016 the County issued General Obligation Bonds, Series C-76 in the amount of \$68,600,000. The proceeds of the Series C-76 Bonds will be used to (1) provide funds for various capital projects approved in the Allegheny County Capital Budget and (2) pay for the costs of issuing the C-76 Bonds.

On July 7, 2016 the County issued General Obligation Refunding Bonds, Series C-75 in the amount of \$208,215,000. The proceeds of the Series C-75 Bonds will be used to: (1) refund all of the County's General Obligation Bonds Series C-60, C-61, C-62 and portions of C-65 and C-68, and (2) paying for the costs of issuing the C-75 Bonds.

As noted above, in 2016 the County General Obligation Notes, Series C-60, C-61 and C-62 were fully refunded, General Obligation Bond Series C-65 and C-68 was partially refunded, thereby decreasing the County's total debt service payments over the next 18 years by approximately \$29,080,857 representing an economic gain (the difference between the present value of the old and new debt service payments) to the County of \$26,461,828.

On August 5, 2014 the County issued General Obligation Bonds, Series C-74 in the amount of \$63,570,000. The proceeds of the Series C-74 Bonds were used to: (1) fund various projects of the County's Capital Budget and (2) pay certain costs related to the issuance of Series C-74 Bonds.

On August 5, 2014 the County issued General Obligation Refunding Bonds, Series C-73 in the amount of \$123,925,000. The proceeds of the Series C-73 Bonds were used to: (1) refund portions of the County's General Obligation Notes, Series C-57 and (2) pay certain costs related to the issuance of Series C-73 Bonds.

## Basic Financial Statements

As noted above, in 2014 the County General Obligation Notes, Series C-57 was partially refunded, thereby decreasing the County's total debt service payments over the next 10 years by approximately \$17,353,310 representing an economic gain (the difference between the present value of the old and new debt service payments) to the County of \$16,050,553.

On October 23, 2013 the County issued General Obligation Bonds, Series C-72 in the amount of \$37,950,000. The proceeds of the Series C-72 Bonds were used to: (1) fund various projects of the County's Capital Budget (2) provide capitalized interest on the Bonds and (3) pay certain costs related to the issuance of Series C-72 Bonds.

On October 11, 2012 the County issued General Obligation Bonds, Series C-70 in the amount of \$112,600,000. The proceeds of the Series C-70 Bonds were used to: (1) fund various projects of the County's Capital Budget (2) provide capitalized interest on the Bonds and (3) pay certain costs related to the issuance of Series C-70 Bonds.

On October 11, 2012, the County issued General Obligation Refunding Bonds, Series C-69 in the amount of \$54,560,000. The proceeds of the Series C-69 Bonds were used to: (1) refund portions of the County's General Obligation Bonds, Series C-55, and all of the Allegheny County Industrial Development Authority Guaranteed Revenue Bonds, Series 2002A and Series 2002B and the County's Adjustable Rate Demand General Obligation Bonds, Series 58A and (2) pay certain costs related to the issuance of the Series C-69 Bonds.

As noted above, in 2012 the County General Obligation Bonds, Series C-55 was partially refunded, the Allegheny County Industrial Development Authority Guaranteed Revenue Bonds Series 2002A and Series 2002B and the Allegheny County Adjustable Demand General Obligation Bonds Series 58A were fully refunded thereby increasing the County's total debt service payments over the next 20 years by approximately \$22,592,862 representing an economic gain (the difference between the present value of the old and new debt service payments) to the County of \$1,948,704.

On September 7, 2011, the County issued General Obligation Bonds, Series C-68 in the amount of \$35,715,000. The proceeds of the Series C-68 Bonds were used to: (1) reacquire the unencumbered title to the County's Juvenile and Family Court Facility (2) acquire ownership of certain improvements to the Juvenile and Family Court Facility and (3) pay certain costs related to the issuance of the Series C-68 Bonds. On September 7, 2011 the County issued General Obligation Bonds, Series C-67 in the amount of \$39,510,000. The proceeds of the Series C-67 Bonds were used to: (1) fund various projects of the County's Capital Budget (2) provide capitalized interest on the Bonds and (3) pay certain costs related to the issuance of Series C-67 Bonds.

On March 1, 2011, the County issued General Obligation Current Refunding Bonds, Series C-66 in the amount of \$13,895,000. The proceeds of the Series C-66 Bonds were used to: (1) refund the County's General Obligation Bonds, Series C-53 and (2) pay certain costs related to the issuance of the Series C-66 Bonds. As noted above, in 2011 the County General Obligation Bonds, Series C-53 was refunded thereby decreasing the County's total debt service payments over the next 10 years by approximately \$1,285,283 representing an economic gain (the difference between the present value of the old and new debt service payments) to the County of \$1,003,949.

On March 1, 2011 the County issued General Obligation Bonds, Series C-65 in the amount of \$76,155,000. The proceeds of the Series C-65 Bonds were used to: (1) fund various projects of the County's Capital Budget (2) provide capitalized interest on the Bonds and (3) pay certain costs related to the issuance of Series C-65 Bonds.



## Basic Financial Statements

On November 30, 2010 the County issued Taxable General Obligation Energy Conservation Bonds, Series C-64 in the amount of \$9,385,000. The proceeds of the Series C-64 Bonds were used to fund various energy conservation projects of the County's Capital Budget.

On March 14, 2007, the County issued General Obligation Refunding Notes, Series C-59A (Fixed Rate), in the amount of \$28,730,000 and General Obligation Refunding Notes, Series C-59B (Index Rate) in the amount of \$43,945,000, totaling an aggregate principal amount of \$72,675,000. The proceeds of the Series C-59 A & B Notes were to: (1) refund certain of the Allegheny County Industrial Development Authority series 2002A and 2002B Bonds; and (2) refund the County's General Obligation Bond Series C-45. To achieve a synthetic fixed rate for the C-59B interest payments, the County entered into an interest rate swap contract. See Note 14, Derivative Financial Instruments, for more detail on this contract.

As noted above, in 2007 the Allegheny County Industrial Development Authority Series 2002A and 2002B Bonds were partially refunded and the County's General Obligation Bonds Series C-45 were refunded, thereby decreasing the County's total debt service payments over the next 23 years by approximately \$2,357,648 representing an economic gain (the difference between the present value of the old and new debt service payments) to the County of \$2,825,825. The deferred refunding loss on this issue was \$1,431,781.

During August 2000, the Allegheny County Adjustable Rate Demand General Obligation Bonds, Series C-50 was restructured. Principal amounts for the years 2015 to 2020 totaling \$18,675,000 were combined with principal amounts maturing from 2020 through 2023. The term of the debt and the total outstanding principal were unchanged.

In prior years the County has defeased various general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the accompanying government-wide financial statements. At December 31, 2016, no bonds and other long-term debt obligations outstanding are considered defeased.



## Basic Financial Statements

The annual debt service requirements to amortize all general obligation bonds outstanding as of December 31, 2018, are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 35,855,000	39,108,728	74,963,728
2020	33,610,000	37,421,498	71,031,498
2021	35,170,000	35,818,495	70,988,495
2022	36,625,000	34,534,000	71,159,000
2023	38,180,000	33,092,115	71,272,115
2024/2028	225,710,000	140,804,339	366,514,339
2029/2033	225,870,000	86,191,334	312,061,334
2034/2038	155,815,000	39,875,100	195,690,100
2039/2043	74,575,000	8,908,500	83,483,500
	<u>861,410,000</u>	<u>455,754,109</u>	<u>1,317,164,109</u>
Premium on issues	108,833,873	-	108,833,873
Amortization	(30,762,873)	-	(30,762,873)
Discount on issue	(50,124)	-	(50,124)
Amortization	40,099	-	40,099
	<u>\$ 939,470,975</u>	<u>455,754,109</u>	<u>1,395,225,084</u>

Capital Leases – In 2006 the County entered into a capital lease agreement to renovate a building for the Medical Examiner's laboratory and office space. The terms of the lease arrangement are 20 years and provide an option for the County to purchase the building at the end of the lease term in 2026. The present value amount of the capital lease obligation was \$7,678,839. The lease obligation is at a 4.0% interest rate, and is payable in monthly installments of \$34,174 through June 2026. Also included in the obligation amount is a bargain purchase option of \$4,125,000, payable at the end of the lease. The balance due as of December 31, 2018 is \$4,493,835.

Future minimum payments required under the capital lease obligations are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 305,644	104,449	410,093
2020	317,869	92,224	410,093
2021	330,585	79,508	410,093
2022	343,808	66,285	410,093
2023	357,560	52,533	410,093
2024-2026	2,838,369	2,311,864	5,150,233
	<u>\$ 4,493,835</u>	<u>2,706,863</u>	<u>7,200,698</u>

## Basic Financial Statements

Operating Lease - The County has entered into an operating lease for the Department of Human services office space. Rental expenditures for this operating lease were approximately \$2,629,574 for the year ended December 31, 2018.

The following minimum rental payments are required under the lease for annual periods beyond December 31, 2018:

Year Ending December 31	Lease
2019	\$ 2,178,300
2020	2,178,300
2021	2,178,300
2022	2,244,550
2023	2,244,550
2024-2028	11,563,275
2029	2,382,350
	<u>\$ 24,969,625</u>

The County has entered into an operating lease with Noresco, LLC and PNC Equipment Finance, LLC to lease energy savings equipment. Rental expenditures for this operating lease were approximately \$1,376,825 for the year ended December 31, 2018.

The following minimum rental payments are required under the lease for annual periods beyond December 31, 2018:

Year Ending December 31	Lease
2019	\$ 1,407,753
2020	1,472,501
2021	1,540,228
2022	1,611,227
2023	1,685,501
2024-2028	7,580,333
	<u>\$ 15,297,543</u>

## Basic Financial Statements

The following is a summary of changes in all general obligation/notes/leases long-term liabilities for the year ended December 31, 2018:

	Balance at January 1, 2018	Increase	Decrease	Balance at December 31, 2018	Current Portion
General Obligation Bonds \$	885,680,977	95,284,996	41,494,998	939,470,975	35,855,000
Capital Leases	4,787,723	-	293,888	4,493,835	305,644
GO Bonds/notes/leases \$	<u>890,468,700</u>	<u>95,284,996</u>	<u>41,788,886</u>	<u>943,964,810</u>	<u>36,160,644</u>

Workers' compensation and claims as well as compensated absences for sick benefits are paid from the General Fund. The following is a summary of changes in all other long-term liabilities for the year ended December 31, 2018:

	Balance at January 1, 2018	Increase	Decrease	Balance at December 31, 2018	Current Portion
Accrued sick benefits (Note 1G) \$	10,232,220	559,260	(1,207,186)	9,584,294	811,464
Accrued workers' compensation	<u>6,865,963</u>	<u>5,537,099</u>	<u>(4,280,989)</u>	<u>8,122,073</u>	<u>4,359,156</u>
Total	<u>\$ 17,098,183</u>	<u>6,096,359</u>	<u>(5,488,175)</u>	<u>17,706,367</u>	<u>5,170,620</u>

At December 31, 2018, the County had no arbitrage liability included in the General Fund's accrued liability balance.

### Component Units - Long-Term Debt

#### Allegheny County Airport Authority

General obligation and revenue bonds payable at December 31, 2018, are as follows:

	Amount Outstanding
Airport Revenue Refunding Bonds:	
Series 2012 A-1 (AMT), interest rate of 4.0% to 5.0%, due through 2028	\$ 21,130,000
Series 2012 A-2 (AMT), interest rate of 2.05%, due through 2020	2,180,000
Series 2012 B (non-AMT), interest rate of 4.0%, due through 2032	13,900,000
Series 2002 B, interest rate of 5.00%, due through 2023	12,955,000
Series B 2001, interest rate of 5.00%, due through 2022	<u>20,715,000</u>
Total debt	70,880,000
Plus: net unamortized premium	<u>631,923</u>
	<u>71,511,923</u>
Less: current maturities	<u>(11,850,000)</u>
Total long term debt	<u>\$ 59,661,923</u>

## Basic Financial Statements

On October 1, 2001, ACAA issued Airport Revenue Refunding Bonds, Series 2001B in the amount of \$52,575,000. The proceeds of the Bonds were used to pay a portion of the costs of refunding the 1999 Revenue Notes, Series A outstanding under the Trust Indenture dated December 1, 1999 by and between ACAA and National City Bank of Pennsylvania, as trustee, and the concomitant refunding of the 1992 Revenue Bonds, Series A and B, outstanding under the Certain Resolution of the County of Allegheny dated July 22, 1988, as supplemented and amended.

On May 8, 2012, ACAA issued Airport Revenue bonds: Series 2012 A-1 (AMT), 2012 A-2 (AMT), and Series 2012B (Non-AMT) (the 2012 Bonds) in the amounts of \$21,130,000, \$14,365,000 and \$13,900,000, respectively. The proceeds of the 2012 bonds were used to pay a portion of the costs of certain projects under the ACAA's long term capital improvement plan.

Energy Savings Equipment Lease Purchase Agreement -- On July 12, 2011, ACAA entered into a lease purchase agreement with Grant Capital Management to provide a \$7 million loan for energy savings projects at PIA. Grant Capital Management assigned this lease purchase agreement to Capital One Public Funding on July 14, 2011. Deutsche Bank National Trust Company was named as the servicing agent on behalf of Capital One. Terms of the loan include an interest rate of 3.101% with repayment schedule beginning January 1, 2012 through December 1, 2018. Capital One Public Funding has a secured interest in the equipment purchased under this agreement with no revenues pledged as security. During 2018, the remaining loan balance was paid in full.

The annual debt service requirements of long-term debt for the years subsequent to December 31, 2018 assuming the current interest rates remain the same for the term of the debt are as follows:

Year Ended December 31	Principal*	Interest	Total
2019	\$ 11,850,000	3,310,890	15,160,890
2020	12,330,000	2,782,700	15,112,700
2021	12,795,000	2,166,198	14,961,198
2022	5,885,000	1,526,450	7,411,450
2023	2,575,000	1,232,200	3,807,200
2024-2028	14,880,000	4,157,650	19,037,650
2029-2031	10,565,000	856,200	11,421,200
	<u>\$ 70,880,000</u>	<u>16,032,288</u>	<u>86,912,288</u>

\* Principal includes the Bonds due January 1 of the succeeding years, as the ACAA has paid January 1, 2019, in December 2018 and plans to continue that practice.

## Basic Financial Statements

The following is a summary of changes in long-term liabilities for ACAA for the year ended December 31, 2018:

	(Restated) Balance at January 1, 2018	Additions	Reductions	Balance at December 31, 2018	Current Portion
Bonds payable:					
Revenue bonds payable	\$ 88,589,194	-	17,077,271	71,511,923	11,850,000
Capital One - Energy savings equipment lease purchase	1,108,506	-	1,108,506	-	-
Subtotal	89,697,700	-	18,185,777	71,511,923	11,850,000
Net pension liability	81,391,583	20,362,867	2,937,091	98,817,359	-
Net other postemployment benefits liability	1,323,553	67,026	114,020	1,276,559	-
Other long-term liability	76,028	1,187,744	76,028	1,187,744	39,591
Unearned revenue	7,036,907	1,438,176	3,583,342	4,891,741	3,481,401
Total	\$ 179,525,771	23,055,813	24,896,258	177,685,326	15,370,992

ACAA has two purchase commitments: (1) Natural Gas -- ACAA has entered into a contract with a natural gas provider for the purchase of approximately 246,000 dth of natural gas each year. A Blend and Extend Agreement was executed in December 2011 reducing the rate to \$.373 per dth beginning January 1, 2012 through December 31, 2017. ACAA subsequently executed a Blend and Extend Agreement in February 2014 that reduced the rate to \$.20 per dth effective March 1, 2014 through December 31, 2018. ACAA is responsible for the nominations under the contract and can adjust the monthly nominations of the natural gas purchases up to 20% each year. Subsequent to year end, the Authority entered into a new contract with a natural gas provider, which will base quantity purchased on actual consumption each month. The purchase rate will be \$2.799 per dth beginning January 1, 2019 through December 31, 2020 with one year renewal periods beginning after 2020. (2) Electricity -- ACAA had entered into a contract with an electricity provider for the purchase of electricity for specific meters at rate of \$0.0539/kWh through December 26, 2017. ACAA subsequently executed another contract for the period December 1, 2017 through November 30, 2020 that further reduced rates to \$0.0508/kWh. The commitment includes all of ACAA forecasted electricity usage.

Pledge of Revenues - In 2005, ACAA entered into an agreement with RAAC in which RAAC provides TIF (Tax Increment Financing) for the development and financing of the Clinton Industrial Park Project that includes certain substantial public on-site and off-site improvements. RAAC originally issued TIF Notes in the amount of \$5,000,000 (the 2005 TIF Notes) to a single lender and in July 2015, the lender refinanced the notes. The refinanced notes totaled \$3,786,718 and carry an annual interest rate of 2.75% with a maturity date of June 1, 2025. These notes are a limited obligation of the RAAC and are generally payable from 100% of the tax increment revenue and 75% of gross revenues from the leasing of the property. All amounts pledged in this agreement are maintained in separate trust accounts under the direction of the trustee, US Bank, National Association. As principal payments are due to the lender, the trustee makes the payments from the trust accounts. At December 31, 2018 the TIF Notes balance was \$2,771,718 and the corresponding trust accounts contained \$1,296,583.

## Basic Financial Statements

In 2008, ACAA entered into an agreement with RAAC for a second TIF for the development of the Northfield site located on the north side of the airfield. The RAAC originally issued TIF Notes in the amount of \$5,000,000 (the 2008 TIF Notes) to a single lender and in December 2015, the lender refinanced the notes. The refinanced notes totaled \$4,577,000 and carry an annual interest rate of 4.5% with a maturity date of December 1, 2028. These notes are a limited obligation of the RAAC and are generally payable from 75% of the tax increment revenue as pledged by the local taxing authorities and 75% of gross revenues from the leasing of the property. All amounts pledged in this agreement are maintained in separate trust accounts under the direction of the trustee, Wells Fargo Bank, National Association. As principal payments are due to the lender, the trustee makes the payments from the trust accounts. At December 31, 2018 the TIF Notes balance was \$3,967,638 and the corresponding trust accounts contained \$636,979.

In 2015, the ACAA entered into agreements with RAAC for a third TIF for the continued development of Clinton Industrial Park Project. RAAC issued a TIF note in the amount of \$5,700,000 to fund the development of certain public infrastructure and improvements. Repayment terms are through December 1, 2025 at 5.0% interest rate. These notes are a limited obligation of the RAAC and are generally payable from 70% of the tax increment revenue as pledged by the local taxing authorities. All amounts pledged in this agreement are maintained in separate trust accounts under the direction of the trustee, US Bank, National Association. As principal payments are due to the lender, the trustee makes the payments from the trust accounts. At December 31, 2018 the TIF Notes balance was \$4,150,906 and the corresponding trust accounts contained \$496,541.

As additional security and credit enhancement, the Commonwealth Financing Authority has agreed to guarantee payment of the Notes. While ACAA has pledged to assign certain of its revenues to the trustee for the Notes, ACAA is not a party to the respective trust indentures and is under no obligation to repay the Notes; therefore, the Notes are not reflected as liabilities of ACAA in the financial statements. Revenues from the leasing of all properties are reported net of any pledged amounts remitted according to this agreement.

### **Port Authority of Allegheny County**

Long-term obligations of PAT consist of the following at June 30, 2018:

Special Revenue Transportation Bonds	
Unpaid principal	\$ 179,615,000
Unamortized bond discount	6,108,749
Total long-term debt	<u>185,723,749</u>
Less current maturities:	
Bonds	<u>12,520,000</u>
	<u>\$ 173,203,749</u>

On March 1, 2011, PAT issued \$252,845,000 of the Special Revenue Transportation Bonds, Refunding Series of 2011 (the 2011 bonds). The proceeds from the sale of the 2011 bonds together with the amount on deposit in the 2001 debt service reserve fund were used to provide funds required for 1) refunding the 2001 bonds and 2) terminating the Swap Agreement.

Interest on the 2011 Bonds is payable semiannually on each March 1 and September 1, commencing September 1, 2011. Interest rates range from 2% to 5.25% throughout the term of the 2011 Bonds. The 2011 Bonds were issued at a premium of \$10.3 million, which is being amortized over the life of the 2011 Bonds.

## Basic Financial Statements

The 2011 Bonds are subject to optional redemption prior to maturity by PAT on any date on or after March 1, 2021 and also include \$59.4 million of term bonds due March 1, 2029 that are subject to mandatory redemption prior to maturity beginning March 1, 2027.

The 2011 Bonds are secured by funds distributed to PAT by the State pursuant to Section 1310 of the Public Transportation Assistance Law, specifically including all monies distributed from PTAF.

The following is a summary of PAT's changes in bond transactions for the year ended June 30, 2018:

	Balance at June 30, 2017	Issuance	Amortization/ Payments and Retirements	Balance at June 30, 2018
Series of 2011 Bonds	\$ 191,540,000	-	11,925,000	179,615,000
Master Financing Agreement	-	-	-	-
	<u>191,540,000</u>	<u>-</u>	<u>11,925,000</u>	<u>179,615,000</u>
Unamortized net bond premium	<u>6,681,449</u>	<u>-</u>	<u>572,700</u>	<u>6,108,749</u>
Net outstanding	\$ <u>198,221,449</u>	<u>-</u>	<u>12,497,700</u>	185,723,749
Less current amounts: Series of 2011 Bonds				<u>12,520,000</u>
Total long term debt - net				\$ <u>173,203,749</u>

The annual debt service requirements related to the bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2019	\$ 12,520,000	9,566,538	22,086,538
2020	13,140,000	8,943,088	22,083,088
2021	13,830,000	8,255,888	22,085,888
2022	14,555,000	7,534,050	22,089,050
2023	15,315,000	6,769,913	22,084,913
2024-2028	89,365,000	21,054,088	110,419,088
2029	<u>20,890,000</u>	<u>1,189,575</u>	<u>22,079,575</u>
Total	\$ <u>179,615,000</u>	<u>63,313,140</u>	<u>242,928,140</u>

Restricted assets include approximately \$11.0 million of cash invested in a debt service reserve fund restricted for debt service on the above bonds.

## Basic Financial Statements

**Community College of Allegheny County**

Long-term obligations of CCAC consist of the following at June 30, 2018:

Interest Rate	Next Installment Due	Maturity Date	2018
Bonds payable - SPSBA:			
2.0 - 3.8% 2011	July 15	2025	\$ 2,850,000
2.0 - 4.0% 2011 Series A	July 15	2025	10,405,000
2.0 - 5.0% 2012	July 15	2034	36,720,000
1.07 - 4.0% 2015	Nov 15	2035	3,565,000
2.0 - 5.0% 2016	Dec 17	2027	8,665,000
3.5 - 5.0% 2018	Dec 15	2037	20,000,000
Total bonds payable			<u>82,205,000</u>
Net Premiums			<u>3,620,920</u>
			<u>85,825,920</u>
Loans payable:			
2.0%, \$20,332 paid monthly		2020	463,734
2.0%, \$317,006 paid semi-annually		2021	2,132,782
2.0%, \$52,577 paid semi-annually		2021	353,729
2.25%, \$246,069 paid semi-annually		2022	2,094,903
Total bonds payable			<u>5,045,148</u>
Capitalized lease obligations:			
1.54%, \$35,693 paid monthly		2019	283,833
2.23%, \$22,025 paid monthly		2021	766,283
Total capitalized leases			<u>1,050,116</u>
Total obligations			91,921,184
Less: current portion			<u>6,185,485</u>
Total long-term debt			<u>\$ 85,735,699</u>

Series of 2011 SPSBA Bonds Refinancing Debt Service Bonds -- In August 2011, CCAC, through the SPSBA, refunded the Series of 2005 Bonds. The \$4,445,000 issue became the Series of 2011 Bonds. The issuance totaled \$4,505,112 and included the \$4,330,000 retirement of the 2005 bonds. The refunding resulted in \$182,226 in saving to be recognized. Principal payments on the bonds are due annually in July, while interest is due semiannually on January and July 15. Interest rates for the Series of 2011 Bonds range from 2% to 3.8%. The final payment on the bonds is scheduled for July 15, 2025.

Series A of 2011 SPSBA Bonds Refinancing Debt Service Bonds -- In September 2011, CCAC, through the SPSBA, refunded the second Series of 2004 Bonds. The \$15,800,000 issue became the Series A of 2011 Bonds. The issuance totaled \$16,382,827 and included the \$15,515,000 retirement of the second Series 2004 bonds. The refunding resulted in \$936,014 in saving to be recognized. Principal payments on the bonds are due annually in July, while interest is due semiannually on January and July 15. Interest rates for the Series A of 2011 Bonds range from 2% to 4%. The final payment on the bonds is scheduled for July 15, 2025.



## Basic Financial Statements

Series of 2012 SPSBA Bonds -- In June 2012, CCAC, through the SPSBA, accomplished a new \$40,000,000 bond issue (Series of 2012). Bond proceeds to finance renovation and improvement projects and ITS infrastructure improvements. The final payment for the bonds is scheduled for July 15, 2034. Principal payments on the bonds are due annually in July, while interest is due semiannually in January and July on the 15th.

Series of 2015 SPSBA Bonds -- In June 2015, CCAC, through the SPSBA, accomplished a new \$4,000,000 bond issue (Series of 2015). Bond proceeds to finance the acquisition and installation of energy-saving facilities, equipment, retro-commissioning and other energy related upgrades to South Campus. The final payment for the bonds is scheduled for May 15, 2035. Principal payments on the bonds are due annually in May, while interest is due semiannually in November and May on the 15th.

Series of 2016 SPSBA Bonds Refinancing Debt Service Bonds -- In September 2016, CCAC, through the SPSBA, refunded the second Series of 2008 Bonds. The \$9,250,000 issue became the Series of 2016 Bonds. The issuance totaled \$10,198,333 and included the \$9,805,000 retirement of the Series of 2008 Bonds. The refunding resulted in \$1,089,779 in savings to be recognized. Principal payments on the bonds are due annually in June, while interest is due semiannually on December and June 15. Interest rates for the Series of 2016 bonds range from 2.0% to 5.0%. The final payment on the bonds is scheduled for June 15, 2027.

Series of 2018 SPSBA Bonds -- In May 2018, CCAC, through the SPSBA, accomplished a new \$20,000,000 bond issue (Series of 2018) for the construction of the new Workforce Training Center-Phase 1. Principal payments on the bonds are due annually in December, while interest is due semiannually on December and June 15. The final payment on the bonds is scheduled for June 15, 2037.

Loans Payable -- In 2016, CCAC entered into a loan for microcomputer systems, laptops and workstations in the amount of \$937,851. The loan is at a 2.0% interest rate, payable in monthly installments of \$20,332 through June 15, 2020. The balance as of June 30, 2018 is \$463,734. The capitalized equipment leases are collateralized by the equipment.

In 2017, CCAC entered into a renovation loan to upgrade CCAC's electrical infrastructure in the amount of \$3,000,000. The loan is at a 2.0% interest rate, payable in semiannual installments of \$317,006 through December 15, 2021. The balance as of June 30, 2018 is \$2,132,782. The loans payable are collateralized by the renovations.

In 2017, CCAC entered into a renovation loan to upgrade CCAC's electrical infrastructure in the amount of \$500,000. The loan is at a 2.0% interest rate, payable in semiannual installments of \$52,577 through December 15, 2021. The balance as of June 30, 2018 is \$353,729. The loans payable are collateralized by the renovations.

In 2018, CCAC entered into a renovation loan to upgrade CCAC's HVAC infrastructure in the amount of \$2,315,000. The loan is at a 2.25% interest rate, payable in semiannual installments of \$246,069 through December 15, 2022. The balance as of June 30, 2018 is \$2,094,903. The loans payable are collateralized by the renovations.

Capital Leases -- In 2015, CCAC entered into a capitalized lease obligation for desktops, monitors, laptops and tablets in the amount of \$1,660,537. The lease obligation is at 1.54%, and is payable in monthly installments of \$35,693 through February 2019. The balance due as of June 30, 2018 is \$283,833. The net book value of the equipment is \$498,390 as of June 30, 2018. The capitalized equipment leases are collateralized by the equipment.

## Basic Financial Statements

In 2017, CCAC entered into a capitalized lease obligation for desktops, monitors, laptops and tablets in the amount of \$1,012,416. The lease obligation is at 2.23%, and is payable in monthly installments of \$22,025 through June 2021. The balance due as of June 30, 2018 is \$766,283. The net book value of the equipment is \$809,967 as of June 30, 2018. The capitalized equipment leases are collateralized by the equipment.

State Appropriation Audits - Effective with the 2006 fiscal year, CCAC is no longer subject to audit by the State. All audits have been completed and resolved with the State. The Pennsylvania Department of Education (PDE) and CCAC had reached negotiated settlement. In fiscal 2005, CCAC recognized a liability with a corresponding reduction of revenue for fiscal year 2003 audit findings in the amount of \$1,145,088. Final settlement for this fiscal year was reached with the State during 2010-2011. The State waived \$553,005 of the original audit finding with final amount of \$592,083 due to the State. Thirty quarterly payments of \$19,736 started in fiscal year 2011 with the second, third and fourth quarterly payment. The remaining liability at June 30, 2018 is \$0.

Operating Leases - CCAC leases various other facilities throughout the County that are separate from the main campuses and involve commitments that extend into future years. The facilities are used for educational purposes only. The following schedule of future minimum payments lists these obligations as "operating leases."

Future minimum payments required under long-term debt and lease obligations existing at June 30, 2018, are as follows:

Year Ending June 30	SPSBA Bonds	Loans	Capitalized Leases	Operating Leases	Total
2019	\$ 7,122,770	1,475,284	549,849	378,334	9,526,237
2020	7,126,595	1,460,513	264,304	288,109	9,139,521
2021	7,125,095	1,231,305	264,304	151,156	8,771,860
2022	7,114,514	861,722	-	27,000	8,003,236
2023	7,116,617	246,068	-	-	7,362,685
2024-2028	33,143,663	-	-	-	33,143,663
2029-2033	28,012,708	-	-	-	28,012,708
2034-2037	14,226,350	-	-	-	14,226,350
Total	<u>110,988,312</u>	<u>5,274,892</u>	<u>1,078,457</u>	<u>844,599</u>	<u>118,186,260</u>
Less: Portion representing interest	<u>28,783,312</u>	<u>229,744</u>	<u>28,341</u>	<u>-</u>	<u>29,041,397</u>
	<u>\$ 82,205,000</u>	<u>5,045,148</u>	<u>1,050,116</u>	<u>844,599</u>	<u>89,144,863</u>

## Basic Financial Statements

Long-term liability changes are summarized below for the year ended June 30, 2018:

	Beginning Balance at July 1, 2017	Additions	Reductions	Ending Balance at June 30, 2018	Current Portion
Long-term obligations	\$ 73,546,600	23,494,421	5,119,837	91,921,184	<u>6,185,485</u>
Retirement Incentive plan	1,745,725	-	871,923	873,802	<u>873,802</u>
Due to the Commonwealth of PA	59,208	-	59,208	-	<u>-</u>
Net pension liability	5,971,456	797,992	-	6,769,448	<u>-</u>
Net OPEB liability	-	181,000	-	181,000	<u>-</u>
Total long-term liabilities	<u>\$ 81,322,989</u>	<u>24,473,413</u>	<u>6,050,968</u>	<u>99,745,434</u>	

The composition of the compensated absences liability was as follows as of June 30, 2018:

Accrued vacation leave	\$ 1,956,767
Banked credits	<u>1,108,861</u>
	<u>\$ 3,065,628</u>

### ***Redevelopment Authority of Allegheny County***

The annual debt service requirements related to bonds and mortgage are as follows:

Maturity	Principal	Interest	Total
2019	\$ 2,887,010	485,883	3,372,893
2020	619,431	268,176	887,607
2021	659,133	229,921	889,054
2022	702,313	188,818	891,131
2023	749,184	144,619	893,803
2024-2025	<u>3,008,413</u>	<u>154,896</u>	<u>3,163,309</u>
Total	<u>\$ 8,625,484</u>	<u>1,472,313</u>	<u>10,097,797</u>

Long-term debt was comprised of bonds payable which were issued by RAAC as Special Tax Development Bonds, Taxable Series 1999 for \$25 million.

The Special Tax Development Bonds constitute limited obligations of RAAC payable solely from a portion of the Allegheny Regional Asset District tax (the RAD tax) paid to RAAC or its trustee and certain funds held under a trust indenture and the earnings thereon. The bond shall not be deemed to be debt of the Commonwealth or County or a pledge of the full faith and credit of the Commonwealth or the portion of the RAD Tax assigned to RAAC or the trustee pursuant to the County's agreement and certain funds under the indenture and the earnings thereon. RAAC has no taxing authority. The RAD tax consists of a portion of the County's allocation of the 1% sales, use and hotel excise tax. The County has pledged the assigned receipts to RAAC, which has in turn pledged and assigned the

## Basic Financial Statements

same to the trustee to pay principal of and interest on the Special Tax Development Bonds. The assigned receipts and the bond insurance are the sole security for repayment of the Special Tax Development Bonds.

The 1999 Bonds carry interest at 3.95% and have a final maturity date in September 2019.

The Series 1999 Bonds are issued by a municipal bond insurance policy, Assured Guaranty Municipal Corporation. As of July 26, 2018 (the most recent available rating), Standard & Poor's credit rating of Assured Guaranty Municipal Corporation was AA, with a credit watch of stable.

During 2007, RAAC assumed a mortgage in relation to the purchase of a building. The original mortgage was executed in 1999 in the amount of \$5,000,000. As of December 31, 2018, the interest rate is 8.31% and the outstanding principal balance is \$2,177,484.

The following is a summary of changes in long-term debt for RAAC during 2018:

	Beginning Balance at January 1, 2018	Additions	Reductions	Ending Balance at December 31, 2018	Current Portion
G. O. Bonds	\$ 4,440,000	-	2,135,000	2,305,000	2,305,000
Mortgage Payable	2,459,953	-	282,469	2,177,484	306,010
Section 108 Loan	4,408,000	-	265,000	4,143,000	276,000
Total long-term liabilities	<u>\$ 11,307,953</u>	<u>-</u>	<u>2,682,469</u>	<u>8,625,484</u>	<u>2,887,010</u>
Current portion				<u>(2,887,010)</u>	
Long-term debt at year-end				<u>\$ 5,738,474</u>	

As of December 31, 2018, RAAC had outstanding commitments of approximately \$5,527,600 related to loans which have not yet been fully drawn upon. This amount includes commitments to related parties as further discussed in Note 13. RAAC issued Tax Increment Financing Bonds (TIF Bonds) to provide funds to finance infrastructure improvements within Allegheny County. The outstanding balance of the TIF Bonds at December 31, 2018 was approximately \$42.5 million. The TIF Bonds are a limited obligation of RAAC payable solely from the tax increment revenues from the taxing bodies within the TIF District. RAAC is not obligated to pay the principal of, premium, interest, or other costs associated with the TIF Bonds. Accordingly, RAAC is substantively a conduit facilitator, and the TIF Bonds are not included in RAAC's financial statements.

RAAC and the County entered into an agreement in fiscal year 2005 with the US Department of Housing and Urban Development (HUD) to receive a Section 108 loan for \$6 million. These funds were to be made available for loans to RIDC for specific economic development projects. As of December 31, 2018, \$4,143,000 of loans remain outstanding.

## Basic Financial Statements

RIDC is currently required to make interest payments on the outstanding loan balance at a rate of 3 month LIBOR plus 50 basis points. As of year end, 3 month LIBOR was 2.8%. RAAC is permitted to retain 30 basis points as income along with the \$60,000 origination fee paid by the borrower. RIDC began making principal payments in 2012 to correspond with RAAC's obligation to HUD. The required principal payments schedule was established by HUD and includes a final balloon payment of \$2,314,000 due on August 1, 2025.

Along with the Section 108 loan, RAAC also received a \$2 million Brownfield Economic Development Improvement (BEDI) Grant from HUD. The proceeds of the grant are to be drawn down by RAAC and granted to the same RIDC as with the Section 108 loan funds. Grant funds of \$538,249 were retained by RAAC to reimburse the General Fund for debt service payments made before RIDC began making payments. Grant funds are to be disbursed in a ratio not less than \$1 of grant funds for every \$3 of loan funds disbursed.

### ***Allegheny County Industrial Development Authority***

ACIDA issues tax-exempt and taxable limited-obligation debt through various lending and financial institutions to provide below-market interest rate financing to private-sector entities for eligible projects. The debt is secured by the property financed and is payable solely from the payments received on the underlying loans. Neither ACIDA, the Commonwealth of Pennsylvania, nor any political subdivision thereof, is obligated in any manner for the repayment of the debt. Accordingly, the debt is not reported as a liability in the financial statements.

The principal amount outstanding for the debt issued as of December 31, 2018, is approximately \$454.0 million.

### ***Allegheny HealthChoices, Inc.***

AHCI has entered into operating leases for program facility space and office equipment. Rental expenses for this operating lease were approximately \$253,000 for the year ended December 31, 2018.

The following minimum rental payments are required under the lease for annual periods beyond December 31, 2018:

Year Ending December 31	Total
2019	\$ 273,722
2020	283,763
2021	282,872
2022	288,389
2023	293,907
Thereafter	147,642
	<u>\$ 1,570,295</u>

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**(9) Interfund Receivables, Payables and Transfers**

Interfund receivables, payables and transfers at December 31, 2018 were comprised of the following amounts on an individual fund basis:

Fund	Due from Other Funds	Due to Other Funds	Transfers	
			In	Out
Major:				
General	\$ 13,335,419	12,545,332	2,221,749	(17,095,183)
County Grants	5,293,737	1,157,572	14,627,877	(7,391,640)
Human Service Grants	6,451,320	11,467,193	8,767,634	-
Capital Projects	307,856	200,698	15,163,120	(1,130,437)
Non-Major:				
Debt Service	304,231	540,290	9,120,362	-
Transportation	-	-	-	(24,283,482)
Infrastructure Support	-	92,929	-	-
Other:				
Internal Service	433,666	122,215	-	-
	<u>\$ 26,126,229</u>	<u>26,126,229</u>	<u>49,900,742</u>	<u>(49,900,742)</u>

Transfers and interfund receivables are eliminated in the government-wide statement of activities.

The majority of interfund receivable balances represent adjustments to reimburse the General Fund for cash disbursements made on behalf of the other funds, tax distributions, and temporary loans. Payable balances represent County Cash Match, tax refunds, and a variety of other transfers.

The General Fund Transfers In represent \$1.1 million of interest earnings from Capital Projects and another \$1.1 million from County Grants relating to the Act 13 Marcellus Shale program. Transfers Out represent transfers to cover deficits and County matches in the Child Support Enforcement and 911 programs totaling \$5.2 million and \$4.1 million respectively, and various programs within the Human Service Grants Fund totaling \$7.4 million.

The Human Service Grants and County Grants Funds Due To/Froms are the result of cash match funding required from operating funds or to cover deficits within projects. Transfers In represent transfers to cover deficits and County matches. These include \$5.2 million to the Child Support Enforcement program, \$4.1 million to the 911 program, and \$2.0 million to the ADIU/IP program as well as various programs within the Human Service Grants Fund totaling \$7.4 million and \$1.4 million in interdepartmental revenues. Transfers Out primarily represent cash matches from the County Offender Supervision project of \$4.2 million, interdepartmental expenditures from the Drug Court projects of \$1.0 million, and Act 13 project transfers of \$1.7 million.

In 2018, \$15.2 million was transferred from the Transportation Fund to Capital Projects to fund a portion of capital obligation due to PAT. Also, \$1.1 million of interest earnings was transferred from Capital Projects to cover fixed asset expenditures made by the General Fund.

The Transportation Fund transferred to Debt Services its share of the Poured Alcohol and Car Rental taxes of \$9.1 million.

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**Component Unit – Transactions**

Due from/to component units and due to/from primary government balances were:

	Due from Component Unit	Due to Primary Government
ACAA	\$ 1,121,943	1,121,943
AHCI	2,005,870	2,005,870
RAAC	28,313	28,313
	Due to Component Unit	Due from Primary Government
AHCI	\$ 77,908	77,908

**(10) Retirement Benefits****General Information about the Pension Plan**

*Plan Description.* The County sponsors the Retirement System and the Retirement System Board (Board) administers the Retirement System. The Board consists of the following seven members: the County Executive, the County Controller, the County Treasurer, two members elected by the County employees and retirees, one member appointed by the County Executive, and one member appointed by County Council.

The Retirement System is a single-employer (includes ACAA's component unit employees), defined benefit, contributory retirement benefit plan covering substantially all employees of the County. Benefit and contribution provisions for the Retirement System are determined under the statutes enacted by the General Assembly of the Commonwealth of Pennsylvania. The Board pursuant to express statutory authority, has the right to increase the employee contributions in the event it is actuarially determined that a contribution increase is required in order for the Board to meet its funding requirements. Any increase in employee contributions imposes a statutory requirement upon the County to match the employee contributions. Also, the obligation of the Fund to pay retirement benefits is further secured by statutory obligation imposed upon the County to utilize its taxing authority to meet the Board's obligation to make monthly benefit payments to retirees.

*Benefits Provided.* Monthly benefit payments are determined for each individual according to the retirement option and the age and length of service at retirement. Additionally, the Board, at its discretion, can provide for cost of living allowances to retirees based on meeting certain actuarial funding levels as more fully described in the House Bill 869 of the General Assembly of the Commonwealth of Pennsylvania. Under normal retirement employees hired prior to February 21, 2014 (attainment of age 50 with 20 years of service for police and firefighters; age 55 with 20 years of service for deputy sheriffs, jail guards, and probation officers; age 60 with 20 years of service for non-uniformed employees), the retirement benefit is equal to 50% of the final average salary, plus 1% thereon for each full year of service between 20 and 40 years. Final average salary is the monthly average of the 24 highest months of compensation in the last 48 months of employment preceding retirement.



## Basic Financial Statements

Act 125 was passed in December, 2013 and applies to County employees hired or re-hired on or after February 21, 2014. Act 125 revises the vesting from 8 to 10 years and the service requirement from 20 to 25 years. For the purpose of calculating final average salary, final average salary was changed from the highest 24 months out of the final 4 years to the highest 48 months out of the final 8 years and overtime compensation is limited to 10% of base pay.

*Employees covered by benefit terms.* At January 1, 2018, the Retirement System plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	4,830
Inactive plan members entitled to but not yet receiving benefits	268
Active plan members	7,200
	<u>12,298</u>

*Contributions.* Employees were required to contribute 9.5% of covered compensation in 2018. Subsequent to year end, the contribution rate increased to 10.0% of covered compensation for 2019. Employee contributions are matched equally by the County, as prescribed by the Second Class County Code of the Commonwealth of Pennsylvania. Employees with at least 24 months of service who terminate prior to satisfying the minimum service requirements for a retirement benefit are entitled to refunds of their contributions plus interest thereon, approximately 0.86% in 2018. Employees with less than 24 months of service who terminate prior to satisfying the minimum service requirements for a retirement benefit are entitled to refunds of their contributions only.

Historical employee contribution rates are as follows:

<u>Years</u>	<u>Rate</u>
2018	9.5%
2017-2015	9.0%
2014	8.5%
2013-2012	8.0%
2011	7.0%
2010-2003	6.0%
2002	5.0%
2000-2001	3.8%
1998-1999	6.0%

### ***Net Pension Liability***

*Net Pension Liability.* The County's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuations as of January 1, 2018, rolled forward to measurement date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:



## Basic Financial Statements

Projected salary increases (including inflation)	5.75% for age <25 5.25% for age 25-29 4.25% for age 30-34 3.75% for age 35-39 3.25% for age >40
Long-term expected rate of return	7.75%
General inflation	2.75%
Contribution rate	9.5% of salary

Mortality rates were based on the RP-2000 Combined Healthy Annuitants Mortality Table (Base Year-2010), with blue-collar adjustments and adjustments for mortality improvements based on Scale AA and the RP-2000 Disabled Retirees Mortality Table, with no future mortality improvement.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial valuation as of January 1, 2018 with update procedures used to roll forward the Total Pension Liability to December 31, 2018.

The long-term expected rate of return on the Pension Trust Fund investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Equity	16%	4.55%
Non-U.S. Equity	19%	4.75%
Private Equity	20%	7.10%
Core Fixed Income	10%	1.65%
High Yield	12%	3.45%
Real Estate	10%	4.00%
TIPS	5%	1.20%
Commodities	8%	2.00%
Total	100%	

**Discount Rate.** The discount rate used to measure the total pension liability was 5.31%. A projection of Plan Net Fiduciary Position was performed in order to determine if a depletion date was reached. Benefit payments were projected from the January 1, 2018 valuation date for the closed group of plan participant on that date. Administrative expenses are assumed to increase at 2.75%. Future employer and employee contribution rates are assumed to increase from the 2018 level of 9.5% of covered payroll to 10.0% effective January 1, 2019. Future new entrants are included in the projection of future contributions only to the extent that contributions in excess of their service costs are considered. Asset projections include future new entrants to the plan. The demographic composition of the new entrant group is similar to the recent group of new participants to the plan. Projections assume that the active headcount maintains a consistent level from the January 1, 2018 level of 7,200. Based on those assumptions, the Pensions Trust Fund's fiduciary net position was projected to reach a depletion date in 2039. Therefore, in the determination of the discount rate, the long-term

## Basic Financial Statements

expected rate of return was applied through 2039 to projected benefit payments and a municipal bond rate of 3.64% was applied to projected benefit payments thereafter. For this purpose, the index used as the S&P Municipal Bond 20 year High Grade Index as of December 31, 2018.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
<b>Balances at 1/1/18</b>	\$ 2,026,854,704	940,654,841	1,086,199,863
<b>Changes for the year:</b>			
Service cost	49,762,212	-	49,762,212
Interest	112,947,656	-	112,947,656
Differences between expected and actual experience	20,169,422	-	20,169,422
Changes in benefit terms	-	-	-
Changes in assumptions	56,077,221	-	56,077,221
Contributions - employer	-	38,142,513	(38,142,513)
Contributions - employee	-	38,344,289	(38,344,289)
Net investment income	-	(33,016,189)	33,016,189
Benefit payments, included refunds of employee contributions	(107,006,347)	(107,006,347)	-
Administrative expense	-	(1,605,245)	1,605,245
Net changes	131,950,164	(65,140,979)	197,091,143
<b>Balances at 12/31/18</b>	<u>\$ 2,158,804,868</u>	<u>875,513,862</u>	<u>1,283,291,006</u>
<b>Split of Net Pension Liability</b>			
ACAA	\$ 166,234,622	67,417,263	98,817,359
County of Allegheny	1,992,570,246	808,096,599	1,184,473,647
	<u>\$ 2,158,804,868</u>	<u>875,513,862</u>	<u>1,283,291,006</u>

*Change of assumptions. The discount rate changed from 5.54% to 5.31%.*

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the County using the discount rate of 5.31%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% point lower (4.31%) or 1% point higher (6.31%) than the current rate:

Sensitivity of the Net Pension Liability to changes in Discount Rate	1% Decrease (4.31%)	Current Discount Rate (5.31%)	1% Increase (6.31%)
Net pension liability	\$ 1,552,578,140	1,283,291,006	1,057,543,909
Net pension liability share for County	1,433,024,843	1,184,473,647	976,109,772
Net pension liability share for ACAA	119,553,297	98,817,359	81,434,137

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*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued financial Retirement System report. A copy of the report may be obtained by writing to:

Allegheny County Retirement Board  
106 County Office Building  
542 Forbes Avenue  
Pittsburgh, PA 15219

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended December 31, 2018, the County recognized pension expense of \$135,175,031.

**Split of Pension Expense**

ACAA	\$ 11,940,941
County of Allegheny	135,175,031
Pension Expense	<u>\$ 147,115,972</u>

At December 31, 2018, the County and ACAA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 54,064,272	331,107
Changes of assumptions	245,284,685	57,478,495
Net difference between projected and actual earnings on pension plan investments	61,925,269	
Employer contributions subsequent to measurement date but before Year End	-	-
Changes in Proportional and Differences between PIA contributions and proportionate share of contributions	-	-
Change in proportion	2,903,203	2,903,203
Total	<u>\$ 364,177,429</u>	<u>60,712,805</u>

**Split of Deferred Outflows and Inflows**

ACAA	\$ 30,096,633	5,077,348
County of Allegheny	334,080,796	55,635,457
	<u>\$ 364,177,429</u>	<u>60,712,805</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	<b>ACAA</b>	<b>County</b>	<b>Total</b>
2019	\$ 7,622,686	83,169,444	90,792,130
2020	8,972,563	103,694,715	112,667,278
2021	4,837,769	54,804,223	59,641,992
2022	3,017,185	31,698,144	34,715,329
2023	569,082	5,078,817	5,647,899
Thereafter	-	-	-

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### ***Payable to the Pension Plan***

At December 31, 2018, the County reported a payable of \$1,770,754 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2018.

### ***Component Units - Retirement Benefits***

#### ***Allegheny County Airport Authority***

Employees of ACAA are members of the County's Retirement System, and as such, all required disclosures are the same.

#### ***Port Authority of Allegheny County***

##### ***A. Plan Description***

*General Information About the Pension Plans.* PAT offers three single-employer defined benefit retirement and disability plans for eligible employees. The three plans are as follows: Plan for Employees Represented by Local 85 of the Amalgamated Transit Union (ATU Plan), Plan for Employees Represented by Local Union 29 of the International Brotherhood of Electrical Workers (IBEW Plan), and Plan for Employees who are Not Represented by a Union (NonRep Plan). The IBEW and NonRep Plans are closed to new participation.

Under each of the three plans, employees' eligibility for normal benefits begins at age 65, at which time the individual is entitled to an annual retirement benefit, payable monthly for life. This benefit is equal to 2.25% of the average annual compensation for the last 16 quarters of employment times the years and months of continuous service or the average of the highest four of the last eight years immediately preceding the date of retirement, whichever is highest.

Early retirement is available to all participants who have reached the age of 55 and have at least 10 years of service or who meet certain continuous service requirements. Early retirement with full pension benefits is available after 25 years of continuous service for all plans. Early retirement with full pension benefits is also available after age 55 to those participants meeting certain service requirements. Individuals not meeting these requirements who retire after age 55 but prior to the date for normal benefits receive reduced benefits. The cost sharing of healthcare benefits is provided from PAT's operating revenues for ATU and IBEW employees. Healthcare benefits for retirees in the NonRep Plan were eliminated for those retiring on or after July 1, 2007.

For new hires, the plans have been amended to replace the eligibility requirement for unreduced early retirement benefits from 25 years of service without regard to age, to 25 years of service and age 55. These amendments were effective as of December 1, 2005 for the ATU and NonRep Plans and May 1, 2006 for the IBEW Plan.

No new employees are permitted to start participation in the NonRep and IBEW Plans effective September 2011 and January 2012, respectively. Current participants in the Plans have the option to continue participation in the Plan or to exit the Plan and roll their current accumulated contributions to a Section 457 deferred compensation plan. New employees are required to participate in the newly offered Section 457 deferred compensation plan.

Benefit provisions for the ATU and IBEW Plans are established and amended by the Retirement and Disability Allowance Committees for each plan, as stated in written agreements.

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*Employees Covered by Benefit Terms.* As of the most recent actuarial valuations, the following employees were covered by the benefit terms:

	<u>ATU</u>	<u>IBEW</u>	<u>NonRep</u>	<u>Total</u>
Inactive plan members or beneficiaries				
currently receiving benefits	2,965	139	423	3,527
Participants who transferred to another plan	41	31	65	137
Inactive plan members entitled to but				
not yet receiving benefits	27	1	25	53
Active plan members	2,181	38	138	2,357
Total plan members	<u>5,214</u>	<u>209</u>	<u>651</u>	<u>6,074</u>

*Contributions.* Participants in the IBEW, NonRep and ATU Plan contribute 10.5% of earnings to their respective plans. PAT's contributions to the plans are based on actuarially determined rates.

*Net Pension Liability.* PAT's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of January 1, 2017. There were no plan changes between the January 1, 2017 valuation date and the December 31, 2017 liability measurement date. Standard actuarial techniques were used to roll forward the total pension liability from the valuation date to the measurement date.

*Actuarial Assumptions.* The total pension liability in the January 1, 2017 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement: (1) actuarial cost method Individual entry age normal; (2) actuarial assumptions - Investment rate of return 7.25%, underlying inflation rate 2.50%, salary projection 3.50% (with exceptions for years covered by the ATU and IBEW collective bargaining agreements); (3) for healthy lives, mortality in accordance with the RP-2000 Combined Mortality Table adjusted for white collar employees and with fully generational projected mortality improvement under Scale BB2D; for disabled lives, mortality in accordance with the disabled mortality table specified in IRS Revenue Ruling 96-7 for disabilities occurring prior to 1995.

Actuarial assumptions based on actuarial experience study for the period January 1, 2017 to December 31, 2017.

*Long-Term Expected Rate of Return.* 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 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.

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The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2017:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. equity	38.0%	6.9%
International equity	19.0%	8.1%
REITs	5.0%	6.8%
Core real estate	8.0%	4.9%
Fixed income	29.0%	1.8%
Cash	1.0%	1.1%
<b>Total</b>	<b>100%</b>	

**Discount Rate.** The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that PAT's contributions will be made based on the actuarially determined contribution. Based on those assumptions, the fiduciary net position of each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability.** Changes in PAT's net pension liability are as follows:

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
<b>Balances at 6/30/17</b>	\$ 1,162,995,122	764,249,456	398,745,666
<b>Changes for the year:</b>			
Service cost	19,325,243	-	19,325,243
Interest	81,832,444	-	81,832,444
Differences between expected and actual experience	(2,062,336)	-	(2,062,336)
Changes of benefit terms	-	-	-
Changes of assumptions	(10,620,990)	-	(10,620,990)
Employer Contributions	-	36,042,605	(36,042,605)
Member Contributions	-	15,522,065	(15,522,065)
Net investment income	-	113,702,179	(113,702,179)
Benefit payments, included refunds of employee contributions	(77,808,685)	(77,808,685)	-
Employer reimbursement for healthcare expenses	2,295,729	2,295,729	-
Administrative expense	-	(843,937)	843,937
Net changes	12,961,405	88,909,956	(75,948,551)
<b>Balances at 6/30/18</b>	\$ 1,175,956,527	853,159,412	322,797,115

The change in assumption above relates to a decrease in the interest rate assumption from 8% to 7.94% for the ATU plan.

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued ATU, IBEW, and NonRep financial reports that can be obtained from PAT's Finance Department.

## Basic Financial Statements

*Sensitivity of the Net Pension Liability to Changes in Discount Rate.* The following presents the net pension liability of PAT, calculated using the discount rate of 7.25%, as well as what PAT's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
ATU	\$ 371,155,998	270,945,599	184,942,226
IBEW	9,740,278	7,020,170	4,720,069
NonRep	58,156,249	44,831,346	33,562,440
	<u>\$ 439,052,525</u>	<u>322,797,115</u>	<u>223,224,735</u>

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* For the year ended June 30, 2018, PAT recognized pension expense of \$47,269,283. Cash payments into the plan are included in fringe benefits on the statement of activities and any remaining excess (deficiency) is reported as pension expense, net.

At June 30, 2018, PAT reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,130,427	2,999,869
Changes of assumptions	11,070,242	10,087,616
Net difference between projected and actual earnings on pension plan investments	32,656,745	47,537,367
Contributions made subsequent to the measurement date	14,992,764	-
Total	<u>\$ 59,850,178</u>	<u>60,624,852</u>

Deferred outflows of resources related to PAT's pension contributions subsequent to the measurement date of \$14,992,764 are recognized as a reduction of the net pension liability in the year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	
2019	\$ 10,934,510
2020	(2,188,058)
2021	(12,629,549)
2022	(11,884,341)
	<u>\$ (15,767,438)</u>



## Basic Financial Statements

### ***Community College of Allegheny County***

Substantially all full-time employees of CCAC are covered under either the Pennsylvania Public School Employees' Retirement System (PSERS), the Pennsylvania State Employees' Retirement System (SERS), the Teachers Insurance and Annuity Association - College Retirement and Equity Fund (TIAA-CREF), the Fidelity investment Retirement Plan or Lincoln Financial Retirement Plan. Prior to July 1, 2014, CCAC recognized annual pension expense equal to its contractually required contributions to the plans, and continues to for the TIAA-CREF, Fidelity and Lincoln Financial Plans through June 30, 2018.

About 94.2% of eligible employees participate in TIAA-CREF, Fidelity or Lincoln Financial plans, which are cost-sharing, multiple-employer defined contribution plans. Employer and employee contribution rates are established by collective bargaining agreements with the American Federation of Teachers and the Service Employees International Union (SEIU). The agreements require contributions by active members and CCAC. Active members contribute at a rate of 5% of qualifying compensation and CCAC contributes at a rate of 5% of the first \$6,000 and 10% of the remaining qualifying compensation. SEIU members have an alternate option to contribute at a rate of 1% of the qualifying compensation instead of the 5% rate, and CCAC would contribute at the rate of 1%. The contributions to TIAA-CREF, Fidelity and Lincoln Financial plans for the year ended June 30, 2018, were \$4,425,329 from CCAC and \$2,333,442 from employees. Employees are vested immediately in all of their contributions and CCAC's contributions.

PSERS is a governmental, cost-sharing, multiple-employer defined benefit plan in which about 4.5% of eligible employees participate. It provides retirement and disability benefits, legislatively mandated ad-hoc cost-of-living adjustments, and healthcare insurance premium assistance to qualifying annuitants. PSERS issues a comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to Office of Financial Management, Public School Employees' Retirement System, 5 N 5th Street, Harrisburg, PA 17108-1905.

Article II of the State's Constitution assigns the authority to establish and amend the benefit provisions of the plan to the General Assembly. The contribution policy for PSERS is established in the Public School Employees' Retirement Code and requires contributions by active members, CCAC, and the State. Active members contribute at a rate of 6.5%, 7.5% or 10.3% of their qualifying compensation. The contribution rate for CCAC and the State is an actuarially determined rate. The current rate at June 30, 2018, is 31.74% of annual covered payroll for each.

CCAC and the State's contributions to PSERS for the year ending June 30, 2018, was \$458,639 and equal to the required contractual contribution.

SERS is a governmental, cost-sharing, multi-employer defined benefit public employee retirement plan in which less than 1.3% of eligible employees participate. It provides retirement, death and disability benefits, and legislatively mandated ad-hoc cost-of-living adjustments. Article II of the State's Constitution assigns the authority to establish and amend the benefit provisions of the plan to the General Assembly. SERS issues an annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to Pennsylvania State Employees' Retirement System, 30 North 3rd Street, Suite 150, Harrisburg, PA 17108-1147.

The contribution policy for SERS, as established by SERS' Board, requires contributions by active members, CCAC and the State. Active members contribute at a rate of 6.25% or 9.3% of their qualifying compensation. The contribution rate for both CCAC and the State, is an actuarially



## Basic Financial Statements

determined rate, which varies by class of employee and at June 30, 2018, was 34.44% or 23.80% of annual covered payroll for each, respectively. CCAC contribution to SERS for the year ending June 30, 2018, was \$279,579, equal to the required contractual contribution.

#### *Retirement Incentive Plan*

CCAC offered voluntary Retirement Incentive Plan (RIP) approved by the Board for a limited time from March 6, 2014 to June 2, 2014 to realize budgetary savings in 2015 and subsequent years by reducing salary and benefit expenses. Through the RIP, CCAC offered retirement incentive to eligible employees. Eighty-six employees elected to participate in the RIP. An employee was eligible to receive retirement incentive benefits if the employee met each of the following conditions:

- The employee had completed at least 20 years of service with CCAC as of June 30, 2014;
- The employee was at least 60 years old as of June 30, 2014;
- The effective date of the employee's retirement is no earlier than June 30, 2014 and no later than August 1, 2014;
- The employee completed, signed, and returned a retirement election and general release form to the Human Resources office on or before the close of business June 2, 2014; and
- The employee did not revoke the retirement election and general release form in writing within seven calendar days after signing it.

Employees who retired and met the eligibility criteria above shall receive the following, in addition to their normal retirement benefits:

- A cash severance payment equal to one week of the eligible employee's earnings multiplied by the employee's total years of service. The employee chose a lump sum payment, paid by September 2, 2014, or elected to receive the severance payment in five equal annual installments according to the following schedule: Installment #1 - September 2, 2014, Installment #2 - September 1, 2015, Installment #3 - September 1, 2016, Installment #4 - September 1, 2017, and Installment #5 - September 1, 2018.
- A supplemental severance payment equal to \$6,500 per year for a period of five years following the effective date of retirement. The supplemental severance benefit will be paid in installments, according to the schedule above.
- Eligible employees may elect to remain enrolled in CCAC's group health, dental and vision insurance plans, provided that the employee pays the full monthly premiums for such coverage.
- Eligible employees may enroll in CCAC's credit or state-reimbursable non-credit classes, on a space available basis, following retirement and without payment of applicable tuition. Eligible employees who enroll on a tuition-free basis will be required to pay appropriate fees associated with enrolled courses or programs. No liability existed for this benefit as of June 30, 2014. CCAC will expense the cost of this benefit in the period it is incurred.

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Employees will not be eligible for the benefits if any of the following apply:

- The employee is a former employee of CCAC who retired or resigned effective as of a date prior to June 30, 2014;
- The employee's employment with CCAC is involuntarily terminated for cause, as determined in the sole discretion of CCAC; or
- The employee's employment with CCAC is terminated as a result of the employee's death or disability.

As of June 30, 2018, CCAC has a total liability of \$873,802 relative to existing Plan agreement with CCAC's employees covered by PSERS, SERS and TIAA-CREF.

The liability as of June 30, 2018 can be broken into the required payments as shown at current costs:

Year	Planned Severance Payments
2019	\$ 873,802
Total	\$ 873,802

### **SERS AND PSERS DEFINED BENEFIT PLANS**

#### **A. Plan Description**

*SERS* - is the administrator of a cost-sharing multiple-employer defined benefit pension plan established by the Commonwealth of Pennsylvania (Commonwealth) to provide pension benefits for employees of state government and certain independent agencies. *SERS* is a component unit of the Commonwealth and is included in the Commonwealth's financial report as a pension trust fund.

Membership in *SERS* is mandatory for most state employees. Members and employees of the Pennsylvania General Assembly, certain elected or appointed officials in the executive branch, department heads and certain employees in the field of education are not required, but are given the option to participate.

Section 5507 of the State Employees' Retirement Code (*SERC*) (71 Pa. C.S. §5507) requires the Commonwealth and other employers whose employees are *SERS* members to make contributions to the fund on behalf of all active members and annuitants necessary to fund the liabilities and provide the annuity reserves required to pay benefits. *SERS* funding policy, as set by the *SERS* board, provides for periodic active member contributions at statutory rates. The *SERS* funding policy also provides for periodic employer contributions at actuarially determined rates based on *SERS* funding valuation, expressed as a percentage of annual retirement covered payroll, such that they, along with employee contributions and an actuarially determined rate of investment return, are adequate to accumulate assets to pay benefits when due. However, Act 2010-120 imposes rate increase collars (limits on annual rate increases) on employer contributions. The collar for Commonwealth's fiscal year 2016 was 4.5% and was no longer needed as of July 1, 2017.

*PSERS* - Public School Employees' Retirement System (*PSERS*) is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in *PSERS*

## Basic Financial Statements

include full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. Public School Employees' Retirement Board (Board) is established by state law as an independent administrative board of the Commonwealth. The Board exercises control and management of PSERS, including the investment of its assets. Changes in benefit and contribution provisions for the retirement plan must be made by legislation.

## B. Benefits Provided

*SERS* - provides retirement, disability and death benefits. Article II of the Commonwealth's constitution assigns the authority to establish and amend the benefit provision of the plan to the Pennsylvania General Assembly. Member retirement benefits are determined by taking years of credited service, multiplied by final average salary, multiplied by 2.5% or 2.0%, depending on the membership class, multiplied by years of service multiplier. According to the SERC, all obligations of SERS will be assumed by the Commonwealth should SERS terminate.

Members are eligible for monthly retirement benefits upon the membership class information noted below. Membership Class A-3 (Class A-3) includes all eligible employees hired after December 31, 2010, except members of the judiciary. Certain groups have effective dates after December 31, 2010 that are tied to the expiration of collective bargaining agreements. Membership Class A-4 (Class A-4) is the same as Class A-3 except that this class is for members who elect to pay a higher member contribution amount and receive a higher benefit. Membership Class AA includes all employees hired after June 30, 2001 but prior to January 1, 2011, except State police officers, members of the judiciary and legislators, and employees hired before July 1, 2001, who elected Class AA by December 31, 2001. To qualify for normal retirement, Class A-3 and Class A-4 members must work until age 65 with a minimum of three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits for Class AA and Class A-4 are equal to 2.5% of the high three-year final average salary (FAS) of the member multiplied by the number of years and fractions of credited service. To qualify for normal retirement, Class AA and Class A members must work until age 60 with a minimum of three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits for Class A and Class A-3 are equal to 2% of the high 3 year FAS of the member multiplied by the years and fractions of credited service. Members who have 41 or more years of combined Class A-3, A-4, A and AA service are entitled to a supplemental benefit ranging from 2% of the applicable single life annuity for members with 41 years of service to 10% of the applicable single life annuity for members with 45 or more years of service. The benefit for a member who works past age 70 is at least equal to a benefit that is the actuarial equivalent of the prior year's benefit. All Class A-3 and A-4 members have a vested entitlement after 10 years of credited service. All other classes are vested after five years of credited service.

The disability benefit is equal to the benefit calculated as of normal retirement age, based on years of credited service at disability, if the result is greater than or equal to 33 1/3% of FAS at time of disability. If the benefit so calculated is less than 33 1/3% of FAS, the disability benefit is equal to the smaller of: The benefit calculated as of normal retirement age based on service projected to retirement date; or 33 1/3% of FAS at time of disability.

For service-connected disabilities, the disability benefit payable will be increased, as needed, so that the sum of the plan benefit and the benefits paid or payable under the Workers' Compensation Act, The Pennsylvania Occupational Disease Act and the Social Security Act equals 70% of FAS.

## Basic Financial Statements

A member is eligible for death benefits prior to retirement if the member is under the age of 60 and has five years of credited service for those in Class A and AA and under the age of 65 and has 10 years of credited service for those in Class A-3 and A-4 or has reached the age of 60 for members in Class A and AA (or age 65 for members in Class A-3 and A-4) with three years of credited state service. A member who elects the maximum single life annuity is entitled to a refund of the unpaid balance of the accumulated member contributions and interest at the time of retirement. A member may elect one of several optional reduced pensions in lieu of the maximum single life annuity to provide additional death benefit protection. The optional forms of benefit are actuarially equivalent to the maximum single life annuity benefit using 4.0% interest per annum, compounded annually, and several actuarial equivalence factors.

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

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon the membership class of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

### C. Contributions

#### *SERS Member Contributions*

Regular member contributions for Class A-3 and Class AA are equal to 6.25% of total compensation, for Class A-4 contributions are equal to 9.30% of total compensation and Class A contributions are equal to 5.00% of total compensation.

Any member who elects the Social Security Integration Credit pays 5.00% of any salary in excess of the amount of salary covered by social Security during the year for which contributions are being made. A member electing to end additional contributions is ineligible to make future contributions or accrue future benefits. Class A and AA members may elect to waive future contributions on an annual basis if their maximum single life annuity exceeds 110% of their highest calendar year compensation.

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*PSERS Member Contributions*

Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Membership Class T-C) or at 6.5% (Membership Class T-D) of the member's qualifying compensation.

Members who joined the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Membership Class T-C) or at 7.5% (Membership Class T-D) of the member's qualifying compensation.

Members who joined the System after June 30, 2001 and before July 1, 2011, contribute at 7.5% (automatic Membership Class T-D). For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002.

Members who joined the System after June 30, 2011, automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011 who elect Class T-F membership contribute at 10.3% (base rate) of the member's qualifying compensation. Membership Class T-E and Class T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.5% and 9.5% and Membership Class T-F contribution rate to fluctuate between 10.3% and 12.3%.

**D. Employer Contributions**

*SERS* - The employers contractually required contribution rates for SERS for fiscal year ended December 31, 2017 were as follows:

<u>Class/Description</u>	<u>Category Description</u>	<u>Employer Contribution Rate</u>
A3/A4 Effective 1/1/2001	All others with age 65 retirement	23.80%
A	All others with retirement age of 60	27.55%
AA	All others with retirement age of 60	34.44%

The percentages above were actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability. CCAC's contributions to SERS for the years ended June 30, 2018 was \$279,453, equal to the required contractual contribution.

*PSERS* - The employer's contractually required contribution rate for PSERS was 31.74% of covered payroll for fiscal year ended June 30, 2018. This amount was actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability. Per section 8327 of the PSERS Retirement Code, the Commonwealth is required to contribute 50% of the above-stated contribution rate directly to PSERS on behalf of the employer. CCAC's contributions to PSERS for the years ended June 30, 2018 was \$458,639, equal to the required contractual contribution.

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*Combined Net Pension Liability and Proportionate Share - SERS AND PSERS* - At June 30, 2018, CCAC reported a liability for its proportionate share of the net pension liability of SERS and PSERS. The amount recognized by CCAC as its proportionate share was as follows:

<u>Plan</u>	<u>Measurement Date</u>	<u>Net Pension Liability 2018</u>	<u>Proportionate Share 2018</u>
SERS	December 31	\$ 2,373,448	.01373%
PSERS	June 30	4,396,000	.00890%
Net Pension Liability		<u>\$ 6,769,448</u>	

*SERS Proportionate Share* - The net pension liability relative to SERS was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of December 31, 2016 to December 31, 2017. The employer's portion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At December 31, 2017, the employer's proportion share of the net pension liability was .01373%, which was an increase of 0.00151% from the proportion measured as of December 31, 2016.

*PSERS Proportionate Share* - At June 30, 2018, CCAC reported a liability for its proportionate share of the net pension liability that reflected a reduction for Commonwealth pension support provided to CCAC. The amount recognized by CCAC as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with CCAC are in the table above.

The net pension liability relative to PSERS was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2016 to June 30, 2017. CCAC's portion of the net pension liability was calculated utilizing CCAC's one-year reported covered payroll as it relates to the total one-year reported covered payroll. As of the measurement date of June 30, 2017, CCAC's proportionate share of the net pension liability was .0089%, which was an increase of 0.00160% from the proportion measured as of June 30, 2016. CCAC's proportionate share of the net pension liability at June 30, 2018 was \$4,396,000, and was recognized by CCAC in its June 30, 2018 statement of net position.

The Commonwealth of Pennsylvania (Pennsylvania) is required to contribute 50% of CCAC's contribution directly to PSERS on behalf of CCAC. The total of the collective net pension liability relative to PSERS that is associated with CCAC as of the respective measurement date of June 30, 2018 is as follows:

	<u>2018</u>
CCAC	\$ 4,396,000
Pennsylvania	4,396,000
Total	<u>\$ 8,792,000</u>

*Combined Deferred Outflows of Resources and Deferred Inflows of Resources* - For the year ended June 30, 2018, CCAC recognized pension expense of \$1,007,173. At June 30, 2018, employer contributions payable was \$48,231 for PSERS. This amount was for the legally required contributions of the plan. At June 30, 2018, CCAC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



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	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 86,131	72,066
Changes in assumptions	237,828	-
Net differences between Projected and actual investment earnings	102,000	94,368
Changes in proportions	1,148,183	141,940
Difference between employer contributions and proportionate share of total contributions	8,091	26,394
Contributions made subsequent to the measurement date	608,039	-
Total	<u>\$ 2,190,272</u>	<u>334,768</u>

The \$608,039 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

*SERS Deferred Outflows of Resources and Deferred Inflows of Resources* - The components of deferred outflows of resources and deferred inflows of resources, other than the difference between the projected and actual investment earnings on investments, are amortized into pension expenses over a 5.2-year closed period, which reflects the weighted average remaining service life of all SERS members, beginning the year in which the deferred amount occurs (current year). The components of deferred outflows of resources and deferred inflows of resources were amortized into pension expense over a 5.6-year closed period in the prior period. The annual difference between the projected and actual earnings on SERS investments is amortized over a five-year closed period beginning the year in which the difference occurs (current year).

*PSERS Deferred Outflows of Resources and Deferred Inflows of Resources* - The components of deferred outflows of resources and deferred inflows of resources, other than the difference between the projected and actual investment earnings on investments, are amortized into pension expenses over 5.0 years, which is the average expected remaining service lives of active and inactive members. The components of deferred outflows of resources and deferred inflows of resources were amortized into pension expense over 5.15 years in the prior period. The annual difference between the projected and actual earnings on PSERS investments is amortized over a five-year period.

The amounts of deferred outflows of resources and deferred inflows of resources related to the above items that will be recognized in pension expense in future periods are as follows:

Fiscal Year	<b>SERS</b>		<b>PSERS</b>	
	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
2019	\$ 267,924	148,119	222,000	-
2020	252,231	121,381	312,000	-
2021	137,866	81,287	267,000	-
2022	64,041	66,572	131,000	-
2023	10,315	553	-	-
	<u>\$ 732,377</u>	<u>417,912</u>	<u>932,000</u>	<u>-</u>

## Basic Financial Statements

### E. Actuarial Assumptions

**SERS** - The total pension liability as of December 31, 2017 was determined by rolling forward the SERS's total pension liability as of the December 31, 2016 actuarial valuation to the December 31, 2017 valuation using the following actuarial assumptions, applied to all periods included in the measurement: Actuarial cost method - entry age for 2017 and 2016; Investment return - 7.25% net of expenses including inflation of 2.6% for 2017; Salary increases - Average of 5.60%, with range of 3.70% to 8.90%, including inflation for 2017. Mortality rates were based on the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back three years for both males and females. For disabled annuitants the RP-2000 Combined Disabled Tables (male and female) with age set back seven years for males and three years for females for 2017; Amortization method - Used straight-line amortization of investments over a five year period, and amortized assumption changes and non-investment gains/losses over the average expected remaining service lives of all employees that are provided benefits for 2017. Asset valuation method - Fair market value for 2017; and Cost-of-Living Adjustments (COLA) - Provided ad hoc at the discretion of the General Assembly, none were provided during 2016 and 2017.

The actuarial assumptions used in the December 31, 2017 valuation were based on the experience study that was performed for the five-year period ended December 31, 2015. The recommended assumption changes based on this experience study were adopted by the SERS Board at its April 2017 Board meeting. The SERS Board approved the recommendations of the actuary, and the new assumptions were first used in the December 31, 2016 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2017 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Alternate investments	16%	8.00%
Global public equity	43%	5.30%
Real assets	12%	5.44%
Diversifying assets	12%	5.10%
Fixed income	14%	1.63%
Liquidity reserve	3%	-0.25%
Total	100%	

**PSERS** - The total pension liability as of June 30, 2017 was determined by rolling forward the PSERS's total pension liability as of the June 30, 2016 actuarial valuation to June 30, 2017 using the following actuarial assumptions, applied to all periods included in the measurement: Actuarial cost method - Entry Age Normal - level % of pay for 2017; Investment return - 7.25% includes inflation at 2.75% for 2017; Salary increases - Effective average of 5.0%, which reflects an allowance for inflation of 2.75%, real wage growth and for merit or seniority increases; Mortality rates were based on the RP-2014 Mortality Tables for males and females, adjusted to reflect PSER's experience and projected using a modified version of MP-2015 Mortality Improvement Scale. For disabled annuitants the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSER's experience and projected



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using a modified version of the MP-2015 Mortality Improvement Scale. Amortization method - Level dollar, open for 2017; Asset valuation method - 10-year smoothed market for 2017; and COLA - provided from the annuity reserve account, none were provided during 2017.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Public markets global equity	20.0%	5.1%
Private real estate	10.0%	3.6%
Global fixed income	36.0%	2.6%
Cash	3.0%	0.6%
Absolute return	10.0%	3.4%
Risk parity	10.0%	3.8%
MLPs/Infrastructure	8.0%	4.8%
Alternative investments	15.0%	6.2%
Commodities	8.0%	3.0%
Financing (LIBOR)	-20.0%	1.1%
Total	100%	

The above was the PSERS Board's adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2017.

## F. Discount Rate

The discount rate used to measure the total pension liability for SERS and PSERS was 7.25% for 2018 and 2017. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for each member and that employer contributions will be made based on rates determined by the actuary. Based on those assumptions, fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

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**G. Sensitivity of CCAC's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability at June 30, 2018, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.25%) or 1% point higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
2018 SERS proportionate share of the net pension liability	\$ 3,012,646	2,373,448	1,825,901
2018 PSERS proportionate share of the net pension liability	5,411,000	4,396,000	3,539,000
	<u>\$ 8,423,646</u>	<u>6,769,448</u>	<u>5,364,901</u>

**H. Pension Plan Fiduciary Net Position**

*SERS* - Detailed information about SERS's fiduciary net position, plan's basis of accounting and information about the substance and magnitude of significant changes that have occurred is available in SERS Comprehensive Annual Financial Report which can be found on the System's website at [www.sers.pa.gov](http://www.sers.pa.gov)

*PSERS* - Detailed information about PSERS's fiduciary net position, plan's basis of accounting and information about the substance and magnitude of significant changes that have occurred is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at [www.psers.state.pa.us](http://www.psers.state.pa.us)

***Allegheny County HealthChoices, Inc.***

AHCI's employees are eligible to participate in a 401(k) Retirement Safe Harbor Plan. Each participant may contribute a percentage of their compensation up to the maximum percentage allowed by the Internal Revenue Service. AHCI will match 100% of the first 3% of the employee contribution, plus 50% of the employee contribution over 3% but not greater than 5%. In addition, AHCI may make an additional matching contribution as of each December 31 of up to 1% to ensure compliance with contribution limits mandated by the Safe Harbor regulations. To be eligible, an employee must be an active member of the plan at any time during the plan year. Amounts forfeited by nonvested terminated participants are used to offset the amount required to be contributed by AHCI. The net contribution (expense) to the plan for December 31, 2018 was \$111,823.

AHCI established a 457(b) Deferred Compensation Plan for its Chief Executive Officer, two other key employees, and one former employee. All contributions to the plan are made by AHCI. AHCI contributed a total of \$6,660 for December 31, 2018. As the plan document specifies that the investments of the plan are assets of AHCI and are not protected from AHCI's creditors, related assets have been recorded as an investment on the statements, with an offsetting liability recorded in accrued expenses related to the anticipation of future payouts related to the plan. At December 31, 2018 the fair value of the plan was \$167,365.

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**11) Postemployment Benefits Other Than Pension Benefits (OPEB)****General Information about the Plan**

*Plan Description.* The County's single employee defined benefit program provides post-retirement life insurance benefits to all retirees. The plan also provides healthcare coverage and major medical insurance to certain retirees. The Allegheny County Benefit Plan is administered on a pay as you go basis. The benefit, limits and employee and employer contributions are established through union contracts and past practices. The plan is not accounted for as a trust fund, an irrevocable trust has not been established, the plan does not issue a separate report and activity of the plan is reported in the County's General and Internal Service Funds.

*Benefits Provided*

*Life Insurance Benefits.* The County provides postemployment life insurance benefits to its retirees. Current retirees receive County-paid retiree life insurance in varying amounts falling within a range of \$4,000 to \$10,000 depending on a retirees' bargaining unit/employee group. Future retirees are noted as receiving a blended rate of \$4,000. The County's General Fund expenditures for all postemployment life insurance benefits were \$903,852 (\$1,074,833 net of retiree contributions of \$170,981) in 2018.

*HealthCare Coverage/Major Medical Insurance.* The County provides postemployment healthcare coverage benefits to certain retirees in accordance with agreements between the County and the respective unions. There are three groups of County retirees eligible for healthcare coverage: Police Officers, Sheriffs/Corrections Officers, and a grandfathered group of retirees covered under a major medical program.

Retired police officers are covered by health insurance up to the age of 65. The only exception to this rule is for police officers who were hired prior to April 1, 1986 who are not eligible for Medicare. In these cases, benefits are provided for life. The County's expenditures for health insurance benefits were \$497,534 (\$656,962, net of retiree contributions of \$159,429) in 2018. The costs associated with this benefit are paid by the County's General Fund and are not prefunded.

Correctional officers who retired are eligible to receive up to \$700 per month towards the cost of health insurance for the correctional officer and spouse for up to seven years or until Medicare eligibility, if earlier. The County's expenses for health insurance benefits were \$365,265 in 2018. The costs associated with this benefit are paid by the County's General Fund and are not prefunded.

Sheriffs who retired are eligible to receive up to \$700 per month towards the cost of health insurance for the sheriff and spouse for up to seven years or until Medicare eligibility, if earlier. The County's expenses for health insurance benefits were \$121,979 in 2018. The costs associated with this benefit are paid by the County's General Fund and are not prefunded.

The County provides postemployment major medical insurance benefits to certain grandfathered group of retirees who retired prior to January 1, 1994. The coverage entitles retirees to medical services rendered that are in excess of their individual plans. Coverage is for life. Retirees are required to make monthly contributions of \$78.10 for single coverage and \$139.87 for family coverage. Contributions will not increase in the future. Surviving spouses are permitted to continue in the medical plan provided they make the required contributions. The County's expenses for major medical insurance benefits were \$83,654 (\$132,859, net of retiree contributions of \$49,205) in 2018.

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Employees covered by benefit terms. At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments:	
Total retirees covered for medical	185
Total spouses covered for medical	30
Total retirees covered for life insurance	4,201
Active employees:	
Total covered for medical	794
Total covered for life insurance	6,659

### Total OPEB Liability

The County's total OPEB liability of \$57,721,395 was measured as of January 1, 2018, and was determined by an actuarial valuation as of January 1, 2017. Standard roll-forward techniques were used to roll-forward the liability from the valuation date to the measurement date using updated assumptions.

*Actuarial assumptions and other inputs.* The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified: (1) cost method Entry age normal as a level percentage of pay; (2) mortality RPH-2014 Total Dataset Mortality Table projected using MP-2017; (3) discount rate of 3.56% - Based on the Bond Buyers 20-year Bond Index; (4) 3% inflation rate; (5) the healthcare cost trend rate for fiscal year 2018 estimated to be 7.0% higher than 2017 and is assumed to decrease .25% each year period beginning 2019 through 2022, then decrease .5% each year through 2025 & later; (6) aging factors for pre- and post-65 morbidity rates were developed from the factors found in Charts 5 and 20 respectively of "Health Care Costs - From Birth to Death" sponsored by the Society of Actuaries and prepared by Dale H. Yamamoto (June 2013); (7) withdrawal rates vary by attained age; (8) it is assumed that 100% of eligible participants will participate in the retiree medical program, but that only 80% of the monthly incentive for Sheriffs and Correctional Officers will be utilized; and (9) salary increases of 2.5%.

### Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balances at 1/1/18</b>	\$ 54,828,661
<b>Changes for the year:</b>	
Service cost	1,507,878
Interest	2,072,523
Changes in assumptions	1,295,967
Benefit payments	(1,983,634)
Net changes	2,892,734
<b>Balances at 12/31/18</b>	<u>\$ 57,721,395</u>

#### Changes of Assumptions and other Inputs

- Changed the discount rate from 3.78% to 3.56%.
- Changed the mortality table to RPH-2014 Total Dataset using Improvement Projection Scale MP-2017.

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*Sensitivity of the total OPEB liability to changes in the discount rate.* The following is the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1%-point lower or 1%-point higher than current discount rate:

<b>Sensitivity of Total OPEB Liability to changes in the Discount Rate</b>	<b>1% Decrease (2.56%)</b>	<b>Discount Rate (3.56%)</b>	<b>1% Increase (4.56%)</b>
Total OPEB liability	\$ 65,062,405	57,721,395	51,443,183

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following is the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1%-point lower or 1%-point higher than the current healthcare cost trend rates:

<b>Sensitivity of Total OPEB Liability to changes in the Healthcare Cost Trend</b>	<b>1% Decrease</b>	<b>Current Trend Rates</b>	<b>1% Increase</b>
Total OPEB liability	\$ 53,565,514	57,721,395	63,203,433

### ***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended December 31, 2018, the County recognized expense of \$3,184,596. At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	5,225,952
Changes of assumptions or other inputs	2,599,315	-
Benefit payment subsequent to the measurement date	2,268,716	-
Total	<u>\$ 4,868,031</u>	<u>5,225,952</u>

The \$2,268,716 reported as deferred outflows of resources resulting from the County's benefit payments subsequent to the measurement date will be recognized as a reduction in next year's total OPEB liability. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended December 31:</b>	
2019	\$ (395,805)
2020	(395,805)
2021	(395,805)
2022	(395,805)
2023	(395,805)
2024 and beyond	(647,612)

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### ***Allegheny County Airport Authority***

ACAA adopted GASB Statement No. 75 for the December 31, 2018 year end and all applicable disclosures are included below. The adoption of GASB Statement No. 75 resulted in a \$1,211,107 decrease in net position as of January 1, 2018. Fiscal year 2017 financial statements were not restated as it was not practical to do so as the actuarial data required to restate fiscal year 2017 was not available. For the year ended December 31, 2017, the Authority is presenting their other postemployment benefit plan under GASB Statement No. 45. The disclosures associated with GASB Statement No. 45 are not material to the financial statements so are not included in the below disclosure.

**Plan Description:** ACAA provides benefits through its Post-employment Medical Benefits Plan (the OPEB Plan), which is a single-employer defined benefit other postemployment benefit (OPEB) plan administered by ACAA. The plan provides reimbursement for medical benefits to eligible firefighter retirees hired before May 1, 2005, and their spouses. Benefits are provided upon the retiree's date of retirement. The retiree is responsible for any premium cost in excess of the defined benefit. Payments to the retirees are made on a reimbursement basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan does not issue separate financial statements.

Benefits are provided through a third-party insurer, and the cost of the benefits is split between the OPEB plan and the retiree. ACAA covers 62.0% of the premiums at age 50, which increases 3.00% each year until the age of 65 when the retiree becomes eligible for Medicare and the benefits are terminated. The employees covered by the benefit terms at the measurement date of December 31, 2017 are 9 inactive employees or beneficiaries currently receiving benefit payments and 18 active employees.

**Actuarial assumptions and other inputs:** ACAA's total OPEB liability of \$1,276,559 was measured as of December 31, 2017 for the year ended December 31, 2018, and was determined by actuarial valuations as of that date. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions: inflation of 0.00%; discount rate of 2.80%; salary increases of 3.00%; health care cost trend rates of 6.00% for 2018, decreasing 0.25% per year to an ultimate rate of 5.00% for 2023 and later years; retiree's share of benefit-related costs of 38.0% at age 50, decreasing 3.00% each year until age 65 when the benefits terminate; a discount rate based on the 20-year, tax-exempt municipal bond rate from FMS Bonds; and mortality rates based on the RP 2014, as appropriate with adjustments for mortality improvements based on MP-2016.

Changes in the total OPEB liability are:

	<b>Total OPEB Liability</b>
<b>Balances at 1/1/18</b>	\$ 1,323,553
<b>Changes for the year:</b>	
Service cost	30,683
Interest	36,343
Differences between expected and actual experience	(1,574)
Benefit payments	(112,446)
Net changes	(46,994)
<b>Balances at 12/31/18</b>	<u>\$ 1,276,559</u>

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The total OPEB liability of ACAA has been calculated using a discount rate of 2.80%. The following presents the total OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

<b>Sensitivity of Total OPEB Liability to changes in the Discount Rate</b>		<b>1% Decrease</b>	<b>Current Trend Rates</b>	<b>1% Increase</b>
Total OPEB liability	\$	1,346,426	1,276,559	1,209,789

The total OPEB liability of ACAA has been calculated using health care cost trend rates of 6.00%. The following presents the total OPEB liability using health care cost trend rates 1% higher and 1% lower than the current health care cost trend rates.

<b>Sensitivity of Total OPEB Liability to changes in the Healthcare Cost Trend</b>		<b>1% Decrease</b>	<b>Current Trend Rates</b>	<b>1% Increase</b>
Total OPEB liability	\$	1,230,808	1,276,559	1,327,514

For the years ended December 31, 2018, ACAA recognized OPEB expense of \$67,026. At December 31, 2018, ACAA reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	1,574
Benefit payment subsequent to the measurement date	113,060	-
Total	<u>\$ 113,060</u>	<u>1,574</u>

At December 31, 2018, ACAA reported \$113,060 as deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date and prior to year end that will be recognized as a reduction of the total OPEB liability during the year ending December 31, 2019. Other amounts reported as deferred inflows of resources at December 31, 2018, related to OPEB will be recognized in OPEB expense as follows:

<b>OPEB Expense</b>	
<b>Year ended December 31:</b>	
2019	\$ 528
2020	528
2021	518
	<u>\$ 1,574</u>

### **Community College of Allegheny County**

Effective July 1, 2017, CCAC adopted GASB statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. To record the beginning balance of the net OPEB liability, CCAC recorded an adjustment to reduce net pension by \$157,000.

Plan Descriptions: PSERS – Public School Employees' Retirement System (PSERS) is a governmental cost-sharing multi-employer defined benefit plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in PSERS include full-time public school employees, part-time hourly public school employees who render at



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least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. Public School Employees' Retirement Board is established by state law as an independent administrative board of the Commonwealth. The Public School Employees' Retirement Board exercises control and management of PSERS, including the investment of its assets. Changes in benefit and contribution provisions for the retirement plan must be made by legislation.

PSERS provides Health Insurance Premium Assistance, which is a governmental cost-sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through their school employer or the PSER's Health Options Program (HOP). As of June 30, 2017, there were no assumed future benefit increases to participating eligible retirees.

Participants are eligible if they have retired from the system, participate in the HOP or employer-sponsored health insurance program, and satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age.

The employer's contractually required contribution rate for PSERS was 0.83% of covered payroll for fiscal year ended June 30, 2018. This amount was actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability. CCAC's contribution to PSERS for the year ended June 30, 2018 was \$11,993, equal to the required contractual contributions.

At June 30, CCAC reported a liability for its proportionate share of the net OPEB liability. The amount recognized by CCAC as its proportionate share was as follows:

<b>Plan</b>	<b>Measurement Date</b>	<b>Net OPEB Liability 2018</b>	<b>Proportionate Share 2018</b>
PSERS	June 30	\$181,000	0.00890%

The net OPEB liability relative to PSERS was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2016 to June 30, 2017. CCAC's portion of the net OPEB liability was calculated utilizing CCAC's one-year reported covered payroll as it relates to the total one-year reported covered payroll. As of the measurement date of June 30, 2017, CCAC's proportionate share of the net OPEB liability was 0.00890% which was an increase of 0.00160% from the proportion measured as of June 30, 2016. CCAC's proportionate share of the net OPEB liability was \$181,000 at June 30, 2018. This amount was recognized by CCAC in its June 30, 2018 statement of net position.



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The Commonwealth of Pennsylvania (Commonwealth) is required to contribute 50% of CCAC's contribution directly to PSERS on behalf of the College. The total collective of OPEB liability relative to PSERS that is associated with CCAC as of the respective measurement date of June 30, 2018 is as follows:

	<b>2018</b>
<b>CCAC</b>	\$ 181,000
<b>Commonwealth</b>	181,000
	<u>\$ 362,000</u>

For the year ended June 30, 2018, CCAC recognized OPEB expense of \$13,000. At June 30, 2018, employer contributions payable was \$1,261 payable to PSERS. This amount was for legally required contributions to the plans.

At June 30, CCAC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>2018</b>	
	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Difference between expected and actual experience	\$ -	-
Changes in assumptions	8,000	-
Net differences between projected and actual investment earnings	-	-
Changes in proportions	-	30,000
Difference between employer contributions and proportionate share of total contributions	-	-
Contributions subsequent to the measurement date	-	11,993
	<u>\$ 8,000</u>	<u>41,993</u>

The \$11,993 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019.

The components of deferred outflows of resources and deferred inflows of resources, other than the difference between the projected and actual investment earnings on investments, are amortized into pension expenses over 5.0 years, which is the average expected remaining service lives of active and inactive members. The components of deferred outflows of resources and deferred inflows of resources were amortized into pension expense over 5.15 years in the prior period. The annual difference between the projected and actual earnings on PSERS invests is amortized over a five-year period.

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The amounts of deferred outflows of resources and deferred inflows of resources related to the above items that will be recognized in OPEB expense in future periods as of June 30 are as follows:

Fiscal Year	PSERS	
	Deferred Inflows	Deferred Outflows
2019	\$ -	4,000
2020	-	4,000
2021	-	4,000
2022	-	4,000
Thereafter	-	5,000

*Actuarial assumptions and other inputs.* The total OPEB liability as of June 30, 2017 was determined by rolling forward the PSER's total OPEB liability as of the June 30, 2016 actuarial valuation to June 30, 2017 using the following actuarial assumptions, applied to all periods included in the measurement: (1) actuarial cost method – Entry Age Normal as a level percentage of pay; (2) investment return of 3.13% using the Standard & Poor's Municipal Bond Rate; (3) salary increases – effective average of 5.0%, which reflects an allowance for inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases; (4) non- disabled participants mortality rates based on the RP-2014 Mortality Tables of Males and Females, adjusted to reflect PSER's experience and projected using a modified version of MP-2015 Mortality Improvement Scale; disabled participants mortality rates based on the PR-2014 Mortality Tables for Males and Females, adjusted to reflect PSER's experience and projected using a modified version of the MP-2015 Mortality Improvement Scale; (5) healthcare cost trends applied to retirees with less than \$1,200 in premium assistance per year; and (6) participation rates of 50% of eligible retirees Pre Age 65 and 70% of eligible retirees Post Age 65.

The following actuarial assumptions were used to determine the contribution rate: (1) cost method – the amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date; (2) asset valuation method – market value; (3) participation rate – 63% of eligible retirees assumed to elect premium assistance; and (4) mortality rates and retirement ages – based on the PR-2000 Combined Healthy Annuitant Tables with age setback three for both males and females for healthy annuitants and dependent beneficiaries and the RP-2000 Combined Disabled tables with age setbacks seven years for males and three years for females for disabled annuitants. (A unisex table based on RP-2000 Combined Healthy Annuitant Tables with age setback three years for both genders assuming the population consists of 25% males and 75% females is used to determine actuarial equivalent benefits.)

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

The OPEB plan's policy in regards to the allocation of invested plan assets is established and may be amended by the Board. Under the program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

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OPEB Asset Class	2018	
	Target Allocation	Long-Term Expected Real Rate of Return
Cash	76.40%	0.60%
Fixed Income	23.60%	1.50%
	100.00%	

The above was the PSERS Board's adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2017.

The discount rate used to measure the total OPEB liability for PSERS was 3.13% for 2018. Under the plan's funding policy, contributions are structured for short-term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 3.13%, which represents the S&P 20-year Municipal Bond Rate at June 30, 2017, was applied to all projected benefit payments to measure the total OPEB liability.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the net OPEB liability at June 30, 2018, calculated using the discount rate of 3.13%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower (2.13%) or 1% point higher (4.13%) than the current rate:

	1% Decrease 2.13%	Current Discount Rate 3.13%	1% Increase 4.13%
2018 PSERS College's proportionate share of the net OPEB liability	\$ 206,000	181,000	161,000

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability at June 30, 2018, calculated using the discount rate of 3.13, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% point lower (2.13%) or 1% point higher (4.13%) than the current rate:

	1% Decrease 2.13%	Current Discount Rate 3.13%	1% Increase 4.13%
2018 PSERS College's proportionate share of the net OPEB liability	\$ 181,000	181,000	181,000

Detailed information about PSERS's fiduciary net position, plan's basis of accounting and information about the substance and magnitude of significant changes that have occurred is available PSERS Comprehensive Annual Financial Report which can be found on the System's website at [www.psers.state.pa.us](http://www.psers.state.pa.us).

### Port Authority of Allegheny County

**Plan Descriptions:** In addition to the pension benefits PAT provides certain post-retirement healthcare benefits to its retirees. In accordance with the Retirement and Disability Allowance Plans for union and non-union employees, post-retirement benefits are provided to those who become entitled to

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receive a pension allowance or a disability allowance. Post-retirement benefits consisting of medical, hospital, prescription, dental and vision insurance coverage, and Medicare Part B premium reimbursement is provided for the retiree.

Effective January 1, 2009, ATU and IBEW employees who were hired prior to July 1, 2012 must meet one of the following conditions to receive lifetime postretirement healthcare benefits: attainment of 30 years of service, age 65 with 10 years of service, age 62 with 20 years of service, or attainment of 25 years of service by June 30, 2012, known as "bridge eligible."

ATU employees hired on and after July 1, 2012 and IBEW employees hired between July 1, 2012 and April 30, 2015 will receive a maximum of 3 years of healthcare benefits following retirement. Eligibility for an unreduced pension benefit is required to receive retiree healthcare coverage. Such participants must meet one of the following conditions: age 55 with 25 years of service, age 55 with sum of age plus service equal to 85, age 65 with 10 years of service, or disabled with 10 years of service.

A new bargaining agreement effective May 1, 2015 has eliminated post-retirement healthcare for any IBEW employees hired on or after May 1, 2015.

NonRep employees who retired prior to July 1, 2007 receive postretirement healthcare benefits. Effective July 1, 2007, Non-Represented employees who retire with eligibility for a pension benefit (25 years of service with no age requirement if hired before December 1, 2005; age 55 with 10 years of service; or disabled with 10 years of service) may elect to continue healthcare coverage with the Authority but are required to pay the full amount of the premiums.

Funding Policy: PAT's contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2018, PAT contributed \$26.5 million (excluding the implicit rate subsidy) to the plans. Plan members receiving benefits contributed \$2.0 million through their contributions as required by the cost sharing provisions of the Plans. Under these provisions, retirees receiving benefits pay a certain percentage of any cost increases after the base year, as determined by the respective plans. Retiree cost sharing percentages for the ATU, IBEW, and NonRep plans are based on the particular healthcare coverage that is selected by the retiree, the number of family members covered and the age of the retiree and each covered family member, and when retirement became effective.

OPEB liability was measured as of December 31, 2017 and was determined by an actuarial valuation as of January 1, 2017. There were no plan changes between the January 1, 2017 valuation date and the December 31, 2017 liability measurement date. Standard actuarial techniques were used to roll forward the total pension liability from the valuation date to the measurement date.

Actuarial Assumptions. The methods and assumptions are as follows: discount rate, using Fidelity Fixed Income Market Data for Municipal GO AA Yield Curve at 20 years of 3.31%; actuarial cost method Individual Entry Normal Level Percent of Pay; plan participation of 100% of eligible ATU and IBEW employees (medical, dental, and vision coverage), 25% of eligible Non-Rep (medical coverage); RP-2000 Mortality Table, using separate rates for employees and annuitants, and adjusted for either blue collar (ATU) or white collar employees (IBEW, Non-Rep and spouses for all employee groups); salary increase: 3.5% per year; health care cost trend rates of medical/drug pre-Medicare 4-8%, medical/drug post-Medicare 4-5.5%, dental 4%, vision 2.5%, and Medicare part B 0-5.5%; and assumed rates of retirement as follows.

## Basic Financial Statements

**ATU**

<b>Age</b>	<b>Service Eligible</b>		<b>Bridge Eligible</b>
	<b>10 - 24 years</b>	<b>25 or more years</b>	
54 & Below	0.00%	40%	50%
55-59	0.20%	25%	50%
60-61	0.20%	10%	50%
62	10.00%	90%	60%
63-64	3.00%	30%	35%
65	80.00%	80%	100%
66-69	30.00%	30%	100%
70 & Over	100.00%	100%	100%

**IBEW and Non-Rep**

<b>Age</b>	<b>Reduced benefits for early retirement</b>	<b>Unreduced benefits</b>
54 & Below	0.00%	40%
55-59	3.00%	40%
60-64	0.00%	40%
65	0.00%	70%
66-69	0.00%	30%
70 & Over	0.00%	100%

Changes in Actuarial Assumptions. The assumed discount rate of 3.81% as of the beginning of the measurement period was changed to 3.31% as of the end of the measurement period. An update to the retirement assumption for ATU employees was made to reflect plan experience.

Changes in the Total OPEB Liability. The changes in the total OPEB liability of the Authority for the year ended June 30, 2018 were as follows:

	<b>Total OPEB Liability</b>
<b>Balances at 6/30/17</b>	\$ 572,249,157
<b>Changes for the year:</b>	
Service cost	8,347,027
Interest	21,539,115
Changes in assumptions	59,514,454
Benefit payments	(30,530,190)
Net changes	58,870,406
<b>Balances at 6/30/18</b>	\$ 631,119,563

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate- The following represents the total OPEB liability calculated using the stated discount rate, as well as what the total OPEB liability would be if it was calculated using a discount rate that is one percentage-point lower or one-percentage-point higher than the current rate:

<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
<b>2.31%</b>	<b>3.31%</b>	<b>4.31%</b>
\$ 716,938,819	631,119,563	560,386,241

## Basic Financial Statements

Sensitivity of the Total OPEB Liability to Changes in the medical trend rate – The following presents the total OPEB liability calculated using the stated medical trend assumption, as well as what the total OPEB liability would be if it was calculated using a medical trend rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Initial rate, pre-Medicare	7.00%	8.00%	9.00%
Initial rate, post-Medicare	3.25%	4.25%	5.25%
Ultimate rate	3.00%	4.00%	5.00%
	<u>\$ 554,643,008</u>	<u>631,119,563</u>	<u>723,918,083</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB- For the year ended June 30, 2018, the Authority recognized OPEB expense of \$44,056,250. Cash payments into the plan are included in fringe benefits on the statement of revenues, expenses, and changes in net position and any remaining excess (deficiency) is reported as OPEB expense, net.

Deferred outflows of resources related to Authority OPEB contributions subsequent to the measurement date of \$15,632,395 are recognized as a reduction of the net pension liability in the year ended June 30, 2018. At June 30, 2018, the Authority reported deferred outflows of resources related to OPEB of \$45,344,346 due to changes in assumptions and will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	
2019	\$ 14,170,108
2020	14,170,108
2021	14,170,108
2022	2,834,022
	<u>\$ 45,344,346</u>

### (12) Contingencies

The County is subject to certain regulatory and contractual requirements and is party to various litigation and claims, the more significant of which are described below. No amounts have been accrued for these cases unless otherwise stated.

A. The County receives significant financial assistance from federal and Commonwealth of Pennsylvania governmental agencies in the form of grants and other entitlements. The receipt of funds under such programs generally requires compliance with terms and conditions specified in the grant agreements, and is subject to audit by grantor agencies. Any disallowed costs resulting from such audits could become a liability of the County's General Fund or other applicable funds. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time. County management expects such additional amounts, if any, to be immaterial.

B. In the ordinary course of The County's operations, there are eleven various legal proceedings initiated by citizens, job applicants, subcontractor's employees, former or current County employees for alleged violations of civil and/or constitutional rights violations, such as, violations of ADA, FMLA, whistle blower statutes, wrongful terminations, political affiliation, race, gender, discrimination, and equal pay brought against the County. Management is of the opinion that these matters will not have a materially adverse effect on the County's financial position.

C. The County is a defendant in approximately eleven actions associated with former or current inmates for deaths, injuries, unwanted sexual contact, constitutional and/or civil rights violations. Discovery continues in three cases, one matter is being actively monitored by counsel, four have a

## Basic Financial Statements

pending motion to dismiss, one has a motion for summary judgment dismissed, one has a matter stayed until completion of the plaintiff's criminal trial, and one has yet to appear on a docket, but an attorney is assigned and the docket is being monitored. It is premature at this time to state with any degree of certainty the likelihood of favorable or unfavorable outcomes in any of these cases.

D. The County is a defendant in four cases filed by the administrators of a decedent's estate for constitutional or civil rights violations. The County is being indemnified and defended by outside counsel in one case, summary judgment motion is pending in one case, one case has been dismissed and an appeal has been filed and one case has a pending motion to dismiss. It is premature at this time to state with any degree of certainty the likelihood of favorable or unfavorable outcomes in any of these cases.

E. The County is a defendant or has received notice of six potential claims for deaths/personal injury and/or property damage from incidents on County roadways or properties. One case is in discovery, one case is being reviewed by counsel, one case has a pending motion to dismiss, one case The County is being indemnified and defended by an outside counsel, one case The Airport Authority has agreed to indemnify and defend on behalf of The County, and one case has a trial scheduled for May of 2019. It is premature at this time to state with any degree of certainty the likelihood of favorable or unfavorable outcomes in any of these cases.

F. Several real property tax assessments appeals are pending before the Court of Common Pleas. In aggregate these appeals represent amounts that may be considered material, but separately the amounts under consideration are generally minimal. The County has assigned \$1.0 million of its fund balance to pay the refunds associated with 2013 and 2014 appeals. It is premature at this time to state with any degree of certainty the likelihood of favorable or unfavorable outcomes in any of these cases.

### ***Component Units - Contingencies***

#### ***Allegheny County Airport Authority***

A. ACAA revenue bond obligations (the Revenue Bonds) total \$70,880,000 at December 31, 2018. The principal, interest and redemption premiums, if any, related to the Revenue Bonds are payable by ACAA only out of "net revenues" as defined and from such other monies as may be available for such purpose. Certain bonds are subject to various optional and mandatory sinking fund redemption requirements. The Revenue Bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any of ACAA's properties, including PIA, or upon any of its income, receipts or revenues except as noted above in Note 8. The holders of the Revenue Bonds have no claim upon the taxing power or tax revenues of the County.

ACAA's ability to derive net revenues from its operation of PIA depends upon various factors, many of which are not within the control of ACAA. The primary source of net revenues is the AOA (see Note 1) between ACAA and the signatory airlines. The AOA provides for the landing fees, terminal rentals and ramp fees to be charged the airlines. In addition, the signatory airlines are also obligated to pay costs associated with aircraft support systems and tenant improvements.

At any point in time, the U.S. economy, excess airline capacity and industry-wide competition through airfare discounting constitute significant constraints on the operations of the airlines. Due to these factors, the financial results of PIA are largely dependent upon conditions in the national economy and the U.S. airline industry, and the financial condition of carriers serving PIT.



## Basic Financial Statements

The scheduled payments of principal and interest on the Revenue Bonds when due are guaranteed by various third-party insurers and guarantors. Payment of the principal and interest on the Series 2001 Bonds is insured by MBIA. Payment of the principal and interest on the Series 2002 Refunding Bonds is insured by Financial Guaranty Insurance Company. The ultimate ability of such insurers and guarantors to meet their obligations with respect to the Revenue Bonds will be predicated on their future financial condition.

B. The Pennsylvania Department of Environmental Protection (DEP) issued an Administrative Order dated January 26, 1998, to the County, which alleges violations of a January 1994 Consent Order and Adjudication and violations of the Pennsylvania Clean Streams Law at PIA. The Administrative Order cited several violations, all of which have been resolved, except for the deicing. ACAA has withdrawn a previous appeal without prejudice and continues to negotiate with DEP to reach a resolution of the matter. ACAA continues to address the deicing issues and has spent and continues to budget for, significant capital funds in the near future to attempt to resolve the deicing issue.

C. In the ordinary course of ACAA's operations, there have been various legal proceedings brought against ACAA. ACAA management is of the opinion that these matters will not have a materially adverse effect on ACAA's financial position and results of operations. The Authority's Bylaws obligate the Authority to indemnify the members of ACAA's Board of Directors for claims filed against them in their capacity as board members, as well as for costs of defense. ACAA maintains Directors and Officers liability insurance to insure ACAA against losses and claims for its indemnification obligations. During 2018 certain Board Members notified ACAA that they had been named as defendants in a lawsuit filed by certain investors against an airline which had previously operated at the Airport and requested indemnification by ACAA in accordance with the Bylaws. Accordingly, ACAA is paying a portion of the legal fees incurred in connection with this litigation to the limited extent of its deductible and a small portion of the hourly rates.

### ***Port Authority of Allegheny County***

A. In the ordinary course of PAT's operations and capital grant projects, there have been various legal proceedings brought against PAT. Based on an evaluation which included consultation with outside legal counsel concerning the legal and factual issues involved, PAT management is of the opinion that these matters will not result in materially adverse effect on PAT's operations and financial position.

B. PAT is subject to State and federal audits by grantor agencies. These laws and regulations are complex and subject to interpretation. PAT management is not aware of any pending audit involving prior or current years; however, compliance with such laws and regulations can be subject to future reviews and interpretation, which could result in disallowed costs.

### ***Community College of Allegheny County***

A. During the normal course of operations, CCAC has been named as a defendant in certain legal actions and claims. CCAC management is of the opinion that the disposition of these legal actions and claims will not have a material adverse effect on the financial condition of CCAC. CCAC purchases commercial insurance to cover certain potential losses. The amount of settlement has not exceeded insurance coverage in fiscal year ended June 30, 2018.

B. CCAC received financial assistance from Federal and State agencies in the form of grants. The expenditures of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audits by the grantor agencies. Any



## Basic Financial Statements

disallowed claims resulting from such audits could become a liability of CCAC. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of CCAC at June 30, 2018.

C. In accordance with GASB Statement No. 49, "Accounting and Financial Reporting of Pollution Remediation Obligations", CCAC is required to recognize and disclose estimated costs for cleanup of pollution that CCAC might have an obligation to remediate. The pollution remediation liability is estimated by reviewing the current status of known polluted sites and developing estimates of cleanup costs. These estimates are subject to change due to improvements in technology, inflation, changes in the scope of work and the pursuit of reimbursement from other responsible parties. CCAC does not have any known remediation obligations. Accordingly, no recorded liability exist as of June 30, 2018.

### ***Redevelopment Authority of Allegheny County***

RAAC is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; breach of contract; and natural disasters, for which the RAAC carries commercial insurance. There have been no claims resulting from these risks in the current year.

RAAC receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of such funds generally requires compliance with contract requirements and is subject to audit. Any disallowed costs resulting from such audits could become a liability of RAAC. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time. RAAC management expects such amounts, if any, to be immaterial.

### ***Allegheny HealthChoices, Inc.***

AHCI's financial and program records are subject to examination by appropriate government authorities in accordance with terms of the various grant awards and contracts. The government authorities are authorized to review actual expenditures and to make necessary adjustments in subsequent reimbursements or request refunds of grant amounts, if warranted.

### ***Soldiers' and Sailors' Memorial Hall and Museum Trust, Inc.***

Memorial Hall is potentially liable for all expenses that may be disallowed pursuant to the terms of grant programs. Management is not aware of any material items of noncompliance that would result in the disallowance of program expenditures.

Certain grants require the fulfillment of conditions as set forth in the instrument of the grant, and failure to fulfill the conditions could result in the return of the funds to the grantor. The grant terms generally coincide with the objectives of Memorial Hall and, therefore, do not place any unusual restriction of the operations of Memorial Hall. Memorial Hall, by accepting the grants and their terms, intends to fulfill the required terms and provisions of the grants.

## Basic Financial Statements

### ***(13) Related Party Transactions (see Note 1)***

The County provides various administrative support services to the following related organizations:

Allegheny County Residential Finance Authority  
 Authority for Improvements in Municipalities  
 Allegheny County Hospital Development Authority  
 Allegheny County Higher Education Building Authority

The costs of services provided to these organizations are fully recovered through contractual arrangements.

The County also enters into agreements with the Allegheny County Housing Authority. These agreements are for services performed for the County by the Housing Authority related to federal and state grant projects.

### ***Component Unit – Related Party Transactions***

#### ***Port Authority of Allegheny County***

PAT has a contract with Transdev Services, Inc. which provides professional services to coordinate the paratransit system, ACCESS, which provides transit services within the County for elderly and handicapped individuals. Expenses under this contract amounted to \$27.1 million in fiscal 2018. PAT currently receives partial reimbursement for these services from the State in the form of a grant. The amount is based on ridership and average fare statistics. Revenue under this program totaled \$11.6 million in fiscal 2018.

#### ***Redevelopment Authority of Allegheny County***

RAAC has entered into an agreement to provide funding through RACP funds to ACAA for costs related to the Greater Pittsburgh International Airport World Trade Center Site Project and Clinton Industrial Park Project. RAAC paid \$1,878,764 in RACP funds to the ACAA. The Executive Director of RAAC was a Board member of the ACAA until September 2018.

RAAC has entered into an agreement with RIDC (who employs a RAAC Board member) to provide certain loan and grant funds. This agreement was entered into prior to the Board member being employed by RIDC.

RAAC approved the issuance of an EDF loan to RIDC to provide funding for the creation of a business park. The loan bears an annual interest rate of 4%. As of December 31, 2018 the loan has an outstanding balance of \$3,510,031.

RAAC entered into agreements with RIDC to provide funding through RACP grant funds for various redevelopment projects in the County. During fiscal year 2018, RAAC paid \$603,411 in RACP funding to RIDC.

## Basic Financial Statements

**(14) Derivative Financial Instruments**

During fiscal year 2007, the County entered into a pay-fixed, receive-variable interest rate swap contract. The interest rate swap was effective March 14, 2007. Per the swap agreement the County makes semi-annual interest payments on the first of each May and November through November 1, 2026. The counterparty makes quarterly interest payments on the first of each May, August, November and February through November 1, 2026.

The intention of the swap is to effectively change the County's variable interest rate on the \$43,945,000 General Obligation Refunding Notes, Series C-59B (Index Rate), (C-59B Notes), to a synthetic fixed rate of 4.1355%.

The Series C-59B Notes will accrue interest at a weekly rate that is determined by a remarketing agent on each effective rate date. Per the interest rate swap agreement, the County will receive 67% of 3 month LIBOR plus 0.55% while paying a fixed rate of 4.1355%. The counterparty's interest rate may not exceed a maximum of 15%. 3 month LIBOR at 12/31/2018 was 2.7970%.

The interest payments on the interest rate swap are calculated based on a notional amount of \$43,945,000, which reduces beginning on November 1, 2017, so that the notional amount approximates the principal outstanding on the Series C-59B Notes. The interest rate swap expires on November 1, 2026, consistent with the final maturity of the Series C-59B Notes.

During 2018, the County paid \$1,666,813 and received \$602,564 related to the swap.

As of December 31, 2018 and 2017, the swap had a fair value of (\$2,985,731) and (\$4,152,821), respectively. The current period change in market value of \$1,167,090 for the interest rate swap accounted for as a hedge is recorded on the statement of net position as a deferred outflow. The fair market value of the interest rate swap of December 31, 2018 is reported on the statement of net position as a swap liability. The mark to market value is an estimated net present value of the expected cash flows calculated using relevant mid-market data inputs and based on the assumption of no unusual market conditions or forced liquidation.

The County has the ability to early terminate the swap and to cash settle the transaction on any business day by providing at least two business days written notice to the counterparty. Evidence that the County has sufficient funds available to pay any amount payable to the counterparty must be provided at the time notice is given. At early termination, the County will be required to pay or receive a settlement amount which is comprised of the market value of the terminated transaction based on market quotations and any amounts accrued under the contract.

Through the use of derivative instruments such as this interest rate swap, the County is exposed to a variety of risks, including credit risk, interest rate risk, termination risk, market-access risk, and basis risk.

- Credit risk is the risk that a counterparty will not fulfill its obligations. The interest rate swap counterparty is rated A- by Standard and Poor's, a nationally recognized statistical rating organization. If the counterparty failed to perform according to the terms of the interest rate swap agreement, there is some risk of loss to the County, up to the fair market value of the swap. Performance of the counterparty as it relates to this transaction is guaranteed by the counterparty's parent company.

## Basic Financial Statements

Because the interest rate swap has a negative fair market value, there is no current credit risk to the County. This risk includes the potential for the counterparty to fail to make periodic variable rate payments to the County and the counterparty to fail to make termination payments to the County, if the swaps are terminated and a termination payment is due from the counterparty.

The County has not entered into a master netting arrangement with its counterparty, as there is only one transaction outstanding.

The County does not have an agreement with the counterparty that requires the counterparty to post collateral if certain circumstances exist related to the swap transaction. During the year, no collateral was posted by the counterparty nor had an event of termination occurred.

- Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the County's financial instruments or the County's cash flows. The County could be exposed to interest rate risk if long-term interest rates are less than 4.1355%.
- Termination risk is the risk that a derivative's unscheduled end will affect the County's asset/liability strategy or will present the County with potentially significant unscheduled termination payments to the counterparty. The counterparty to the transaction does not have the ability to voluntarily terminate the interest rate swap; however, the County is exposed to termination risk in the event that the counterparty defaults. The transaction would be considered to be terminated in the event that the counterparty's credit rating on their long-term unsecured, unenhanced senior debt (not taking into account the guarantee of the parent) is withdrawn, suspended or falls below Baa3 (Moody's) or BBB- (S&P).
- Basis risk is the risk that arises when variable interest rates on a derivative and an associated bond or other interest-paying financial instrument are based on different indexes. The County is not subject to basis risk as the interest index on the variable rate arm of the swap is based on the same index (67% 3-month LIBOR plus 0.55%) as the variable interest rate on the Series C-59B Notes.
- Rollover risk is the risk that a derivative associated with the County's debt does not extend to the maturity of that debt. When the derivative terminates, the associated debt will no longer have the benefit of the derivative. The County is not exposed to rollover risk as the swap agreement terminates on November 1, 2026 which is the same day as the last payment is due on the Series C-59B Notes.

### ***Allegheny County Airport Authority***

ACAA is a party to a forward delivery agreement. The agreement requires the counterparty to deposit securities in certain ACAA's debt service and debt service reserve trust accounts and provide ACAA with a guaranteed rate of return. The securities that are deposited into these accounts are timed to mature prior to scheduled debt service payment dates on the associated revenue bonds.

The agreement allows ACAA to earn a guaranteed fix rate of return over the life of the investments, in excess of a rate that would otherwise be feasible by investing in securities with a shorter term.

## Basic Financial Statements

The general terms of each agreement are set forth below:

<b>Series</b>	<b>Effective Date of Agreement</b>	<b>Termination Date</b>	<b>Scheduled Amount</b>	<b>Guaranteed Rate</b>	<b>Fair Value at 12-31-2018</b>
2001 Debit Service Reserve Account	10-04-2001	07-01-2022	\$ 8,329,078	4.7200%	\$ 523,796

The fair values of the agreement are based on the value of the future discounted cash flows expected to be received over the life of the agreement relative to an estimate of discounted cash flows that could be received over the same term based on current market conditions. As such agreements are effective hedging instruments, the offsetting balances are reflected as deferred inflows. The fair value of the agreements decreased \$274,495 for the year ended December 31, 2018.

Credit risk - ACAA is either holding cash or an approved security within certain debt service reserve funds. None of the principal amount of an investment is at risk to the credit of the counterparty. Should the counterparty default, ACAA maximum exposure is the positive termination value, if any, related to this agreement.

Interest Rate Risk - The fair market value of the agreement is expected to fluctuate over the life of the agreement in response to changes in interest rates. ACAA does not have a formally adopted policy related to interest rate risk on the agreement.

Termination Risk - ACAA or the counterparties may terminate the agreement if the other party fails to perform under the terms of the contract. If the agreement has a negative fair value at the time of termination, ACAA would be liable to the counterparty for a payment equivalent to the fair market value of the instrument at the time of termination.

## Basic Financial Statements

### **(15) Tax Abatements**

Tax Abatements are the result of agreements that are entered into by the County to forgo real estate tax revenues for the promise by an individual or entity to take specific action that contributes to economic development in the County. Currently, there are no tax abatements entered into by other governments that reduce the County's tax revenues.

The County has two real estate tax abatement programs: Tax Increment Financing (TIF) and Local Economic Revitalization Tax Assistance (LERTA).

#### ***Tax Increment Financing (TIF)***

TIF is a tool to encourage economic development and revitalization of blighted properties and underutilized property within the County. The Allegheny County TIF Program exists pursuant to the Pennsylvania Tax Increment Financing Act (53 P.S. §6930.1 et seq.). The Allegheny County TIF Program Guidelines created by Allegheny County Economic Development (ACED) and the Redevelopment Authority of Allegheny County (RAAC) provide an understanding of the County's policy and requirements for developments utilizing TIF. The TIF Application is evaluated by ACED to determine if the project, as a general matter, may be eligible for TIF assistance. Upon receipt of a deposit, ACED/RAAC engage a consultant to perform a market study and development impact analysis which may be used to determine the eligibility of the proposed project under the requirements set forth by the Commonwealth and County. Evaluation requirements considered for a TIF include economic and fiscal impact of the new development, demonstration of the need for TIF, value added to local economy, private investment leverage, type and location of development, project developer experience and other relevant criteria. Prior to the County ordinance authorizing the TIF exemption, RAAC must certify the area to be in need of redevelopment pursuant to the provision of the Urban Redevelopment Law of Pennsylvania of May 24, 1945 (35 P.S. 1701, et seq.). TIFs utilize a portion of future real estate property tax revenues resulting directly from a development. The taxes are pledged to support a revenue bond in connection with the issuance of notes to pay for certain costs of capital improvements necessary within an area.

Incremental increases in real estate property tax revenues within a specific area can finance costs related to that development. Tax revenues are pledged and assigned to RAAC in order to assist in the funding of project costs within a specific area, over a term up to 20 years. Usually 60% of real estate taxes allocable to increased market value over the tax base market value are pledged during the term of the agreement. If the aggregate incremental real estate taxes exceed the debt service on the obligations then the excess will be returned based on the terms of the agreement.

During 2018, twenty-six (26) TIFs received abatement from County's real estate property tax. The total County tax abated during this period was \$3,730,721 related to various projects to support public infrastructure. The total amount abated was recorded as tax revenue and an Economic Development expense in the financial statements.

#### ***Local Economic Revitalization Tax Assistance (LERTA)***

The LERTA program is a tool to encourage private investment and rehabilitation of deteriorated properties within Allegheny County. The LERTA program exists pursuant to the Commonwealth of Pennsylvania Local Economic Revitalization Tax Assistance Act 76 of 1977 (72 P.S. §4722, et seq.). Authorization of a LERTA can be driven by either a developer for a specific project or a municipality seeking to redevelop a deteriorated area or facilitate a new economic development project. The Allegheny County LERTA Program Guidelines created by Allegheny County Economic Development (ACED) provide an understanding of the County's policy and requirements for using LERTA. Evaluation

## Basic Financial Statements

requirements considered for a LERTA include economic and fiscal impact of the new development, demonstration of the need for LERTA, value added to local economy, private investment leverage, type and location of development. The LERTA Project Review Form is evaluated by ACED to determine eligibility under requirements set forth by the Commonwealth and County. ACED facilitates a meeting for community engagement in the Project. Prior to the County ordinance authorizing the LERTA exemption, the local municipal government must affix the boundaries of the deteriorated area during a public hearing. The determination of deteriorated areas takes into account criteria set forth in the Urban Redevelopment Law of Pennsylvania of May 24, 1945 (35 P.S. 1701, et seq.). LERTA allows for an exemption of real estate property tax for the assessed valuation of new construction or improvements to certain industrial, commercial or other business property in deteriorated areas. An exemption is provided on the assessment attributable to a portion of the actual cost of new construction or improvements.

Each agreement has a proposed development, termination date and maximum tax exemption and/or yearly maximum tax exemptions. The LERTA exemption schedules are generally between 5 and 10 years at 100% declining each year by 20%. The Allegheny County Office of Property Assessment (OPA) assesses the property to determine the valuation attributable to the actual costs of the improvements to the deteriorated property in conjunction with the project. There is no provision or conditions for recapturing.

During 2018, sixty-three (63) properties in six municipalities received an exemption from County's real estate property tax. The total County tax abated during 2018 was \$2,131,049 related to various projects such as, the renovation of a building into a hotel, redevelopment of a Brownfield, the construction of three new warehouse/light industrial buildings, and the construction an apartment building with parking.

## Basic Financial Statements





## Required Supplementary Information

**REQUIRED SUPPLEMENTARY INFORMATION**

In accordance with Governmental Accounting Standards Board Statement No. 34, the Budgetary Comparison Schedule for the General Fund's legally adopted annual budget is presented as required supplementary information.

In accordance with Governmental Accounting Standards Board Statement No. 68, the Schedule of Changes in the Net Pension Liability and the Schedule of Contributions for the County and its' component units are presented as required supplementary information.

In accordance with Governmental Accounting Standards Board Statement No. 75, the Schedule of Changes in the Total OPEB Liability and Related Ratios for the County and its component units are presented as required supplementary information.

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## Required Supplementary Information



## Required Supplementary Information

## Exhibit 12

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended December 31, 2018**

	Budget		Actual	Variance to Final Budget
	Original Budget	Final Budget		
Revenues:				
Property taxes	\$ 303,655,014	303,655,014	304,975,720	1,320,706
Sales and use tax	49,225,200	49,225,200	51,445,652	2,220,452
Hotel tax	5,300,000	5,300,000	5,335,932	35,932
Gaming local share assessment	5,600,000	5,600,000	5,546,519	(53,481)
Licenses and permits	3,579,794	3,579,794	3,134,459	(445,335)
Federal revenues	85,529,078	85,529,078	57,595,831	(27,933,247)
State revenues	194,657,377	194,657,377	170,053,561	(24,603,816)
Local government units revenues	20,812,500	20,812,500	20,610,439	(202,061)
Charges for services and facilities	96,133,693	96,133,693	141,938,859	45,805,166
Fines and forfeitures	4,068,000	4,068,000	4,121,219	53,219
Interest earnings	2,505,786	2,505,786	2,788,165	282,379
Miscellaneous	4,647,991	4,647,991	10,600,781	5,952,790
Total revenues	775,714,433	775,714,433	778,147,137	2,432,704
Expenditures:				
Current:				
General government	221,241,515	213,030,957	212,652,508	(378,449)
Public safety	117,331,561	128,662,965	128,662,942	(23)
Public works	16,752,697	16,779,009	16,779,002	(7)
Health and welfare	355,844,860	354,074,914	353,169,475	(905,439)
Culture and recreation	18,761,703	19,323,170	19,205,759	(117,411)
Education	25,794,339	25,794,339	25,794,339	-
Economic development	3,963,518	3,963,518	2,102,899	(1,860,619)
Total expenditures	759,690,193	761,628,872	758,366,924	(3,261,948)
Excess of revenues over expenditures	16,024,240	14,085,561	19,780,213	5,694,652
Other financing sources (uses):				
Transfers in	1,205,000	1,205,000	2,221,749	1,016,749
Transfers out	(17,229,240)	(17,229,240)	(17,095,183)	134,057
Total other financing uses	(16,024,240)	(16,024,240)	(14,873,434)	1,150,806
Net change in fund balances	-	(1,938,679)	4,906,779	6,845,458
Fund balances at beginning of year	83,583,383	83,583,383	83,583,383	-
Fund balances at end of year	\$ 83,583,383	81,644,704	88,490,162	6,845,458

See notes to required supplementary information.

## Required Supplementary Information

### **Notes to the Required Supplementary Information**

#### **(1) Budgetary Data**

The County's 2018 comprehensive fiscal plan, which includes the annual appropriated budgets reflected in the supplemental financial statements, was adopted for the primary government as outlined below based upon provisions of the County's Home Rule Charter.

The County Manager prepared the 2018 comprehensive fiscal plan, consisting of the 2018 operating budget and capital budget, a two-year projected operating budget, a five-year capital improvement plan, a grants and special revenues budget, a trust and agency budget and a budget message. The operating budget included proposed expenditures and estimated revenues for the General Fund, the Liquid Fuel and Transportation Tax Fund (Special Revenue Funds) and the Debt Service Fund. The budgets for the capital, other special revenue (Human Service and County Grant Funds) and Trust and Agency Funds were adopted on a project basis that covers the life of the project.

No later than 75 days before the end of the year, the Chief Executive must appear before County Council to present the budget message and to submit the fiscal plan. County Council must hold a minimum of two public hearings on the proposal to obtain taxpayers' comments.

No later than 25 days before the end of the fiscal year, the Council must adopt, by resolution, a balanced operating and capital budget for the fiscal year 2018 and established a property tax millage rate for the coming fiscal year. Before adoption, Council is able to add, delete, increase or decrease any appropriation item.

Budgeted appropriations can be amended to the extent that additional, expendable financial resources become available. Only the appropriations for the operating budget lapse at year-end. Previous year encumbrances for all budgets are reappropriated.

Operating budget appropriation transfers within the same department may be approved by the joint signatures of the County Controller, Director of Budget and Finance and Budget Director of County Council. Approval of these transfers shall not alter the total approved budget appropriation allocated to a department, but shall merely reallocate resources within a department's approved budget. Operating Budget transfers may be made between and within departments between the last County Council meeting in December to the last day the books of the County remain open and need to be approved with the same joint signatures. These transfers are subject to ratification by County Council at their earliest appropriate meeting of the subsequent fiscal year.

Bill No. 10388-17 established 2018's Operating Budget at \$905,750,000, of which \$776,919,433 is for the General Fund, including other financing uses of \$17,229,240.

The 2018 operating budget was adopted using the modified accrual basis of accounting, and revenues and expenditures are presented in accordance with generally accepted accounting principles accepted in the United States. Legal control over expenditures was exercised by total budget, by fund, by department and by character of expenditure.

#### **(2) Legal Compliance**

##### **Adopted Budget**

In 2018, no Department incurred expenditures that exceeded their budget, once adjusted with operating budget appropriation transfers.

## Required Supplementary Information

## Exhibit 13

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Changes in the County's Net Pension Liability**  
**And Related Ratios**  
**Last Five Years**

	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Service cost	\$ 49,762,212	49,757,279	30,707,225	30,573,729	34,628,592
Interest	112,947,656	107,626,883	110,765,848	106,192,763	98,256,438
Changes of benefit terms	-	-	-	8,150,316	-
Differences between expected and actual experience	20,169,422	34,811,005	35,351,752	(1,277,131)	-
Changes of assumptions	56,077,221	(38,440,255)	443,570,618	9,448,604	(218,138,548)
Benefit payments, including refunds of employee contributions	(107,006,347)	(101,578,731)	(96,537,679)	(91,468,361)	(83,481,880)
<b>Net change in total pension liability</b>	<u>131,950,164</u>	<u>52,176,181</u>	<u>523,857,764</u>	<u>61,619,920</u>	<u>(168,735,398)</u>
<b>Total pension liability - beginning</b>	<u>2,026,854,704</u>	<u>1,974,678,523</u>	<u>1,450,820,759</u>	<u>1,389,200,839</u>	<u>1,557,936,237</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 2,158,804,868</u>	<u>2,026,854,704</u>	<u>1,974,678,523</u>	<u>1,450,820,759</u>	<u>1,389,200,839</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 38,142,513	35,123,482	33,975,748	32,925,519	29,830,945
Contributions - employee	38,344,289	35,184,080	34,102,601	33,151,939	30,170,618
Net investment income	(33,016,189)	115,610,121	66,162,258	11,081,867	35,993,408
Benefit payments, including refunds of employee contributions	(107,006,347)	(101,578,731)	(96,537,679)	(91,468,361)	(83,481,880)
Administrative expense	(1,605,245)	(1,454,127)	(1,381,567)	(1,325,422)	(1,274,058)
<b>Net change in plan fiduciary net position</b>	<u>(65,140,979)</u>	<u>82,884,825</u>	<u>36,321,361</u>	<u>(15,634,458)</u>	<u>11,239,033</u>
<b>Plan fiduciary net position - beginning</b>	<u>940,654,841</u>	<u>857,770,016</u>	<u>821,448,655</u>	<u>837,083,113</u>	<u>825,844,080</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 875,513,862</u>	<u>940,654,841</u>	<u>857,770,016</u>	<u>821,448,655</u>	<u>837,083,113</u>
<b>County's net pension liability - ending (a) - (b)</b>	<u>\$ 1,283,291,006</u>	<u>1,086,199,863</u>	<u>1,116,908,507</u>	<u>629,372,104</u>	<u>552,117,726</u>
<b>Split of Net Pension Liability</b>					
ACAA	\$ 98,817,359	81,391,583	83,549,481	48,915,429	51,686,847
County of Allegheny	<u>1,184,473,647</u>	<u>1,004,808,280</u>	<u>1,033,359,026</u>	<u>580,456,675</u>	<u>500,430,879</u>
	<u>\$ 1,283,291,006</u>	<u>1,086,199,863</u>	<u>1,116,908,507</u>	<u>629,372,104</u>	<u>552,117,726</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	40.56%	46.41%	43.44%	56.62%	60.26%
<b>Covered payroll</b>	\$ 392,349,773	378,411,951	361,963,695	350,743,858	337,015,597
<b>County's net pension liability as a percentage of covered payroll</b>	327.08%	287.04%	308.57%	179.44%	163.83%

**Notes to Schedule:**

*Changes of assumptions 2018.* The discount rate changed from 5.54% to 5.31% at December 31, 2018.

*Changes of assumptions 2017.* The discount rate changed from 5.37% to 5.54% at December 31, 2017.

*Changes of assumptions 2016.* The discount rate changed from 7.75% to 5.37% at December 31, 2016.

Period (number of years) of projected benefit payments:

Discounted at LTRR: through 2039

Discounted at MBR: 2040 and later.

\* Reporting and Measurement date is December 31, of each year.

Note: This schedule is being prepared prospectively with GASB 68 until 10 years are presented.

## Required Supplementary Information

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of County Contributions**  
**Last Ten Years**

	2018	2017	2016	2015
Statutory required contribution	\$ 38,142,513	35,123,482	33,975,748	32,925,519
Contributions in relation to the actuarially determined contribution	38,142,513	35,123,482	33,975,748	32,925,519
Contribution deficiency (excess)	\$ -	-	-	-
Covered payroll*	\$ 392,349,773	378,411,951	361,963,695	350,743,858
Contributions as a percentage of covered payroll	9.72%	9.28%	9.39%	9.39%

**Notes to Schedule**

\* Prospective estimate of payroll as of the respective January 1 actuarial valuation date.

Valuation date: January 1, of each year.

Methods and assumptions used to determine contribution rates:

## Interest Rates

Discount Rate	2018 changed to 5.31%, from 5.54%, net of investment expenses
Discount Rate	2017 changed to 5.54%, from 5.37%, net of investment expenses
Discount Rate	2016 changed to 5.37%, prior to 2016 7.75%, net of investment expenses
Plan Funding	7.75%, net of investment expenses

## Mortality

Healthy	RP-2000 Combined Table (Base Year = 2010), with blue-collar adjustments and with generational projections for future improvements by scale AA.
Disabled	RP-2000 Disabled Mortality Table. No future mortality improvement.
General Inflation	2.75% per annum
Salary Scale	Salaries are assumed to increase by age categories. This assumption includes GSA as well as merits, grade and promotion-related adjustments ranging from 3.25% to 5.75%. See Note 10.
Asset Valuation	Market value
Actuarial cost method	Entry age normal
Amortization	None

## Other information:

*Benefit changes.* For employees hired or re-hired on or after February 21, 2014 the vesting changed from 8 to 10 years, the service requirement from 20 to 25 years and the final average salary is the monthly average of the highest 48 months of compensation of the last eight years of service and overtime compensation is limited to 10% of base pay.

## Required Supplementary Information

## Exhibit 14

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of County Contributions**  
**Last Ten Years**

2014	2013	2012	2011	2010	2009
29,830,945	27,587,089	27,224,149	23,406,380	20,115,911	19,256,793
29,830,945	27,587,089	27,224,149	23,406,380	20,115,911	19,256,793
-	-	-	-	-	-
337,015,597	339,905,490	340,880,866	357,290,379	340,878,581	326,803,000
8.85%	8.12%	7.99%	6.55%	5.90%	5.89%

## Required Supplementary Information





## Required Supplementary Information

## Exhibit 15

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Changes in PAT's Net Pension Liability**  
**and Related Ratios - ATU**  
**Last Four Years**

	2018	2017	2016	2015
<b>Total pension liability</b>				
Service cost	\$ 17,959,953	17,641,994	16,952,228	14,262,520
Interest	71,007,455	70,211,764	69,033,870	64,022,119
Differences between expected and actual experience	(2,103,754)	(2,141,941)	3,688,462	-
Changes of assumptions	(10,620,990)	(4,479,512)	47,574,706	-
Benefit payments, including refunds of employee contributions and certain healthcare expenses	(66,892,328)	(65,950,889)	(65,427,602)	(64,382,251)
Employer reimbursement for healthcare expenses	2,033,015	1,936,792	1,864,037	1,808,498
<b>Net change in total pension liability</b>	<u>11,383,351</u>	<u>17,218,208</u>	<u>73,685,701</u>	<u>15,710,886</u>
<b>Total pension liability - beginning</b>	<u>1,009,310,090</u>	<u>992,091,882</u>	<u>918,406,181</u>	<u>902,695,295</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 1,020,693,441</u>	<u>1,009,310,090</u>	<u>992,091,882</u>	<u>918,406,181</u>
<b>Plan fiduciary net position</b>				
Plan member contributions	\$ 14,312,058	13,930,234	13,482,012	13,068,460
Employer actuarially recommended contributions	29,117,937	26,080,452	22,261,679	20,047,266
Net investment income	100,845,535	35,100,028	(2,750,524)	39,425,414
Benefit payments, including refunds of employee contributions and certain healthcare expenses	(66,892,328)	(65,950,889)	(65,427,602)	(64,382,251)
Employer reimbursement for healthcare expenses	2,033,015	1,936,792	1,864,037	1,808,498
Administrative expense	(582,040)	(496,899)	(583,165)	(530,846)
<b>Net change in plan fiduciary net position</b>	<u>78,834,177</u>	<u>10,599,718</u>	<u>(31,153,563)</u>	<u>9,436,541</u>
<b>Plan fiduciary net position - beginning</b>	<u>670,913,665</u>	<u>660,313,947</u>	<u>691,467,510</u>	<u>682,030,969</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 749,747,842</u>	<u>670,913,665</u>	<u>660,313,947</u>	<u>691,467,510</u>
<b>County's net pension liability - ending (a) - (b)</b>	<u>\$ 270,945,599</u>	<u>338,396,425</u>	<u>331,777,935</u>	<u>226,938,671</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	73.45%	66.47%	66.56%	75.29%
<b>Covered payroll</b>	\$ 135,837,359	131,743,024	127,714,679	123,363,442
<b>County's net pension liability as a percentage of covered payroll</b>	199.46%	256.86%	259.78%	183.96%

Note: This schedule is being prepared prospectively with GASB 68 until 10 years are presented.

## Required Supplementary Information

## Exhibit 16

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Changes in PAT's Net Pension Liability**  
**and Related Ratios - IBEW**  
**Last Four Years**

	2018	2017	2016	2015
<b>Total pension liability</b>				
Service cost	\$ 248,724	238,162	252,182	278,428
Interest	1,850,223	1,860,812	1,830,476	1,804,357
Changes of benefit terms	-	-	16,606	-
Differences between expected and actual experience	(234,234)	(259,056)	(327,711)	-
Changes of assumptions	-	650,549	669,288	-
Benefit payments, including refunds of employee contributions and certain healthcare expenses	(2,058,112)	(2,108,295)	(2,095,130)	(2,134,184)
Employer reimbursement for healthcare expenses	59,062	60,528	60,633	56,122
<b>Net change in total pension liability</b>	<b>(134,337)</b>	<b>442,700</b>	<b>406,344</b>	<b>4,723</b>
<b>Total pension liability - beginning</b>	<b>26,588,638</b>	<b>26,145,938</b>	<b>25,739,594</b>	<b>25,734,871</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 26,454,301</b>	<b>26,588,638</b>	<b>26,145,938</b>	<b>25,739,594</b>
<b>Plan fiduciary net position</b>				
Plan member contributions	\$ 184,388	155,496	120,620	106,547
Employer actuarially recommended contributions	806,107	913,536	828,090	815,889
Net investment income	2,458,203	1,127,108	(62,544)	1,266,792
Benefit payments, including refunds of employee contributions and certain healthcare expenses	(2,058,112)	(2,108,295)	(2,095,130)	(2,134,184)
Employer reimbursement for healthcare expenses	59,062	60,528	60,633	56,122
Administrative expense	(67,221)	(42,495)	(59,812)	(60,407)
<b>Net change in plan fiduciary net position</b>	<b>1,382,427</b>	<b>105,878</b>	<b>(1,208,143)</b>	<b>50,759</b>
<b>Plan fiduciary net position - beginning</b>	<b>18,051,704</b>	<b>17,945,826</b>	<b>19,153,969</b>	<b>19,103,210</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 19,434,131</b>	<b>18,051,704</b>	<b>17,945,826</b>	<b>19,153,969</b>
<b>County's net pension liability - ending (a) - (b)</b>	<b>\$ 7,020,170</b>	<b>8,536,934</b>	<b>8,200,112</b>	<b>6,585,625</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>73.46%</b>	<b>67.89%</b>	<b>68.64%</b>	<b>74.41%</b>
<b>Covered payroll</b>	<b>\$ 1,845,900</b>	<b>1,864,753</b>	<b>1,916,931</b>	<b>2,130,900</b>
<b>County's net pension liability as a percentage of covered payroll</b>	<b>380.31%</b>	<b>457.81%</b>	<b>427.77%</b>	<b>309.05%</b>

Note: This schedule is being prepared prospectively with GASB 68 until 10 years are presented.

## Required Supplementary Information

## Exhibit 17

**COUNTY OF ALLEGHENY COUNTY, PENNSYLVANIA**  
**Schedule of Changes in PAT's Net Pension Liability**  
**and Related Ratios - NonRep**  
**Last Four Years**

	2018	2017	2016	2015
<b>Total pension liability</b>				
Service cost	\$ 1,116,566	1,176,670	1,155,659	1,190,636
Interest	8,974,766	8,864,104	8,602,050	8,294,767
Differences between expected and actual experience	275,652	904,469	362,560	-
Changes of assumptions	-	1,632,561	2,903,673	-
Benefit payments, including refunds of employee contributions and certain healthcare expenses	(8,878,245)	(8,981,209)	(8,764,596)	(8,512,796)
Employer reimbursement for healthcare expenses	203,652	185,834	174,680	166,456
<b>Net change in total pension liability</b>	<u>1,692,391</u>	<u>3,782,429</u>	<u>4,434,026</u>	<u>1,139,063</u>
<b>Total pension liability - beginning</b>	<u>127,096,394</u>	<u>123,313,965</u>	<u>118,879,939</u>	<u>117,740,876</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 128,788,785</u>	<u>127,096,394</u>	<u>123,313,965</u>	<u>118,879,939</u>
<b>Plan fiduciary net position</b>				
Plan member contributions	\$ 1,025,619	1,090,555	1,111,025	1,154,760
Employer actuarially recommended contributions	6,118,561	6,190,809	5,667,461	5,313,090
Net investment income	10,398,441	4,657,193	(270,864)	4,854,389
Benefit payments, including refunds of employee contributions and certain healthcare expenses	(8,878,245)	(8,981,209)	(8,764,596)	(8,512,796)
Employer reimbursement for healthcare expenses	203,652	185,834	174,680	166,456
Administrative expense	(194,676)	(113,635)	(140,666)	(160,534)
<b>Net change in plan fiduciary net position</b>	<u>8,673,352</u>	<u>3,029,547</u>	<u>(2,222,960)</u>	<u>2,815,365</u>
<b>Plan fiduciary net position - beginning</b>	<u>75,284,087</u>	<u>72,254,540</u>	<u>74,477,500</u>	<u>71,662,135</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 83,957,439</u>	<u>75,284,087</u>	<u>72,254,540</u>	<u>74,477,500</u>
<b>County's net pension liability - ending (a) - (b)</b>	<u>\$ 44,831,346</u>	<u>51,812,307</u>	<u>51,059,425</u>	<u>44,402,439</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	65.19%	59.23%	58.59%	62.65%
<b>Covered payroll</b>	\$ 9,767,772	10,153,575	10,581,158	10,997,673
<b>County's net pension liability as a percentage of covered payroll</b>	458.97%	510.29%	482.55%	403.74%

Note: This schedule is being prepared prospectively with GASB 68 until 10 years are presented.

## Required Supplementary Information

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of PAT Contributions**  
**Last Ten Years**

	2018	2017	2016	2015
Actuarially determined contribution:				
ATU	\$ 29,117,937	25,162,906	23,179,225	20,047,266 *
IBEW	806,107	913,536	828,090	815,889
NonRep	6,118,561	6,190,809	5,667,461	5,313,090
	<u>36,042,605</u>	<u>32,267,251</u>	<u>29,674,776</u>	<u>26,176,245</u>
Contributions in relation to the actuarially determined contribution:				
ATU	29,117,937	25,162,906	23,179,225	20,047,266
IBEW	806,107	913,536	828,090	815,889
NonRep	6,118,561	6,190,809	5,667,461	5,313,090
	<u>36,042,605</u>	<u>32,267,251</u>	<u>29,674,776</u>	<u>26,176,245</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll:				
ATU	\$ 135,837,359	131,743,024	127,714,679	123,363,442
IBEW	1,845,900	1,864,753	1,916,931	2,130,900
NonRep	9,767,772	10,153,575	10,581,158	10,997,673
	<u>\$ 147,451,031</u>	<u>143,761,352</u>	<u>140,212,768</u>	<u>136,492,015</u>
Contributions as a percentage of covered payroll	24.44%	22.45%	21.16%	19.18%

**Notes to Schedule**

Valuation date: Actuarial calculations are performed each year as of January 1. Contributions noted above are as of each pension plan's calendar year ending December 31 using actuarially determined contribution rates calculated as of January 1, one year prior to the end of the calendar year in which contributions are reported.

## Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual Entry Age Normal
Amortization method	Level-dollar monthly payments
Remaining amortization period	15 years
Asset valuation method	Smoothed market value (with phase-in)
Inflation	2.50%
Salary increases	3.50% (with exception for years covered by the ATU and IBEW collective bargaining agreement)
Investment rate of return	7.25% IBEW and NonRep (8.00% for 2013 and prior)
	8.00% ATU
Mortality	For healthy lives, mortality is in accordance with the RP-2000 Combined Mortality Table adjusted for white collar employees with fully-generational projected mortality improvement under Scale AA. For disabled lives, mortality is in accordance with the disabled mortality table specified in IRS Revenue Ruling 96-7 for disabilities occurring prior to 1995.

The NonRep plan was closed to new participants effective September 1, 2011.

The IBEW plan was closed to new participants effective January 1, 2012.

\* Preliminary contributions for \$22,261,679 had been determined for the 2015 plan year. The final contribution determination for 2015, reflecting changes approved by the Retirement Committee, was completed in January 2017. A final contribution of \$917,546 toward the 2015 plan year funding was made by the Authority in February 2017.

## Required Supplementary Information

## Exhibit 18

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of PAT Contributions**  
**Last Ten Years**

2014	2013	2012	2011	2010	2009
17,602,620	13,984,742	23,546,814	17,480,911	23,346,064	9,908,915
848,189	774,765	653,215	477,378	679,059	381,249
6,100,903	4,674,158	5,254,033	4,734,816	5,037,719	3,687,745
24,551,712	19,433,665	29,454,062	22,693,105	29,062,842	13,977,909
17,602,620	13,984,742	23,546,814	17,480,911	23,346,064	9,908,915
848,189	774,765	653,215	477,378	679,059	381,249
6,100,903	4,674,158	5,254,033	4,734,816	5,037,719	3,687,745
24,551,712	19,433,665	29,454,062	22,693,105	29,062,842	13,977,909
-	-	-	-	-	-
120,440,624	121,432,288	122,817,450	128,613,838	125,199,519	124,938,277
2,267,698	2,404,723	2,775,982	2,902,075	2,850,839	2,815,850
11,821,211	14,030,280	16,665,376	17,946,884	17,457,219	16,330,872
134,529,533	137,867,291	142,258,808	149,462,797	145,507,577	144,084,999
18.25%	14.10%	20.70%	15.18%	19.97%	9.70%

## Required Supplementary Information

## Exhibit 19

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Changes in CCAC's Net Pension Liability**  
**and Related Ratios**  
**Last Five Years**

**Schedule of CCAC's Proportionate Share of the Net Pension Liability**  
**Pennsylvania State Employees' Retirement System Pension Plan**

	2018	2017	2016	2015	2014
CCAC's proportion of the net pension liability (asset)	0.01373%	0.01222%	0.01096%	0.00936%	0.01207%
CCAC's proportionate share of the net pension liability (asset)	\$ 2,373,448	2,353,456	1,992,757	1,389,994	1,649,081
CCAC's covered payroll	918,336	800,441	748,662	584,094	425,448
CCAC's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	258.45%	294.02%	266.18%	237.97%	387.61%
Plan fiduciary net position as a percentage of the total pension liability	63.00%	57.80%	58.90%	64.80%	66.70%

**Schedule of CCAC SERS Contributions**

Contractually required contribution	\$ 279,453	192,720	165,126	105,687	92,510
Contributions in relation to the contractually required contribution	279,453	192,720	165,126	105,687	92,510
CCAC's covered payroll	947,822	886,516	748,662	584,094	425,448
Contributions as a percentage of covered payroll	29.48%	21.74%	22.06%	18.09%	21.74%

**Schedule of CCAC's Proportionate Share of the Net Pension Liability**  
**Public School Employees' Retirement System**

	2018	2017	2016	2015	2014
CCAC's proportion of the net pension liability (asset)	0.0089%	0.0073%	0.0068%	0.0067%	0.0071%
CCAC's proportionate share of the net pension liability (asset)	\$ 4,396,000	3,618,000	2,945,000	2,652,000	2,907,000
Commonwealth of Pennsylvania's proportionate share of the net pension liability (asset)	4,396,000	3,618,000	2,945,000	2,652,000	2,907,000
Total proportionate share of the net pension liability (asset)	\$ <u>8,792,000</u>	<u>7,236,000</u>	<u>5,890,000</u>	<u>5,304,000</u>	<u>5,814,000</u>
CCAC's covered payroll	1,181,639	950,088	878,019	858,059	908,725
CCAC's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	372.03%	380.80%	335.41%	309.07%	319.90%
Plan fiduciary net position as a percentage of the total pension liability	51.84%	50.14%	54.36%	57.24%	54.50%

**Schedule of CCAC PSERS Contributions**

Contractually required contribution	\$ 458,639	349,367	251,307	192,681	155,021
Contributions in relation to the contractually required contribution	458,639	349,367	251,307	192,681	155,021
CCAC's covered payroll	1,421,378	1,401,222	878,019	858,059	908,725
Contributions as a percentage of covered payroll	32.26%	24.93%	28.62%	22.46%	17.06%

**Notes to Schedule:**

Information prior to 2014 is not readily available.

*Changes of benefit terms.* There were no changes in benefit terms affecting SERS and PSERS plans for the plan years.

*Changes of assumptions.* There were no changes in assumptions or plan amendments affecting SERS and PSERS plans for the plan years.

Note: This schedule is being prepared prospectively with GASB 68 until 10 years are presented.

## Required Supplementary Information

## Exhibit 20

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Changes in the Total OPEB Liability**  
**and Related Ratios**

	2018	2017
<b>Total OPEB liability</b>		
Service cost	\$ 1,507,878	1,482,616
Interest	2,072,523	2,311,873
Differences between expected and actual experience	-	(6,719,082)
Changes of assumptions or other inputs	1,295,967	1,860,872
Benefit payments	(1,983,634)	(1,904,449)
<b>Net change in total OPEB liability</b>	<u>2,892,734</u>	<u>(2,968,170)</u>
<b>Total OPEB liability - beginning</b>	54,828,661	57,796,831
<b>Total OPEB liability - ending</b>	\$ <u>57,721,395</u>	<u>54,828,661</u>
 <b>Covered payroll</b>	 \$ 340,231,489	 331,933,160
<b>County's OPEB liability as a percentage of covered payroll</b>	16.97%	16.52%

**Notes to Schedule:**

GASB 75 was implemented beginning with the fiscal year ended December 31, 2017.

*Changes of assumptions.*

Discount rate used for fiscal year ending:

2018	3.56%
2017	3.78%

For the 12/31/18 valuation, changes were made to the mortality table.

For the 12/31/17 valuation, changes were made to the aging factors, mortality table, cost method, and the utilization of the monthly incentive for Sheriffs and Correctional Officers.

Note: This schedule is being prepared prospectively with GASB 75 until 10 years are presented.

## Required Supplementary Information

## Exhibit 21

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Changes in ACAA's OPEB Liability**  
**and Related Ratios**

	2018
<b>Total OPEB liability</b>	
Service cost	\$ 30,683
Interest	36,343
Differences between expected and actual experience	(1,574)
Benefit payments	(112,446)
<b>Net change in total OPEB liability</b>	(46,994)
<b>Total OPEB liability - beginning</b>	1,323,553
<b>Total OPEB liability - ending</b>	\$ 1,276,559
 <b>Covered payroll</b>	 \$ 1,708,786
<b>County's OPEB liability as a percentage of covered payroll</b>	74.71%

Note: This schedule is being prepared prospectively with GASB 75 until 10 years are presented.



## Required Supplementary Information

## Exhibit 22

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Changes in CCAC's OPEB Liability**  
**and Related Ratios**

	2018
<b>Total OPEB liability</b>	
Service cost	\$ 14,993
Interest	5,465
Expected Return on Assets	(299)
Differences between expected and actual experience	48
Changes of assumptions or other inputs	3,594
Administrative expenses	199
<b>Net change in total OPEB liability</b>	<b>24,000</b>
<b>Total OPEB liability - beginning</b>	<b>157,000</b>
<b>Total OPEB liability - ending</b>	<b>\$ 181,000</b>

**Schedule of CCAC's Proportionate Share of the OPEB Liability**  
**Public School Employees' Retirement System**

CCAC's proportion of the net OPEB liability (asset)	0.00890%
CCAC's proportionate share of the net OPEB liability (asset)	\$ 181,000
Commonwealth of Pennsylvania's proportionate share of the net OPEB liability (asset)	181,000
Total proportionate share of the net OPEB liability (asset)	\$ 362,000
CCAC's covered payroll	1,181,639
CCAC's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	15.32%
Plan fiduciary net position as a percentage of the total OPEB liability	5.73%

**Schedule of CCAC PSERS Contributions**

Contractually required contribution	\$ 11,993
Contributions in relation to the contractually required contribution	11,993
Contribution deficiency (excess)	-
CCAC's covered payroll	1,181,639
Contributions as a percentage of covered payroll	1.01%

Information prior to 2018 is not readily available.

Changes of benefit terms. There were no changes in benefit terms affecting SERS and PSERS plans for the plan years.  
 Changes of assumptions. There were no changes in assumptions or plan amendments affecting SERS and PSERS plans for the plan years.

Note: This schedule is being prepared prospectively with GASB 75 until 10 years are presented.

## Required Supplementary Information

## Exhibit 23

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Changes in PAT's OPEB Liability**  
**and Related Ratios - ATU**

	2018
<b>Total OPEB liability</b>	
Service cost	\$ 7,862,601
Interest	18,970,326
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	55,044,733
Benefit payments	(26,713,212)
<b>Net change in total OPEB liability</b>	<u>55,164,448</u>
<b>Total OPEB liability - beginning</b>	<u>503,402,823</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 558,567,271</u></u>
 <b>Covered payroll</b>	 \$ 128,520,603
<b>County's OPEB liability as a percentage of covered payroll</b>	 434.61%

Note: This schedule is being prepared prospectively with GASB 75 until 10 years are presented.

## Required Supplementary Information

## Exhibit 24

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Changes in PAT's OPEB Liability**  
**and Related Ratios - IBEW**

	2018
<b>Total OPEB liability</b>	
Service cost	\$ 277,648
Interest	644,668
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	1,169,548
Benefit payments	(696,907)
<b>Net change in total OPEB liability</b>	<b>1,394,957</b>
<b>Total OPEB liability - beginning</b>	<b>16,991,232</b>
<b>Total OPEB liability - ending</b>	<b>\$ 18,386,189</b>
 <b>Covered payroll</b>	 <b>\$ 3,018,623</b>
<b>County's OPEB liability as a percentage of covered payroll</b>	<b>609.09%</b>

Note: This schedule is being prepared prospectively with GASB 75 until 10 years are presented.

## Required Supplementary Information

## Exhibit 25

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Changes in PAT's OPEB Liability**  
**and Related Ratios - Nonrep**

	2018
<b>Total OPEB liability</b>	
Service cost	\$ 206,778
Interest	1,924,121
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	3,300,173
Benefit payments	(3,120,071)
<b>Net change in total OPEB liability</b>	<u>2,311,001</u>
<b>Total OPEB liability - beginning</b>	<u>51,855,102</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 54,166,103</u></u>
 <b>Covered payroll</b>	 \$ 19,182,175
<b>County's OPEB liability as a percentage of covered payroll</b>	 282.38%

Note: This schedule is being prepared prospectively with GASB 75 until 10 years are presented.

Supplementary Information



**SUPPLEMENTARY INFORMATION**

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## Supplementary Information



## Supplementary Information

**COMBINING OTHER  
GOVERNMENTAL FUNDS  
FINANCIAL STATEMENTS**

Combines the County's Liquid Fuel Tax Special Revenue Fund, Transportation Special Revenue Fund and Debt Service Fund.

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## Supplementary Information





## Supplementary Information

## Exhibit 26

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Combining Balance Sheet**  
**Other Governmental Funds**  
**December 31, 2018**

	Transportation Fund	Liquid Fuel Tax Fund	Infrastructure Support Fund	Debt Service Fund	Totals
<b>Assets</b>					
Cash and short-term investments	\$ 6,414,724	-	-	-	6,414,724
Restricted cash and short-term investments	-	14,031	1,320,787	8,362,702	9,697,520
Delinquent property taxes receivable, net	-	-	-	1,526,684	1,526,684
Liened property taxes receivable, net	-	-	-	7,137,652	7,137,652
Due from other funds	-	-	-	304,231	304,231
Alcoholic beverage tax receivable	3,657,760	-	-	-	3,657,760
Rental vehicle tax receivable	596,803	-	-	-	596,803
Accrued penalty and interest receivable	-	-	-	60,112	60,112
Accrued interest receivable	-	24	2,546	11,378	13,948
<b>Total assets</b>	<b>\$ 10,669,287</b>	<b>14,055</b>	<b>1,323,333</b>	<b>17,402,759</b>	<b>29,409,434</b>
<b>Liabilities</b>					
Vouchers payable	\$ -	-	359,494	-	359,494
Accrued interest payable	-	-	-	1,759	1,759
Due to other funds	-	-	92,929	540,290	633,219
Accrued liabilities	-	-	415,948	-	415,948
Tax refunds payable	-	-	-	108,304	108,304
Matured bonds payable	-	-	-	80,000	80,000
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>868,371</b>	<b>730,353</b>	<b>1,598,724</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes	-	-	-	8,664,336	8,664,336
<b>Fund balances</b>					
Restricted for:					
Debt Service on energy bonds	-	-	-	4,416,471	4,416,471
Debt Service on bonds for capitalized interest	-	-	-	3,724,212	3,724,212
Road maintenance expenditures	-	14,055	-	-	14,055
Transit system	10,669,287	-	-	-	10,669,287
Assigned to:					
Purchases on order	-	-	454,962	-	454,962
Unassigned:	-	-	-	(132,613)	(132,613)
<b>Total fund balances</b>	<b>10,669,287</b>	<b>14,055</b>	<b>454,962</b>	<b>8,008,070</b>	<b>19,146,374</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 10,669,287</b>	<b>14,055</b>	<b>1,323,333</b>	<b>17,402,759</b>	<b>29,409,434</b>

## Supplementary Information

## Exhibit 27

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Governmental Funds**  
**Year Ended December 31, 2018**

	Transportation Fund	Liquid Fuel Tax Fund	Infrastructure Support Fund	Debt Service Fund	Totals
Revenues:					
Property taxes	\$ -	-	-	59,253,705	59,253,705
Alcoholic beverage tax	43,224,155	-	-	-	43,224,155
Rental vehicle tax	7,588,394	-	-	-	7,588,394
Federal revenues	-	-	-	333,180	333,180
State revenues	-	4,095,630	4,413,220	74,686	8,583,536
Local governmental units revenues	-	-	-	534	534
Interest earnings	-	6,102	46,408	472,581	525,091
Total revenues	50,812,549	4,101,732	4,459,628	60,134,686	119,508,595
Expenditures:					
Transportation	31,894,599	-	-	-	31,894,599
Public works	-	4,249,478	4,212,754	-	8,462,232
Debt service:					
Principal	-	-	-	34,362,500	34,362,500
Interest	-	-	-	37,766,389	37,766,389
Total expenditures	31,894,599	4,249,478	4,212,754	72,128,889	112,485,720
Excess (deficiency) of revenues over expenditures	18,917,950	(147,746)	246,874	(11,994,203)	7,022,875
Other financing sources (uses):					
Issuance of general obligation bonds	-	-	-	4,760,014	4,760,014
Transfer in	-	-	-	9,120,362	9,120,362
Transfer out	(24,283,482)	-	-	-	(24,283,482)
Total other financing sources (uses)	(24,283,482)	-	-	13,880,376	(10,403,106)
Net change in fund balances	(5,365,532)	(147,746)	246,874	1,886,173	(3,380,231)
Fund balances at beginning of year	16,034,819	161,801	208,088	6,121,897	22,526,605
Fund balances at end of year	\$ 10,669,287	14,055	454,962	8,008,070	19,146,374

## Supplementary Information

**GENERAL FUND**

The General Fund is the primary operating fund of the County. It is used to account for all financial resources except those accounted for in other funds.

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## Supplementary Information



## Supplementary Information

## Exhibit A-1 (Page 1 of 2)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Balance Sheet**  
**General Fund**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	2018	2017
<u>Assets</u>		
Cash and short-term investments	\$ 98,362,146	46,537,406
Delinquent property taxes receivable, net of \$960,904 allowance for uncollectible property taxes in 2018 and \$1,247,549 in 2017	7,845,455	7,363,255
Liened property taxes receivable, net of \$4,515,888 allowance for uncollectible property taxes in 2018 and \$4,507,292 in 2017	27,858,855	23,571,673
Sales tax receivable	9,194,488	8,713,336
Due from other funds:		
Liquid Fuel Tax Fund	-	251,947
Debt Service Fund	540,290	318,551
Infrastructure Support Fund	92,929	16,254
Risk Management Fund	122,215	88,216
County Capital Projects Fund	200,698	1,777,397
Human Services Grants Fund	11,467,193	3,810,602
County Grants Fund	912,094	2,439,998
	<u>13,335,419</u>	<u>8,702,965</u>
Due from other governments:		
Federal	10,675,133	53,347,619
State	23,975,204	19,138,610
Other	8,928	-
	<u>34,659,265</u>	<u>72,486,229</u>
Less: allowance for doubtful accounts	(971,480)	(1,294,721)
	<u>33,687,785</u>	<u>71,191,508</u>
Other accounts receivable	19,336,654	15,740,840
Less: allowance for doubtful accounts	(2,514,556)	(2,389,210)
	<u>16,822,098</u>	<u>13,351,630</u>
Due from component units	1,121,943	1,849,866
Accrued penalty and interest receivable	317,481	246,433
Accrued interest receivable	321,117	131,088
	<u>1,760,541</u>	<u>2,227,387</u>
Total assets	<u>\$ 208,866,787</u>	<u>181,659,160</u>

## Supplementary Information

## Exhibit A-1 (Page 2 of 2)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Balance Sheet**  
**General Fund**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	2018	2017
<u>Liabilities</u>		
Vouchers payable	\$ 22,769,447	6,478,786
Accrued payroll	8,179,131	8,006,101
Payroll withholdings	2,192,609	2,118,697
Due to other funds:		
Debt Service Fund	304,231	251,417
Risk Management Fund	433,666	848,958
County Capital Projects Fund	295,850	26,869
Human Services Grants Fund	6,217,848	7,556,049
County Grants Fund	5,293,737	3,945,218
	<u>12,545,332</u>	<u>12,628,511</u>
Tax refunds payable	556,562	390,792
Accrued liabilities	24,888,422	25,956,459
Due to other governments:		
State	322,440	269,315
Local Government Unit	194	324
Unearned revenue	9,780,558	6,973,855
Accrued pension costs	1,392,794	1,300,588
Accrued workers' compensation	657,328	653,257
Accrued unemployment compensation	<u>127,486</u>	<u>155,975</u>
Total liabilities	<u>83,412,303</u>	<u>64,932,660</u>
<u>Deferred Inflows of Resources</u>		
Unavailable revenue - property taxes	<u>36,964,322</u>	<u>33,143,117</u>
<u>Fund balance</u>		
Assigned to:		
Purchases on order	926,009	863,993
2013 Board of Viewer tax appeals	361,694	433,509
2014 Board of Viewer tax appeals	674,278	674,753
Future healthcare cost	33,000,000	31,000,000
Claims and Judgments	3,000,000	2,000,000
Unassigned	<u>50,528,181</u>	<u>48,611,128</u>
Total fund balance	<u>88,490,162</u>	<u>83,583,383</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u><u>208,866,787</u></u>	<u><u>181,659,160</u></u>

## Supplementary Information

## Exhibit A-2 (Page 1 of 3)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018			2017
	Final Budget	Actual	Variance	Actual
Revenues:				
Property taxes:				
Current	\$ 286,926,190	289,001,017	2,074,827	284,806,132
Delinquent	12,882,426	11,883,332	(999,094)	10,021,937
Liened	4,030,462	4,237,630	207,168	4,428,452
Interest and penalty	2,890,936	3,120,162	229,226	3,014,962
Payment in lieu of taxes	650,000	624,459	(25,541)	531,810
Tax refunds	(3,725,000)	(3,890,880)	(165,880)	(3,020,389)
	<u>303,655,014</u>	<u>304,975,720</u>	<u>1,320,706</u>	<u>299,782,904</u>
Sales and use tax	49,225,200	51,445,652	2,220,452	49,137,286
Hotel rental tax	5,300,000	5,335,932	35,932	5,214,634
Gaming local share assessment	5,600,000	5,546,519	(53,481)	5,291,862
	<u>363,780,214</u>	<u>367,303,823</u>	<u>3,523,609</u>	<u>359,426,686</u>
Licenses and permits:				
Firearm licenses	447,750	456,519	8,769	423,317
Hunting, fishing and dog licenses	180,000	165,694	(14,306)	169,647
Road opening permits	284,000	190,606	(93,394)	278,022
Pole & wire privilege	22,000	21,207	(793)	21,207
Health licenses and permits - food	1,790,744	1,772,587	(18,157)	1,742,531
Health licenses and permits - housing	270,000	256,410	(13,590)	248,127
Flammable liquid permits	438,200	133,275	(304,925)	105,050
Small games of chance permits	98,500	103,400	4,900	100,300
Bingo permits	16,000	15,835	(165)	15,460
Other licenses and permits	32,600	18,926	(13,674)	27,840
	<u>3,579,794</u>	<u>3,134,459</u>	<u>(445,335)</u>	<u>3,131,501</u>
Federal revenues:				
Maintenance of prisoners	1,500,000	4,340,200	2,840,200	1,488,993
Skilled and intermediate nursing care	32,586,989	3,485,915	(29,101,074)	27,235,587
Medicare	7,527,768	6,289,981	(1,237,787)	10,008,335
Title XX - Social Services	1,181,711	1,181,711	-	1,181,712
Title IV - Foster Care	200,000	175,686	(24,314)	158,194
Title IV-B - Adoption Services	874,095	874,095	-	874,095
Title IV-E - Child Placement	20,615,216	21,273,810	658,594	19,166,156
Title IV-E - Adoption Assistance	10,101,771	9,159,305	(942,466)	13,800,124
Title IV-E - Independent Living	-	-	-	444,587
Title IV-E - Guardianship Assistance	2,464,726	2,338,670	(126,056)	-
Temporary assistance to needy families	7,373,893	7,277,068	(96,825)	7,373,843
Title XIX - Medicaid	86,709	99,441	12,732	100,435
Juvenile court reimbursement	965,000	940,608	(24,392)	948,760
Miscellaneous	51,200	159,341	108,141	76,177
	<u>85,529,078</u>	<u>57,595,831</u>	<u>(27,933,247)</u>	<u>82,856,998</u>
State revenues:				
Court operations	1,982,000	1,958,620	(23,380)	1,982,042
Juvenile probation	2,165,000	2,164,568	(432)	2,164,567
Adult probation	420,000	412,222	(7,778)	413,903

## Supplementary Information

## Exhibit A-2 (Page 2 of 3)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018			
	Final Budget	Actual	Variance	2017 Actual
Lunch reimbursement	98,000	103,815	5,815	102,929
Public utility tax	460,000	383,802	(76,198)	376,013
Health department	8,012,970	6,633,478	(1,379,492)	7,055,806
Jurors fees reimbursement	85,000	66,493	(18,507)	68,354
Skilled and intermediate nursing care	29,790,000	3,405,793	(26,384,207)	25,266,205
Medical assistance paid prescriptions	400,000	109,743	(290,257)	464,620
Act 148 - Children, Youth and Family Services	131,595,242	140,408,387	8,813,145	132,438,078
Act 148 - Special Grant Initiative	14,375,276	9,347,044	(5,028,232)	13,186,803
Interpreter cost reimbursement	-	47,340	47,340	50,805
Miscellaneous	5,273,889	5,012,256	(261,633)	5,314,994
	<u>194,657,377</u>	<u>170,053,561</u>	<u>(24,603,816)</u>	<u>188,885,119</u>
Local governmental units revenues:				
Regional Asset District contractual revenue	20,812,500	20,610,439	(202,061)	20,206,313
	<u>20,812,500</u>	<u>20,610,439</u>	<u>(202,061)</u>	<u>20,206,313</u>
Charges for services and facilities:				
General government	40,969,100	36,324,935	(4,644,165)	35,820,484
Public safety	12,123,140	10,459,899	(1,663,241)	10,201,373
Health	3,858,850	3,894,879	36,029	3,933,547
Recreation	3,810,639	3,447,060	(363,579)	3,332,935
Election	15,500	193,742	178,242	9,226
Use of property and equipment	2,300,000	2,345,528	45,528	2,126,700
Patient income	8,000,000	9,580,143	1,580,143	16,547,002
Collection from parents and guardians	1,305,003	1,437,353	132,350	1,267,811
Managed Care/IGT	-	6,645,145	6,645,145	-
Administrative fees	1,236,943	2,089,779	852,836	1,129,413
Private pay	3,200,000	3,557,331	357,331	4,006,277
Commercial insurance	19,222,518	61,835,436	42,612,918	9,466,803
Miscellaneous	92,000	127,629	35,629	78,794
	<u>96,133,693</u>	<u>141,938,859</u>	<u>45,805,166</u>	<u>87,920,365</u>
Fines and forfeitures:				
District courts	3,950,000	4,080,562	130,562	3,977,099
Miscellaneous	118,000	40,657	(77,343)	93,177
	<u>4,068,000</u>	<u>4,121,219</u>	<u>53,219</u>	<u>4,070,276</u>
Interest earnings	2,505,786	2,788,165	282,379	1,616,345
Miscellaneous revenues:				
Other receipts	4,647,991	10,600,781	5,952,790	5,674,902
	<u>4,647,991</u>	<u>10,600,781</u>	<u>5,952,790</u>	<u>5,674,902</u>
Total revenues	<u>775,714,433</u>	<u>778,147,137</u>	<u>2,432,704</u>	<u>753,788,505</u>



## Supplementary Information

## Exhibit A-2 (Page 3 of 3)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018			
	Final Budget	Actual	Variance	2017 Actual
Expenditures:				
Current:				
General government	213,030,957	212,652,508	(378,449)	206,019,868
Public safety	128,662,965	128,662,942	(23)	120,354,868
Public works	16,779,009	16,779,002	(7)	15,731,225
Health and welfare	354,074,914	353,169,475	(905,439)	346,420,585
Culture and recreation	19,323,170	19,205,759	(117,411)	18,201,207
Education	25,794,339	25,794,339	-	25,291,215
Economic development	3,963,518	2,102,899	(1,860,619)	4,343,082
	<u>761,628,872</u>	<u>758,366,924</u>	<u>(3,261,948)</u>	<u>736,362,050</u>
Total expenditures	<u>761,628,872</u>	<u>758,366,924</u>	<u>(3,261,948)</u>	<u>736,362,050</u>
Excess of revenue over expenditures	<u>14,085,561</u>	<u>19,780,213</u>	<u>5,694,652</u>	<u>17,426,455</u>
Other financing sources (uses):				
Operating transfers in	1,205,000	2,221,749	1,016,749	1,635,635
Operating transfers out	<u>(17,229,240)</u>	<u>(17,095,183)</u>	<u>134,057</u>	<u>(13,444,138)</u>
Total other financing uses	<u>(16,024,240)</u>	<u>(14,873,434)</u>	<u>1,150,806</u>	<u>(11,808,503)</u>
Net change in fund balance	<u>(1,938,679)</u>	<u>4,906,779</u>	<u>6,845,458</u>	<u>5,617,952</u>
Fund balance at beginning of year	<u>83,583,383</u>	<u>83,583,383</u>	<u>-</u>	<u>77,965,431</u>
Fund balance at end of year	<u>\$ 81,644,704</u>	<u>88,490,162</u>	<u>6,845,458</u>	<u>83,583,383</u>

## Supplementary Information

## Exhibit A-3 (Page 1 of 18)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Operating Expenditures - Budget and Actual**  
**General Fund**

**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

		2018						
		Adopted Budget	Prior Reappropriations	Budget Amendments/Transfers	Final Budget	Actual	Variance	2017 Actual
<b>General Government:</b>								
<b>County Executive:</b>								
\$								
Personnel		299,124	-	(23,114)	276,010	276,009	(1)	270,693
Fringe Benefits		127,968	-	(22,038)	105,930	105,929	(1)	104,114
Services		27,616	-	(4,563)	23,053	14,948	(8,105)	19,402
Supplies		2,300	-	-	2,300	1,953	(347)	1,950
Minor Equipment		3,056	-	-	3,056	-	(3,056)	-
Expenditure Recovery		(11,000)	-	-	(11,000)	(10,642)	358	(10,390)
		449,064	-	(49,715)	399,349	388,197	(11,152)	385,769
<b>County Council:</b>								
Personnel		744,776	-	(285,210)	459,566	459,565	(1)	446,351
Fringe Benefits		257,006	-	(129,500)	127,506	127,505	(1)	131,321
Services		206,300	-	(108,844)	97,456	97,455	(1)	101,632
Supplies		23,000	25	(10,301)	12,724	12,722	(2)	13,862
Repairs and Maintenance		1,000	-	(1,000)	-	-	-	205
Minor Equipment		25,500	-	(18,871)	6,629	6,628	(1)	6,525
Expenditure Recovery		-	-	(5,786)	(5,786)	(5,787)	(1)	(2,269)
		1,257,582	25	(559,512)	698,095	698,088	(7)	697,627
<b>County Manager:</b>								
Personnel		1,344,690	-	(137,701)	1,206,989	1,206,988	(1)	1,045,866
Fringe Benefits		447,515	-	(66,899)	380,616	380,615	(1)	338,266
Services		33,010	-	(7,625)	25,385	25,384	(1)	27,148
Supplies		17,585	55	(11,594)	6,046	6,043	(3)	12,813
Repairs and Maintenance		2,000	-	(2,000)	-	-	-	175
Minor Equipment		15,000	-	(15,000)	-	-	-	2,072
Expenditure Recovery		(29,000)	-	(34,818)	(63,818)	(63,819)	(1)	(39,414)
		1,830,800	55	(275,637)	1,555,218	1,555,211	(7)	1,386,926

## Supplementary Information

## Exhibit A-3 (Page 2 of 18)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Operating Expenditures - Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018						
	Adopted Budget	Prior Reappropriations	Budget Amendments/Transfers	Final Budget	Actual	Variance	2017 Actual
<b>Budget &amp; Finance:</b>							
Personnel	642,032	-	(15,010)	627,022	627,021	(1)	600,596
Fringe Benefits	171,871	-	13,852	185,723	185,722	(1)	163,985
Services	124,372	-	(69,156)	55,216	55,215	(1)	49,700
Supplies	6,000	-	(2,146)	3,854	3,120	(734)	2,646
Repairs and Maintenance	1,707	-	-	1,707	367	(1,340)	228
Expenditure Recovery	(8,006)	-	-	(8,006)	(8,253)	(247)	(9,094)
	937,976	-	(72,460)	865,516	863,192	(2,324)	808,061
<b>County Solicitor:</b>							
Personnel	3,260,460	-	(287,154)	2,973,306	2,973,305	(1)	3,004,985
Fringe Benefits	1,312,973	-	-	1,312,973	1,246,577	(66,396)	1,246,537
Services	492,700	-	(125,416)	367,284	367,283	(1)	398,032
Supplies	75,100	-	2,523	77,623	77,622	(1)	71,712
Repairs and Maintenance	-	-	500	500	195	(305)	-
Minor Equipment	5,700	-	(3,566)	2,134	793	(1,341)	5,781
Expenditure Recovery	(2,719,000)	-	-	(2,719,000)	(2,650,956)	68,044	(2,611,935)
	2,427,933	-	(413,113)	2,014,820	2,014,819	(1)	2,115,112
<b>Law Department-</b>							
Duquesne University Law Library:							
Services	507,000	-	-	507,000	507,000	-	500,000
<b>Public Defender:</b>							
Personnel	6,750,657	-	(249,437)	6,501,220	6,501,219	(1)	6,270,312
Fringe Benefits	2,664,771	-	(280,324)	2,384,447	2,384,446	(1)	2,329,584
Services	419,600	-	(32,490)	387,110	387,109	(1)	486,343
Supplies	50,000	-	6,800	56,800	53,004	(3,796)	55,331
Repairs and Maintenance	466	-	615	1,081	1,080	(1)	859
Minor Equipment	10,000	-	(2,300)	7,700	7,699	(1)	10,832
Expenditure Recovery	(60,000)	-	-	(60,000)	(56,427)	3,573	(84,220)
	9,835,494	-	(557,136)	9,278,358	9,278,130	(228)	9,069,041

## Supplementary Information

## Exhibit A-3 (Page 3 of 18)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Operating Expenditures - Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018						
	Adopted Budget	Prior Reappropriations	Budget Amendments/Transfers	Final Budget	Actual	Variance	2017 Actual
Minority/Women's Business Enterprise:							
Personnel	423,512	-	(42,896)	380,616	380,615	(1)	379,925
Fringe Benefits	167,414	-	(4,370)	163,044	162,708	(336)	160,736
Services	135,990	-	8,735	144,725	144,724	(1)	110,238
Supplies	8,221	-	(1,267)	6,954	6,953	(1)	6,780
Repairs and Maintenance	1,353	-	(121)	1,232	1,231	(1)	1,169
Minor Equipment	824	-	2,239	3,063	3,062	(1)	2,440
	<u>737,314</u>	<u>-</u>	<u>(37,680)</u>	<u>699,634</u>	<u>699,293</u>	<u>(341)</u>	<u>661,288</u>
Human Resources:							
Personnel	1,257,575	-	(137,721)	1,119,854	1,119,853	(1)	1,150,516
Fringe Benefits	556,677	-	(61,282)	495,395	495,394	(1)	515,544
Services	343,195	397	(15,662)	327,930	327,929	(1)	339,891
Supplies	7,000	-	280	7,280	7,279	(1)	3,083
Minor Equipment	2,800	-	(600)	2,200	521	(1,679)	-
Expenditure Recovery	(48,717)	-	-	(48,717)	(47,630)	1,087	(43,526)
	<u>2,118,530</u>	<u>397</u>	<u>(214,985)</u>	<u>1,903,942</u>	<u>1,903,346</u>	<u>(596)</u>	<u>1,965,508</u>
Administrative Services-							
Administration:							
Personnel	1,621,161	-	(243,172)	1,377,989	1,377,988	(1)	1,239,406
Fringe Benefits	668,376	-	-	668,376	550,713	(117,663)	514,670
Services	2,676,075	-	(109,994)	2,566,081	2,566,080	(1)	2,386,697
Supplies	152,350	100	(4,606)	147,844	147,843	(1)	143,195
Materials	2,000	-	-	2,000	253	(1,747)	-
Repairs and Maintenance	237,280	-	800	238,080	208,987	(29,093)	214,606
Minor Equipment	4,350	-	6,000	10,350	7,733	(2,617)	12,346
Expenditure Recovery	(2,600,000)	-	-	(2,600,000)	(2,449,899)	150,101	(2,318,426)
	<u>2,761,592</u>	<u>100</u>	<u>(350,972)</u>	<u>2,410,720</u>	<u>2,409,698</u>	<u>(1,022)</u>	<u>2,192,494</u>

## Supplementary Information

## Exhibit A-3 (Page 4 of 18)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Operating Expenditures - Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018						
	Adopted Budget	Prior Reappropriations	Budget Amendments/Transfers	Final Budget	Actual	Variance	2017 Actual
<b>Administrative Services-</b>							
Property Assessment:							
Personnel	2,839,792	-	(144,907)	2,694,885	2,690,396	(4,489)	2,732,654
Fringe Benefits	1,337,116	-	(99,946)	1,237,170	1,237,169	(1)	1,289,704
Services	989,522	30,620	(152,346)	867,796	867,795	(1)	831,030
Supplies	41,500	-	(2,173)	39,327	39,325	(2)	37,396
Materials	1,700	-	(1,700)	-	-	-	-
Repairs and Maintenance	3,500	-	240	3,740	3,739	(1)	2,475
Minor Equipment	40,900	-	(33,767)	7,133	7,132	(1)	3,769
	5,254,030	30,620	(434,599)	4,850,051	4,845,556	(4,495)	4,897,028
<b>Administrative Services-</b>							
Management Information Systems:							
Personnel	4,611,820	-	(213,498)	4,398,322	4,398,321	(1)	4,292,387
Fringe Benefits	1,689,961	-	(23,279)	1,666,682	1,611,701	(54,981)	1,602,608
Services	1,561,100	2,427	(576,095)	987,432	882,876	(104,556)	2,627,223
Supplies	21,000	-	-	21,000	20,323	(677)	12,128
Materials	8,000	1,573	1,000	10,573	6,926	(3,647)	3,640
Repairs and Maintenance	304,000	16,099	(95,000)	225,099	136,266	(88,833)	136,726
Minor Equipment	29,500	1,247	-	30,747	10,827	(19,920)	26,764
Expenditure Recovery	(1,865,200)	-	-	(1,865,200)	(1,662,884)	202,316	(1,716,378)
	6,360,181	21,346	(906,872)	5,474,655	5,404,356	(70,299)	6,985,098
<b>Administrative Services-</b>							
Purchasing and Supplies:							
Personnel	465,485	-	(40,660)	424,825	424,824	(1)	465,056
Fringe Benefits	215,660	-	(2,051)	213,609	213,608	(1)	224,030
Services	47,090	-	(21,779)	25,311	20,303	(5,008)	55,026
Supplies	4,500	-	(1,678)	2,822	2,267	(555)	3,021
Materials	200	-	-	200	-	(200)	-
Repairs and Maintenance	200	-	-	200	93	(107)	-
Minor Equipment	1,700	-	-	1,700	1,537	(163)	1,169
	734,835	-	(66,168)	668,667	662,632	(6,035)	748,302

## Supplementary Information

## Exhibit A-3 (Page 5 of 18)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Operating Expenditures - Budget and Actual**  
**General Fund**

**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018						
	Adopted Budget	Prior Reappropriations	Budget Amendments/Transfers	Final Budget	Actual	Variance	2017 Actual
Administrative Services- Elections:							
Personnel	1,694,258	-	(90,000)	1,604,258	1,602,471	(1,787)	1,574,844
Fringe Benefits	799,026	-	-	799,026	731,718	(67,308)	768,944
Services	3,538,219	3,500	312,000	3,853,719	3,811,140	(42,579)	3,143,531
Supplies	77,000	-	-	77,000	54,171	(22,829)	55,662
Repairs and Maintenance	2,000	-	3,000	5,000	2,532	(2,468)	-
Minor Equipment	1,000	-	-	1,000	-	(1,000)	600
	6,111,503	3,500	225,000	6,340,003	6,202,032	(137,971)	5,543,581
Administrative Services- Marketing and Special Events:							
Personnel	364,402	-	(3,764)	360,638	357,890	(2,748)	274,111
Fringe Benefits	105,017	-	8,764	113,781	113,780	(1)	77,814
Services	1,098,750	-	(10,005)	1,088,745	1,065,697	(23,048)	951,034
Supplies	35,000	-	6,200	41,200	40,086	(1,114)	24,673
Materials	250	-	(250)	-	-	-	-
Minor Equipment	2,000	28,041	1,000	31,041	30,998	(43)	84,968
	1,605,419	28,041	1,945	1,635,405	1,608,451	(26,954)	1,412,600
Administrative Services- Real Estate:							
Personnel	1,845,628	-	(299,095)	1,546,533	1,546,532	(1)	1,674,087
Fringe Benefits	822,636	-	(78,551)	744,085	716,424	(27,661)	775,381
Services	162,638	-	25,071	187,709	187,708	(1)	127,535
Supplies	27,797	-	-	27,797	11,552	(16,245)	12,338
Materials	500	-	-	500	-	(500)	-
Repairs and Maintenance	5,000	-	(571)	4,429	4,140	(289)	3,995
Minor Equipment	3,475	-	-	3,475	1,470	(2,005)	-
	2,867,674	-	(353,146)	2,514,528	2,467,826	(46,702)	2,593,336

## Supplementary Information

## Exhibit A-3 (Page 6 of 18)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Operating Expenditures - Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018						
	Adopted Budget	Prior Reappropriations	Budget Amendments/Transfers	Final Budget	Actual	Variance	2017 Actual
<b>Non-departmental:</b>							
Operating Expenditures							
Personnel	-	-	-	-	-	-	13,813
Fringe Benefits	1,052,690	-	1,341,646	2,394,336	2,394,336	-	1,674,620
Services	8,396,122	-	(1,067,530)	7,328,592	7,328,592	-	7,047,931
Contingency	25,000	-	-	25,000	22,500	(2,500)	22,720
	<u>9,473,812</u>	<u>-</u>	<u>274,116</u>	<u>9,747,928</u>	<u>9,745,428</u>	<u>(2,500)</u>	<u>8,759,084</u>
<b>Controller:</b>							
Personnel	5,069,833	-	(315,858)	4,753,975	4,753,974	(1)	4,626,380
Fringe Benefits	1,891,996	-	(115,338)	1,776,658	1,776,657	(1)	1,713,851
Services	514,797	68,945	(163,022)	420,720	420,719	(1)	354,248
Supplies	36,008	-	(8,698)	27,310	27,309	(1)	30,265
Repairs and Maintenance	79,300	-	7,986	87,286	87,285	(1)	95,899
Minor Equipment	30,500	-	(23,272)	7,228	7,227	(1)	28,166
Expenditure Recovery	(460,000)	-	(44,477)	(504,477)	(504,478)	(1)	(667,786)
	<u>7,162,434</u>	<u>68,945</u>	<u>(662,679)</u>	<u>6,568,700</u>	<u>6,568,693</u>	<u>(7)</u>	<u>6,181,023</u>
<b>Medical Examiner:</b>							
Personnel	6,502,204	-	58,409	6,560,613	6,560,612	(1)	6,202,870
Fringe Benefits	2,418,870	-	40,284	2,459,154	2,459,153	(1)	2,263,193
Services	771,469	139	83,000	854,608	851,357	(3,251)	807,515
Supplies	625,050	8,805	(58,365)	575,490	575,489	(1)	613,299
Materials	300	-	-	300	42	(258)	106
Repairs and Maintenance	237,300	-	(91,095)	146,205	144,086	(2,119)	77,837
Minor Equipment	2,500	-	10,000	12,500	11,192	(1,308)	5,165
Expenditure Recovery	(7,500)	-	(42,233)	(49,733)	(49,734)	(1)	(83,321)
	<u>10,550,193</u>	<u>8,944</u>	<u>-</u>	<u>10,559,137</u>	<u>10,552,197</u>	<u>(6,940)</u>	<u>9,886,664</u>

## Supplementary Information

## Exhibit A-3 (Page 7 of 18)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Operating Expenditures - Budget and Actual**  
**General Fund**

**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018						2017 Actual
	Adopted Budget	Prior Reappropriations	Budget Amendments/Transfers	Final Budget	Actual	Variance	
<b>District Attorney:</b>							
Personnel	12,887,484	-	221,566	13,109,050	13,085,770	(23,280)	12,470,823
Fringe Benefits	4,529,046	-	169,310	4,698,356	4,698,355	(1)	4,373,060
Services	1,645,384	-	(69,150)	1,576,234	1,576,233	(1)	1,526,941
Supplies	194,125	-	(9,170)	184,955	184,954	(1)	172,996
Repairs and Maintenance	7,500	-	(6,300)	1,200	1,199	(1)	14,715
Minor Equipment	7,500	-	(1,824)	5,676	5,675	(1)	1,362
Expenditure Recovery	(338,921)	-	-	(338,921)	(315,637)	23,284	(344,244)
	<u>18,932,118</u>	<u>-</u>	<u>304,432</u>	<u>19,236,550</u>	<u>19,236,549</u>	<u>(1)</u>	<u>18,215,653</u>
<b>Court Records:</b>							
Personnel	5,397,057	-	(405,962)	4,991,095	4,991,094	(1)	4,923,953
Fringe Benefits	2,346,283	-	(193,260)	2,153,023	2,153,022	(1)	2,118,206
Services	374,218	-	(131,404)	242,814	242,813	(1)	402,803
Supplies	65,500	-	(29,027)	36,473	36,472	(1)	35,004
Materials	1,000	-	(533)	467	466	(1)	473
Repairs and Maintenance	13,500	-	4,133	17,633	17,632	(1)	9,125
Minor Equipment	37,500	-	(9,859)	27,641	27,640	(1)	5,986
	<u>8,235,058</u>	<u>-</u>	<u>(765,912)</u>	<u>7,469,146</u>	<u>7,469,139</u>	<u>(7)</u>	<u>7,495,550</u>
<b>Treasurer:</b>							
Personnel	3,636,142	-	(64,457)	3,571,685	3,571,684	(1)	3,269,091
Fringe Benefits	1,629,059	-	(63,417)	1,565,642	1,565,641	(1)	1,476,116
Services	2,059,500	49,728	(397,661)	1,711,567	1,711,566	(1)	1,949,928
Supplies	50,250	-	(14,875)	35,375	35,374	(1)	32,704
Materials	1,500	-	(499)	1,001	1,000	(1)	-
Repairs and Maintenance	62,000	-	(46,300)	15,700	15,699	(1)	43,285
Minor Equipment	46,000	-	(27,193)	18,807	18,806	(1)	54,169
	<u>7,484,451</u>	<u>49,728</u>	<u>(614,402)</u>	<u>6,919,777</u>	<u>6,919,770</u>	<u>(7)</u>	<u>6,825,293</u>



## Supplementary Information

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**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Operating Expenditures - Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018						
	Adopted Budget	Prior Reappropriations	Budget Amendments/Transfers	Final Budget	Actual	Variance	2017 Actual
<b>Sheriff:</b>							
Personnel	17,096,952	-	(254,955)	16,841,997	14,544,815	(2,297,182)	14,395,720
Fringe Benefits	5,684,158	-	-	5,684,158	4,996,361	(687,797)	4,794,250
Services	602,387	-	-	602,387	395,341	(207,046)	428,504
Supplies	160,058	443	-	160,501	110,431	(50,070)	130,313
Materials	8,670	-	-	8,670	-	(8,670)	-
Repairs and Maintenance	74,970	-	-	74,970	54,375	(20,595)	50,157
Minor Equipment	15,300	-	-	15,300	10,372	(4,928)	21,055
Expenditure Recovery	(3,992,000)	-	-	(3,992,000)	(715,722)	(4,928)	(753,173)
	<u>19,650,495</u>	<u>443</u>	<u>(254,955)</u>	<u>19,395,983</u>	<u>19,395,973</u>	<u>3,276,278</u>	<u>19,066,826</u>
						<u>(10)</u>	
<b>Court of Common Pleas:</b>							
Personnel	41,509,515	-	(200,457)	41,309,058	41,309,057	(1)	39,968,915
Fringe Benefits	17,322,752	-	537,303	17,860,055	17,860,054	(1)	17,217,900
Services	12,099,650	12,463	(1,687,245)	10,424,868	10,424,867	(1)	9,983,433
Supplies	1,174,800	18,901	(224,827)	968,874	968,873	(1)	796,861
Materials	12,500	-	-	12,500	3,546	(8,954)	5,221
Repairs and Maintenance	154,500	1,296	(70,553)	85,243	85,242	(1)	103,730
Minor Equipment	181,500	4,947	(48,307)	138,140	138,139	(1)	105,745
Expenditure Recovery	(180,000)	-	-	(180,000)	(177,060)	2,940	(201,646)
	<u>72,275,217</u>	<u>37,607</u>	<u>(1,694,086)</u>	<u>70,618,738</u>	<u>70,612,718</u>	<u>(6,020)</u>	<u>67,980,159</u>
<b>Vacant Property Review Board:</b>							
Other operating	200,000	-	-	200,000	145,185	(54,815)	300,000

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Operating Expenditures - Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018				
	Adopted Budget	Prior Reappropriations	Budget Amendments/Transfers	Final Budget	Actual
					Variance
					2017 Actual
<b>Facilities Management:</b>					
Personnel	11,565,535	-	(600,061)	10,965,474	10,965,473
Fringe Benefits	5,344,575	-	(92,845)	5,251,730	5,251,729
Services	4,934,700	47,178	(141,681)	4,840,197	4,840,196
Supplies	193,750	2,766	(53,329)	143,187	143,186
Materials	238,500	5,054	(58,985)	184,569	184,568
Repairs and Maintenance	23,750	-	(21,467)	2,282	2,282
Minor Equipment	30,000	622	(19,530)	11,091	21,759
Expenditure Recovery	(850,000)	-	(49,495)	(899,495)	(899,496)
	21,480,810	55,620	(1,037,393)	20,499,037	20,499,029
					(1,153,838)
					19,347,845
<b>Total General Government</b>	221,241,515	305,371	(8,515,929)	213,030,957	212,652,508
					(378,449)
					206,019,868
<b>Public Safety:</b>					
<b>Emergency Services:</b>					
Personnel	1,343,048	-	85,605	1,428,653	1,428,652
Fringe Benefits	480,914	-	76,176	557,090	557,089
Services	(661,302)	-	1,113,682	452,380	452,379
Supplies	139,250	3,812	(56,620)	86,442	86,441
Materials	15,250	100	(9,356)	5,994	5,993
Repairs and Maintenance	45,000	-	2,726	47,726	47,725
Minor Equipment	166,150	-	(87,250)	78,900	78,899
Expenditure Recovery	-	-	-	-	-
	1,528,310	3,912	1,124,963	2,657,185	2,657,178
					(90,712)
					2,548,831
<b>Jail:</b>					
Personnel	44,173,564	-	1,390,811	45,564,375	45,564,374
Fringe Benefits	16,864,936	-	67,648	16,932,584	16,932,583
Services	15,338,090	4,124	6,307,161	21,649,375	21,649,374
Supplies	7,360,678	58,955	2,170,566	9,590,199	9,590,198
Materials	198,400	10,721	(1,507)	207,614	207,613
Repairs and Maintenance	327,420	3,208	(32,002)	298,626	298,625
Minor Equipment	120,000	-	(33,804)	86,196	86,195
Expenditure Recovery	(2,723,829)	-	(46,504)	(2,770,334)	(2,770,334)
	81,659,259	77,008	9,822,369	91,558,636	91,558,628
					(2,488,501)
					85,994,055

## Supplementary Information

## Exhibit A-3 (Page 10 of 18)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Operating Expenditures - Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018					2017 Actual
	Adopted Budget	Prior Reappropriations	Budget Amendments/Transfers	Final Budget	Actual	
<b>County Police-</b>						
Police:						
Personnel	25,554,564	-	1,065,192	26,619,756	26,619,755	(1) 24,469,789
Fringe Benefits	7,757,508	-	12,635	7,770,143	7,770,142	(1) 7,407,039
Services	1,319,820	-	(118,255)	1,201,565	1,201,564	(1) 1,142,657
Supplies	233,000	537	(14,980)	218,557	218,555	(2) 260,217
Materials	-	-	-	-	-	- 2,415
Repairs and Maintenance	157,200	2,900	15,145	175,245	175,244	(1) 117,408
Minor Equipment	61,900	-	39,204	101,104	101,103	(1) 30,854
Expenditure Recovery	(940,000)	-	(699,226)	(1,639,226)	(1,639,227)	(1) (1,618,397)
	<u>34,143,992</u>	<u>3,437</u>	<u>299,715</u>	<u>34,447,144</u>	<u>34,447,136</u>	<u>(8) 31,811,982</u>
<b>Total Public Safety</b>	<b>117,331,561</b>	<b>84,357</b>	<b>11,247,047</b>	<b>128,662,965</b>	<b>128,662,942</b>	<b>(23) 120,354,868</b>
<b>Public Works:</b>						
Department of Public Works:						
Personnel	6,917,553	-	446,464	7,364,017	7,364,016	(1) 7,243,940
Fringe Benefits	3,344,138	-	112,684	3,456,822	3,456,822	- 3,268,289
Services	3,756,400	1,567	(327,067)	3,430,900	3,430,899	(1) 3,468,419
Supplies	1,021,500	852	144,748	1,167,100	1,167,099	(1) 1,010,956
Materials	1,884,500	1,140	(180,484)	1,705,156	1,705,155	(1) 1,369,983
Repairs and Maintenance	27,000	-	17,321	44,321	44,320	(1) 38,633
Minor Equipment	626,606	-	(134,567)	492,039	492,038	(1) 138,353
Expenditure Recovery	(825,000)	-	(56,346)	(881,346)	(881,347)	(1) (807,348)
	<u>16,752,697</u>	<u>3,559</u>	<u>22,753</u>	<u>16,779,009</u>	<u>16,779,002</u>	<u>(7) 15,731,225</u>
<b>Total Public Works</b>	<b>16,752,697</b>	<b>3,559</b>	<b>22,753</b>	<b>16,779,009</b>	<b>16,779,002</b>	<b>(7) 15,731,225</b>



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**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Operating Expenditures - Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018						
	Adopted Budget	Prior Reappropriations	Budget Amendments/Transfers	Final Budget	Actual	Variance	2017 Actual
<b>John J. Kane Community Living Centers:</b>							
Personnel	50,354,844	-	(2,332,583)	48,022,261	48,022,260	(1)	47,384,824
Fringe Benefits	23,059,288	-	(1,680,998)	21,378,290	21,377,929	(361)	21,679,919
Services	21,410,952	1,474	(1,362,495)	20,049,931	20,049,930	(1)	18,514,523
Supplies	13,979,600	86,197	838,519	14,904,316	14,904,315	(1)	14,094,978
Materials	500,200	46,361	(62,232)	484,329	484,328	(1)	475,077
Repairs and Maintenance	665,830	13,612	(131,326)	548,116	548,115	(1)	718,256
Minor Equipment	441,000	33,628	(43,243)	431,385	431,384	(1)	466,004
Expenditure Recovery	(3,350,000)	-	(1,844,441)	(5,194,441)	(5,194,442)	(1)	(3,440,794)
	<u>107,061,714</u>	<u>181,272</u>	<u>(6,618,799)</u>	<u>100,624,187</u>	<u>100,623,819</u>	<u>(368)</u>	<u>99,892,787</u>
<b>Shuman Juvenile Detention Center:</b>							
Personnel	6,170,904	-	(657,034)	5,513,870	5,513,869	(1)	5,537,059
Fringe Benefits	3,176,952	-	(522,215)	2,654,737	2,654,736	(1)	2,902,551
Services	1,178,407	-	121,362	1,299,769	1,299,768	(1)	1,389,111
Supplies	163,084	1,096	23,337	187,517	187,516	(1)	147,196
Materials	33,050	4,242	(4,326)	32,966	32,965	(1)	28,904
Repairs and Maintenance	54,150	-	(29,328)	24,822	24,821	(1)	22,207
Minor Equipment	34,100	-	(24,729)	9,371	9,370	(1)	43,523
	<u>10,810,647</u>	<u>5,338</u>	<u>(1,092,933)</u>	<u>9,723,052</u>	<u>9,723,045</u>	<u>(7)</u>	<u>10,070,551</u>
<b>Juvenile Court:</b>							
Personnel	4,346,361	-	(909,211)	3,437,150	3,437,149	(1)	4,027,785
Fringe Benefits	1,847,129	-	(400,170)	1,446,959	1,446,958	(1)	1,691,324
Services	26,234,828	-	(2,623,713)	23,611,115	23,611,114	(1)	23,451,429
Supplies	430,000	-	(9,283)	420,717	420,716	(1)	454,120
Materials	500	-	14,767	15,267	15,266	(1)	551
Repairs and Maintenance	36,250	-	(9,190)	27,060	27,059	(1)	13,663
Minor Equipment	71,500	-	(35,974)	35,526	35,525	(1)	23,168
Expenditure Recovery	(1,094,391)	-	(68,580)	(1,162,971)	(1,162,972)	(1)	(982,786)
Contributed Services	1,094,391	-	103,606	1,197,997	1,197,996	(1)	947,762
	<u>32,966,568</u>	<u>-</u>	<u>(3,937,748)</u>	<u>29,028,820</u>	<u>29,028,811</u>	<u>(9)</u>	<u>29,627,016</u>
<b>Total Health and Welfare</b>	<b>355,844,860</b>	<b>316,573</b>	<b>(2,086,519)</b>	<b>354,074,914</b>	<b>353,169,475</b>	<b>(905,439)</b>	<b>346,420,585</b>

## Supplementary Information

## Exhibit A-3 (Page 13 of 18)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Operating Expenditures - Budget and Actual**  
**General Fund**

**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018					2017 Actual
	Adopted Budget	Prior Reappropriations	Budget Amendments/Transfers	Final Budget	Actual	Variance
Culture and Recreation:						
Parks:						
Personnel	8,430,780	-	508,792	8,939,572	8,939,571	(1)
Fringe Benefits	3,454,641	-	108,246	3,562,887	3,562,886	(1)
Services	4,362,049	107,600	(134,913)	4,334,736	4,334,735	(1)
Supplies	675,400	35,459	(9,488)	701,371	701,370	(1)
Materials	567,500	7,380	8,812	583,692	583,691	(1)
Repairs and Maintenance	160,000	3,694	24,105	187,799	187,798	(1)
Minor Equipment	122,000	-	(98,220)	23,780	23,779	(1)
Expenditure Recovery	-	-	-	-	(36,523)	(36,523)
	<u>17,772,370</u>	<u>154,133</u>	<u>407,334</u>	<u>18,333,837</u>	<u>18,297,307</u>	<u>(36,530)</u>
						<u>17,275,511</u>
Cooperative Extensions:						
Personnel	85,919	-	(3,251)	82,668	74,176	(8,492)
Fringe Benefits	41,444	-	-	41,444	39,845	(1,599)
Services	203,045	-	-	203,045	139,960	(63,085)
Supplies	7,150	-	-	7,150	1,002	(6,148)
Repairs and Maintenance	500	-	-	500	219	(281)
Minor Equipment	1,275	-	-	1,275	-	(1,275)
	<u>339,333</u>	<u>-</u>	<u>(3,251)</u>	<u>336,082</u>	<u>255,202</u>	<u>(80,880)</u>
						<u>281,315</u>
Memorial Hall:						
Other Operating	650,000	-	3,251	653,251	653,250	(1)
						<u>644,381</u>
Total Culture and Recreation	<u>18,761,703</u>	<u>154,133</u>	<u>407,334</u>	<u>19,323,170</u>	<u>19,205,759</u>	<u>(117,411)</u>
						<u>18,201,207</u>

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**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Operating Expenditures - Budget and Actual**  
**General Fund**

**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018					2017 Actual
	Adopted Budget	Prior Reappropriations	Budget Amendments/Transfers	Final Budget	Actual	
Education:						
Community College of Allegheny County (CCAC):						
Other operating	25,659,339	-	-	25,659,339	25,659,339	25,156,215
Allegheny County Library Association:						
Other operating	35,000	-	-	35,000	35,000	35,000
Local Government Academy:						
Other operating	100,000	-	-	100,000	100,000	100,000
Total Education	25,794,339	-	-	25,794,339	25,794,339	25,291,215

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**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Operating Expenditures - Budget and Actual**  
**General Fund**

**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018					2017 Actual
	Adopted Budget	Prior Reappropriations	Budget Amendments/Transfers	Final Budget	Actual	Variance
Economic Development:						
Almona Other operating	4,020	-	-	4,020	4,020	-
Allegheny League of Municipalities: Other operating	125,000	-	-	125,000	125,000	-
Bakery Square Other operating	132,311	-	-	132,311	132,311	-
Brentwood Towne Square Other operating	67,505	-	-	67,505	67,505	-
Broadhead Fording Other operating	32,465	-	-	32,465	32,465	-
Clinton Other operating	89,695	-	-	89,695	89,695	-
Council of Government: Other operating	52,500	-	-	52,500	52,500	-
Clinton II Other operating	103,785	-	-	103,785	103,785	-
East Liberty Gateway Other operating	49,457	-	-	49,457	49,457	-
East Liberty Trid I Other operating	385,469	-	-	385,469	385,469	-
East Liberty Trid II Other operating	707	-	-	707	707	-
Federal North Other operating	-	-	-	-	(321,225)	(321,225)
						146,327



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**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Operating Expenditures - Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018				Variance	2017 Actual
	Adopted Budget	Prior Reappropriations	Budget Amendments/Transfers	Final Budget		
Fifth and Market Other operating	242,438	-	-	242,438	-	242,438
Frazer Mills Other operating	781,453	-	-	781,453	-	803,836
Fulton Building Other operating	-	-	-	-	-	(41,444)
Gardens at Market Other operating	159,085	-	-	159,085	-	154,132
Home Depot Other operating	23,883	-	-	23,883	-	23,883
Mellon Client Service Center Other operating	265,735	-	-	265,735	-	256,527
Moon Township Trans. Authority Other operating	147,527	-	-	147,527	-	127,138
Mt Nebo Point Other operating	71,592	-	-	71,592	-	26,929
Negley Centre Other operating	45,364	-	-	45,364	-	45,909
Northfield Other operating	61,982	-	-	61,982	-	249,192

## Supplementary Information

## Exhibit A-3 (Page 17 of 18)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Operating Expenditures - Budget and Actual**  
**General Fund**

**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018						
	Adopted Budget	Prior Reappropriations	Budget Amendments/Transfers	Final Budget	Actual	Variance	2017 Actual
North Shore East/River Avenue Other operating	26,576	-	-	26,576	26,576	-	25,107
Panther Hollow Other operating	74,789	-	-	74,789	74,789	-	74,789
Penn Liberty Plaza Other operating	-	-	-	-	-	-	(91,488)
Pittsburgh Technology Other operating	58,740	-	-	58,740	58,740	-	67,602
PNC Firstside Center Other operating	269,292	-	-	269,292	269,292	-	259,425
Potato Garden Run Other operating	67,346	-	-	67,346	67,346	-	71,044
Redevelopment Authority of Allegheny County- Economic Development Fund: Other operating **	-	-	-	-	(84,572)	(84,572)	(77,030)
Robinson Peripheral Other operating	114,954	-	-	114,954	114,954	-	125,968
South Side Works Other operating	-	-	-	-	-	-	(35)
Station Square Other operating	94,400	-	-	94,400	94,400	-	87,321

\*\* Budget of \$2,415,428 is offset by expenditure recovery.

## Supplementary Information

## Exhibit A-3 (Page 18 of 18)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Operating Expenditures - Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018					2017 Actual
	Adopted Budget	Prior Reappropriations	Budget Amendments/Transfers	Final Budget	Actual	
Summerset @ Frick Park Other operating	215,914	-	-	215,914	215,914	347,580
The Waterfront Other operating	-	-	-	-	(1,454,822)	565,308
Westport Other operating	199,534	-	-	199,534	199,534	73,484
Total Economic Development	3,963,518	-	-	3,963,518	2,102,899	4,343,082
Total Expenditures *	\$ 759,690,193	863,993	1,074,686	761,628,872	758,366,924	736,362,050

\* Budget has been reduced to properly report Operating Transfers as other financing sources (uses).

## Supplementary Information



## Supplementary Information

**SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

## Supplementary Information

The Special Revenue Funds consist of:

**TRANSPORTATION FUND** -- Accounts for alcoholic beverage and rental vehicle tax monies received to subsidize the Port Authority.

**LIQUID FUEL TAX FUND** -- Accounts for monies received to finance the improvement of roads and bridges.

**INFRASTRUCTURE SUPPORT FUND** -- Accounts for vehicle registration fees received to finance the improvement of roads and bridges.

**COUNTY GRANTS FUND** -- Accounts for all Non-Human Service grants received.

**HUMAN SERVICE GRANTS FUND** -- Accounts for all Human Service grants received.

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## Supplementary Information

## Exhibit B-1 (Page 1 of 2)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Special Revenue Funds**  
**Balance Sheet Schedule**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

						Totals	
	Transportation Fund	Liquid Fuel Tax Fund	Infrastructure Support Fund	County Grants Fund	Human Services Grants Fund	2018	2017
<u>Assets</u>							
Cash and short-term investments	\$ 6,414,724	-	-	38,673,286	21,846,883	66,934,893	65,372,973
Restricted cash and short-term investments	-	14,031	1,320,787	2,305,546	65,506,672	69,147,036	62,685,838
Due from other funds:							
General Fund	-	-	-	5,293,737	6,217,848	11,511,585	11,501,267
Human Services Grants Fund	-	-	-	-	-	-	31
County Grants Funds	-	-	-	-	233,472	233,472	330,568
	-	-	-	5,293,737	6,451,320	11,745,057	11,831,866
Due from other governments:							
Federal	-	-	-	14,419,214	22,156,410	36,575,624	42,209,361
State	-	-	-	9,006,980	16,117,772	25,124,752	49,726,727
Other	-	-	-	-	-	-	30
	-	-	-	23,426,194	38,274,182	61,700,376	91,936,118
Due from component units	-	-	-	-	2,005,870	2,005,870	2,115,118
Alcoholic beverage tax receivable	3,657,760	-	-	-	-	3,657,760	3,199,950
Rental vehicle tax receivable	596,803	-	-	-	-	596,803	559,126
Other accounts receivable	-	-	-	396,468	6,053,483	6,449,951	7,858,374
Accrued interest receivable	-	24	2,546	24,979	147,086	174,635	163,853
Total assets	\$ 10,669,287	14,055	1,323,333	70,120,210	140,285,496	222,412,381	245,723,216
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Vouchers payable	\$ -	-	359,494	743,067	10,105,966	11,208,527	952,185
Accrued payroll	-	-	-	1,578,735	425,527	2,004,262	1,826,235
Due to other funds:							
General Fund	-	-	92,929	912,094	11,467,193	12,472,216	6,518,801
Human Services Grants Fund	-	-	-	233,472	-	233,472	330,568
County Capital Projects Fund	-	-	-	12,006	-	12,006	-
County Grants Funds	-	-	-	-	-	-	31
	-	-	92,929	1,157,572	11,467,193	12,717,694	6,849,400

## Supplementary Information

## Exhibit B-1 (Page 2 of 2)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Special Revenue Funds**  
**Balance Sheet Schedule**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

						Totals	
	Transportation Fund	Liquid Fuel Tax Fund	Infrastructure Support Fund	County Grants Fund	Human Services Grants Fund	2018	2017
Accrued liabilities	-	-	415,948	1,772,527	33,616,000	35,804,475	42,692,905
Due to component units	-	-	-	-	77,908	77,908	151,381
Retainage payable	-	-	-	61	-	61	61
Unearned revenues	-	-	-	16,772,279	84,508,935	101,281,214	130,683,472
Accrued pension costs	-	-	-	300,980	76,980	377,960	277,262
Accrued workers' compensation	-	-	-	10,823	3,243	14,066	10,633
Accrued unemployment compensation	-	-	-	39,985	3,744	43,729	27,131
Total liabilities	-	-	868,371	22,376,029	140,285,496	163,529,896	183,470,665
Fund balances:							
Restricted for:							
Special projects	-	-	-	2,380,156	-	2,380,156	4,391,435
Community redevelopment	-	-	-	4,535,713	-	4,535,713	3,909,265
Law enforcement	-	-	-	6,711,127	-	6,711,127	6,345,222
Transit system	10,669,287	-	-	-	-	10,669,287	16,034,819
Emergency services	-	-	-	753,622	-	753,622	1,374,262
Rehabilitation programs	-	-	-	2,694,120	-	2,694,120	2,397,149
Health services	-	-	-	8,479,360	-	8,479,360	6,169,546
Technology projects	-	-	-	2,355,394	-	2,355,394	1,869,163
Road maintenance	-	14,055	-	-	-	14,055	341,009
Judicial services	-	-	-	3,696,028	-	3,696,028	3,810,832
Recreational events	-	-	-	113,834	-	113,834	90,965
Committed to:							
Law enforcement	-	-	-	448,101	-	448,101	403,451
Emergency services	-	-	-	310,849	-	310,849	275,560
Health services	-	-	-	14,550,493	-	14,550,493	14,299,986
Judicial services	-	-	-	335,552	-	335,552	230,901
Recreational events	-	-	-	73,045	-	73,045	73,045
Assigned to:							
Purchases on order	-	-	454,962	-	-	454,962	28,880
Special projects	-	-	-	18,167	-	18,167	-
Judicial services	-	-	-	62,647	-	62,647	43,604
Recreational events	-	-	-	108,758	-	108,758	92,923
Public maintenance	-	-	-	117,215	-	117,215	70,534
Total fund balances	10,669,287	14,055	454,962	47,744,181	-	58,882,485	62,252,551
Total liabilities and fund balances	\$ 10,669,287	14,055	1,323,333	70,120,210	140,285,496	222,412,381	245,723,216

Note: This schedule is informational to display a total for all Special Revenue Funds. It is not a combining statement.



## Supplementary Information

## Exhibit B-2

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Special Revenue Funds**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Year Ended December 31, 2018**  
**With Comparative Totals for Year Ended December 31, 2017**

						Totals	
	Transportation Fund	Liquid Fuel Tax Fund	Infrastructure Support Fund	County Grants Fund	Human Services Grants Fund	2018	2017
Revenues:							
Federal revenues	\$ -	-	-	48,216,851	80,401,223	128,618,074	100,911,588
State revenues	-	4,095,630	4,413,220	44,101,790	558,241,102	610,851,742	604,014,542
Alcoholic beverage tax	43,074,229	-	-	-	-	43,074,229	40,644,734
Rental vehicle tax	7,587,390	-	-	-	-	7,587,390	7,118,784
Fees	-	-	-	19,988,170	-	19,988,170	16,875,598
Interest earnings	-	6,102	46,408	431,573	1,722,525	2,206,608	983,828
Penalty and interest	150,930	-	-	-	-	150,930	187,089
Miscellaneous revenues	-	-	-	8,508,420	16,980,644	25,489,064	18,527,955
Total revenues	50,812,549	4,101,732	4,459,628	121,246,804	657,345,494	837,966,207	789,264,118
Expenditures:							
General government	-	-	-	44,161,039	-	44,161,039	43,663,745
Public safety	-	-	-	37,494,203	-	37,494,203	31,331,122
Public works	-	4,249,478	4,212,754	97,024	-	8,559,256	10,144,854
Health and welfare	-	-	-	17,756,032	637,087,083	654,843,115	621,304,317
Culture and recreation	-	-	-	523,543	-	523,543	95,875
Education	-	-	-	116,966	-	116,966	118,513
Economic development	-	-	-	26,437,896	-	26,437,896	25,204,698
Economic opportunity	-	-	-	-	29,026,045	29,026,045	22,114,168
Transportation	31,894,599	-	-	-	-	31,894,599	30,948,368
Total expenditures	31,894,599	4,249,478	4,212,754	126,586,703	666,113,128	833,056,662	784,925,660
Excess (deficiency) of revenues over expenditures	18,917,950	(147,746)	246,874	(5,339,899)	(8,767,634)	4,909,545	4,338,458
Other financing sources (uses):							
Transfers in	-	-	-	14,627,877	8,767,634	23,395,511	14,616,297
Transfers out	(24,283,482)	-	-	(7,391,640)	-	(31,675,122)	(18,706,356)
Total other financing sources (uses)	(24,283,482)	-	-	7,236,237	8,767,634	(8,279,611)	(4,090,059)
Net change in fund balance	(5,365,532)	(147,746)	246,874	1,896,338	-	(3,370,066)	248,399
Fund balances at beginning of year	16,034,819	161,801	208,088	45,847,843	-	62,252,551	62,004,152
Fund balances at end of year	\$ 10,669,287	14,055	454,962	47,744,181	-	58,882,485	62,252,551

Note: This schedule is informational to display a total for all Special Revenue Funds. It is not a combining statement.

## Supplementary Information

## Exhibit B-3

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Transportation Fund**  
**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018			2017 Actual
	Budget	Actual	Variance	
Revenues:				
Taxes:				
Alcoholic beverage tax	\$ 41,874,881	43,074,229	1,199,348	40,644,734
Rental vehicle tax	7,134,840	7,587,390	452,550	7,118,784
Penalty and interest	168,360	150,930	(17,430)	187,089
Total revenues	49,178,081	50,812,549	1,634,468	47,950,607
Expenditures:				
Transportation	31,894,599	31,894,599	-	30,948,368
Total expenditures	31,894,599	31,894,599	-	30,948,368
Excess of revenues over expenditures	17,283,482	18,917,950	1,634,468	17,002,239
Other financing uses:				
Transfers out - Debt Service Fund	(7,120,362)	(9,120,362)	(2,000,000)	(5,564,000)
Transfers out - County Capital Projects Fund	(15,163,120)	(15,163,120)	-	(9,886,819)
Total other financing uses	(22,283,482)	(24,283,482)	(2,000,000)	(15,450,819)
Net change in fund balance	(5,000,000)	(5,365,532)	(365,532)	1,551,420
Fund balance at beginning of year	16,034,819	16,034,819	-	14,483,399
Fund balance at end of year	\$ 11,034,819	10,669,287	(365,532)	16,034,819

## Supplementary Information

## Exhibit B-4

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Liquid Fuel Tax Fund**  
**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018			2017 Actual
	Budget	Actual	Variance	
Revenues:				
State revenues:				
State liquid fuel tax	\$ 4,300,000	4,095,630	(204,370)	4,557,306
Interest earnings	2,000	6,102	4,102	2,351
Total revenues	4,302,000	4,101,732	(200,268)	4,559,657
Expenditures:				
Public works	4,302,000	4,249,478	(52,522)	4,398,058
Excess (deficiency) of revenues over expenditures	-	(147,746)	(147,746)	161,599
Fund balance at beginning of year	161,801	161,801	-	202
Fund balance at end of year	\$ 161,801	14,055	(147,746)	161,801

## Supplementary Information

## Exhibit B-5

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Infrastructure Support Fund**  
**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018			2017 Actual
	Budget	Actual	Variance	
Revenues:				
State revenues:				
Registration fee	\$ 5,000,000	4,413,220	(586,780)	4,775,185
Interest earnings	5,000	46,408	41,408	11,409
Total revenues	5,005,000	4,459,628	(545,372)	4,786,594
Expenditures:				
Public works	4,214,433	4,212,754	(1,679)	5,498,778
Excess (deficiency) of revenues over expenditures	790,567	246,874	(543,693)	(712,184)
Other financing uses:				
Transfers out	(81,719)	-	81,719	-
Total other financing uses	(81,719)	-	81,719	-
Fund balance at beginning of year	208,088	208,088	-	920,272
Fund balance at end of year	\$ 916,936	454,962	(461,974)	208,088

## Supplementary Information

## Exhibit B-6 (Page 1 of 2)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Resources and Uses of Federal and State Grant Programs**  
**County Grants Fund**  
**Year Ended December 31, 2018**

	Resources	Uses		
	Federal and State	Personnel	Other Operating Expenditures	Total
Federal Programs:				
Community Development Block Grant	\$ 13,691,293	2,799,811	10,893,927	13,693,738
AMERICORP	253,492	57,172	196,319	253,491
Child Support Enforcement Program	13,982,869	11,604,606	2,380,553	13,985,159
Improvement Program	3,199,687	3,103,081	96,606	3,199,687
Emergency Shelter Grant	1,083,003	53,755	1,029,248	1,083,003
Home Investment Program	1,997,254	165,865	1,831,298	1,997,163
Lead Hazard Awareness	237,183	186,353	50,830	237,183
Justice Assistance Grant	363,704	133,827	229,877	363,704
Immunization Program	723,894	600,045	123,849	723,894
Nurse-Family Partnership	1,073,487	687,265	446,952	1,134,217
Traffic Safety	133,021	94,884	38,137	133,021
Maternal & Child Health	877,470	761,932	115,570	877,502
Women, Infants and Children Program	3,041,280	2,529,742	511,538	3,041,280
County Police Forfeiture	123,956	-	41,446	41,446
PM 2.5 Air Monitoring	285,307	178,401	106,906	285,307
Urban Area Security Initiative	1,316,254	-	1,316,251	1,316,251
State Homeland Security	1,064,111	-	1,063,850	1,063,850
Adult Drug Court Discretionary Program	67,984	-	67,984	67,984
Sexually Transmitted Diseases	627,597	284,489	343,163	627,652
Sheriff Federal Asset Sharing	162,630	65,878	62,679	128,557
DA Federal Asset Sharing Fund	131,297	-	131,302	131,302
PA Commission on Crime and Delinquency	119,752	-	119,774	119,774
Paul Coverdell	87,508	29,027	58,481	87,508
Air Pollution	1,005,883	697,768	308,116	1,005,884
Lead Hazard Control	303,406	58,081	245,325	303,406
Second Chance Re-entry Initiative	343,230	29,850	313,363	343,213
Public Health Preparedness & Response for Bioterrorism	780,697	638,386	142,333	780,719
Safe & Healthy Communities	180,318	100,439	79,879	180,318
Opioid Involved Morbidity Mortality	111,368	17,705	93,663	111,368
Miscellaneous federal programs	847,916	361,676	1,013,739	1,375,415
Total federal programs	48,216,851	25,240,038	23,452,958	48,692,996

## Supplementary Information

## Exhibit B-6 (Page 2 of 2)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Resources and Uses of Federal and State Grant Programs**  
**County Grants Fund**  
**Year Ended December 31, 2018**

	Resources	Uses		
	Federal and State	Personnel	Other Operating Expenditures	Total
State Programs:				
911 Emergency Communications	280,713	-	280,699	280,699
Act 24 Grant	43,588	-	38,696	38,696
Insurance Fraud Prevention Grant	301,476	296,307	5,165	301,472
Radiation Emergency Response	10,459	-	10,534	10,534
Hazardous Material Emergency Response	99,252	79,625	19,900	99,525
Department of Education Title I	107,993	-	107,993	107,993
Act 13 Marcellus Shale	1,671,295	-	1,671,295	1,671,295
Intermediate Punishment	961,852	948,622	-	948,622
Drug Court/Restrictive Intermediate Punishment	2,234,769	1,301,454	933,314	2,234,768
Auto Theft Task Force	277,486	265,210	12,276	277,486
Sexually Transmitted Diseases	614,553	278,556	336,006	614,562
West Nile Virus	213,668	122,188	91,480	213,668
Tuberculosis Control	51,446	43,590	7,855	51,445
County Offender Supervision	1,343,828	25,758	1,318,070	1,343,828
Act 88 of 2001	177,060	177,060	-	177,060
Community Infrastructure	6,600,000	-	6,600,000	6,600,000
Vital Statistics Improvement	129,927	-	129,927	129,927
Statewide Interconnectivity	3,788,134	-	3,836,951	3,836,951
Region 13 Emergency Services IP Network	1,589,693	-	1,598,297	1,598,297
911 Act 12	22,838,816	19,572,865	3,265,951	22,838,816
Miscellaneous state programs	765,782	306,835	872,589	1,179,424
Total state programs	44,101,790	23,418,070	21,136,998	44,555,068
Total federal and state programs	92,318,641	48,658,108	44,589,956	93,248,064
Non-federal/state programs	28,928,163	24,167,009	9,171,630	33,338,639
Grand total	\$ 121,246,804	72,825,117	53,761,586	126,586,703

## Supplementary Information

## Exhibit B-7 (Page 1 of 2)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Resources and Uses of Federal and State Grant Programs**  
**Human Service Grants Fund**  
**Year Ended December 31, 2018**

	Resources		Uses	
	Federal and State	Personnel	Other Operating Expenditures	Total
Federal Programs:				
Behavioral Health - Operations	\$ 3,025,352	-	3,025,352	3,025,352
Drug and Alcohol - Operations	6,781,754	-	6,781,754	6,781,754
Early Intervention - Operations	1,961,931	-	1,961,931	1,961,931
Senior Companion Program	466,828	-	466,828	466,828
Aging Block Grant	7,078,996	-	7,078,996	7,078,996
HUD Grant	21,769,213	-	21,769,213	21,769,213
Family Center Initiative	1,400,907	-	1,400,907	1,400,907
Independent Living	444,577	-	444,577	444,577
Farmers Market Nutrition Program	20,829	-	20,829	20,829
Community Services Block Grant	257,104	-	257,104	257,104
Headstart Program	13,335,682	-	13,335,682	13,335,682
Workforce Investment Act	246,266	-	246,266	246,266
Medical Assistance Transportation Program	4,594,305	-	4,594,305	4,594,305
Employment, Advancement and Retention Network	2,710,211	-	2,710,211	2,710,211
Summer Food Program	313,860	-	313,860	313,860
Human Service Block Grant	9,560,510	65,305	9,495,205	9,560,510
Child & Adult Care Food Program	791,919	-	791,919	791,919
AMERICORP	1,424,965	-	1,424,965	1,424,965
Employment and Community Conservation	311,504	-	311,504	311,504
Emergency Food Assistance Program	1,356,572	-	1,356,572	1,356,572
Title XIX	1,962,108	-	1,962,108	1,962,108
Diligent Recruitment	352,906	-	352,906	352,906
Gateway Community Based Care Transition Program	144,989	-	144,989	144,989
Caseworker Visitation	60,023	-	60,023	60,023
Miscellaneous federal programs	27,912	-	27,912	27,912
Total federal programs	80,401,223	65,305	80,335,918	80,401,223

## Supplementary Information

## Exhibit B-7 (Page 2 of 2)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Resources and Uses of Federal and State Grant Programs**  
**Human Service Grants Fund**  
**Year Ended December 31, 2018**

	Resources	Uses		
	Federal and State	Personnel	Other Operating Expenditures	Total
State Programs:				
Drug and Alcohol - Operations	9,666,537	-	9,666,537	9,666,537
Early Intervention - Operations	14,009,365	-	14,009,365	14,009,365
Aging Block Grant	29,791,426	-	29,791,426	29,791,426
Nursing Home Transition	538,999	-	538,999	538,999
Behavioral Health Managed Care	369,058,049	-	369,058,049	369,058,049
Family Center Initiative	839,472	-	839,472	839,472
Medicaid Waiver	29,783	-	29,783	29,783
Medical Assistance Transportation Program	5,109,390	-	5,109,390	5,109,390
Title XIX	1,917,543	-	1,917,543	1,917,543
HeadStart Program	1,345,535	-	1,345,535	1,345,535
Human Service Block Grant	120,999,454	826,515	120,172,939	120,999,454
Independent Living	4,476,789	-	4,476,789	4,476,789
Gateway Community Care Transition	152,989	-	152,989	152,989
Adult Protective Services	36,736	-	36,736	36,736
Miscellaneous state programs	269,035	-	269,035	269,035
Total state programs	558,241,102	826,515	557,414,587	558,241,102
Total federal and state programs	638,642,325	891,820	637,750,505	638,642,325
Non-federal/state programs	18,703,169	-	27,470,803	27,470,803
Grand total	\$ 657,345,494	891,820	665,221,308	666,113,128



## Supplementary Information

**DEBT SERVICE FUND**

The Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

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## Supplementary Information



## Supplementary Information

## Exhibit C-1

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Balance Sheet**  
**Debt Service Fund**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	2018	2017
<u>Assets</u>		
Restricted cash and short-term investments	\$ 8,362,702	6,297,815
Delinquent property taxes receivable, net of \$186,987 allowance for uncollectible property taxes in 2018 and \$247,980 in 2017	1,526,684	1,463,619
Liened property taxes receivable, net of \$3,176,457 allowance for uncollectible property taxes in 2018 and \$3,174,784 in 2017	7,137,652	6,305,316
Due from other funds:		
General Fund	304,231	251,417
Accrued penalty and interest receivable	60,112	49,570
Accrued interest receivable	11,378	1,084
Total assets	\$ 17,402,759	14,368,821
<u>Liabilities</u>		
Accrued interest payable	\$ 1,759	1,759
Due to other funds:		
General Fund	540,290	318,551
Tax refunds payable	108,304	77,679
Matured bonds payable	80,000	80,000
Total liabilities	730,353	477,989
<u>Deferred Inflows of Resources</u>		
Unavailable revenue - property taxes	8,664,336	7,768,935
<u>Fund balance</u>		
Restricted for:		
Debt service payments for energy bonds	4,416,471	3,864,412
Capitalized interest for debt service payments	3,724,212	-
Assigned to:		
Debt service	-	2,257,485
Unassigned:	(132,613)	-
Total fund balance	8,008,070	6,121,897
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,402,759	14,368,821

## Supplementary Information

## Exhibit C-2

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Debt Service Fund**  
**Year Ended December 31, 2018**  
**With Comparative Actual Amounts for Year Ended December 31, 2017**

	2018			2017
	Final Budget	Actual	Variance	
Revenues:				
Property taxes:				
Current	\$ 60,975,000	56,235,635	(4,739,365)	56,346,223
Delinquent	2,507,000	2,322,445	(184,555)	1,983,268
Liened	784,000	821,924	37,924	880,432
Interest and penalty	562,000	605,495	43,495	599,870
Tax refunds	(725,000)	(731,794)	(6,794)	(580,474)
	<u>64,103,000</u>	<u>59,253,705</u>	<u>(4,849,295)</u>	<u>59,229,319</u>
Federal revenues	336,000	333,180	(2,820)	332,110
State revenues	90,000	74,686	(15,314)	74,741
Local government units revenues	-	534	534	353
Interest earnings	<u>296,214</u>	<u>472,581</u>	<u>176,367</u>	<u>241,354</u>
Total revenues	<u>64,825,214</u>	<u>60,134,686</u>	<u>(4,690,528)</u>	<u>59,877,877</u>
Expenditures:				
Debt service:				
Principal retirement	34,914,559	34,362,500	(552,059)	32,987,500
Interest charges	<u>37,214,331</u>	<u>37,766,389</u>	<u>552,058</u>	<u>37,840,404</u>
Total expenditures	<u>72,128,890</u>	<u>72,128,889</u>	<u>(1)</u>	<u>70,827,904</u>
Deficiency of revenues over expenditures	<u>(7,303,676)</u>	<u>(11,994,203)</u>	<u>(4,690,527)</u>	<u>(10,950,027)</u>
Other financing sources (uses):				
Issuance of general obligation bonds	-	4,760,014	4,760,014	-
Transfers in	<u>7,120,362</u>	<u>9,120,362</u>	<u>2,000,000</u>	<u>5,564,000</u>
Total other financing sources	<u>7,120,362</u>	<u>13,880,376</u>	<u>6,760,014</u>	<u>5,564,000</u>
Net change in fund balance	(183,314)	1,886,173	2,069,487	(5,386,027)
Fund balance at beginning of year	<u>6,121,897</u>	<u>6,121,897</u>	<u>-</u>	<u>11,507,924</u>
Fund balance at end of year	<u>\$ 5,938,583</u>	<u>8,008,070</u>	<u>2,069,487</u>	<u>6,121,897</u>

## Supplementary Information

**CAPITAL PROJECTS FUND**

The Capital Projects Fund accounts for financial resources that are restricted, committed, or assigned for capital outlays, including acquisition or construction of capital facilities and other capital assets (other than those financed by Proprietary Funds).

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## Supplementary Information



## Supplementary Information

## Exhibit D-1

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Balance Sheet**  
**Capital Projects Fund**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	2018	2017
<u>Assets</u>		
Cash and short-term investments	\$ 139,758,663	92,255,055
Time deposits and other investments	27,164,133	15,559,303
Due from other funds:		
General Fund	295,850	26,869
County Grants Fund	12,006	-
	<u>307,856</u>	<u>26,869</u>
Due from other governments:		
Federal	6,043,232	13,474,556
State	3,967,331	5,039,114
	<u>10,010,563</u>	<u>18,513,670</u>
Due from component units	28,313	28,313
Accounts receivable - other	34,390	-
Accrued interest receivable	272,306	116,173
	<u>272,306</u>	<u>116,173</u>
Total assets	<u>\$ 177,576,224</u>	<u>126,499,383</u>
<u>Liabilities and Fund Balances</u>		
Liabilities:		
Vouchers payable	\$ 4,564,182	326,687
Due to other funds:		
General Fund	200,698	1,777,397
	<u>200,698</u>	<u>1,777,397</u>
Accrued liabilities	14,290,284	16,311,195
Retainage payable	85,105	170,444
	<u>85,105</u>	<u>170,444</u>
Total liabilities	<u>19,140,269</u>	<u>18,585,723</u>
Fund balances:		
Restricted for:		
Bridges	7,033,082	-
Buildings	-	4,936,879
Equipment	-	2,374,451
Feasibility studies	414,244	641,895
Various projects	150,988,629	99,960,435
	<u>158,435,955</u>	<u>107,913,660</u>
Total fund balances	<u>158,435,955</u>	<u>107,913,660</u>
Total liabilities and fund balances	<u>\$ 177,576,224</u>	<u>126,499,383</u>

## Supplementary Information

## Exhibit D-2

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Capital Projects Fund**  
**Year Ended December 31, 2018**  
**With Comparative Totals for Year Ended December 31, 2017**

	2018	2017
Revenues:		
Federal revenues	\$ 26,448,426	21,831,792
State revenues	15,016,691	11,510,503
Local governmental units revenues	1,156,820	2,122,802
Interest income	2,307,062	797,129
Miscellaneous	1,022,749	820,389
Total revenues	<u>45,951,748</u>	<u>37,082,615</u>
Expenditures:		
Bridges	32,283,702	33,893,390
Roads	17,862,508	21,226,261
Transit system	15,163,120	9,886,819
Parks' system	6,000,117	6,065,184
Buildings	17,330,503	6,849,885
Equipment	10,326,930	9,944,875
Feasibility studies	60,466	103,815
Other	500,000	-
Cost of issuance	459,772	-
Total expenditures	<u>99,987,118</u>	<u>87,970,229</u>
Deficiency of revenues over expenditures	<u>(54,035,370)</u>	<u>(50,887,614)</u>
Other financing sources (uses):		
Issuance of general obligation bonds	82,804,986	-
Premium on bonds	7,719,996	-
Transfers in	15,163,120	11,086,819
Transfers out	(1,130,437)	(752,257)
Total other financing sources	<u>104,557,665</u>	<u>10,334,562</u>
Net change in fund balances	50,522,295	(40,553,052)
Fund balances at beginning of year	<u>107,913,660</u>	<u>148,466,712</u>
Fund balances at end of period	<u>\$ 158,435,955</u>	<u>107,913,660</u>



## Supplementary Information

**INTERNAL SERVICE FUND**

The Internal Service Fund is used to account for Risk Management costs for the Medical/Dental and Automobile, General and Public Official self-insurance liabilities of the County.

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## Supplementary Information



## Supplementary Information

## Exhibit E-1

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Net Position**  
**Internal Service Fund**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	Risk Management Fund	
	2018	2017
<u>Assets</u>		
Current assets:		
Cash and short-term investments	\$ 616,063	569,693
Due from other funds:		
General Fund	433,666	848,958
Accounts receivable	-	3,354
Total assets	1,049,729	1,422,005
<u>Liabilities</u>		
Current liabilities:		
Vouchers payable	116,732	34,105
Due to other funds:		
General Fund	122,215	88,216
Accrued liabilities	810,782	1,299,684
Total liabilities	1,049,729	1,422,005
<u>Net Position</u>		
Net Position:		
Unrestricted net position	\$ -	-

## Supplementary Information

## Exhibit E-2

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Fund**  
**Year Ended December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	Risk Management Fund	
	2018	2017
Operating revenues:		
Contribution - employee	\$ 192,960	203,842
Contribution - employer	1,273,278	1,327,758
Miscellaneous income	21,291	28,111
Total operating revenues	<u>1,487,529</u>	<u>1,559,711</u>
Operating expenses:		
Insurance claims expense	<u>1,487,529</u>	<u>1,559,711</u>
Total operating expenses	<u>1,487,529</u>	<u>1,559,711</u>
Operating income	-	-
Change in net position	<u>-</u>	<u>-</u>
Net position at beginning of year	<u>-</u>	<u>-</u>
Net position at end of year	<u>\$ -</u>	<u>-</u>

## Supplementary Information

## Exhibit E-3

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Cash Flows**  
**Internal Service Fund**  
**Year Ended December 31, 2018**

	Risk Management Fund
Cash flows from operating activities	
Receipts from customers	\$ 1,906,175
Payments to suppliers	(1,859,805)
Net cash used for operating activities	<u>46,370</u>
Balance - beginning of year	<u>569,693</u>
Balance - end of year	\$ <u><u>616,063</u></u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	\$ 3,354
Decrease in due from other funds	415,292
Increase in due to other funds	33,999
Increase in vouchers payable	82,627
Decrease in accrued liabilities	(488,902)
Total adjustments	<u>46,370</u>
Net cash used for operating activities	\$ <u><u>46,370</u></u>

## Supplementary Information



## Supplementary Information

**TRUST AND AGENCY FUNDS**

The Trust and Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

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## Supplementary Information

The County's Trust and Agency Funds consist of:

**PENSION TRUST FUND** -- Accounts for the County's and the employees' retirement pension plan contributions and benefit disbursements.

**AGENCY FUND** -- Accounts for amounts collected by the County for fees, fines, taxes and other miscellaneous items which are held by the County as agent for others.

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## Supplementary Information

## Exhibit F-1

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Net Position**  
**Pension Trust Fund**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	2018	2017
<u>Assets</u>		
Cash and short-term investments	\$ 19,982,905	15,395,727
Investments (at fair value):		
Equity:		
U.S. common and preferred stock	113,362,368	124,424,207
American Depositary Receipts (ADRs)	2,250,658	2,061,761
S&P 500 index fund	76,574,960	89,140,130
Non-U.S. stocks and equity mutual fund	120,866,664	149,232,859
Bonds and Notes:		
Corporate certificates of deposit	3,194,843	2,728,503
U.S. government and related agency debt	21,843,589	21,624,759
Fannie Mae and Freddie Mac debt	9,912,244	7,143,227
Fixed income mutual funds	137,450,881	145,338,006
U.S. corporate debt instruments	63,506,049	66,272,117
Non-U.S. government and corporate debt	17,945,500	17,531,906
Other Investments:		
Hedge funds	1,265,826	1,697,855
Real estate	97,819,299	97,462,544
Commodities fund	-	16,579,156
Venture capital / private equity	187,068,404	183,560,628
Amount due from brokers	2,443,512	992,067
Accrued interest and dividends receivable	1,656,684	1,439,384
Accrued employer contributions receivable	967,933	857,302
Accrued employee contributions receivable	967,933	857,302
Other assets	2,569	10,057
Total assets	879,082,821	944,349,497
<u>Liabilities</u>		
Accrued payroll	5,179	3,292
Vouchers payable	63,452	21,401
Payroll withholdings	2,697	942
Accrued liabilities	1,977,830	2,690,992
Amount due to brokers	1,493,885	953,771
Other liabilities	25,916	24,258
Total liabilities	3,568,959	3,694,656
<u>Net Position</u>		
Restricted for Pensions	\$ 875,513,862	940,654,841

## Supplementary Information

## Exhibit F-2

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Changes in Net Position**  
**Pension Trust Fund**  
**Year Ended December 31, 2018**  
**With Comparative Totals for Year Ended December 31, 2017**

	2018	2017
Additions:		
Contributions:		
Employee	\$ 38,344,289	35,184,080
Employer	38,142,513	35,123,482
Total contributions	<u>76,486,802</u>	<u>70,307,562</u>
Investment income:		
Net appreciation (depreciation) in fair value of investments	(43,343,857)	107,999,823
Interest	5,367,873	4,715,004
Dividends	7,120,811	6,119,044
Stock loan income	49,179	89,956
Partnership income	3,333,354	7,452,936
	<u>(27,472,640)</u>	<u>126,376,763</u>
Less: Investment management fees	<u>5,580,439</u>	<u>10,972,813</u>
Total investment gain (loss) - net	<u>(33,053,079)</u>	<u>115,403,950</u>
Miscellaneous income	<u>36,890</u>	<u>206,171</u>
Total additions - net	<u>43,470,613</u>	<u>185,917,683</u>
Deductions:		
Benefit payments	101,701,023	96,244,878
Refunds of employee contributions	5,305,324	5,333,853
Salaries, wages and related expenses	298,845	179,947
Administrative and miscellaneous expenses	1,306,400	1,274,180
Total deductions	<u>108,611,592</u>	<u>103,032,858</u>
Change in net position	(65,140,979)	82,884,825
Net position - beginning of year	<u>940,654,841</u>	<u>857,770,016</u>
Net position - end of year	<u>\$ 875,513,862</u>	<u>940,654,841</u>

## Supplementary Information

## Exhibit F-3

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Assets and Liabilities**  
**Combined Agency Funds**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	2018	2017
<u>Assets</u>		
Cash and short-term investments	\$ 52,621,382	45,818,632
Accrued interest and dividends receivable	2,422	742
Other assets	4,762,883	4,887,888
Total assets	\$ 57,386,687	50,707,262
<u>Liabilities</u>		
Vouchers payable	\$ 1,570,137	1,205,553
Due to other governments	12,477,024	8,430,197
Due to litigants	16,564,337	15,743,251
Collections held in trust	21,440,176	19,164,226
Other liabilities	5,335,013	6,164,035
Total liabilities	\$ 57,386,687	50,707,262

## Supplementary Information

## Exhibit F-4 (Page 1 of 11)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**By Level of Fiduciary Responsibility**  
**Year Ended December 31, 2018**

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<u>SHERIFF'S OFFICE</u>				
ASSETS				
Cash	\$ 281,913	652,403	657,948	276,368
LIABILITIES				
Due to litigants	\$ 281,913	652,403	657,948	276,368
<u>COURT RECORDS-CRIMINAL DIVISION</u>				
ASSETS				
Cash	\$ 1,408,888	17,006,090	16,859,442	1,555,536
LIABILITIES				
Due to other governments	\$ 241,229	61,896	-	303,125
Due to other funds	-	115,737	115,737	-
Due to litigants	1,152,822	84,752	-	1,237,574
Other liabilities	14,837	-	-	14,837
	\$ 1,408,888	262,385	115,737	1,555,536
<u>COURT RECORDS-WILLS/ORPHANS DIVISION</u>				
ASSETS				
Cash	\$ 1,612,307	4,933,494	5,157,755	1,388,046
LIABILITIES				
Due to other governments	\$ 21,850	328,583	330,497	19,936
Due to litigants	1,590,457	4,604,911	4,827,258	1,368,110
	\$ 1,612,307	4,933,494	5,157,755	1,388,046
<u>COURT RECORDS-CIVIL DIVISION</u>				
ASSETS				
Cash	\$ 6,940,063	20,001,494	19,266,056	7,675,501
Other assets	871,167	-	4,152	867,015
	\$ 7,811,230	20,001,494	19,270,208	8,542,516
LIABILITIES				
Due to other governments	\$ 84,982	30	-	85,012
Due to litigants	7,726,248	20,001,464	19,270,208	8,457,504
	\$ 7,811,230	20,001,494	19,270,208	8,542,516

## Supplementary Information

## Exhibit F-4 (Page 2 of 11)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**By Level of Fiduciary Responsibility**  
**Year Ended December 31, 2018**

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<b>REAL ESTATE DEPARTMENT</b>				
ASSETS				
Cash	\$ 7,804,819	191,096,805	187,222,706	11,678,918
Other assets	242,605	121,753	242,606	121,752
	<u>\$ 8,047,424</u>	<u>191,218,558</u>	<u>187,465,312</u>	<u>11,800,670</u>
LIABILITIES				
Due to other governments	\$ 8,041,117	169,899,364	166,139,849	11,800,632
Due to other funds	-	20,529,245	20,529,245	-
Other liabilities	6,307	796,124	802,393	38
	<u>\$ 8,047,424</u>	<u>191,224,733</u>	<u>187,471,487</u>	<u>11,800,670</u>
<b>MISCELLANEOUS AGENCIES</b>				
ASSETS				
Cash	\$ 992,494	7,492,176	7,627,147	857,523
LIABILITIES				
Due to other funds	\$ -	46,576	46,576	-
Other liabilities	992,494	7,445,600	7,580,571	857,523
	<u>\$ 992,494</u>	<u>7,492,176</u>	<u>7,627,147</u>	<u>857,523</u>
<b>CYF CLIENT INCOME</b>				
ASSETS				
Cash	\$ 203,685	851,136	1,018,324	36,497
LIABILITIES				
Due to other funds	\$ -	375,266	375,266	-
Vouchers payable	15	46,143	46,158	-
Other liabilities	203,670	733,182	900,355	36,497
	<u>\$ 203,685</u>	<u>1,154,591</u>	<u>1,321,779</u>	<u>36,497</u>
<b>TAX REFUNDS</b>				
ASSETS				
Cash	\$ 32,615	195,021	216,016	11,620
Due from other funds	-	221,189	221,189	-
	<u>\$ 32,615</u>	<u>416,210</u>	<u>437,205</u>	<u>11,620</u>
LIABILITIES				
Vouchers payable	\$ 32,615	5,209	26,204	11,620
Other liabilities	-	191,284	191,284	-
	<u>\$ 32,615</u>	<u>196,493</u>	<u>217,488</u>	<u>11,620</u>

## Supplementary Information

## Exhibit F-4 (Page 3 of 11)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**By Level of Fiduciary Responsibility**  
**Year Ended December 31, 2018**

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<u>GUARDIAN ACCOUNT</u>				
ASSETS				
Cash	\$ 126,627	28,719	32,648	122,698
LIABILITIES				
Vouchers payable	\$ 16,042	20,512	29,315	7,239
Due to other funds	-	34,545	34,545	-
Other liabilities	110,585	6,989	2,115	115,459
	\$ 126,627	62,046	65,975	122,698
<u>SOLICITOR'S PROPERTY FUND</u>				
ASSETS				
Cash	\$ 145,122	103,167	104,261	144,028
Due from other funds	-	95,000	95,000	-
	\$ 145,122	198,167	199,261	144,028
LIABILITIES				
Vouchers payable	\$ -	9,261	9,261	-
Other liabilities	145,122	-	1,094	144,028
	\$ 145,122	9,261	10,355	144,028
<u>RENTAL LEASE MAINTENANCE</u>				
ASSETS				
Cash	\$ 171,276	15,469	-	186,745
LIABILITIES				
Other liabilities	\$ 171,276	15,469	-	186,745
<u>ESCROW TAXES UNDER \$1</u>				
ASSETS				
Cash	\$ 58,378	-	-	58,378
LIABILITIES				
Other liabilities	\$ 58,378	-	-	58,378

## Supplementary Information

## Exhibit F-4 (Page 4 of 11)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**By Level of Fiduciary Responsibility**  
**Year Ended December 31, 2018**

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<u>UNCLAIMED CORONER FUNDS</u>				
ASSETS				
Cash	\$ 12,642	3,725	1,400	14,967
LIABILITIES				
Other liabilities	\$ 12,642	4,425	2,100	14,967
<u>HOTEL TAX, CONVENTION CENTER PROJECT</u>				
ASSETS				
Cash	\$ 1,280,197	14,928,333	14,928,333	1,280,197
Due from other funds	-	1,148,333	1,148,333	-
	\$ 1,280,197	16,076,666	16,076,666	1,280,197
LIABILITIES				
Collections held in trust	\$ 1,280,197	13,780,000	13,780,000	1,280,197
<u>HOTEL ROOM RENTAL TAX</u>				
ASSETS				
Cash	\$ 264,062	39,909,879	40,036,847	137,094
LIABILITIES				
Due to other funds	\$ -	39,996,296	39,996,296	-
Other liabilities	264,062		126,968	137,094
	\$ 264,062	39,996,296	40,123,264	137,094

## Supplementary Information

## Exhibit F-4 (Page 5 of 11)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**By Level of Fiduciary Responsibility**  
**Year Ended December 31, 2018**

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<u>PGH CONVENTION AND VISITORS</u>				
<u>BUREAU ROOM TAX</u>				
ASSETS				
Cash	\$ 740,452	11,427,512	11,348,289	819,675
Due from other funds	-	20,184,812	20,184,812	-
	<u>\$ 740,452</u>	<u>31,612,324</u>	<u>31,533,101</u>	<u>819,675</u>
LIABILITIES				
Vouchers payable	\$ -	10,608,234	10,608,234	-
Other liabilities	740,452	10,687,457	10,608,234	819,675
	<u>\$ 740,452</u>	<u>21,295,691</u>	<u>21,216,468</u>	<u>819,675</u>
<u>EMPLOYEE ACTIVITIES</u>				
ASSETS				
Cash	\$ 5,401	-	-	5,401
LIABILITIES				
Other liabilities	\$ 5,401	-	-	5,401
<u>KANE - RESIDENTS' MONEY</u>				
ASSETS				
Cash	\$ 1,028,728	9,748,819	9,996,962	780,585
Accrued interest	742	3,377	1,697	2,422
	<u>\$ 1,029,470</u>	<u>9,752,196</u>	<u>9,998,659</u>	<u>783,007</u>
LIABILITIES				
Vouchers payable	\$ 242,716	9,625,728	9,702,356	166,088
Due to other funds	-	3,149,317	3,149,317	-
Collections held in trust	786,754	9,556,914	9,726,749	616,919
	<u>\$ 1,029,470</u>	<u>22,331,959</u>	<u>22,578,422</u>	<u>783,007</u>
<u>MCKEESPORT CRAWFORD</u>				
<u>ESTATE GIFT KANE FUND</u>				
ASSETS				
Cash	\$ 4,097	-	-	4,097
Other assets	21,437	-	-	21,437
	<u>\$ 25,534</u>	<u>-</u>	<u>-</u>	<u>25,534</u>
LIABILITIES				
Other liabilities	\$ 25,534	-	-	25,534



## Supplementary Information

## Exhibit F-4 (Page 6 of 11)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**By Level of Fiduciary Responsibility**  
**Year Ended December 31, 2018**

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<b>BOROUGH OF MONROEVILLE</b>				
<b><u>HOTEL TAX</u></b>				
<b>ASSETS</b>				
Cash	\$ 85,622	576,294	595,122	66,794
Due from other funds	-	1,134,394	1,134,394	-
	<u>\$ 85,622</u>	<u>1,710,688</u>	<u>1,729,516</u>	<u>66,794</u>
<b>LIABILITIES</b>				
Vouchers Payable	\$ -	558,100	558,100	-
Other liabilities	85,622	539,273	558,101	66,794
	<u>\$ 85,622</u>	<u>1,097,373</u>	<u>1,116,201</u>	<u>66,794</u>
<b>DAVID L. LAWRENCE CONVENTION</b>				
<b><u>CENTER - HOTEL ROOM TAX</u></b>				
<b>ASSETS</b>				
Cash	\$ 9,818,125	11,635,716	9,247,279	12,206,562
Due from other funds	-	16,310,716	16,310,716	-
Other assets	3,540,000	-	-	3,540,000
	<u>\$ 13,358,125</u>	<u>27,946,432</u>	<u>25,557,995</u>	<u>15,746,562</u>
<b>LIABILITIES</b>				
Collections held in trust	\$ 13,358,125	7,063,437	4,675,000	15,746,562
<b>MEMORIAL HALL</b>				
<b><u>LIBRARY AND MUSEUM</u></b>				
<b>ASSETS</b>				
Other assets	\$ 29,281	-	-	29,281
<b>LIABILITIES</b>				
Other liabilities	\$ 29,281	-	-	29,281

## Supplementary Information

## Exhibit F-4 (Page 7 of 11)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**By Level of Fiduciary Responsibility**  
**Year Ended December 31, 2018**

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<u>DA - FORFEITURE ACCOUNT</u>				
ASSETS				
Cash	\$ 1,757,033	662,199	1,185,321	1,233,911 (1)
LIABILITIES				
Vouchers payable	\$ 587	1,027,977	1,019,314	9,250
Due to other funds	-	1,162,339	1,162,339	-
Other liabilities	1,756,446	822,191	1,353,976	1,224,661
	\$ 1,757,033	3,012,507	3,535,629	1,233,911
<u>DA - DANET GRANT</u>				
ASSETS				
Cash	\$ -	563,432	539,900	23,532 (2)
LIABILITIES				
Other liabilities	\$ -	563,432	539,900	23,532
<u>KEEP "THE COMMANDMENTS"</u>				
ASSETS				
Cash	\$ 1,691	26	-	1,717
Due from other funds	-	27	27	-
	\$ 1,691	53	27	1,717
LIABILITIES				
Other liabilities	\$ 1,691	51	25	1,717

(1) Of this balance, \$178,186 is maintained separately by the District Attorney.

(2) Cash from the DANET Grant is maintained separately by the District Attorney.

## Supplementary Information

## Exhibit F-4 (Page 8 of 11)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**By Level of Fiduciary Responsibility**  
**Year Ended December 31, 2018**

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<b><u>PARKS - FACILITY CHANGE FUNDS</u></b>				
ASSETS				
Cash	\$ 4,270	66,497	65,997	4,770
LIABILITIES				
Due to other funds	\$ -	47,000	47,000	-
Vouchers payable	-	24,000	23,500	500
Other liabilities	4,270	-	-	4,270
	\$ 4,270	71,000	70,500	4,770
<b><u>ENVIRONMENTAL HEALTH</u></b>				
ASSETS				
Cash	\$ 661,441	99,637	100,263	660,815
Other assets	183,398	-	-	183,398
	\$ 844,839	99,637	100,263	844,213
LIABILITIES				
Vouchers payable	\$ -	92,455	92,455	-
Due to other funds	-	116,945	116,945	-
Other liabilities	844,839	88,868	89,494	844,213
	\$ 844,839	298,268	298,894	844,213
<b><u>PA LICENSES HUNTING/ FISHING/DOGS/BOATS</u></b>				
ASSETS				
Cash	\$ 246,216	1,053,541	1,036,304	263,453
LIABILITIES				
Vouchers payable	\$ 211,302	760,267	968,911	2,658
Due to other governments	34,914	2,022,452	1,796,571	260,795
	\$ 246,216	2,782,719	2,765,482	263,453

## Supplementary Information

## Exhibit F-4 (Page 9 of 11)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**By Level of Fiduciary Responsibility**  
**Year Ended December 31, 2018**

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<u>ACT 66 FIREARMS LICENSE ESCROW</u>				
ASSETS				
Cash	\$ 6,105	46,961	45,542	7,524
LIABILITIES				
Due to other governments	\$ 6,105	69,732	68,313	7,524
<u>PROPERTY ASSESSMENT - CHANGE FUND</u>				
ASSETS				
Cash	\$ -	20	20	-
LIABILITIES				
Due to other funds	\$ -	20	20	-
<u>CHILDREN, YOUTH &amp; FAMILY - DONATIONS</u>				
ASSETS				
Cash	\$ 38,594	23,460	29,835	32,219
LIABILITIES				
Vouchers payable	\$ -	29,835	29,835	-
Due to other funds	-	30,045	30,045	-
Other liabilities	38,594	23,250	29,625	32,219
	\$ 38,594	83,130	89,505	32,219
<u>CUSTODY PSYCHOLOGICAL EVALUATIONS</u>				
ASSETS				
Cash	\$ 265,896	488,615	446,484	308,027
LIABILITIES				
Vouchers payable	\$ 1,293	445,910	446,483	720
Due to other funds	-	452,063	452,063	-
Other liabilities	264,603	423,355	380,651	307,307
	\$ 265,896	1,321,328	1,279,197	308,027

## Supplementary Information

## Exhibit F-4 (Page 10 of 11)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**By Level of Fiduciary Responsibility**  
**Year Ended December 31, 2018**

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<u>ESCROW FOR TAXPAYER REFUNDS</u>				
ASSETS				
Cash	\$ 160,252	9,503,029	9,145,360	517,921
LIABILITIES				
Vouchers payable	\$ 160,250	6,977,452	6,619,783	517,919
Due to other funds	-	15,864,802	15,864,802	-
Other liabilities	2	6,197,810	6,197,810	2
	\$ 160,252	29,040,064	28,682,395	517,921
<u>CUSTODY MEDIATION PROGRAM</u>				
ASSETS				
Cash	\$ 344,731	300	6,920	338,111
LIABILITIES				
Vouchers payable	\$ 6,820	300	6,920	200
Other liabilities	337,911	-	-	337,911
	\$ 344,731	300	6,920	338,111
<u>LANDFILL TRUST</u>				
ASSETS				
Cash	\$ 3,739,150	57,348	-	3,796,498
Due from other funds	-	59,842	59,842	-
	\$ 3,739,150	117,190	59,842	3,796,498
LIABILITIES				
Collections held in trust	\$ 3,739,150	111,853	54,505	3,796,498
<u>RENT WITHHOLDING</u>				
ASSETS				
Cash	\$ 11,870	2,885	5,971	8,784
LIABILITIES				
Other liabilities	\$ 11,870	8,856	11,942	8,784

## Supplementary Information

## Exhibit F-4 (Page 11 of 11)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**By Level of Fiduciary Responsibility**  
**Year Ended December 31, 2018**

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<u>SHERIFF SALE ESCROW</u>				
ASSETS				
Cash	\$ 5,515,685	27,950,512	27,392,340	6,073,857
Due from other funds	-	28,061,404	28,061,404	-
	<u>\$ 5,515,685</u>	<u>56,011,916</u>	<u>55,453,744</u>	<u>6,073,857</u>
LIABILITIES				
Vouchers payable	\$ 523,874	27,565,864	27,240,662	849,076
Due to litigants	4,991,811	27,117,985	26,885,015	5,224,781
	<u>\$ 5,515,685</u>	<u>54,683,849</u>	<u>54,125,677</u>	<u>6,073,857</u>
<u>XPAND TAX SALE COLLECTIONS</u>				
ASSETS				
Cash	\$ 7,525	132,039	134,832	4,732
LIABILITIES				
Vouchers Payable	\$ 7,525	133,150	135,943	4,732
Other Liabilities	-	133,162	133,162	-
	<u>\$ 7,525</u>	<u>266,312</u>	<u>269,105</u>	<u>4,732</u>
<u>NORTH PARK LAKE ESCROW</u>				
ASSETS				
Cash	\$ 20,000	-	-	20,000
LIABILITIES				
Other liabilities	\$ 20,000	-	-	20,000
<u>WORKERS' COMP TRUST FUND</u>				
ASSETS				
Cash	\$ 18,146	-	-	18,146
LIABILITIES				
Other liabilities	\$ 18,146	-	-	18,146
<u>TOWER TAX AR SALE COLLECT FUND</u>				
ASSETS				
Cash	\$ 2,514	86,753	89,132	135
LIABILITIES				
Vouchers payable	\$ 2,514	90,697	93,076	135
Other liabilities	-	90,697	90,697	-
	<u>\$ 2,514</u>	<u>181,394</u>	<u>183,773</u>	<u>135</u>

Supplementary Information



**CAPITAL ASSETS USED IN THE  
OPERATION OF  
GOVERNMENTAL FUNDS**

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## Supplementary Information





## Supplementary Information

## Exhibit G-1 (Page 1 of 2)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Capital Assets Used In the Operation of Governmental Funds**  
**Schedule of Capital Assets By Function and Activity**  
**December 31, 2018**

Function and Activity	Total	Land	Land Improvements	Buildings	Infrastructure	Furniture, Fixtures And Equipment
General government:						
Controller	\$ 667,416	-	-	-	-	667,416
Medical Examiner	4,432,120	-	-	-	-	4,432,120
District Attorney	732,424	-	-	-	-	732,424
Sheriff	784,777	-	-	-	-	784,777
Treasurer	135,864	-	-	-	-	135,864
Chief Executive/County Manager	26,343	-	-	-	-	26,343
County Council	22,246	-	-	-	-	22,246
Court of Common Pleas	4,038,215	-	-	-	-	4,038,215
Administrative Services:						
Property Assessment	130,241	-	-	-	-	130,241
Elections	12,738,937	-	-	-	-	12,738,937
Property and Supplies	616,852	-	-	-	-	616,852
Management Information Services	3,651,182	-	-	-	-	3,651,182
Property Management	20,348	-	-	-	-	20,348
Veterans' Services	2,167	-	-	-	-	2,167
Human Resources	2,739	-	-	-	-	2,739
Law	19,548	-	-	-	-	19,548
Public Defender	19,305	-	-	-	-	19,305
Court Records	1,032,202	-	-	-	-	1,032,202
Real Estate	7,579	-	-	-	-	7,579
Facilities Management	400,510	-	-	-	-	400,510
General government land and buildings	101,117,406	1,797,263	-	99,320,143	-	-
Total general government	130,598,421	1,797,263	-	99,320,143	-	29,481,015

## Supplementary Information

## Exhibit G-1 (Page 2 of 2)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Capital Assets Used In the Operation of Governmental Funds**  
**Schedule of Capital Assets By Function and Activity**  
**December 31, 2018**

Function and Activity	Total	Land	Land Improvements	Buildings	Infrastructure	Furniture, Fixtures And Equipment
Culture and recreation	99,734,688	7,108,406	3,944,622	52,852,659	28,793,059	7,035,942
Economic development	63,461	-	-	-	-	63,461
Health and welfare	124,693,975	3,662,324	-	107,827,809	-	13,203,842
Public safety	203,065,482	4,077,783	351,399	171,515,948	-	27,120,352
Public works	712,587,990	13,549,080	3,896,880	36,388,366	630,277,490	28,476,174
Total governmental funds capital assets	1,270,744,017	30,194,856	8,192,901	467,904,925	659,070,549	105,380,786
Less: Accumulated depreciation	(493,871,735)	-	(8,192,901)	(224,819,380)	(217,560,244)	(43,299,210)
Total	776,872,282	30,194,856	-	243,085,545	441,510,305	62,081,576
Construction in progress	73,085,223					
Net governmental funds capital assets	\$ 849,957,505					

## Supplementary Information

## Exhibit G-2

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes in Capital Assets by Function and Activity**  
**Year Ended December 31, 2018**

Function and Activity	Governmental Funds Capital Assets 01/01/2018	Additions	Deductions	Governmental Funds Capital Assets 12/31/2018
General government:				
Controller	\$ 657,068	10,348	-	667,416
Medical Examiner	4,094,394	416,398	78,672	4,432,120
District Attorney	805,404	-	72,980	732,424
Sheriff	835,892	21,246	72,361	784,777
Treasurer	294,966	5,381	164,483	135,864
Chief Executive/County Manager	34,418	-	8,075	26,343
County Council	40,145	-	17,899	22,246
Court of Common Pleas	4,047,538	100,190	109,513	4,038,215
Administrative Services:				
Property Assessment	152,859	-	22,618	130,241
Elections	12,739,707	-	770	12,738,937
Property and Supplies	599,640	24,520	7,308	616,852
Management Information Services	3,948,927	35,784	333,529	3,651,182
Property Management	30,473	-	10,125	20,348
Veterans' Services	2,167	-	-	2,167
Human Resources	2,810	-	71	2,739
Law	21,867	-	2,319	19,548
Public Defender	20,190	-	885	19,305
Court Records	1,024,181	17,995	9,974	1,032,202
Real Estate	7,579	-	-	7,579
Facilities Management	401,318	-	808	400,510
General government land and buildings	93,591,443	7,525,963	-	101,117,406
Total general government	123,352,986	8,157,825	912,390	130,598,421
Culture and recreation	98,299,309	1,540,399	105,020	99,734,688
Economic development	79,820	-	16,359	63,461
Health and welfare	125,743,727	856,313	1,906,065	124,693,975
Public safety	201,373,740	1,972,124	280,382	203,065,482
Public works	678,432,519	34,679,585	524,114	712,587,990
Total governmental fund capital assets	1,227,282,101	47,206,246	3,744,330	1,270,744,017
Construction in progress	53,312,958	55,836,645	36,064,380	73,085,223
Total	1,280,595,059	103,042,891	39,808,710	1,343,829,240
Less: Accumulated depreciation	(473,144,855)	(24,404,241)	(3,677,361)	(493,871,735)
Net governmental funds capital assets	\$ 807,450,204	78,638,650	36,131,349	849,957,505

## Supplementary Information

## Exhibit G-3

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Capital Assets by Source**  
**December 31, 2018**

Governmental funds capital assets:	
Land	\$ 30,194,856
Land Improvements	8,192,901
Buildings	439,641,326
Buildings - Capital Lease	7,678,839
Buildings - Leasehold Improvements	20,584,760
Infrastructure	659,070,549
Construction in progress	73,085,223
Furniture, fixtures and equipment	105,380,786
Total governmental funds capital assets	1,343,829,240
Less: Accumulated depreciation	(493,871,735)
Net governmental funds capital assets	\$ 849,957,505
Investment in governmental funds capital assets by source:	
Capital Projects Fund	\$ 1,291,645,554
General Fund	24,743,702
Special Revenue Fund	23,819,661
Human Service Grants Fund	3,573,032
Agency Funds	24,957
Contributions	22,334
Total governmental funds capital assets	1,343,829,240
Less: Accumulated depreciation	(493,871,735)
Net governmental funds capital assets	\$ 849,957,505

## Supplementary Information

**BUDGETARY COMPARISON  
SCHEDULE FOR OPERATING BUDGET**

This schedule combines the General Fund, Debt Service Fund, Transportation Fund and Liquid Fuel Tax Special Revenue Fund to demonstrate the County's compliance with its Operating Budget.

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## Supplementary Information

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Budgetary Comparison Schedule For Operating Budget**  
**Year Ended December 31, 2018**

	Budget		General Fund
	Original Budget	Final Budget	
Revenues:			
Property taxes	\$ 367,758,014	367,758,014	304,975,720
Sales and use tax	49,225,200	49,225,200	51,445,652
Alcoholic beverage and rental vehicle taxes	49,178,081	49,178,081	-
Hotel tax	5,300,000	5,300,000	5,335,932
Gaming local share assessment	5,600,000	5,600,000	5,546,519
Licenses and permits	3,579,794	3,579,794	3,134,459
Federal revenues	85,865,078	85,865,078	57,595,831
State revenues	204,047,377	204,047,377	170,053,561
Local government units revenues	20,812,500	20,812,500	20,610,439
Charges for services and facilities	96,133,693	96,133,693	141,938,859
Fines and forfeitures	4,068,000	4,068,000	4,121,219
Interest earnings	2,809,000	2,809,000	2,788,165
Miscellaneous	4,647,991	4,647,991	10,600,781
Total revenues	899,024,728	899,024,728	778,147,137
Expenditures:			
Current:			
General government	221,241,515	213,030,957	212,652,508
Public safety	117,331,561	128,662,965	128,662,942
Public works	26,498,250	25,295,442	16,779,002
Transportation	31,894,599	31,894,599	-
Health and welfare	355,844,860	354,074,914	353,169,475
Culture and recreation	18,761,703	19,323,170	19,205,759
Education	25,794,339	25,794,339	25,794,339
Economic development	3,963,518	3,963,518	2,102,899
Debt service:			
Principal retirement	34,914,559	34,914,559	-
Interest charges	37,031,017	37,214,331	-
Total expenditures	873,275,921	874,168,794	758,366,924
Excess (deficiency) of revenues over expenditures	25,748,807	24,855,934	19,780,213
Other financing sources (uses):			
Issuance of general obligation bonds	-	-	-
Transfers in	8,325,362	8,325,362	2,221,749
Transfers out	(39,594,441)	(39,594,441)	(17,095,183)
Total other financing sources (uses)	(31,269,079)	(31,269,079)	(14,873,434)

## Supplementary Information

## Exhibit H (Page 1 of 2)

----- Actual -----						
Debt Service	Transportation Fund	Liquid Fuel	Infrastructure Support Fund	Interfund Transfer Eliminations	Total	Variance to Final Budget
59,253,705	-	-	-	-	364,229,425	(3,528,589)
-	-	-	-	-	51,445,652	2,220,452
-	50,812,549	-	-	-	50,812,549	1,634,468
-	-	-	-	-	5,335,932	35,932
-	-	-	-	-	5,546,519	(53,481)
-	-	-	-	-	3,134,459	(445,335)
333,180	-	-	-	-	57,929,011	(27,936,067)
74,686	-	4,095,630	4,413,220	-	178,637,097	(25,410,280)
534	-	-	-	-	20,610,973	(201,527)
-	-	-	-	-	141,938,859	45,805,166
-	-	-	-	-	4,121,219	53,219
472,581	-	6,102	46,408	-	3,313,256	504,256
-	-	-	-	-	10,600,781	5,952,790
<u>60,134,686</u>	<u>50,812,549</u>	<u>4,101,732</u>	<u>4,459,628</u>	<u>-</u>	<u>897,655,732</u>	<u>(1,368,996)</u>
-	-	-	-	-	212,652,508	(378,449)
-	-	-	-	-	128,662,942	(23)
-	-	4,249,478	4,212,754	-	25,241,234	(54,208)
-	31,894,599	-	-	-	31,894,599	-
-	-	-	-	-	353,169,475	(905,439)
-	-	-	-	-	19,205,759	(117,411)
-	-	-	-	-	25,794,339	-
-	-	-	-	-	2,102,899	(1,860,619)
34,362,500	-	-	-	-	34,362,500	(552,059)
37,766,389	-	-	-	-	37,766,389	552,058
<u>72,128,889</u>	<u>31,894,599</u>	<u>4,249,478</u>	<u>4,212,754</u>	<u>-</u>	<u>870,852,644</u>	<u>(3,316,150)</u>
<u>(11,994,203)</u>	<u>18,917,950</u>	<u>(147,746)</u>	<u>246,874</u>	<u>-</u>	<u>26,803,088</u>	<u>1,947,154</u>
4,760,014	-	-	-	-	4,760,014	4,760,014
9,120,362	-	-	-	(9,120,362)	2,221,749	(6,103,613)
-	(24,283,482)	-	-	9,120,362	(32,258,303)	7,336,138
<u>13,880,376</u>	<u>(24,283,482)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,276,540)</u>	<u>5,992,539</u>

## Supplementary Information

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Budgetary Comparison Schedule For Operating Budget**  
**Year Ended December 31, 2018**

	Budget		-----
	Original Budget	Final Budget	General Fund
Net change in fund balances	(5,520,272)	(6,413,145)	4,906,779
Fund balances at beginning of year	106,109,988	106,109,988	83,583,383
Fund balances at end of year	\$ <u>100,589,716</u>	<u>99,696,843</u>	<u>88,490,162</u>



## Supplementary Information

## Exhibit H (Page 2 of 2)

----- Actual -----						
Debt Service	Transportation Fund	Liquid Fuel	Infrastructure Support Fund	Interfund Transfer Eliminations	Total	Variance to Final Budget
1,886,173	(5,365,532)	(147,746)	246,874	-	1,526,548	7,939,693
6,121,897	16,034,819	161,801	208,088	-	106,109,988	-
<u>8,008,070</u>	<u>10,669,287</u>	<u>14,055</u>	<u>454,962</u>	<u>-</u>	<u>107,636,536</u>	<u>7,939,693</u>

## Supplementary Information



## Supplementary Information

**NONMAJOR COMPONENT UNITS**

The County's Nonmajor Component Units are:

Allegheny HealthChoices, Inc.  
Allegheny County Parks Foundation  
Soldiers' and Sailors' Memorial Hall



## Supplementary Information



## Supplementary Information

## Exhibit I-1

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Combining Statement of Net Position**  
**Nonmajor Component Units**  
**December 31, 2018**

	Nonmajor Component Units			Total
	Allegheny HealthChoices, Inc.	Allegheny County Parks Foundation	Soldiers' and Sailors' Memorial Hall	
<u>Assets</u>				
Cash and short-term investments	\$ 5,947,007	331,364	1,803,240	8,081,611
Restricted cash and short-term investments	25,491,229	1,089,357	-	26,580,586
Due from primary government	77,908	-	-	77,908
Accounts receivable	185,183	-	24,014	209,197
Other receivable	-	969,704	4,941	974,645
Inventory	-	-	22,248	22,248
Other assets	215,909	2,460	22,019	240,388
Buildings and equipment, net of accumulated depreciation	112,346	4,080	3,405,908	3,522,334
Total assets	<u>32,029,582</u>	<u>2,396,965</u>	<u>5,282,370</u>	<u>39,708,917</u>
<u>Liabilities</u>				
Liabilities:				
Vouchers payable	-	106,409	57,287	163,696
Due to primary government	2,005,870	-	-	2,005,870
Accrued liabilities	665,860	-	-	665,860
Other liabilities	16,394	4,080	162,895	183,369
Unearned revenue	1,620,400	37,500	-	1,657,900
Reserve for claims	25,474,835	-	-	25,474,835
Current compensated absences	-	-	11,858	11,858
Total liabilities	<u>29,783,359</u>	<u>147,989</u>	<u>232,040</u>	<u>30,163,388</u>
<u>Net Position</u>				
Net position:				
Invested in capital assets	-	-	3,405,908	3,405,908
Restricted for projects	-	1,949,761	155,307	2,105,068
Unrestricted net assets	2,246,223	299,215	1,489,115	4,034,553
Total net position	<u>\$ 2,246,223</u>	<u>2,248,976</u>	<u>5,050,330</u>	<u>9,545,529</u>

## Supplementary Information

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Combining Statement of Changes in Net Position**  
**Nonmajor Component Units**  
**Year Ended December 31, 2018**

		Program Revenues		
	Expenses	Charges for services	Operating Grants & Contributions	Capital Grants & Contributions
Allegheny HealthChoices	\$ 8,610,948	1,096,240	7,634,000	-
Allegheny County Parks Foundation	1,250,906	395,569	95,095	1,795,149
Soldiers' and Sailors' Memorial Hall	2,049,210	792,530	378,711	1,459
Total Nonmajor Component Units	\$ 11,911,064	2,284,339	8,107,806	1,796,608
General Revenues:				
Payment from County				
Interest and Investment Earnings				
Gain on investment				
Miscellaneous				
Total General Revenues				
Change in Net Position				
Net Position Beginning of Year				
Net Position End of Year				

## Supplementary Information

## Exhibit I-2

Net (Expense) Revenue and Changes in Net Position			
Allegheny HealthChoices, Inc.	Allegheny County Parks Foundation	Soldiers' and Sailors' Memorial Hall	Totals
119,292	-	-	119,292
-	1,034,907	-	1,034,907
-	-	(876,510)	(876,510)
119,292	1,034,907	(876,510)	277,689
\$ -	-	653,250	653,250
23,335	1,880	-	25,215
(11,780)	-	-	(11,780)
-	-	72,024	72,024
11,555	1,880	725,274	738,709
130,847	1,036,787	(151,236)	1,016,398
2,115,376	1,212,189	5,201,566	8,529,131
\$ 2,246,223	2,248,976	5,050,330	9,545,529

## Supplementary Information





Supplementary Information



**SUPPORTING SCHEDULES  
FOR LONG-TERM DEBT**

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## Supplementary Information

## Exhibit J-1 (Page 1 of 5)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Long-Term Debt**  
**December 31, 2018**

	Rate of Interest	Date of		Amount	
		Issue	Maturity	Issued	Outstanding
<u>Nonelectoral Long-Term Debt:</u>					
<u>General Obligation Bonds:</u>					
Bridges	Variable (1)	2-1-00	5-1-27	\$ 2,589,419	2,584,561
	Variable (2)	12-20-00	5-1-27	9,074,930	9,074,930
	4.1355 (3)	3-14-07	11-1-26	619,376	514,726
	1.50 - 4.125	3-1-11	5-1-20	2,582,817	643,148
	2.00 - 5.000	10-11-12	12-1-32	16,876,995	16,866,167
	3.00 - 5.000	8-5-14	12-1-20	5,738,929	1,509,464
				<u>37,482,466</u>	<u>31,192,996</u>
Roads	Variable (1)	2-1-00	5-1-27	1,860,379	1,856,893
	Variable (2)	12-20-00	5-1-27	2,032,100	2,032,100
	4.1355 (3)	3-14-07	11-1-26	2,935,343	2,439,384
	1.50 - 4.125	3-1-11	5-1-20	1,855,636	462,074
	2.00 - 5.000	10-11-12	12-1-32	8,958,221	8,952,474
	3.00 - 5.000	8-5-14	12-1-20	13,098,449	3,445,180
				<u>30,740,128</u>	<u>19,188,105</u>

(1) At December 31, 2018, the rate was 1.71%; the maximum for this issue is 10%.

(2) At December 31, 2018, the rate was 1.71%; the maximum for this issue is 10%.

(3) The 4.1355% is a synthetic fixed rate achieved through a pay-fixed, receive variable interest rate swap contract.

## Supplementary Information

## Exhibit J-1 (Page 2 of 5)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Long-Term Debt**  
**December 31, 2018**

	Rate of Interest	Date of		Amount	
		Issue	Maturity	Issued	Outstanding
Airport	Variable (1)	2-1-00	5-1-27	6,552,722	6,540,444
	4.1355 (3)	3-14-07	11-1-26	26,999	22,437
	1.50 - 4.125	3-1-11	5-1-20	6,536,013	1,627,537
	2.00 - 5.000	10-11-12	12-1-32	10,886,747	10,879,762
	3.00 - 5.000	8-5-14	12-1-20	4,210,257	1,107,391
				<u>28,212,738</u>	<u>20,177,571</u>
Parks	Variable (1)	2-1-00	5-1-27	500,050	499,112
	4.1355 (3)	3-14-07	11-1-26	653,902	543,418
	1.50 - 4.125	3-1-11	5-1-20	498,775	124,198
	2.00 - 5.000	10-11-12	12-1-32	1,408,030	1,407,127
	3.00 - 5.000	8-5-14	12-1-20	2,532,931	666,217
				<u>5,593,688</u>	<u>3,240,072</u>
Transportation	Variable (2)	12-20-00	5-1-27	3,347,970	3,347,970
	4.1355 (3)	3-14-07	11-1-26	942,254	783,050
	2.00 - 5.000	10-11-12	12-1-32	698,453	698,005
	3.00 - 5.000	8-5-14	12-1-20	4,127,903	1,085,730
				<u>9,116,580</u>	<u>5,914,755</u>

## Supplementary Information

## Exhibit J-1 (Page 3 of 5)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Long-Term Debt**  
**December 31, 2018**

	Rate of Interest	Date of		Amount	
		Issue	Maturity	Issued	Outstanding
Municipal Improvements	Variable (1)	2-1-00	5-1-27	151,118	150,838
	4.1355 (3)	3-14-07	11-1-26	185,165	153,879
	1.50 - 4.125	3-1-11	5-1-20	150,733	37,534
	2.00 - 5.000	10-11-12	12-1-32	353,684	353,457
	3.00 - 5.000	8-5-14	12-1-20	306,843	80,707
				<u>1,147,543</u>	<u>776,415</u>
Communications	2.00 - 5.000	10-11-12	12-1-32	240,819	240,665
	3.00 - 5.000	8-5-14	12-1-20	5,597,260	1,472,202
				<u>5,838,079</u>	<u>1,712,867</u>
Public Buildings	Variable (1)	2-1-00	5-1-27	1,357,446	1,354,898
	4.1355 (3)	3-14-07	11-1-26	5,480,963	4,554,893
	4.1355 (3)	3-14-07	11-1-26	1,668,877	1,386,902
	1.50 - 4.125	3-1-11	5-1-20	1,353,984	337,155
	1.00 - 5.000	9-7-11	11-1-28	35,715,000	24,150,000
	2.00 - 5.000	10-11-12	12-1-32	4,273,806	4,271,063
	3.00 - 5.000	8-5-14	12-1-20	13,586,369	3,573,515
				<u>63,436,445</u>	<u>39,628,426</u>
Science Center	4.1355 (3)	3-14-07	11-1-26	55,967	46,511
	2.00 - 5.000	10-11-12	12-1-32	34,803	34,782
				<u>90,770</u>	<u>81,293</u>
Flood Control	4.1355 (3)	3-14-07	11-1-26	41,976	34,884
	2.00 - 5.000	10-11-12	12-1-32	26,102	26,086
				<u>68,078</u>	<u>60,970</u>

## Supplementary Information

## Exhibit J-1 (Page 4 of 5)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Long-Term Debt**  
**December 31, 2018**

	Rate of Interest	Date of		Amount	
		Issue	Maturity	Issued	Outstanding
Equipment	Variable (1)	2-1-00	5-1-27	788,816	787,332
	4.1355 (3)	3-14-07	11-1-26	1,809,282	1,503,583
	1.50 - 4.125	3-1-11	5-1-20	786,804	195,923
	2.00 - 5.000	10-11-12	12-1-32	2,625,947	2,624,263
	3.00 - 5.000	8-5-14	12-1-20	10,003,135	2,631,044
				<u>16,013,984</u>	<u>7,742,145</u>
Feasibility Studies	Variable (1)	2-1-00	5-1-27	130,570	130,332
	4.1355 (3)	3-14-07	11-1-26	587,594	488,313
	1.50 - 4.125	3-1-11	5-1-20	130,238	32,431
	2.00 - 5.000	10-11-12	12-1-32	545,362	545,012
	3.00 - 5.000	8-5-14	12-1-20	1,007,982	265,121
				<u>2,401,746</u>	<u>1,461,209</u>
Geographic Information System	4.1355 (3)	3-14-07	11-1-26	148,393	123,320
	2.00 - 5.000	10-11-12	12-1-32	99,076	99,013
	3.00 - 5.000	8-5-14	12-1-20	580,123	152,586
				<u>827,592</u>	<u>374,919</u>
Economic Development	4.1355 (3)	3-14-07	11-1-26	279,776	232,505
	2.00 - 5.000	10-11-12	12-1-32	173,258	173,147
	3.00 - 5.000	8-5-14	12-1-20	547,053	143,886
				<u>1,000,087</u>	<u>549,538</u>

## Supplementary Information

## Exhibit J-1 (Page 5 of 5)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Schedule of Long-Term Debt**  
**December 31, 2018**

	Rate of Interest	Date of		Amount	
		Issue	Maturity	Issued	Outstanding
Hospital Buildings and Equipment					
	Variable (1)	2-1-00	5-1-27	23,414,480	23,370,590
	2.00 - 5.000	10-11-12	12-1-32	113,553	113,480
	3.00 - 5.000	8-5-14	12-1-20	3,195,319	840,439
				<u>26,723,352</u>	<u>24,324,509</u>
Capital Projects					
	4.1355 (3)	3-14-07	11-1-26	28,509,133	23,692,196
	6.250	11-30-10	11-1-27	9,385,000	9,385,000
	1.50 - 5.375	3-1-11	5-1-31	76,155,000	36,805,000
	1.00 - 5.000	9-7-11	11-1-31	39,510,000	37,465,000
	2.00 - 5.000	10-11-12	12-1-32	7,245,144	7,240,495
	2.00 - 5.000	10-11-12	12-1-37	112,600,000	112,570,000
	2.00 - 5.250	10-23-13	12-1-24	37,950,000	37,495,000
	3.00 - 5.000	8-5-14	12-1-20	59,392,447	15,621,519
	3.00 - 5.000	8-5-14	12-1-34	63,570,000	63,570,000
	2.00 - 5.000	7-7-16	11-1-33	208,215,000	204,975,000
	2.25 - 5.000	7-7-16	11-1-41	68,600,000	68,600,000
	3.00-5.000	7-24-18	11-1-43	87,565,000	87,565,000
				<u>798,696,724</u>	<u>704,984,210</u>
Total Bonds				<u>1,027,390,000</u>	<u>861,410,000</u>
Total Nonelectoral Long-Term Debt				<u>\$ 1,027,390,000</u>	<u>861,410,000</u>
Premium, discount and other adjustments					<u>78,060,975</u>
Total Long-Term Debt					<u>\$ 939,470,975</u>

**Exhibit J-2**

Nonelectoral Debt:						
General Obligation Bonds:	Balance December 31, 2017	Issued	Transfers	Retired	Accretion	Balance December 31, 2018
Bridges	\$ 32,531,713	-	-	1,338,717	-	31,192,996
Roads	21,899,530	-	-	2,711,425	-	19,188,105
Airport	21,665,524	-	-	1,487,953	-	20,177,571
Parks	3,788,164	-	-	548,092	-	3,240,072
Transportation	6,702,140	-	-	787,385	-	5,914,755
Municipal Improvements	862,516	-	-	86,101	-	776,415
Communications	2,670,419	-	-	957,552	-	1,712,867
Public Buildings	42,727,218	-	-	3,098,792	-	39,628,426
Equipment	9,701,485	-	-	1,959,340	-	7,742,145
Feasibility Studies	1,699,537	-	-	238,328	-	1,461,209
Flood Control	64,588	-	-	3,618	-	60,970
Science Center	86,116	-	-	4,823	-	81,293
Geographic Information System	486,952	-	-	112,033	-	374,919
Economic Development	667,236	-	-	117,698	-	549,538
Hospital Buildings and Equipment	24,871,146	-	-	546,637	-	24,324,509
Capital Projects	637,660,716	87,565,000	-	20,241,506	-	704,984,210
Total Bonds Outstanding	808,085,000	87,565,000	-	34,240,000	-	861,410,000
Other Long-Term Debt:						
Other Long-Term Obligations	122,500	-	-	122,500	-	-
	122,500	-	-	122,500	-	-
Total Nonelectoral Debt	\$ 808,207,500	87,565,000	-	34,362,500	-	861,410,000
Premium, discount and other adjustments						78,060,975
						\$ 939,470,975

## Supplementary Information

## Exhibit J-3

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Statement of Indebtedness, Borrowing Power and Legal Debt Margin**  
**Year Ended December 31, 2018**

## Computation of Legal Debt Limit

* Gross Revenue - 2015	\$ 1,048,487,067
* Gross Revenue - 2016	1,109,545,662
* Gross Revenue - 2017	<u>1,116,886,878</u>
 Total	 \$ <u>3,274,919,607</u>
 Average	 \$ <u>1,091,639,869</u>

\*Gross revenue for purposes of the debt statement includes all monies received from all sources during the fiscal year, as defined by Act 1978-52 amended by Act 1981-19 and Act 1996-177, including special recurring revenues from state and federal programs for special purposes. These special recurring revenues are not included in the operating budget.

## Multiples to Determine Gross Borrowing Capacity

For Counties: 300% of average	\$ <u>3,274,919,607</u>
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## Statement of Indebtedness

Gross Debt:	
Bonds Issued and Outstanding:	
Nonelectoral	\$ <u>861,410,000</u>
Total Nonelectoral Debt	\$ <u>861,410,000</u>

## Legal Debt Margin

Legal Debt Limit	\$ 3,274,919,607
Less: Total Net Debt Applicable to Debt Limit	<u>861,410,000</u>
Legal Debt Margin	\$ <u>2,413,509,607</u>



## Statistical Section

This part of the County of Allegheny's comprehensive annual report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Revenue and Expenditure Overview</b> These comments and schedules contain information to help the reader assess the County's operating revenue and expenditures.	323 - 334
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	335 - 346
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	347 - 369
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	370 - 372
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	373 - 376
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	377 - 380
<b>Component Unit (ACAA) Information</b> These schedules present information to help the reader assess the debt coverage requirements of the ACAA's Revenue Bonds and passenger volume trends.	381 - 382
<b>Miscellaneous Information</b> These schedules contain the principal officials and their salaries, County Council members and their expenditure reimbursements as well as a description of the primary governments functions.	383 - 389
<b>Acronyms</b> This listing assists the reader in identifying the myriad of initials and abbreviations used in this report.	390 - 392

## Contents



## Revenue and Expenditure Overview

**REVENUE AND EXPENDITURE OVERVIEW**

This overview relates to the operating funds of the primary government (Allegheny County).

**REVENUES:**

Operating revenues for governmental functions, General, Debt Service, Transportation, Liquid Fuels and Infrastructure Support Funds, totaled \$897.7 million in 2018, which represents an increase of 3.1% compared to revenues for 2017. Revenues are classified into the following general types:

- Property Taxes - real property taxes levied by the County
- Sales and Use Taxes - the 1% local sales tax adopted by the County
- Alcoholic Beverage/Vehicle Fees - the 7% alcoholic beverage, \$2/day rental vehicle and \$5/year per vehicle registration fee (for Infrastructure Support) adopted by the County
- Hotel Tax - residual taxes, after required distributions, is available to support the County's regional park system and to fund the Sports and Exhibition Authority deficit
- Non-Profit Contributions - voluntary payments made by tax-exempt institutions to defray the cost of providing County services in lieu of property taxes
- Gaming Local Share Assessment - 2% assessment on gross slot machine revenue
- Licenses and Permits - charges for the issuances of licenses and permits
- Federal - monies received from the federal government such as grants, entitlements and reimbursements
- State - grants, entitlements, shared revenues and reimbursements provided by the Commonwealth of Pennsylvania
- Local Government Units - revenues provided by the Allegheny Regional Asset District, as well as revenues received from local municipalities and school districts
- Charges for Services - fees and charges for services rendered to a taxpayer, third-party or to another County fund
- Fines and Forfeitures - charges levied by the Court of Common Pleas or District Justices
- Interest Earnings - monies received from investments and management of idle cash
- Miscellaneous - revenues from sources not otherwise provided for in other classifications
- Net Other Financing Sources (Uses) - monies received from capital projects and grants less other financing uses. For presentation of these schedules, all operating intrafund activity has been eliminated

## Revenue and Expenditure Overview

Revenues for 2018 and 2017 which support general governmental functions, and the changes between years, are shown in the following table:

CHANGES IN OPERATING REVENUES BY SOURCE				
REVENUE SOURCES	2018 ACTUAL	2017 ACTUAL	VARIANCE	PERCENTAGE
TAXES – PROPERTY	\$ 364,229,425	359,012,223	5,217,202	1.5
TAXES – SALES AND USE	51,445,652	49,137,286	2,308,366	4.7
DRINK/VEHICLE TAX	50,812,549	47,950,607	2,861,942	6.0
HOTEL TAX	5,335,932	5,214,634	121,298	2.3
2% GAMING LSA	5,546,519	5,291,862	254,657	4.8
LICENSES AND PERMITS	3,134,459	3,131,501	2,958	0.1
FEDERAL REVENUES	57,929,011	83,189,108	(25,260,097)	(30.4)
STATE REVENUES	178,637,097	198,292,351	(19,655,254)	(9.9)
LOCAL GOVERNMENT UNITS REVENUES	20,610,973	20,206,666	404,307	2.0
CHARGES FOR SERVICES	141,938,859	87,920,365	54,018,494	61.4
FINES AND FORFEITURES	4,121,219	4,070,276	50,943	1.3
INTEREST EARNINGS	3,313,256	1,871,459	1,441,797	77.0
MISCELLANEOUS	10,600,781	5,674,902	4,925,879	86.8
TOTALS	\$ <u>897,655,732</u>	<u>870,963,240</u>	<u>26,692,492</u>	3.1

When compared to the previous year, 2018 revenues increased by \$26.7 million, or 3.1%. Overall, revenues from real property taxes increased \$5.2 million or 1.5% in fiscal year 2018. The property tax increase resulted from the following (in millions):

Current taxes increased	\$ 4.1
Delinquent taxes increased	2.2
Payment in lieu of taxes increased	0.1
Interest and penalty increased	0.1
Lien taxes decreased	(0.3)
Tax refunds increased	(1.0)
Net Change	\$ <u>5.2</u>

## Revenue and Expenditure Overview

Current taxes increased \$4.1 million as a result of a higher collection rate of current taxes and an increase in the certified assessed value from 2017 to 2018. Delinquent taxes increased \$2.2 million, lien taxes decreased (\$0.3) million, interest and penalty increased \$0.1 million and there was an increase in payment in lieu of taxes of \$0.1 million. This increase was offset by \$1.0 million more in refunds. The millage rate remained unchanged at 4.73 for 2018.

Sales tax revenues increased \$2.3 million or 4.7% as a result of a boost in consumer spending throughout 2018. This reflects an upswing in the economy.

Alcoholic beverage/rental vehicle tax revenue increased \$2.9 million or 6.0% between years. As a product of increasing tourism, alcoholic beverage consumption and the number of vehicles rented increased in 2018.

Hotel tax used to fund Park's operations increased by \$0.1 million or 2.3% due to an upturn in fees collected resulting from an improved economy that stimulated travel. In 2018, the County received \$1.34 million whereas in 2017, \$1.21 million was received. There was also a \$4.0 million transfer to support the parks system which is comparative with last year.

The 2% gaming local share assessment tax increased in 2018 by \$0.3 million or 4.8%, as gambling revenues hit a new high in Pennsylvania with Pittsburgh's Rivers Casino grossing the fourth highest in the state.

Federal revenues decreased by (\$25.3) million or 30.4% as detailed below (in millions):

• Skilled nursing care decreased	\$ (23.8)
• Medicare decreased	(3.7)
• Title IV-E - Adoption/Guardianship Assistance decreased	(2.3)
• Title IV-E - Independent Living decreased	(0.4)
• Title IV-E - Child Placement increased	2.1
• Reimbursement for federal prisoners increased	2.8

State revenues decreased by (\$19.7) million or 9.9% as detailed below (in millions):

• Skilled nursing care decreased	\$ (21.9)
• Act 148 Special Grant Initiative decreased	(3.8)
• Gasoline tax collections decreased	(0.5)
• Registration fee collections decreased	(0.4)
• Medical assistance paid prescriptions decreased	(0.4)
• Act 12 and Act 315 funding decreased	(0.4)
• Miscellaneous decreased	(0.3)
• Act 148 CYF services increased	8.0

Local government units revenues increased \$0.4 million or 2.0% due to the 2018 RAD allocation being higher.

## Revenue and Expenditure Overview

Charges for services increased \$54.0 million or 61.4% for the following reasons (in millions):

- Commercial insurance at Kane increased \$ 52.4
- Managed care IGT increased 6.6
- Indirect cost recovery increased 1.5
- Police services provided to ACAA increased 0.3
- Special elections reimbursements increased 0.2
- Collections from parents & guardians increased 0.2
- Use of property and equipment increased 0.2
- Private pay at Kane decreased (0.4)
- Patient income decreased (7.0)

Fines and forfeitures increased by \$0.05 million or 1.3% as more District Courts fees were collected in 2018.

Interest earnings increased \$1.4 million or 77.0% in 2018, increasing from \$1.9 million in 2017 to \$3.3 million in 2018 as a result of an upturn in interest rate percentages ranging from 0.001% to 0.0137% in 2017 compared to 0.0075% to 0.2450% in 2018.

Miscellaneous revenue increased \$4.9 million or 86.8% due to the sale of various properties related to the Kane Center in Ross Township and two Health Department properties totaling \$5.2 million.

The following table details the variances between budgeted and actual revenues for general governmental functions, as well as the ratio of actual to budget for 2018.

COMPARISON OF BUDGETED TO ACTUAL OPERATING REVENUES BY SOURCE				
REVENUE SOURCES	2018 FINAL BUDGET	2018 ACTUAL	VARIANCE	PERCENTAGE
TAXES – PROPERTY	\$ 367,758,014	364,229,425	(3,528,589)	(1.0)
TAXES – SALES AND USE	49,225,200	51,445,652	2,220,452	4.5
TAXES – DRINK/VEHICLE	49,178,081	50,812,549	1,634,468	3.3
TAXES - HOTEL	5,300,000	5,335,932	35,932	0.7
2% GAMING LSA	5,600,000	5,546,519	(53,481)	(1.0)
LICENSES AND PERMITS	3,579,794	3,134,459	(445,335)	(12.4)
FEDERAL REVENUES	85,865,078	57,929,011	(27,936,067)	(32.5)
STATE REVENUES	204,047,377	178,637,097	(25,410,280)	(12.5)
LOCAL GOVERNMENT UNITS REVENUE	20,812,500	20,610,973	(201,527)	(1.0)
CHARGES FOR SERVICES	96,133,693	141,938,859	45,805,166	47.6
FINES AND FORFEITURES	4,068,000	4,121,219	53,219	1.3
INTEREST EARNINGS	2,809,000	3,313,256	504,256	18.0
MISCELLANEOUS	4,647,991	10,600,781	5,952,790	128.1
USE OF FUND BALANCE	5,520,272	n/a	(5,520,272)	(100.0)
TOTAL	\$ <u>904,545,000</u>	<u>897,655,732</u>	<u>(6,889,268)</u>	(0.8)

## Revenue and Expenditure Overview

The final revenue budget exclusive of net financing uses for 2018 was \$904,545,000 while actual revenues were \$897,655,732. Revenues were \$6.9 million or 0.8% lower than projected. The alcoholic beverage tax and rental vehicle tax exceeded expectations by \$1.6 million as an increase in tourism resulted in greater alcoholic consumption and number of vehicles rented. Sales and use tax also exceeded what was expected by \$2.2 million as consumer spending increased. Actual to budget comparison of property taxes (in millions) disclosed the following:

Refunds were over budget	\$ (0.2)
Current taxes were under budget	(2.7)
Delinquent taxes were under budget	(1.2)
Lien taxes were over budget	0.3
Interest and Penalty were over budget	0.3
Variance	\$ <u>(3.5)</u>

As it pertains to charges and services, general government, public safety, and recreation revenues were underestimated by a combined \$6.6 million. Health, election, use of property and equipment, collections from parents and guardians, administrative, private pay, and miscellaneous fees exceeded what was expected by a combined \$1.6 million. Also, patient income, commercial insurance, and managed care intergovernmental transfers increased by \$1.6 million, \$42.6 million, and \$6.6 million respectively due to a change in the classification of Medicare and Medicaid payments within the Kane system during 2018.

The shortfall in both State (\$25.4) million and Federal (\$27.9) million revenues are dictated by program expenditures and number of clients.

Allocations of the real property tax levy for 2018 and the preceding two years were as follows (amount per \$100 assessed value):

<u>PURPOSE</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
GENERAL FUND	\$ 0.39595	0.39457	0.38636
DEBT SERVICE FUND	0.07705	0.07843	0.08664
TOTAL TAX RATE	<u>0.47300</u>	<u>0.47300</u>	<u>0.47300</u>

## Revenue and Expenditure Overview

### **EXPENDITURES:**

Expenditures and net financing uses totaled \$896.1 million in 2018, which represents an increase of 3.0% from the previous year. Expenditures fall into ten general classifications:

- General Government - represents services provided by the administrative, elected row offices and judicial branches of government
- Public Safety - includes such services as emergency management, the jail and law enforcement departments involved in the protection of County residents
- Public Works - accounts for those expenditures that provide for physical infrastructure essential to the County, including roads, bridges and parks
- Transportation - includes contributions to the PAT
- Health & Welfare - includes expenditures to address the needs of older adults, abused and neglected children, infirm adults and intellectually challenged residents
- Culture & Recreation - accounts for the various recreational and cultural events, programs and facilities, including the extensive Countywide park system
- Education - includes expenditures to provide formal and informal learning opportunities to county residents, through the CCAC
- Economic Development - represents various development and promotional programs designed to attract new companies to the region
- Debt Service - reflects scheduled payments for long-term debt
- Net Other Financing Uses - includes payments to capital projects and grants less other financing sources which include the refunding of long-term debt. For presentation of these schedules, all operating intrafund activity has been eliminated



## Revenue and Expenditure Overview

Expenditures by classification for 2018 and 2017, and the changes between years, are shown in the following table:

CHANGES IN OPERATING EXPENDITURES BY FUNCTION				
EXPENDITURE FUNCTION	2018 ACTUAL	2017 ACTUAL	VARIANCE	PERCENTAGE
GENERAL GOVERNMENT	\$ 212,652,508	206,019,868	6,632,640	3.2
PUBLIC SAFETY	128,662,942	120,354,868	8,308,074	6.9
PUBLIC WORKS	25,241,234	25,628,061	(386,827)	(1.5)
TRANSPORTATION	31,894,599	30,948,368	946,231	3.1
HEALTH AND WELFARE	353,169,475	346,420,585	6,748,890	1.9
CULTURE AND RECREATION	19,205,759	18,201,207	1,004,552	5.5
EDUCATION	25,794,339	25,291,215	503,124	2.0
ECONOMIC DEVELOPMENT	2,102,899	4,343,082	(2,240,183)	(51.6)
DEBT SERVICE:				
PRINCIPAL RETIREMENT	34,362,500	32,987,500	1,375,000	4.2
INTEREST CHARGES	37,766,389	37,840,404	(74,015)	(0.2)
TOTAL EXPENDITURES	870,852,644	848,035,158	22,817,486	2.7
OTHER FINANCING (USES) SOURCES-NET	25,276,540	21,695,322	3,581,218	16.5
TOTAL	\$ 896,129,184	869,730,480	26,398,704	3.0

As previously indicated, total outlays increased by \$26.4 million or 3.0%, during 2018. General government expenditures increased by \$6.6 million, public safety expenditures increased by \$8.3 million, public works expenditures decreased by (\$0.4) million, transportation increased by \$0.9 million, health and welfare expenditures increased by \$6.7 million, culture and recreation expenditures increased by \$1.0 million, education expenditures increased by \$0.5 million, economic development expenditures decreased (\$2.2) million and debt service principal increased by \$1.4 million while interest decreased by (\$0.1) million.

## Revenue and Expenditure Overview

The increase in expenditures of \$26.4 million from \$869.7 million in 2017 to \$896.1 million in 2018, is explained below.

General government expenditures increased by \$6.6 million or 3.2% between years. Most of the increase is attributed to Court of Common Pleas \$2.6 million, Facilities Management \$1.2 million, District Attorney \$1.0 million, non-departmental \$1.0 million, the Medical Examiner \$0.7 million, and the Sheriff \$0.3 million.

Public safety expenditures increased by \$8.3 million or 6.9% due to increases from the County Jail \$5.6 million, County Police \$2.6 million and Emergency Services \$0.1 million.

Public works expenditures decreased (\$0.4) million or 1.5%. Significant decreases include the Infrastructure Support funding (\$1.3) million and Liquid Fuel funding (\$0.1) million offset by an increase to public works operating expenses of \$1.0 million.

Health and welfare expenditures increased \$6.7 million or 1.9%. The most significant increase was a \$7.5 million increase in Human Service and an increase to John J. Kane Community Living Centers \$0.7 million. The two increases were offset with decreases to Health Department, Shuman Juvenile Detention Center, and Juvenile Court.

Culture and recreation expenditures increased \$1.0 million or 5.5% due predominantly to the increase in Parks Operation Maintenance \$1.0 million.

Economic Development expenditures decreased (\$2.2) million or 51.6% due primarily to the expiration of multiple TIFS.

Debt service payments increased \$1.3 million in 2018, as principal payments increased \$1.4 million and interest payments decreased (\$0.1) million. The significant changes in Bond principal (in millions) were as follows:

C-59B & C-65 increased	\$ 4.0
C-66 & C-67 increased	2.1
C-73 decreased	(4.7)

## Revenue and Expenditure Overview

The following table shows expenditures by function as compared to the final budget, as amended, for 2018. The budget figure of \$906,642,873 includes reappropriations for open encumbrances at the end of 2017 of \$892,873.

The Health and Welfare expenditures variance of \$0.9 million can be attributed to the cross charging of county positions from the general fund to vacant grant positions as well as moving expenses such as building and rent from the general fund into grants to maximize grant spending and reduce operating expenditures in 2018. Budget was forecasted \$0.9 million more than actual expenditures for Human Services because Children Youth & Families activity will always vary depending on many factors such as number of children/daily rates/needs based legal counsel/purchased foster care homes.

COMPARISON OF BUDGETED TO ACTUAL OPERATING EXPENDITURES BY FUNCTION				
EXPENDITURE FUNCTION	2018 FINAL BUDGET	2018 ACTUAL	VARIANCE	PERCENTAGE
GENERAL GOVERNMENT	\$ 213,030,957	212,652,508	(378,449)	(0.2)
PUBLIC SAFETY	128,662,965	128,662,942	(23)	(0.0)
PUBLIC WORKS	25,295,442	25,241,234	(54,208)	(0.2)
TRANSPORTATION	31,894,599	31,894,599	-	-
HEALTH AND WELFARE	354,074,914	353,169,475	(905,439)	(0.3)
CULTURE AND RECREATION	19,323,170	19,205,759	(117,411)	(0.6)
EDUCATION	25,794,339	25,794,339	-	-
ECONOMIC DEVELOPMENT	3,963,518	2,102,899	(1,860,619)	(46.9)
DEBT SERVICE:				
PRINCIPAL RETIREMENT	34,914,559	34,362,500	(552,059)	(1.6)
INTEREST CHARGES	37,214,331	37,766,389	552,058	1.5
MISCELLANEOUS	1,205,000	-	(1,205,000)	(100.0)
NET FINANCING USES	31,269,079	25,276,540	(5,992,539)	(19.2)
TOTALS	906,642,873	896,129,184	(10,513,689)	(1.2)
LESS: REAPPROPRIATIONS	(892,873)	-	(892,873)	-
TOTALS	<u>\$ 905,750,000</u>	<u>896,129,184</u>	<u>(9,620,816)</u>	<u>(1.1)</u>

## Revenue and Expenditure Overview

The following two tables pertain only to the County's General Fund. Please refer to Exhibit A-3 in the financial section for a more complete analysis. Departmental expenditures for the year 2018 were as follows:

SUMMARY OF GENERAL FUND EXPENDITURES					
DEPARTMENT	2018 ADOPTED BUDGET INCLUDING REAPPRO- PRIATIONS	2018 BUDGET AMENDMENTS/ TRANSFERS	2018 FINAL BUDGET	2018 ACTUAL EXPENDITURES	VARIANCE
COUNTY					
ADMINISTRATION:					
Chief Executive	\$ 449,064	(49,715)	399,349	388,197	(11,152)
County Manager	1,830,855	(275,637)	1,555,218	1,555,211	(7)
Budget and Finance	937,976	(72,460)	865,516	863,192	(2,324)
Solicitor	2,427,933	(413,113)	2,014,820	2,014,819	(1)
County Council	1,257,607	(559,512)	698,095	698,088	(7)
	<u>6,903,435</u>	<u>(1,370,437)</u>	<u>5,532,998</u>	<u>5,519,507</u>	<u>(13,491)</u>
Human Resources	2,118,927	(214,985)	1,903,942	1,903,346	(596)
Minority/Women's Business	737,314	(37,680)	699,634	699,293	(341)
Public Defender	9,835,494	(557,136)	9,278,358	9,278,130	(228)
ADMINISTRATIVE SERVICES:					
Administration	2,761,692	(350,972)	2,410,720	2,409,698	(1,022)
MIS	6,381,527	(906,872)	5,474,655	5,404,356	(70,299)
Purchasing & Supplies	734,835	(66,168)	668,667	662,632	(6,035)
Elections	6,115,003	225,000	6,340,003	6,202,032	(137,971)
Veterans' Services	752,564	(130,164)	622,400	622,394	(6)
Real Estate	2,867,674	(353,146)	2,514,528	2,467,826	(46,702)
Marketing and Special Events	1,633,460	1,945	1,635,405	1,608,451	(26,954)
Property Assessment	5,284,650	(434,599)	4,850,051	4,845,556	(4,495)
	<u>26,531,405</u>	<u>(2,014,976)</u>	<u>24,516,429</u>	<u>24,222,945</u>	<u>(293,484)</u>
Medical Examiner	10,559,137	-	10,559,137	10,552,197	(6,940)
Jail	81,736,267	9,822,369	91,558,636	91,558,628	(8)
County Police	34,147,429	299,715	34,447,144	34,447,136	(8)
Emergency Services	1,532,222	1,124,963	2,657,185	2,657,178	(7)
Public Works	16,756,256	22,753	16,779,009	16,779,002	(7)
Parks	17,926,503	407,334	18,333,837	18,297,307	(36,530)
Facilities Management	21,536,430	(1,037,393)	20,499,037	20,499,029	(8)
Human Services	186,193,543	11,450,000	197,643,543	196,738,502	(905,041)
Health Department	18,189,787	(1,756,875)	16,432,912	16,432,904	(8)

## Revenue and Expenditure Overview

<b>SUMMARY OF GENERAL FUND EXPENDITURES – continued</b>					
<b>DEPARTMENT</b>	<b>2018 ADOPTED BUDGET INCLUDING REAPPROPRIATIONS</b>	<b>2018 BUDGET AMENDMENTS/ TRANSFERS</b>	<b>2018 FINAL BUDGET</b>	<b>2018 ACTUAL EXPENDITURES</b>	<b>VARIANCE</b>
Court Records	8,235,058	(765,912)	7,469,146	7,469,139	(7)
Shuman Juvenile Detention	10,815,985	(1,092,933)	9,723,052	9,723,045	(7)
Kane Community Living Centers	107,242,986	(6,618,799)	100,624,187	100,623,819	(368)
Juvenile Court	32,966,568	(3,937,748)	29,028,820	29,028,811	(9)
Miscellaneous Grant Agencies	27,668,172	-	27,668,172	27,447,904	(220,268)
Non-departmental Operating Expenditures	13,259,830	274,116	13,533,946	11,755,399	(1,778,547)
<b>TOTAL ADMINISTRATION</b>	<b>634,892,748</b>	<b>3,996,376</b>	<b>638,889,124</b>	<b>635,633,221</b>	<b>(3,255,903)</b>
ROW OFFICES:					
Controller	7,231,379	(662,679)	6,568,700	6,568,693	(7)
District Attorney	18,932,118	304,432	19,236,550	19,236,549	(1)
Sheriff	19,650,938	(254,955)	19,395,983	19,395,973	(10)
Treasurer	7,534,179	(614,402)	6,919,777	6,919,770	(7)
	<u>53,348,614</u>	<u>(1,227,604)</u>	<u>52,121,010</u>	<u>52,120,985</u>	<u>(25)</u>
Court of Common Pleas	72,312,824	(1,694,086)	70,618,738	70,612,718	(6,020)
<b>TOTALS</b>	<b>760,554,186</b>	<b>1,074,686</b>	<b>761,628,872</b>	<b>758,366,924</b>	<b>(3,261,948)</b>
LESS: REAPPROPRIATIONS	(863,993)				
<b>TOTAL ADOPTED BUDGET</b>	<b>\$ <u>759,690,193</u></b>				

## Revenue and Expenditure Overview

The following chart details the changes in fund balances in the General Fund for the year 2018:

CHANGES IN FUND BALANCES – GENERAL FUND					
DESCRIPTION	RESTRICTED	UNRESTRICTED			TOTAL FUND BALANCES
		ASSIGNED	UNASSIGNED	TOTAL	
Audited Fund Balances as of 1/1/2018	\$ -	34,972,255	48,611,128	83,583,383	83,583,383
2018 Operating Activity and Use of Fund Balance:					
Liquidation of 2017 Encumbrance Balance	-	(863,993)	863,993	-	-
Reclass 2018 Encumbrances to Assigned	-	926,009	(926,009)	-	-
Liquidation of Assigned 2013 Appeals	-	(71,815)	71,815	-	-
2014 Board of Viewers tax appeals	-	(475)	475	-	-
Future healthcare cost	-	2,000,000	(2,000,000)	-	-
Claims and Judgments	-	1,000,000	(1,000,000)	-	-
Budget Variance	-	-	14,085,561	14,085,561	14,085,561
Actual to Budget Variance	-	-	461,631	461,631	461,631
Net Operating Activity or (Use of Fund Balance)	-	2,989,726	11,557,466	14,547,192	14,547,192
Transfers/Adjustments:					
Transfers from:					
Capital Projects Fund	-	-	1,130,437	1,130,437	1,130,437
County Grants Fund	-	-	1,091,312	1,091,312	1,091,312
Transfers to:					
Human Service Grants Fund	-	-	(7,407,946)	(7,407,946)	(7,407,946)
County Grants Fund	-	-	(9,687,237)	(9,687,237)	(9,687,237)
One Time Adjustments:					
Sale of Health Department Buildings	-	-	4,008,516	4,008,516	4,008,516
Sale of Kane Community Living Center Building	-	-	1,224,505	1,224,505	1,224,505
	-	-	(9,640,413)	(9,640,413)	(9,640,413)
Audited Fund Balances as of 12/31/2018	\$ -	37,961,981	50,528,181	88,490,162	88,490,162

Net operating activity increased unassigned fund balance by \$11.6 million. The increase is indicative of the County's progress in generating operating revenues to pay operating expenditures. Net decrease other operating sources of \$9.6 million including the General Fund covered increased deficits of \$9.7 million for the County Grants, and \$7.4 million to cover Human Service grant expenditures. Offsetting these decreases, are one-time revenues of \$4.0 million for the sale of two Health Department Buildings and \$1.2 million for the sale of a Kane Community Living Center Building.

Table I

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Net Position by Component**  
**Last Seven Years**  
**(accrual basis of accounting)**

	2018	2017	2016	2015	2014	2013	2012
			(Restated)			(Restated)	
Governmental activities							
Net investment in capital assets	\$ 85,998,671	48,222,678	22,343,440	6,661,257	(11,817,076)	(19,649,247)	(35,253,457)
Restricted	50,543,379	50,598,079	49,081,463	47,859,099	45,811,742	42,244,049	32,514,328
Unrestricted	(841,197,566)	(747,805,775)	(673,824,624)(2)	(590,490,283)	(610,162,486)	(653,456,517)(1)	(186,852,614)
Total primary government net position	\$ (704,655,516)	(648,985,018)	(602,399,721)	(535,969,927)	(576,167,820)	(630,861,715)	(189,591,743)

(1) Increase is the result of implementing GASB 68.

(2) Increase is the result of implementing GASB 75.

Note: This schedule is being prepared prospectively in accordance with GASB 63. The next schedule includes information as it was presented in the prior years' reports.

## Financial Trends

Table II

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Net Assets by Component**  
**Last Three Years**  
**(accrual basis of accounting)**

	Year	
	2011	2010
	2009	
Governmental activities		
Invested in capital assets, net of related debt	\$ (8,943,446)	28,662,998
Restricted	28,939,763	34,498,072
Unrestricted	(186,316,144)	(143,897,663)
Total primary government net assets	\$ (166,319,827)	(80,736,593)
		(28,764,260)

Note: This schedule is being included to provide prior years' information as it was presented in prior years' reports.



Financial Trends



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## Financial Trends

Table III (Page 1 of 2)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Changes in Net Position**  
**Last Seven Years**  
**(accrual basis of accounting)**

	2018	2017	2016 (Restated)	2015	2014	2013 (Restated)	2012
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:							
General government	\$ 39,240,471	48,547,031	48,622,598	56,745,064	59,067,390	58,573,448	46,100,203
Public safety	10,520,769	11,148,745	11,235,487	16,308,687	21,040,505	19,862,308	20,073,422
Public works	-	-	7,350	899,622	424,654	352,177	195,459
Health and welfare	87,263,760	39,808,159	40,178,067	53,971,740	35,826,026	32,118,060	33,753,720
Culture and recreation	4,913,859	4,572,848	5,026,717	4,931,242	4,807,461	4,141,492	4,652,832
Economic development	-	719,180	1,233,496	2,939,164	2,847,470	2,978,356	2,888,938
Operating grants and contributions	1,104,104,673	1,076,304,542	1,065,385,848	957,189,901	955,816,251	968,409,179	965,157,024
Capital grants and contributions	42,955,651	35,797,560	25,087,968	17,643,305	45,647,073	39,155,086	33,791,235
Total primary government program revenues	1,288,999,183	1,216,898,065	1,196,777,531	1,110,628,725	1,125,476,830	1,125,590,106	1,106,612,833
<b>Expenses</b>							
Governmental activities:							
General government	358,511,208	327,274,851	313,822,414	249,258,742	229,801,667	238,731,436	260,249,445
Public safety	177,801,654	161,730,422	173,723,699	140,330,089	137,782,756	152,273,542	127,046,804
Public works	30,274,174	48,244,712	45,376,207	34,175,109	55,082,381	45,107,334	67,663,042
Transportation	47,057,719	40,835,187	38,965,493	39,082,188	38,141,222	37,968,699	36,566,700
Health and welfare	1,020,490,288	979,528,125	975,843,000	879,250,681	888,654,149	875,135,890	883,496,826
Culture and recreation	26,660,585	19,494,835	22,180,734	17,591,356	12,193,436	14,152,773	12,572,870
Education	25,911,305	25,409,728	24,962,626	24,604,197	24,159,375	23,647,347	26,175,277
Economic development	28,892,462	29,892,521	27,666,930	37,218,144	32,399,740	32,898,560	51,364,241
Economic opportunity	29,026,045	22,114,168	15,869,187	15,780,881	13,737,072	15,354,245	19,686,799
Interest on long-term debt	37,894,473	38,010,090	40,077,427	37,950,148	38,370,587	37,597,140	35,095,777
Total primary government expenses	1,782,519,913	1,692,534,639	1,678,487,717	1,475,241,535	1,470,322,385	1,472,866,966	1,519,917,781
<b>Net (Expense)/Revenue</b>							
Governmental activities	(493,520,730)	(475,636,574)	(481,710,186)	(364,612,810)	(344,845,555)	(347,276,860)	(413,304,948)
Total primary government net expense	(493,520,730)	(475,636,574)	(481,710,186)	(364,612,810)	(344,845,555)	(347,276,860)	(413,304,948)

Table III (Page 2 of 2)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Changes in Net Position (continued)**  
**Last Seven Years**  
**(accrual basis of accounting)**

	2018	2017	2016 (Restated)	2015	2014	2013 (Restated)	2012
<b>General Revenues and Other Changes in Net Position</b>							
Governmental activities:							
Taxes:							
Property and other local taxes levied for:							
General purposes	308,924,010	304,734,821	287,752,789	288,304,498	280,763,933	276,331,777	265,326,605
Debt service	60,022,021	60,213,629	64,318,687	56,035,012	57,848,162	65,153,761	65,123,043
Sales tax	51,445,652	49,137,286	46,798,000	47,559,039	46,110,625	44,550,065	43,709,103
Hotel rental tax	5,335,932	5,214,634	5,230,838	4,225,196	3,129,767	5,077,825	5,841,772
Gaming local share assessment	5,546,519	5,291,862	4,758,596	5,494,366	5,538,735	5,238,938	6,089,312
Interest and investment earnings	5,620,318	3,638,656	5,822,253	1,178,189	798,261	899,922	627,465
Gas drilling revenue	-	-	-	-	2,542,064	-	-
Miscellaneous	955,780	820,389	599,229	2,014,403	2,807,903	305,553	3,315,732
Total primary government	437,850,232	429,051,277	415,280,392	404,810,703	399,539,450	397,557,841	390,033,032
<b>Change in Net Position</b>							
Governmental activities	(55,670,498)	(46,585,297)	(66,429,794)	40,197,893	54,693,895	50,280,981	(23,271,916)
Total primary government change in net position	<u>\$ (55,670,498)</u>	<u>(46,585,297)</u>	<u>(66,429,794)</u>	<u>40,197,893</u>	<u>54,693,895</u>	<u>50,280,981</u>	<u>(23,271,916)</u>

Note: This schedule is being prepared prospectively in accordance with GASB 63. The next schedule includes information as it was presented in the prior years' reports.

## Financial Trends

Table IV (Page 1 of 2)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Changes in Net Assets**  
**Last Three Years**  
**(accrual basis of accounting)**

	Year	
	2011	2010
	2011	2010
<b>Program Revenues</b>		
Governmental activities:		
Charges for services:		
General government	44,198,578	46,725,554
Public safety	17,379,159	17,521,407
Public works	292,003	343,400
Health and welfare	32,720,782	32,979,556
Culture and recreation	4,298,367	4,774,538
Economic development	2,502,584	2,364,980
Operating grants and contributions	968,415,753	979,847,878
Capital grants and contributions	20,551,548	39,983,676
	<u>1,090,358,774</u>	<u>1,124,540,989</u>
Total primary government program revenues		1,198,598,862
<b>Expenses</b>		
Governmental activities:		
General government	281,099,079	256,858,694
Public safety	121,151,432	121,367,760
Public works	56,228,909	66,509,806
Transportation	36,502,199	36,283,608
Health and welfare	866,644,634	856,172,605
Culture and recreation	12,953,901	19,871,911
Education	19,380,309	22,603,860
Economic development	53,511,280	45,699,609
Economic opportunity	31,881,378	38,243,840
Interest on long-term debt	31,996,208	29,076,616
	<u>1,511,349,329</u>	<u>1,492,688,309</u>
Total primary government expenses		1,562,808,406
<b>Net (Expense)/Revenue</b>		
Governmental activities	<u>(420,990,555)</u>	<u>(368,147,320)</u>
	<u>(420,990,555)</u>	<u>(368,147,320)</u>
Total primary government net expense		(364,209,544)

Table IV (Page 2 of 2)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Changes in Net Assets (continued)**  
**Last Three Years**  
**(accrual basis of accounting)**

	Year	
	2011	2010
		2009
<b>General Revenues and Other Changes in Net Assets</b>		
Governmental activities:		
Taxes:		
Property and other local taxes levied for:		
General purposes	213,752,930	205,723,613
Debt service	57,224,239	62,028,968
Sales tax	42,260,699	40,904,309
Hotel rental tax	5,990,531	-
Gaming local share assessment	5,512,986	4,839,223
Interest and investment earnings	947,672	710,231
Gain on sale of capital assets	-	-
Miscellaneous	9,718,264	1,968,643
Total primary government	335,407,321	316,174,987
		319,871,142
<b>Change in Net Assets</b>		
Governmental activities	(85,583,234)	(51,972,333)
Total primary government change in net assets	\$(85,583,234)	\$(51,972,333)
		(44,338,402)
		(44,338,402)

Note: This schedule is being included to provide prior years' information as it was presented in prior years' reports.

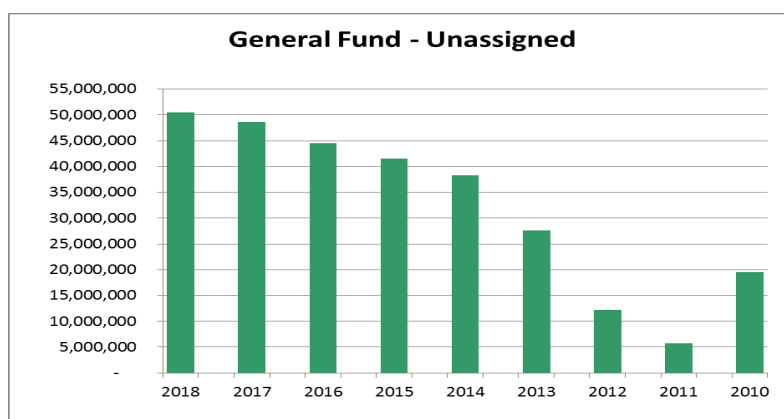
## Financial Trends

Table V

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Fund Balances, Governmental Funds**  
**Last Nine Years**  
**(modified accrual basis of accounting)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund									
Assigned	\$ 37,961,981	34,972,255	33,394,008	28,249,392	21,325,267	7,561,308	1,069,175	514,483	912,842
Unassigned	50,528,181	48,611,128	44,571,423	41,476,959	38,321,604	27,564,447	12,167,138	5,724,930	19,476,722
Total general fund	<u>88,490,162</u>	<u>83,583,383</u>	<u>77,965,431</u>	<u>69,726,351</u>	<u>59,646,871</u>	<u>35,125,755</u>	<u>13,236,313</u>	<u>6,239,413</u>	<u>20,389,564</u>
All Other Governmental Funds									
Restricted:									
County Grants Fund	31,719,354	30,357,839	30,719,846	28,975,859	26,664,561	24,733,323	20,817,434	23,742,242	27,105,088
Human Services Grants Fund	-	-	-	2	250,001	75,341	-	7,684	310,924
Capital Projects	158,435,955	107,913,660	148,466,712	105,711,745	141,307,206	27,227,829	14,493,799	26,675,610	7,309,286
Debt Service	8,140,683	3,864,412	3,312,353	2,760,294	4,102,566	5,644,795	3,662,209	552,059	-
Transportation Fund	10,669,287	16,034,819	14,483,399	16,111,213	14,794,378	11,786,469	7,575,124	4,469,306	5,158,730
Liquid Fuel Fund	14,055	341,009	565,865	11,731	236	4,121	459,561	168,472	476,077
Committed:									
County Grants	15,718,040	15,282,943	15,465,155	15,874,541	3,575,126	3,562,051	3,536,984	3,256,756	1,112,369
Assigned:									
County Grants	306,787	207,061	415,278	116,425	84,048	322,196	132,635	301,854	334,884
Capital Projects	-	-	-	-	-	69,369,008	89,561,229	-	-
Debt Service	-	2,257,485	8,195,571	388,006	-	-	-	-	-
Infrastructure Support	454,962	28,880	354,609	n/a	n/a	n/a	n/a	n/a	n/a
Unassigned:									
County Grants	-	-	-	-	-	-	-	(174,211)	(38,915)
Capital Projects	-	-	-	-	-	-	-	-	(24,626,208)
Debt Service	(132,613)	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>225,326,510</u>	<u>176,288,108</u>	<u>221,978,788</u>	<u>169,949,816</u>	<u>190,778,122</u>	<u>142,725,133</u>	<u>140,238,975</u>	<u>58,999,772</u>	<u>17,142,235</u>
Total governmental funds	<u>\$313,816,672</u>	<u>259,871,491</u>	<u>299,944,219</u>	<u>239,676,167</u>	<u>250,424,993</u>	<u>177,850,888</u>	<u>153,475,288</u>	<u>65,239,185</u>	<u>37,531,799</u>

Note: This schedule is being prepared prospectively. The next schedule has been included to provide prior years' information as it was presented in the prior years' reports.



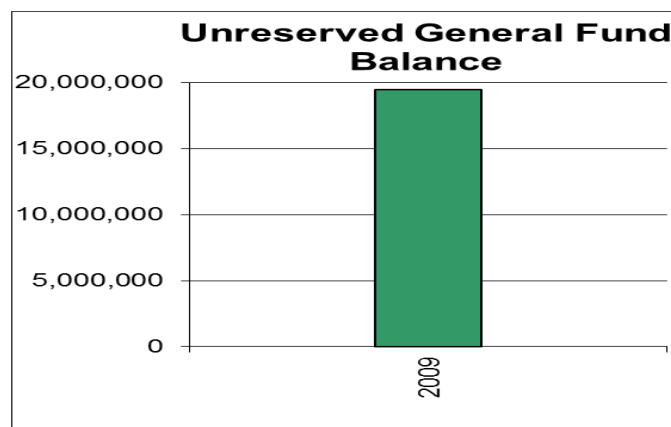
## Financial Trends

Table VI

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Fund Balances, Governmental Funds**  
**One Year**  
**(modified accrual basis of accounting)**

	Year 2009
General Fund	
Reserved	\$ 686,266
Unreserved	19,464,842
Total general fund	20,151,108
All Other Governmental Funds	
Reserved	94,574,439
Designated, reported in:	
Debt Service	1,923,659
Undesignated, reported in:	
Special revenue funds:	
Human service grants	329
Total all other governmental funds	96,498,427
Total governmental funds	\$ 116,649,535

Note: This schedule is being included to provide prior year information as it was presented in prior year reports.



## Financial Trends

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Years**  
**(modified accrual basis of accounting)**

	Year			
	2018	2017	2016	2015
<b>Revenues</b>				
Property taxes	\$ 364,229,425	359,012,223	353,900,861	342,824,364
Sales and use tax	51,445,652	49,137,286	46,798,000	47,559,039
Alcoholic beverage, hotel and rental vehicle taxes	56,148,481	53,165,241	51,614,985	51,822,537
Gaming local share assessment	5,546,519	5,291,862	4,758,596	5,494,366
Licenses and permits	3,134,459	3,131,501	3,046,961	2,774,956
Federal revenues	212,995,511	205,932,488	216,770,308	208,390,111
State revenues	795,996,680	804,484,905	772,399,084	692,372,084
Local governmental units revenues	21,767,793	22,329,468	22,197,486	20,716,150
Charges for services and facilities	161,927,029	104,795,963	106,654,849	123,945,239
Fines and forfeitures	4,121,219	4,070,276	3,840,962	4,085,661
Interest earnings	7,774,416	3,638,656	5,822,253	1,178,190
Miscellaneous	37,112,594	25,023,246	26,082,963	12,776,511
Total revenues	1,722,199,778	1,640,013,115	1,613,887,308	1,513,939,208
<b>Expenditures</b>				
Current:				
General government	256,813,547	249,683,613	243,693,780	233,384,684
Public safety	166,157,145	151,685,990	140,574,810	133,583,308
Public works	25,338,258	25,876,079	24,694,848	22,161,475
Transportation	31,894,599	30,948,368	30,457,695	29,082,188
Health and welfare	1,008,012,590	967,724,902	971,272,208	877,985,772
Culture and recreation	19,729,302	18,297,082	17,883,305	15,947,318
Education	25,911,305	25,409,728	24,962,626	24,604,197
Economic development	28,540,795	29,547,780	27,331,776	37,217,240
Economic opportunity	29,026,045	22,114,168	15,869,187	15,780,881
Capital projects	99,527,346	87,970,229	71,074,627	62,423,688
Debt service:				
Principal	34,362,500	32,987,500	30,305,000	34,562,500
Interest	37,766,389	37,840,404	35,546,293	37,954,783
Cost of issuance	459,772	-	1,338,305	-
Total expenditures	1,763,539,593	1,680,085,843	1,635,004,460	1,524,688,034
Excess (deficiency) of revenues over expenditures	(41,339,815)	(40,072,728)	(21,117,152)	(10,748,826)
<b>Other Financing Sources (Uses)</b>				
Issuance of general obligation bonds	87,565,000	-	68,600,000	-
Proceeds of general obligation refunding bonds	-	-	208,215,000	-
Payment to escrow refunding agent	-	-	(251,694,924)	-
Premium on bond issuance	7,719,996	-	56,265,128	-
Discount on bond issuance	-	-	-	-
Premium on refunding bonds	-	-	-	-
Capital lease	-	-	-	-
Transfers in	49,900,742	32,902,751	38,419,328	43,057,078
Transfers out	(49,900,742)	(32,902,751)	(38,419,328)	(43,057,078)
Proceeds of sale of building	-	-	-	-
Total other financing sources	95,284,996	-	81,385,204	-
Net change in fund balances	\$ 53,945,181	(40,072,728)	60,268,052	(10,748,826)
Debt service as a percentage of noncapital expenditures	4.3%	4.3%	4.2%	4.9%

(1) Property tax revenue increased due to sales of tax receivables in 2011.

(2) WIA, EARN and HSDF programs were given less funding.

(3) Received less capital project reimbursements and Community Service grants.

(4) Includes \$32 million building.

(5) Tax rate increased one mill.

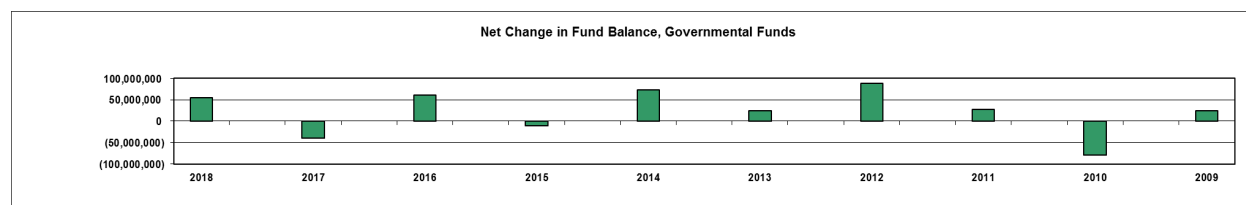


## Financial Trends

Table VII

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Years**  
**(modified accrual basis of accounting)**

Year					
2014	2013	2012	2011	2010	2009
337,133,767	336,159,600	322,063,944 (5)	273,919,488 (1)	264,893,858	261,131,265
46,110,625	44,550,065	43,709,103	42,260,699	40,904,309	39,172,875
45,713,023	47,089,203	45,708,790	43,519,106	32,796,256	32,714,434
5,538,735	5,238,938	6,089,312	5,512,986	4,839,223	1,575,008
2,698,568	2,061,720	1,921,316	2,022,195	1,919,316	1,904,569
226,191,476	247,304,296	242,997,365	250,509,567 (3)	283,689,849	308,912,948
695,588,658	681,226,030	687,288,915	669,745,308	668,128,684	726,036,806
22,444,663	19,713,694	19,309,401	21,433,539	23,339,455	18,034,580
106,462,302	105,457,693	95,839,806	90,544,713	91,699,952	91,614,877
4,025,810	4,339,683	4,822,217	4,593,618	4,787,652	3,401,106
798,261	899,922	627,465	947,672	710,231	4,161,339
30,832,064	23,781,165	17,882,526	17,113,914	20,148,468	20,572,275
<u>1,523,537,952</u>	<u>1,517,822,009</u>	<u>1,488,260,160</u>	<u>1,422,122,805</u>	<u>1,437,857,253</u>	<u>1,509,232,082</u>
223,541,927	220,774,769	212,596,287	215,107,151	210,868,288	212,055,686
130,750,018	145,292,621	121,341,861	115,217,701	114,993,307	111,510,274
26,480,540	25,366,941	32,707,139	34,986,006	32,835,821	30,069,070
29,168,699	29,168,699	27,668,700	27,668,699	27,668,700	27,668,699
889,066,557	873,600,594	881,908,361	865,244,300	866,137,793	965,405,256
10,005,489	9,711,077	9,584,424	10,388,768	10,968,163	9,945,524
24,159,375	23,647,347	26,175,277	19,380,309	22,603,860	22,133,800
32,394,427	32,891,584	51,358,888	53,500,940	45,685,082	29,733,782
13,737,072	15,354,245	19,686,799 (2)	31,881,378	38,243,840	37,277,998
79,320,626	81,171,092	77,143,219	114,679,751 (4)	86,214,329	74,376,734
25,252,500	37,450,000	29,857,500	38,332,500	41,387,500	38,232,500
37,110,261	37,574,482	34,274,920	29,369,282	28,528,970	24,612,032
1,000,940	279,034	971,916	1,074,148	224,336	692,398
<u>1,521,988,431</u>	<u>1,532,282,485</u>	<u>1,525,275,291</u>	<u>1,556,830,933</u>	<u>1,526,359,989</u>	<u>1,583,713,753</u>
<u>1,549,521</u>	<u>(14,460,476)</u>	<u>(37,015,131)</u>	<u>(134,708,128)</u>	<u>(88,502,736)</u>	<u>(74,481,671)</u>
63,570,000	37,950,000	112,600,000	157,965,609	9,385,000	80,000,000
123,925,000	-	54,560,000	13,895,000	-	27,500,000
(137,078,219)	-	(60,831,894)	(13,758,214)	-	(29,110,423)
20,607,803	886,076	18,923,128	4,363,243	-	-
-	-	-	(50,124)	-	(833,340)
-	-	-	-	-	1,766,257
-	-	-	-	-	7,678,839
37,141,052	26,526,866	37,105,922	74,906,699	105,072,729	52,633,826
(37,141,052)	(26,526,866)	(37,105,922)	(74,906,699)	(105,072,729)	(52,633,826)
-	-	-	-	-	11,420,000
<u>71,024,584</u>	<u>38,836,076</u>	<u>125,251,234</u>	<u>162,415,514</u>	<u>9,385,000</u>	<u>98,421,333</u>
<u>72,574,105</u>	<u>24,375,600</u>	<u>88,236,103</u>	<u>27,707,386</u>	<u>(79,117,736)</u>	<u>23,939,662</u>
4.3%	5.1%	4.4%	4.6%	4.8%	4.1%



## Financial Trends

Table VIII

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Program Revenues by Program/Function**  
**Last Ten Years**  
**(accrual basis of accounting)**

Function/Program		Year									
		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:											
General government	\$	98,836,843	92,845,903	91,222,607	87,568,430	91,214,011	94,990,681	79,841,123	79,540,479	90,992,391	95,257,597
Public safety		49,636,608	42,216,391	38,903,577	47,795,830	44,851,772	64,328,401	49,551,751	45,690,241	50,591,466	52,223,177
Public works		51,343,272	42,248,628	31,580,153	24,145,006	52,638,517	48,782,708	45,032,854	32,044,182	51,235,168	30,518,883
Transportation		50,812,549	47,950,607	46,384,147	47,597,341	42,583,256	42,011,378	39,867,018	37,078,575	32,862,922	32,714,434
Health and welfare		952,967,100	913,630,713	918,683,813	838,044,987	838,680,414	821,495,873	816,473,113	801,637,274	807,363,818	904,409,586
Culture and recreation		29,040,250	29,795,684	28,349,077	18,953,012	15,872,136	12,949,901	12,032,341	15,287,849	12,049,884	14,852,964
Education		116,941	118,590	169,103	303,510	191,410	296,892	324,822	285,549	106,198	123,800
Economic development		27,172,466	25,942,059	25,359,146	30,416,677	25,729,719	25,309,300	43,779,769	46,963,586	40,997,493	22,900,330
Economic opportunity		28,739,440	21,817,027	15,695,118	15,503,571	13,373,927	15,088,578	19,337,246	31,485,273	38,297,208	36,919,706
Interest on long-term debt		333,714	332,463	430,790	300,361	341,668	336,394	372,796	345,766	44,441	10,253,393
Total primary government	\$	1,288,999,183	1,216,898,065	1,196,777,531	1,110,628,725	1,125,476,830	1,125,590,106	1,106,612,833	1,090,358,774	1,124,540,989	1,200,173,870

## Revenue Capacity

Table IX

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Tax Revenues by Source, Governmental Funds**  
**Last Ten Years**  
**(modified accrual basis of accounting)**

Year	Property Taxes	Sales and Use Taxes	Total
2018	\$ 364,229,425	51,445,652	415,675,077
2017	359,012,223	49,137,286	408,149,509
2016	353,900,861	46,798,000	400,698,861
2015	342,824,364	47,559,039	390,383,403
2014	337,133,767	46,110,625	383,244,392
2013	336,159,600 (2)	44,550,065	380,709,665
2012	322,063,944 (3)	43,709,103	365,773,047
2011	273,919,487 (1)	42,260,699	316,180,186
2010	264,893,858	40,904,309	305,798,167
2009	261,131,265	39,172,875	300,304,140
Change 2009-2018	39.48%	31.33%	38.42%

(1) Includes a tax receivable sale of \$6.0 million.

(2) Includes a County-wide reassessment.

(3) Includes a one mill tax increase.

## Revenue Capacity

Table X

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments (1)	Discounts	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Delinquent Collections	Refunds	Total Net Collections to Date	
					Amount	Percentage of Original Levy			Amount	Percentage of Adjusted Levy
2018	\$ 370,287,312	1,074,345	(6,594,632)	364,767,025	355,166,519	95.92%	n/a	2,097,495	353,069,024	96.79%
2017	364,763,046	(121,868)	(6,578,962)	358,062,216	349,905,062	95.93	5,324,734	3,035,152	352,194,644	98.36
2016	359,380,677	(1,202,539)	(6,460,261)	351,717,877	344,305,366	95.81	5,957,171	3,766,489	346,496,048	98.52
2015	352,184,851	(422,140)	(6,300,050)	345,462,661	337,212,410	95.75	7,247,945	4,665,821	339,794,534	98.36
2014	354,766,682	(4,504,113)	(6,265,519)	343,997,050	335,740,093	94.64	8,563,470	7,399,503	336,904,060	97.94
2013	368,573,404	(31,137,423) (2)	(6,393,206)	331,042,775	337,989,221	91.70	8,766,338	16,480,089 (2)	330,275,470	99.77
2012	333,984,203	(1,970,282)	(6,040,599)	325,973,322	317,908,712	95.19	8,869,450	3,407,062	323,371,100	99.20
2011	273,073,105	(2,103,635)	(4,903,564)	266,065,906	261,035,739	95.59	4,037,506	3,175,961	261,897,284	98.43
2010	272,080,809	(2,088,714)	(4,920,286)	265,071,809	251,657,283	92.49	13,415,391	3,210,225	261,862,449	98.79
2009	269,375,834	(1,682,219)	(4,802,758)	262,890,857	248,684,071	92.32	15,015,812	4,210,121	259,489,762	98.71

The above schedule cannot be traced to the financial statements.

(1) Included in adjustments are assessment additions/exonerations.

(2) All properties were reassessed resulting in many appeals and refunds. The Homestead Exemption was also increased to \$18,000 from \$15,000 for each residential property.

## Revenue Capacity

Table XI

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Principal Taxpayers**  
**December 31, 2018 and December 31, 2009**

Taxpayer	December 31, 2018			December 31, 2009		
	Real Property Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation	Real Property Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
University of Pittsburgh	\$ 277,583,760	1	0.35%	-	-	-
Holdings Acquisition Co LP	245,995,000	2	0.31	-	-	-
600 Grant Street Properties, Limited Partnership	233,211,300	3	0.30	175,000,000	3	0.31
500 Grant Street Associates & Mellon N.A.	214,000,000	4	0.27	285,824,400	1	0.50
HRLP Fourth Avenue LLC	179,400,000	5	0.23	-	-	-
UPMC Passavant	165,263,800	6	0.21	-	-	-
Mercy Hospital of Pittsburgh	155,700,000	7	0.20	-	-	-
PNC Bank National Association	147,200,000	8	0.19	-	-	-
Morgan Stanley Capital Inc.	138,361,100	9	0.18	-	-	-
Pittsburgh CBD LLC	132,075,350	10	0.17	-	-	-
Mellon Bank N.A	-	-	-	104,309,700	9	0.18
Donald Soffer	-	-	-	148,000,000	4	0.26
Oxford Development Company	-	-	-	115,000,000	6	0.20
Pittsburgh Mills Limited Partnership	-	-	-	127,969,200	5	0.22
Robinson Mail JCP Associates Limited	-	-	-	104,742,900	8	0.18
Market Associates Limited Partnership	-	-	-	185,000,000	2	0.32
Penn Ross Joint Venture	-	-	-	86,203,100	10	0.15
Grant Liberty Development Group Associates & Liberty Center Venture	-	-	-	110,000,000	7	0.19
Year End Total Taxable Assessed Valuation	1,888,790,310		2.41%	1,442,049,300		2.51%
	\$ 78,511,979,265			57,185,917,361		

Source: Allegheny County Board of Property Assessment, Appeals, Review and Registry

(1) Assessed valuation based on the valuation of property for taxes collected in 2018 and 2009 respectively, and a review of the 10 largest taxpayers for the County.  
 Note: Assessed valuation for real property for 2018 through 2001 is based upon 100% of market value (estimated actual value) as set by County appraisal.

## Revenue Capacity

Table XII

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Assessed Valuation of Taxable Property**  
**Last Ten Years**

Year	Residential Real Property	Commercial Real Property	Tax-Exempt Property	Total Assessed Value	Beginning of Year Taxable Assessed Valuation	End of Year Taxable Assessed Valuation	Total Direct Tax Rate
2018	\$ 54,491,021,414	24,436,115,587	21,325,975,841	100,253,112,842	78,927,137,001	78,511,979,265	0.473
2017	53,784,363,413	23,997,093,248	22,997,275,521	100,778,732,182	77,781,456,661	77,187,008,458	0.473
2016	53,139,444,633	23,565,139,592	23,193,443,030	99,898,027,255	76,704,584,225	75,885,555,760	0.473
2015	52,177,497,583	23,037,501,921	23,144,690,943	98,359,690,447	75,214,999,504	74,412,648,641	0.473
2014	51,399,160,421	23,604,308,549	23,026,829,639	98,030,298,609	75,003,468,970	73,690,269,797	0.473
2013	52,382,246,089	26,389,272,047	23,102,427,975	101,873,946,111	78,771,518,136	73,150,422,595	0.473
2012	40,968,251,581	18,186,262,832	16,790,174,575	75,944,688,988	59,154,514,413	58,648,167,586	0.569(1)
2011	40,850,731,999	18,068,233,522	16,529,566,165	75,448,531,686	58,918,965,521	58,091,994,762	0.469
2010	40,594,872,067	18,115,514,721	16,000,204,611	74,710,591,399	58,710,386,788	57,823,817,677	0.469
2009	40,337,045,876	17,857,634,828	15,987,458,790	74,182,139,494	58,194,680,704	57,185,917,361	0.469

Source: Yearly County Certification Report

(1) On December 6, 2011 Council passed an ordinance increasing the tax millage to .569 for 2012.

Note: The Second Class County Code permits the County to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services and in unlimited amounts for debt service. The Administrative Code prohibits the County from deriving windfall benefits from the annual property reassessments or from changes in the predetermined ratio of assessed valuation to market value. The total real estate tax revenue received by reason of reassessment or change in the ratio shall not exceed the total amount of real estate tax revenue received in the preceding year. If necessary, the County shall reduce the real estate tax rate to comply with this revenue limitation.

## Revenue Capacity

Table XIII (Page 1 of 19)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
	<u>Real Estate Rate (Mills)</u>									
Municipality and School District (3)										
ALLEGHENY COUNTY										
General Fund	3.9595	3.9457	3.8636	3.9552	3.9154	3.8194	4.5593	3.6852	3.5806	4.0700
Debt Service	<u>0.7705</u>	<u>0.7843</u>	<u>0.8664</u>	<u>0.7748</u>	<u>0.8146</u>	<u>0.9106</u>	<u>1.1307</u>	<u>1.0048</u>	<u>1.1094</u>	<u>0.6200</u>
Total tax rate (mills)	4.73	4.73	4.73	4.73	4.73	4.73	5.69	4.69	4.69	4.69
Aleppo Township										
Municipal	3.5	3.5	3.5	3.5	3.5	4.0	5.0	5.0	5.0	5.0
Quaker Valley S.D.	18.9086	18.4009	17.7389	17.3232	17.1548	16.93	21.25	20.95	20.70	19.75
Aspinwall Borough										
Municipal	5.86	5.86	4.86	4.86	4.86	4.86	6.25	6.25	6.25	5.25
Fox Chapel Area S.D.	19.575	19.3429	18.9822	18.6283	18.6283	18.4475	21.5576	21.558	21.26	20.78
Avalon Borough										
Municipal	9.83	9.83	9.83	9.83	7.83	6.83	9.01	9.01	9.01	9.01
Northgate S.D.	24.7867	24.7867	24.7867	24.7867	24.7867	23.7071	28.6	28.6	27.6	24.5
Baldwin Borough										
Municipal	6.28	6.28	5.95	5.95	5.41	5.41	6.61	6.61	6.61	6.61
Baldwin-Whitehall S.D.	21.05	19.61	19.25	18.42	17.61	19.61	23.4	23.4	23.4	23.5
Baldwin Township										
Municipal	7.8	7.8	7.8	7.8	7.8	7.8	9.5	9.5	9.5	9.5
Baldwin-Whitehall S.D.	21.05	19.61	19.25	18.42	17.61	19.61	23.4	23.4	23.4	23.5
Bell Acres Borough										
Municipal	4.32	4.32	4.32	4.32	4.12	4.12	5.0	5.0	4.5	4.5
Quaker Valley S.D.	18.9086	18.4009	17.7389	17.3232	17.1548	16.93	21.25	20.95	20.7	19.75
Bellevue Borough										
Municipal	4.89	4.89	4.89	4.89	4.89	4.89	7.0	7.0	7.0	7.0
Northgate S.D.	24.7867	24.7867	24.7867	24.7867	24.7867	23.7071	28.6	28.6	27.6	24.5

## Revenue Capacity

Table XIII (Page 2 of 19)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	Real Estate Rate (Mills)									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Municipality and School District (3)</u>										
<u>Ben Avon Borough</u>										
Municipal	4.36	4.36	4.39	4.38	4.39	4.28	5.60	5.61	5.69	5.69
Avonworth S.D.	19.1	18.67	18.67	18.67	18.67	17.7	20.9	20.0	20.0	19.3
<u>Ben Avon Heights Borough</u>										
Municipal	7.95	7.95	7.95	7.95	5.75	5.75	6.5	6.5	6.5	6.5
Avonworth S.D.	19.1	18.67	18.67	18.67	18.67	17.7	20.9	20.0	20.0	19.3
<u>Bethel Park Borough</u>										
Municipal (4)	2.53	2.53	2.53	2.32	2.32	1.98	2.43	2.18	2.18	2.18
Bethel Park S.D.	22.8763	22.8763	22.8763	22.8763	22.4276	21.8593	25.49	24.97	24.56	23.73
<u>Blawnox Borough</u>										
Municipal	9.85	9.85	9.85	9.85	9.35	8.895	9.74	9.74	9.74	9.74
Fox Chapel Area S.D.	19.575	19.3429	18.9822	18.6283	18.6283	18.4475	21.5576	21.558	21.26	20.78
<u>Brackenridge Borough</u>										
Municipal	6.25	5.77	5.77	5.77	5.77	5.77	5.77	5.77	5.77	5.77
Highlands S.D.	24.63	23.8	23.8	23.8	23.8	23.8	26.41	24.41	24.41	23.71
<u>Braddock Borough</u>										
Municipal	13.65	12.65	11.65	11.65	11.65	11.15	13.7	11.7	11.7	10.7
Woodland Hills S.D.	25.35	25.35	25.35	22.4	22.4	22.4	26.21	25.65	25.65	25.65
<u>Braddock Hills Borough</u>										
Municipal	8.205	8.205	8.205	6.205	6.205	6.205	7.0	7.0	7.0	7.0
Woodland Hills S.D.	25.35	25.35	25.35	22.4	22.4	22.4	26.21	25.65	25.65	25.65



## Revenue Capacity

Table XIII (Page 3 of 19)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	Real Estate Tax Rate (Mills)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Municipality and School District (3)										
<u>Bradford Woods Borough</u>										
Municipal	2.483	2.483	2.483	2.483	1.803	1.803	2.225	2.225	2.225	2.225
North Allegheny S.D.	18.4557	18.0011	18.0011	18.0011	17.4039	17.4039	20.923	20.26	19.74	18.99
<u>Brentwood Borough</u>										
Municipal	10.0	10.0	10.0	8.75	8.75	7.5	8.5	8.5	8.5	8.5
Brentwood S.D.	30.5373	29.5332	29.5332	28.1907	26.8259	24.8044	28.27	28.27	28.27	28.27
<u>Bridgeville Borough</u>										
Municipal	5.5	5.5	5.5	5.5	5.5	5.5	6.75	6.75	6.75	4.75
Chartiers Valley S.D.	17.071	16.6067	16.6067	16.2175	16.2175	16.2175	19.88	19.88	19.88	19.32
<u>Carnegie Borough</u>										
Municipal	6.75	6.75	6.75	6.63	6.63	6.23	7.2	7.2	7.2	7.2
Carlynton S.D.	23.5	22.502	21.564	20.584	19.604	19.089	23.15	24.15	24.15	24.15
<u>Castle Shannon Borough</u>										
Municipal	8.385	8.385	8.385	8.385	8.385	7.328	9.4	9.4	7.9	7.9
Keystone Oaks S.D.	19.306	19.0771	19.0771	18.63	18.63	18.63	22.03	22.03	22.03	21.31
<u>Chalfant Borough</u>										
Municipal	8.4	6.9	6.9	6.9	6.9	6.9	6.9	6.9	7.9	6.9
Woodland Hills S.D.	25.35	25.35	25.35	22.4	22.4	22.4	26.21	25.65	25.65	25.65
<u>Cheswick Borough</u>										
Municipal (6)	5.85	5.35	5.35	5.93	5.68	5.68	6.82	6.5	6.5	5.25
Allegheny Valley S.D.	20.8377	20.3494	20.3494	20.3494	20.3494	19.9494	23.46	23.46	23.46	23.46

## Revenue Capacity

Table XIII (Page 4 of 19)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	Real Estate Tax Rate (Mills)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Municipality and School District (3)										
<u>Churchill Borough</u>										
Municipal	6.48	5.98	5.98	5.48	5.48	4.23	5.75	5.75	5.75	4.75
Woodland Hills S.D.	25.35	25.35	25.35	22.4	22.4	22.4	26.21	25.65	25.65	25.65
<u>Clairton City</u>										
Municipal:										
Land	33.0	33.0	33.0	33.0	33.0	33.0	33.0	28.0	28.0	28.0
Buildings	3.5	3.5	3.5	3.5	3.5	3.5	2.22	2.22	2.22	2.22
Clairton S.D.										
Land	80.808	77.85	77.85	75.0	75.0	75.0	80.0	87.0	87.0	75.0
Buildings	7.542	7.266	7.266	7.0	7.0	7.0	7.5	3.5	3.9	3.1
<u>Collier Township</u>										
Municipal	3.13	3.13	2.73	2.73	2.73	2.73	3.5	3.5	3.5	3.5
Chartiers Valley S.D.	17.071	16.6067	16.6067	16.2175	16.2175	16.2175	19.88	19.88	19.88	19.32
<u>Coraopolis Borough</u>										
Municipal	12.5	12.5	12.5	12.5	12.5	10.5	10.5	10.5	10.5	10.5
Cornell S.D.	23.675	23.314	23.314	23.314	22.746	22.746	26.552	25.955	24.11	22.93
<u>Crafton Borough</u>										
Municipal	7.59	7.59	7.09	7.09	7.09	7.09	8.75	8.75	8.75	8.75
Carlynton S.D.	23.5	22.502	21.564	20.584	19.604	19.089	23.15	24.15	24.15	24.15
<u>Crescent Township</u>										
Municipal(4)	6.4	6.4	6.4	6.4	6.4	6.4	6.5	6.5	6.5	6.5
Moon Area S.D.	21.117	20.3028	19.5576	18.8461	18.8461	18.1167	21.3	21.3	21.3	21.3
<u>Dormont Borough</u>										
Municipal	9.97	9.97	8.97	8.97	8.97	8.97	14.0	14.0	14.0	14.0
Keystone Oaks S.D.	19.306	19.0771	19.0771	18.63	18.63	18.63	22.03	22.03	22.03	21.31

## Revenue Capacity

Table XIII (Page 5 of 19)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	Real Estate Tax Rate (Mills)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Municipality and School District (3)										
<u>Dravosburg Borough</u>										
Municipal	7.55	7.55	7.55	7.55	7.8	7.03	7.315	5.315	5.315	5.315
McKeesport Area S.D.	19.48	17.37	16.74	16.15	15.7	15.22	17.49	17.05	16.71	16.71
<u>Duquesne City</u>										
Municipal:										
Land	18.5	18.5	18.5	18.5	18.5	18.5	19.0	19.0	19.0	19.0
Buildings	13.5	13.5	11.5	11.5	11.5	11.5	13.47	13.47	13.47	13.47
Duquesne S.D.	17.5	17.5	17.5	17.5	17.5	17.5	21.1	21.1	21.1	21.1
<u>East Deer Township</u>										
Municipal	4.9	4.9	4.9673	4.9673	5.0175	4.5	6.0	6.0	5.5	4.5
Deer Lakes S.D.	21.953	21.953	21.953	21.953	21.953	21.953	26.69	26.69	26.25	26.25
<u>East McKeesport Borough</u>										
Municipal	7.4	7.4	7.4	7.4	7.4	7.9	8.1	8.1	6.1	6.1
East Allegheny S.D.	26.9722	26.9722	26.9722	25.8	27.54	27.54	27.54	27.54	27.54	26.54
<u>East Pittsburgh Borough</u>										
Municipal	13.45	13.45	13.45	13.65	13.65	11.89	15.15	15.15	15.15	15.15
Woodland Hills S.D.	25.35	25.35	25.35	22.4	22.4	22.4	26.21	25.65	25.65	25.65
<u>Edgewood Borough</u>										
Municipal	7.185	7.185	7.185	7.15	5.9	5.65	8.161	8.161	8.161	6.661
Woodland Hills S.D.	25.35	25.35	25.35	22.4	22.4	22.4	26.21	25.65	25.65	25.65
<u>Edgeworth Borough</u>										
Municipal	4.15	4.15	4.15	4.15	4.15	4.15	5.4	5.4	5.4	5.4
Quaker Valley S.D.	18.9086	18.4009	17.7389	17.3232	17.1548	16.93	21.25	20.95	20.7	19.75

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**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

Real Estate Tax Rate (Mills)										
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Municipality and School District (3)										
<u>Elizabeth Borough</u> Municipal Elizabeth-Forward S.D.	8.0 24.0213	8.0 22.9694	8.0 20.6052	8.0 20.6052	8.0 20.6052	8.0 20.6052	8.0 25.0118	8.0 25.012	8.0 23.76	8.0 23.51
<u>Elizabeth Township</u> Municipal (4) Elizabeth-Forward S.D.	3.926 24.0213	3.93 22.9694	3.926 20.6052	3.926 20.6052	3.926 20.6052	3.926 20.6052	4.429 25.0118	4.429 25.012	4.429 23.76	4.429 23.51
<u>Ensworth Borough</u> Municipal Avonworth S.D.	3.93 19.1	3.955 18.67	3.955 18.67	3.955 18.67	3.955 18.67	3.955 17.7	5.0 20.9	5.0 20.0	5.0 20.0	5.0 19.3
<u>Etna Borough</u> Municipal Shaler Area S.D.	8.25 23.5319	8.25 23.2819	8.25 22.56	8.25 21.87	8.25 21.34	8.25 20.76	9.0 25.63	9.0 25.63	9.0 25.63	9.0 24.7
<u>Fawn Township</u> Municipal Highlands S.D.	3.04 24.63	3.04 23.8	3.04 23.8	3.04 23.8	3.04 23.8	3.04 23.8	3.5 26.41	3.5 24.41	3.5 24.41	3.5 23.71
<u>Findlay Township</u> Municipal West Allegheny S.D.	1.6 18.51	1.6 18.51	1.6 18.51	1.6 18.51	1.6 18.51	1.6 18.51	1.95 22.0	1.95 22.0	1.95 22.0	1.95 22.0
<u>Forest Hills Borough</u> Municipal Woodland Hills S.D.	8.0 25.35	8.0 25.35	8.0 25.35	8.0 22.4	8.0 22.4	8.0 22.4	8.35 26.21	8.35 25.65	8.35 25.65	8.35 25.65

## Revenue Capacity

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**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	Real Estate Tax Rate (Mills)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Municipality and School District (3)										
<u>Forward Township</u>										
Municipal	1.95	1.95	1.95	1.95	2.05	2.95	2.95	2.95	2.95	2.95
Elizabeth-Forward S.D.	24.0213	22.9694	20.6052	20.6052	20.6052	20.6052	25.01	25.012	23.76	23.51
<u>Fox Chapel Borough</u>										
Municipal	2.5	2.5	2.5	2.5	2.3	2.16	2.4	2.4	2.3	2.0
Fox Chapel Area S.D.	19.575	19.3429	18.9822	18.6283	18.6283	18.4475	21.5576	21.558	21.26	20.78
<u>Franklin Park Borough</u>										
Municipal	1.29	1.29	1.29	1.077	1.077	1.077	1.283	1.283	1.283	1.283
North Allegheny S.D.	18.4557	18.0011	18.0011	18.0011	17.4039	17.4039	20.923	20.26	19.74	18.99
<u>Frazer Township</u>										
Municipal	1.42	1.42	1.42	1.42	1.42	1.42	1.55	1.55	1.55	1.55
Deer Lakes S.D.	21.953	21.953	21.953	21.953	21.953	21.953	26.69	26.69	26.25	26.25
<u>Glassport Borough</u>										
Municipal	11.99	11.99	11.99	11.99	8.99	8.99	8.99	8.99	8.99	8.99
South Allegheny S.D.	17.86	17.24	17.24	17.24	17.24	17.24	18.49	18.49	18.11	18.11
<u>Glenfield Borough</u>										
Municipal	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15
Quaker Valley S.D.	18.9086	18.4009	17.7389	17.3232	17.1548	16.93	21.25	20.95	20.7	19.75
<u>Green Tree Borough</u>										
Municipal	3.61	3.61	3.61	3.61	3.61	3.61	4.35	4.35	4.35	4.35
Keystone Oaks S.D.	19.306	19.0771	19.0771	18.63	18.63	18.63	22.03	22.03	22.03	21.31

## Revenue Capacity

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**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	Real Estate Tax Rate (Mills)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Municipality and School District (3)										
<u>Hampton Township</u>										
Municipal	2.4966	2.4966	2.4966	2.4026	2.4026	2.4026	2.5045	2.5045	2.5045	2.5045
Hampton S.D.	18.95	18.77	18.39	18.12	17.85	17.59	21.35	21.35	20.88	20.88
<u>Harmar Township</u>										
Municipal	3.45	3.45	3.45	3.7	3.7	3.7	5.0	5.0	5.0	5.0
Allegheny Valley S.D.	20.8377	20.3494	20.3494	20.3494	20.3494	19.9494	23.46	23.46	23.46	23.46
<u>Harrison Township</u>										
Municipal	5.106	5.106	5.106	5.106	4.341	4.341	5.25	5.25	5.25	5.25
Highlands S.D.	24.63	23.8	23.8	23.8	23.8	23.8	26.41	24.41	24.41	23.71
<u>Haysville Borough</u>										
Municipal	4.6095	4.8	4.8	4.8	4.18	5.5	5.5	5.5	5.5	5.5
Quaker Valley S.D.	18.9086	18.4009	17.7389	17.3232	17.1548	16.93	21.25	20.95	20.7	19.75
<u>Heidelberg Borough</u>										
Municipal	6.95	6.95	6.95	6.95	6.95	6.95	8.5	8.5	8.5	8.5
Chartiers Valley S.D.	17.071	16.6067	16.6067	16.2175	16.2175	16.2175	19.88	19.88	19.88	19.32
<u>Homestead Borough</u>										
Municipal (6)	13.33	13.33	13.33	13.33	13.33	13.0	13.0	13.0	10.0	10.0
Steel Valley S.D.	23.489	22.761	22.0132	21.31	21.31	21.31	24.169	24.169	24.07	21.21
<u>Indiana Township</u>										
Municipal	3.47	3.47	3.47	2.95	2.95	2.71	3.2	3.0	3.0	3.0
Fox Chapel Area S.D.	19.575	19.3429	18.9822	18.6283	18.6283	18.4475	21.5576	21.558	21.26	20.78

## Revenue Capacity

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**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	Real Estate Tax Rate (Mills)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Municipality and School District (3)										
Ingram Borough	5.9	5.9	6.1	6.1	6.1	6.1	7.5	7.5	7.5	7.5
Municipal Montour S.D.	17.9638	17.9638	17.9638	17.2211	16.9	16.9	18.9	18.9	18.9	18.9
Jefferson Hills Borough										
Municipal West Jefferson Hills S.D.	5.66	5.66	5.66	5.66	4.66	4.66	5.63	5.63	5.63	5.63
	20.843	20.236	19.628	19.038	18.592	18.104	21.08	21.08	21.08	21.08
Kennedy Township										
Municipal Montour S.D.	2.25	2.0	2.0	2.0	2.0	1.67	1.95	1.95	1.95	1.95
	17.9638	17.9638	17.9638	17.2211	16.9	16.9	18.9	18.9	18.9	18.9
Kilbuck Township										
Municipal Avonworth S.D.	4.9	5.226	5.226	5.226	5.226	5.226	6.5	6.5	6.5	7.0
	19.1	18.67	18.67	18.67	18.67	17.7	20.9	20.0	20.0	19.3
Leet Township										
Municipal Quaker Valley S.D.	6.7	6.7	6.7	6.7	5.3	5.3	7.0	7.0	7.0	7.0
	18.9086	18.4009	17.7389	17.3232	17.1548	16.93	21.25	20.95	20.7	19.75
Leetsdale Borough										
Municipal (5) Quaker Valley S.D.	10.0	10.0	10.0	10.0	10.0	8.0	10.0	10.0	10.0	9.6
	18.9086	18.4009	17.7389	17.3232	17.1548	16.93	21.25	20.95	20.7	19.75
Liberty Borough										
Municipal South Allegheny S.D.	8.0	6.0	6.5	4.5	4.5	4.5	5.0	4.0	4.1	4.2
	17.86	17.24	17.24	17.24	17.24	17.24	18.49	18.49	18.11	18.11

## Revenue Capacity

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**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	Real Estate Tax Rate (Mills)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Municipality and School District (3)										
<u>Lincoln Borough</u>										
Municipal	6.5	6.5	6.5	6.5	6.5	7.5	8.5	6.8	6.8	6.3
South Allegheny S.D.	17.86	17.24	17.24	17.24	17.24	17.24	18.49	18.49	18.11	18.11
<u>Marshall Township</u>										
Municipal	1.42	1.42	1.42	1.42	1.42	1.42	1.7	1.7	1.7	1.7
North Allegheny S.D.	18.4557	18.0011	18.0011	18.0011	17.4039	17.4039	20.923	20.26	19.74	18.99
<u>McCandless Township</u>										
Municipal	1.236	1.236	1.296	1.296	1.296	1.296	1.5	1.5	1.5	1.5
North Allegheny S.D.	18.4557	18.0011	18.0011	18.0011	17.4039	17.4039	20.923	20.26	19.74	18.99
<u>McDonald Borough (Part)</u>										
Municipal	40.75	40.75	40.75	40.75	40.75	40.75	40.75	40.75	40.75	40.75
Fort Cherry S.D.	12.141	11.7648	130.50	126.5875	123.5	121.0	118.5	118.5	118.5	118.5
(Washington County)										
<u>McKeesport City</u>										
Municipal:										
Land	18.5	18.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5
Buildings	6.26	6.26	4.26	4.26	4.26	4.26	4.26	4.26	4.26	4.26
McKeesport Area S.D.	19.48	17.37	16.74	16.15	15.7	15.22	17.49	17.05	16.71	16.71
<u>McKees Rocks Borough</u>										
Municipal	9.4	9.4	9.4	8.9	6.9	6.9	8.0	8.0	8.0	8.0
Sto-Rox S.D.	24.09	24.09	23.19	23.19	23.19	23.19	25.0	25.0	25.0	25.0
<u>Millvale Borough</u>										
Municipal	10.0	10.0	9.0	9.0	8.5	8.5	9.0	9.0	9.0	9.0
Shaler Area S.D.	23.5319	23.2819	22.56	21.87	21.34	20.76	25.63	25.63	25.63	24.7



## Revenue Capacity

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**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	Real Estate Tax Rate (Mills)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Municipality and School District (3)</u>										
<u>Monroeville Borough</u>										
Municipal	4.0	4.0	4.0	4.0	4.0	2.431	2.2	2.2	2.2	2.2
Gateway S.D.	19.8675	19.3264	19.3264	19.3264	18.8919	18.8919	21.85	21.02	21.02	19.41
<u>Moon Township</u>										
Municipal	2.74	2.74	2.74	2.74	2.74	2.48	3.28	3.28	3.28	3.28
Moon Area S.D.	21.117	20.3028	19.5576	18.8461	18.8461	18.1167	21.3	21.3	21.3	21.3
<u>Mount Lebanon Township</u>										
Municipal	4.71	4.71	4.51	4.51	4.51	4.51	5.43	4.76	4.89	4.89
Mount Lebanon S.D.	24.32	23.93	23.93	23.55	23.15	22.61	27.13	26.63	26.63	24.11
<u>Mount Oliver Borough</u>										
Municipal	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5
Pittsburgh S.D.	9.84	9.84	9.84	9.84	9.84	9.65	13.92	13.92	13.92	13.92
<u>Munhall Borough</u>										
Municipal	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.25
Steel Valley S.D.	23.489	22.761	22.0132	21.31	21.31	21.31	24.169	24.169	24.07	21.21
<u>Neville Township</u>										
Municipal	4.95	4.95	4.95	4.95	4.45	4.45	4.75	4.75	4.75	4.75
Cornell S.D.	23.675	23.314	23.314	23.314	22.746	22.746	26.552	25.955	24.11	22.93
<u>North Braddock Borough</u>										
Municipal	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Woodland Hills S.D.	25.35	25.35	25.35	22.4	22.4	22.4	26.21	25.65	25.65	25.65

## Revenue Capacity

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**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	Real Estate Tax Rate (Mills)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Municipality and School District (3)										
<u>North Fayette Township</u>										
Municipal	3.29	3.29	3.29	3.29	3.29	3.29	3.9	3.9	3.9	3.2
West Allegheny S.D.	18.51	18.51	18.51	18.51	18.51	18.51	22.0	22.0	22.0	22.0
<u>North Versailles Township</u>										
Municipal	7.75	7.75	7.75	7.75	7.75	7.75	8.0	8.0	8.0	7.5
East Allegheny S.D.	26.9722	26.9722	26.9722	25.8	27.54	27.54	27.54	27.54	27.54	26.54
<u>Oakdale Borough</u>										
Municipal	5.0	5.0	5.0	2.99	2.99	2.99	4.0	4.0	4.0	3.0
West Allegheny S.D.	18.51	18.51	18.51	18.51	18.51	18.51	22.0	22.0	22.0	22.0
<u>Oakmont Borough</u>										
Municipal	3.73	3.73	3.4	3.4	3.4	3.4	4.5	4.5	4.5	4.5
Riverview S.D.	23.0073	23.0073	22.4462	22.4462	22.4462	21.18	25.355	24.786	24.05	23.26
<u>O'Hara Township</u>										
Municipal	1.725	1.725	1.725	1.725	1.725	1.725	2.2	2.2	2.2	2.2
Fox Chapel Area S.D.	19.575	19.3429	18.9822	18.6283	18.6283	18.4475	21.5576	21.558	21.26	20.78
<u>Ohio Township</u>										
Municipal	2.29	2.29	2.29	2.29	2.29	2.29	2.75	2.75	2.75	2.75
Avonworth S.D.	19.1	18.67	18.67	18.67	18.67	17.7	20.9	20.0	20.0	19.3
<u>Osborne Borough</u>										
Municipal	5.2	5.2	4.6	4.6	4.6	5.1	6.0	6.0	6.0	6.0
Quaker Valley S.D.	18.9086	18.4009	17.7389	17.3232	17.1548	16.93	21.25	20.95	20.7	19.75

## Revenue Capacity

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**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	Real Estate Tax Rate (Mills)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Municipality and School District (3)										
<u>Penn Hills Township</u>										
Municipal	5.444	5.444	5.44	5.444	5.444	5.444	5.6	5.35	5.1	4.6
Penn Hills S.D.	28.6646	27.557	26.3061	24.8061	24.15	23.47	24.81	24.81	24.81	24.81
<u>Pennsbury Village Borough</u>										
Municipal	4.8	4.8	4.6	4.6	4.38	4.19	5.9	5.9	5.9	5.9
Montour S.D.	17.9638	17.9638	17.9638	17.2211	16.9	16.9	18.9	18.9	18.9	18.9
<u>Pine Township</u>										
Municipal	0.998	0.998	0.998	0.998	0.998	0.998	1.2	1.2	1.2	1.2
Pine-Richland S.D.	19.5867	19.5867	19.2083	19.2083	19.2083	19.2083	22.815	21.9084	21.9084	20.2
<u>Pitcairn Borough</u>										
Municipal	8.75	8.75	8.75	8.75	7.75	5.75	5.75	5.75	5.75	5.75
Gateway S.D.	19.8675	19.3264	19.3264	19.3264	18.8919	18.8919	21.85	21.02	21.02	19.41
<u>Pittsburgh City</u>										
Municipal	8.06	8.06	8.06	8.06	7.56	7.56	10.8	10.8	10.8	10.8
Pittsburgh S.D.	9.84	9.84	9.84	9.84	9.84	9.65	13.92	13.92	13.92	13.92
<u>Pleasant Hills Borough</u>										
Municipal	6.75	6.75	6.75	6.75	5.75	5.322	6.607	6.607	6.607	6.607
West Jefferson Hills S.D.	20.843	20.236	19.628	19.038	18.592	18.104	21.08	21.08	21.08	21.08
<u>Plum Borough</u>										
Municipal	4.78	4.78	3.78	3.78	3.78	4.3	4.3	4.3	4.3	4.3
Plum S.D.	21.0757	20.243	19.377	18.758	18.758	18.758	22.2	22.2	22.2	22.2

## Revenue Capacity

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**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	Real Estate Tax Rate (Mills)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Municipality and School District (3)										
<u>Port Vue Borough</u>										
Municipal	8.4	7.4	7.4	7.4	7.4	7.86	7.86	7.86	6.86	5.11
South Allegheny S.D.	17.86	17.24	17.24	17.24	17.24	17.24	18.49	18.49	18.11	18.11
<u>Rankin Borough</u>										
Municipal	9.6928	9.6928	9.6928	9.6928	9.6928	9.6928	13.8	13.8	13.8	13.8
Woodland Hills S.D.	25.35	25.35	25.35	22.4	22.4	22.4	26.21	25.65	25.65	25.65
<u>Reserve Township</u>										
Municipal	4.47	4.47	4.47	4.47	4.47	4.47	5.24	5.24	5.24	3.99
Shaler Area S.D.	23.5319	23.2819	22.56	21.87	21.34	20.76	25.63	25.63	25.63	24.7
<u>Richland Township</u>										
Municipal	2.2	2.2	2.2	2.2	2.2	2.2	2.75	2.75	2.75	2.75
Pine-Richland S.D.	19.5867	19.5867	19.2083	19.2083	19.2083	19.2083	22.815	21.9084	21.9084	20.2
<u>Robinson Township</u>										
Municipal	3.2	2.6	2.6	2.6	2.6	2.6	3.05	3.05	3.05	3.05
Montour S.D.	17.9638	17.9638	17.9638	17.2211	16.9	16.9	18.9	18.9	18.9	18.9
<u>Ross Township</u>										
Municipal	2.7	2.7	2.7	2.7	2.7	2.7	3.0	3.0	1.967	1.967
North Hills S.D.	18.25	18	17.8	17.4	17.26	17.06	21.26	20.91	19.91	19.35
<u>Rosslyn Farms Borough</u>										
Municipal	8.0	8.0	8.0	8.0	6.88	6.88	9.975	9.5	9.5	10.5
Carlynton S.D.	23.5	22.502	21.564	20.584	19.604	19.089	23.15	24.15	24.15	24.15

## Revenue Capacity

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**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	Real Estate Tax Rate (Mills)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Municipality and School District (3)										
Scott Township										
Municipal	5.33	5.33	5.33	5.33	4.33	4.457	5.0	5.0	5.0	5.0
Chartiers Valley S.D.	17.071	16.6067	16.6067	16.2175	16.2175	16.2175	19.88	19.88	19.88	19.32
Sewickley Borough										
Municipal	6.5	6.25	6.5	6.5	5.95	6.5	7.3	7.3	6.8	6.8
Quaker Valley S.D.	18.9086	18.4009	17.7389	17.3232	17.1548	16.93	21.25	20.95	20.7	19.75
Sewickley Heights Borough										
Municipal	5.5	5.0	4.0	4.0	4.0	2.901	3.75	3.75	3.75	3.75
Quaker Valley S.D.	18.9086	18.4009	17.7389	17.3232	17.1548	16.93	21.25	20.95	20.7	19.75
Sewickley Hills Borough										
Municipal	2.84	2.84	2.84	2.84	2.84	2.37	3.0	3.0	3.0	3.0
Quaker Valley S.D.	18.9086	18.4009	17.7389	17.3232	17.1548	16.93	21.25	20.95	20.7	19.75
Shaler Township										
Municipal	2.49	2.49	2.49	2.49	2.49	2.49	3.05	3.05	3.05	3.05
Shaler Area S.D.	23.5319	23.2819	22.56	21.87	21.34	20.76	25.63	25.63	25.63	24.7
Sharpsburg Borough										
Municipal (4)	7.15	7.15	7.15	7.15	6.62	6.47	8.5	8.0	8.0	8.0
Fox Chapel Area S.D.	19.575	19.3429	18.9822	18.6283	18.6283	18.4475	21.5576	21.558	21.26	20.78
South Fayette Township										
Municipal	4.73	4.48	4.48	3.48	3.48	3.48	3.84	3.84	3.84	3.84
South Fayette S.D.	26.7	26.7	26.7	26.1168	25.2126	24.7126	28.824	27.83	24.88	24.04

## Revenue Capacity

Table XIII (Page 16 of 19)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	Real Estate Tax Rate (Mills)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Municipality and School District (3)</u>										
<u>South Park Township</u>										
Municipal	3.062	3.062	3.062	3.062	3.062	3.062	3.6	3.6	3.6	3.6
South Park S.D.	25.38	24.6	23.82	23.06	22.48	21.85	25.99	25.99	25.99	25.99
<u>South Versailles Township</u>										
Municipal	2.9	2.9	2.9	2.9	2.9	2.9	4.2	4.2	4.2	4.2
McKeesport Area S.D.	19.48	17.37	16.74	16.15	15.7	15.22	17.49	17.05	16.71	16.71
<u>Springdale Borough</u>										
Municipal	7.75	7.75	6.75	6.75	6.5	4.5	6.5	6.5	5.5	5.5
Allegheny Valley S.D.	20.8377	20.3494	20.3494	20.3494	20.3494	19.9494	23.46	23.46	23.46	23.46
<u>Springdale Township</u>										
Municipal	6.5	6.5	6.5	6.5	5.5	5.0	5.5	5.0	5.0	4.7
Allegheny Valley S.D.	20.8377	20.3494	20.3494	20.3494	20.3494	19.9494	23.46	23.46	23.46	23.46
<u>Stowe Township</u>										
Municipal	10.48	10.48	10.48	10.48	10.48	10.48	11.25	11.25	8.25	7.75
Sto-Rox S.D.	24.09	24.09	23.19	23.19	23.19	23.19	25.0	25.0	25.0	25.0
<u>Swissvale Borough</u>										
Municipal	8.0	8.0	8.0	8.0	7.04	7.04	10.1	10.1	9.1	9.1
Woodland Hills S.D.	25.35	25.35	25.35	22.4	22.4	22.4	26.21	25.65	25.65	25.65
<u>Tarentum Borough</u>										
Municipal	5.48	5.48	5.48	5.48	5.48	5.48	5.48	5.48	5.48	5.48
Highlands S.D.	24.63	23.8	23.8	23.8	23.8	23.8	26.41	24.41	24.41	23.71

## Revenue Capacity

Table XIII (Page 17 of 19)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	<u>Real Estate Tax Rate (Mills)</u>									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Municipality and School District (3)										
<u>Thornburg Borough</u>										
Municipal	5.6	5.6	5.6	5.6	5.6	5.6	6.5	5.0	5.0	5.0
Montour S.D.	17.9638	17.9638	17.9638	17.2211	16.9	16.9	18.9	18.9	18.9	18.9
<u>Trafford Borough (Part)</u>										
Municipal (2)	31.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	22.5	22.75
Penn-Trafford S.D. (Westmoreland County)	15.77	16.08	16.92	15.55	16.36	14.43	14.43	14.15	14.27	13.14
<u>Turtle Creek Borough</u>										
Municipal	9.5	9.5	9.25	8.0	8.0	7.75	8.5	8.5	8.5	8.5
Woodland Hills S.D.	25.35	25.35	25.35	22.4	22.4	22.4	26.21	25.65	25.65	25.65
<u>Upper St. Clair Township</u>										
Municipal	3.83	3.83	3.83	3.83	3.83	3.83	4.6	4.6	4.6	3.4
Upper St. Clair S.D.	25.8603	25.156	24.3388	23.0355	22.1957	21.413	25.718	24.1	23.77	23.37
<u>Verona Borough</u>										
Municipal	7.8	7.8	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Riverview S.D.	23.0073	23.0073	22.4462	22.4462	22.4462	21.18	25.355	24.786	24.05	23.26
<u>Versailles Borough</u>										
Municipal	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0	8.0	6.0
McKeesport Area S.D.	19.48	17.37	16.74	16.15	15.7	15.22	17.49	17.05	16.71	16.71
<u>Wall Borough</u>										
Municipal	7.22	7.22	7.22	7.22	7.22	7.22	8.0	8.0	6.0	6.0
East Allegheny S.D.	26.9722	26.9722	26.9722	25.8	27.54	27.54	27.54	27.54	27.54	26.54

## Revenue Capacity

Table XIII (Page 18 of 19)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	Real Estate Tax Rate (Mills)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Municipality and School District (3)										
<u>West Deer Township</u>										
Municipal	2.99	2.99	1.99	1.99	1.99	1.99	2.35	2.35	1.71	1.71
Deer Lakes S.D.	21.953	21.953	21.953	21.953	21.953	21.953	26.69	26.69	26.25	26.25
<u>West Elizabeth Borough</u>										
Municipal	3.93	3.93	3.93	3.93	3.93	6.0	6.0	6.0	6.0	6.0
West Jefferson Hills S.D.	20.843	20.236	19.628	19.038	18.592	18.104	21.08	21.08	21.08	21.08
<u>West Homestead Borough</u>										
Municipal	8.8	8.8	8.8	8.8	7.38	7.05	9.31	9.31	9.31	9.31
Steel Valley S.D.	23.489	22.761	22.0132	21.31	21.31	21.31	24.169	24.169	24.07	21.21
<u>West Mifflin Borough</u>										
Municipal	7.88	7.88	7.88	7.55	7.55	8.02	7.27	7.27	7.27	7.27
West Mifflin Area S.D.	24.4965	24.4965	24.4965	24.4965	24.4965	20.346	22.992	22.992	22.992	22.992
<u>West View Borough</u>										
Municipal	5.4	5.4	5.4	5.4	5.4	5.4	6.68	6.68	6.68	5.68
North Hills S.D.	18.25	18	17.8	17.4	17.26	17.06	21.26	20.91	19.91	19.35
<u>Whitaker Borough</u>										
Municipal	10.5	10.5	10.3004	10.0038	9.0038	9.0038	9.58	9.43	9.43	9.43
West Mifflin Area S.D.	24.4965	24.4965	24.4965	24.4965	24.4965	20.346	22.992	22.992	22.992	22.992
<u>Whitehall Borough</u>										
Municipal	4.42	4.42	4.42	4.42	4.66	4.32	5.5	5.5	5.5	5.5
Baldwin-Whitehall S.D.	21.05	19.61	19.25	18.42	17.61	19.61	23.4	23.4	23.4	23.5



## Revenue Capacity

Table XIII (Page 19 of 19)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years (1)**

	Real Estate Tax Rate (Mills)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Municipality and School District (3)										
White Oak Borough	6.41	6.66	5.16	4.66	4.65	4.66	5.66	5.6	4.16	4.16
Municipal	19.48	17.37	16.74	16.15	15.7	15.22	17.49	17.05	16.71	16.71
McKeesport Area S.D.										
Wilkins Township	5.675	5.675	5.675	5.674	5.674	4.674	5.513	4.513	4.513	4.513
Municipal	25.35	25.35	25.35	22.4	22.4	22.4	26.21	25.65	25.65	25.65
Woodland Hills S.D.										
Wilkesburg Borough	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Municipal	29.50	32.63	32.63	32.63	32.63	32.63	36.7	35.0	35.0	35.0
Wilkesburg S.D.										
Wilmerding Borough	10.0	10.0	10.0	10.0	8.0	8.0	8.0	8.0	8.0	6.05
Municipal	26.9722	26.9722	26.9722	25.8	27.54	27.54	27.54	27.54	27.54	26.54
East Allegheny S.D.										

(1) Source: Allegheny County Treasurer's Office provided the millage rates.

(2) Trafford Borough, 100% valuation historically.

(3) The school fiscal year reflects the period from July 1st through June 30th rather than the calendar year.

(4) The municipal millages includes fire tax.

(5) The municipal millages includes road reconstruction.

(6) The municipal millages includes library tax.

## Debt Capacity

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Ratios of General Obligation Bonds Outstanding and Legal Debt Margin**  
**Last Ten Years**

	2018	2017	2016	2015
General obligation bonds outstanding:				
Net nonelectoral debt	\$ 939,470,975	885,558,477	925,252,175	856,658,929
Net lease rental debt	-	122,500	240,000	490,000
Total general bond debt	939,470,975	885,680,977	925,492,175	857,148,929
Less: Sinking Fund	8,140,683	3,864,412	3,312,353	2,760,294
Total net general bond debt	931,330,292	881,816,565	922,179,822	854,388,635
End of year actual taxable assessed valuation	78,511,979,265	77,187,008,458	75,885,555,760	74,412,648,641
Percentage of net debt to actual assessed valuation	1.20%	1.15%	1.22%	1.15%
Population	1,223,048 (2)	1,223,048 (1)	1,225,365	1,230,459
Net bonded debt per capita	761	721	753	694
Net bonded debt as a percentage of personal income	2.08% (2)	1.97%	2.26%	2.16%
Total net debt applicable to debt limit	861,410,000	808,085,000	840,955,000	819,080,000
Legal debt limit				
300% of average gross revenue	3,274,919,607	3,215,014,269	3,141,266,454	3,100,598,789
Legal debt margin within limitations	\$ 2,413,509,607	2,406,929,269	2,300,311,454	2,281,518,789
Legal debt margin as a percentage of the debt limit	73.70%	74.87%	73.23%	73.58%
Legal debt limit - For counties with lease rental debt				
400% of average gross revenue	\$ n/a (3)	4,286,685,692	4,188,355,272	4,134,131,720
Total net debt applicable to debt limit	n/a	808,207,500	841,195,000	819,570,000
Legal debt margin within limitations	\$ n/a	3,478,478,192	3,347,160,272	3,314,561,720
Legal debt margin as a percentage of the debt limit	n/a	81.15%	79.92%	80.18%

(1) Source: Allegheny County Quick Facts from the U.S. Census Bureau (July 1, 2017 estimates)

(2) Information not yet available for 2018, used 2017 numbers for calculation.

(3) Lease rental debt matured in 2018.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements and Schedule J-'s.  
See J-3 for the calculation of the County's legal debt margin for the current year.

## Debt Capacity

Table XIV

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Ratios of General Obligation Bonds Outstanding and Legal Debt Margin**  
**Last Ten Years**

2014	2013	2012	2011	2010	2009
895,557,427 727,500	858,574,858 960,000	860,127,217 1,185,000	762,313,919 9,327,500	655,824,666 11,390,000	675,742,822 13,382,500
896,284,927 4,102,566	859,534,858 5,644,795	861,312,217 3,662,209	771,641,419 552,059	667,214,666 -	689,125,322 -
892,182,361	853,890,063	857,650,008	771,089,360	667,214,666	689,125,322
73,690,269,797	73,150,422,595	58,648,167,586	58,091,994,762	57,823,817,677	57,185,917,361
1.22%	1.18%	1.47%	1.33%	1.15%	1.21%
1,231,255	1,231,527	1,229,338	1,227,066	1,223,348	1,218,494
725	693	698	628	545	566
2.26%	2.25%	2.26%	2.21%	1.90%	2.00%
853,405,000	824,690,000	823,965,000	738,166,770	621,949,587	650,747,850
3,003,632,375	2,927,612,169	2,994,625,248	3,173,644,626	3,318,411,507	3,271,642,257
2,150,227,375	2,102,922,169	2,170,660,248	2,435,477,856	2,696,461,920	2,620,894,407
71.59%	71.83%	72.49%	76.74%	81.26%	80.11%
4,004,843,168	3,903,482,892	3,992,833,664	4,231,526,168	4,424,548,676	4,362,189,676
854,132,500	825,650,000	825,150,000	747,494,270	633,339,587	664,130,350
3,150,710,668	3,077,832,892	3,167,683,664	3,484,031,898	3,791,209,089	3,698,059,326
78.67%	78.85%	79.33%	82.34%	85.69%	84.78%

## Debt Capacity

Table XV

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Computation of Direct and Overlapping Debt**  
**December 31, 2018**

Jurisdiction	Total Debt Outstanding	Percentage Applicable to County	Estimated Share of Overlapping Debt
<b>Overlapping</b>			
Various school districts and school district authorities	\$ 3,066,709,334 (1)	100.00%	\$ 3,066,709,334
Various cities	438,203,990 (1)	100.00%	438,203,990
Various townships and boroughs	770,087,078 (1)	100.00%	770,087,078
Community College of Allegheny County	91,921,184 (2)	100.00%	<u>91,921,184</u>
Subtotal of overlapping debt			4,366,921,586
<b>Direct</b>			
County of Allegheny			<u>943,964,810</u> (3)
Total direct and overlapping debt			<u>\$ 5,310,886,396</u>
RATIO OF TOTAL DIRECT AND OVERLAPPING DEBT:			
Total assessed value			6.76%
Per capita			\$4,342.34

(1) Source: PA Dept. of Community & Economic Development

(2) As of June 30, 2018. Source: Community College of Allegheny County.

(3) From Exhibit 1 and Note 8

Note: Overlapping governments are those that coincide with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Allegheny County. This process recognizes that, when considering the County's ability to repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. Percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the County's boundaries and dividing it by each unit's total taxable assessed value.

Demographic & Economic Information



## Demographic &amp; Economic Information

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Demographic and Economic Statistics**  
**Last Ten Years**

Year	Population	Total Personal Income (2)	Per Capita Personal Income (2)	Median Household Income (2)	Median Age (2)	Educational Attainment: Bachelor's Degree or Higher (2)
2018	1,223,048 (6)	n/a	n/a	n/a	n/a	n/a
2017	1,223,048 (2)	\$ 44,684,392,100 (2) \$	35,280 (2) \$	56,333 (2)	41 (2)	40 (2)
2016	1,225,365 (2)	40,775,128,500 (2)	33,830 (2)	54,357 (2)	41 (2)	39 (2)
2015	1,230,459 (2)	39,577,894,000 (2)	32,848 (2)	53,040 (2)	41 (2)	38 (2)
2014	1,231,255 (2)	39,497,459,900 (2)	32,378 (2)	52,390 (2)	41 (2)	37 (2)
2013	1,231,527 (2)	37,894,906,500 (2)	31,593 (2)	51,366 (2)	41 (2)	39 (2)
2012	1,229,338 (2)	38,000,189,700 (2)	31,653 (2)	50,884 (2)	41 (2)	37 (2)
2011	1,227,066 (2)	34,969,460,400 (2)	29,436 (2)	49,759 (2)	41 (2)	35 (2)
2010	1,223,348 (1)	35,152,671,300 (2)	29,549 (2)	47,505 (2)	42 (2)	34 (2)
2009	1,218,494 (2)	34,436,361,000 (2)	28,825 (2)	46,641 (2)	41 (2)	28 (2)

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

(2) Source: U.S. Census Bureau, American FactFinder

(3) Source: Pennsylvania Department of Education

(4) Source: Pennsylvania Department of Labor and Industry, Center for Workforce Information & Analysis

(5) Source: Yearly Certification Report

(6) Source: Allegheny County Quick Facts from the U. S. Census Bureau Estimates (Used 2017 est. for 2018)

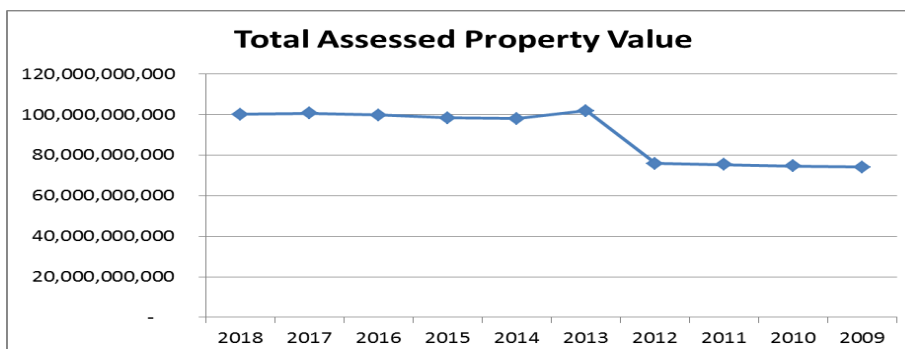
n/a: Information not available

## Demographic &amp; Economic Information

Table XVI

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Demographic and Economic Statistics**  
**Last Ten Years**

School Enrollment (3)	Unemployment Rate (4)	Total Assessed Property Value (5)
168,390	3.7 %	\$ 100,253,112,842
168,855	4.2	100,778,732,182
172,014	4.7	99,898,027,255
173,560	3.8	98,359,690,447
172,522	4.1	98,030,298,609
178,117	5.2	101,873,946,111
179,568	6.8	75,944,688,988
182,329	6.2	75,448,531,686
185,313	7.1	74,710,591,399
181,830	4.9	74,182,139,494



## Demographic &amp; Economic Information

Table XVII

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Principal Employers**  
**Current Year and Nine Years Ago**

<b>2018 (1)</b>		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
University of Pittsburgh Medical Center	53,000	7.62%
Highmark Health	21,251	3.06
United States Government	18,358	2.64
Commonwealth of Pennsylvania	16,573	2.38
PNC Financial Services Group, Inc.	13,000	1.87
University of Pittsburgh	12,338	1.78
Giant Eagle Inc.	9,764	1.41
Wal-Mart Stores Inc.	9,000	1.30
Allegheny County	7,236	1.04
BNY Mellon	7,000	1.01
Total	<u>167,520</u>	<u>24.11%</u>
Total Employees in County	<u>694,921 (3)</u>	
<b>2009 (2)</b>		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
University of Pittsburgh Medical Center	37,000	6.36%
United States Government	18,666	3.21
Commonwealth of Pennsylvania	13,661	2.34
West Penn Allegheny Health System	11,432	1.97
University of Pittsburgh	11,261	1.94
Wal-Mart Stores Inc.	10,030	1.72
PNC Financial Services Group, Inc.	9,150	1.57
Giant Eagle Inc.	8,347	1.44
Allegheny County	7,194	1.24
The Bank of New York Mellon	6,668	1.15
Total	<u>133,409</u>	<u>22.94%</u>
Total Employees in County	<u>581,500 (3)</u>	

Source: (1) Pittsburgh Business Times, "2019 Book of Lists"

(2) Pittsburgh Business Times, "2010 Book of Lists"

(3) Pennsylvania Bureau of Labor Statistics Data.



## Operating Information

Table XVIII

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Full-Time Equivalent Government Employees by Function/Program**  
**Last Ten Years**

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government:										
Chief Executive	3	3	3	3	3	3	3	3	3	4
County Council	6	11.5	20	24.5	25	22	23	19	22	22
County Manager	17	16	15	14.5	13	13	13	14.5	14	14
Budget and Finance	9	8	9	7	9	8	7	6	7	6.5
Law Department	54	55	55	55	57	56	55	54	58	55
Public Defender	114	121	112.5	120	121.5	121.5	126.5	125	132	132
M/W/DBE	7	7	8.5	6	6	6	6	6	6	7
Human Resources	22	21.5	21	18	19	14	16	17	18	18
Administrative Services	220.5	220.5	220.5	220.5	228	221	261	280	278.5	276.5
Facilities Management	212	216	217	195	170	167 (1)	n/a	n/a	n/a	n/a
Controller	88.5	85.5	88	87.5	88	84.5	85	93.5	93.5	92
Medical Examiner	98	100	93	90	91	89	88	95	98	93
Court Records	134	132	133	136	135.5	139	141	146	149.5	146
District Attorney	224	223	215	213.5	218	220.5	207.5	205	208	203
Real Estate	38	41	42	44.5	42	53	56.5	57.5	61	62
Sheriff	196	193	184	191	200.5	203.5	188.5	188.5	186	192
Treasurer	75.5	76.5	74	72.5	73.5	75	77	79	76.5	78
Court of Common Pleas	1,139	1,141	1,144	1,151.5	1,145.5	1,140	1,156	1,152	1,164	1,161
Public Safety:										
Emergency Management/911 & Fire Academy	330.5	324	314	305.5	291	274.5	274	276.5	281.5	265.5
Jail	635	625.5	628.5	633	578	582	544.5	549.5	556.5	606.5
County Police	274	276	272	266	262	251	262	258	265	256
Public Works	218	222	215	208	309	308	413	419	427	424
Health and Welfare:										
Health	345.5	360	349	348	349	357	348	356	376	366.5
Human Services:										
Administration	108.5	109.5	99.5	100.5	103	103	82.5	87	86	89
BH/ID/DA	82	80	60	59	59	62	64	62	72	75
Children, Youth and Family Services	535	541	533	537	552	550	543	537	539	499
Office of Community Services/Federal Programs	31	32	32	30	32	33	39	46	48	51
Area Agency on Aging	146.5	158	180.5	175.5	180	183	207	204	209	197.5
Kane Community Living Centers	981.5	1,011.5	993.5	995.5	1,077.5	1,107.5	1,087.5	1,127.5	1,153	1,174
Shuman Juvenile Detention Center	116	118	108.5	119.5	130.5	139.5	145.5	151	155	146.5
Community Intensive Supervision Program	68.5	68	68.5	72.5	73.5	77.5	79	78.5	65	64.5
Home Detention/Electronic Monitoring	11	12	12	12	12	12	12	12	12	12
Institutional Care	2	3	3	2	2	3	3	3	3	3
Culture and Recreation:										
Parks	313	283	223	242.5	147.5	121.5	107.5	121.5	105.5	74.5
Cooperative Extension	1	2	2	2	2	2	2	2	3	3
Economic Development	65	73	72	73	77	77	76	83	85	76
Totals	<u>6,921.5</u>	<u>6,970.0</u>	<u>6,820.5</u>	<u>6,831.5</u>	<u>6,882.5</u>	<u>6,879.5</u>	<u>6,799.5</u>	<u>6,914.5</u>	<u>7,016.5</u>	<u>6,945.5</u>

Source: County payroll records

Method: Using 1.0 for each full-time employee, and 0.50 for each part-time and seasonal employee

(1) Facilities Management was established as of 1/1/13.

n/a: Information not available

## Operating Information

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Operating Indicators by Function/Program**  
**Last Ten Years**

Function/program	2018	2017	2016	2015
<b>General Government</b>				
Autopsies performed (1)	1,351	1,664	1,654	1,450
Cases reported to Medical Examiner (1)	10,429	10,302	10,334	10,078
Deeds recorded (2)	40,391	40,760	41,048	40,430
Mortgages recorded (2)	87,259	94,657	96,973	97,605
Warrants cleared by Sheriff (3)	9,032	9,864	9,534	8,480
Arrears due on non-support warrants cleared (3)	\$ 10,142,331	14,354,690	11,190,295	9,476,624
Firearm permits issued (3)	23,946	22,335	23,415	18,688
Writs served (3)	31,358	34,130	34,474	34,597
<b>Public Safety</b>				
Inmates housed at the Jail (4)	2,341	2,352	2,301	2,410
Homicide cases investigated (1)	111	111	105	113
<b>Public Works (8)</b>				
Road maintenance (man hours)	111,455	155,669	160,358	136,282
Asphalt (hot/cold) purchased in road maintenance (tons) (9)	80,165	78,394	55,655	39,264
Winter road maintenance all activities (man hours)	19,171	31,118	30,457	22,280
Number snow/ice agreements w/munis for roads within their limits	29	30	30	30
Miles on snow/ice agreements for roads within other muni limits	93	97	99	95
Cost of snow/ice agreements for County roads within their limits	\$ 268,935	261,588	253,969	256,293
Tons of snow melting salt purchased	17,629	15,180	15,170	27,635
Cost of snow melting salt purchased	\$ 1,114,110	948,750	1,042,715	1,804,144
<b>Health and Welfare</b>				
Annual residents days (5)	340,823	340,186	358,247	359,885
Occupancy percentage (5)	80	84	88	91
Juvenile delinquents housed (average daily population) (6)	50	59	58	56
<b>Culture and Recreation (7)</b>				
Senior golf permits sold	1,010	13,719	894	973
Average daily golf revenue (June through September)	\$ 9,911	8,036	8,052	7,883
Average daily swimming revenue (June through September)	\$ 5,511	6,440	9,759	9,249
Average daily park pavilion revenue (June through September)	\$ 4,800	3,028	3,777	3,214

**Sources:**(1) Allegheny County Medical Examiner's Office  
(2) Allegheny County Department of Real Estate  
(3) Allegheny County Sheriff  
(4) Allegheny County Jail  
(5) Allegheny County Kane Regional Centers

(6) Allegheny County Shuman Center  
(7) Allegheny County Parks, Recreation and Conservation  
(8) Allegheny County Department of Public Works  
(9) Only asphalt purchased in tons is included.

n/a: Information not available

## Operating Information

Table XIX

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Operating Indicators by Function/Program**  
**Last Ten Years**

2014	2013	2012	2011	2010	2009
1,207	1,179	1,170	1,188	1,162	1,174
9,496	9,371	9,087	9,013	8,647	8,095
37,179	37,038	38,231	37,318	34,807	35,205
92,068	122,338	158,328	60,117	50,935	54,537
8,811	8,142	8,563	11,257	10,694	12,222
12,441,880	13,540,132	13,169,366	25,517,961	22,467,885	31,380,309
17,082	20,708	15,797	11,558	11,323	14,509
33,559	35,236	38,205	40,936	50,648	53,588
2,515	3,009	2,549	2,588	2,732	2,568
113	91	96	75	109	87
184,530	96,674	88,239	127,289	202,454	205,155
51,972	23,453	38,460	42,433	38,560	34,795
46,132	26,657	22,749	298,031	374,954	128,285
30	29	29	28	28	27
95	120	117	116	119	115
248,828	309,099	302,135	290,395	288,941	274,522
28,413	18,475	12,493	19,562	26,819	18,845
1,610,014	1,006,924	686,684	972,510	1,546,830	974,340
352,292	348,980	358,458	371,843	367,454	357,947
86	86	88	91	90	87
63	71	80	95	101	n/a
1,040	1,351	1,406	1,498	1,581	1,765
8,196	8,614	8,845	8,527	9,097	9,880
7,986	6,931	10,318	8,263	8,677	8,244
2,563	2,453	2,408	2,362	2,266	2,311

## Operating Information

Table XX

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Years**

Function/program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>General Government</b>										
Buildings	4	5	5	5	5	5	5	5	5	5
Square footage (1)	682,244	695,832	695,832	695,832	695,832	695,832	695,832	695,832	695,832	695,832
Sheriff vehicles (2)	68	69	63	66	61	62	68	65	64	63
Medical Examiner vehicles (2)	10	10	10	10	12	9	9	9	11	9
Facilities Management vehicles (7)	62	60	60	46	n/a	n/a	n/a	n/a	n/a	n/a
Other departmental vehicles (2)	138	162	143	174	207	233	200	197	202	203
<b>Public Safety</b>										
Jails	1	1	1	1	1	1	1	1	1	1
Square footage of Jail (1)	988,000	988,000	988,000	988,000	988,000	988,000	988,000	988,000	988,000	990,000
Number of beds at Jail (5)	3,156	3,156	3,129	3,164	3,164	3,156	3,156	3,156	2,850	2,850
Emergency Management vehicles (2)	96	88	93	92	96	46	26	26	26	25
Police vehicles (2)	107	107	106	105	98	93	91	88	93	93
<b>Public Works (1)</b>										
Maintenance garages	7	7	7	7	7	7	7	7	8	8
Parking garage*	0	0	0	0	0	0	1	1	1	1
Square footage of garage (1)	0	0	0	0	0	0	150,000	150,000	150,000	150,000
Water storage facility	1	1	1	1	0	0	0	1	1	1
Streets paved (miles)	408	408	379	379	380	380	380	395	395	395
Streets unpaved (miles)	0	0	0	0	0	0	0	10	10	10
Lane miles	812	812	812	812	780	780	780	818	818	818
Bridges (Less than 8 ft. in length)	167	167	189	189	187	187	181	181	181	181
Bridges (Between 8 ft. and 20 ft.)	130	130	135	135	135	135	149	149	149	149
Bridges (20 ft. and over)	179	179	177	177	181	181	192	192	192	192
Trail Bridges	48	48	47	47	47	47	n/a	n/a	n/a	n/a
Pedestrian Bridges	9	9	9	9	8	8	n/a	n/a	n/a	n/a
Vehicles (2)	181	175	174	175	249	170	164	130	129	126
Heavy Equipment (8)	427	416	389	338	464	443	424	430	430	425
<b>Health and Welfare</b>										
Buildings (2)	7	9	9	9	9	9	9	9	9	9
Square footage (1)	53,199	106,891	106,891	106,891	106,891	106,891	128,119	128,119	128,119	128,119
Number of nursing homes (3)	4	4	4	4	4	4	4	4	4	4
Square footage of nursing homes (1)	728,000	728,000	728,000	728,000	728,000	728,000	728,000	728,000	728,198	728,198
Number of beds (3)	1,166	1,166	1,124	1,344	1,124	1,124	1,344	1,344	1,344	1,344
Square footage of Shuman Center (1)	112,928	112,928	112,928	112,928	112,928	112,928	112,928	112,928	112,928	112,928
Number of beds	120	130	120	130	130	130	130	130	130	130
<b>Culture and Recreation (4)</b>										
Memorial Hall	1	1	1	1	1	1	1	1	1	1
Amphitheater	1	1	1	1	1	1	1	1	1	1
Hartwood Acres	1	1	1	1	1	1	1	1	1	1
Number of parks	9	9	9	9	9	9	9	9	9	9
Number of acres	12,000	12,000	12,044	12,044	12,014	12,014	12,014	12,014	12,014	12,014
Number of tennis courts	22	22	32	40	41	41	41	41	41	41
Number of basketball courts	10	10	21	20	20	20	20	20	20	20
Number of hockey rinks	3	3	3	3	0	0	0	0	0	0
Number of golf courses	2	2	2	2	3	3	3	3	3	3
Number of swimming pools	4	4	4	4	4	4	4	4	4	4
Number of ice skating rinks	2	2	2	2	2	2	2	2	2	2
Number of ball fields	34	35	41	41	41	41	41	41	41	41
Number of ski facilities	1	1	1	1	1	1	1	1	1	1
Number of shelters	220	221	215	210	220	248	248	248	248	248
Number of groves**	n/a	n/a	0	0	0	0	30	30	30	30
Number of rental buildings	23	23	25	24	26	26	26	27	27	27
Number of vehicles (6)	72	70	74	71	n/a	n/a	n/a	n/a	n/a	n/a
Number of non-sheltered groves**	n/a	n/a	0	0	56	56	32	32	32	32

**Sources:**

(1) Allegheny County Department of Facilities Management (\*The parking garage is being demolished.)

(2) Allegheny County Departments or County Fleet Inventory

(3) Allegheny County Kane Community Living Centers

(4) Allegheny County Department of Parks (\*\* All groves are referred to as shelters)

(5) Allegheny County Jail

(6) Starting 2015, separate Parks vehicles out of Public works

(7) Starting 2015, separate Facilities Management vehicles out of Other Departmental

(8) Allegheny County Controller's Office

n/a: Information not available

## Component Unit (ACAA) Information

Table XXI

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Revenue Bond Coverage**  
**Airport Authority Revenue Bonds and Notes**  
**Last Ten Years**

Fiscal Year	Gross/Pledged Revenues	Operating Expenses	Net Revenues Available for Debt Service	Debt Requirements			Coverage
				Debt Service	Prefunding	Total	
2018	\$167,491,772	109,026,876	58,464,896	16,685,833	409,775	17,095,608	3.4
2017	184,431,038	99,543,304	84,887,734	57,453,499	173,511	57,627,010	1.5
2016	172,334,853	96,076,326	76,258,527	64,913,378	598,270	65,511,648	1.2
2015	168,253,476	92,689,139	75,564,337	64,571,081	300,916	64,871,997	1.2
2014	166,536,540	90,140,578	76,395,962	65,636,518	10,759,444	76,395,962	1.0
2013	163,669,670	87,394,719	76,274,951	66,004,233	10,270,718	76,274,951	1.0
2012	157,615,266	84,903,379	72,711,887	62,094,167	165,054	62,259,221	1.2
2011	154,787,749	83,275,363	71,512,386	62,125,185	410,224	62,535,409	1.1
2010	153,363,122	83,291,562	70,071,560	61,116,900	339,160	61,456,060	1.1
2009	152,042,522	81,135,552	70,906,970	62,621,553	(41,077)	62,580,476	1.1

## Component Unit (ACAA) Information

Table XXII

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Pittsburgh International Airport**  
**Passenger Volume Trend**  
**Last Ten Years**

<u>Year</u>	<u>Passenger Volume (1)</u>	<u>Percentage Increase/(Decrease) Over Prior Year</u>
2018.....	9,658,897	7.5
2017.....	8,988,016	8.2
2016.....	8,309,754	2.2
2015.....	8,128,187	1.6
2014.....	7,998,970	1.5
2013.....	7,884,170	(2.0)
2012.....	8,041,357	(3.1)
2011.....	8,300,310	1.3
2010.....	8,195,359	2.0
2009.....	8,031,175	(7.8)

Source: Allegheny County Airport Authority

(1) Includes both on and off passenger volume.

## Miscellaneous Information

Table XXIII

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Salaries of Principal Officials**  
**December 31, 2018**

	<u>Salary</u>
<u>CHIEF EXECUTIVE</u>	
Rich Fitzgerald	\$ 90,000
<u>CONTROLLER</u>	
Chelsa Wagner	103,246
<u>TREASURER</u>	
John K. Weinstein	103,246
<u>DISTRICT ATTORNEY</u>	
Stephen A. Zappala, Jr.	179,299
<u>SHERIFF</u>	
William P. Mullen, Jr.	103,246
County Manager - William D. McKain, CPA	157,524
County Solicitor - Andrew F. Szefi	124,451
Director, Budget & Finance - Mary Soroka	116,692
Director, Human Services - Marc K. Cherna	175,410
Director, Public Works - Stephen G. Shanley	111,296
Director, Administrative Services - Jerry Tyskiewicz	111,296
Superintendent, County Police - Coleman McDonough	114,973
Director, Dept of Economic Development - Lance M. Chimka	145,000
Executive Director, Kane Community Living Centers - Dennis R. Biondo	111,296
Director, Human Resources - Laura Zaspel	111,296
Director, Shuman Center - Richard Gordon	111,296
Public Defender - Elliot C. Howsie	111,296
Director, Department of Parks - Andrew G. Baechle	111,296
Medical Examiner - Karl E. Williams, MD	203,985
Director, MWDBE - Ruth Byrd-Smith	111,296
Director, Facilities Management - James P. Reardon	111,296
Director, Health - Karen A. Hacker	221,790
Warden, Jail - Orlando Harper	111,296
Director, Court Records - Michael J. McGeever	111,296
Chief, Emergency Services - Matthew J. Brown	111,296
Chief of Staff, County Council - Kenneth J. Varhola	77,500
Executive Director, Retirement Board - Walter W. Szymanski	93,359

## Miscellaneous Information

Table XXIV

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**County Council Members' Expenditure Reimbursements**  
**December 31, 2018**

Council District	Council Member	Expenditure Reimbursements (1)
Council District at Large #1	John P. DeFazio	\$ 1,053
Council District at Large #2	Samuel DeMarco III	2,598
Council District #1	Thomas J. Baker	2,358
Council District #2	Cynthia R. Kirk	1,539
Council District #3	Anita Prizio	1,457
Council District #4	Patrick Catena	876
Council District #5	Sue Means	1,667
Council District #6	John F. Palmiere	2,668
Council District #7	Nicholas Futules	2,256
Council District #8	Charles J. Martoni, Ph.D.	745
Council District #9	Robert J. Macey	1,582
Council District #10	DeWitt Walton	1,810
Council District #11	Paul M. Klein	959
Council District #12	Robert Palmosina	887
Council District #13	Denise Ranalli Russell	90
Total		\$ 22,545

(1) Per the Charter, County Council members are allowed a maximum of \$3,000 per year in reimbursable expenditures.



## Miscellaneous Information

Table XXV (Page 1 of 5)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Primary Government Functions**  
**December 31, 2018**

Chief Executive	Exercises all the powers and performs all of the duties enumerated in the Home Rule Charter and the Administrative Code.
County Manager:	Maintains management control of daily operations as chief operating officer of the County. Oversees cluster departments and all other Executive departments and divisions. Provides the recordation function of the Chief Clerk.
Communications/Information Center	Serves as the center for information and services for County employees and the public.
Budget and Finance	Responsible for the preparation, analysis and administration of the County's annual operating, special revenue, agency fund and capital budgets in addition to the issuance of all debt within legal limits. Monitors revenues and expenditures. Provides budget data and analysis for the County Manager.
County Solicitor:	The County Solicitor is the chief legal officer for the County and oversees all in-house and outside legal services.
Law	Provides legal opinions to the Chief Executive and legal advices to all County departments and agencies.
Law Library	Monitors law library activities at Duquesne University to ensure compliance with terms of the management service agreement.
Human Resources	Develops and administers centralized personnel policies and procedures under the direction of the County Manager. Includes fair process for recruiting, hiring and promoting County police officers, deputy sheriffs, corrections officers and other civil service positions.
Minority/Women and Disadvantaged Business Enterprise	Monitors County bid documents, contracts and leases for adherence to affirmative action regulations and identifies opportunities for job creation and entrepreneurial development within the minority population of the County.
Public Defender	Provides legal counsel for indigent defendants and for respondents in civil and mental health commitment cases.
Administrative Services Department:	Provides necessary, cost-effective services to all County employees, departments, row offices and Courts as well as to the public and external organizations in order to facilitate the operations of the County government.

## Miscellaneous Information

Table XXV (Page 2 of 5)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Primary Government Functions**  
**December 31, 2018**

Management Information Services	Provides computer programming, data processing and telephone services to County departments, row offices and related agencies. Assists in the design and implementation of management information systems.
Purchasing & Supplies	Responsible for the procurement of materials, commodities and supplies required by all of the County agencies.
Elections	Conducts elections for all governmental levels and provides information for voters and candidates. Maintains and updates the records of registered County voters.
Veterans' Services	Provides information on veterans' benefits and administers County, State and federal laws that relate to the burial of deceased service personnel and their spouses.
Property Assessments	Assesses real property for County, local and school taxation, hears assessment appeals from taxpayers, updates and maintains the County real estate property files and maps and prepares tax blotters for each municipality and all school districts.
Internal Services Division	This division's responsibility includes the mailroom, graphics and print shop services provided to County departments.
Weights and Measures	Inspects and monitors gas pumps, scales, meters and scanners.
Real Estate	Commissioned by statute to record and preserve documents. The office is the repository of all recordable documents. Collects deed transfer taxes and filing fees.
Jail	Detains and supervises persons awaiting trial, accused of violation of probation or parole, or serving given sentences.
Police Bureau:	Provides security at all County facilities and offers assistance to municipal police departments and housing authorities.
Police Academy	Trains local police and security guards.
Emergency Services:	Controls emergency management services throughout Allegheny County and responds in the time of natural or man-made disasters.
Fire Academy	Assists municipalities with training of firefighters.
911 Administration	Oversees the countywide 911 network.
Fire Marshal	Investigates all fires of suspicious origin to determine cause.

## Miscellaneous Information

Table XXV (Page 3 of 5)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Primary Government Functions**  
**December 31, 2018**

Public Works Department:	Designs, constructs, rehabilitates and maintains safe accessible roads, bridges, parks and buildings. Also serves as custodian of all County infrastructure.
Engineering Division	Coordinates the design, construction and inspection of County buildings, roads, bridges and parks. Provides engineering and technical services related to construction projects.
Maintenance	Repairs and maintains County roads and bridges. Also provides special services and resources to other County departments, municipalities and agencies to ensure the health, safety and welfare of all citizens.
Fleet Management	Oversees transportation services to all areas of County government.
Parks, Recreation & Conservation:	Operates and maintains the County's approximately 12,000 acre park system, including golf courses, swimming pools, skating rinks, tennis courts and other recreational activities.
Special Events	Coordinates special events for the public.
Human Services Department:	Coordinates the delivery of human services in Allegheny County to maximize the receipt of State and federal funds while providing seamless services to consumers and client families.
Aging	Functions as the local Area Agency on Aging. Provides a coordinated system of social services to the elderly of Allegheny County, including senior citizens' centers, housing assistance, legal assistance and the Meals on Wheels Program.
Children, Youth and Family Services	Provides services for abused and dependent children and their families through counseling, emergency shelters, foster homes, group homes and institutions.
Community Services	Provides a coordinated system of employment and training services for unemployed and disadvantaged County residents. Administers programs providing direct and indirect services to individuals and citizen groups through two principal programs - Community Action and Head Start.
Behavioral Health/Intellectual Disability/Drug & Alcohol	Administers an integrated, community-based service delivery system that provides treatment, counseling and housing to County residents with mental disabilities or drug and alcohol addiction.

## Miscellaneous Information

Table XXV (Page 4 of 5)

**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Primary Government Functions**  
**December 31, 2018**

Health Department	Protects and improves public health through a variety of programs which include pollution monitoring, food poison prevention, rodent control, water testing, dental clinics, solid waste management, recycling, health education, and maternal and infant care.
Medical Examiner	Investigates the circumstance, cause and manner of sudden and unexpected, medically unattended, suspicious and violent deaths. Also provides laboratory services, technical assistance and consultation to local and County police departments, municipal officials, Health Department and other County agencies.
Shuman Detention Center	Provides secure, temporary shelter to delinquent youths awaiting final case disposition.
Kane Community Living Centers	Offers skilled nursing, long-term care and rehabilitation to the chronically ill and elderly who have limited financial resources.
Economic Development Department	Integrates and coordinates County resources with other local governments and private and voluntary agencies to stimulate and influence municipal and economic development within the County and region.
Court Records:	Maintains various courts records.
Criminal	Officer of the Court of Common Pleas, is responsible for the records, books and dockets of the Criminal Division of the Court of Common Pleas. This office also collects fines and costs owed to Allegheny County, the Commonwealth of Pennsylvania or local municipalities.
Civil/Family	Acts as the repository for court records concerning the Civil, and Family (Adult and Juvenile) Divisions of the Court of Common Pleas. Also maintains various indices and tax lien assessments.
Wills/Orphans' Court	Charged with probating wills and filing all documents necessary to complete the administration of a descendant's estate. The Orphans' Court issues marriage licenses, maintains all marriage records and records all Orphans' Court cases, civil commitments and adoption records.
Facilities Management	Its purpose is to develop and manage a comprehensive plan for County buildings and facilities. The department will maintain and upgrade County buildings and provide services to the parks.

## Miscellaneous Information

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**COUNTY OF ALLEGHENY, PENNSYLVANIA**  
**Primary Government Functions**  
**December 31, 2018**

County Council	Consists of 15 independently elected members vested with the legislative power of the County. Council approves and amends legislation proposed by the Chief Executive. Also responsible for the levy of taxes, fees and service charges; and the passage of balanced annual budgets.
Controller	The chief elected fiscal officer of Allegheny County. Provides general supervision and control of the County's fiscal activities. Oversees the accounting, auditing, and payroll operations. Operates the JDE Service Center for County and City departments.
District Attorney	Responsible for the prosecution of all Allegheny County criminal cases and the ancillary services necessary to insure effective, just prosecution.
Sheriff	Authorized as the chief law enforcement officer of the Courts. Serves all writs and injunctions issued by the Courts. Provides transportation of prisoners to and from the Court and place of confinement.
Treasurer	Responsible for all receipts and disbursements of County monies, including property taxes. This independently elected official is the principal investment officer for the County.
Court of Common Pleas	Is a court of general and unlimited jurisdiction. The Orphans' Court, the Civil and Criminal Divisions and the Family Division comprise the Court of Common Pleas. The Orphans' Court has jurisdiction over the estates of deceased persons, minors and others involved in trusts. It also acts on adoptions, incompetency matters and Mental Health Procedures Act commitments. The Civil Division presides over all noncriminal cases dealing with law and equity. The Criminal Division presides over all criminal cases committed in Allegheny County. The Family Division has jurisdiction in family cases involving divorce, nonsupport and custody matters. It also has jurisdiction in cases involving delinquent, dependent and neglected children under 18 years of age. In addition to these divisions, the Court has a Minor Judiciary Section, an Adult Probation Office, a Bail Bond Agency, a Behavior Clinic, Jury Management and a Board of Viewers.

## Acronyms



## Allegheny County CAFR Acronyms

County Acronyms can be confusing so we've provided a listing of acronyms used in the CAFR. This list is ordered alphabetically by acronym.

ACAA - Allegheny County Airport Authority  
 ACIDA - Allegheny County Industrial Development Authority  
 AGC - Allegheny County Airport  
 AHCI - Allegheny HealthChoices Inc.  
 AHILP - Allegheny County Home Improvement Loan Program  
 ALCOSAN - Allegheny County Sanitary Authority  
 ALGA - Association of Local Government Auditors  
 AOA - Airport Operating Agreement  
 ATU - Amalgamated Transit Union  
 BEDI - Brownfield Economic Development Improvement  
 BH/ID/DA - Behavior Health/Intellectual Disability/Drug & Alcohol  
 BRT - Bus Rapid Transit  
 CIP - Capital Improvement Plan  
 City, the - City of Pittsburgh  
 CAFR - Comprehensive Annual Financial Report  
 CCAC - Community College of Allegheny County  
 CFC - Customer Facility Charges  
 Charter, the - Home Rule charter  
 CNX - CNX Gas Company, LLC  
 County, the - County of Allegheny  
 DEP - Pennsylvania Department of Environmental Protection  
 EDF - Economic Development Fund  
 EPA - Environmental Protection Agency  
 FAA - Federal Aviation Administration  
 "Foundation", the - Educational Foundation of CCAC  
 FTA - Federal Transit Administration  
 GAAP - Generally Accepted Accounting Principles  
 GASB - Government Accounting Standards Board  
 GFOA - Government Finance Officers Association of the United States and Canada  
 HUD - US Department of Housing and Urban Development  
 IGT - Intergovernmental Transfer  
 IBEW Plan - International Brotherhood of Electrical Workers  
 JDE - JD Edwards Financial Management System  
 LSA, gaming - gaming local share assessment  
 M/W/DBE - Minority/Women/Disadvantaged Business Enterprise  
 MD&A - Management's Discussion and Analysis  
 Memorial Hall - Soldiers' and Sailors' Memorial Hall and Museum Trust, Inc.  
 NAV - Net Asset Value  
 OPEB - Other Post Employment Benefits  
 other governmental funds - Transportation, Liquid Fuel, Infrastructure and Debt Service  
 Parks Foundation - Allegheny County Parks Foundation  
 PAT - Port Authority of Allegheny County  
 PDE - Pennsylvania Department of Education  
 PFC - Passenger Facility Charges

## Acronyms

PIA - Pittsburgh International Airport  
PLGIT - Pennsylvania Local Government Investment Trust  
PSERS - Pennsylvania Public School Employees' Retirement System  
PTAF - Pennsylvania Public Transportation Assistance Fund  
PTTF - Public Transportation Trust Fund  
PUC - Paid Up Contributions  
RAAC - Redevelopment Authority of Allegheny County  
RAD tax, the - Allegheny Regional Asset District Tax  
Region, the - seven-county area including Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland Counties  
Retirement System - Allegheny County Retirement System  
Revenue Bonds, the - ACAA revenue bond obligations  
SEIU - Service Employees International Union  
SERS - Pennsylvania State Employees' Retirement System  
SPSBA - State Public School Building Authority  
TIAA-CREF - Teachers Insurance and Annuity Association – College Retirement and Equity Fund  
TIF - Tax Increment Financing  
TIF Bonds - Tax Increment Financing Bonds



## NOTES

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