

County of Venango, Pennsylvania

Financial Statements and Required Supplementary and Supplementary Information

**Year Ended December 31, 2021
with Independent Auditor's Report**

MaherDuessel

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COUNTY OF VENANGO, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2021

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate 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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's

ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. 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 supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2022 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.

Mahe Duessel

Pittsburgh, Pennsylvania
September 28, 2022

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, 2021. 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 - 44).

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$58.5 million at December 31, 2021.
- As of December 31, 2021, unrestricted net position was approximately \$300,000.
- The total fund balance of the General Fund at December 31, 2021 was \$4.4 million or 32% of the total fund balance.
- The County's real property tax rate was 6.000 mills for 2021.
- 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 the difference between the two reported as *net position*. Over time, increases or

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 44 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, 2021 and 2020 is presented below:

Summary Statements of Net Position December 31, 2021 and 2020

	Governmental Activities	
	2021	2020
Assets		
Current and other assets	\$ 34,766,746	\$ 26,349,107
Net pension asset	12,632,881	7,544,404
Capital assets	36,303,523	31,491,652
Total Assets	83,703,150	65,385,163
Deferred Outflows of Resources		
Deferred outflows of resources for pension	3,604,250	7,072,921
Liabilities		
Current and other liabilities	19,653,238	11,988,882
Non-current liabilities	939,660	926,708
Total Liabilities	20,592,898	12,915,590
Deferred Inflows of Resources		
Deferred inflows of resources for pension	8,265,908	8,460,812
Net Position		
Net investment in capital assets	36,017,328	31,099,561
Restricted	22,132,033	14,899,006
Unrestricted	299,233	5,083,115
Total Net Position	\$ 58,448,594	\$ 51,081,682

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 \$58.5 million at December 31, 2021, an increase from December 31, 2020 of approximately \$7.4 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table presents the change in net position for the years ended December 31, 2021 and 2020:

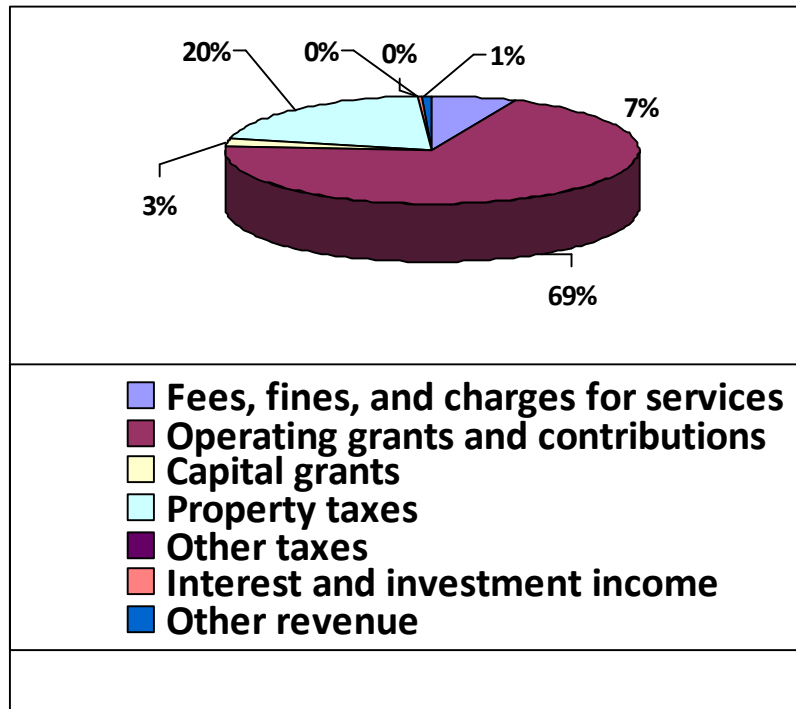
Change in Net Position		
Years Ended December 31, 2021 and 2020		
	Governmental Activities	
	2021	2020
Program revenues:		
Fees, fines, and charges for services	\$ 3,901,250	\$ 2,964,972
Operating grants and contributions	41,011,790	43,090,233
Capital grants	1,614,116	2,947,139
General revenues:		
Property taxes	11,929,800	11,346,442
Other taxes	85,006	474,857
Interest and investment income	49,023	37,852
Other	503,470	421,587
Gain on disposal of capital assets	25,272	68,642
Total revenues	<u>59,119,727</u>	<u>61,351,724</u>
Program expenses:		
General government - administration	6,316,227	6,502,806
General government - judicial	4,119,387	3,937,506
Public safety	5,676,981	5,977,786
Public works	767,021	3,616,273
Human services	33,005,457	27,636,551
Conservation and development	1,577,439	3,910,356
Culture and recreation	276,803	279,674
Interest	13,500	17,578
Total expenses	<u>51,752,815</u>	<u>51,878,530</u>
Change in Net Position	7,366,912	9,473,194
Net position, beginning	<u>51,081,682</u>	<u>41,608,488</u>
Net position, ending	<u><u>\$ 58,448,594</u></u>	<u><u>\$ 51,081,682</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, 2021:

Government-Wide Sources of Revenues
Total Revenue \$59,119,727

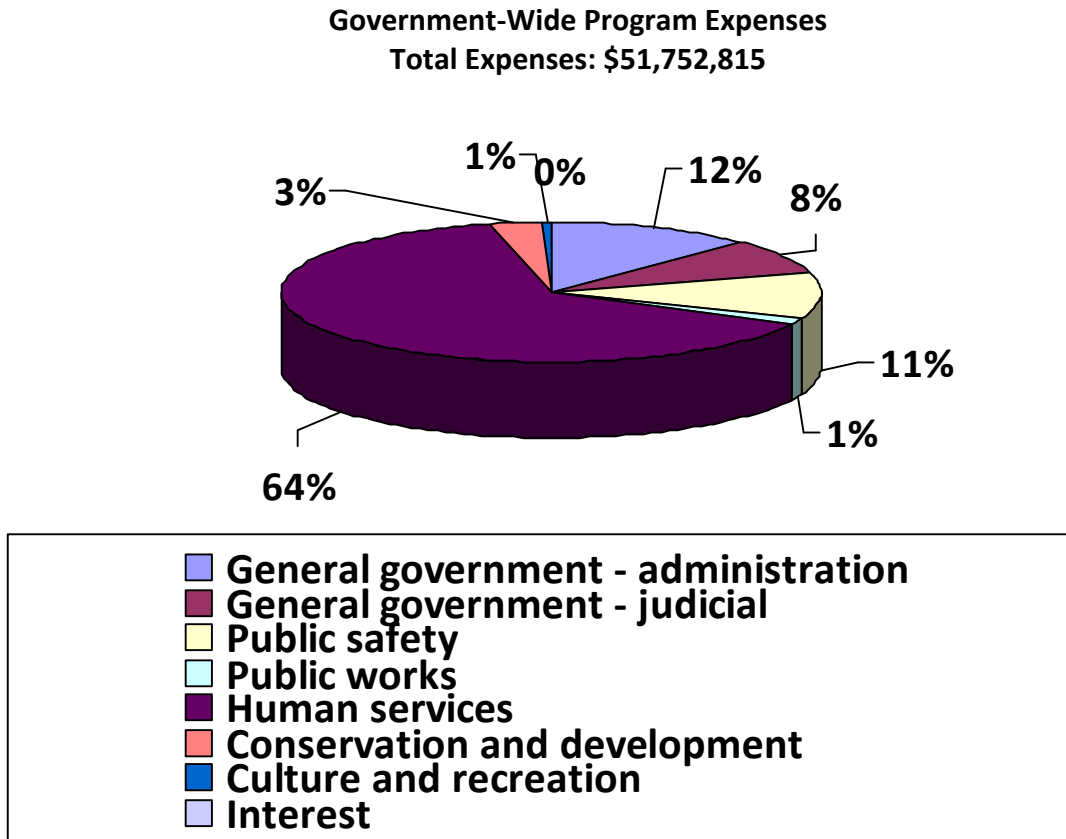


Total government-wide revenues for 2021 were \$59.1 million, which was approximately \$2.3 million lower than the 2020 year. Operating grants and contributions account for 69% of the total revenues, amounting to \$41 million, compared to \$43.1 million in 2020. The decrease of approximately \$2.1 million is mainly attributable to increased federal funding for COVID related expenses during 2020. The second largest source of revenue for the County was property taxes, which made up 20% of the total revenues, amounting to \$11.9 million, compared to \$11.3 million in 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

PROGRAM EXPENSES

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2021:



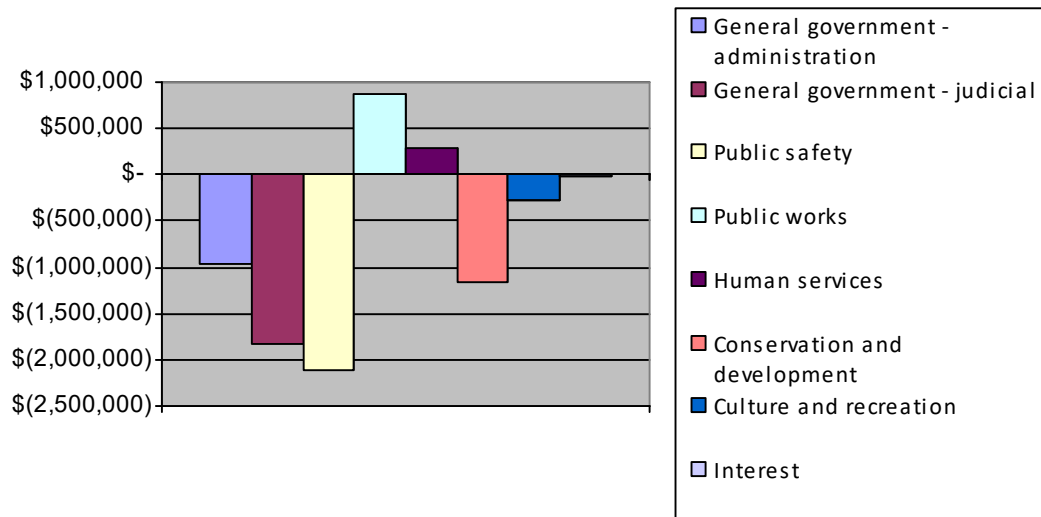
Total government-wide program expenses for 2021 were \$51.8 million, which was approximately \$100,000 lower than the 2020 year. The largest area of expenses was Human Services, which accounts for 64% of total expenses, amounting to \$33 million, compared to \$27.6 million in 2020. The increase of approximately \$5.4 million is mainly attributable to an increased funding in certain areas such as Emergency Rental Assistance. The second largest source of expense for the County was General Government - Administration, which made up 12% of the total expenses, amounting to \$6.3 million, compared to approximately \$6.5 million in 2020. The decrease of approximately \$0.2 million is attributable to decreased spending of pandemic funds in the 2021 calendar year. Additionally, Public Safety, which made up 11% of the total expenses, amounted to approximately \$5.7 million compared to approximately \$6 million in 2020. The decrease of approximately \$0.3 million is attributable to continued pandemic shutdown during 2021 and no need for outside housing of prisoners.

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, 2021.

Government-Wide Net Program Revenues/Expenses



Public Safety required the most general revenue for support, needing \$2.1 million, followed by General Government - Judicial, needing \$1.8 million, and Conservation and Development, needing \$1.2 million during 2021.

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 51 and 52.

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 53 through 56.

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, 2021 and 2020:

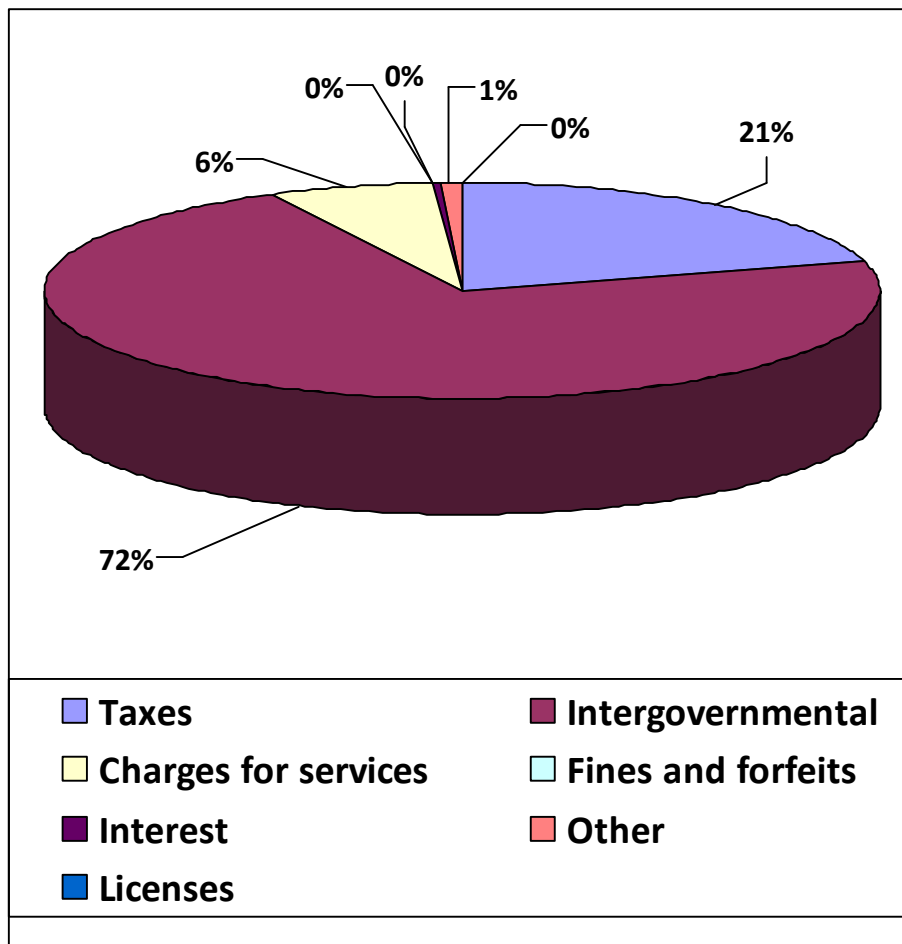
Statements of Revenues, Expenditures, and Changes in Fund Balance Years Ended December 31, 2021 and 2020

	Governmental Funds	
	2021	2020
Revenues:		
Taxes	\$ 12,243,011	\$ 11,801,789
Licenses	36,969	40,654
Intergovernmental	42,625,906	46,037,372
Charges for services	3,747,275	2,847,086
Fines and forfeits	114,297	97,245
Interest	49,023	37,852
Other	503,470	414,747
Total revenues	59,319,951	61,276,745
Expenditures:		
General government - administration	10,225,314	13,744,921
General government - judicial	4,091,802	3,910,208
Public safety	6,305,480	6,146,621
Public works	1,869,831	3,090,537
Human services	33,880,508	28,363,458
Conservation and development	1,577,439	3,910,356
Culture and recreation	299,980	265,275
Debt service	161,119	175,201
Total expenditures	58,411,473	59,606,577
Excess (Deficiency) of Revenues Over Expenditures	908,478	1,670,168
Other Financing Sources (Uses):		
Sale of capital assets	25,272	75,482
Transfers in	3,776,874	4,625,668
Transfers out	(3,776,874)	(4,625,668)
Proceeds from capital leases	41,723	-
Total other financing sources (uses)	66,995	75,482
Net Change in Fund Balance	975,473	1,745,650
Fund balance, beginning	12,978,628	11,232,978
Fund balance, ending	\$ 13,954,101	\$ 12,978,628

MANAGEMENT’S DISCUSSION AND ANALYSIS

Governmental funds revenues, by source, for the year ended December 31, 2021 were:

**Governmental Funds
Revenues Classified by Source
Total Revenues: \$59,319,951**

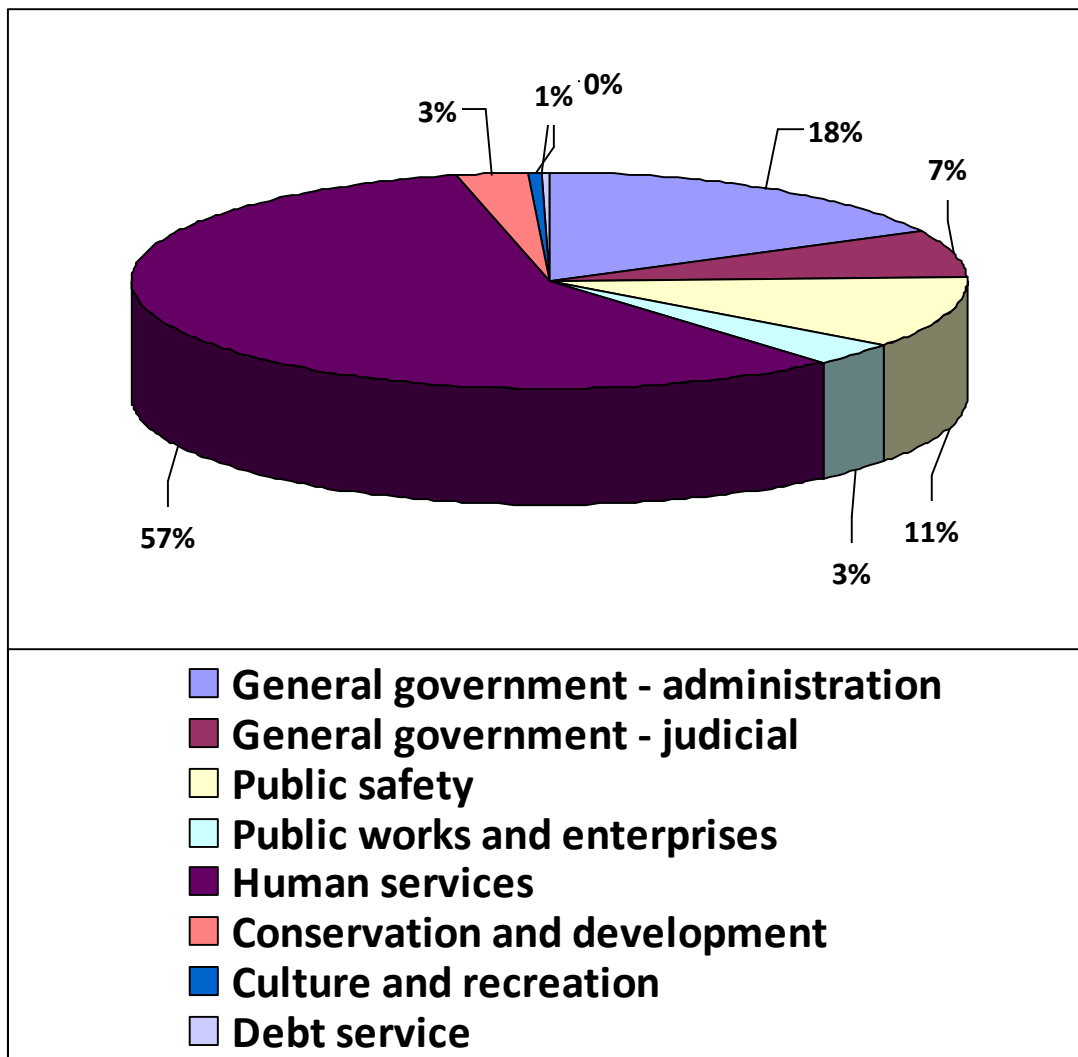


Governmental fund revenues totaled \$59.3 million for the year ended December 31, 2021, of which \$42.6 million (72%) came from Intergovernmental (Federal and State) Revenue. Taxes accounted for \$12.2 million (21%) in revenue. Charges for services reached \$3.7 million (6%) in revenue. Other revenue 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, 2021 were:

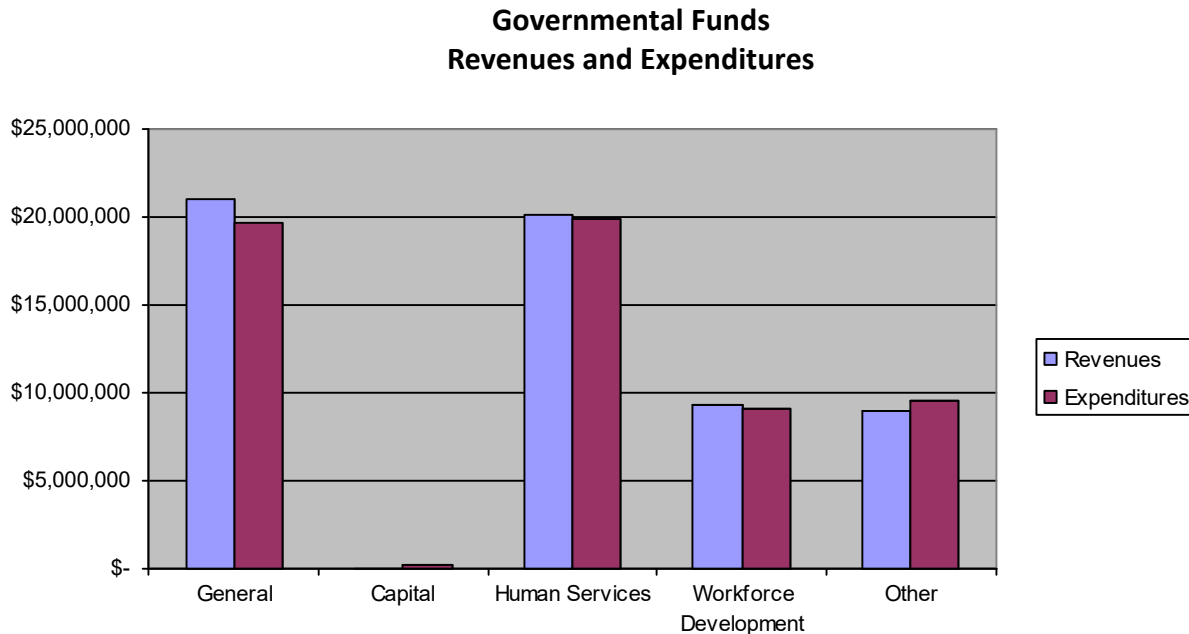
**Governmental Funds
Expenditures Classified by Function
Total Expenditures: \$58,411,473**



Governmental funds expenditures totaled \$58.4 million for the year ended December 31, 2021, of which \$33.9 million (57%) were Human Services expenditures. General Government – Administration, Public Safety, and General Government – Judicial, make up the next largest pieces, with expenditures of \$10.2 million (18%), \$6.3 million (11%), and \$4.1 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, 2021:



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, 2021 is found on page 49 of the financial statements.

Overall, the County had a favorable variance between the final budget and the actual net change in fund balance of \$777,000.

The County had a favorable variance between the final budget and actual revenues of approximately \$4.7 million. The favorable variance relates to additional grant funding for both pandemic relief and certain projects unplanned.

The County had an unfavorable variance between the final budget and actual expenditures of approximately \$1.1 million. The majority of this variance occurred in the General government - administration function, which shows approximately \$3.1 million of unfavorable variance, mainly attributed to expenses associated with funding of the pandemic relief and other projects. This unfavorable variance was offset by a favorable variance in the Public Safety function of approximately \$1.5 million, due to less required spending in for outside housing of prisoners and other reduced spending due to the pandemic.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS

The County's investment in capital assets including infrastructure as of December 31, 2021 amounts to \$36,303,523, 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, 2021, 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, 2021

	Primary Government	Component Unit
	Governmental Activities	Venango County Economic Development Authority
Assets		
Cash and cash equivalents - pooled	\$ 19,599,511	\$ -
Cash and cash equivalents	-	242,482
Taxes receivable, net	1,323,119	-
Accounts receivable, at estimated realizable value	2,507,356	1,123,696
Accounts receivable - fiduciary funds	554,477	-
Due from component unit	2,596,953	-
Due from other governments	8,151,756	-
Due from primary government	-	283,090
Other assets	33,574	-
Net pension asset	12,632,881	-
Land held for sale	-	18,370
Capital assets, not being depreciated	2,138,928	528,697
Capital assets, net of accumulated depreciation	34,164,595	2,188,840
Total Assets	83,703,150	4,385,175
Deferred Outflows of Resources		
Deferred outflows of resources for pension	3,604,250	-
Liabilities		
Accounts payable	3,937,618	32,200
Accrued payroll	286,389	10,098
Due to component unit	283,090	-
Due to primary government	-	2,596,953
Escrow liabilities	608,111	-
Unearned revenue	14,401,366	-
Compensated absences, non-current	790,129	-
Capital lease payable:		
Current	136,664	-
Non-current	149,531	-
Total Liabilities	20,592,898	2,639,251
Deferred Inflows of Resources		
Deferred inflows of resources for pension	8,265,908	-
Net Position		
Net investment in capital assets	36,017,328	2,717,537
Restricted for:		
Pension	12,632,881	-
Operating reserve	5,207,736	-
Human services	84,896	-
Roads and bridges	1,587,126	-
Hazardous material	123,194	-
Act 13	377,293	-
Constable server fees	322,257	-
Offender identification	541,145	-
Records improvement/automation	79,856	-
Sugar Valley Lodge	152,094	-
Domestic relations	833,916	-
Demolitions	73,637	-
Other purposes	116,002	-
Unrestricted	299,233	(971,613)
Total Net Position	\$ 58,448,594	\$ 1,745,924

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

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	\$ 6,316,227	\$ 1,081,455	\$ 4,274,711	\$ -	\$ (960,061)	\$ -
General government - judicial	4,119,387	1,543,339	730,850	-	(1,845,198)	-
Public safety	5,676,981	278,343	3,269,125	-	(2,129,513)	-
Public works	767,021	437,511	-	1,204,075	874,565	-
Human services	33,005,457	560,602	32,737,104	-	292,249	-
Conservation and development	1,577,439	-	-	410,041	(1,167,398)	-
Culture and recreation	276,803	-	-	-	(276,803)	-
Interest	13,500	-	-	-	(13,500)	-
Total governmental activities	<u>\$ 51,752,815</u>	<u>\$ 3,901,250</u>	<u>\$ 41,011,790</u>	<u>\$ 1,614,116</u>	<u>(5,225,659)</u>	<u>-</u>
Component Unit:						
Venango County Economic Development Authority	<u>\$ 280,353</u>	<u>\$ 4,698</u>	<u>\$ 572,625</u>	<u>\$ -</u>	<u>-</u>	<u>296,970</u>
General revenues:						
Property taxes					11,929,800	-
Other taxes					85,006	-
Interest and investment income					49,023	-
Other					503,470	205,181
Gain on sale of capital asset					25,272	-
Total general revenues					<u>12,592,571</u>	<u>205,181</u>
Change in Net Position					7,366,912	502,151
Net Position:						
Beginning of year					<u>51,081,682</u>	<u>1,243,773</u>
End of year					<u>\$ 58,448,594</u>	<u>\$ 1,745,924</u>

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2021

	General Fund	Capital Projects Fund	Human Services Fund	Workforce Development Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents - pooled	\$ 12,941,994	\$ (336,320)	\$ (2,809)	\$ (1,102,470)	\$ 8,099,116	\$ 19,599,511
Taxes receivable, net	1,323,119	-	-	-	-	1,323,119
Accounts receivable	1,297,144	-	810,382	-	399,830	2,507,356
Due from component unit	2,596,953	-	-	-	-	2,596,953
Due from other funds	698,380	-	1,999	-	14,453	714,832
Due from other governments	722,191	-	4,679,063	1,778,469	972,033	8,151,756
Other assets	-	-	-	-	33,574	33,574
Total Assets	\$ 19,579,781	\$ (336,320)	\$ 5,488,635	\$ 675,999	\$ 9,519,006	\$ 34,927,101
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable	\$ 813,326	\$ -	\$ 1,851,292	\$ 570,663	\$ 702,337	\$ 3,937,618
Accrued payroll	143,297	-	123,981	782	18,329	286,389
Due to component unit	283,090	-	-	-	-	283,090
Due to other funds	-	-	160,355	-	-	160,355
Due to other governments	-	-	-	-	-	-
Escrow liabilities	608,111	-	-	-	-	608,111
Unearned revenue	6,892,216	-	2,956,837	104,554	4,510,594	14,464,201
Total Liabilities	8,740,040	-	5,092,465	675,999	5,231,260	19,739,764
Deferred Inflows of Resources:						
Unavailable revenue - taxes/fees	1,233,236	-	-	-	-	1,233,236
Total Deferred Inflows of Resources	1,233,236	-	-	-	-	1,233,236
Fund Balance:						
Restricted:						
Operating reserve	5,207,736	-	-	-	-	5,207,736
Debt service	-	-	-	-	-	-
Human services	-	-	44,546	-	40,350	84,896
Roads and bridges	-	-	-	-	1,587,126	1,587,126
Hazardous material	-	-	-	-	123,194	123,194
Act 13	-	-	-	-	377,293	377,293
Constable server fees	-	-	-	-	322,257	322,257
Offender identification	-	-	-	-	541,145	541,145
Records improvement/automation	-	-	-	-	79,856	79,856
Sugar Valley Lodge	-	-	-	-	152,094	152,094
Domestic relations	-	-	-	-	833,916	833,916
Demolitions	-	-	-	-	73,637	73,637
Other purposes	-	-	-	-	116,002	116,002
Assigned:						
Substance abuse	-	-	351,624	-	-	351,624
Airport operations	-	-	-	-	21,443	21,443
Community action	-	-	-	-	19,433	19,433
Unassigned	4,398,769	(336,320)	-	-	-	4,062,449
Total Fund Balance	9,606,505	(336,320)	396,170	-	4,287,746	13,954,101
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 19,579,781	\$ (336,320)	\$ 5,488,635	\$ 675,999	\$ 9,519,006	\$ 34,927,101

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

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

DECEMBER 31, 2021

Total Fund Balance - Governmental Funds	\$ 13,954,101
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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.	36,303,523
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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.	1,296,071
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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.	12,632,881
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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.	(4,661,658)
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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	\$ (790,129)	
Capital lease payable	<u>(286,195)</u>	
		<u>(1,076,324)</u>

Total Net Position - Governmental Activities	\$ 58,448,594
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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, 2021

	General Fund	Capital Projects Fund	Human Services Fund	Workforce Development Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 12,243,011	\$ -	\$ -	\$ -	\$ -	\$ 12,243,011
Licenses	36,969	-	-	-	-	36,969
Intergovernmental	5,743,739	-	19,347,576	9,272,052	8,262,539	42,625,906
Charges for services	2,627,192	-	504,002	15,365	600,716	3,747,275
Fines and forfeits	114,297	-	-	-	-	114,297
Interest	12,734	-	6,339	-	29,950	49,023
Other	187,965	-	233,965	-	81,540	503,470
Total revenues	20,965,907	-	20,091,882	9,287,417	8,974,745	59,319,951
Expenditures:						
General government - administration	10,149,935	41,723	-	-	33,656	10,225,314
General government - judicial	3,404,711	-	-	-	687,091	4,091,802
Public safety	4,131,346	-	-	-	2,174,134	6,305,480
Public works	399,361	-	-	-	1,470,470	1,869,831
Human services	100,803	-	19,917,043	9,137,417	4,725,245	33,880,508
Conservation and development	1,161,695	-	-	-	415,744	1,577,439
Culture and recreation	295,980	-	-	-	4,000	299,980
Debt service	-	161,119	-	-	-	161,119
Total expenditures	19,643,831	202,842	19,917,043	9,137,417	9,510,340	58,411,473
Excess (Deficiency) of Revenues Over Expenditures	1,322,076	(202,842)	174,839	150,000	(535,595)	908,478
Other Financing Sources (Uses):						
Sale of capital assets	2,772	-	22,500	-	-	25,272
Proceeds from capital leases	-	41,723	-	-	-	41,723
Transfers in	1,293,991	-	1,762,581	-	910,767	3,967,339
Transfers out	(1,841,472)	-	(1,905,055)	(150,000)	(70,812)	(3,967,339)
Total other financing sources (uses)	(544,709)	41,723	(119,974)	(150,000)	839,955	66,995
Net Change in Fund Balance	777,367	(161,119)	54,865	-	304,360	975,473
Fund Balance:						
Beginning of year	8,829,138	(175,201)	341,305	-	3,983,386	12,978,628
End of year	\$ 9,606,505	\$ (336,320)	\$ 396,170	\$ -	\$ 4,287,746	\$ 13,954,101

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, 2021

Net Change in Fund Balance - Governmental Funds \$ 975,473

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	\$ 6,788,974	
Depreciation expense	<u>(1,977,103)</u>	4,811,871

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.	1,814,710
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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.	(225,496)
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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.	105,896
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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.	<u>(115,542)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 7,366,912</u></u>
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See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2021

	Pension Trust Fund	Custodial Funds
Assets		
Cash and cash equivalents	\$ 1,403,803	\$ 1,416,881
Investments:		
Bond mutual funds	6,242,308	-
U.S. government securities	493,203	-
Corporate bonds	11,571,220	-
Equity mutual funds	44,987,063	-
Equities	7,572,250	-
Accounts receivable and fines, at estimated realizable value	-	274,187
Total Assets	72,269,847	1,691,068
Liabilities		
Due to other funds	-	554,477
Due to other governments	-	693,155
Escrow liability and interest	-	443,436
Total Liabilities	-	1,691,068
Net Position		
Net Position Restricted for Fiduciary Funds	<u>\$ 72,269,847</u>	<u>\$ -</u>

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2021

	Pension Trust Fund	Custodial Funds
Additions:		
Contributions:		
Employee	\$ 1,277,541	\$ -
Employer	381,213	-
Total contributions	1,658,754	-
Investment income (loss):		
Net increase (decrease) in fair value of investments	8,999,718	-
Interest and dividends	893,793	-
Total investment income (loss)	9,893,511	-
Less investment expense	189,994	-
Net investment income (loss)	9,703,517	-
Receipts:		
Treasurer	-	183,122
Register of Wills and Recorder of Deeds	-	2,057,942
Prothonotary and Clerk of Courts	-	1,968,132
Sheriff	-	331,009
Tax Claim	-	4,297,523
Total receipts	-	8,837,728
Total additions	11,362,271	8,837,728
Deductions:		
Benefits and refunds paid to plan members and beneficiaries	4,252,663	-
Administrative expense	42,425	-
Payments to other governments	-	6,303,351
Escrow payments	-	1,593,999
Other disbursements	-	940,378
Total deductions	4,295,088	8,837,728
Increase (Decrease) in Fiduciary Net Position	7,067,183	-
Net Position:		
Beginning of year	65,202,664	-
End of year	\$ 72,269,847	\$ -

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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:

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

The County is financially accountable for:

1. Organizations that make up the legal County entity.
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 2021, 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

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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 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, 2021

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, 2021

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, pensions, 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, 2021

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, 2021 is not significant.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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 acquisition 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, 2021

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, changes in assumption, 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.

Unearned Revenues

Unearned revenues reported in the government-wide financial statements will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent revenues that are measurable but not available, and in accordance with the modified accrual basis of accounting are reported as unearned revenues.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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, 2021.
- 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, hazardous materials, Act 13 of 2012 Marcellus Shale Legacy funds, constable server fees, offender identification, records improvement and automation, Sugar Valley Lodge, domestic relations, demolitions and other purposes.
- 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, 2021.
- 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.

COUNTY OF VENANGO, PENNSYLVANIA

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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 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.

COUNTY OF VENANGO, PENNSYLVANIA

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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.
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

COUNTY OF VENANGO, PENNSYLVANIA

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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, 2021, expenditures in the General Fund exceeded appropriations in general government – administration and culture and recreation. This overage was funded by excess revenues, transfers in from other funds, and, to the extent available, fund balance.

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 Pronouncement

The requirements of the following Governmental Accounting Standards Board (GASB) Statement were adopted for the County's 2021 financial statements: Statement No. 89, (Accounting for Interest Cost Incurred before the End of a Construction Period) and No. 93 (Replacement of Interbank Offered Rates). These statements had no impact on the County's financial statements for the year ended December 31, 2021.

Pending Pronouncements

GASB has issued statements that will become effective in future years, including Statement Nos. 87 (Leases), 91 (Conduit Debt Obligations), 92 (Omnibus 2020), 94 (Public-Private and Public-Public Partnerships), 96 (Information Technology Arrangements), 97 (Deferred Compensation Plans), 98 (The Annual Comprehensive Financial Report), 99 (Omnibus 2022), 100 (Accounting Changes and Error Corrections), and 101 (Compensated Absences). 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

COUNTY OF VENANGO, PENNSYLVANIA

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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.
- 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 \$20,524,324 at December 31, 2021, \$826,724 was covered by federal depository insurance. The remaining balance was

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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 \$19,599,511 as of December 31, 2021, 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 \$1,416,881 and the bank balance was \$1,416,881. 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 governmental deposits and has the collateral held by an approved custodian in the institution's name.

Pension Trust Fund Investments

As of December 31, 2021, the County Pension Trust Fund held the following investments:

Cash or Investment Type	Fair Value	Investment Maturities (In Years) from December 31, 2021			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Bond mutual funds	\$ 6,242,308	\$ 6,242,308	\$ -	\$ -	\$ -
U.S. government securities	493,203	30,258	462,945	-	-
Corporate bonds	11,571,220	258,081	5,995,918	1,513,341	3,803,880
Total debt securities	18,306,731	\$ 6,530,647	\$ 6,458,863	\$ 1,513,341	\$ 3,803,880
Cash and cash equivalents	1,403,803				
Equity mutual funds	44,987,063				
Equities	7,572,250				
Total Pension Trust Fund cash, cash equivalents, and investments reported on statement of fiduciary net position	\$ 72,269,847				

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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, 2021:

Investments by Fair Value Level	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Fixed income:				
Bond mutual funds	\$ 6,242,308	\$ 6,242,308	\$ -	\$ -
U.S. government securities	493,203	493,203	-	-
Corporate bonds	11,571,220	-	11,571,220	-
Total fixed income	18,306,731	6,735,511	11,571,220	-
Equity mutual funds:				
Small blend	733,940	733,940	-	-
Large blend	17,292,496	17,292,496	-	-
Small growth	555,509	555,509	-	-
Mid cap growth	3,154,786	3,154,786	-	-
Large growth	9,087,824	9,087,824	-	-
Mid cap value	2,159,288	2,159,288	-	-
Large value	7,052,493	7,052,493	-	-
Foreign small growth	515,613	515,613	-	-
Foreign large growth	3,053,754	3,053,754	-	-
Foreign large blend	909,768	909,768	-	-
Diversified emerging market	471,592	471,592	-	-
Total equity mutual funds	44,987,063	44,987,063	-	-
Equities	7,572,250	7,572,250	-	-
Total investments by fair value level	70,866,044	\$ 59,294,824	\$ 11,571,220	\$ -
Money market funds	1,403,803			
Total Pension Trust Fund cash, cash equivalents, and investments reported on statement of fiduciary net position	\$ 72,269,847			

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 are reported at amortized cost, which approximates market. Corporate 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, 2021, 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	\$ 8,325,834	50%
Aa1	30,716	0%
Aa3	232,836	1%
A1	96,202	1%
A2	1,002,122	6%
A3	171,140	1%
Baa1	3,289,678	20%
Baa2	2,036,277	13%
Baa3	498,970	3%
B2	763,870	5%
Subtotal	16,447,645	100%
Not rated	1,859,086	
Total fixed income investments	\$ 18,306,731	

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, 2021, the County's Pension Trust Fund cash and cash equivalents bank and investment balance was \$1,449,901 and the carrying amount was \$1,403,803. Of the bank and investment balance, \$1,449,901 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 counterparty fails, owing the County cash and securities that are missing from their

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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.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

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4. Capital Assets

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

	Balance at January 1, 2021	Transfers/ Additions	Transfers/ Deletions	Balance at December 31, 2021
Governmental Activities:				
Capital assets, not being depreciated:				
Construction in Progress	\$ 7,185,697	\$ -	\$ (7,185,697)	\$ -
Land	2,138,928	-	-	2,138,928
Total capital assets, not being depreciated	9,324,625	-	(7,185,697)	2,138,928
Capital assets, being depreciated:				
Land improvements	1,520,880	-	-	1,520,880
Buildings and improvements	23,747,518	10,612,318	-	34,359,836
Machinery and equipment	16,020,363	952,649	(78,061)	16,894,951
Infrastructure	22,892,554	2,409,704	-	25,302,258
Total capital assets, being depreciated	64,181,315	13,974,671	(78,061)	78,077,925
Less: accumulated depreciation for:				
Land improvements	(659,897)	(67,764)	-	(727,661)
Buildings and improvements	(10,938,714)	(644,128)	-	(11,582,842)
Machinery and equipment	(11,532,118)	(749,070)	78,061	(12,203,127)
Infrastructure	(18,883,559)	(516,141)	-	(19,399,700)
Total accumulated depreciation	(42,014,288)	(1,977,103)	78,061	(43,913,330)
Total capital assets, being depreciated net	22,167,027	\$ 11,997,568	\$ -	34,164,595
Governmental activities, capital assets, net	\$ 31,491,652			\$ 36,303,523

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Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 434,328
Judicial	82,896
Public safety	368,807
Public works	672,480
Human services	373,401
Culture and recreation	<u>45,191</u>
Total depreciation expense - governmental activities	<u>\$ 1,977,103</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 2021, County real estate taxes were levied at the rate of 6.000 mills on assessed valuation. Total assessed valuation for non-exempt properties in 2021 was approximately \$2,037,912,135.

COUNTY OF VENANGO, PENNSYLVANIA

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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, 2021 is as follows:

	Gross Receivable	Allowance for Uncollectibles	Net Receivable
Governmental activities:			
Property taxes receivable	\$ 1,733,272	\$ 410,153	\$ 1,323,119
Court-related receivables (portion of accounts receivable - fiduciary funds)	\$ 4,052,928	\$ 3,778,741	\$ 274,187

7. Interfund Receivables, Payables, and Transfers

Individual fund receivable and payable balances at December 31, 2021, as well as interfund transfers for the year ended December 31, 2021, were as follows:

Funds	Interfund Receivables	Interfund Payables	Transfers In	Transfers Out
Governmental activities:				
General	\$ 698,380	\$ -	\$ 1,293,991	\$ 1,841,472
Capital Projects	-	-	-	-
Human Services	1,999	160,355	1,572,116	1,714,590
Workforce Development	-	-	-	150,000
Other governmental funds	14,453	-	910,767	70,812
Fiduciary Fund:				
Custodial Funds	-	554,477	-	-
	\$ 714,832	\$ 714,832	\$ 3,776,874	\$ 3,776,874

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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 2021 measurement period, Plan membership consisted of the following:

Inactive Plan members or beneficiaries currently receiving benefits	337
Inactive Plan members entitled to but not yet receiving benefits	48
Active Plan members	<u>371</u>
Total Plan members	<u><u>756</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.

COUNTY OF VENANGO, PENNSYLVANIA

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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 2021, the active member contribution rate was 9% of annual pay and the County average contribution rate was 2.25% of annual payroll.

In 2021, the County's annual required contribution to the Plan was \$381,213 as determined by the January 1, 2021 actuarial valuation. The 2021 employee contributions were \$1,277,541.

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Net Pension Liability (Asset)

The components of the net pension liability (asset) of the Plan at December 31, 2021 were as follows:

Total pension liability	\$ 59,636,966
Plan fiduciary net position	<u>(72,269,847)</u>
Net pension liability (asset)	<u>\$ (12,632,881)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>121.18%</u>

Changes in the Net Pension Liability (Asset)

The changes in the net pension liability (asset) of the County for the year ended 2021 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (asset)
Balances at December 31, 2020	\$ 57,658,260	\$ 65,202,664	\$ (7,544,404)
Changes for the year:			
Service cost	1,730,883	-	1,730,883
Interest	4,042,942	-	4,042,942
Differences between expected and actual experience	457,544	-	457,544
Changes of assumptions	-	-	-
Contributions - employer	-	381,213	(381,213)
Contributions - employee	-	1,277,541	(1,277,541)
Net investment income	-	9,703,517	(9,703,517)
Benefit payments, including refunds	(4,252,663)	(4,252,663)	-
Administrative expense	-	(42,425)	42,425
Net changes	<u>1,978,706</u>	<u>7,067,183</u>	<u>(5,088,477)</u>
Balances at December 31, 2021	<u>\$ 59,636,966</u>	<u>\$ 72,269,847</u>	<u>\$ (12,632,881)</u>
Plan fiduciary net position as a percentage of the total pension liability			<u>121.18%</u>

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Actuarial Assumptions - The total pension liability was determined by an actuarial valuation performed on January 1, 2021 and rolled forward to December 31, 2021, 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, 2021

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, 2021:

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, 2021, the annual money-weighted rate of return on pension plan investments, net of investment expense, was 9.86%.

Concentrations – At December 31, 2021, 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, 2021

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>\$ (6,199,757)</u>	<u>\$ (12,632,881)</u>	<u>\$ (18,807,662)</u>

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

For the year ended December 31, 2021, the County recognized pension expense of (\$1,493,917). At December 31, 2021, 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	\$ 796,366
Changes in assumption	<u>2,807,884</u>
Total Deferred Outflows of Resources	<u>\$ 3,604,250</u>

Deferred Inflows of Resources:

Differences between expected and actual experience	\$ 233,052
Changes in assumption	-
Net difference between projected and actual earnings on pension plan investments	<u>8,032,856</u>
Total Deferred Inflows of Resources	<u>\$ 8,265,908</u>

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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>	
2022	\$ (711,672)
2023	(1,864,917)
2024	(1,070,979)
2025	<u>(1,014,090)</u>
Total	<u>\$ (4,661,658)</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 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. The lease was fully paid off as of December 31, 2021.

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. \$5,009 is included in capital assets – machinery and equipment as a capital lease.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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. \$16,995 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. \$45,766 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 \$184,354 is included in capital assets – machinery and equipment as a capital lease.

During 2021, 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 \$8,300, including interest, for a term of five years. \$34,074 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, 2021:

For The Year Ending December 31,	Total
2022	\$ 136,664
2023	127,978
2024	12,508
2025	8,345
2026	700
	<u>\$ 286,195</u>

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2021 was as follows:

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
Compensated absences	\$ 674,587	\$ 115,542	\$ -	\$ 790,129	\$ -
Capital lease	392,091	41,723	(147,619)	286,195	136,664
Long-term liabilities	<u>\$ 1,066,678</u>	<u>\$ 157,265</u>	<u>\$ (147,619)</u>	<u>\$ 1,076,324</u>	<u>\$ 136,664</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 2021, the County had one lease for office space, with the lease term ending in 2026. Lease expenses for the CareerLink® centers were approximately \$108,000 during the year ended December 31, 2021. Future minimum lease payments are as follows:

For The Year Ending December 31,	Total
2022	\$ 110,493
2023	110,493
2024	110,493
2025	110,493
2026	64,454
Thereafter	-
	<u>\$ 506,426</u>

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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 government 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, 2021

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

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, 2021. 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, 2021

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, 2021.
- 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), 91 (Conduit Debt Obligations), 92 (Omnibus 2020), 94 (Public-Private and Public-Public Partnerships and Availability Payment Arrangements), 96 (Information Technology Arrangements), 97 (Deferred Compensation Plans), and 99 (Omnibus 2022). 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, 2021

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, 2021, none of the Authority's bank balance of \$239,802 was exposed to custodial credit risk. These deposits have a carrying amount of \$242,482 at December 31, 2021.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

4. Capital Assets

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

	Balance at January 1, 2021	Additions/ Transfers	Disposals/ Transfers	Balance at December 31, 2021
Capital assets not being depreciated				
Construction in progress	\$ 79,512	\$ 449,185	\$ -	\$ 528,697
Total capital assets not being depreciated	79,512	449,185	-	528,697
Capital assets being depreciated				
Buildings	2,282,130	-	-	2,282,130
Equipment	19,063	-	-	19,063
Total capital assets being depreciated	2,301,193	-	-	2,301,193
Less: accumulated depreciation	(57,986)	(54,367)	-	(112,353)
Total capital assets being depreciated, net	2,243,207	(54,367)	-	2,188,840
Total capital assets	\$ 2,322,719	\$ 394,818	\$ -	\$ 2,717,537

5. Capital Commitments

As of December 31, 2021, the Authority has commitments of approximately \$255,775 related to construction and renovation contracts that are funded through grant monies and a match from the County.

6. Related Party Transactions

The Board and the Fiscal Agent of the Authority serve in the same capacity for the County. In 2021, the County contributed \$159,615 to the Authority for the operation of the Authority. As of December 31, 2021, 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 \$14,106 during 2021, and is payable to the County at year-end. Lastly, the Authority owes the County \$1,582,847 at December 31, 2021 for operating expenses. As of December 31, 2021, the County owes the Authority \$283,090 for capital construction project grant matching.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF VENANGO, PENNSYLVANIA

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

YEARS ENDED DECEMBER 31
LAST TEN YEARS*

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability:								
Service cost	\$ 684,262	\$ 764,366	\$ 2,047,722	\$ 1,983,285	\$ 1,625,821	\$ 1,680,494	\$ 1,680,947	\$ 1,730,883
Interest	3,135,186	3,219,777	3,261,837	3,372,726	3,522,742	3,617,566	3,901,437	4,042,942
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	457,544
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)	(4,252,663)
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	1,978,706
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	57,658,260
Total Pension Liability - Ending (a)	\$ 43,742,757	\$ 45,802,537	\$ 45,684,161	\$ 47,354,823	\$ 48,804,742	\$ 50,110,468	\$ 57,658,260	\$ 59,636,966
Plan Fiduciary Net Position:								
Contributions - employer	\$ 308,015	\$ -	\$ 315,826	\$ 521,262	\$ 468,850	\$ 552,137	\$ 546,496	\$ 381,213
Contributions - member	1,197,982	1,332,932	1,262,808	1,240,886	1,244,366	1,273,928	1,345,731	1,277,541
Net investment income	3,085,470	(587,761)	3,624,690	7,037,037	(2,290,995)	10,615,363	7,991,581	9,703,517
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)	(4,252,663)
Administrative expense	(53,950)	(37,964)	(39,920)	(47,418)	(40,342)	(38,957)	(38,102)	(42,425)
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	7,067,183
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	65,202,664
Plan Fiduciary Net Position - Ending (b)	\$ 49,344,622	\$ 46,848,510	\$ 48,647,455	\$ 54,212,186	\$ 50,270,219	\$ 59,247,150	\$ 65,202,664	\$ 72,269,847
Net Pension Liability (Asset) - Ending (a-b)	\$ (5,601,865)	\$ (1,045,973)	\$ (2,963,294)	\$ (6,857,363)	\$ (1,465,477)	\$ (9,136,682)	\$ (7,544,404)	\$ (12,632,881)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	112.81%	102.28%	106.49%	114.48%	103.00%	118.23%	113.08%	121.18%
Covered Payroll	\$ 12,419,947	\$ 13,022,708	\$ 13,554,768	\$ 13,299,408	\$ 13,244,345	\$ 13,566,010	\$ 13,674,574	\$ 14,226,426
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-45.10%	-8.03%	-21.86%	-51.56%	-11.06%	-67.35%	-55.17%	-88.80%

* 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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 649,335	\$ 822,588	\$ 308,015	\$ -	\$ 315,826	\$ 520,007	\$ 468,850	\$ 552,137	\$ 546,496	\$ 381,213
Contributions in relation to the actuarially determined contribution	649,335	822,588	308,015	-	315,826	521,262	468,850	552,137	546,496	381,213
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,255)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 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	\$ 14,226,426
Contributions as a percentage of covered payroll	5.30%	7.07%	2.48%	0.00%	2.33%	3.92%	3.54%	4.07%	4.00%	2.68%

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	2021
Annual money-weighted rate of return, net of investment expense	5.52%	-1.15%	9.39%	15.80%	-3.69%	18.09%	11.90%	9.86%

* 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, 2021

Actuarial Methods and Assumptions Used in Determining the Contribution Rate

	2014	2015	2016	2017	2018	2019	2020	2021
Actuarial valuation date	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021
Actuarial cost method	Entry Age Normal	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	Level Dollar
Remaining amortization period	N/A	N/A	N/A	N/A	N/A	N/A	15 years	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	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%	7.0%
Projected salary increases	4.5%	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%	3.0%
Cost-of-living adjustments	N/A	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	Pub G - 2010

Benefit Changes

There were no changes in the Plan benefits from 2010 to 2021.

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, 2021

	Budgeted Amounts		Actual amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 11,508,800	\$ 11,508,800	\$ 12,243,011	\$ 734,211
Licenses	41,220	41,220	36,969	(4,251)
Intergovernmental	2,129,874	2,130,874	5,743,739	3,612,865
Charges for services	2,404,515	2,404,515	2,627,192	222,677
Fines and forfeits	105,100	105,100	114,297	9,197
Interest	10,000	10,000	12,734	2,734
Other	77,125	88,787	187,965	99,178
Total revenues	16,276,634	16,289,296	20,965,907	4,676,611
Expenditures:				
General government - administration	7,027,654	7,028,656	10,149,935	(3,121,279)
General government - judicial	4,391,570	4,391,570	3,404,711	986,859
Public safety	5,627,533	5,639,195	4,131,346	1,507,849
Public works	495,297	495,297	399,361	95,936
Human services	134,982	134,982	100,803	34,179
Conservation and development	331,434	331,434	1,161,695	(830,261)
Culture and recreation	495,620	495,620	295,980	199,640
Total expenditures	18,504,090	18,516,754	19,643,831	(1,127,077)
Excess (Deficiency) of Revenues Over Expenditures	(2,227,456)	(2,227,458)	1,322,076	3,549,534
Other Financing Sources (Uses):				
Sale of capital assets	-	-	2,772	2,772
Transfers in	4,148,691	4,148,691	1,293,991	(2,854,700)
Transfers out	(1,921,233)	(1,921,233)	(1,841,472)	79,761
Total other financing sources (uses)	2,227,458	2,227,458	(544,709)	(2,772,167)
Net Change in Fund Balance	\$ 2	\$ -	\$ 777,367	\$ 777,367

SUPPLEMENTARY INFORMATION

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF EXPENDITURES BY PROGRAM IDENTIFIER - BUDGET TO ACTUAL

YEAR ENDED DECEMBER 31, 2021

Contract Title	Federal ALN	Contract Number	Contract Period	* Actual FSR Expenditures 1/1/21-12/31/21	** Cumulative FSR Expenditures through 12/31/21	Actual FSR Expenditures Prior to 1/1/21	Actual FSR Expenditures 1/1/21 - 6/30/21	*** Authorized Budget	**** (Over) Under
21 - Adult Local 1st	17.258	170-21-3001	7/1/21-6/30/23	\$ 227,068	\$ 227,068	\$ -	\$ -	\$ 252,298	\$ 252,298
20 - Adult Local 1st	17.258	170-20-3001	7/1/20-6/30/21	20,463	204,639	184,176	-	204,639	20,463
21 - Adult Local 2nd	17.258	170-21-3011	10/1/21-6/30/23	34,036	34,036	-	-	1,189,108	1,189,108
20 - Adult Local 2nd	17.258	170-20-3011	10/1/20-6/30/21	820,965	960,900	139,935	603,002	1,021,160	278,223
19 - Adult Local 2nd	17.258	170-19-3011	10/1/19-6/30/21	103,454	1,210,643	1,107,189	103,454	1,210,643	-
19 - Adult 2nd 10% PY BEP	17.258	170-19-3132	1/1/20-6/30/22	24,879	24,879	-	24,133	120,000	95,867
18 - Youth 10% SW PY20-21 SLIP	17.259	170-18-3350	2/1/21-6/30/21	10,000	10,000	-	10,000	10,000	-
19 - Youth SW Fusion	17.259	170-19-3343	1/1/22-4/30/22	-	-	-	-	17,015	17,015
21 - Youth Local	17.259	170-21-3301	4/1/21-6/30/23	261,635	261,635	-	-	1,612,976	1,612,976
20 - Youth Local	17.259	170-20-3301	4/1/20-6/30/21	1,300,101	1,300,101	-	804,771	1,369,933	565,162
19 - Youth Local	17.259	170-19-3301	4/1/19-6/30/21	219,431	1,602,387	1,382,956	219,431	1,602,387	-
19 - COVID 19 PACL/Prg	17.277	170-19-8523	5/27/20-6/30/21	13,642	28,329	14,687	13,351	52,022	23,984
18 - Economic Transition	17.277	170-18-8423	1/1/19-9/30/21	88,468	889,560	801,092	88,468	889,560	-
18 - Trade and Economic Transition	17.277	170-18-8323	10/1/18-9/30/21	50,050	50,050	-	-	50,050	50,050
21 - DW Local 1st	17.278	170-21-4001	7/1/21-6/30/22	-	-	-	-	261,078	261,078
20 - DW Local 1st	17.278	170-20-4001	7/1/20-6/30/21	273,954	273,954	-	246,559	273,954	27,395
19 - DW Local 1st	17.278	170-19-4001	7/1/19-6/30/20	30,354	303,542	273,188	30,354	303,542	-
21 - DW 2nd Local	17.278	170-21-4011	10/1/21-6/30/23	-	-	-	-	1,111,020	1,111,020
20 - DW 2nd Local	17.278	170-20-4011	10/1/02-6/30/21	1,043,708	1,043,708	-	189,572	1,234,589	1,045,017
19 - DW 2nd Local	17.278	170-19-4011	10/1/19-6/30/21	193,325	1,195,117	1,001,792	193,325	1,195,117	-
19 - PY20-21 SLIP	17.278	170-19-4053	2/1/21-9/30/21	20,000	20,000	-	-	20,000	20,000
18 - DW SW	17.278	170-18-4131	1/1/21-6/30/21	20,073	20,073	-	20,073	20,073	-
18 - RRAA	17.278	170-18-4152	10/1/18-6/30/21	28,806	181,630	152,824	28,806	181,630	-
21 - BEP Funds JB	17.278	170-21-4132	2/1/22-12/31/23	-	-	-	-	150,000	150,000
20 - DW 2nd RR	17.278	170-20-4151	10/1/21-6/30/22	24,132	24,132	-	-	25,000	25,000
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	-
19 - DW 2nd DW2 to AD2	17.278	170-19-3013	10/1/19-6/30/21	25,000	250,000	225,000	25,000	250,000	-
21 - PA TANF	93.558	170-21-3361	7/1/21-6/30/22	-	-	-	-	883,140	883,140
20 - PA TANF	93.558	170-20-3361	7/1/20-6/30/21	689,837	689,837	-	234,879	1,028,370	793,491
19 - PA TANF	93.558	170-19-3361	7/1/19-6/30/20	482,088	1,010,940	528,852	482,088	1,010,940	-
Total FSR contract expenses					<u>\$ 11,944,796</u>		<u>\$ 3,317,266</u>		

* Calendar year contract encumbrances

** Cumulative encumbrances for the life of the grant up to the audit period end date 12/31/2021.

*** Total authorized budget for contract.

**** Over/Under is the difference between the authorized budget minus the fiscal year contract encumbrances (7/1/2020-6/30/2021) minus expenditures prior to 7/1/2020.

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, 2021

	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	\$ 575,114	\$ 19,042	\$ (3,584,768)	\$ 681,009	\$ 323,316	\$ 1,983,478	\$ (2,809)
Accounts receivable	29,394	-	286,288	120,984	373,716	-	810,382
Due from other funds	-	-	-	1,999	-	-	1,999
Due from other governments	50,269	-	4,350,630	-	10,196	267,968	4,679,063
Other assets	-	-	-	-	-	-	-
Total Assets	\$ 654,777	\$ 19,042	\$ 1,052,150	\$ 803,992	\$ 707,228	\$ 2,251,446	\$ 5,488,635
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	\$ 157,070	\$ -	\$ 777,279	\$ 244,933	\$ 569,011	\$ 102,999	\$ 1,851,292
Accrued payroll	10,126	-	67,092	11,179	20,682	14,902	123,981
Due to other funds	-	-	160,355	-	-	-	160,355
Unearned revenue	487,581	328	21,592	196,256	117,535	2,133,545	2,956,837
Total Liabilities	654,777	328	1,026,318	452,368	707,228	2,251,446	5,092,465
Fund Balance:							
Nonspendable	-	-	-	-	-	-	-
Restricted:							
Human services	-	18,714	25,832	-	-	-	44,546
Assigned:							
Substance abuse	-	-	-	351,624	-	-	351,624
Unassigned	-	-	-	-	-	-	-
Total Fund Balance	-	18,714	25,832	351,624	-	-	396,170
Total Liabilities and Fund Balance	\$ 654,777	\$ 19,042	\$ 1,052,150	\$ 803,992	\$ 707,228	\$ 2,251,446	\$ 5,488,635

COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2021

	Older Adult Services	Retired Senior Volunteer Program	Children and Youth Services	Substance Abuse	Mental Health	Developmental Services	Total Human Services Fund
Revenues:							
Intergovernmental	\$ 2,101,123	\$ -	\$ 10,359,786	\$ 1,071,947	\$ 3,520,842	\$ 2,293,878	\$ 19,347,576
Charges for services	-	-	110,250	377,216	-	16,536	504,002
Interest	878	31	64	1,105	293	3,968	6,339
Other	11,883	-	-	-	31,617	190,465	233,965
Total revenues	2,113,884	31	10,470,100	1,450,268	3,552,752	2,504,847	20,091,882
Expenditures:							
Human services	1,996,785	-	11,219,949	1,379,786	3,778,644	1,541,879	19,917,043
Excess (Deficiency) of Revenues Over Expenditures	117,099	31	(749,849)	70,482	(225,892)	962,968	174,839
Other Financing Sources (Uses):							
Sale of capital assets	-	-	-	-	22,500	-	22,500
Transfers in	-	-	1,250,211	47,714	431,043	33,613	1,762,581
Transfers out	(117,099)	-	(504,019)	(59,705)	(227,651)	(996,581)	(1,905,055)
Total other financing sources (uses)	(117,099)	-	746,192	(11,991)	225,892	(962,968)	(119,974)
Net Change in Fund Balance	-	31	(3,657)	58,491	-	-	54,865
Fund Balance:							
Beginning of year	-	18,683	29,489	293,133	-	-	341,305
End of year	\$ -	\$ 18,714	\$ 25,832	\$ 351,624	\$ -	\$ -	\$ 396,170

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, 2021

	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	\$ 1,595,093	\$ (19,515)	\$ 7,191	\$ 126,136	\$ 800,840	\$ 377,293	\$ 322,389	\$ 535,106	\$ 9,892	\$ 58,196	\$ 20,122
Accounts receivable	-	108,899	9,829	-	-	-	-	-	-	-	-
Due from other funds	-	3,315	-	-	-	-	729	6,056	85	1,062	476
Due from other governments	42,294	-	-	-	297,630	-	-	-	-	-	-
Other assets	-	-	30,574	-	-	-	-	-	-	-	-
Total Assets	\$ 1,637,387	\$ 92,699	\$ 47,594	\$ 126,136	\$ 1,098,470	\$ 377,293	\$ 323,118	\$ 541,162	\$ 9,977	\$ 59,258	\$ 20,598
Liabilities and Fund Balance											
Liabilities:											
Accounts payable	\$ 50,261	\$ 6,950	\$ 26,151	\$ 2,942	\$ 43,478	\$ -	\$ 861	\$ 17	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	8,803	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	1,038,718	-	-	-	-	-	-
Total Liabilities	50,261	6,950	26,151	2,942	1,090,999	-	861	17	-	-	-
Fund Balance:											
Restricted:											
Human services	-	-	-	-	-	-	-	-	-	-	-
Roads and bridges	1,587,126	-	-	-	-	-	-	-	-	-	-
Affordable housing	-	85,749	-	-	-	-	-	-	-	-	-
Hazardous materials	-	-	-	123,194	-	-	-	-	-	-	-
911	-	-	-	-	7,471	-	-	-	-	-	-
Act 13	-	-	-	-	-	377,293	-	-	-	-	-
Constable server fees	-	-	-	-	-	-	322,257	-	-	-	-
Offender identification	-	-	-	-	-	-	-	541,145	-	-	-
Juvenile court restitution	-	-	-	-	-	-	-	-	9,977	-	-
Records improvement/automation	-	-	-	-	-	-	-	-	-	59,258	20,598
Sugar Valley Lodge	-	-	-	-	-	-	-	-	-	-	-
Adoption counseling	-	-	-	-	-	-	-	-	-	-	-
Domestic Relations	-	-	-	-	-	-	-	-	-	-	-
Demolitions	-	-	-	-	-	-	-	-	-	-	-
Assigned:											
Airport operations	-	-	21,443	-	-	-	-	-	-	-	-
Community action	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	1,587,126	85,749	21,443	123,194	7,471	377,293	322,257	541,145	9,977	59,258	20,598
Total Liabilities and Fund Balance	\$ 1,637,387	\$ 92,699	\$ 47,594	\$ 126,136	\$ 1,098,470	\$ 377,293	\$ 323,118	\$ 541,162	\$ 9,977	\$ 59,258	\$ 20,598

(Continued)

COUNTY OF VENANGO, PENNSYLVANIA

OTHER GOVERNMENTAL FUNDS COMBINING BALANCE SHEET (Continued)

DECEMBER 31, 2021

	Special Revenue Funds											Total
	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	Other Governmental Funds
Assets												
Cash and cash equivalents - pooled	\$ 70,907	\$ (117,204)	\$ (110,773)	\$ -	\$ -	\$ 3,132,703	\$ 316,255	\$ 189,444	\$ 12,805	\$ (124,823)	\$ 897,059	\$ 8,099,116
Accounts receivable	-	-	-	-	-	281,102	-	-	-	-	-	399,830
Due from other funds	2,730	-	-	-	-	-	-	-	-	-	-	14,453
Due from other governments	-	171,572	265,432	-	-	70,282	-	-	-	124,823	-	972,033
Other assets	-	-	-	-	-	-	-	3,000	-	-	-	33,574
Total Assets	\$ 73,637	\$ 54,368	\$ 154,659	\$ -	\$ -	\$ 3,484,087	\$ 316,255	\$ 192,444	\$ 12,805	\$ -	\$ 897,059	\$ 9,519,006
Liabilities and Fund Balance												
Liabilities:												
Accounts payable	\$ -	\$ 54,368	\$ 84,842	\$ -	\$ -	\$ 113,602	\$ 255,722	\$ -	\$ -	\$ -	\$ 63,143	\$ 702,337
Accrued payroll	-	-	2,400	-	-	6,412	714	-	-	-	-	18,329
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	67,417	-	-	3,344,640	59,819	-	-	-	-	4,510,594
Total Liabilities	-	54,368	154,659	-	-	3,464,654	316,255	-	-	-	63,143	5,231,260
Fund Balance:												
Restricted:												
Human services	-	-	-	-	-	-	-	40,350	-	-	-	40,350
Roads and bridges	-	-	-	-	-	-	-	-	-	-	-	1,587,126
Affordable housing	-	-	-	-	-	-	-	-	-	-	-	85,749
Hazardous materials	-	-	-	-	-	-	-	-	-	-	-	123,194
911	-	-	-	-	-	-	-	-	-	-	-	7,471
Act 13	-	-	-	-	-	-	-	-	-	-	-	377,293
Constable server fees	-	-	-	-	-	-	-	-	-	-	-	322,257
Offender identification	-	-	-	-	-	-	-	-	-	-	-	541,145
Juvenile court restitution	-	-	-	-	-	-	-	-	-	-	-	9,977
Records improvement/automation	-	-	-	-	-	-	-	-	-	-	-	79,856
Sugar Valley Lodge	-	-	-	-	-	-	-	152,094	-	-	-	152,094
Adoption counseling	-	-	-	-	-	-	-	-	12,805	-	-	12,805
Domestic Relations	-	-	-	-	-	-	-	-	-	-	833,916	833,916
Demolitions	73,637	-	-	-	-	-	-	-	-	-	-	73,637
Assigned:												
Airport operations	-	-	-	-	-	-	-	-	-	-	-	21,443
Community action	-	-	-	-	-	19,433	-	-	-	-	-	19,433
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	73,637	-	-	-	-	19,433	-	192,444	12,805	-	833,916	4,287,746
Total Liabilities and Fund Balance	\$ 73,637	\$ 54,368	\$ 154,659	\$ -	\$ -	\$ 3,484,087	\$ 316,255	\$ 192,444	\$ 12,805	\$ -	\$ 897,059	\$ 9,519,006

(Concluded)

COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2021

	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	\$ 1,116,555	\$ 174,164	\$ 5,800	\$ 6,502	\$ 2,185,494	\$ 81,720	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	40,259	247,876	9,425	-	-	52,850	94,125	1,151	14,154	6,588
Interest	2,374	11	277	196	4,479	545	536	867	16	85	38
Other	-	49,247	-	-	-	-	-	-	-	-	-
Total revenues	<u>1,118,929</u>	<u>263,681</u>	<u>253,953</u>	<u>16,123</u>	<u>2,189,973</u>	<u>82,265</u>	<u>53,386</u>	<u>94,992</u>	<u>1,167</u>	<u>14,239</u>	<u>6,626</u>
Expenditures:											
General government - administration	-	-	-	-	-	-	-	-	-	-	4,031
General government - judicial	-	-	-	-	-	-	55,420	85,008	-	-	-
Public safety	-	-	-	13,585	2,160,549	-	-	-	-	-	-
Public works	1,028,446	-	442,024	-	-	-	-	-	-	-	-
Human services	-	181,332	-	-	-	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	5,698	-	-	-	-	-
Culture and recreation	-	-	4,000	-	-	-	-	-	-	-	-
Total expenditures	<u>1,028,446</u>	<u>181,332</u>	<u>446,024</u>	<u>13,585</u>	<u>2,160,549</u>	<u>5,698</u>	<u>55,420</u>	<u>85,008</u>	<u>-</u>	<u>-</u>	<u>4,031</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>90,483</u>	<u>82,349</u>	<u>(192,071)</u>	<u>2,538</u>	<u>29,424</u>	<u>76,567</u>	<u>(2,034)</u>	<u>9,984</u>	<u>1,167</u>	<u>14,239</u>	<u>2,595</u>
Other Financing Sources (Uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	155,375	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	(3,725)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>155,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,725)</u>
Net Change in Fund Balance	<u>90,483</u>	<u>82,349</u>	<u>(36,696)</u>	<u>2,538</u>	<u>29,424</u>	<u>76,567</u>	<u>(2,034)</u>	<u>9,984</u>	<u>1,167</u>	<u>14,239</u>	<u>(1,130)</u>
Fund Balance:											
Beginning of year	<u>1,496,643</u>	<u>3,400</u>	<u>58,139</u>	<u>120,656</u>	<u>(21,953)</u>	<u>300,726</u>	<u>324,291</u>	<u>531,161</u>	<u>8,810</u>	<u>45,019</u>	<u>21,728</u>
End of year	<u>\$ 1,587,126</u>	<u>\$ 85,749</u>	<u>\$ 21,443</u>	<u>\$ 123,194</u>	<u>\$ 7,471</u>	<u>\$ 377,293</u>	<u>\$ 322,257</u>	<u>\$ 541,145</u>	<u>\$ 9,977</u>	<u>\$ 59,258</u>	<u>\$ 20,598</u>

(Continued)

COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2021

	Special Revenue Funds											Total
	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	Other Governmental Funds
Revenues:												
Intergovernmental	\$ -	\$ 410,041	\$ 468,225	\$ 1,154	\$ 34,075	\$ 2,300,031	\$ 1,139,827	\$ -	\$ -	\$ 338,951	\$ -	\$ 8,262,539
Charges for services	34,380	-	-	-	-	-	-	-	976	15,237	83,695	600,716
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-
Interest	104	5	-	-	-	5,045	448	13,666	20	1,238	-	29,950
Other	-	-	-	-	-	32,293	-	-	-	-	-	81,540
Total revenues	34,484	410,046	468,225	1,154	34,075	2,337,369	1,140,275	13,666	996	355,426	83,695	8,974,745
Expenditures:												
General government - administration	29,625	-	-	-	-	-	-	-	-	-	-	33,656
General government - judicial	-	-	-	-	-	-	-	-	-	481,960	64,703	687,091
Public safety	-	-	-	-	-	-	-	-	-	-	-	2,174,134
Public works	-	-	-	-	-	-	-	-	-	-	-	1,470,470
Human services	-	-	467,776	1,340	33,116	2,909,302	1,132,379	-	-	-	-	4,725,245
Conservation and development	-	410,046	-	-	-	-	-	-	-	-	-	415,744
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	4,000
Total expenditures	29,625	410,046	467,776	1,340	33,116	2,909,302	1,132,379	-	-	481,960	64,703	9,510,340
Excess (Deficiency) of Revenues Over Expenditures	4,859	-	449	(186)	959	(571,933)	7,896	13,666	996	(126,534)	18,992	(535,595)
Other Financing Sources (Uses):												
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	1,054	-	614,302	-	-	-	140,036	-	910,767
Transfers out	-	-	(449)	(868)	(959)	(43,413)	(7,896)	-	-	(13,502)	-	(70,812)
Total other financing sources (uses)	-	-	(449)	186	(959)	570,889	(7,896)	-	-	126,534	-	839,955
Net Change in Fund Balance	4,859	-	-	-	-	(1,044)	-	13,666	996	-	18,992	304,360
Fund Balance:												
Beginning of year	68,778	-	-	-	-	20,477	-	178,778	11,809	-	814,924	3,983,386
End of year	\$ 73,637	\$ -	\$ -	\$ -	\$ -	\$ 19,433	\$ -	\$ 192,444	\$ 12,805	\$ -	\$ 833,916	\$ 4,287,746

(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, 2021

	Treasurer	Register of Wills and Recorder of Deeds	Prothonotary and Clerk of Courts	Sheriff	Tax Claim Delinquent	Total
Assets						
Cash and cash equivalents	\$ 9,418	\$ 352,058	\$ 452,580	\$ 72,906	\$ 529,919	\$ 1,416,881
Accounts receivable and fines, at estimated realizable value	-	-	274,187	-	-	274,187
Total Assets	<u>\$ 9,418</u>	<u>\$ 352,058</u>	<u>\$ 726,767</u>	<u>\$ 72,906</u>	<u>\$ 529,919</u>	<u>\$ 1,691,068</u>
Liabilities						
Due to other funds	\$ -	\$ 215,757	\$ 332,358	\$ 6,362	\$ -	\$ 554,477
Due to other governments	9,418	135,802	18,016	-	529,919	693,155
Escrow liability and interest	-	499	376,393	66,544	-	443,436
Total Liabilities	<u>\$ 9,418</u>	<u>\$ 352,058</u>	<u>\$ 726,767</u>	<u>\$ 72,906</u>	<u>\$ 529,919</u>	<u>\$ 1,691,068</u>

COUNTY OF VENANGO, PENNSYLVANIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS

YEAR ENDED DECEMBER 31, 2021

	Treasurer	Register of Wills and Recorder of Deeds	Prothonotary and Clerk of Courts	Sheriff	Tax Claim Delinquent	Total
Additions:						
Receipts:						
Treasurer	\$ 183,122	\$ -	\$ -	\$ -	\$ -	\$ 183,122
Register of Wills and Recorder of Deeds	-	2,057,942	-	-	-	2,057,942
Prothonotary and Clerk of Courts	-	-	1,968,132	-	-	1,968,132
Sheriff	-	-	-	331,009	-	331,009
Tax Claim	-	-	-	-	4,297,523	4,297,523
Total receipts	183,122	2,057,942	1,968,132	331,009	4,297,523	8,837,728
Total additions	183,122	2,057,942	1,968,132	331,009	4,297,523	8,837,728
Deductions:						
Payments to other governments	158,535	1,572,206	256,864	18,223	4,297,523	6,303,351
Escrow payments	946	3,865	1,317,569	271,619	-	1,593,999
Other disbursements	23,641	481,871	393,699	41,167	-	940,378
Total deductions	183,122	2,057,942	1,968,132	331,009	4,297,523	8,837,728
Increase (Decrease) in Fiduciary Net Position	-	-	-	-	-	-
Net Position:						
Beginning of year	-	-	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -