

Audited  
Financial  
Statements

December 31,  
2021

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# County of Perry

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
County of Perry  
New Bloomfield, Pennsylvania

### ***REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS***

#### ***Opinions***

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Perry, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 Perry and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Perry'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 Perry's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Perry'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.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 9, budgetary comparison schedule – general fund on pages 46, and schedules related to pension and OPEB liabilities on pages 48 – 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic

financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Perry's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Pennsylvania Department of Human Services expenditures, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and Pennsylvania Department of Human Services expenditures are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2022 on our consideration of County of Perry'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 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 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 County of Perry's internal control over financial reporting and compliance.

*Smith Elliott Hearn & Company LLC*

Carlisle, Pennsylvania  
November 13, 2022

## COUNTY OF PERRY

### Management's Discussion and Analysis (Unaudited)

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As management of the County of Perry (the County), Pennsylvania, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County as of and for the year ended December 31, 2021.

#### ***FINANCIAL HIGHLIGHTS***

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Financial highlights for the 2021 were:

- The County's total net position increased by \$ 6,236,703 to \$ 30,554,584 in 2021.
- The County's unrestricted net position was \$ 16,473,678 at December 31, 2021.
- As of December 31, 2021, the County's governmental funds reported combined ending fund balances of \$ 23,141,784, an increase of \$ 6,636,447. Approximately 40% of this total amount, \$ 9,365,796, is available for spending at the County's discretion (unassigned fund balance).
- Government-wide revenues increased by \$ 5,044,890 and total expenditures decreased by \$ 459,576. The increase in revenue is due to additional grant funding received.

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

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This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components:

(a) government-wide financial statements, (b) fund financial statements, and (c) notes to financial statements.

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

The statement of net position presents information for all of the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources. The County's net position is presented as the difference between the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change that occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items where cash flows will not result until future periods (e.g., uncollected taxes and earned, but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, highways and streets, human services, and conservation and development.

## COUNTY OF PERRY

### Management's Discussion and Analysis (Unaudited)

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The government-wide financial statements include not only the County itself (known as the primary government), but also legally separate entities for which the County is financially accountable. Financial information for the County's component unit is reported blended with the financial information presented for the primary government.

The government-wide financial statements can be found on pages 10 and 11 of this report.

**Fund Financial Statements** - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

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

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

The County maintains 10 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund is considered to be a major fund. Data from the other 9 governmental funds are combined into a single, aggregated presentation.

The County adopts an annual appropriated budget for its General Fund and State Highway Aid Fund. A budgetary comparison statement has been included in the required supplementary information section of this report for the General Fund to demonstrate compliance with this budget.

The basic governmental funds financial statements can be found on pages 12 to 15 of this report.

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

The basic fiduciary funds financial statements can be found on pages 16 and 17 of this report.

**Notes to Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 to 45 of this report.

**COUNTY OF PERRY**  
**Management's Discussion and Analysis (Unaudited)**

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**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's Employees' Retirement System, Other Post-Employment Benefits and the County's original and final budgeted revenues and expenditures versus actual revenues and expenditures. Required supplementary information can be found on pages 46 to 50 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. For the County, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$ 30,554,584 at the close of the most recent year.

Fifty percent (38%) of the County's net position reflects its investment in capital assets (e.g., buildings, land and site improvements, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Another portion of the County's net position (\$ 2,537,653) represents resources that are subject to external restrictions on how they may be used. The remaining net position represents the excess of liabilities over spendable, unrestricted assets.

Table 1 (Statement of Net Position) provides a comparative summary of the County's net position as of December 31:

**TABLE 1**  
**STATEMENTS OF NET POSITION**

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 30,389,566	\$ 18,822,001
Noncurrent assets	11,554,303	12,143,617
<b>Total assets</b>	<b>41,943,869</b>	<b>30,965,618</b>
<b>Deferred outflows of resources</b>	<b>3,159,708</b>	<b>2,180,426</b>
Current liabilities	7,018,498	2,109,579
Noncurrent liabilities	4,130,115	4,454,870
<b>Total liabilities</b>	<b>11,148,613</b>	<b>6,564,449</b>
<b>Deferred inflows of resources</b>	<b>3,400,380</b>	<b>2,263,714</b>
Net assets		
Net investment in capital assets	11,543,253	12,056,920
Restricted	2,537,653	2,370,012
Unrestricted (deficit)	16,473,678	9,890,949
<b>Total net position (deficit)</b>	<b>\$ 30,554,584</b>	<b>\$ 24,317,881</b>

Net position is shown as restricted if it can only be used for a specific purpose. Net position of the nonmajor governmental funds is considered restricted. The remaining net position is invested in capital assets or unrestricted.



**COUNTY OF PERRY**  
**Management's Discussion and Analysis (Unaudited)**

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Table 2 (Statement of Activities) shows comparative changes in net position as a result of financial revenues and expenses for the years ended December 31:

**TABLE 2**  
**STATEMENTS OF ACTIVITIES**

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 2,001,283	\$ 2,430,032
Operating grants and contributions	17,545,701	14,602,543
Capital grants and contributions	312,393	1,207,544
General revenues		
Property and other taxes	13,868,306	10,447,630
Other	123,797	489,153
<b>Total revenues</b>	<b><u>33,851,480</u></b>	<b><u>29,176,902</u></b>
<b>Expenses</b>		
General government	5,227,220	9,124,049
Public safety	10,305,170	9,334,760
Highways and street	362,515	165,593
Human services	11,638,920	9,750,745
Conservation and development	80,952	69,518
<b>Total expenses</b>	<b><u>27,614,777</u></b>	<b><u>28,444,665</u></b>
<b>Increase (decrease) in net position</b>	<b><u>\$ 6,236,703</u></b>	<b><u>\$ 732,237</u></b>

Government-wide revenues for 2021 were primarily derived from operating grants and contributions at 52% and real estate tax collections at 41% of the total. Charges for services at 6% are the third largest source of revenue.

Total expenses for all programs in 2021 were \$ 27,403,421. The expenses reflect the delivery of a wide range of services, with the largest being human services at 43%. The second largest program is public safety at 38%.

# COUNTY OF PERRY

## Management's Discussion and Analysis (Unaudited)

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### Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to demonstrate compliance with finance-related requirements.

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

As of the end of the current year, the County's governmental funds reported combined ending fund balances of \$ 23,141,784, an increase of \$ 6,636,447 from the prior year. The County's governmental funds reported an unassigned fund balance of \$ 9,365,796, assigned fund balances of \$ 10,912,492, committed fund balances of \$ 233,326, and nonspendable fund balances of \$ 128,491. The remainder of fund balance is restricted to indicate that it is not available for general use by the County as there are external constraints applied to the funds. Restricted fund balances totaled \$ 2,501,679, which is restricted for use in various federal and state funded programs.

The General Fund is the chief operating fund of the County. At the end of the current year, unassigned fund balance of the General Fund was \$ 9,365,796, while total fund balance was \$ 20,970,167. The fund balance of the County's General Fund increased by \$ 6,468,806 during 2021.

### General Fund Budgetary Highlights

During the year, there were no changes or amendments made to the original General Fund budget. The General Fund revenues and expenditures on the statement of revenues, expenditures, and changes in fund balances - governmental funds includes combined revenue and expenditures for the County's General Fund, Human Service Block Grant Fund, C&Y Student Independent Living Fund, and Victims' Rights and Service Act Fund. However, the County only budgets for the General Fund itself. A reconciliation between the revenues and expenditures on the statement of revenues, expenditures, and changes in fund balances - governmental funds and the budgetary comparison schedule for the General Fund is provided on page 46 of this report. Some key points about the budget are:

- Budgeted revenues were less than budgeted expenditures by \$ 2,782,328. The actual revenues were greater than expenditures and transfers out by \$ 6,468,806.
- Budgetary estimates were less than actual revenues by \$ 11,322,420. Expenditures and transfers out were less than budgeted estimates by \$ 1,970,136. This resulted in a positive budget variance of \$ 9,251,134.

**COUNTY OF PERRY**  
**Management's Discussion and Analysis (Unaudited)**

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***Capital Assets***

The County's investment in capital assets for its governmental activities as of December 31, 2021 amounts to \$ 11,554,303 (net of accumulated depreciation and debt issued to acquire capital assets). This investment in capital assets includes buildings, equipment, land and site improvements, and vehicles.

**TABLE 4**  
**CAPITAL ASSETS - NET OF DEPRECIATION**

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Buildings	\$ 2,368,140	\$ 2,463,261
Equipment	2,115,071	2,268,289
Land and site improvements	6,883,105	7,323,487
Vehicles	<u>117,397</u>	<u>88,580</u>
Total Capital Assets	<u>\$ 11,483,713</u>	<u>\$ 12,143,617</u>

Additional information on the County's capital assets can be found in Note 6 of the financial statements.

**Debt Management**

The County has no outstanding debt during the year ended December 31, 2021.

**Economic Factors and Next Year's Budgets and Rates**

- Expenses: \$ 22,618,879
- Revenue: \$ 22,208,185
- Use of prior year surplus to fund excess of expenditures over revenue

These factors are considered in preparing the County's annual budgets.

***Contacting the County Financial Management***

This financial report is designed to provide a general overview of the County's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Brandi Clendenin, County of Perry, P.O. Box 37, New Bloomfield, Pennsylvania 17068.

**COUNTY OF PERRY**  
**Statement of Net Position**  
**December 31, 2021**

	Primary Government Governmental Activities	Discretely Presented Component Unit Conservation District
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 26,845,650	\$ 893,979
Receivables		
Taxes	1,005,308	-
Other	2,299,894	216,892
Inventories	2,616	-
Due from discretely presented component unit	110,223	-
Prepaid expenses	125,875	124
Total current assets	<u>30,389,566</u>	<u>1,110,995</u>
<b>Noncurrent Assets</b>		
Capital assets not being depreciated		
Land	70,590	-
Capital assets net of accumulated depreciation		
Buildings and improvements	2,368,140	-
Equipment	2,115,071	67,062
Land improvements	6,883,105	-
Vehicles	117,397	-
Total noncurrent assets	<u>11,554,303</u>	<u>67,062</u>
<b>TOTAL ASSETS</b>	<u>41,943,869</u>	<u>1,178,057</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to net pension liability	2,984,562	-
Deferred outflows related to OPEB	175,146	-
Total deferred outflows	<u>3,159,708</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 45,103,577</u>	<u>\$ 1,178,057</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 1,265,083	\$ -
Due to primary government	-	110,223
Accrued salaries and benefits/withholdings	832,870	-
Unearned revenue	4,538,545	277,473
Portion due or payable within one year		
Compensated absences	382,000	-
Total current liabilities	<u>7,018,498</u>	<u>387,696</u>
<b>Noncurrent liabilities</b>		
Portion due or payable after one year		
Compensated absences	878,110	-
Net pension liability	1,491,914	-
OBEP liability	1,760,091	-
Total noncurrent liabilities	<u>4,130,115</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>11,148,613</u>	<u>387,696</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to net pension liability	3,332,220	-
Deferred outflows related to OPEB	68,160	-
Total deferred outflows	<u>3,400,380</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	11,543,253	67,062
Restricted	2,537,653	202,451
Unrestricted	16,473,678	520,848
<b>TOTAL NET POSITION</b>	<u>30,554,584</u>	<u>790,361</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<u>\$ 45,103,577</u>	<u>\$ 1,178,057</u>

**County of Perry**  
**Statement of Activities**  
**Year Ended December 31, 2021**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Activities	Discretely Presented Component Unit Conservation District
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 5,015,864	\$ 937,306	\$ 4,798,787	\$ -	\$ 720,229	\$ -
Public safety	10,305,170	1,059,973	1,685,921	-	(7,559,276)	-
Highways and streets	362,515	-	174,941	305,776	118,202	-
Human services	11,638,920	4,004	10,886,052	6,617	(742,247)	-
Conservation and development	80,952	-	-	-	(80,952)	-
Total primary government	<u>\$ 27,403,421</u>	<u>\$ 2,001,283</u>	<u>\$ 17,545,701</u>	<u>\$ 312,393</u>	<u>(7,544,044)</u>	<u>-</u>
<b>Discretely presented component unit:</b>						
Conservation District	<u>\$ 732,821</u>	<u>\$ 140,320</u>	<u>\$ 669,226</u>	<u>\$ -</u>	<u>-</u>	<u>76,725</u>
<b>General revenues</b>						
Property taxes					13,729,573	-
Per capita taxes					129,111	-
Other taxes					9,622	-
Investment earnings					95,503	1,201
Refund of prior year revenues					(211,356)	-
Unrestricted grants and contributions					-	25,000
Miscellaneous revenues					28,294	1,426
Total general revenues					<u>13,780,747</u>	<u>27,627</u>
Change in net position					6,236,703	104,352
Net position - beginning					<u>24,317,881</u>	<u>686,009</u>
Net position - ending					<u>\$ 30,554,584</u>	<u>\$ 790,361</u>

**COUNTY OF PERRY**  
**Balance Sheet - Governmental Funds**  
**December 31, 2021**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 23,238,092	\$ 3,607,558	\$ 26,845,650
Due from other governments	2,227,559	72,335	2,299,894
Taxes receivable, net	1,005,308	-	1,005,308
Other receivables	-	1	1
Due from other funds	163,257	29,255	192,512
Due from discretely presented component unit	110,223	-	110,223
Inventories	2,616	-	2,616
Prepaid expenditures	89,901	35,974	125,875
Total assets	<u>\$ 26,836,956</u>	<u>\$ 3,745,123</u>	<u>\$ 30,582,079</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,133,901	\$ 131,183	\$ 1,265,084
Accrued wages, benefits and withholdings	828,616	4,254	832,870
Unearned revenue	3,292,988	1,245,557	4,538,545
Due to other funds	-	192,512	192,512
Total liabilities	<u>5,255,505</u>	<u>1,573,506</u>	<u>6,829,011</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable tax revenue	<u>611,284</u>	<u>-</u>	<u>611,284</u>
Total deferred inflows of resources	<u>611,284</u>	<u>-</u>	<u>611,284</u>
<b>FUND BALANCES</b>			
Nonspendable	92,517	35,974	128,491
Restricted	366,036	2,135,643	2,501,679
Committed	233,326	-	233,326
Assigned	10,912,492	-	10,912,492
Unassigned	<u>9,365,796</u>	<u>-</u>	<u>9,365,796</u>
Total fund balances	<u>20,970,167</u>	<u>2,171,617</u>	<u>23,141,784</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,836,956</u>	<u>\$ 3,745,123</u>	<u>\$ 30,582,079</u>

**COUNTY OF PERRY**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Statement of Net Position**  
**December 31, 2021**

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**Total fund balances - governmental funds** \$ 23,141,784

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities on the Statement of Net Position.

Cost of assets	26,567,404	
Accumulated depreciation	<u>(15,013,101)</u>	11,554,303

Certain receivables are not available to pay current period expenditures and therefore are not reported in the fund financial statements, but are reported in governmental activities on the Statement of Net Position. 611,284

Long-term liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities on the Statement of Net Position. Long-term liabilities and related deferred inflows and outflows of resources consist of:

Compensated absences	(1,260,110)	
Net pension liability	(1,491,914)	
OPEB liability	(1,760,091)	
Deferred outflows related to net pension liability	2,984,562	
Deferred outflows related to OPEB liability	175,146	
Deferred inflows related to net pension liability	(3,332,220)	
Deferred inflows related to OPEB liability	<u>(68,160)</u>	<u>(4,752,787)</u>

**Net position of governmental activities in the Statement of Net Position** \$ 30,554,584

**COUNTY OF PERRY**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**- Governmental Funds**  
**Year Ended December 31, 2021**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Property taxes	\$ 13,704,374	\$ -	\$ 13,704,374
Per capita taxes	129,111	-	129,111
Licenses and permits	8,890	-	8,890
Fines and forfeitures	22,391		22,391
Investment earnings	70,460	4,128	74,588
Intergovernmental revenue	14,397,249	3,339,556	17,736,805
Charges for services	1,875,389	56,267	1,931,656
Total revenues	<u>30,207,864</u>	<u>3,399,951</u>	<u>33,607,815</u>
<b>EXPENDITURES</b>			
General government	8,276,113	173,457	8,449,570
Public safety	6,310,173	1,149,706	7,459,879
Highways and streets	-	101,498	101,498
Health and human services	8,228,208	1,806,868	10,035,076
Conservation and development	33,526	276,255	309,781
Community development	524,094	-	524,094
Total expenditures	<u>23,372,114</u>	<u>3,507,784</u>	<u>26,879,898</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Miscellaneous income	66,640	53,246	119,886
Refund of prior year revenue	(71,483)	(139,873)	(211,356)
Interfund transfers in (out)	(362,101)	362,101	-
Total other financing sources (uses)	<u>(366,944)</u>	<u>275,474</u>	<u>(91,470)</u>
Net change in fund balances	6,468,806	167,641	6,636,447
Fund balances - beginning	<u>14,501,361</u>	<u>2,003,976</u>	<u>16,505,337</u>
Fund balances - ending	<u>\$ 20,970,167</u>	<u>\$ 2,171,617</u>	<u>\$ 23,141,784</u>



**County of Perry**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances of Governmental Funds to the Statement of Activities**  
**Year Ended December 31, 2021**

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**Net change in fund balances - total governmental funds** \$ 6,636,447

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. Sales of capital assets are reported based upon cash received in the governmental funds, in contrast, the net gain or loss on sale which reflects the net book value of capital assets sold is reported in the Statement of Activities. This is the amount by which capital outlays differed in the current period.

Depreciation expense	(955,980)	
Capital outlays	<u>366,666</u>	(589,314)

Governmental funds do not present certain revenues unless they are "available" to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. Because certain taxes will not be collected for several months after the District's year end, they are not considered as "available" revenues in the governmental funds. Unavailable tax revenues changed by this amount this year. 25,199

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds. This is the difference between the amount incurred and the amount paid of:

Compensated absences		(9,889)
OPEB liability and related deferred outflows		(147,372)
Net pension liability and related deferred outflows and inflows		<u>321,632</u>

**Change in net position of governmental activities** **\$ 6,236,703**

**COUNTY OF PERRY**  
**Statement of Fiduciary Net Position**  
**December 31, 2021**

---

	<b>Pension Trust</b>	
	<b>Fund</b>	<b>Custodial Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 879,435	\$ 1,154,196
Accrued interest receivable	152,693	-
Investments		
Mutual funds	5,798,136	-
Fixed income	13,613,115	-
Equities	<u>16,634,973</u>	<u>-</u>
Total assets	<u>\$ 37,078,352</u>	<u>\$ 1,154,196</u>
<b>LIABILITIES</b>		
Due to other governments	<u>\$ -</u>	<u>\$ 498,187</u>
<b>NET POSITION</b>		
Assets held in trust for pension benefits	37,078,352	-
Restricted net position	<u>-</u>	<u>656,009</u>
Total net position	<u>37,078,352</u>	<u>656,009</u>
 Total liabilities and net position	 <u>\$ 37,078,352</u>	 <u>\$ 1,154,196</u>

**COUNTY OF PERRY**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended December 31, 2021**

---

	<b>Pension Trust</b>	
	<b>Fund</b>	<b>Custodial Fund</b>
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 944,000	\$ -
Plan members	635,951	-
Other	-	300
Fees	-	2,458,329
Collected on behalf of beneficiary	-	939,094
Taxes	-	7,843,058
Fines	-	5,709
Commissions	-	185,268
Investment earnings	5,017,605	26,445
Total additions	<u>6,597,556</u>	<u>11,458,203</u>
<b>DEDUCTIONS</b>		
Benefit payments, including refunds of member contributions	1,814,996	-
Payment to/on behalf of beneficiary	-	11,574,695
Health and human services	-	94,152
Administrative expenses	121,250	24
Total deductions	<u>1,936,246</u>	<u>11,668,871</u>
Change in net position	4,661,310	(210,668)
Net position - beginning as restated	<u>32,417,042</u>	<u>866,677</u>
Net position - ending	<u>\$ 37,078,352</u>	<u>\$ 656,009</u>

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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***Nature of Operations and Reporting Entity***

The County of Perry (the County), Pennsylvania, is a County of the Sixth Class of the Commonwealth of Pennsylvania, organized under and existing pursuant to "The County Code": Act of August 9, 1955, P.L. 323, No. 101 as amended. A three-member Board of Commissioners, each elected at large for a four-year term, governs the County as its executive and legislative officers. Other officials elected at large for four-year terms include: the Clerk of Courts, Coroner, District Attorney, Prothonotary, Recorder of Deeds, Register of Wills, Sheriff, and Treasurer. The Commissioners are empowered to appoint various officials including the Solicitor, Chief Clerk, Public Defender, and various departmental directors.

The Commissioners are responsible for administration of the fiscal affairs of the County, managing County-owned buildings, supervising purchases, managing voter registration and elections, and keeping records of all proceedings. The major offices and departments that are responsible to the Commissioners are the Children and Youth Services Department, Transportation, Aging, Emergency Management Agency, Planning Commission, and Department of Veterans Affairs. The Commissioners are also responsible for the operations of the County prison and sit as the Board of Assessment and Appeals and the Board of Elections.

The County participates in several multi-county associations for the administration of certain programs. These include the Drug and Alcohol Program, the Job Training Partnership Program, and the Office of Human Resources, which administers a number of state and federal grant programs in the social service area.

***Reporting Entity***

Consistent with the guidance issued by the Governmental Accounting Standards Board (GASB), the County evaluated the possible inclusion of related entities (Authorities, Boards, Councils, etc.) within its reporting entity based on financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the County reviewed the applicability of the following criteria.

The County is financially accountable for:

- Organizations that make up the legal County entity.
- If County officials appoint a voting majority of the legally separate 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 (a) is entitled to the organization's resources, (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of or provide support to the organization, or (c) is obligated in some manner for the debt of the organization.

Organizations that are fiscally dependent on the County. Fiscal dependency is established if the organization is unable to adopt its budget without approval by the County.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Reporting Entity (Continued)***

Based on the foregoing criteria, the reporting entity includes all organizations for which the County is financially accountable or for which there is a significant relationship. Specific information on the nature of the various potential component units, and a description of how the aforementioned criteria have been considered in determining whether or not to include or exclude such units in the County's financial statements, are provided in the following paragraphs.

***Discretely Presented Component Units***

In accordance with accounting principles generally accepted in the United States of America, the financial statements of the following entity has been included in the financial reporting entity of the County as a discretely presented component unit:

**Perry County Conservation District**

The Perry County Conservation District (the District) was formed by the County Commissioners in 1949, pursuant to the Conservation District Law of the Commonwealth to manage the conservation of natural resources in the County. The District's Board of Directors is appointed by the County Commissioners. Commonwealth law gives the County certain powers to supervise and direct the operations of the District. Employees of the District are County employees.

Complete and more detailed financial statements for the component unit can be obtained from the District's administrative office as follows:

Perry County Conservation District  
P.O. Box 36  
New Bloomfield, PA 17068

The County had a receivable from the District totaling \$ 110,223 at December 31, 2021.

**Joint Venture**

Capital Area Behavioral Health Collaborative, Inc. is a private, not-for-profit company formed out of the collaboration among Cumberland, Dauphin, Lancaster, Lebanon, and Perry Counties' programs of Mental Health and Drug and Alcohol. The County participates in Pennsylvania's innovative mandatory managed care program for Medical Assistance consumers, the HealthChoices Behavioral Health Program. The program is designed to improve access and quality of care for Medical Assistance consumers throughout Pennsylvania.

**Related Organizations**

The Board of Commissioners appoint the Board of Directors of Perry Human Services, Inc., Cumberland/Perry MR-IDD, and Perry County Economic Development Corporation. These are independent entities that select management staff, set user charges, establish budgets, and control all aspects of their daily activities. Accountability by the County does not extend beyond appointment of the Board of Directors; therefore, these organizations are excluded from the reporting entity.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Fund Accounting***

The County uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain County functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the County are grouped into the categories of governmental and fiduciary.

**Governmental Funds**

Governmental Funds are those through which most governmental functions of the County are financed. The measurement focus is on the flow of expendable resources, rather than on net earnings determination.

The County reports the following major governmental funds:

***General Fund***

The General Fund is used to account for all financial transactions not accounted for in another fund. Revenues are primarily derived from local property and earned income taxes, and state and federal subsidies. Many of the more important activities of the County, including instruction, administration, and certain noninstructional services are accounted for in this fund. This is a budgeted fund, and any unassigned fund balances are considered as resources available for use.

The County reports the following non-major governmental funds:

***Special Revenue Funds***

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted, committed, or assigned revenues should be the foundation for a special revenue fund. The County has the following non-major special revenue funds:

- 911 Public Safety Fund – is used to account for activity related to implementing, expanding, upgrading, and operating the County's emergency 911 communications system.
- Aging Fund – is used to account for specific revenue sources related to the provisions of aging services that are restricted to expenditures for those specified purposes.
- Liquid Fuels Fund – is used to account for the proceeds and disposition of state liquid fuels entitlements that are legally restricted to expenditures for specific purposes, primarily building and maintaining local roads and bridges.
- Food Bank Fund – is used to account for activity related to providing meals to residents in need throughout the County. As of October 2020, the Food Bank operations are no longer administered by the County, however passthrough funding is still administered by the County.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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***Fund Accounting (Continued)***

**Governmental Funds (Continued)**

***Special Revenue Funds (Continued)***

- Emergency Response Fund – is used to account for activity related to providing emergency services to residents of the County.
- Human Services Fund – is used to account for activity related to the Home Rehabilitation Grant that the County receives.
- Farmland Preservation Fund – is used to account for activity related to preservation of farms throughout the County.
- Restricted Grant Fund – is used to account for the proceeds of specific revenue sources from grants used to finance specific activities as required by law or administrative regulation obtained by the County for the governmental activities.
- Community Development Block Grant Fund – is used to account for community development block grants received and the program funds are restricted to be used to fight urban blight and decay through structural rehabilitation of area homes and businesses and community improvement projects.

**Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. The County reports the following fiduciary funds:

***Pension Trust Fund*** - is used to account for assets held for the County's pension plan, which is funded by employer and employee contributions. This fund accounts for fiduciary resources legally held in trust for the receipt and distribution of retirement benefits.

***Custodial Funds*** - are used to account for assets held for the benefit of others, with the County having no equity or ownership in the assets.

***Basis of Presentation***

**Government-wide Financial Statements** – The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities. The County currently does not have any business-type activities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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***Basis of Presentation (Continued)***

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the County's governmental 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 charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

**Fund Financial Statements** - Fund financial statements report detailed information about the County. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Fiduciary funds are reported using the economic resources measurement focus.

***Basis of Accounting***

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.



**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Basis of Accounting (Continued)***

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state, and other grants designated for payment of specific County expenditures is recognized when the related expenditures are incurred and the related revenue is available, which is generally 60 days; accordingly, when such funds are received, they are recorded as a liability until earned. If time eligibility requirements are not met, a deferred inflow of resources would be recorded. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing food services, including charges for meals and the costs of food, salaries and benefits, depreciation, insurance premiums, and other expenses. Federal and State subsidies are considered non-operating revenues as no exchange transaction occurs. There were no proprietary funds at December 31, 2021.

***Cash, Cash Equivalents, and Investments***

Cash and cash equivalents include all demand deposits, petty cash, savings, money market accounts, and certificates of deposit with original maturities of three months or less. Investments include certificates of deposit with original maturities greater than three months. Investments are stated at market value. Accrued interest is included with other receivables on the balance sheet and statement of net position.

The County invests in funds with the Pennsylvania INVEST program (PA INVEST) and the Pennsylvania Local Government Investments Trust (PGLIT). PA INVEST and PGLIT operate and are authorized under the Intergovernmental Cooperation Act of 1972. Investments in these funds have daily liquidity and are valued at amortized cost which equals market value.

These funds invest in federal securities backed by the full faith and credit of the United States Government, in agencies, instrumentalities and subdivisions of the Commonwealth of Pennsylvania and backed by the full faith and credit of the Commonwealth, and certificates of deposit which are insured by the Federal Insurance Corporation, or which are collateralized as provided by law of Act 72 of 1971.

***Accounts, Grants, and Taxes Receivable***

Accounts, grants, and taxes receivable are reported net of an allowance for uncollectible amounts, as applicable. Accounts, grants, and taxes receivable are evaluated for collectability and an allowance is established, as necessary, based on the best information available and in an amount that management believes is adequate. Accounts, grants, and taxes receivable are written off when deemed uncollectible.

**COUNTY OF PERRY**  
**Notes to Financial Statements**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Inventories***

Inventory in the General Fund consists of expendable supplies (valued at cost) held for consumption. The supplies are recorded as an expenditure when used.

***Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses/expenditures.

***Capital Assets***

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at acquisition value as of the date received. The County maintains a capitalization threshold of \$ 5,000. The County does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

	<b>Governmental Activities Estimated Lives</b>
Building and improvements	5 - 40 years
Equipment	2 - 100 years
Land improvements	5 - 100 years
Vehicles	5 - 8 years

***Deferred Outflows and Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The County has various amounts related to OPEB and pension liabilities. These amounts will be amortized in future periods.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

***Deferred Outflows and Inflows of Resources (Continued)***

In addition to liabilities, the statement of financial position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County's deferred inflows of resources consist of various amounts related to OPEB and pension liabilities (on the statement of net position) and unavailable tax revenue (on the balance sheet for governmental funds).

***Unearned Grant Revenues***

Unearned grant revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts are measurable but are not available.

***Interfund Activity/Internal Balances***

Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Advances between funds which are not expected to be repaid are accounted for as transfers. Interfund balances and transactions are eliminated in the government-wide financial statements.

Exchange transactions, if any, between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

***Budgets and Budgetary Accounting***

An operating budget is adopted each year for the General Fund and Highway Aid Fund on a modified accrual basis of accounting.

The County Code dictates specific procedures relative to adoption of the County's budget and reporting of its financial statements, specifically:

1. The County, before levying taxes, is required to prepare an operating budget for the succeeding fiscal year.
2. The Board of Commissioners may make transfers of funds appropriated to any particular item of expenditure by legislative action. The final budget amounts shown in the financial statements are the final authorized amounts as revised during the year.
3. Supplemental budget appropriations to the General Fund budget are the result of program budgets as prescribed by the state and federal agencies funding the programs. These budgets are approved on a program-by-program basis by the state or federal funding agency, and frequently result in supplementary budget appropriations.

During 2021, the County overspent the budgeted expenditures of the general fund, which is a violation of the County Code, but is not expected to result in any negative implications to the County.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and the disclosure of those items, if any, at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

***Long-Term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business type activity columns in the statement of net position. This same treatment also applies to proprietary fund financial statements. Bond premiums and discounts, deferred charge on debt refunding, as well as prepaid bond insurance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. The deferred charge on debt refunding is reported as deferred outflows of resources. Prepaid bond insurance costs are reported as an asset while other bond issuance costs are expensed at the time the debt is issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources and original issue discounts or premiums are reported as other financing sources or uses. Issuance costs and underwriter's discount, whether or not withheld from the actual debt proceeds received, are reported as support service expenditures.

***Retirement Plans***

The County has established a defined benefit pension plan for the benefit of substantially all full-time employees. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

***Compensated Absences***

It is the County's policy to permit employees to accumulate earned, but unused vacation and sick pay benefits. Upon resignation after ten years or more of service, an employee is entitled to 25% of unused sick pay, or 75% upon retirement. Upon termination, all employees will be compensated for unused vacation time. These amounts are not reported as expenditures in the governmental funds because they are not expected to be paid with available financial resources. Instead, the liability is reported in the government-wide financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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***Net Position – Government-Wide/Proprietary Funds***

In the government-wide financial statements and proprietary fund financial statements, net position is classified in the following categories:

**Net Investment in Capital Assets:** This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. If there are significant unspent related debt proceeds at year-end, the portion of debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of debt is included in the same net position component as the unspent proceeds. Deferred outflows of resources and deferred inflows of resources attributable to acquisition, construction, or improvement of assets or related debt also should be included in this component of net position.

**Restricted:** This component of net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. These restrictions could include constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provision or enabling legislation.

**Unrestricted:** This component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

***Net Position Flow Assumption***

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

***Fund Balance – Governmental Funds***

Governmental funds classify fund balance based on the relative strength of the spending constraints placed on the purpose for which resources can be used. The classifications are as follows:

**Nonspendable:** This classification includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. This classification includes items such as prepaid amounts, inventories, and long-term amount of loans and notes receivable. This also includes the corpus (or principal) of permanent funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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***Fund Balance – Governmental Funds (Continued)***

**Restricted:** This classification includes amounts where the constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, change or mandate payment and includes a legally enforceable requirement on the use of these funds.

**Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County’s highest level of decision-making authority. This formal action is in the form of a resolution which is made by the Board of Commissioners. Once an amount is committed, it cannot be used for any other purpose unless changed by the same type of formal action used to initially constrain the funds.

**Assigned:** This classification includes spendable amounts that are reported in governmental funds other than in the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose. The intent of an assigned fund balance should be expressed by either the Board of Commissioners or the Chief Fiscal Officer that is authorized to assign amounts to be used for specific purposes. As detailed in its Fund Balance Policy, the Board of Commissioners or the Chief Fiscal Officer has the authority to make assignments of fund balance. Thus, these assignments would be made or changed by formal action of the Board. The assignment of fund balance cannot result in a negative unassigned fund balance.

**Unassigned:** This classification represents the portion of a spendable fund balance that has not been categorized as restricted, committed, or assigned. The General Fund is the only fund which would include a positive unassigned fund balance as all other fund types must categorize amounts within the other classifications. A negative unassigned fund balance may occur in any fund when there is an over expenditure of restricted or committed fund balance. In this case, any assigned fund balance (and assigned fund balance in the general fund) would be eliminated prior to reporting a negative unassigned fund balance.

The Perry County Conservation District had restricted net position/fund balance of \$ 202,451/ \$ 192,829 for the Clean Water Fund and \$ 116,653 of assigned fund balance for the No Till Drill Program Fund at December 31, 2021.

***Policy Regarding Order of Spending***

When fund balance resources are available for a specific purpose in multiple classifications, the County’s policy is to use restricted resources first and then apply unrestricted resources in the following order: committed, assigned and unassigned. This order of spending may be altered per board approval.

**COUNTY OF PERRY**  
**Notes to Financial Statements**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Program Revenues***

In the statement of activities, revenues that are derived directly from each activity or from parties outside the County's taxpayers are program revenues. Amounts reported as program revenues include (a) charges to customers or applicants for goods and services or privileges provided, (b) operating grants and contributions, and (c) capital grants and contributions, including special assessments. All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

**NOTE 2 CASH AND INVESTMENTS**

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Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types, including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, and insured or collateralized time deposits (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.

The County is permitted to invest its funds in the following types of investments:

- U.S. Treasury bills
- Insured savings and checking accounts and certificates of deposit in banks, savings and loan associations, and credit unions
- Shares of an investment company registered under the Investment Company Act of 1940
- General obligation bonds of the federal government, the Commonwealth of Pennsylvania or any state agency, or of any Pennsylvania political subdivision
- Commercial paper, defined in Section 1706 as investment grade corporate promissory obligations

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

When making investments, the County can combine monies from more than one fund under the County's control for the purchase of a single investment and join with other political subdivisions and municipal authorities in the purchase of a single investment.

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

***Custodial Credit Risk – Deposits***

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As of December 31, 2021, the County had a bank balance of \$ 19,879,761. Of this balance, \$ 819,526 is covered by FDIC insurance and the remaining balance of \$ 19,060,235 was exposed to custodial credit risk because the collateral securities held by the bank's agents are not in the County's name. In addition, the County's pension fund investment account holds cash and cash equivalents totaling \$ 879,435, which are not insured or guaranteed.

**COUNTY OF PERRY**  
**Notes to Financial Statements**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

***Custodial Credit Risk – Deposits (Continued)***

The Perry County Conservation District (the District) deposits as of December 31, 2021, had a bank balance of \$ 893,979. Of this balance, \$ 250,000 is covered by FDIC insurance and the remaining balance of \$ 643,979 was exposed to custodial credit risk because the collateral securities held by the bank’s agents are not in the District’s name.

Pennsylvania Act 72 of 1971, as amended, is an act standardizing the procedures for pledges of assets to secure deposits of public funds with banking institutions pursuant to other laws; establishing a standard rule for the types, amounts and valuations of assets eligible to be used as collateral for deposits of public funds; permitting assets to be pledged against deposits on a pooled basis and authorizing the appointment of custodians to act as the pledger of the assets. Based on the standards outlined in Act 72, the various banks utilized by the County have pledged collateral on a pooled basis on behalf of the County and all other governmental depositors in the respective financial institutions.

***Interest Rate Risk in Debt Securities***

The County does not have a formal written policy that limits investment maturities. The following details the fiduciary fund investment maturities for the debt and equity securities maintained by the County:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 - 5	6 - 10	More than 10
US government agency obligations	\$ 6,142,226	\$ 21,562	\$ 570,154	\$ 1,218,462	\$ 4,332,048
Municipal bonds	3,965,117	10,090.00	2,654,011	1,221,332	79,684
Brokered certificates of deposit	732,641	-	600,858	-	131,783
Mutual Funds - Equities	5,798,137	-	-	-	-
Stock	16,634,973	-	-	-	-
Commercial paper	2,773,130	3,081	1,455,094	-	1,314,955
	<u>\$ 36,046,224</u>	<u>\$ 34,733</u>	<u>\$ 5,280,117</u>	<u>\$ 2,439,794</u>	<u>\$ 5,858,470</u>

***Credit Risk - Investments***

As of December 31, 2021, the County governmental funds had the following investments:

	Carrying Value	Standard and Poor's Credit Quality Rating
PA Local Government Investment Trust I Class	\$ 7,111,152	AAAm
PA Local Government Investment Trust I Prime	32	AAAm
PA Treasurer's INVEST Daily Pool	40,168	AAAm
	<u>\$ 7,151,352</u>	

Included in cash and cash equivalents on the statement of net position are pooled investments in the Pennsylvania Treasurer’s INVEST Program for Local Governments (PA INVEST) of \$ 40,168. These amounts are invested by PA INVEST directly in a portfolio of securities which are held by a third-party custodian and are basically mutual funds that consist of short-term money market instruments seeking to maintain a constant net value of \$ 1 per share.



**COUNTY OF PERRY**  
**Notes to Financial Statements**

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**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

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***Credit Risk - Investments (Continued)***

Included in cash and cash equivalents on the statement of net position are investments in Pennsylvania Local Government Investment Trust (PLGIT), which is used as the County’s main checking account. PLGIT operates like a money market and seeks to maintain a stable net asset value of \$ 1 per share. At December 31, 2021, the County held \$ 7,111,152 in the PLGIT-Class portfolio and \$ 32 in the PLGIT-Prime portfolio. PLGIT portfolio funds are invested in United States Treasury bills; obligations, participations, or other instruments of any Federal agency, instrumentality or United States government-sponsored enterprise; deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund; obligations guaranteed or insured by the United States of America, obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the Commonwealth; and repurchase agreements involving United States Government and agency obligations.

Investments in PA INVEST and PLGIT are subject to income, market and credit risk related to the potential for decline in current income, the potential for a decline in market value and the potential that an issuer of securities held in the investment portfolios of the fund would fail to make timely payments of principal and interest payments, respectively.

The County does not have a formal written investment policy that limits its investment choices to certain credit ratings. As of December 31, 2021, the County’s fiduciary fund investments in debt securities were rated by Moody’s and Standard & Poor’s as follows:

<b>Rating</b>	<b>Percentage of Total</b>
A1	2.86%
A2	8.85%
A3	4.18%
Aa1	0.46%
Aa2	2.40%
Aa3	0.83%
Aaa	16.92%
Baa1	5.34%
Baa2	3.60%
Baa3	2.42%
NR	52.14%
	<u>100.00%</u>

***Policies Followed at PLGIT and PA INVEST***

PLGIT and PA INVEST are not registered with the Securities and Exchange Commission (SEC); however, PLGIT and PA INVEST follow investment procedures similar to those followed by SEC registered money market funds. There is no regulatory oversight for the pools which are governed by the Board of Trustees. The County’s investments in PLGIT AND PA INVEST are valued at amortized cost, which approximates fair value and is determined by the pools’ share price.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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***Policies Followed at PLGIT and PA INVEST (Continued)***

The County has no limitations or restrictions on withdrawals on accounts held at PLGIT or PA INVEST.

***Foreign Currency Risk***

The County does not have a formal policy to limit foreign currency risk with the exception of its Pension Funds. The County Pension Fund Investment policy prohibits the buying and selling of foreign securities, not registered through an SEC filing, or not denominated in U.S. dollars, except for managers hired specifically for international investments. Risk of loss arises from changes in currency exchange rates. The County had no exposure to foreign currency risk as of December 31, 2021.

***Investments - Fair Value Measurements***

Generally accepted accounting principles define fair value, describe a framework for measuring fair value, and require disclosure about fair value measurements. Recurring fair value investments are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. The established framework includes a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets or liabilities fall within different levels of the hierarchy, the classification is based on the lowest level input that is significant to the fair value measurement of the asset or liability. Classification of assets and liabilities within the hierarchy considers the markets in which the assets and liabilities are traded, and reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available. The levels of the hierarchy and those investments included in each are as follows:

**Level 1** – Represented by quoted prices available in an active market. Level 1 securities include treasury securities, mortgage products, and exchange traded equities and mutual funds.

**Level 2** – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data, such as quoted prices for similar securities and quoted prices in inactive markets and estimated using pricing models or discounted cash flows. Level 2 securities would include U.S. government agency securities, mortgage-backed agency securities, obligations of states and political subdivisions, and certain corporate, asset backed securities, and swap agreements and life insurance contracts.

**Level 3** – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement including the reporting entity's own assumptions about the market risk. Level 3 securities would include hedge funds, private equity securities, and those with internally developed values.

The following is a description of the valuation methodologies used for instruments measured at fair value on the statement of net position, as well as the general classifications of such instruments pursuant to the valuation hierarchy:

**COUNTY OF PERRY**  
**Notes to Financial Statements**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

***Investments - Fair Value Measurements (Continued)***

**US Government Agency Obligations**

Government obligations consist of agency securities, including Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Bank, and Federal Home Loan Mortgage Corporation. These investments are generally valued at the most recent price of the equivalent yield quotes for such securities, or those of comparable maturity, quality, and type. Such investments are generally classified within Level 2 of the valuation hierarchy.

**Commercial Paper**

Commercial paper consists of various corporations. These investments are generally valued at the most recent price of the equivalent yield quotes for such securities, or those of comparable maturity, quality, and type. Such investments are generally classified as Level 2 of the valuation hierarchy.

**Municipal Bonds**

The fair value of municipal bonds is estimated using similar bonds available on the open market. Such investments are generally classified as Level 2 of the valuation hierarchy.

**Brokered Certificates of Deposit**

The fair value of brokered certificates of deposit are estimated using a discounted cash flow calculation that applies to interest rates currently being offered for deposits of similar remaining maturities to a schedule of aggregated expected maturities of such deposits. Such investments are classified within Level 2 of the valuation hierarchy.

**Stock and Mutual Funds - Equities**

Stock and mutual funds – equities are valued at the closing price reported on the active market on which the individual securities are traded. Such investments are generally classified as Level 1 of the valuation hierarchy.

The following table sets forth, by level within the fair value hierarchy, the financial assets that were accounted for at fair value on a recurring basis as of December 31, 2021:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US government agency obligations	\$ 6,142,226	\$ -	\$ 6,142,226	\$ -
Municipal bonds	3,965,117	-	3,965,117	-
Brokered certificates of deposit	732,641	-	732,641	-
Commercial paper	2,773,130	-	2,773,130	-
Mutual funds - Equities	5,798,137	5,798,137	-	-
Stock	16,634,973	16,634,973	-	-
	<u>\$ 36,046,224</u>	<u>\$ 22,433,110</u>	<u>\$ 13,613,114</u>	<u>\$ -</u>

**COUNTY OF PERRY**  
**Notes to Financial Statements**

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**NOTE 3 TAXES**

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The County is permitted by the County Code of the Commonwealth of Pennsylvania to levy real estate taxes up to 25 mills of assessed valuation for general purposes. The millage rate levied by the County for 2021 was 4.5625 mills as established by the Board of Commissioners. The County's real estate taxes are based on assessed value established by the County's Board of Assessments. As of January 1, the bills are considered delinquent. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities.

Property taxes are levied as of March 1 on assessed property values. The tax bills are mailed by the Tax Collector on July 1 and are payable as follows:

Discount	March 1 – April 30
Face	May 1 – June 30
Penalty	July 1 – December 31
Lien Date	January 1

**NOTE 4 TAXES RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES AND TAX ABATEMENTS**

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Taxes receivable and related deferred inflows of resources in the fund financial statements consist of the following as of December 31, 2021:

Real estate	\$ 966,761
Per capita	<u>38,547</u>
Taxes receivable	1,005,308
 Taxes collected within sixty days, recorded as revenues in governmental funds	 <u>(394,024)</u>
 Taxes estimated to be collected after sixty days, recorded as deferred inflows of resources - unavailable tax revenue in governmental funds	 <u>\$ 611,284</u>

***Tax Abatements***

**Pennsylvania Clean and Green Program**

Clean and Green is a preferential tax assessment program that base property taxes on use values rather than fair market value. This ordinarily results in tax savings for landowners.

Property owners can apply at the County tax assessment office for their property to be included in Pennsylvania's Clean and Green Program. The program was enacted as a tool to encourage protection of the Commonwealth's valuable farmland, forestland, and open spaces. To be eligible, a property must be at least ten acres in size, and in Agriculture use, Agriculture Reserve, or Forest Reserve. Agricultural Use applications may be less than ten acres in size if the property is capable of generating at least \$ 2,000 annually in farm income. A landowner who breaches the covenant is subject to seven years of rollback taxes at 5% interest per year. The rollback tax is the difference between what was paid under Clean and Green versus what would have been paid, if the property had not been enrolled, plus 6% simple interest per year.

**COUNTY OF PERRY**  
**Notes to Financial Statements**

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**NOTE 4 TAXES RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES AND TAX ABATEMENTS**  
**(CONTINUED)**

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***Tax Abatements (Continued)***

For the fiscal year ended December 31, 2021, total County property taxes of \$ 2,911,870 were abated under this program.

**NOTE 5 INTERFUND RECEIVABLE AND PAYABLES AND TRANSFERS**

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Net interfund receivables/payables consist of the following at December 31, 2021:

<b>Funds</b>	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
General	\$ 443,859	\$ 170,379
Restricted Grant	15,774	-
Food Bank	457	-
911 Public Safety	-	34,625
Aging	-	157,887
Human Services	13,024	-
Conservation District	-	110,223
	\$ 473,114	\$ 473,114

The amounts represent reimbursement of current year expenditures.

Interfund transfers were as follows for the year ended December 31, 2021:

<b>Funds</b>	<b>Transfer In</b>	<b>Transfer Out</b>
General	\$ -	\$ 362,101
Nonmajor funds	362,101	-
	\$ 362,101	\$ 362,101

For the year ended December 31, 2021, transfers from the General Fund to the Food Bank Fund of \$ 129, and to the Area Agency of Aging of \$ 65,028 to cover current year expenditures. The General Fund transferred \$ 225,392 to the Liquid Fuels Fund to reimburse the fund for a State audit adjustment. The General Fund transferred \$ 71,552 to the Restricted Grant Fund for amount related to ACT 35 previously accounted for in the General Fund.

**COUNTY OF PERRY**  
**Notes to Financial Statements**

**NOTE 6 CAPITAL ASSETS**

Capital asset activity for the County consists of the following as of and for the year ended December 31, 2021:

	Beginning Balances	Additions	Retirements	Ending Balances
<b>Governmental Activities</b>				
Cost				
Assets not being depreciated				
Land	\$ 70,590	\$ -	\$ -	\$ 70,590
Assets being depreciated				
Building	7,449,633	106,706	-	7,556,339
Equipment	6,604,359	187,988	-	6,792,347
Land improvements	11,222,257	3,596	-	11,225,853
Vehicles	853,899	68,376	-	922,275
Total cost	<u>26,200,738</u>	<u>366,666</u>	<u>-</u>	<u>26,567,404</u>
Less accumulated depreciation				
Building	(4,986,372)	(201,827)	-	(5,188,199)
Equipment	(4,336,070)	(341,206)	-	(4,677,276)
Land improvements	(3,969,360)	(373,388)	-	(4,342,748)
Vehicles	(765,319)	(39,559)	-	(804,878)
Total accumulated depreciation	<u>(14,057,121)</u>	<u>(955,980)</u>	<u>-</u>	<u>(15,013,101)</u>
<b>Capital assets, net</b>	<u>\$ 12,143,617</u>	<u>\$ (589,314)</u>	<u>\$ -</u>	<u>\$ 11,554,303</u>

	Beginning Balances	Additions	Retirements	Ending Balances
<b>Component Unit</b>				
Cost				
Assets being depreciated				
Equipment	176,076	-	-	176,076
Less accumulated depreciation				
Equipment	(86,628)	(22,386)	-	(109,014)
<b>Capital assets, net</b>	<u>\$ 89,448</u>	<u>\$ (22,386)</u>	<u>\$ -</u>	<u>\$ 67,062</u>

Depreciation expense for the year ended December 31, 2021 was charged to governmental functions as follows:

General government	\$ 208,006
Public safety	359,458
Highways and streets	10,035
Human services	375,728
Conservation and development	2,753
	<u>\$ 955,980</u>

**COUNTY OF PERRY**  
**Notes to Financial Statements**

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**NOTE 7 LONG-TERM LIABILITIES**

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The changes in long-term liabilities during the year ended December 31, 2021 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Long-term Portion
Compensated absences						
Vacation leave	\$ 321,956	\$ 494,164	\$ (491,913)	\$ 324,207	\$ 195,000	\$ 129,207
Sick leave	928,265	397,519	(389,881)	935,903	187,000	748,903
	<u>\$ 1,250,221</u>	<u>\$ 891,683</u>	<u>\$ (881,794)</u>	<u>\$ 1,260,110</u>	<u>\$ 382,000</u>	<u>\$ 878,110</u>

Compensated absences will be paid from the general fund.

***Operating Leases***

The County has entered into lease agreements for the rental of postage meters, land for communication towers, and office space. The leases have expiration dates extending through 2029 with monthly payments ranging from \$ 62 to \$ 5,295. Expenditures for the year ended December 31, 2021 totaled \$ 221,043. Total future payments are as follows at December 31:

2022	\$ 174,134
2023	141,216
2024	68,940
2025	37,170
2026	4,200
2027-2029	<u>12,250</u>
	<u>\$ 437,910</u>

**NOTE 8 PENSION PLAN**

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***General Information About the Pension Plan***

**Plan Description**

The Perry County Employee's Retirement Plan (the Plan) is a single-employer defined benefit pension plan that covers all employees of the County. The Plan is administered by the Retirement Board, which consists of five members: three elected County Commissioners, the Chief Clerk, and the Treasurer. Benefit terms may be amended by a majority vote of the County Commissioners. The Plan does not issue a separate standalone financial report.

**Benefits Provided**

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

**NOTE 8 PENSION PLAN (CONTINUED)**

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***General Information About the Pension Plan (Continued)***

**Employees Covered by Benefit Terms**

The following employees were covered by the Plan at December 31, 2021:

Active employees	169
Inactive employees currently receiving benefits	146
Inactive employees entitled to benefits, but not yet receiving them	20
	335

**Contributions**

Pennsylvania Act 205 requires that annual contributions to the Plan be based upon the Plan's Minimum Municipal Obligation, which is based on the Plan's biennial actuarial valuation. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance an unfunded accrued liability. For the 2021 measurement period, the active member contribution rate was 5% of annual pay. The County is required to contribute amounts necessary to fund the Plan using the actuarial basis specified by statute. Contributions to the Plan were \$ 947,045 for the year ended December 31, 2021.

**Net Pension Liability**

The County's net pension liability was measured as of December 31, 2021, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2021. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

**Actuarial Assumptions**

The total pension liability in the January 1, 2021 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases, average, including inflation	4.50%
Investment rate of return, net of expense, including inflation	7.25%

Mortality rates were based on the PubG-2010 Mortality Table for males and females set forward one year with generational mortality improvement using MP20.

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



**COUNTY OF PERRY**  
**Notes to Financial Statements**

**NOTE 8 PENSION PLAN (CONTINUED)**

***General Information About the Pension Plan (Continued)***

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 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	50-70%	5.40 - 6.40%
International equity	In above	5.50 - 6.50%
Fixed income	30-50%	1.30 - 3.30%
Real estate/alternative	0.0%	4.50 - 5.50%
Cash	0-6%	0.00 - 1.00%

**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 the County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Changes in Net Pension Liability***

The following table shows the changes in net pension liability for the year ended December 31, 2021:

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balance at December 31, 2020	\$ 34,317,037	\$ 32,417,042	\$ 1,899,995
Changes for the year			
Service cost	881,050	-	881,050
Interest cost	2,669,733	-	2,669,733
Differences between expected and actual experience	(13,300)	-	(13,300)
Changes of assumptions	2,530,741	-	2,530,741
Contributions - employer	-	944,000	(944,000)
Contributions - member	-	635,951	(635,951)
Net investment income	-	4,895,755	(4,895,755)
Benefit payments, including refunds of member contributions	(1,814,996)	(1,814,996)	-
Plan administrative expenses	-	(25)	25
Other changes	-	624	(624)
Balance at December 31, 2021	<b>\$ 38,570,265</b>	<b>\$ 37,078,351</b>	<b>\$ 1,491,914</b>

**COUNTY OF PERRY**  
**Notes to Financial Statements**

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**NOTE 8 PENSION PLAN (CONTINUED)**

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***Net Pension Liability Sensitivity***

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
County's net pension liability	\$ 5,756,134	\$ 1,491,914	\$ (2,223,664)

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended December 31, 2021, the County recognized pension expense of \$ 622,367. The County reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources at December 31, 2021:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 219,887	\$ 10,207
Changes of assumptions	1,942,197	-
Net difference between projected and actual investment earnings	822,478	3,322,013
	<u>\$ 2,984,562</u>	<u>\$ 3,332,220</u>

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

Year ended December 31	
2022	\$ 412,157
2023	(477,699)
2024	53,023
2025	(335,139)
Total	<u>\$ (347,658)</u>

***Payable to the Pension Plan***

As of December 31, 2021, the County had a payable to the Plan of \$ 152,693.

**NOTE 9 OTHER POST-EMPLOYMENT BENEFITS**

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***Plan Description***

The County's Other Post-Employment Benefits (OPEB) Plan is a single-employer defined benefit providing continued health care coverage to retirees and their dependents through the County for life. The plan covers eligible retirees who elect to participate and pay any required contributions.

**COUNTY OF PERRY**  
**Notes to Financial Statements**

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**NOTE 9 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

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***Plan Membership***

Membership in the Plan consisted of the following at January 1, 2021, the date of the latest actuarial valuation:

Inactive member or beneficiaries currently receiving benefits	53
Inactive member entitled to but not yet receiving benefits	-
Active members	150
	<u>203</u>

***OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The County's total OPEB liability was measured as of January 1, 2021 based on the actuarial assumptions in the January 1, 2021 valuation. No assets are accumulated in a trust that meets the criteria of GASB standards. At December 31, 2021, the County reported a total OPEB liability of \$ 1,760,091.

For the year ended December 31, 2021, the County recognized OPEB expense of \$ 182,495.

At December 31, 2021, the County reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 68,160
Changes in assumptions	175,146	-
Total	<u>\$ 175,146</u>	<u>\$ 68,160</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expenses as follows:

	<b>Amount</b>
<b>Year Ended December 31:</b>	
2022	\$ 18,915
2023	18,915
2024	18,915
2025	18,915
2026	18,915
Thereafter	12,411
	<u>\$ 106,986</u>

**COUNTY OF PERRY**  
**Notes to Financial Statements**

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**NOTE 9 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

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*Changes in the Total OPEB Liability*

	<b>Total OPEB Liability</b>
<b>Beginning Balance</b>	\$ 1,683,654
<b>Changes for the year:</b>	
Service cost	125,594
Interest	37,986
Difference between expected and actual experience	(77,897)
Changes in assumption	25,877
Benefit payments	(35,123)
Net changes	<u>76,437</u>
<b>Ending Balance</b>	<u>\$ 1,760,091</u>

***Actuarial Methods and Assumptions***

The total OPEB liability was determined based on an actuarial valuation dated January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Cost Method	Entry age normal
Investment Rate of Return	2.05%
Salary Increases	4.50%
Mortality Table	Pub-2010 Employee / Retiree Headcount-Weighted Mortality Table projected fully generationally using MP-2020 mortality improvement scale
Withdrawal	None assumed.
Retirement Age	Age 60 (no service requirement); Age 55 (with 20 years of service).
Participation	70% of eligible active employees who currently have health coverage with the County. For existing retirees, actual coverage status and spouse age is used. For future retirees, 25% of employees are assumed to elect spousal coverage at retirement. Husbands are assumed to be three years older than wives.
Health Care Cost Trends	5.75% in 2022 decreasing gradually to an ultimate rate of 4.04% by 2075.

**COUNTY OF PERRY**  
**Notes to Financial Statements**

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**NOTE 9 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

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***Discount Rate***

The discount rate used to measure the OPEB liability was 2.05% for the Plan. The Plan is not funded, therefore, a rate similar to the S&P 20-year tax-exempt general obligation municipal bond rate of is used as the applicable discount rate.

***Sensitivity of the Total Net OPEB Liability to Changes in the Discount Rate***

The following presents the total OPEB liabilities of the County, as well as what the County's liabilities would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

	<b>1% Decrease 1.05%</b>	<b>Current Discount Rate 2.05%</b>	<b>1% Increase 3.05%</b>
Total OPEB Liability	\$ 2,191,179	\$ 1,760,091	\$ 1,433,952

***Sensitivity of the Total Net OPEB Liability to Changes in the Healthcare Cost Trend Rate***

The following presents the total OPEB liabilities of the County, as well as what the County's liabilities would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 1,420,691	\$ 1,760,091	\$ 2,240,317

**NOTE 10 457 PLAN**

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The County offers its employees a deferred compensation plan in accordance with IRC Section 457. The deferred compensation plan, available to those employees who meet the eligibility requirements set forth in the deferred compensation plan, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, disability, or unforeseeable emergency.

**COUNTY OF PERRY**  
**Notes to Financial Statements**

**NOTE 11 FUND BALANCE/NET POSITION**

The following table provides details of the fund balance classifications which are aggregated on the governmental fund balance sheet:

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>FUND BALANCES</b>			
Nonspendable			
Inventories	\$ 2,616	\$ -	\$ 2,616
Prepaid expenditures	89,901	35,974	125,875
Total nonspendable	<u>92,517</u>	<u>35,974</u>	<u>128,491</u>
Restricted			
Domestic relations incentives	366,036	-	366,036
Grants	-	268,004	268,004
Public safety	-	267,328	267,328
Aging	-	17,581	17,581
Farmland preservation	-	136,464	136,464
Liquid fuels	-	1,301,898	1,301,898
Emergency response	-	139,850	139,850
Human services	-	4,518	4,518
Total restricted	<u>366,036</u>	<u>2,135,643</u>	<u>2,501,679</u>
Committed			
Affordable housing	<u>233,326</u>	-	<u>233,326</u>
Assigned			
Capital equipment and projects	7,832,492	-	7,832,492
Contingencies	3,080,000	-	3,080,000
	<u>10,912,492</u>	<u>-</u>	<u>10,912,492</u>
Unassigned			
	<u>9,365,796</u>	<u>-</u>	<u>9,365,796</u>
Total fund balances	<u>\$ 20,970,167</u>	<u>\$ 2,171,617</u>	<u>\$ 23,141,784</u>

The following table provides details of the restricted net position which are aggregated on the statement of net position:

Restricted net position	
Domestic relations incentives	\$ 366,036
Grants	268,004
Public safety	303,302
Aging	17,581
Farmland preservation	136,464
Liquid fuels	1,301,898
General government	139,850
Human services	<u>4,518</u>
Total restricted net position	<u>\$ 2,537,653</u>

**COUNTY OF PERRY**  
**Notes to Financial Statements**

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**NOTE 12 COMMITMENTS, CONTINGENCIES, AND UNCERTAINTIES**

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The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The County purchases commercial insurance as protection against those losses.

For the year ended December 31, 2021, there has been no significant reduction in insurance coverage from the prior year. Settled claims did not exceed the insurance coverage purchased for the current or previous three years.

The County is subject to real estate tax assessment appeals on an ongoing basis. If tax appeals are successful, the result is a loss of tax revenue to the County. It is anticipated that any material loss of tax revenue on individual tax appeals will be offset with additional revenues from other properties or other sources of revenue and would not create a financial hardship to the County.

The County participates in numerous state and federal programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2021 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

At times, the County is involved with various lawsuits in the normal course of operations. Management cannot predict the outcome of the lawsuits or estimate the amount of any loss that may result. Accordingly, no provision for any contingent liabilities that may result have been made in the financial statements. Management believes that losses resulting from these matters, if any, would be substantially covered under the County's professional liability insurance policy and would not have a material effect on the financial position of the County.

The County entered into collective bargaining agreements with the Teamster Local Union No. 776 through December 31, 2021. Of the County's total workforce, approximately 65% is covered by the agreements.

**NOTE 13 PRIOR PERIOD RESTATEMENT**

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The beginning net position for the Custodial Funds was restated due to assets and net position of \$ 63,442 that were previously not reported.

**REQUIRED SUPPLEMENTARY INFORMATION**



**COUNTY OF PERRY**  
**Budgetary Comparison Schedule - General Fund**  
**Year Ended December 31, 2021**

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	(BUDGETARY/ GAAP BASIS)	FINAL BUDGET
<b>REVENUES</b>				
Property taxes	\$ 10,237,000	\$ 10,237,000	\$ 13,704,374	\$ 3,467,374
Per capita taxes	160,500	160,500	129,111	(31,389)
Licenses and permits	12,000	12,000	8,890	(3,110)
Fines and forfeitures	32,000	32,000	22,391	(9,609)
Investment earnings	200,000	200,000	70,460	(129,540)
Intergovernmental revenue	5,964,069	5,964,069	14,397,249	8,433,180
Charges for services	2,330,450	2,330,450	1,875,389	(455,061)
Total revenues	<u>18,936,019</u>	<u>18,936,019</u>	<u>30,207,864</u>	<u>11,271,845</u>
<b>EXPENDITURES</b>				
General government	9,555,611	9,555,611	8,276,113	1,279,498
Public safety	6,759,784	6,759,784	6,310,173	449,611
Human services	5,254,834	5,254,834	8,228,208	(2,973,374)
Conservation and development	43,850	43,850	33,526	10,324
Community development	-	-	524,094	(524,094)
Total expenditures	<u>21,614,079</u>	<u>21,614,079</u>	<u>23,372,114</u>	<u>(1,758,035)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Miscellaneous income	45,732	45,732	66,640	(20,908)
Refund of prior year revenue	-	-	(71,483)	71,483
Interfund transfers	<u>(150,000)</u>	<u>(150,000)</u>	<u>(362,101)</u>	<u>(212,101)</u>
Total other financing sources (uses)	<u>(104,268)</u>	<u>(104,268)</u>	<u>(366,944)</u>	<u>(161,526)</u>
Net change in fund balances	<u>\$ (2,782,328)</u>	<u>\$ (2,782,328)</u>	<u>\$ 6,468,806</u>	<u>\$ 9,251,134</u>

**COUNTY OF PERRY**  
**PENSION TRUST FUND**

**Schedule of Changes in Net Pension Liability and Related Ratios – Employees’ Retirement System**

	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>								
Service cost	\$ 881,050	\$ 989,230	\$ 963,233	\$ 884,990	\$ 868,330	\$ 829,452	\$ 790,377	\$ 781,216
Interest	2,669,733	2,469,354	2,353,605	2,225,995	2,103,515	1,997,859	1,890,735	1,796,020
Differences between expected and actual experience	(13,300)	175,836	405,619	14,824	(178,425)	82,769	(61,918)	(286,479)
Changes in benefits	-	-	-	-	26,661	-	-	-
Changes in assumptions	2,530,741	-	-	-	-	-	-	-
Benefit payments, including refunds to member contributions	<u>(1,814,996)</u>	<u>(2,115,823)</u>	<u>(1,839,878)</u>	<u>(1,944,968)</u>	<u>(1,306,239)</u>	<u>(1,286,452)</u>	<u>(1,444,876)</u>	<u>(1,077,673)</u>
Net change to pension liability	<u>4,253,228</u>	<u>1,518,597</u>	<u>1,882,579</u>	<u>1,180,841</u>	<u>1,513,842</u>	<u>1,623,628</u>	<u>1,174,318</u>	<u>1,213,084</u>
Total pension liability - beginning	<u>34,317,037</u>	<u>32,798,440</u>	<u>30,915,861</u>	<u>29,735,020</u>	<u>28,221,178</u>	<u>26,597,550</u>	<u>25,423,232</u>	<u>24,210,148</u>
Total pension liability - ending	<u>38,570,265</u>	<u>34,317,037</u>	<u>32,798,440</u>	<u>30,915,861</u>	<u>29,735,020</u>	<u>28,221,178</u>	<u>26,597,550</u>	<u>25,423,232</u>
<b>Plan fiduciary net position</b>								
Contributions - employer	944,000	1,638,613	-	590,390	584,088	497,515	441,206	417,315
Contributions - employee	635,951	610,141	582,279	554,163	490,279	471,590	456,762	449,590
Net investment income	4,895,755	2,432,002	4,827,443	(2,006,392)	3,573,946	1,459,780	(120,463)	1,479,351
Benefit payments, including refunds to member contributions	(1,814,996)	(2,115,823)	(1,839,878)	(1,944,968)	(1,306,239)	(1,286,452)	(1,444,876)	(1,077,673)
Administrative expenses	(25)	-	(25)	-	(50)	-	(100)	-
Other changes	<u>624</u>	<u>23</u>	<u>165,503</u>	<u>450,648</u>	<u>2,453</u>	<u>243,258</u>	<u>3,992</u>	<u>1,018</u>
Net change in plan fiduciary net position	<u>4,661,309</u>	<u>2,564,956</u>	<u>3,735,322</u>	<u>(2,356,159)</u>	<u>3,344,477</u>	<u>1,385,691</u>	<u>(663,479)</u>	<u>1,269,601</u>
Plan fiduciary net position - beginning	<u>32,417,042</u>	<u>29,852,086</u>	<u>26,116,764</u>	<u>28,472,923</u>	<u>25,128,446</u>	<u>23,742,755</u>	<u>24,406,234</u>	<u>23,136,633</u>
Plan fiduciary net position - ending	<u>\$ 37,078,351</u>	<u>\$ 32,417,042</u>	<u>\$ 29,852,086</u>	<u>\$ 26,116,764</u>	<u>\$ 28,472,923</u>	<u>\$ 25,128,446</u>	<u>\$ 23,742,755</u>	<u>\$ 24,406,234</u>
County's net pension liability (asset)	<u>\$ 1,491,914</u>	<u>\$ 1,899,995</u>	<u>\$ 2,946,354</u>	<u>\$ 4,799,097</u>	<u>\$ 1,262,097</u>	<u>\$ 3,092,732</u>	<u>\$ 2,854,795</u>	<u>\$ 1,016,998</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	96.13%	94.46%	91.02%	84.48%	95.76%	89.04%	89.27%	96.00%
Covered payroll - measurement period	\$ 8,133,036	\$ 8,172,600	\$ 7,703,563	\$ 7,078,179	\$ 6,731,837	\$ 6,320,172	\$ 6,063,340	\$ 5,981,175
Net pension liability (asset) as a percentage of covered payroll	18.34%	23.25%	38.25%	67.80%	18.75%	48.93%	47.08%	17.00%

Notes:

The schedule will be expanded to show multi-year trends as additional information becomes available in the future.

**COUNTY OF PERRY**  
**PENSION TRUST FUND**  
**Schedule of Pension Contributions**

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions	\$ 944,317	\$ 894,238	\$ 774,375	\$ 590,390	\$ 584,088	\$ 497,515	\$ 441,206	\$ 417,315
Contribution in relation to the actuarially determined contributions	<u>944,000</u>	<u>1,638,613</u>	<u>-</u>	<u>590,390</u>	<u>584,088</u>	<u>497,515</u>	<u>441,206</u>	<u>417,315</u>
Contribution excess (deficiency)	<u>\$ (317)</u>	<u>\$ 744,375</u>	<u>\$ (774,375)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll - fiscal year	\$ 8,133,036	\$ 8,172,600	\$ 7,703,563	\$ 7,078,179	\$ 6,731,837	\$ 6,320,172	\$ 6,063,340	\$ 5,981,175
Contributions as a percentage of covered payroll	11.61%	20.05%	0.00%	8.34%	8.68%	7.87%	7.28%	6.98%

**Notes**

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 years
Inflation	3.00%
Salary increases	4.50% 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' service
Mortality	PubG-2010 Mortality Table for males and females set forward one year with generational mortality improvement using MP20

This schedule will be expanded to show multi-year trends as additional information become available in the future.

**COUNTY OF PERRY**  
**PENSION TRUST FUND**  
**Schedule of Investment Returns**

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	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return, net of investment expense	7.81%	19.49%	-5.50%	14.33%	6.81%	-0.47%	6.42%

***Notes***

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This schedule will be expanded to show multi-year trends as additional information become available in the future.

**COUNTY OF PERRY**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**

<b>Other Postemployment Benefit Plan</b>	<b>2021</b>	<b>2020</b>
<b>Total OPEB liability</b>		
Service cost	\$ 125,594	\$ 101,417
Interest	37,986	39,924
Changes of benefit terms	-	-
Differences between expected and actual experiences	(77,897)	-
Changes of assumptions	25,877	203,338
Benefit payments, including refunds of employee contributions	(35,123)	(33,135)
<b>Net change in total OPEB liability</b>	<b>76,437</b>	<b>311,544</b>
<b>Total OPEB liability - beginning</b>	<b>1,683,654</b>	<b>1,372,110</b>
<b>Total OPEB liability - ending</b>	<b>\$ 1,760,091</b>	<b>\$ 1,683,654</b>
<b>Covered payroll</b>	<b>\$ 8,232,908</b>	<b>\$ 7,325,514</b>
<b>Borough's total OPEB liability as a percentage of covered payroll</b>	<b>21.4%</b>	<b>23.0%</b>

**NOTES**

Methods and Assumptions used to Determine Total OPEB Liability:

Actuarial Cost Method	Entry age normal
Investment Rate of Return	2.05%
Salary Increases	4.50%
Mortality Table	Pub-2010 Employee / Retiree Headcount-Weighted Mortality Table projected fully generationally using MP-2020 mortality improvement scale
Withdrawal	None assumed.
Retirement Age	Age 60 (no service requirement); Age 55 (with 20 years of service).
Participation	70% of eligible active employees who currently have health coverage with the County. For existing retirees, actual coverage status and spouse age is used. For future retirees, 25% of employees are assumed to elect spousal coverage at retirement. Husbands are assumed to be three years older than wives.
Health Care Cost Trends	5.75% in 2022 decreasing gradually to an ultimate rate of 4.04% by 2075.
Historical change in assumptions:	2020 – Assumed discount rate reduced from 2.74% to 2.12% 2021 – Assumed discount rate reduced from 2.12% to 2.05%

This schedule will be expanded to show multi-year trends as information becomes available in the future.

**OTHER SUPPLEMENTARY INFORMATION**

**COUNTY OF PERRY**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

<b>Grantor Program Title</b>	<b>Assistance Listing Number</b>	<b>Pass Through Grantor's Number</b>	<b>December 31, 2020 Receivable (Payable)</b>	<b>Receipts (Net of Returns)</b>	<b>Expenditures</b>	<b>December 31, 2021 Receivable (Deferral)</b>	<b>Subrecipient Awards</b>
<b>U.S. Department of Agriculture</b>							
Food Distribution Cluster passed through the Commonwealth of Pennsylvania, Department of Agriculture Emergency Food Assistance Program - Administrative Costs	10.568	N/A	\$ -	\$ 5,019	\$ 5,019	\$ -	\$ -
<b>Total Food Distribution Cluster/U.S. Department of Agriculture</b>			-	5,019	5,019	-	-
<b>U.S. Department of Housing and Urban Development</b>							
Passed through the Commonwealth of Pennsylvania, Department of Community and Economic Development							
Community Development Block Grant Program - 2015 Redevelopment	14.228	N/A	-	17,386	17,386	-	-
Community Development Block Grant Program - 2016 Redevelopment	14.228	N/A	-	32,280	32,280	-	-
Community Development Block Grant Program - 2017 Redevelopment	14.228	N/A	-	106,243	106,243	-	-
Community Development Block Grant Program - 2018 Redevelopment	14.228	N/A	-	51,297	51,297	-	-
Community Development Block Grant Program - 2019 Redevelopment	14.228	N/A	-	93,590	93,590	-	-
Community Development Block Grant Program - 2020 Redevelopment	14.228	N/A	-	4,980	4,980	-	-
<b>Total U.S. Department of Housing and Urban Development</b>			-	305,776	305,776	-	-
<b>U.S. Department of Justice</b>							
Passed through YWCA of Greater Harrisburg							
Violence Against Women Formula Grant	16.588	N/A	-	76,942	76,942	-	-
<b>Total U.S. Department of Justice</b>			-	76,942	76,942	-	-
<b>U.S. Department of Health and Human Services</b>							
Passed through the Commonwealth of Pennsylvania, Pennsylvania Department of Aging							
Special Programs for the Aging (Title VII, Chapter 3, Programs for Elder Abuse, Neglect, and Exploitation)	93.041	4100089706	(300)	600	251	(649)	-
Special Programs for the Aging (Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals)	93.042	4100089706	407	7,440	6,744	(289)	-
Special Programs for Aging (Title III, Part D - Disease Prevention and Health Promotion Services)	93.043	4100089706	(83)	8,462	9,599	1,054	-
<b>Aging Cluster</b>							
Special Programs for Aging (Title III, Part B - Grants for Supportive Services and Senior Centers)	93.044	4100089706	(18,467)	127,549	109,586	(36,430)	-
Special Programs for Aging (Title III, Part B - Grants for Supportive Services and Senior Centers)	93.044 COVID	4100089706	(18,336)	(4,603)	-	(13,733)	-
Special Programs for Aging (Title III, Part C - Nutrition Services)	93.045	4100089706	(7,423)	40,763	42,111	(6,075)	-
Special Programs for Aging (Title III, Part C - Nutrition Services)	93.045 COVID	4100089706	(40,568)	(20,129)	40,885	20,446	-
Nutrition Services Incentive Program	93.053	4100089706	-	21,778	21,242	(536)	-
<b>Total Aging Cluster</b>			(84,794)	165,358	213,824	(36,328)	-
National Family Caregiver Support, Title III, Part E	93.052	4100089706	-	25,994	29,609	3,615	-
National Family Caregiver Support, Title III, Part E	93.052 COVID	4100089706	(9,333)	(5,330)	1,634	(2,369)	-
			(9,333)	20,664	31,243	1,246	-
Medicare Enrollment Assistance Program	93.071	4100072801	-	2,721	2,721	-	-
State Health Insurance Assistance Program	93.324	4100072801	-	10,960	4,570	(6,390)	-

**COUNTY OF PERRY**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

Grantor Program Title	Assistance Listing Number	Pass Through Grantor's Number	December 31, 2020 Receivable (Payable)	Receipts (Net of Returns)	Expenditures	December 31, 2021 Receivable (Deferral)	Subrecipient Awards
Medicaid Cluster							
Medical Assistance Program	93.778	4100089140	10,273	54,812	41,581	(2,958)	-
Total Passed through the Commonwealth of Pennsylvania, Pennsylvania Department of Aging			(83,830)	271,017	310,533	(44,314)	-
Passed through the Commonwealth of Pennsylvania, Pennsylvania Department of Human Services							
Medical Assistance Program	93.778	7017500000	-	68,872	68,872	-	-
Medical Assistance Program	93.778	N/A	553	553	3,164	3,164	-
Total Medicaid Cluster			10,826	124,237	113,617	206	-
Guardianship Assistance	93.090	N/A	22,179	43,617	46,143	24,705	-
Guardianship Assistance	93.090 COVID	N/A	2,534	4,969	2,435	-	-
			24,713	48,586	48,578	24,705	-
Promoting Safe and Stable Families	93.556	N/A	-	2,000	2,000	-	-
Temporary Assistance for Needy Families	93.558	N/A	-	-	33,352	33,352	-
Child Support Enforcement	93.563	N/A	108,288	415,716	307,428	-	-
Child Welfare Services State Grants	93.645	N/A	-	85,468	85,468	-	-
Foster Care Title IV-E	93.658	N/A	103,150	254,007	308,032	157,175	-
Foster Care Title IV-E	93.658 COVID	N/A	2,781	12,601	9,820	-	-
			105,931	266,608	317,852	157,175	-
Adoption Assistance	93.659	N/A	49,029	99,335	117,716	67,410	-
Adoption Assistance	93.659 COVID	N/A	4,404	4,404	-	-	-
			53,433	103,739	117,716	67,410	-
Social Services Block Grant - Children & Youth	93.667	N/A	-	28,910	28,910	-	-
Social Services Block Grant - Human Services Block Grant	93.667	N/A	-	41,551	41,551	-	-
			-	70,461	70,461	-	-
Chafee Foster Care Independence Program	93.674	N/A	-	-	150,788	150,788	-
Block Grants for Community Mental Health Services	93.958	N/A	-	77,106	77,106	-	-
<b>Total U.S. Department of Health and Human Services</b>			209,088	1,410,126	1,593,318	392,280	-
<b>U.S. Department of the Interior</b>							
Passed through the Commonwealth of Pennsylvania, Game Commission							
Fish and Wildlife Cluster							
Wildlife Restoration and Basic Hunter Education	15.611		-	21,464	21,464	-	-
<b>Total U.S. Department of the Interior/Fish and Wildlife Cluster</b>			-	21,464	21,464	-	-



**COUNTY OF PERRY**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

Grantor Program Title	Assistance Listing Number	Pass Through Grantor's Number	December 31, 2020 Receivable (Payable)	Receipts (Net of Returns)	Expenditures	December 31, 2021 Receivable (Deferral)	Subrecipient Awards
<b>U.S. Department of Homeland Security</b>							
Passed through the Commonwealth of Pennsylvania, Emergency Management Agency (PEMA) Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4100089168	29,321	29,321	-	-	-
<b>Total U.S. Department of Homeland Security</b>			<u>29,321</u>	<u>29,321</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Treasury</b>							
Coronavirus State and Local Fiscal Recovery Fund	21.027 COVID	N/A	-	4,493,897	4,493,897	-	-
Passed through the Commonwealth of Pennsylvania, Department of Human Services Emergency Rental Assistance Program	21.023 COVID	N/A	-	4,007,840	714,851	(3,292,989)	-
Passed through Perry Housing Partnership Emergency Rental Assistance Program	21.023 COVID	N/A	-	46,937	46,937	-	-
Total Emergency Rental Assistance Program			<u>-</u>	<u>4,054,777</u>	<u>761,788</u>	<u>(3,292,989)</u>	<u>-</u>
<b>Total U.S. Department of Treasury</b>			<u>-</u>	<u>8,548,674</u>	<u>5,255,685</u>	<u>(3,292,989)</u>	<u>-</u>
<b>Total Federal Awards</b>			<u>\$ 238,409</u>	<u>\$ 10,397,322</u>	<u>\$ 7,258,204</u>	<u>\$ (2,900,709)</u>	<u>\$ -</u>

**COUNTY OF PERRY**  
**Schedule of Pennsylvania Department of Human Services Expenditures**  
**Year Ended December 31, 2021**

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<b>Program (as Defined in the Pennsylvania Department of Human Services, <i>Single Audit Supplement</i> )</b>	<b>Combined Federal/State Expenditures for Calendar Year Ended December 31, 2021</b>
Children and Youth Services	\$ 4,913,513
Medical Assistance	2,035,690
Child Support Enforcement	500,201
Human Services Block Grant	182,792
Homeless Assistance Program	46,937
Human Services Development Fund	<u>37,694</u>
	<u>\$ 7,716,827</u>

**COUNTY OF PERRY**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

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**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

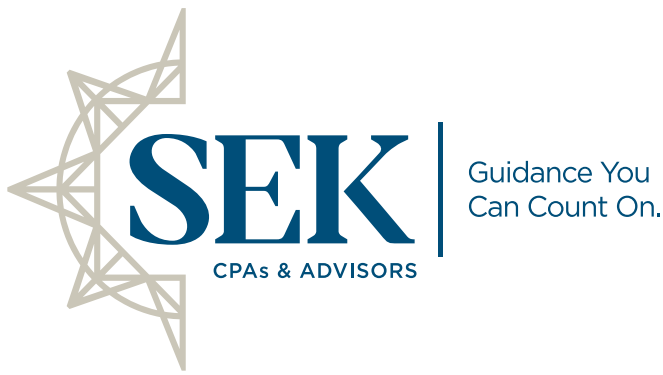
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***Basis of Accounting***

The accompanying Schedule of Expenditures of Federal Awards present the activity of all federal financial assistance programs of the County of Perry. The reporting entity is defined in Note 1 to the County of Perry's financial statements. The schedule of expenditures of federal awards is presented using the modified accrual basis of accounting. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

***Indirect Cost Rate***

The County has not elected to use the 10% de minimus indirect cost rate for its federal programs.



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners  
County of Perry  
New Bloomfield, Pennsylvania

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Perry, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise County of Perry’s basic financial statements, and have issued our report thereon dated November 13, 2022.

***REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING***

In planning and performing our audit of the financial statements, we considered County of Perry’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Perry’s internal control. Accordingly, we do not express an opinion on the effectiveness of County of Perry’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 did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 that we consider to be a material weakness.

## **REPORT ON COMPLIANCE AND OTHER MATTERS**

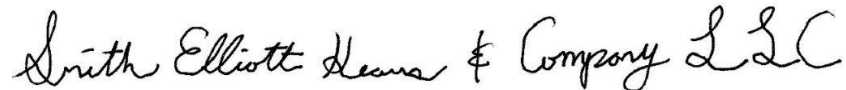
As part of obtaining reasonable assurance about whether County of Perry's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

## **COUNTY OF PERRY'S RESPONSE TO FINDINGS**

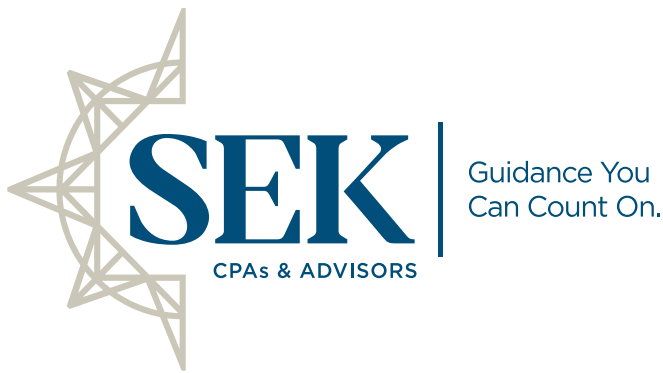
*Government Auditing Standards* requires the auditor to perform limited procedures on the County of Perry's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Perry's response was not subjected to the auditing procedures 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.



Carlisle, Pennsylvania  
November 13, 2022



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

Board of Commissioners  
County of Perry  
New Bloomfield, Pennsylvania

### ***REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM***

#### ***Opinion on Each Major Federal Program***

We have audited County of Perry'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 County of Perry's major federal programs for the year ended December 31, 2021. County of Perry's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Perry 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.

#### ***Basis for Opinion on Each Major Federal 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 County of Perry and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of County of Perry'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 County of Perry's federal 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 County of Perry'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 County of Perry's compliance with the requirements of each major federal program 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 County of Perry'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 County of Perry'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 County of Perry'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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been 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.

*Smith Elliott Heenan & Company LLC*

Carlisle, Pennsylvania  
November 13, 2022



**COUNTY OF PERRY**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2021**

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**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:

**Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified?  Yes  None Reported

Noncompliance material to financial statements noted?

Yes  No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified?  Yes  None Reported

Type of auditor's report issued on compliance for the major programs:

**Unmodified**

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516?  Yes  No

Identification of the major programs:

CFDA Number(s)	Name of Federal Program
21.027	Coronavirus State and Local Fiscal Recovery Fund
21.023	Emergency Rental Assistance Program

Dollar threshold used to distinguish between type A and type B programs

\$ 750,000

Auditee qualified as low-risk auditee?

Yes  No

## Section II – Financial Statement Findings

### A. Significant Deficiencies or Material Weaknesses in Internal Control

#### Material Weaknesses

##### 2021-001 – Grant Accounting

**Condition:** Accounts receivable, unearned revenue, and revenue are not adjusted for the Area Agency on Aging (the Agency) grants when the grants are closed out.

**Criteria:** Accounts receivable, unearned revenue, and revenue should be adjusted to actual amounts once the close out process is complete.

**Cause:** Due to fiscal year end reallocation of funds, there is uncertainty as to the total award amounts. Due to this uncertainty, the Agency records revenue, receivable, and unearned revenue based upon amounts expended for their various grants up to and exceeding awarded amounts.

**Effect:** Material audit adjustments were necessary to properly account for grant amounts.

**Recommendation:** We recommend, upon closeout of the grants, the Agency adjust the revenue, receivable and unearned revenue to reflect actual amounts available or returned for the individual grants.

#### **Views of Responsible Officials and Planned Corrective Actions:**

We agree with the Auditor's recommendations and will make the following changes. Upon review, the fiscal office will begin to work with the external accounting firm that handles the Perry County Agency on Aging financials to ensure that they properly record the grants received for the Agency. Perry County Agency on Aging is a separate entity of Perry County. Therefore, their revenues have not been recorded within the Perry County Fiscal Office. In order to assist in the accuracy of record keeping, the Perry County Fiscal Office will work with this department moving forward.

**Section II – Financial Statement Findings (Continued)**

**A. Compliance Findings**

There were no compliance findings related to the financial statement audit required to be reported.

**Section III – Federal Findings and Questioned Costs**

**A. Significant Deficiencies or Material Weaknesses in Internal Control Over Compliance**

None noted

**B. Compliance Findings**

There were no findings relating to the major federal awards as required to be reported in accordance with the Uniform Guidance by 2 CFR Section 200.516.

COMMISSIONERS  
BRIAN ALLEN  
CHAIRMAN  
GARY EBY  
VICE-CHAIRMAN  
BRENDA WATSON  
SECRETARY



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SOLICITOR  
BRANDI CLENDENIN  
CHIEF FISCAL  
OFFICER  
MARGARET GOUSE  
FISCAL OFFICER

**COUNTY OF PERRY**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended December 31, 2021**

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**Findings related to financial statements:**

- |                          |  |
|--------------------------|--|
| <b>Finding 2020-001:</b> | <b>Adoption of Accounting Standards</b>  |
| <b>Condition:</b>        | The County failed to implement Governmental Accounting Standards Board (GASB) 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension (OPEB).                |
| <b>Status:</b>           | This is no longer considered a material weakness in internal controls.   |
| <b>Finding 2020-002:</b> | <b>Grant Accounting</b>  |
| <b>Condition:</b>        | Accounts receivable, unearned revenue, and revenue are not adjusted for the Area Agency on Aging (the Agency) grants when the grants are closed out.                                       |
| <b>Status:</b>           | See Finding 2021-001   |
| <b>Finding 2020-003:</b> | <b>Compensated Absences</b>  |
| <b>Condition:</b>        | The County's policies limit the amount of compensated absences which is required to be paid upon termination, however the hours used in the computation of the liability were not limited. |
| <b>Status:</b>           | This is no longer considered a material weakness in internal controls.   |