

COUNTY OF ELK, PENNSYLVANIA

December 31, 2021

COUNTY OF ELK, PENNSYLVANIA

Ridgway, Pennsylvania

FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT AUDITORS INCLUDING REPORTS
REQUIRED BY THE SINGLE AUDIT ACT AMENDMENTS
OF 1996 AND TITLE 2 U.S. CODE OF FEDERAL
REGULATIONS PART 200, UNIFORM ADMINISTRATIVE
REQUIREMENTS, COST PRINCIPLES, AND AUDIT
REQUIREMENTS FOR FEDERAL AWARDS

December 31, 2021

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditor's Report	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	14
Statement of Fiduciary Net Position – Fiduciary Funds	15
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	16
Notes to Basic Financial Statements	17
Required Supplementary Information:	
Schedule of Changes in the County's Net Pension Liability and Related Ratios – Employees' Retirement System	39
Schedule of County Contributions – Employees' Retirement System	40
Schedule of Investment Returns – Employees' Retirement System	41
Budgetary Comparison Schedule – General Fund	42
Budgetary Comparison Schedule – Gas Well Impact Fee Fund	43
Notes to Budgetary Comparison Schedules	44
Other Supplementary Information:	
Combining Balance Sheet – Non-Major Governmental Funds	45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds	46

TABLE OF CONTENTS

	<u>Page Number</u>
Supplementary Information Required by the Single Audit Act Amendments of 1996 and Title 2 U.S. <i>Code of Federal Regulations</i> Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> :	
Schedule of Expenditures of Federal Awards	47
Notes to Schedule of Expenditures of Federal Awards	50
Schedule of Pennsylvania Department of Human Services Expenditures	51
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 <i>Government Auditing Standards</i>	52
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	54
Schedule of Findings and Questioned Costs	57
Supplementary Information Required by the Commonwealth of Pennsylvania, Department of Human Services:	
Independent Accountant's Report on Applying Agreed-Upon Procedures - Supplemental Financial Schedules	60
Exhibit A-1 (a)	
Child Support Enforcement Program – Comparison of Single Audit Expenditures with Reported Expenditures	62
Exhibit A-1 (c)	
Child Support Enforcement Program – Comparison of Reported Incentives to Incentives on Deposit	63
Exhibit A-1 (d)	
Child Support Enforcement Program – Comparison of Single Audit Title IV-D Account with Reported Title IV-D Account	64
Exhibit III	
Medical Assistance Transportation Program – Schedule of Revenues and Expenditures	65
Exhibit XIX (a) NBG	
Combined Homeless Assistance Program – Schedule of Revenues and Expenditures	66

TABLE OF CONTENTS

	<u>Page Number</u>
Supplementary Information Required by the Commonwealth of Pennsylvania, Department of Human Services (Continued):	
Independent Accountant's Report on Applying Agreed-Upon Procedures - Additional Supplemental Financial Schedule	67
Exhibit XX	
Reconciliation – Federal Awards Passed Through the Pennsylvania Department of Human Services Expenditures Per the SEFA to Revenue Received Per the Pennsylvania Audit Confirmation Reply	69
Independent Accountant's Report on Applying Agreed-Upon Procedures - Additional Supplemental Schedule	74
Exhibit XXI	
County Children and Youth Agency Child Protective Services (CPSL) Monitoring of In-Home Purchased Service Providers	76
Corrective Action Plan	77

SHARKEY PICCIRILLO & KEEN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

DuBois, Pennsylvania 15801

INDEPENDENT AUDITOR'S REPORT

To the County Commissioners
County of Elk, Pennsylvania
Ridgway, Pennsylvania

Adverse, Qualified, and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Elk, Pennsylvania, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter described in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the County of Elk, Pennsylvania, as of December 31, 2021, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion on Aggregate Remaining Fund Information

In our opinion, except for the matter described in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information for the primary government of the County of Elk, Pennsylvania, as of December 31, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion on Governmental Activities

In our opinion, except for the matters described in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities for the primary government of the County of Elk, Pennsylvania, as of December 31, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on Each Major Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund for the primary government of the County of Elk, Pennsylvania, as of December 31, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse, Qualified, and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of Elk, Pennsylvania 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 adverse, qualified, and unmodified opinions.

Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units and Qualified Opinion on the Aggregate Remaining Fund Information

The financial statements do not include financial data for the County of Elk, Pennsylvania's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The effects of not including the County of Elk, Pennsylvania's legally separate component units on the aggregate discretely presented component units and the aggregate remaining fund information have not been determined.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

As described in Note 2, buildings and improvements and equipment acquired prior to January 1, 2003, are stated at appraisal value in the governmental activities. In addition, the governmental activities do not include land, landscaping, electronic data processing equipment and software, fine art and museum items, radio communications equipment, and vehicles acquired prior to January 1, 2003. Accounting principles generally accepted in the United States of America require that capital assets be stated at acquisition cost and depreciated. The amount by which these departures would affect the assets, net position, and expenses of the governmental activities has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 of Elk, Pennsylvania'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 of Elk, Pennsylvania'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Elk, Pennsylvania'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 pension and budgetary comparison information on pages 39-44 be presented to supplement the basic primary government financial statements. Such information is the responsibility of management and, although not a part of the basic primary government 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 primary government 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 primary government financial statements, and other knowledge we obtained during our audit of the basic primary government 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic primary government financial statements. Such missing information, although not a part of the basic primary government 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 primary government financial statements in an appropriate operational, economic, or historical context.

Our opinion on the basic primary government financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Elk, Pennsylvania's basic primary government financial statements. The accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic primary government financial statements. The schedule of expenditures of federal awards and Pennsylvania Department of Human Services schedule of DHS expenditures are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Pennsylvania Department of Human Services Single Audit Supplement, and are also not a required part of the basic primary government 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 primary government financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic primary government 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 primary government financial statements or to the basic primary government financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the schedule of expenditures of federal awards, and Pennsylvania Department of Human Services schedule of DHS expenditures are fairly stated, in all material respects, in relation to the basic primary government 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 November 29, 2022, on our consideration of the County of Elk, Pennsylvania'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 of Elk, Pennsylvania'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 of Elk, Pennsylvania's internal control over financial reporting and compliance.

Sharkey Piccirillo & Keen, LLP

SHARKEY PICCIRILLO & KEEN, LLP
November 29, 2022

COUNTY OF ELK, PENNSYLVANIA

STATEMENT OF NET POSITION

December 31, 2021

	<u>Primary Government Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash investments	\$ 12,098,353
Taxes receivable, net	215,451
Accounts receivable	141,787
Due from other governments	2,235,048
Capital assets:	
Infrastructure	5,836,264
Buildings	20,117,160
Equipment	8,535,982
Improvements	296,007
Accumulated depreciation	(17,250,308)
Total Assets	<u>32,225,744</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows related to pensions	<u>2,210,391</u>
<u>LIABILITIES</u>	
Accounts payable and payroll taxes	739,297
Due to other governments	179,209
Unearned revenue	1,790,022
Long-term liabilities:	
Due within one year:	
Current portion of notes payable	360,000
Due in more than one year:	
Notes payable	1,675,000
Net pension liability	434,581
Total Liabilities	<u>5,178,109</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows related to pensions	<u>2,458,904</u>
<u>NET POSITION</u>	
Net investment in capital assets	15,500,105
Restricted for:	
General government	62,826
Judicial	1,469,172
Public safety	1,367,867
Public works	3,661,290
Human services	460,570
Debt service	513,095
Capital projects	107,840
Unrestricted	3,656,357
Total Net Position	<u>\$ 26,799,122</u>

See accompanying notes to basic financial statements.

COUNTY OF ELK, PENNSYLVANIA

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary Government:					
Governmental Activities:					
General government	\$ 3,707,449	\$ 764,125	\$ 3,695,109	\$ 108,347	\$ 860,132
Judicial	2,557,614	347,278	504,081	89,900	(1,616,355)
Public safety	7,803,749	593,061	1,694,271	260,756	(5,255,661)
Public works	1,948,806	337,250	614,576	462,627	(534,353)
Human services	6,363,867	114,558	3,117,988	180,842	(2,950,479)
Culture and recreation	641,828	-	338,772	-	(303,056)
Interest on long-term debt	59,355	-	-	-	(59,355)
Note issue costs	34,037	-	-	-	(34,037)
Total	\$ 23,116,705	\$ 2,156,272	\$ 9,964,797	\$ 1,102,472	(9,893,164)

General Revenues:

Taxes:

Real estate	8,464,329
Per capita	87,492
Hotel	303,056
Intergovernmental revenues	561,501
Interest	70,733
Miscellaneous	435,225
Total General Revenues	<u>9,922,336</u>

Change in Net Position 29,172

Net Position - Beginning 26,749,984

Prior period adjustment 19,966

Net Position - Beginning, as restated 26,769,950

Net Position - Ending \$ 26,799,122

See accompanying notes to basic financial statements.

COUNTY OF ELK, PENNSYLVANIA

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2021

<u>ASSETS</u>	General	Children and Youth Programs	COVID-ARPA Grant	ERAP Grant	Gas Well Impact Fee	Other Governmental Funds	Total Governmental Funds
Cash and cash investments	\$ 3,294,844	\$ 65,035	\$ 1,668,860	\$ -	\$ 2,630,652	\$ 4,438,962	\$ 12,098,353
Taxes receivable, net	136,577	-	-	-	-	78,874	215,451
Accounts receivable	109,187	-	-	-	-	32,600	141,787
Due from other governments	230,173	1,427,841	175	-	-	576,859	2,235,048
Due from other funds	1,152,718	224,004	-	-	-	66,967	1,443,689
Total Assets	<u>\$ 4,923,499</u>	<u>\$ 1,716,880</u>	<u>\$ 1,669,035</u>	<u>\$ -</u>	<u>\$ 2,630,652</u>	<u>\$ 5,194,262</u>	<u>\$ 16,134,328</u>
<u>LIABILITIES</u>							
Liabilities:							
Accounts payable and payroll taxes	\$ 305,077	\$ 182,086	\$ 77,566	\$ -	\$ 14,491	\$ 160,077	\$ 739,297
Due to other governments	-	179,209	-	-	-	-	179,209
Due to other funds	278,971	1,047,452	54,136	-	-	63,130	1,443,689
Unearned revenue	-	115,670	1,536,750	-	-	137,602	1,790,022
Total Liabilities	<u>584,048</u>	<u>1,524,417</u>	<u>1,668,452</u>	<u>-</u>	<u>14,491</u>	<u>360,809</u>	<u>4,152,217</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable revenue	<u>223,259</u>	<u>173,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,721</u>	<u>589,093</u>
<u>FUND BALANCES</u>							
Restricted:							
General government	-	-	-	-	-	62,826	62,826
Judicial	-	-	-	-	-	1,403,173	1,403,173
Public safety	-	-	583	-	-	1,367,284	1,367,867
Public works	-	-	-	-	2,616,161	959,112	3,575,273
Human services	-	19,350	-	-	-	268,107	287,457
Debt service	-	-	-	-	-	513,095	513,095
Capital projects	-	-	-	-	-	107,840	107,840
Unassigned	4,116,192	-	-	-	-	(40,705)	4,075,487
Total Fund Balances	<u>4,116,192</u>	<u>19,350</u>	<u>583</u>	<u>-</u>	<u>2,616,161</u>	<u>4,640,732</u>	<u>11,393,018</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,923,499</u>	<u>\$ 1,716,880</u>	<u>\$ 1,669,035</u>	<u>\$ -</u>	<u>\$ 2,630,652</u>	<u>\$ 5,194,262</u>	<u>\$ 16,134,328</u>

See accompanying notes to basic financial statements.

COUNTY OF ELK, PENNSYLVANIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

December 31, 2021

Total Governmental Fund Balances	\$ 11,393,018
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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 financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	\$ 34,785,413	
Less: accumulated depreciation	<u>(17,250,308)</u>	
		17,535,105

Other long term assets are not available to pay for current period expenditures and therefore are not reported in the governmental funds.

Due from other governments	589,093
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Pension related deferred outflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds

Deferred outflows of resources	2,210,391
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Pension related deferred outflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds

Deferred inflows of resources	(2,458,904)
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Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Notes payable	(2,035,000)	
Net pension liability	<u>(434,581)</u>	
		<u>(2,469,581)</u>

Total Net Position of Governmental Activities	<u>\$ 26,799,122</u>
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See accompanying notes to basic financial statements.

COUNTY OF ELK, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2021

	General	Children and Youth Programs	COVID-ARPA Grant	ERAP Grant	Gas Well Impact Fee	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 8,157,132	\$ -	\$ -	\$ -	\$ -	\$ 697,745	\$ 8,854,877
Intergovernmental	758,521	2,310,177	1,368,083	2,590,648	486,465	3,999,050	11,512,944
Charges for services	1,669,646	77,148	-	-	-	409,478	2,156,272
Interest	52,505	493	583	-	1,291	73,605	128,477
Miscellaneous	416,246	-	-	-	-	18,979	435,225
Total Revenues	11,054,050	2,387,818	1,368,666	2,590,648	487,756	5,198,857	23,087,795
Expenditures:							
Current:							
General government	2,694,892	-	-	-	-	8,799	2,703,691
Judicial	2,104,983	-	-	-	-	419,409	2,524,392
Public safety	5,334,075	-	888,722	-	-	1,031,133	7,253,930
Public works	161,587	-	-	-	325,279	1,178,429	1,665,295
Human services	128,838	2,647,682	-	2,590,648	-	990,420	6,357,588
Culture and recreation	-	-	-	-	-	641,828	641,828
Debt service:							
Principal	-	-	-	-	-	345,000	345,000
Interest	-	-	-	-	-	59,355	59,355
Note issuance costs	-	-	-	-	-	34,037	34,037
Capital outlay	27,910	-	293,823	-	14,340	295,982	632,055
Other	1,076,213	-	-	-	-	13,200	1,089,413
Total Expenditures	11,528,498	2,647,682	1,182,545	2,590,648	339,619	5,017,592	23,306,584
Excess (Deficiency) of Revenues over Expenditures	(474,448)	(259,864)	186,121	-	148,137	181,265	(218,789)
Other Financing Sources (Uses):							
Proceeds of refunding note	-	-	-	-	-	2,110,000	2,110,000
Debt service principal - current refunding	-	-	-	-	-	(2,035,000)	(2,035,000)
Transfers in	574,152	480,515	-	-	59	397,612	1,452,338
Transfers out	(853,034)	(145,168)	(185,538)	-	(24,500)	(244,098)	(1,452,338)
Total Other Financing Sources (Uses)	(278,882)	335,347	(185,538)	-	(24,441)	228,514	75,000
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(753,330)	75,483	583	-	123,696	409,779	(143,789)
Fund Balances-Beginning							
(As originally reported)	4,869,522	(67,755)	-	-	2,492,465	4,222,609	11,516,841
Prior Period Adjustment	-	11,622	-	-	-	8,344	19,966
Fund Balances-Beginning (Restated)	4,869,522	(56,133)	-	-	2,492,465	4,230,953	11,536,807
Fund Balances-Ending	<u>\$ 4,116,192</u>	<u>\$ 19,350</u>	<u>\$ 583</u>	<u>\$ -</u>	<u>\$ 2,616,161</u>	<u>\$ 4,640,732</u>	<u>\$ 11,393,018</u>

See accompanying notes to basic financial statements.

COUNTY OF ELK, PENNSYLVANIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES

December 31, 2021

Net Changes in Fund Balances - Total Governmental Funds \$ (143,789)

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 these assets is depreciated over their estimated useful lives.

Expenditures for capital assets	\$ 620,928	
Less: current year depreciation	<u>(1,286,586)</u>	
		(665,658)

Revenues on the Statement of Activities that do not provide current financial resources are not reported as revenues in governmental funds.

Intergovernmental		589,093
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Prior year revenues on the Statement of Activities included revenues that are reported as current revenues in governmental funds.

Intergovernmental		(531,011)
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The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, and discounts when debt is first issued, whereas the amounts are amortized in the Statement of Activities.

Current year amortization of discount	(731)	
Proceeds of refunding note	(2,110,000)	
Current refunding principal payment	2,035,000	
Principal payments	<u>345,000</u>	
		269,269

Some expenses reported in the Statement of Activities do not require use of current financial resources and therefore are not reported as expenditures in governmental funds

Pension expense		<u>511,268</u>
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Change in Net Position of Governmental Activities		<u>\$ 29,172</u>
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See accompanying notes to basic financial statements.

COUNTY OF ELK, PENNSYLVANIA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

December 31, 2021

	<u>Pension Trust Fund</u>	<u>Custodial Funds</u>
<u>ASSETS</u>		
Cash and cash investments	<u>\$ 288,018</u>	<u>\$ 2,432,216</u>
Investments, at fair value:		
Certificates of deposit	570,501	-
U.S. government obligations	884,498	-
U.S. government agency obligations	4,403,616	-
Corporate bonds	4,368,806	-
Mutual funds	18,326,181	-
Total investments	<u>28,553,602</u>	<u>-</u>
Receivables:		
Accrued interest	30,476	-
Accrued dividends	5,474	-
Cash impact of pending sales	113,688	-
Total receivables	<u>149,638</u>	<u>-</u>
Total Assets	<u>\$ 28,991,258</u>	<u>\$ 2,432,216</u>
<u>LIABILITIES</u>		
Accounts payable	<u>\$ -</u>	<u>\$ 226</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 226</u>
<u>NET POSITION</u>		
Restricted for:		
Pension Benefits	\$ 28,991,258	\$ -
Individual, organizations, other governments	<u>-</u>	<u>2,431,990</u>
Total Net Position	<u>\$ 28,991,258</u>	<u>\$ 2,432,216</u>

See accompanying notes to basic financial statements.

COUNTY OF ELK, PENNSYLVANIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

For the Year Ended December 31, 2021

	Pension Trust Fund	Custodial Funds
<u>ADDITIONS</u>		
Adoption Counseling Fee	\$ -	\$ 76
Domestic Relations Support	-	92,535
Law Enforcement Dispatch	-	138,892
Northern Tier (Regional Telecommunications Project)	-	1,169,630
Jail	-	70,572
Probation and Parole	-	749,951
Prothonotary	-	110,540
Register and Recorder	-	1,343,022
Sheriff	-	327,740
Tax Claim	-	2,653,588
Treasurer	-	154,987
Contributions:		
Plan members	688,364	-
County	627,176	-
Total contributions	<u>1,315,540</u>	<u>-</u>
Investment Income (Loss):		
Net appreciation (depreciation) in fair value of investments	3,045,674	-
Interest	200,080	-
Dividends	316,237	-
Total investment income (loss)	<u>3,561,991</u>	<u>-</u>
Less investment expenses	<u>47,568</u>	<u>-</u>
Net investment income (loss)	<u>3,514,423</u>	<u>-</u>
Total Additions	<u>4,829,963</u>	<u>6,811,533</u>
<u>DEDUCTIONS</u>		
Benefits, including refunds of member contributions	1,468,588	-
Administrative expenses	67,945	-
Domestic Relations Support	-	92,858
Law Enforcement Dispatch	-	106,503
Northern Tier (Regional Telecommunications Project)	-	1,076,863
Jail	-	43,236
Probation and Parole	-	714,682
Prothonotary	-	114,244
Register and Recorder	-	1,474,094
Sheriff	-	305,571
Tax Claim	-	2,691,689
Treasurer	-	154,038
Total Deductions	<u>1,536,533</u>	<u>6,773,778</u>
Net Increase in Fiduciary Net Position	3,293,430	37,755
Net Position-Beginning	<u>25,697,828</u>	<u>2,394,235</u>
Net Position-Ending	<u>\$ 28,991,258</u>	<u>\$ 2,431,990</u>

See accompanying notes to basic financial statements.

COUNTY OF ELK, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 1 – Reporting Entity

The County of Elk, a political subdivision of the Commonwealth of Pennsylvania, was established on April 18, 1843. The County is governed by a board of three Commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditors, Coroner, District Attorney, District Justices, Judge, Prothonotary and Clerk of Courts, Register of Wills and Recorder of Deeds, Sheriff, and Treasurer. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the entire County.

Consistent with the guidance contained in GASB Statement No. 14, *The Financial Reporting Entity*, the criteria used by the County to evaluate the possible inclusion of related entities (Authorities, Boards, Councils, etc.) within its reporting entity, are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the County reviews the applicability of the following criteria:

The County is financially accountable for:

- (a) Organizations that make up the legal County entity.
- (b) Legally separate organizations if County officials 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:

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.

Financial Benefit or Burden - Exists if the County:

- (1) is entitled to the organization's resources, or
 - (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.
- (c) 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.

COUNTY OF ELK, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 1 – Reporting Entity (Continued)

The financial statements include only the primary government of the County of Elk, Pennsylvania, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The primary government financial statements do not include financial data for the County's legally separate component units or joint ventures/jointly governed organizations. However, based on the foregoing criteria, the organizations listed below have been identified as component units which would otherwise be included in the County's financial reporting entity, or as joint ventures/jointly governed organizations for which disclosure of pertinent financial information is required in accordance with generally accepted accounting principles:

Includible Component Units

Elk County Industrial Development Authority
Elk County Conservation District
Elk County Redevelopment Authority

Joint Ventures/Jointly Governed Organizations

Cameron-Elk Mental Health/Mental Retardation
North Central Pennsylvania Regional Planning and Development Commission
Area Transportation Authority
Northern Tier Community Action
North Central Office of Human Services
Headwaters Resource Conservation and Development Council

Related Organizations

The County Commissioners are responsible for appointing the board members of and /or have made financial allocations to several organizations but the County's accountability for these organizations does not extend beyond making appointments and/or their financial relationship to the County is not significant. These organizations include:

CDBG Planning Committee
Elk County Agriculture Extension Services
Elk County Solid Waste Authority
Elk County Housing Authority
Alcohol and Drug Services
Solid Waste Advisory Committee
St. Marys Area Airport Authority
Elk County Fair Board

Note 2 – Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units except for capital assets and legally separate component units (see E. and N. below). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

COUNTY OF ELK, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Significant accounting policies of the County are described below.

A. Basis of Presentation

The County's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the financial position of the governmental and business-type activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County. There are no business-type activities to be reported in the accompanying government-wide financial statements.

Fund Financial Statements

The County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. A fund is considered major if it is the primary operating fund of the County or meets the following criteria: total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

COUNTY OF ELK, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between its governmental fund assets and deferred outflows of resources and its liabilities and deferred inflows of resources as fund balance. The following are the County's major governmental funds:

General Fund

The General Fund is the primary operating fund of the County. This fund is used to account for all financial resources except those required to be accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Children and Youth Programs Fund

The Children and Youth Programs Fund accounts for federal, state, and county funds used to administer the County's Children and Youth Programs. The purpose of these programs is to protect and care for children who have been abused, neglected, exploited, abandoned, adjudicated delinquent, or are without proper parental supervision.

Gas Well Impact Fee Fund

The Gas Well Impact Fee Fund accounts for unconventional gas well fees, also known as impact fees, distributed to the County by the Commonwealth of Pennsylvania. The fees are utilized by the County for projects authorized under the provisions of Commonwealth of Pennsylvania Act 13 of 2012.

COVID-ARPA Grant

The COVID-ARPA Grant (The American Rescue Plan Act of 2021) was used to support COVID-19 response efforts, replace lost public sector revenue, support economic stabilization for households and businesses, and address systemic public health and economic challenges.

ERAP Grant

The Emergency Rental Assistance Program (ERAP) makes funding available to administer assistance to renters, landlords, and utility providers who have been affected by the COVID-19 pandemic and economic insecurity.

COUNTY OF ELK, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

The other governmental funds of the County account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes and financial resources that are restricted to expenditures for principal and interest and for capital outlays including the acquisition or construction of capital facilities and other capital assets.

B. Fund Accounting (Continued)

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. None of the funds maintained by the County are classified as proprietary funds.

Agency Funds

Agency Funds are custodial in nature with assets and liabilities being equal and do not involve measurement of results of operation.

Fiduciary Funds

Fiduciary funds are used to account for resources held by the County in a trust or custodial capacity for individuals, private organizations, or other governments. Fiduciary funds are not included in the government-wide financial statements.

Pension Trust Fund

The Pension Trust Fund accounts for the revenues received, expenses incurred, and the net position of the County's pension plan.

C. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the County are included on the statement of net position and the statement of activities present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

The governmental fund financial statements are prepared using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available.

COUNTY OF ELK, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers revenues to be available when they are collected within 60 days of the end of the year. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due. Fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans. Plan liabilities are recognized in the Pension Trust Fund for benefits and refunds to plan members and beneficiaries when due and payable in accordance with the terms of the plan.

D. Taxes Receivable and Uncollectible Taxes

Taxes receivable are reported net of an allowance for uncollectible taxes of \$891,233. The County considers all taxes assessed and not received within one year to be uncollectible.

E. Capital Assets

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the County as assets with a cost of \$5,000 or more and an estimated useful life in excess of one year. Buildings and improvements and equipment acquired prior to January 1, 2003, are stated at appraisal value in the governmental activities. In addition, the governmental activities do not include land, landscaping, electronic data processing equipment and software, fine art and museum items, radio communications equipment, and vehicles acquired prior to January 1, 2003. Assets acquired after December 31, 2002 are recorded at historical cost. Additions, improvements, and other capital outlays that extend the useful life of an asset are capitalized while maintenance and repairs, which do not improve or extend the life of the respective assets, are charged to expense. Depreciation is provided on the straight-line basis over the following estimated useful lives:

<u>Classification</u>	<u>Range of Lives</u>
Buildings and improvements	10 – 40 years
Equipment and software	3 – 10 years
Infrastructure	5 – 40 years

F. Interfund Activity

Interfund activity is the flow of resources between the funds of the primary government and includes loans, transfers, services provided and used, and reimbursements. Loans are amounts provided between funds with a requirement for repayment and are reported as due from other funds and due to other funds on the fund financial statements. Due from other funds and due to other funds are eliminated on the government-wide statement of net position. Transfers are flows of resources between funds without requirement for repayment and are reported as transfers in and transfers out on the fund financial statements. Transfers in and transfers out are eliminated on the government-wide statement of activities. Services provided and used are sales and purchases of goods and services between funds and are reported as revenues and expenditures or expenses in the funds. Reimbursements are repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

COUNTY OF ELK, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

G. Deferred Outflows/Inflows of Resources

The government-wide statement of net position and governmental funds balance sheet includes a separate section for deferred outflows of resources, when applicable. This separate financial statement element represents a consumption of net position or net assets that apply to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County had one item of deferred outflows of resources to report in its government-wide statement of net position, *deferred outflows related to pensions*. The deferred amount for pensions relates to certain differences between projected and actual earnings on plan investments. The County did not have deferred outflows of resources to report in its governmental funds balance sheet for the current year. The government-wide statement of net position and governmental funds balance sheet includes a separate section for deferred inflows of resources, when applicable. This separate financial statement element represents an acquisition of net position or net assets that apply to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County had two items that qualify for reporting in this category: *deferred inflows related to pensions*, which is reported in the government-wide statement of net position, and *unavailable revenue*, which is reported in the governmental funds balance sheet. The deferred amount for pensions relate to certain differences between expected and actual experience. The amounts for unavailable revenue, which arise only under the modified accrual basis of accounting, are deferred and recognized as an inflow of resources in the period that the amounts become available.

H. Net Position

In the government-wide financial statements, net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

I. Fund Balances

In the governmental fund financial statements, fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

Nonspendable

Fund balances are reported as nonspendable when amounts cannot be spent either because they are not in spendable form (items that are not expected to be converted to cash) or because they are legally or contractually required to be maintained intact.

COUNTY OF ELK, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

I. Fund Balances (Continued)

Restricted

Fund balances are reported as restricted when there are limitations imposed on their use whether through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Committed

Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of County Commissioners through the adoption of a formal resolution or ordinance. Only the Board of County Commissioners may modify or rescind the commitment.

Assigned

Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes but are neither restricted nor committed.

Unassigned

Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

J. Compensated Absences

The County provides vacation and sick leave to its employees. Unused vacation leave may be carried forward one year. Upon termination of employment, all vacation time an employee has earned, including the prorated portion of the current year's allowance, will be paid to the employee. Unused sick leave is carried forward one year for use only if an employee has exhausted the short-term disability insurance benefits from the County. All compensated absences are accrued when incurred in the government-wide and fund financial statements. There were no liabilities for compensated absences at December 31, 2021.

K. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

COUNTY OF ELK, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

L. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are recorded net of the applicable bond premium or discount. In the governmental fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Pension

The County offers a defined benefit pension plan to its employees. The County records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Legally Separate Component Units

The financial statements do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements.

Note 3 – Cash Deposits and Investments

Commonwealth of Pennsylvania statutes provide for the investment of moneys of governmental and proprietary funds into certain authorized investment types, including United States Treasury bills, short-term obligations of the United States Government or its agencies or instrumentalities, obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, obligations of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes. In addition to the investments authorized for governmental and proprietary funds, investments of the Pension Trust Fund may also be made in corporate stocks and bonds, real estate and other investments consistent with sound business practice.

COUNTY OF ELK, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 3 – Cash Deposits and Investments (Continued)

The deposit and investment policy of the County adheres to the Commonwealth statutes and prudent business practice. There were no deposit or investment transactions during the year that were in violation of either the Commonwealth statutes or the policy of the County.

Cash Deposits

Cash deposits are categorized to give an indication of the level of custodial credit risk assumed by the County at December 31, 2021. Category 1 includes cash deposits which are insured by the Federal Deposit Insurance Corporation or collateralized with securities held by the County or by its agent in the County's name. Category 2 includes cash deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the County's name. Category 3 includes cash deposits which are uninsured and uncollateralized, or were collateralized in accordance with Act 72, a Commonwealth statute which permits the financial institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name.

At December 31, 2021, the carrying amount of the County's cash deposits with financial institutions was \$14,513,774 and the financial institutions balances totaled \$14,749,606. Additionally, cash deposits of \$288,018 were held in the County's Pension Trust Fund. The County's total financial institutions balances were \$15,037,624, which is categorized as follows:

Category 1	\$ 1,065,999
Category 3	<u>13,971,625</u>
Total Cash Deposits	<u>\$ 15,037,624</u>

Investments

The investments of the Pension Trust Fund are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County does not have a written investment policy on credit risk. Disclosure of credit quality ratings are not required for U.S. government obligations. At December 31, 2021, the credit quality ratings of the Pension Trust Fund's debt securities are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Organization</u>
US Government Agency Obligations:			
Federal Farm Credit Banks	\$ 728,518	AA+	S & P
Federal Home Loan Mortgage Corporation	1,150,865	AA+	S & P
Federal National Mortgage Association	2,107,319	AA+	S & P
Government National Mortgage Association	<u>416,914</u>	AA+	S & P
Total US Government Agency Obligations	<u>\$ 4,403,616</u>		
Corporate Bonds	\$ 580,284	Aaa	Moody's
Corporate Bonds	349,068	AAA	S & P
Corporate Bonds	785,877	AA+, AA, AA-	S & P
Corporate Bonds	1,142,522	A+, A, A-	S & P
Corporate Bonds	<u>1,511,055</u>	BBB+, BBB, BBB-	S & P
Total Corporate Bonds	<u>\$ 4,368,806</u>		

COUNTY OF ELK, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 3 – Cash Deposits and Investments (Continued)

Custodial credit risk is the risk that, in the event of a failure of the counterparty, securities that are uninsured and not registered in the name of the County and are held by either the counterparty to the transaction or the counterparty's trust department or agent but not in the government's name will not be returned to the County. The County does not have a written investment policy on custodial credit risk. However, all of the County's investments are either insured or registered in the County's name and held by the County's agent.

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The County does not have a written investment policy on concentration of credit risk. Disclosure of concentration of credit risk is not required for investments in U.S. government obligations and mutual funds. There were no investments in any one issuer that represent 5 percent or more of total investments that were required to be disclosed.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The County does not have a written investment policy on interest rate risk. The County's investments in the Pension Trust Fund subject to interest rate risk at December 31, 2020 are as follows:

Investment Type	Fair Value	Remaining Maturities (Years)						
		0-5	6-10	11-15	16-20	21-25	26-30	over 30
Certificates of Deposit	\$ 570,501	\$ 570,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
US Government Obligations	884,498	131,699	752,799	-	-	-	-	-
US Government Agency Obligations	4,403,616	517,912	531,235	655,419	592,695	819,701	1,186,786	99,868
Corporate Bonds	<u>4,368,806</u>	<u>2,576,165</u>	<u>1,255,271</u>	<u>83,806</u>	<u>102,058</u>	<u>72,734</u>	<u>253,635</u>	<u>25,137</u>
Total by Maturity Dates	<u>\$ 10,227,421</u>	<u>\$ 3,796,277</u>	<u>\$ 2,539,305</u>	<u>\$ 739,225</u>	<u>\$ 694,753</u>	<u>\$ 892,435</u>	<u>\$ 1,440,421</u>	<u>\$ 125,005</u>

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The County does not have a written investment policy on foreign currency risk. At December 31, 2021, \$4,093,000 of the County's Pension Trust Fund investments was held in an international equities mutual fund.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of December 31, 2021:

Investments by Fair Value Level	Level 1	Level 2	Total
US Government Obligations	\$ 884,498	\$ -	\$ 884,498
US Government Agency Obligations	174,829	4,228,787	4,403,616
Mutual Funds	294,220	18,031,961	18,326,181
Certificates of Deposit	570,501	-	570,501
Corporate Bonds	<u>3,122,998</u>	<u>1,245,808</u>	<u>4,368,806</u>
Total Investments by Fair Value Level	<u>\$ 5,047,046</u>	<u>\$ 23,506,556</u>	<u>\$ 28,553,602</u>

COUNTY OF ELK, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 3 – Cash Deposits and Investments (Continued)

Investments (Continued)

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. US Government Agency Obligations and Mutual Funds classified in Level 2 of the fair value hierarchy include mortgage backed, asset backed, collateralized mortgage obligations, and commercial mortgaged-backed securities since some of the inputs are derived and not explicitly defined. Corporate bonds classified in Level 2 are not actively traded and direct quotes come from the brokers. There are no investments classified in Level 3.

Note 4 – Capital Assets

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Infrastructure	\$ 5,836,264	\$ –	\$ –	\$ 5,836,264
Buildings	20,001,846	115,314	–	20,117,160
Equipment	8,030,368	505,614	–	8,535,982
Improvements	296,007	–	–	296,007
Total capital assets being depreciated	<u>34,164,485</u>	<u>620,928</u>	<u>–</u>	<u>34,785,413</u>
Less accumulated depreciation for:				
Infrastructure	(2,355,824)	(145,906)	–	(2,501,730)
Buildings	(7,950,059)	(552,439)	–	(8,502,498)
Equipment	(5,448,831)	(570,308)	–	(6,019,139)
Improvements	(209,008)	(17,933)	–	(226,941)
Total accumulated depreciation	<u>(15,963,722)</u>	<u>(1,286,586)</u>	<u>–</u>	<u>(17,250,308)</u>
Total capital assets being depreciated, net	<u>18,200,763</u>	<u>(665,658)</u>	<u>–</u>	<u>17,535,105</u>
Governmental activities capital assets, net	<u>\$ 18,200,763</u>	<u>\$ (665,658)</u>	<u>\$ –</u>	<u>\$ 17,535,105</u>

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

<u>Governmental Activities</u>	<u>Depreciation Expense</u>
General government	\$ 413,755
Judicial	33,222
Public safety	549,819
Public works	283,511
Human services	6,279
Total depreciation expense	<u>\$ 1,286,586</u>

COUNTY OF ELK, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 5 – Property and Per Capita Taxes

Real Estate Property Taxes

Real estate property taxes attach as an enforceable lien on property on January first. The County Assessment Office calculates the yearly and semiannual tax levies and distributes the individual tax duplicates to the County's twelve elected tax collectors. The tax collectors are responsible for tax collections. The yearly tax and first semiannual interim tax levies are billed on or about March 1, with a 2% discount through April 30; face amount due from May 1 through June 30; and 10% penalty added after July 1.

The second semiannual interim tax levy is billed on or about July 1, with a 2% discount through August 31; face amount due from September 1 through October 31; and 10% penalty added after November 1. The County is permitted by law to levy taxes up to the rate of twenty-five mills on every dollar of assessed value of real property for general County purposes. The rate of taxation for payment of interest and principal on indebtedness of the County is unlimited. Assessed value is 50% of market value. The County's total net assessed value for 2021 was \$521,528,868. For 2021, the County real estate taxes for general and debt purposes were levied at the millage rates of 15.40 and 0.75, respectively, on every dollar of the County's total net assessed value.

Per Capita Taxes

Per capita taxes are collected at various times during the year by the County tax collectors. The tax is in the amount of \$5.00 per taxpayer. There are various income and age provisions that determine individual tax liability.

Tax Abatements

As of December 31, 2021, the County provides tax abatements through two programs – the Local Economic Revitalization Tax Assistance (LERTA) and Keystone Opportunity Zone (KOZ). The property taxes are abated through a reduction of assessed value.

The LERTA program provides tax abatements for improvements to business property located in a deteriorated area. The local tax authority established an exemption schedule not to exceed 5 years and shall specify the portion of improvements to be exempted each year. Savings will be realized on a sliding scale beginning with 100% exempt for the first 2 years, 75% exempt for year 3, 50% exempt for year 4, and 0% exempt for year 5. The total property taxes abated under the LERTA program for the year ended December 31, 2021 was \$9,855.

The KOZ program provides state and local tax abatement to business and residents locating in one of 12 designated zones in Pennsylvania. The program was established by the Pennsylvania Department of Community and Economic Development to revive economically distressed urban and rural communities. The KOZ exemption is 100% of the assessed value not to exceed 10 years. The total property taxes abated under the KOZ program for the year ended December 31, 2021 was \$64,763.

COUNTY OF ELK, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 6 – Interfund Balances

Interfund balances at December 31, 2021 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Affordable Housing	\$ 4,409
	Children and Youth Programs	1,047,452
	COVID-ARPA Grant	54,136
	CDBG	16,205
	Domestic Relations	23,349
	Hotel Tax	3,388
	Solid Waste Administration	3,779
Children and Youth Programs	General Fund	224,004
Domestic Relations	General Fund	39,353
DUI Corrections	General Fund	409
DUI Drug and Alcohol	General Fund	409
Hotel Tax	General Fund	530
Law Enforcement Dispatch	General Fund	10,000
Solid Waste Administration	General Fund	3,478
Substance Abuse Educ. and Demand Reduction	General Fund	122
Recycling Center Building Fund	Solid Waste Administration	12,000
Debt Service	General Fund	666
Total		<u>\$ 1,443,689</u>

Interfund balances resulted from the timing differences between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Note 7 – Interfund Transfers

Interfund transfers for the year ended December 31, 2021 consisted of the following:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General Fund	Children and Youth	\$ 145,168
	COVID-ARPA Grant	185,538
	Domestic Relations	79,470
	Fiscal Recovery	139,475
	Gas Well Impact Fee	24,500
	Multiple Housing Access Grant	1
Children and Youth Programs	General Fund	480,515
Domestic Relations	General Fund	135,140
Gas Well Impact Fee	COVID-19 Program Grant	59
Fiscal Recovery Fund	General Fund	185,538
	CHIRP Fund	93
Law Enforcement Dispatch	General Fund	10,374
PHARE Grant	Affordable Housing	25,000
Work Release	General Fund	16,000

COUNTY OF ELK, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 7 – Interfund Transfers (Continued)

Construction Fund	General Fund	<u>25,467</u>
Total		<u>\$ 1,452,338</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 8 – Long-Term Debt

The following is a summary of changes in long-term debt of the County for the year ended December 31, 2021:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Principal Due within One Year</u>
General obligation debt	\$ 2,305,000	\$ 2,110,000	\$ (2,380,000)	\$ 2,035,000	\$ 360,000
Less deferred amounts:					
Issuance discount	(731)	—	731	—	—
Total long term liabilities	<u>\$ 2,304,269</u>	<u>\$ 2,110,000</u>	<u>\$ (2,379,269)</u>	<u>\$ 2,035,000</u>	<u>\$ 360,000</u>

A detailed summary of outstanding bonds and notes payable at December 31, 2021, is as follows:

<u>Amount of Original Issue</u>		<u>Balance Outstanding</u>
\$ 2,110,000	General Obligation Note, Series of 2021, issued March 23, 2021; principal installments shall be due and payable on June 1 and December 1 with interest 1.15% through June 1, 2027; proceeds were used for the current refunding of the County's outstanding General Obligation Bonds, Series B of 2010 (Recovery Zone Economic Development Bonds) and the costs of issuing and delivering the Note.	\$ 2,035,000

COUNTY OF ELK, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 8 – Long-Term Debt (Continued)

The following summarizes the aggregate annual debt service requirements applicable to the County's long-term debt:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 360,000	\$ 22,368	\$ 382,368
2023	365,000	18,222	383,222
2024	369,000	14,007	383,007
2025	373,000	9,758	382,758
2026	378,000	5,451	383,451
2027	190,000	1,092	191,092
Total Payments	<u>\$ 2,035,000</u>	<u>\$ 70,898</u>	<u>\$ 2,105,898</u>

Note 9 – Employees' Retirement System

Plan Description

The Elk County Employees' Retirement System is a single-employer defined benefit pension plan that covers all employees of the County. The plan is administered by the five-member Elk County Employees' Retirement Board.

Plan Membership

Membership of the plan for the 2021 measurement period consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	93
Inactive plan members entitled to but not yet receiving benefits	11
Active plan members	<u>148</u>
Total Membership	<u>252</u>

Benefits Provided

The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries pursuant to Act 96 of 1971, as amended, of the Commonwealth of Pennsylvania. Retirement benefits for plan members are calculated as a percent of the member's highest 3-year average salary times the member's years of service depending on class basis. Plan members with 20 years of service are eligible to retire at age 55. Plan members that have attained age 60 are eligible to retire. All plan members are eligible for disability benefits after 5 years of service if disabled while in service and unable to continue as a County employee. Disability retirement benefits are equal to 25% of highest average salary at the time of retirement. Death benefits for a member who dies with 10 years of service prior to retirement is the total present value of member's retirement paid in a lump sum. A plan member who leaves County service with less than 5 years of service may withdraw his or her contributions, plus any accumulated interest.

COUNTY OF ELK, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 9 – Employees' Retirement System (Continued)

On an ad hoc basis, cost-of-living adjustments to each member's retirement allowance shall be reviewed at least once in 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

An actuarially determined contribution is recommended by the plan actuary. The actuarially determined rate is the estimated amount necessary to finance costs of benefits earned by plan members during the year, with an additional amount to finance an unfunded accrued liability. For the 2021 measurement period, the active member contribution rate was 7% of annual pay, and the County average contribution rate was 9.29% of annual payroll.

Investments

Commonwealth of Pennsylvania statutes provide for the investment of moneys into certain authorized investment types, including United States Treasury bills, short-term obligations of the United States Government or its agencies or instrumentalities, obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, obligations of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision, insured or collateralized time deposits and certificates of deposit, corporate stocks and bonds, real estate, and other investments consistent with sound business practice.

The pension plan's policy 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 board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Retirement Board's asset allocation policy for the 2021 measurement period:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	44%-75%
International Equity	Included in above
Fixed Income	24%-55%
Real Estate/Alternative	0%
Cash	<u>0.0%-6.0%</u>
Total	<u>100%</u>

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

COUNTY OF ELK, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 9 – Employees' Retirement System (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation for the 2021 measurement period are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	5.4%-6.4%
International Equity	5.5%-6.5%
Fixed Income	1.3%-3.3%
Real Estate/Alternative	4.5%-5.5%
Cash	0.0%-1.0%

Rate of Return

For the 2021 measurement period, the annual money-weighted rate of return on plan investments, net of pension plan investment expense, was 13.95%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the County for the 2021 measurement period were as follows:

Total pension liability	\$ 29,425,839
Plan fiduciary net position	<u>28,991,258</u>
Net pension liability	<u>\$ 434,581</u>
Plan fiduciary net position as a percentage of the total pension liability	98.52%

COUNTY OF ELK, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 9 – Employees' Retirement System (Continued)

Changes in Net Pension Liability

Changes in net pension liability during the measurement period were as follows:

	<u>Increase/(Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances as of December 31, 2020	\$ 27,680,424	\$ 25,697,828	\$ 1,982,596
Changes for the Year:			
Service cost	641,635	–	641,635
Interest	2,039,665	–	2,039,665
Differences between expected and actual experience	532,703	–	532,703
Contributions – employer	–	627,176	(627,176)
Contributions – member	–	688,364	(688,364)
Net investment income	–	3,464,102	(3,464,102)
Benefit payments, including refunds of member contributions	(1,468,588)	(1,468,588)	–
Plan administrative expenses (excluding investment advisory fees)	–	(17,624)	17,624
Net Changes	<u>1,745,415</u>	<u>3,293,430</u>	<u>(1,548,015)</u>
Balances as of December 31, 2021	<u>\$ 29,425,839</u>	<u>\$ 28,991,258</u>	<u>\$ 434,581</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension 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 (i.e. no depletion date is projected to occur).

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 7.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25 percent) or 1-percentage point higher (8.25%) than the current rate:

	<u>1% Decrease 6.25%</u>	<u>Current Discount Rate 7.25%</u>	<u>1% Increase 8.25%</u>
County's net pension liability	\$ 3,382,778	\$ 434,581	\$ (2,041,416)

COUNTY OF ELK, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 9 – Employees' Retirement System (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation for the 2020 measurement period at January 1 and rolled-forward to December 31 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.5%, average, including inflation
Investment rate of return	7.25%, net of plan investment expense, including inflation

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

The actuarial assumptions used in the valuation for the 2021 measurement period were based on past experience under the plan and reasonable future expectations which represent the best estimate of anticipated experience under the plan. An actuarial experience study was performed during 2016; however, no modifications to assumptions were made as a result. No ad hoc postemployment benefit changes were included in future liability.

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

For the 2021 measurement period, the County recognized pension expense of \$115,908 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 618,296	\$ 76,100
Change in assumptions	985,965	—
Net difference between projected and actual earnings on plan investments	<u>606,130</u>	<u>2,382,804</u>
Total	<u>\$ 2,210,391</u>	<u>\$ 2,458,904</u>

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

2022	\$ 194,430
2023	(391,057)
2024	66,671
2025	(118,557)
2026	—
Thereafter	<u>—</u>
	<u>\$ (248,513)</u>

COUNTY OF ELK, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 9 – Employees' Retirement System (Continued)

Payable to the Pension Plan

For the 2021 measurement period, the County had no outstanding amount of contributions to the pension plan required for the year ended December 31, 2021.

Note 10 – Commitments

The County entered into an Inter-County Communications Agreement with the County of Cameron, Pennsylvania. In accordance with the agreement, the County of Elk will make available its emergency communications equipment and personnel on a shared basis as may be necessary for the receipt of 911 calls and the dispatch of emergency services within the County of Cameron for an annual fee. The agreement is amended periodically to establish the annual fee and continues in force until termination by either party through written notice. During 2017, the agreement was amended establishing annual fees to be paid to the County of Elk for 2018, 2019, 2020, 2021, and 2022 at \$73,411, \$75,613, \$77,881, \$80,218, and \$82,625, respectively. During 2022, the agreement was amended establishing annual fees to be paid to the County of Elk for 2023, 2024, 2025, 2026, and 2027 at \$85,103, \$87,657, \$90,286, \$92,995, and \$95,785, respectively.

Note 11 – Contingencies

The Elk County Industrial Development Authority (Authority) issued Guaranteed Revenue Bonds, Refunding Series of 2012 in the aggregate principal amount of \$2,945,000. In conjunction with the issuance of the bonds, the Authority entered into a loan agreement with North Central Enterprise, Inc. to assist in the financing of a project consisting of the following: the current refunding of the Authority's Guaranteed Revenue Bonds, Series of 2006 which were originally issued to advance refund the Authority's Guaranteed Revenue Bonds, Series of 2002, which financed the acquisition and construction of a maintenance and office facility, the acquisition of land and a building for use as an educational and training facility, and public infrastructure improvements to an industrial complex; fund a debt service reserve fund; fund a capital reserve fund; and pay the costs of issuing the bonds by the Authority.

The County, pursuant to a guaranty agreement, has guaranteed the principal and interest and has entered into a reimbursement agreement with North Central Enterprise, Inc. to reimburse the County for any required payment by the County as guaranteed and any reasonable charges and expenses related to the guaranty agreement. The bonds are scheduled to mature at various times through October 1, 2022 and bear interest at 0.80 percent to 3.00 percent. The aggregate annual debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	<u>\$ 310,000</u>	<u>\$ 7,269</u>	<u>\$ 317,269</u>

COUNTY OF ELK, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 12 – Grants

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

Note 13 – Litigation

The County is party to one matter of litigation involving a claim for money damages in an amount in excess of \$50,000. Although the outcome cannot be forecasted with certainty, it is the opinion of management and the County's attorney that there is no likelihood that the outcome of this case will be unfavorable to the County and that there is no potential loss to be suffered by the County.

Note 14 – Prior Period Adjustment

Prior period adjustments related to corrections in revenue and expense items were required for the year ended December 31, 2021 and resulted in an increase in beginning governmental fund balances and beginning net position of \$19,966.

Note 15 – Subsequent Events

Subsequent events were evaluated through November 29, 2022, which is the date the financial statements were available to be issued.

COUNTY OF ELK, PENNSYLVANIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS -
EMPLOYEES' RETIREMENT SYSTEM

For the Year Ended December 31,

	<u>2021</u>	<u>2020</u>
<u>Total Pension Liability</u>		
Service cost including expected member contributions	\$ 641,635	\$ 575,316
Interest	2,039,665	1,919,096
Changes in benefit terms	-	-
Differences between expected and actual experience	532,703	118,131
Changes in assumptions	-	1,583,519
Benefit payments, including refunds of member contributions	<u>(1,468,588)</u>	<u>(1,393,531)</u>
Net Change in Total Pension Liability	1,745,415	2,802,531
Total Pension Liability - Beginning	<u>27,680,424</u>	<u>24,877,893</u>
Total Pension Liability - Ending	<u><u>\$29,425,839</u></u>	<u><u>\$27,680,424</u></u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	\$ 627,176	\$ 473,601
Contributions - Member	688,364	592,625
Net investment income	3,464,102	1,956,434
Benefit payments, including refunds of member contributions	(1,468,588)	(1,393,531)
Administrative expense	(17,624)	(19,637)
Other	<u>-</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	3,293,430	1,609,492
Plan Fiduciary Net Position - Beginning	<u>25,697,828</u>	<u>24,088,336</u>
Plan Fiduciary Net Position - Ending	<u><u>\$28,991,258</u></u>	<u><u>\$25,697,828</u></u>
County's Net Pension Liability	<u><u>\$ 434,581</u></u>	<u><u>\$ 1,982,596</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.52%	92.84%
Covered Employee Payroll	\$ 6,753,174	\$ 6,187,012
County's Net Pension Liability as a Percentage of Covered Employee Payro	6.44%	32.04%

This schedule is intended to present information for 10 years. The County will present information for years available until a full 10-year trend is compiled.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 649,907	\$ 611,520	\$ 696,525	\$ 631,383	\$ 685,594	\$ 568,636
1,770,846	1,649,524	1,535,448	1,441,786	1,360,866	1,296,554
-	79,524	-	-	-	-
252,915	(207,163)	51,855	97,750	(142,982)	179,333
-	-	-	-	-	-
(990,556)	(880,869)	(646,165)	(1,163,459)	(924,425)	(931,153)
1,683,112	1,252,536	1,637,663	1,007,460	979,053	1,113,370
23,194,781	21,942,245	20,304,582	19,297,122	18,318,069	17,204,699
<u>\$24,877,893</u>	<u>\$23,194,781</u>	<u>\$21,942,245</u>	<u>\$20,304,582</u>	<u>\$19,297,122</u>	<u>\$18,318,069</u>
\$ 421,748	\$ 325,000	\$ 350,000	\$ 242,092	\$ 181,258	\$ 162,857
539,759	513,274	516,826	454,251	514,592	408,843
3,924,179	(1,414,008)	2,641,043	1,424,143	(60,945)	1,156,950
(990,556)	(880,869)	(646,165)	(1,163,459)	(924,425)	(931,153)
(39,384)	(40,734)	(107,762)	(109,956)	(122,642)	(106,791)
-	133,900	(203,135)	(4,663)	(433)	(1,083)
3,855,746	(1,363,437)	2,550,807	842,408	(412,595)	689,623
20,232,590	21,596,027	19,045,220	18,202,812	18,615,407	17,925,784
<u>\$24,088,336</u>	<u>\$20,232,590</u>	<u>\$21,596,027</u>	<u>\$19,045,220</u>	<u>\$18,202,812</u>	<u>\$18,615,407</u>
<u>\$ 789,557</u>	<u>\$ 2,962,191</u>	<u>\$ 346,218</u>	<u>\$ 1,259,362</u>	<u>\$ 1,094,310</u>	<u>\$ (297,338)</u>
96.83%	87.23%	98.42%	93.80%	94.33%	101.62%
\$ 5,733,284	\$ 5,418,989	\$ 5,555,347	\$ 5,456,485	\$ 5,233,959	\$ 4,991,159
13.77%	54.66%	6.23%	23.08%	20.91%	-5.96%

COUNTY OF ELK, PENNSYLVANIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY CONTRIBUTIONS - EMPLOYEES' RETIREMENT SYSTEM

For the Years Ended December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 525,509	\$ 473,601	\$ 421,748	\$ 324,870	\$ 284,302	\$ 242,092
Contributions in relation to the actuarially determined contribution	<u>627,176</u>	<u>473,601</u>	<u>421,748</u>	<u>325,000</u>	<u>350,000</u>	<u>242,092</u>
Contribution deficiency (excess)	<u>\$ (101,667)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (130)</u>	<u>\$ (65,698)</u>	<u>\$ -</u>
Covered employee payroll	\$ 6,753,174	\$ 6,187,012	\$ 5,733,284	\$ 5,418,989	\$ 5,555,347	\$ 5,456,485
Contributions as a percentage of covered employee payroll	9.29%	7.65%	7.36%	6.00%	6.30%	4.44%

Notes to Schedule of Employer Contributions - Employees' Retirement System

Valuation Date: January 1, 2021 January 1, 2020 January 1, 2019 January 1, 2018 January 1, 2017 January 1, 2016

Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	22 years
Asset valuation method	Market value adjusted for unrecognized gains and losses from prior year
Inflation	3.00%
Salary increases	3.50% average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Retirement age	Age 60 or 55 with 20 years of service
Mortality	PubG-2010 Mortality Tables for males and females with generational mortality improvement using MP19

This schedule is intended to present information for 10 years. The County will present information for years available until a full 10-year trend is compiled.

<u>2015</u>	<u>2014</u>
\$ 181,258	\$ 154,061
<u>181,258</u>	<u>162,857</u>
<u>\$ -</u>	<u>\$ (8,796)</u>
\$ 5,233,959	\$ 4,991,159
3.46%	3.26%

January 1, 2015 January 1, 2014

COUNTY OF ELK, PENNSYLVANIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT RETURNS - EMPLOYEES' RETIREMENT SYSTEM

For the Year Ended December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expense	13.95%	8.28%	19.90%	-5.44%	14.18%	7.86%

This schedule is intended to present information for 10 years. The County will present information for years available until a full 10-year trend is compiled.

<u>2015</u>	<u>2014</u>
-0.54%	6.73%

COUNTY OF ELK, PENNSYLVANIA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:				
Taxes	\$ 8,326,264	\$ 8,326,264	\$ 8,157,132	\$ (169,132)
Intergovernmental	914,226	914,226	758,521	(155,705)
Charges for services	1,376,102	1,376,102	1,669,646	293,544
Interest	2,500	2,500	52,505	50,005
Miscellaneous	250,000	250,000	416,246	166,246
Total Revenues	<u>10,869,092</u>	<u>10,869,092</u>	<u>11,054,050</u>	<u>184,958</u>
Expenditures:				
Current:				
General government	2,752,726	2,752,726	2,694,892	57,834
Judicial	2,361,253	2,361,253	2,104,983	256,270
Public safety	5,434,519	5,434,519	5,334,075	100,444
Public works	159,066	159,066	161,587	(2,521)
Human services	142,100	142,100	128,838	13,262
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	27,910	(27,910)
Other	2,252,400	2,252,400	1,076,213	1,176,187
Total Expenditures	<u>13,102,064</u>	<u>13,102,064</u>	<u>11,528,498</u>	<u>1,573,566</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,232,972)</u>	<u>(2,232,972)</u>	<u>(474,448)</u>	<u>1,758,524</u>
Other Financing Sources (Uses):				
Transfers in	3,427,522	3,427,522	574,152	(2,853,370)
Transfers out	(1,194,550)	(1,194,550)	(853,034)	341,516
Total Other Financing Sources (Uses)	<u>2,232,972</u>	<u>2,232,972</u>	<u>(278,882)</u>	<u>(2,511,854)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>(753,330)</u>	<u>(753,330)</u>
Fund Balance-Beginning (As originally reported)	4,618,503	4,618,503	4,869,522	251,019
Prior Period Adjustment	-	-	-	-
Fund Balance-Beginning (Restated)	<u>4,618,503</u>	<u>4,618,503</u>	<u>4,869,522</u>	<u>251,019</u>
Fund Balance-Ending	<u>\$ 4,618,503</u>	<u>\$ 4,618,503</u>	<u>\$ 4,116,192</u>	<u>\$ (502,311)</u>

See accompanying notes to budgetary comparison schedules.

COUNTY OF ELK, PENNSYLVANIA
BUDGETARY COMPARISON SCHEDULE

GAS WELL IMPACT FEE FUND

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	486,465	486,465
Charges for services	-	-	-	-
Interest	-	-	1,291	1,291
Miscellaneous	-	-	-	-
Total Revenues	-	-	487,756	487,756
Expenditures:				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	360,000	360,000	325,279	34,721
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	14,340	(14,340)
Other	-	-	-	-
Total Expenditures	360,000	360,000	339,619	20,381
Excess (Deficiency) of Revenues over Expenditures	(360,000)	(360,000)	148,137	508,137
Other Financing Sources (Uses):				
Transfers in	-	-	59	59
Transfers out	-	-	(24,500)	(24,500)
Total Other Financing Sources (Uses)	-	-	(24,441)	(24,441)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(360,000)	(360,000)	123,696	483,696
Fund Balance-Beginning (As originally reported)	2,492,465	2,492,465	2,492,465	-
Prior Period Adjustment	-	-	-	-
Fund Balance-Beginning (Restated)	2,492,465	2,492,465	2,492,465	-
Fund Balance-Ending	\$ 2,132,465	\$ 2,132,465	\$ 2,616,161	\$ 483,696

See accompanying notes to budgetary comparison schedules.

COUNTY OF ELK, PENNSYLVANIA

NOTES TO BUDGETARY COMPARISON SCHEDULES

December 31, 2021

Note 1 – Budgetary Information

The County has adopted the following procedures in establishing the budgetary data reflected in the basic financial statements:

- (1) County department heads are required to submit to the County Commissioners preliminary operating budgets for the fiscal year commencing the following January 1. The operating budgets submitted include proposed expenditures and the means of financing them, as well as narrative justification for increases of operating expenditures.
- (2) Budgets, as submitted, are subject to a detailed review by the County Commissioners.
- (3) As required by the County Code, the proposed budget is made available for public inspection for at least twenty days prior to the date of adoption. Adoption is required by December 31. Subsequent to the budget approval, the Commissioners adopt the appropriation measures required to put the budget into effect and fix the rate of taxation.
- (4) Within 15 days subsequent to the legal adoption of the budget, the Commissioners file a copy of the budget with the Department of Community and Economic Development of the Commonwealth of Pennsylvania. Should supplemental budget appropriations be required, the Commissioners may authorize the transfer of funds between line items by means of approved budget changes.
- (5) Budgeting control is at the individual fund level. Expenditures may not legally exceed budgeted appropriations at this level.
- (6) Annual budgets are adopted for the General Fund, certain Special Revenue Funds, and the Debt Service Fund.
- (7) The County 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. The Commissioners may authorize the transfer of any balance of any appropriated item or any portion thereof.

Note 2 – Other Information

GASB Statement No. 34 requires a budgetary comparison schedule to be presented for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The County did not adopt a budget for the Children and Youth Programs Fund, the COVID-ARPA Grant Fund, and the ERAP Grant Fund, which are major special revenue funds, and, therefore, presentation of budgetary comparison information is not required.

COUNTY OF ELK, PENNSYLVANIA

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

December 31, 2021

	<u>Special Revenue Funds</u>						
	<u>Affordable Housing</u>	<u>CHIRP Fund</u>	<u>Community Development Block Grant</u>	<u>County Record Improvement</u>	<u>COVID-19 Program Grant</u>	<u>Domestic Relations</u>	<u>DUI Corrections</u>
<u>ASSETS</u>							
Cash and cash investments	\$ 118,464	\$ -	\$ -	\$ 15,843	\$ -	\$ 1,028,683	\$ 12,762
Taxes receivable, net	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from other governments	-	-	54,837	-	-	117,829	-
Due from other funds	-	-	-	-	-	39,353	409
Total Assets	<u>\$ 118,464</u>	<u>\$ -</u>	<u>\$ 54,837</u>	<u>\$ 15,843</u>	<u>\$ -</u>	<u>\$ 1,185,865</u>	<u>\$ 13,171</u>
<u>LIABILITIES</u>							
Accounts payable	\$ -	\$ -	\$ 38,632	\$ -	\$ -	\$ -	\$ 7,575
Due to other governments	-	-	-	-	-	-	-
Due to other funds	4,409	-	16,205	-	-	23,349	-
Unearned revenue	-	-	-	-	-	-	-
Total Liabilities	<u>4,409</u>	<u>-</u>	<u>54,837</u>	<u>-</u>	<u>-</u>	<u>23,349</u>	<u>7,575</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable revenue	-	-	40,705	-	-	65,999	-
<u>FUND BALANCES</u>							
Restricted:							
General government	-	-	-	15,843	-	-	-
Judicial	-	-	-	-	-	1,096,517	5,596
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Human services	114,055	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	(40,705)	-	-	-	-
Total Fund Balances	<u>114,055</u>	<u>-</u>	<u>(40,705)</u>	<u>15,843</u>	<u>-</u>	<u>1,096,517</u>	<u>5,596</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 118,464</u>	<u>\$ -</u>	<u>\$ 54,837</u>	<u>\$ 15,843</u>	<u>\$ -</u>	<u>\$ 1,185,865</u>	<u>\$ 13,171</u>

Special Revenue Funds

DUI Drug and Alcohol	Federal Social Services Block Grant	Fiscal Recovery Fund	Gas Task Force	Growing Greener Projects	Hazardous Materials Response	Hotel Tax	Housing Rehabilitation Grant	Human Services Development	Law Enforcement Dispatch	Liquid Fuels Tax
\$ 63,990	\$ 126	\$ 46,983	\$ 7,116	\$ -	\$ 42,171	\$ 11,785	\$ 1	\$ 6,430	\$ 20,236	\$ 12,553
-	-	-	-	-	-	72,382	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
409	-	-	-	-	-	530	-	-	10,000	-
<u>\$ 64,399</u>	<u>\$ 126</u>	<u>\$ 46,983</u>	<u>\$ 7,116</u>	<u>\$ -</u>	<u>\$ 42,171</u>	<u>\$ 84,697</u>	<u>\$ 1</u>	<u>\$ 6,430</u>	<u>\$ 30,236</u>	<u>\$ 12,553</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ 81,309	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	3,388	-	-	-	-
-	-	-	-	-	5,614	-	-	-	-	-
-	-	-	-	-	5,814	84,697	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	46,983	-	-	-	-	-	-	-	-
64,399	-	-	-	-	-	-	-	-	-	-
-	-	-	7,116	-	36,357	-	-	-	30,236	-
-	-	-	-	-	-	-	-	-	-	12,553
-	126	-	-	-	-	-	1	6,430	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
<u>64,399</u>	<u>126</u>	<u>46,983</u>	<u>7,116</u>	<u>-</u>	<u>36,357</u>	<u>-</u>	<u>1</u>	<u>6,430</u>	<u>30,236</u>	<u>12,553</u>
<u>\$ 64,399</u>	<u>\$ 126</u>	<u>\$ 46,983</u>	<u>\$ 7,116</u>	<u>\$ -</u>	<u>\$ 42,171</u>	<u>\$ 84,697</u>	<u>\$ 1</u>	<u>\$ 6,430</u>	<u>\$ 30,236</u>	<u>\$ 12,553</u>

Special Revenue Funds

Medical Assistance Transportation Program Grant	Multiple Housing Access Grant	National Forest	Northern Tier Regional Telecom- munications Project	Pennsylvania Housing Affordability and Rehabilitation Enhancement Grant	POSTS Program	Repository Inspection Fund	Solid Waste Administration	State Act 44 and 89	Substance Abuse Education and Demand Reduction
\$ 2,266	\$ -	\$ 10	\$ 158,231	\$ 132,452	\$ 2,427	\$ 186	\$ 530,452	\$ 378,672	\$ 144,440
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	32,600	-	-
-	-	-	-	-	-	-	86,017	26,452	-
-	-	-	-	-	-	-	3,478	-	122
<u>\$ 2,266</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 158,231</u>	<u>\$ 132,452</u>	<u>\$ 2,427</u>	<u>\$ 186</u>	<u>\$ 652,547</u>	<u>\$ 405,124</u>	<u>\$ 144,562</u>
\$ 2,224	\$ -	\$ -	\$ 28	\$ -	\$ -	\$ -	\$ 9,326	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	15,779	-	-
-	-	-	-	131,988	-	-	-	-	-
<u>2,224</u>	<u>-</u>	<u>-</u>	<u>28</u>	<u>131,988</u>	<u>-</u>	<u>-</u>	<u>25,105</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	86,017	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	158,203	-	-	186	-	-	-
-	-	10	-	-	-	-	541,425	405,124	-
42	-	-	-	464	2,427	-	-	-	144,562
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>42</u>	<u>-</u>	<u>10</u>	<u>158,203</u>	<u>464</u>	<u>2,427</u>	<u>186</u>	<u>541,425</u>	<u>405,124</u>	<u>144,562</u>
<u>\$ 2,266</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 158,231</u>	<u>\$ 132,452</u>	<u>\$ 2,427</u>	<u>\$ 186</u>	<u>\$ 652,547</u>	<u>\$ 405,124</u>	<u>\$ 144,562</u>

Special Revenue Funds			Debt Service	Capital Projects		
Supervision Fee	Wireless Emergency 911	Work Release	Debt Service	Construction	Recycling Center Building Fund	Total Other Governmental Funds
\$ 60,996	\$ 852,245	\$ 175,665	\$ 505,937	\$ 84,492	\$ 23,348	\$ 4,438,962
-	-	-	6,492	-	-	78,874
-	-	-	-	-	-	32,600
-	291,724	-	-	-	-	576,859
-	-	-	666	-	12,000	66,967
<u>\$ 60,996</u>	<u>\$ 1,143,969</u>	<u>\$ 175,665</u>	<u>\$ 513,095</u>	<u>\$ 84,492</u>	<u>\$ 35,348</u>	<u>\$ 5,194,262</u>
\$ -	\$ 8,783	\$ -	\$ -	\$ -	\$ 12,000	\$ 160,077
-	-	-	-	-	-	-
-	-	-	-	-	-	63,130
-	-	-	-	-	-	137,602
-	8,783	-	-	-	12,000	360,809
-	-	-	-	-	-	192,721
-	-	-	-	-	-	62,826
60,996	-	175,665	-	-	-	1,403,173
-	1,135,186	-	-	-	-	1,367,284
-	-	-	-	-	-	959,112
-	-	-	-	-	-	268,107
-	-	-	513,095	-	-	513,095
-	-	-	-	84,492	23,348	107,840
-	-	-	-	-	-	(40,705)
<u>60,996</u>	<u>1,135,186</u>	<u>175,665</u>	<u>513,095</u>	<u>84,492</u>	<u>23,348</u>	<u>4,640,732</u>
<u>\$ 60,996</u>	<u>\$ 1,143,969</u>	<u>\$ 175,665</u>	<u>\$ 513,095</u>	<u>\$ 84,492</u>	<u>\$ 35,348</u>	<u>\$ 5,194,262</u>

COUNTY OF ELK, PENNSYLVANIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2021

	Special Revenue Funds						
	Affordable Housing	CHIRP Fund	Community Development Block Grant	County Record Improvement	COVID-19 Program Grant	Domestic Relations	DUI Corrections
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	338,772	381,288	-	-	327,285	-
Charges for services	29,276	-	-	8,894	-	1,942	4,194
Interest	106	93	-	7	1	1,385	-
Miscellaneous	-	-	-	-	-	-	-
Total Revenues	29,382	338,865	381,288	8,901	1	330,612	4,194
Expenditures:							
Current:							
General government	-	-	-	6,292	-	-	-
Judicial	-	-	-	-	-	350,474	7,575
Public safety	-	-	-	-	-	-	-
Public works	-	-	421,993	-	-	-	-
Human services	8,624	-	-	-	-	-	-
Culture and recreation	-	338,772	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Note issuance costs	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	7,788
Other	-	-	-	-	-	-	-
Total Expenditures	8,624	338,772	421,993	6,292	-	350,474	15,363
Excess (Deficiency) of Revenues Over Expenditures	20,758	93	(40,705)	2,609	1	(19,862)	(11,169)
Other Financing Sources (Uses):							
Proceeds of refunding note	-	-	-	-	-	-	-
Debt service principal - current refunding	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	135,140	-
Transfers out	(25,000)	(93)	-	-	(59)	(79,470)	-
Total Other Financing Sources (Uses)	(25,000)	(93)	-	-	(59)	55,670	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(4,242)	-	(40,705)	2,609	(58)	35,808	(11,169)
Fund Balances-Beginning (As originally reported)	118,297	-	-	13,234	58	1,052,365	16,765
Prior Period Adjustment	-	-	-	-	-	8,344	-
Fund Balances-Beginning (Restated)	118,297	-	-	13,234	58	1,060,709	16,765
Fund Balances-Ending	\$ 114,055	\$ -	\$ (40,705)	\$ 15,843	\$ -	\$ 1,096,517	\$ 5,596

Special Revenue Funds

DUI Drug and Alcohol	Federal Social Services Block Grant	Fiscal Recovery	Gas Task Force	Growing Greener Projects	Hazardous Materials Response	Hotel Tax	Housing Rehabilitation Grant	Human Services Development	Law Enforcement Dispatch	Liquid Fuels Tax
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,056	\$ -	\$ -	\$ -	\$ -
-	27,817	-	-	94,500	5,592	-	-	50,000	-	78,814
4,195	-	-	-	-	21,250	-	-	-	-	-
28	-	920	4	13	23	-	-	40	-	3
-	-	-	-	-	-	-	-	-	-	-
<u>4,223</u>	<u>27,817</u>	<u>920</u>	<u>4</u>	<u>94,513</u>	<u>26,865</u>	<u>303,056</u>	<u>-</u>	<u>50,040</u>	<u>-</u>	<u>78,817</u>
-	-	93	-	-	-	-	-	-	-	-
10,176	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	21,587	-	-	-	-	-
-	-	-	-	64,500	-	-	-	-	-	99,000
-	27,817	-	-	-	-	-	-	50,000	-	-
-	-	-	-	-	-	303,056	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	9,635	-
-	-	-	-	-	-	-	-	-	-	-
<u>10,176</u>	<u>27,817</u>	<u>93</u>	<u>-</u>	<u>64,500</u>	<u>21,587</u>	<u>303,056</u>	<u>-</u>	<u>50,000</u>	<u>9,635</u>	<u>99,000</u>
(5,953)	-	827	4	30,013	5,278	-	-	40	(9,635)	(20,183)
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	185,631	-	-	-	-	-	-	10,374	-
-	-	(139,475)	-	-	-	-	-	-	-	-
-	-	<u>46,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,374</u>	<u>-</u>
(5,953)	-	46,983	4	30,013	5,278	-	-	40	739	(20,183)
70,352	126	-	7,112	(30,013)	31,079	-	1	6,390	29,497	32,736
-	-	-	-	-	-	-	-	-	-	-
<u>70,352</u>	<u>126</u>	<u>-</u>	<u>7,112</u>	<u>(30,013)</u>	<u>31,079</u>	<u>-</u>	<u>1</u>	<u>6,390</u>	<u>29,497</u>	<u>32,736</u>
<u>\$ 64,399</u>	<u>\$ 126</u>	<u>\$ 46,983</u>	<u>\$ 7,116</u>	<u>\$ -</u>	<u>\$ 36,357</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 6,430</u>	<u>\$ 30,236</u>	<u>\$ 12,553</u>

Special Revenue Funds

Medical Assistance Transportation Program Grant	Multiple Housing Access Grant	National Forest	Northern Tier Regional Telecom- munications Project	Pennsylvania Housing Affordability and Rehabilitation Enhancement Grant	POSTS Program	Repository Inspection Fund	Solid Waste Administration	State Act 44 and 89	Substance Abuse Education and Demand Reduction
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
697,169	-	392,084	146,187	180,804	-	-	80,233	40,297	-
-	-	-	-	-	-	1,700	262,851	-	8,521
24	-	-	1,363	38	-	-	360	337	-
-	-	-	-	-	-	-	6,979	-	-
<u>697,193</u>	<u>-</u>	<u>392,084</u>	<u>147,550</u>	<u>180,842</u>	<u>-</u>	<u>1,700</u>	<u>350,423</u>	<u>40,634</u>	<u>8,521</u>
-	-	-	-	-	-	2,414	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	134,593	-	-	-	-	-	-
-	-	392,084	-	-	-	-	199,196	1,656	-
697,193	-	-	-	205,804	-	-	-	-	982
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	105,852	-	-
-	-	-	-	-	-	-	-	-	-
<u>697,193</u>	<u>-</u>	<u>392,084</u>	<u>134,593</u>	<u>205,804</u>	<u>-</u>	<u>2,414</u>	<u>305,048</u>	<u>1,656</u>	<u>982</u>
-	-	-	12,957	(24,962)	-	(714)	45,375	38,978	7,539
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	25,000	-	-	-	-	-
-	(1)	-	-	-	-	-	-	-	-
-	(1)	-	-	25,000	-	-	-	-	-
-	(1)	-	12,957	38	-	(714)	45,375	38,978	7,539
42	1	10	145,246	426	2,427	900	496,050	366,146	137,023
-	-	-	-	-	-	-	-	-	-
<u>42</u>	<u>1</u>	<u>10</u>	<u>145,246</u>	<u>426</u>	<u>2,427</u>	<u>900</u>	<u>496,050</u>	<u>366,146</u>	<u>137,023</u>
<u>\$ 42</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 158,203</u>	<u>\$ 464</u>	<u>\$ 2,427</u>	<u>\$ 186</u>	<u>\$ 541,425</u>	<u>\$ 405,124</u>	<u>\$ 144,562</u>

Special Revenue Funds			Debt Service	Capital Projects		
Supervision Fee	Wireless Emergency 911	Work Release	Debt Service	Construction	Recycling Center Building Fund	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ 394,689	\$ -	\$ -	\$ 697,745
-	1,158,208	-	-	-	-	3,999,050
61,338	-	5,317	-	-	-	409,478
19	183	173	68,406	79	-	73,605
-	-	-	-	-	12,000	18,979
61,357	1,158,391	5,490	463,095	79	12,000	5,198,857
-	-	-	-	-	-	8,799
16,140	-	35,044	-	-	-	419,409
-	874,953	-	-	-	-	1,031,133
-	-	-	-	-	-	1,178,429
-	-	-	-	-	-	990,420
-	-	-	-	-	-	641,828
-	-	-	345,000	-	-	345,000
-	-	-	59,355	-	-	59,355
-	-	-	34,037	-	-	34,037
6,043	165,180	-	-	1,484	-	295,982
-	-	-	1,200	-	12,000	13,200
22,183	1,040,133	35,044	439,592	1,484	12,000	5,017,592
39,174	118,258	(29,554)	23,503	(1,405)	-	181,265
-	-	-	2,110,000	-	-	2,110,000
-	-	-	(2,035,000)	-	-	(2,035,000)
-	-	16,000	-	25,467	-	397,612
-	-	-	-	-	-	(244,098)
-	-	16,000	75,000	25,467	-	228,514
39,174	118,258	(13,554)	98,503	24,062	-	409,779
21,822	1,016,928	189,219	414,592	60,430	23,348	4,222,609
-	-	-	-	-	-	8,344
21,822	1,016,928	189,219	414,592	60,430	23,348	4,230,953
\$ 60,996	\$ 1,135,186	\$ 175,665	\$ 513,095	\$ 84,492	\$ 23,348	\$ 4,640,732

COUNTY OF ELK, PENNSYLVANIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2021

<u>Federal Grantor Agency / Program Title</u>	<u>Pass-Through Grantor</u>	<u>CFDA Number</u>	<u>Grant Title/Number</u>
U.S. DEPARTMENT OF AGRICULTURE			
<u>Food Distribution Cluster</u>			
Emergency Food Assistance Program (Administrative)	PA Dept of AG	10.568	Emergency Food Assistance Program
Emergency Food Assistance Program (Administrative)	PA Dept of AG	10.568	Emergency Food Assistance Program
Emergency Food Assistance Program (Administrative)	PA Dept of AG	10.568	Emergency Food Assistance Program
Total Emergency Food Assistance Program (Administrative)			
Emergency Food Assistance Program (Food Commodities)	PA Dept of AG	10.569	Emergency Food Assistance Program
Total Food Distribution Cluster			
<u>Forest Service Schools and Roads Cluster</u>			
Schools and Roads - Grants to States	PA DCNR	10.665	Schools and Roads - Grants to States
Total U.S. Department of Agriculture			
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grants/States Program	PA DCED	14.228	Contract # C000066528
Community Development Block Grants/States Program	PA DCED	14.228	Contract # C000067291
Community Development Block Grants/States Program	PA DCED	14.228	Contract # C000070500
Community Development Block Grants/States Program	PA DCED	14.228	Contract # C000070213
Community Development Block Grants/States Program	PA DCED	14.228	Contract # C000075557
Community Development Block Grants/States Program	PA DCED	14.228	Contract # C000075819
Total Community Development Block Grants/States Program			
U.S. DEPARTMENT OF INTERIOR			
National Forest Acquired Lands	PA DEP	15.438	National Forest Acquired Lands
U.S. DEPARTMENT OF JUSTICE			
COVID-19 - Coronavirus Emergency Supplemental Funding Program	PCCD	16.034	COVID-19 - Coronavirus Emergency Supplemental Funding Program
U.S. DEPARTMENT OF TREASURY			
COVID-19 - Coronavirus Relief Fund	N/A	21.019	COVID-19 - Coronavirus Relief Fund
COVID-19 - Emergency Rental Assistance Program	PA DHS	21.023	COVID-19 - Emergency Rental Assistance Program
Total U.S. Department of the Treasury			

See accompanying notes to schedule of expenditures of federal awards.

Grant Period	(Accrued) Deferred Balance 1/1/2021	Federal Receipts	Federal Expenditures	Other	(Accrued) Deferred Balance 12/31/2021	Expenditures to Subrecipients
10/01/19 - 09/30/20	\$ (843)	\$ 843	\$ -	\$ -	\$ -	\$ -
10/01/20 - 09/30/21	(319)	981	662	-	-	662
10/01/21 - 09/30/22	-	-	388	-	(388)	388
	<u>(1,162)</u>	<u>1,824</u>	<u>1,050</u>	<u>-</u>	<u>(388)</u>	<u>1,050</u>
01/01/21 - 12/31/21	-	13,058	13,058	-	-	13,058
	<u>(1,162)</u>	<u>14,882</u>	<u>14,108</u>	<u>-</u>	<u>(388)</u>	<u>14,108</u>
N/A	-	392,084	392,084	-	-	392,084
	<u>(1,162)</u>	<u>406,966</u>	<u>406,192</u>	<u>-</u>	<u>(388)</u>	<u>406,192</u>
08/10/17 - 08/09/22	(1,019)	1,019	-	-	-	-
02/14/18 - 02/13/22	(22,158)	36,882	14,724	-	-	14,724
01/30/19 - 01/29/23	-	22,584	38,789	-	(16,205)	38,789
10/23/18 - 10/22/22	(230,646)	479,009	248,363	-	-	248,363
01/27/20 - 12/08/22	-	39,034	53,166	-	(14,132)	53,166
01/27/20 - 03/08/25	-	42,452	66,952	-	(24,500)	66,952
	<u>(253,823)</u>	<u>620,980</u>	<u>421,994</u>	<u>-</u>	<u>(54,837)</u>	<u>421,994</u>
N/A	-	77	77	-	-	-
03/01/20 - 6/30/21	-	12,348	12,348	-	-	-
03/03/21 - 12/31/24	-	2,904,834	1,368,083	-	1,536,751	-
	<u>-</u>	<u>2,590,648</u>	<u>2,590,648</u>	<u>-</u>	<u>-</u>	<u>2,590,648</u>
	<u>-</u>	<u>5,495,482</u>	<u>3,958,731</u>	<u>-</u>	<u>1,536,751</u>	<u>2,590,648</u>

COUNTY OF ELK, PENNSYLVANIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021
Page 2

Federal Grantor Agency / Program Title	Pass-Through Grantor	CFDA Number	Grant Title/Number
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
COVID-19 - Guardianship Assistance	PA DHS	93.090	COVID-19 - Guardianship Assistance
Guardianship Assistance	PA DHS	93.090	Guardianship Assistance
COVID-19 - Guardianship Assistance	PA DHS	93.090	COVID-19 - Guardianship Assistance
Guardianship Assistance	PA DHS	93.090	Guardianship Assistance
 Title IV-E Prevention Program	 PA DHS	 93.472	 Title IV-E Prevention Program
MaryLee Allen Promoting Safe and Stable Families	PA DHS	93.556	MaryLee Allen Promoting Safe and Stable Families
MaryLee Allen Promoting Safe and Stable Families	PA DHS	93.556	MaryLee Allen Promoting Safe and Stable Families
MaryLee Allen Promoting Safe and Stable Families	PA DHS	93.556	MaryLee Allen Promoting Safe and Stable Families
 <u>TANF Cluster</u>			
Temporary Assistance For Needy Families	PA DHS	93.558	Temporary Assistance For Needy Families
Temporary Assistance For Needy Families	PA DHS	93.558	Temporary Assistance For Needy Families
Total Temporary Assistance For Needy Families			
 Child Support Enforcement	 PA DHS	 93.563	 Domestic Relations IV-D
Child Support Enforcement	PA DHS	93.563	Domestic Relations IV-D
Total Child Support Enforcement			
 COVID-19 - Stephanie Tubbs Jones Child Welfare Services Program	 PA DHS	 93.645	 COVID-19 - Child Welfare Title IV-B
Stephanie Tubbs Jones Child Welfare Services Program	PA DHS	93.645	Child Welfare Title IV-B
Stephanie Tubbs Jones Child Welfare Services Program	PA DHS	93.645	Child Welfare Title IV-B
Total Stephanie Tubbs Jones Child Welfare Services Program			
 Foster Care - Title IV - E	 PA DHS	 93.658	 Foster Care Title IV - E
Foster Care - Title IV - E	PA DHS	93.658	Foster Care Title IV - E
Foster Care - Title IV - E	PA DHS	93.658	Foster Care Title IV - E
Foster Care - Title IV - E	PA DHS	93.658	Foster Care Title IV - E
Foster Care - Title IV - E	PA DHS	93.658	Information Technology Grant
Foster Care - Title IV - E	PA DHS	93.658	Information Technology Grant
Foster Care - Title IV - E	PA DHS	93.658	Information Technology Grant
Total Foster Care - Title IV - E			
 Adoption Assistance	 PA DHS	 93.659	 Adoption Assistance
Adoption Assistance	PA DHS	93.659	Adoption Assistance
Adoption Assistance	PA DHS	93.659	Information Technology Grant
Adoption Assistance	PA DHS	93.659	Information Technology Grant
Adoption Assistance	PA DHS	93.659	Information Technology Grant
Total Adoption Assistance			
 Social Services Block Grant	 PA DHS	 93.667	 Child Welfare Title XX
Social Services Block Grant	PA DHS	93.667	Child Welfare Title XX
Total Social Services Block Grant			

See accompanying notes to schedule of expenditures of federal awards.

Grant Period	(Accrued) Deferred Balance 1/1/2021	Federal Receipts	Federal Expenditures	Other	(Accrued) Deferred Balance 12/31/2021	Expenditures to Subrecipients
07/01/20 - 06/30/21	(83)	644	561	-	-	-
07/01/20 - 06/30/21	(785)	5,880	5,095	-	-	-
07/01/21 - 06/30/22	-	-	1,044	-	(1,044)	-
07/01/21 - 06/30/22	-	-	9,071	-	(9,071)	-
	<u>(868)</u>	<u>6,524</u>	<u>15,771</u>	<u>-</u>	<u>(10,115)</u>	<u>-</u>
07/01/21 - 06/30/22	-	-	135	-	(135)	-
10/01/20 - 09/30/21	-	2,000	2,000	-	-	-
07/01/20 - 06/30/21	(11,501)	11,501	284	-	(284)	-
07/01/21 - 06/30/22	-	-	10,566	-	(10,566)	-
	<u>(11,501)</u>	<u>13,501</u>	<u>12,850</u>	<u>-</u>	<u>(10,850)</u>	<u>-</u>
07/01/20 - 06/30/21	(7,800)	6,995	18,120	-	(18,925)	-
07/01/21 - 06/30/22	-	-	21,831	-	(21,831)	-
	<u>(7,800)</u>	<u>6,995</u>	<u>39,951</u>	<u>-</u>	<u>(40,756)</u>	<u>-</u>
01/01/20 - 12/31/20	(76,625)	76,625	-	-	-	-
01/01/21 - 12/31/21	-	165,255	262,232	-	(96,977)	-
	<u>(76,625)</u>	<u>241,880</u>	<u>262,232</u>	<u>-</u>	<u>(96,977)</u>	<u>-</u>
01/20/20 - 09/30/21	263	-	263	-	-	-
07/01/20 - 06/30/21	-	10,245	10,245	-	-	-
07/01/21 - 06/30/22	-	10,246	10,246	-	-	-
	<u>263</u>	<u>20,491</u>	<u>20,754</u>	<u>-</u>	<u>-</u>	<u>-</u>
07/01/16 - 06/30/17	(4,772)	-	-	-	(4,772)	-
07/01/19 - 06/30/20	5	-	-	(5)	-	-
07/01/20 - 06/30/21	(114,118)	255,908	143,260	5	(1,465)	-
07/01/21 - 06/30/22	-	-	122,695	-	(122,695)	-
07/01/19 - 06/30/20	(101)	156	-	(55)	-	-
07/01/20 - 06/30/21	(7,679)	7,660	422	-	(441)	-
07/01/21 - 06/30/22	-	-	3,818	-	(3,818)	-
	<u>(126,665)</u>	<u>263,724</u>	<u>270,195</u>	<u>(55)</u>	<u>(133,191)</u>	<u>-</u>
07/01/20 - 06/30/21	(52,492)	106,491	53,999	-	-	-
07/01/21 - 06/30/22	-	-	47,762	-	(47,762)	-
07/01/19 - 06/30/20	(12)	12	-	-	-	-
07/01/20 - 06/30/21	(484)	484	20	-	(20)	-
07/01/21 - 06/30/22	-	-	239	-	(239)	-
	<u>(52,988)</u>	<u>106,987</u>	<u>102,020</u>	<u>-</u>	<u>(48,021)</u>	<u>-</u>
07/01/20 - 06/30/21	-	21,756	21,756	-	-	-
07/01/21 - 06/30/22	-	21,756	21,756	-	-	-
	<u>-</u>	<u>43,512</u>	<u>43,512</u>	<u>-</u>	<u>-</u>	<u>-</u>

COUNTY OF ELK, PENNSYLVANIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2021
Page 3

Federal Grantor Agency / Program Title	Pass-Through Grantor	CFDA Number	Grant Title/Number
John H. Chafee Foster Care Program for Successful Transition to Adulthood	PA DHS	93.674	Independent Living Grant
John H. Chafee Foster Care Program for Successful Transition to Adulthood	PA DHS	93.674	Independent Living Grant
COVID-19 - John H. Chafee Foster Care Program for Successful Transition to Adulthood	PA DHS	93.674	COVID-19 - Division X Chafee Funds
<u>Medicaid Cluster</u>			
Medical Assistance Program	PA DHS	93.778	Medicaid Administrative Costs
Medical Assistance Program	PA DHS	93.778	Medicaid Administrative Costs
Medical Assistance Program	PA DHS	93.778	Medical Incentive Title XIX
Medical Assistance Program	PA DHS	93.778	Medical Incentive Title XIX
Medical Assistance Program	PA DHS	93.778	Transportation Block Grant
Medical Assistance Program	PA DHS	93.778	Transportation Block Grant
Total Medical Assistance Program			
Total U.S. Department of Health and Human Services			
U.S. DEPARTMENT OF HOMELAND SECURITY			
Emergency Management Performance Grants	PEMA	97.042	Emergency Management Performance Grants
Emergency Management Performance Grants	PEMA	97.042	Emergency Management Performance Grants
Total Emergency Management Performance Grants			
Total Expenditures of Federal Awards			

See accompanying notes to schedule of expenditures of federal awards.

Grant Period	(Accrued) Deferred Balance 1/1/2021	Federal Receipts	Federal Expenditures	Other	(Accrued) Deferred Balance 12/31/2021	Expenditures to Subrecipients
07/01/20 - 06/30/21	(3,344)	-	2,608	-	(5,952)	-
07/01/21 - 06/30/22	-	-	8,047	-	(8,047)	-
07/01/21 - 06/30/22	-	-	15,400	-	(15,400)	-
	<u>(3,344)</u>	<u>-</u>	<u>26,055</u>	<u>-</u>	<u>(29,399)</u>	<u>-</u>
07/01/20 - 06/30/21	(442)	379	516	-	(579)	-
07/01/21 - 06/30/22	-	-	667	-	(667)	-
01/01/20 - 12/31/20	(224)	224	-	-	-	-
01/01/21 - 12/31/21	-	1,876	2,110	-	(234)	-
07/01/20 - 06/30/21	-	163,160	163,160	-	-	163,160
07/01/21 - 06/30/22	-	185,424	185,424	-	-	185,424
	<u>(666)</u>	<u>351,063</u>	<u>351,877</u>	<u>-</u>	<u>(1,480)</u>	<u>348,584</u>
	<u>(280,194)</u>	<u>1,054,677</u>	<u>1,145,352</u>	<u>(55)</u>	<u>(370,924)</u>	<u>348,584</u>
10/01/20 - 09/30/21	(14,622)	60,988	46,366	-	-	-
10/01/21 - 09/30/22	-	-	15,083	-	(15,083)	-
	<u>(14,622)</u>	<u>60,988</u>	<u>61,449</u>	<u>-</u>	<u>(15,083)</u>	<u>-</u>
	<u>\$ (549,801)</u>	<u>\$ 7,651,518</u>	<u>\$ 6,006,143</u>	<u>\$ (55)</u>	<u>\$ 1,095,519</u>	<u>\$ 3,767,418</u>

COUNTY OF ELK, PENNSYLVANIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2021

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the County of Elk, Pennsylvania under programs of the federal government for the year ended December 31, 2021. 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 of Elk, Pennsylvania, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Elk, Pennsylvania.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the 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.

Note 3 – Indirect Cost Rate

The County of Elk, Pennsylvania has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Prior Period Adjustment

The following details the adjustments of (accrued) deferred balances at January 1, 2021 for prior period grant activity classification:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Increase (Decrease)</u>
Guardianship Assistance	93.090	\$ (868)
MaryLee Allen Promoting Safe and Stable Families	93.556	(11,501)
Foster Care – Title IV-E	93.658	(113)
Adoption Assistance	93.659	(7)

COUNTY OF ELK, PENNSYLVANIA

SCHEDULE OF PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES EXPENDITURES

For the Year Ending December 31, 2021

<u>Program</u>	<u>Combined Federal/State Expenditures for Calendar Year Ended December 31, 2021</u>
Child Support Enforcement Program	\$ 305,919
County Children and Youth Programs	2,336,826*
Medical Assistance Transportation Program	697,169
Combined Homeless Assistance Program	27,817
Human Services Development Fund	<u>50,000</u>
	<u>\$ 3,417,731</u>

* - Denotes major DHS programs. The threshold for major programs is \$750,000. The amount expended under major DHS programs for the year ended December 31, 2021 was \$2,336,826 or 68% of total DHS financial assistance.

SHARKEY PICCIRILLO & KEEN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

DuBois, Pennsylvania 15801

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

To the County Commissioners
County of Elk, Pennsylvania
Ridgway, 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, each major fund, and the aggregate remaining fund information of the County of Elk, Pennsylvania, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County of Elk, Pennsylvania's basic primary government financial statements and have issued our report thereon dated November 29, 2022. The report on governmental activities was qualified because buildings and improvements and equipment acquired prior to January 1, 2003, are stated at appraisal value and the governmental activities do not include land, landscaping, electronic data processing equipment and software, fine art and museum items, radio communications equipment, and vehicles acquired prior to January 1, 2003. The report on the aggregate remaining fund information was qualified because of the effects of omitting blended component units. The report on aggregate discretely presented component units was adverse because the primary government financial statements do not include financial data for the County's legally separate component units.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the primary government financial statements, we considered the County of Elk, Pennsylvania'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 primary government financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Elk, Pennsylvania's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Elk, Pennsylvania'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Elk, Pennsylvania's primary government 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 determination of primary government financial statement amounts. 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*.

County of Elk, Pennsylvania's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County of Elk, Pennsylvania's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County of Elk, Pennsylvania's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



SHARKEY PICCIRILLO & KEEN, LLP
November 29, 2022

SHARKEY PICCIRILLO & KEEN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

DuBois, Pennsylvania 15801

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE**

To the County Commissioners
County of Elk, Pennsylvania
Ridgway, Pennsylvania

**Report on Compliance for Each Major Federal and Pennsylvania Department of Human
Services Program**

***Opinion on Each Major Federal and Pennsylvania Department of Human Services
Program***

We have audited the County of Elk, Pennsylvania's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Elk, Pennsylvania's major federal programs for the year ended December 31, 2021. We have also audited the County of Elk, Pennsylvania's compliance with the types of compliance requirements described in the *Pennsylvania Department of Human Services Single Audit Supplement* that could have a direct and material effect on each of the County of Elk, Pennsylvania's major Pennsylvania Department of Human Services (PADHS) programs for the year ended December 31, 2021. The County of Elk, Pennsylvania's major federal and PADHS 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 of Elk, Pennsylvania 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 programs for the year ended December 31, 2021.

In our opinion, the County of Elk, Pennsylvania 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 PADHS programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal and Pennsylvania Department of Human
Services 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 and the Uniform Guidance 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 of Elk, Pennsylvania 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 federal and PADHS program. Our audit does not provide a legal determination of the County of Elk, Pennsylvania's compliance with the compliance requirements referred to above.

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 of Elk, Pennsylvania's federal and PADHS 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 of Elk, Pennsylvania'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*, and the Uniform Guidance 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 of Elk, Pennsylvania's compliance with the requirements of each major federal and PA DHS programs as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 of Elk, Pennsylvania'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 of Elk, Pennsylvania'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 of Elk, Pennsylvania's internal control over compliance. Accordingly, no such opinion is expressed.

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 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 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 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. Accordingly, this report is not suitable for any other purpose.



SHARKEY PICCIRILLO & KEEN, LLP
November 29, 2022

COUNTY OF ELK, PENNSYLVANIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2021

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses a qualified opinion on the governmental activities and the aggregate remaining fund information and an unmodified opinion on each major fund for the primary government financial statements of the County of Elk, Pennsylvania. The auditor's report expresses an adverse opinion on the aggregate discretely presented component units because the primary government financial statements do not include financial data for the County's legally separate component units.
2. One material weakness related to the audit of the primary government financial statements is reported in the 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*.
3. No instances of noncompliance material to the primary government financial statements of the County of Elk, Pennsylvania were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal or Pennsylvania Department of Human Services (PADHS) award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal and PADHS award programs for the County of Elk, Pennsylvania expresses unmodified opinions on all major federal and PADHS programs.
6. No audit findings that are required to be reported in accordance with 2 CFR Section 200.516 (a) are reported in this Schedule.
7. The programs tested as major federal programs were:

<u>Program Title</u>	<u>CFDA No.</u>
Coronavirus Relief Fund	21.019
Emergency Rental Assistance Program	21.023

8. The program tested as a major Pennsylvania Department of Human Services programs was:
County Children and Youth Programs
9. The threshold for distinguishing Types A and B programs was \$750,000.
10. The County of Elk, Pennsylvania was determined not to be a low-risk auditee.

COUNTY OF ELK, PENNSYLVANIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2021

FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS – INTERNAL CONTROL OVER FINANCIAL REPORTING

2021-001: Financial Reporting Duties of the County

Statement of Condition

The personnel responsible for the accounting and reporting functions of the County, who have the level of knowledge and experience to review, approve, and accept responsibility for the financial statements, do not currently possess an appropriate level of technical knowledge and experience of generally accepted accounting principles and Governmental Accounting Standards Board's pronouncements to prepare the financial statements in accordance with the reporting requirements of those principles and pronouncements.

Criteria

Internal control over financial reporting includes controls over financial statement preparation, which would prevent or detect a misstatement in the financial statements, including note disclosures.

Effect of Condition

This condition increases the risk of possible misstatements in the financial statements.

Recommendation

An ideal internal control system over financial reporting would include an individual within an organization that would have technical knowledge and experience of the reporting requirements of generally accepted accounting principles and the Governmental Accounting Standards Board.

Response

The County Commissioners and management are aware of the existence of the material weakness and agree that an ideal internal control system over financial reporting would include an individual described in the recommendation, which would reduce the risk of possible misstatements in the financial statements. The personnel responsible for the accounting and reporting functions of the County currently possess suitable skill, knowledge, and experience to perform the daily accounting functions of the County. Therefore, the County Commissioners and management have made a conscious decision to accept the degree of risk resulting from the material weakness, as the benefit of the reduced risk does not justify the additional costs necessary to reduce this risk.

COUNTY OF ELK, PENNSYLVANIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2021

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

SHARKEY PICCIRILLO & KEEN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

DuBois, Pennsylvania 15801

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES – SUPPLEMENTAL FINANCIAL SCHEDULES

To the County Commissioners
County of Elk, Pennsylvania
Ridgway, Pennsylvania

We have performed the procedures enumerated below, on the Commonwealth of Pennsylvania, Department of Human Services (DHS) financial schedules and exhibits required by the DHS Single Audit Supplement as of and for the year ended June 30, 2021. The County of Elk, Pennsylvania's management is responsible for the financial schedules and exhibits required by the DHS Single Audit Supplement.

DHS and the County of Elk, Pennsylvania has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding the financial schedules and exhibits for year ended June 30, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all 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 listed below, which summarize amounts reported to DHS for fiscal year ended June 30, 2021, have been accurately compiled and reflect the audited books and records of the County of Elk, Pennsylvania. 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.

<u>Program Name</u>	<u>Number</u>	<u>Referenced Schedule/Exhibit</u>
Child Support Enforcement Program	A-1 (a)	Comparison of Single Audit Expenditures with Reported Expenditures
Child Support Enforcement Program	A-1 (c)	Comparison of Reported Incentives to Incentives on Deposit
Child Support Enforcement Program	A-1 (d)	Comparison of Single Audit Title IV-D Account with Reported Title IV-D Account
Medical Assistance Transportation Program	III	Revenues and Expenditures
Combined Homeless Assistance Program	XIX (a) NBG	Revenues and Expenditures

- 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.

- c. The processes detailed in paragraphs a. and b. above disclosed no adjustments or findings which have been reflected on the corresponding schedules.

We were engaged by the County of Elk, Pennsylvania 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 examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial schedules and exhibits required by the DHS Single Audit Supplement. 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 of Elk, Pennsylvania and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Commonwealth of Pennsylvania, Department of Human Services and the County of Elk, Pennsylvania and is not intended to be, and should not be, used by anyone other than the specified parties.

A schedule of revenues and expenditures and carryover funds for the Mental Health/Mental Retardation Program is not presented as the County of Elk, Pennsylvania participates in a joinder operation with the County of Cameron, Pennsylvania, which joinder is not considered part of the County of Elk, Pennsylvania's reporting entity.



SHARKEY PICCIRILLO & KEEN, LLP
November 29, 2022

COUNTY OF ELK, PENNSYLVANIA

CHILD SUPPORT ENFORCEMENT

COMPARISON OF SINGLE AUDIT EXPENDITURES WITH REPORTED EXPENDITURES

For the Year Ended June 30, 2021

	Single Audit Expenditures					Reported Expenditures				
	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: 09/30/2020										
1. Salary & Overhead	\$ 100,266	\$ 2,127	\$ -	\$ 98,139	\$ 62,276	\$ 100,266	\$ 2,127	\$ -	\$ 98,139	\$ 62,276
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-
3. Interest & Prog Income	2,658	59	-	2,599	1,714	2,658	59	-	2,599	1,714
4. Blood Testing Fees	143	-	-	143	95	143	-	-	143	95
5. Blood Testing Costs	284	-	-	284	187	284	-	-	284	187
6. ADP	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 97,749	\$ 2,068	\$ -	\$ 95,681	\$ 60,654	\$ 97,749	\$ 2,068	\$ -	\$ 95,681	\$ 60,654
Quarter Ending: 12/31/2020										
1. Salary & Overhead	\$ 122,487	\$ 2,283	\$ 2,719	\$ 117,485	\$ 77,539	\$ 122,487	\$ 2,283	\$ 2,719	\$ 117,485	\$ 77,539
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-
3. Interest & Prog Income	1,500	28	-	1,472	972	1,500	28	-	1,472	972
4. Blood Testing Fees	76	-	-	76	50	76	-	-	76	50
5. Blood Testing Costs	164	-	-	164	108	164	-	-	164	108
6. ADP	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 121,075	\$ 2,255	\$ 2,719	\$ 116,101	\$ 76,625	\$ 121,075	\$ 2,255	\$ 2,719	\$ 116,101	\$ 76,625
Quarter Ending: 03/31/2021										
1. Salary & Overhead	\$ 93,991	\$ 1,740	\$ 358	\$ 91,893	\$ 60,649	\$ 93,991	\$ 1,740	\$ 358	\$ 91,893	\$ 60,649
2. Fees & Costs	1	-	-	1	1	1	-	-	1	1
3. Interest & Prog Income	1,280	25	-	1,255	828	1,280	25	-	1,255	828
4. Blood Testing Fees	59	-	-	59	39	59	-	-	59	39
5. Blood Testing Costs	-	-	-	-	-	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 92,651	\$ 1,715	\$ 358	\$ 90,578	\$ 59,781	\$ 92,651	\$ 1,715	\$ 358	\$ 90,578	\$ 59,781
Quarter Ending: 06/30/2021										
1. Salary & Overhead	\$ 100,528	\$ 2,445	\$ 1,917	\$ 96,166	\$ 63,470	\$ 100,528	\$ 2,445	\$ 1,917	\$ 96,166	\$ 63,470
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-
3. Interest & Prog Income	1,256	32	-	1,224	808	1,256	32	-	1,224	808
4. Blood Testing Fees	114	-	-	114	76	114	-	-	114	76
5. Blood Testing Costs	24	-	-	24	16	24	-	-	24	16
6. ADP	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 99,182	\$ 2,413	\$ 1,917	\$ 94,852	\$ 62,602	\$ 99,182	\$ 2,413	\$ 1,917	\$ 94,852	\$ 62,602

See Accountant's Report on Supplementary Information

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
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -

A. Total	B. Unallowable	C. Incentive Paid Costs	Net (A-B-C)	Amt. Paid
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -

COUNTY OF ELK, PENNSYLVANIACHILD SUPPORT ENFORCEMENTCOMPARISON OF REPORTED INCENTIVES TO INCENTIVES ON DEPOSIT

For the Year Ended December 31, 2021

Month	MSE Incentive Paid Cost Worksheet Ending Incentive Balance	Audited Title IV-D Account Incentive Balance	Type of Account Structure
January 1	\$ 346,039	\$ 346,039	(X) Separate Bank Account () Restricted Fund - General Ledger () Other: _____
March 31	357,080	357,090	
June 30	374,023	374,023	
September 30	381,889	381,889	
December 31	378,940	378,940	

See Accountant's Report on Supplementary Information

COUNTY OF ELK, PENNSYLVANIACHILD SUPPORT ENFORCEMENTCOMPARISON OF SINGLE AUDIT TITLE IV-D ACCOUNT WITH REPORTED TITLE IV-D ACCOUNT

For the Year Ended December 31, 2021

	Single Audit TITLE IV-D Account	Reported TITLE IV-D Account	Single Audit Over/(Under) Reported
Balance at January 1	\$ 1,030,618	\$ 1,030,618	\$ -
Receipts:			
Reimbursements	241,880	241,880	-
Incentives	51,218	51,218	-
Title XIX Incentives	2,100	2,100	-
Interest	1,385	1,385	-
Program Income	1,666	1,666	-
Genetic Testing Costs	276	276	-
Maintenance of Effort (MOE)	126,813	126,813	-
Other:	74	74	-
Total Receipts	\$ 425,412	\$ 425,412	\$ -
Intra-fund Transfers - In	2,100	2,100	-
Funds Available	\$ 1,458,130	\$ 1,458,130	\$ -
Disbursements:			
Incentive Paid Costs	18,316	18,316	-
Transfers to General Fund	362,699	362,699	-
Vendor Payments	17,038	17,038	-
Bank Charges	-	-	-
Other:	-	-	-
Total Disbursements	\$ 398,053	\$ 398,053	\$ -
Intra-fund Transfers - Out	2,100	2,100	-
Balance at December 31	\$ 1,057,977	\$ 1,057,977	\$ -

The Title IV-D account consists of three accounts.

The Title IV-D account is comprised of two checking accounts and one CD account.

See Accountant's Report on Supplementary Information

COUNTY OF ELK , PENNSYLVANIAMEDICAL ASSISTANCE TRANSPORTATION PROGRAMSCHEDULE OF REVENUES AND EXPENDITURES

For the Year Ended June 30, 2021

	<u>Reported</u>	<u>Actual</u>
<u>Service Data</u>		
Expenditures		
Group I Clients	\$ 636,881	\$ 636,881
Group II Clients	-	-
Total Expenditures	<u>\$ 636,881</u>	<u>\$ 636,881</u>
<u>Allocation Data</u>		
Revenues		
Department of Human Services	\$ 636,843	\$ 636,843
Interest Income	38	38
Total Revenues	<u>\$ 636,881</u>	<u>\$ 636,881</u>
Funds Expended		
Operating Costs	\$ 636,881	\$ 636,881
Administrative Costs	-	-
Excess Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>

See Accountant's Report on Supplementary Information

COUNTY OF ELK, PENNSYLVANIA

COMBINED HOMELESS ASSISTANCE PROGRAM

SCHEDULE OF REVENUES AND EXPENDITURES

For the Year Ended June 30, 2021

	Administration	Bridge Housing	Case Management	Rental Assistance	Emergency Shelter	Other Housing Supports	Total
I. TOTAL ALLOCATION							\$ 27,817
II. TOTAL EXPENDITURES							
A. Personnel	-	-	17,107	-	-	-	17,107
B. Operating	-	-	120	-	12,617	-	12,737
C. Purchased Services	-	-	-	11,473	-	-	11,473
Subtotal of Total Expenditures	-	-	17,227	11,473	12,617	-	41,317
III. REVENUES							
A. Client Fees	-	-	-	-	-	-	-
B. Other	-	-	883	-	12,617	-	13,500
Subtotal Revenues	-	-	883	-	12,617	-	13,500
IV. DHS REIMBURSEMENT							
A. State HAP Funding	-	-	16,344	11,473	-	-	27,817
B. SSBG	-	-	-	-	-	-	-
C. SABG	-	-	-	-	-	-	-
Subtotal DHS Reimbursement	-	-	16,344	11,473	-	-	27,817
V. UNSPENT ALLOCATION							\$ -

See Accountant's Report on Supplementary Information

SHARKEY PICCIRILLO & KEEN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

DuBois, Pennsylvania 15801

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES- ADDITIONAL SUPPLEMENTAL FINANCIAL SCHEDULE

To the County Commissioners
County of Elk, Pennsylvania
Ridgway, Pennsylvania

We have performed the procedures enumerated below, on the Commonwealth of Pennsylvania, Department of Human Services (DHS) reconciliation supplemental financial schedule required by the DHS Single Audit Supplement as of and for the year ended December 31, 2021. The County of Elk, Pennsylvania's management is responsible for the reconciliation supplemental financial schedule required by the DHS Single Audit Supplement.

DHS and the County of Elk, Pennsylvania has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding the reconciliation supplemental financial schedule for year ended December 31, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all 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 agreed the expenditure amounts listed on the reconciliation schedule under the "Federal Expenditures per the SEFA" column C to the audited Schedule of Expenditures of Federal Awards (SEFA).
- b. We have agreed the receipt amounts listed on the reconciliation schedule under the "Federal Awards Received per the audit confirmation reply from Pennsylvania" column D to the subrecipient Federal amounts that were reflected in the audit confirmation reply from the Office of Budget, Comptroller Operation.
- c. We have recalculated the amounts listed under the "Difference" column E and the "% Difference" column F.
- d. We have agreed the amounts listed under the "Difference" column E to the audited books and records of the entity.
- e. We have agreed the "Detailed Explanation of the Differences" to the audited books and records of the entity.
- f. The procedures detailed in paragraphs a. through e. above disclosed no adjustments or findings which have not been reflected on the corresponding schedules.

We were engaged by the County of Elk, Pennsylvania 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 examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the reconciliation supplemental financial schedule required by the DHS Single Audit Supplement. 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 of Elk, Pennsylvania and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Commonwealth of Pennsylvania, Department of Human Services and the County of Elk, Pennsylvania and is not intended to be, and should not be, used by anyone other than the specified parties.

A handwritten signature in black ink that reads "Sharkey Piccirillo & Keen, LLP". The signature is written in a cursive, flowing style.

SHARKEY PICCIRILLO & KEEN, LLP
November 29, 2022

COUNTY OF ELK, PENNSYLVANIA

SUPPLEMENTAL SCHEDULE

RECONCILIATION

Federal Awards Passed Through the Pennsylvania Department of Human Services
Expenditures Per the SEFA to Revenue Received Per the Pennsylvania Audit Confirmation Reply

For the Year Ended December 31, 2021

(A)	(B)	(C)	(D)	(E)	(F)	(G)
			<u>Awards Received Per the Audit Confirmation Reply from Pennsylvania</u>			
<u>CFDA Name</u>	<u>CFDA Number</u>	<u>Federal Expenditures Per the SEFA</u>		<u>Difference (C-D)</u>	<u>% Difference (E/D)</u>	<u>Detailed Explanation of the Differences</u>
Emergency Rental Assistance Program	21.019	2,590,648	2,590,648	-	0.00%	No differences
Guardianship Assistance	93.090	15,771	6,524	9,247	141.74%	See following pages
Title IV-E Prevention Program	93.472	135	-	135	#DIV/0!	See following pages
MaryLee Allen Promoting Safe and Stable Families	93.556	12,850	13,501	(651)	-4.82%	See following pages
Temporary Assistance for Needy Families	93.558	39,951	7,505	32,446	432.33%	See following pages
Child Support Enforcement	93.563	262,232	241,880	20,352	8.41%	See following pages
Stephanie Tubbs Jones Child Welfare Services Program	93.645	20,754	15,368	5,386	35.05%	See following pages
Foster Care - Title IV-E	93.658	270,195	253,413	16,782	6.62%	See following pages
Adoption Assistance	93.659	102,020	106,987	(4,967)	-4.64%	See following pages
Social Services Block Grant	93.667	43,512	32,634	10,878	33.33%	See following pages
Chafee Foster Care Independence Program	93.674	26,055	-	26,055	#DIV/0!	See following pages
Medical Assistance Program	93.778	351,877	351,063	814	0.23%	See following pages

See Accountant's Report on Supplementary Information

COUNTY OF ELK, PENNSYLVANIASUPPLEMENTAL SCHEDULERECONCILIATION

Detailed Explanation of the Differences

For the Year Ended December 31, 2021

Guardianship Assistance - CFDA # 93.090

Federal Awards Received Per the Audit Confirmation Reply from Pennsylvania	6,524
Receipts for prior year:	
October 1, 2020 through December 31, 2020	(868)
Receivable for current year:	
July 1, 2021 through September 30, 2021	5,657
October 1, 2021 through December 31, 2021	4,458
Federal Expenditures Per the SEFA	<u>15,771</u>

Title IV-E Prevention Program - CFDA # 93.472

Federal Awards Received Per the Audit Confirmation Reply from Pennsylvania	-
Receivable for current year:	
October 1, 2021 through December 31, 2021	135
Federal Expenditures Per the SEFA	<u>135</u>

Promoting Safe and Stable Families - CFDA # 93.556

Federal Awards Received Per the Audit Confirmation Reply from Pennsylvania	13,501
Receipts for prior year:	
October 1, 2020 through December 31, 2020	(11,501)
Receivable for current year:	
April 1, 2021 through June 30, 2021	284
July 1, 2021 through September 30, 2021	10,348
October 1, 2021 through December 31, 2021	218
	<u>12,850</u>

Temporary Assistance for Needy Families - CFDA # 93.558

Federal Awards Received Per the Audit Confirmation Reply from Pennsylvania	7,505
Receipts for prior year:	
July 1, 2020 through September 30, 2020	(3,239)
July 1, 2020 through September 30, 2020	(200)
October 1, 2020 through December 31, 2020	(3,557)
Receivable for current year:	
January 1, 2021 through March 31, 2021	7,459
April 1, 2021 through June 30, 2021	10,661
July 1, 2021 through September 30, 2021	13,760
October 1, 2021 through December 31, 2021	8,071
Receipt for prior year not on confirmation July 1, 2020 through September 30, 2020	3,239
Duplicate receipt for October 1, 2019 through December 31, 2019	(3,748)
Federal Expenditures Per the SEFA	<u>39,951</u>

See Accountant's Report on Supplementary Information

COUNTY OF ELK, PENNSYLVANIASUPPLEMENTAL SCHEDULERECONCILIATION

Detailed Explanation of the Differences

For the Fiscal Year Ended December 31, 2021

Child Support Enforcement - CFDA # 93.563

Federal Awards Received Per the Audit Confirmation Reply from Pennsylvania	241,880
Receipts for prior year:	
October 2020	(19,969)
November 2020	(18,724)
December 2020	(37,932)
Receivable for current year:	
September 2021	20,680
October 2021	20,730
November 2021	12,991
December 2021	28,762
December 2021-Supplemental	12,663
December 2021-Supplemental	1,151
Federal Expenditures Per the SEFA	<u>262,232</u>

Stephanie Tubbs Jones Child Welfare Services Program - CFDA # 93.645

Federal Awards Received Per the Audit Confirmation Reply from Pennsylvania	15,368
Grant funds received in prior year spent during current year	263
Receipt for current year not on confirmation January 1, 2021 through March 31, 2021	5,123
Federal Expenditures Per the SEFA	<u>545,218</u>

Foster Care - Title IV-E - CFDA # 93.658

Federal Awards Received Per the Audit Confirmation Reply from Pennsylvania	253,413
Receipts for prior year:	
July 1, 2020 through September 30, 2020	(41,414)
October 1, 2020 through December 31, 2020	(62,280)
January 1, 2020 through June 30, 2020	(96)
July 1, 2020 through December 31, 2020	(7,660)
Receivable for current year:	
January 1, 2021 through March 31, 2021	804
April 1, 2021 through June 30, 2021	661
July 1, 2021 through September 30, 2021	64,592
October 1, 2021 through December 31, 2021	58,103
January 1, 2021 through June 30, 2021	422
July 1, 2021 through December 31, 2021	3,818
Adjustments for prior year:	
July 1, 2020 through September 30, 2020	(14)
October 1, 2020 through December 31, 2020	(99)
Grant funds received during current year not spent	(55)
Federal Expenditures Per the SEFA	<u>270,195</u>

See Accountant's Report on Supplementary Information

COUNTY OF ELK, PENNSYLVANIASUPPLEMENTAL SCHEDULERECONCILIATION

Detailed Explanation of the Differences

For the Fiscal Year Ended December 31, 2021

Adoption Assistance - Title IV-E - CFDA # 93.659

Federal Awards Received Per the Audit Confirmation Reply from Pennsylvania	106,987
Receipts for prior year:	
July 1, 2020 through September 30, 2020	(24,688)
October 1, 2020 through December 31, 2020	(27,797)
January 1, 2020 through June 30, 2019	(12)
July 1, 2020 through December 31, 2020	(484)
Receivable for current year:	
July 1, 2021 through September 30, 2021	24,889
October 1, 2021 through December 31, 2021	22,873
January 1, 2021 through June 30, 2021	20
July 1, 2021 through December 31, 2021	239
Adjustments for prior year:	
October 1, 2020 through December 31, 2020	(7)
Federal Expenditures Per the SEFA	<u>102,020</u>

Social Services Block Grant - CFDA # 93.667

Federal Awards Received Per the Audit Confirmation Reply from Pennsylvania	32,634
Receipt for current year not on confirmation January 1, 2021 through March 31, 2021	10,878
Federal Expenditures Per the SEFA	<u>43,512</u>

Chafee Foster Care Independence Program - CFDA # 93.674

Federal Awards Received Per the Audit Confirmation Reply from Pennsylvania	-
Receivable for current year:	
January 1, 2021 through March 31, 2021	1,181
April 1, 2021 through June 30, 2021	1,427
July 1, 2021 through September 30, 2021	3,227
October 1, 2021 through December 31, 2021	4,820
July 1, 2021 through September 30, 2021	1,400
July 1, 2021 through September 30, 2021	14,000
Federal Expenditures Per the SEFA	<u>26,055</u>

See Accountant's Report on Supplementary Information

COUNTY OF ELK, PENNSYLVANIASUPPLEMENTAL SCHEDULERECONCILIATION

Detailed Explanation of the Differences

For the Fiscal Year Ended December 31, 2021

Medical Assistance Program - CFDA # 93.778

Federal Awards Received Per the Audit Confirmation Reply from Pennsylvania	351,063
Receipts for prior year:	
July 1, 2020 through September 30, 2020	(379)
October 1, 2020 through December 31, 2020	(224)
Receivable for current year:	
January 1, 2021 through March 31, 2021	152
April 1, 2021 through June 30, 2021	364
July 1, 2021 through September 30, 2021	465
October 1, 2021 through December 31, 2021	202
October 1, 2021 through December 31, 2021	234
Federal Expenditures Per the SEFA	<u>351,877</u>

See Accountant's Report on Supplementary Information

SHARKEY PICCIRILLO & KEEN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

DuBois, Pennsylvania 15801

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES – ADDITIONAL SUPPLEMENTAL SCHEDULE

To the County Commissioners
County of Elk, Pennsylvania
Ridgway, Pennsylvania

We have performed the procedures enumerated below, on the Commonwealth of Pennsylvania, Department of Human Services (DHS) supplemental schedule required by the DHS Single Audit Supplement as of and for the year ended June 30, 2021. The County of Elk, Pennsylvania's management is responsible for the supplemental schedule required by the DHS Single Audit Supplement.

DHS and the County of Elk, Pennsylvania has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding the supplemental schedule for year ended June 30, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all 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 reconciled 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 CCYA's general ledger, cash disbursements journal, or similar record. If applicable, we noted any providers who were paid during the year, but were not included on this schedule.
- b. We have agreed the response in column B to the appropriate provider contract.
- c. We have agreed the information in columns C through I to the CCYA's monitoring records for In-Home Purchased Service Providers.
- d. The procedures detailed in paragraphs a. through c. above disclosed no exceptions or findings which have not been reflected on the corresponding schedule.

We were engaged by the County of Elk, Pennsylvania 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 examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the supplemental schedule required by the DHS Single Audit Supplement.

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 of Elk, Pennsylvania and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Commonwealth of Pennsylvania, Department of Human Services and the County of Elk, Pennsylvania and is not intended to be, and should not be, used by anyone other than the specified parties.

Sharkey Piccirillo & Keen, LLP

SHARKEY PICCIRILLO & KEEN, LLP
November 29, 2022

COUNTY OF ELK, PENNSYLVANIA

SUPPLEMENTAL SCHEDULE

County Children and Youth Agency
 Child Protective Services Law (CPSL) Monitoring of In-Home Purchased Service Providers

For the Year Ended June 30, 2021

(A) Provider Name	(B) Does Provider Contract Indicate CPSL Requirements	(C) Most Recent Monitoring Date	(D) Monitored During the Current Year (Yes/No)	IF COLUMN D IS YES:			(H) Date Follow- Up Was Done On Prior Year Monitoring	(I) Has Provider Implemen- ted the CAP
				(E) List Any Exceptions Noted During Current Year Monitoring	(F) If Applicable, was CAP Submitted	(G) Is CAP Acceptable to CCYA		
Beau Grove	Yes	5/21/2021	Yes	None	N/A	N/A	3/4/2021	N/A
Dr. Crabtree	Yes	10/28/2020	Yes	Need FBI Clearance	N/A	N/A	N/A	N/A
Grace Wellness	Yes	1/20/2021	Yes	None	N/A	N/A	N/A	N/A
Danielle Melillo	Yes	3/4/2021	Yes	None	N/A	N/A	9/8/2020	N/A
Dr. VonKorff	Yes	2/19/2021	Yes	Need Mandated Reporter and Criminal Background	No	N/A	8/5/2019	N/A
CAC	Yes	9/4/2020	Yes	None	N/A	N/A	7/16/2020	N/A
Dickinson Center Inc:								
SCT	Yes	3/4/2021	Yes	None	N/A	N/A	10/15/2020	N/A
TIY	Yes	9/8/2020	Yes	None	N/A	N/A	3/2/2020	N/A
CAPSEA Inc	Yes	5/28/2021	Yes	None	N/A	N/A	9/30/2020	N/A
Community County Services	Yes	3/10/2021	Yes	None	N/A	N/A	N/A	N/A

COUNTY OF ELK

COMMISSIONERS

Joseph Dagher
M. Fritz Lecker
Matthew G. Quesenberry

300 Center Street, P.O. Box 448
Ridgway, PA 15853-0448
Telephone: (814) 776-1161
Fax: (814) 776-5379
www.co.elk.pa.us

Patrick E. Straub, Chief Clerk
Katie Lenze, Deputy Chief Clerk
Thomas G. Wagner, Solicitor

CORRECTIVE ACTION PLAN

November 29, 2022

U.S. Department of Health and Human Services

The County of Elk, Pennsylvania respectfully submits the following corrective action plan for the year ended December 31, 2021.

Name and address of independent public accounting firm: Sharkey Piccirillo & Keen, LLP, 991 Beaver Drive, DuBois, PA 15801

Audit period: The year ended December 31, 2021

The findings from the December 31, 2021 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS


2021-001: Financial Reporting Duties of the County

Recommendation: An ideal internal control system over financial reporting would include an individual within an organization that would have technical knowledge and experience of the reporting requirements of generally accepted accounting principles and the Governmental Accounting Standards Board.

Action Taken: The County Commissioners and management are aware of the existence of the material weakness and agree that an ideal internal control system over financial reporting would include an individual described in the recommendation, which would reduce the risk of possible misstatements in the financial statements. The personnel responsible for the accounting and reporting functions of the County currently possess suitable skill, knowledge, and experience to perform the daily accounting functions of the County. Therefore, the County Commissioners and management have made a conscious decision to accept the degree of risk resulting from the material weakness, as the benefit of the reduced risk does not justify the additional costs necessary to reduce this risk.

If the U.S. Department of Health and Human Services has questions regarding this plan, please call the Commissioner's office at (814) 776-1161.

Sincerely yours,


County Commissioner