

County of Venango, Pennsylvania

Single Audit

December 31, 2022

MaherDuessel

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COUNTY OF VENANGO, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2022

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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 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, 2022, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2022, 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.

Change in Accounting Principle

As described in Note 2 to the financial statements, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 87, "*Leases*," which requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Our opinion is not modified with respect to this matter.

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 25, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Maher Duessel

Pittsburgh, Pennsylvania
September 25, 2023

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, 2022. 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 - 47).

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$59.5 million at December 31, 2022.
- As of December 31, 2022, unrestricted net position was approximately \$9.6 million.
- The total fund balance of the General Fund at December 31, 2022 was \$8.7 million or 56% of the total fund balance.
- The County's real property tax rate was 6.000 mills for 2022.
- 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 47 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 48 to 52 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 53 to 61 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, 2022 and 2021 is presented below:

Summary Statements of Net Position December 31, 2022 and 2021

	Governmental Activities	
	2022	2021
Assets		
Current and other assets	\$ 42,067,793	\$ 34,766,746
Net pension asset	-	12,632,881
Capital assets	36,619,181	36,303,523
Total Assets	78,686,974	83,703,150
Deferred Outflows of Resources		
Deferred outflows of resources for pension	9,565,624	3,604,250
Liabilities		
Current and other liabilities	23,543,322	19,653,238
Net pension liability	3,726,894	-
Non-current liabilities	1,418,511	939,660
Total Liabilities	28,688,727	20,592,898
Deferred Inflows of Resources		
Deferred inflows of resources for pension	63,506	8,265,908
Net Position		
Net investment in capital assets	35,699,139	36,017,328
Restricted	14,246,957	22,132,033
Unrestricted	9,554,269	299,233
Total Net Position	\$ 59,500,365	\$ 58,448,594

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 \$59.5 million at December 31, 2022, an increase from December 31, 2021 of approximately \$1 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table presents the change in net position for the years ended December 31, 2022 and 2021:

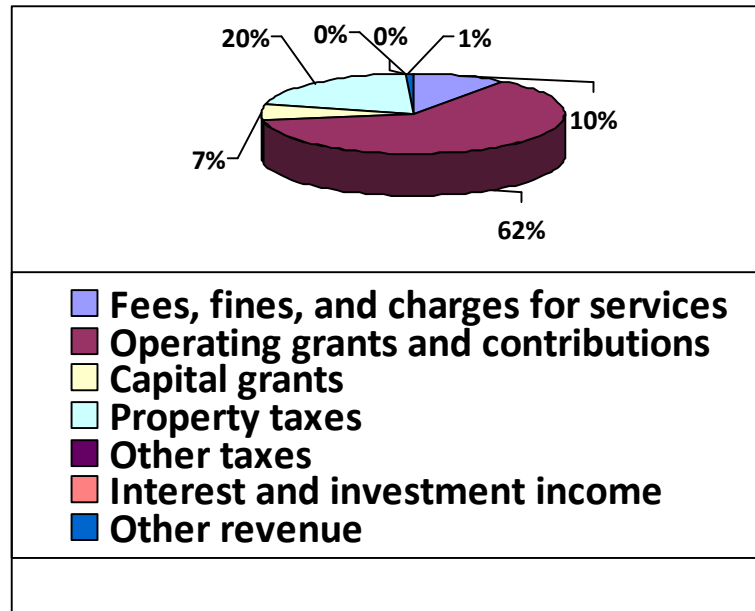
Change in Net Position		
Years Ended December 31, 2022 and 2021		
	Governmental Activities	
	2022	2021
Program revenues:		
Fees, fines, and charges for services	\$ 5,752,694	\$ 3,901,250
Operating grants and contributions	35,380,218	41,011,790
Capital grants	3,697,540	1,614,116
General revenues:		
Property taxes	11,382,224	11,929,800
Other taxes	51,864	85,006
Interest and investment income	63,948	49,023
Other	432,787	503,470
Gain on disposal of capital assets	26,669	25,272
 Total revenues	 <u>56,787,944</u>	 <u>59,119,727</u>
Program expenses:		
General government - administration	7,847,877	6,316,227
General government - judicial	4,164,563	4,119,387
Public safety	7,069,696	5,676,981
Public works	2,229,661	767,021
Human services	32,314,087	33,005,457
Conservation and development	1,676,893	1,577,439
Culture and recreation	424,178	276,803
Interest	9,218	13,500
 Total expenses	 <u>55,736,173</u>	 <u>51,752,815</u>
Change in Net Position	1,051,771	7,366,912
Net position, beginning	<u>58,448,594</u>	<u>51,081,682</u>
Net position, ending	<u><u>\$ 59,500,365</u></u>	<u><u>\$ 58,448,594</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, 2022:

Government-Wide Sources of Revenues
Total Revenue \$56,787,944

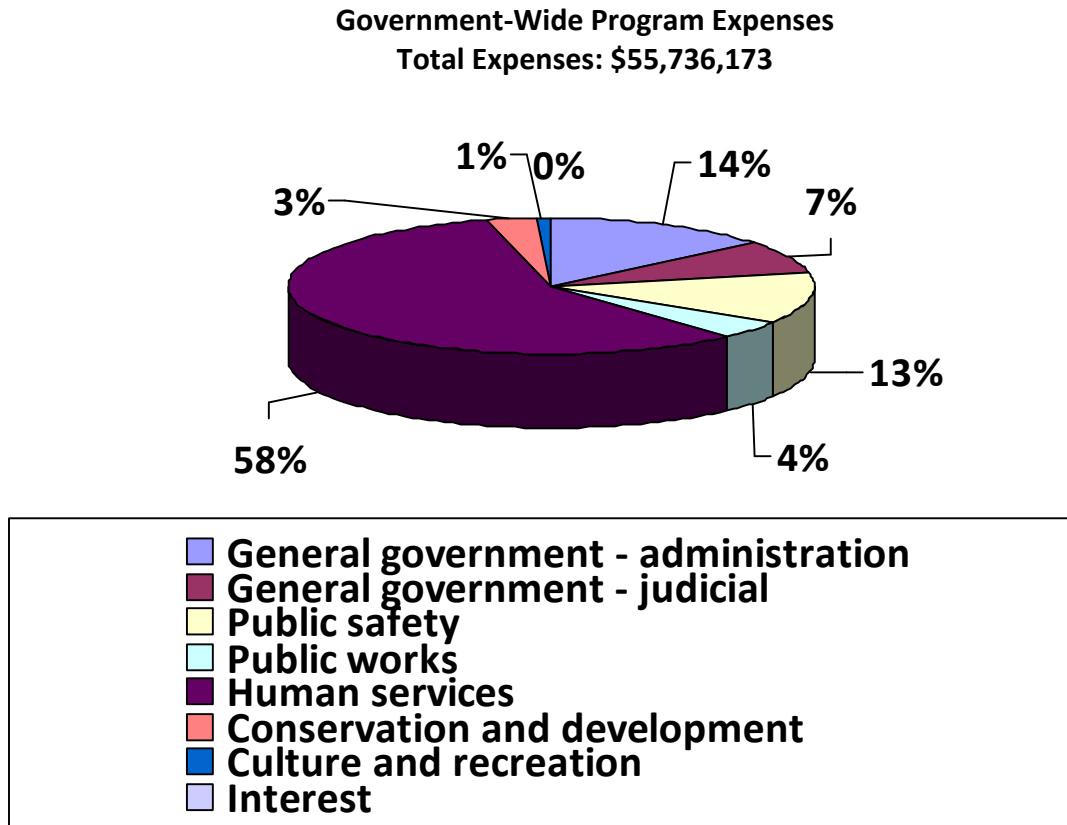


Total government-wide revenues for 2022 were \$56.8 million, which was approximately \$2.3 million lower than the 2021 year. Operating grants and contributions account for 62% of the total revenues, amounting to \$35.4 million, compared to \$41 million in 2021. The decrease of approximately \$5.6 million is mainly attributable to decreased federal funding for COVID related expenses during 2022. The second largest source of revenue for the County was property taxes, which made up 20% of the total revenues, amounting to \$11.4 million, compared to \$11.9 million in 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS

PROGRAM EXPENSES

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2022:



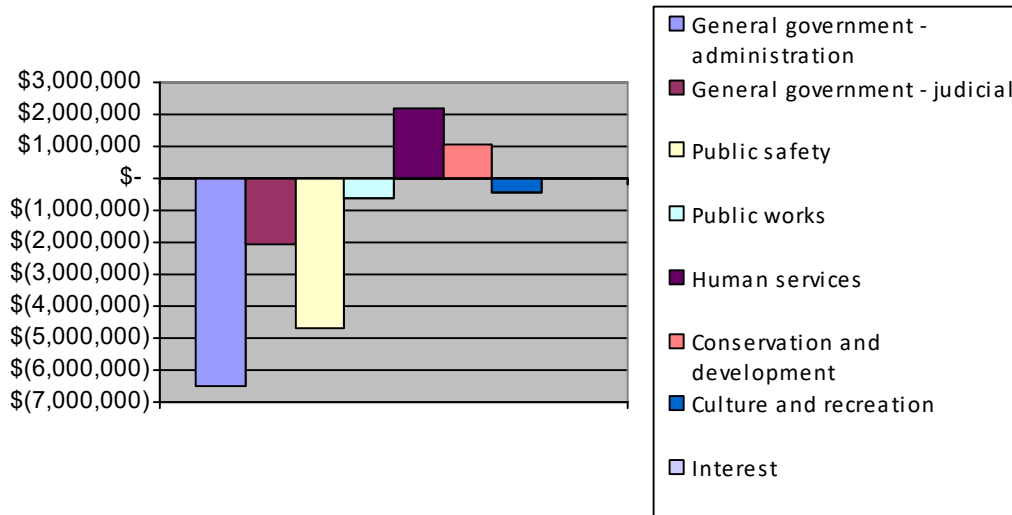
Total government-wide program expenses for 2022 were \$55.7 million, which was approximately \$3.9 higher than the 2021 year. The largest area of expenses was Human Services, which accounts for 58% of total expenses, amounting to \$32.3 million, compared to \$33 million in 2021. The decrease of approximately \$0.7 million is mainly attributable to lack of staffing thereby less costs in many areas. The second largest source of expense for the County was General Government - Administration, which made up 14% of the total expenses, amounting to \$7.8 million, compared to approximately \$6.3 million in 2021. The increase of approximately \$1.5 million is attributable to increased spending of pandemic funds in the 2022 calendar year. Additionally, Public Safety, which made up 13% of the total expenses, amounted to approximately \$7.1 million compared to approximately \$5.7 million in 2021. The increase of approximately \$1.4 million is attributable to increased spending after the pandemic in programming that was not happening in 2021.

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, 2022.

Government-Wide Net Program Revenues/Expenses



General government - administration required the most general revenue for support, needing \$6.6 million, followed by Public Safety, needing \$4.7 million, and General Government - Judicial, needing \$2.1 million during 2022.

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 54 and 55.

The County also reports other governmental funds. The largest of these include: Liquid Fuels, OEO – Other, Domestic Relations Incentives, Infrastructure Bank, and 911. The combining statements of the other governmental funds can be found on pages 56 through 59.

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, 2022 and 2021:

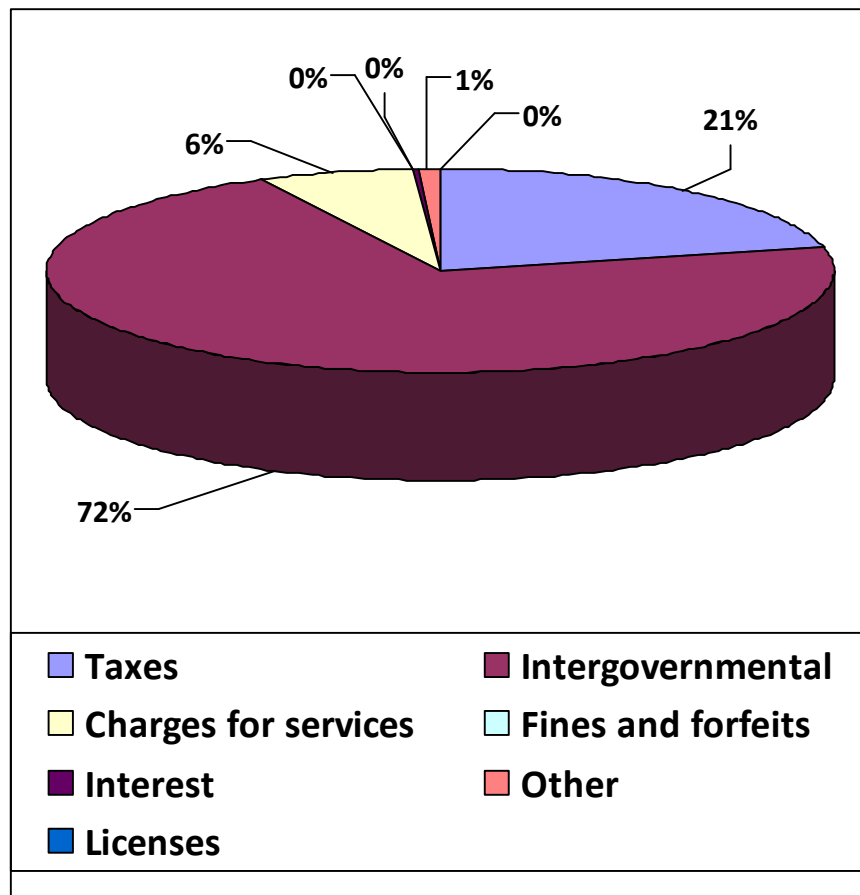
Statements of Revenues, Expenditures, and Changes in Fund Balance Years Ended December 31, 2022 and 2021

	Governmental Funds	
	2022	2021
Revenues:		
Taxes	\$ 11,634,127	\$ 12,243,011
Licenses	53,945	36,969
Intergovernmental	39,077,758	42,625,906
Charges for services	3,386,156	3,747,275
Fines and forfeits	99,149	114,297
Interest	63,948	49,023
Other	432,787	503,470
Total revenues	54,747,870	59,319,951
Expenditures:		
General government - administration	6,542,342	10,225,314
General government - judicial	4,102,664	4,091,802
Public safety	5,905,081	6,305,480
Public works	1,481,394	1,869,831
Human services	33,017,597	33,880,508
Conservation and development	1,676,893	1,577,439
Culture and recreation	369,132	299,980
Debt service	145,882	161,119
Total expenditures	53,240,985	58,411,473
Excess (Deficiency) of Revenues Over Expenditures	1,506,885	908,478
Other Financing Sources (Uses):		
Sale of capital assets	26,669	25,272
Transfers in	3,668,017	3,776,874
Transfers out	(3,668,017)	(3,776,874)
Proceeds from capital leases	-	41,723
Total other financing sources (uses)	26,669	66,995
Net Change in Fund Balance	1,533,554	975,473
Fund balance, beginning	13,954,101	12,978,628
Fund balance, ending	\$ 15,487,655	\$ 13,954,101

MANAGEMENT’S DISCUSSION AND ANALYSIS

Governmental funds revenues, by source, for the year ended December 31, 2022 were:

**Governmental Funds
Revenues Classified by Source
Total Revenues: \$54,747,870**

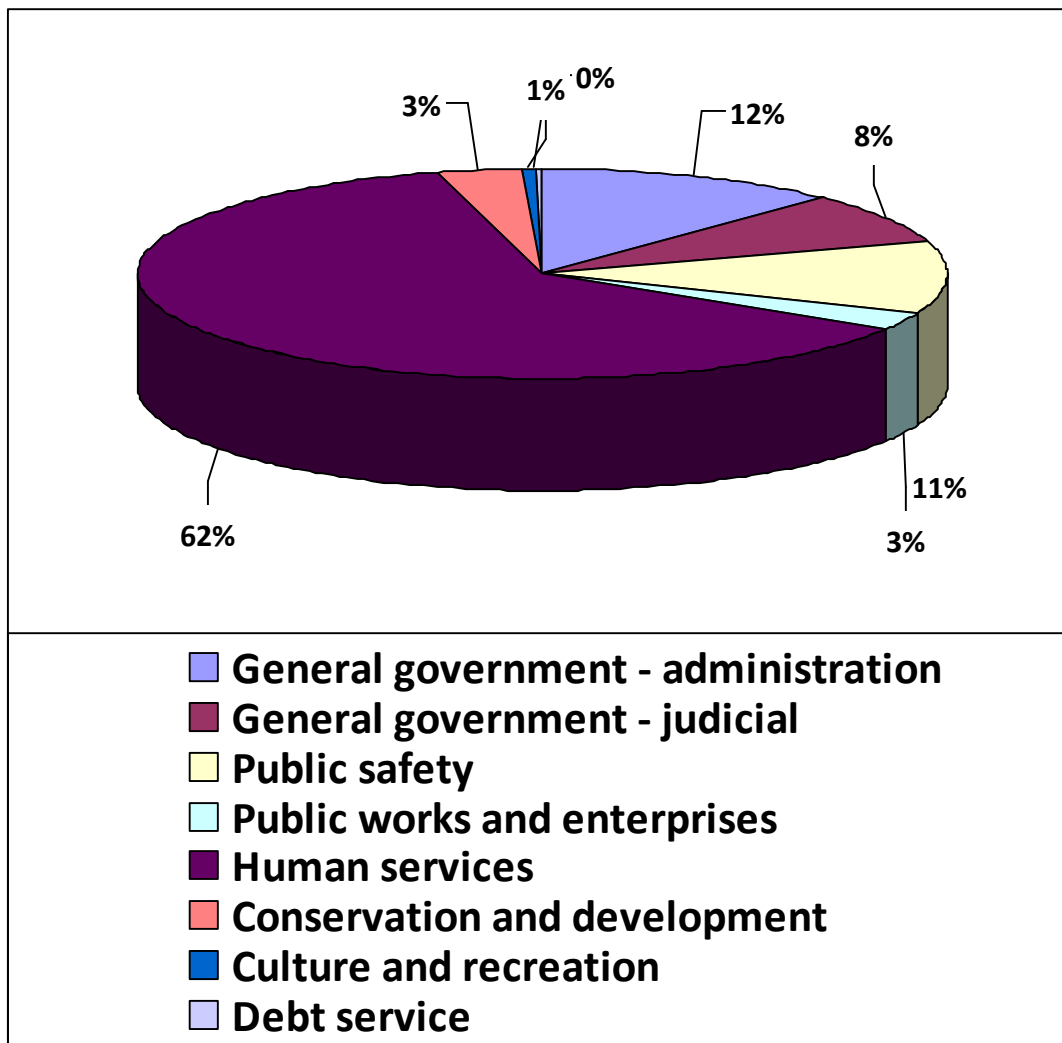


Governmental fund revenues totaled \$54.7 million for the year ended December 31, 2022, of which \$39.1 million (72%) came from Intergovernmental (Federal and State) Revenue. Taxes accounted for \$11.6 million (21%) in revenue. Charges for services reached \$3.4 million (6%) in revenue. Other revenue 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, 2022 were:

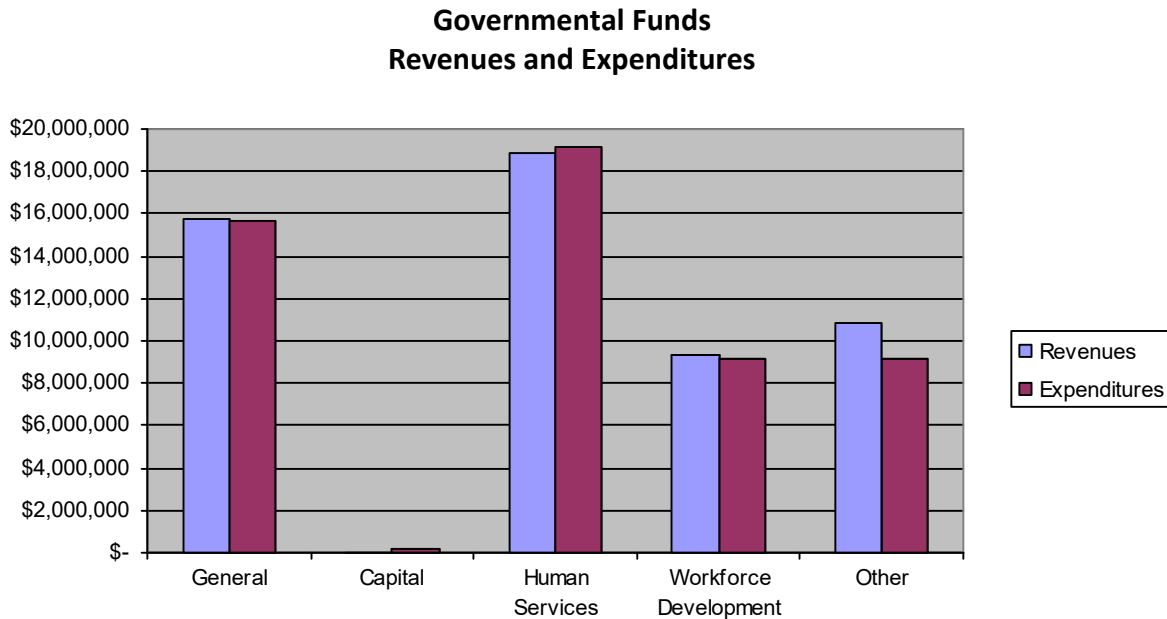
**Governmental Funds
Expenditures Classified by Function
Total Expenditures: \$53,240,985**



Governmental funds expenditures totaled \$53.2 million for the year ended December 31, 2022, of which \$33 million (62%) were Human Services expenditures. General Government – Administration, Public Safety, and General Government – Judicial, make up the next largest pieces, with expenditures of \$6.5 million (12%), \$5.9 million (11%), and \$4.1 million (8%), 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, 2022:



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, 2022 is found on page 52 of the financial statements.

Overall, the County had an unfavorable variance between the final budget and the actual net change in fund balance of approximately \$893,000.

The County had an unfavorable variance between the final budget and actual revenues of approximately \$2.8 million. The unfavorable variance relates to timing of certain planned grant funded projects that did not take place in 2022.

The County had a favorable variance between the final budget and actual expenditures of approximately \$5.5 million. The majority of this variance occurred in the General government - administration function, which shows approximately \$2.9 million of favorable variance, mainly attributed to expenses associated with funding of the pandemic relief and other projects. Additionally, there were favorable variances in the Public Safety function of approximately \$1.3 million and in the General government – judicial function of approximately \$1.2 million, due to less spending in for staffing due to the inability to hire qualified employees as well as some projects and programs that did not begin when planned.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS

The County's investment in capital assets including infrastructure as of December 31, 2022 amounts to \$36,619,181, net of accumulated depreciation/amortization. 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, 2022, 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, 2022

	Primary Government	Component Unit
	Governmental Activities	Venango County Economic Development Authority
Assets		
Cash and cash equivalents - pooled	\$ 26,559,228	\$ -
Cash and cash equivalents	-	655,520
Taxes receivable, net	885,718	-
Accounts receivable, at estimated realizable value	3,764,528	3,141,353
Accounts receivable - fiduciary funds	472,169	-
Accounts receivable - component unit	4,175,248	-
Due from other governments	6,119,009	-
Other assets	91,893	-
Land held for sale	-	18,370
Capital assets, not being depreciated	2,138,928	4,252,766
Capital assets, net of accumulated depreciation/amortization	34,480,253	2,127,253
Total Assets	78,686,974	10,195,262
Deferred Outflows of Resources		
Deferred outflows of resources for pension	9,565,624	-
Liabilities		
Accounts payable	3,781,516	1,095,429
Accrued payroll	281,201	5,180
Advance from primary government	-	3,175,248
Matching grant payable to primary government	-	1,000,000
Escrow liabilities	622,330	-
Unearned revenue	18,585,615	203,898
Compensated absences, non-current	771,129	-
Net pension liability	3,726,894	-
Leases payable:		
Current	144,682	-
Non-current	625,829	-
Financed purchases:		
Current	127,978	-
Non-current	21,553	-
Total Liabilities	28,688,727	5,479,755
Deferred Inflows of Resources		
Deferred inflows of resources for pension	63,506	-
Net Position		
Net investment in capital assets	35,699,139	5,334,284
Restricted for:		
Operating reserve	5,656,313	-
Human services	84,995	-
Roads and bridges	1,774,718	-
Hazardous material	143,414	-
Act 13	335,302	-
Constable server fees	262,768	-
Offender identification	535,749	-
Records improvement/automation	77,765	-
Sugar Valley Lodge	162,890	-
Domestic relations	893,363	-
Demolitions	54,823	-
Infrastructure bank	1,694,955	-
Opioid expenses	2,475,780	-
Other purposes	94,122	-
Unrestricted	9,554,269	(618,777)
Total Net Position	\$ 59,500,365	\$ 4,715,507

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants	Primary Government	Component Unit
					Governmental Activities	Venango County Economic Development
Primary Government:						
Governmental activities:						
General government - administration	\$ 7,847,877	\$ 750,922	\$ 542,550	\$ -	\$ (6,554,405)	\$ -
General government - judicial	4,164,563	1,302,306	804,244	-	(2,058,013)	-
Public safety	7,069,696	151,200	2,224,150	-	(4,694,346)	-
Public works	2,229,661	619,056	-	971,294	(639,311)	-
Human services	32,314,087	2,929,210	31,809,274	-	2,424,397	-
Conservation and development	1,676,893	-	-	2,726,246	1,049,353	-
Culture and recreation	424,178	-	-	-	(424,178)	-
Interest	9,218	-	-	-	(9,218)	-
Total governmental activities	<u>\$ 55,736,173</u>	<u>\$ 5,752,694</u>	<u>\$ 35,380,218</u>	<u>\$ 3,697,540</u>	<u>(10,905,721)</u>	<u>-</u>
Component Unit:						
Venango County Economic Development Authority	<u>\$ 310,012</u>	<u>\$ 7,517</u>	<u>\$ 170,305</u>	<u>\$ 3,101,773</u>	<u>-</u>	<u>2,969,583</u>
General revenues:						
Property taxes					11,382,224	-
Other taxes					51,864	-
Interest and investment income					63,948	-
Other					432,787	-
Gain on sale of capital assets					26,669	-
Total general revenues					<u>11,957,492</u>	<u>-</u>
Change in Net Position					1,051,771	2,969,583
Net Position:						
Beginning of year					<u>58,448,594</u>	<u>1,745,924</u>
End of year					<u>\$ 59,500,365</u>	<u>\$ 4,715,507</u>

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2022

	General Fund	Capital Projects Fund	Human Services Fund	Workforce Development Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents - pooled	\$ 15,689,566	\$ -	\$ 1,586,374	\$ (1,044,733)	\$ 10,328,021	\$ 26,559,228
Taxes receivable, net	885,718	-	-	-	-	885,718
Accounts receivable	274,237	-	837,240	-	2,653,051	3,764,528
Accounts receivable - Component Unit	4,175,248	-	-	-	-	4,175,248
Due from other funds	618,727	-	93,966	-	58,503	771,196
Due from other governments	156,921	-	3,224,111	2,086,383	651,594	6,119,009
Other assets	-	-	-	-	91,893	91,893
Total Assets	\$ 21,800,417	\$ -	\$ 5,741,691	\$ 1,041,650	\$ 13,783,062	\$ 42,366,820
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable	\$ 1,065,834	\$ -	\$ 1,387,038	\$ 925,530	\$ 403,114	\$ 3,781,516
Accrued payroll	128,526	-	122,563	11,522	18,590	281,201
Due to other funds	109,758	-	160,355	-	28,914	299,027
Escrow liabilities	622,330	-	-	-	-	622,330
Unearned revenue	10,149,200	-	3,659,435	104,598	4,735,217	18,648,450
Total Liabilities	12,075,648	-	5,329,391	1,041,650	5,185,835	23,632,524
Deferred Inflows of Resources:						
Unavailable revenue - taxes/fees	1,010,799	-	-	-	-	1,010,799
Unavailable revenue - opioid abatement	-	-	-	-	2,235,842	2,235,842
Total Deferred Inflows of Resources	1,010,799	-	-	-	2,235,842	3,246,641
Fund Balance:						
Restricted:						
Operating reserve	5,656,313	-	-	-	-	5,656,313
Human services	-	-	44,576	-	40,419	84,995
Roads and bridges	-	-	-	-	1,774,718	1,774,718
Hazardous material	-	-	-	-	143,414	143,414
Act 13	-	-	-	-	335,302	335,302
Constable server fees	-	-	-	-	262,768	262,768
Offender identification	-	-	-	-	535,749	535,749
Records improvement/automation	-	-	-	-	77,765	77,765
Sugar Valley Lodge	-	-	-	-	162,890	162,890
Domestic relations	-	-	-	-	893,363	893,363
Demolitions	-	-	-	-	54,823	54,823
Infrastructure bank	-	-	-	-	1,694,955	1,694,955
Opioid expenses	-	-	-	-	239,938	239,938
Other purposes	-	-	-	-	94,122	94,122
Assigned:						
Substance abuse	-	-	367,724	-	-	367,724
Airport operations	-	-	-	-	26,376	26,376
Community action	-	-	-	-	24,783	24,783
Unassigned	3,057,657	-	-	-	-	3,057,657
Total Fund Balance	8,713,970	-	412,300	-	6,361,385	15,487,655
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 21,800,417	\$ -	\$ 5,741,691	\$ 1,041,650	\$ 13,783,062	\$ 42,366,820

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, 2022

Total Fund Balance - Governmental Funds	\$ 15,487,655
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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.	36,619,181
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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.	3,309,476
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The net pension asset (liability) is reflected on the statement of net position, but is not considered an available resource and, therefore, is not reported in the fund statements.	(3,726,894)
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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.	9,502,118
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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:

Compensated absences	\$ (771,129)	
Lease payable	(770,511)	
Financed purchase obligation payable	<u>(149,531)</u>	
		<u>(1,691,171)</u>

Total Net Position - Governmental Activities	\$ <u>59,500,365</u>
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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, 2022

	General Fund	Capital Projects Fund	Human Services Fund	Workforce Development Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 11,634,127	\$ -	\$ -	\$ -	\$ -	\$ 11,634,127
Licenses	53,945	-	-	-	-	53,945
Intergovernmental	1,624,556	-	18,184,459	9,291,573	9,977,170	39,077,758
Charges for services	2,100,116	-	416,524	600	868,916	3,386,156
Fines and forfeits	99,149	-	-	-	-	99,149
Interest	25,426	-	8,709	236	29,577	63,948
Other	207,613	-	257,439	15,031	(47,296)	432,787
Total revenues	15,744,932	-	18,867,131	9,307,440	10,828,367	54,747,870
Expenditures:						
General government - administration	6,480,805	-	-	-	61,537	6,542,342
General government - judicial	3,409,748	-	-	-	692,916	4,102,664
Public safety	4,321,782	-	-	-	1,583,299	5,905,081
Public works	442,450	-	-	-	1,038,944	1,481,394
Human services	131,893	-	19,132,092	9,157,440	4,596,172	33,017,597
Conservation and development	466,078	-	-	-	1,210,815	1,676,893
Culture and recreation	365,132	-	-	-	4,000	369,132
Debt service	-	145,882	-	-	-	145,882
Total expenditures	15,617,888	145,882	19,132,092	9,157,440	9,187,683	53,240,985
Excess (Deficiency) of Revenues Over Expenditures	127,044	(145,882)	(264,961)	150,000	1,640,684	1,506,885
Other Financing Sources (Uses):						
Sale of capital assets	8,894	-	7,065	-	10,710	26,669
Transfers in	1,318,281	482,202	1,358,796	-	508,738	3,668,017
Transfers out	(2,346,754)	-	(1,084,770)	(150,000)	(86,493)	(3,668,017)
Total other financing sources (uses)	(1,019,579)	482,202	281,091	(150,000)	432,955	26,669
Net Change in Fund Balance	(892,535)	336,320	16,130	-	2,073,639	1,533,554
Fund Balance:						
Beginning of year	9,606,505	(336,320)	396,170	-	4,287,746	13,954,101
End of year	\$ 8,713,970	\$ -	\$ 412,300	\$ -	\$ 6,361,385	\$ 15,487,655

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, 2022

Net Change in Fund Balance - Governmental Funds \$ 1,533,554

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/amortization expense. This is the amount by which depreciation/amortization and loss on disposal exceeded capital outlays in the current period:

Capital outlays	\$ 2,384,535	
Depreciation/amortization expense	(2,417,779)	
Loss on disposal of assets	<u>(4,267)</u>	(37,511)

Changes in the net pension asset (liability) 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. (2,195,999)

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. 2,013,405

The issuance of long-term obligations (e.g., bonds, leases or finance purchase agreements) 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. (280,678)

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. 19,000

Change in Net Position of Governmental Activities \$ 1,051,771

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2022

	Pension Trust Fund	Custodial Funds
Assets		
Cash and cash equivalents	\$ 807,937	\$ 1,256,758
Investments:		
Bond mutual funds	5,474,055	-
U.S. government securities	723,637	-
Corporate bonds	9,922,155	-
Equity mutual funds	34,860,429	-
Equities	5,981,927	-
Certificates of deposit	186,277	-
Accounts receivable and fines, at estimated realizable value	-	251,789
Total Assets	57,956,417	1,508,547
Liabilities		
Due to other funds	-	472,169
Due to other governments	-	585,688
Escrow liability and interest	-	450,690
Total Liabilities	-	1,508,547
Net Position		
Net Position Restricted for Fiduciary Funds	<u>\$ 57,956,417</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, 2022

	Pension Trust Fund	Custodial Funds
Additions:		
Contributions:		
Employee	\$ 1,294,913	\$ -
Employer	114,188	-
Total contributions	1,409,101	-
Investment income (loss):		
Net increase (decrease) in fair value of investments	(12,356,763)	-
Interest and dividends	966,968	-
Total investment income (loss)	(11,389,795)	-
Less investment expense	190,169	-
Net investment income (loss)	(11,579,964)	-
Receipts:		
Treasurer	-	177,896
Register of Wills and Recorder of Deeds	-	2,674,576
Prothonotary and Clerk of Courts	-	1,749,466
Sheriff	-	327,625
Tax Claim	-	2,950,209
Total receipts	-	7,879,772
Total additions	(10,170,863)	7,879,772
Deductions:		
Benefits and refunds paid to plan members and beneficiaries	4,101,439	-
Administrative expense	41,128	-
Payments to other governments	-	5,539,008
Escrow payments	-	1,463,078
Other disbursements	-	877,686
Total deductions	4,142,567	7,879,772
Increase (Decrease) in Fiduciary Net Position	(14,313,430)	-
Net Position:		
Beginning of year	72,269,847	-
End of year	\$ 57,956,417	\$ -

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, 2022

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 2022, and therefore no amounts for the Land Bank were reported in the financial statements.

Venango County Economic Development Authority

Venango County Economic Development Authority (Authority) was established on January 1, 2018. The purpose of the Authority is to seek to improve the economic well-being and quality of life for the County community by creating and retaining jobs and supporting or growing incomes for County residents as well as the County tax base. The Authority's Board

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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 cannot 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, 2022

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, 2022

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, 2022

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, 2022 is not significant.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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 (except for the intangible right-to-use lease assets, the measurement of which is discussed under Leases below). 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
Right-to-use leased asset	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.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Leases

The County is a lessee for noncancellable leases for office space and a residential shelter. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements.

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

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses the U.S. Treasury rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets, and lease liabilities are reported as a leases payable on the statement of net position.

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 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

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

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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 taxes, other taxes, and opioid abatement settlement payments 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 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

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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, 2022.
- 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, infrastructure bank, opioid expenses, 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, 2022.
- 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 require 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/amortization, 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

NOTES TO FINANCIAL STATEMENTS

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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

NOTES TO FINANCIAL STATEMENTS

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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, 2022, expenditures in the General Fund exceeded appropriations in conservation and development. 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 Pronouncements

Governmental Accounting Standards Board (GASB) Statement No. 87, "*Leases*," requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. As the lease liability approximated the right-to-use asset as of December 31, 2022, there was no restatement to net position.

The following GASB Statements were also adopted for the year ended December 31, 2022: Statement Nos. 91 (Conduit Debt Obligations), 92 (Omnibus 2020), 97 (Deferred Compensation Plans), and 99 (Omnibus 2022 – paragraphs 26 through 32). These statements had no significant impact on the County's financial statements for the year ended December 31, 2022.

Pending Pronouncements

GASB has issued statements that will become effective in future years including 94 (Public-Private and Public-Public Partnerships), 96 (Information Technology Arrangements), 99 (Omnibus 2022), 100 (Accounting Changes and Error Corrections), and 101

COUNTY OF VENANGO, PENNSYLVANIA

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(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 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.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

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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 \$27,685,713 at December 31, 2022, \$798,814 was covered by federal depository insurance. The remaining balance was collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and has the collateral held by an approved custodian in the institution's name. These deposits, with carrying amounts of \$26,559,228 as of December 31, 2022, 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 \$1,256,758 and the bank balance was \$1,316,604. 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.

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NOTES TO FINANCIAL STATEMENTS

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Pension Trust Fund Investments

As of December 31, 2022, the County Pension Trust Fund held the following investments:

Cash or Investment Type	Fair Value	Investment Maturities (In Years) from December 31, 2022			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Bond mutual funds	\$ 5,474,055	\$ 4,001,658	\$ -	\$ 225,992	\$ 1,246,405
U.S. government securities	723,637	399,402	324,235	-	-
Certificates of deposit	186,277	186,277	-	-	-
Corporate bonds	<u>9,922,155</u>	<u>124,368</u>	<u>7,559,179</u>	<u>629,304</u>	<u>1,609,304</u>
Total debt securities	<u>16,306,124</u>	<u>\$ 4,711,705</u>	<u>\$ 7,883,414</u>	<u>\$ 855,296</u>	<u>\$ 2,855,709</u>
Cash and cash equivalents	807,937				
Equity mutual funds	34,860,429				
Equities	<u>5,981,927</u>				
Total Pension Trust Fund cash, cash equivalents, and investments reported on statement of fiduciary net position	<u>\$ 57,956,417</u>				

COUNTY OF VENANGO, PENNSYLVANIA

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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, 2022:

Investments by Fair Value Level	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Fixed income:				
Bond mutual funds	\$ 5,474,055	\$ 5,474,055	\$ -	\$ -
U.S. government securities	723,637	723,637	-	-
Corporate bonds	9,922,155	-	9,922,155	-
Total fixed income	16,119,847	6,197,692	9,922,155	-
Equity mutual funds:				
Small blend	463,570	463,570	-	-
Mid cap blend	860,169	860,169	-	-
Large blend	13,343,706	13,343,706	-	-
Mid cap growth	1,576,924	1,576,924	-	-
Large growth	6,311,357	6,311,357	-	-
Small value	573,717	573,717	-	-
Mid cap value	2,058,237	2,058,237	-	-
Large value	5,647,428	5,647,428	-	-
Foreign large growth	1,063,120	1,063,120	-	-
Foreign large blend	2,350,309	2,350,309	-	-
Diversified emerging market	611,892	611,892	-	-
Total equity mutual funds	34,860,429	34,860,429	-	-
Equities	5,981,927	5,978,525	-	-
Total investments by fair value level	56,962,203	\$ 47,036,646	\$ 9,922,155	\$ -
Money market funds	807,937			
Certificates of deposit	186,277			
Total Pension Trust Fund cash, cash equivalents, and investments reported on statement of fiduciary net position	\$ 57,956,417			

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 investments in money market funds and certificates of deposit are reported at amortized cost, which approximates market. Corporate bonds classified in Level 2 are valued using a matrix pricing model.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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 achievements 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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NOTES TO FINANCIAL STATEMENTS

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As of December 31, 2022, 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	\$ 9,594,671	66%
Aa3	192,241	1%
A2	401,645	3%
A3	103,706	1%
Baa1	2,701,164	18%
Baa2	946,492	6%
B2	705,870	5%
Subtotal	14,645,789	100%
Not rated	1,474,058	
Total fixed income investments	\$ 16,119,847	

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, 2022, the County's Pension Trust Fund cash and cash equivalents bank and investment balance was \$892,663 and the carrying amount was \$807,937. Of the bank and investment balance, \$892,663 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 accounts. This coverage does not extend to losses incurred due to fraud, misrepresentation, or investment decisions.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

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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

YEAR ENDED DECEMBER 31, 2022

4. Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Balance at January 1, 2022	Transfers/ Additions	Transfers/ Deletions	Balance at December 31, 2022
Governmental Activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 2,138,928	\$ -	\$ -	\$ 2,138,928
Total capital assets, not being depreciated/amortized	2,138,928	-	-	2,138,928
Capital assets, being depreciated/amortized:				
Land improvements	1,520,880	330,467	-	1,851,347
Buildings and improvements	34,359,836	1,299,140	-	35,658,976
Machinery and equipment	16,894,951	239,285	(220,005)	16,914,231
Infrastructure	25,302,258	-	-	25,302,258
Right-to-use lease space	718,940	515,643	-	1,234,583
Total capital assets, being depreciated/amortized	78,796,865	2,384,535	(220,005)	80,961,395
Less: accumulated depreciation/amortization for:				
Land improvements	(727,661)	(65,376)	-	(793,037)
Buildings and improvements	(11,582,842)	(866,357)	-	(12,449,199)
Machinery and equipment	(12,203,127)	(835,851)	215,738	(12,823,240)
Infrastructure	(19,399,700)	(522,873)	-	(19,922,573)
Right-to-use lease space	(365,771)	(127,322)	-	(493,093)
Total accumulated depreciation/amortization	(44,279,101)	(2,417,779)	215,738	(46,481,142)
Total capital assets, being depreciated/amortization, net	34,517,764	\$ (33,244)	\$ (4,267)	34,480,253
Governmental activities, capital assets, net	<u>\$ 36,656,692</u>			<u>\$ 36,619,181</u>

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

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Depreciation/amortization expense was charged to functions/programs as follows:

Governmental activities:		
General government	\$	541,118
Judicial		95,774
Public safety		353,583
Public works		671,405
Human services		685,925
Culture and recreation		<u>69,974</u>
Total depreciation/amortization expense - governmental activities	\$	<u><u>2,417,779</u></u>

5. Real Estate Taxes

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

The County is permitted by the County Code of Pennsylvania to levy real estate taxes up to 25 mills on every dollar of assessed valuation for general County purposes and the rate of taxation for payment of interest and principal on any indebtedness shall be unlimited. For 2022, County real estate taxes were levied at the rate of 6.000 mills on assessed valuation. Total assessed valuation for non-exempt properties in 2022 was approximately \$2,048,481,870.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, 2022 is as follows:

	Gross Receivable	Allowance for Uncollectibles	Net Receivable
Governmental activities:			
Property taxes receivable	\$ 1,307,140	\$ 421,422	\$ 885,718
Court-related receivables (portion of accounts receivable - fiduciary funds)	\$ 4,052,928	\$ 3,801,139	\$ 251,789

7. Interfund Receivables, Payables, and Transfers

Individual fund receivable and payable balances at December 31, 2022, as well as interfund transfers for the year ended December 31, 2022, were as follows:

Funds	Interfund Receivables	Interfund Payables	Transfers In	Transfers Out
Governmental activities:				
General	\$ 618,727	\$ 109,758	\$ 1,318,281	\$ 2,346,754
Capital Projects	-	-	482,202	-
Human Services	93,966	160,355	1,358,796	1,084,770
Workforce Development	-	-	-	150,000
Other governmental funds	58,503	28,914	508,738	86,493
Fiduciary Fund:				
Custodial Funds	-	472,169	-	-
	\$ 771,196	\$ 771,196	\$ 3,668,017	\$ 3,668,017

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

COUNTY OF VENANGO, PENNSYLVANIA

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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 2022 measurement period, Plan membership consisted of the following:

Inactive Plan members or beneficiaries currently receiving benefits	348
Inactive Plan members entitled to but not yet receiving benefits	50
Active Plan members	<u>347</u>
Total Plan members	<u><u>745</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. 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

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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 2022, the active member contribution rate was 9% of annual pay and the County average contribution rate was 0.84% of annual payroll.

In 2022, the County's annual required contribution to the Plan was \$114,188 as determined by the January 1, 2022 actuarial valuation. The 2022 employee contributions were \$1,294,913.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Net Pension Liability (Asset)

The components of the net pension liability (asset) of the Plan at December 31, 2022 were as follows:

Total pension liability	\$ 61,683,311
Plan fiduciary net position	<u>(57,956,417)</u>
Net pension liability (asset)	<u>\$ 3,726,894</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.96%</u>

Changes in the Net Pension Liability (Asset)

The changes in the net pension liability (asset) of the County for the year ended December 31, 2022 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (asset)
Balances at December 31, 2021	\$ 59,636,966	\$ 72,269,847	\$ (12,632,881)
Changes for the year:			
Service cost	1,692,153	-	1,692,153
Interest	4,171,785	-	4,171,785
Differences between expected and actual experience	283,846	-	283,846
Changes of assumptions	-	-	-
Contributions - employer	-	114,188	(114,188)
Contributions - employee	-	1,294,913	(1,294,913)
Net investment income	-	(11,579,964)	11,579,964
Benefit payments, including refunds	(4,101,439)	(4,101,439)	-
Administrative expense	-	(41,128)	41,128
Net changes	<u>2,046,345</u>	<u>(14,313,430)</u>	<u>16,359,775</u>
Balances at December 31, 2022	<u>\$ 61,683,311</u>	<u>\$ 57,956,417</u>	<u>\$ 3,726,894</u>
Plan fiduciary net position as a percentage of the total pension liability			<u>93.96%</u>

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation performed on January 1, 2022 and rolled forward to December 31, 2022, 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, 2022

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, 2022:

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, 2022, the annual money-weighted rate of return on pension plan investments, net of investment expense, was (16.33)%.

Concentrations – At December 31, 2022, 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, 2022

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>\$ 10,300,019</u>	<u>\$ 3,726,894</u>	<u>\$ (2,562,190)</u>

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

For the year ended December 31, 2022, the County recognized pension expense of \$2,310,187. At December 31, 2022, 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	\$ 728,133
Changes in assumption	1,684,731
Net difference between projected and actual earnings on pension plan investments	<u>7,152,760</u>
Total Deferred Outflows of Resources	<u>\$ 9,565,624</u>

Deferred Inflows of Resources:

Differences between expected and actual experience	<u>\$ 63,506</u>
Total Deferred Inflows of Resources	<u>\$ 63,506</u>

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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>	
2023	\$ 1,511,625
2024	2,305,563
2025	2,362,452
2026	<u>3,322,478</u>
Total	<u>\$ 9,502,118</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

Financed Purchases

During 2017, the County entered into a financed purchase agreement for three vehicles. The agreement qualifies as a financed purchase obligation and stipulates a total minimum annual payment of approximately \$18,500, including interest, for a term of five years. The obligation was fully paid off as of December 31, 2022.

During 2018, the County entered into a financed purchase agreement for two vehicles. The agreement qualifies as a financed purchase obligation and stipulates a total minimum annual lease payment of approximately \$12,500, including interest, for a term of five years. \$4,410 is included in capital assets – machinery and equipment.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

During 2019, the County entered into financed purchase agreements for three vehicles and voting machines. The vehicle agreement qualifies as a financed purchase obligation and stipulates a total minimum annual payment of approximately \$20,800, including interest, for a term of five years. \$24,965 is included in capital assets – machinery and equipment. The voting machine agreement qualifies as a financed purchase obligation, and the agreement stipulates a total minimum annual payment of approximately \$99,000, including interest, for a term of five years. The voting machine equipment of \$94,428 is included in capital assets – machinery and equipment.

During 2021, the County entered into a financed purchase agreement for two vehicles. The agreement qualifies as a financed purchase obligation and stipulates a total minimum annual payment of approximately \$8,300, including interest, for a term of five years. \$25,728 is included in capital assets – machinery and equipment as a capital lease.

The future minimum obligations on financed purchases, including interest are as follows as of December 31, 2022:

For The Year Ending December 31,	Total
2023	\$ 127,978
2024	12,508
2025	8,345
2026	700
	<u>\$ 149,531</u>

Leases Payable

The County entered into various leases for buildings. The following leases are recognized as a lease liability and lease asset at the commencement of the lease term:

In June 2016, the County, acting as fiscal agent for the Northwest Workforce Development Area, entered into a lease agreement for CareerLink® office space. The terms of the lease began June 30, 2016 for 10 years through July 31, 2026. The lease liability was initially recorded in the amount of \$718,940. As of December 31, 2022, the value of the lease liability was \$276,679. The County is required to make annual principal and interest payments of \$73,760 for the first five years and \$81,136 for years six through ten. The lease has an interest rate of 1.46%. The value of the net right-to-use asset, net of accumulated amortization as of December 31, 2022 was \$251,629.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

In July 2022, the County entered into a lease agreement for District Judge office space. The terms of the lease began July 1, 2022 for 10 years through June 30, 2032. The lease liability was initially recorded in the amount of \$249,980. As of December 31, 2022, the value of the lease liability was \$239,114. The County is required to make annual principal and interest payments of \$28,800 through the life of the lease. The lease has an interest rate of 2.88%. The value of the net right-to-use asset, net of accumulated amortization as of December 31, 2022 was \$237,481.

In October 2022, the County entered into a lease agreement for office and residential shelter housing. The terms of the lease began October 1, 2022 for 5 years through September 30, 2027. The lease liability was initially recorded in the amount of \$265,664. As of December 31, 2022, the value of the lease liability was \$254,718. The County is required to make monthly principal and interest payments of \$4,500 from October 2022 through September 2024, \$5,000 from October 2024 through September 2026, and \$5,500 from October 2026 through September 2027. The lease has an interest rate of 3.90%. The value of the net right-to-use asset, net of accumulated amortization as of December 31, 2022 was \$252,380.

The future principal and interest lease payments as of December 31, 2022 were as follows:

For The Year Ending December 31,	Principal	Interest	Total
2023	\$ 144,682	\$ 19,254	\$ 163,936
2024	149,757	15,679	165,436
2025	158,097	11,839	169,936
2026	122,941	7,927	130,868
2027	73,618	4,682	78,300
2028-2032	121,416	8,183	129,599
	<u>\$ 770,511</u>	<u>\$ 67,564</u>	<u>\$ 838,075</u>

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2022 was as follows:

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022	Due Within One Year
Compensated absences	\$ 790,129	\$ -	\$ (19,000)	\$ 771,129	\$ -
Leases payable	353,169	515,643	(98,301)	770,511	144,682
Financed purchases	286,195	-	(136,664)	149,531	127,978
Long-term liabilities	<u>\$ 1,429,493</u>	<u>\$ 515,643</u>	<u>\$ (253,965)</u>	<u>\$ 1,691,171</u>	<u>\$ 272,660</u>

10. 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, 2022

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, 2022

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, 2022. 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 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 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, 2022

Unearned Revenues

Unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting.

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/amortization 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, 2022.
- Unrestricted - This component of net position consists of assets that do not meet the definition of "restricted" or "net investment in capital assets."

Adoption of Accounting Standards

The following GASB Statements were also adopted for the year ended December 31, 2022: Statement Nos. 87 (Leases), 91 (Conduit Debt Obligations), 92 (Omnibus 2020), 97 (Deferred Compensation Plans), and 99 (Omnibus 2022 – paragraphs 26 through 32). These statements had no significant impact on the Authority's financial statements for the year ended December 31, 2022.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Pending Pronouncements

The Governmental Accounting Standards Board (GASB) has issued statements that will become effective in future years, including Statement Nos. 94 (Public-Private and Public-Public Partnerships), 96 (Information Technology Arrangements), 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. 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, 2022, \$405,520 of the Authority's bank balance of \$655,520 was exposed to custodial credit risk. These deposits have a carrying amount of \$655,520 at December 31, 2022.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

4. Capital Assets

Capital asset activity for the year ended December 31, 2022 is as follows:

	Balance at January 1, 2022	Additions/ Transfers	Disposals/ Transfers	Balance at December 31, 2022
Capital assets not being depreciated				
Construction in progress	\$ 528,697	\$ 3,724,069	\$ -	\$ 4,252,766
Total capital assets not being depreciated	528,697	3,724,069	-	4,252,766
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	(112,353)	(61,587)	-	(173,940)
Total capital assets being depreciated, net	2,188,840	(61,587)	-	2,127,253
Total capital assets	\$ 2,717,537	\$ 3,662,482	\$ -	\$ 6,380,019

5. Capital Commitments

As of December 31, 2022, the Authority has commitments of \$1,582,102 related to construction and renovation contracts that are funded through grant monies.

6. Related Party Transactions

The Commissioner Board and the Fiscal Agent of the Authority serve in the same capacity for the County. In 2022, the County contributed \$149,485 to the Authority for the operation of the Authority. As of December 31, 2022, 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 \$15,543 during 2022, and is payable to the County at year-end. Lastly, the Authority owes the County \$3,159,705 at December 31, 2022 for operating expenses.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

7. Contingencies

The Authority is economically dependent on receiving grant funding. The Authority's ability to maintain or improve operations would be severely impacted by a material reduction in such grants.

8. Subsequent Event

Subsequent to year-end, the Authority entered into a five-year lease agreement for the use of their building for food and beverage preparation and sales. Monthly rental payments are \$2,000.

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	2022
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	\$ 1,692,153
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	4,171,785
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	283,846
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)	(4,101,439)
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	2,046,345
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	59,636,966
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	\$ 61,683,311
Plan Fiduciary Net Position:									
Contributions - employer	\$ 308,015	\$ -	\$ 315,826	\$ 521,262	\$ 468,850	\$ 552,137	\$ 546,496	\$ 381,213	\$ 114,188
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	1,294,913
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	(11,579,964)
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)	(4,101,439)
Administrative expense	(53,950)	(37,964)	(39,920)	(47,418)	(40,342)	(38,957)	(38,102)	(42,425)	(41,128)
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	(14,313,430)
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	72,269,847
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	\$ 57,956,417
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)	\$ 3,726,894
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%	93.96%
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	\$ 13,536,915
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%	27.53%

* 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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 822,588	\$ 308,015	\$ -	\$ 315,826	\$ 520,007	\$ 468,850	\$ 552,137	\$ 546,496	\$ 381,213	\$ 114,188
Contributions in relation to the actuarially determined contribution	822,588	308,015	-	315,826	521,262	468,850	552,137	546,496	381,213	114,188
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (1,255)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 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	\$ 13,536,915
Contributions as a percentage of covered payroll	7.07%	2.48%	0.00%	2.33%	3.92%	3.54%	4.07%	4.00%	2.68%	0.84%

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*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Annual money-weighted rate of return, net of investment expense	5.52%	-1.15%	9.39%	15.80%	-3.69%	18.09%	11.90%	9.86%	-16.33%

* 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, 2022

Actuarial Methods and Assumptions Used in Determining the Contribution Rate

	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	1/1/2022
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	Entry Age Normal
Amortization method	Level Dollar	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	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	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%	7.0%
Projected salary increases	4.5%	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%	3.0%
Cost-of-living adjustments	N/A	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	Pub G - 2010

Benefit Changes

There were no changes in the Plan benefits from 2014 to 2022.

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, 2022

	Budgeted Amounts		Actual amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 11,519,800	\$ 11,519,800	\$ 11,634,127	\$ 114,327
Licenses	41,220	41,220	53,945	12,725
Intergovernmental	1,967,506	4,272,977	1,624,556	(2,648,421)
Charges for services	2,483,761	2,511,761	2,100,116	(411,645)
Fines and forfeits	105,100	105,100	99,149	(5,951)
Interest	5,000	5,000	25,426	20,426
Other	80,100	80,100	200,053	119,953
Total revenues	16,202,487	18,535,958	15,737,372	(2,798,586)
Expenditures:				
General government - administration	7,055,628	9,341,099	6,480,805	2,860,294
General government - judicial	4,618,132	4,646,132	3,409,748	1,236,384
Public safety	5,643,505	5,643,505	4,321,782	1,321,723
Public works	506,103	506,103	442,450	63,653
Human services	143,830	163,830	131,893	31,937
Conservation and development	383,051	383,051	466,078	(83,027)
Culture and recreation	466,585	466,585	365,132	101,453
Total expenditures	18,816,834	21,150,305	15,617,888	5,532,417
Excess (Deficiency) of Revenues Over Expenditures	(2,614,347)	(2,614,347)	119,484	2,733,831
Other Financing Sources (Uses):				
Sale of capital assets	-	-	8,894	8,894
Transfers in	4,264,967	4,264,967	(8,515,824)	(12,780,791)
Transfers out	(1,650,620)	(1,650,620)	7,494,911	9,145,531
Total other financing sources (uses)	2,614,347	2,614,347	(1,012,019)	(3,626,366)
Net Change in Fund Balance	\$ -	\$ -	\$ (892,535)	\$ (892,535)

SUPPLEMENTARY INFORMATION

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF EXPENDITURES BY PROGRAM IDENTIFIER - BUDGET TO ACTUAL

YEAR ENDED DECEMBER 31, 2022

Contract Title	Federal ALN	Contract Number	Contract Period	*	**	Actual FSR Expenditures Prior to 1/1/22	Actual FSR Expenditures 1/1/22 - 6/30/22	*** Authorized Budget	**** (Over) Under
				Actual FSR Expenditures 1/1/22-12/31/22	Cumulative FSR Expenditures through 12/31/22				
22 - Adult Local 1st	17.258	170-22-3001	7/1/22-6/30/24	\$ 202,782	\$ 202,782	\$ -	\$ -	\$ 225,313	\$ 225,313
21 - Adult Local 1st	17.258	170-21-3001	7/1/21-6/30/23	25,230	252,298	227,068	-	252,298	25,230
22 - Adult Local 2nd	17.258	170-22-3011	10/1/22-6/30/24	318,168	318,168	-	-	1,006,888	1,006,888
21 - Adult Local 2nd	17.258	170-21-3011	10/1/21-6/30/23	1,067,571	1,101,607	34,036	1,036,161	1,189,108	118,911
20 - Adult Local 2nd	17.258	170-20-3011	10/1/20-6/30/21	60,260	1,021,160	960,900	60,260	1,021,160	-
20 - SW Adult 10% 1st Inc	17.258	170-20-3032	7/1/22-6/30/23	7,100	7,100	-	-	7,100	7,100
19 - Adult 2nd 10% PY BEP	17.258	170-19-3132	1/1/20-6/30/22	95,121	120,000	24,879	95,121	120,000	-
21 Youth SW	17.259	170-21-3341	7/1/23-6/30/24	-	-	-	-	12,389	12,389
20 Youth SW 10%	17.259	170-20-3341	7/1/22-6/30/23	-	-	-	-	28,000	28,000
19 - Youth SW Fusion	17.259	170-19-3343	1/1/22-4/30/22	17,015	17,015	-	17,015	17,015	-
21 - Youth Local	17.259	170-21-3301	4/1/21-6/30/23	1,232,707	1,494,342	261,635	610,881	1,612,976	740,460
20 - Youth Local	17.259	170-20-3301	4/1/20-6/30/21	69,832	1,369,933	1,300,101	69,832	1,369,933	-
22 - Youth Local	17.259	170-22-3301	4/1/22-6/30/24	-	-	-	-	1,361,576	1,361,576
19 - COVID 19 PACL/Prg	17.277	170-19-8523	5/27/20-6/30/21	22,390	50,719	28,329	22,390	52,022	1,303
22 - DW Local 1st	17.278	170-22-4001	7/1/22-6/30/24	178,977	178,977	-	-	262,681	262,681
21 - DW Local 1st	17.278	170-21-4001	7/1/21-6/30/22	261,078	261,078	-	234,970	261,078	26,108
22 - DW 2nd Local	17.278	170-22-4011	10/1/22-6/30/24	-	-	-	-	1,043,577	1,043,577
21 - DW 2nd Local	17.278	170-21-4011	10/1/21-6/30/23	810,190	810,190	-	501,159	861,020	359,861
20 - DW 2nd Local	17.278	170-20-4011	10/1/02-6/30/21	190,881	1,234,589	1,043,708	190,881	1,234,589	-
20 - DW 1st SW	17.278	170-20-4033	7/1/22-6/30/23	-	-	-	-	28,000	28,000
22 - BEP DW 2nd SW	17.278	170-22-4132	6/1/23-6/30/24	-	-	-	-	150,000	150,000
21 - BEP Funds JB	17.278	170-21-4132	2/1/22-12/31/23	11,269	11,269	-	-	150,000	150,000
20 - DW 2nd RR	17.278	170-20-4151	10/1/21-6/30/22	868	25,000	24,132	868	25,000	-
19 - DW 2nd Inc RR	17.278	170-19-4151	10/1/19-6/30/22	98,052	98,052	-	98,052	300,000	201,948
21 - DW 2nd RR	17.278	170-21-4153	3/1/23-8/31/23	-	-	-	-	8,785	8,785
20 - DW 2nd RR	17.278	170-20-4155	10/1/20-12/31/22	17,391	17,391	-	-	17,391	17,391
22 - Reob Transfer	17.278	170-22-3013	10/1/22-6/30/24	-	-	-	-	600,000	600,000
21 - Reob Transfer	17.278	170-21-3013	10/1/21-6/30/23	225,000	225,000	-	-	250,000	250,000
22 - Apprenticeship Accelerator Grant	17.285	170-22-2206	1/1/23-6/30/24	-	-	-	-	183,333	183,333
22 - PA TANF	93.558	170-22-3361	7/1/22-6/30/23	165,656	165,656	-	-	896,700	896,700
21 - PA TANF	93.558	170-21-3361	7/1/21-6/30/22	883,140	883,140	-	387,812	883,140	495,328
20 - PA TANF	93.558	170-20-3361	7/1/20-6/30/21	338,533	<u>1,028,370</u>	689,837	<u>338,533</u>	1,028,370	-
Total FSR contract expenses					<u>\$ 10,893,836</u>		<u>\$ 3,663,935</u>		

* Calendar year contract encumbrances

** Cumulative encumbrances for the life of the grant up to the audit period end date 12/31/2022.

*** Total authorized budget for contract.

**** Over/Under is the difference between the authorized budget minus the fiscal year contract encumbrances (7/1/2021-6/30/2022) minus expenditures prior to 7/1/2021.

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, 2022

	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	\$ 261,936	\$ 19,077	\$ (2,452,542)	\$ 799,360	\$ 555,223	\$ 2,403,320	\$ 1,586,374
Accounts receivable	172,774	-	388,827	130,859	59,246	85,534	837,240
Due from other funds	14,681	-	28,695	11,625	22,477	16,488	93,966
Due from other governments	46,001	-	2,952,496	-	161,817	63,797	3,224,111
Other assets	-	-	-	-	-	-	-
Total Assets	\$ 495,392	\$ 19,077	\$ 917,476	\$ 941,844	\$ 798,763	\$ 2,569,139	\$ 5,741,691
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	\$ 102,505	\$ -	\$ 652,989	\$ 26,276	\$ 511,092	\$ 94,176	\$ 1,387,038
Accrued payroll	17,674	-	56,073	12,459	20,883	15,474	122,563
Due to other funds	-	-	160,355	-	-	-	160,355
Unearned revenue	375,213	327	22,233	535,385	266,788	2,459,489	3,659,435
Total Liabilities	495,392	327	891,650	574,120	798,763	2,569,139	5,329,391
Fund Balance:							
Nonspendable	-	-	-	-	-	-	-
Restricted:							
Human services	-	18,750	25,826	-	-	-	44,576
Assigned:							
Substance abuse	-	-	-	367,724	-	-	367,724
Unassigned	-	-	-	-	-	-	-
Total Fund Balance	-	18,750	25,826	367,724	-	-	412,300
Total Liabilities and Fund Balance	\$ 495,392	\$ 19,077	\$ 917,476	\$ 941,844	\$ 798,763	\$ 2,569,139	\$ 5,741,691

COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2022

	Older Adult Services	Retired Senior Volunteer Program	Children and Youth Services	Substance Abuse	Mental Health	Developmental Services	Total Human Services Fund
Revenues:							
Intergovernmental	\$ 2,181,519	\$ -	\$ 10,022,106	\$ 603,718	\$ 3,440,416	\$ 1,936,700	\$ 18,184,459
Charges for services	-	-	185,896	218,294	-	12,334	416,524
Interest	1,119	36	51	1,446	661	5,396	8,709
Other	17,913	-	210,944	-	28,582	-	257,439
Total revenues	2,200,551	36	10,418,997	823,458	3,469,659	1,954,430	18,867,131
Expenditures:							
Human services	2,105,490	-	11,249,742	775,842	3,186,661	1,814,357	19,132,092
Excess (Deficiency) of Revenues Over Expenditures	95,061	36	(830,745)	47,616	282,998	140,073	(264,961)
Other Financing Sources (Uses):							
Sale of capital assets	-	-	3,240	-	3,825	-	7,065
Transfers in	7,560	-	1,299,996	17,628	-	33,612	1,358,796
Transfers out	(102,621)	-	(472,497)	(49,144)	(286,823)	(173,685)	(1,084,770)
Total other financing sources (uses)	(95,061)	-	830,739	(31,516)	(282,998)	(140,073)	281,091
Net Change in Fund Balance	-	36	(6)	16,100	-	-	16,130
Fund Balance:							
Beginning of year	-	18,714	25,832	351,624	-	-	396,170
End of year	\$ -	\$ 18,750	\$ 25,826	\$ 367,724	\$ -	\$ -	\$ 412,300

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 **Infrastructure Bank Fund** accounts for the revenue and expenditures related to projects fostering economic development for municipalities and authorities.

The **Opioid Settlement Fund** accounts for the revenue and expenditures authorized by the opioid settlement dollars for remediation of the opioid epidemic.

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, 2022

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	Register & Recorder	Infrastructure Bank
Assets													
Cash and cash equivalents - pooled	\$ 1,781,968	\$ 60,130	\$ (152,129)	\$ 143,414	\$ 1,848,872	\$ 335,302	\$ 264,880	\$ 537,213	\$ 10,748	\$ 55,288	\$ 19,076	\$ 54,823	\$ 1,694,955
Accounts receivable	-	-	1,911	-	295,356	-	-	-	-	-	-	-	-
Due from other funds	-	2,518	-	-	-	-	639	5,135	200	2,959	442	-	-
Due from other governments	-	-	125,908	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	88,893	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 1,781,968	\$ 62,648	\$ 64,583	\$ 143,414	\$ 2,144,228	\$ 335,302	\$ 265,519	\$ 542,348	\$ 10,948	\$ 58,247	\$ 19,518	\$ 54,823	\$ 1,694,955
Liabilities, Deferred Inflows of Resources and Fund Balance													
Liabilities:													
Accounts payable	\$ 7,250	\$ -	\$ 38,207	\$ -	\$ 22,938	\$ -	\$ 2,751	\$ 6,599	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	8,675	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	2,105,143	-	-	-	-	-	-	-	-
Total Liabilities	7,250	-	38,207	-	2,136,756	-	2,751	6,599	-	-	-	-	-
Deferred Inflows of Resources:													
Unavailable revenue - opioid abatement	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance:													
Restricted:													
Human services	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads and bridges	1,774,718	-	-	-	-	-	-	-	-	-	-	-	-
Affordable housing	-	62,648	-	-	-	-	-	-	-	-	-	-	-
Hazardous materials	-	-	-	143,414	-	-	-	-	-	-	-	-	-
911	-	-	-	-	7,472	-	-	-	-	-	-	-	-
Act 13	-	-	-	-	-	335,302	-	-	-	-	-	-	-
Constable server fees	-	-	-	-	-	-	262,768	-	-	-	-	-	-
Offender identification	-	-	-	-	-	-	-	535,749	-	-	-	-	-
Juvenile court restitution	-	-	-	-	-	-	-	-	10,948	-	-	-	-
Records improvement/automation	-	-	-	-	-	-	-	-	-	58,247	19,518	-	-
Sugar Valley Lodge	-	-	-	-	-	-	-	-	-	-	-	-	-
Adoption counseling	-	-	-	-	-	-	-	-	-	-	-	-	-
Domestic Relations	-	-	-	-	-	-	-	-	-	-	-	-	-
Demolitions	-	-	-	-	-	-	-	-	-	-	-	54,823	-
Infrastructure bank	-	-	-	-	-	-	-	-	-	-	-	-	1,694,955
Opioid expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Assigned:													
Airport operations	-	-	26,376	-	-	-	-	-	-	-	-	-	-
Community action	-	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	1,774,718	62,648	26,376	143,414	7,472	335,302	262,768	535,749	10,948	58,247	19,518	54,823	1,694,955
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 1,781,968	\$ 62,648	\$ 64,583	\$ 143,414	\$ 2,144,228	\$ 335,302	\$ 265,519	\$ 542,348	\$ 10,948	\$ 58,247	\$ 19,518	\$ 54,823	\$ 1,694,955

(Continued)

COUNTY OF VENANGO, PENNSYLVANIA

OTHER GOVERNMENTAL FUNDS COMBINING BALANCE SHEET (Continued)

DECEMBER 31, 2022

	Special Revenue Funds											Total Other Governmental Funds
	Opioid Settlement	Community Development Block Grant	Community Services Block Grant	OEO - SWP	OEO - Weatherization	OEO - Other	MATP	Special Purpose Gifts	Adoption Counseling	Domestic Relations Operation	Domestic Relations Incentives	
Assets												
Cash and cash equivalents - pooled	\$ 239,938	\$ (94,636)	\$ (24,348)	\$ -	\$ -	\$ 2,593,667	\$ (38,446)	\$ 200,309	\$ 13,054	\$ (121,948)	\$ 905,891	\$ 10,328,021
Accounts receivable	2,235,842	-	-	-	-	1,093	102,463	-	-	-	16,386	2,653,051
Due from other funds	-	-	6,663	-	-	8,973	2,060	-	-	28,914	-	58,503
Due from other governments	-	132,938	128,633	-	-	57,447	113,634	-	-	93,034	-	651,594
Other assets	-	-	-	-	-	-	-	3,000	-	-	-	91,893
Total Assets	\$ 2,475,780	\$ 38,302	\$ 110,948	\$ -	\$ -	\$ 2,661,180	\$ 179,711	\$ 203,309	\$ 13,054	\$ -	\$ 922,277	\$ 13,783,062
Liabilities, Deferred Inflows of Resources and Fund Balance												
Liabilities:												
Accounts payable	\$ -	\$ 38,302	\$ 31,289	\$ -	\$ -	\$ 136,888	\$ 118,890	\$ -	\$ -	\$ -	\$ -	\$ 403,114
Accrued payroll	-	-	2,117	-	-	6,796	1,002	-	-	-	-	18,590
Due to other funds	-	-	-	-	-	-	-	-	-	-	28,914	28,914
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	77,542	-	-	2,492,713	59,819	-	-	-	-	4,735,217
Total Liabilities	-	38,302	110,948	-	-	2,636,397	179,711	-	-	-	28,914	5,185,835
Deferred Inflows of Resources:												
Unavailable revenue - opioid abatement	2,235,842	-	-	-	-	-	-	-	-	-	-	2,235,842
Total Deferred Inflows of Resources	2,235,842	-	-	-	-	-	-	-	-	-	-	2,235,842
Fund Balance:												
Restricted:												
Human services	-	-	-	-	-	-	-	40,419	-	-	-	40,419
Roads and bridges	-	-	-	-	-	-	-	-	-	-	-	1,774,718
Affordable housing	-	-	-	-	-	-	-	-	-	-	-	62,648
Hazardous materials	-	-	-	-	-	-	-	-	-	-	-	143,414
911	-	-	-	-	-	-	-	-	-	-	-	7,472
Act 13	-	-	-	-	-	-	-	-	-	-	-	335,302
Constable server fees	-	-	-	-	-	-	-	-	-	-	-	262,768
Offender identification	-	-	-	-	-	-	-	-	-	-	-	535,749
Juvenile court restitution	-	-	-	-	-	-	-	-	-	-	-	10,948
Records improvement/automation	-	-	-	-	-	-	-	-	-	-	-	77,765
Sugar Valley Lodge	-	-	-	-	-	-	-	162,890	-	-	-	162,890
Adoption counseling	-	-	-	-	-	-	-	-	13,054	-	-	13,054
Domestic Relations	-	-	-	-	-	-	-	-	-	-	893,363	893,363
Demolitions	-	-	-	-	-	-	-	-	-	-	-	54,823
Infrastructure bank	-	-	-	-	-	-	-	-	-	-	-	1,694,955
Opioid expenses	239,938	-	-	-	-	-	-	-	-	-	-	239,938
Assigned:												
Airport operations	-	-	-	-	-	-	-	-	-	-	-	26,376
Community action	-	-	-	-	-	24,783	-	-	-	-	-	24,783
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	239,938	-	-	-	-	24,783	-	203,309	13,054	-	893,363	6,361,385
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 2,475,780	\$ 38,302	\$ 110,948	\$ -	\$ -	\$ 2,661,180	\$ 179,711	\$ 203,309	\$ 13,054	\$ -	\$ 922,277	\$ 13,783,062

(Concluded)

COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2022

	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	Register & Recorder	Infrastructure Bank
Revenues:													
Intergovernmental	\$ 674,151	\$ 112,620	\$ 160,267	\$ 7,989	\$ 1,640,963	\$ 136,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,732,955
Charges for services	-	36,136	397,844	23,200	(74,043)	-	51,505	78,316	953	11,754	6,042	29,445	-
Interest	2,973	50	234	248	5,163	633	538	1,049	18	114	40	137	-
Other	-	(49,176)	-	-	-	-	-	-	-	-	-	-	-
Total revenues	677,124	99,630	558,345	31,437	1,572,083	137,509	52,043	79,365	971	11,868	6,082	29,582	1,732,955
Expenditures:													
General government - administration	-	-	-	-	-	-	-	-	-	9,979	3,162	48,396	-
General government - judicial	-	-	-	-	-	-	111,532	84,761	-	-	-	-	-
Public safety	-	-	-	11,217	1,572,082	-	-	-	-	-	-	-	-
Public works	489,532	-	549,412	-	-	-	-	-	-	-	-	-	-
Human services	-	122,731	-	-	-	-	-	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	179,500	-	-	-	-	-	-	38,000
Culture and recreation	-	-	4,000	-	-	-	-	-	-	-	-	-	-
Total expenditures	489,532	122,731	553,412	11,217	1,572,082	179,500	111,532	84,761	-	9,979	3,162	48,396	38,000
Excess (Deficiency) of Revenues Over Expenditures	187,592	(23,101)	4,933	20,220	1	(41,991)	(59,489)	(5,396)	971	1,889	2,920	(18,814)	1,694,955
Other Financing Sources (Uses):													
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(2,900)	(4,000)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(2,900)	(4,000)	-	-
Net Change in Fund Balance	187,592	(23,101)	4,933	20,220	1	(41,991)	(59,489)	(5,396)	971	(1,011)	(1,080)	(18,814)	1,694,955
Fund Balance:													
Beginning of year	1,587,126	85,749	21,443	123,194	7,471	377,293	322,257	541,145	9,977	59,258	20,598	73,637	-
End of year	<u>\$ 1,774,718</u>	<u>\$ 62,648</u>	<u>\$ 26,376</u>	<u>\$ 143,414</u>	<u>\$ 7,472</u>	<u>\$ 335,302</u>	<u>\$ 262,768</u>	<u>\$ 535,749</u>	<u>\$ 10,948</u>	<u>\$ 58,247</u>	<u>\$ 19,518</u>	<u>\$ 54,823</u>	<u>\$ 1,694,955</u>

(Continued)

COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds											Total
	Opioid Settlement	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	\$ -	\$ 993,291	\$ 389,855	\$ -	\$ -	\$ 2,307,553	\$ 1,523,214	\$ -	\$ -	\$ 297,436	\$ -	\$ 9,977,170
Charges for services	239,883	-	-	-	-	-	-	-	225	224	67,432	868,916
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-
Interest	55	24	-	-	-	5,451	118	11,244	24	1,464	-	29,577
Other	-	-	-	-	-	1,880	-	-	-	-	-	(47,296)
Total revenues	239,938	993,315	389,855	-	-	2,314,884	1,523,332	11,244	249	299,124	67,432	10,828,367
Expenditures:												
General government - administration	-	-	-	-	-	-	-	-	-	-	-	61,537
General government - judicial	-	-	-	-	-	-	-	-	-	488,638	7,985	692,916
Public safety	-	-	-	-	-	-	-	-	-	-	-	1,583,299
Public works	-	-	-	-	-	-	-	-	-	-	-	1,038,944
Human services	-	-	357,976	-	-	2,600,630	1,514,456	379	-	-	-	4,596,172
Conservation and development	-	993,315	-	-	-	-	-	-	-	-	-	1,210,815
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	4,000
Total expenditures	-	993,315	357,976	-	-	2,600,630	1,514,456	379	-	488,638	7,985	9,187,683
Excess (Deficiency) of Revenues Over Expenditures	239,938	-	31,879	-	-	(285,746)	8,876	10,865	249	(189,514)	59,447	1,640,684
Other Financing Sources (Uses):												
Sale of capital assets	-	-	-	-	-	10,710	-	-	-	-	-	10,710
Transfers in	-	-	-	-	-	319,224	-	-	-	189,514	-	508,738
Transfers out	-	-	(31,879)	-	-	(38,838)	(8,876)	-	-	-	-	(86,493)
Total other financing sources (uses)	-	-	(31,879)	-	-	291,096	(8,876)	-	-	189,514	-	432,955
Net Change in Fund Balance	239,938	-	-	-	-	5,350	-	10,865	249	-	59,447	2,073,639
Fund Balance:												
Beginning of year	-	-	-	-	-	19,433	-	192,444	12,805	-	833,916	4,287,746
End of year	\$ 239,938	\$ -	\$ -	\$ -	\$ -	\$ 24,783	\$ -	\$ 203,309	\$ 13,054	\$ -	\$ 893,363	\$ 6,361,385

(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, 2022

	Treasurer	Register of Wills and Recorder of Deeds	Prothonotary and Clerk of Courts	Sheriff	Tax Claim Delinquent	Total
Assets						
Cash and cash equivalents	\$ 9,220	\$ 345,115	\$ 468,256	\$ 51,801	\$ 382,366	\$ 1,256,758
Accounts receivable and fines, at estimated realizable value	-	-	251,789	-	-	251,789
Total Assets	<u>\$ 9,220</u>	<u>\$ 345,115</u>	<u>\$ 720,045</u>	<u>\$ 51,801</u>	<u>\$ 382,366</u>	<u>\$ 1,508,547</u>
Liabilities						
Due to other funds	\$ -	\$ 165,172	\$ 293,931	\$ 13,066	\$ -	\$ 472,169
Due to other governments	9,220	179,006	15,096	-	382,366	585,688
Escrow liability and interest	-	937	411,018	38,735	-	450,690
Total Liabilities	<u>\$ 9,220</u>	<u>\$ 345,115</u>	<u>\$ 720,045</u>	<u>\$ 51,801</u>	<u>\$ 382,366</u>	<u>\$ 1,508,547</u>

COUNTY OF VENANGO, PENNSYLVANIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS

YEAR ENDED DECEMBER 31, 2022

	Treasurer	Register of Wills and Recorder of Deeds	Prothonotary and Clerk of Courts	Sheriff	Tax Claim Delinquent	Total
Additions:						
Receipts:						
Treasurer	\$ 177,896	\$ -	\$ -	\$ -	\$ -	\$ 177,896
Register of Wills and Recorder of Deeds	-	2,674,576	-	-	-	2,674,576
Prothonotary and Clerk of Courts	-	-	1,749,466	-	-	1,749,466
Sheriff	-	-	-	327,625	-	327,625
Tax Claim	-	-	-	-	2,950,209	2,950,209
Total receipts	177,896	2,674,576	1,749,466	327,625	2,950,209	7,879,772
Total additions	177,896	2,674,576	1,749,466	327,625	2,950,209	7,879,772
Deductions:						
Payments to other governments	155,993	2,206,091	209,997	16,718	2,950,209	5,539,008
Escrow payments	557	3,476	1,195,072	263,973	-	1,463,078
Other disbursements	21,346	465,009	344,397	46,934	-	877,686
Total deductions	177,896	2,674,576	1,749,466	327,625	2,950,209	7,879,772
Increase (Decrease) in Fiduciary Net Position	-	-	-	-	-	-
Net Position:						
Beginning of year	-	-	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

COUNTY OF VENANGO, PENNSYLVANIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2022

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Payments Received	Federal Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Agriculture</u>					
Passed Through the Pennsylvania Department of Education:					
Child Nutrition Cluster:					
Summer Food Service Program for Children	10.559	8765500790	\$ 24,817	\$ 24,817	\$ -
Child Nutrition Cluster Subtotal				24,817	-
Food Distribution Cluster:					
Emergency Food Assistance Program (Administrative Costs)	10.568	7034200000	17,834	4,999	-
Emergency Food Assistance Program (Food Commodities)	10.569	43422	89,365	81,005	-
Food Distribution Cluster Subtotal				86,004	-
Passed through the Pennsylvania Department of Human Services:					
SNAP Cluster:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	52,010	30,956	-
SNAP Cluster Subtotal				30,956	-
Total U.S. Department of Agriculture				141,777	-
<u>U.S. Department of Housing and Urban Development</u>					
Passed Through the Pennsylvania Department of Community and Economic Development:					
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	N/A	993,315	993,315	-
Home Investment Partnerships Program	14.239	N/A	172,273	172,273	-
Total U.S. Department of Housing and Urban Development				1,165,588	-
<u>U.S. Department of Justice</u>					
Passed Through the Pennsylvania Commission on Crime and Delinquency:					
COVID-19 - Coronavirus Emergency Supplemental Funding	16.034	33342	103,011	116,761	39,903
Violence Against Women Formula Grants	16.588	37881	107,865	47,864	-
Total U.S. Department of Justice				164,625	39,903
<u>U.S. Department of Labor</u>					
Passed Through the Pennsylvania Department of Labor and Industry:					
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	170198523	22,681	22,681	-
WIOA Cluster:					
WIOA Adult Program	17.258	170213001/170223011	1,687,913	1,996,013	1,783,262
WIOA Youth Activities	17.259	170213301/170223301	1,286,197	1,391,752	1,245,830
WIOA Dislocated Worker Formula Grants	17.278	170214001/170224001	1,802,178	1,568,707	1,330,639
WIOA Cluster Subtotal				4,956,472	4,359,731
Total U.S. Department of Labor				4,979,153	4,359,731
<u>U.S. Department of the Treasury</u>					
Passed through the Pennsylvania Department of Human Services:					
COVID-19 - Emergency Rental Assistance Program	21.023	N/A	1,731,815	1,736,933	-
Total U.S. Department of the Treasury				1,736,933	-
<u>U.S. Department of Transportation</u>					
Passed Through the Pennsylvania Department of Transportation:					
Airport Improvement Program	20.106	N/A	13,000	13,000	-
COVID-19 - Airport Improvement Program	20.106	N/A	-	24,065	-
20.106 Subtotal				37,065	-
Highway Safety Cluster:					
State and Community Highway Safety	20.600	N/A	3,000	3,000	-
National Priority Safety Programs	20.616	N/A	1,310	1,310	-
Highway Safety Cluster Subtotal				4,310	-
Total U.S. Department of Transportation				41,375	-
<u>U.S. Department of Education</u>					
Passed Through Pennsylvania Department of Human Services:					
Special Education - Grants for Infants and Families	84.181	N/A	33,491	33,491	33,491
<u>U.S. Election Assistance Commission:</u>					
Passed Through Pennsylvania Department of State:					
HAVA Election Security Grants	90.404	N/A	2,505	2,505	-
<u>U.S. Department of Health and Human Services</u>					
Passed Through the Pennsylvania Department of Human Services:					
Guardianship Assistance	93.090	N/A	94,633	93,781	-
Temporary Assistance for Needy Families - Children and Youth	93.558	N/A	89,630	201,801	-
Temporary Assistance for Needy Families - Work Ready	93.558	170213361/170223361	1,339,257	1,387,330	1,261,108
Temporary Assistance for Needy Families - EARN	93.558	4100067118	1,988,514	2,191,968	1,988,434
93.558 Subtotal				3,781,099	3,249,542

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF VENANGO, PENNSYLVANIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2022
(Continued)

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Payments Received</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>U.S. Department of Health and Human Services (continued)</u>					
Passed Through the Pennsylvania Department of Human Services:					
MaryLee Allen Promoting Safe and Stable Families Program	93.556	N/A	7,915	7,915	-
Child Support Enforcement Research	93.563	N/A	298,847	298,847	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	N/A	153,669	153,668	-
Foster Care - Title IV-E - Children and Youth	93.658	N/A	1,085,107	1,079,681	907,904
Adoption Assistance	93.659	N/A	348,591	350,112	143,585
Social Services Block Grant - Children and Youth	93.667	N/A	60,055	60,056	60,056
Social Services Block Grant - Mental Health/Developmental Services	93.667	N/A	57,929	57,929	-
93.667 Subtotal				117,985	60,056
Child Abuse and Neglect State Grants	93.669	N/A	12,817	12,817	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	N/A	202,597	249,434	-
Money Follows the Person Rebalancing Demonstration	93.791	N/A	63,377	34,117	-
Medicaid Cluster:					
Medical Assistance Program - Children and Youth	93.778	N/A	3,441	5,535	-
Medical Assistance Program - Mental Health/Developmental Services	93.778	N/A	627,621	581,590	-
Medical Assistance Program - Early Intervention	93.778	N/A	130,541	94,871	-
Medical Assistance Program - Transportation	93.778	N/A	653,560	710,377	708,699
Passed Through the Pennsylvania Department of Aging:					
Medical Assistance Program - Area Agency on Aging	93.778	N/A	5,342	5,342	-
Medicaid Cluster Subtotal				1,397,715	708,699
Passed Through the Pennsylvania Department of Human Services:					
Block Grants for Community Mental Health Services	93.958	N/A	100,656	100,656	100,656
Passed Through the Pennsylvania Department of Aging:					
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	N/A	957	1,060	-
Special Programs for the Aging - Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	N/A	3,222	2,200	-
COVID-19 - Special Programs for the Aging - Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	N/A	7,950	7,950	-
93.042 Subtotal				10,150	-
COVID-19 - Special Programs for the Aging - Title III, Part D Disease Prevention And Health Promotion Services	93.043	N/A	5,198	5,964	-
National Family Caregiver Support, Title III, Part E	93.052	N/A	51,490	75,473	-
COVID-19 - National Family Caregiver Support, Title III, Part E	93.052	N/A	24,042	24,042	-
93.052 Subtotal				99,515	-
Medicare Enrollment Assistance Program	93.071	N/A	2,800	2,756	-
State Health Insurance Assistance Program	93.324	N/A	5,883	6,080	-
Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs	93.734	N/A	435	435	-
Aging Cluster:					
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	N/A	196,501	130,438	-
COVID-19 - Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	N/A	31,906	31,906	-
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	N/A	264,164	192,006	-
COVID-19 - Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	N/A	15,684	15,684	-
Nutrition Services Incentive Program	93.053	N/A	43,976	48,673	48,673
Aging Cluster Subtotal				418,707	48,673
Passed Through the Pennsylvania Department of Community and Economic Development:					
Community Services Block Grant	93.569	C000082096	497,857	361,056	74,495
COVID-19 - Community Services Block Grant	93.569	C000082096	38,924	38,924	-
93.569 Subtotal				399,980	74,495
Head Start Cluster:					
Head Start	93.600	03CH011416	1,173,352	1,173,352	1,097,591
Head Start Cluster Subtotal				1,173,352	1,097,591
Passed Through the Pennsylvania Department of Drug and Alcohol Programs:					
Opioid (STR)	93.788	4100070777 SAF5	54,839	55,733	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	243,841	243,806	92,295
COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	8,869	8,869	-
93.959 Subtotal				252,675	92,295
Total U.S. Department of Health and Human Services				10,104,234	6,483,496
<u>U.S. Department of Homeland Security</u>					
Passed Through the Pennsylvania Emergency Management Agency:					
Emergency Management Performance Grants	97.042	N/A	44,853	44,853	-
BRIC: Building Resilient Infrastructure and Communities	97.047	N/A	8,867	8,867	-
Homeland Security Grant Program	97.067	N/A	210,094	312,971	-
Total U.S. Department of Homeland Security				366,691	-
				\$ 18,736,372	\$ 10,916,621

(Concluded)

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the County of Venango, Pennsylvania (County) under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position of the County.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Cash receipts are shown on the Schedule on the cash basis of accounting as required by the Pennsylvania Department of Human Services and the Department of Community and Economic Development.

The County has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Emergency Food Assistance Program

In-kind values are reported in the Schedule at the fair value of the commodities received and disbursed.

County of Venango, Pennsylvania

Independent Auditor's Reports
Required by the Uniform Guidance

Year Ended December 31, 2022

**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Venango, Pennsylvania (County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 25, 2023. The financial statements of the Venango County Economic Development Authority, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during

Board of County Commissioners
County of Venango, Pennsylvania
Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters

our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maher Duessel

Pittsburgh, Pennsylvania
September 25, 2023

**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control over Compliance Required by the Uniform Guidance
and the DHS Single Audit Supplement**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program(s)

We have audited the County of Venango, Pennsylvania's (County)'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the Pennsylvania Department of Human Services (DHS) *Single Audit Supplement* that could have a direct and material effect on each of the County's major federal and DHS programs for the year ended December 31, 2022. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal or DHS programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal and DHS Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards, the Uniform Guidance and the DHS *Single Audit Supplement*, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities in accordance with 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 opinion on compliance for each major federal program and DHS Program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Board of County Commissioners
Venango County, Pennsylvania
Independent Auditor's Report on Compliance for Each
Major Program and on Internal Control over Compliance

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal and DHS programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance, and the DHS *Single Audit Supplement* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal and DHS program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the DHS *Single Audit Supplement*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

Board of County Commissioners
Venango County, Pennsylvania
Independent Auditor's Report on Compliance for Each
Major Program and on Internal Control over Compliance

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program and DHS program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and DHS program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program and DHS program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and DHS *Single Audit Supplement*. Accordingly, this report is not suitable for any other purpose.

Maher Duessel

Pittsburgh, Pennsylvania
September 25, 2023

COUNTY OF VENANGO, PENNSYLVANIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2022

I. Summary of Audit Results

1. Type of auditor's report issued: Unmodified, prepared in accordance with Generally Accepted Accounting Principles

2. Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiencies identified that are not considered to be material weakness(es)?

☐ yes ☒ none reported

3. Noncompliance material to financial statements noted? ☐ yes ☒ no

4. Internal control over major programs:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiencies identified that are not considered to be material weakness(es)?

☐ yes ☒ none reported

5. Type of auditor's report issued on compliance for major programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? ☐ yes ☒ no

7. Major Programs:

Federal Assistance Listing Number(s)

14.228

17.258, 17.259, and 17.278

21.023

Name of Federal Program or Cluster

Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

WIOA Cluster

COVID-19 - Emergency Rental Assistance Program

8. Dollar threshold used to distinguish between type A and type B programs: \$750,000

9. Auditee qualified as low-risk auditee? ☒ yes ☐ no

II. Findings related to the financial statements which are required to be reported in accordance with GAGAS.

No matters were reported.

III. Findings and questioned costs for federal and DHS awards.

No matters were reported.

COUNTY OF VENANGO, PENNSYLVANIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2022

NONE

County of Venango, Pennsylvania

DHS-Funded Financial Assistance Program Exhibits

**Years Ended June 30, 2022, September 30, 2022,
and December 31, 2022
with Independent Accountant's Report**

Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of County Commissioners County of Venango, Pennsylvania

We have performed the procedures enumerated below, on the financial schedules and exhibits of the County of Venango (County) required by the Pennsylvania Department of Human Services (DHS) *Single Audit Supplement* for the fiscal years ended June 30, 2022, September 30, 2022, and December 31, 2022. The County is responsible for the financial schedules and exhibits.

The County has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting DHS in determining whether the entity complied with the specified requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

- a. We have verified by comparison of the amounts and classifications that the supplemental financial schedules for each of the programs listed below, which summarize amounts reported to DHS for fiscal years ended June 30, 2022, September 30, 2022, and December 31, 2022, have been accurately compiled and reflect the audited books and records of the County. We have also verified by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by the DHS *Single Audit Supplement* pertaining to this period.

Program Name

Child Support Enforcement
Medical Assistance Transportation Program
Early Intervention Services
Block Grant Counties
Employment Advancement and Retention Network (EARN) Program

- b. We have inquired of management regarding adjustments to reported revenues or expenditures, which were not reflected on the reports, submitted to DHS for the period in question.

Board of County Commissioners
County of Venango, Pennsylvania
Independent Accountant's Report on
Applying Agreed-Upon Procedures

- c. The processes detailed in paragraphs (a) and (b) above disclosed no adjustments and/or findings.

We were engaged by the County to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of DHS and the County and is not intended to be, and should not be, used by anyone other than these specified parties.

Maher Duessel

Pittsburgh, Pennsylvania
September 25, 2023

COUNTY OF VENANGO, PENNSYLVANIA

CHILD SUPPORT ENFORCEMENT COMPARISON OF SINGLE AUDIT EXPENDITURES WITH REPORTED EXPENDITURES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Exhibit A-1 (a)

	Single Audit Expenditures					Reported Expenditures					Single Audit Over (Under) Reported				
	A. Total	B. Unallowable	C. Incentive Paid Costs	Net (A-B-C)	Amt Paid	A. Total	B. Unallowable	C. Incentive Paid Costs	Net (A-B-C)	Amt Paid	A. Total	B. Unallowable	C. Incentive Paid Costs	Net (A-B-C)	Amt Paid
Quarter Ending: 12/31/21															
1. Salary & Overhead	\$ 150,254	\$ 5,906	\$ 1,560	\$ 142,788	\$ 94,240	\$ 150,254	\$ 5,906	\$ 1,560	\$ 142,788	\$ 94,240	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	117	4	-	113	75	117	4	-	113	75	-	-	-	-	-
4. Genetic Testing Fees	59	-	-	59	39	59	-	-	59	39	-	-	-	-	-
5. Genetic Testing Costs	483	-	-	483	318	483	-	-	483	318	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 150,561	\$ 5,902	\$ 1,560	\$ 144,659	\$ 94,444	\$ 150,561	\$ 5,902	\$ 1,560	\$ 144,659	\$ 94,444	\$ -	\$ -	\$ -	\$ -	\$ -
Quarter Ending: 03/31/22															
1. Salary & Overhead	\$ 178,697	\$ 66,972	\$ 63,143	\$ 48,582	\$ 32,064	\$ 178,697	\$ 66,972	\$ 63,143	\$ 48,582	\$ 32,064	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	4	-	-	4	3	4	-	-	4	3	-	-	-	-	-
4. Genetic Testing Fees	20	-	-	20	13	20	-	-	20	13	-	-	-	-	-
5. Genetic Testing Costs	245	-	-	245	162	245	-	-	245	162	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 178,918	\$ 66,972	\$ 63,143	\$ 111,946	\$ 32,210	\$ 178,918	\$ 66,972	\$ 63,143	\$ 111,946	\$ 32,210	\$ -	\$ -	\$ -	\$ -	\$ -
Quarter Ending: 06/30/22															
1. Salary & Overhead	\$ 141,694	\$ 13,059	\$ 7,985	\$ 120,650	\$ 79,629	\$ 141,694	\$ 13,059	\$ 7,985	\$ 120,650	\$ 79,629	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	204	6	-	198	131	204	6	-	198	131	-	-	-	-	-
4. Genetic Testing Fees	79	-	-	79	52	79	-	-	79	52	-	-	-	-	-
5. Genetic Testing Costs	138	-	-	138	91	138	-	-	138	91	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 141,549	\$ 13,053	\$ 7,985	\$ 128,496	\$ 79,537	\$ 141,549	\$ 13,053	\$ 7,985	\$ 128,496	\$ 79,537	\$ -	\$ -	\$ -	\$ -	\$ -
Quarter Ending: 09/30/22															
1. Salary & Overhead	\$ 145,826	\$ 4,841	\$ -	\$ 140,985	\$ 93,050	\$ 145,826	\$ 4,841	\$ -	\$ 140,985	\$ 93,050	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	617	20	-	597	395	617	20	-	597	395	-	-	-	-	-
4. Genetic Testing Fees	83	-	-	83	55	83	-	-	83	55	-	-	-	-	-
5. Genetic Testing Costs	83	-	-	83	55	83	-	-	83	55	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 145,209	\$ 4,821	\$ -	\$ 140,388	\$ 92,655	\$ 145,209	\$ 4,821	\$ -	\$ 140,388	\$ 92,655	\$ -	\$ -	\$ -	\$ -	\$ -

COUNTY OF VENANGO, PENNSYLVANIA

CHILD SUPPORT ENFORCEMENT COMPARISON OF REPORTED INCENTIVES TO INCENTIVES ON DEPOSIT

FOR THE TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2022

Exhibit A-1 (c)

Month	MSE Incentive Paid Cost Worksheet Ending Incentive Balance	Title IV-D Account Incentive Balance	Type of Account Structure
January 1	\$ 897,059	\$ 897,059	(x) Separate Bank Account () Restricted Fund - General Ledger () Other:
March 31	864,294	864,294	
June 30	872,740	872,740	
September 30	889,077	889,077	
December 31	905,891	905,891	

COUNTY OF VENANGO, PENNSYLVANIA

CHILD SUPPORT ENFORCEMENT COMPARISON OF SINGLE AUDIT TITLE IV-D ACCOUNT WITH REPORTED TITLE IV-D ACCOUNT

FOR THE TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2022

Exhibit A-1 (d)

	Single Audit Title IV-D Account	Reported Title IV-D Account	Single Audit Over (Under) Reported
Balance at January 1	<u>\$ 1,020,184</u>	<u>\$ 1,020,184</u>	<u>\$ -</u>
Receipts:			
Reimbursements	298,847	298,847	-
Incentives	79,960	79,960	-
Title XIX incentives	-	-	-
Interest	1,331	1,331	-
Program income	1,220	1,220	-
Genetic testing costs	468	468	-
Maintenance of effort (MOE)	167,191	167,191	-
Other	-	-	-
Total receipts	549,017	549,017	-
Intrafund Transfers - In	<u>-</u>	<u>-</u>	<u>-</u>
Funds Available	<u>1,569,201</u>	<u>1,569,201</u>	<u>-</u>
Disbursements:			
Performance incentive paid costs	71,128	71,128	-
Transfers to General Fund	-	-	-
Vendor payments	488,637	488,637	-
Bank charges	-	-	-
Other - Indirects and depreciation	-	-	-
Total disbursements	559,765	559,765	-
Intrafund Transfers - Out	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31	<u><u>\$ 1,009,436</u></u>	<u><u>\$ 1,009,436</u></u>	<u><u>\$ -</u></u>

The Title IV-D account consists of one checking account.

COUNTY OF VENANGO, PENNSYLVANIA

MEDICAL ASSISTANCE TRANSPORTATION PROGRAM SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2022

Exhibit III

	<u>Reported</u>	<u>Actual</u>
Service Data:		
Expenditures:		
Group I clients	\$ 1,354,914	\$ 1,354,914
Group II clients	-	-
Total expenditures	<u>\$ 1,354,914</u>	<u>\$ 1,354,914</u>
Allocation Data:		
Revenues:		
Department of Human Services	\$ 1,354,478	\$ 1,354,478
Interest income	436	436
Total revenues	<u>1,354,914</u>	<u>1,354,914</u>
Funds expended:		
Operating costs	1,295,830	1,295,830
Administrative costs	59,084	59,084
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>

Indirect Cost Rate: 10%

COUNTY OF VENANGO, PENNSYLVANIA

EARLY INTERVENTION SERVICES SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS*

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2022

Exhibit V(a) EI

Sources of DHS Funding	Appropriation	DHS Funds Available			Cost Eligible for DHS Participation (4)	Balance of Funds (5)	Grant Fund Adjustments (6)	Total Fund Balance (7)
		Carryover (1)	Allotment (2)	Total Allocation (3)				
A. Early Intervention Services								
1. Early Intervention Services	10235	\$ 128,569	\$ 89,937	\$ 218,506	\$ 213,062	\$ 5,444	\$ -	\$ 5,444
2. Early Intervention Training	10235	-	3,416	3,416	3,416	-	-	-
3. Early Intervention Administration	10235	-	2,360	2,360	2,360	-	-	-
4. Infant & Toddlers w/Disabilities (Part C)	70170	-	32,094	32,094	32,094	-	-	-
5. Medicaid Administration-State	10235	40,906	86,976	127,882	70,366	57,516	-	57,516
6. Reserved	00001	-	-	-	-	-	-	-
Total Early Intervention Services		\$ 169,475	\$ 214,783	\$ 384,258	\$ 321,298	\$ 62,960	\$ -	\$ 62,960

*As submitted on September 13, 2023

COUNTY OF VENANGO, PENNSYLVANIA

EARLY INTERVENTION SERVICES REPORT OF INCOME AND EXPENDITURES*

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2022

Exhibit V(b) EI

		Admin Office	Early Intervention	Service Coordination	Totals
I.	TOTAL ALLOCATION				\$ 384,258
II.	TOTAL EXPENDITURES	\$ 143,764	\$ 250,862	\$ 144,961	539,587
III.	COSTS OVER ALLOCATION				
	A. County Funded Eligible	-	-	-	-
	B. County Funded Ineligible	-	-	-	-
	C. Other Eligible	-	-	-	-
	D. Other Ineligible	-	-	-	-
	Subtotal Costs Over Allocation	-	-	-	-
IV.	REVENUES				
	A. Program Service Fees	-	-	30	30
	B. Private Insurance	-	-	-	-
	C. Medical Assistance	-	-	119,572	119,572
	D. Medical Assistance Admin Claims - EI Waiver	14,949	-	-	14,949
	E. Medical Assistance Admin Claims - EI Other	55,417	-	-	55,417
	F. Earned Interest	410	-	-	410
	G. Other	-	-	30	30
	Subtotal Revenues	70,776	-	119,632	190,408
V.	DHS REIMBURSEMENT				
	A. DHS Categorical Funding 90%	2,360	225,776	22,796	250,932
	B. DHS Categorical Funding 100%	70,366	-	-	70,366
	Subtotal DHS Reimbursement	72,726	225,776	22,796	321,298
VI.	COUNTY MATCH				
	10% County Match	262	25,086	2,533	27,881
VII.	TOTAL DHS REIMBURSEMENT AND COUNTY MATCH	\$ 72,988	\$ 250,862	\$ 25,329	349,179
VIII.	TOTAL CARRYOVER				\$ 62,960

*As submitted on September 13, 2023

COUNTY OF VENANGO, PENNSYLVANIA

COUNTY HUMAN SERVICES BLOCK GRANT SCHEDULE OF FUND BALANCES - SUMMARY REPORT

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2022

Exhibit VI (a) BG-S

County Match	0.00%
Actual County Match (\$)	\$ 210,600
Actual County Match (%)	5.88%

Block Grant Reporting			Costs Eligible for DHS Participation						Balance of Funds	Adjustments	Total Fund Balance
	Appropriation	DHS Allocation	Mental Health	Intellectual Disability	Homeless Assistance	HSS	D&A	Total			
Sources of Funding											
1. State Human Services Block Grant	Multiple	\$ 3,770,942	\$ 2,141,575	\$ 348,464	\$ 214,606	\$ 418,317	\$ 304,954	\$ 3,427,916	\$ 343,026	\$ -	\$ 343,026
2. SSBG	Multiple	57,929	12,264	45,665	-	-	-	57,929	-	-	-
3. Reserved		-	-	-	-	-	-	-	-	-	-
4. CMHSBG	70167	90,406	90,406	-	-	-	-	90,406	-	-	-
5. Reserved		-	-	-	-	-	-	-	-	-	-
Total for Block Grant		\$ 3,919,277	\$ 2,244,245	\$ 394,129	\$ 214,606	\$ 418,317	\$ 304,954	\$ 3,576,251	\$ 343,026	\$ -	\$ 343,026

Retained Earnings	
I. Unexpended Allocation	\$ 343,026
II. Maximum Retained Earnings (5%)	\$ 188,547
III. Amount to be Returned to DHS	\$ 154,479
IV. Total Requested Retained Earnings	\$ 188,547

Prior Year Retained Earnings	
I. FY 20-21 Retained Earnings	\$ 152,995
II. Total Expended Retained Earnings- 3%	\$ 152,995
III. Total Expended Retained Earnings-Waiver of 3%	\$ -
IV. Amount to be Returned to DHS	\$ -

COUNTY OF VENANGO, PENNSYLVANIA

COUNTY HUMAN SERVICES BLOCK GRANT SCHEDULE OF FUND BALANCES - SUMMARY REPORT

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2022

Exhibit VI (b) BG-S

Sources of Funding	Appropriation	Total Carryover	Allotment	DHS Allocation	Costs Eligible for DHS Participation	Balance of Funds	Adjustments	Total Fund Balance
A. Mental Health Services								
1. State - Employment	10248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Federal - Peer Specialist	70127	-	-	-	-	-	-	-
3. Federal - PATH Homeless Grant	70154	-	-	-	-	-	-	-
4. Federal - CMHSBG - First Episode Psychosis	70167	-	-	-	-	-	-	-
5. Federal - CMHSBG - IECMH Endorsement	70167	9,000	5,000	14,000	-	14,000	-	14,000
6. Federal - CMHSBG - Housing Training Scholarships	70167	596	5,000	5,696	696	5,000	-	5,000
7. Federal - CMHSBG - TCM On-Line Training	70167	-	-	-	-	-	-	-
8. Federal - Supported Education	70167	-	-	-	-	-	-	-
9. Federal - 988 Planning Initiative	70651	-	-	-	-	-	-	-
10. Federal - PA System of Care Grant	70976	-	-	-	-	-	-	-
11. Federal - Project Launch	71021	-	-	-	-	-	-	-
12. Federal - Public Health Emergency Preparedness	80343	-	-	-	-	-	-	-
13. Federal - SERG - Tree of Life	82583	-	-	-	-	-	-	-
14. Federal - Covid-19 CMHSBG	87410	-	-	-	-	-	-	-
15. Reserved		-	-	-	-	-	-	-
Subtotal Mental Health Services		9,596	10,000	19,696	696	19,000	-	19,000
B. Intellectual Disabilities Services								
1. Elwyn (Delaware County Only)	10236	-	-	-	-	-	-	-
2. ARPA Emergency Kits-O-T-P Non-Block Grant (Butler County Only)	10255	-	-	-	-	-	-	-
3. ARPA Respite	10255	-	-	-	-	-	-	-
4. ARPA Base-Rate Increase	10255	-	2,000	2,000	-	2,000	-	2,000
5. Temporary MFP-Start Model (Allegheny County Only)	70175	-	29,636	29,636	-	29,636	-	29,636
6. Temporary-DOH	87442	-	-	-	-	-	-	-
7. ARPA Administration-State & Federal	10255/70175	-	50,000	50,000	2,974	47,026	-	47,026
8. Reserved		-	-	-	-	-	-	-
Subtotal Intellectual Disabilities Services		-	81,636	81,636	2,974	78,662	-	78,662
C. Total for Non-Block Grant Reporting		\$ 9,596	\$ 91,636	\$ 101,332	\$ 3,670	\$ 97,662	\$ -	\$ 97,662

COUNTY OF VENANGO, PENNSYLVANIA

EARN PROGRAM

CONTRACT #4100077194

SCHEDULE OF REVENUE, EXPENSES, AND COMPARISON WITH BUDGET

YEAR ENDED JUNE 30, 2022

	Budget	Actual	(Over) Under Actual
Revenue:			
Grant revenue	\$ 2,220,483	\$ 2,220,483	\$ -
Expenses:			
Administration costs:			
Personnel:			
Staff salaries	106,000	105,999	1
Staff fringe benefits	69,515	69,516	(1)
Total personnel	175,515	175,515	-
Equipment and supplies	11,800	11,800	-
Operating expenses	34,732	34,732	-
Total administration costs	222,047	222,047	-
Direct training costs:			
Personnel:			
Staff salaries	-	-	-
Staff fringe benefits	-	-	-
Total personnel	-	-	-
Equipment and supplies	-	-	-
Operating expenses	-	-	-
Other program expenses	-	-	-
Total direct training costs	-	-	-
Subcontracted expenses	1,998,436	1,998,432	4
Total expenses	2,220,483	2,220,479	4
Excess of revenue over (under) expenses	\$ -	\$ 4	\$ (4)

County of Venango, Pennsylvania

DHS - Schedule of Expenditures of
Federal Awards Reconciliation

Year Ended December 31, 2022
with Independent Accountant's Report

Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of County Commissioners County of Venango, Pennsylvania

We have performed the procedures enumerated below with respect to the reconciliation schedule of the County of Venango (County) required by the Commonwealth of Pennsylvania Department of Human Services (DHS) *Single Audit Supplement* for the year ended December 31, 2022. The County is responsible for the reconciliation schedule.

The County has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting DHS in determining whether the entity complied with the specified requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures to be performed on the reconciliation schedule are as follows:

- A) Agree the expenditure amounts listed on the reconciliation schedule under the "Federal Expenditures per the SEFA" column to the audited Schedule of Expenditures of Federal Awards (SEFA).
- B) Agree the receipt amounts listed on the reconciliation schedule under the "Federal Awards Received per the audit confirmation reply from Pennsylvania" column to the subrecipient federal amounts that were reflected in the audit confirmation reply from the Office of Budget, Comptroller Operations.
- C) Recalculate the amounts listed under the "Difference" column and the "% Difference" column.
- D) Agree the amounts listed under the "Difference" column to the audited books and records of the County.
- E) Agree the "Detailed Explanation of the Differences" to the audited books and records of the County.
- F) Based on the procedures detailed in paragraphs (A) through (E) above, disclose any adjustments and/or findings which have not been reflected on the corresponding schedules (list each separately).

See the attached Exhibit XX for the results of the procedures performed.

We were engaged by the County to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the

Board of County Commissioners
County of Venango, Pennsylvania
Independent Accountant's Report on Applying
Agreed-Upon Procedures

American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the compliance with the specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of DHS and the County and is not intended to be, and should not be, used by anyone other than these specified parties.

Maher Duessel

Pittsburgh, Pennsylvania
September 25, 2023

COUNTY OF VENANGO, PENNSYLVANIA

RECONCILIATION - FEDERAL AWARDS PASSED THROUGH THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES EXPENDITURES PER THE SEFA TO REVENUE RECEIVED PER THE PENNSYLVANIA AUDIT CONFIRMATION REPLY

YEAR ENDED DECEMBER 31, 2022

Exhibit XX

Program Name	Federal Assistance Listing Number	Federal Expenditures per the SEFA	Federal Awards Received per the Audit Confirmation Reply from Pennsylvania	Difference	% Difference	Detailed Explanation of the Differences
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	\$ 30,956	\$ 52,010	\$ (21,054)	-40%	1
COVID - Emergency Rental Assistance Program	21.023	1,736,933	1,731,815	5,118	0%	n/a
Special Education - Grants for Infants and Families	84.181	33,491	33,491	-	0%	n/a
Guardianship Assistance	93.090	93,781	94,633	(852)	-1%	n/a
Temporary Assistance for Needy Families	93.558	3,781,099	2,078,144	1,702,955	82%	1
MaryLee Allen Promoting Safe and Stable Families Program	93.556	7,915	7,915	-	0%	n/a
Child Support Enforcement Research	93.563	298,847	298,847	-	0%	n/a
Stephanie Tubbs Jones Child Welfare Services Program	93.645	153,668	153,669	(1)	0%	n/a
Foster Care - Title IV-E	93.658	1,079,681	1,085,107	(5,426)	-1%	1
Adoption Assistance	93.659	350,112	348,591	1,521	0%	n/a
Social Services Block Grant	93.667	117,985	117,984	1	0%	n/a
Child Abuse Prevention and Neglect State Grants	93.669	12,817	12,817	-	0%	n/a
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	249,434	202,597	46,837	23%	1
Money Follows the Person Rebalancing Demonstration	93.791	34,117	63,377	(29,260)	-46%	1
Medical Assistance Program	93.778	1,392,373	1,420,505	(28,132)	-2%	1
Block Grants for Community Mental Health Services	93.958	100,656	100,656	-	0%	n/a

n/a - Amounts are in agreement.

1. The difference is due to timing based on the audit confirmation reflecting cash payments versus the modified accrual accounting of federal expenditures on the schedule of expenditures of federal awards. Management believes this calculation represents federal expenditures.

County of Venango, Pennsylvania

DHS - County Children and
Youth Agency Monitoring Schedule

Year Ended December 31, 2022
with Independent Accountant's Report

Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of County Commissioners County of Venango, Pennsylvania

We have performed the procedures enumerated below, with respect to the reconciliation schedule of the County of Venango (County) required by the Commonwealth of Pennsylvania Department of Human Services (DHS) *Single Audit Supplement* for the year ended June 30, 2022. The County is responsible for the monitoring schedule.

The County has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting DHS in determining whether the entity complied with the specified requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures to be performed on the monitoring schedule are as follows:

- A) Reconcile the list of providers under "Provider Name" column A to the providers who were paid for In-Home Purchased Services during the year according to the County's general ledger, cash disbursements journal, or similar record. Note any providers who were paid during the year but were not included on this schedule.
- B) Agree the response in column B to the appropriate Provider contract.
- C) Agree the information in columns C through I to the County's monitoring records for In-Home Purchased Service Providers.
- D) Based on the procedures detailed in paragraphs (a) through (c) above, disclose any exceptions or findings which have not been reflected on the corresponding schedule (list each separately).

See attached Exhibit XXI for the results of the procedures performed.

We were engaged by the County to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements.

Board of County Commissioners
County of Venango, Pennsylvania
Independent Accountant's Report on Applying
Agreed-Upon Procedures

Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of DHS and the County and is not intended to be, and should not be, used by anyone other than these specified parties.

Maher Duessel

Pittsburgh, Pennsylvania
September 25, 2023

COUNTY OF VENANGO, PENNSYLVANIA

CHILD PROTECTIVE SERVICES LAW (CPSL) MONITORING OF IN-HOME PURCHASED SERVICE PROVIDERS

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2022

EXHIBIT XXI

A	B	C	D	If Column D is Yes			H	I
				E	F	G		
Provider Name	Does Provider Contract Include CPSL Requirements	Most Recent Monitoring Date	Monitored During the Current Year (Yes/No)	List Any Exceptions Noted During Current Year Monitoring	If Applicable Was CAP Submitted	Is CAP Acceptable to County	Date Follow-Up Was Done On Prior Year Monitoring	Has Provider Implemented the CAP
Bethesda	Yes	3/1/2023	Yes	N/A	N/A	N/A	N/A	N/A
Center for Family Services	Yes	3/16/2023	Yes	N/A	N/A	N/A	8/11/2022	N/A
Child to Family Connections	Yes	3/15/2023	Yes	N/A	N/A	N/A	N/A	N/A
Community Services	Yes	5/3/2023	Yes	N/A	N/A	N/A	N/A	N/A
Family Service & Children Aid Society	Yes	3/7/2023	Yes	N/A	N/A	N/A	8/22/2022	N/A
Family Service of Northwestern PA	Yes	4/4/2022	No	Contract ended 1/9/23	N/A	N/A	N/A	N/A
Grace Learning Center	Yes	4/22/2023	Yes	N/A	N/A	N/A	N/A	N/A
Keystone Adolescent Center	Yes	3/8/2023	Yes	N/A	N/A	N/A	N/A	N/A
Mars Home for Youth Family Services	Yes	3/16/2023	Yes	N/A	N/A	N/A	N/A	N/A
Merakey	Yes	3/29/2023	Yes	N/A	N/A	N/A	N/A	N/A
Pathways	Yes	3/10/2023	Yes	N/A	N/A	N/A	N/A	N/A
Perseus House	Yes	3/28/2023	Yes	N/A	N/A	N/A	N/A	N/A
Youth Alternatives	Yes	3/10/2023	Yes	N/A	N/A	N/A	N/A	N/A