COUNTY OF ERIE

COUNTY CONTROLLER'S AUDIT REPORT

2021 ANNUAL REPORT

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COUNTY CONTROLLER

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DATE: **MARCH 31, 2022**

TO: **ERIE COUNTY COUNCIL**

The Office of the Erie County Controller has the responsibility to insure, by a process of sampling and/or selective post-audit, that all payments and obligations incurred by the County and each of its agencies, boards, commissions, departments and offices are in accordance with the law, the Home Rule Charter, contracts and/or established procedures. Any exceptions that have not been rectified, shall be reported to Erie County Council.

This report covers the examination of selected cash accounts and related records of the General, Special Revenue, Debt Service and Trust and Agency Accounts for the year ending December 31, 2021.

The examination was conducted in accordance with Auditing Procedures as described on Page 3.

The findings and recommendations, as a result of the aforementioned auditing, are described on Page 4.

Dr. Kyle W. Foust
Erie County Controller

Mark J. Orlop
Manager of Internal Audits

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AUDIT PROCEDURES

Cash Accounts

The following audit procedures have been applied to the cash accounts contained within this report:

- Bank statements were reconciled through December 31, 2021.
- Total deposits per the bank statements for the year ending December 31, 2021 were compared to total receipts.
- Total disbursements per the bank statements for the year ending December 31, 2021 were compared to total disbursements.

Disbursements

Domestic Relations, E-911, Emergency Management, the General Fund, Planning and Public Health disbursements were tested for legality of claim, existence of proper documentation and proper account coding. Legality of claim includes examination of purchase orders, where appropriate, review of proper approval, examination of invoices for mathematical accuracy and comparison of disbursements with budgeted amounts.

Payroll

The Controller's Office receives notification of the hiring and termination of employees and payroll rate changes from the Human Resources Department. The gross pay of the first pay period for new employees and the last pay period of terminated employees are examined to ensure an accurate payroll. The authorization for payroll rate changes and retroactive pay are examined to ensure their accuracy against the payroll register.

PREVIOUS FINDINGS AND RECOMMENDATIONS

Part 1

The prior Audit Report contained findings and recommendations for improvement which the Controller's Office believed to be significant.

The following findings and recommendations for improvement reported in last year's Controller's Audit Report have not been implemented:

2020 CARES Act Small Business Grants

Previous Finding(s)

The Controller's Office examined all checks issued for the CARES Act Small Business Grants by Erie County. A sample of nineteen were selected to be examined in detail. The examination included reviewing the grant applications to ensure all required documents were provided. Additionally, we examined the required expense reporting submitted from the grant recipients. During our examination, we found one business did not file their expense report. Additionally, one business reported an expense described as "house payment for rent." It is unclear if this payment is an allowable business expense or a payment for a private residence. The grant recipient has not responded to the Finance Department's requests for clarification. Incomplete and ambiguous reporting makes it impossible to determine if all of the grant funds were used for their intended purpose.

Recommended Action(s)

1. After the County received the grant funds, there was a limited time frame to develop an application process to award the Small Business Grants. To ensure that any emergency funds are awarded efficiently and that they optimally benefit the residents of Erie County, we recommend that the Administration and County Council develop and adopt a framework for future emergency grant applications. Unless otherwise specified in the terms of the grant received, the guidelines should, at minimum, include:
   - The applicant must be located in Erie County.
   - The applicant must be current on their federal, state, and local taxes.
   - The applicant must agree to the terms and conditions set by the County and the granting agency.
   - If the grantee provides any material misrepresentations, does not use the funds for approved expenditures under the grant, or does not provide proper expense reporting, the grantee will be responsible for repayment and be ineligible for future County grants.

Developments since the Original Finding(s)

1. An emergency grant application framework has not been adopted for the following reason: the Finance Department does not anticipate a similar CARES Act emergency will occur again any time soon.

2. To guide future decision making in times of emergency, the Controller's Office continues to recommend that a basic emergency grant application framework be adopted by the Administration and approved by County Council. Such a framework should, at the very least, encompass the recommendations made by the Controller's Office in 2021.

** While the Controller's Office disagrees with the decision to not create an emergency grant application framework, we understand the Administration's reasoning and will consider this matter closed for reporting purposes.

PREVIOUS FINDINGS AND RECOMMENDATIONS

Part 2

The following findings and recommendations for improvement reported in last year's Controller's Audit Report have been partially implemented:

Taxable Clothing

Previous Finding(s)

During a 2019 IRS presentation, the Controller's Office learned that many of the clothing items that the County is purchasing for employees are considered a taxable fringe benefit.

Recommended Action(s)

1. The Director of Finance request each department submit a list of all clothing purchased for employees and have those items added to the employee's taxable earnings in order to be in compliance with IRS regulations.

2. The Administration should create a clothing policy to establish what items can and cannot be purchased with County funds. The policy should also require each department to report all non-exempt purchases to the Finance Department in a timely manner.

Developments since the Original Finding(s)

1. At the time the 2021 Controller's Report was finalized, a taxable clothing policy had been created but not issued. The Administration is currently meeting with various County departments to address any specific concerns they may have prior to implementing the new policy. We continue to recommend that the Administration implement a taxable clothing policy as soon as possible.

Temporary Employees

Previous Finding(s)

During 2019, two County departments used the services of two different temp agencies to meet staffing needs. These temporary employees were used to fill vacant positions on a *per diem* basis until a full time employee was hired. The Human Resources Code states "all appointments, including temporary ones, shall be made from a list of eligibles certified by the Director of Human Resources as fulfilling the minimum requirements for the position."

We could not find a provision in the Human Resources Code that allows for the use of third party vendors to fill staffing vacancies. Employees hired by a third party vendor are not properly vetted through the hiring process as outlined in the Human Resources Code, thus they cannot be properly certified by the Director of Human Resources.

Recommended Action(s)

1. The Director of Human Resources should end the practice of the using temp agencies to fill vacancies. Although no temporary employees are being utilized at the current time, the practice continued into 2020.

2. In order to meet staffing needs, the Director of Human Resources should seek to expand the County's *per diem* list with candidates that meet the minimum requirements for the needed positions. If enough eligible candidates cannot be found to meet staffing needs, the Director of Human Resources should petition County Council to amend the Human Resources Code to allow for the use of a temp agency. If the practice is adopted, the Director of Human Resources should work with the Purchasing Director to select one agency to meet the County's staffing needs.

Developments since the Original Finding(s)

1. The Director of Human Resources is in the process of reviewing and updating the Human Resources Code. The use of temp agencies will be addressed when the Code is revised.

Out of Class Pay – Time Limit

Previous Finding(s)

During 2020, several employees were granted a temporary hourly pay increase for out of class work. This was done to compensate employees that were tasked with extra duties as a result of the Covid-19 pandemic. The Human Resources Code allows for temporary out of class pay adjustments at the greater of 3% or the minimum of the higher grade for a period of three months. This out of class pay can be extended an additional three months with the approval of the Director of Human Resources. The Code does not address extending the out of class pay beyond six months.

As of our report dated December 31, 2020, there were eleven employees that were receiving out of class pay as a result of the Covid-19 pandemic beyond the six month period allowed in the Human Resources Code. Three of these employees were receiving the out of class pay as a result of a Memorandum of Agreement (MOA) between their bargaining unit and the County. One employee had received an out of class increase in excess of the minimum of the higher grade. However, this increase was approved by County Council.

Recommended Action(s)

1. The Director of Human Resources should request that County Council amend the Human Resources Code to require Council approval of any out of class pay that extends beyond a total of six months.

2. The Director of Human Resources should immediately end the out of class pay that has not been approved by Council or is not part of the MOA.

Developments since the Original Finding(s)

1. Currently, only three employees are still receiving out of class pay beyond the six-month period allowed in the Human Resources Code. All of these employees are non-bargaining.

2. The Director of Human Resources is in the process of reviewing and updating the Human Resources Code. The use of out of class pay time limits will be addressed when the Code is revised.

Out of Class Pay - Eligibility

Previous Finding(s)

In 2018, the County adopted a new non-bargaining pay scale. Every position was evaluated based on the position's duties and responsibilities and assigned a grade. The County has an Out of Class Pay Policy that references the previous pay scale. This policy requires employees to be specifically assigned higher level duties to be eligible for out of class pay. It also makes management employees, above a certain grade, ineligible for out of class pay. Since the grading systems used for the current and previous pay scales are widely dissimilar, it is impossible to apply the existing policy, as written, to the current pay scale.

One of the employees currently receiving out of class pay has not been specifically assigned to a pay grade higher than their regular position grade. Since their additional duties have not been assigned a grade, they have been given a 3% increase. Without knowing what grade work they are performing, it is impossible to determine if this employee is being paid in accordance with the Human Resources Code.

Recommended Action(s)

1. The Director of Human Resources should immediately end the out of class payments for out of class duties not assigned a grade until it can be determined which grade level the extra duties should be classified. Once the duties have been graded, the out of class pay should only be continued if approved by County Council.

2. The Director of Human Resources should determine which positions, if any, are not eligible for out of class pay under the new pay scale and update the Out of Class Pay Policy.

Developments since the Original Finding(s)

1. The Director of Human Resources is in the process of reviewing and updating the Human Resources Code. The eligibility for out of class pay will be addressed when the Code is revised.

Temporary Increase in Hours

Previous Finding(s)

During 2020, many employees had their regular work week temporarily increased from 37.5 hours to 40 hours. This was done to compensate employees that were working extra hours as a result of the Covid-19 pandemic. Currently, there are thirteen employees that are temporarily working extra hours. The Human Resources Code does not address temporary increases in hours and the Human Resources Department has not issued a separate policy to regulate temporary hours.

Recommended Action(s)

1. The Director of Human Resources should create a policy for any temporary increase in hours. This policy should establish who is eligible for increased hours and the criteria for justifying the increase in hours.

2. The policy should establish a timeframe for how long the temporary increase in hours can last and require County Council approval to continue the temporary hours beyond the established limit.

Developments since the Original Finding(s)

1. The Director of Human Resources is in the process of reviewing and updating the Human Resources Code. The use of temporary increases in hours will be addressed when the Code is revised.

***per diem* Pay**

Previous Finding(s)

The County's *per diem* Policy allows department heads to utilize *per diem* employees for emergency or temporary staffing needs. The policy states that "*per diems* will be brought in at the lowest classification of the grade in the office." The policy sets the pay rate for *per diems* at the greater of 80% of the starting rate for the grade or $8.00.

At the start of the Covid-19 pandemic, the County needed additional staff to implement the response plan. Because of their experience, three former County employees were rehired on a *per diem* basis. These employees were not assigned grades and they were hired at rates ranging from $31.00 to $40.00 per hour. Hiring a *per diem* employee at an hourly rate of $31.00 is the equivalent of 80% of a Grade 24, the second highest grade on the pay scale. Two of these employees are no longer working as *per diems*, the other is still active and working about ten hours a week.

Recommended Action(s)

1. The Director of Human Resources should ensure all *per diem* employees are assigned a grade at the time of hire and that they are paid in accordance with the *per diem* Policy.

2. The former employee that is still working should be assigned a grade and have their rate adjusted if they are going to continue working.

Developments since the Original Finding(s)

1. The Director of Human Resources is in the process of amending the *per diem* Policy.

Emergency Human Resources Guidelines

Previous Finding(s)

The issues of out of class pay, temporary hours and *per diem* rates were highlighted by the need of the County to provide services to the public during the Covid-19 pandemic. The Human Resources Code does not address emergency Human Resources procedures.

Recommended Action(s)

1. The Director of Human Resources should develop a set of emergency Human Resources guidelines to address out of class pay, temporary hours, and *per diem* pay for states of emergency. These guidelines should address if *per diem* rates can deviate from the current policy and who is eligible for out of class pay or temporary hours, and then designate a duration these adjustments can continue.

2. Given the budgetary impact these temporary changes can have, these guidelines should be presented to County Council for approval; as either a separate policy or as an amendment to the Human Resources Code.

Developments since the Original Finding(s)

1. The Director of Human Resources will consider including emergency Human Resources guidelines as part of the updated Human Resources Code.

2021 FINDINGS AND RECOMMENDATIONS

Part 3

The following findings and recommendations for improvement are a result of this year's auditing:

Employee Reimbursements

Finding(s)

The Controller's Office has identified an increase in non-travel related employee reimbursements being processed directly through the Finance Department via Accounts Payable. These reimbursements included the purchase of clothing, supplies and gift cards. In bypassing the proper purchasing procedures, all controls over purchasing are removed and the County is often paying sales tax for which they are exempt.

Recommended Actions(s)

1. To ensure the County purchasing controls remain intact, non-travel related employee reimbursements should be limited to emergency situations and for those situations where the Purchasing Department is not available.

2. All reimbursements for cash equivalent items such as gift cards/certificates should be eliminated due to the increased risk of theft and fraud associated with these types of purchases. Gift cards for approved purposes are available for purchase through the Finance Department via the Purchasing Department Special Reimbursement Form.

Overtime Usage

Finding(s)

During 2021, several departments experienced staffing shortages that lead to an increase in the amount of overtime earned. We reviewed the overtime wages for the Prison, Public Safety, and the Edmund L. Thomas Center for 2021. We compared the budgeted expenditures versus the actual expenditures for each department. We also compared the regular wages to overtime wages for the highest individual earners of overtime for each department.

The Prison was over budget on their overtime by $245,678, however, they were $249,947 under budget in their temporary staff line. The highest individual earned 62% of their regular wages in overtime. The second highest earned 54% of their regular wages. The 10th highest earned 22% of their regular wages and the 11th earned 23%.

Public Safety was over budget on their overtime by $51,796 and under budget on temporary staff by $12,184. The highest individual earned 56% of their regular wages in overtime. The second highest earned 55%. The 10th and 11th each earned 21% of their regular wages.

The Edmund L. Thomas Center was $26,739.69 under their final overtime budget but transferred $40,000 to their overtime line in the dependent shelter. They were $23,000 under budget in their temporary staff line. The highest individual earned 94% of their regular wages in overtime. The second highest earned 60% of their regular wages. The 10th highest earned 23% and the 11th earned 14% of their regular wages.

Recommended Action(s)

1. All three of these departments had a shortage of temporary staff that led to full time staff members working more overtime. Every effort should be made to expand the list of eligible *per diem* employees to reduce overtime. For example, the Director of Human Resources could contact retirees and other former employees to see if they would be available to work shifts as a *per diem*.

2. The Edmund L. Thomas Center had a larger disparity between the highest, the second highest and the 10th highest earners of overtime than the other departments. Several factors such as base rate and shift differentials contribute to this disparity. It should be noted that the Prison and Public Safety have provisions in their contracts for mandatory overtime but the contract with the Edmund L. Thomas Center bargaining employees does not address mandatory overtime. Additionally, bargaining employees at the Edmund L. Thomas Center frequently use leave time in one-hour increments that causes other employees to extend their shifts and earn overtime or double time. A more equitable distribution of overtime could reduce the instances of double time. We recommend that the Director of Human Resources address mandatory overtime and incremental time off in the next round of contract negotiations with the bargaining employees of the Edmund L. Thomas Center.

Contracted Employees

Finding(s)

During a 2021 review of the 1099's issued for fiscal year 2020, it was found that the County's Public Information Officer terminated their employment with the County on August 13, 2019. They were later hired as a contractor to continue with website design and edits. Their total wages earned through January 23, 2020 was $9,800. The job description for the Public Information Officer states "this position is responsible for maintaining content on the County's website." Because this contractor continued doing the same work that was assigned to them as an employee, this contractor should have remained a W-2 employee. By treating this employee as a 1099 contractor, the County was delinquent in collecting IRS mandated federal income taxes.

Recommended Actions(s)

1. Any department head planning to use contracted employees should notify Human Resources before such employees are officially hired. At that time, the Director of Human Resources should verify that none of these employees would, in fact, qualify as a W-2 status employee. To aid in the hiring process, we recommend using the IRS 20-Point Checklist to determine a persons' W-2 vs 1099 status. If the status is still unclear, we recommend submitting Form SS-8 to the IRS for clarification.

2. All terminated employees who wish to be retained by the County for services which were completed during employment must been done so in accordance with the County's *per diem* Policy.

Non-Bargaining Beeper Pay

Finding(s)

Prior to the release of the new Employee Handbook in March of 2021, the County had a beeper pay policy. Under that policy, non-bargaining employees were not eligible for beeper pay. In all cases, if a department head wanted to institute beeper pay, they had to send a written request to the Director of Human Resources. This request needed the approval of the Personnel Action Review Committee (PARC). Council eliminated all reference to the PARC from the Human Resources Code in 2007. To the Controller's Office's knowledge, all beeper pay granted to non-bargaining employees since the elimination of the PARC has been at the sole discretion of the Director of Human Resources. The revised handbook does not currently include a beeper pay policy for non-bargaining employees.

In 2021, thirty seven non-bargaining employees received beeper pay in the cumulative amount of $289,246. Of those thirty seven employees, eighteen were in supervisory roles. Since the County does not have an established beeper pay scale for non-bargaining employees, there was a wide variance in the amount of beeper pay earned. Payments per employee ranged from $318 to $11,411 for the year. Some non-bargaining employees seemed to earn beeper pay in a manner established with the bargaining unit most closely associated with their department. Other non-bargaining employees received a set amount per call. We were unable to determine how many of these arrangements began prior to the elimination of the PARC. We also could not verify that the Director of Human Resources approved all of the arrangements instituted after the PARC was eliminated.

Recommended Action(s)

1. We recommend the Director of Human Resources verify that all current beeper pay arrangements have been previously approved. Any unapproved arrangements should be stopped.

2. In part, because exempt employees are currently earning beeper pay when generally they would be prohibited from doing so, we also recommend that the Director of Human Resources reestablish a formal beeper pay policy that encompasses the following: who is/is not eligible, an articulated application and approval process, and a beeper pay scale to ensure equitable treatment of all non-bargaining employees.

Vacation Used on a Holiday

Finding(s)

County policy allows employees to use a vacation day on a holiday if it is part of a continuing vacation. The policy states "when an employee is on a scheduled vacation during the course of a County paid holiday, they have the option of using one of their earned vacation days in conjunction with the holiday (his/her vacation plus his/her holiday pay). To be eligible, the employee must use a minimum of either a half-day vacation in the afternoon (PM) the day before or a half-day vacation in the morning (AM) the day after the holiday."

Our review of 2021 payroll records found several employees attempting to use a vacation day on a holiday in violation of the policy. Examples include using less than a half-day immediately before or after the holiday, using personal time instead of vacation time before or after the holiday, and using a half-day vacation in the afternoon (PM) after the holiday. Several of the employees violating the policy are in supervisory positions.

Recommended Action(s)

1. Each department is responsible for verifying their timecards prior to submission to Payroll. We recommend the Director of Human Resources send a policy reminder to all department heads and employees responsible for payroll submissions regarding use of vacation time on a holiday. Thereafter, periodic reminders should be sent out as needed.

FINANCE DEPARTMENT

OVERVIEW

GENERAL FUND

ACCOUNT BALANCES

FINANCE DEPARTMENT

GENERAL FUND ACCOUNT BALANCES

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDING DECEMBER 31, 2021

	Cash and Temporary Investments at Beginning of Year	Cash Receipts	Cash Disbursements	Cash and Temporary Investments at End of Year
General Account	$39,189,553	$208,844,772	$218,604,425	$29,429,900
County Records Improvement Account	$123,649	$68,867	$40,361	$152,155

* See Accompanying Notes to Financial Statements

NOTES TO GENERAL FUND ACCOUNTS

FOR THE YEAR ENDING DECEMBER 31, 2021

NOTE 1 - GENERAL ACCOUNT

The General Account is maintained to track all financial transactions not properly accounted for in another fund.

The General Account is under budgetary control required by law. Each year the budget must be approved by County Council. The annual budget is a comprehensive financial plan for the fiscal year which incorporates the estimates of proposed expenditures and the revenues required to finance them.

NOTE 2 - COUNTY RECORDS IMPROVEMENT ACCOUNT

Pursuant to House Bill (HB) 196 of 1998, the County has established a County Records Improvement Account. This Bill stated that a fee in the amount of $2.00 will be charged and collected for each document recorded. This fee shall be split equally between the County Records Improvement Account, included as part of this report, and a separate account within the Office of the Recorder of Deeds.

Pursuant to HB 1923 of 2002, the fee charged and collected for each document recorded was increased to $5.00. The $5.00 fee will now allocate $2.00 to the County Records Improvement Account and $3.00 to the appropriate account within the Office of the Recorder of Deeds. Funds shall be expended in accordance with a Comprehensive Records Management Plan based on the goal of standardizing and equalizing the capabilities of all County offices consistent with their need to receive, manage and provide information to the public as efficiently as possible.

SPECIAL REVENUE

ACCOUNT BALANCES

FINANCE DEPARTMENT
SPECIAL REVENUE ACCOUNT BALANCES
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2021

	Cash and Temporary Investments at Beginning of Year	Cash Receipts	Cash Disbursements	Cash and Temporary Investments at End of Year
MH/ID Account	$5,430,571	$60,907,848	$59,866,959	$6,471,460
Drug & Alcohol Account	$493,959	$6,545,516	$6,215,732	$823,743
Children &Youth Account	$17,168	$80,744,005	$80,620,886	$140,287
Domestic Relations Account	$7,636	$5,172,431	$5,005,273	$174,794
Liquid Fuels Account	$224,990	$633,863	$765,369	$93,484
Public Health & Safety Account	$694,093	$11,252,709	$12,777,478	($830,676)
Library Account	($788,781)	$7,347,999	$7,523,343	($964,125)
Planning Account	$5,879,005	$4,333,688	$2,896,711	$7,315,982
E-911 Account	$444,086	$7,887,740	$7,323,902	$1,007,924
Emergency Management Account	$658	$962,189	$962,006	$841
Employee Fringe Benefit Account	($702,442)	$21,851,908	$21,990,576	($841,110)
Gaming Funds Account	$8,154,227	$14,710,049	$12,448,672	$10,415,604
Keep Erie County Beautiful Account	$1	$10	$0	$11
Supervision Fees Account	$474,832	$2,520,697	$2,530,442	$465,087
Health Choices Account	$24,612,366	$16,017,072	$5,081,605	$35,547,833
CARES Act Account	$1,597,693	$107,971	$1,705,664	$0
American Rescue Plan Act	$0	$26,205,196	$14,683,959	$11,521,237

* See Accompanying Notes to Financial Statements

NOTES TO SPECIAL REVENUE ACCOUNTS

FOR THE YEAR ENDING DECEMBER 31, 2021

NOTE 1 - MH/ID ACCOUNT

The MH/ID Account tracks the State and County funds that are passed through to local agency providers for MH/ID activities. This fund also includes the administration of adult services and in-home health services.

NOTE 2 - DRUG AND ALCOHOL ACCOUNT

The Drug and Alcohol Account tracks State and County funds which are passed through to local agency providers for appropriate identification and treatment programs.

NOTE 3 - CHILDREN AND YOUTH ACCOUNT

The Children and Youth Account utilizes both Act 148 and County funds to provide caseworkers for Child Protective Services. This account also tracks the funds used to administer the County's day care programs and the juvenile detention center. Furthermore, this account tracks the funds used to administer Act 148, Title IV-A, Title IV-E and County funds used to pay for the court ordered placement of dependent and delinquent children in protective and correctional institutions.

NOTE 4 - DOMESTIC RELATIONS ACCOUNT

The Domestic Relations Account tracks the cash received from defendants under court order and the subsequent disbursement of those funds to the appropriate designated party; either the State or plaintiff. These accounts are maintained by Domestic Relations personnel responsible to the Judges of the Court of Common Pleas.

NOTE 5 - LIQUID FUELS ACCOUNT

The Liquid Fuels Account tracks the funds received from the Commonwealth which are then passed through to local municipalities for road and bridge maintenance.

NOTE 6 - PUBLIC HEALTH ACCOUNT

The Public Health Account tracks the funds provided by Act 315, Act 12, other various grants and dedicated County funds used to administer personal health services such as clinics, environmental protection services and other health and safety related programs.

NOTE 7 - LIBRARY ACCOUNT

The Library Account tracks the funding which primarily comes from the County but includes additional grants from the Commonwealth of Pennsylvania and certain local municipalities. Within this account, several branch libraries are operated throughout the County and bookmobile service is provided.

NOTE 8 - PLANNING ACCOUNT

The Planning Account tracks the funding the County's Planning Department receives from various State and Federal agencies including Community Development Block Grants, Coastal Zone Management, Pennsylvania Department of Transportation and the County of Erie.

NOTE 9 - E-911 ACCOUNT

The E-911 Account was established to account for the activities of E-911 expenses and revenues as approved by County government.

NOTE 10 - EMERGENCY MANAGEMENT ACCOUNT

The Emergency Management Account was established to separate Emergency Management funds from Public Health funds. Funds are provided by PEMA, other grants and the County. The funds are used to administer Emergency Management services.

NOTE 11 - EMPLOYEE FRINGE BENEFIT ACCOUNT

The Employee Fringe Benefit Account was established by Ordinance Number 144-2005 as an Internal Service Fund to account for County-wide employee fringe benefits.

NOTE 12 - GAMING FUND ACCOUNT

During 2013, the Restricted Gaming Fund was closed. Gaming Funds received from the Commonwealth are now deposited in the Unrestricted Gaming Funds Account. Half of these funds are then transferred to the Erie County Gaming Revenue Authority to be used for municipal grants for health, safety and economic development projects. The remaining balance of the Unrestricted Funds can be used at the County's discretion.

NOTE 13 - KEEP ERIE COUNTY BEAUTIFUL ACCOUNT

This account was established by a grant from Keep America Beautiful. The funds are used to improve and beautify Erie County.

NOTE 14 - SUPERVISION FEE ACCOUNT

The Supervision Fee Account was established pursuant to Act 35 of 1991 for the purpose of segregating County Offender Supervision Fees imposed by the sentencing Judge of the Court of Common Pleas. These funds can only be disbursed at the discretion of the President Judge.

NOTE 15 - HEALTH CHOICES ACCOUNT

The Health Choices Account tracks the funds that are passed through to local agency providers for the Medical Assistance funding for mental health, drug and alcohol and childrens' services programs.

NOTE 16 - CARES ACT ACCOUNT

The Cares Act Account was established to track the expenditures of the Coronavirus Aid, Relief, and Economic Security Act funds received by the County.

NOTE 17 - AMERICAN RESCUE PLAN ACT ACCOUNT

The American Rescue Plan Act Account was established to track the expenditures of the American Rescue Plan Act funds received by the County.

SPECIAL REVENUE ACCOUNTS

SUPPLEMENTAL INFORMATION

LIQUID FUELS ACCOUNT BALANCES

DETAILED SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDING DECEMBER 31, 2021

Cash at Beginning of Year		$224,990
RECEIPTS		
Commonwealth of Pennsylvania	$633,562	
Interest	$301	
		$633,863
		$858,853
DISBURSEMENTS		
Various County Municipalities	$765,369	
		$765,369
Cash at End of Year		$93,484

GAMING FUNDS ACCOUNT BALANCES

DETAILED SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDING DECEMBER 31, 2021

Cash at Beginning of Year		$8,154,227
RECEIPTS		
Commonwealth of PA	$14,705,728	
Interest Unrestricted Checking	$4,321	
		$14,710,049
		$22,864,276
DISBURSEMENTS		
Transfer to Other Organizations	$760,893	
Transfer to Debt Service	$2,456,907	
Transfer to Land Bank	$1,000,000	
Transfer to ECGRA	$4,767,123	
Transfer to Community College	$3,463,500	
Bank Fees	$249	
		$12,448,672
Cash at End of Year		$10,415,604

DEBT SERVICE FUND

ACCOUNT BALANCES

FINANCE DEPARTMENT
DEBT SERVICE FUND ACCOUNT BALANCES

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2021

Cash and Investments at Beginning of Year	$2,442,303
Receipts	$9,534,888
Disbursements	$9,526,456
Cash and Investments at End of Year	$2,450,735

* See Accompanying Notes to Financial Statements

NOTES TO DEBT SERVICE FUND ACCOUNTS

FOR THE YEAR ENDING DECEMBER 31, 2021

NOTE 1 - DEBT SERVICE FUND ACCOUNT

The Debt Service Fund Account is used to retire County debt obligations.

NOTE 2 - GENERAL OBLIGATION BONDS

During 2005, General Obligation Bonds Series A, B and C totaling $40,815,000 were issued. The bonds mature in varying amounts annually through 2023. The Series A Bonds were issued to refund the Series B Bonds of 2003 which matured on and after September 1, 2014. The Series B Bonds were issued to fund various capital projects. The Series C Bond proceeds were used to make a loan to the Greater Erie Industrial Development Corporation for the development of an industrial park. As of December 31, 2021, the balance of the 2005 issue is $3,835,000.

The County issued 2012 General Obligation Bonds Series A and B totaling $13,605,000. The bonds mature in varying amounts annually through 2023. The Series A Bonds were issued to refund the 2003 Series A Bonds which matured on and after September 1, 2014. The Series B Bonds were issued to refund the 2003 Series C Bonds which matured on and after September 1, 2014. 2012 Series C Bonds totaling $10,780,000 were not closed until January 2013. These bonds matured in varying amounts annually through 2021 and were issued to refund the 2005 Series B which matured on and after September 1, 2017 and the 2009 Bonds which matured on and after September 1, 2018. As of December 31, 2021, the balance of the 2012 issue is $1,015,000.

The County issued 2015 General Obligation Bonds totaling $17,380,000. The bonds mature in varying amounts annually through 2030. The bonds were issued to fund the Public Safety Radio Project. As of December 31, 2021, the balance of the 2015 issue is $11,845,000.

The County issued 2017 General Obligation Bonds totaling $20,220,000. The bonds mature in varying amounts annually through 2025. The bonds were issued to advance refund a 2007 Bond issue that has been retired. As of December 31, 2021, the balance of the 2017 issue was $14,040,000.

DEBT SERVICE FUND ACCOUNTS

SUPPLEMENTAL INFORMATION

DEBT SERVICE FUND ACCOUNT BALANCES

DETAILED SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDING DECEMBER 31, 2021

Cash and Investments at Beginning of Year		$2,442,303
RECEIPTS		
Interest Earnings	$8,431	
Transfer from Gaming	$2,456,907	
Transfer from General Fund	$4,898,776	
Transfer from Emergency Management Account	$334,345	
Transfer from 911 Account	$1,836,429	
		$9,534,888
		$11,977,191
DISBURSEMENTS		
Principal & Interest on 2005 General Obligation Bonds	$2,078,275	
Principal & Interest on 2012 General Obligation Bonds	$3,155,560	
Principal & Interest on 2015 General Obligation Bonds	$1,612,706	
Principal & Interest on 2017 General Obligation Bonds	$2,676,000	
Professional Fees (Trustee)	$3,915	
		$9,526,456
Cash and Investments at End of Year		$2,450,735

TRUST AND AGENCY FUND

ACCOUNT BALANCES

TRUST AND AGENCY FUND ACCOUNTS BALANCES

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDING DECEMBER 31, 2021

	Cash at Beginning of Year	Cash Receipts	Cash Disbursements	Cash at End of Year
State Account	$9,102	$250,698	$254,565	$5,235
Retirement Account	$1,017,082	$21,434,310	$20,074,740	$2,376,652

* See Accompanying Notes to Financial Statements

NOTES TO TRUST AND AGENCY FUND ACCOUNTS

FOR THE YEAR ENDING DECEMBER 31, 2021

NOTE 1 - STATE ACCOUNT

The State Account is maintained to track funds collected from the issuance of State licenses, permits, etc. The various types of licenses and permits issued by the Revenue Department include dog, fishing, bingo, small games of chance and hunting licenses from which the County receives a commission. The amount of the commission varies with type of license or permit issued.

NOTE 2 - RETIREMENT ACCOUNT

The County of Erie Employees' Retirement Plan is in effect for all eligible employees and is administered by three members of County Council, the Director of Finance and County Controller. The plan is contributory whereby the County and the employees contribute to provide retirement benefits. The County is obligated to contribute sufficient funds to assure payment of all promised benefits.

TRUST AND AGENCY FUND ACCOUNTS

SUPPLEMENTAL INFORMATION

STATE ACCOUNT BALANCES

DETAILED SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDING DECEMBER 31, 2021

Cash at Beginning of Year		$9,102
RECEIPTS		
Dog Licenses	$75,630	
Fishing Licenses	$2,604	
Hunting Licenses	$104,742	
Bingo Licenses	$5,475	
Commissions	$31,341	
Small Games of Chance Licenses	$29,775	
Pistol Permits	$331	
NSF Check Fees	$800	
		$250,698
		$259,800
DISBURSEMENTS		
Commonwealth of Pennsylvania	$189,883	
Erie County General Fund:		
Commissions	$28,663	
Bingo Licenses	$5,375	
Pistol Permits	$319	
NSF Check Fees	$800	
Small Games of Chance Licenses	$29,525	
		$254,565
Cash at End of Year		$5,235

RETIREMENT CLEARING ACCOUNT BALANCES

DETAILED SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDING DECEMBER 31, 2021

Cash & Stock at Beginning of Year			$1,017,081
RECEIPTS			
Members Contributions		$4,461,449	
Erie County Contribution		$6,555,075	
Interest		$3,889	
Net Withdrawal from Money Managers		$10,323,816	
Loss Recovery		$6,204	
Increase in Value of Stock		$46	
Total Receipts			$21,350,479
			$22,367,560
DISBURSEMENTS			
Retirees Net Benefits		$16,101,148	
Death Benefits		$528,067	
Member Withdrawals		$415,713	
Investment Expense		$518,291	
Administrative Expense		$246,519	
Deductions from Retirees Pay:			
Hospitalization	$404,637		
United Way	$72		
State Tax	$5,399		
Federal Withholding	$1,771,062	$2,181,170	$19,990,908
Cash and Stock at End of Year			$2,376,652
Cash		$2,376,490	
Stock – 2 Shares of Nabors Industries Ltd		$162	
Total		$2,376,652	