

County of Venango, Pennsylvania

Financial Statements and Required Supplementary and Supplementary Information

**Year Ended December 31, 2020
with Independent Auditor's Report**

MaherDuessel

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COUNTY OF VENANGO, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2020

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YEAR ENDED DECEMBER 31, 2020

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Independent Auditor's Report

**Board of County
Commissioners
County of Venango,
Pennsylvania**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Venango, Pennsylvania (County), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 2 to the financial statements, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 84, "Fiduciary Activities." Our opinion is not modified with 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, pension information, and budgetary comparison for the General Fund as listed in the table of contents 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The statement of expenditures by program identifier – budget to actual, and combining and individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statement of expenditures by program identifier – budget to actual and combining and individual fund statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of expenditures by program identifier – budget to actual and combining and individual fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2021 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Maher Duessel

Pittsburgh, Pennsylvania
September 24, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The management of the County of Venango, Pennsylvania (County) is pleased to present to the readers of the County's financial statements this narrative overview and analysis of the financial activities of the County as of and for the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements (pages 1 - 8) and the notes to financial statements (pages 9 - 45).

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$51.1 million at December 31, 2020.
- As of December 31, 2020, unrestricted net position was \$5.1 million or 10% of total expenses.
- The total fund balance of the General Fund at December 31, 2020 was \$8.8 million or 68% of the total fund balance.
- The County's real property tax rate was 6.000 mills for 2020.
- In 2018, the Venango County Economic Development Authority (Authority) began operations. Due to the financial accountability and the nature and significance of the relationship between the County and the Authority, it has been determined that the Authority will be reported as a discretely presented component unit by the County.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the County's financial statements. The County's financial statements consist of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to financial statements.

This report also contains other supplementary information in addition to the financial statements themselves.

A detailed explanation of all three components follows:

1. Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to the private sector. There are two government-wide financial statements. They are:

- The *statement of net position* presents information on all of the County's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with

MANAGEMENT'S DISCUSSION AND ANALYSIS

the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the County is improving or deteriorating.

- The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The statement of activities distinguishes functions of the County that are principally supported by real estate taxes, charges for services, and intergovernmental revenues as *governmental activities*. The governmental activities of the County include: general government, criminal justice system, public safety, public works, human services, culture and recreation, and conservation and development. Fiduciary activities, whose resources are not available to finance County programs, are excluded from these statements.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also the component unit of the Authority, over which the County exercises some degree of control. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Authority issues separate financial statements.

The government-wide financial statements can be found on pages 1 and 2 of the financial statements.

2. Fund Financial Statements – The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the County can be divided into two categories: (1) governmental funds and (2) fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions as reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of expendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County reports four major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for these four *major* funds (General, Capital Projects, Human Services, and Workforce Development). Data from the other *non-major* governmental funds are combined into a single, aggregated presentation (other governmental funds). Individual fund data for the other governmental funds is provided as supplementary information in the form of combining statements elsewhere in this report.

The governmental funds financial statements can be found on pages 3 to 6 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefits of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

The fiduciary funds financial statements can be found on pages 7 and 8 of this report. They include the Pension Trust Fund and the Custodial Funds. The Custodial Funds are used to account for cash collected by elected County Row Officers and Tax Claim that are subsequently disbursed to the County, other governments, or individuals for whom it was collected.

3. Notes to Financial Statements – The notes provide additional information that are essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 9 to 45 of this report.

Required Supplementary Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees. The County also adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. Required supplementary information can be found on pages 46 to 50 of this report.

The statement of expenditures by program identifier – budget to actual, combining and individual fund statements, and combining custodial fund statements are presented as

MANAGEMENT'S DISCUSSION AND ANALYSIS

supplementary information immediately following the required supplementary information on pages 51 to 59 of this report.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The County presents its financial statements using the reporting model required by GASB Statement No. 34, *“Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.”*

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The County's net position at December 31, 2020 and 2019 is presented below:

Summary Statements of Net Position December 31, 2020 and 2019

	Governmental Activities	
	2020	2019
Assets		
Current and other assets	\$ 26,349,107	\$ 20,642,831
Net pension asset	7,544,404	9,136,682
Capital assets	31,491,652	24,946,982
Total Assets	65,385,163	54,726,495
Deferred Outflows of Resources		
Deferred outflows of resources for pension	7,072,921	3,777,847
Liabilities		
Current and other liabilities	11,988,882	8,062,981
Non-current liabilities	926,708	961,456
Total Liabilities	12,915,590	9,024,437
Deferred Inflows of Resources		
Deferred inflows of resources for pension	8,460,812	7,871,417
Net Position		
Net investment in capital assets	31,099,561	24,397,268
Restricted	14,899,006	14,594,410
Unrestricted	5,083,115	2,616,810
Total Net Position	\$ 51,081,682	\$ 41,608,488

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$51.1 million at December 31, 2020, an increase from December 31, 2019 of approximately \$9.5 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table presents the change in net position for the years ended December 31, 2020 and 2019:

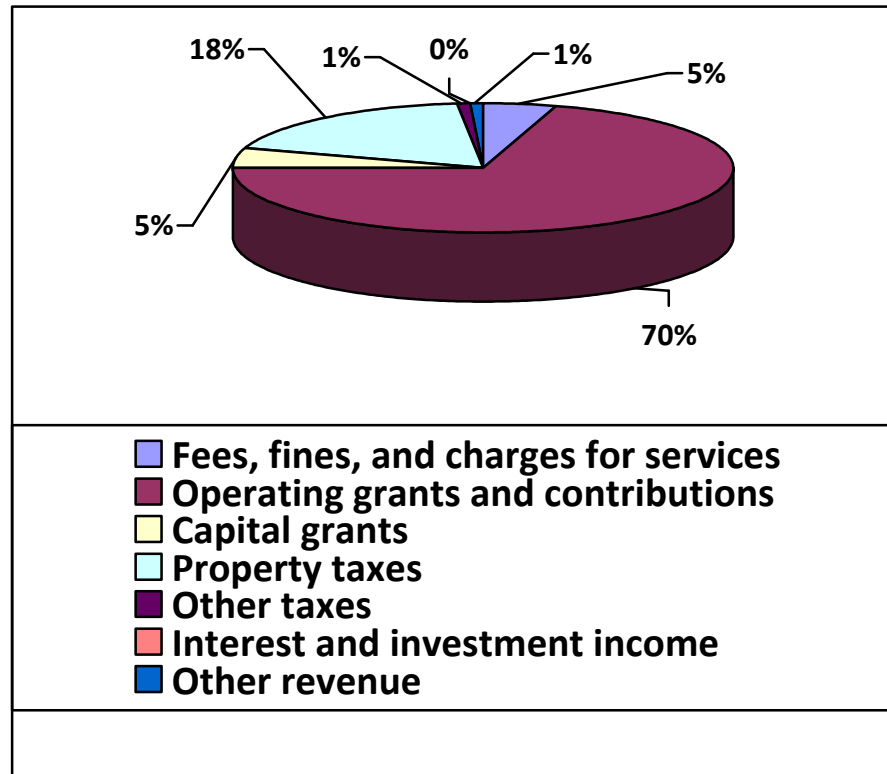
Change in Net Position		
Years Ended December 31, 2020 and 2019		
	Governmental Activities	
	2020	2019
Program revenues:		
Fees, fines, and charges for services	\$ 2,964,972	\$ 3,592,138
Operating grants and contributions	43,090,233	34,786,714
Capital grants	2,947,139	1,542,995
General revenues:		
Property taxes	11,346,442	11,304,220
Other taxes	474,857	394,117
Interest and investment income	37,852	49,555
Other	421,587	210,819
Gain on disposal of capital assets	68,642	29,969
 Total revenues	 <u>61,351,724</u>	 <u>51,910,527</u>
Program expenses:		
General government - administration	6,502,806	6,565,889
General government - judicial	3,937,506	4,007,636
Public safety	5,977,786	6,720,922
Public works	3,616,273	1,613,803
Human services	27,636,551	30,995,092
Conservation and development	3,910,356	1,130,901
Culture and recreation	279,674	292,612
Interest	17,578	4,150
 Total expenses	 <u>51,878,530</u>	 <u>51,331,005</u>
 Change in Net Position	 9,473,194	 579,522
Net position, beginning	<u>41,608,488</u>	<u>41,028,966</u>
Net position, ending	<u><u>\$ 51,081,682</u></u>	<u><u>\$ 41,608,488</u></u>

MANAGEMENT’S DISCUSSION AND ANALYSIS

SOURCES OF REVENUES

The following chart graphically depicts the government-wide sources of revenues for the fiscal year ended December 31, 2020:

Government-Wide Sources of Revenues
Total Revenue \$61,351,724

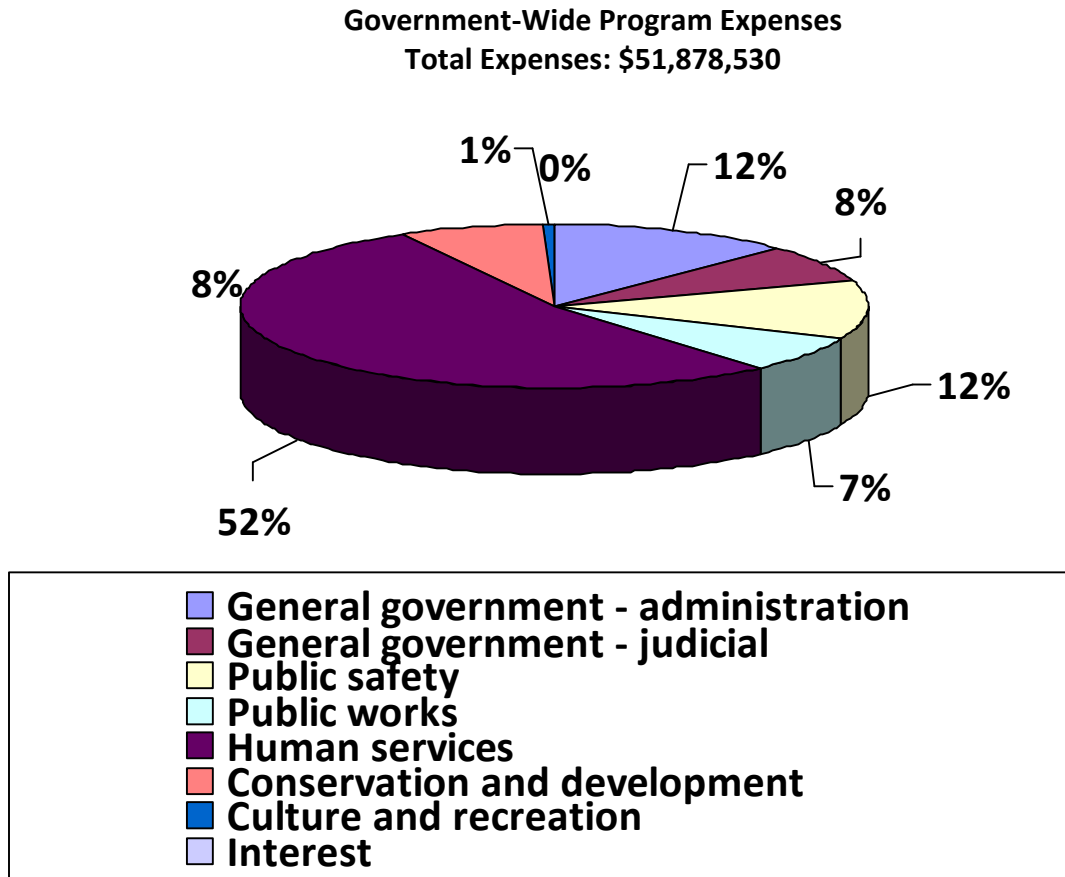


Total government-wide revenues for 2020 were \$61.4 million, which was approximately \$9.5 million higher than the 2019 year. Operating grants and contributions account for 70% of the total revenues, amounting to \$43.1 million, compared to \$34.8 million in 2019. The increase of approximately \$8.3 million is mainly attributable to increased federal funding for COVID related expenses. The second largest source of revenue for the County was property taxes, which made up 18% of the total revenues, amounting to \$11.3 million, for both the 2020 and 2019 years.

MANAGEMENT'S DISCUSSION AND ANALYSIS

PROGRAM EXPENSES

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2020:



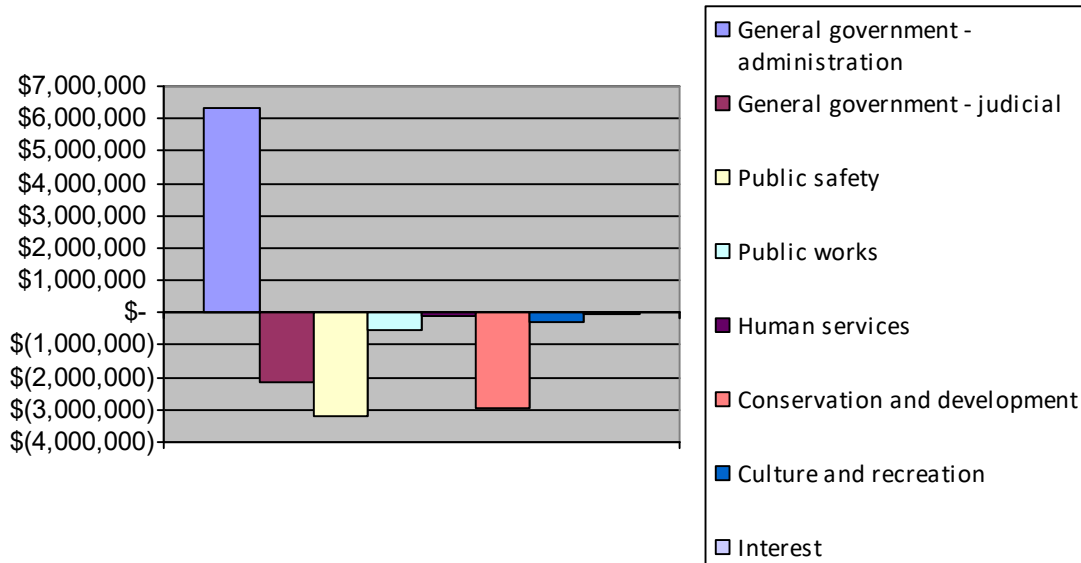
Total government-wide program expenses for 2020 were \$51.9 million, which was approximately \$550,000 higher than the 2019 year. The largest area of expenses was Human Services, which accounts for 52% of total expenses, amounting to \$27.6 million, compared to \$31 million in 2019. The decrease of approximately \$3.4 million is mainly attributable to a decreased workforce development and children and youth spending due to the pandemic. The second largest source of expense for the County was General Government - Administration, which made up 12% of the total expenses, amounting to \$6.5 million, compared to approximately \$6.6 million in 2019. The decrease of approximately \$0.1 million is attributable to decreased costs overall for much of the operating items, such as travel and training, due to the pandemic. Additionally, Public Safety, which also made up 12% of the total expenses, amounted to approximately \$6 million compared to approximately \$6.7 million in 2019. The decrease of approximately \$0.7 million is attributable to decreased overtime and other costs due to the shutdowns during the pandemic.

MANAGEMENT'S DISCUSSION AND ANALYSIS

NET PROGRAM EXPENSES/REVENUES

Net program expenses/revenues indicate 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, 2020.

Government-Wide Net Program Revenues/Expenses



Public Safety required the most general revenue for support, needing \$3.2 million, followed by Conservation and Development, needing \$2.9 million, and general government - judicial, needing \$2.1 million during 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County reports four major governmental funds (General, Capital Projects, Human Services, and Workforce Development). The Human Services Fund consists of six programs: Older Adult Services; Retired Senior Volunteer Program; Children and Youth Services; Substance Abuse; Mental Health; and Developmental Services. Combining statements are found on pages 52 and 53.

The County also reports other governmental funds. The largest of these include: Liquid Fuels, OEO – Other, Domestic Relations, and 911. The combining statements of the other governmental funds can be found on pages 54 through 57.

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

MANAGEMENT’S DISCUSSION AND ANALYSIS

The following table presents the statements of revenues, expenditures, and changes in fund balance for the years ended December 31, 2020 and 2019:

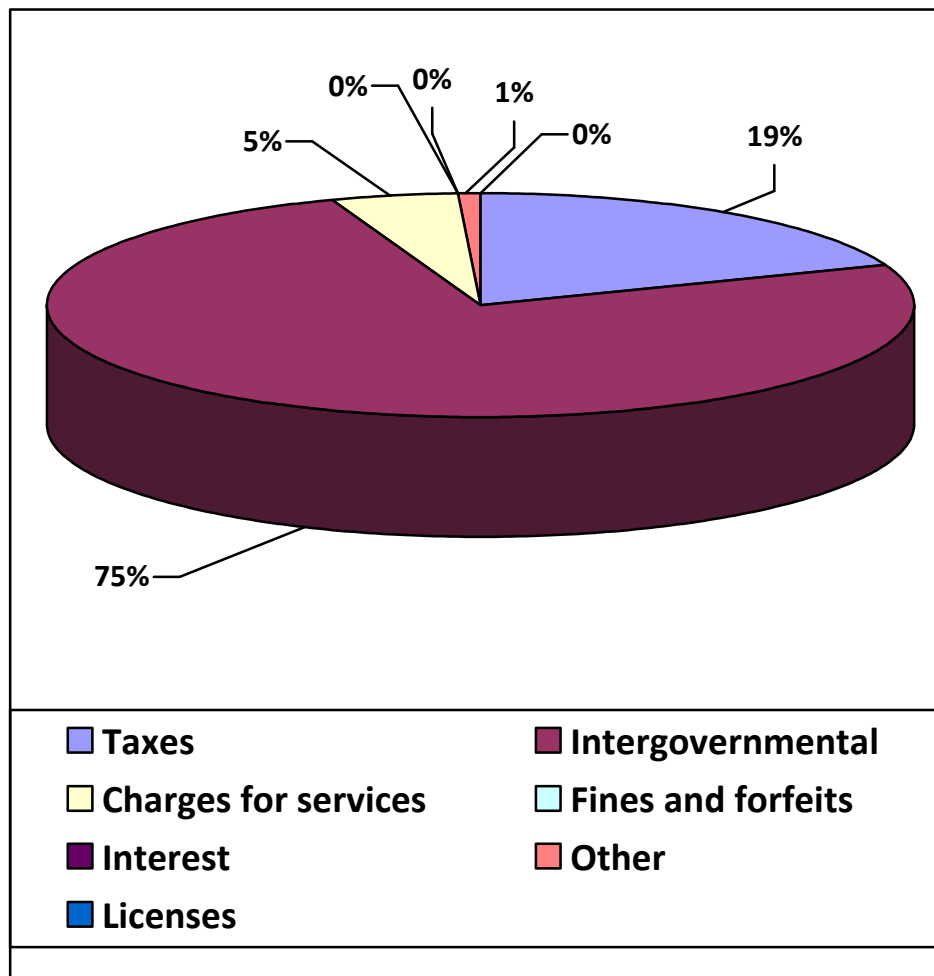
Statements of Revenues, Expenditures, and Changes in Fund Balance Years Ended December 31, 2020 and 2019

	Governmental Funds	
	2020	2019
Revenues:		
Taxes	\$ 11,801,789	\$ 11,755,540
Licenses	40,654	49,720
Intergovernmental	46,037,372	36,082,201
Charges for services	2,847,086	3,394,969
Fines and forfeits	97,245	135,421
Interest	37,852	49,555
Other	414,747	458,327
Total revenues	61,276,745	51,925,733
Expenditures:		
General government - administration	13,744,921	7,273,703
General government - judicial	3,910,208	3,938,263
Public safety	6,146,621	7,079,928
Public works	3,090,537	1,498,108
Human services	28,363,458	30,976,992
Conservation and development	3,910,356	1,130,901
Culture and recreation	265,275	307,703
Debt service	175,201	588,547
Total expenditures	59,606,577	52,794,145
Excess (Deficiency) of Revenues Over Expenditures	1,670,168	(868,412)
Other Financing Sources (Uses):		
Sale of capital assets	75,482	29,969
Transfers in	4,625,668	3,634,417
Transfers out	(4,625,668)	(3,634,417)
Proceeds from capital leases	-	551,436
Total other financing sources (uses)	75,482	581,405
Net Change in Fund Balance	1,745,650	(287,007)
Fund balance, beginning	11,232,978	11,519,985
Fund balance, ending	\$ 12,978,628	\$ 11,232,978

MANAGEMENT’S DISCUSSION AND ANALYSIS

Governmental funds revenues, by source, for the year ended December 31, 2020 were:

**Governmental Funds
Revenues Classified by Source
Total Revenues: \$61,276,745**

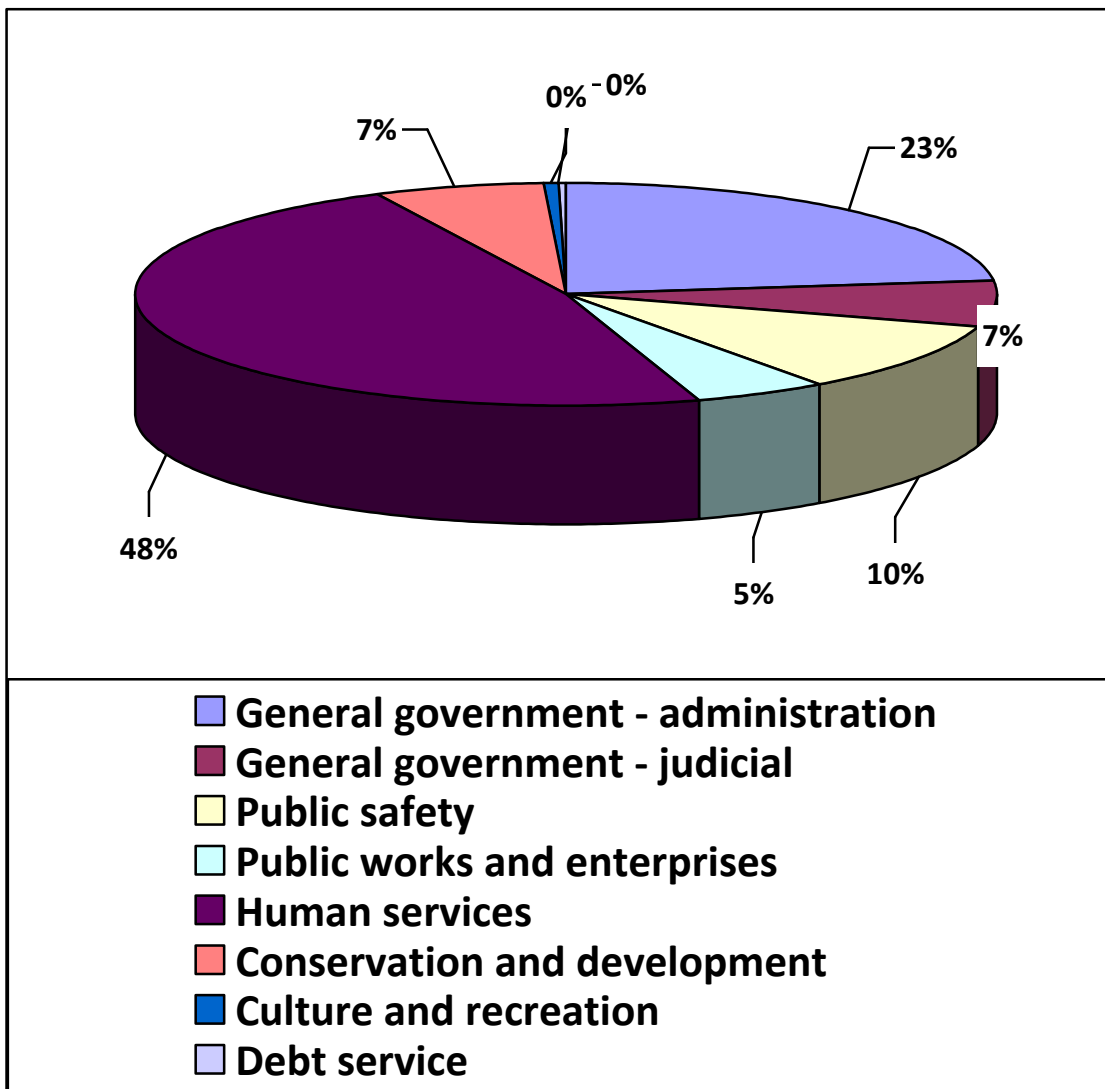


Governmental fund revenues totaled \$61.3 million for the year ended December 31, 2020, of which \$46 million (75%) came from Intergovernmental (Federal and State) Revenue. Taxes accounted for \$11.8 million (19%) in revenue. Charges for services reached \$2.8 million (5%) in revenue. Other revenue was approximately 1% of total revenues. Licenses, fines and forfeits, and interest were less than 1% of total revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds expenditures, by function, for the year ended December 31, 2020 were:

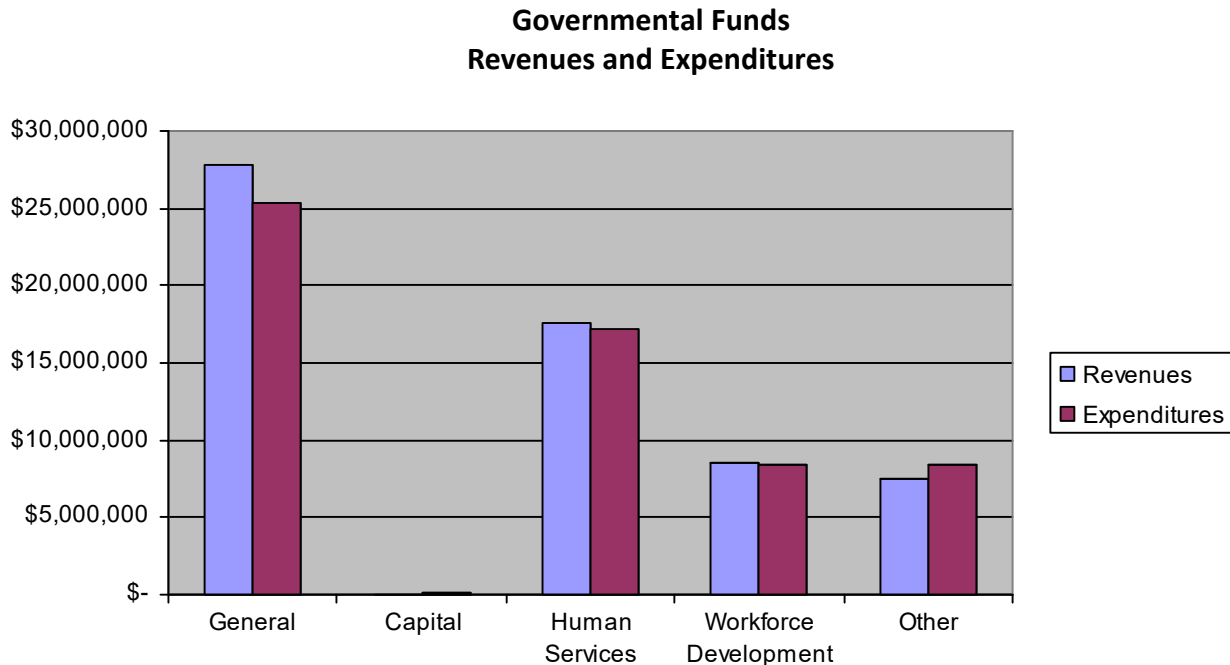
**Governmental Funds
Expenditures Classified by Function
Total Expenditures: \$59,606,577**



Governmental funds expenditures totaled \$59.6 million for the year ended December 31, 2020, of which \$28 million (48%) were Human Services expenditures. General Government – Administration, Public Safety, and General Government – Judicial, make up the next largest pieces, with expenditures of \$13.7 million (23%), \$6.1 million (10%), and \$3.9 million (7%), respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart graphically depicts the total revenues received and expenditures incurred for the governmental funds for the year ended December 31, 2020:



GENERAL FUND BUDGETARY HIGHLIGHTS

The statement of revenues, expenditures, and changes in fund balance – budget to actual – General Fund for the year ended December 31, 2020 is found on page 50 of the financial statements.

Overall, the County had an unfavorable variance between the final budget and the actual net change in fund balance of \$537,000.

The County had a variance between the final budget and actual revenues of approximately (\$2.6 million). The grant funding received as fiscal agent related to the Northwest PA Emergency Response Group was not as much as planned for the year.

The County had a favorable variance between the final budget and actual expenditures of approximately \$4.1 million. The majority of this variance occurred in the Public Safety function, which shows approximately \$3.2 million of favorable variance, mainly attributed to fiscal agent activities for the Northwest PA Emergency Response Group. One project was not completed as expected during the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS

The County's investment in capital assets including infrastructure as of December 31, 2020 amounts to \$31,491,652, net of accumulated depreciation. This investment includes land and land improvements, buildings and building improvements, roads and bridges, machinery, vehicles, and equipment.

LONG-TERM DEBT

As of December 31, 2020, the County has no outstanding bonds.

BOND RATING

The County was given an AA- bond rating from Standard & Poor's Rating Services in March 2014. In the opinion of the rating service, the County currently maintains a low debt burden with manageable near-term capital needs.

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, in writing, to:

Office of the County Commissioners
County of Venango, Pennsylvania
1174 Elk Street
P.O. Box 831
Franklin, PA 16323

FINANCIAL STATEMENTS

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF NET POSITION

DECEMBER 31, 2020

	Primary Government	Component Unit
	Governmental Activities	Venango County Economic Development Authority
Assets		
Cash and cash equivalents - pooled	\$ 11,423,668	\$ -
Cash and cash equivalents	-	38,824
Taxes receivable, net	1,433,442	-
Accounts receivable, at estimated realizable value	1,561,309	1,131,113
Accounts receivable - fiduciary funds	419,004	-
Due from component unit	2,269,694	-
Due from other governments	9,127,865	-
Due from primary government	-	74,743
Other assets	114,125	-
Net pension asset	7,544,404	-
Land held for sale	-	18,370
Capital assets, not being depreciated	9,324,625	79,512
Capital assets, net of accumulated depreciation	22,167,027	2,243,207
Total Assets	65,385,163	3,585,769
Deferred Outflows of Resources		
Deferred outflows of resources for pension	7,072,921	-
Liabilities		
Accounts payable	5,358,693	68,664
Accrued payroll	237,272	3,638
Due to component unit	74,743	-
Due to primary government	-	2,269,694
Due to other governments	-	-
Escrow liabilities	500,393	-
Unearned revenue	5,677,811	-
Compensated absences, non-current	674,587	-
Capital lease payable:		
Current	139,970	-
Non-current	252,121	-
Total Liabilities	12,915,590	2,341,996
Deferred Inflows of Resources		
Deferred inflows of resources for pension	8,460,812	-
Net Position		
Net investment in capital assets	31,099,561	2,322,719
Restricted for:		
Pension	7,544,404	-
Operating reserve	8	-
Human services	88,460	-
Roads and bridges	1,496,643	-
Hazardous material	120,656	-
Act 13	300,726	-
Constable server fees	324,291	-
Offender identification	531,161	-
Records improvement/automation	66,747	-
Sugar Valley Lodge	138,490	-
Domestic relations	814,924	-
Demolitions	68,778	-
Other purposes	24,019	-
Unrestricted	8,462,814	(1,078,946)
Total Net Position	\$ 51,081,682	\$ 1,243,773

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants	Primary Government	Component Unit
					Governmental Activities	Venango County Economic Development
Primary Government:						
Governmental activities:						
General government - administration	\$ 6,502,806	\$ 860,640	\$ 11,943,662	\$ -	\$ 6,301,496	\$ -
General government - judicial	3,937,506	1,183,835	626,646	-	(2,127,025)	-
Public safety	5,977,786	290,621	2,510,447	-	(3,176,718)	-
Public works	3,616,273	380,956	-	2,682,519	(552,798)	-
Human services	27,636,551	248,920	27,291,612	-	(96,019)	-
Conservation and development	3,910,356	-	717,866	264,620	(2,927,870)	-
Culture and recreation	279,674	-	-	-	(279,674)	-
Interest	17,578	-	-	-	(17,578)	-
Total governmental activities	<u>\$ 51,878,530</u>	<u>\$ 2,964,972</u>	<u>\$ 43,090,233</u>	<u>\$ 2,947,139</u>	<u>(2,876,186)</u>	<u>-</u>
Component Unit:						
Venango County Economic Development Authority	<u>\$ 987,280</u>	<u>\$ 5,862</u>	<u>\$ 1,368,876</u>	<u>\$ -</u>	<u>-</u>	<u>387,458</u>
General revenues:						
Property taxes					11,346,442	-
Other taxes					474,857	-
Interest and investment income					37,852	-
Other					414,747	-
Gain on sale of capital asset					75,482	-
Total general revenues					<u>12,349,380</u>	<u>-</u>
Change in Net Position					9,473,194	387,458
Net Position:						
Beginning of year					41,608,488	856,315
End of year					<u>\$ 51,081,682</u>	<u>\$ 1,243,773</u>

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2020

	General Fund	Capital Projects Fund	Human Services Fund	Workforce Development Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents - pooled	\$ 5,082,482	\$ (175,201)	\$ 2,735,273	\$ (1,525,866)	\$ 5,306,980	\$ 11,423,668
Taxes receivable, net	1,433,442	-	-	-	-	1,433,442
Accounts receivable	501,802	-	787,179	-	272,328	1,561,309
Due from component unit	2,269,694	-	-	-	-	2,269,694
Due from other funds	567,933	-	2,033	-	9,393	579,359
Due from other governments	4,094,625	-	1,652,129	2,233,717	1,147,394	9,127,865
Other assets	-	-	61,420	-	52,705	114,125
Total Assets	\$ 13,949,978	\$ (175,201)	\$ 5,238,034	\$ 707,851	\$ 6,788,800	\$ 26,509,462
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable	\$ 2,785,106	\$ -	\$ 1,234,013	\$ 596,014	\$ 743,560	\$ 5,358,693
Accrued payroll	111,212	-	98,732	12,349	14,979	237,272
Due to component unit	74,743	-	-	-	-	74,743
Due to other funds	-	-	160,355	-	-	160,355
Due to other governments	-	-	-	-	-	-
Escrow liabilities	500,393	-	-	-	-	500,393
Unearned revenue	190,654	-	3,403,629	99,488	2,046,875	5,740,646
Total Liabilities	3,662,108	-	4,896,729	707,851	2,805,414	12,072,102
Deferred Inflows of Resources:						
Unavailable revenue - taxes/fees	1,458,732	-	-	-	-	1,458,732
Total Deferred Inflows of Resources	1,458,732	-	-	-	-	1,458,732
Fund Balance:						
Restricted:						
Operating reserve	8	-	-	-	-	8
Human services	-	-	48,172	-	40,288	88,460
Roads and bridges	-	-	-	-	1,496,643	1,496,643
Hazardous material	-	-	-	-	120,656	120,656
Act 13	-	-	-	-	300,726	300,726
Constable server fees	-	-	-	-	324,291	324,291
Offender identification	-	-	-	-	531,161	531,161
Records improvement/automation	-	-	-	-	66,747	66,747
Sugar Valley Lodge	-	-	-	-	138,490	138,490
Domestic relations	-	-	-	-	814,924	814,924
Demolitions	-	-	-	-	68,778	68,778
Other purposes	-	-	-	-	24,019	24,019
Assigned:						
Substance abuse	-	-	293,133	-	-	293,133
Airport operations	-	-	-	-	58,139	58,139
Community action	-	-	-	-	20,477	20,477
Unassigned	8,829,130	(175,201)	-	-	(21,953)	8,631,976
Total Fund Balance	8,829,138	(175,201)	341,305	-	3,983,386	12,978,628
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 13,949,978	\$ (175,201)	\$ 5,238,034	\$ 707,851	\$ 6,788,800	\$ 26,509,462

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

YEAR ENDED DECEMBER 31, 2020

Total Fund Balance - Governmental Funds \$ 12,978,628

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds. 31,491,652

Property taxes receivable and other revenues will be collected in the future, but are not available to pay for the current period's expenditures and, therefore, are treated as either deferred inflows or unearned revenue in the fund statements. 1,521,567

The net pension asset is reflected on the statement of net position, but is not considered an available resource and, therefore, is not reported in the fund statements. 7,544,404

Deferred outflows of resources and deferred inflows of resources for pension are recorded and amortized in the statement of net position. However, these items are not recorded on the fund financial statements. (1,387,891)

Long-term liabilities 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 compensated absences	\$ (674,587)	
Capital lease payable	<u>(392,091)</u>	
		<u>(1,066,678)</u>

Total Net Position - Governmental Activities \$ 51,081,682

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2020

	General Fund	Capital Projects Fund	Human Services Fund	Workforce Development Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 11,801,789	\$ -	\$ -	\$ -	\$ -	\$ 11,801,789
Licenses	40,654	-	-	-	-	40,654
Intergovernmental	13,635,817	-	17,122,792	8,488,828	6,789,935	46,037,372
Charges for services	2,066,888	-	217,048	3,535	559,615	2,847,086
Fines and forfeits	97,245	-	-	-	-	97,245
Interest	10,811	-	5,994	-	21,047	37,852
Other	97,229	-	238,131	-	79,387	414,747
Total revenues	27,750,433	-	17,583,965	8,492,363	7,449,984	61,276,745
Expenditures:						
General government - administration	13,738,054	-	-	-	6,867	13,744,921
General government - judicial	3,309,856	-	-	-	600,352	3,910,208
Public safety	4,142,268	-	-	-	2,004,353	6,146,621
Public works	370,834	-	-	-	2,719,703	3,090,537
Human services	96,663	-	17,247,701	8,342,363	2,676,731	28,363,458
Conservation and development	3,476,724	-	-	-	433,632	3,910,356
Culture and recreation	265,275	-	-	-	-	265,275
Debt service	-	175,201	-	-	-	175,201
Total expenditures	25,399,674	175,201	17,247,701	8,342,363	8,441,638	59,606,577
Excess (Deficiency) of Revenues Over Expenditures	2,350,759	(175,201)	336,264	150,000	(991,654)	1,670,168
Other Financing Sources (Uses):						
Sale of capital assets	11,856	-	56,786	-	6,840	75,482
Transfers in	1,297,705	139,518	1,304,540	-	1,883,905	4,625,668
Transfers out	(1,832,479)	-	(1,701,695)	(150,000)	(941,494)	(4,625,668)
Total other financing sources (uses)	(522,918)	139,518	(340,369)	(150,000)	949,251	75,482
Net Change in Fund Balance	1,827,841	(35,683)	(4,105)	-	(42,403)	1,745,650
Fund Balance:						
Beginning of year	7,001,297	(139,518)	345,410	-	4,025,789	11,232,978
End of year	\$ 8,829,138	\$ (175,201)	\$ 341,305	\$ -	\$ 3,983,386	\$ 12,978,628

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balance - Governmental Funds

\$ 1,745,650

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

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

Capital outlays	\$ 8,314,022	
Depreciation expense	(1,704,373)	
Loss on disposal of assets	<u>(64,979)</u>	6,544,670

Changes in the net pension asset and related deferred outflows of resources and deferred inflows of resources do not affect current financial resources and, therefore, are not reflected on the fund financial statements.

1,113,401

Some taxes and other revenues will not be collected for several months after the County's year-end; they are not considered as "available" revenues in the governmental funds. Deferred inflows changed by this amount during the year.

(503)

The issuance of long-term obligations (e.g., bonds or capital lease financing) 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 premiums, discounts, and similar items 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.

157,623

In the statement of activities, certain operating expenses - accumulated employee benefits (workers' compensation and sick days) 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.

(87,647)

Change in Net Position of Governmental Activities

\$ 9,473,194

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2020

	Pension Trust Fund	Custodial Funds
Assets		
Cash and cash equivalents	\$ 1,219,494	\$ 1,272,786
Investments:		
Bond mutual funds	5,979,840	-
U.S. government securities	634,641	-
Corporate bonds	11,862,535	-
Municipal bonds	5,018	-
Equity mutual funds	39,302,702	-
Equities	6,075,519	-
Certificates of deposit	122,915	-
Accounts receivable and fines, at estimated realizable value	-	271,478
Total Assets	65,202,664	1,544,264
Liabilities		
Due to other funds	-	419,004
Due to other governments	-	737,463
Escrow liability and interest	-	387,797
Total Liabilities	-	1,544,264
Net Position		
Net Position Restricted for Fiduciary Funds	\$ 65,202,664	\$ -

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2020

	Pension Trust Fund	Custodial Funds
Additions:		
Contributions:		
Employee	\$ 1,345,731	\$ -
Employer	546,496	-
Total contributions	1,892,227	-
Investment income (loss):		
Net increase (decrease) in fair value of investments	7,121,154	-
Interest and dividends	1,021,883	-
Total investment income (loss)	8,143,037	-
Less investment expense	151,456	-
Net investment income (loss)	7,991,581	-
Receipts:		
Treasurer	-	178,712
Register of Wills and Recorder of Deeds	-	1,745,568
Prothonotary and Clerk of Courts	-	1,793,423
Sheriff	-	297,222
Tax Claim	-	3,922,312
Total receipts	-	7,937,237
Total additions	9,883,808	7,937,237
Deductions:		
Benefits and refunds paid to plan members and beneficiaries	3,890,192	-
Administrative expense	38,102	-
Payments to other governments	-	5,660,572
Escrow payments	-	1,416,110
Other disbursements	-	860,555
Total deductions	3,928,294	7,937,237
Increase (Decrease) in Fiduciary Net Position	5,955,514	-
Net Position:		
Beginning of year	59,247,150	-
End of year	\$ 65,202,664	\$ -

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

A. Venango County -Primary Government

1. Reporting Entity

The County of Venango (County), located in western Pennsylvania, is a sixth class County, originally chartered in 1800 by an act of the Legislature. The County operates under an elected three-member Board of Commissioners (Commissioners). The County provides services in many areas to its residents, including various general government services, public safety, human services, and culture and recreation. These programs are financed mainly through the assessment of taxes, charges for services, and federal and state grants.

The accompanying financial statements present the government and its component unit entity for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

Northwest Workforce Development Area

In January 2014, the County became the fiscal agent for the Northwest Workforce Development Area. The Northwest Workforce Development Area administers and provides job training and workforce development activities to residents of the Counties of Clarion, Crawford, Erie, Forest, Venango, and Warren. In addition, CareerLink® sites in each County are designed to create one-stop shopping for job seekers by locating multiple agencies under one roof. As fiscal agent, the County pays for shared expenses and then bills each of the participating CareerLink® members for reimbursement, as well as accounting for all Workforce Development Area (WDA) dollars and any other funding assigned to the area for job development and retention.

Component Units

The criteria used by the County to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given situation, the County reviews the applicability of the following criteria:

The County is financially accountable for:

1. Organizations that make up the legal County entity.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

2. Legally separate organizations if the Commissioners appoint a voting majority of the organization's governing body and the County is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County as defined below:
 - a. Impose its Will - If the County can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.
 - b. Financial Benefit or Burden - Exists if the County (1) is entitled to the organization's resources, (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization, or (3) is obligated in some manner for the debt of the organization.
3. Organizations that are fiscally dependent on the County. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the County.

The following organizations meet the criteria for inclusion in the County's reporting entity:

Venango County Land Bank

Venango County Land Bank (Land Bank) was established on August 12, 2014. The purpose of the Land Bank is to use available resources to facilitate the return of vacant, blighted, abandoned, and tax-delinquent properties to productive use, thereby combating community deterioration, creating economic growth, and stabilizing the housing and job market. Activity for the Land Bank has been immaterial since it was established and was immaterial for 2020, and therefore no amounts for the Land Bank were reported in the financial statements.

Venango County Economic Development Authority

Venango County Economic Development Authority (Authority) was established on January 1, 2018. The purpose of the Authority is to seek to improve the economic well-being and quality of life for the County community by creating and retaining jobs and supporting or growing incomes for County residents as well as the County tax base. The Authority's Board of Directors (Board) is appointed by the County Commissioners and all three Commissioners serve as members of the Board. There is a financial burden in that the County funds the majority of the Authority's operations. Separately issued audited

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

financial statements are available through the Authority's administrative office: 1174 Elk Street, Franklin, PA 16323.

Following are related organizations, which, with the exception of the Oil Region Alliance, have the majority of their governing Board appointed by the Commissioners, without the County being financially accountable for the organization:

Oil Region Alliance (ORA)

The ORA is a private non-profit incorporated for the purpose of increasing the prosperity and population of the Oil Region through the preservation, promotion, development, and support of historical, educational, natural, recreational, residential, commercial, and industrial destinations. The County appoints one of twenty-five Board members. The ORA does not meet the criteria for inclusion in the County's financial reporting entity. Although a financial relationship exists, the County does not appoint a majority of the board, and no control is exercised over the ORA.

Venango County Industrial Development Authority

The Venango County Industrial Development Authority (Development Authority) issues low interest, tax-exempt bonds, and uses the proceeds to finance projects intended to stimulate economic growth in the County. The Development Authority's Board is appointed by the County. The County must approve the concept of any major bond issue of the Development Authority but only in relation to the benefit to the County of the projects that will be funded through the debt proceeds. The approval is considered to be ministerial, and the County can not exercise its will over the Development Authority. The County has no responsibility for the Development Authority debt payments.

Venango County Conservation District

The Venango County Conservation District (Conservation District), whose Board is appointed by the County, provides services and programs intended to address the conservation of the County's natural resources. The Conservation District operates independently of any ongoing involvement of the County and no financial benefit or burden exists between the two entities.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

2. Summary of Significant Accounting Policies

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the County. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental grants, are reported separately from business-type activities, (of which the County has none) which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Pension Trust fund financial statements and the financial statements of the County's component units also report using this same focus and basis of accounting. Custodial funds are also reported on the accrual basis; however, they have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of receivables due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General Fund* is the principal operating fund of the County, which is used to account for all financial resources not accounted for in other funds.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The *Human Services Fund* is used to account for the proceeds of revenue received from various federal, state, and county sources. This fund provides social services to eligible recipients.

The *Workforce Development Fund* is used to account for financial resources the County receives as the fiscal agent for the Northwest Workforce Development Area. The Northwest Workforce Development Area administers and provides job training and workforce development activities.

Additionally, the government reports the following fiduciary funds:

The *Pension Trust Fund* accounts for the activities of the Employees Retirement System, which accumulates resources for pension benefit payments to qualified employees.

The *Custodial Funds* account for the activities of the elected row officers (Register of Wills and Recorder of Deeds, Sheriff, Prothonotary and Clerk of Courts, Treasurer, and

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Tax Claim) that are subsequently disbursed to the County, other governments, or individuals for whom it was collected.

Interfund Activity in the Government-Wide Financial Statements

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are contributions made to the component unit from the County's governmental funds. Elimination of these contributions would distort the direct costs and program revenues reported for the various functions concerned.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with a maturity of three months or less when purchased.

Investments

Investments are stated at fair value based on current market prices.

The County categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. 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; and Level 3 inputs are significant unobservable inputs.

Interfund Receivables and Payables

Activities between governmental funds that are representative of temporary lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and fiduciary funds are reported in the government-wide financial statements as "accounts receivable – fiduciary funds."

Inventories and Prepaid Items

Inventories used in governmental funds, principally supplies, are accounted for as expenditures when purchased. The amount of inventory at December 31, 2020 is not significant.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The costs of prepaid items are recorded as expenses/expenditures when consumed rather than when purchased.

Capital Assets

Capital assets, which include land and land improvements, building and improvements, machinery and equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the County as assets with initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. These costs are charged to operations when incurred.

Property, plant, and equipment of the County is depreciated using the straight-line method over the following estimated useful lives:

Land improvements	20 years
Buildings and improvements	5 - 40 years
Machinery and equipment	5 - 20 years
Infrastructure	10 - 40 years

Compensated Absences

Calculation of the liability amount is determined by the appropriate vacation, sick, and lump sum payments, which would be available to employees if they would leave or retire from the County.

All accumulated vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The following items qualify for reporting in this category:

In conjunction with pension accounting requirements, the difference between expected and actual experience, changes in assumption, and the net difference between projected and actual earnings on pension plan investments are recorded as deferred outflows of resources for pensions on the government-wide financial statements. These amounts are determined based on actuarial valuations performed for the pension plans. See Note 8 for additional information about the pension plan.

In addition to liabilities, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and/or fund balance that applies a future period and so will not be recognized as an inflow of resources (revenue) until that time. The following items qualify for reporting in this category:

Unavailable revenue is reported only on the balance sheet and represents property and other taxes which will not be collected within the available period. This amount will be recognized as an inflow of resources in the period the amounts become available.

In conjunction with pension accounting requirements, the differences between expected and actual experience and the net difference between projected and actual earnings on pension plan investments are recorded as deferred inflows of resources for pensions on the government-wide financial statements. These amounts are determined based on actuarial valuations performed for the pension plans. See Note 8 for additional information about the pension plan.

Fund Balance

In the fund financial statements, governmental funds report fund balance in categories based on the level of restriction placed upon the funds. These levels are as follows:

- Nonspendable – This category represents funds that are not in spendable form and includes prepaid expenditures. There was no nonspendable fund balance at December 31, 2020.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

- **Restricted** – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties. This category includes funds that are legally restricted for operating reserve, human services, roads and bridges, affordable housing, hazardous materials, 911, Act 13 of 2012 Marcellus Shale Legacy funds, constable server fees, offender identification, juvenile court restitution, records improvement and automation, Sugar Valley Lodge, adoption counseling, domestic relations, and demolitions.
- **Committed** – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by the County's highest level of decision-making authority. The County Commissioners are the highest level of decision-making authority for the County and can make such commitment via a resolution prior to the end of the fiscal year. A commitment can only be modified or removed by an equal action of the County Commissioners. There was no committed fund balance at December 31, 2020.
- **Assigned** – This category represents intentions of the County to use the funds for specific purposes but do not meet the criteria to be classified as committed. The County Commissioners have the authority to assign amounts to be used for specific purposes. This category includes amounts set aside for substance abuse, airport operations, and community action.
- **Unassigned** – This category includes the residual classification for the County's General Fund and includes all spendable amounts not contained in other classifications.

The County's policy is to use funds in the order of the most restrictive to the least restrictive. When the components of unrestricted fund balance can be used for the same purpose, committed fund balance is used first, followed by assigned fund balance. Unassigned fund balance is applied last.

Net Position

Accounting standards requires the classification of net position into these components – net investment in capital assets; restricted; and unrestricted. These classifications are defined below:

- **Net investment in capital assets** – The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by

COUNTY OF VENANGO, PENNSYLVANIA

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the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the same net position component (restricted or unrestricted) as the unspent amount.

- Restricted – The restricted component of net position presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets and Budgetary Accounting

Annual budgets are required to be adopted on a basis consistent with cash basis for the General Fund. The budgetary controls for the Human Services Fund, Workforce Development Fund, and other governmental funds are maintained through enforcement of related grant provisions or debt indentures.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Starting in August, a budget package is prepared and sent to each department and row officer. The department or agency heads use this budget package to develop financial projections for their programs for the ensuing year.

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2. The budget is presented in preliminary form to the Commissioners in September. The Commissioners can interview department or agency heads to discuss their budgets if deemed necessary.
3. Upon consolidation of the department and agency expenditure projections, the Commissioners ascertain the most viable method of financing them.
4. Subsequently, the preliminary projections of revenues and expenditures are incorporated into a final budget including any revisions or adjustments resulting from the aforementioned Commissioners' review.
5. By December, the final budget is presented to the Commissioners. Pursuant to budgetary requirements as set forth in the County Code, public notice is given that the final budget is available for inspection for a period of 20 days.
6. After the 20-day inspection period, but no later than December 31, the County Commissioners adopt the final budget by enacting an appropriate resolution.

Legally, management of the County including department heads may make budgetary transfers between departments as long as overall fund expenditures are not affected. However, as a matter of control all transfers between departmental budgets are ratified by the Commissioners. The Commissioners may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including the proceeds of any borrowing now or hereafter authorized by law. The Commissioners may authorize the transfer of any unencumbered balance of any appropriation item or any portion thereof. The Commissioners must approve changes to overall appropriations at the fund level. Therefore, the legal level of budgetary responsibility is by fund.

During the year, there were supplemental appropriations enacted. Budget transfers did occur between accounts. The statement of revenues, expenditures, and changes in fund balance - budget and actual – General Fund, reflects the originally adopted budget and the originally adopted budget adjusted for supplemental appropriations and transfers. Appropriations lapse at the close of the fiscal year to the extent that they have not been expended.

For the year ended December 31, 2020, expenditures in the General Fund exceeded appropriations in culture and recreation. This overage was funded by excess revenues, transfers in from other funds, and, to the extent available, fund balance.

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The following is a reconciliation of the actual results of operations in the statement of revenues, expenditures, and changes in fund balance – General Fund to the budgetary cash basis of accounting used in the statement of revenues, expenditures, and changes in fund balance – budget and actual – General Fund.

	<u>General Fund</u>
Net change in fund balance - General Fund as presented (modified accrual)	\$ 1,827,841
Adjustment to reconcile accounts and real estate taxes receivable to budgetary basis	(4,018,685)
Adjustment to reconcile accounts and wages payable to budgetary basis	1,818,174
The Operating Reserve Fund is reported within the General Fund but is budgeted as a separate fund	(3,295)
Domestic Relations Fund is budgeted in the General Fund but is presented separately as an other governmental fund	<u>(160,920)</u>
Net change in fund balance - General Fund budgetary basis (cash basis)	<u><u>\$ (536,885)</u></u>

Estimates

The preparation of the financial statements in conformity with accounting standards generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ than those estimates.

Adopted Pronouncements

The requirements of the following Governmental Accounting Standards Board (GASB) Statements were adopted for the County's 2020 financial statements:

GASB Statement No. 84, "*Fiduciary Activities*," improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how

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these activities should be reported. The provisions of this statement have been adopted and incorporated into these financial statements.

GASB Statement No. 90, "*Majority Equity Interests*," improves the consistency and comparability of reporting a majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions of this statement have been adopted and had no impact on the County's financial statements.

Pending Pronouncements

GASB has issued statements that will become effective in future years, including 87 (Leases), 89 (Accounting for Interest Cost), 91 (Conduit Debt Obligations), 92 (Omnibus 2020), 93 (Interbank Offered Rates), 94 (Public-Private and Public-Public Partnerships), 96 (Information Technology Arrangements), and 97 (Deferred Compensation Plans). Management has not yet determined the impact of these statements on the financial statements.

3. Deposits and Investments

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. government obligations, short-term commercial paper issued by a public corporation, banker's acceptances, insured or collateralized time deposits, and certificates of deposit. The statutes allow the pooling of governmental funds for investment purposes.

In addition to the investments authorized for governmental funds, fiduciary fund investments may also be made in corporate stocks and bonds and other investments consistent with sound business practice.

The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The County's current deposit and investment policy limits its investment choices based on credit ratings by nationally recognized statistical rating organizations to the following:

- United States Treasury bills.
- Obligations of the United States government or its agents or instrumentalities.

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- Deposits in savings or time accounts or share accounts of financial institutions having their principal place of business in the Commonwealth of Pennsylvania and are insured by the FDIC, FSLIC, NCUSIF, PDIC, or PSAIC and, for any amounts above the insured maximum, are collateralized as provided by law.
- Obligations of the United States of America, the Commonwealth of Pennsylvania, or any political subdivision, or any of its respective agencies or instrumentalities, which are backed by the full faith and credit of the respective government unit.
- Certificates of deposit purchased from institutions having their principal place of business in the Commonwealth of Pennsylvania and are insured by the FDIC, FSLIC, NCUSIF, PDIC, or PSAIC and, for any amounts above the insured maximum, are collateralized by a pledge or assignment of assets of the institution.

The deposit and investment policy of the County adheres to state statutes. Deposits of the governmental funds are either maintained in demand deposits, savings accounts, or certificates of deposit.

Deposits

The following is a description of the County's deposit risks:

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's formal policy for custodial credit risk is described above. Of the bank balance of \$12,792,595 at December 31, 2020, \$802,333 was covered by federal depository insurance. The remaining balance was collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and has the collateral held by an approved custodian in the institution's name. These deposits, with carrying amounts of \$11,423,668 as of December 31, 2020, are reported as cash and cash equivalents in the statement of net position.

Custodial Funds

The County maintains bank accounts for the elected row officers and other County offices. The balance of these accounts is reflected in the statement of fiduciary net position. The carrying amount of deposits for the row offices and other County offices was \$1,272,786 and the bank balance was \$1,333,523. None of the bank balance was covered by federal depository insurance. The remaining balance was collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all

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governmental deposits and has the collateral held by an approved custodian in the institution's name.

Pension Trust Fund Investments

As of December 31, 2020, the County Pension Trust Fund held the following investments:

Cash or Investment Type	Fair Value	Investment Maturities (In Years) from December 31, 2020			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Bond mutual funds	\$ 5,979,840	\$ 5,979,840	\$ -	\$ -	\$ -
U.S. government securities	634,641	112,256	522,385	-	-
Corporate bonds	11,862,535	348,094	6,253,171	1,450,217	3,811,053
Municipal bonds	5,018	5,018	-	-	-
Total debt securities	18,482,034	<u>\$ 6,445,208</u>	<u>\$ 6,775,556</u>	<u>\$ 1,450,217</u>	<u>\$ 3,811,053</u>
Cash and cash equivalents	1,219,494				
Certificates of deposit	122,915				
Equity mutual funds	39,302,702				
Equities	6,075,519				
Total Pension Trust Fund cash, cash equivalents, and investments reported on statement of fiduciary net position	<u>\$ 65,202,664</u>				

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The County's pension trust funds categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The pension trust funds have the following recurring fair value measurements at December 31, 2020:

Investments by Fair Value Level	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Fixed income:				
Bond mutual funds	\$ 5,979,840	\$ 5,979,840	\$ -	\$ -
U.S. government securities	634,641	634,641	-	-
Corporate bonds	11,862,535	-	11,862,535	-
Municipal bonds	5,018	-	5,018	-
Total fixed income	18,482,034	6,614,481	11,867,553	-
Equity mutual funds:				
Small blend	237,334	237,334	-	-
Large blend	14,803,178	14,803,178	-	-
Small growth	671,999	671,999	-	-
Mid cap growth	3,005,101	3,005,101	-	-
Large growth	8,738,434	8,738,434	-	-
Mid cap value	542,701	542,701	-	-
Large value	6,846,682	6,846,682	-	-
Foreign small growth	504,850	504,850	-	-
Foreign large growth	3,150,044	3,150,044	-	-
Foreign large blend	802,379	802,379	-	-
Total equity mutual funds	39,302,702	39,302,702	-	-
Equities	6,075,519	6,075,519	-	-
Total investments by fair value level	63,860,255	\$ 51,992,702	\$ 11,867,553	\$ -
Money market funds	1,219,494			
Certificates of deposit	122,915			
Total Pension Trust Fund cash, cash equivalents, and investments reported on statement of fiduciary net position	<u>\$ 65,202,664</u>			

Bond mutual funds, U.S. Government Securities, equity mutual funds, and equities classified in Level 1 are valued using prices quoted in active markets for those securities. The County's investment in money market funds and certificates of deposit are reported at amortized cost, which approximates market. Corporate bonds and municipal bonds classified in Level 2 are valued using a matrix pricing model.

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The following is a description of the County's Pension Trust Fund 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 County's Pension Trust Fund current investment policy has no qualitative guidelines suggested with regard to ratings, rankings, etc., except that high risk investments, such as those characterized by high volatility or by low quality ratings, be avoided. The assumption of some risk is warranted and encouraged, to allow achievement of satisfactory long-term results. In addition, all assets selected for the portfolio must have a readily ascertainable market value, must be marketable. The pension investment policy limits its deposit and investment choices to the following:

Equities: Common stock, convertible securities, including debentures and American depository receipts.

Fixed-income Investments: U.S. Government securities notes and bonds, commercial paper, certificates of deposit, corporate bonds, preferred stock, insured unit investment trusts, and laddered bond portfolio.

Short Term Cash: Funds must be deposited in a money market fund, an interest-bearing account, or in 30-day treasuries. No more than \$100,000 is to be on deposit with any single institution, and no instrument of deposit will carry a maturity greater than 180 days, and the institution must be FDIC insured. Rarely, based on the timing of receipts and disbursements, does the County maintain greater than \$100,000 in their Pension Trust Fund checking account. The Pension Trust Fund Board does not have concerns at this time.

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As of December 31, 2020, the County's Pension Trust Fund have received the following ratings from Moody's and had the following credit quality distribution for fixed income investments with credit exposure:

Rating	Fair Value	Percentage of Total Fixed Income Investments with Credit Exposure
Aaa	\$ 8,143,772	49%
Aa1	31,585	0%
Aa2	51,448	0%
Aa3	241,290	1%
A1	146,155	1%
A2	875,240	5%
A3	276,385	2%
Baa1	3,477,915	21%
Baa2	1,897,090	13%
Baa3	544,254	3%
Ba1	-	0%
Ba2	25,443	0%
B2	742,835	5%
Subtotal	16,453,412	100%
Not rated	2,028,622	
Total fixed income investments	\$ 18,482,034	

Custodial Credit Risk - For deposits and investments, custodial credit risk is the risk that in the event of the failure of the bank or counterparty, the Pension Trust Funds will not be able to recover the value of their deposits or investments or collateral securities that are in the possession of an outside entity. The County's Pension Trust Fund does not have a formal investment policy for custodial credit risk. The County's Pension Trust Fund investments in mutual funds cannot be classified by risk category because they are not evidenced by securities that exist in physical or book entry form. As of December 31, 2020, the County's Pension Trust Fund cash and cash equivalents bank and investment balance was \$1,300,792 and the carrying amount was \$1,219,494. Of the bank and investment balance, \$1,300,792 was exposed to custodial credit risk. All of the County's Pension Trust Fund investments were uninsured and held by the counterparty, or by the counterparty's trust department or agent but not in the County's name. The counterparties are members of the Securities Investor Protection Corporation (SIPC), which provides insurance coverage up to \$500,000 of the net equity balance, including up to \$250,000 in cash, in the event the

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counterparty fails, owing the County cash and securities that are missing from their accounts. This coverage does not extend to losses incurred due to fraud, misrepresentation, or investment decisions.

Interest Rate Risk – The Pension Trust Fund 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.

Risks and Uncertainties

Financial instruments, which potentially expose the County to concentrations of credit risk, include investments in marketable securities. As a matter of policy, the County maintains investment balances only with institutions having a high credit quality. Concentration of credit risk for investments in marketable securities is mitigated by the overall diversification of managed investment portfolios. Investment securities are also exposed to various other risks such as interest rate risk and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and that such a change could materially affect the amount reported on the statement of net position.

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4. Capital Assets

Capital asset activity for the year ended 2020 was as follows:

	Balance at January 1, 2020	Transfers/ Additions	Transfers/ Deletions	Balance at December 31, 2020
Governmental Activities:				
Capital assets, not being depreciated:				
Construction in Progress	\$ -	\$ 7,185,697	\$ -	\$ 7,185,697
Land	2,159,678	-	(20,750)	2,138,928
Total capital assets, not being depreciated	2,159,678	7,185,697	(20,750)	9,324,625
Capital assets, being depreciated:				
Land improvements	1,520,880	-	-	1,520,880
Buildings and improvements	23,313,768	495,412	(61,662)	23,747,518
Machinery and equipment	15,844,477	632,913	(457,027)	16,020,363
Infrastructure	22,892,554	-	-	22,892,554
Total capital assets, being depreciated	63,571,679	1,128,325	(518,689)	64,181,315
Less: accumulated depreciation for:				
Land improvements	(592,133)	(67,764)	-	(659,897)
Buildings and improvements	(10,361,365)	(594,782)	17,433	(10,938,714)
Machinery and equipment	(11,270,594)	(718,551)	457,027	(11,532,118)
Infrastructure	(18,560,283)	(323,276)	-	(18,883,559)
Total accumulated depreciation	(40,784,375)	(1,704,373)	474,460	(42,014,288)
Total capital assets, being depreciated net	22,787,304	\$ (576,048)	\$ (44,229)	22,167,027
Governmental activities, capital assets, net	\$ 24,946,982			\$ 31,491,652

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Depreciation expense was charged to functions/programs as follows:

Governmental activities:		
General government	\$	388,550
Judicial		64,739
Public safety		379,606
Public works		459,383
Human services		372,626
Culture and recreation		<u>39,469</u>
Total depreciation expense - governmental activities	\$	<u><u>1,704,373</u></u>

5. Real Estate Taxes

Real estate taxes attach as an enforceable lien on property as of January 1 and are levied on March 1. These taxes are billed by the County and collected by elected tax collectors. Taxes paid through April 30 are reduced by a 2% discount. Amounts paid after June 30 are assessed a 10% penalty. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities.

The County is permitted by the County Code of Pennsylvania to levy real estate taxes up to 25 mills on every dollar of assessed valuation for general County purposes and the rate of taxation for payment of interest and principal on any indebtedness shall be unlimited. For 2020, County real estate taxes were levied at the rate of 6.000 mills on assessed valuation. Total assessed valuation for non-exempt properties in 2020 was approximately \$2,033,426,485.

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6. Allowance for Uncollectible Accounts

All trade and taxes receivables are shown net of an allowance for uncollectibles. The County estimates the allowance for uncollectibles using historical collection data and in certain cases, specific account analysis. The allowance for uncollectible accounts at December 31, 2020 is as follows:

	Gross Receivable	Allowance for Uncollectibles	Net Receivable
Governmental activities:			
Property taxes receivable	\$ 1,852,045	\$ 418,603	\$ 1,433,442
Court-related receivables (portion of accounts receivable - fiduciary funds)	\$ 4,052,928	\$ 3,781,450	\$ 271,478

7. Interfund Receivables, Payables, and Transfers

Individual fund receivable and payable balances at December 31, 2020, as well as interfund transfers for the year ended December 31, 2020, were as follows:

Funds	Interfund Receivables	Interfund Payables	Transfers In	Transfers Out
Governmental activities:				
General	\$ 567,933	\$ -	\$ 1,297,705	\$ 1,832,479
Capital Projects	-	-	139,518	-
Human Services	2,033	160,355	1,304,540	1,701,695
Workforce Development	-	-	-	150,000
Other governmental funds	9,393	-	1,883,905	941,494
Fiduciary Fund:				
Custodial Funds	-	419,004	-	-
	\$ 579,359	\$ 579,359	\$ 4,625,668	\$ 4,625,668

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A large portion of the General Fund interfund transfers out and Human Service Fund transfers in represents the County's required contribution to various programs based upon Pennsylvania Department of Human Services requirements. The majority of the interfund receivable balance in the General Fund represents amounts due from various Custodial Funds.

8. Venango County Employees' Retirement System

Plan Description

The Venango County Employees' Retirement System (Plan), as administered by the County Retirement Board, is a single-employer defined benefit pension plan governed by the County Pension Law Act 96 (Act) of 1971, as amended, enacted by the General Assembly of the Commonwealth of Pennsylvania. Management of the Plan is vested in the Retirement Board, which consists of five members – three elected County Commissioners, the Chief Clerk/Secretary, and the County Treasurer. Plan provisions and contribution requirements are established and may be amended by the General Assembly of the Commonwealth of Pennsylvania. The activity of the Plan is reported as the Employees' Retirement Fund in the accompanying financial statements. Separate Plan financial statements are not available.

All full-time County employees become Plan participants immediately upon becoming an employee. Membership in the Plan is optional for elected officials. The Plan requires each member to contribute a percentage of their salary to the Plan.

For the 2020 measurement period, Plan membership consisted of the following:

Inactive Plan members or beneficiaries currently receiving benefits	326
Inactive Plan members entitled to but not yet receiving benefits	43
Active Plan members	<u>375</u>
Total Plan members	<u><u>744</u></u>

Summary of Significant Accounting Policies

Financial information of the Plan is presented on the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due, as required by applicable law.

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Investments of the Plan are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation.

Benefits Provided

Retirement Benefit - Retirement benefits for plan members are calculated as a percent of the member's highest three-year average salary times the member's years of service depending on class basis. Plan members with 20 years of service are eligible to retire at age 55. Plan members who have attained age 60 are eligible to retire. A plan member who leaves County service with less than five years of service may withdraw his or her contributions, plus any accumulated interest.

Disability Benefit - All plan members are eligible for disability benefits after five years of service if disabled while in service and unable to continue as a County employee. Disability benefits are equal to 25% of highest average salary at time of retirement.

Death Benefit - Death benefits for a member who dies with 10 years of service prior to retirement is the total present value of member's retirement paid in a lump sum.

Cost-of-Living Adjustments – On an ad hoc basis, cost-of-living adjustments to each member's retirement allowance shall be reviewed at least once every three years subsequent to the member's retirement date. The adjustment, should the County elect to give one, is the Consumer Price Index for All Urban Consumers (CPI-U) for the Pennsylvania, New Jersey, Delaware, and Maryland area for the 12-month period ending August 31.

Contributions

The Plan provides for periodic employer contributions at actuarially determined rates. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance an unfunded accrued liability. For 2020, the active member contribution rate was 9% of annual pay and the County average contribution rate was 4.45% of annual payroll.

In 2020, the County's annual required contribution to the Plan was \$546,496 as determined by the January 1, 2020 actuarial valuation. The 2020 employee contributions were \$1,345,731.

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Net Pension Liability (Asset)

The components of the net pension liability (asset) of the Plan at December 31, 2020 were as follows:

Total pension liability	\$ 57,658,260
Plan fiduciary net position	<u>(65,202,664)</u>
Net pension liability (asset)	<u>\$ (7,544,404)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>113.08%</u>

Changes in the Net Pension Liability (Asset)

The changes in the net pension liability (asset) of the County for the year ended 2020 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (asset)
Balances at December 31, 2019	\$ 50,110,468	\$ 59,247,150	\$ (9,136,682)
Changes for the year:			
Service cost	1,680,947	-	1,680,947
Interest	3,901,437	-	3,901,437
Differences between expected and actual experience	801,410	-	801,410
Changes of assumptions	5,054,190	-	5,054,190
Contributions - employer	-	546,496	(546,496)
Contributions - employee	-	1,345,731	(1,345,731)
Net investment income	-	7,991,581	(7,991,581)
Benefit payments, including refunds	(3,890,192)	(3,890,192)	-
Administrative expense	-	(38,102)	38,102
Net changes	<u>7,547,792</u>	<u>5,955,514</u>	<u>1,592,278</u>
Balances at December 31, 2020	<u>\$ 57,658,260</u>	<u>\$ 65,202,664</u>	<u>\$ (7,544,404)</u>
Plan fiduciary net position as a percentage of the total pension liability			<u>113.08%</u>

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Actuarial Assumptions - The total pension liability was determined by an actuarial valuation performed on January 1, 2020 and rolled forward to December 31, 2020, using the following actuarial assumptions, applied to all periods in the measurement:

Actuarial Assumptions:

Underlying inflation rate	3.0%
Projected salary increases	4.5% average, including inflation
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Cost-of-living adjustments	N/A

Mortality rates were based on PubG-2010 Mortality Table for males and females with generational mortality improvement using MP19.

Actuarial assumptions are based on past experience under the plan and reasonable future expectations which represent the actuary's best estimate of anticipated experience under the plan. An experience study was performed during 2016; however, no modifications to assumptions were made as a result.

N/A - not applicable

Investment Policy – The Plan's policies in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Retirement Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

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 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.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2020:

Asset Class	Target Allocation	Long-Term Expected
		Real Rate of Return
Domestic equity	50-70%	5.4-6.4%
International equity	0.0%	5.5-6.5%
Fixed income	24-45%	1.3-3.3%
Real estate/alternative	0.0%	4.5-5.5%
Cash	5-10%	0.0-1.0%

Rate of Return – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of investment expense, was 11.90%.

Concentrations – At December 31, 2020, there were no individual investments that are required to be disclosed that constituted more than 5% of any of the Plan net position available for benefits.

Discount Rate – The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the net pension liability (asset) of the Plan, calculated using the discount rate described above, as well as what the Plan's net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
<u>\$ (3,040,419)</u>	<u>\$ (7,544,404)</u>	<u>\$ (14,451,371)</u>

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended December 31, 2020, the County recognized pension expense of (\$504,981). At December 31, 2020, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources:

Differences between expected and actual experience	\$ 623,319
Changes in assumption	<u>3,931,037</u>
Total Deferred Outflows of Resources	<u>\$ 4,554,356</u>

Deferred Inflows of Resources:

Differences between expected and actual experience	\$ 501,163
Changes in assumption	-
Net difference between projected and actual earnings on pension plan investments	<u>5,441,084</u>
Total Deferred Inflows of Resources	<u>\$ 5,942,247</u>

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2021	\$ (559,129)
2022	227,930
2023	(925,315)
2024	<u>(131,377)</u>
Total	<u>\$ (1,387,891)</u>

Deferred Compensation Plan

Employees of the County may participate in a deferred compensation plan (plan) adopted under the provisions of the Internal Revenue Code Section 457 (Deferred compensation plans with respect to service for State and Local Governments).

The plan is available to all full-time employees of the County. As part of its fiduciary role, the County has an obligation of due care in selecting the third party administrator. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The County does not contribute to this plan.

9. Long-Term Liabilities

Capital Leases

During 2015, the County entered into a capital lease agreement for six vehicles (one vehicle was removed in 2018). The remaining leases qualify as capital leases and the agreements stipulate a total minimum annual lease payment of approximately \$20,000, including interest, for a term of six years. All leases were fully paid of as of December 31, 2020.

During 2016, the County entered into a capital lease agreement for one vehicle. The lease qualifies as a capital lease and the agreement stipulates a total minimum annual lease payment of approximately \$6,200, including interest, for a term of five years. \$2,550 is included in capital assets – machinery and equipment as a capital lease.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

During 2017, the County entered into a capital lease agreement for three vehicles. The lease qualifies as a capital lease and the agreement stipulates a total minimum annual lease payment of approximately \$18,500, including interest, for a term of five years. \$23,399 is included in capital assets – machinery and equipment as a capital lease.

During 2018, the County entered into a capital lease agreement for two vehicles. The lease qualifies as a capital lease and the agreement stipulates a total minimum annual lease payment of approximately \$12,500, including interest, for a term of five years. \$29,579 is included in capital assets – machinery and equipment as a capital lease.

During 2019, the County entered into capital lease agreements for three vehicles and voting machines. The vehicle lease qualifies as a capital lease, and the agreement stipulates a total minimum annual lease payment of approximately \$20,800, including interest, for a term of five years. \$66,567 is included in capital assets – machinery and equipment as a capital lease. The voting machine lease qualifies as a capital lease, and the agreement stipulates a total minimum annual lease payment of approximately \$99,000, including interest, for a term of five years. The voting machine equipment of \$269,998 is included in capital assets – machinery and equipment as a capital lease.

The future minimum lease obligations on capital leases, including interest are as follows as of December 31, 2020:

For The Year Ending December 31,	Total
2021	\$ 139,970
2022	128,320
2023	119,634
2024	4,167
	<u>\$ 392,091</u>

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020 was as follows:

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
Compensated absences	\$ 586,940	\$ 87,647	\$ -	\$ 674,587	\$ -
Capital lease	549,714	-	(157,623)	392,091	139,970
Long-term liabilities	<u>\$ 1,136,654</u>	<u>\$ 87,647</u>	<u>\$ (157,623)</u>	<u>\$ 1,066,678</u>	<u>\$ 139,970</u>

10. Operating Leases

The County, acting as fiscal agent for the Northwest Workforce Development Area, is obligated to lease office space for the five CareerLink® locations. In 2019, the County had one lease for office space, with the lease term ending in 2026. Lease expenses for the CareerLink® centers were approximately \$107,000 during the year ended December 31, 2020. Future minimum lease payments are as follows:

For The Year Ending December 31,	Total
2021	\$ 110,493
2022	110,493
2023	110,493
2024	110,493
2025	110,493
Thereafter	<u>64,454</u>
	<u>\$ 616,919</u>

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

11. Commitments and Contingencies

The County has been named in various cases and complaints. There are numerous matters involving prisoners at the Venango County Jail and various items that have occurred in the normal course of business. These matters are currently being reviewed by the County, as well as the County's insurance carrier and legal counsel. No determination as to the likelihood of loss or the range of loss can be determined at this time; therefore, no loss provisions have been included in the accompanying financial statements.

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant changes in insurance coverage since the prior year. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

In 2017, the County entered into a contract with Motorola Solutions, Inc. for the purchase of a regional computer-aided dispatch system for multiple public safety answering points, agencies, jurisdictions, and disciplines across the counties of Venango, Butler, Lawrence, and Mercer. The Pennsylvania Emergency Management Agency is providing funding for the project of approximately \$3.5 million. The cost per the contract to purchase the related system hardware and software is approximately \$3.4 million. Each county will pay a percentage of the contract based on the number of positions they have, with Venango County paying 17%. Payments totaling \$3,184,450 were made between 2017 and 2020, leaving approximately \$253,000 remaining on the contract at December 31, 2020. The project is expected to be completed in 2021. The contract also includes a software maintenance agreement of approximately \$2 million, which will continue through February 2025.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

B. Venango County Economic Development Authority

1. Organization

The Venango County Economic Development Authority (Authority) was incorporated January 1, 2018 under the provision of the Municipality Authorities Act (Title 53 of the General Assembly of the Commonwealth of Pennsylvania, as amended) pursuant to a resolution enacted by the County of Venango, Pennsylvania (County). The Authority was created for the purpose of improving the economic well-being and quality of life for the County community by creating and retaining jobs and supporting or growing incomes for County residents as well as the County tax base.

The Authority is a component unit of the County. The County Commissioners appoint the Authority's Board of Directors (Board) and there is a financial burden in that the County funds the majority of the Authority's operations.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Authority uses the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when the liability is incurred. The activities of the Authority are presented as an Enterprise Fund because the operations are financed and managed in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Operating revenues and expenses consist of those revenues and expenses that result from ongoing principal operations of the Authority. Operating revenues consist primarily of state and local grants. Non-operating revenues and expenses consist of those revenues and expenses that are related to capital grants and donations and other financing types of activities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

contingent assets and liabilities at the date of the financial statements and the revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

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

Accounts Receivable

Grants and accounts receivable represent amounts due from funding sources for eligible expenditures incurred prior to reimbursement. Management has determined that no allowances were considered necessary at December 31, 2020. All receivables are expected to be collected in one year.

Land Held for Sale

Land held for sale project costs are capitalized up to the point the asset reaches the estimated market value.

Capital Assets

Capital assets are defined by the Authority as assets with initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. These costs are charged to operations when incurred.

Property, plant, and equipment of the Authority are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	20 years
Buildings and improvements	5 - 40 years
Machinery and equipment	5 - 20 years
Infrastructure	10 - 40 years

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Concentration Risk

The Authority receives a substantial amount of its support from local and state grants which are dependent on the economy of Venango County. A significant reduction in the level of this support, if this were to occur, could negatively affect the programs and activities of the Authority.

Classification of Net Position

Accounting standards require the classification of net position into three components: net investment in capital assets, restricted, and unrestricted. The classifications are defined as follows:

- Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - This component of net position consists of constraints placed on asset use through external restrictions. The Authority had no restricted assets at December 31, 2020.
- Unrestricted - This component of net position consists of assets that do not meet the definition of "restricted" or "net investment in capital assets."

Pending Pronouncements

The Governmental Accounting Standards Board (GASB) has issued statements that will become effective in future years, including Statement Nos. 87 (Leases), 89 (Accounting for Interest Cost Incurred before the End of a Construction Period), 91 (Conduit Debt Obligations), 92 (Omnibus 2020), 93 (Replacement of Interbank Offered Rates), 94 (Public-Private and Public-Public Partnerships and Availability Payment Arrangements), 96 (Information Technology Arrangements), and 97 (Deferred Compensation Plans). Management has not yet determined the impact of these statements on the financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

3. Cash and Cash Equivalents

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, short-term commercial paper issued by a public corporation, banker's acceptances, insured or collateralized time deposits, and certificates of deposit. The statutes allow pooling of governmental funds for investment. The deposit policy of the Authority adheres to state statutes and related trust indentures. There were no deposits or investment transactions during the year that were in violation of either the state statutes or the policy of the Authority.

The following is a description of the Authority's deposit risks:

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a formal deposit policy for custodial credit risk. As of December 31, 2020, none of the Authority's bank balance of \$38,819 was exposed to custodial credit risk. These deposits have a carrying amount of \$38,824 at December 31, 2020.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

4. Capital Assets

Capital asset activity for the year ended December 31, 2020 is as follows:

	Balance at January 1, 2020	Additions/ Transfers	Disposals/ Transfers	Balance at December 31, 2020
Capital assets not being depreciated				
Construction in progress	\$ 1,025,496	\$ 79,512	\$ 1,025,496	\$ 79,512
Total capital assets not being depreciated	1,025,496	79,512	1,025,496	79,512
Capital assets being depreciated				
Buildings	97,011	2,185,119	-	2,282,130
Equipment	6,585	12,478	-	19,063
Total capital assets being depreciated	103,596	2,197,597	-	2,301,193
Less: accumulated depreciation	(4,244)	(53,742)	-	(57,986)
Total capital assets being depreciated, net	99,352	2,143,855	-	2,243,207
Total capital assets	\$ 1,124,848	\$ 2,223,367	\$ 1,025,496	\$ 2,322,719

5. Capital Commitments

As of December 31, 2020, the Authority has commitments of approximately \$178,000 related to construction and renovation contracts that are funded through grant monies and a match from the County of Venango.

6. Related Party Transactions

The Board and the Fiscal Agent of the Authority serve in the same capacity for the County. In 2020, the County contributed \$151,685 to the Authority for the operation of the Authority and transferred Match funding of \$716,679 to the Authority, which is to be reimbursed to the County. As of December 31, 2020, the Authority owes the County \$1,000,000 related to construction matching expenses. In addition, the County supplied some fiscal and administrative services to the Authority, which were valued at \$12,562 during 2020, and is payable to the County at year-end. Lastly, the Authority owes the County \$1,257,132 at December 31, 2020 for operating expenses.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF VENANGO, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS

YEARS ENDED DECEMBER 31
LAST TEN YEARS*

	2014	2015	2016	2017	2018	2019	2020
Total Pension Liability:							
Service cost	\$ 684,262	\$ 764,366	\$ 2,047,722	\$ 1,983,285	\$ 1,625,821	\$ 1,680,494	\$ 1,680,947
Interest	3,135,186	3,219,777	3,261,837	3,372,726	3,522,742	3,617,566	3,901,437
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	550,349	1,287,218	(2,065,421)	(504,306)	(382,794)	(571,554)	801,410
Changes of assumptions	-	-	-	-	-	-	5,054,190
Benefit payments, including refunds of member contributions	(3,428,522)	(3,211,581)	(3,362,514)	(3,181,043)	(3,315,850)	(3,420,780)	(3,890,192)
Net Changes in Total Pension Liability	941,275	2,059,780	(118,376)	1,670,662	1,449,919	1,305,726	7,547,792
Total Pension Liability - Beginning	42,801,482	43,742,757	45,802,537	45,684,161	47,354,823	48,804,742	50,110,468
Total Pension Liability - Ending (a)	<u>\$ 43,742,757</u>	<u>\$ 45,802,537</u>	<u>\$ 45,684,161</u>	<u>\$ 47,354,823</u>	<u>\$ 48,804,742</u>	<u>\$ 50,110,468</u>	<u>\$ 57,658,260</u>
Plan Fiduciary Net Position:							
Contributions - employer	\$ 308,015	\$ -	\$ 315,826	\$ 521,262	\$ 468,850	\$ 552,137	\$ 546,496
Contributions - member	1,197,982	1,332,932	1,262,808	1,240,886	1,244,366	1,273,928	1,345,731
Net investment income	3,085,470	(587,761)	3,624,690	7,037,037	(2,290,995)	10,615,363	7,991,581
Benefit payments, including refunds of member contributions	(3,434,184)	(3,211,581)	(3,362,514)	(3,181,043)	(3,315,850)	(3,420,780)	(3,890,192)
Administrative expense	(53,950)	(37,964)	(39,920)	(47,418)	(40,342)	(38,957)	(38,102)
Other	-	8,262	(1,945)	(5,993)	(7,996)	(4,760)	-
Net Change in Plan Fiduciary Net Position	1,103,333	(2,496,112)	1,798,945	5,564,731	(3,941,967)	8,976,931	5,955,514
Plan Fiduciary Net Position - Beginning	48,241,289	49,344,622	46,848,510	48,647,455	54,212,186	50,270,219	59,247,150
Plan Fiduciary Net Position - Ending (b)	<u>\$ 49,344,622</u>	<u>\$ 46,848,510</u>	<u>\$ 48,647,455</u>	<u>\$ 54,212,186</u>	<u>\$ 50,270,219</u>	<u>\$ 59,247,150</u>	<u>\$ 65,202,664</u>
Net Pension Liability (Asset) - Ending (a-b)	<u>\$ (5,601,865)</u>	<u>\$ (1,045,973)</u>	<u>\$ (2,963,294)</u>	<u>\$ (6,857,363)</u>	<u>\$ (1,465,477)</u>	<u>\$ (9,136,682)</u>	<u>\$ (7,544,404)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>112.81%</u>	<u>102.28%</u>	<u>106.49%</u>	<u>114.48%</u>	<u>103.00%</u>	<u>118.23%</u>	<u>113.08%</u>
Covered Payroll	<u>\$ 12,419,947</u>	<u>\$ 13,022,708</u>	<u>\$ 13,554,768</u>	<u>\$ 13,299,408</u>	<u>\$ 13,244,345</u>	<u>\$ 13,566,010</u>	<u>\$ 13,674,574</u>
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-45.10%	-8.03%	-21.86%	-51.56%	-11.06%	-67.35%	-55.17%

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying note to schedules of required supplementary information - pension plan.

COUNTY OF VENANGO, PENNSYLVANIA

SCHEDULE OF COUNTY CONTRIBUTIONS

YEARS ENDED DECEMBER 31
LAST TEN YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 484,077	\$ 649,335	\$ 822,588	\$ 308,015	\$ -	\$ 315,826	\$ 520,007	\$ 468,850	\$ 552,137	\$ 546,496
Contributions in relation to the actuarially determined contribution	484,077	649,335	822,588	308,015	-	315,826	521,262	468,850	552,137	546,496
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,255)	\$ -	\$ -	\$ -
Covered payroll	\$ 11,580,781	\$ 12,251,599	\$ 11,634,912	\$ 12,419,947	\$ 13,022,708	\$ 13,554,768	\$ 13,299,408	\$ 13,244,345	\$ 13,566,010	\$ 13,674,574
Contributions as a percentage of covered payroll	4.18%	5.30%	7.07%	2.48%	0.00%	2.33%	3.92%	3.54%	4.07%	4.00%

See accompanying note to schedules of required supplementary information - pension plan.

COUNTY OF VENANGO, PENNSYLVANIA

SCHEDULE OF COUNTY INVESTMENT RETURNS

YEARS ENDED DECEMBER 31
LAST TEN YEARS*

	2014	2015	2016	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	5.52%	-1.15%	9.39%	15.80%	-3.69%	18.09%	11.90%

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying note to schedules of required supplementary information - pension plan.

COUNTY OF VENANGO, PENNSYLVANIA

NOTE TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN

YEAR ENDED DECEMBER 31, 2020

Actuarial Methods and Assumptions Used in Determining the Contribution Rate

	2014	2015	2016	2017	2018	2019	2020
Actuarial valuation date	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar	Level Dollar	Level Dollar	Level Dollar	Level Dollar	Level Dollar	Level Dollar
Remaining amortization period	N/A	N/A	N/A	N/A	N/A	N/A	15 years
Asset valuation method	5-Year Smoothed Market	5-Year Smoothed Market	5-Year Smoothed Market	5-Year Smoothed Market	5-Year Smoothed Market	5-Year Smoothed Market	Market adjusted for unrecognized gains and losses from prior years
Actuarial assumptions:							
Investment rate of return	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.0%
Projected salary increases	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Underlying inflation rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Cost-of-living adjustments	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mortality table	2013 RP Annuitant and Non-Annuitant	2013 RP Annuitant and Non-Annuitant	2013 RP Annuitant and Non-Annuitant	2013 RP Annuitant and Non-Annuitant	2013 RP Annuitant and Non-Annuitant	2013 RP Annuitant and Non-Annuitant	Pub G - 2010

Benefit Changes

There were no changes in the Plan benefits from 2010 to 2020.

Changes in Actuarial Assumptions

Effective January 1, 2013, the mortality table has been changed from the 1983 Group Annuity Mortality Table to 2013 RP Annuitant and non-Annuitant Mortality Tables for males and females.

Effective January 1, 2020, the mortality table has been changed from the 2013 RP Annuitant and non-Annuitant Mortality Tables to the PubG-2010 Mortality Table for males and females with generational mortality improvement using MP19.

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual amounts (Budgetary Basis) (See Note 2)	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 11,514,400	\$ 11,514,400	\$ 11,821,982	\$ 307,582
Licenses	39,250	39,250	40,654	1,404
Intergovernmental	1,776,732	11,675,491	8,796,747	(2,878,744)
Charges for services	2,453,383	2,178,883	2,150,401	(28,482)
Fines and forfeits	110,600	110,600	97,245	(13,355)
Interest	15,400	15,400	8,719	(6,681)
Other	77,075	90,075	96,026	5,951
Total revenues	15,986,840	25,624,099	23,011,774	(2,612,325)
Expenditures:				
General government - administration	6,008,073	11,795,163	11,781,312	13,851
General government - judicial	4,407,625	4,408,625	3,819,608	589,017
Public safety	5,837,931	7,413,236	4,208,087	3,205,149
Public works	572,037	572,037	377,679	194,358
Human services	130,481	130,481	98,252	32,229
Culture and recreation	332,256	332,256	2,769,504	(2,437,248)
Conservation and development	1,196,095	2,719,959	269,882	2,450,077
Total expenditures	18,484,498	27,371,757	23,324,324	4,047,433
Excess (Deficiency) of Revenues Over Expenditures	(2,497,658)	(1,747,658)	(312,550)	1,435,108
Other Financing Sources (Uses):				
Sale of capital assets	-	-	11,856	11,856
Transfers in	4,327,862	3,577,862	1,596,288	(1,981,574)
Transfers out	(1,830,204)	(1,830,204)	(1,832,479)	(2,275)
Total other financing sources (uses)	2,497,658	1,747,658	(224,335)	(1,971,993)
Net Change in Fund Balance	\$ -	\$ -	\$ (536,885)	\$ (536,885)

SUPPLEMENTARY INFORMATION

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF EXPENDITURES BY PROGRAM IDENTIFIER - BUDGET TO ACTUAL

YEAR ENDED DECEMBER 31, 2020

Contract Title	Federal ALN	Contract Number	Contract Period	* Actual FSR Expenditures 1/1/20-12/31/20	** Cumulative FSR Expenditures through 12/31/20	Actual FSR Expenditures Prior to 1/1/20	Actual FSR Expenditures 1/1/20 - 6/30/20	*** Authorized Budget	**** (Over) Under
20 - Adult Local 1st	17.258	170-20-3001	7/1/20-6/30/21	\$ 184,176	\$ 184,176	\$ -	\$ -	\$ 204,639	\$ 204,639
19 - Adult Local 1st	17.258	170-19-3001	7/1/19-6/30/21	22,709	227,091	204,382	-	227,091	22,709
20 - Adult Local 2nd	17.258	170-20-3011	10/1/20-6/30/21	139,935	139,935	-	-	1,021,160	1,021,160
19 - Adult Local 2nd	17.258	170-19-3011	10/1/19-6/30/21	514,986	1,107,189	592,203	436,952	1,210,643	181,488
18 - Adult Local 2nd	17.258	170-18-3011	10/1/18-6/30/20	68,539	1,358,575	1,290,036	68,539	1,358,575	-
17 - Adult 2nd SW 19/20 SLIP	17.258	170-17-3133	2/1/20-6/30/20	30,063	30,063	-	30,063	30,063	-
18 - Youth Local 2nd	17.259	170-18-3306	10/1/18-6/30/20	5,467	5,467	-	5,467	5,467	-
18 - Youth 10% SW TIW	17.259	170-18-3342	4/1/19-12/31/20	32,095	33,273	1,178	1,503	33,273	30,592
20 - Youth Local	17.259	170-20-3301	4/1/20-6/30/21	-	-	-	-	1,369,933	1,369,933
19 - Youth Local	17.259	170-19-3301	4/1/19-6/30/21	1,382,956	1,382,956	-	402,884	1,602,387	1,199,503
19 - COVID 19 PACL/Prg	17.277	170-19-8523	5/27/20-6/30/21	14,687	14,687	-	-	52,022	52,022
18 - Economic Transition	17.277	170-18-8423	10/1/18-9/30/20	385,150	801,092	415,942	332,877	889,560	140,741
17 - DW 2nd RRAA	17.277	170-17-4156	10/1/17-6/30/20	160,000	160,000	-	160,000	160,000	-
20 - DW Local 1st	17.278	170-20-4001	7/1/20-6/30/21	-	-	-	-	273,954	273,954
19 - DW Local 1st	17.278	170-19-4001	7/1/19-6/30/20	273,188	273,188	-	273,188	303,542	30,354
20 - DW 2nd Local	17.278	170-20-4011	10/1/02-6/30/21	-	-	-	-	1,226,263	1,226,263
19 - DW 2nd Local	17.278	170-19-4011	10/1/19-6/30/21	1,001,792	1,001,792	-	222,510	1,190,188	967,678
18 - DW 2nd Local	17.278	170-18-4011	10/1/18-6/30/20	186,468	1,209,009	1,022,541	186,468	1,209,009	-
19 - DW 2nd 10% PY19 SLIP	17.278	170-19-4131	2/1/20-11/30/20	103,189	103,189	-	-	103,189	103,189
18 - DW SW	17.278	170-18-4131	1/1/21-6/30/21	-	-	-	-	47,038	47,038
18 - RRAA	17.278	170-18-4152	10/1/18-6/30/21	61,584	152,824	91,240	57,022	181,630	33,368
18 - PY18 BEP	17.278	170-18-4132	1/1/19-12/31/20	146,639	157,160	10,521	45,625	157,160	101,014
19 - DW 2nd Inc RR	17.278	170-19-4151	10/1/19-6/30/22	-	-	-	-	300,000	300,000
18 - DW PY18 RRAA	17.278	170-18-4155	10/1/18-6/30/21	127,636	127,636	-	-	127,636	127,636
19 - DW 2nd DW2 to AD2	17.278	170-19-3013	10/1/19-6/30/21	225,000	225,000	-	-	250,000	250,000
20 - PA TANF	93.558	170-20-3361	7/1/20-6/30/21	-	-	-	-	1,028,370	1,028,370
19 - PA TANF	93.558	170-19-3361	7/1/19-6/30/20	528,852	528,852	-	289,491	1,010,940	721,449
18 - TANF Year Round	93.558	170-18-3361	7/1/18-6/30/19	211,458	1,034,160	822,702	211,458	1,034,160	-
17 - TANF Additional	93.558	170-17-3362	7/1/17-6/30/20	13,761	13,761	-	13,761	13,761	-
Total FSR contract expenses					\$ 10,271,075		\$ 2,737,808		

* Calendar year contract encumbrances

** Cumulative encumbrances for the life of the grant up to the audit period end date 12/31/2020.

*** Total authorized budget for contract.

**** Over/Under is the difference between the authorized budget minus the fiscal year contract encumbrances (7/1/2019-6/30/2020) minus expenditures prior to 7/1/2019.

HUMAN SERVICES FUND

These accounts are used to account for the expenditure of a combination of revenues received from various federal, state, and County sources. These accounts are restricted for the provision of specified social services to eligible recipients. The Human Services Fund is comprised of the following accounts:

The **Older Adult Services** account is used to account for various funds received from and through the Pennsylvania Department of Aging to provide services to eligible older Pennsylvanians based on the local Area Plan.

The **Retired Senior Volunteer Program (RSVP)** account includes federal funds received from the Corporation for National and Community Service through the Older Adult Services sponsorship. These funds are used to help Americans age 55 or older find opportunities to address community needs through volunteer service. The RSVP locally is also supported in part by the Older Adult Services and community contributions.

The **Children and Youth Services** account is used to account for the proceeds of revenue received from various federal, state, and County sources. This revenue is restricted for the provision of specified social services to eligible children and youths within the County.

The **Substance Abuse** account is used for the control, prevention, intervention, treatment, rehabilitation, research, education, and training aspects of drug and alcohol abuse and dependence problems. It is funded by various state, federal, and County funds.

The **Mental Health and Developmental Services** accounts are used to account for the proceeds of revenue received from various federal, state, and county sources. The account is restricted for the provision of specified social services provided to eligible recipients with a mental health diagnosis or developmental services.

COUNTY OF VENANGO, PENNSYLVANIA

HUMAN SERVICES FUND COMBINING BALANCE SHEET

DECEMBER 31, 2020

	Older Adult Services	Retired Senior Volunteer Program	Children and Youth Services	Substance Abuse	Mental Health	Developmental Services	Total Human Services Fund
Assets							
Cash and cash equivalents - pooled	\$ 603,364	\$ 19,010	\$ (41,300)	\$ 529,139	\$ 1,988	\$ 1,623,072	\$ 2,735,273
Accounts receivable	25,895	-	459,608	186,499	115,177	-	787,179
Due from other funds	-	-	-	2,033	-	-	2,033
Due from other governments	24,898	-	1,425,809	-	27,424	173,998	1,652,129
Other assets	-	-	-	-	32,925	28,495	61,420
Total Assets	\$ 654,157	\$ 19,010	\$ 1,844,117	\$ 717,671	\$ 177,514	\$ 1,825,565	\$ 5,238,034
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	\$ 81,606	\$ -	\$ 960,495	\$ 30,816	\$ 99,207	\$ 61,889	\$ 1,234,013
Accrued payroll	13,239	-	45,938	10,074	16,735	12,746	98,732
Due to other funds	-	-	160,355	-	-	-	160,355
Unearned revenue	559,312	327	647,840	383,648	61,572	1,750,930	3,403,629
Total Liabilities	654,157	327	1,814,628	424,538	177,514	1,825,565	4,896,729
Fund Balance:							
Nonspendable	-	-	-	-	-	-	-
Restricted:							
Human services	-	18,683	29,489	-	-	-	48,172
Assigned:							
Substance abuse	-	-	-	293,133	-	-	293,133
Unassigned	-	-	-	-	-	-	-
Total Fund Balance	-	18,683	29,489	293,133	-	-	341,305
Total Liabilities and Fund Balance	\$ 654,157	\$ 19,010	\$ 1,844,117	\$ 717,671	\$ 177,514	\$ 1,825,565	\$ 5,238,034

COUNTY OF VENANGO, PENNSYLVANIA

HUMAN SERVICES FUND COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED DECEMBER 31, 2020

	Older Adult Services	Retired Senior Volunteer Program	Children and Youth Services	Substance Abuse	Mental Health	Developmental Services	Total Human Services Fund
Revenues:							
Intergovernmental	\$ 1,963,510	\$ -	\$ 8,983,641	\$ 1,028,071	\$ 2,977,250	\$ 2,170,320	\$ 17,122,792
Charges for services	-	-	139,646	59,833	-	17,569	217,048
Interest	960	37	64	896	353	3,684	5,994
Other	835	-	193,199	-	46,932	(2,835)	238,131
Total revenues	1,965,305	37	9,316,550	1,088,800	3,024,535	2,188,738	17,583,965
Expenditures:							
Human services	1,869,519	-	10,131,380	1,056,157	2,762,979	1,427,666	17,247,701
Excess (Deficiency) of Revenues Over Expenditures	95,786	37	(814,830)	32,643	261,556	761,072	336,264
Other Financing Sources (Uses):							
Sale of capital assets	7,965	-	35,861	-	12,960	-	56,786
Transfers in	-	-	1,250,059	15,386	1,237	37,858	1,304,540
Transfers out	(103,751)	-	(473,173)	(50,088)	(275,753)	(798,930)	(1,701,695)
Total other financing sources (uses)	(95,786)	-	812,747	(34,702)	(261,556)	(761,072)	(340,369)
Net Change in Fund Balance	-	37	(2,083)	(2,059)	-	-	(4,105)
Fund Balance:							
Beginning of year	-	18,646	31,572	295,192	-	-	345,410
End of year	\$ -	\$ 18,683	\$ 29,489	\$ 293,133	\$ -	\$ -	\$ 341,305

OTHER GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned for specified purposes other than debt services or capital projects. Following are the Special Revenue Funds used by the County:

The **Liquid Fuels Fund** accounts for state aid revenues used for the building and improving of roads and bridges through the County.

The **Affordable Housing Program Fund** accounts for the revenue and expenditures authorized by Act 137 of 1992 by the General Assembly of the Commonwealth of Pennsylvania for the purpose of providing housing services to low to moderate income families.

The **Airport Fund** accounts for the monies earned from the sale of fuel at the Venango County Airport and monies received from the state to fund major airport projects. The fund is also used to account for the activity related to the airshow held yearly at Venango County Airport.

The **Hazardous Materials Fund** accounts for monies received from companies who have hazardous waste removed from their premises. These funds are to be used in the event of a hazardous waste accident.

The **911 Fund** is used to account for money received from phone user charges and potential County contributions to operate the County's emergency communication systems, as well as grants received from the state for E-911 upgrades.

The **Marcellus Legacy Fund** is used to account for state revenue to be used per Act 13 of 2012 Impact Fee guidelines.

The **Court Constable Fund** accounts for fees imposed by the district justice offices and pays court and constable expenses consistent with the court order establishing the fund.

The **Offender ID Fund** accounts for fees imposed and offender identification charges consistent with the court order establishing the fund.

The **Juvenile Court Restitution Fund** accounts for fees imposed by the district justice offices and courts for all juvenile cases in the County. The money will be used for expenses relating to juvenile probation.

The **County Records Improvement Fund** is used to account for a recording fee surcharge. The money is to be expended based on the goal of standardizing and equalizing the capabilities of all County offices consistent with their need to receive, manage, and provide information to the public as efficiently as possible.

The **Prothonotary Automation Fund** is used to account for fee surcharges collected by the Prothonotary to be used solely for the purpose of automation and continued automation updates for the office.

The **Register and Recorder Fund** is used to account for fees imposed by the Commissioner and Counties with a Land Bank to be used solely for demolitions.

The **Community Development Block Grant Fund** is used to account for the revenue and expenditures appropriated from the Housing and Community Act of 1974 for the purpose of improving water systems, sanitary sewer systems, storm sewers, housing rehabilitation, public/community facilities, streets and roads, and the removal of architectural barriers.

The **Community Services Block Grant Fund** accounts for federal funds used to provide housing, transportation, utility assistance, and other services to low income clients in Crawford and Venango County.

The **Office of Economic Opportunity – Supported Work Program Fund** accounts for federal funds used to provide supported work experience and other related activities to Crawford and Venango County residents.

The **Office of Economic Opportunity – Weatherization Fund** is used to account for weatherization services provided to eligible renters and homeowners, and services to alleviate non-fuel related heating emergencies.

The **Office of Economic Opportunity – Other Funds** are used to account for various activities providing services to County residents.

The **Medical Assistance Transportation Program Fund** is used to account for the expenditure of a combination of federal, state, and County monies designated for the purpose of providing and improving public transportation throughout the County.

The **Special Purpose Gifts Fund** is used to account for the receipt of private grant funds that are restricted for use as determined by the grantee.

The **Adoption Counseling Fund** accounts for adoption filing fees and the cost of adoption counseling for individuals unable to pay for these services.

The **Domestic Relations Operation Fund** is used to account for expenditures and revenue related to the operation of the County's child support enforcement program, which is funded by federal, state, and County funds.

The **Domestic Relations Incentives Fund** is used to account for revenue received to supplant the County's child support enforcement section and the resulting expenses.

COUNTY OF VENANGO, PENNSYLVANIA

OTHER GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

DECEMBER 31, 2020

	Special Revenue Funds										
	Liquid Fuels	Affordable Housing Program	Airport	Hazardous Materials	911	Marcellus Legacy	Court Constable	Offender ID	Juvenile Court Restitution	County Records Improvement	Prothonotary Automation
Assets											
Cash and cash equivalents - pooled	\$ 1,513,308	\$ 15,793	\$ (200,737)	\$ 103,266	\$ 819,483	\$ 304,836	\$ 326,155	\$ 526,622	\$ 8,810	\$ 44,013	\$ 21,396
Accounts receivable	-	-	4,351	17,873	-	-	-	-	-	-	-
Due from other funds	-	3,188	-	-	-	-	311	4,556	-	1,006	332
Due from other governments	10,170	-	477,738	-	240,268	-	-	-	-	-	-
Other assets	-	-	49,705	-	-	-	-	-	-	-	-
Total Assets	\$ 1,523,478	\$ 18,981	\$ 331,057	\$ 121,139	\$ 1,059,751	\$ 304,836	\$ 326,466	\$ 531,178	\$ 8,810	\$ 45,019	\$ 21,728
Liabilities and Fund Balance											
Liabilities:											
Accounts payable	\$ 26,835	\$ 15,581	\$ 272,918	\$ 483	\$ 15,146	\$ 4,110	\$ 2,175	\$ 17	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	6,807	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	1,059,751	-	-	-	-	-	-
Total Liabilities	26,835	15,581	272,918	483	1,081,704	4,110	2,175	17	-	-	-
Fund Balance:											
Restricted:											
Human services	-	-	-	-	-	-	-	-	-	-	-
Roads and bridges	1,496,643	-	-	-	-	-	-	-	-	-	-
Affordable housing	-	3,400	-	-	-	-	-	-	-	-	-
Hazardous materials	-	-	-	120,656	-	-	-	-	-	-	-
Act 13	-	-	-	-	-	300,726	-	-	-	-	-
Constable server fees	-	-	-	-	-	-	324,291	-	-	-	-
Offender identification	-	-	-	-	-	-	-	531,161	-	-	-
Juvenile court restitution	-	-	-	-	-	-	-	-	8,810	-	-
Records improvement/automation	-	-	-	-	-	-	-	-	-	45,019	21,728
Sugar Valley Lodge	-	-	-	-	-	-	-	-	-	-	-
Adoption counseling	-	-	-	-	-	-	-	-	-	-	-
Domestic Relations	-	-	-	-	-	-	-	-	-	-	-
Demolitions	-	-	-	-	-	-	-	-	-	-	-
Assigned:											
Airport operations	-	-	58,139	-	-	-	-	-	-	-	-
Community action	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(21,953)	-	-	-	-	-	-
Total Fund Balance	1,496,643	3,400	58,139	120,656	(21,953)	300,726	324,291	531,161	8,810	45,019	21,728
Total Liabilities and Fund Balance	\$ 1,523,478	\$ 18,981	\$ 331,057	\$ 121,139	\$ 1,059,751	\$ 304,836	\$ 326,466	\$ 531,178	\$ 8,810	\$ 45,019	\$ 21,728

(Continued)

COUNTY OF VENANGO, PENNSYLVANIA

OTHER GOVERNMENTAL FUNDS COMBINING BALANCE SHEET (Continued)

DECEMBER 31, 2020

	Special Revenue Funds											Total Other Governmental Funds
	Register & Recorder	Community Development Block Grant	Community Services Block Grant	OEO - SWP	OEO - Weatherization	OEO - Other	MATP	Special Purpose Gifts	Adoption Counseling	Domestic Relations Operation	Domestic Relations Incentives	
Assets												
Cash and cash equivalents - pooled	\$ 68,778	\$ (154,126)	\$ (113,298)	\$ (115,817)	\$ 31,961	\$ 929,982	\$ 286,170	\$ 175,778	\$ 11,809	\$ (112,126)	\$ 814,924	\$ 5,306,980
Accounts receivable	-	-	-	115,969	1,501	20,508	-	-	-	112,126	-	272,328
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	9,393
Due from other governments	-	154,126	221,228	-	-	43,864	-	-	-	-	-	1,147,394
Other assets	-	-	-	-	-	-	-	3,000	-	-	-	52,705
Total Assets	\$ 68,778	\$ -	\$ 107,930	\$ 152	\$ 33,462	\$ 994,354	\$ 286,170	\$ 178,778	\$ 11,809	\$ -	\$ 814,924	\$ 6,788,800
Liabilities and Fund Balance												
Liabilities:												
Accounts payable	\$ -	\$ -	\$ 69,285	\$ -	\$ -	\$ 223,870	\$ 113,140	\$ -	\$ -	\$ -	\$ -	\$ 743,560
Accrued payroll	-	-	2,080	-	-	5,632	460	-	-	-	-	14,979
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	36,565	152	33,462	744,375	172,570	-	-	-	-	2,046,875
Total Liabilities	-	-	107,930	152	33,462	973,877	286,170	-	-	-	-	2,805,414
Fund Balance:												
Restricted:												
Human services	-	-	-	-	-	-	-	40,288	-	-	-	40,288
Roads and bridges	-	-	-	-	-	-	-	-	-	-	-	1,496,643
Affordable housing	-	-	-	-	-	-	-	-	-	-	-	3,400
Hazardous materials	-	-	-	-	-	-	-	-	-	-	-	120,656
Act 13	-	-	-	-	-	-	-	-	-	-	-	300,726
Constable server fees	-	-	-	-	-	-	-	-	-	-	-	324,291
Offender identification	-	-	-	-	-	-	-	-	-	-	-	531,161
Juvenile court restitution	-	-	-	-	-	-	-	-	-	-	-	8,810
Records improvement/automation	-	-	-	-	-	-	-	-	-	-	-	66,747
Sugar Valley Lodge	-	-	-	-	-	-	-	138,490	-	-	-	138,490
Adoption counseling	-	-	-	-	-	-	-	-	11,809	-	-	11,809
Domestic Relations	-	-	-	-	-	-	-	-	-	-	814,924	814,924
Demolitions	68,778	-	-	-	-	-	-	-	-	-	-	68,778
Assigned:												
Airport operations	-	-	-	-	-	-	-	-	-	-	-	58,139
Community action	-	-	-	-	-	20,477	-	-	-	-	-	20,477
Unassigned	-	-	-	-	-	-	-	-	-	-	-	(21,953)
Total Fund Balance	68,778	-	-	-	-	20,477	-	178,778	11,809	-	814,924	3,983,386
Total Liabilities and Fund Balance	\$ 68,778	\$ -	\$ 107,930	\$ 152	\$ 33,462	\$ 994,354	\$ 286,170	\$ 178,778	\$ 11,809	\$ -	\$ 814,924	\$ 6,788,800

(Concluded)

COUNTY OF VENANGO, PENNSYLVANIA

OTHER GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE YEAR ENDED DECEMBER 31, 2020

	Special Revenue Funds										
	Liquid Fuels	Affordable Housing Program	Airport	Hazardous Materials	911	Marcellus Legacy	Court Constable	Offender ID	Juvenile Court Restitution	County Records Improvement	Prothonotary Automation
Revenues:											
Intergovernmental	\$ 587,451	\$ -	\$ 2,023,653	\$ 12,447	\$ 1,851,774	\$ 71,415	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	27,812	208,472	31,325	-	-	53,822	93,450	1,671	12,705	7,002
Interest	2,655	20	342	202	3,247	694	634	998	17	78	40
Other	-	-	-	-	-	-	-	-	-	-	-
Total revenues	590,106	27,832	2,232,467	43,974	1,855,021	72,109	54,456	94,448	1,688	12,783	7,042
Expenditures:											
General government - administration	-	-	-	-	-	-	-	-	-	2,646	3,756
General government - judicial	-	-	-	-	-	-	41,474	49,130	2,200	-	-
Public safety	-	-	-	9,433	1,994,920	-	-	-	-	-	-
Public works	484,117	-	2,235,586	-	-	-	-	-	-	-	-
Human services	-	49,067	-	-	-	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	110,749	-	-	-	-	-
Total expenditures	484,117	49,067	2,235,586	9,433	1,994,920	110,749	41,474	49,130	2,200	2,646	3,756
Excess (Deficiency) of Revenues Over Expenditures	105,989	(21,235)	(3,119)	34,541	(139,899)	(38,640)	12,982	45,318	(512)	10,137	3,286
Other Financing Sources (Uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	29,299	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	29,299	-	-	-	-	-	-
Net Change in Fund Balance	105,989	(21,235)	(3,119)	34,541	(110,600)	(38,640)	12,982	45,318	(512)	10,137	3,286
Fund Balance:											
Beginning of year	1,390,654	24,635	61,258	86,115	88,647	339,366	311,309	485,843	9,322	34,882	18,442
End of year	\$ 1,496,643	\$ 3,400	\$ 58,139	\$ 120,656	\$ (21,953)	\$ 300,726	\$ 324,291	\$ 531,161	\$ 8,810	\$ 45,019	\$ 21,728

(Continued)

COUNTY OF VENANGO, PENNSYLVANIA

OTHER GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (Continued)

YEAR ENDED DECEMBER 31, 2020

	Special Revenue Funds											Total Other Governmental Funds
	Register & Recorder	Community Development Block Grant	Community Services Block Grant	OEO - SWP	OEO - Weatherization	OEO - Other	MATP	Special Purpose Gifts	Adoption Counseling	Domestic Relations Operation	Domestic Relations Incentives	
Revenues:												
Intergovernmental	\$ -	\$ 264,620	\$ 324,509	\$ 116,921	\$ 5,738	\$ 225,964	\$ 1,006,860	\$ -	\$ -	\$ 298,583	\$ -	\$ 6,789,935
Charges for services	26,010	-	-	-	-	-	-	-	525	6,799	90,022	559,615
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-
Interest	107	8	-	50	-	1,212	97	9,008	23	1,615	-	21,047
Other	-	-	2,018	-	-	77,369	-	-	-	-	-	79,387
Total revenues	26,117	264,628	326,527	116,971	5,738	304,545	1,006,957	9,008	548	306,997	90,022	7,449,984
Expenditures:												
General government - administration	465	-	-	-	-	-	-	-	-	-	-	6,867
General government - judicial	-	-	-	-	-	-	-	-	-	459,503	48,045	600,352
Public safety	-	-	-	-	-	-	-	-	-	-	-	2,004,353
Public works	-	-	-	-	-	-	-	-	-	-	-	2,719,703
Human services	-	-	304,733	111,255	3,916	1,200,089	1,000,557	7,114	-	-	-	2,676,731
Conservation and development	-	322,883	-	-	-	-	-	-	-	-	-	433,632
Total expenditures	465	322,883	304,733	111,255	3,916	1,200,089	1,000,557	7,114	-	459,503	48,045	8,441,638
Excess (Deficiency) of Revenues Over Expenditures	25,652	(58,255)	21,794	5,716	1,822	(895,544)	6,400	1,894	548	(152,506)	41,977	(991,654)
Other Financing Sources (Uses):												
Sale of capital assets	-	-	-	-	-	6,840	-	-	-	-	-	6,840
Transfers in	-	-	-	-	-	927,397	-	-	-	154,262	772,947	1,883,905
Transfers out	-	-	(21,794)	(5,716)	(1,822)	(31,403)	(6,400)	-	-	(874,359)	-	(941,494)
Total other financing sources (uses)	-	-	(21,794)	(5,716)	(1,822)	902,834	(6,400)	-	-	(720,097)	772,947	949,251
Net Change in Fund Balance	25,652	(58,255)	-	-	-	7,290	-	1,894	548	(872,603)	814,924	(42,403)
Fund Balance:												
Beginning of year	43,126	58,255	-	-	-	13,187	-	176,884	11,261	872,603	-	4,025,789
End of year	\$ 68,778	\$ -	\$ -	\$ -	\$ -	\$ 20,477	\$ -	\$ 178,778	\$ 11,809	\$ -	\$ 814,924	\$ 3,983,386

(Concluded)

CUSTODIAL FUNDS

Custodial Funds account for the activities of the elected row officers (Treasurer, Sheriff, Register of Wills and Recorder of Deeds, Prothonotary and Clerk of Courts, and Tax Claim) that are subsequently disbursed to the County, other governments, or individuals for whom it was collected.

COUNTY OF VENANGO, PENNSYLVANIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS

DECEMBER 31, 2020

	Treasurer	Register of Wills and Recorder of Deeds	Prothonotary and Clerk of Courts	Sheriff	Tax Claim	Total
Assets						
Cash and cash equivalents	\$ 8,029	\$ 362,037	\$ 340,273	\$ 122,610	\$ 439,837	\$ 1,272,786
Accounts receivable and fines, at estimated realizable value	-	-	271,478	-	-	271,478
Total Assets	<u>\$ 8,029</u>	<u>\$ 362,037</u>	<u>\$ 611,751</u>	<u>\$ 122,610</u>	<u>\$ 439,837</u>	<u>\$ 1,544,264</u>
Liabilities						
Due to other funds	\$ -	\$ 84,117	\$ 323,163	\$ 11,724	\$ -	\$ 419,004
Due to other governments	8,029	276,860	12,737	-	439,837	737,463
Escrow liability and interest	-	1,060	275,851	110,886	-	387,797
Total Liabilities	<u>\$ 8,029</u>	<u>\$ 362,037</u>	<u>\$ 611,751</u>	<u>\$ 122,610</u>	<u>\$ 439,837</u>	<u>\$ 1,544,264</u>

COUNTY OF VENANGO, PENNSYLVANIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS

YEAR ENDED DECEMBER 31, 2020

	Treasurer	Register of Wills and Recorder of Deeds	Prothonotary and Clerk of Courts	Sheriff	Tax Claim	Total
Additions:						
Receipts:						
Treasurer	\$ 178,712	\$ -	\$ -	\$ -	\$ -	\$ 178,712
Register of Wills and Recorder of Deeds	-	1,745,568	-	-	-	1,745,568
Prothonotary and Clerk of Courts	-	-	1,793,423	-	-	1,793,423
Sheriff	-	-	-	297,222	-	297,222
Tax Claim	-	-	-	-	3,922,312	3,922,312
Total receipts	178,712	1,745,568	1,793,423	297,222	3,922,312	7,937,237
Total additions	178,712	1,745,568	1,793,423	297,222	3,922,312	7,937,237
Deductions:						
Payments to other governments	156,324	1,313,309	253,182	15,445	3,922,312	5,660,572
Escrow payments	880	8,017	1,168,070	239,143	-	1,416,110
Other disbursements	21,508	424,242	372,171	42,634	-	860,555
Total deductions	178,712	1,745,568	1,793,423	297,222	3,922,312	7,937,237
Increase (Decrease) in Fiduciary Net Position	-	-	-	-	-	-
Net Position:						
Beginning of year	-	-	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -