

2014 COUNTY OF BEAVER, PENNSYLVANIA

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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*FOR THE FISCAL YEAR ENDED*  
**DECEMBER 31, 2014**

*Beaver County*



*Office of Controller*

*PREPARED BY DAVID A. ROSSI, CONTROLLER*

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[www.beavercountypa.gov](http://www.beavercountypa.gov)

**COUNTY OF BEAVER, PENNSYLVANIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

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## **INTRODUCTORY SECTION**

DAVID A. ROSSI  
CONTROLLER



WILLIAM  
CALHOON  
DEPUTY CONTROLLER

ALBERT A.  
TORRENCE  
SOLICITOR

BEAVER COUNTY COURTHOUSE  
THIRD STREET 6 BEAVER, PENNSYLVANIA  
15009-2196  
TELEPHONE: Area Code 724-728-5700

June 29, 2015

## **TO THE CITIZENS OF BEAVER COUNTY**

I am pleased to present the 2014 Comprehensive Annual Financial Report (CAFRO) for Beaver County, Pennsylvania (the County).

The CAFR consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements and in conformity with generally accepted accounting principles (GAAP). As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's 2014 CAFR contains the government-wide financial statements and fund financial statements of the County as well as the financial data of the Beaver County Transit Authority and the Community College of Beaver County, the discretely presented component units (as defined by GAAP) that are a part of the County's reporting entity. The report is designed to provide information to various types of users, most importantly the residents of Beaver County, but also taxpayers, investors, creditors, governmental officials, and the general public. Its intent is to describe the County's financial position and the financial results of its operations as of and for the year ended December 31, 2014.

The County's financial statements have been audited by the certified public accounting firm The Binkley Kanavy Group, LLC. The auditors have issued an unqualified ("clean") opinion on the County's financial statements for the year ended December 31, 2014. The discretely presented component units have been audited by other auditors and the results of those audited financial statements are incorporated in summarized form in this report. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures presented in the financial statements, assessing the accounting principles used and significant estimates made by management, evaluating the overall financial statement estimates made by management, and evaluating the overall financial statement presentation.

The independent audit of the financial statements of the County is part of a broader, federally mandated "Single Audit" designed to meet the distinct needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and the legal requirements involving the administration of federal awards. These reports will be available in the County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis ("MD&A"). This letter of transmittal is to complement the MD&A and it should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

As further explained in the notes to the financial statements and in Management's Discussion and Analysis, the County sold its long-term care facility -Friendship Ridge- to a group of experienced private investors in 2014. The proceeds of this transaction allowed the County to regain financial stability and to focus entirely on its government functions, while reducing exposure to risks. We look forward to 2015 and beyond with optimism and conviction.



## ***PROFILE OF BEAVER COUNTY***

The County was formulated on March 12, 1800, from parts of Washington and Allegheny Counties. It is 435 square miles in size and chartered as a fourth class county under the County Code as passed by the General Assembly of the Commonwealth of Pennsylvania. The current population of the County is approximately 170,000. Beaver County is comprised of thirty boroughs, five first class townships, seventeen second class townships, and two third class cities. Rich in natural resources, its location along the Ohio and Beaver rivers gave Beaver County the ability to develop economically as one of the major industrial sites worldwide with steel being its major product. Beaver County rapidly developed as one of the major headquarters for manufacturing in the United States. After the decline of the steel industry in the early 1980s, the County redirected its efforts to develop its riverfronts for recreational, as well as industrial and commercial uses. Its close proximity to the Pittsburgh International Airport enables the County to market itself as a center for manufacturing and service industries. Beaver County also has educational outlets for residents with the Community College of Beaver County, Geneva College, and Penn State University, Beaver Campus. The County also has medical facilities available to its residents through Heritage Valley Health System and Med Express Urgent Care.

Beaver County's government structure consists of a three-member Board of Commissioners that performs all legislative and executive functions. The Treasurer is elected to collect taxes and invest County funds. The Court of Common Pleas is the judicial arm of county government. There are seven judges that preside over the Court of Common Pleas. Other court related Row Officers are the District Attorney, Clerk of Courts, Coroner, Prothonotary, Sheriff, Register of Wills, Clerk of the Orphans Court, Recorder of Deeds, and the Jury Commissioners.

All elected officials serve four-year terms with the exception of the Judges who are elected to ten-year terms and are subject to a retention vote upon nearing expiration of their term.

The County provides a full range of services to its citizens, ranging from health care to law enforcement and from the construction and maintenance of infrastructure to recreational activities and cultural events. The County also provides funding and aid to the Beaver County Transit Authority and the Community College of Beaver County, legally separate entities which have been included as an integral part of the County's financial statements. Additional information on these entities can be found in Note A of the financial statements. Smaller subsidies are also provided to numerous local benefic organizations.

## ***PROFILE OF BEAVER COUNTY – (Continued)***

Under the provisions of the Fourth Class County Code, the Controller is responsible for prescribing the method of financial reporting, auditing, and for payment of the County's financial obligations. The Controller is the supervisor of the budget and a member of the Prison Board, the Salary Board and the Retirement Board. As supervisor of the County's budget, the Controller is responsible for monitoring the departmental line items on a daily basis as well as preparing a preliminary budget for the Board of Commissioners' approval. The budget process begins during the summer with each department receiving a budget request form to formally request operating allocations for the following fiscal year. Each department is required to submit the completed budget forms in order for the Controller to prepare a preliminary budget for presentation. The Board of Commissioners reviews this preliminary budget with each department manager in open, public meetings. Once a final budget is prepared, it is publicly displayed for twenty days prior to final adoption by the Board of Commissioners. The date for final action on the budget's adoption must be made a matter of public notice for at least ten days prior to the Commissioners' approval at a public meeting. Since 2012 the County approves projected budgets for two years beyond the current year's legally adopted budget.

Beaver County's local employment figures continue to improve, however not at the pace of the average unemployment rates of Pennsylvania and the country overall. The area's seasonally adjusted unemployment rate for April 2015 is 6.3%, as compared to the national and the Commonwealth's unemployment rates of 5.4% and 5.3%, respectively. The decrease in the local unemployment rate over the past year stems in part from the dedicated effort of elected officials and committed citizens alike to face the realities of shrinking funding. Another year has passed and, once again, the County was able to reduce its workforce where possible through the implementation of innovative efficiencies. The sale of Friendship Ridge put a halt to local taxpayer-funded subsidies that this facility was in need of over the past few years. Savings in other areas were also achieved. As detailed in Management's Discussion and Analysis, in 2014 the County entered into an eight-year lease agreement with Penn Energy Resources for oil and gas drilling in Brush Creek Park and Economy Park. Royalties on oil and gas production may follow throughout the lease period. In addition, for the third year in a row, the County collected revenues (impact fees) from the natural gas and oil drilling activities that take place locally.

In 2014, the County Commissioners, for the sixth consecutive year, did not raise the millage rate. Also during 2014, the assessed value of taxable real property grew by \$17 million to \$2.157 billion, according to assessment records. The County's estimated total real estate market value exceeds \$6.8 billion.

## ***PROFILE OF BEAVER COUNTY – (Continued)***

Efforts must continue without pause, however, as both federal and Pennsylvania's authorities have implemented and continue planning further budget cuts that directly affect our government and the citizens it serves. The area of human services is particularly affected by these measures as most of the funding received in these departments is dictated at a federal or state level. Other County-run offices have to continuously think of creative measures that allow them to meet the needs of our citizens with fewer resources. We can proudly state that no child, no elderly person, no ill or otherwise needy individual of Beaver County went unattended by our County government offices. Many departments have been consciously looking for new and innovative ways to receive additional funding, in ways of one-time, specific grants or an increase in funding at the local level by way of an intergovernmental agreement.

## ***PRESENT ECONOMIC ACHIEVEMENTS***

Through the efforts of organizations such as the Beaver County Corporation for Economic Development (CED), which is partially funded by the County), the Redevelopment Authority of Beaver County (RABC), and the Community Development Program of Beaver County (a County agency), projects have been undertaken that enhance the Beaver County economy. In each one of these projects the objective is always the same, to make Beaver County a better place to live in.

Summarized below are some of these activities along with the businesses involved in them.

### **Chalmers & Kubeck**

Chalmers & Kubeck is one of the largest independently owned machine shops, with twelve locations operating in ten states. Based in Aston, Pennsylvania, the firm specializes in ISO 9001 certified manufacturing, repair and maintenance services for industrial pumps, turbines, gearboxes, compressors, and industrial valves. The firm's main focus includes safety relief valve services, value testing capabilities for steam, air, gas, and water handling equipment, with their capabilities ranging from welding and fabrication to OEM manufacturing.

The company searched for a location in eastern Ohio or western Pennsylvania that was suitable to expand its service and support territory for its new relationship with General Electric to provide relief valve product lines. Expanding west of its existing service territory would also enhance growth opportunities. The former Armstrong World Industries facility located in Beaver Falls was identified as the most favorable location. After being vacant for several years, extensive repairs had to be completed before Chalmers & Kubeck could operate inside.

## ***PRESENT ECONOMIC ACHIEVEMENTS – (Continued)***

### Chalmers & Kubeck ó (cont.)

Over \$3.5 million was invested by Chalmers & Kubeck to upgrade electrical service, new insulation, lighting, overhead crane service, new offices, machine shop equipment, inventory, paving, and code compliance. CED assisted the company by offering a comprehensive array of incentive-based Commonwealth support. Included in the offer was \$100,000 in Job Creation Tax Credits, \$500,000 Enterprise Zone Tax Credit, \$22,500 from the Guaranteed Free Training Program, and a \$100,000 Pennsylvania First Program grant. Lastly, the company projects to hire 53 new employees at the location.

### Esmark

Esmark Realty, a Sewickley, Pennsylvania, based commercial real estate developer, purchased 6.3 acres of the Hopewell Business and Industrial Park, in Hopewell Township. The commercial real estate developer plans to invest \$6 million and construct a 40,000 square feet, three story office building at this location.

The anchor tenant will feature the Heritage Valley Health System's medical mall. This concept offers patients their primary care access, as well as ambulatory and diagnostic services. The Health System's walk-in clinic services, laboratory draw site, and rehabilitation services will be provided at this location. The Heritage Valley Health System facility will create up to ten new jobs.

Additionally, there will be 10,000 square feet of speculative space available for other businesses to occupy. Based on similar experience, Esmark estimates that may attract companies with hiring needs of 15 to 25 employees.

### Minuteman Press

Minuteman Press is a locally owned and operated national franchise commercial print shop, located in Beaver Falls. The print shop offers full marketing and brand awareness support to area businesses. Minuteman Press plans to purchase its leased premises, as well as a vacant and adjacent storefront to create increased production activity and improve the current work flow.

CED approved a \$62,500 Business Development Fund matching loan, which will be used to assist in the acquisition and renovation of the properties. This project will retain four jobs and create an additional three positions, as well as help to stabilize the Beaver Falls central business district.

## ***PRESENT ECONOMIC ACHIEVEMENTS – (Continued)***

### Hopewell Business and Industrial Park

During 2014, construction on the third and most recent expansion phase at CED's first industrial park was completed. Located in Hopewell Township, work was done to prepare two additional development pads, which total fourteen acres. The project, which had a cost of \$1 million, was financed, in part, by a \$250,000 Redevelopment Assistance Capital Program grant.

### Hussey Copper

Hussey Copper, located in Leetsdale Borough on the Allegheny and Beaver County line, is undertaking a \$10 million, multi-year plant infrastructure upgrade to its plate production and copper coil site. The copper company is expanding beyond the commodity market to introduce a touch surface anti-microbial copper-based consumer product line. This consumer product line will kill 99.9% of infectious bacteria on door handles, push plates, railings, plumbing, and other such fixtures. Hussey Copper will be the first vertically integrated copper producer with a complete line of antimicrobial products. The expanding plant line capability supports the creation of 34 new jobs, as well as the retention of 273 current jobs. The Commonwealth offered a \$500,000 PA Enterprise Zone Tax Credit with CED assistance provided to support and encourage the multi-million dollar investment.

### Ingro Family, LLC

Based in Beaver Borough, this real estate company purchased a 1.2 acre site to construct a 20,000 square foot, three story office building. Ingro Family, LLC has common ownership with Fort McIntosh Wealth Advisors, which is an affiliate of Raymond James Financial, Inc. The firm plans to occupy the top floor and will market the remaining space to tenants in need of business offices.

The project is estimated to cost \$4.8 million and CED assisted the developer in applying for an Enterprise Zone Tax Credit. One of the main challenges with the construction was designing the building in a manner respecting its high visibility location in Beaver's National Historic District. Construction on this project started late in the summer of 2014. The owner expected to add ten new employees as it grows into the expanded offices and they have estimated that an additional 40 to 50 jobs will fill the remaining spaces.

### Lincoln Park Performing Arts Center

The Performing Arts Center signed a lease to occupy a 30,000 square foot portion of CED's Commerce Center, located in Monaca. They plan to use the space for custom design, construction, maintenance, storage and future leasing of stage sets and scenery for theatrical performances. Six employees will operate and help serve county and regional schools, community theater, and professional performances.

## ***PRESENT ECONOMIC ACHIEVEMENTS – (Continued)***

### **Middleton Properties West, LLC**

Located in Aliquippa, Middleton Properties West, LLC, purchased the former 250,000 square foot LTV Seamless Annex building, which is located on twenty acres in the Aliquippa Industrial Park. The Toronto-based company developed GTG Carbons in a portion of the facility. GTG Carbons engages in importing bulk graphite for processing, resizing, and distributing to US manufacturers. The balance of the 250,000 square foot building is fully committed as a public warehouse, which services various gas drilling firms for warehousing, staging, and supplying materials to local pad sites.

The company currently employs 17 at the Aliquippa location, with plans to further grow the business by refurbishing an idle short-haul rail spur that services the property.

## ***OTHER ECONOMIC DEVELOPMENTS***

### **Bridges and Other Infrastructure**

Managed by the Beaver County Liquid Fuels Department, the Veteransø Memorial Bridge connecting Fallston with New Brighton opened to the public in May of 2014. This project, which is entirely financed with federal and state revenue funds, also included planning and relocation of surrounding infrastructure in order to maintain coherence in the affected communities. The new bridge accommodates a much larger vehicular load and provides for much more fluid communication between communities across the Beaver River than the bridge it is replacing. See Managementø Discussion and Analysis for more information.

The Beaver County Planning Commission (øBCPCö) reviews land developments for the County. During 2014, the BCPC was directly responsible for turning open or abandoned land into developed commercial, industrial, and residential sites at Beaver Borough, Brighton Township, Center Township, and Harmony Township.

The Community Development Program of Beaver County through its federally-funded Community Development Block Grant program has provided the resources and administration for several water projects throughout the County. These are the Aliquippa Municipal Water Authority Adams waterline replacement, the Beaver Falls Municipal Authority Eagle Rock Road waterline project, and the Midland Municipal Authority West End Hydrants project.

The County has collected more than \$640,000 in 2014 related to impact fees and Act 13 Marcellus Shale Allocation monies, which are reserved for capital asset investments favoring the Countyø communities.

## ***OTHER ECONOMIC DEVELOPMENTS – (Continued)***

### **Shell Ethane Cracker Plant**

In March 2012, Shell Chemical announced that a site in Potter Township was selected as a possible future location for an ethane cracker plant (a process that turns oil and gas into ethylene, a compound used in the plastics industry). If Shell builds the \$2.5 billion proposed plant in Beaver County, it could result in as many as 600 direct jobs and approximately 10,000 indirect jobs. During 2014, additional events took place regarding the potential for this chemical plant. Shell moved forward with its preliminary work on the proposed site throughout the year so it can quickly proceed if a final construction investment is made. Visible changes, such as the demolition of previous property, can be seen at the site. Also throughout the year, Shell spent over three million dollars to purchase properties near the proposed chemical plant's site. While many estimate that between \$10 and \$30 million have been spent by Shell in the region so far, officials have not disclosed the actual figures. In September 2014, Shell filed a permit with the U.S. Army Corps of Engineers to build two docks and at least twenty-four smaller structures used to moor barges near the proposed facility's site. On June 15, 2015, Shell exercised its option to purchase the site, although operating permits are still being pursued with federal and state agencies. Therefore, the company still declined to reveal concrete plans to construct and operate in Beaver County.

### **Emergency Services**

Beaver County Emergency Services upgraded its Computer Aided Dispatch (CAD) software so that it is now accessible on tablets, smartphones, and various internet browsers. The total cost for this project in 2014 was approximately \$400,000, which was partially funded through the Wireless 9-1-1 surcharge and by the County.

### **Office on Aging**

Beaver County's Office on Aging was awarded a \$35,180 grant from the Pennsylvania Department of Aging for its "Center at the Mall" location. New exercise equipment and the improvements to the air kit in the fitness center were purchased as a result of this grant.

### **Waste Management**

In 2014, the County purchased a Shred Truck to replace the previously outsourced shredding of documents services. Waste Management is now handling all of the County's shredding needs and, additionally, the County is able to report shredded tonnages annually to the Pennsylvania Department of Environmental Protection, which provides for a grant on various recyclable material tonnages. Previously, outsourced shredded materials did not provide for grant funding to the County. Additionally, increasing the paper tonnages that are recycled in the County will reflect higher dollars on the reimbursement provided by the state agency.

## ***OTHER ECONOMIC DEVELOPMENTS – (Continued)***

### **Marcellus Shale**

Marcellus Shale is a unit of marine sedimentary rock found in eastern North America. Named for a distinctive outcrop near the village of Marcellus, New York, in the United States, it extends throughout much of the Appalachian Basin. The shale contains largely untapped natural gas reserves, and its proximity to the high-demand markets along the East Coast of the United States makes it an attractive target for energy development.

The production of natural gas from Marcellus Shale is important because it produces a clean-burning Pennsylvania-based energy source in an environmentally sound manner. The trend encompasses 104,000 square miles through Pennsylvania, West Virginia, Ohio, and New York. Billions of dollars have already been invested in Pennsylvania for well drilling, lease and land acquisition, infrastructure development and community partnerships. The natural gas production provides economic benefits to many communities across the Commonwealth, with some of those communities located right here in Beaver County.

In 2014, Beaver County received fifty Act 14 notifications related to gas drilling. Act 14, as amended, states that the Pennsylvania Department of Environmental Protection requires that all applicants for non-mining environmental permits give written notice to each municipality in which they are located. These notices are then forwarded to the Beaver County Planning Commission for review.

We can soon expect Utica Source Rock extraction activity to take place in Beaver County. The County rests on top of the Utica Source Rock, which is a geological formation rich in crude oil. There are many extraction technologies that have been rapidly advancing in recent years.

### **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Beaver County for its comprehensive annual financial report for the fiscal year ended December 31, 2013, the seventeenth consecutive year this recognition has been granted. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. Additionally, the report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



## **CONTROLLER'S CLOSING REMARKS**

The information that is presented in this report reflects the cooperation and unified efforts of all elected and appointed officials and department heads to provide the best possible services to the residents of Beaver County. By exercising prudent business practices and fiscally responsible decision-making, the County is able to offer many programs and extend financial assistance to those individuals and organizations that qualify. The administration and management of the County are to accomplish a professional business environment while always keeping the needs of the citizens served in mind.

The County continues in its efforts to obtain outside funding available for mandated programs and services so as to avoid a local cost whenever possible. A determination to trim costs wherever possible is an ongoing effort of elected officials, department directors, and employees in general.

## **ACKNOWLEDGEMENTS**

The presentation of this report on a timely basis would not have been possible without the efficient and dedicated services of many individuals. I wish to extend appreciation to the County's other elected and appointed officials, department heads, and all members of the departments who assisted and contributed to this report. Lastly, I wish to express appreciation and gratitude towards my staff for their continued dedication in the preparation of this report. This report and additional County information may be reviewed online by visiting our website at <http://www.beavercountypa.gov/>.

Respectfully,



David A. Rossi  
Beaver County Controller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Beaver**  
**Pennsylvania**

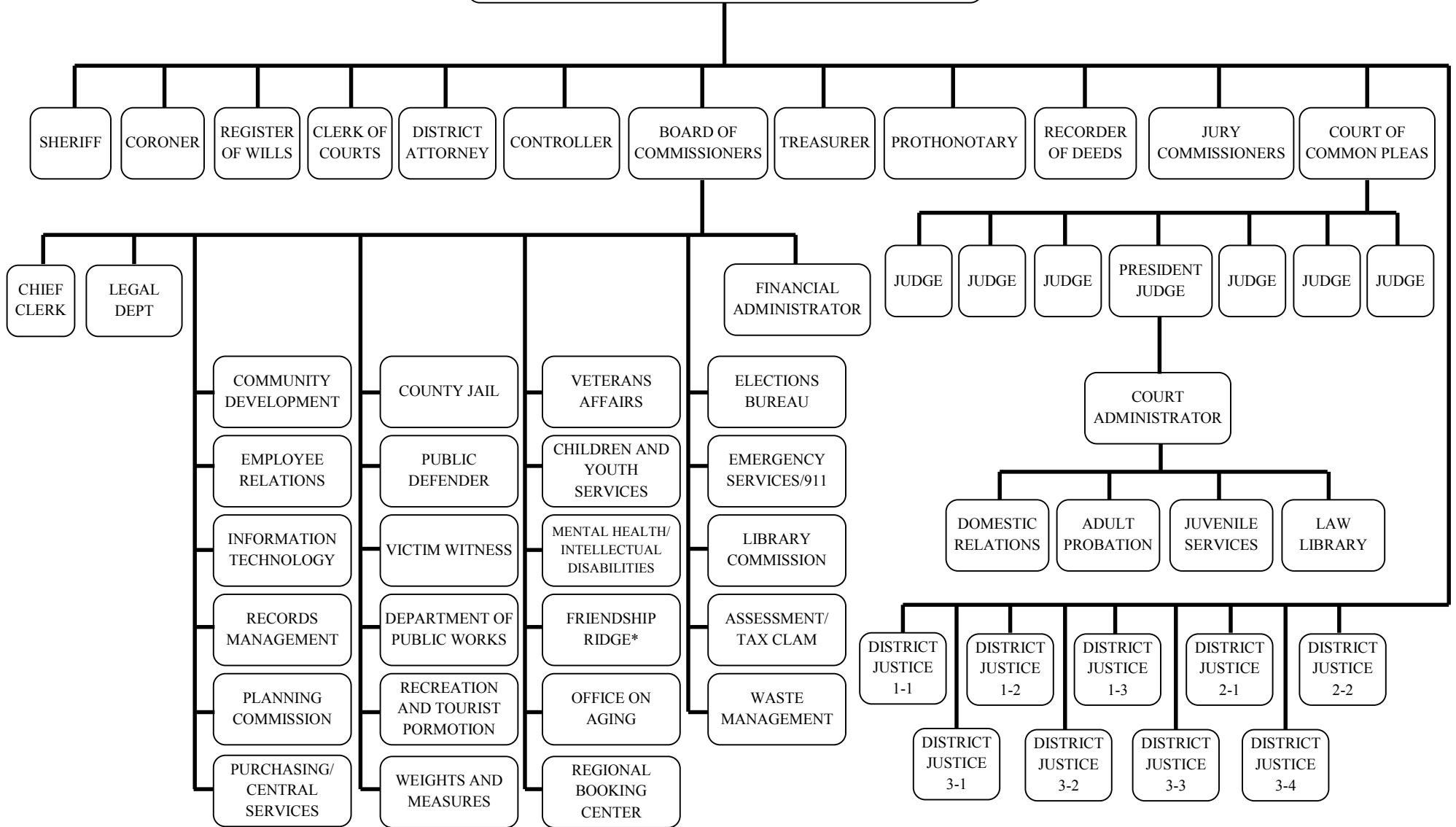
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO

# ORGANIZATION CHART

## ELECTORATE OF BEAVER COUNTY



\*Friendship Ridge was disposed of as of March 1, 2014

# COUNTY OF BEAVER, PENNSYLVANIA

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## Elected Officials

Board of Commissioners	Anthony Amadio, Chairman	
	Joseph Spanik	
	Dennis Nichols	
Clerk of Courts	Judy R. Enslin	
Controller	David A. Rossi	
Coroner	Teri Tatalovich	
Court of Common Pleas	Hon. John D. McBride	
	Hon. C. Gus Kwidis	
	Hon. Richard Mancini	
	Hon. James J. Ross	
	Hon. Deborah Kunselman	
	Hon. Kim Tesla	
	Hon. Harry Knafelc	
District Attorney	Anthony J. Berosh	
District Justices	Hon. Andrew M. Hladio	36-01-01
	Hon. William Livingston	36-01-02
	Hon. James DiBenedetto	36-01-03
	Hon. Edward C. Howe	36-02-01
	Hon. Tim Finn	36-02-02
	Hon. Dale Nicholson	36-03-01
	Hon. C. Douglas Loughner	36-03-02
	Hon. Joseph Schafer	36-03-03
	Hon. Janet Swihart	36-03-04
Jury Commissioners	Shelly Blythe	
	Tamara Golletti	
Prothonotary	Nancy C. Werne	
Recorder of Deeds	Janice Jeschke Beall	
Register of Wills	Carol R. Fiorucci*	
Sheriff	George J. David	
Treasurer	Connie T. Javens	

\*Paula F. Boyd was named as provisional replacement following the death of Carol R. Fiorucci effective March 14, 2015

# COUNTY OF BEAVER, PENNSYLVANIA

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## Department Managers

Adult Probation	Don Neill
Assessment / Tax Claim	Michael Kohlman
Chief Clerk	Tracey Patton
Chief of Staff***	Vince LaValle
Children & Youth Services	Dayna Revay
Community Development	Lisa Signore
County Jail	William Schouppe
Court Administrator	Richard DeFilippi
Department of Public Works	James Camp
Domestic Relations	Joe Signore
Elections Bureau	Dorene Mandity
Emergency Services / 911	Wes Hill
Employee Relations	Richard Darbut
Friendship Ridge	As assigned*
Information Technology	Vince LaValle
Juvenile Services	Gary Rosatelli
Law Library	Judy Volkmar****
Legal Department	Joseph Askar**
Library Commission	Jodi Oliver
Mental Health / Intellectual Disabilities	Gerard Mike
Office on Aging	Linda Hall*****
Planning Commission	Frank Mancini
Public Defender	Paul Steff
Purchasing / Central Services	Vince LaValle
Records Management	Vince LaValle
Recreation and Tourist Promotion	Tim Ishman
Regional Booking Center	Jay Alstadt
Veterans Affairs	Kathy Nairn
Victim Witness	Steve Jurich
Waste Management	Holly Nicely
Weights and Measures	Ron Zuccaro

\*Contract with Premier Healthcare Resources; facility disposed of as of March 1, 2014

\*\*Effective January 8, 2015, Joseph Askar stepped down as department manager and was replaced by Bernard Rabik

\*\*\*Formally known as Financial Administrator, changed in late 2014

\*\*\*\* In March 2015, Bette Dengel retired and Judy Volkmar became interim department manager

\*\*\*\*\*In April 2015, Beverly Sullivan retired and Linda Hall became the department manager

# COUNTY OF BEAVER, PENNSYLVANIA

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## **Elected Officials**

### ***Board of Commissioners***

The Commissioners are the chief executive officers of the County. They are responsible for all legislative and administrative functions of the County.

### ***Clerk of Courts***

The Clerk of Courts is the chief clerk of the Court of Common Pleas. The Clerk of Courts is responsible for maintaining court records and collecting all court related fines and fees.

### ***Controller***

The Controller is the chief financial officer of the County who is responsible for supervising the budget, financial reporting, auditing and accounts payable. In addition, the Controller sits on several boards and is responsible for many administrative functions relating to those boards.

### ***Coroner***

The Coroner is responsible for inquiries/inquests relating to wrongful and/or suspicious deaths for the County.

### ***Court of Common Pleas***

There are seven judges that preside over the Court of Common Pleas within Beaver County. They are responsible for hearing cases and legal decisions in addition to overseeing the court system of Beaver County.

### ***District Attorney***

The District Attorney is the chief prosecutor for the County.

### ***District Justices***

There are nine District Justices within Beaver County that are established by district. They are responsible for arraignments, hearing minor claims, and traffic violations within Beaver County.

### ***Jury Commissioners***

The Jury Commissioners are responsible for the jury selection process on behalf of the Court of Common Pleas.

### ***Prothonotary***

The Prothonotary is responsible for maintaining court records and filings relating to divorce and other civil court cases, for filing financial statements and liens, and for issuing passports.

### ***Recorder of Deeds***

The Recorder of Deeds is responsible for the official filing of all property transfers within the County. This includes recordation of mortgages as well as deeds for properties sold.

# COUNTY OF BEAVER, PENNSYLVANIA

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## **Elected Officials** – (Continued)

### ***Register of Wills***

The Register of Wills is responsible for issuing marriage licenses, legal filings of estates and for collecting estate taxes.

### ***Sheriff***

The Sheriff's Department supports law enforcement, offers internal protective services, assists with sales through real estate foreclosures, issues firearms and other permits, posts certain statutorily-required notices, transports prisoners, and offers several other services to the County's residents.

### ***Treasurer***

The Treasurer is responsible for collecting taxes levied by the County, investing County funds and for issuing dog permits and licenses for small games of chance.

# COUNTY OF BEAVER, PENNSYLVANIA

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## **Department Descriptions**

### ***Adult Probation***

This office administers the probation procedures as established by the court system. The office is responsible for monitoring adult individuals who are serving court-mandated probation in addition to administering state and federal grants that are received for such purposes.

### ***Assessment / Tax Claim***

This office is responsible for enforcing taxes levied by the Board of Commissioners for real estate. It assesses all properties within the County and manages the tax system.

### ***Chief Clerk***

The Chief Clerk is responsible for preparing and maintaining official records of the County.

### ***Chief of Staff***

The Chief of Staff is responsible for the preparation of the County's budget and managing the County's financial processes.

### ***Children and Youth Services***

This agency oversees the programs which the County provides under grants awarded by the Commonwealth and Federal governments for the welfare of children. The agency provides families, as well as children, with various services such as counseling and foster care.

### ***Community Development***

This department is responsible for the administration of Federal and Commonwealth grants that are provided to the County for various programs. These programs assist in private and public development and improvement such as main street renovations and infrastructure repairs.

### ***County Jail***

The jail serves as a detention center for individuals awaiting trial or sentenced to serve time for minor violations or on work release programs mandated by the court.

### ***Court Administrator***

This administrative office of the court manages the court system within Beaver County. This entails all activities and responsibilities of the court system, as well as the offices that are responsible for those activities.

### ***Department of Public Works***

This department manages various County projects, parks, road maintenance, rodent control, buildings and grounds, and minor repairs.

### ***Domestic Relations***

This court related office is responsible for providing and managing services that are under the auspices of the court system regarding domestic (family) problems and court-related situations.



# COUNTY OF BEAVER, PENNSYLVANIA

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## **Department Descriptions - (Continued)**

### ***Elections Bureau***

This office is responsible for all activities involving primary, general and special elections within Beaver County.

### ***Emergency Services / 911***

This office is responsible for managing and administrating all activities that pertain to emergency situations affecting Beaver County. The 911 Center of Beaver County is under this jurisdiction.

### ***Employee Relations***

This department is responsible for all activities pertaining to human resources for Beaver County. Included in this array of services are payroll, employee hiring, discharge, rehabilitation efforts, administrating Equal Employment Opportunities Commission compliance, and labor relations activities.

### ***Friendship Ridge***

This is the County-owned facility that accommodates individuals in need of long-term health care. This facility has been disposed of effective March 1, 2014.

### ***Information Technology***

This office is responsible for managing information services which are provided for the County. The department provides technical services and support for various hardware and software programs in operation as well as communication systems. The department also directs the central telephone system.

### ***Juvenile Services***

This department is responsible for overseeing the probation activities relating to minors/juveniles ordered into probation programs through the court system.

### ***Law Library***

This department is a Pennsylvania legal practice library. It is also equipped for federal practice.

### ***Legal Department***

This department acts as general legal counsel for the Board of Commissioners.

### ***Library Commission***

The commission administers the library system of Beaver County. The system is composed of ten member libraries and a bookmobile. Each library is responsible for managing its own budget and is supported by Federal, Commonwealth, and County funds.

# COUNTY OF BEAVER, PENNSYLVANIA

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## **Department Descriptions - (Continued)**

### ***Mental Health / Intellectual Disabilities***

This agency provides services for individuals needing assistance due to dependencies or addictions to controlled substances and alcohol abuse. The services provided are mental health, intellectual disabilities, and drug and alcohol programs in forms of self-help and advocacy organizations. They also provide counseling, case management, prevention/intervention, outpatient and inpatient services, and treatment. The agency is able to provide such services through grants offered by Federal, Commonwealth and County funding.

### ***Office on Aging***

This agency is responsible for administrating all programs provided by Beaver County to senior citizens. The types of services include but are not limited to: information and referral, care management, homemaker service, personal and attendant care, adult day care, respite care and ombudsman services. This agency is able to provide services through funding primarily provided by the Federal and Commonwealth governments.

### ***Planning Commission***

This department is responsible for helping the public shape the kinds of communities desired. Part of this job is done through zoning, division of land into various uses to avoid nuisances and promote a healthy and orderly development. Zoning is a tool, but is not in itself planning. Planning involves many such tools, including economic and demographic analysis, natural and cultural resource evaluation, goal setting, land use regulation, and strategic planning.

### ***Public Defender***

The Public Defender is responsible for providing legal services to indigent individuals as required by the Courts.

### ***Purchasing / Central Services***

This department is responsible for all procurement for the County. In addition, it is responsible for maintaining all records for capital assets.

### ***Records Management***

This department provides microfilming and electronic data scanning services as well as record maintenance assistance to all Beaver County offices.

### ***Recreation and Tourist Promotion***

This department is responsible for administrating all recreational programs offered by the County, management of the County's recreational facilities, and promoting tourism within the County.

### ***Regional Booking Center***

This department operates under the auspices of the Sheriff's Department. It serves the purpose of identifying and processing individuals/prisoners as well as issuing emergency protection from abuse orders. Fees collected are to be used solely for the operations and maintenance of the Regional Booking Center.

# COUNTY OF BEAVER, PENNSYLVANIA

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## **Department Descriptions – (Continued)**

### ***Veterans Affairs***

This department provides services and information to veterans and their families concerning benefits and it administers the Federal, Commonwealth, and County laws pertaining to burial of deceased veterans and their spouses.

### ***Victim Witness***

This department operates under the auspices of the District Attorney's Office. It provides assistance to individuals that had been victimized by a crime or witnessed a crime.

### ***Waste Management***

This department manages the recycling program for Beaver County.

### ***Weights and Measures***

This department is responsible for the testing and review of all weighing and measuring devices both public and private within Beaver County and for offering the necessary certifications of compliance.

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# **FINANCIAL SECTION**

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

The Board of County Commissioners  
and the Beaver County Controller  
County of Beaver  
Beaver, Pennsylvania

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Beaver, Pennsylvania (the County), as of and for the year ended December 31, 2014, (with the aggregate discretely presented component units as of and for the year ended June 30, 2014) and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Beaver County Transit Authority (BCTA) and the Community College of Beaver County (CCBC) as of and for the year ended June 30, 2014, which represent 100 percent of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for BCTA and CCBC are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2014, (with the aggregate discretely presented component units as of June 30, 2014) and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the pension benefits schedules, and budgetary comparison information, as listed in the table of contents as required supplemental information, 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 responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, other supplemental information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information as listed in the table of contents 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. Such 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 by us. In our opinion, based on our audit, the procedures performed as described above, the other supplemental information in the financial section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*The Binkley Kanavy Group, LLC*

Certified Public Accountants  
Pittsburgh, Pennsylvania  
June 29, 2015

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of the County of Beaver (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

## Financial Highlights of the Year Ended December 31, 2014

- The County's long-term care facility -Friendship Ridge- was sold to a private entity. The transfer of assets and operations took place on March 1, 2014. As such, Friendship Ridge ceased being a part of the County at that time. The transaction yielded a gain that was recognized as \$26,579,663 on the General Fund's Statement of Revenues, Expenditures, and Changes in Fund Balance (without consideration for capital assets) and as \$13,245,838 on the government-wide Statement of Activities. Additional information about this event can be found in Note N to the financial statements.
- The Pension Trust Fund experienced a positive rate of return on investments for a sixth consecutive year. The fund's net position, however, decreased slightly due to mass retirements taking place as a result of Friendship Ridge's disposal from County operations.
- The General Fund incurred a financial match responsibility of approximately \$3.9 million for its human and community services funded primarily through state and federal grants and entitlements. The equivalent amount for 2013 was about \$3.1 million.
- The County issued a \$6 million Tax Revenue Anticipation Note on January 2, 2014, to provide for short-term financing needs. This note was repaid prior to December 31, 2014.
- The County's overall long-term debt was reduced by about \$4.9 million during the year. This marks the fifth consecutive year of reductions in long-term debt.
- The largest construction project under County government in over sixty years was concluded during 2014, the Veterans Memorial Bridge. At a total cost of approximately \$29 million, this modern passage links the east and west sides of the Beaver River.
- Funding from intergovernmental sources continues to decline in certain areas. The Community Development Program of Beaver County recorded revenues 14.2% lower than in 2013. Despite the budgetary constraints, needs of the community have been met.
- Approximately \$2.8 million in prepaid lease revenue was collected by the General Fund for oil and gas exploration and drilling activities to take place over eight years on County-owned land. The amount received is for close to 1,000 acres of real estate.
- Expenditures of the General Fund exceeded revenues by about \$5.8 million.
- An investment of about \$220,000 was made to renovate the County's parks infrastructure. The project is ongoing in 2015.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

## 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 financial information on the entire County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. 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 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these 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 are general government; judicial; public safety; public works and enterprise; culture, recreation and conservation; human services; and economic development. Friendship Ridge was the County's only business-type activity (disposed of on March 1, 2014).

The government-wide financial statements include not only the County itself (known as the *primary government*), but also two legally separate entities, the Beaver County Transit Authority and the Community College of Beaver County, for which the County provides subsidies and appoints their boards. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 42-43 of this report.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## **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 three categories: governmental funds, proprietary funds, and fiduciary funds.

### ***Governmental funds***

This fund grouping is 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 fund 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 fiscal year. Such information may be useful in evaluating a government'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 *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Immediately following both the governmental funds' Balance Sheet and the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balances, is a statement that provides a reconciliation to facilitate a comparison between *governmental funds* and *governmental activities*.

The County maintains nineteen 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 Balance for the General Fund, Mental Health / Intellectual Disabilities, Children & Youth, Community Development, and the HealthChoices Fund, all of which are considered to be major funds. Data from the other fourteen governmental funds are combined into a single aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules. The County adopts an annual appropriated budget for each of its governmental funds.

The basic governmental funds' financial statements can be found on pages 44-47 of this report. The combining and individual fund schedules for the non-major governmental funds are presented following the required supplementary information. They can be found on pages 156-159 of this report.

### ***Proprietary funds***

The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County used an enterprise fund to account for the transactions and balances of Friendship Ridge. *Internal service funds* are used to accumulate and allocate costs internally among the County's various functions.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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The County uses Internal Service Funds to account for the medical benefits of the County's employees and to account for workers' compensation costs. Because this service predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as is presented on the government-wide financial statements, only in more detail. The proprietary funds' financial statements provide separate information for Friendship Ridge, which is considered to be a major fund. The proprietary funds' financial statements also provide separate information for the County's Internal Service Funds.

The basic proprietary funds' financial statements can be found on pages 48-50 of this report. The combining financial statements for the internal service funds can be found on pages 173-175 of this report.

## ***Fiduciary funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the reporting government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 51-52 of this report.

## **Notes to the 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 53-123 of this report.

## **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules for the General Fund and other major governmental funds. Required supplementary information can be found on pages 125-134 of this report.

## **Government-wide Financial Analysis**

This analysis focuses on the *primary government*, as defined on page 29. Separate financial statements for the County's component units, including their management's discussion and analysis, can be obtained from the component units at the addresses disclosed in Note A.

# MANAGEMENT’S DISCUSSION AND ANALYSIS

## Analysis of Net Position

As noted earlier, net position is a useful indicator of a government’s financial position. For the County’s governmental activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$37,834,537 at December 31, 2014 and assets exceed liabilities and deferred inflows of resources by \$29,146,510 at December 31, 2013.

The following is a summary of the County’s Statement of Net Position (in thousands) as of December 31, 2014 and 2013:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Assets:						
Current and Other Assets	\$ 72,507	\$ 65,050	\$ -	\$ 10,439	\$ 72,507	\$ 75,489
Capital Assets	<u>116,322</u>	<u>116,484</u>	<u>-</u>	<u>13,594</u>	<u>116,322</u>	<u>130,078</u>
<b>Total Assets</b>	188,829	181,534	-	24,033	188,829	205,567
<b>Total Deferred Outflows of Resources</b>						
	<u>794</u>	<u>797</u>	<u>-</u>	<u>149</u>	<u>794</u>	<u>946</u>
Liabilities:						
Long-Term Liabilities	\$ 128,743	\$ 117,479	\$ -	\$ 16,367	\$ 128,743	\$ 133,846
Other Liabilities	<u>23,046</u>	<u>35,706</u>	<u>-</u>	<u>5,857</u>	<u>23,046</u>	<u>41,563</u>
<b>Total Liabilities</b>	151,789	153,185	-	22,224	151,789	175,409
Net Position:						
Net Investment in Capital Assets	18,950	21,120	-	7,272	18,950	28,392
Restricted	25,855	17,268	-	-	25,855	17,268
Unrestricted	<u>(6,970)</u>	<u>(9,242)</u>	<u>-</u>	<u>(5,313)</u>	<u>(6,970)</u>	<u>(14,555)</u>
<b>Total Net Position</b>	<u>\$ 37,835</u>	<u>\$ 29,146</u>	<u>\$ -</u>	<u>\$ 1,959</u>	<u>\$ 37,835</u>	<u>\$ 31,105</u>

A significant portion of the County’s net position is largely restricted for programs of human services and for capital projects.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## County of Beaver's Statement of Activities (in thousands)

The following summarizes the County's Statement of Activities for the years ended December 31, 2014 and 2013:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Program Revenues:						
Fees and Charges	\$ 11,507	\$ 14,017	\$ 7,145	\$ 49,001	\$ 18,652	\$ 63,018
Operating Grants and Contributions	86,422	93,093	-	-	86,422	93,093
General Revenues:						
Real Estate Taxes	47,448	47,930	-	-	47,448	47,930
Investment Income/(Loss)	93	37	-	-	93	37
Other Income/(Loss)	-	-	-	16	-	16
<b>Total Revenues</b>	<u>145,470</u>	<u>155,077</u>	<u>7,145</u>	<u>49,017</u>	<u>152,615</u>	<u>204,094</u>
Program Expenses:						
General Government	12,409	14,171	-	-	12,409	14,171
Judicial	16,764	16,258	-	-	16,764	16,258
Public Safety	20,284	19,497	-	-	20,284	19,497
Public Works and Enterprises	5,655	5,073	-	-	5,655	5,073
Culture and Recreation	3,337	3,340	-	-	3,337	3,340
Human Services	80,551	80,248	-	-	80,551	80,248
Economic Development	5,205	5,934	-	-	5,205	5,934
Interest Expense	6,483	5,613	-	-	6,483	5,613
Friendship Ridge	-	-	8,445	53,756	8,445	53,756
<b>Total Expenses</b>	<u>150,688</u>	<u>150,134</u>	<u>8,445</u>	<u>53,756</u>	<u>159,133</u>	<u>203,890</u>
Excess (Deficiency) Before Other Items and Transfers	(5,218)	4,943	(1,300)	(4,739)	(6,518)	204
Special Item:						
Disposal of Friendship Ridge	13,246	-	-	-	13,246	-
Assignment of Capital Items and Long-Term Debt	2,027	-	(2,027)	-	-	-
Transfers	(1,367)	(618)	1,367	618	-	-
<b>Change in Net Position</b>	<u>8,688</u>	<u>4,325</u>	<u>(1,959)</u>	<u>(4,121)</u>	<u>6,728</u>	<u>204</u>
Net Position - Beginning	<u>29,146</u>	<u>24,821</u>	<u>1,959</u>	<u>6,080</u>	<u>31,105</u>	<u>30,901</u>
Net Position - Ending	<u>\$ 37,835</u>	<u>\$ 29,146</u>	<u>\$ -</u>	<u>\$ 1,959</u>	<u>\$ 37,835</u>	<u>\$ 31,105</u>

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## Changes in Net Position

The County's net position for governmental activities increased approximately \$8.7 million and \$4.3 million for the years ended December 31, 2014 and 2013, respectively.

During the two months that Friendship Ridge operated as a County-owned facility, its expenses exceeded revenues by \$1.3 million. The remaining approximate \$2 million in net position was assigned to the governmental activities to accommodate for the disposal of operations and the management of remaining assets and liabilities. The County's net position for business-type activities decreased approximately \$4.1 million during the year ended December 31, 2013.

The County's expenses for governmental and business-type activities cover a wide range of services. The largest share of expenses continues to be incurred for Human Services.

## Analysis of Changes in Net Position

The County's total net position increased approximately \$6.7 million and \$200,000 for the years ended December 31, 2014 and 2013, respectively. The current year's increase is explained in the governmental and business-type activities discussion below.

## Governmental Activities

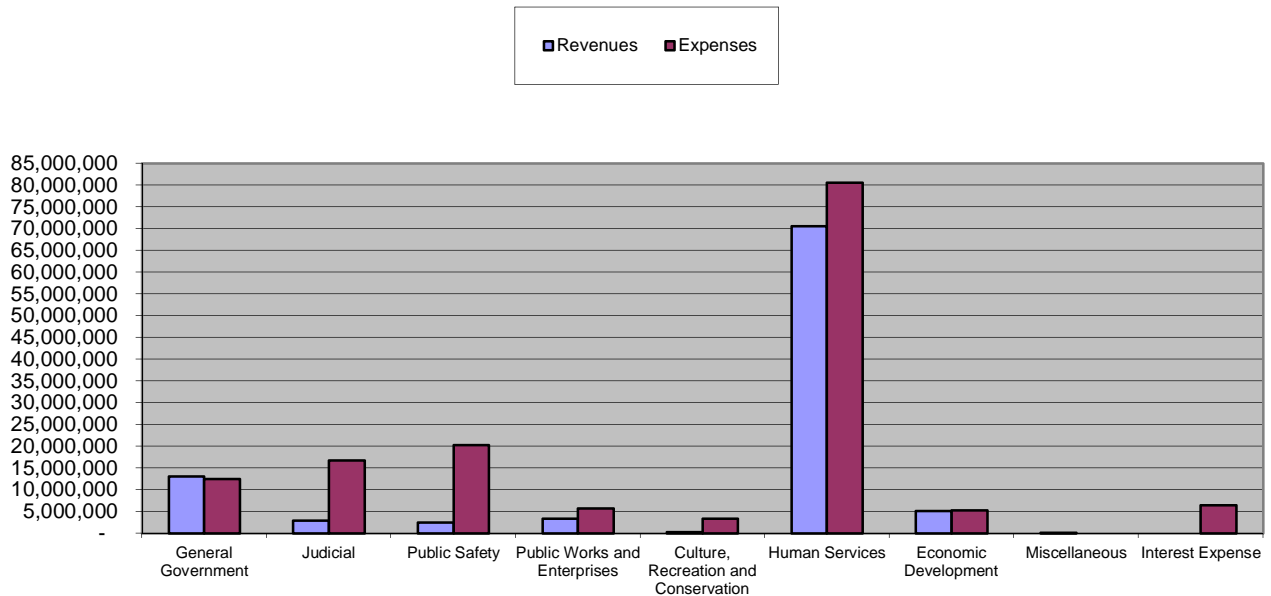
The governmental activities increased the County's net position by about \$8.7 million. The primary reason for this increase can be attributed to the sale of Friendship Ridge, which generated a gain of \$13,245,838 classified as a special item on the Statement of Activities. Another contribution to the County's increase in net position came from the General Government function, primarily through financially streamlined and improved programs in all of its areas. Increased revenues from grants ó primarily for the benefit of local benefic organizations- also contributed to the improved financial results of the General Government function. On the other hand, the Public Works and Enterprises function has experienced a significant decrease in revenues, primarily as a result of the inauguration of the Veterans Memorial Bridge. Higher interest costs were faced as a result of taking over debt service payments for Friendship Ridge's long-term obligations. Other activities that fared worse in 2014 than in 2013 are Public Safety, Judicial, and Human Services, all of which suffered from expense increases triggered primarily by scheduled escalations in compensation as stipulated by collective bargaining agreements. Also, continued cuts in grant funding caused the Economic Development and Human Services functions' revenues to decrease considerably when compared to 2013's revenues of the same functions. Finally, miscellaneous governmental revenues decreased primarily due to reductions of administrative services at Mental Health / Individual Disabilities, lower insurance reimbursements (such as stop-loss refunds for health care claims and general liability insurance rebates), and the elimination of outside services provided by the Public Safety function.



# MANAGEMENT’S DISCUSSION AND ANALYSIS

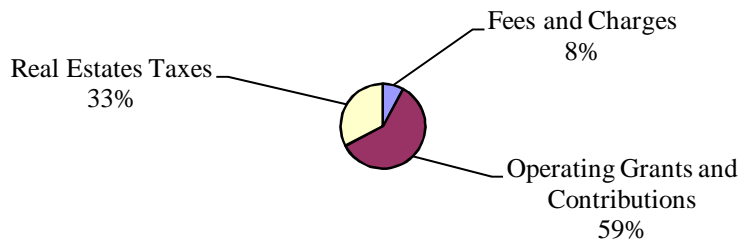
The table below depicts the behavior of the various governmental functions’ revenues and expenses described above:

**Expenses and Program Revenue - Governmental Activities**



The revenue mix of the County’s governmental activities remained fairly constant when compared with 2013. Approximately 59% of the County’s revenue originated from operating grants and contributions, 8% for fees and charges, and 33% from taxes on real estate during 2014. The corresponding figures for 2013 were roughly 60%, 9%, and 31%, respectively.

**Revenues by Source - Governmental Activities**

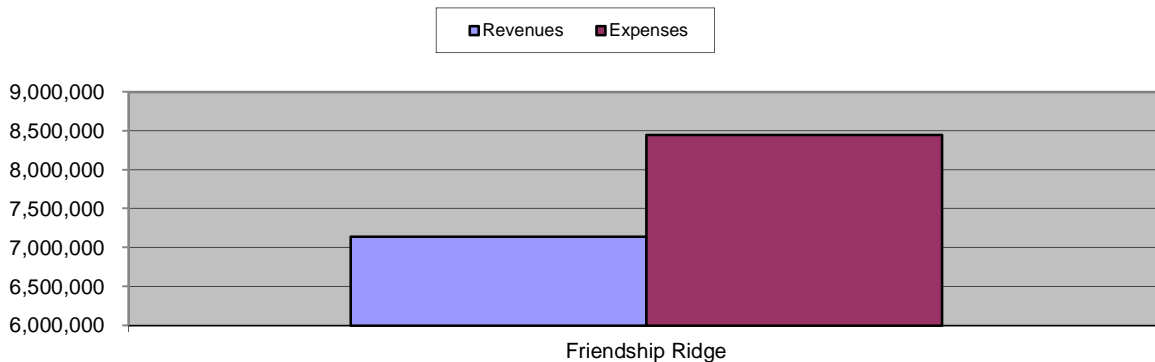


# MANAGEMENT’S DISCUSSION AND ANALYSIS

## Business-type Activities

As explained above, with the sale of Friendship Ridge the County ceased to report business-type activities. For the two months ended February 28, 2014, the business-type activities generated a net expense of \$1.3 million. The major contributing factors for a further deterioration in net position were increased employee benefit costs and a declining occupancy rate at Friendship Ridge. An in-kind transfer from the governmental activities for overhead costs decreased the overall loss incurred and, ultimately, all of the remaining net position was assigned to the governmental activities upon the transfer of operations.

**Expenses and Program Revenues - Business-type Activities**



The revenue mix of the County’s business-type activities is almost entirely derived from fees and charges for both the years 2014 and 2013. Almost negligible are interest income (only in 2013) and general public contributions, which make up the remaining revenues.

## Financial Analysis of the County’s Individual Funds

### Governmental Funds

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

At December 31, 2014, the County’s governmental funds reported a combined ending fund balance of \$32,808,718, which represents an increase of \$17,353,119 in comparison to the previous year. The ending fund balance is segregated into the following categories with its corresponding balances: non-spendable for prepaid items, \$2,372,330; restricted, \$23,903,700; committed, \$1,691,061; assigned, \$606,016, and unassigned, \$4,235,611. The terms used to classify fund balance and their significance are further described and defined in Note A to the financial statements. Also in Note A is presented a breakdown of restricted fund balance into specific programs.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The overall increase in fund balance of the governmental funds is attributed primarily to the gain on the sale of Friendship Ridge, denoted as a special item for the General Fund of \$26,579,663 on the Statement of Revenues, Expenditures, and Changes in Fund Balance. However, several items contributed to offset such gain and resulted in weaker financial performance when compared to that of 2013. They are increased debt and human service expenditures primarily resulting from the assignment of Friendship Ridge's long-term liabilities after its operations had been disposed of. Other increases in the General Fund's expenditures and other financing uses can be seen in capital assets' acquisition and improvement and in transfers to other funds as a result of the investment in the County's recreation facilities and the required local revenue match contributions for various programs, respectively. Miscellaneous revenues decreased mostly as a result of diminished insurance reimbursements and rebates.

The Mental Health / Intellectual Disabilities fund experienced a continued reduction of its discretionary revenues, but it was able to trim related program expenditures, which, along with slightly increased matching revenue transferred from the General Fund allowed it to increase its fund balance by about \$133,000 as compared to the net decrease in fund balance of \$10,918 experienced during 2013.

The Children & Youth fund encountered a reversal in the decreasing trend of intergovernmental revenues. Along with sharply higher local revenue matches (classified as "transfers" on the Statement of Revenues, Expenditures, and Changes in Fund Balance) and a vigilant management of expenditures, the fund improved its fund balance by close to \$570,000 in 2014. It is expected that gains realized in 2014 will have to be applied against expenditures of future years' operating budgets.

Community Development faced another year of intergovernmental funding cuts, as much as approximately 17%. This is the result of projected planned budget reductions at the national level Department of Housing and Urban Development, the fund's major revenue source. The fund's management was able to plan ahead and it curtailed expenditures in pace with the revenue shortcomings without affecting services and managing to marginally increase fund balance.

HealthChoices continued with its prudent cost containment strategies that have worked so well since the fund's inception. In 2014, the increase in fund balance is about \$169,000, much lower than the increase experienced in 2013. This was largely due to a lower number of beneficiaries of the programs offered (lower revenues) with total expenditures remaining close to the same as incurred in 2013 (higher expenditures per program beneficiary).

The other governmental funds experienced a combined net increase in fund balance of about \$400,000 as compared to the \$2,527,358 net increase in fund balance for the year 2013. This is mainly the result of sharply lower revenues and much less than proportionally lower expenditures that came with the completion of a major infrastructure project undertaken by the Liquid Fuels fund.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## ***Proprietary Funds***

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Please refer to the *Analysis of Changes in Net Position* for business-type activities for a discussion of Friendship Ridge as well as for governmental activities to better understand the current year's participation of the internal service funds.

## ***Fiduciary Funds***

The County maintains fiduciary funds for the Pension Trust Fund and several Agency Funds. The Pension Trust Fund's net position decreased approximately \$76,000 in 2014 and it increased nearly \$46.7 million in 2013. The appreciation in the fair value of investments of 2014 was about one third that of 2013. Additionally, the termination of County employees due to the sale of Friendship Ridge generated much higher deductions in terms of benefit payments during 2014.

## **General Fund Budgetary Highlights**

During any given year there are many factors that may change a budget from the *original* approved version to the *final* ending version. There may be changes in policies, revenue sources or unexpected events that have a financial impact upon the County and require that the budget be adjusted to reflect those circumstances.

The General Fund's budgeted revenues were decreased nearly \$3 million from the original budget primarily due to initially classifying certain lease funding as revenue when it later became evident that it was to be recognized over several years. Departmental earnings were initially thought of to account for the sale proceeds on the Friendship Ridge sale. The sale transaction was however properly classified as an other financing source and the budget was not adjusted. Budgeted expenditures were decreased in the functions of General Government and Public Safety to accommodate for lower than expected departmental earnings. Actual expenditures in these areas turned out to be significantly lower than on the final budget due to certain financial efficiency measures that were adopted. Additionally, the function of General Government had actual expenditures lower than reported on the final budget due to personnel reductions. Budget amendments affecting the line items of Human Services and Transfers from Other Funds are the result of transactions expected from the sale of Friendship Ridge that either did not take place or had to be accounted for differently. Adjustments to debt service had to be made to account for the long-term obligations transferred from the Business-type Activities along with related expenditures.

Budgetary restrictions continue to be enforced across departments of the General Fund. Along with new-found revenues, such as those derived from oil and gas exploration and drilling activities, the County is well on course to reversing current financial trends.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## County of Beaver's Capital Assets (in thousands and net of accumulated depreciation)

What follows is a summary of the County's capital assets as of December 31, 2014 and 2013:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Assets not Being Depreciated	\$ 1,953	\$ 28,950	\$ -	\$ 222	\$ 1,953	\$ 29,172
Buildings and Improvements	52,080	54,132	-	6,196	52,080	60,328
Vehicles	1,580	1,469	-	-	1,580	1,469
Furniture and Equipment	7,092	6,882	-	7,175	7,092	14,057
Infrastructure	53,616	25,050	-	-	53,616	25,050
<b>Total</b>	<u>\$ 116,322</u>	<u>\$ 116,484</u>	<u>\$ -</u>	<u>\$ 13,593</u>	<u>\$ 116,322</u>	<u>\$ 130,077</u>

Additional information on the County's capital assets can be found in Note F on pages 82-85 of this report.

### Outstanding Debt at Year End

The following is a summary of the County's outstanding long-term debt as of December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Governmental Activities:		
General obligation debt	\$ 65,065,000	\$ 63,594,212
Other long-term debt	64,985,403	55,023,233
Discount	<u>(1,307,123)</u>	<u>(1,138,589)</u>
	128,743,280	117,478,856
Business-type Activities:		
General obligation debt	-	3,300,788
Other long-term debt	-	13,094,900
Discount	<u>-</u>	<u>(272,369)</u>
	<u>-</u>	<u>16,123,319</u>
<b>Total</b>	<u>\$ 128,743,280</u>	<u>\$ 133,602,175</u>

The County's general obligation bond rating from Standard and Poor's for its most recent issue is 'AA'. Most other issues carry a rating of 'A'. More detailed information about the County's long-term liabilities can be found in Note J on pages 98-113 of this report.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## **Economic Factors**

Budget cuts affecting the federal and the Commonwealth's governments are likely to trickle down to the various departments and programs throughout the County during 2015. As disclosed in the *Financial Highlights of the Year Ended December 31, 2014*, the County sold Friendship Ridge and found alternate ways to generate revenue. The County's management continues to actively address financial challenges into the future by searching for economic opportunities while optimizing the use of available resources.

## **Requests for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in them. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of the Controller  
Beaver County Courthouse  
810 Third Street  
Beaver, Pennsylvania 15009-2196

# **BASIC FINANCIAL STATEMENTS**

**COUNTY OF BEAVER, PENNSYLVANIA**

STATEMENT OF NET POSITION

DECEMBER 31, 2014 or JUNE 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities (Note N)	Total	Beaver County Transit Authority as of June 30, 2014	Community College of Beaver County as of June 30, 2014
<b>Assets</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 26,715,308	\$ -	\$ 26,715,308	\$ 2,346,448	\$ 1,913,276
Restricted Cash	7,923,395	-	7,923,395	-	-
Investments	-	-	-	-	847,656
Restricted Investments	7,104,711	-	7,104,711	-	-
Receivables	10,775,453	-	10,775,453	3,426,998	1,173,762
Supplies	-	-	-	302,179	39,263
Prepaid Items	2,481,824	-	2,481,824	231,726	528,433
Total Current Assets	55,000,691	-	55,000,691	6,307,351	4,502,390
Non-Current Assets:					
Land and Land Improvements	1,757,554	-	1,757,554	3,573,967	952,288
Buildings and Improvements	86,539,266	-	86,539,266	16,634,076	46,679,807
Construction in Progress	195,663	-	195,663	1,443,150	-
Vehicles	4,518,774	-	4,518,774	11,881,776	251,942
Furniture and Equipment	23,156,187	-	23,156,187	1,545,785	11,938,668
Infrastructure	66,950,889	-	66,950,889	-	-
Accumulated Depreciation	(66,795,940)	-	(66,795,940)	(15,501,367)	(26,574,425)
Net Pension Asset	17,505,928	-	17,505,928	-	-
Total Non-Current Assets	133,828,321	-	133,828,321	19,577,387	33,248,280
<b>Total Assets</b>	<b>188,829,012</b>	<b>-</b>	<b>188,829,012</b>	<b>25,884,738</b>	<b>37,750,670</b>
<b>Deferred Outflows of Resources</b>					
Deferred Charge on Refunding Debt	794,447	-	794,447	-	133,679
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 189,623,459</b>	<b>\$ -</b>	<b>\$ 189,623,459</b>	<b>\$ 25,884,738</b>	<b>\$ 37,884,349</b>
<b>Liabilities</b>					
Current Liabilities:					
Accounts Payable	\$ 7,081,824	\$ -	\$ 7,081,824	\$ 214,132	\$ 550,381
Accrued Vacation	2,786,713	-	2,786,713	-	20,000
Accrued Interest	2,456,920	-	2,456,920	-	89,780
Accrued Other Liabilities	2,333,250	-	2,333,250	259,455	1,767,780
Unearned Revenues	5,096,881	-	5,096,881	4,487,501	686,760
Accrued Other Employee Benefits	890,054	-	890,054	95,034	83,390
Accrued HealthChoices Program Costs	2,400,000	-	2,400,000	-	-
Long-Term Debt	5,426,259	-	5,426,259	-	970,957
Total Current Liabilities	28,471,901	-	28,471,901	5,056,122	4,169,048
Non-Current Liabilities:					
Long-Term Debt	123,317,021	-	123,317,021	-	26,655,523
<b>Total Liabilities</b>	<b>151,788,922</b>	<b>-</b>	<b>151,788,922</b>	<b>5,056,122</b>	<b>30,824,571</b>
<b>Net Position</b>					
Net Investment in Capital Assets	18,950,471	-	18,950,471	19,577,387	6,739,347
Restricted for:					
Nonexpendable	-	-	-	-	544,856
Debt Service	7,104,711	-	7,104,711	-	-
Programs for Mental / Behavioral Health	9,878,816	-	9,878,816	-	-
Programs for Children & Youth	3,125,276	-	3,125,276	-	-
Programs for Community Development	205,424	-	205,424	-	-
Programs for Capital Projects	2,710,123	-	2,710,123	-	-
Programs for General Law Enforcement	1,216,659	-	1,216,659	-	-
Programs for Elderly Population	968,703	-	968,703	-	-
Programs for Office Improvements	462,511	-	462,511	-	-
Programs for Emergency Services / Tourism	182,287	-	182,287	-	-
Unrestricted	(6,970,444)	-	(6,970,444)	1,251,229	(224,425)
<b>Total Net Position</b>	<b>\$ 37,834,537</b>	<b>\$ -</b>	<b>\$ 37,834,537</b>	<b>\$ 20,828,616</b>	<b>\$ 7,059,778</b>

The accompanying notes are an integral part of this financial statement.



**COUNTY OF BEAVER, PENNSYLVANIA**

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2014 or JUNE 30, 2014

Functions/Programs	Net (Expenses) Revenues and Change in Net Position								
	Expenses	Program Revenues			Primary Government			Component Units	
		Fees and Charges	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Beaver County Transit Authority as of June 30, 2014	Community College of Beaver County as of June 30, 2014
<b>Primary Government:</b>									
Governmental Activities:									
General Government	\$ 12,408,945	\$ 8,292,884	\$ 4,823,670	\$ -	\$ 707,609	\$ -	\$ 707,609	\$ -	\$ -
Judicial	16,763,833	533,027	2,403,559	-	(13,827,247)	-	(13,827,247)	-	-
Public Safety	20,283,511	503,209	1,919,356	-	(17,860,946)	-	(17,860,946)	-	-
Public Works and Enterprises	5,655,490	19,436	3,303,575	-	(2,332,479)	-	(2,332,479)	-	-
Culture, Recreation and Conservation	3,337,405	316,212	-	-	(3,021,193)	-	(3,021,193)	-	-
Human Services	80,551,274	1,316,195	69,226,766	-	(10,008,313)	-	(10,008,313)	-	-
Economic Development	5,204,788	414,058	4,745,211	-	(45,519)	-	(45,519)	-	-
Miscellaneous	-	112,063	-	-	112,063	-	112,063	-	-
Interest Expense	6,482,858	-	-	-	(6,482,858)	-	(6,482,858)	-	-
Total Governmental Activities	150,688,104	11,507,084	86,422,137	-	(52,758,883)	-	(52,758,883)	-	-
Business-type Activities:									
Friendship Ridge (Note N)	8,445,296	7,145,189	-	-	-	(1,300,107)	(1,300,107)	-	-
Total Business-type Activities	8,445,296	7,145,189	-	-	-	(1,300,107)	(1,300,107)	-	-
<b>Total Primary Government</b>	<b>\$ 159,133,400</b>	<b>\$ 18,652,273</b>	<b>\$ 86,422,137</b>	<b>\$ -</b>	<b>\$ (52,758,883)</b>	<b>\$ (1,300,107)</b>	<b>\$ (54,058,990)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Component Units:</b>									
Beaver County Transit Authority	\$ 11,194,432	\$ 1,541,393	\$ 8,702,743	\$ 3,140,964	\$ -	\$ -	\$ -	\$ 2,190,668	\$ -
Community College of Beaver County	29,331,407	12,393,766	15,688,429	-	-	-	-	-	(1,249,212)
<b>Total Component Units</b>	<b>\$ 40,525,839</b>	<b>\$ 13,935,159</b>	<b>\$ 24,391,172</b>	<b>\$ 3,140,964</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,190,668</b>	<b>\$ (1,249,212)</b>
General Revenues:									
Real Estate Taxes					\$ 47,448,275	\$ -	\$ 47,448,275	\$ -	\$ -
Investment Income					93,047	-	93,047	-	128,327
Other Income					-	516	516	-	-
Special Items:									
Disposal of Friendship Ridge					13,245,838	-	13,245,838	-	-
Assignment of Capital Items and Long-term Debt					2,026,643	(2,026,643)	-	-	-
Transfers					(1,366,893)	1,366,893	-	-	-
Total General Revenues and Transfers					61,446,910	(659,234)	60,787,676	-	128,327
Change in Net Position					8,688,027	(1,959,341)	6,728,686	2,190,668	(1,120,885)
Net Position - Beginning					29,146,510	1,959,341	31,105,851	18,637,948	8,180,663
Net Position - Ending					<u>\$ 37,834,537</u>	<u>\$ -</u>	<u>\$ 37,834,537</u>	<u>\$ 20,828,616</u>	<u>\$ 7,059,778</u>

The accompanying notes are an integral part of this financial statement.

**COUNTY OF BEAVER, PENNSYLVANIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

DECEMBER 31, 2014

	General	Mental Health/ Intellectual Disabilities	Children & Youth	Community Development	HealthChoices	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and Cash Equivalents	\$ 9,665,676	\$ 1,914,234	\$ 1,180,249	\$ 1,146,110	\$ 4,568,136	\$ 8,104,742	\$ 26,579,147
Cash - Restricted	-	-	-	-	7,923,395	-	7,923,395
Investments - Restricted	7,104,711	-	-	-	-	-	7,104,711
Prepaid Items	156,112	130,994	132,390	-	1,941,607	11,227	2,372,330
Receivables	1,311,572	1,225,763	1,581,157	393,635	214,839	1,325,869	6,052,835
Interfund Receivable	2,830,179	323,051	1,748,743	-	-	216,462	5,118,435
<b>Total Assets</b>	<b>\$ 21,068,250</b>	<b>\$ 3,594,042</b>	<b>\$ 4,642,539</b>	<b>\$ 1,539,745</b>	<b>\$ 14,647,977</b>	<b>\$ 9,658,300</b>	<b>\$ 55,150,853</b>
<b>Liabilities:</b>							
Accounts Payable	\$ 2,110,070	\$ 2,300,612	\$ 1,275,537	\$ 370,509	\$ 44,114	\$ 835,877	\$ 6,936,719
Interfund Payable	2,272,259	-	2,914	87,744	14,533	476,108	2,853,558
Accrued Wages and Payroll Costs	1,012,493	113,519	106,422	14,207	15,300	108,131	1,370,072
Accrued Other Liabilities	312,948	-	-	-	390,629	259,601	963,178
Accrued HealthChoices Program Costs	-	-	-	-	2,400,000	-	2,400,000
Unearned Revenue	2,989,000	376,513	-	861,861	-	869,506	5,096,880
<b>Total Liabilities</b>	<b>8,696,770</b>	<b>2,790,644</b>	<b>1,384,873</b>	<b>1,334,321</b>	<b>2,864,576</b>	<b>2,549,223</b>	<b>19,620,407</b>
<b>Deferred Inflows of Resources:</b>							
Unavailable Revenue	125,656	635,382	1,310,062	-	-	650,628	2,721,728
<b>Fund Balances (Deficits):</b>							
Non-Spendable: Prepaid items	156,112	130,994	132,390	-	1,941,607	11,227	2,372,330
Restricted:							
Debt Service	7,104,711	-	-	-	-	-	7,104,711
Programs for Mental / Behavioral Health	-	37,022	-	-	9,841,794	-	9,878,816
Programs for Children & Youth	-	-	1,815,214	-	-	-	1,815,214
Programs for Community Development	-	-	-	205,424	-	-	205,424
Other	-	-	-	-	-	4,899,535	4,899,535
Committed:							
Capital Projects	-	-	-	-	-	1,691,061	1,691,061
Assigned:							
Purchases on Order	606,016	-	-	-	-	-	606,016
Unassigned:	4,378,985	-	-	-	-	(143,374)	4,235,611
<b>Total Fund Balances</b>	<b>12,245,824</b>	<b>168,016</b>	<b>1,947,604</b>	<b>205,424</b>	<b>11,783,401</b>	<b>6,458,449</b>	<b>32,808,718</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 21,068,250</b>	<b>\$ 3,594,042</b>	<b>\$ 4,642,539</b>	<b>\$ 1,539,745</b>	<b>\$ 14,647,977</b>	<b>\$ 9,658,300</b>	<b>\$ 55,150,853</b>

The accompanying notes are an integral part of this financial statement.

## COUNTY OF BEAVER, PENNSYLVANIA

### RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2014

<b>Total Fund Balances - Governmental Funds</b>	\$	32,808,718
Receivables for real estate taxes not available to pay for current period expenditures, and therefore, are deferred in the funds.		4,653,007
Grant revenues not available to pay for current period expenditures, and therefore, are deferred in the funds.		2,721,728
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Land	1,757,554	
Buildings and improvements	86,539,266	
Vehicles	4,518,774	
Furniture and equipment	23,156,187	
Infrastructure	66,950,889	
Construction in Progress	195,663	
Accumulated depreciation	<u>(66,795,940)</u>	116,322,393
Accrued interest and accrued vacation payable are not recognized in the governmental funds.		
Accrued interest payable	(2,456,920)	
Accrued vacation payable	<u>(2,786,713)</u>	(5,243,633)
Non-current liabilities are not due nor payable in the current period, and therefore, are not reported in the funds. These liabilities consist of:		
General obligation bonds payable	(65,065,000)	
Other general long-term liabilities -		
PFA Series 2005 Bonds	(2,440,000)	
Pension Obligation Bond 2005	(11,065,000)	
PFA Series of 2012	(5,160,001)	
PFA Series 2013	(9,970,000)	
Pension Bond 2009	(19,035,000)	
DCED General Obligation Note	(39,129)	
Discount	1,307,123	
Capital Lease Obligation	(15,885,089)	
Accrued sick and early termination benefits payable	<u>(1,391,184)</u>	(128,743,280)
Deferred Charges on Refunding Debt		794,447
Pension Contributions in excess of annual required contribution are treated as net pension asset.		17,505,928
An internal service fund is used by management to account for medical benefits and workers compensation of the County employees. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		<u>(2,984,771)</u>
<b>Total Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>37,834,537</u></b>

The accompanying notes are an integral part of this financial statement.

**COUNTY OF BEAVER, PENNSYLVANIA**

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

FOR THE YEAR ENDED DECEMBER 31, 2014

	General	Mental Health/ Intellectual Disabilities	Children & Youth	Community Development	HealthChoices	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Real Estate Taxes	\$ 47,565,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,565,872
Licenses and Permits	125,652	-	-	-	-	-	125,652
Interest and Rents	70,748	2,789	111	96	18,331	950	93,025
Intergovernmental Revenues	3,751,445	17,181,777	12,352,701	4,745,211	34,759,346	12,188,490	84,978,970
Departmental Earnings	8,017,533	1,218,011	61,131	414,058	-	1,637,966	11,348,699
Local Hotel Room Tax	-	-	-	-	-	291,612	291,612
Miscellaneous	57,532	22,000	-	-	-	32,531	112,063
<b>Total Revenues</b>	<b>59,588,782</b>	<b>18,424,577</b>	<b>12,413,943</b>	<b>5,159,365</b>	<b>34,777,677</b>	<b>14,151,549</b>	<b>144,515,893</b>
<b>Expenditures</b>							
Current:							
General Government	10,394,448	-	-	-	-	147,580	10,542,028
Judicial	12,840,286	-	-	-	-	2,975,897	15,816,183
Public Safety	15,310,077	-	-	-	-	2,085,632	17,395,709
Public Works and Enterprises	3,554,511	-	-	-	-	564,200	4,118,711
Culture, Recreation, and Conservation	2,623,652	-	-	-	-	303,233	2,926,885
Economic Development	-	-	-	5,156,566	-	-	5,156,566
Intergovernmental:							
Human Services	8,318,093	18,903,476	14,073,838	-	34,608,614	4,615,179	80,519,200
Debt Service:							
Principal	4,510,711	-	-	-	-	-	4,510,711
Interest	5,942,119	-	-	-	-	-	5,942,119
Other	12,511	-	-	-	-	-	12,511
Infrastructure Acquisition and Improvement	-	-	-	-	-	2,695,836	2,695,836
Capital Asset Acquisition and Improvement	1,902,994	81,795	15,241	-	-	887,018	2,887,048
<b>Total Expenditures</b>	<b>65,409,402</b>	<b>18,985,271</b>	<b>14,089,079</b>	<b>5,156,566</b>	<b>34,608,614</b>	<b>14,274,575</b>	<b>152,523,507</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(5,820,620)</b>	<b>(560,694)</b>	<b>(1,675,136)</b>	<b>2,799</b>	<b>169,063</b>	<b>(123,026)</b>	<b>(8,007,614)</b>
<b>Other Financing Sources (Uses)</b>							
Capital Lease Agreements	147,963	-	-	-	-	-	147,963
Special Item	26,579,663	-	-	-	-	-	26,579,663
Transfers from Other Funds	600,000	708,626	2,247,493	-	-	1,136,191	4,692,310
Transfers to Other Funds	(5,444,135)	(15,068)	-	-	-	(600,000)	(6,059,203)
<b>Total Other Financing Sources (Uses)</b>	<b>21,883,491</b>	<b>693,558</b>	<b>2,247,493</b>	<b>-</b>	<b>-</b>	<b>536,191</b>	<b>25,360,733</b>
<b>Net Change in Fund Balances</b>	<b>16,062,871</b>	<b>132,864</b>	<b>572,357</b>	<b>2,799</b>	<b>169,063</b>	<b>413,165</b>	<b>17,353,119</b>
Fund Balances (Deficits) - Beginning	(3,817,047)	35,152	1,375,247	202,625	11,614,338	6,045,284	15,455,599
Fund Balances - Ending	\$ 12,245,824	\$ 168,016	\$ 1,947,604	\$ 205,424	\$ 11,783,401	\$ 6,458,449	\$ 32,808,718

The accompanying notes are an integral part of this financial statement.

## COUNTY OF BEAVER, PENNSYLVANIA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2014

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	17,353,119
Revenue timing differences resulted in less revenue for real estate taxes in the Statement of Activities.		(117,593)
Revenue timing differences resulted in more grant revenue in the Statement of Activities due to the period of availability of the funds.		1,012,501
The differences due to capital assets are as follows:		
1. Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay and donated assets	\$ 5,642,608	
Depreciation expense	<u>(5,521,320)</u>	121,288
2. The effect of the disposals and transfers of capital assets is to change net position by the net book value of the disposed or transferred assets.		
Net book value of disposed assets		(283,052)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.		
Changes in accrued interest payable	(51,983)	
Changes in accrued vacation payable	<u>(31,724)</u>	(83,707)
The difference due to non-current liabilities are as follows:		
1. The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		
Bond principal payments	4,510,711	
Capital lease obligation payments	380,346	
Debt issuance	<u>(147,963)</u>	4,743,094
2. Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Amortization of bond discounts		(103,835)
3. The expense for sick leave and early termination benefits does not require the use of current financial resources. These items are reported as a non-current liability in the Statement of Net Position.		
		219,631
The deferred amount on refunding		
2014 amortization		(152,317)
The difference due to pension activity is as follows:		
Amortization of excess pension contribution.		(771,123)
Difference on disposal of Friendship Ridge, capital assets, capital items and long-term debt not included in governmental funds		
Friendship Ridge capital assets sold	(13,333,825)	
Assignment of capital items and long-term debt	<u>2,026,643</u>	(11,307,182)
An internal service fund is used by management to account for medical and workers' compensation benefits of the County employees. The net change in activity of the internal service fund is reported with governmental activities.		
		<u>(1,942,797)</u>
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>8,688,027</u></b>

The accompanying notes are an integral part of this financial statement.

**COUNTY OF BEAVER, PENNSYLVANIA**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

DECEMBER 31, 2014

	Business-type Activities Enterprise Fund Friendship Ridge (Note N)	Governmental Activities Internal Service Funds
<b><u>Assets</u></b>		
Current Assets:		
Cash and Cash Equivalents	\$ -	\$ 136,161
Receivables	-	86,015
Prepaid Items	-	109,494
Total Current Assets	-	331,670
<b>Total Assets</b>	-	331,670
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ -</b>	<b>\$ 331,670</b>
<b><u>Liabilities</u></b>		
Current Liabilities:		
Accounts Payable	\$ -	\$ 161,508
Interfund Payable	-	2,264,879
Accrued Employee Benefits	-	890,054
Total Current Liabilities	-	3,316,441
<b>Total Liabilities</b>	-	3,316,441
<b><u>Net Position</u></b>		
Unrestricted	-	(2,984,771)
<b>Total Net Position</b>	<b>\$ -</b>	<b>\$ (2,984,771)</b>

The accompanying notes are an integral part of this financial statement.

**COUNTY OF BEAVER, PENNSYLVANIA**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities Enterprise Fund Friendship Ridge (Note N)	Governmental Activities Internal Service Funds
<b><u>Operating Revenues</u></b>		
Charges for Services	\$ 7,145,189	\$ 9,316,456
Miscellaneous Income	186	-
Total Operating Revenues	<u>7,145,375</u>	<u>9,316,456</u>
<b><u>Operating Expenses</u></b>		
Costs of Services	4,756,464	10,448,536
Administrative	3,281,171	810,739
Depreciation and Amortization	260,096	-
Total Operating Expenses	<u>8,297,731</u>	<u>11,259,275</u>
<b>Operating (Loss)</b>	(1,152,356)	(1,942,819)
<b><u>Non-Operating Revenues (Expenses)</u></b>		
Debt Service Interest	(147,565)	-
Unrestricted Gifts	330	-
Investment Income	-	22
Total Non-Operating Revenues (Expenses)	<u>(147,235)</u>	<u>22</u>
(Loss) Before Transfers	(1,299,591)	(1,942,797)
Assignment of Capital Items and Long-term Debt to Governmental Activities	(2,026,643)	-
Transfers In	<u>1,366,893</u>	<u>-</u>
<b>Change in Net Position</b>	(1,959,341)	(1,942,797)
Total Net Position - Beginning	<u>1,959,341</u>	<u>(1,041,974)</u>
Total Net Position - Ending	<u>-</u>	<u>\$ (2,984,771)</u>

The accompanying notes are an integral part of this financial statement.

**COUNTY OF BEAVER, PENNSYLVANIA**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities Enterprise Fund Friendship Ridge (Note N)	Governmental Activities Internal Service Funds
<b><u>Cash Flows from Operating Activities:</u></b>		
Cash receipts for services provided	\$ 9,311,344	\$ 9,230,440
Cash payments to suppliers	(5,715,338)	(11,893,762)
Cash payments to employees	(3,346,282)	-
Net Cash Provided by (Used in) Operating Activities	<u>249,724</u>	<u>(2,663,322)</u>
<b><u>Cash Flows from Non-Capital Financing Activities:</u></b>		
Cash transfers upon sale	(1,586,225)	-
Proceeds from the loan/subsidy provided by the County	-	2,680,937
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(1,586,225)</u>	<u>2,680,937</u>
<b><u>Cash Flows from Investing Activities:</u></b>		
Investment Income	-	22
Net Cash Provided by Investing Activities	<u>-</u>	<u>22</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,336,501)	17,637
<b><u>Cash and Cash Equivalents:</u></b>		
Beginning of year	1,336,501	118,524
End of year	<u>\$ -</u>	<u>\$ 136,161</u>
<b><u>Reconciliation of Operating (Loss) to</u></b>		
<b><u>Net Cash Provided by (Used in) Operating Activities:</u></b>		
Operating (loss)	\$ (1,152,356)	\$ (1,942,819)
Non-cash adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	260,096	-
Transfer in from General Fund	564,359	-
Pension expense financed with pension bond	268,284	-
Change in operating assets and liabilities:		
Accounts receivable	2,165,969	(86,016)
Supplies	13,184	-
Prepaid items	(9,325)	(109,494)
Deposits	8,739	-
Accounts payable	(1,903,299)	(745,153)
Unearned credits	46,673	-
Accrued Liabilities	(12,600)	220,160
Net Cash Provided by (Used in) Operating Activities	<u>\$ 249,724</u>	<u>\$ (2,663,322)</u>

**Non-Cash Transactions**

During the year ended December 31, 2014 the County disposed of Friendship Ridge and transferred its remaining assets, liabilities, deferred outflows to either the purchaser or the County's General Fund as described in Note N.

**Disclosure of Accounting Policy:**

For purposes of the Statement of Cash Flows, the Primary Government considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.

The accompanying notes are an integral part of this financial statement.



# COUNTY OF BEAVER, PENNSYLVANIA

## STATEMENT OF NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2014

	<b>Pension Trust Fund</b>	<b>Agency Funds</b>
<b><u>Assets</u></b>		
Cash and Cash Equivalents	\$ 7,131,257	\$ 3,194,882
Cash and Cash Equivalents Held as Collateral	12,398,950	-
Interest and Dividends Receivable	582,024	-
Investments:		
Common and Preferred Stocks	174,887,398	-
Certificates of Deposit	4,200,098	-
U.S. Government Obligations	27,191,499	-
Corporate Bonds	28,652,219	-
Other Debt Securities	7,203,550	-
Registered Investment Companies	15,342,095	-
Interest in Limited Partnership	3,833,777	-
Interest in Collective Trust	25,959,911	-
Total Investments	287,270,547	-
<b>Total Assets</b>	<b>\$ 307,382,778</b>	<b>\$ 3,194,882</b>
<b><u>Liabilities</u></b>		
Accounts Payable	\$ 128,458	\$ 3,194,882
Collateral Obligation	12,398,950	-
<b>Total Liabilities</b>	<b>12,527,408</b>	<b>3,194,882</b>
<b><u>Net Position</u></b>		
Net Position Restricted for Pensions	294,855,370	-
<b>Total Net Position</b>	<b>\$ 294,855,370</b>	<b>\$ -</b>

The accompanying notes are an integral part of this financial statement.

# COUNTY OF BEAVER, PENNSYLVANIA

## STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Pension Trust Fund</u>
<b><u>Additions</u></b>	
Contributions:	
Member	\$ 3,789,064
Employer	2,286,670
	<hr/>
Total Contributions	6,075,734
	<hr/>
Investment Income:	
Net Appreciation in Fair Value of Investments	13,845,134
Interest and Dividends	5,996,292
Less: Investment Management and Actuarial Fees	(1,086,442)
	<hr/>
Net Income from Investment Activities (except for securities lending)	18,754,984
	<hr/>
Security Lending Activities:	
Interest from Collateral	10,026
Security Lending Premiums	93,979
Less: Rebates and Fees	(26,606)
	<hr/>
Net Income from Security Lending Activities	77,399
	<hr/>
Net Investment Income	18,832,383
	<hr/>
Total Additions	24,908,117
	<hr/>
<b><u>Deductions</u></b>	
Benefits Paid to Plan Members and Beneficiaries (including refunds of member contributions)	24,703,033
Administrative Expenses	280,904
	<hr/>
Total Deductions	24,983,937
	<hr/>
Net Decrease in Net Position	(75,820)
	<hr/>
<b><u>Net Position Restricted for Pensions</u></b>	
Beginning of Year	294,931,190
	<hr/>
End of Year	\$ 294,855,370
	<hr/> <hr/>

The accompanying notes are an integral part of this financial statement.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Beaver, Pennsylvania (the County), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The significant accounting policies are described below.

1. **Organization and Reporting Entity**

The organization of the County and the basis of the reporting entity are presented below to assist the reader in evaluating the financial statements and the accompanying notes.

The County was founded as a subdivision of the Commonwealth of Pennsylvania under Title XVI of the Pennsylvania Statutes. The County operates under an elected three member Board of Commissioners and it provides the following services as authorized by Pennsylvania's County Code: public safety, judicial, medical, human services, economic development, and culture and recreation.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, the County has evaluated all related entities (authorities, commissions, and affiliates) for possible inclusion in the financial reporting entity.

**Discretely Presented Component Units**

The component unit columns in the government-wide financial statements include individual financial data for the Beaver County Transit Authority (BCTA) and the Community College of Beaver County (CCBC). Financial information of these units is reported in separate columns to emphasize that they are legally separate from the County. They are component units because of the significance of their operations or financial relationships with the County. Their boards are appointed by the County Commissioners and they receive significant operating subsidies from the County. Complete and more detailed financial statements of these component units can be obtained from:

Beaver County Transit Authority  
200 W. Washington Street  
Rochester, PA 15074

Community College of Beaver County  
Controller's Office  
One Campus Drive  
Monaca, PA 15061

The reporting period for BCTA and CCBC is as of and for the year ended June 30, 2014.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1. **Organization and Reporting Entity** - Continued

Discretely Presented Component Units – Continued

Summary of Significant Accounting Policies for BCTA

General Policy – The financial statements of BCTA have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting – BCTA accounts for expenses using the accrual method of accounting. Grant revenue is recognized when the corresponding grant purpose expense is incurred. Grant monies received before the revenue recognition criteria have been met are reported as unearned revenue. BCTA's practice is to record grants as receivables and unavailable revenue at the time the grants are awarded. Passenger fares are recorded when received. All other revenues are recognized when earned. Assets are depreciated using the straight-line method over their estimated useful lives.

Summary of Significant Accounting Policies for CCBC

General Policy – CCBC prepares its financial statements in accordance with generally accepted accounting principles for public colleges and universities as outlined by GASB. In accordance with GASB, CCBC elects to report its financial activities as Business-Type Activities only. Inter-fund activity within CCBC has been eliminated in the preparation of the financial statements.

Basis of Accounting – CCBC prepares its financial statements using the accrual basis of accounting. Under this method, revenue is recognized when earned and expenses are recognized when the obligation to pay is incurred. Assets are depreciated using the straight-line method over their estimated useful lives.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1. **Organization and Reporting Entity** - Continued

Related Organizations

The Board of Commissioners is responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. These organizations include the:

Beaver County Agricultural Land Preservation Board  
Beaver County Airport Authority  
Beaver County Conservation District  
Beaver County Economic Development Authority  
Beaver County Hospital Authority  
Beaver County Housing Authority  
Beaver County Industrial Development Authority  
Beaver County Job Training  
Beaver County Redevelopment Authority  
Pennsylvania Finance Authority  
Southwestern Pennsylvania Commission  
Workforce Investment Board

2. **Government-Wide Financial Statements and Fund Financial Statements**

Government-Wide Statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. The entire deficit of the internal service funds was recorded as an increase in expenses of the primary government. All other internal activities, such as interfund reimbursements, are treated as a reduction of the appropriate expense. Fiduciary funds are also excluded from the government-wide financial statements.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### 2. **Government-Wide Financial Statements and Fund Financial Statements** - Continued

##### *Government-Wide Statements (continued):*

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the County and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financed or draws from the general revenues of the County. Certain indirect costs are included in the program expense reported for individual functions and activities.

Net position is reported as restricted when constraints placed on these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws, regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is County policy to use restricted resources first and then unrestricted resources as they are needed.

##### *Fund Financial Statements:*

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each of them displayed in a separate column.

Certain funds are required by GAAP to be presented as major funds of the County. The requirement to present a fund as "major" is based on the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, and expenditures within the fund, with the exception of the General Fund, which must always be presented as a major fund. Additionally, the County has the option of voluntarily presenting any fund as major.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### 2. **Government-Wide Financial Statements and Fund Financial Statements** - Continued

##### *Fund Financial Statements (continued):*

The County reports the following governmental funds as major:

*General Fund.* This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*Mental Health / Intellectual Disabilities.* This fund is responsible for serving certain mental and behavioral health needs of the County's citizens. Revenues and other resources reported in this fund are derived from a variety of federal and state grants as well as from transfers for county matches from the General Fund.

*Children and Youth.* The purpose of this fund is to protect and care for children who have been abused, neglected, exploited, abandoned, adjudicated delinquent, or are without proper parental supervision. Revenues and other resources reported in this fund are derived from a variety of federal and state grants as well as from transfers for county matches from the General Fund.

*Community Development.* This fund accounts for the activities of the Community Development Program of Beaver County (CDP). The CDP's mission is two-fold: to improve the living conditions of low-income individuals and to aid in the elimination of slum and blight. The Community Development Fund is voluntarily reported as major by the County due to its significance within County operations. Revenues and other resources reported in this fund are derived from a variety of federal and state grants.

*HealthChoices.* HealthChoices is a program sponsored by the Commonwealth of Pennsylvania and administered by the County to meet the needs of low income individuals with behavioral health problems. Revenue and other resources reported in this fund are derived from a capitated arrangement through an intergovernmental contract.

All remaining governmental funds are aggregated and reported as non-major funds.

The County reports its only enterprise fund as major:

*Friendship Ridge.* This fund was used to account for the County-owned long-term health care facility that accommodates County citizens. This fund has been disposed of effective March 1, 2014, through a sale described in Note N to the financial statements.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### 3. Fund Types

In accordance with generally accepted accounting principles applicable to governmental units, the accounts of the County are organized and operated on the basis of individual funds. The operations of each fund are accounted for by providing a separate set of self-balancing accounts comprised by assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances or net position, revenues, and expenditures or expenses. The following describe the purpose and function of each type of fund presented in the accompanying financial statements.

#### Governmental Fund Types

The General Fund is used to account for all financial transactions not accounted for in the fund types listed below. This includes items such as the receipt and expenditure of the general tax levy and fees of general offices.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Capital Projects Funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary fund types).

#### Proprietary Fund Types

An Enterprise Fund is used to account for operations that are financed and operated in a manner similar to that found in the private sector, where the intent of the County is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. Friendship Ridge -the County's only enterprise fund- has been disposed of as of March 1, 2014, by means of a sale described in Note N to the financial statements.

Internal Service Funds account for operations that provide services to other departments or agencies of the County on a cost reimbursement basis. These funds account for the employees' self-insured medical health benefits and workers' compensation claims of the County (excluding employees of Friendship Ridge).



# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### 3. **Fund Types** - Continued

##### Fiduciary Fund Types

Fiduciary Funds are used by the County to account for assets held on behalf of outside parties or on behalf of other funds. These funds currently include the pension trust fund and the agency funds.

The Pension Trust Fund is accounted for in essentially the same manner as a proprietary fund and it presents the activities of the Beaver County Employees' Pension Plan.

Agency Funds are custodial in nature and do not involve measuring results of operations. The funds are used to account for cash collected and disbursed by elected row officers such as the Clerk of Courts, Recorder of Deeds, Register of Wills, Sheriff, Prothonotary, and Treasurer; support payments collected by Domestic Relations; and delinquent real estate tax payments collected by Tax Claim.

#### 4. **Basis of Accounting and Measurement Focus**

Basis of accounting refers to when revenues, expenditures, expenses and transfers, and the related assets, deferred inflows and outflows of resources, and liabilities 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.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. 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. Therefore, reconciling financial statements with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds are presented. The primary effect of internal activity has been eliminated from the government-wide financial statements.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### 4. **Basis of Accounting and Measurement Focus** - Continued

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. Revenues are considered available when they are expected to be collected within sixty days of year-end. As of December 31, 2014, the County delayed revenue recognition of \$2,721,728 because these monies were not yet considered available in accordance with GAAP. Expenditures and transfers out are generally recognized under the accrual basis of accounting when the related liability is incurred, except for compensated absences and financing costs/interest on general long-term debt, which are recorded when the payment is due.

The financial statements of fiduciary and proprietary funds are presented on the accrual basis of accounting. Under this method of accounting, all revenues are recorded when earned and all expenses are recorded when the liability is incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing and producing services in connection with a proprietary fund's ongoing revenues. The principal operating revenues of the County's proprietary funds are discussed in the next section. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Pension Trust Fund and the agency funds' financial statements are also prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the pension plan. Administrative costs from services provided by outside vendors are recorded when incurred. Certain other costs for services provided internally are not charged to and therefore not recorded on the financial statements of the Pension Trust Fund.

The Pension Trust Fund and the agency funds' investments are reported at fair value. Investments traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Other investments are valued based on their liquidation amounts as estimated by the investment fund's management. Investment income is recognized as earned. Gains and losses on sales and exchanges are recognized on the transaction date.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

5. **Revenues**

Property taxes collected by the Treasurer within sixty days subsequent to December 31, related to the prior year, are recorded as revenue on the Statement of Revenues, Expenditures and Changes in Fund Balance.

Federal and state grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the County is entitled to the grants. However, these grants are subject to audits and adjustments by grantor agencies. Revenues received after sixty days subsequent to year-end are recorded as unavailable revenue on the governmental funds' Balance Sheets and, for the period of collection, as revenue on the Statement of Revenues, Expenditures and Changes in Fund Balance. Grant revenues recognized for expenditures which are disallowed are repayable to the grantor. Management has presented these statements based upon its understanding of restrictions on the revenues recognized. Revenue recognized by HealthChoices is based on the number of eligible members within the County, paid monthly at a contracted rate with Pennsylvania's Department of Public Welfare.

Resident fees of Friendship Ridge are recognized in the period in which the services are provided. A significant portion of Friendship Ridge's services are provided to patients under hospitalization or other health-related benefit contracts with third parties. Charges for services of Friendship Ridge are equal to the reimbursement rates received from the third parties. Friendship Ridge may also receive incentive payments from state and federal programs. Friendship Ridge has been disposed of effective March 1, 2014, through a sale described in Note N to the financial statements.

6. **Unavailable and Unearned Revenues**

Under the modified accrual basis of accounting, revenue is not recognized until it is available to liquidate liabilities of the current period; under full accrual accounting, revenue is recognized as soon as it is earned. Assets received on or prior to the financial statement date, for which the revenue recognition requirements have not been met, are posted as unearned revenue on the Statements of Net Position and the Balance Sheet for Governmental Funds. Certain payments received by the County are considered unearned and not subject to revenue recognition under either the full or the modified accrual basis.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

7. **Expenditures**

Capital asset purchases relating to non-proprietary fund type assets are included in current year expenditures in governmental funds and are capitalized on the government-wide Statement of Net Position. Interest on non-proprietary fund debt is recorded as an expenditure on the Statement of Revenues, Expenditures and Changes in Fund Balances when paid or when payment is due.

8. **Cash, Cash Equivalents, Restricted Cash, and Investments**

The County maintains numerous checking accounts for depositing receipts and disbursing expenditures for all governmental fund types. In addition, the County maintains two accounts in the Pennsylvania Local Government Investment Trust (PLGIT), one account in the Pennsylvania Treasurer's Invest Program for Local Governments (Invest Program), and three commercial money market accounts which all earn interest. Funds are transferred to these accounts to utilize the surplus of cash, which would otherwise remain idle in the County's checking accounts. The balances maintained in these accounts represent the individual interest of each representative fund in the account and they are recorded at cost, which approximates fair value.

HealthChoices' restricted cash represents deposits the County is required to maintain in order to meet certain contractual provisions of grantor agencies.

For purposes of the accompanying Statement of Cash Flows, the County considers all highly liquid investments with a maturity of three months or less when acquired, including restricted cash, to be cash equivalents regardless of any restrictions.

9. **Prepaid Items**

Prepaid items in the fund financial statements are recorded as assets in the specific governmental fund in which future benefits will be derived. The prepaid items in the fund financial statements are recognized under the consumption method and they consist primarily of prepaid insurance premiums in the General Fund and prepaid claim payments for HealthChoices.

**COUNTY OF BEAVER, PENNSYLVANIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2014 AND JUNE 30, 2014**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**10. Capital Assets**

The accounting and reporting applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets that have been acquired for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized in the government-wide Statement of Net Position. All capital assets are recorded at cost, if known, or at estimated historical cost. Donated capital assets are recorded at their estimated fair value on the date of the donation. The County uses a threshold of \$5,000 for recording substantially all capital assets. All infrastructure placed into service after 1980 is capitalized. Depreciation and related accumulated depreciation on capital assets is recorded in the government-wide statements and the proprietary fund financial statements and it is computed using the straight-line method over the estimated useful lives of the related assets.

Estimated useful lives for the County’s classes of reported capital assets are as follows:

Infrastructure	50 years
Buildings and Land Improvements	40 years
Leasehold Improvements	10 years
Equipment	10 years
Computer Hardware	6 years
Computer Software	5 years
Vehicles	5 years
Furniture and Fixtures	5 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized. Major renewals or betterments are capitalized as additions.

**11. Compensated Absences**

The vacation policy for substantially all of the County’s employees provides that vacation earned from the prior year’s service, granted to employees on January 1, must be taken by December 31 of that same year. Therefore, the accrual in the government-wide Statement of Net Position represents what was earned through December 31, 2014, granted on January 1, 2015.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

11. **Compensated Absences** - Continued

Employees, other than those mentioned below, may accumulate up to 100 days of sick leave. Sheriff's deputies may accumulate up to a maximum of 150 days of sick leave. Jail guards receive nine days of sick leave per year with no limit on the maximum number of days that can be carried into the subsequent years. Children & Youth, Office on Aging, Mental Health / Intellectual Disabilities, and probation office employees receive paid time off. These employees may accumulate up to a maximum of 50 days of paid leave. Court-related employees may accrue up to 35 so-called "package days." Package days combine an employee's vacation, sick time, and personal time. If compensated absence time is not used, it is paid to retirement-eligible employees upon retiring at varying rates. Accumulated compensated absence time as of December 31, 2014, that is estimated to be paid to employees upon retirement has been recorded in the government-wide Statement of Net Position under Non-current Liabilities.

12. **Accrued HealthChoices Program Costs**

The HealthChoices Program accrues an estimate of its medical service liability at the end of each accounting period. The estimate is developed using a process that accounts for the lag between the point in time that the payment is made for a service and the point in time that the County became liable for the service. The HealthChoices Program contracts with an independent actuary to certify this estimate. Subsequent payments are also reviewed to confirm the reasonableness of the estimate.

13. **Accrued Healthcare Costs**

Accrued healthcare costs of the Internal Service Funds represent medical self-insurance claims and workers' compensation claims. The claims liability is calculated using a completion factor based on claims history and the historical time lag between dates of service and the dates of payment.

14. **Early Termination Benefits**

Early termination benefits payable to former employees are recorded at their discounted present values using an annual discount rate of 2.5%.

15. **Budgets**

The County Board of Commissioners (the "Commissioners") annually adopts a formal budget for all of the Governmental Fund Types. The procedures described below are followed in establishing the budgetary data reflected in the financial statements.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

15. **Budgets** - Continued

The County Controller submits the proposed budget to the Commissioners no less than thirty days prior to the adoption of the budget for the year beginning the following January 1. The proposed budget is adopted no later than December 31, with certain exceptions. Notice of the availability of the proposed budget for public inspection is made at least twenty days prior to the adoption of the final budget.

The Commissioners may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including proceeds of any borrowing. Appropriations lapse at year-end if not recorded in the financial statements.

Appropriated budgets are adopted and presented on a modified accrual basis consistent with GAAP by fund, department, and line-item. Line-items are department-specific revenues and expenditures, such as taxes, fees, salaries and supplies. This basis of accounting is the same as that used for the fund financial statements. Transfers of appropriations may be requested between line-items within a department or between departments within the same fund. All transfers of appropriations require the approval of the Commissioners. The legal level of control is exercised by fund and department, and management's level of control is at each line-item.

Formal budgetary review is employed as a management control during the year for all Governmental Funds. Final budget amounts presented in the schedules and supplementary information accompanying the financial statements are as amended as of December 31, 2014.

16. **Deferred Outflows / Inflows of Resources**

In addition to assets, the Statement of Net Position and/or the Balance Sheet for Governmental Funds 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/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

16. **Deferred Outflows / Inflows of Resources** - Continued

In addition to liabilities, the Statement of Net Position and/or the Balance Sheet for Governmental Funds 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 that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government only has one type of item, which arises only under the modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the Governmental Funds Balance Sheet. The Governmental Funds report unavailable revenues from grant agreements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

17. **Fund Balance**

GASB Statement No. 54 establishes accounting and financial reporting standards for all governments that report governmental funds. This statement establishes criteria for classifying fund balances into specifically defined classifications and it clarifies definitions as follows:

Non-spendable – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally required to be maintained intact.

Restricted – This classification consists of amounts that are restricted to specific purposes, as imposed by external restrictions such as constitutional provisions or enabling legislation.

Committed – This classification consists of amounts used for specific purposes exclusively imposed by formal action of the County's Board of Commissioners, the County's highest level of decision-making authority. Only through execution of a resolution by the County's Board of Commissioners prior to fiscal year-end can the County commit fund balance or remove or modify a previously committed fund balance.

Assigned – This classification consists of amounts constrained by the County's intent to be used for specific purposes that are neither restricted nor committed. The policy in place allows for procedures of the Commissioners and the Controller to jointly assign amounts to be used for specific purposes before issuance of the audited financial statements.

Unassigned – This classification consists of amounts that have not been assigned to other resources and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that could report a positive unassigned fund balance.



**COUNTY OF BEAVER, PENNSYLVANIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2014 AND JUNE 30, 2014**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

17. **Fund Balance** - Continued

It is the County’s policy, when more than one classification of fund balance is available for a particular purpose, to first apply expenditures against the restricted fund balance followed by committed, assigned, and then unassigned fund balance.

The governmental fund types use encumbrance accounting, under which open purchase orders are recorded. Open encumbrances do not constitute expenditures or liabilities since the obligations will be honored, re-appropriated and added to each department’s subsequent year’s budget. The assigned fund balance portion of the General Fund –named “purchases on order” on the Governmental Funds’ Balance Sheet- is entirely for encumbrances of purchase orders. See Note M for additional encumbrance information.

Amounts reported as restricted fund balance – other – on the Governmental Funds’ Balance Sheet have the following specific purposes:

For Emergency Services	\$ 126,548
For Capital Projects	2,228,067
For the Elderly Population	968,703
For Tourism Promotion	55,739
For Office Improvements and Records Automation	462,511
For General Law Enforcement	1,057,967
	<u>\$ 4,899,535</u>

*HealthChoices Program*

HealthChoices receives funds based on a contract between the County and the Commonwealth of Pennsylvania’s Department of Public Welfare (Commonwealth). Per the contract, the County must maintain a restricted reserve for equity and a plan of insolvency. As of December 31, 2014, the County has met the equity requirement by maintaining approximately \$1,800,000 in a separate bank account. Assets can be transferred from this account only with the permission of the Commonwealth. As of December 31, 2014, the County has also met the insolvency requirement determined by the Commonwealth by maintaining, at a minimum, the equivalent of sixty days’ worth of unpaid claims. The minimum, which was determined by the Commonwealth to be \$4,598,255 is maintained in a separate bank account.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

17. **Fund Balance** - Continued

*HealthChoices Program – Continued*

The contract also allows the County to maintain a reserve for risk and contingency in an amount not to exceed seventy-five days of unpaid claims. The County has elected to have this reserve by restricting \$5,755,240 of cash and investments at December 31, 2014. Draw-down of these funds requires approval of the Commonwealth.

18. **Net Position**

GASB Statement No. 63 requires a classification of net position into three components ó net investment in capital assets; restricted; and unrestricted. These classifications are defined below:

- Net investment in capital assets ó This component consists of capital assets, net of accumulated depreciation, and reduced further by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.
- Restricted ó This component of net position entails the balance subject to constraints placed on the use of resources through external restrictions, such as, constitutional provisions or enabling legislation.
- Unrestricted ó This component consists of resources that do not meet the definition of òrestrictedö or ònet investment in capital assets.ö

The County's policy is to apply expenses against restricted net position first, then unrestricted net position, when that choice is permitted.

19. **Pending Governmental Accounting Standards Board Pronouncements**

The GASB has issued Statement No. 68 òAccounting and Financial Reporting for Pensionsö an amendment of GASB Statement No. 27ö (as amended by GASB Statement No. 71 òPension Transition for Contributions Made Subsequent to the Measurement Dateö an amendment of GASB Statement No. 68ö). This statement along with the amendments to it is effective for periods starting after June 15, 2014. The primary objectives of this statement are to improve accounting and financial reporting by state and local governments for pensions and to improve information provided by state and local governmental employers about financial support for pensions that is delivered by other entities.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

19. **Pending Governmental Accounting Standards Board Pronouncements** - Continued

The GASB has issued Statement No. 72 “Fair Value Measurement and Application”, effective for periods beginning after June 15, 2015. This statement is to address accounting and financial reporting issues related to fair value measurements, and to provide guidance related to fair value reporting and to disclosures necessary for fair value measurements.

The County has not determined the impact, if any, the application of the aforementioned statements will have on the County’s financial statements.

20. **Use of Estimates**

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect reported amounts. Actual results could differ from those estimates.

### NOTE B - PROPERTY TAXES

Property tax millage rates are set by a resolution of the Commissioners prior to January 1 of the current year, with certain exceptions. Taxes are payable in the beginning of the current fiscal year through April of the following fiscal year as approved by the Commissioners. After that date, the properties are liened and legal action is required to sell real property for tax proceeds.

The County is permitted, by the County Code, to levy real property taxes up to a maximum of twenty-five mills on every dollar of adjusted valuation.

Property tax revenues for the year ended December 31, 2014, are recorded on the Statement of Activities net of discounts of approximately \$750,000 and inclusive of penalties amounting to approximately \$300,000. Property tax receivables are stated net of allowance for uncollectible accounts. At December 31, 2014, the balance in the allowance for uncollectible taxes is \$3,583,888.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE C - CASH DEPOSITS AND INVESTMENTS

Beaver County has not adopted a formal investment policy other than that pertaining to the Pension Trust Fund; however, all investment decisions are based upon legally binding statutes determined by the County Code. Statutes allow the County to invest in the following:

- United States Treasury bills
- Short-term obligations of the United States Government or the Commonwealth of Pennsylvania
- Deposits in savings accounts or time deposits of institutions having a place of business in the Commonwealth of Pennsylvania and insured or collateralized in accordance with Act 72
- Certificates of deposit limited to twenty per centum of capital and surplus if purchased from a commercial bank and limited to twenty per centum of assets minus liabilities if purchased from a savings and loan association, or other investments, collateralized by the aforementioned federal government securities

#### **Cash Deposits**

Cash deposits are exposed to custodial credit risk, which is the risk that a government may not recover the funds it placed in the custody of a counterparty (such as if the counterparty would enter bankruptcy proceeding). The County does not have a formal deposit policy for custodial credit risk. At December 31, 2014, Beaver County's deposits were either insured or collateralized with assets held by the pledging bank's trust department and not in the County's name. At December 31, 2014, the bank balance of the County's cash deposits was approximately \$34 million, of which approximately \$850,000 was insured. The remaining uninsured bank balance was collateralized in accordance with Act 72 of the Commonwealth of Pennsylvania State Legislature, which states that a depository must pledge assets to secure state and municipal deposits. The pledged assets must be equal to at least the total amount of the public deposits at the depository and may be on a pooled basis.

#### **Investments**

Substantially all of the County's investments (excluding the pension fund and restricted investments) are in certain Pooled Investment Funds which are managed by the Pennsylvania Local Government Investment Trust (PLGIT) and the Invest Program. The fair value of the position in the PLGIT and the Invest Program are the same as the value of the pools' shares.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

#### **Investments** ó Continued

Since these investments have maturities that are less than three months, these amounts are classified as cash equivalents on the Statement of Net Position which is pursuant to the County's accounting policy. An oversight committee headed by the Pennsylvania State Treasurer monitors the overall effectiveness of the Invest Program. PLGIT's Board of Trustees and its participants annually select an independent auditing firm to perform a financial audit of the Trust. The pools are composed of a diversified portfolio of short-term securities, repurchase agreements and certificates of deposit collateralized with U.S. Treasury securities, and obligations of the U.S. Government. The credit quality rating for PLGIT and the Invest Program were "AAA" according to Standard and Poor's.

#### **Restricted Investments**

Restricted investments are comprised of United States Treasury Obligations amounting to approximately \$7.1 million as of December 31, 2014. These investments are restricted and to be used for debt service related to Bonds issued where the proceeds were used for Friendship Ridge, which was disposed of in 2014, as described in Note N. The weighted average to maturity of these investments is 3.89 years.

#### **Pension Trust Fund Investments**

The County has a policy in place to define the types and the mix of investments that are commensurate with the goals of the Pension Trust Fund. The policy applies certain limitations on the amounts of domestic equities, international equities, fixed income investments, and cash equivalents that the fund may hold at any one time. All assets of the County's Pension Trust Fund, except for its interest in the collective trusts and certain debt and equity securities, were either insured or collateralized with assets held in the custodian's trust department.

Credit risk is the risk that investments may not be recovered from the counterparty due to bankruptcy, theft, or other occurrences. To mitigate this risk, the Beaver County Pension Trust Fund Investment Policy limits an investment in common stock in any one corporation to 5% of the total portfolio. For corporate bonds, the County's policy requires that bonds be rated at least "BBB" by the Standard and Poor's bond rating system.

Foreign currency risk is the risk that investments may lose value due to fluctuation of foreign currency exchange rates. All foreign equity investments are pooled investments managed by a single counterparty. As a result of the pooling of investments, the Pension Trust Fund does not own foreign securities but rather shares of the pooled investment fund.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

#### **Pension Trust Fund Investments** ó Continued

##### Securities Lending Transactions

The County's pension investment policy allows the County's Pension Trust Fund to enter into security lending agreements with eligible borrowers. During 2014, the Pension Trust Fund, through the use of a security lending agent, engaged in several security lending transactions. All securities held by the pension trust fund, except those specifically identified by the County, are available for these loans. The fair value and carrying value of the securities on loan at December 31, 2014, is approximately \$12.2 million, which is almost entirely comprised of common stock.

Collateral on outstanding loans is calculated daily and equals 102% or 105% of the fair value of the securities on loan. Collateral can be accessed in the event the borrower is unable to repay the loan at maturity. The County has and exercises its ability to invest cash collected as collateral in certain investment accounts to enhance earnings. At December 31, 2014, the County had approximately \$12.2 million of common stock on loan to various borrowers. The County collected collateral of approximately \$12.4 million consisting entirely of cash which was subsequently deposited into a short term investment account in order to ensure that maturity of these investments match the maturities of the loans outstanding.

At December 31, 2014, the amount of collateral on hand exceeded the value of the securities on loan. The County has not recorded any losses resulting from default during the year ended December 31, 2014.

Custodial credit risk is that risk that, in the event of a failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the County's collateral holdings are exposed to custodial credit risk.

Credit risk is the risk that investments may not be recovered from the counterparty due to bankruptcy, theft, or other occurrences. To mitigate this risk, the Pension Trust Fund securities lending policy requires between 102% - 105% of market value to be held as collateral for each security lent. As of December 31, 2014, the Fund is not exposed to credit risk since the value of collateral exceeds the value of the securities on loan for every loan outstanding.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

#### Pension Trust Fund Investments – Continued

As of December 31, 2014, the Pension Trust Fund's investments and cash deposits consisted of:

<u>Investments</u>	
Common and Preferred Stocks	\$ 174,887,398
Interest in Collective Trust	25,959,911
Bonds and Notes:	
U.S. Government Notes	18,828,128
U.S. Government Agency Bonds	2,977,210
U.S. Government Mortgage Backed Securities	5,386,161
Corporate Bonds	28,652,219
Registered Investment Company Securities	15,342,095
Certificates of Deposit	4,200,098
Interest in Limited Partnership	3,833,777
Other Debt Securities	<u>7,203,550</u>
 Total Investments	 287,270,547
 Cash Deposits	 7,131,257
Cash Deposits held as Collateral	<u>12,398,950</u>
 Total Cash Deposits and Investments	 <u><u>\$ 306,800,754</u></u>

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

#### Pension Trust Fund Investments – Continued

Investments in bonds and notes and their respective weighted averages to maturity are as follows:

	Amount at December 31, 2014	Weighted Average to to Maturity (Years)
<b>Obligations Explicitly Guaranteed by the United States Government:</b>		
U.S. Government Notes	\$ 18,828,128	4.99
<b>Other Obligations:</b>		
U.S. Government Agency Bonds	2,977,210	8.17
U.S. Government Mortgage Backed Securities	5,386,161	18.36
Corporate Bonds	28,652,219	5.89
Subtotal	<u>37,015,590</u>	
Total	<u>\$ 55,843,718</u>	
Portfolio Weighted Average		<u>6.91</u>



# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

The bond ratings given to corporate bonds, except those explicitly guaranteed by the United States government and mortgage backed securities, whose credit ratings are not available, as determined by the Standard and Poor's bond rating system along with the amount invested by the Pension Trust Fund at December 31, 2014, are as follows:

<u>S&amp;P Rating</u>	<u>Market Value</u>
AAA	\$ 435,289
AA+	3,743,072
AA	1,422,286
AA-	1,457,135
A+	3,530,428
A	5,875,414
A-	8,403,706
BBB+	2,491,398
BBB	1,645,193
BBB-	2,329,880
Unrated Securities	<u>5,681,789</u>
TOTAL	<u>\$ 37,015,590</u>

### Component Unit - BCTA

BCTA is authorized under State statutes to invest in:

- I. Obligations of the U.S. Treasury.
- II. Short-term obligations of the U.S. Government and federal agencies.
- III. Insured savings and checking accounts and certificates of deposit in banks, savings and loan associations and credit unions.
- IV. General obligation bonds of the federal government, the Commonwealth of Pennsylvania or any political subdivision of the Commonwealth of Pennsylvania, or any of their agencies.
- V. Shares of mutual funds whose investments are restricted to the above categories.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

#### **Component Unit - BCTA** – Continued

At June 30, 2014, BCTA's cash and cash equivalents had a bank balance of \$2,428,483 and a book balance of \$2,346,448. The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government accounts is \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.

Custodial credit risk is the risk that, in the event of a bank failure, BCTA's deposits may not be returned. BCTA does not have a formal policy for custodial credit risk. As of June 30, 2014, \$1,678,483 of BCTA's bank balance is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in BCTA's name.

At June 30, 2014, the cash deposits of BCTA consisted of:

Cash - FDIC Insured	
Huntington Bank	\$ 250,000
ESB Bank	250,000
First National Bank	250,000
Collateralized by securities pledged to a pooled public funds account with the Federal Reserve System	1,678,483
	<u>\$ 2,428,483</u>

These deposits are in accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania.

#### **Component Unit – CCBC**

The Public School Code Section 440.1 authorizes CCBC to invest in:

- I. Obligations of the U.S. Treasury.
- II. Deposits in savings accounts, time deposits and share accounts of institutions insured by FDIC, Federal Savings & Loan Insurance Corporation, and National Credit Union Share Insurance Fund.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

#### Component Unit - CCBC – Continued

- III. Obligations of the United States, Pennsylvania, or any political subdivision of Pennsylvania, or any of their agencies or instrumentalities backed by the full faith and credit of these governmental units.
- IV. Shares of an investment company, registered under the Investment Company Act of 1940.

Investments of the CCBC Foundation include equity, fixed, and mutual funds and money market funds held by the First National Wealth Management. Investments are stated at fair value.

At June 30, 2014, CCBC's cash and cash equivalents had a bank balance of \$2,400,817 and a book balance of \$1,913,276. The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government accounts is \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.

CCBC does not have a formal policy for custodial credit risk. As of June 30, 2014, \$1,984,381 of CCBC's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in CCBC's name.

At June 30, 2014, the cash deposits of CCBC consisted of:

Cash - FDIC Insured	\$ 250,000
Cash - CCBC Foundation - FDIC Insured	46,044
Separate Cash Account	120,392
Collateralized by securities pledged to a pooled public funds account with the Federal Reserve System	1,984,381
	<u>\$ 2,400,817</u>

These deposits are in accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania.

CCBC's investments at June 30, 2014 totaled \$847,656 and they were held by the CCBC Foundation.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

### NOTE D – RECEIVABLES AND PAYABLES

Receivables at December 31, 2014 were as follows:

	Accounts Receivable	Taxes	Due From Other Governments	Other	Total Receivables
<b>Governmental Activities</b>					
General Fund	\$ -	\$ 8,220,495	\$ 359,847	\$ 1,037,735	\$ 9,618,077
MH/ID	-	-	1,151,258	74,505	1,225,763
Children & Youth	-	-	1,573,708	7,449	1,581,157
Community Development	-	-	354,013	39,622	393,635
HealthChoices	-	-	214,808	31	214,839
Non-major Governmental Funds	-	-	1,143,523	182,347	1,325,870
	-	8,220,495	4,797,157	1,341,689	14,359,341
Allowance for Doubtful Accounts	-	(3,583,888)	-	-	(3,583,888)
<b>Total - Governmental Activities</b>	<b>\$ -</b>	<b>\$ 4,636,607</b>	<b>\$ 4,797,157</b>	<b>\$ 1,341,689</b>	<b>\$ 10,775,453</b>
<b>Component Units</b>					
BCTA	\$ -	\$ -	\$ 3,393,611	\$ 33,387	\$ 3,426,998
CCBC	\$ 545,931	\$ -	\$ 518,376	\$ 109,455	\$ 1,173,762

Payables at December 31, 2014, consisted of amounts due to vendors, program providers, and grantees for goods, services, and grants.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

### NOTE E - INTERFUND BALANCES AND TRANSFERS

#### Interfund Balances

The County reports interfund balances among all of its funds. The balances for non-major governmental funds and proprietary funds are aggregated into a single column or row. The composition of interfund balances as of December 31, 2014, is as follows:

		Interfund Payable						
		General Fund	Children & Youth	Community Development	Health Choices	Non-Major Governmental	Internal Service Funds	Total Assets
Interfund Receivable	General Fund	\$ -	\$ -	\$ 87,744	\$ 1,450	\$ 476,108	\$ 2,264,877	\$ 2,830,179
	Children & Youth	1,748,743	-	-	-	-	-	1,748,743
	MH/ID	307,054	2,914	-	13,083	-	-	323,051
	Non-Major Governmental	216,462	-	-	-	-	-	216,462
	<b>Total Liabilities</b>	<b>\$ 2,272,259</b>	<b>\$ 2,914</b>	<b>\$ 87,744</b>	<b>\$ 14,533</b>	<b>\$ 476,108</b>	<b>\$ 2,264,877</b>	<b>\$ 5,118,435</b>

The following is a summary of the interfund payables and receivables outstanding at December 31, 2014:

- The General Fund's balance due to Children & Youth consists primarily of the net of County Match obligations and administration expenses as well as an indirect cost allocation.
- The General Fund's balance due to MH/ID consists primarily of the required County Match obligation netted against balances due for accounts payable.
- The General Fund's balance due to the Non-Major Governmental Funds consists of the Driving Under the Influence Program's revenue in excess of expenditures due to the Courtroom Improvement Fund and a County Match requirement due to the Office on Aging.
- Children & Youth's balance due to MH/ID is for an expenditure that was mistakenly charged to MH/ID.
- Community Development's balance due to the General Fund is primarily made up of the yearly indirect cost allocation.
- HealthChoices's balance due to the General Fund consists of a reimbursement due to the General Fund for security services provided by the Sheriff's Department.
- HealthChoices also owes MH/ID at the end of the current year for expenditures paid for by the latter fund.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

### NOTE E - INTERFUND BALANCES AND TRANSFERS – (Continued)

#### Interfund Balances – Continued

- Non-Major Governmental Fundsø balances due to the General Fund consist of the net of disbursements due from EMS and Hazardous Materials, accounts payable, payroll, postage, external audit fee, and indirect cost allocations.
- The Internal Service Fundsø balance due to the General Fund consists of a loan due when charges for employee health care services and workersø compensation are sufficient to cover the cost of services provided.
- As explained in Note N to the financial statements, Friendship Ridge did not repay an interfund loan outstanding with the General Fund on February 28, 2014, as a result of the sale of this facility.

#### Interfund Transfers

Interfund transfers for the year ended December 31, 2014, consisted of the following:

		Transfer From			
		General Fund	MH/ID	Non-Major Governmental	Total
Transfer To	General Fund	\$ -	\$ -	\$ 600,000	\$ 600,000
	Children & Youth	2,247,493	-	-	2,247,493
	MH/ID	708,626	-	-	708,626
	Non-Major Governmental	1,121,122	15,068	-	1,136,190
	Friendship Ridge	1,366,894	-	-	1,366,894
	<b>Total</b>	<b>\$ 5,444,135</b>	<b>\$ 15,068</b>	<b>\$ 600,000</b>	<b>\$ 6,059,203</b>

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE E - INTERFUND BALANCES AND TRANSFERS – (Continued)

#### **Interfund Transfers** ó Continued

The following is a summary of transfers that occurred during the year ended December 31, 2014:

1. The transfers from the General Fund to Children & Youth and MH/ID are for County Match obligations.
2. The transfer from the County's General Fund to the Non-Major Governmental Funds consists of the excess of revenues over expenditures in the Driving Under the Influence Program for the current year that are placed in the Courtroom Improvement Fund, as well as transfers to Domestic Relations and the Office on Aging for purposes of meeting County Match obligations. The General Fund also provided additional funds to Domestic Relations for the purchase of office furniture.

3. The transfer from the County's General Fund to Friendship Ridge consists of the following:

Allocation of unreimbursed indirect costs	\$ 564,358
Reassignment of financial obligations for purposes of sale	<u>802,536</u>
Total	<u>\$1,366,894</u>

Friendship Ridge was sold to a third party effective March 1, 2014. Some details pertaining to the sale transaction can be found in Note N to the financial statements.

4. MH/ID transferred \$15,068 in intergovernmental revenues to the Courtroom Improvement Fund for the purchase of video conferencing equipment.
5. The transfer from Non-Major Governmental Funds to the County's General Fund consists of the Offender's Supervisory Fund transferring funds to Adult Probation as aid in funding various eligible expenditures.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT

During 1996, the County contracted with an appraisal company to provide a detailed capital asset listing that included acquisition cost and acquisition year. The dates of acquisition and acquisition costs were either furnished by the County or estimated using reverse-trending techniques applied against the estimate of current replacement cost. The actual or estimated historical cost determined by the appraisal and transactions that occurred subsequent to the appraisal are reported in the government-wide Statement of Net Position.

Depreciation and amortization was charged to functions as follows:

Governmental Activities	
General Government	\$ 1,611,149
Judicial	280,256
Public Safety	1,816,385
Public Works and Enterprise	1,260,145
Culture, Recreation, and Conservation	305,714
Human Services	242,122
Economic Development	5,549
Total	<u>\$ 5,521,320</u>



# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

### NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT – (Continued)

The following is a summary of changes in capital assets for Governmental Activities during 2014:

	Balance at January 1, 2014	Additions	Disposals & Transfers	Balance at December 31, 2014
<b>Not being Depreciated:</b>				
Land	\$ 1,757,554	\$ -	\$ -	\$ 1,757,554
Construction in Progress	27,192,538	195,663	(27,192,538)	195,663
	<u>28,950,092</u>	<u>195,663</u>	<u>(27,192,538)</u>	<u>1,953,217</u>
<b>Other Capital Assets:</b>				
Buildings and Improvements	86,546,830	155,263	(162,827)	86,539,266
Vehicles	4,273,618	589,285	(344,129)	4,518,774
Furniture and Equipment	22,464,952	2,006,562	(1,315,327)	23,156,187
Infrastructure	37,066,015	2,695,836	27,189,038	66,950,889
	<u>150,351,415</u>	<u>5,446,946</u>	<u>25,366,755</u>	<u>181,165,116</u>
<b>Accumulated Depreciation:</b>				
Buildings and Improvements	(32,414,462)	(2,065,321)	20,868	(34,458,915)
Vehicles	(2,804,148)	(478,332)	344,129	(2,938,351)
Furniture and Equipment	(15,583,039)	(1,658,351)	1,177,355	(16,064,035)
Infrastructure	(12,015,702)	(1,319,316)	379	(13,334,639)
	<u>(62,817,351)</u>	<u>(5,521,320)</u>	<u>1,542,731</u>	<u>(66,795,940)</u>
Net Other Capital Assets	<u>87,534,064</u>	<u>(74,374)</u>	<u>26,909,486</u>	<u>114,369,176</u>
Net Capital Assets	<u>\$ 116,484,156</u>	<u>\$ 121,289</u>	<u>\$ (283,052)</u>	<u>\$ 116,322,393</u>

The above assets as of December 31, 2014, include \$18,425,582 relating to capitalized leases and \$6,705,350 of associated accumulated amortization.

Capital assetsø additions displayed above include assets found through physical inspection amounting to \$59,724. These assets are not included as expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balance ó Governmental Funds.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

### NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT – (Continued)

Depreciation and amortization was charged to functions as follows:

Business-type Activities	
Friendship Ridge	\$ 260,096
Total	<u>\$ 260,096</u>

The following is a summary of changes in capital assets for Business-type Activities during 2014:

	Balance at January 1, 2014	Additions	Disposals & Transfers	Balance at December 31, 2014
Not being Depreciated:				
Land	\$ 42,075	\$ -	\$ (42,075)	\$ -
Construction in Progress	180,257	-	(180,257)	-
	222,332	-	(222,332)	-
Other Capital Assets:				
Buildings and Improvements	16,128,460	-	(16,128,460)	-
Furniture and Equipment	34,209,408	-	(34,209,408)	-
	50,337,868	-	(50,337,868)	-
Accumulated Depreciation:				
Buildings and Improvements	(9,932,358)	(75,428)	10,007,786	-
Furniture and Equipment	(27,033,921)	(184,668)	27,218,589	-
	(36,966,279)	(260,096)	37,226,375	-
Net Other Capital Assets	13,371,589	(260,096)	(13,111,493)	-
Net Capital Assets	\$ 13,593,921	\$ (260,096)	\$ (13,333,825)	\$ -

Friendship Ridge capital assets were assigned to Governmental Activities on February 28, 2014, and subsequently disposed of through a sale, effective March 1, 2014, as further described in Note N.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - (Continued)

#### Component Unit- BCTA

The following is a summary of BCTA's property accounts as of June 30, 2014:

		<u>Estimated Useful Lives</u>
Land	\$ 3,573,967	N/A
Construction in Progress	1,443,150	N/A
Buildings and Improvements	16,634,076	30
Tangible Transit Operating Property	11,820,966	5-12
Other Property - MATP	60,810	4-5
Furniture and Equipment	<u>1,545,785</u>	
	35,078,754	
Less Accumulated Depreciation	<u>(15,501,367)</u>	
	<u>\$ 19,577,387</u>	

Depreciation expense for the year ended June 30, 2014, amounted to \$1,882,459.

#### Component Unit - CCBC

The following is a summary of CCBC's property accounts as of June 30, 2014:

		<u>Estimated Useful Lives</u>
Land	\$ 204,425	N/A
Land Improvements	747,863	20
Buildings and Improvements	46,679,807	25-50
Vehicles	251,942	8-10
Furniture and Equipment	<u>11,938,668</u>	5-20
	59,822,705	
Less Accumulated Depreciation	<u>(26,574,425)</u>	
	<u>\$ 33,248,280</u>	

Depreciation expense for the year ended June 30, 2014 amounted to \$1,807,563.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE G - EMPLOYEE RETIREMENT PLAN

#### Disclosures Required by GASB Statements No. 25, 27, and 50

1. **Plan Description**

The County sponsors the Beaver County Employees' Pension Plan (the Plan), a single-employer, defined benefit pension plan covering substantially all of its employees. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Administration of the Plan is provided by the Beaver County Employees' Retirement Board (Retirement Board), consisting of the Board of County Commissioners, the County Controller, and the County Treasurer. Most administrative costs are incurred and paid by the Plan.

The Plan is established, administered, and funded under the authority of the "County Pension Law," Act 96 of 1971, as amended, enacted by the General Assembly of the Commonwealth of Pennsylvania. The Plan has no authority to establish or amend benefit terms with the exception of granting cost-of-living modifications and adjusting the rate of regular interest on member contribution accounts. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. There is no stand-alone financial report of the Plan and the Retirement Board does not issue a public report including the Plan.

As of January 1, 2015, the date of the last available actuarial report, employee membership data related to the pension plan was as follows:

Retirees and Beneficiaries Currently Receiving Benefits	1,203
Terminated Employees not yet Receiving Benefits	199
	<u>1,402</u>
Active Plan Participants:	
Vested	620
Non-vested	174
	<u>794</u>

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

1. **Plan Description** - Continued

The Plan provides pension benefits for normal retirement at age sixty or at age fifty-five with twenty or more years of completed service. This is based on a formula including final average salary and years of credited service, in addition to the member's accumulated contribution to the Plan and interest earnings thereon. Early retirement is available at an earlier age as specified by the Plan. Members become vested after five years of service. All plan members are eligible for disability benefits after 5 years of service if disabled while in service and unable to continue as a county employee. Disability retirement benefits are equal to 25% of final average salary at the time of retirement. Death benefits for a member who dies with 10 years of service prior to retirement is the total present value of the member's retirement paid in a lump sum. A plan member who leaves the County service with less than 5 years of service may withdraw his or her contributions, plus accumulated interest.

2. **Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions**

Members of the Plan are required to contribute no less than 9% and no more than 19% of their earnings while employed by the County. All full-time and part-time employees expected to complete 1,000 hours of service in a twelve-month period when employed are required to participate in the Plan.

The Plan funding policy provides for periodic employer contributions at actuarially determined rates that are necessary to accumulate sufficient assets to pay benefits when due. The annual pension cost for 2014 was determined as part of an actuarial valuation as of January 1, 2014, using the entry age method.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. However, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In December 2005, the County issued the Federally Taxable General Obligation Pension Bond, Series of 2005, and in July 2009, the County issued the Federally Taxable General Obligation Pension Bonds, Series of 2009 (see Note J), to reduce volatility of future pension contributions. Because of this, the County carries an asset on its balance sheet equal to the actuarially determined remaining benefit of these proceeds.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

#### 2. **Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions** - Continued

The annual pension cost and net pension asset for the current year were as follows:

	Governmental Activities	Business-type Activities	Total
Annual Required Contribution	\$ 2,171,426	\$ 115,244	\$ 2,286,670
Interest on Net Pension Asset	(1,098,492)	(293,908)	(1,392,400)
Adjustment to the Annual Required Contribution	1,869,615	562,192	2,431,807
Annual Pension Cost	2,942,549	383,528	3,326,077
Less: Contributions Made	2,171,426	115,244	2,286,670
Decrease in Net Pension Asset	771,123	268,284	1,039,407
Net Pension Asset, Beginning of Year	(13,626,647)	(4,918,688)	(18,545,335)
Friendship Ridge Transfer	(4,650,404)	4,650,404	-
Net Pension Asset, End of Year	\$ (17,505,928)	\$ -	\$ (17,505,928)

With the sale of Friendship Ridge in March 2014, all pension-related items of the Business-type Activities, including the net pension asset, were assigned to the Governmental Activities.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

### NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

#### 2. Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions - Continued

##### Three-year Trend Information:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
December 31, 2014	\$ 3,326,077	69%	\$ (17,505,928)
December 31, 2013	\$ 4,896,056	77%	\$ (18,545,335)
December 31, 2012	\$ 4,512,955	73%	\$ (19,650,738)

The information presented above was determined as part of the actuarial valuations for the years indicated. The additional information is for all years presented unless otherwise indicated.

Actuarial Cost Method :	Entry age normal
Asset Valuation Method:	Greater of market value and actuarial value (as determined by Pennsylvania State Law, Act 44)
 Actuarial Assumptions:	
Inflation Adjustment :	3%
Investment Rate of Return:	7.5%
Amortization Method :	Level percentage of projected payroll
Amortization Period :	30-year closed period for unfunded liability
Projected Salary Increase:	3.50% / 4.50%
Cost-of-Living Adjustment:	100% of CPI effective as of January 1, 2000
Mortality Tables:	1983 Group Annuity Mortality Table with no projected improvements prior to January 1, 2013; 2013 RP Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvements effective January 1, 2013.

**COUNTY OF BEAVER, PENNSYLVANIA**

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

**NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)**

**3. Funded Status and Funding Progress**

The funded status as of the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2015	\$ 294,855,370	\$ 282,247,896	\$ 12,607,474	104.5%	\$ 38,562,973	32.7%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**4. Reserves**

Under Act 96 of 1971, the Plan is required to maintain the following reserves:

**Member Annuity Reserve Account:** This reserve represents the total contributions deducted from the salaries of the active and terminated vested members of the retirement system together with accumulated interest additions. At January 1, 2015, the balance in this account was \$68,930,063 and it was fully funded.

**County Annuity Reserve Account:** This account represents the reserves set aside for the payment of the County's share of the retirement allowances. When a retirement annuity is scheduled to commence, sufficient monies are transferred from the County Annuity Reserve Account to the Retired Members' Reserve Account to provide for such an annuity. As of January 1, 2015, the balance in this account was \$34,460,674.



# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

#### 4. Reserves - Continued

Retired Members' Reserve Account: This is the account from which monthly retirement allowances, including cost-of-living increases and death benefits, are paid. As of January 1, 2015, the balance in this account amounted to a fully funded \$123,152,953.

#### **Disclosures Required by GASB Statement No. 67**

#### **Net Pension Liability (NPL)**

The following are the components of the Plan's net pension liability (asset) and their balances as of December 31, 2014:

Total Pension Liability	\$ 287,200,704
Plan Fiduciary Net Position	<u>294,855,370</u>
Net Pension Liability (Asset)	<u>\$ (7,654,666)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	<u>102.67%</u>

#### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation for the 2014 measurement period, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2013 Annuitant and Non-Annuitant Mortality Tables for Males and Females with no projected improvement.

The actuarial assumptions used in the valuation for the 2014 measurement period were based on past experience under the plan and reasonable future expectation which represent the best estimate of anticipated experience under the plan. An experience study has not been performed in the last five years.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

#### 5. Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. By contract, an independent appraisal is obtained once every year to determine the fair market value of real estate assets.

On an ad hoc basis, cost-of-living adjustments to each member's retirement allowance shall be reviewed at least once in every three years subsequent to the member's retirement date. The adjustment, should the County elect to give one, is a percentage of the change in the Consumer Price Index.

#### 6. Long Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation for the 2014 measurement period are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Range</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	50%	+/- 10%	5.4%
International Equity	10%	+/- 10%	5.5%
Fixed Income	28%	+/- 10%	1.3%
Alternatives	12%	+/- 5%	4.5%
Cash	0%	+3%	0.0%

#### 7. Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2014, the annual money-weighted rate of return on the Plan investments, net of investment expense, was 7.07%.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

8. **Discount Rate**

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (i.e. no depletion date is projected to occur).

9. **Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the net pension liability (asset) of the County calculated using the discount rate, as well as what the County's net pension liability (asset) would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
County's Net Pension Liability (Asset)	\$ 9,796,097	\$ (7,645,666)	\$(33,973,254)

10. **Contributions**

An actuarially determined contribution is recommended by the plan actuary. 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 2014 measurement period, the active member contribution rate was 9.0 percent of annual pay, and the County average rate was 4.02 percent of annual payroll.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

#### **Component Unit - CCBC**

CCBC participates in a cost sharing defined benefit multiple-employer Public School Employees' Retirement System (PSERS) established under and administered by the authority of the Public School Employees' Retirement Code Act No. 96 of October 2, 1975, as amended (24 Pa. C.S. 8101-8535). PSERS is a component unit of the Commonwealth of Pennsylvania. A brief summary of the plan's provisions are as follows:

- Pension Benefits -** Eligible participants are entitled to a normal retirement allowance totaling 2.5% of the participants' final average compensation, as defined, multiplied by the number of years of credited service. The defined benefit for a participant leaving employment before attaining retirement age but completing five years is vested and early retirement benefits may be elected. The plan provides for retirement, death and disability benefits, legislatively mandated ad hoc cost-of-living adjustments, and healthcare insurance premium assistance to qualifying annuitants.
- Retirement Age -** Participants may retire with normal benefits at age sixty-two, age sixty with thirty or more years of service, or with thirty-five years of service regardless of age.
- Death Benefits -** When a participant dies in active service after attaining age sixty-two or ten years of service, the beneficiary is entitled to a death benefit equal to the benefit which would have been effective if the member retired on the day before death.
- Disability Benefits -** A participant who becomes disabled after completing five years of credited service is eligible for an annuity totaling 2.5% of the final average salary, as defined, multiplied by the number of years of credited service, but not less than one-third of such salary, nor greater than the benefit the member would have had at normal retirement age.

The employer and employee obligations to contribute are established by authority of the aforementioned Public School Employees' Retirement Code and require contributions by active members, participating employers, and the Commonwealth.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

#### **Component Unit – CCBC** ó Continued

Contributions required of employers are based upon an actuarial valuation. For the fiscal year ended June 30, 2014, the rate of employer contribution was 16.93% of covered payroll. This rate is comprised of a 0.93% rate for health insurance premium assistance and a pension contribution rate of 16.00%.

Pension expense for CCBC for the year ended June 30, 2014, totaled \$125,465 based on a total covered payroll of \$1,493,036. Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Member Class TC) or at 6.5% (Member Class TD) of the member's qualifying compensation. Members who joined the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Member Class TC) or at 7.5% (Member Class TD) of the member's qualifying compensation. Members who joined the System after June 30, 2001, contribute at 7.5% (automatic Member Class TD). For all new hires and for members who elected Class TD membership, the higher contribution rates began with service rendered on or after January 1, 2002. Members who joined the System after June 30, 2011 contribute at 7.5% (Member Class TE) or at 10.3% (Member Class TF). CCBC employees contributed \$110,127 to the PSERS for the year ended June 30, 2014.

The PSERS issues a comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to Diane J. Wert, Office of Financial Management and Budget, Public School Employees' Retirement System, P.O. Box 125, Harrisburg, PA 17108-0125.

This publication is also available on the PSERS website at:  
<http://www.psers.state.pa.us/publications/general/cafr.htm>.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### **NOTE H - DEFERRED COMPENSATION PLAN**

The County offers its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. The Beaver County, PA Deferred Compensation Plan No. 638001 (the Plan), a single employer defined contribution plan, is available to substantially all County employees, and it enables them to defer a portion of their compensation for purposes of retirement savings. The Plan's administrator is Rivers Edge and for the year ended December 31, 2014, total employee contributions amounted to \$335,365. There were no employer contributions for this same period. Participation in the Plan is optional. The deferred compensation is not available for withdrawal until termination, retirement, death or an unforeseeable emergency. During 1997, the County placed all assets of the Plan in a custodial account. As a result, and in accordance with GASB Statement No. 32, the Plan's assets have been removed from the County's Agency Fund.

#### **Component Unit – BCTA**

BCTA maintains two Simplified Employees' Pension Plans, a type of single-employer defined contribution plan, for salaried and hourly employees. BCTA is the plans' administrator and it agrees to contribute annually a percentage of the participants' salaries, but not exceeding the federally mandated maximum for such plans. All full-time employees who earn at least \$450 in any three of the last five calendar years are eligible to participate in the plans. Participants are not required to contribute to the plans. BCTA's contributions amounted to approximately \$131,101 for the year ended June 30, 2014.

#### **Component Unit - CCBC**

CCBC established a Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF), under Section 403 (b) of the Internal Revenue Code, for eligible employees. This TIAA-CREF is a single-employer defined contribution plan administered by CCBC. Under the plan, individual contracts are entered into for covered employees. Employees are fully vested, and the contract fully funded, in accordance with the terms of the contract. Employee contributions are 5% of covered compensation. Employer contributions vary according to compensation levels and the employees' position at CCBC. During the year ended June 30, 2014, CCBC contributed \$705,700 to this retirement plan.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE I – SHORT-TERM DEBT

On January 2, 2014, the County entered into a tax revenue anticipation note agreement with a financial institution for the purpose of meeting current expenditures. The note provided for borrowings of \$6,000,000 bearing interest at 1.10%. The County paid all principal and accrued interest on March 31, 2014, prior to the note's maturity date.

Beginning Balance at January 1, 2014	Borrowings	Repayments	Ending Balance at December 31, 2014
\$ -	6,000,000.00	(6,000,000.00)	\$ -

### Component Unit - BCTA

BCTA maintains two \$500,000 demand lines of credit with a financial institution. One credit facility is restricted to purposes of the Medical Assistance Transportation Program. The terms of the agreements call for interest to be charged based on a percentage of prime rate on any outstanding balance. There are no outstanding balances as of June 30, 2014.

### Component Unit - CCBC

On August 21, 2009, CCBC entered into a working capital line of credit note for \$1,500,000. The terms of the note call for a per annum rate of interest equal to the London Interbank Offering Rate plus 150 basis points. The general revenues of CCBC serve as collateral on this note. There is no outstanding balance on this line of credit as of June 30, 2014.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

### NOTE J - LONG-TERM LIABILITIES

The following summarizes the long-term debt activity for the year ended December 31, 2014:

	Interest Rate	Issued	Maturity	Balance January 1, 2014	Assignment from Business-type Activities	Reductions	Balance December 31, 2014	Due Within One Year
<b>Governmental Activities</b>								
<b>General Obligation Bonds</b>								
Series of 2009 Notes	2.50-5.55	02/12/2009	11/15/2031	63,594,212	3,300,788	(1,830,000)	65,065,000	1,885,000
				<u>63,594,212</u>	<u>3,300,788</u>	<u>(1,830,000)</u>	<u>65,065,000</u>	<u>1,885,000</u>
<b>Other General Long-Term Liabilities</b>								
Pension Bond of 2005	4.75-5.65	12/22/2005	12/15/2030	11,495,000	-	(430,000)	11,065,000	450,000
PFA Series A of 2005	3.75-5.60	05/27/2005	10/01/2029	2,545,000	-	(105,000)	2,440,000	110,000
Pension Bond of 2009	3.86-6.50	07/08/2009	05/15/2032	9,532,500	9,532,500	(30,000)	19,035,000	25,000
DCED General Obligation Note	1.00	08/01/2011	07/01/2021	44,840	-	(5,711)	39,129	5,770
PFA Series of 2012	2.00-4.00	10/01/2012	10/01/2031	6,832,365	247,636	(1,920,000)	5,160,001	1,790,000
PFA Series of 2013	0.70-2.60	05/15/2013	11/15/2024	7,116,785	3,043,215	(190,000)	9,970,000	375,000
				<u>37,566,490</u>	<u>12,823,351</u>	<u>(2,680,711)</u>	<u>47,709,130</u>	<u>2,755,770</u>
Discount				(1,138,589)	(272,369)	103,835	(1,307,123)	-
<b>Total Governmental Activities</b>				<u>\$ 100,022,113</u>	<u>\$ 15,851,770</u>	<u>\$ (4,406,876)</u>	<u>\$ 111,467,007</u>	<u>\$ 4,640,770</u>
<b>Business-type Activities</b>								
<b>General Obligation Bonds</b>								
Series of 2009 Notes	2.50-5.55	02/12/2009	11/15/2031	3,300,788	-	(3,300,788)	-	-
				<u>3,300,788</u>	<u>-</u>	<u>(3,300,788)</u>	<u>-</u>	<u>-</u>
<b>Other General Long-Term Liabilities</b>								
Pension Bond of 2009	3.86-6.50	07/08/2009	05/15/2032	9,532,500	-	(9,532,500)	-	-
PFA Series of 2012	2.00-4.00	10/01/2012	10/01/2031	247,636	-	(247,636)	-	-
PFA Series of 2013	0.70-2.60	05/15/2013	11/15/2024	3,043,215	-	(3,043,215)	-	-
				<u>12,823,351</u>	<u>-</u>	<u>(12,823,351)</u>	<u>-</u>	<u>-</u>
Discount				(272,369)	-	272,369	-	-
<b>Total Business-type Activities</b>				<u>\$ 15,851,770</u>	<u>\$ -</u>	<u>\$ (15,851,770)</u>	<u>\$ -</u>	<u>\$ -</u>



# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### **NOTE J - LONG-TERM LIABILITIES – (Continued)**

The following is a brief description of the outstanding debt issues of the County:

#### Governmental

##### *Series of 2009 Notes*

In 1997, the County issued \$61,060,000 of General Obligation Bonds, Series of 1997 (the 1997 Bonds), for the purpose of refunding the General Obligation Bonds, Series of 1996. On November 1, 2007, the County issued \$59,200,000 in General Obligation Bonds, Series B of 2007 (the 2007 Bonds), which were used to defease the then remaining balance of the 1997 Bonds. The amount of debt refinanced and considered defeased as a result of this issuance was \$58,125,000. The interest on these bonds was variable and paid monthly as determined by a third party with the purpose of aligning the bonds' interest rate to market conditions. All of the 1997 Bonds previously defeased have been redeemed on or prior to December 31, 2012.

On February 12, 2009, the County issued \$72,685,000, of General Obligation Notes, Series of 2009 at a discount of \$1,117,031, for the purpose of refunding the 2007 Bonds, terminating the 2006 Swap Agreement, and to finance various capital projects. From the proceeds of the issuance, approximately \$58.7 million was for the refunding of the 2007 Bonds, \$6.9 million was for the termination of the Swap Agreement, and \$4.8 million was for capital projects of the County. Interest is payable in semi-annual payments ranging in rates from 2.50% to 5.55%. Mandatory bond sinking fund payments, from \$600,000 to \$8,150,000 installments, take effect in 2010 and continue through bond maturity on November 15, 2031. This debt issue was shared with Friendship Ridge. As of December 31, 2014, all of the defeased 2007 Bonds have been redeemed.

##### *Pension Bond of 2005*

On December 22, 2005, the County issued \$13,675,000 of Federally Taxable General Obligation Pension Bonds, Series of 2005, with the intent of reducing volatility in annual required contributions to the County's retirement system. The proceeds of these bonds, net of issuance costs and discounts, were contributed to the County retirement system's trust fund. Interest is payable semi-annually in a range of rates between 4.75% and 5.65% per annum. Principal matures in installments starting in 2007 and throughout 2030. Principal payments range from \$320,000 to \$1,005,000. Mandatory bond sinking fund requirements take place for principal maturities after December 25, 2015.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### **NOTE J - LONG-TERM LIABILITIES – (Continued)**

#### *PFA Series A of 2005*

The County entered into a loan agreement with the PFA on May 27, 2005, in the amount of \$3,240,000. The majority of these proceeds were granted to a local performing arts center for construction purposes. The County's payments under this loan agreement equal the debt service requirements on the PFA's Federal Taxable Guaranteed Revenue Bonds, Series A of 2005, of which the County is a guarantor. The annual interest rates range from 3.75% through 5.60%. Mandatory bond sinking fund requirements for certain principal redemptions take effect starting in 2008. Effective October 1, 2015, and thereafter, the County has the right to extinguish any or all debt outstanding through this loan agreement with the PFA.

#### *Pension Bond of 2009*

On July 8, 2009, the County issued \$19,135,000 of Federally Taxable General Obligation Pension Bonds, Series of 2009, at a discount of \$622,028, with the intent of reducing volatility in annual required contributions to the County's retirement system. The proceeds of these bonds, net of issuance costs and discounts, were contributed to the County retirement system's trust fund. The County allocated one half of this obligation to its governmental activities and the other half to Friendship Ridge. Interest is payable semi-annually in a range of rates between 3.86% and 6.50% per year. Mandatory bond sinking fund payments, ranging from \$5,000 to \$10,825,000, take effect in 2010 and continue through bond maturity on November 15, 2032.

#### *DCED General Obligation Note*

The County entered into a loan agreement as the maker of a general obligation note with the Commonwealth Finance Authority for \$58,403 to finance a portion of the expenses related to upgrading the lighting around the courthouse and magistrate offices. The interest rate is fixed at 1.00% per year. Payments began in August 2011 and will continue in monthly installments ranging from \$461 to \$560 through maturity in July 2021.

#### *PFA Series of 2012*

On May 1, 2012, the County executed two agreements with the PFA to refinance several debt obligations of the County, including Friendship Ridge. This generated the issuance of the Pennsylvania Finance Authority, County of Beaver Guaranteed Revenue Bonds, Series of 2012 (the "PFA Series of 2012"), at a face value of \$15,670,000.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE J - LONG-TERM LIABILITIES – (Continued)

#### *PFA Series of 2012 – Continued*

The debt refundings that took place are hereby depicted:

	Governmental Activities	Friendship Ridge
Issuance of debt - face value	\$ 7,958,208	\$ 301,792
Current refunding payments:		
Series A of 2005	(1,726,413)	-
PFA Series A of 2006	(3,040,135)	(290,970)
PFA 2006 Bonds	(3,029,155)	-

Additionally, \$7,410,000 of the PFA Series of 2012 was applied to refinance the Human Services Building Lease (see below) and \$217,143 remaining in proceeds was placed in the governmental Capital Bond fund restricted for purposes of capital assets investment. Debt proceeds available for refunding and capital projects were reduced by an original issue discount of \$35,127 and issuance costs of \$218,576. The refunding of the Series A of 2005, the PFA Series A of 2006, and the PFA 2006 Bonds generated \$523,660 in combined debt service savings over the repayment span of the PFA Series of 2012 and the transaction yielded an economic gain of \$353,084 for the governmental activities. A deferred amount on refunding of \$126,390 has been recognized for the governmental activities, which, as of December 31, 2014, is recorded in the government-wide Statement of Net Position with a balance of \$71,379. Amortization of this amount is recorded yearly as interest expense. Interest on this issue is payable semiannually at annual rates from 2.0% to 4.0%. Debt service payments started in October 2012 and end in October of 2025. Payments to satisfy the lease portion under the PFA Series of 2012 continue until October 2031. Combined yearly principal maturities range from \$360,000 to \$2,225,000. Mandatory bond sinking fund payments start in the year 2023. The bonds maturing after April 1, 2022, can be redeemed early at the option of the PFA upon the written direction of the County.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE J - LONG-TERM LIABILITIES – (Continued)

#### *PFA Series of 2013*

In March of 2013, the County executed an agreement with the PFA to refinance the General Obligation Bonds, Series A of 2007, a debt obligation of the County, including Friendship Ridge. This generated the issuance of the Pennsylvania Finance Authority, County of Beaver Guaranteed Revenue Bonds, Series of 2013 (the "PFA Series of 2013"), at a face value of \$10,350,000. The advance refunding was accomplished by placing \$9,661,258 in a third-party trust fund. This resulted in a net economic gain of \$76,003 and net cash flow savings of \$435,935 over the term of the PFA Series of 2013, both recognized in total for the County. A total deferred amount on refunding of \$898,782 has been recorded as well in 2013. At December 31, 2014, the outstanding balance of unamortized deferred amount on refunding for this issue is \$723,068 and it is presented in the government-wide Statement of Net Position. Amortization of this amount is recorded yearly as interest expense. Interest is paid semiannually at annual coupon rates ranging from 0.7% to 2.6%. The bonds mature in annual installments ranging from \$190,000 to \$1,490,000 ending in 2024. Early redemption of the bonds is permitted starting in November 2021 as an option of the County.

#### Business-type

#### *Series of 2009 Notes / Pension Bond of 2009 / PFA Series of 2012 / PFA Series of 2013*

These bond issuances were split between Friendship Ridge and the Governmental Activities. See the preceding governmental bond descriptions for details of these bond issues.

Ownership of Friendship Ridge was transferred to a private entity effective March 1, 2014. As a result of this transaction, long-term debt previously recorded on Friendship Ridge's financial statements was assigned to the County's governmental activities. During May of 2014 the County placed in escrow with two trustee agents \$7,465,304 to meet all future debt obligations of the Series of 2009 Notes, the PFA Series of 2012, and the PFA Series of 2013 that were previously assigned to the Business-type Activities. This debt continues to be recorded on the financial records of the County. To effectuate this transaction, the County incurred \$72,984 in costs with third parties. The County also continues to make payments on the debt of the Pension Bond of 2009 previously assigned to Friendship Ridge as it comes due. More information on the sale of Friendship Ridge is provided in Note N to the financial statements.

Changes in the rate of interest payable on the various outstanding bonds are determined by the applicable bond indentures.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

### NOTE J - LONG-TERM LIABILITIES – (Continued)

The aggregate amount of debt service requirements during the next five years and thereafter is as follows:

	Governmental Activities		Total	
	Principal	Interest	Principal	Interest
2015	\$ 4,640,770	\$ 5,668,604	\$ 4,640,770	\$ 5,668,604
2016	3,885,828	5,531,537	3,885,828	5,531,537
2017	4,010,888	5,404,699	4,010,888	5,404,699
2018	4,135,948	5,275,406	4,135,948	5,275,406
2019	4,286,008	5,133,302	4,286,008	5,133,302
2020-2024	24,119,688	23,583,113	24,119,688	23,583,113
2025-2029	7,125,000	18,946,386	7,125,000	18,946,386
2030-2034	60,570,000	7,702,939	60,570,000	7,702,939
	112,774,130	77,245,986	112,774,130	77,245,986
Unamortized Premium/ Discount	(1,307,123)	1,307,123	(1,307,123)	1,307,123
	\$ 111,467,007	\$ 78,553,109	\$ 111,467,007	\$ 78,553,109

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

### NOTE J - LONG-TERM LIABILITIES – (Continued)

The following summarizes other long-term obligation activity for the year ended December 31, 2014:

	Balance January 1, 2014	Additions / Transfers	Reductions	Balance December 31, 2014	Due Within One Year
<u>Governmental Activities</u>					
Capital Lease Obligations	\$ 16,117,472	\$ 147,963	\$ (380,346)	\$ 15,885,089	\$ 370,119
Compensated Absences	1,150,799	245,953	(228,967)	1,167,785	191,971
Early Termination Benefits	188,472	271,549	(236,622)	223,399	223,399
	<u>17,456,743</u>	<u>665,465</u>	<u>(845,935)</u>	<u>17,276,273</u>	<u>785,489</u>
<u>Business-type Activities</u>					
Early Termination Benefits	271,549	-	(271,549)	-	-
	<u>271,549</u>	<u>-</u>	<u>(271,549)</u>	<u>-</u>	<u>-</u>
<u>Total County-wide</u>	<u>\$ 17,728,292</u>	<u>\$ 665,465</u>	<u>\$ (1,117,484)</u>	<u>\$ 17,276,273</u>	<u>\$ 785,489</u>

As a result of Friendship Ridge's sale \$271,549 payable in early termination benefits were assigned to Governmental Activities. About \$140,000 were liquidated in 2014 and the remainder is payable in 2015.

Typically, long-term liabilities reported by Governmental Activities, other than those arising from the issuance of bonds or other long-term debt agreements, are liquidated by the funds incurring such liabilities.

#### Capital Lease Obligations

The County has recorded the following leased assets in the government-wide Statement of Net Position:

	Governmental Activities	Business-type Activities
Land	\$ 392,984	\$ -
Buildings	17,504,086	-
Equipment	195,742	-
Vehicles	332,769	-

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE J - LONG-TERM LIABILITIES - (Continued)

#### Capital Lease Obligations ó Continued

##### *Human Services Building Lease*

The County entered into a lease agreement with the PFA during 2002. The lease is for a building to consolidate office locations of the County's Human Services agencies. Construction of this building was financed by the PFA's issue of \$7,865,000 Guaranteed Lease Revenue Bonds, Series A of 2002. The County is the guarantor of this bond issue and of the minimum lease payments over the lease term. The monthly payment under this lease amounts to approximately \$44,000 through September 2031. The County shall have the right to acquire title to the property for no additional consideration at the earlier of the expiration of the lease or when the bond issue related to the financing of this building is no longer outstanding. This lease agreement was amended effective October 15, 2006, as a consequence of the refunding of the PFA's Guaranteed Lease Revenue Bonds, Series A of 2002, and again on May 1, 2012, through a portion of the PFA Series of 2012 issue. The amended lease payments cover the debt service on \$7,410,000 of the PFA Series of 2012, which the County guarantees. All other lease terms remain unchanged.

The outstanding balance of this capital lease obligation at December 31, 2014, is approximately \$5,855,000. This amount is recorded as a liability in the Statement of Net Position, Governmental Activities. The difference between the recorded amount and the face value of the issued debt consists of retired maturities on the lease and an amount treated as future interest costs when accounting for capital leases. The agreement also requires the County to pay for bond maintenance fees, real estate taxes, and other miscellaneous lease-related charges.

##### *Community Development Building Lease*

A second lease agreement was entered into in 2002 between the County and the city of Beaver Falls. The lease is for a building to house the Community Development Program of Beaver County and a parking lot. The outstanding balance of this capital lease obligation at December 31, 2014, is approximately \$279,000. Payments under this lease are due every three months at \$8,000 each, for a term ranging through September 2026. The building's title transfers to the County upon expiration of the lease at no additional cost.

##### *Land*

A land lease for the aforementioned Human Services building and related parking facilities is in effect with the PFA. The lease calls for monthly payments through September 2026, amounting to a total principal of approximately \$251,000 remaining as of December 31, 2014. Payments are due monthly at \$2,400 each. The County acquires title to the land upon expiration of the lease at no additional cost.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE J - LONG-TERM LIABILITIES - (Continued)

#### Capital Lease Obligations ó Continued

##### *Conservation Building Lease*

On May 15, 2005, the County entered into an agreement of lease and sublease with the PFA for a building known as the Conservation Building. The County received \$700,000 from the PFA as a prepayment of its lease obligation. The agreement further provides for the County to sublease the Conservation Building from the PFA. The outstanding balance of this sublease at December 31, 2014, amounts to approximately \$595,000 with semiannual installments ranging from \$2,006 to \$77,006. Any or all payments due on or after October 2015 may be prepaid at the option of the County. In addition, the County has leased this facility to another party. This transaction was recorded by the County as a disposal. Payments under this lease approximate the PFA's debt service requirements on its Federally Taxable Guaranteed Revenue Bonds, Series B of 2005. The County guarantees the payment of this bond issue.

##### *911 Center Lease*

The County entered into a capital lease agreement with the Beaver County Economic Development Authority in November 2008 for the acquisition of land and construction of a building to house the Beaver County 911 Center. This lease began in November 2008 and will continue through February 2025. A bargain purchase option is available to the County at the end of the lease term. The construction of the building was completed in 2009. The outstanding balance of this capital lease obligation at December 31, 2014, is approximately \$9,200,000. Semi-annual installments ranging from \$589,000 to \$1,531,875 are made on this obligation and they will continue through February 2025.

##### *Equipment Leases*

Beginning in 2009, the County entered into a capital lease agreement for computer software upgrades to be used in various County departments. This lease began in February 2009 and it ended in June 2014. The County exercised a bargain purchase option which was available at the end of the lease term.

In 2010, the County entered into a capital lease agreement for computer micro-towers and software licenses to be used throughout the County's facilities. This lease began in August 2010 and it continued through August 2014, when the County took over ownership of this equipment.

In June 2012, the County entered into a capital lease agreement for computer software and hardware to be used throughout the County's facilities. This lease will continue through June 2015. The outstanding balance of this lease at December 31, 2014, amounts to approximately \$28,600.



# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### **NOTE J - LONG-TERM LIABILITIES - (Continued)**

#### Capital Lease Obligations ó Continued

##### *Equipment Leases* – Continued

The County entered into a capital lease contract in 2013 for additional computer hardware and software to be used throughout the County's facilities. The lease began in June 2013 and it will continue through June 2016. A bargain purchase option is available to the County at the end of the lease term. The outstanding balance of this lease at December 31, 2014, amounts to approximately \$40,900 with yearly installments of roughly \$22,000.

##### *Vehicle Leases*

The County entered into a capital lease agreement in 2006 for a motorcycle for the Sheriff's department at a cost of \$100 per month. The outstanding principal at December 31, 2014, on this lease is around \$17,400.

In 2013, the County entered into a capital lease arrangement for six new vehicles dedicated to the Sheriff's department, for a lease term of forty-eight months and a total amount financed of \$165,029 plus interest at an annual rate of 5.70%. The outstanding principal balance on this lease at December 31, 2014, is nearly \$82,400.

The County entered into a capital lease arrangement in 2014 for a total of eight new vehicles dedicated to the District Attorney's office for a total amount financed of \$147,963. The outstanding principal balance on this lease at December 31, 2014, is roughly \$133,800.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

### NOTE J - LONG-TERM LIABILITIES - (Continued)

#### Capital Lease Obligations ó Continued

The following schedule summarizes future minimum lease payments due:

<b>Governmental Activities</b>				
	Buildings	Land	Other	Total Minimum Lease Payments
2015	\$ 1,201,958	\$ 28,800	\$ 127,513	\$ 1,358,271
2016	2,088,548	28,800	97,979	2,215,327
2017	2,089,998	28,800	30,600	2,149,398
2018	2,087,453	28,800	30,600	2,146,853
2019	2,089,643	28,800	30,600	2,149,043
2020-2024	10,447,698	144,000	36,285	10,627,983
2025-2029	3,962,640	50,400	6,000	4,019,040
2030-2034	1,055,676	-	6,000	1,061,676
2035-2039	-	-	2,400	2,400
	25,023,614	338,400	367,977	25,729,991
Less: Interest	(9,692,772)	(87,270)	(64,860)	(9,844,902)
Present Value	\$ 15,330,842	\$ 251,130	\$ 303,117	\$ 15,885,089

The interest rates used to calculate the amount representing interest costs were obtained from the individual lease agreements. The blended interest rate is approximately 4.5%.

Minimum lease payment amounts due within one year are reported as follows in the government-wide Statement of Net Position:

	Buildings	Land	Other	Total Minimum Lease Payments
2015 Payment	\$ 1,201,958	\$ 28,800	\$ 127,513	\$ 1,358,271
Less: Interest	(958,994)	(12,579)	(16,579)	(988,152)
Present Value	\$ 242,964	\$ 16,221	\$ 110,934	\$ 370,119

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

### NOTE J - LONG-TERM LIABILITIES - (Continued)

#### Summary

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Due within one year:		
Obligations under bond issuances	\$ 4,640,770	\$ -
Obligations under capital leases	370,119	-
Compensated absences	191,971	-
Early termination benefits	223,399	-
Total	<u>\$ 5,426,259</u>	<u>\$ -</u>
Due in more than one year:		
Obligations under bond issuances	\$ 108,133,360	\$ -
Less: Bond Discount	(1,307,123)	-
Obligations under capital leases	15,514,970	-
Compensated absences	975,814	-
Early termination benefits	-	-
Total	<u>\$ 123,317,021</u>	<u>\$ -</u>

Certain bond issuances of the County are subject to federal arbitrage regulations. The County does not believe that it is in violation of these arbitrage regulations. Additionally, Beaver County is subject to certain provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania which limits the amount of debt that the County can issue. As of December 31, 2014, the County's legal debt margin is approximately \$96 million for non-electoral debt and approximately \$222 million for non-electoral and lease rental debt combined.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE J - LONG-TERM LIABILITIES - (Continued)

#### Liquidation of Long-term Liabilities

All outstanding long-term liabilities related to governmental activities have historically been liquidated as follows:

- Long-term debt, other than what is identified below, has been completely liquidated by the General Fund.
- Capital lease obligations have been liquidated by the funds that realize the benefit of the financed asset.
- The Human Services Building and land leases have been liquidated by the following funds: Mental Health / Intellectual Disabilities, Children & Youth, and Office on Aging.
- The 911 Center lease is paid through the Emergency Management Services Agency of the County, which is part of the General Fund.
- The Community Development Building and related parking lot lease has been fully liquidated by the Community Development Fund.
- All computer leases have been fully liquidated by the General Fund.
- Compensated absences have been liquidated according to the following chart. The amount paid by each fund is based on benefits earned by the employees of that fund.

<u>Fund</u>	<u>Liquidation %</u>
General Fund	68%
Mental Health / Intellectual Disabilities	13%
Children & Youth	9%
Other Governmental Funds	10%

- Early termination benefits have been mostly liquidated by the General Fund.

All previous business-type long-term liabilities have been assigned to the General Fund.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### **NOTE J - LONG-TERM LIABILITIES - (Continued)**

#### **Component Unit – CCBC**

##### Outstanding Debt Issuances

On April 30, 2009, CCBC borrowed \$1,500,000 from PNC Bank (formerly National City Bank) in the form of a Revenue Note in order to finance computer network infrastructure improvements and upgrades to its telecommunication system. The terms of the note call for monthly payment of principal and interest of \$26,982 for a period of five years at an interest rate of 3%. The note matured on April 30, 2014. The equipment purchased serves as collateral on the note.

In August of 2012, the Pennsylvania Finance Authority issued \$2,890,000 in College Revenue Bonds – Series of 2012. The bonds were issued to refund the outstanding amount of Community College Revenue Bonds – Series of 1998, and to pay for the costs of issuing the bonds. In connection with the issuance of the bonds, the Authority entered into a loan agreement with CCBC, whereby the Authority will loan the proceeds of the bonds to the College. The loan agreement requires CCBC to make loan repayments to the Authority in an amount sufficient to pay the debt service requirements of the bonds. The obligation of CCBC under the loan agreement is evidenced by a signed general obligation promissory note dated as of February 1, 1998. The Authority bonds were issued in denominations of \$5,000 with interest payable on June 1 and December 1 of each year through maturity. The interest rate on the bonds is 2% with the bonds scheduled to mature December 1, 2019. The bonds provide for early redemption options as detailed in the official statement of issue.

In April 2007, the PFA issued \$27,780,000 in College Revenue Bonds – Series of 2007 to finance new construction, additions and renovations on the campus of CCBC. In connection with the issuance of the Bonds, the PFA entered into a Loan Agreement with CCBC, whereby the PFA will loan the proceeds of the bonds to CCBC. The loan agreement requires CCBC to make loan payments to the PFA in an amount sufficient to pay the debt service requirements of the Bonds. The obligation of CCBC under the loan agreement is evidenced by a signed general obligation promissory note dated April 15, 2007. The PFA bonds were issued in denominations of \$5,000 with interest payable on May 15 and November 15 of each year through maturity. Interest rates range between 3.50% and 4.375% with the bonds scheduled to mature December 1, 2031. The bonds provide for early redemption options as detailed in the official statement of issue.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE J - LONG-TERM LIABILITIES - (Continued)

#### Component Unit – CCBC ó Continued

CCBC has also advanced refunded the Series A of 1994 Community College Revenue Bonds. In doing so, the PFA entered into an irrevocable trust agreement with PNC Bank to purchase U.S. Government Securities in an amount sufficient to fully service the defeased 1994 Bond Issue debt as it matures or is called. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability of the CCBC.

In connection with the refunding, the excess of the reacquisition price over the net carrying amount of refunded debt is recorded as a reduction to long-term debt on the balance sheet and amortized over the shorter of the term of the refunding issue or the refunded bonds. CCBC incurred a deferred refunding loss of \$569,680 which is being amortized over the life of the refunding issue using the straight-line method. During the year ended June 30, 2014, CCBC amortized \$30,267 of this loss which is shown as part of interest expense. The unamortized balance of \$133,679 at June 30, 2014, is deducted from the long-term portion of notes payable.

A summary of CCBC's general obligation promissory notes outstanding, due to the PFA at June 30, 2014, is as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	795,000	1,077,362	\$ 1,872,362
2016	825,000	1,051,988	1,876,988
2017	850,000	1,025,404	1,875,404
2018	875,000	997,678	1,872,678
2019	900,000	967,554	1,867,554
2020-2024	6,880,000	4,138,725	11,018,725
2025-2029	9,010,000	2,417,535	11,427,535
2030-2032	6,425,000	429,735	6,854,735
	<u>\$ 26,560,000</u>	<u>\$ 12,105,981</u>	<u>\$ 38,665,981</u>

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE J - LONG-TERM LIABILITIES - (Continued)

#### **Component Unit – CCBC** ó Continued

##### Capital Lease Obligations

In July of 2012, CCBC entered into a lease agreement with First National Bank Commercial Leasing in order to finance the purchase of technology equipment in the amount of \$484,546. Four annual payments of \$125,155 starting on August 10, 2012, are due under this agreement. Interest on the outstanding balance accrues at the rate of 2.22%. The equipment acquired serves as collateral on the lease.

In September of 2013, CCBC entered into a lease agreement with first National Bank Commercial Leasing in order to finance the purchase of technology equipment in the amount of \$171,303. Three annual payments of \$58,654 starting on September 23, 2013, are due under this agreement. Interest on the outstanding balance accrues at the rate of 2.15%. The equipment acquired serves as collateral on the lease.

Additionally, CCBC currently leases copier equipment from Xerox for use in its publications department. The terms of the lease agreement dated July 1, 2010, calls for monthly payments of \$12,600. Lease expense for the year ended June 30, 2014 was \$151,200. This lease is scheduled to terminate on June 30, 2015.

##### Compensated Absences and Other Post-Employment Benefits

The terms of the collective bargaining agreements between the CCBC and the Community College of Beaver County Society of the Faculty and Educational Support Personnel Association provide for the accumulation of sick and vacation days for eligible personnel based on employment status and length of service. As of June 30, 2014, accumulated compensated absences totaled \$685,819.

As per the terms of the collective bargaining agreements between CCBC and its collective bargaining units, CCBC continues to provide post-retirement healthcare benefits for eligible employees and the employees' spouses who elect early retirement. Per the collective bargaining agreements, these early retirement program benefits provide retired members with the option to pay his/her own insurance at group rates through CCBC.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE K - CONTINGENCIES

The County participates in a number of federal and state assisted grant programs. These grants are potentially subject to program compliance audits by the grantors. Such audits could result in expenditures being disallowed and funds being due back to the grantor agencies. The amount of expenditures that may be disallowed in the future, if any, cannot be determined at this time.

The County is party to exposure from various claims and other legal proceedings. They include, but are not limited to, employment, civil rights, medical malpractice, and personal injury matters. The County has also faced legal proceedings related to the failure to develop a storm water management plan in recent years.

Management has provided for certain matters, where considered necessary, in the financial statements. For other claims, management is of the opinion that these matters will not have a material effect on the County's financial position or it is too early in the litigation stage to evaluate the likelihood of an outcome or the range of potential loss.

#### 2006 Swap Agreement Termination

During September 2006, the County entered into an agreement with a counterparty that terminated two previous derivative instruments and replaced them with an interest rate management plan that extends over the life of the 1997 Bonds. Under this agreement (the 2006 Swap Agreement), the County terminated the derivative agreements that were outstanding in 2006 and refunded the total outstanding principal under the 1997 Bonds as of October 1, 2007, at a variable rate.

Certain events in the 2006 Swap Agreement are described as "events of default." The 2006 Swap Agreement also included termination provisions for the County.

In February 2009, the County informed the counterparty to the 2006 Swap Agreement that it wished to terminate the 2006 Swap Agreement due to the County's claims of an event of default per the terms of the agreement. The County paid the counterparty approximately \$7,000,000 to terminate the agreement. The County believes that the counterparty was paid an amount that was in accordance with the 2006 Swap Agreement to terminate the Agreement. While the County believes that this amount was fairly and reasonably calculated in accordance with the provisions of the 2006 Swap Agreement, no assurance can be given that it will not be contested by the counterparty. In such case, the amount may be substantially larger than the calculated amount.



# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### **NOTE K 6 CONTINGENCIES - (Continued)**

#### Friendship Ridge

Friendship Ridge was sold to a private entity in 2014. The County remains obligated to satisfy liabilities that may arise from periods prior to the sale, such as for workers' compensation, medical malpractice, and third party payor revenue settlements, just to name a few. As further explained in Note N to the Financial Statements, the County has provided for certain of these items in the government-wide Statement of Net Position and the governmental funds Balance Sheet as of December 31, 2014.

#### Component Unit - BCTA

BCTA's state and federally funded programs are subject to audit by various governmental agencies. BCTA is potentially liable for any expenses disallowed by the results of these audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenses.

#### Component Unit - CCBC

CCBC's state and federally funded programs are subject to audit by various governmental agencies. CCBC is potentially liable for any expenses disallowed by the results of these audits. The Commonwealth of Pennsylvania's Office of Labor, Education and Community Services conducts annual audits of CCBC's Claim for Subsidy Reimbursement submitted annually to the Commonwealth. Management is not aware of any items of noncompliance which would result in the disallowance of program expenses.

CCBC is potentially liable for any costs of program non-compliance, not covered by commercial insurance, incurred by its Police Technology Program as a result of a program audit conducted by the Commonwealth of Pennsylvania. CCBC recorded an initial estimated liability of \$150,000 during the 2003-2004 fiscal year to cover these potential costs. As of June 30, 2014, the remaining unused portion of this estimated liability was \$143,822.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### **NOTE L - RISK MANAGEMENT**

The County is exposed to various risks of loss including loss of property, torts, errors and omissions, use of County owned vehicles, workers' compensation incidents, employee health benefits and medical malpractice torts at Friendship Ridge. The County handles exposure to these risks in various ways.

#### **Property/Casualty Exposures**

The County is a member of Pennsylvania Counties Risk Pool (PCoRP) which provides insurance coverage for general liability, public official's liability, law enforcement liability, property loss, vehicle usage, and crime. There have been no significant changes in PCoRP coverage in the past three years and settled claims have not exceeded the coverage provided in those years. PCoRP is a public entity risk pool exclusively for member counties of the County Commissioners Association of Pennsylvania. PCoRP was organized as a property/casualty self-insurer and it provides coverage through its self-insured retention fund of claims less than \$450,000 for liability, \$350,000 for crime, and \$250,000 for property. There is a deductible of \$50,000 for liability, \$50,000 for property, \$1,500 for equipment breakdown, and \$5,000 for crime, per occurrence. PCoRP purchases excess coverage for claims over that threshold up to a maximum limit of \$5,000,000 for liability, \$500,250,000 for property, \$100,000,000 for equipment breakdown, and \$1,000,000 for crime. Members pay premiums to cover the costs of administration, excess insurance, and loss control services. The premium is adjusted annually to reflect both the costs of excess insurance and the most recent five-year experience with members.

The coverage provided by PCoRP excludes general liability and professional medical malpractice of Friendship Ridge. The County has made other arrangements for those exposures.

#### **Friendship Ridge Exposures**

For general liability claims, Friendship Ridge purchases a premium based policy with an individual and aggregate threshold. For the two months ended February 28, 2014, claims paid related to general liability claims were \$0.

The facility has purchased insurance to cover medical malpractice incidents occurring after April 1, 2011. The insurance policy is limited by an individual and aggregate threshold. The facility was self-insured for medical malpractice occurrences up through April 1, 2011. For the two months ended February 28, 2014, claims paid related to professional liability claims were \$16,541.

As further described in Note N to the financial statements, Friendship Ridge is no longer a County-owned facility. As such, no claims can arise effective as of the transfer of operations to a private owner on March 1, 2014. Management is not aware of new claims filed for occurrences prior to the operations transfer date and, accordingly, no obligation has been recorded in the financial statements.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE L - RISK MANAGEMENT – (Continued)

#### Friendship Ridge Exposures - Continued

Pursuant to state regulations, the County established an escrow account with a minimum balance of \$300,000 classified as cash and cash equivalents in the Statement of Net Position.

#### HealthChoices Exposures

The County has entered into an agreement with the Commonwealth of Pennsylvania's Department of Public Welfare (Commonwealth) for the HealthChoices Behavioral Health Program. Under the terms of the contract, the County is fully exposed to the risk that behavioral healthcare services provided under this program to eligible enrollees will exceed the revenue provided by the Commonwealth to the County.

The term of the current contract between the County and the Commonwealth is from January 1, 2014 through December 31, 2018. Under this contract either party has the option to terminate the agreement without cause upon one-hundred twenty days' notice to the other party.

The County accrues an estimate of its health care cost liability at the end of each accounting period. The estimate is developed using a process that accounts for the lag between the point in time that payment is made for a service and the point in time that the County became liable for the service. The County's estimated medical claims liability is reviewed and certified by an independent actuarial firm on a quarterly basis.

The following table shows the changes in the actuarially certified estimated medical claims liability of the HealthChoices Program:

	<u>HealthChoices</u>
Liability balance - January 1, 2013	\$ 2,800,000
Incurred claims and estimates	27,998,287
Less: Claims paid during period	<u>28,548,454</u>
Liability balance - December 31, 2013	2,249,833
Incurred claims and estimates	28,997,166
Less: Claims paid during period	<u>28,846,999</u>
Liability balance - December 31, 2014	<u><u>\$ 2,400,000</u></u>

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE L - RISK MANAGEMENT – (Continued)

#### **HealthChoices Exposures** ó Continued

The County maintains a cash reserve that can be drawn upon in the event program expenditures exceed revenue. The balance of these reserve accounts is approximately \$7.9 million. This entire balance is available to cover losses in future periods.

#### **Employee Health Care and Workers' Compensation**

The County has elected to self-fund the health and prescription drug employee benefits. Under the self-funded arrangement, the County's third party administrators pay all claims for medical and prescription costs. The County reimburses the administrators for these charges and pays an administrative fee based on membership and/or utilization. The County is responsible for the first \$150,000 of medical claims for any member each year. A stop loss insurance policy has been purchased to provide for payment above the yearly individual limit. The policy includes \$1,000,000 of coverage if aggregate claims exceed the attachment point of \$15,540,127. During 2013, the County's attachment point for individual claims was \$150,000 and the attachment point for aggregate claims was \$15,950,028. The prescription drug coverage provided to employees is not covered by stop loss insurance.

The County has elected to largely self-insure its workers' compensation claims. To mitigate excess exposure, the County purchased a commercial large-deductible insurance policy which began on January 1, 2004. The County is responsible for the first \$200,000 of any individual claim. The limits of policy coverage are defined by a Pennsylvania Statute and it includes limits of \$1,000,000 for employer's liability for any individual claim, employee, and in aggregate for the annual policy period.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

### NOTE L - RISK MANAGEMENT – (Continued)

#### **Employee Health Care and Workers' Compensation** ó Continued

Changes in the estimate of the self-insured workers' compensation and employee health benefits claims liability are as follows:

	Governmental Activities	Friendship Ridge
Liability balance - January 1, 2013	\$ 609,996	\$ 970,887
Incurred claims and estimates	10,500,142	6,545,569
Less: Claims paid during period	<u>10,440,244</u>	<u>6,924,250</u>
Liability balance - December 31, 2013	669,894	592,206
Incurred claims and estimates	11,032,868	1,493,505
Less: Claims paid during period	<u>10,812,708</u>	<u>2,085,711</u>
Liability balance - December 31, 2014	<u><u>\$ 890,054</u></u>	<u><u>\$ -</u></u>

Friendship Ridge ceased to be a County-owned facility on March 1, 2014, and consequently, no more claims of any type should arise starting on that date. The Medical Internal Service Fund continues to account for the claims and premiums of former employees who elected to continue health care coverage (including prescription drug, vision, and dental services) according to law.

All functions of the County estimate liabilities for unpaid claims based on a claims payment history.

#### **Risk Accounting**

The County has created two internal service funds within which transactions related to the self-funded programs of workers' compensation and the health insurance programs are recorded. Revenues expected to cover expenditures for each program are generated by an internal charge, based on either payroll by class or by membership, applied to all operating funds, excluding Friendship Ridge. Friendship Ridge operated its risk programs as separate lines within its operating budget.

Management is currently in the process of evaluating both the employees' health care charge and the workers' compensation charge to more adequately address costs and the growing deficit of the funds' net position.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

### NOTE L - RISK MANAGEMENT – (Continued)

#### Component Unit – BCTA

BCTA is a member of the SAFTI Property and Liability Insurance Pool, which is an insurance pool that provides BCTA and other Pennsylvania Transit Properties insurance coverage for the following types of liabilities: automobile, employee benefit, public official, general, crime, property, boiler and machinery, and workers compensation. BCTA pays an annual premium each year that includes fixed costs and a loss funding. During the 2013-2014 fiscal year, BCTA paid premiums, excluding workers compensation, of \$78,334 for fixed costs and \$117,981 for loss funding. Premiums paid for workers compensation were \$42,802 for fixed costs and \$222,872 for loss funding. This fund is self-insured but holds policies which provide excess coverage once a claim reaches a certain dollar level, which varies depending on the coverage. Insurance rates are based on individual performance, but all members of the pool share in or participate in the losses.

#### Component Unit – CCBC

CCBC is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

### NOTE M - COMMITMENTS

The following are amounts encumbered in the governmental funds:

	General Fund	Mental Health/Intellectual Disabilities	Children & Youth	Community Development	Other Governmental Funds
Restricted	\$ -	\$ 25,836	\$ 45,904	\$ 2,243	\$ 203,322
Assigned	606,016	-	-	-	-
Total	<u>\$ 606,016</u>	<u>\$ 25,836</u>	<u>\$ 45,904</u>	<u>\$ 2,243</u>	<u>\$ 203,322</u>

Encumbered amounts are for obligations related to unperformed (executory) contracts for goods and services.

At December 31, 2014, the County had one open letter of credit with a value totaling \$1,000,000, to cover excess costs of workers' compensation claims if needed. At December 31, 2014, the letter had not been drawn.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### **NOTE M - COMMITMENTS – (Continued)**

In its renovation of parks project, the County had open commitments with contractors amounting to \$630,000 at December 31, 2014.

The County, as the local sponsor of the Community College of Beaver County, is obligated to provide funding for one half of the College's annual capital expenditures, including debt service payments for capital bonds. In 2007, the College issued \$27,780,000 in capital bonds that the County is including as part of its annual contribution to CCBC to subsidize the related debt service obligation.

The County is responsible for managing numerous programs and grants imposed by legislation as well as through mutual agreement with grantor bodies. Noncompliance with any particular item may be cause for penalties imposed on the County or refunds due to the grantor. Additionally, a change in legislation may impose a higher financial burden on the County for mandated programs. The County is not aware of any noncompliance with the provisions of grants or other agreements that may be cause for a penalty or refund of grant monies. Also, the County has not studied the potential outcomes of any pending or enacted legislation in order to determine the possible financial impact on the various programs it carries out for the community it serves.

### **Component Unit – BCTA**

During the 2013-2014 fiscal year, BCTA entered into construction agreements for the replacement of the heating and cooling system, as well as the roof in the Rochester Facility, and continues to work toward completion of the automatic-vehicle-location contract entered into three years ago. The remaining outstanding contract dollar commitments on these design and engineering agreements total \$54,960 at June 30, 2014.

### **Component Unit – CCBC**

On June 30, 2009 (as amended), CCBC entered into a deferred compensation agreement with CCBC's President. The terms of the deferred compensation agreement stipulated that the President would receive on June 30, 2011, \$12,000 and \$17,000 respectively, and \$25,000 on June 30, 2012 for services rendered during the years ended June 30, 2009, and June 30, 2011. The agreement was subsequently amended to provide the President's deferred compensation on June 30, 2014, for services rendered to CCBC for fiscal years ended June 30, 2012 through June 30, 2014 totaling \$100,000. Amounts accumulated totaling \$119,000 plus interest, an additional liability due at June 30, 2014 of \$35,000, and other accrued retirement benefits have been recorded in the accompanying financial statements as of June 30, 2014.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE N – DISPOSAL OF FRIENDSHIP RIDGE

Friendship Ridge óthe County's long-term health care facility- had been facing increasingly difficult financial challenges over the last few years. As such, the County's Board of Commissioners decided in early 2013 to make this facility available for sale assisted by a specialized agent. Offers to purchase Friendship Ridge were received and a qualified buyer was identified in November of 2013. County-controlled operations of Friendship Ridge ceased on February 28, 2014, and they were transferred to a private entity without any interruption in service. Most assets recorded on Friendship Ridge's financial accounts were transferred to the buyer and the County retained long-term debt obligations. Other details relevant to the sale are the following:

- a) All operating and non-operating revenues earned and expenses incurred through February 28, 2014 that were recorded are presented in the accompanying Statement of Revenues, and Changes in Net Position óProprietary Funds.
- b) An additional \$626,836 in operating expenses of Friendship Ridge (mostly employee health care and workers' compensation) were incurred and recorded in the General Fund during 2014.
- c) The County incurred \$1,979,142 in sale expenses and activity termination costs. They comprise primarily broker fees, legal fees, unemployment compensation, and contractual termination charges. An additional \$200,000 in broker fees was recorded in 2013.
- d) The County received \$32,828,956 from the buyer for the sale of Friendship Ridge: \$8,000,000 was deposited with the County in 2013 and the remainder was paid during the closing transaction, on March 26, 2014.
- e) An interfund loan from the General Fund to Friendship Ridge for \$5,612,326 was written off as part of the sale transaction.
- f) The gain recognized on the sale of Friendship Ridge is presented as a special item on the Statement of Activities and on the Statement of Revenues, Expenditures and Changes in Fund Balance of the General Fund. The amount of the gain differs between the two financial statements due to the non-recognition of capital assets in governmental funds. A reconciliation of the gain recognized between the Statement of Revenues, Expenditures and Changes in Fund Balance and the Government-wide Statement of Activities is presented here.

Special Item Gain per Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds	\$ 26,579,663
Net Recorded Value of Capital Assets Sold	<u>(13,333,825)</u>
Disposal of Friendship Ridge Gain per Statement of Activities	<u>\$ 13,245,838</u>



# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND JUNE 30, 2014

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### NOTE N – DISPOSAL OF FRIENDSHIP RIDGE – (Continued)

- g) Details on the capital assets transferred can be found on Note F to the financial statements. Further details on the long-term debt assigned to Governmental Activities and a subsequent transaction that placed a portion of bonds payable in custody with a trustee can be found in Note J to the financial statements.
- h) The County retained control of Friendship Ridge's general and payroll cash accounts. As part of the sale transaction, the County transfers monies received for accounts receivable as of February 28, 2014, in excess of recorded accounts payable and accrued employee benefits. After the transfer of operations and ownership took place the County collected \$9,547,078 of accounts receivable and disbursed \$6,200,676 to Friendship Ridge's new private owner during 2014.
- i) The County recorded \$200,000 at December 31, 2014, on the government-wide Statement of Net Position and the governmental funds' Balance Sheet as a contingent liability to account for potentially otherwise unrecorded obligations related to the sale and/or operations of Friendship Ridge.

### NOTE O – SUBSEQUENT EVENTS

The County adopted a resolution on December 18, 2014, to issue a Tax Revenue Anticipation Note (TRAN) for 2015. Funds amounting to \$5,000,000 were borrowed in January 2015.

#### **Component Unit – BCTA**

A labor agreement with the Amalgamated Transit Union (the "Union") expired on December 31, 2013. As of December 22, 2014, BCTA and the Union have not entered into a new labor agreement. BCTA's management has determined that there are no additional events subsequent to June 30, 2014, and through December 22, 2014 that require additional disclosure in the financial statements.

### NOTE P – FINANCIAL REPORTING MATTERS

#### **Component Unit – CCBC**

A charge of \$698,916 to the July 1, 2013, net position was recorded as a prior period adjustment to reflect the write-off of unamortized bond issue costs due to the implementation of GASB Statement No. 65.

**REQUIRED SUPPLEMENTAL  
INFORMATION**

# COUNTY OF BEAVER, PENNSYLVANIA

## SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS PENSION TRUST FUND

DECEMBER 31, 2014

For the valuation dates starting January 1, 2010, the entry age actuarial method was used. For all valuation dates prior to January 1, 2010, the aggregate actuarial cost method was used. Because the aggregate cost method does not identify or separately amortize accrued liabilities, information in this schedule about funded status and funding progress is presented using the entry age actuarial cost method for that purpose. This information is intended to serve as a surrogate for the funding progress of the plan.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2015	\$ 294,855,370	\$ 282,247,896	\$ 12,607,474	104.5%	\$ 38,562,973	32.7%
1/1/2014	294,931,189	283,828,734	11,102,455	103.9%	57,418,993	19.3%
1/1/2013	247,612,166	257,993,406	(10,381,240)	96.0%	57,388,235	-18.1%
1/1/2012	236,825,873	244,641,505	(7,815,632)	96.8%	58,557,985	-13.3%
1/1/2011	231,188,314	229,857,979	1,330,335	100.6%	57,849,020	2.3%
1/1/2010	208,234,825	215,326,297	(7,091,472)	96.7%	55,619,978	-12.7%

Year Ended	Employer Contributions	Annual Required Contribution	Percentage Contributed
December 31, 2014	\$ 2,286,670	\$ 2,286,670	100%
December 31, 2013	3,790,653	3,790,653	100%
December 31, 2012	3,312,744	3,312,744	100%
December 31, 2011	2,286,304	2,286,304	100%
December 31, 2010	3,096,622	3,096,622	100%
December 31, 2009	19,227,192	5,763,864	334%

The information presented above was determined as part of the actuarial valuations performed on January 1 of each of the years as indicated above. The additional information is for all years presented unless otherwise indicated.

Actuarial Cost Method:	Entry Age
Actuarial Valuation Method:	Greater of market value and actuarial value
Actuarial Assumptions:	
Inflation Adjustment:	3.00%
Investment Rate of Return:	7.50%
Amortization Method:	Level Percentage of projected payroll
Amortization Period:	30-year closed period for unfunded liability
Projected Salary Increase:	3.50%/4.50%
Cost-of-Living-Adjustments:	100% of CPI effective as of January 1, 2000
Mortality Tables:	2013 RP Annuitant and Non-Annuitant Mortality Tables for Males and Females with no improvement

# COUNTY OF BEAVER, PENNSYLVANIA

## SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

YEAR ENDED DECEMBER 31, 2014

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Total Pension Liability	
Service cost	\$ 2,777,080
Interest	19,456,120
Changes in benefit terms	-
Differences between expected and actual experience	5,885,751
Changes in assumption	-
Benefit payments, including refunds of member contributions	(24,703,033)
Net change in total pension liability	<u>3,415,918</u>
Total pension liability - beginning of year	283,784,786
Total pension liability - end of year (a)	<u>\$ 287,200,704</u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 2,286,670
Contributions - member	3,789,064
Net investment income	18,832,383
Benefit payments, including refunds of member contributions	(24,703,033)
Administrative expense	(280,904)
Net change in plan fiduciary net position	<u>(75,820)</u>
Total plan fiduciary net position - beginning of year	294,931,190
Total plan fiduciary net position - end of year (b)	<u>\$ 294,855,370</u>
County's net pension liability (asset) - ending (a) - (b)	<u>\$ (7,654,666)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>102.67%</u>
Covered-employee payroll	<u>\$ 56,895,011</u>
County's net pension liability (asset) as a percentage of covered-employee payroll	<u>-13.45%</u>

# COUNTY OF BEAVER, PENNSYLVANIA

## SCHEDULE OF COUNTY CONTRIBUTIONS AND PENSION PLAN INVESTMENT RETURNS

YEAR ENDED DECEMBER 31, 2014

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<b>Schedule of County's Contributions</b>	2014
Actuarially determined contribution	\$ 2,286,670
Contributions in relation to the actuarially determined contribution	2,286,670
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 56,895,011
Contributions as a percentage of covered-employee payroll	4.02%
<b>Investment Returns</b>	
Annual money-weighted rate of return, net of investment expense	7.07%

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2014

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### PENSION INFORMATION

#### Actuarial Methods and Assumptions Used in Calculation of Actuarially Determined Contribution

The contribution and contribution rate information presented in the required supplementary pension schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Actuarial Valuation Date:	January 1, 2015
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market value adjusted for unrecognized gains and losses from prior years
Amortization Method:	Level Dollar
Remaining Amortization Period:	15 years
Actuarial Assumptions:	
Inflation Adjustment:	3.00%
Investment Rate of Return:	7.50%, net of pension plan investment expense, including inflation
Projected Salary Increase:	3.50% average, including inflation
Retirement Age:	Age 60 or 55 with 20 years' service
Mortality:	2013 RP Annuitant and Non-Annuitant Tables for Males and Females with no improvement

## COUNTY OF BEAVER, PENNSYLVANIA

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Revenues</b>				
Real Estate Taxes	\$ 46,166,739	\$ 46,166,739	\$ 47,565,872	\$ 1,399,133
Licenses and Permits	87,000	87,000	125,652	38,652
Interest and Rents	10,000	10,000	70,748	60,748
Intergovernmental Revenues	3,606,848	3,725,948	3,751,445	25,497
Departmental Earnings	28,020,828	28,025,470	8,017,533	(20,007,937)
Miscellaneous	3,441,189	316,022	57,532	(258,490)
Total Revenues	81,332,604	78,331,179	59,588,782	(18,742,397)
<b>Expenditures</b>				
Current:				
General Government	14,080,323	13,406,707	10,394,448	(3,012,259)
Judicial	13,436,306	13,585,054	12,840,286	(744,768)
Public Safety	19,151,785	18,005,403	15,310,077	(2,695,326)
Public Works and Enterprises	3,173,866	3,835,350	3,554,511	(280,839)
Culture, Recreation and Conservation	3,232,562	3,312,387	2,623,652	(688,735)
Intergovernmental:				
Human Services	7,641,692	15,672,972	8,318,093	(7,354,879)
Debt Service:				
Principal	4,330,400	4,498,912	4,510,711	11,799
Interest	4,936,185	5,705,790	5,942,119	236,329
Other	8,100,000	27,305	12,511	(14,794)
Capital Outlay:				
Fixed Asset Acquisition & Improvements	1,413,351	2,308,595	1,902,994	(405,601)
Infrastructure	25,000	-	-	-
Total Expenditures	79,521,470	80,358,475	65,409,402	(14,949,073)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	1,811,134	(2,027,296)	(5,820,620)	(3,793,324)
Other Financing Sources (Uses):				
Capital Lease Agreements	-	148,000	147,963	(37)
Special Item	-	-	26,579,663	26,579,663
Transfers From Other Funds	14,308,290	6,808,290	600,000	(6,208,290)
Transfers To Other Funds	(16,119,424)	(4,663,018)	(5,444,135)	(781,117)
Total Other Financing Sources (Uses)	(1,811,134)	2,293,272	21,883,491	19,590,219
<b>Net Change in Fund Balance</b>	-	265,976	16,062,871	15,796,895
Fund Balance (Deficits) - Beginning	1,000,000	-	(3,817,047)	(3,817,047)
Fund Balance - Ending	\$ 1,000,000	\$ 265,976	\$ 12,245,824	\$ 11,979,848

## COUNTY OF BEAVER, PENNSYLVANIA

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL MENTAL HEALTH / INTELLECTUAL DISABILITIES

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Revenues</b>				
Intergovernmental	\$ 17,156,000	\$ 17,301,000	\$ 17,181,777	\$ (119,223)
Departmental Earnings	1,311,000	1,311,000	1,218,011	(92,989)
Interest	5,100	5,100	2,789	(2,311)
Miscellaneous	391,000	-	22,000	22,000
Total Revenues	18,863,100	18,617,100	18,424,577	(192,523)
<b>Expenditures</b>				
Salaries & Benefits	5,141,898	5,500,748	5,003,326	(497,422)
Personnel Expense	39,000	39,000	18,887	(20,113)
Consultant/Contracted Services	1,636,500	1,645,934	1,186,187	(459,747)
Sub Contracted Services	11,297,000	12,119,644	11,830,656	(288,988)
Occupancy	276,500	301,150	226,293	(74,857)
Communication	118,500	121,700	78,355	(43,345)
Supplies & Minor Equipment	236,000	365,318	195,935	(169,383)
Transportation	132,000	134,900	105,760	(29,140)
Other Expenditures	630,500	320,714	258,077	(62,637)
Capital Outlay	-	99,950	81,795	(18,155)
Total Expenditures	19,507,898	20,649,058	18,985,271	(1,663,787)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(644,798)	(2,031,958)	(560,694)	1,471,264
Other Financing Sources (Uses):				
Transfers from Other Funds	711,500	712,500	708,626	(3,874)
Transfers to Other Funds	-	-	(15,068)	(15,068)
Total Financing Sources (Uses)	711,500	712,500	693,558	(18,942)
<b>Net Change in Fund Balance</b>	66,702	(1,319,458)	132,864	1,452,322
Fund Balance - Beginning	11,282,410	6,090,179	35,152	(6,055,027)
Fund Balance - Ending	\$ 11,349,112	\$ 4,770,721	\$ 168,016	\$ (4,602,705)



## COUNTY OF BEAVER, PENNSYLVANIA

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL CHILDREN AND YOUTH

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Revenues</b>				
Intergovernmental	\$ 12,469,033	\$ 12,469,033	\$ 12,352,701	\$ (116,332)
Departmental Earnings	167,067	167,067	61,131	(105,936)
Interest	1,790	1,790	111	(1,679)
Total Revenues	12,637,890	12,637,890	12,413,943	(223,947)
<b>Expenditures</b>				
Salaries & Benefits	4,669,089	4,848,589	4,714,888	(133,701)
Personnel Expense	31,200	32,562	29,312	(3,250)
Consultant/Contracted Services	1,107,500	1,394,739	1,291,631	(103,108)
Sub Contracted Services	6,631,000	6,197,100	5,471,492	(725,608)
Occupancy	414,231	579,509	396,368	(183,141)
Communication	199,000	211,266	175,319	(35,947)
Supplies & Minor Equipment	274,500	522,706	385,011	(137,695)
Transportation	133,564	208,564	200,641	(7,923)
Other Expenditures	1,897,000	1,593,974	1,409,176	(184,798)
Capital Outlay	238,000	235,000	15,241	(219,759)
Total Expenditures	15,595,084	15,824,009	14,089,079	(1,734,930)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(2,957,194)	(3,186,119)	(1,675,136)	1,510,983
Other Financing Sources (Uses):				
Transfers From Other Funds	1,687,000	2,248,000	2,247,493	(507)
Total Financing Sources (Uses)	1,687,000	2,248,000	2,247,493	(507)
<b>Net Change in Fund Balance</b>	(1,270,194)	(938,119)	572,357	1,510,476
Fund Balance - Beginning	1,300,000	1,300,000	1,375,247	75,247
Fund Balance - Ending	\$ 29,806	\$ 361,881	\$ 1,947,604	\$ 1,585,723

## COUNTY OF BEAVER, PENNSYLVANIA

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL COMMUNITY DEVELOPMENT

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Revenues</u></b>				
Intergovernmental	\$ 6,906,669	\$ 7,021,900	\$ 4,745,211	\$ (2,276,689)
Departmental Earnings	1,099,970	1,099,970	414,058	(685,912)
Interest	280	280	96	(184)
Total Revenues	8,006,919	8,122,150	5,159,365	(2,962,785)
<b><u>Expenditures</u></b>				
Salaries & Benefits	701,849	749,424	626,222	(123,202)
Personnel Expense	11,161	10,459	6,773	(3,686)
Consultant/Contracted Services	7,630,218	7,691,834	4,319,107	(3,372,727)
Occupancy	115,192	112,358	69,539	(42,819)
Communication	22,242	27,761	19,630	(8,131)
Supplies & Minor Equipment	52,500	54,521	27,439	(27,082)
Transportation	13,570	15,570	12,030	(3,540)
Other Expenditures	102,000	101,700	75,826	(25,874)
Total Expenditures	8,648,732	8,763,627	5,156,566	(3,607,061)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(641,813)	(641,477)	2,799	644,276
Fund Balance - Beginning	1,000,000	1,000,000	202,625	(797,375)
Fund Balance - Ending	\$ 358,187	\$ 358,523	\$ 205,424	\$ (153,099)

## COUNTY OF BEAVER, PENNSYLVANIA

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL HEALTHCHOICES

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Revenues</b>				
Intergovernmental	\$ 35,030,000	\$ 35,030,000	\$ 34,759,346	\$ (270,654)
Interest	18,050	18,050	18,331	281
Miscellaneous	6,000	6,000	-	(6,000)
Total Revenues	35,054,050	35,054,050	34,777,677	(276,373)
<b>Expenditures</b>				
Salaries & Benefits	478,915	687,625	615,414	(72,211)
Personnel Expense	1,900	1,900	126	(1,774)
Consultant/Contracted Services	33,731,555	34,024,655	33,850,655	(174,000)
Occupancy	31,400	49,700	44,799	(4,901)
Communication	7,300	8,800	9,117	317
Supplies & Minor Equipment	14,500	35,300	35,895	595
Transportation	4,200	4,950	3,777	(1,173)
Other Expenditures	45,900	65,900	48,831	(17,069)
Total Expenditures	34,315,670	34,878,830	34,608,614	(270,216)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	738,380	175,220	169,063	(6,157)
Fund Balance - Beginning	12,301,201	9,503,882	11,614,338	2,110,456
Fund Balance - Ending	\$ 13,039,581	\$ 9,679,102	\$ 11,783,401	\$ 2,104,299

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2014

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### **NOTE A – BASIS OF BUDGETING**

Appropriated budgets are adopted on a modified accrual basis consistent with generally accepted accounting principles by fund, department and line-item. Line-items are specific revenues and expenditures, such as taxes, fees, salaries, and supplies. Transfers of appropriations may be requested between line-items within a department or between departments within the same fund. All transfers of appropriations require the approval of the Commissioners. The legal level of control is exercised by management at each line-item.

### **NOTE B – BUDGET VARIANCE**

The County does not adjust for line items designated for receipts of reimbursements after initial adoption. Therefore, some expenditures may appear to exceed budgeted amounts when actual reimbursements received are below the initial budgeted figures. Also, reclassifications of actual balances made strictly for external financial reporting purposes are often not reflected in the budget. As a consequence, some line items may appear to exceed budgeted amounts.

## **OTHER SUPPLEMENTAL INFORMATION**

# COUNTY OF BEAVER, PENNSYLVANIA

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>General Government</u></b>				
<b>Commissioners:</b>				
Salaries & Benefits	\$ 648,912	\$ 548,126	\$ 538,693	\$ (9,433)
Personnel Expense	4,800	18,960	15,664	(3,296)
Occupancy	700	700	461	(239)
Communication	8,800	18,000	16,282	(1,718)
Supplies & Minor Equipment	43,000	41,117	33,473	(7,644)
Transportation	15,000	18,700	18,628	(72)
Other Expenses	-	907	851	(56)
Total Expenditures	721,212	646,510	624,052	(22,458)
<b>Controller:</b>				
Salaries & Benefits	696,685	498,638	449,116	(49,522)
Personnel Expense	14,100	12,100	6,016	(6,084)
Occupancy	2,305	2,305	2,304	(1)
Communication	3,300	2,300	1,673	(627)
Supplies & Minor Equipment	11,500	12,000	9,303	(2,697)
Transportation	6,000	1,500	825	(675)
Consultant/Contracted Services	60,000	60,000	58,960	(1,040)
Total Expenditures	793,890	588,843	528,197	(60,646)
<b>Treasurer:</b>				
Salaries & Benefits	662,812	630,907	618,593	(12,314)
Personnel Expense	800	800	600	(200)
Occupancy	3,000	4,515	4,378	(137)
Communication	63,500	71,838	67,813	(4,025)
Supplies & Minor Equipment	20,700	38,155	31,387	(6,768)
Transportation	2,500	2,464	1,227	(1,237)
Other Expenses	4,000	5,698	5,197	(501)
Tax Refunds	165,000	302,000	158,452	(143,548)
Total Expenditures	922,312	1,056,377	887,647	(168,730)
<b>Recorder Of Deeds:</b>				
Salaries & Benefits	457,723	454,655	399,191	(55,464)
Personnel Expense	1,300	1,300	730	(570)
Occupancy	3,687	3,687	3,686	(1)
Communication	1,300	1,300	1,063	(237)
Supplies & Minor Equipment	18,680	18,680	15,743	(2,937)
Transportation	3,500	3,500	2,406	(1,094)
Consultant/Contracted Services	50,040	50,040	50,040	-
Total Expenditures	536,230	533,162	472,859	(60,303)

Exhibit A (Page 1 of 17)

# COUNTY OF BEAVER, PENNSYLVANIA

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Legal Department:</b>				
Salaries & Benefits	\$ 407,670	\$ 382,508	\$ 378,076	\$ (4,432)
Personnel Expense	8,500	14,000	13,918	(82)
Occupancy	231	231	230	(1)
Communication	280	880	775	(105)
Supplies & Minor Equipment	5,824	5,524	2,365	(3,159)
Transportation	2,500	2,650	2,102	(548)
Consultant/Contracted Services	1,800	550	319	(231)
Total Expenditures	426,805	406,343	397,785	(8,558)
<b>Employee Relations:</b>				
Salaries & Benefits	413,782	1,437,675	328,828	(1,108,847)
Personnel Expense	61,300	63,800	33,612	(30,188)
Occupancy	1,100	1,100	461	(639)
Communication	4,050	4,350	3,205	(1,145)
Supplies & Minor Equipment	14,600	22,709	10,446	(12,263)
Transportation	1,450	1,450	72	(1,378)
Consultant/Contracted Services	57,000	47,541	20,619	(26,922)
Total Expenditures	553,282	1,578,625	397,243	(1,181,382)
<b>Records Management:</b>				
Salaries & Benefits	174,626	179,439	150,629	(28,810)
Occupancy	2,100	2,100	2,099	(1)
Communication	1,540	1,540	1,374	(166)
Supplies & Minor Equipment	45,700	43,882	36,680	(7,202)
Transportation	500	500	-	(500)
Consultant/Contracted Services	12,000	12,000	5,538	(6,462)
Other Expenses	4,500	400	60	(340)
Total Expenditures	240,966	239,861	196,380	(43,481)
<b>Information Technology:</b>				
Salaries & Benefits	526,941	114,618	108,746	(5,872)
Personnel Expense	25,000	25,000	16,480	(8,520)
Communication	56,900	56,900	53,997	(2,903)
Supplies & Minor Equipment	583,200	315,672	275,002	(40,670)
Transportation	12,000	12,000	7,263	(4,737)
Consultant/Contracted Services	105,000	317,411	89,949	(227,462)
Other Expenses	-	100	83	(17)
Total Expenditures	1,309,041	841,701	551,520	(290,181)

Exhibit A (Page 2 of 17)

# COUNTY OF BEAVER, PENNSYLVANIA

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Central Services Department:</b>				
Salaries & Benefits	\$ 116,344	\$ 59,619	\$ 58,649	\$ (970)
Occupancy	116	116	115	(1)
Communication	55,000	55,000	-	(55,000)
Supplies & Minor Equipment	22,750	25,050	18,536	(6,514)
Total Expenditures	<u>194,210</u>	<u>139,785</u>	<u>77,300</u>	<u>(62,485)</u>
<b>Planning Commission:</b>				
Salaries & Benefits	381,415	381,000	364,754	(16,246)
Personnel Expense	2,325	2,325	1,110	(1,215)
Occupancy	768	1,168	1,152	(16)
Communication	1,650	2,150	1,613	(537)
Supplies & Minor Equipment	8,250	11,350	10,082	(1,268)
Transportation	6,000	6,000	4,867	(1,133)
Consultant/Contracted Services	42,000	38,000	21,301	(16,699)
Other Expenses	9,300	9,300	2,230	(7,070)
Total Expenditures	<u>451,708</u>	<u>451,293</u>	<u>407,109</u>	<u>(44,184)</u>
<b>Weights And Measures:</b>				
Salaries & Benefits	55,913	55,834	53,787	(2,047)
Communication	600	600	520	(80)
Supplies & Minor Equipment	850	1,350	1,274	(76)
Transportation	9,000	9,000	8,456	(544)
Total Expenditures	<u>66,363</u>	<u>66,784</u>	<u>64,037</u>	<u>(2,747)</u>
<b>Veterans Affairs:</b>				
Salaries & Benefits	146,810	157,023	155,260	(1,763)
Personnel Expense	1,055	1,055	706	(349)
Communication	3,275	3,275	2,466	(809)
Supplies & Minor Equipment	3,000	3,000	2,587	(413)
Transportation	2,355	1,355	834	(521)
Other Expenses	131,000	132,502	114,689	(17,813)
Total Expenditures	<u>287,495</u>	<u>298,210</u>	<u>276,542</u>	<u>(21,668)</u>



# COUNTY OF BEAVER, PENNSYLVANIA

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Election Bureau:</b>				
Salaries & Benefits	\$ 438,539	\$ 435,161	\$ 377,047	\$ (58,114)
Personnel Expense	400	400	385	(15)
Occupancy	23,616	23,616	22,985	(631)
Communication	54,000	48,000	39,205	(8,795)
Supplies & Minor Equipment	61,000	61,000	56,539	(4,461)
Transportation	2,200	2,200	1,642	(558)
Consultant/Contracted Services	15,000	15,000	10,261	(4,739)
Other Expenses	235,000	240,945	216,710	(24,235)
Total Expenditures	829,755	826,322	724,774	(101,548)
<b>Assessment/Tax Claim:</b>				
Salaries & Benefits	1,093,567	1,130,120	1,114,478	(15,642)
Personnel Expense	6,500	19,100	10,962	(8,138)
Occupancy	3,700	3,700	2,995	(705)
Communication	287,000	286,600	280,209	(6,391)
Supplies & Minor Equipment	40,000	47,953	32,958	(14,995)
Transportation	22,000	20,800	11,221	(9,579)
Consultant/Contracted Services	50,000	50,000	27,346	(22,654)
Other Expenses	112,500	112,500	87,435	(25,065)
Total Expenditures	1,615,267	1,670,773	1,567,604	(103,169)
<b>Public Defender:</b>				
Salaries & Benefits	1,170,490	1,245,468	1,239,333	(6,135)
Personnel Expense	9,100	10,700	10,660	(40)
Occupancy	1,120	2,533	2,287	(246)
Communication	1,000	1,000	549	(451)
Supplies & Minor Equipment	9,500	10,606	10,207	(399)
Transportation	13,000	12,900	11,570	(1,330)
Other Expenses	75,000	73,631	19,087	(54,544)
Total Expenditures	1,279,210	1,356,838	1,293,693	(63,145)
<b>General Government:</b>				
Personnel Expense	89,000	91,429	83,189	(8,240)
Occupancy	52,400	56,830	55,158	(1,672)
Communication	84,000	176,200	176,109	(91)
Consultant/Contracted Services	734,800	968,800	711,635	(257,165)
Other Expenses	1,018,577	597,788	212,353	(385,435)
Pass-Through Grant Funding	-	112,000	292,694	180,694
Total Expenditures	1,978,777	2,003,047	1,531,138	(471,909)

Exhibit A (Page 4 of 17)

**COUNTY OF BEAVER, PENNSYLVANIA**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Miscellaneous:</b>				
Insurance	\$ 1,855,500	\$ 681,474	\$ 378,989	\$ (302,485)
Bank Charges	7,300	9,759	6,879	(2,880)
Indirect Cost Study	11,000	11,000	10,700	(300)
Total Expenditures	<u>1,873,800</u>	<u>702,233</u>	<u>396,568</u>	<u>(305,665)</u>
<b>Total General Government</b>	<u>\$ 14,080,323</u>	<u>\$ 13,406,707</u>	<u>\$ 10,394,448</u>	<u>\$ (3,012,259)</u>

**COUNTY OF BEAVER, PENNSYLVANIA**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Judicial</b>				
<b>Clerk Of Courts:</b>				
Salaries & Benefits	\$ 670,388	\$ 682,551	\$ 667,803	\$ (14,748)
Personnel Expense	15,350	15,350	10,952	(4,398)
Occupancy	3,917	3,917	3,917	-
Communication	17,950	17,950	17,478	(472)
Supplies & Minor Equipment	17,500	21,550	16,892	(4,658)
Transportation	3,000	3,000	2,039	(961)
Consultant/Contracted Services	5,040	5,120	5,040	(80)
Other Expenses	2,100	2,100	438	(1,662)
Total Expenditures	<u>735,245</u>	<u>751,538</u>	<u>724,559</u>	<u>(26,979)</u>
<b>Coroner:</b>				
Salaries & Benefits	156,431	155,497	144,867	(10,630)
Personnel Expense	1,900	1,900	663	(1,237)
Occupancy	300	300	230	(70)
Communication	1,200	1,200	742	(458)
Supplies & Minor Equipment	500	500	149	(351)
Transportation	1,000	1,000	422	(578)
Other Expenses	220,500	171,286	163,527	(7,759)
Total Expenditures	<u>381,831</u>	<u>331,683</u>	<u>310,600</u>	<u>(21,083)</u>
<b>Jury Commission:</b>				
Salaries & Benefits	114,301	116,533	114,937	(1,596)
Personnel Expense	600	-	-	-
Communication	11,500	12,900	12,742	(158)
Supplies & Minor Equipment	7,500	5,750	5,609	(141)
Transportation	1,200	-	-	-
Consultant/Contracted Services	5,800	9,978	9,972	(6)
Total Expenditures	<u>140,901</u>	<u>145,161</u>	<u>143,260</u>	<u>(1,901)</u>
<b>District Attorney:</b>				
Salaries & Benefits	2,369,393	2,360,484	2,217,169	(143,315)
Personnel Expense	18,600	23,785	23,354	(431)
Occupancy	5,600	4,925	4,673	(252)
Communication	9,360	10,340	10,313	(27)
Supplies & Minor Equipment	32,810	51,708	45,723	(5,985)
Transportation	19,300	14,805	14,058	(747)
Consultant/Contracted Services	60,000	13,641	13,387	(254)
Other Expenses	9,350	22,525	20,643	(1,882)
Total Expenditures	<u>2,524,413</u>	<u>2,502,213</u>	<u>2,349,320</u>	<u>(152,893)</u>

**Exhibit B (Page 6 of 17)**

# COUNTY OF BEAVER, PENNSYLVANIA

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Prothonotary:</b>				
Salaries & Benefits	\$ 659,229	\$ 663,764	\$ 629,524	\$ (34,240)
Personnel Expense	1,200	1,200	961	(239)
Occupancy	8,986	8,986	8,986	-
Communication	10,500	10,605	10,602	(3)
Supplies & Minor Equipment	20,300	22,300	18,548	(3,752)
Transportation	2,000	2,000	-	(2,000)
Total Expenditures	702,215	708,855	668,621	(40,234)
<b>Register Of Wills:</b>				
Salaries & Benefits	375,122	383,586	376,839	(6,747)
Personnel Expense	700	700	650	(50)
Occupancy	5,069	5,069	5,069	-
Communication	13,800	15,531	15,145	(386)
Supplies & Minor Equipment	15,000	14,379	13,819	(560)
Transportation	2,350	1,350	1,280	(70)
Total Expenditures	412,041	420,615	412,802	(7,813)
<b>Sheriff:</b>				
Salaries & Benefits	3,016,226	3,108,153	3,074,613	(33,540)
Personnel Expense	45,450	46,600	34,850	(11,750)
Occupancy	1,160	1,160	973	(187)
Communication	6,500	7,150	6,825	(325)
Supplies & Minor Equipment	65,198	76,997	61,743	(15,254)
Transportation	107,000	104,500	78,450	(26,050)
Consultant/Contracted Services	7,250	7,550	7,221	(329)
Other Expenses	5,000	5,000	2,595	(2,405)
Pass-Through Grant Funding	-	(18,000)	-	18,000
Total Expenditures	3,253,784	3,339,110	3,267,270	(71,840)
<b>Court Administration:</b>				
Salaries & Benefits	2,607,558	2,568,706	2,350,185	(218,521)
Personnel Expense	80,000	72,700	57,988	(14,712)
Occupancy	3,100	3,100	2,534	(566)
Communication	17,000	17,000	7,578	(9,422)
Supplies & Minor Equipment	75,500	79,632	68,766	(10,866)
Transportation	11,500	11,500	9,263	(2,237)
Consultant/Contracted Services	277,500	276,750	233,476	(43,274)
Other Expenses	100,000	100,000	70,889	(29,111)
Total Expenditures	3,172,158	3,129,388	2,800,679	(328,709)

Exhibit A (Page 7 of 17)

# COUNTY OF BEAVER, PENNSYLVANIA

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Law Library:</b>				
Salaries & Benefits	\$ 71,425	\$ 77,272	\$ 74,187	\$ (3,085)
Communication	40	150	59	(91)
Supplies & Minor Equipment	109,825	109,815	107,998	(1,817)
Transportation	300	300	33	(267)
Total Expenditures	181,590	187,537	182,277	(5,260)
<b>District Court 36-1-03:</b>				
Salaries & Benefits	157,776	169,921	168,882	(1,039)
Personnel Expense	300	300	86	(214)
Occupancy	25,575	25,850	25,116	(734)
Communication	10,500	10,400	10,019	(381)
Supplies & Minor Equipment	8,530	8,660	6,085	(2,575)
Transportation	700	700	687	(13)
Total Expenditures	203,381	215,831	210,875	(4,956)
<b>District Court 36-1-01:</b>				
Salaries & Benefits	142,805	154,379	150,578	(3,801)
Personnel Expense	300	300	130	(170)
Occupancy	8,960	9,135	7,937	(1,198)
Communication	12,800	12,717	12,606	(111)
Supplies & Minor Equipment	8,300	8,407	5,136	(3,271)
Transportation	1,100	1,100	42	(1,058)
Total Expenditures	174,265	186,038	176,429	(9,609)
<b>District Court 36-3-02:</b>				
Salaries & Benefits	159,313	170,986	169,529	(1,457)
Personnel Expense	500	500	393	(107)
Occupancy	8,795	8,970	6,908	(2,062)
Communication	13,800	13,900	13,589	(311)
Supplies & Minor Equipment	7,800	7,875	5,053	(2,822)
Transportation	1,100	1,100	677	(423)
Total Expenditures	191,308	203,331	196,149	(7,182)

# COUNTY OF BEAVER, PENNSYLVANIA

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>District Court 36-2-01:</b>				
Salaries & Benefits	\$ 203,367	\$ 218,218	\$ 210,938	\$ (7,280)
Personnel Expense	500	500	295	(205)
Occupancy	9,525	9,877	9,273	(604)
Communication	20,300	20,409	16,503	(3,906)
Supplies & Minor Equipment	9,750	10,018	7,696	(2,322)
Transportation	1,200	1,406	1,365	(41)
Total Expenditures	244,642	260,428	246,070	(14,358)
<b>District Court 36-3-03:</b>				
Salaries & Benefits	212,789	228,112	225,799	(2,313)
Personnel Expense	400	900	485	(415)
Occupancy	12,710	12,810	11,961	(849)
Communication	19,225	18,725	15,916	(2,809)
Supplies & Minor Equipment	12,000	12,134	8,089	(4,045)
Transportation	1,000	1,000	751	(249)
Total Expenditures	258,124	273,681	263,001	(10,680)
<b>District Court 36-3-04:</b>				
Salaries & Benefits	144,642	154,691	153,393	(1,298)
Personnel Expense	400	260	252	(8)
Occupancy	8,930	9,595	8,924	(671)
Communication	11,000	10,860	8,798	(2,062)
Supplies & Minor Equipment	6,900	5,912	5,440	(472)
Transportation	2,000	2,900	2,487	(413)
Total Expenditures	173,872	184,218	179,294	(4,924)
<b>District Court 36-1-02:</b>				
Salaries & Benefits	209,399	222,975	220,993	(1,982)
Personnel Expense	300	300	50	(250)
Occupancy	9,350	9,482	7,155	(2,327)
Communication	15,500	15,643	13,001	(2,642)
Supplies & Minor Equipment	8,500	8,976	4,855	(4,121)
Transportation	500	500	84	(416)
Total Expenditures	243,549	257,876	246,138	(11,738)

## COUNTY OF BEAVER, PENNSYLVANIA

### SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>District Court 36-3-01:</b>				
Salaries & Benefits	\$ 170,507	\$ 184,682	\$ 182,484	\$ (2,198)
Personnel Expense	400	400	263	(137)
Occupancy	9,010	9,475	8,802	(673)
Communication	15,575	25,820	18,247	(7,573)
Supplies & Minor Equipment	10,600	9,874	9,030	(844)
Transportation	500	500	83	(417)
Total Expenditures	<u>206,592</u>	<u>230,751</u>	<u>218,909</u>	<u>(11,842)</u>
<b>District Court 36-2-02:</b>				
Salaries & Benefits	201,025	220,887	212,252	(8,635)
Personnel Expense	300	300	281	(19)
Occupancy	8,770	9,820	8,600	(1,220)
Communication	13,500	14,000	13,711	(289)
Supplies & Minor Equipment	11,300	10,143	7,588	(2,555)
Transportation	1,500	1,650	1,601	(49)
Total Expenditures	<u>236,395</u>	<u>256,800</u>	<u>244,033</u>	<u>(12,767)</u>
<b>Total Judicial</b>	<u>\$ 13,436,306</u>	<u>\$ 13,585,054</u>	<u>\$ 12,840,286</u>	<u>\$ (744,768)</u>

**COUNTY OF BEAVER, PENNSYLVANIA**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Public Works and Enterprises</u></b>				
<b>Department of Public Works:</b>				
Salaries & Benefits	\$ 2,223,356	\$ 2,327,643	\$ 2,198,538	\$ (129,105)
Personnel Expense	3,400	2,755	2,746	(9)
Occupancy	58,600	64,400	60,694	(3,706)
Communication	13,210	12,110	11,692	(418)
Supplies & Minor Equipment	48,000	47,903	47,410	(493)
Transportation	42,500	57,500	53,910	(3,590)
Other Expenses	0	1,000	758	(242)
Total Expenditures	<u>2,389,066</u>	<u>2,513,311</u>	<u>2,375,748</u>	<u>(137,563)</u>
<b>Buildings and Grounds:</b>				
Occupancy	414,700	741,762	717,182	(24,580)
Communication	-	4,109	3,245	(864)
Supplies & Minor Equipment	107,600	151,135	135,137	(15,998)
Consultant/Contracted Services	245,500	397,744	288,765	(108,979)
Other Expenses	17,000	27,289	34,434	7,145
Total Expenditures	<u>784,800</u>	<u>1,322,039</u>	<u>1,178,763</u>	<u>(143,276)</u>
<b>Total Public Works and Enterprises</b>	<u>\$ 3,173,866</u>	<u>\$ 3,835,350</u>	<u>\$ 3,554,511</u>	<u>\$ (280,839)</u>



# COUNTY OF BEAVER, PENNSYLVANIA

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Public Safety</u></b>				
<b>Emergency Services:</b>				
Salaries & Benefits	\$ 2,741,151	\$ 1,777,255	\$ 1,126,673	\$ (650,582)
Personnel Expense	11,150	12,455	6,704	(5,751)
Occupancy	718,153	731,117	730,584	(533)
Communication	49,000	56,500	53,784	(2,716)
Supplies & Minor Equipment	93,000	258,971	240,701	(18,270)
Transportation	10,500	17,500	14,416	(3,084)
Consultant/Contracted Services	74,824	58,017	52,321	(5,696)
Other Expenses	2,000	2,000	1,165	(835)
Total Expenditures	3,699,778	2,913,815	2,226,348	(687,467)
<b>Jail of Beaver County:</b>				
Salaries & Benefits	6,222,589	6,423,491	5,832,455	(591,036)
Personnel Expense	50,300	48,743	46,492	(2,251)
Occupancy	343,700	364,135	361,127	(3,008)
Communication	16,500	16,307	15,741	(566)
Supplies & Minor Equipment	219,000	211,100	200,263	(10,837)
Transportation	38,850	10,650	10,298	(352)
Consultant/Contracted Services	-	55,000	55,000	-
Other Expenses	1,515,896	1,503,111	1,436,069	(67,042)
Total Expenditures	8,406,835	8,632,537	7,957,445	(675,092)
<b>DUI Program:</b>				
Salaries & Benefits	125,031	129,223	95,575	(33,648)
Personnel Expense	2,000	2,000	960	(1,040)
Occupancy	1,800	1,800	1,800	-
Communication	500	500	323	(177)
Supplies & Minor Equipment	1,500	1,500	1,470	(30)
Transportation	1,500	2,000	1,571	(429)
Consultant/Contracted Services	5,500	5,000	2,835	(2,165)
Total Expenditures	137,831	142,023	104,534	(37,489)
<b>Adult Probation:</b>				
Salaries & Benefits	1,778,286	1,971,541	1,908,696	(62,845)
Personnel Expense	444	1,694	1,433	(261)
Communication	6,700	6,700	3,388	(3,312)
Supplies & Minor Equipment	16,700	38,700	33,865	(4,835)
Transportation	11,000	9,800	7,632	(2,168)
Other Expenses	55,000	51,950	50,100	(1,850)
Total Expenditures	1,868,130	2,080,385	2,005,114	(75,271)

**Exhibit A (Page 12 of 17)**

# COUNTY OF BEAVER, PENNSYLVANIA

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Intermediate Punishment Program:</b>				
Salaries & Benefits	\$ 426,953	\$ 468,783	\$ 448,842	\$ (19,941)
Personnel Expense	-	240	240	-
Occupancy	55,556	55,556	50,854	(4,702)
Communication	21,300	22,100	19,583	(2,517)
Supplies & Minor Equipment	127,800	74,289	70,564	(3,725)
Transportation	3,000	2,820	1,289	(1,531)
Other Expenses	1,250	2,600	2,170	(430)
Total Expenditures	635,859	626,388	593,542	(32,846)
<b>Juvenile Probation-Court Services:</b>				
Salaries & Benefits	1,949,152	1,157,946	956,188	(201,758)
Personnel Expense	2,500	3,000	1,962	(1,038)
Communication	18,000	17,750	11,571	(6,179)
Supplies & Minor Equipment	13,300	18,300	15,760	(2,540)
Transportation	23,700	23,700	20,630	(3,070)
Consultant/Contracted Services	1,893,000	1,893,250	975,109	(918,141)
Other Expenses	496,500	487,457	436,520	(50,937)
Total Expenditures	4,396,152	3,601,403	2,417,740	(1,183,663)
<b>UAD Program:</b>				
Salaries & Benefits	4,500	6,152	3,232	(2,920)
Personnel Expense	250	250	-	(250)
Occupancy	1,800	1,800	1,800	-
Communication	100	100	100	-
Supplies & Minor Equipment	450	450	222	(228)
Transportation	100	100	-	(100)
Total Expenditures	7,200	8,852	5,354	(3,498)
<b>Total Public Safety</b>	<b>\$ 19,151,785</b>	<b>\$ 18,005,403</b>	<b>\$ 15,310,077</b>	<b>\$ (2,695,326)</b>

# COUNTY OF BEAVER, PENNSYLVANIA

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Culture, Recreation, and</u></b>				
<b><u>Conservation</u></b>				
<b>Waste Management:</b>				
Salaries & Benefits	\$ 275,931	\$ 276,924	\$ 221,298	\$ (55,626)
Personnel Expense	1,250	1,250	904	(346)
Occupancy	42,500	57,800	46,478	(11,322)
Communication	3,400	3,300	1,862	(1,438)
Supplies & Minor Equipment	42,300	44,400	27,153	(17,247)
Transportation	11,350	11,350	7,734	(3,616)
Consultant/Contracted Services	10,000	7,931	6,319	(1,612)
Other Expenses	432,034	432,034	15,080	(416,954)
Total Expenditures	818,765	834,989	326,828	(508,161)
<b>Library Commission:</b>				
Salaries & Benefits	594,030	567,207	524,040	(43,167)
Personnel Expense	44,830	59,140	55,965	(3,175)
Occupancy	32,100	32,176	32,079	(97)
Communication	36,024	22,415	21,942	(473)
Supplies & Minor Equipment	45,500	56,552	56,526	(26)
Transportation	11,250	8,660	8,360	(300)
Consultant/Contracted Services	8,100	8,100	8,100	-
Other Expenses	482,940	488,117	487,867	(250)
Total Expenditures	1,254,774	1,242,367	1,194,879	(47,488)
<b>Recreation</b>				
Salaries & Benefits	51,625	53,128	46,592	(6,536)
Personnel Expense	-	200	200	-
Occupancy	3,500	3,700	2,076	(1,624)
Communication	3,000	3,900	1,874	(2,026)
Supplies & Minor Equipment	5,500	4,500	2,837	(1,663)
Transportation	1,000	300	70	(230)
Consultant/Contracted Services	10,000	10,400	10,371	(29)
Other Expenses	500	500	-	(500)
Total Expenditures	75,125	76,628	64,020	(12,608)

# COUNTY OF BEAVER, PENNSYLVANIA

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>DPW/Parks:</b>				
Occupancy	\$ 28,500	\$ 33,580	\$ 30,301	\$ (3,279)
Communication	2,000	2,000	1,603	(397)
Supplies & Minor Equipment	115,500	102,292	101,669	(623)
Consultant/Contracted Services	15,000	20,998	20,899	(99)
Other Expenses	16,000	25,891	22,217	(3,674)
Total Expenditures	<u>177,000</u>	<u>184,761</u>	<u>176,689</u>	<u>(8,072)</u>
<b>Ice Arena:</b>				
Salaries & Benefits	434,288	457,879	412,036	(45,843)
Personnel Expense	3,700	3,300	3,015	(285)
Occupancy	234,000	260,689	245,060	(15,629)
Communication	2,250	3,297	3,009	(288)
Supplies & Minor Equipment	31,550	51,748	39,345	(12,403)
Transportation	-	100	67	(33)
Consultant/Contracted Services	31,500	23,005	21,100	(1,905)
Other Expenses	-	2,150	1,574	(576)
Pass-Through Grant Funding	-	150	58	(92)
Total Expenditures	<u>737,288</u>	<u>802,318</u>	<u>725,264</u>	<u>(77,054)</u>
<b>Pool:</b>				
Salaries & Benefits	124,010	127,494	92,998	(34,496)
Occupancy	15,500	17,000	16,349	(651)
Communication	1,100	600	600	-
Supplies & Minor Equipment	9,000	4,757	4,619	(138)
Other Expenses	20,000	21,473	21,406	(67)
Total Expenditures	<u>169,610</u>	<u>171,324</u>	<u>135,972</u>	<u>(35,352)</u>
<b>Total Culture, Recreation and Conservation</b>	<u>\$ 3,232,562</u>	<u>\$ 3,312,387</u>	<u>\$ 2,623,652</u>	<u>\$ (688,735)</u>

**COUNTY OF BEAVER, PENNSYLVANIA**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Human Services</u></b>				
<b>Subsidies:</b>				
Subsidies	\$ 4,938,692	\$ 12,909,772	\$ 5,624,710	\$ (7,285,062)
Consultant/Contracted Services	-	43,000	42,604	(396)
Other Expenses	108,000	48,100	16,000	(32,100)
Pass-Through Grant Funding	-	27,100	26,248	(852)
Total Expenditures	<u>5,046,692</u>	<u>13,027,972</u>	<u>5,709,562</u>	<u>(7,318,410)</u>
<b>Beaver County Transit Authority:</b>				
Subsidies	850,000	850,000	850,000	-
Pass-Through Grant Funding	1,745,000	1,795,000	1,758,531	(36,469)
Total Expenditures	<u>2,595,000</u>	<u>2,645,000</u>	<u>2,608,531</u>	<u>(36,469)</u>
<b>Total Human Services</b>	<u>\$ 7,641,692</u>	<u>\$ 15,672,972</u>	<u>\$ 8,318,093</u>	<u>\$ (7,354,879)</u>

## COUNTY OF BEAVER, PENNSYLVANIA

### SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Debt Service:</b>				
Principal	\$ 4,330,400	\$ 4,498,912	\$ 4,510,711	\$ 11,799
Interest	4,936,185	5,705,790	5,942,119	236,329
Other Expenses	8,100,000	27,305	12,511	(14,794)
Total Expenditures	<u>17,366,585</u>	<u>10,232,007</u>	<u>10,465,341</u>	<u>233,334</u>
<b>Fixed Asset Acquisition and Improvements:</b>				
	<u>1,413,351</u>	<u>2,308,595</u>	<u>1,902,994</u>	<u>(405,601)</u>
<b>Infrastructure</b>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 79,521,470</u>	<u>\$ 80,358,475</u>	<u>\$ 65,409,402</u>	<u>\$ (14,949,073)</u>

# COUNTY OF BEAVER, PENNSYLVANIA

## INDIVIDUAL FUND DESIGNATIONS

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### Automation and Records Improvement

This fund collects fees, the proceeds of which are to be devoted to the improvement of record keeping and record management County-wide, to support development and improvement of office records management and systems, continued automation updates, and the purchase of equipment to upgrade or replace equipment needed to operate. A Records Management Committee has been established, consisting of most County row officers and the Board of Commissioners. The annual budget and expenditures from this fund are to be governed by decision of the Committee.

### Regional Booking Center

The Regional Booking Center (RBC) has the capabilities of identifying and processing individuals/prisoners as well as issuing emergency protection from abuse orders. Fees collected by the RBC are to be used solely for the operations and maintenance of the RBC.

### Domestic Relations

This fund is established and administered for the purpose of enforcing support obligations owed by non-custodial parents to their children and the parent with whom such children are living, locating non-custodial parents, establishing paternity, obtaining child and spousal support, and assuring that assistance in obtaining support will be available for whom such assistance is requested.

### Offender's Supervisory

The Offender Supervision Fee is assessed monthly against all offenders placed on probation, parole, Accelerated Rehabilitative Disposition, Probation with Verdict, and Intermediate Punishment. Currently, the money is collected by the Clerk of Courts, with 50% being retained by the County and 50% being forwarded to the State. Subsequently, the state refunds the County the funds received for the operations of the probation offices.

### Victim Witness

The Victim Witness Assistance Project provides direct and indirect services to all victims of crime in Beaver County. These services include: Criminal Justice Support/Advocacy, Crisis & Follow-Up Counseling, Information/Referral, Court Accompaniment, Victim Compensation Assistance Program Claims, Restitution, Sentencing & Prison Notifications, Property Return, Witness Management, and Victim Impact Statements.

### Hazardous Materials / Act 147 Grants

This fund is responsible for upgrading the County's Hazardous Materials Response Team which services all of Beaver County and provides containment of spills until private contractors arrive for clean-up. Act 147 Funds are also recorded here and are used to better prepare Beaver County for a possible accident at the Beaver Valley Nuclear Power Station. Nearly half of the funds go back to the municipalities that are within a ten mile radius of the plant for traffic control devices, radio equipment and other items necessary to complete an effective evacuation of the area.

# COUNTY OF BEAVER, PENNSYLVANIA

## INDIVIDUAL FUND DESIGNATIONS

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### Liquid Fuels

The purpose of the Liquid Fuels Fund is for construction, maintenance, and repair of County roads and bridges and services pertaining to such. Funds for these purposes are provided by federal and state grants.

### Office on Aging

The purpose of the Beaver County Office on Aging (BCOA) is to plan and deliver a comprehensive system of social services for the citizens of Beaver County who are over the age of 60. BCOA operates under the direction of the County Commissioners to identify the needs in the communities, ensure the provision of quality services, preserve the dignity of the individual and advocate for their rights. BCOA provides and contracts for case management, home and community based care, recreation, health and wellness activities, congregate and home delivered meals, Pennsylvania Department of Aging waiver, nursing home diversion, protective services, senior center services and other programs that ensure the safety, independence and well being of older persons.

### Tourist Promotion

The Tourism Tourist Promotion Fund is funded through the County's hotel/motel occupancy tax, which is a 3% gross receipts tax collected by innkeepers within the County from each transaction of renting sleeping rooms to transients. By ordinance, the recognized tourist promotion agency shall only use these tax revenues to directly fund County-wide tourist promotion activities and its operational expenses. When available, the Tourism Department also applies for state tourism grants on a yearly basis from the Department of Economic Development, which specifies by law how those funds can be used relative to regional or county tourism promotional activities.

### Anti-Drug Task Force / Education

This fund is administered by the County District Attorney (DA) to keep proceeds and property seized during drug investigations. The funds seized are to be used for expenditures related to drug investigations, community based drug fighting programs and for relocation and protection of witnesses in criminal cases. Forfeitures originating from participating municipalities are also turned in to this fund and then shared with that municipality. In addition to drug-related forfeitures, the fund earns revenues from a grant provided by the State Attorney General's Office. This grant is paid out in quarterly installments after submission and approval of quarterly activity reports by the DA. The DA Education Fund was established to track non-drug related forfeitures and to provide for educational and other funding necessary to the operations of the DA's Office.



# COUNTY OF BEAVER, PENNSYLVANIA

## INDIVIDUAL FUND DESIGNATIONS

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### Emergency Services 911

This fund is responsible for managing and administrating all activities that pertain to emergency situations affecting Beaver County. Revenues are earned mostly through the collection of a monthly fee collected on the use of telephone lines (including cellular and internet lines).

### Courtroom Improvement

This fund was re-established in 2008 for the purpose of funding court office capital improvements and establishing funding obligations and methods for the court. It is funded by monies remaining in the Driving Under the Influence (DUI) and Under Age Drinking (UAD) programs consisting of revenue over expenditures. These funds are transferred annually at the time of financial closing by the County Controller.

### Capital Reserve

This fund was established for the purpose of funding various capital improvement projects in County parks, County-owned buildings, and other County facilities. Revenues are earned through funding earmarked by the County Commissioners, most commonly fees received from the Commonwealth of Pennsylvania for housing inmates, for mineral drilling activities, and other.

### Capital Bond

This fund was established to account for all purchases made using the proceeds of the County of Beaver Guaranteed Revenue Bonds, Series of 2012, and proceeds from any future debt obligations destined for capital improvements. Expenditures in this fund are statutorily restricted to capital outlay.

**COUNTY OF BEAVER, PENNSYLVANIA**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2014

	Special Revenue								
	Automation and Records Improvement	Regional Booking Center	Domestic Relations	Offender's Supervisory	Victim Witness	Hazardous Materials/ Act 147 Grants	Liquid Fuels	Office on Aging	Tourist Promotion
<b>Assets</b>									
Cash and Cash Equivalents	\$ 464,995	\$ 352	\$ 29,013	\$ 268,756	\$ 3,428	\$ 245,372	\$ 2,022,104	\$ 1,427,537	\$ 73,322
Interfund Receivable	-	-	-	-	-	-	-	44,718	-
Prepaid Other	-	-	-	-	-	-	-	9,583	-
Accounts Receivable	-	6,208	553,091	17,226	38,938	-	530,411	27,838	21,309
<b>Total Assets</b>	<u>\$ 464,995</u>	<u>\$ 6,560</u>	<u>\$ 582,104</u>	<u>\$ 285,982</u>	<u>\$ 42,366</u>	<u>\$ 245,372</u>	<u>\$ 2,552,515</u>	<u>\$ 1,509,676</u>	<u>\$ 94,631</u>
<b>Liabilities</b>									
Accounts Payable	\$ 2,484	\$ 40	\$ 24,601	\$ -	\$ -	\$ 4,994	\$ 443,132	\$ 213,057	\$ 19,793
Interfund Payable	-	127,854	25,105	-	58,805	18,986	26,157	-	16,877
Accrued Payroll	-	745	51,185	-	3,211	-	1,431	48,852	2,222
Accrued Other Liabilities	-	-	-	-	-	-	-	259,601	-
Unearned Revenue	-	-	-	-	-	94,844	-	-	-
<b>Total Liabilities</b>	2,484	128,639	100,891	-	62,016	118,824	470,720	521,510	38,892
<b>Deferred Inflows of Resources</b>									
Unavailable Revenue	-	-	158,692	-	-	-	482,056	9,880	-
<b>Fund Balance (Deficit)</b>									
Non-spendable: Prepays	-	-	-	-	-	-	-	9,583	-
Restricted:									
Other	462,511	-	322,521	285,982	-	126,548	1,599,739	968,703	55,739
Committed:									
Capital Projects	-	-	-	-	-	-	-	-	-
Unassigned:	-	(122,079)	-	-	(19,650)	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<u>462,511</u>	<u>(122,079)</u>	<u>322,521</u>	<u>285,982</u>	<u>(19,650)</u>	<u>126,548</u>	<u>1,599,739</u>	<u>978,286</u>	<u>55,739</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<u>\$ 464,995</u>	<u>\$ 6,560</u>	<u>\$ 582,104</u>	<u>\$ 285,982</u>	<u>\$ 42,366</u>	<u>\$ 245,372</u>	<u>\$ 2,552,515</u>	<u>\$ 1,509,676</u>	<u>\$ 94,631</u>

**COUNTY OF BEAVER, PENNSYLVANIA**

COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2014

	Special Revenue			Capital Projects				Nonmajor Governmental Funds Total
	Anti-Drug Task Force / Educational	Emergency Services 911	Total	Courtroom Improvement	Capital Reserve	Capital Bond	Total	
<b>Assets</b>								
Cash and Cash Equivalents	\$ 456,658	\$ 951,241	\$ 5,942,778	\$ 638,755	\$ 894,881	\$ 628,328	\$ 2,161,964	\$ 8,104,742
Interfund Receivable	-	-	44,718	171,744	-	-	171,744	216,462
Prepaid Other	-	1,644	11,227	-	-	-	-	11,227
Accounts Receivable	149	130,699	1,325,869	-	-	-	-	1,325,869
<b>Total Assets</b>	<b>\$ 456,807</b>	<b>\$ 1,083,584</b>	<b>\$ 7,324,592</b>	<b>\$ 810,499</b>	<b>\$ 894,881</b>	<b>\$ 628,328</b>	<b>\$ 2,333,708</b>	<b>\$ 9,658,300</b>
<b>Liabilities</b>								
Accounts Payable	\$ 6,758	\$ 106,699	\$ 821,558	\$ 14,319	\$ -	\$ -	\$ 14,319	\$ 835,877
Interfund Payable	100	202,224	476,108	-	-	-	-	476,108
Accrued Payroll	485	-	108,131	-	-	-	-	108,131
Accrued Other Liabilities	-	-	259,601	-	-	-	-	259,601
Unearned Revenue	-	774,662	869,506	-	-	-	-	869,506
<b>Total Liabilities</b>	<b>7,343</b>	<b>1,083,585</b>	<b>2,534,904</b>	<b>14,319</b>	<b>-</b>	<b>-</b>	<b>14,319</b>	<b>2,549,223</b>
<b>Deferred Inflows of Resources</b>								
Unavailable Revenue	-	-	650,628	-	-	-	-	650,628
<b>Fund Balance (Deficit)</b>								
Non-spendable: Prepaids	-	1,644	11,227	-	-	-	-	11,227
Restricted:								
Other	449,464	-	4,271,207	-	-	628,328	628,328	4,899,535
Committed:								
Capital Projects	-	-	-	796,180	894,881	-	1,691,061	1,691,061
Unassigned:	-	(1,645)	(143,374)	-	-	-	-	(143,374)
<b>Total Fund Balances (Deficits)</b>	<b>449,464</b>	<b>(1)</b>	<b>4,139,060</b>	<b>796,180</b>	<b>894,881</b>	<b>628,328</b>	<b>2,319,389</b>	<b>6,458,449</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 456,807</b>	<b>\$ 1,083,584</b>	<b>\$ 7,324,592</b>	<b>\$ 810,499</b>	<b>\$ 894,881</b>	<b>\$ 628,328</b>	<b>\$ 2,333,708</b>	<b>\$ 9,658,300</b>

**COUNTY OF BEAVER, PENNSYLVANIA**

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

YEAR ENDED DECEMBER 31, 2014

	Special Revenue								
	Automation and Records <u>Improvement</u>	Regional Booking Center	Domestic Relations	Offender's Supervisory	Victim Witness	Hazardous Materials/ Act 147 Grants	Liquid Fuels	Office on Aging	Tourist Promotion
<b>Revenues</b>									
Investment Income	\$ 31	\$ -	\$ 11	\$ 33	\$ 1	\$ 24	\$ 136	\$ 149	\$ 4
Intergovernmental	-	-	1,870,641	293,470	150,648	141,797	2,907,633	4,932,942	-
Departmental Earnings	149,699	88,259	35,254	288,151	-	-	19,436	37,053	24,600
Local Hotel Room Tax	-	-	-	-	-	-	-	-	291,612
Miscellaneous	-	-	-	-	-	430	32,101	-	-
<b>Total Revenues</b>	<b>149,730</b>	<b>88,259</b>	<b>1,905,906</b>	<b>581,654</b>	<b>150,649</b>	<b>142,251</b>	<b>2,959,306</b>	<b>4,970,144</b>	<b>316,216</b>
<b>Expenditures</b>									
Current:									
General Government	56,345	-	-	-	-	-	-	-	-
Judicial	-	71,221	2,582,156	-	150,848	-	-	-	-
Public Safety	-	-	-	-	-	167,047	-	-	-
Public Works and Enterprises	-	-	-	-	-	-	564,200	-	-
Culture Recreation & Conservation	-	-	-	-	-	-	-	-	303,233
Intergovernmental:									
Operating / Human Services	-	-	-	-	-	-	-	4,615,179	-
Debt Service:									
Capital Outlay:									
Infrastructure	-	-	-	-	-	-	2,516,236	-	-
Fixed Asset Acquisition	127,289	9,500	5,931	-	-	-	171,620	-	-
<b>Total Expenditures</b>	<b>183,634</b>	<b>80,721</b>	<b>2,588,087</b>	<b>-</b>	<b>150,848</b>	<b>167,047</b>	<b>3,252,056</b>	<b>4,615,179</b>	<b>303,233</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(33,904)</b>	<b>7,538</b>	<b>(682,181)</b>	<b>581,654</b>	<b>(199)</b>	<b>(24,796)</b>	<b>(292,750)</b>	<b>354,965</b>	<b>12,983</b>
<b>Other Financing Sources (Uses)</b>									
Transfers From Other Funds	-	-	899,379	-	-	-	-	50,000	-
Transfers to Other Funds	-	-	-	(600,000)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>899,379</b>	<b>(600,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(33,904)</b>	<b>7,538</b>	<b>217,198</b>	<b>(18,346)</b>	<b>(199)</b>	<b>(24,796)</b>	<b>(292,750)</b>	<b>404,965</b>	<b>12,983</b>
Fund Balances (Deficits) - Beginning	496,415	(129,617)	105,323	304,328	(19,451)	151,344	1,892,489	573,321	42,756
Fund Balances (Deficits) - Ending	\$ 462,511	\$ (122,079)	\$ 322,521	\$ 285,982	\$ (19,650)	\$ 126,548	\$ 1,599,739	\$ 978,286	\$ 55,739

Exhibit C (Page 1 of 2)

**COUNTY OF BEAVER, PENNSYLVANIA**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2014

	Special Revenue			Capital Projects				Nonmajor Governmental Funds Total
	Anti-Drug Task Force / Educational	Emergency Services 911	Total	Courtroom Improvement	Capital Reserve	Capital Bond	Total	
<b>Revenues</b>								
Investment Income	\$ 293	\$ 129	\$ 811	\$ 65	\$ 74	\$ -	\$ 139	\$ 950
Intergovernmental	88,800	1,777,559	12,163,490	25,000	-	-	25,000	12,188,490
Departmental Earnings	121,363	503,209	1,267,024	-	370,942	-	370,942	1,637,966
Local Hotel Room Tax	-	-	291,612	-	-	-	-	291,612
Miscellaneous	-	-	32,531	-	-	-	-	32,531
<b>Total Revenues</b>	<b>210,456</b>	<b>2,280,897</b>	<b>13,755,468</b>	<b>25,065</b>	<b>371,016</b>	<b>-</b>	<b>396,081</b>	<b>14,151,549</b>
<b>Expenditures</b>								
Current:								
General Government	-	-	56,345	91,235	-	-	91,235	147,580
Judicial	171,672	-	2,975,897	-	-	-	-	2,975,897
Public Safety	-	1,918,585	2,085,632	-	-	-	-	2,085,632
Public Works and Enterprises	-	-	564,200	-	-	-	-	564,200
Culture Recreation & Conservation	-	-	303,233	-	-	-	-	303,233
Intergovernmental:								
Operating / Human Services	-	-	4,615,179	-	-	-	-	4,615,179
Debt Service:								
Capital Outlay:								
Infrastructure	-	-	2,516,236	-	179,600	-	179,600	2,695,836
Fixed Asset Acquisition	-	534,804	849,144	37,874	-	-	37,874	887,018
<b>Total Expenditures</b>	<b>171,672</b>	<b>2,453,389</b>	<b>13,965,866</b>	<b>129,109</b>	<b>179,600</b>	<b>-</b>	<b>308,709</b>	<b>14,274,575</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>38,784</b>	<b>(172,492)</b>	<b>(210,398)</b>	<b>(104,044)</b>	<b>191,416</b>	<b>-</b>	<b>87,372</b>	<b>(123,026)</b>
<b>Other Financing Sources (Uses)</b>								
Transfers From Other Funds	-	-	949,379	186,812	-	-	186,812	1,136,191
Transfers to Other Funds	-	-	(600,000)	-	-	-	-	(600,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>349,379</b>	<b>186,812</b>	<b>-</b>	<b>-</b>	<b>186,812</b>	<b>536,191</b>
<b>Net Change in Fund Balance</b>	<b>38,784</b>	<b>(172,492)</b>	<b>138,981</b>	<b>82,768</b>	<b>191,416</b>	<b>-</b>	<b>274,184</b>	<b>413,165</b>
Fund Balances (Deficits) - Beginning	410,680	172,491	4,000,079	713,412	703,465	628,328	2,045,205	6,045,284
Fund Balances (Deficits) - Ending	\$ 449,464	\$ (1)	\$ 4,139,060	\$ 796,180	\$ 894,881	\$ 628,328	\$ 2,319,389	\$ 6,458,449

Exhibit C (Page 2 of 2)

**COUNTY OF BEAVER, PENNSYLVANIA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUES FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>General Government</u></b>				
<b>Automation and Records Improvement</b>				
Revenues:				
Departmental Earnings	\$ 133,298	\$ 150,298	\$ 149,699	\$ (599)
Interest	-	-	31	31
Total Revenues	<u>133,298</u>	<u>150,298</u>	<u>149,730</u>	<u>(568)</u>
Expenditures:				
Salaries & Benefits	24,289	24,289	14,499	(9,790)
Consultant/Contracted Services	20,000	20,000	-	(20,000)
Supplies & Minor Equipment	13,000	21,499	11,180	(10,319)
Transportation	3,500	3,500	-	(3,500)
Other Expenditures	54,000	61,872	30,666	(31,206)
Capital Outlay	70,000	159,659	127,289	(32,370)
Total Expenditures	<u>184,789</u>	<u>290,819</u>	<u>183,634</u>	<u>(107,185)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(51,491)	(140,521)	(33,904)	106,617
Fund Balance - Beginning	<u>63,920</u>	<u>200,000</u>	<u>496,415</u>	<u>296,415</u>
Fund Balance - Ending	<u>\$ 12,429</u>	<u>\$ 59,479</u>	<u>\$ 462,511</u>	<u>\$ 403,032</u>

**COUNTY OF BEAVER, PENNSYLVANIA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUES FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Judicial</b>				
<b>Regional Booking Center</b>				
Revenues:				
Departmental Earnings	\$ 62,000	\$ 62,000	\$ 88,259	\$ 26,259
Total Revenues	<u>62,000</u>	<u>62,000</u>	<u>88,259</u>	<u>26,259</u>
Expenditures:				
Salaries & Benefits	-	55,714	53,774	(1,940)
Communication	200	200	-	(200)
Supplies & Minor Equipment	29,700	24,196	16,942	(7,254)
Other Expenditures	-	504	505	1
Capital Outlay	-	9,500	9,500	-
Total Expenditures	<u>29,900</u>	<u>90,114</u>	<u>80,721</u>	<u>(9,393)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	32,100	(28,114)	7,538	35,652
Fund Balance (Deficits) - Beginning	<u>100,000</u>	<u>100,000</u>	<u>(129,617)</u>	<u>(229,617)</u>
Fund Balance (Deficits) - Ending	<u>\$ 132,100</u>	<u>\$ 71,886</u>	<u>\$ (122,079)</u>	<u>\$ (193,965)</u>

## COUNTY OF BEAVER, PENNSYLVANIA

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL SPECIAL REVENUES FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Judicial</b>				
<b>Domestic Relations</b>				
Revenues:				
Intergovernmental	\$ 1,690,506	\$ 1,690,506	\$ 1,870,641	\$ 180,135
Departmental Earnings	42,000	42,000	35,254	(6,746)
Interest	100	100	11	(89)
<b>Total Revenues</b>	<b>1,732,606</b>	<b>1,732,606</b>	<b>1,905,906</b>	<b>173,300</b>
Expenditures:				
Salaries & Benefits	2,270,113	2,344,468	2,314,543	(29,925)
Personnel Expense	19,200	19,200	15,074	(4,126)
Occupancy	1,370	1,370	1,152	(218)
Communication	39,700	39,700	29,990	(9,710)
Supplies & Minor Equipment	21,000	26,000	16,420	(9,580)
Transportation	6,000	6,000	3,588	(2,412)
Consultant/Contracted Services	21,500	21,500	16,190	(5,310)
Other Expenditures	278,921	198,566	185,199	(13,367)
Capital Outlay	-	6,000	5,931	(69)
<b>Total Expenditures</b>	<b>2,657,804</b>	<b>2,662,804</b>	<b>2,588,087</b>	<b>(74,717)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(925,198)</b>	<b>(930,198)</b>	<b>(682,181)</b>	<b>248,017</b>
Other Financing Sources (Uses):				
Transfers from Other Funds	843,518	899,518	899,379	(139)
<b>Total Financing Sources (Uses)</b>	<b>843,518</b>	<b>899,518</b>	<b>899,379</b>	<b>(139)</b>
<b>Net Change in Fund Balance</b>	<b>(81,680)</b>	<b>(30,680)</b>	<b>217,198</b>	<b>247,878</b>
Fund Balance - Beginning	100,000	100,000	105,323	5,323
Fund Balance - Ending	<b>\$ 18,320</b>	<b>\$ 69,320</b>	<b>\$ 322,521</b>	<b>\$ 253,201</b>



## COUNTY OF BEAVER, PENNSYLVANIA

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL SPECIAL REVENUES FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Judicial</b>				
<b>Offender's Supervisory</b>				
Revenues:				
Departmental Earnings	\$ 230,000	\$ 230,000	\$ 288,151	\$ 58,151
Intergovernmental	275,000	275,000	293,470	18,470
Interest	-	-	33	33
Total Revenues	505,000	505,000	581,654	76,654
<b>Excess of Revenues Over Expenditures</b>	505,000	505,000	581,654	76,654
Other Financing Sources (Uses):				
Transfers to Other Funds	(630,884)	(630,884)	(600,000)	(30,884)
Total Financing Sources (Uses)	(630,884)	(630,884)	(600,000)	(30,884)
<b>Net Change in Fund Balance</b>	(125,884)	(125,884)	(18,346)	107,538
Fund Balance - Beginning	200,000	200,000	304,328	104,328
Fund Balance - Ending	\$ 74,116	\$ 74,116	\$ 285,982	\$ 211,866

**COUNTY OF BEAVER, PENNSYLVANIA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUES FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Judicial</b>				
<b>Victim Witness</b>				
Revenues:				
Intergovernmental	\$ 173,935	\$ 173,935	\$ 150,648	\$ (23,287)
Interest	-	-	1	1
Total Revenues	<u>173,935</u>	<u>173,935</u>	<u>150,649</u>	<u>(23,286)</u>
Expenditures:				
Salaries & Benefits	140,317	166,633	150,044	(16,589)
Personnel Expense	-	36	36	-
Communication	300	300	240	(60)
Transportation	-	529	528	(1)
Other Expenditures	8,824	6,437	-	(6,437)
Total Expenditures	<u>149,441</u>	<u>173,935</u>	<u>150,848</u>	<u>(23,087)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	24,494	-	(199)	(199)
Fund Balance (Deficits) - Beginning	-	-	(19,451)	(19,451)
Fund Balance (Deficits) - Ending	<u>\$ 24,494</u>	<u>\$ -</u>	<u>\$ (19,650)</u>	<u>\$ (19,650)</u>

**COUNTY OF BEAVER, PENNSYLVANIA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUES FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Public Safety</u></b>				
<b>Hazardous Materials / Act 147 Grants</b>				
Revenues:				
Intergovernmental	\$ 165,165	\$ 165,165	\$ 141,797	\$ (23,368)
Interest	70	70	24	(46)
Miscellaneous	-	-	430	430
Total Revenues	<u>165,235</u>	<u>165,235</u>	<u>142,251</u>	<u>(22,984)</u>
Expenditures:				
Salaries & Benefits	-	43,000	27,332	(15,668)
Personnel Expense	1,500	1,500	300	(1,200)
Consultant/Contracted Services	10,000	16,900	15,400	(1,500)
Occupancy	14,500	19,500	13,046	(6,454)
Communication	7,500	13,500	12,020	(1,480)
Supplies & Minor Equipment	56,840	82,847	50,005	(32,842)
Transportation	16,500	9,488	3,942	(5,546)
Other Expenditures	100,453	46,664	31,308	(15,356)
Pass-Through Grant Funding	-	13,998	13,694	(304)
Capital Outlay	25,000	-	-	-
Total Expenditures	<u>232,293</u>	<u>247,397</u>	<u>167,047</u>	<u>(80,350)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(67,058)	(82,162)	(24,796)	57,366
Fund Balance - Beginning	<u>100,000</u>	<u>100,000</u>	<u>151,344</u>	<u>51,344</u>
Fund Balance - Ending	<u>\$ 32,942</u>	<u>\$ 17,838</u>	<u>\$ 126,548</u>	<u>\$ 108,710</u>

## COUNTY OF BEAVER, PENNSYLVANIA

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL SPECIAL REVENUES FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Public Works</u></b>				
<b>Liquid Fuels</b>				
Revenues:				
Intergovernmental	\$ 6,107,000	\$ 6,107,000	\$ 2,907,633	\$ (3,199,367)
Departmental Earnings	22,000	22,000	19,436	(2,564)
Interest	-	-	136	136
Miscellaneous	-	-	32,101	32,101
Total Revenues	6,129,000	6,129,000	2,959,306	(3,169,694)
Expenditures:				
Salaries & Benefits	62,972	64,764	64,139	(625)
Personnel Expense	-	18	18	-
Consultant/Contracted Services	364,000	342,039	281,877	(60,162)
Communication	2,950	2,950	793	(2,157)
Supplies & Minor Equipment	13,200	29,100	16,475	(12,625)
Transportation	4,000	4,000	2,867	(1,133)
Other Expenditures	244,000	244,000	198,031	(45,969)
Infrastructure	4,989,000	4,764,300	2,516,236	(2,248,064)
Capital Outlay	-	173,314	171,620	(1,694)
Total Expenditures	5,680,122	5,624,485	3,252,056	(2,372,429)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	448,878	504,515	(292,750)	(797,265)
Fund Balance - Beginning	100,000	100,000	1,892,489	1,792,489
Fund Balance - Ending	\$ 548,878	\$ 604,515	\$ 1,599,739	\$ 995,224

## COUNTY OF BEAVER, PENNSYLVANIA

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL SPECIAL REVENUES FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Human Services</u></b>				
<b>Office on Aging</b>				
Revenues:				
Intergovernmental	\$ 5,612,615	\$ 5,612,615	\$ 4,932,942	\$ (679,673)
Departmental Earnings	91,000	91,000	37,053	(53,947)
Interest	250	250	149	(101)
<b>Total Revenues</b>	<b>5,703,865</b>	<b>5,703,865</b>	<b>4,970,144</b>	<b>(733,721)</b>
Expenditures:				
Reimbursement to State	55,305	55,305	500	(54,805)
Salaries & Benefits	1,895,082	2,308,082	2,209,332	(98,750)
Personnel Expense	12,050	12,050	8,917	(3,133)
Consultant/Contracted Services	116,000	151,000	90,323	(60,677)
Sub Contracted Services	2,350,000	2,315,000	1,845,524	(469,476)
Occupancy	330,200	328,395	284,214	(44,181)
Communication	20,500	20,500	14,207	(6,293)
Supplies & Minor Equipment	100,500	101,930	78,381	(23,549)
Transportation	25,500	25,500	17,695	(7,805)
Other Expenditures	105,057	104,437	66,086	(38,351)
Capital Outlay	15,000	15,000	-	(15,000)
<b>Total Expenditures</b>	<b>5,025,194</b>	<b>5,437,199</b>	<b>4,615,179</b>	<b>(822,020)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>678,671</b>	<b>266,666</b>	<b>354,965</b>	<b>88,299</b>
Other Financing Sources (Uses):				
Transfers from Other Funds	50,000	50,000	50,000	-
<b>Total Financing Sources (Uses)</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>728,671</b>	<b>316,666</b>	<b>404,965</b>	<b>88,299</b>
Fund Balance - Beginning	-	-	573,321	573,321
Fund Balance - Ending	<b>\$ 728,671</b>	<b>\$ 316,666</b>	<b>\$ 978,286</b>	<b>\$ 661,620</b>

## COUNTY OF BEAVER, PENNSYLVANIA

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL SPECIAL REVENUES FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Recreation</u></b>				
<b>    Tourist Promotion</b>				
Revenues:				
Departmental Earnings	\$ 7,000	\$ 7,000	\$ 24,600	\$ 17,600
Local Hotel Room Tax	275,000	275,000	291,612	16,612
Interest	-	-	4	4
Total Revenues	<u>282,000</u>	<u>282,000</u>	<u>316,216</u>	<u>34,216</u>
Expenditures:				
Salaries & Benefits	49,725	97,939	95,511	(2,428)
Personnel Expense	4,600	4,793	3,623	(1,170)
Consultant/Contracted Services	11,750	16,501	5,195	(11,306)
Communication	163,500	157,797	151,197	(6,600)
Supplies & Minor Equipment	3,000	5,934	4,750	(1,184)
Transportation	5,000	3,412	3,160	(252)
Other Expenditures	51,750	45,840	39,797	(6,043)
Total Expenditures	<u>289,325</u>	<u>332,216</u>	<u>303,233</u>	<u>(28,983)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(7,325)	(50,216)	12,983	63,199
Fund Balance - Beginning	<u>80,000</u>	<u>80,000</u>	<u>42,756</u>	<u>(37,244)</u>
Fund Balance - Ending	<u>\$ 72,675</u>	<u>\$ 29,784</u>	<u>\$ 55,739</u>	<u>\$ 25,955</u>

**COUNTY OF BEAVER, PENNSYLVANIA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUES FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Judicial</b>				
<b>Anti-Drug Task Force / Educational</b>				
Revenues:				
Intergovernmental	\$ 87,020	\$ 87,020	\$ 88,800	\$ 1,780
Departmental Earnings	35,000	92,509	121,363	28,854
Interest	-	-	293	293
Total Revenues	<u>122,020</u>	<u>179,529</u>	<u>210,456</u>	<u>30,927</u>
Expenditures:				
Salaries & Benefits	7,000	81,429	77,802	(3,627)
Personnel Expense	3,000	5,000	4,866	(134)
Supplies & Minor Equipment	5,000	12,545	12,173	(372)
Transportation	6,500	5,500	4,616	(884)
Other Expenditures	35,200	80,750	72,215	(8,535)
Total Expenditures	<u>56,700</u>	<u>185,224</u>	<u>171,672</u>	<u>(13,552)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	65,320	(5,695)	38,784	44,479
Fund Balance - Beginning	<u>10,000</u>	<u>10,000</u>	<u>410,680</u>	<u>400,680</u>
Fund Balance - Ending	<u>\$ 75,320</u>	<u>\$ 4,305</u>	<u>\$ 449,464</u>	<u>\$ 445,159</u>

## COUNTY OF BEAVER, PENNSYLVANIA

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL SPECIAL REVENUES FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Public Safety</u></b>				
<b>Emergency Services 911</b>				
Revenues:				
Intergovernmental	\$ 1,125,472	\$ 1,600,515	\$ 1,777,559	\$ 177,044
Departmental Earnings	422,000	485,000	503,209	18,209
Interest	470	470	129	(341)
Total Revenues	1,547,942	2,085,985	2,280,897	194,912
Expenditures:				
Other Expenditures	1,091,250	1,624,293	1,623,070	(1,223)
Consultant/Contracted Services	75,777	57,349	34,399	(22,950)
Communication	270,342	257,942	224,892	(33,050)
Supplies & Minor Equipment	55,043	56,043	36,224	(19,819)
Capital Outlay	169,191	570,646	534,804	(35,842)
Total Expenditures	1,661,603	2,566,273	2,453,389	(112,884)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(113,661)	(480,288)	(172,492)	307,796
Fund Balance - Beginning	512,083	512,083	172,491	(339,592)
Fund Balance - Ending	\$ 398,422	\$ 31,795	\$ (1)	\$ (31,796)



**COUNTY OF BEAVER, PENNSYLVANIA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Capital Projects</b>				
<b>Courtroom Improvement</b>				
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 25,000	\$ 25,000
Interest	-	-	65	65
Total Revenues	-	-	25,065	25,065
Expenditures:				
Supplies & Minor Equipment	50,000	102,930	91,235	(11,695)
Capital Outlay	200,000	138,120	37,874	(100,246)
Total Expenditures	250,000	241,050	129,109	(111,941)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(250,000)	(241,050)	(104,044)	137,006
Other Financing Sources (Uses):				
Transfers From Other Funds	150,000	150,000	186,812	36,812
Total Financing Sources (Uses)	150,000	150,000	186,812	36,812
<b>Net Change in Fund Balance</b>	(100,000)	(91,050)	82,768	173,818
Fund Balance - Beginning	100,000	100,000	713,412	613,412
Fund Balance - Ending	\$ -	\$ 8,950	\$ 796,180	\$ 787,230

**COUNTY OF BEAVER, PENNSYLVANIA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Capital Projects</b>				
<b>Capital Reserve</b>				
Revenues:				
Departmental Earnings	\$ 295,000	\$ 295,000	\$ 370,942	\$ 75,942
Interest	-	-	74	74
Total Revenues	<u>295,000</u>	<u>295,000</u>	<u>371,016</u>	<u>76,016</u>
Expenditures:				
Infrastructure	-	180,000	179,600	(400)
Total Expenditures	<u>-</u>	<u>180,000</u>	<u>179,600</u>	<u>(400)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	295,000	115,000	191,416	76,416
Other Financing Sources (Uses):				
Transfers From Other Funds	12,595,744	-	-	-
Transfer to Other Funds	(13,595,744)	(820,000)	-	820,000
Total Financing Sources (Uses)	<u>(1,000,000)</u>	<u>(820,000)</u>	<u>-</u>	<u>820,000</u>
<b>Net Change in Fund Balance</b>	(705,000)	(705,000)	191,416	896,416
Fund Balance - Beginning	<u>2,214,519</u>	<u>1,807,453</u>	<u>703,465</u>	<u>(1,103,988)</u>
Fund Balance - Ending	<u>\$ 1,509,519</u>	<u>\$ 1,102,453</u>	<u>\$ 894,881</u>	<u>\$ (207,572)</u>

# COUNTY OF BEAVER, PENNSYLVANIA

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS

DECEMBER 31, 2014

	<b>Medical Fund</b>	<b>Workers' Compensation Fund</b>	<b>Total</b>
<b><u>Assets</u></b>			
Current Assets:			
Cash and Cash Equivalents	\$ 46,138	\$ 90,023	\$ 136,161
Receivables	43,155	42,860	86,015
Prepaid Items	-	109,494	109,494
Total Current Assets	89,293	242,377	331,670
<b>Total Assets</b>	\$ 89,293	\$ 242,377	\$ 331,670
<b><u>Liabilities</u></b>			
Current Liabilities:			
Accounts Payable	\$ 121,648	\$ 39,860	\$ 161,508
Accrued Employee Benefits	670,274	219,780	890,054
Interfund Payable	2,053,707	211,172	2,264,879
Total Current Liabilities	2,845,629	470,812	3,316,441
<b>Total Liabilities</b>	2,845,629	470,812	3,316,441
<b><u>Net Position</u></b>			
Unrestricted	(2,756,336)	(228,435)	(2,984,771)
<b>Total Net Position</b>	\$ (2,756,336)	\$ (228,435)	\$ (2,984,771)

# COUNTY OF BEAVER, PENNSYLVANIA

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<b>Medical Fund</b>	<b>Workers' Compensation Fund</b>	<b>Total</b>
<b><u>Operating Revenues</u></b>			
Charges for Services	\$ 8,822,414	\$ 494,042	\$ 9,316,456
Total Operating Revenues	8,822,414	494,042	9,316,456
<b><u>Operating Expenses</u></b>			
Costs of Services	9,947,363	501,173	10,448,536
Administrative	774,739	36,000	810,739
Total Operating Expenses	10,722,102	537,173	11,259,275
<b>Operating (Loss)</b>	(1,899,688)	(43,131)	(1,942,819)
<b><u>Non-Operating Revenues</u></b>			
Investment Income	17	5	22
Total Non-Operating Revenues	17	5	22
(Loss) Before Transfers	(1,899,671)	(43,126)	(1,942,797)
<b>Change in Net Position</b>	(1,899,671)	(43,126)	(1,942,797)
Total Net Position - Beginning	(856,665)	(185,309)	(1,041,974)
Total Net Position - Ending	\$ (2,756,336)	\$ (228,435)	\$ (2,984,771)

# COUNTY OF BEAVER, PENNSYLVANIA

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Medical Fund	Workers' Compensation Fund	Total
<b><u>Cash Flows from Operating Activities:</u></b>			
Cash receipts for services provided	\$ 8,779,259	\$ 451,181	\$ 9,230,440
Cash payments to suppliers	(11,047,183)	(846,579)	(11,893,762)
Cash payments to General Fund	-	-	-
Net Cash Provided by/(used in) Operating Activities	(2,267,924)	(395,398)	(2,663,322)
<b><u>Cash Flows from Non-Capital Financing Activities:</u></b>			
Proceeds from General Fund advance	2,270,365	410,572	2,680,937.00
Net Cash Provided by Non-Capital Financing Activities	2,270,365	410,572	2,680,937.00
<b><u>Cash Flows from Investing Activities:</u></b>			
Investment income	17	5	22
Net Cash Provided by Investing Activities	17	5	22
<b>Net Increase in Cash and Cash Equivalents</b>	2,458	15,179	17,637
<b><u>Cash and Cash Equivalents:</u></b>			
Beginning of year	43,680	74,844	118,524
End of year	\$ 46,138	\$ 90,023	\$ 136,161
<b><u>Reconciliation of Operating (Loss) to</u></b>			
<b><u>Net Cash Provided by (used in ) Operating Activities:</u></b>			
Operating (loss)	\$ (1,899,688)	\$ (43,131)	\$ (1,942,819)
Change in operating assets and liabilities:			
Accounts receivable and interfund receivable	(43,156)	(42,860)	(86,016)
Prepaid items	-	(109,494)	(109,494)
Accounts payable	(545,240)	(199,913)	(745,153)
Accrued liabilities	220,160	-	220,160
Net Cash Provided by/(used in) Operating Activities	\$ (2,267,924)	\$ (395,398)	\$ (2,663,322)

# COUNTY OF BEAVER, PENNSYLVANIA

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
<b>Clerk of Courts</b>				
<u><b>Assets</b></u>				
Cash and Cash Equivalents	\$ 216,013	2,684,044	2,658,284	\$ 241,773
	<u>216,013</u>	<u>2,684,044</u>	<u>2,658,284</u>	<u>241,773</u>
<u><b>Liabilities</b></u>				
Accounts Payable	216,013	2,684,044	2,658,284	241,773
	<u>\$ 216,013</u>	<u>2,684,044</u>	<u>2,658,284</u>	<u>\$ 241,773</u>
<b>Domestic Relations - Support Payments</b>				
<u><b>Assets</b></u>				
Cash and Cash Equivalents	\$ 39,508	495,671	515,017	\$ 20,162
	<u>39,508</u>	<u>495,671</u>	<u>515,017</u>	<u>20,162</u>
<u><b>Liabilities</b></u>				
Accounts Payable	39,508	495,671	515,017	20,162
	<u>\$ 39,508</u>	<u>495,671</u>	<u>515,017</u>	<u>\$ 20,162</u>
<b>Other Escrow</b>				
<u><b>Assets</b></u>				
Cash and Cash Equivalents	\$ 1,655	-	1,655	\$ -
	<u>1,655</u>	<u>-</u>	<u>1,655</u>	<u>-</u>
<u><b>Liabilities</b></u>				
Accounts Payable	1,655	-	1,655	-
	<u>\$ 1,655</u>	<u>-</u>	<u>1,655</u>	<u>\$ -</u>
<b>Recorder of Deeds</b>				
<u><b>Assets</b></u>				
Cash and Cash Equivalents	\$ 420,750	14,087,635	13,309,492	\$ 1,198,893
	<u>420,750</u>	<u>14,087,635</u>	<u>13,309,492</u>	<u>1,198,893</u>
<u><b>Liabilities</b></u>				
Accounts Payable	420,750	14,087,635	13,309,492	1,198,893
	<u>\$ 420,750</u>	<u>14,087,635</u>	<u>13,309,492</u>	<u>\$ 1,198,893</u>
<b>Register of Wills</b>				
<u><b>Assets</b></u>				
Cash and Cash Equivalents	\$ 218,093	8,816,733	8,953,334	\$ 81,492
	<u>218,093</u>	<u>8,816,733</u>	<u>8,953,334</u>	<u>81,492</u>
<u><b>Liabilities</b></u>				
Accounts Payable	218,093	8,816,733	8,953,334	81,492
	<u>\$ 218,093</u>	<u>8,816,733</u>	<u>8,953,334</u>	<u>\$ 81,492</u>

## COUNTY OF BEAVER, PENNSYLVANIA

### COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
<b>Sheriff</b>				
<u><b>Assets</b></u>				
Cash and Cash Equivalents	\$ 367,180	1,502,538	1,642,650	\$ 227,068
	<u>367,180</u>	<u>1,502,538</u>	<u>1,642,650</u>	<u>227,068</u>
<u><b>Liabilities</b></u>				
Accounts Payable	367,180	1,502,538	1,642,650	227,068
	<u>\$ 367,180</u>	<u>1,502,538</u>	<u>1,642,650</u>	<u>\$ 227,068</u>
<b>Prothonotary</b>				
<u><b>Assets</b></u>				
Cash and Cash Equivalents	\$ 177,253	926,356	681,498	\$ 422,111
	<u>177,253</u>	<u>926,356</u>	<u>681,498</u>	<u>422,111</u>
<u><b>Liabilities</b></u>				
Accounts Payable	177,253	926,356	681,498	422,111
	<u>\$ 177,253</u>	<u>926,356</u>	<u>681,498</u>	<u>\$ 422,111</u>
<b>Tax Claim</b>				
<u><b>Assets</b></u>				
Cash and Cash Equivalents	\$ 1,330,068	14,732,966	15,092,661	\$ 970,373
Due from Other Funds	-	-	-	-
	<u>1,330,068</u>	<u>14,732,966</u>	<u>15,092,661</u>	<u>970,373</u>
<u><b>Liabilities</b></u>				
Accounts Payable	1,330,068	14,732,966	15,092,661	970,373
	<u>\$ 1,330,068</u>	<u>14,732,966</u>	<u>15,092,661</u>	<u>\$ 970,373</u>
<b>Treasurer</b>				
<u><b>Assets</b></u>				
Cash and Cash Equivalents	\$ 41,653	290,461	299,104	\$ 33,010
	<u>41,653</u>	<u>290,461</u>	<u>299,104</u>	<u>33,010</u>
<u><b>Liabilities</b></u>				
Accounts Payable	41,653	290,461	299,104	33,010
	<u>\$ 41,653</u>	<u>290,461</u>	<u>299,104</u>	<u>\$ 33,010</u>
<b>Total - Agency Funds</b>				
<u><b>Assets</b></u>				
Cash and Cash Equivalents	\$ 2,812,172	43,536,404	43,153,694	\$ 3,194,882
Due from Other Funds	-	-	-	-
	<u>2,812,172</u>	<u>43,536,404</u>	<u>43,153,694</u>	<u>3,194,882</u>
<u><b>Liabilities</b></u>				
Accounts Payable	2,812,172	43,536,404	43,153,694	3,194,882
	<u>\$ 2,812,172</u>	<u>43,536,404</u>	<u>43,153,694</u>	<u>\$ 3,194,882</u>

Exhibit F (Page 2 of 2)

# **STATISTICAL SECTION**



# COUNTY OF BEAVER, PENNSYLVANIA

## Statistical Section Content

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This part of the County of Beaver, Pennsylvania's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Beaver County's overall financial health.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules are intended to assist the reader in understanding and assessing how the County's financial position has changed over time.	<b>180-185</b>
<b>Revenue Capacity</b> These schedules are intended to assist the reader in understanding and assessing the factors affecting the County's most significant local revenue source, the property tax.	<b>186-189</b>
<b>Debt Capacity</b> These schedules are intended to assist the reader in understanding and assessing the factors affecting the County's outstanding debt and its ability to issue additional debt in the future.	<b>190-192</b>
<b>Demographic and Economic Information</b> These schedules are intended to assist the reader in understanding the demographic and economic factors that the County's financial activities take place in.	<b>193-196</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	<b>197-198</b>

### **Sources:**

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.

**COUNTY OF BEAVER, PENNSYLVANIA**  
**Net Position by Component**  
**Last Ten Years (accrual basis of accounting)**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 18,950,471	\$ 21,119,653	\$ 23,188,472	\$ 12,674,892	\$ 1,590,243	\$ 9,995,154	\$ 9,036,227	\$ 9,354,708	\$ 9,179,985	\$ (5,815,883)
Restricted for:										
General Government	-	-	-	430,148	-	-	-	-	-	-
Judicial	-	-	-	850,946	-	-	-	-	-	-
Public Safety	-	-	-	180,327	-	-	-	-	-	-
Public Works and Enterprises	-	-	-	1,655,523	-	-	-	-	-	-
Culture, Recreation & Conservation	-	-	-	108,386	-	-	-	-	-	-
Economic Development	-	-	-	269,711	-	-	-	-	-	-
Human Services	-	-	-	9,397,396	-	-	-	-	-	-
Debt Service	7,104,711	-	-	-	-	-	-	-	-	-
Programs for Mental Health / Behavioral Health	9,878,816	9,365,352	8,263,828	-	-	-	-	-	-	-
Programs for Children & Youth	3,125,276	2,314,429	1,925,163	-	-	-	-	-	-	-
Programs for Community Development	205,424	224,345	155,978	-	-	-	-	-	-	-
Programs for Capital Projects	2,710,123	2,856,064	-	-	-	-	-	-	-	-
Programs for General Law Enforcement	1,216,659	1,071,956	-	-	-	-	-	-	-	-
Programs for Elderly Population	968,703	573,321	-	-	-	-	-	-	-	-
Programs for Office Improvements	462,511	496,415	-	-	-	-	-	-	-	-
Programs for Emergency Services / Tourism	182,287	366,591	3,681,412	-	-	-	-	-	-	-
Unrestricted	(6,970,444)	(9,241,616)	(12,393,777)	(12,523,237)	(3,977,279)	(7,881,559)	(16,698,272)	(13,635,972)	(13,533,608)	(3,353,546)
<b>Total Governmental Activities Net Position</b>	<b>37,834,537</b>	<b>29,146,510</b>	<b>24,821,076</b>	<b>13,044,092</b>	<b>(2,387,036)</b>	<b>2,113,595</b>	<b>(7,662,045)</b>	<b>(4,281,264)</b>	<b>(4,353,623)</b>	<b>(9,169,429)</b>
<b>Business-type Activities</b>										
Net Investment in Capital Assets	-	7,272,237	7,779,310	8,084,721	11,434,203	11,106,333	9,285,442	8,526,775	9,146,273	9,230,260
Restricted	-	-	-	-	7,279,670	6,912,769	11,534,085	11,970,526	9,732,190	7,815,415
Unrestricted	-	(5,312,896)	(1,699,257)	827,196	(341,629)	1,710,145	5,185,313	5,404,833	6,561,462	4,005,303
<b>Total Business-type Activities Net Position</b>	<b>-</b>	<b>1,959,341</b>	<b>6,080,053</b>	<b>8,911,917</b>	<b>18,372,244</b>	<b>19,729,247</b>	<b>26,004,840</b>	<b>25,902,134</b>	<b>25,439,925</b>	<b>21,050,978</b>
<b>Primary Government</b>										
Net Investment in Capital Assets	18,950,471	28,391,890	30,967,782	20,759,613	13,024,446	21,101,487	18,321,669	17,881,483	18,326,258	3,414,377
Restricted for:										
Restricted Fund	-	-	-	-	7,279,670	6,912,769	11,534,085	11,970,526	9,732,190	7,815,415
General Government	-	-	-	430,148	-	-	-	-	-	-
Judicial	-	-	-	850,946	-	-	-	-	-	-
Public Safety	-	-	-	180,327	-	-	-	-	-	-
Public Works and Enterprises	-	-	-	1,655,523	-	-	-	-	-	-
Culture, Recreation & Conservation	-	-	-	108,386	-	-	-	-	-	-
Economic Development	-	-	-	269,711	-	-	-	-	-	-
Human Services	-	-	-	9,397,396	-	-	-	-	-	-
Programs for Mental Health / Behavioral Health	9,878,816	9,365,352	8,263,828	-	-	-	-	-	-	-
Programs for Children & Youth	3,125,276	2,314,429	1,925,163	-	-	-	-	-	-	-
Programs for Community Development	205,424	224,345	155,978	-	-	-	-	-	-	-
Other	12,644,994	5,364,347	3,681,412	-	-	-	-	-	-	-
Unrestricted	(6,970,444)	(14,554,512)	(14,093,034)	(11,696,041)	(4,318,908)	(6,171,414)	(11,512,959)	(8,231,139)	(6,972,146)	651,757
<b>Total Primary Government Net Position</b>	<b>\$ 37,834,537</b>	<b>\$ 31,105,851</b>	<b>\$ 30,901,129</b>	<b>\$ 21,956,009</b>	<b>\$ 15,985,208</b>	<b>\$ 21,842,842</b>	<b>\$ 18,342,795</b>	<b>\$ 21,620,870</b>	<b>\$ 21,086,302</b>	<b>\$ 11,881,549</b>

**Notes:**

- 1) Two activities previously categorized as business-type (HealthChoices and Emergency Services) are classified as governmental starting January 1, 2011, due to the change in definition of a special revenue fund per GASB 54. Financial statements prior to January 1, 2011 have not been restated to reflect this change.
- 2) Starting with the 2011 year, the County has broken out the restricted classification in an effort to provide additional detail to the users of the report. In previous years, a summarized approach was utilized for financial reporting purposes.
- 3) With the implementation of GASB 65 all years presented have been restated in conformity with this statement.

# COUNTY OF BEAVER, PENNSYLVANIA

## Change in Net Position

### Last Ten Years (accrual basis of accounting)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Program Revenues</b>										
Governmental Activities:										
Fees and Charges:										
General Government	\$ 8,292,884	\$ 9,410,109	\$ 8,260,937	\$ 8,106,487	\$ 7,751,564	\$ 7,625,322	\$ 8,078,762	\$ 7,912,438	\$ 7,247,343	\$ 6,501,784
Judicial	533,027	815,176	416,498	340,294	304,522	314,108	335,118	346,304	316,087	300,717
Public Safety	503,209	557,855	618,159	690,643	-	-	-	-	-	-
Public Works and Enterprises	19,436	21,581	22,942	24,034	22,367	25,312	285,784	260,553	670,536	754,864
Culture, Recreation, and Conservation	316,212	288,309	290,823	286,063	251,490	233,425	-	-	-	-
Human Services	1,316,195	1,316,133	1,350,644	1,271,830	1,412,633	1,463,490	1,398,292	1,244,744	774,607	1,276,100
Economic Development	414,058	322,717	280,003	384,870	321,209	393,641	385,609	476,730	429,784	-
Miscellaneous	112,063	1,284,716	1,708,694	1,070,899	2,031,365	1,137,675	1,147,581	1,435,432	1,168,842	1,741,876
Operating Grants and Contributions	86,422,137	93,093,407	106,583,933	101,993,002	66,461,336	77,339,228	80,267,272	77,284,833	76,456,596	76,832,424
<i>Total Governmental Activities Program Revenues</i>	<u>97,929,221</u>	<u>107,110,003</u>	<u>119,532,633</u>	<u>114,168,122</u>	<u>78,556,487</u>	<u>88,532,201</u>	<u>91,898,418</u>	<u>88,961,034</u>	<u>87,063,795</u>	<u>87,407,765</u>
Business-type Activities:										
Fees and Charges:										
Friendship Ridge	7,145,189	49,001,164	52,731,569	54,820,672	56,136,160	53,408,458	52,376,087	51,730,038	49,249,600	48,574,177
Emergency Services	-	-	-	-	767,042	912,983	1,212,158	1,315,659	1,644,239	1,472,638
HealthChoices	-	-	-	-	35,106,108	28,804,258	25,846,355	24,707,769	22,040,751	19,945,731
Operating Grants and Contributions	-	-	-	-	2,447,934	3,507,863	1,795,207	1,622,282	1,660,497	963,108
<i>Total Business-type Activities Program Revenues</i>	<u>7,145,189</u>	<u>49,001,164</u>	<u>52,731,569</u>	<u>54,820,672</u>	<u>94,457,244</u>	<u>86,633,562</u>	<u>81,229,807</u>	<u>79,375,748</u>	<u>74,595,087</u>	<u>70,955,654</u>
<i>Total Primary Government Program Revenues</i>	<u>105,074,410</u>	<u>156,111,167</u>	<u>172,264,202</u>	<u>168,988,794</u>	<u>173,013,731</u>	<u>175,165,763</u>	<u>173,128,225</u>	<u>168,336,782</u>	<u>161,658,882</u>	<u>158,363,419</u>
<b>Expenses</b>										
Governmental Activities:										
General Government	12,408,945	14,170,624	11,750,434	11,996,754	11,669,448	10,815,513	10,885,322	10,638,416	14,438,453	16,606,678
Judicial	16,763,833	16,258,018	15,555,477	14,636,699	15,098,971	13,913,313	13,886,914	13,116,223	13,530,585	13,030,383
Public Safety	20,283,511	19,497,132	19,454,879	15,462,810	13,757,968	13,544,091	13,702,730	11,031,994	13,925,640	12,851,354
Public Works and Enterprises	5,655,490	5,072,959	5,182,838	4,241,207	4,528,251	5,619,566	5,278,816	4,886,450	4,992,021	14,224,464
Culture, Recreation, and Conservation	3,337,405	3,340,078	3,399,254	3,397,281	3,084,802	3,126,749	3,334,894	3,235,547	2,981,813	2,905,154
Human Services	80,551,274	80,247,950	87,636,856	89,981,045	56,738,862	70,269,076	74,933,041	71,619,963	62,830,600	65,027,441
Economic Development	5,204,788	5,934,034	7,612,686	8,270,783	9,930,980	10,150,296	7,912,766	9,687,518	8,073,719	-
Miscellaneous	-	-	-	-	-	-	-	-	-	1,259,430
Interest Expense	6,482,858	5,612,832	5,770,270	6,095,041	7,444,710	7,423,905	5,127,487	6,390,964	4,738,865	4,513,007
<i>Total Governmental Activities Expenses</i>	<u>150,688,104</u>	<u>150,133,627</u>	<u>156,362,694</u>	<u>154,081,620</u>	<u>122,253,991</u>	<u>134,862,509</u>	<u>135,061,970</u>	<u>130,607,075</u>	<u>125,511,696</u>	<u>130,417,911</u>
Business-type Activities:										
Friendship Ridge	8,445,296	53,755,637	56,196,777	56,242,814	58,256,142	57,349,265	53,420,889	52,593,858	48,962,080	48,555,547
Emergency Services	-	-	-	-	3,318,004	3,485,386	2,178,655	2,905,978	1,647,499	1,451,371
HealthChoices	-	-	-	-	34,760,543	33,479,918	26,628,247	23,033,731	20,652,039	18,781,499
<i>Total Business-type Activities Expenses</i>	<u>8,445,296</u>	<u>53,755,637</u>	<u>56,196,777</u>	<u>56,242,814</u>	<u>96,334,689</u>	<u>94,314,569</u>	<u>82,227,791</u>	<u>78,533,567</u>	<u>71,261,618</u>	<u>68,788,417</u>
<i>Total Primary Government Expenses</i>	<u>\$ 159,133,400</u>	<u>\$ 203,889,264</u>	<u>\$ 212,559,471</u>	<u>\$ 210,324,434</u>	<u>\$ 218,588,680</u>	<u>\$ 229,177,078</u>	<u>\$ 217,289,761</u>	<u>\$ 209,140,642</u>	<u>\$ 196,773,314</u>	<u>\$ 199,206,328</u>

**Notes:**

- 1) Two activities previously categorized as business-type (HealthChoices and Emergency Services) are classified as governmental starting January 1, 2011, due to the change in definition of a special revenue fund per GASB 54. Financial statements prior to January 1, 2011 have not been restated to reflect this change.
- 2) Effective January 1, 2011, county match expenditures from the General Fund to other funds are classified as Transfers Out in the General Fund and Transfer from Other Funds in the receiving fund. Prior to January 1, 2011, these transactions reported as Human Services expenses in the General Fund and Operating Grants & Contributions Revenues in the receiving fund.
- 3) With the implementation of GASB 65 all years presented have been restated in conformity with this statement.

**COUNTY OF BEAVER, PENNSYLVANIA**  
**Change in Net Position**  
**Last Ten Years (accrual basis of accounting)**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Net (Expense)/ Revenue</b>										
Governmental Activities	\$ (52,758,883)	\$ (43,023,624)	\$ (36,830,061)	\$ (39,913,498)	\$ (43,697,504)	\$ (46,330,308)	\$ (43,163,552)	\$ (41,646,041)	\$ (38,447,901)	\$ (43,010,146)
Business-type Activities	(1,300,107)	(4,754,473)	(3,465,208)	(1,422,142)	(1,877,445)	(7,681,007)	(997,984)	842,181	3,333,469	2,167,237
<i>Total Primary Government Net Expense</i>	<u>\$ (54,058,990)</u>	<u>\$ (47,778,097)</u>	<u>\$ (40,295,269)</u>	<u>\$ (41,335,640)</u>	<u>\$ (45,574,949)</u>	<u>\$ (54,011,315)</u>	<u>\$ (44,161,536)</u>	<u>\$ (40,803,860)</u>	<u>\$ (35,114,432)</u>	<u>\$ (40,842,909)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Real Estate Taxes	\$ 47,448,275	\$ 47,930,067	\$ 48,529,473	\$ 47,133,255	\$ 46,603,187	\$ 45,901,624	\$ 45,714,111	\$ 38,995,721	\$ 34,994,052	\$ 35,870,725
Investment Income (Loss)	93,047	36,541	60,639	74,490	98,614	243,583	(5,315,720)	2,138,290	(7,553,763)	1,180,297
Other Income	-	-	113,989	-	-	680,307	-	-	-	-
Gain (Loss) on Sale of Capital Assets	-	-	(27,077)	-	-	-	-	-	(135,934)	333,590
Special Item:										
Disposal of Friendship Ridge	13,245,838	-	-	-	-	-	-	-	-	-
Assignment of Capital Items and L-T Debt	2,026,643	-	-	-	-	-	-	-	-	-
Transfer to Airport Authority	-	-	-	-	(7,430,681)	-	-	-	-	-
Gain on 2006 Swap Termination	-	-	-	-	-	10,586,368	-	-	-	-
Transfers	(1,366,893)	(617,550)	(612,260)	(2,255,409)	(452,553)	(1,305,934)	(615,612)	584,386	(336,607)	(363,301)
<i>Total Governmental Activities</i>	<u>61,446,910</u>	<u>47,349,058</u>	<u>48,064,764</u>	<u>44,952,336</u>	<u>38,818,567</u>	<u>56,105,948</u>	<u>39,782,779</u>	<u>41,718,397</u>	<u>26,967,748</u>	<u>37,021,311</u>
Business-type Activities:										
Investment Earnings	-	169	403	5,566	24,213	79,457	473,498	758,318	675,349	317,265
Assignment of Capital Items and L-T Debt	(2,026,643)	-	-	-	-	-	-	-	-	-
Other Income	516	16,042	20,681	11,933	43,676	20,025	11,579	36,094	43,523	8,253
Transfers	1,366,893	617,550	612,260	2,255,409	452,553	1,305,934	615,612	(584,386)	336,607	363,301
<i>Total Business-type Activities</i>	<u>(659,234)</u>	<u>633,761</u>	<u>633,344</u>	<u>2,272,908</u>	<u>520,442</u>	<u>1,405,416</u>	<u>1,100,689</u>	<u>210,026</u>	<u>1,055,479</u>	<u>688,819</u>
<i>Total Primary Government</i>	<u>60,787,676</u>	<u>47,982,819</u>	<u>48,698,108</u>	<u>47,225,244</u>	<u>39,339,009</u>	<u>57,511,364</u>	<u>40,883,468</u>	<u>41,928,423</u>	<u>28,023,227</u>	<u>37,710,130</u>
<b>Change in Net Position</b>										
Governmental Activities	8,688,027	4,325,434	11,234,703	5,038,838	(4,878,937)	9,775,640	(3,380,773)	72,356	(11,480,153)	(5,988,835)
Business-type Activities	(1,959,341)	(4,120,712)	(2,831,864)	850,766	(1,357,003)	(6,275,591)	102,705	1,052,207	4,388,949	2,856,056
<i>Total Primary Government Change in Net Position</i>	<u>\$ 6,728,686</u>	<u>\$ 204,722</u>	<u>\$ 8,402,839</u>	<u>\$ 5,889,604</u>	<u>\$ (6,235,940)</u>	<u>\$ 3,500,049</u>	<u>\$ (3,278,068)</u>	<u>\$ 1,124,563</u>	<u>\$ (7,091,204)</u>	<u>\$ (3,132,779)</u>

**Notes:**

- 1) Two activities previously categorized as business-type (HealthChoices and Emergency Services) are classified as governmental starting January 1, 2011, due to the change in definition of a special revenue fund per GASB 54. Financial statements prior to January 1, 2011 have not been restated to reflect this change.
- 2) Effective January 1, 2011, county match expenditures from the General Fund to other funds are classified as Transfers Out in the General Fund and Transfer from Other Funds in the receiving fund. Prior to January 1, 2011, these transactions reported as Human Services expenses in the General Fund and Operating Grants & Contributions Revenues in the receiving fund.
- 3) With the implementation of GASB 65 all years presented have been restated in conformity with this statement.

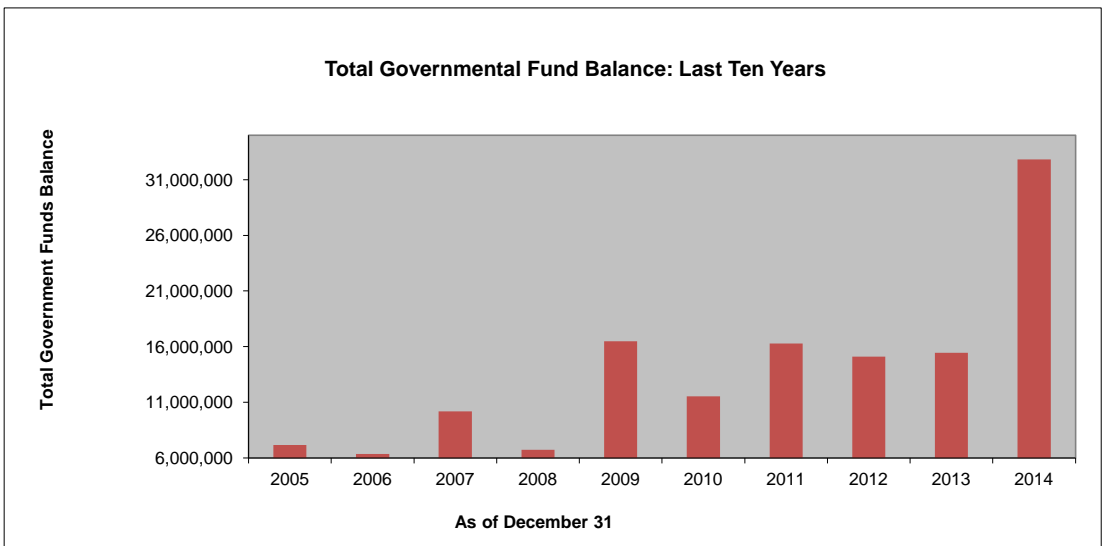
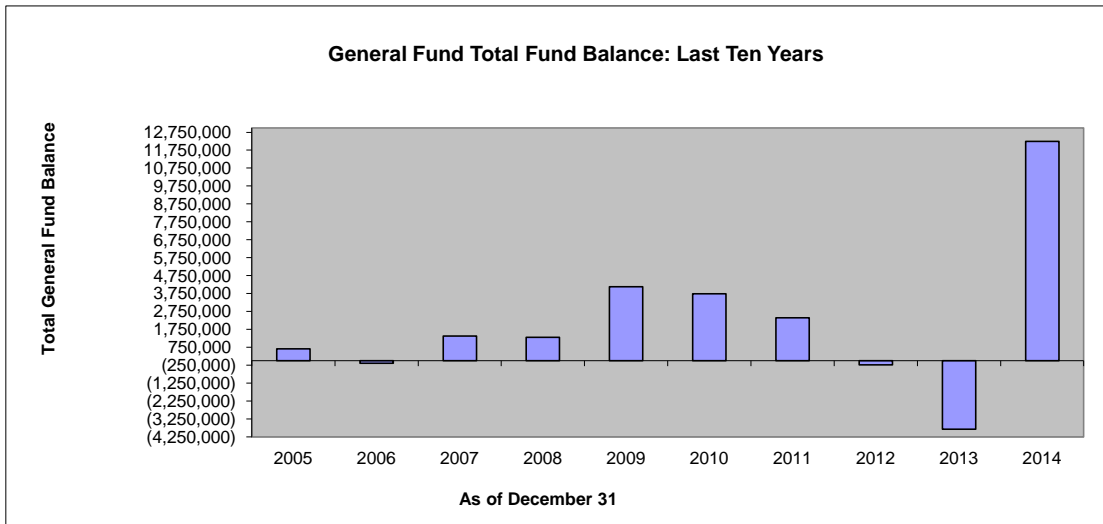
**COUNTY OF BEAVER, PENNSYLVANIA**  
**Fund Balances, Governmental Funds**  
**Last Ten Years (modified accrual basis of accounting)**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>General Fund</b>										
Unreserved, Designated	\$ -	\$ -	\$ -	\$ -	\$ 26,032	\$ 855,737	\$ 77,750	\$ 66,901	\$ -	\$ 41,231
Unreserved, Undesignated	-	-	-	-	3,712,094	3,277,443	1,233,082	1,311,137	(142,447)	622,378
Nonspendable:										
Not in Spendable Form (Prepaid Items)	156,112	202,816	267,748	272,453	-	-	-	-	-	-
Restricted:										
Debt Service	7,104,711	-	-	-	-	-	-	-	-	-
Committed:										
General Government	-	-	-	-	-	-	-	-	-	-
Assigned:										
General Government	606,016	127,511	-	6,135	-	-	-	-	-	-
Judicial	-	-	-	3,947	-	-	-	-	-	-
Public Safety	-	-	-	2,101	-	-	-	-	-	-
Culture, Recreation & Conservation	-	-	-	649	-	-	-	-	-	-
Unassigned:	4,378,985	(4,147,374)	(491,085)	2,112,317	-	-	-	-	-	-
<b>Total General Fund</b>	<b>12,245,824</b>	<b>(3,817,047)</b>	<b>(223,337)</b>	<b>2,397,602</b>	<b>3,738,126</b>	<b>4,133,180</b>	<b>1,310,832</b>	<b>1,378,038</b>	<b>(142,447)</b>	<b>663,609</b>
<b>All Other Governmental Funds</b>										
Unreserved, Designated	-	-	-	-	1,589,202	933,293	1,054,288	1,332,155	1,301,740	1,290,257
Unreserved, Reported in:										
Special Revenue funds	-	-	-	-	5,053,869	5,757,754	3,457,454	4,597,378	4,835,823	3,971,923
Capital Projects funds	-	-	-	-	1,161,197	5,674,231	911,524	2,866,916	372,830	1,236,854
Nonspendable:										
Not in Spendable Form (Prepaid Items)	2,216,218	2,359,534	2,134,116	1,666,991	-	-	-	-	-	-
Restricted:										
Programs for Mental Health / Behavioral Health	9,878,816	9,365,352	8,263,828	7,409,183	-	-	-	-	-	-
Programs for Children & Youth	1,815,214	1,375,247	1,310,896	667,127	-	-	-	-	-	-
Programs for Community Development	205,424	202,625	111,582	269,711	-	-	-	-	-	-
Other	4,899,535	4,777,475	2,634,492	2,820,030	-	-	-	-	-	-
Committed:										
Capital Projects	1,691,061	1,416,877	1,001,999	-	-	-	-	-	-	-
General Government	-	-	-	1,285,501	-	-	-	-	-	-
Unassigned:	(143,374)	(224,464)	(118,565)	(234,522)	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>20,562,895</b>	<b>19,272,646</b>	<b>15,338,348</b>	<b>13,884,021</b>	<b>7,804,268</b>	<b>12,365,278</b>	<b>5,423,266</b>	<b>8,796,449</b>	<b>6,510,393</b>	<b>6,499,034</b>
<b>Total Governmental Funds</b>	<b>\$ 32,808,718</b>	<b>\$ 15,455,599</b>	<b>\$ 15,115,011</b>	<b>\$ 16,281,623</b>	<b>\$ 11,542,394</b>	<b>\$ 16,498,458</b>	<b>\$ 6,734,098</b>	<b>\$ 10,174,488</b>	<b>\$ 6,367,946</b>	<b>\$ 7,162,643</b>

**Notes:**

- 1) Generally accepted accounting principles changed for the reporting of fund balance with GASB 54 effective for years ending on or after December 31, 2011. Prior to 2011, records were not compiled in accordance with GASB 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This GASB was implemented on a prospective basis starting January 1, 2011.
- 2) Two activities previously categorized as business-type (HealthChoices and Emergency Services) are classified as governmental starting January 1, 2011, due to the change in definition of a special revenue fund per GASB 54. Financial statements prior to January 1, 2011 have not been restated to reflect this change.

**COUNTY OF BEAVER, PENNSYLVANIA**  
 Fund Balances, Governmental Funds  
 Last Ten Years (modified accrual basis of accounting)



# COUNTY OF BEAVER, PENNSYLVANIA

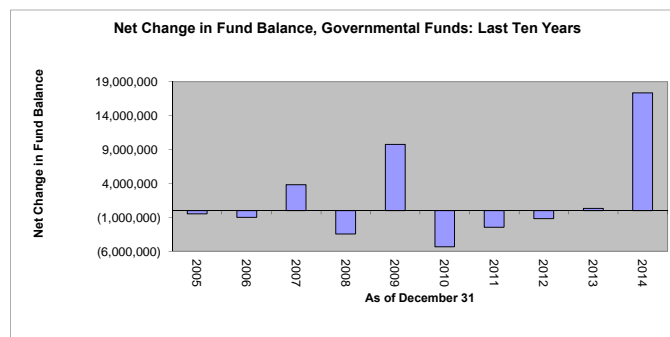
## Change in Fund Balance, Governmental Funds

### Last Ten Years (modified accrual basis of accounting)

	2014	2013	2012	2011 (c)	2010	2009	2008	2007	2006	2005
<b>Revenues</b>										
Real Estate Taxes	\$ 47,565,872	\$ 47,526,123	\$ 47,284,984	\$ 47,359,047	\$ 46,192,256	\$ 45,986,732	\$ 45,361,286	\$ 38,494,475	\$ 35,752,456	\$ 35,317,573
Licenses and Permits	125,652	142,264	135,717	95,994	88,331	90,613	94,777	97,652	71,623	72,633
Interest and Rents	93,025	36,468	60,383	73,801	97,072	237,972	968,971	1,707,464	1,224,703	1,174,688
Intergovernmental	84,978,970	93,017,636	106,312,619	103,744,098	64,848,333	79,118,847	76,585,454	79,040,944	75,512,509	78,860,749
Charges for Services and Facilities	11,348,699	11,019,107	10,852,799	10,748,397	10,269,426	9,755,195	10,144,856	9,914,265	9,157,130	5,840,710
Local Hotel Room Tax	291,612	268,517	273,245	267,925	235,540	215,100	243,930	228,852	209,604	-
Project Income	-	-	-	-	-	-	-	-	-	2,920,122
Miscellaneous	112,063	1,198,927	1,686,939	1,062,804	1,501,854	1,581,922	1,147,581	1,435,432	1,168,842	1,875,861
<b>Total Revenues</b>	<b>144,515,893</b>	<b>153,209,042</b>	<b>166,606,686</b>	<b>163,352,066</b>	<b>123,232,812</b>	<b>136,986,381</b>	<b>134,546,855</b>	<b>130,919,084</b>	<b>123,096,867</b>	<b>126,062,336</b>
<b>Expenditures</b>										
<b>Current:</b>										
General Government	10,542,028	10,284,611	10,081,461	9,982,399	9,884,189	11,226,886	9,797,512	9,512,670	13,374,579	18,249,926
Judicial	15,816,183	15,650,178	14,919,818	14,028,854	14,730,514	15,672,337	13,778,503	12,775,641	13,039,493	15,965,270
Public Safety	17,395,709	17,308,063	17,254,565	15,386,635	12,571,331	16,001,577	13,258,113	10,337,538	12,602,316	16,764,923
Public Works and Enterprises (b)	4,118,711	3,841,908	4,032,075	3,370,619	3,491,805	3,936,778	3,904,651	3,495,004	3,500,517	14,218,880
Culture, Recreation and Conservation	2,926,885	2,988,019	3,024,727	2,960,924	2,847,595	3,117,984	3,144,734	2,977,581	2,686,344	3,230,307
Economic Development (b)	5,156,566	5,923,971	7,593,606	8,300,580	9,804,324	10,102,085	7,876,607	9,624,288	8,000,366	-
Human Services (d)	80,519,200	80,395,901	87,740,922	90,167,200	56,804,760	69,812,859	74,616,096	70,916,823	62,381,096	65,006,281
Miscellaneous (a)	-	-	-	-	-	-	-	-	-	1,259,430
Capital Outlay-Infrastructure	2,695,836	6,871,309	13,063,570	8,294,941	6,200,701	1,968,649	1,082,722	2,713,748	2,150,860	3,207,525
Capital Outlay-Asset Acquisition and Improvements	2,887,048	1,065,230	1,358,674	1,410,896	3,025,859	9,351,084	3,572,364	1,398,789	2,573,437	2,821,743
Refunding Bond Issuance Costs	-	-	-	-	-	-	-	933,619	309,351	-
Debt service:										
Principal	4,510,711	3,594,186	3,036,967	3,285,850	3,028,918	2,147,247	2,718,684	2,659,767	1,132,235	2,000,909
Interest	5,942,119	4,995,116	5,306,440	5,537,461	5,692,426	5,725,138	4,997,227	5,237,624	2,324,349	3,938,028
Bond Issuance Costs	-	149,577	111,007	-	-	1,355,321.00	-	54,853.00	-	-
Current Refunding	-	-	7,795,703	-	-	-	-	-	-	-
Other	12,511	10,006	10,000	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>152,523,507</b>	<b>153,078,075</b>	<b>175,329,535</b>	<b>162,726,359</b>	<b>128,082,422</b>	<b>150,417,945</b>	<b>138,747,213</b>	<b>132,637,945</b>	<b>124,074,943</b>	<b>146,663,222</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(8,007,614)</b>	<b>130,967</b>	<b>(8,722,849)</b>	<b>625,707</b>	<b>(4,849,609)</b>	<b>(13,431,564)</b>	<b>(4,200,358)</b>	<b>(1,718,861)</b>	<b>(978,076)</b>	<b>(20,600,886)</b>
<b>Other Financing Sources (Uses)</b>										
Advance Refunding of Debt	-	(6,636,785)	-	-	-	-	-	-	-	700,000
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Capital Leases	-	266,409	114,139	-	174,680	7,984,367	1,375,582	329,409	-	-
Payment to Refunded Bonds Escrow Agent	-	6,831,000	7,741,065	-	-	(58,484,063)	-	(58,125,000)	(8,678,280)	-
Proceeds of Bonds	-	-	-	58,403	-	21,923,950	-	3,289,430	-	19,780,350
Issuance of Refunding Debt	-	411,185	217,143	-	-	60,328,550	-	59,655,000	9,050,000	-
Insurance Proceeds	-	-	113,989	-	-	442,320	-	-	-	-
Original Issue Discount	147,963	(44,638)	(17,840)	-	-	(1,428,045)	-	(207,822)	(62,369)	-
Disposal of Friendship Ridge	26,579,663	-	-	-	-	-	-	-	-	-
Transfers In	4,692,310	3,963,629	3,811,888	3,571,299	3,793,889	353,420	250,899	1,200,000	36,568	-
Transfers Out (d)	(6,059,203)	(4,581,179)	(4,424,148)	(6,688,059)	(4,246,442)	(979,573)	(866,511)	(615,614)	(373,175)	(363,301)
<b>Total Other Financing Sources (Uses)</b>	<b>25,360,733</b>	<b>209,621</b>	<b>7,556,236</b>	<b>(3,058,357)</b>	<b>(277,873)</b>	<b>30,140,926</b>	<b>759,970</b>	<b>5,525,403</b>	<b>(27,256)</b>	<b>20,117,049</b>
<b>Special Items</b>										
2006 Swap Agreement Termination	-	-	-	-	-	(6,945,000)	-	-	-	-
Transfer to the Airport Authority	-	-	-	-	(206,885)	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ 17,353,119</b>	<b>\$ 340,588</b>	<b>\$ (1,166,613)</b>	<b>\$ (2,432,650)</b>	<b>\$ (5,334,367)</b>	<b>\$ 9,764,362</b>	<b>\$ (3,440,388)</b>	<b>\$ 3,806,542</b>	<b>\$ (1,005,332)</b>	<b>\$ (483,837)</b>
Debt Service as a Percentage of Noncapital Expenditures	7.1%	5.9%	5.2%	5.8%	7.3%	5.7%	5.8%	6.1%	2.9%	4.2%

**Notes:**

- (a) For all years prior to 2006, the County recorded Miscellaneous expenditures separately in its basic financial statements. For all years starting in 2006 these amounts were allocated to the appropriate function.
- (b) In prior years the Economic Development Function was included as part of the Public Works function.
- (c) Two activities previously categorized as business-type (HealthChoices and Emergency Services) are classified as governmental starting January 1, 2011, due to the change in definition of a special revenue fund per GASB 54. Financial statements prior to January 1, 2011 have not been restated to reflect this change.
- (d) Effective January 1, 2011, county match expenditures from the General Fund to other funds are classified as Transfers Out in the General Fund and Transfer from Other Funds in the receiving fund. Prior to January 1, 2011, these transactions were reported as Human Services expenditures in the General Fund and Intergovernmental Revenues in the receiving fund.



**COUNTY OF BEAVER, PENNSYLVANIA**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Years**

Fiscal Year	Residential / Agricultural	Commercial / Industrial	Less Non Taxable	Total Taxable End of Year Actual Assessed Value	Total Taxable Actual Market Value	Common Level Ratio % (CLR)	Direct Tax Rate
2014	\$ 2,008,192,682	\$ 605,680,807	\$ 456,756,117	\$ 2,157,117,372	\$ 6,847,991,657	31.50 %	22.20
2013	1,993,695,757	605,382,307	459,296,093	2,139,781,971	6,275,020,442	34.10	22.20
2012	1,970,569,657	615,591,407	452,208,574	2,133,952,490	6,525,848,593	32.70	22.20
2011	1,970,569,657	605,884,431	457,991,312	2,118,462,776	7,085,159,786	29.90	22.20
2010	1,954,254,872	613,019,142	457,704,757	2,109,569,257	7,079,091,467	29.80	22.20
2009	1,947,012,633	605,314,542	455,114,519	2,097,212,656	7,182,235,123	29.20	22.20
2008	1,918,509,761	628,834,644	469,572,834	2,077,771,571	7,091,370,549	29.30	22.20
2007	1,910,141,821	606,747,900	451,800,957	2,065,088,764	6,838,042,265	30.20	18.70
2006	1,839,888,236	629,254,621	429,005,650	2,040,137,207	6,581,087,765	31.00	17.70
2005	1,814,757,767	621,869,891	429,291,421	2,007,336,237	6,233,963,469	32.20	17.70

**Sources:**

Beaver County Assessment Office

**Notes:**

Beaver County has established an assessment ratio of 50% at the last general reassessment conducted for the 1982 tax year. The Common Level Ratio (CLR) is the statistically calculated relationship between assessments and current market value, as certified by the State Tax Equalization Board pursuant to Act 267-1982.



# COUNTY OF BEAVER, PENNSYLVANIA

## Property Tax Rates (in mills) - Direct and Overlapping Governments (Per \$1,000 of Assessed Valuation) Last Ten Collection Years

	Year Taxes are Payable									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>County Direct Rate</b>										
Property Tax	22.20	22.20	22.20	22.20	22.20	22.20	22.20	18.70	17.70	17.70
<b>Municipal Rates</b>										
City of Aliquippa (2)	L 84.00 B 14.40	L 84.00 B 14.40	L 84.00 B 14.40	L 84.00 B 14.40	L 84.00 B 14.40	L 81.00 B 11.40	L 81.00 B 11.40	L 80.60 B 11.40	L 78.80 B 11.50	L 78.80 B 11.50
City of Beaver Falls	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	30.00
Townships	7.00-30.00	7.00-30.00	5.00-27.50	5.00-25.00	5.00-25.00	5.00-23.38	5.00-23.38	5.00-23.38	5.00-22.38	5.00-22.38
Boroughs (3)	2.00-34.50	2.00-34.50	2.00-34.50	1.00-34.50	1.00-34.50	1.00-34.50	1.00-34.50	1.00-34.50	1.00-34.50	1.00-32.50
<b>School District Rates</b>										
City of Aliquippa (2)	L 218.00 B 34.00	L 212.00 B 33.85	L 207.00 B 33.00	L 202.00 B 32.50	L 198.00 B 32.00	L 195.00 B 31.00	L 188.00 B 29.50	L 177.00 B 28.00	L 173.00 B 28.00	L 173.00 B 28.00
City of Beaver Falls	64.00	63.00	62.00	62.00	61.00	61.00	61.00	59.00	59.00	59.00
Townships	48.30-73.9390	47.00-73.9390	44.00-72.9390	44.00-69.8390	42.00-67.00	41.20-66.00	39.00-66.00	39.00-66.00	39.00-66.00	37.00-66.00
Boroughs (3)	29.50-73.9390	28.75-73.9390	28.00-72.9390	28.00-69.8390	28.00-63.339	28.00-61.02	28.00-61.02	28.00-59.00	28.00-59.00	28.00-59.00
<b>Totals</b>										
City of Aliquippa (2)										
Land	324.20	318.20	313.20	308.20	304.20	298.20	291.20	276.30	269.50	269.50
Building	70.60	70.45	69.60	69.10	68.60	64.60	63.10	58.10	57.20	57.20
Total	394.80	388.65	382.80	377.30	372.80	362.80	354.30	334.40	326.70	326.70
City of Beaver Falls	118.20	117.20	116.20	116.20	115.20	115.20	115.20	109.70	108.70	106.70
Townships	77.50-126.139	76.20-126.139	71.20-122.6390	71.20-117.0390	69.20-114.20	68.40-111.58	66.20-111.58	62.70-108.08	61.70-106.08	59.70-106.08
Boroughs (3)	53.70-130.639	52.95-130.639	52.20-129.6390	51.20-126.5390	51.20-120.04	51.20-117.72	51.20-117.72	47.70-112.20	46.70-111.20	46.70-109.20

**Sources:**

Beaver County Assessment Office

**Notes:**

- (1) The County's property tax rate does not have any components to it.
- (2) The City of Aliquippa is the only municipality within Beaver County where both the City and School District apply a separate tax rate to land value as opposed to building value
- (3) A portion of Ellwood City Borough is annexed to Beaver County from Lawrence County for County Tax Rate purposes only.

L: Land

B: Building

# COUNTY OF BEAVER, PENNSYLVANIA

## Principal Property Tax Payers Current Year and Ten Years Ago

Tax Payer	January 1, 2014	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
First Energy Corporation (Bruce Mansfield, BV2)	\$ 135,407,875	6.28%
PR Beaver Valley LP - Beaver Valley Mall	28,450,900	1.32%
Wal-Mart Real Estate (Chippewa & Economy)	13,769,600	0.64%
ARC TMMONPA001, LLC - Lowes, Eat'N Park, Texas Roadhouse	12,266,400	0.57%
United States Gypsum - Aliquippa	12,128,600	0.56%
The Buncher Company	10,572,700	0.49%
THF Monaca, LP - Walmart, Applebees, McDonalds, Taco Bell	9,976,600	0.46%
Nova Chemicals Inc.	9,600,000	0.45%
Koppel Steel (Ambridge & Koppel)	9,488,000	0.44%
NGC Gypsum Plant - Shippingport	8,733,700	0.40%
	<u>\$ 250,394,375</u>	<u>11.61%</u>
Total Assessed Valuation	<u>\$ 2,157,117,372</u>	

Tax Payer	January 1, 2005	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
First Energy (Bruce Mansfield, BV2)	\$ 132,046,743	6.58%
Beaver Valley Mall	27,882,500	1.39%
United States Gypsum	15,313,050	0.76%
Horsehead Industries	13,074,300	0.65%
JDN Realty (Lowes Plaza)	11,546,500	0.58%
PZ Northern Limited Partnership	10,666,600	0.53%
J & L Specialty Steel	10,152,650	0.51%
Nova	9,600,000	0.48%
Koppel Steel (Ambridge & Koppel)	9,488,000	0.47%
THF Monaca, LP	8,653,000	0.43%
	<u>\$ 248,423,343</u>	<u>12.38%</u>
Total Assessed Valuation	<u>\$ 2,007,336,237</u>	

**Sources:**

Beaver County Board of Property Assessment

**Notes:**

Beaver County has established an assessment ratio of 50% at the last general reassessment conducted for the 1982 tax year. The Common Level Ratio (CLR) is the statistically calculated relationship between assessments and current market value, as certified by the State Tax Equalization Board pursuant to Act 267-1982.

**COUNTY OF BEAVER, PENNSYLVANIA**  
**Property Tax Levies and Collections**  
**Last Ten Years**

Fiscal Year Ended December 31,	Total Property Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent & Lien Tax Collections	Total Collection to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 47,888,005	\$ 44,420,546	92.76 %	\$ 2,526,433	\$ 46,946,979	98.03 %
2013	47,503,161	43,048,308	90.62	2,716,354	45,764,662	96.34
2012	47,373,745	42,891,029	90.54	2,641,364	45,532,393	96.11
2011	47,029,879	42,857,527	91.13	2,800,306	45,657,833	97.08
2010	46,832,454	42,021,182	89.73	3,307,353	45,328,535	96.79
2009	46,558,121	42,091,789	90.41	2,355,960	44,447,749	95.47
2008	46,126,529	43,731,779	94.81	1,998,129	45,729,908	99.14
2007	38,617,160	33,565,533	86.92	1,859,882	35,425,415	91.73
2006	36,110,429	32,601,955	90.28	1,882,828	34,484,783	95.50
2005	35,529,851	32,183,528	90.58	1,700,296	33,883,824	95.37

**Sources:**

Beaver County Board of Property Assessment

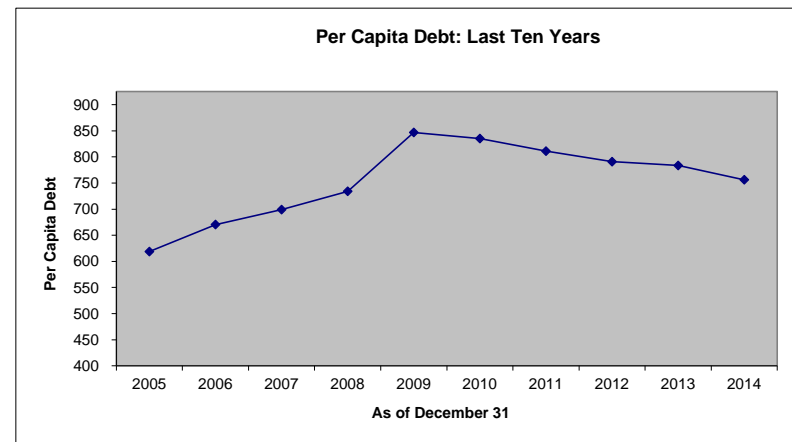
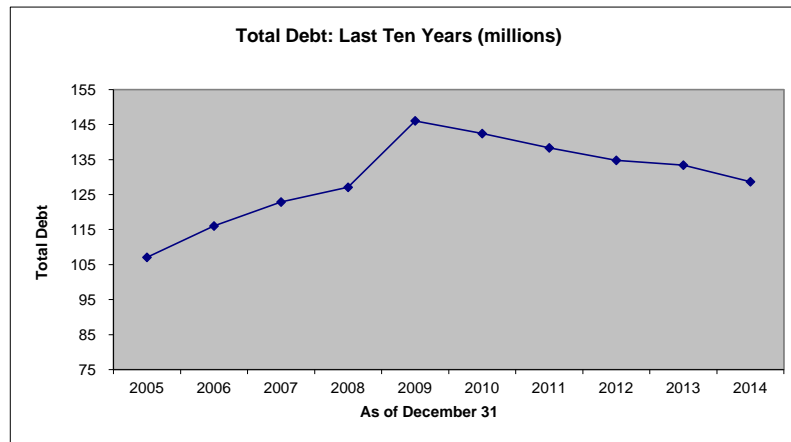
**Notes:**

Total tax levy is based on assessment roll certification and all revisions through December 31. Current tax collections are those taxes (discount, face and penalty) collected from January 1 thru December 31. Delinquent and lien taxes are the summation of current taxes collected from January 1 thru February 15 of the subsequent year plus those collections made by the Tax Claim Bureau through December 31 of the current year. The Tax Claim Bureau does not identify liened tax collections by the year for which the tax was levied.

# COUNTY OF BEAVER, PENNSYLVANIA

## Ratio of Outstanding Debt to Total Personal Income and Debt per Capita Last Ten Years

Year	Governmental Activities				Business-type Activities			Total Primary Government		
	General Obligation Bonds	Other General Long-term Liabilities	Capital Lease Obligations	Obligations under Derivatives	General Obligation Bonds	Other General Long-term Liabilities	Capital Lease Obligations	Total Debt	Percentage of Personal Income	Per Capita
2014	\$ 65,065,000	\$ 47,709,130	\$ 15,885,089	\$ -	\$ -	\$ -	\$ -	\$ 128,659,219	2.75 %	756
2013	63,594,212	37,566,490	16,117,472	-	3,300,788	12,823,350	-	133,402,312	3.11	784
2012	70,262,258	31,676,265	16,241,559	-	7,027,145	9,570,138	-	134,777,365	3.09	791
2011	73,583,133	31,067,844	16,329,003	-	7,791,210	9,572,254	-	138,343,444	3.43	811
2010	76,130,147	32,380,719	16,689,585	-	7,664,136	9,559,370	2,386	142,426,343	3.53	835
2009	77,831,993	33,474,684	16,867,219	-	8,298,314	9,546,486	40,687	146,059,383	3.60	847
2008	65,776,253	25,263,678	9,240,803	17,531,368	8,894,004	290,000	78,897	127,075,003	3.11	734
2007	68,007,510	25,623,205	8,122,387	11,229,326	9,477,588	290,000	114,224	122,864,240	3.16	699
2006	65,906,708	25,703,830	8,004,767	11,654,416	4,303,664	290,000	149,500	116,012,885	3.64	671
2005	70,022,446	20,790,000	8,246,796	2,871,500	4,982,040	-	147,213	107,059,995	3.36	619



As further explained in Note N to the Financial Statements, long-term debt of the Business-type Activities have been assigned to the Governmental Activities during 2014.

# COUNTY OF BEAVER, PENNSYLVANIA

## Ratio of Net Obligation Bonded Debt to Assessed Value and Net Bonded Debt per Capita Last Ten Years

---

Year	Population	Estimated Actual Value of Taxable Property	Gross Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2014	170,115	\$ 6,847,991,657	\$ 65,065,000	0.95 %	382
2013	170,245	6,275,020,442	66,895,000	1.07	393
2012	170,414	6,525,848,593	77,289,403	1.18	454
2011	170,567	7,085,159,786	81,374,343	1.15	477
2010	170,539	7,079,091,467	83,794,283	1.18	491
2009	172,476	7,182,235,123	86,130,307	1.20	499
2008	173,074	7,091,370,549	74,670,257	1.05	431
2007	175,736	6,838,042,265	77,485,098	1.13	441
2006	173,005	6,581,087,765	70,210,372	1.07	406
2005	173,005	6,233,963,469	75,004,486	1.20	434

# COUNTY OF BEAVER, PENNSYLVANIA

## Legal Debt Margin

### Last Ten Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Borrowing Base	\$ 63,812,699	\$ 64,073,070	\$ 63,661,278	\$ 63,302,104	\$ 62,715,342	\$ 60,561,918	\$ 57,411,646	\$ 48,888,029	\$ 188,618,944	\$ 54,016,703
Legal Debt Limit:										
Non-electoral Debt	191,438,097	192,219,211	190,983,833	189,906,311	188,146,026	181,685,755	172,234,938	146,664,086	140,050,051	162,050,108
Non-electoral Debt plus Lease Rental Debt	255,250,796	256,292,281	254,645,111	253,208,415	250,861,368	242,247,673	229,646,584	195,552,115	186,733,401	216,066,811
Net Debt Applicable to the Limit:										
Non-electoral Debt	95,249,061	88,336,056	109,144,638	113,963,491	106,799,416	96,574,049	74,088,924	77,485,098	85,101,249	95,799,486
Non-electoral Debt plus Lease Rental Debt	33,494,159	45,882,706	26,949,911	26,111,303	36,692,659	50,532,410	32,375,000	20,794,816	20,323,597	116,499,742
Legal Debt Margin:										
Non-electoral Debt	96,189,036	103,883,155	81,839,195	75,942,820	81,346,610	85,111,706	98,146,014	69,178,988	54,948,802	66,250,622
Non-electoral Debt plus Lease Rental Debt	221,756,637	210,409,575	227,695,200	227,097,112	214,168,709	191,715,263	197,271,584	174,757,299	166,409,804	99,567,069
Ratio of Net Debt Applicable to the Limit / Legal Debt Limit:										
Non-electoral Debt	50%	46%	57%	60%	57%	53%	43%	53%	61%	59%
Non-electoral Debt plus Lease Rental Debt	13%	18%	11%	10%	15%	21%	14%	11%	11%	54%

**Limitations on incurring other debt:**

A county shall not incur any new non-electoral debt if the aggregate net principal amount of the new non-electoral debt, together with all other net non-electoral debt outstanding, would cause the total non-electoral debt of the county to exceed 300% of its borrowing base. Also, the total non-electoral debt plus lease rental debt shall not exceed 400% of a county's borrowing base.

**Borrowing base:**

The annual arithmetic average of the total revenues for the last full three fiscal years ended, as executed by the authorized officials of the county or by an independent accountant. Certain revenues, such as reimbursements from the Commonwealth or the federal government for repayments of non-electoral debt and investment income in bond sinking funds set aside for the payment of debt, shall be excluded from the determination of the borrowing base.

**Debt:**

Debt is the amount of all obligations for the payment of money incurred by a county except for: current obligations for the full payment of which current revenues have been appropriated, obligations under contracts allocable to current operating expenses of future years, rentals or payments payable in future years under leases or other forms of agreements (except for capital leases), interest or taxes on bonds or notes which are not overdue, and obligations incurred under a qualified interest rate management agreement.

**Non-electoral debt:**

Non-electoral debt is all debt of a county, except for that specifically incurred with the assent of the electors and the guarantee of the debt of other entities (see "lease rental debt").

**Lease rental debt:**

The principal amount of authority bonds/notes or bonds/notes of another local government unit to be repaid from payments of the local government unit made pursuant to leases, guarantees, subsidy contracts or other forms of agreement which evidence the acquisition of capital assets (not including any debt which has been approved by the electors).

**Legal debt margin:**

The amount available for a local government to incur new non-electoral debt or new lease rental debt.

**Notes:**

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

# COUNTY OF BEAVER, PENNSYLVANIA

## Principal Employers Current Year and Ten Years Ago

Employer	2014	
	Employees	Percentage of Total County Employment
Valley Medical Facilities, Inc.	n/a	n/a
Service Link Management Company Inc.	n/a	n/a
First Energy Nuclear Operating Co.	n/a	n/a
Beaver County Government	n/a	n/a
Passavant Memorial Homes	n/a	n/a
IPSCO Koppel Tubulars Corporation	n/a	n/a
Wal-Mart Associates, Inc.	n/a	n/a
McGuire Memorial	n/a	n/a
Giant Eagle Inc.	n/a	n/a
Cennial Co, Inc.	n/a	n/a
<b>Total</b>	<b>n/a</b>	<b>n/a</b>

Total County Employees

769

Employer	2005	
	Employees	Percentage of Total County Employment
Valley Medical Facilities, Inc.	n/a	n/a
Beaver County Government	n/a	n/a
First Energy Nuclear Operating Co.	n/a	n/a
Wal-Mart Associates, Inc.	n/a	n/a
Service Link, LP	n/a	n/a
Passavant Memorial Homes	n/a	n/a
Michael Baker Jr., Inc.	n/a	n/a
Zinc Corporation of America	n/a	n/a
First Energy Generation Corp.	n/a	n/a
J&L Specialty Steel, Inc.	n/a	n/a
<b>Total</b>	<b>n/a</b>	<b>n/a</b>

Total County Employees

855

**Sources:**

Center for Workforce Information and Analysis-Home of PA Work Stats

**Notes:**

Number of Employees not available from source due to confidentiality.

# COUNTY OF BEAVER, PENNSYLVANIA

## Demographic and Economic Statistics

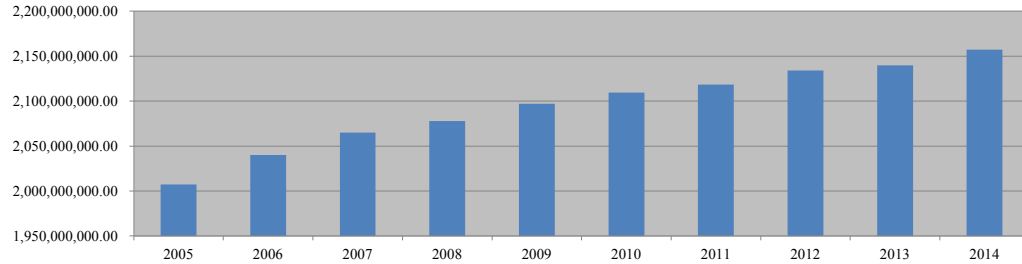
### Last Ten Years

Year	Population	Total Personal Income (thousands of dollars)	Per Capita Personal Income	Median Household Income	Median Age	Percent with Educational Attainment: Bachelor's Degree or Higher	School Enrollment	Unemployment Rate	Total Assessed Property Value
2014	170,115 (19)	\$4,684,626,870	\$ 27,538 (19)	\$ 49,937 (19)	45.0 (19)	25.1 % (19)	35,939 (19)	5.7 % (4)	\$2,157,117,372
2013	170,245 (18)	4,286,769,100	25,180 (18)	47,083 (18)	44.8 (18)	21.3 (18)	35,439 (18)	5.9 (4)	2,139,781,971
2012	170,414 (17)	4,355,270,598	25,557 (17)	48,901 (17)	44.3 (17)	14.3 (17)	36,583 (17)	7.4 (4)	2,133,952,490
2011	170,567 (16)	4,035,103,519	23,657 (16)	43,898 (16)	44.3 (16)	20.1 (16)	39,875 (16)	6.6 (4)	2,118,462,776
2010	170,539 (15)	4,038,534,059	23,681 (13)	45,414 (13)	43.5 (12)	18.9 (14)	38,003 (14)	7.4 (4)	2,109,569,257
2009	172,476 (9)	4,061,119,896	23,546 (10)	45,408 (10)	43.9 (9)	18.1 (11)	36,627 (11)	8.2 (4)	2,097,212,656
2008	173,074 (7)	4,083,681,030	23,595 (8)	45,017 (8)	43.8 (8)	19.5 (8)	36,970 (8)	5.6 (4)	2,077,771,571
2007	175,736 (6)	3,893,255,344	22,154 (6)	42,023 (6)	43.0 (6)	18.4 (6)	39,016 (6)	4.5 (4)	2,065,088,764
2006	173,005 (1)	3,183,638,010	18,402 (3)	36,995 (5)	40.7 (3)	15.8 (3)	41,572 (3)	4.1 (4)	2,040,137,207
2005	173,005 (1)	3,183,638,010	18,402 (3)	36,995 (5)	40.7 (3)	15.8 (3)	41,572 (3)	4.7 (4)	2,007,336,237

**Sources:**

- (1) PA State Data Center "Population Projections, PA Counties"
- (3) U.S. Census Bureau, Census 2000
- (4) Center for Workforce Information and Analysis - Home of PA Work Stats
- (5) U.S. Bureau of Census, Census 2000 "Profile of Selected Economic Characteristics: 2000"
- (6) U.S. Census Bureau, 2006 American Community Survey
- (7) U.S. Census Bureau, Population Estimates Program
- (8) U.S. Census Bureau, 2007 American Community Survey
- (9) U.S. Census Bureau, 2008 ACS Demographic and Housing Estimates
- (10) U.S. Census Bureau, 2008 ACS Economic Characteristics
- (11) U.S. Census Bureau, 2008 ACS Social Characteristics
- (12) U.S. Census Bureau, 2009 ACS Demographic and Housing Estimates
- (13) U.S. Census Bureau, 2009 ACS Economic Characteristics
- (14) U.S. Census Bureau, 2009 ACS Social Characteristics
- (15) U.S. Census Bureau, 2010 ACS Demographic and Housing Estimates
- (16) U.S. Census Bureau, 2011 American Community Survey
- (17) U.S. Census Bureau, 2011 American Community Survey 1-Year Estimates
- (18) U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates
- (19) U.S. Census Bureau, 2013 American Community Survey 1-Year Estimates

**Total Assessed Property Value: Last Ten Years**





# COUNTY OF BEAVER, PENNSYLVANIA

## Full-Time Equivalent County Government Employees by Function / Program

### Last Ten Years

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>General Government:</b>										
Commissioners	5.0	5.0	5.0	5.0	6.0	6.0	5.0	8.0	8.0	8.0
Controller	8.0	9.0	8.0	8.0	8.0	9.0	10.0	9.5	14.5	14.5
Treasurer	12.5	13.0	9.5	10.5	13.5	11.5	12.0	13.0	11.5	11.5
Recorder of Deeds	6.5	6.5	7.0	6.0	8.5	8.5	8.5	11.5	11.5	11.5
Solicitor	3.5	3.5	3.5	2.5	3.0	3.0	3.0	3.0	3.0	3.5
Information Technology	6.0	6.0	7.0	7.0	7.0	7.0	9.0	9.0	10.0	11.0
Planning Commission	5.0	5.0	4.0	4.0	4.0	4.0	6.0	6.0	6.0	6.0
Weights and Measures	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Veterans Affairs	3.5	3.0	2.0	3.0	2.5	2.5	3.0	4.0	4.0	4.0
Election Bureau	8.0	9.0	8.5	8.5	8.5	8.5	6.0	6.5	6.5	7.5
Assessment/Tax Claim	21.0	21.0	20.5	20.5	21.0	21.0	24.0	24.5	24.0	25.0
Public Defender	16.0	16.0	16.0	16.0	16.0	15.5	16.0	16.0	16.5	16.0
Employee Relations	6.0	6.0	6.0	5.0	6.0	5.5	7.0	7.5	3.5	3.5
Mailroom*	2.5	2.0	3.0	3.0	3.0	3.0	2.0	1.0	1.0	1.0
Micrographics	3.0	3.0	4.0	5.0	6.0	5.5	5.0	5.0	5.0	5.0
Central Telephone	0.0	0.0	0.0	0.0	0.0	0.0	1.5	1.5	2.0	2.0
Purchasing*	0.0	0.0	0.0	0.0	0.0	3.0	2.0	3.0	2.5	3.0
<b>Judicial:</b>										
Clerk of Courts	11.5	11.5	11.5	11.5	11.5	10.5	12.5	13.5	13.5	12.5
Coroner	2.0	2.5	3.0	2.5	2.5	2.5	3.0	4.0	4.0	4.0
Jury Commission	1.0	1.0	1.0	1.5	1.0	1.0	2.0	2.0	2.0	2.0
District Attorney	24.5	24.0	24.0	23.5	24.0	22.5	24.5	24.5	24.0	24.0
Prothonotary	11.5	11.0	12.0	11.5	11.5	11.0	13.0	13.5	13.0	14.0
Register of Wills	5.5	5.5	5.5	5.5	5.5	5.5	5.5	6.5	6.5	6.5
Sheriff	46.5	45.0	46.0	46.5	44.0	45.5	45.5	34.5	39.0	38.5
Court Administration	44.0	41.5	43.5	42.5	46.0	45.5	45.5	42.5	43.5	39.5
Law Library	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Stop Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
Domestic Relations	32.0	33.0	33.0	32.0	33.0	33.0	35.0	35.0	35.0	36.0
District Courts (Nine)	31.0	31.0	27.0	31.0	28.0	29.0	31.0	30.0	31.0	31.0
Rights & Services/Victims of Crime	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Drug Investigation	8.5	7.0	8.0	7.0	7.5	8.0	8.0	5.0	5.5	5.5
<b>Public Safety:</b>										
Emergency Services	44.0	43.0	43.5	45.5	45.0	42.5	42.5	42.0	41.0	41.0
Jail	88.5	82.0	93.0	93.5	88.5	87.5	89.5	81.0	88.0	92.5
Allencrest Detention Center	0.0	0.0	0.0	0.0	0.0	2.0	29.5	28.0	32.5	32.5
Adult Probation/Intermediate Punishment	31.0	31.0	31.5	30.0	31.5	30.0	33.0	31.0	31.5	31.0
Juvenile Services	25.5	26.5	25.5	25.5	26.0	24.5	25.0	25.0	26.0	26.5
DUI Program	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0	0.0
<b>Public Works &amp; Enterprise:</b>										
Liquid Fuels	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Department of Public Works	34.5	33.0	30.5	29.5	27.5	27.5	31.0	30.0	32.0	32.0
Airport	0.0	0.0	0.0	0.0	0.0	2.0	5.5	3.0	3.0	3.0
<b>Culture, Recreation and Conservation:</b>										
Parks/Recreation/Tourist Promotion	13.0	12.0	13.0	12.5	13.0	14.0	13.5	13.5	11.5	12.5
Library Commission	11.5	11.5	12.0	11.5	11.0	11.5	11.5	12.5	12.5	12.0
Waste Management	3.5	3.0	3.5	5.0	4.0	4.0	4.0	4.0	4.0	4.5
<b>Human Services:</b>										
Office on Aging	28.0	29.5	31.5	39.0	38.0	40.0	39.5	39.5	40.0	39.0
Children & Youth	67.5	65.5	63.0	67.0	64.0	60.0	70.5	71.5	69.5	71.5
MH/ID (formerly MH/MR)-Drug & Alcohol-HealthChoices	79.0	78.0	71.5	81.0	78.5	88.0	88.0	81.0	80.0	81.0
Childcare Choices	0.0	0.0	9.5	10.0	10.5	10.5	11.0	11.0	12.0	12.0
<b>Economic Development:</b>										
Community Development	9.0	9.0	9.0	9.0	9.0	9.0	8.0	8.0	8.0	8.0
<b>Totals:</b>	<b>769.0</b>	<b>754.5</b>	<b>764.0</b>	<b>786.5</b>	<b>783.5</b>	<b>790.0</b>	<b>857.0</b>	<b>830.5</b>	<b>845.5</b>	<b>855.0</b>

**Sources:**

Beaver County Payroll Department

**Method:**

Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. Elected officials were excluded from the count. Count taken at December 31.

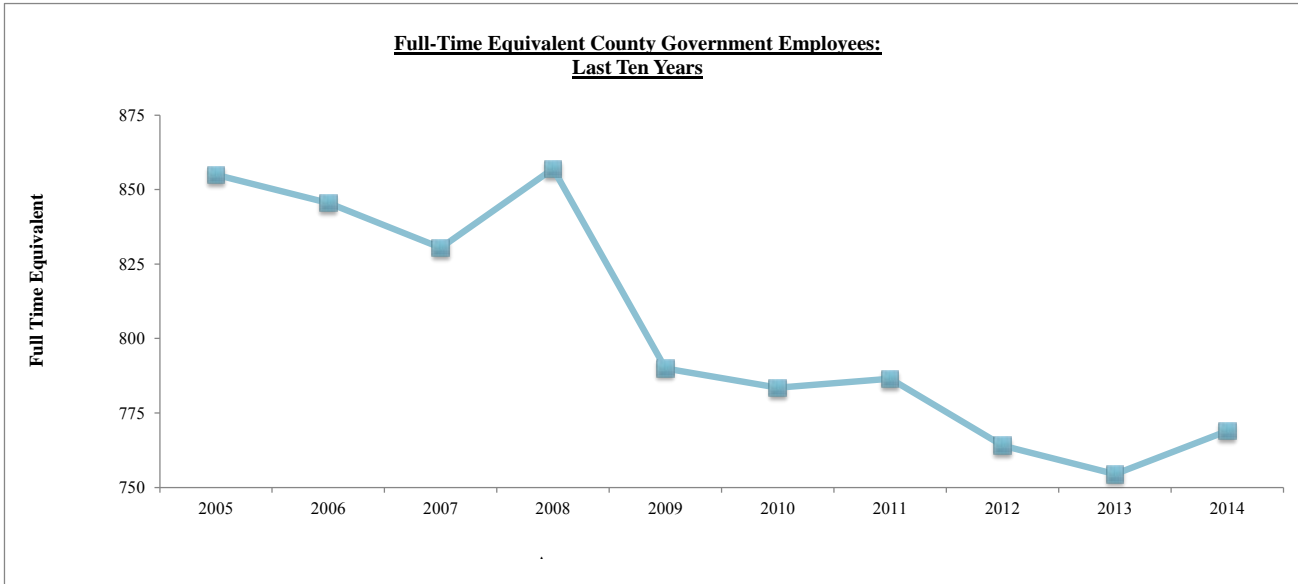
**Notes:**

\* Starting in 2010, the Mailroom function includes the Purchasing function

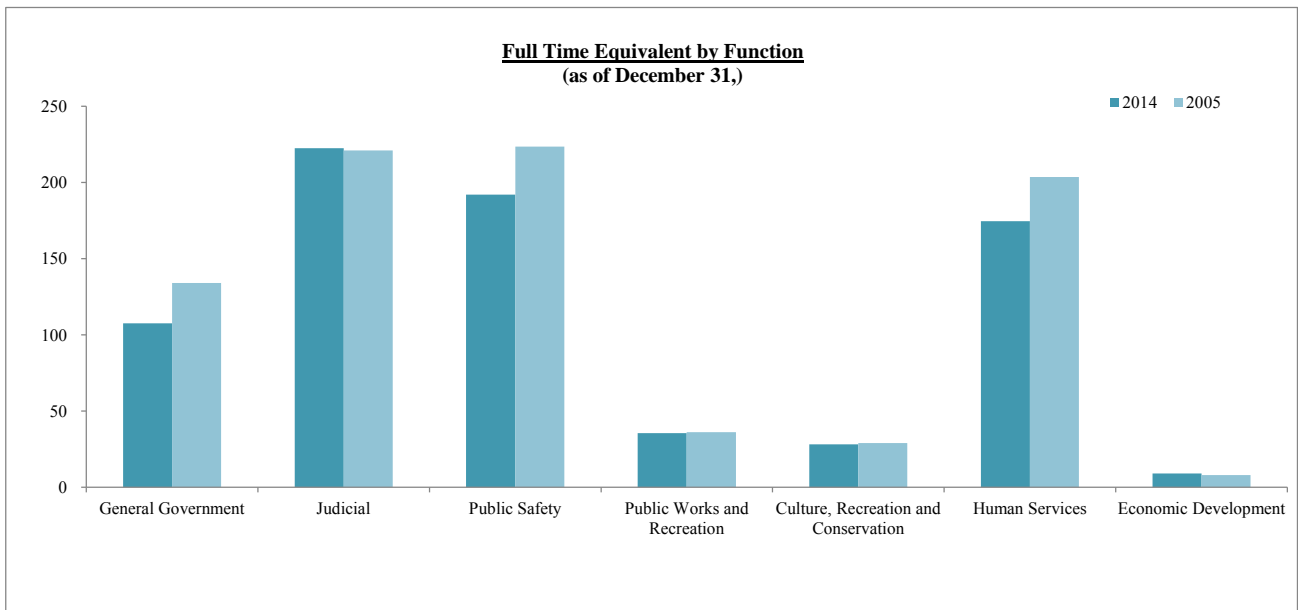
# COUNTY OF BEAVER, PENNSYLVANIA

## Full-Time Equivalent County Government Employees Graphs / Gharts

### Last Ten Years



FTE reductions in 2004, 2005, 2009, and 2011 were results of extensive early retirement packages offered and County layoffs.



**The following represents the % increase or decrease in FTE between 2005 and 2014:**

- General Government - Decreased 21%
- Judicial - Decreased 3%
- Public Safety - Decreased 16%
- Public Works and Recreation - Decreased 1%
- Culture, Recreation and Conservation - Decreased 13%
- Human Services - Decreased 17%
- Economic Development - Increased 13%

**COUNTY OF BEAVER, PENNSYLVANIA**  
**Operating Indicators by Function / Program**  
**Last Ten Years**

<b>Function/Program</b>	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>General Government (1)</b>										
Number of Registered Voters	109,742	109,456	115,157	112,531	116,234	115,862	118,311	112,248	113,612	112,001
Number of Votes Cast in Last General Election	48,648	23,062	81,372	34,142	58,525	28,254	86,022	40,118	65,606	37,998
Percentage of Registered Voters Voting in Last General Election	44.33	21.07	70.66	30.34	50.35	24.39	72.71	35.39	57.74	33.93
<b>Judicial (2)</b>										
Year-to-date Filings	34,933	36,243	37,492	40,134	39,426	42,370	46,338	36,690	34,337	34,407
Traffic Citations	23,490	24,586	25,683	26,633	25,957	28,868	29,000	22,893	20,465	20,417
Summary/Non Traffic	4,802	5,033	5,289	6,304	6,608	6,836	7,229	6,623	6,529	6,684
Civil Complaints	2,693	2,822	3,178	3,423	2,909	2,913	3,314	3,108	3,369	3,150
Misdemeanor/Felony Citations	3,948	3,802	3,342	3,774	3,952	3,753	4,019	4,066	3,974	4,156
Criminal Filings	2,468	2,526	2,444	2,492	2,595	2,540	2,776	2,576	3,667	3,574
Civil Filings	1,656	1,729	1,847	2,046	1,865	1,710	1,219	1,100	943	740
Orphans Court Filings	214	227	208	196	226	225	336	296	306	299
Custody Filings	789	864	866	775	834	628	601	582	562	558
Protection from Abuse Filings	482	518	566	469	490	541	488	469	500	468
Divorces	476	452	481	490	483	451	471	484	517	538
<b>Public Service (3)</b>										
Recycling - Stainless Steel (Tons)	267,762	333,508	272,908	35,881	179,966	137,603	143,821	170,566	199,187	198,756
Recycling - Ferrous (Tons)	47,093	57,416	55,271	98,958	107,175	63,974	61,717	210,873	34,916	15,393
Recycling - White Goods (Tons)	52,526	52,704	55,125	50,979	52,404	8,660	4,108	13,284	26,893	8,450
Recycling - Other Materials (Tons)	191,813	64,350	14,067	67,958	48,051	17,719	80,136	18,885	11,313	17,807
Wood Waste Removed (Tons)	269	474	1,752	2,823	2,854	1,596	3,710	2,372	1,876	541
Yard Waste Removed (Tons)	1,469	1,537	2,254	712	802	358	1,998	2,140	4,477	4,018

**Sources:**

- (1) Beaver County Elections Bureau
- (2) Beaver County Court Administration
- (3) Beaver County Department of Waste Management

# COUNTY OF BEAVER, PENNSYLVANIA

## Capital Asset Statistics by Function / Program

### Last Ten Years

Function / Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Human Services</b>										
Computer Terminals:										
Childcare Information Services***	0	0	8	9	8	8	8	8	N/A	N/A
Children & Youth	68	68	103	104	104	104	104	80	N/A	N/A
MH/ID (formerly MH/MR)	134	124	122	108	108	125	132	86	N/A	N/A
Office on Aging	77	70	95	109	109	99	84	40	N/A	N/A
<b>Judicial</b>										
Sheriff:										
Vehicles	40	35	35	33	33	32	29	29	N/A	N/A
Weapons (Firearms)	53	53	53	53	53	51	74	80	N/A	N/A
Courtrooms	8	8	8	8	8	8	8	8	8	8
<b>Proprietary</b>										
Long-Term Care Facilities****:										
Bed Capacity	0	589	589	589	589	589	589	589	589	589
<b>Public Safety</b>										
Jail:										
Cell Capacity	402	402	402	402	402	402	402	403	403	403
Allencrest*:										
Secure Bed Capacity	0	0	0	0	0	0	18	25	25	25
Shelter Bed Capacity	0	0	0	0	0	0	6	6	6	6
<b>Public Works</b>										
Airport**:										
Private Hangars	0	0	0	0	0	13	13	13	13	13
Commercial Hangars	0	0	0	0	0	8	8	9	9	9
Runways	0	0	0	0	0	1	1	1	1	1
Length of Runways (feet)	0	0	0	0	0	4,500	4,500	4,500	4,500	4,500
Department of Public Works:										
Vehicles	32	30	34	34	34	38	32	31	N/A	N/A
Parking Garages	1	1	1	1	1	1	1	1	1	1
Parking Lots	12	14	14	14	14	15	15	15	15	15
Liquid Fuels:										
Bridges	56	55	56	57	56	55	55	55	55	57
County Owned & Maintained Streets (miles)	26	26	26	26	26	25	25	24	24	24
<b>Recreation (County owned and/or maintained)</b>										
Parks	4	3	3	3	3	3	3	3	3	3
Park Acres	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517
Pavilions	25	25	25	25	25	25	25	25	25	25
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	12	12	12	12	12	12	12	12	12	12
Basketball Courts	2	2	2	2	2	2	2	2	2	2
Baseball / Softball Fields	9	9	9	9	9	9	9	9	9	9
Soccer / Football Fields	3	3	3	3	3	3	3	3	3	3
Walking / Jogging Trails	2	2	2	2	2	2	2	2	2	2
Bike Trails	2	2	2	2	2	2	2	2	2	2
Horse Riding Trails	2	2	2	2	2	2	2	2	2	2
Lakes/Ponds for Fishing	2	2	2	2	2	2	2	2	2	2
Playgrounds	3	3	1	1	1	1	1	1	1	1
Ice Skating Rinks	1	1	1	1	1	1	1	1	1	1
Shooting Ranges	0	0	0	0	0	0	0	0	4	4
Deck Hockey Rinks	1	1	1	1	1	1	1	1	1	1
Outdoor Skate Parks	1	1	1	1	0	0	0	1	0	0

**Sources:**

Various County Departments

**Notes:**

\* The Allencrest facility closed in 2009

\*\* The Airport became an Authority separate from the County in 2010

\*\*\* Due to consolidated operations across the State, the County merged Childcare Information Services with another County in July 2013.

\*\*\*\* The Friendship Ridge entity was sold in March 2014

N/A - information not available