PERRY COUNTY
ECONOMIC DEVELOPMENT AUTHORITY
Financial Statements
December 31, 2024

Perry County Economic Development Authority

Table of Contents

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors of
Perry County Economic Development Authority
New Bloomfield, Pennsylvania

Opinions

We have audited the accompanying modified cash basis financial statements of the business-type activities, each major fund, and aggregate remaining fund information of the Perry County Economic Development Authority, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Perry County Economic Development Authority'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 modified cash basis financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Perry County Economic Development Authority, as of December 31, 2024, and the respective changes in modified cash basis financial position, and cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Perry County Economic Development Authority, 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.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 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, 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 Perry County Economic Development Authority'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 Perry County Economic Development Authority'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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Herring, Roll + Solomon

Sunbury, PA
July 2, 2025

MD&A 2024

Business Overview

This Management's Discussion and Analysis (MD&A) provides an overview and analysis of the financial performance and activities of the Perry County Economic Development Authority for 2024.

PCEDA is a small quasi-governmental organization dedicated to promoting economic development in our community. Our mission is to foster entrepreneurship, attract investments, and create job opportunities, ultimately contributing to the economic growth and well-being of our region.

Main Street Revitalization: Our downtowns initiative continues to grow. Each borough has a vibrant group of volunteers and a wide range of projects from community clean-up days, to downtown events, marketing initiatives, curated walking trails, and placemaking initiatives.

Entrepreneurship Support: We provided support and resources to aspiring entrepreneurs, including mentorship programs, workshops, and access to funding opportunities. This resulted in the successful launch of several new businesses, contributing to job creation and economic vitality.

Workforce Development: Recognizing the importance of a skilled workforce, we collaborated with local school districts to develop programs that connect students with local businesses and provide our future residents with an understanding of and access to local jobs.

Financial Performance

In 2024, PCEDA maintained a strong financial position, allowing us to effectively carry out our mission and support economic development initiatives. Our revenue continues to revolve around foundational local support from the county government and project-based funding from a variety of grant sources. We endeavor to keep expenses low and stay mission-driven.

Outlook

Looking ahead, PCEDA remains committed to driving economic development in our community. We will continue to focus on the following priorities:

Strengthening Partnerships: We actively seek collaboration with local businesses, government agencies, educational institutions, and other community stakeholders to leverage their expertise and resources in support of economic development initiatives.

Program Expansion: We aim to expand our existing programs and develop new initiatives that address emerging needs and opportunities in our region. This includes enhancing support for entrepreneurs, attracting new industries, and promoting workforce development.

Financial Sustainability: We will maintain a strong focus on financial sustainability by diversifying our revenue sources, building strategic partnerships, and continuing sound financial management practices.

Financial highlights

Statement of Net Position – Modified Cash Basis	2024	2023	Change
Assets			
Cash and Cash equivalents unrestricted	$203,635	$80,992	$122,643
Cash and cash equivalents restricted	$7,253	$1,042	$6,211
Total current assets	$210,888	$82,471	$128,417
Liabilities			
Credit card payable	$210	$158	$52
Due to DCED	$1,603	0	$1,603
Total current liabilities	$1,813	$158	$1,655
Net position			
Restricted	$7,253	$1,479	$5,774
Unrestricted	$201,822	$80,834	$120,988
Net position	$209,075	$82,313	$126,762
Total Liabilities and net position	$210,888	$82,471	$128,417
Statement of Receipts, Disbursements and Changes in Net Position – Modified Cash Basis			
Operating Receipts	$446,051	$196,247	$249,804
Operating Disbursements and Depreciation	$319,293	$219,272	$100,021
Operating Income/(Loss)	$126,758	$(23,025)	$149,783
Nonoperating Receipts	$4	$1	$3
Change in Net Position	$126,762	$(23,024)	$149,786
Prior Period Adjustment			
Net Position – January 1	$82,313	$105,337	$(23,024)
Net Position – December 31	$209,075	$82,313	$126,762

Perry County Economic Development Authority
Statement of Net Position - Modified Cash Basis
Proprietary Fund
For the Year Ended December 31, 2024

ASSETS		
Current Assets		
Cash and Cash Equivalents - Unrestricted (Note 2)	$	203,635
Cash and Cash Equivalents - Restricted (Note 2)		7,253
Total Current Assets		210,888
TOTAL ASSETS	$	210,888
LIABILITIES and NET POSITION		
Current Liabilities		
Credit Card Payable	$	210
Due to DCED		1,603
Total Current Liabilities		1,813
Total Liabilities		1,813
NET POSITION		
Restricted		7,253
Unrestricted		201,822
Total Net Position		209,075
TOTAL LIABILITIES AND NET POSITION	$	210,888

The accompanying notes are an integral part
of these financial statements.

Perry County Economic Development Authority
Statement of Receipts, Disbursements and Change in Net Position - Modified Cash Basis
Proprietary Fund
For the Year Ended December 31, 2024

Operating Receipts		
Engage! Revenue	$	7,200
Miscellaneous Revenue		2,777
Government Grant Revenue		436,074
Total Operating Receipts		446,051
Operating Disbursements		
Salaries and Benefits		86,950
Payroll Taxes		6,978
Office Expenses		9,267
Downtown Revitalization Expenses		78,790
Perry County Fair		50,040
Facade Project		45,405
Branding		13,330
Miscellaneous		2,263
Insurance		951
Legal and Professional Fees		7,711
Advertising		13,507
Utilities		2,881
Training		1,220
Total Operating Disbursements		319,293
Operating Income - modified cash basis		126,758
Nonoperating Receipts (Disbursements)		
Earnings on Investments		4
Total Nonoperating Receipts		4
Change in Net Position		126,762
Net Position - January 1, 2024		82,313
Net Position - December 31, 2024	$	209,075

The accompanying notes are an integral part
of these financial statements.

Perry County Economic Development Authority
Statement of Cash Flows - Modified Cash Basis
Proprietary Fund
For the year ended December 31, 2024

Cash Flows from Operating Activities	
Cash received from Services and Fees	$ 446,051
Cash payments to Suppliers for Goods and Services	(317,638)
Net cash provided by operating activities	128,413
Cash Flows from Investing Activities:	
Investment Income	4
Net cash provided by investing activities	4
Net increase in cash and cash equivalents	128,417
Balances - beginning of the year	82,471
Balances - end of the year	$ 210,888

Reconciliation of operating income to net cash used by operating activities:	
Operating Income	$ 126,758
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
(Decrease)/Increase in liabilities	1,655
Net cash provided(used) by operating activities	$ 128,413

See the accompanying notes to the basic financial statements.

NOTE 1 - <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ORGANIZATION</u>

The financial statements of the Perry County Economic Development Authority (the Authority) have been prepared in conformity with the modified cash basis of accounting. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles.

A. *Description of Entity*

The Perry County Economic Development Authority was incorporated in 1973 by the Perry County Board of Commissioners.

The Perry County Economic Development Authority exists as a quasi-public entity and a subsidiary branch of the county government.

B. *Financial Reporting Entity*

The Governmental Accounting Standards Board (GASB) has developed criteria to determine what constitutes state and local governmental entities for financial reporting purposes. The GASB established basic criterion for including a governmental department, agency, institutions, commission, public authority or other governmental organization as a component unit in the governmental unit's reporting entity for combined financial statements. The specific criteria are as follows:

1. selection of governing authority,
2. designation of management,
3. ability to significantly influence operations,
4. accountability for fiscal matters,
5. scope of public service

There are no entities which are required to be included in these financial statements under Section 2100 of the Government Accounting Standards Board.

C. *Basis of Presentation*

<u>Government-wide Financial Statements:</u>
The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Authority does not have any governmental activities.

<u>Fund Financial Statements:</u>
Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The Authority has no governmental or fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Authority or meets the following criteria:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ORGANIZATION (Continued)

a. Total assets, liabilities, revenues, or expenditure/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the Authority are described below:

Proprietary Funds

Economic Development Fund
To foster economic development in Perry County.

Measurement Focus and Basis of Accounting

Accounting methods are described in terms of the measurement focus and basis of accounting.

Measurement focus is a term used to describe which transactions are recorded within the financial statements. Measurement focus is dictated by the principal objective of the accounting and reporting being presented.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

Measurement Focus

Fund financial statements are prepared utilizing the "current financial resources" measurement focus in governmental funds. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

All proprietary funds are accounted for using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures/expenses when they result from cash transactions. The organization recognizes current liabilities which is a deviation from the cash basis. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ORGANIZATION (Continued)

Assets, Liabilities, and Equity

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

Revenues, Expenditures, and Expenses

Revenues and expense are reflected on the modified cash basis of accounting. The Authority applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Revenue resulting from exchange transactions, those transactions in which each party receives essentially equal value, is recorded on the modified cash basis when the cash is received.

Non-exchange transactions, those in which the Authority receives value without giving equal value in return, for the Authority include grants. Revenue from grants and donations is recognized in the year in which they are received.

On the modified cash basis of accounting, expenses are recognized at the time they are paid.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through July 2, 2025, the date on which the report was available to be issued.

NOTE 2 - CASH

Custodial Credit Risk - Deposits

The table presented below is designed to disclose the level of custodial credit risk assumed by the Authority based upon how its deposits were insured or secured with collateral at December 31, 2024. The categories of custodial credit risk are defined as follows:

Category 1 -- Insured by Federal Deposit Insurance Corporation (FDIC) or collateralized with securities held by the Authority (or public trust) or by its agent in its name.

Category 2 - Uninsured but collateralized with securities held by the pledging financial institutions trust department or agent in the Authority's name.

Category 3 - Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Authority's name; or properly collateralized with no written and approved collateral agreement.

Primary Government

Type of Deposits	Total Bank Balance	1	2	3	Total Carrying Value
Insured deposits	$ 211,066	$ 211,066	$ -0-	$ -0-	
Uninsured deposits:					
Collateralized	-0-	-0-	-0-	-0-	
Uncollateralized	-0-	-0-	-0-	-0-	
Total Deposits	$211,066	$ 211,066	$-0-	$-0-	$ 210,888

Reconciliation to Statement of Net Position – Modified Cash Basis	
Cash and Cash Equivalents	$ 210,888
Outstanding Checks	178
Total Bank Balance	$ 211,066

There is a balance of $7,253 in restricted cash at December 31, 2024. This cash is restricted to be used in accordance with the Perry Hometowns project.

NOTE 3 - OPERATING LEASE

The Authority has a lease agreement with the Perry County Chamber of Commerce to use a portion of its building for its operations. The lease term began July 1, 2019 and is a 5-year lease. Monthly lease payments for the current year were $425. The total rent expense for 2024 was $5,225.