

2016 COUNTY OF BEAVER, PENNSYLVANIA

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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*FOR THE FISCAL YEAR ENDED*  
**DECEMBER 31, 2016**



*PREPARED BY DAVID A. ROSSI, CONTROLLER*

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

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**COUNTY OF BEAVER, PENNSYLVANIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

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# **INTRODUCTORY SECTION**

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DAVID A. ROSSI  
CONTROLLER



WILLIAM  
CALHOON  
DEPUTY CONTROLLER

ALBERT A.  
TORRENCE  
SOLICITOR

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

June 29, 2017

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

I am pleased to present the 2016 Comprehensive Annual Financial Report (“CAFR”) 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 2016 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, 2016.

unmodified opinion on the County's financial statements for the year ended December 31, 2016. 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.

## **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 168,908. 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 1980's, 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.

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

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.

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.

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

Beaver County's local employment figures have remained steady, the local unemployment index is higher than the equivalent rates of Pennsylvania and the country overall. The area's seasonally adjusted unemployment rate for April 2017 is 5.9%, as compared to the national and the Commonwealth's unemployment rates of 4.7% and 5.0%, respectively. Elected officials and committed citizens alike continue their dedicated effort to make the region attractive to both individuals and businesses alike, which significantly aids in providing employment stability.

## **FINANCIAL PROFILE – COUNTY GOVERNMENT**

The County's General Fund fund balance increased just about \$4 million as reflected on the General Fund's Statement of Revenues, Expenditures, and Changes in Fund Balance (page 46). A major factor contributing to fund balance improvement was a decrease in debt service payments that resulted from the refinancing of roughly \$102 million of outstanding bond issuances. The refinancing allowed for a nearly \$7 million savings in debt service payments during 2016 and it also allowed the County to capture an interest rate savings that will stabilize future debt service payments through the year 2032 while providing additional reduced payments along the way. The County also offered an early retirement program to eligible employees, which netted approximately \$1.5 million in reduced wages and employee benefits. It is expected that some fraction of the savings achieved in 2016 as a result of the early retirement program will reoccur in future years. Finally, the County addressed several contracts that it saw little or no value in and either terminated or curtailed them. This too generated savings in the County's General Fund.

Other funds of the County fared fairly well, not only financially, but also in their efforts to serve the citizens. The Commonwealth of Pennsylvania's budget impasse during the final quarter of 2015 affected the financial aspects of some of the County's special revenue funds such as Behavioral Health and Children and Youth Services; however their operations were adjusted without affecting the services provided to clients. 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. Additionally, County Commissioners have voted to abolish the office of Jury Commission, effective December 31, 2017.

In 2016, the County Commissioners, for the eighth consecutive year, did not raise the millage rate. Also during 2016, the assessed value of taxable real property grew by \$48 million to \$2.209 billion, according to assessment records. The County's estimated total real estate market value exceeds \$7.5 billion.

## **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”, also partially funded by the County), 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. Other organizations and individuals also actively participate in spurring the economic growth of the local region.

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

### Shell Chemical Appalachia, LLC

In June of 2016, Shell Chemical Appalachia, LLC announced it had decided to build a major petrochemical complex comprised of an ethylene cracker with polyethylene derivatives unit in Potter Township. Site work continues and the main production facility construction is expected to start in 2018. Commercial production is expected to begin early in the next decade.

The facility will be built on the south bank of the Ohio River in Potter Township. The complex and its customers will benefit from shorter and more dependable supply chains due to the proximity of the facility to wet gas supplies. More than 70% of North American polyethylene customers are within a 700 mile radius of Pittsburgh. The facility will use low cost ethane from shale gas producers in the Marcellus and Utica basins to produce polyethylene and ethylene. Ethylene-generated feedstock includes a number of plastics such as beverage containers, food wrap, automotive components, and plastic bottles.

The long awaited project is expected to bring new growth and jobs to the County, with up to 6,000 construction workers involved in building the new facility and an expected 600 permanent employees when completed in the early 2020's. In addition, numerous facilities servicing the needs of this future plant are expected to settle down in and around Beaver County employing hundreds more people in the process.

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

### Creekside Springs, LLC

Creekside Springs, LLC operates bottling facilities located in Ambridge, Beaver County, and Salineville, Ohio, as well as a warehouse in New Brighton, also located in Beaver County. The firm is a private label and contract packager of water-based beverages serving large supermarkets, specialty retailers, and food service distributors. CED packaged a \$400,000 Pennsylvania Industrial Development Authority Loan and a CED internal loan fund to provide incentive-based financing for a new \$1 million bottling line and additional product storage warehouse at the New Brighton site. The project will create three new positions.

### J.T. Thorpe & Son, Inc.

J.T. Thorpe & Son, Inc., a San Francisco based firm, launched its eighth US regional office at its leased 120,000 square foot facility in the Port Ambridge Industrial Park. This regional office features its Fabrication and Large Products Group. The group specializes in the engineering, supply, and installation of refractory, fireproofing and acid resistant materials and it is the largest refractory contractor in North America. J.T. Thorpe provides skilled engineering, material procurement, project management, field supervision, and quality craftsmen for its large scale capital projects.

Pennsylvania's Department of Community and Economic Development (the "DCED") has provided grants totaling nearly \$320,000, leveraging \$2.9 million that J.T. Thorpe plans to invest in the expansion. The expansion is expected to create 130 jobs over the next three years and retain 68 existing jobs in the adjacent Leetsdale Industrial Park through the project.

### Center One, LLC

Center One, LLC, an established inbound call center business located in Buffalo, New York, opened its first branch operation in Beaver Falls. The company contracts with credit card companies to take customer service related calls and it offers a variety of solutions that feature predictive outbound, inbound, and call blending technologies. Center One hopes to employ as many as 50 individuals as the business grows.

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

### Beaver Station Rehabilitation Project

A non-profit organization by the name of Beaver Area Heritage Foundation (the “BAHF”) purchased and is undertaking the adaptive rehabilitation of the former Pittsburgh & Lake Erie passenger train station, renamed Beaver Station. With support of the Beaver County Redevelopment Authority, the Beaver County Board of Commissioners, and the County’s legislative delegation, CED assisted the BAHF in securing a \$700,000 Commonwealth Redevelopment Assistance Capital Program Grant. This grant supplemented the \$2 million raised by the BAHF from over 300 local and regional businesses, foundations, and private donors. An extensive architectural and economic review was conducted and verified that the 8,500 square foot National Historic District building would be suitable for rehabilitation as an economically self-sustaining community use, cultural, and event center. The project was completed in October of 2016.

### Keystone Innovation Zone Program

The Keystone Innovation Zone (the “KIZ”) Program is a program designed to create designated areas to enhance fledgling companies by combining educational institutions’ expertise along with public sector tax incentives. Certain for-profit business entities located within the KIZ geographic boundaries qualify for DCED KIZ Tax Credits. Undeveloped, innovative companies can qualify for PA tax credits up to \$100,000 to capitalize further growth. In December of 2015, the DCED requested CED assume administrative responsibility for the Beaver County chapter of the KIZ program after losing its local sponsoring entity.

### Standard Horse Nail

Standard Horse Nail has been providing machine “Woodruff” keys for internal combustion motors to original equipment manufacturers and various machine shop services including custom machining for 143 years. The company is the oldest and perhaps most resourceful manufacturing firm in the County. It successfully evolved from the steam powered manufacturing of horseshoe nails to a burgeoning niche in a rapidly advancing technological industrial period. CED and Pennsylvania Industrial Development Authority partnered equally in financing a \$246,000 loan in support of a \$290,000 project. The investment converted 25,000 square feet of unused warehouse areas into manufacturing space including new electric service and distribution, concrete work, and various property improvements. Standard Horse and Nail will retain 24 current employees onsite and add another four within three years.

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

### AuCom Electronics, LTD

The year 2015 marked the opening of AuCom North America, the world's leading specialist in soft starters. Soft starters reduce the load and torque in the power train and electric current surge during motor startup. AuCom, a New Zealand based company, was established in 1978 and it specializes in the design and manufacture of radio broadcast power supply systems and energy saving devices for induction motors. AuCom produced the world's first range of commercially viable soft starters and a wide selection of industrial electronics, motor control centers, and switchgears.

The opening of AuCom North America brings the company's market leading motor control technology products and services to the North American market including Canada and Mexico from its 7,000 square foot distribution and service facility at the Tri-County Commerce Park in New Sewickley, PA. The firm has seven employees and plans to expand to thirty.

### Bridgewater Crossing Development

In late 1999, CED purchased the vacant Cain Brothers barge repair facility with plans to convert the 12 acre industrial high visibility site into a riverfront park with mixed use residential and commercial development. Various grant resources were secured and the property was prepared for development with the required public infrastructure and desirable amenities including a riverfront park, pedestrian trails, landscaping, lighting, and required access for persons with disabilities with transient boat dock.

Eight of the twelve acres was purchased by Betters Real Estate in August of 2015 and development began in the summer of 2016 after project planning and permitting. Plans for the residential development include three, five story residential complexes totaling 141 units on six acres. The residential development will also include a pool, clubhouse, outdoor open space sporting area, and communal kitchen. Sidewalks will link to walking trails surrounding the development and parking to accommodate over 260 vehicles for residents and guests. The remaining two acres will accommodate commercial development that is yet to be determined.



## **OTHER ECONOMIC DEVELOPMENTS**

### Infrastructure Construction and Renovation

The County invested nearly \$170,000 during 2016 in its renovation and expansion of recreational facilities, which included the completion of the Brady's Run Four Season Pavilion, and repairs to an aging heating and cooling system at the ice arena and indoor tennis facilities. Also included in this amount is the cost of a comprehensive feasibility study on further improving the use of the County's recreational resources as well as to enhance revenues from the use of such resources. This project is being partially funded by the Commonwealth's Department of Conservation and Natural Resources and most phases are concluded.

The Beaver County Planning Commission ("BCPC") reviews land developments for the County. During 2016, the BCPC was directly responsible for turning open or abandoned land into developed commercial, industrial, and residential sites in the City of Aliquippa, the City of Beaver Falls, Big Beaver Borough, Center Township, Darlington Township, Economy Borough, Hopewell Township, Midland Borough, Potter Township, and South Beaver Township.

A comprehensive renovation of the County's Human Services Building began in 2015. The building now houses the County's agencies for behavioral health, children and youth services, services for the aging population, a district magistrate's office and an adult probation office, while leaving space for any other opportunities to consolidate physical facilities that may arise. The reconditioning project was budgeted at a total of \$700,000 and it has been partially funded by the County's Courtroom Improvement Fund.

Nearly \$400,000 was invested in the County's Emergency Management Services facility to add updated wireless telecommunications equipment.

Mostly funded by grants and recycling fees, the County's Department of Waste Management improved its vehicular fleet at a cost of about \$30,000. An additional \$75,000 was spent in vehicle additions through the Liquid Fuels Fund. This fund provides for primarily federal pass-through financial support to aid with construction, repair, and maintenance of county-owned bridges and roads.

The County has collected close to \$320,000 in 2016 related to impact fees that result from gas and oil drilling activities within County boundaries. The use of this funding is reserved for a variety of activities, including public infrastructure, emergency preparedness and public safety, environmental programs, judicial services, and social services, among others.

## **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, 2015, the nineteenth 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**

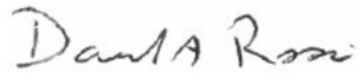
The information that is presented in this report reflects the cooperation and unified efforts of all elected and appointed officials and department heads to provide the best possible services to the residents of Beaver County. By exercising prudent business practices and fiscally responsible decision-making, 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 to strive to provide for mandated programs and services at the most efficient level. This often includes the procurement of grants and other external funding so as to avoid a local cost. A determination to trim costs wherever possible while improving revenues 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,

A handwritten signature in black ink that reads "David A. Rossi". The signature is written in a cursive style with a large initial "D" and "R".

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

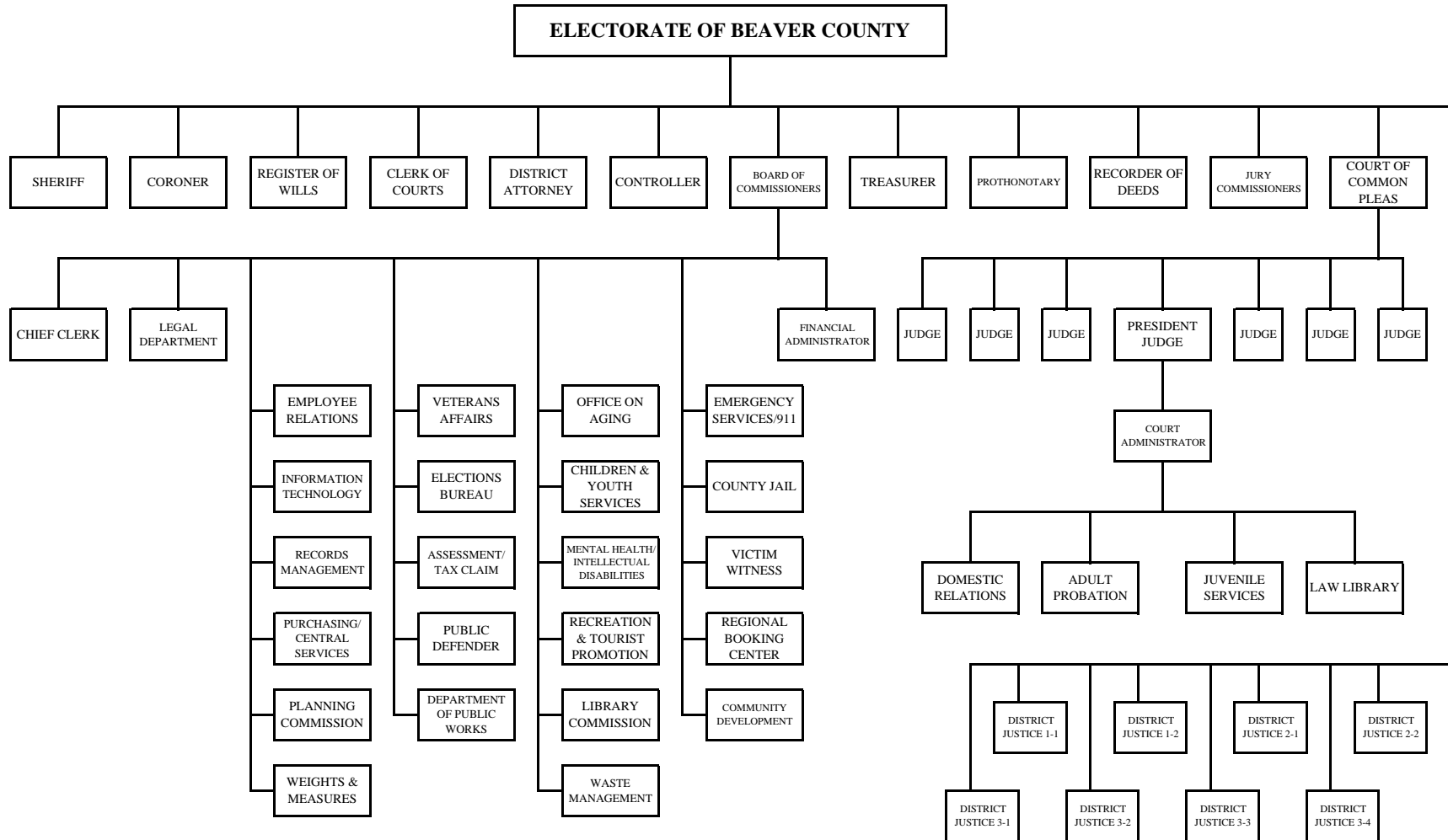
**December 31, 2015**

Executive Director/CEO

# COUNTY OF BEAVER, PENNSYLVANIA

## ORGANIZATION CHART

DECEMBER 31, 2016 AND JUNE 30, 2016



# COUNTY OF BEAVER, PENNSYLVANIA

## ELECTED OFFICIALS AND DEPARTMENT MANAGERS

DECEMBER 31, 2016 AND JUNE 30, 2016

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### Elected Officials

Board of Commissioners	Sandie Egley, Chairman Daniel C. Camp III Tony Amadio	
Clerk of Courts	Judy R. Enslin	
Controller	David A. Rossi	
Coroner	David J. Gabauer	
Court of Common Pleas	Hon. John D. McBride Hon. Richard Mancini Hon. Deborah A. Kunselman Hon. Kim Tesla Hon. Harry Knafelc Hon. James J. Ross Hon. Dale M. Fouse	
District Attorney	David J. Lozier	
District Justices	Hon. Andrew M. Hladio Hon. William R. Livingston II Hon. Edward C. Howe Hon. Tim Finn Hon. Dale F. Nicholson Hon. C. Douglas Loughner Hon. Joseph L. Schafer Hon. Janet Swihart	36-01-01 36-01-02 36-02-01 36-02-02 36-03-01 36-03-02 36-03-03 36-03-04
Jury Commissioners	Shelly L. Blythe Tamara L. Golletti	
Prothonotary	Nancy Cozzucoli Werme	
Recorder of Deeds	Janice Jeschke Beall	
Register of Wills	Tracey Antoline Patton	
Sheriff	Tony Guy	
Treasurer	Connie Tuccinard Javens	

# COUNTY OF BEAVER, PENNSYLVANIA

## ELECTED OFFICIALS AND DEPARTMENT MANAGERS

DECEMBER 31, 2016 AND JUNE 30, 2016

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### Department Managers

Adult Probation	Donald Neill
Assessment / Tax Claim	Michael P. Kohlman
Chief Clerk	Julie Richards
Children & Youth Services	Dayna Revay
Community Development	Lisa Signore
County Jail	William Schoupe
Court Administrator	Richard DeFilippi
Department of Public Works	Daniel Colville
Domestic Relations	Joseph Signore
Elections Bureau	Dorene Mandity
Emergency Services / 911	Wesley W. Hill
Employee Relations	Sidney L. Shaw
Financial Administrator	Ricardo Luckow
Information Technology	Kevin J. Tusick
Juvenile Services	Gary Rosatelli
Law Library	Kathryn Weidner
Legal Department	Andrea M. Cantelmi
Library Commission	Jodi L. Oliver
Mental Health / Intellectual Disabilities	Gerard Mike
Office on Aging	Linda Lee Hall
Planning Commission	Lance M. Grable
Public Defender	Paul Steff
Purchasing / Central Services	Wayne A. Souffrant Jr.
Records Management	Ricardo Luckow
Recreation & Tourist Promotion	Timothy P. Ishman
Regional Booking Center	Jay P. Alstadt
Veterans Affairs	Kathy R. Nairn
Victim Witness	Stephen Jurich
Waste Management	Holly Vogt
Weights & Measures	Ronald Zuccaro

# COUNTY OF BEAVER, PENNSYLVANIA

## ELECTED OFFICIALS AND DEPARTMENT DESCRIPTIONS

DECEMBER 31, 2016 AND JUNE 30, 2016

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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 eight 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.



# COUNTY OF BEAVER, PENNSYLVANIA

## ELECTED OFFICIALS AND DEPARTMENT DESCRIPTIONS

DECEMBER 31, 2016 AND JUNE 30, 2016

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### **Elected Officials - (Continued)**

#### ***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.

#### ***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

## ELECTED OFFICIALS AND DEPARTMENT DESCRIPTIONS

DECEMBER 31, 2016 AND JUNE 30, 2016

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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 administrating 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.

#### ***Children & 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.

# COUNTY OF BEAVER, PENNSYLVANIA

## ELECTED OFFICIALS AND DEPARTMENT DESCRIPTIONS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### ***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.

#### ***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.

#### ***Financial Administrator***

This individual is responsible for the preparation of the County's budget and for managing the County's financial processes.

#### ***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.

# COUNTY OF BEAVER, PENNSYLVANIA

## ELECTED OFFICIALS AND DEPARTMENT DESCRIPTIONS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### ***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.

#### ***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.

# COUNTY OF BEAVER, PENNSYLVANIA

## ELECTED OFFICIALS AND DEPARTMENT DESCRIPTIONS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### ***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 & 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.

#### ***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 & 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 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, 2016, 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.

***Auditors’ 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), 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 report has been furnished to us, and our opinion, insofar as it relates to the amounts included for BCTA and CCBC is based solely on the report 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 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2016, 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.

### ***Emphasis of Matter***

As discussed in notes A and G of the financial statements, the net position as of January 1, 2016 was increased by \$4,230,122 to adjust for a reduction in the County's Total Pension Liability and Net Pension Liability. This increase is a result of the County correcting its calculation of members' reserves liability and service costs.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the County's net pension liability (asset), schedule of employer contributions and pension plan investment returns, 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. 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, 2017

# COUNTY OF BEAVER, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2016 AND JUNE 30, 2016

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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, 2016. 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, 2016**

- The General Fund incurred a financial match responsibility of approximately \$3.6 million for its human and community services funded primarily through state and federal grants and entitlements. The equivalent amount for 2015 was about \$3.4 million.
- The County issued a \$13 million Tax Revenue Anticipation Note on January 4, 2016, to provide for short-term financing needs, including those resulting from the Pennsylvania Commonwealth's 2015-2016 fiscal year budget impasse.
- The County's overall long-term debt increased by about \$15.5 million during the year. The increase can be attributed to an early retirement incentive option that the County offered in April 2016, and a significant refinancing of various bonds and a capital lease, as further described in Note J. Despite the increased principal amount, the total cash outflows to satisfy long-term debt decreased significantly. The refinancing of several County bond issues decreased the cash outflow by close to \$7 million in 2016 and is set to reduce future payments due by another \$2.6 million through the year 2032. Other savings were achieved and are expected to be achieved by means of the early retirement incentive accepted by eligible employees.
- Funding from intergovernmental sources experienced a reversal of prior trends in most areas of the County. Operating grants and contributions increased about \$10 million or 13% from the amount recorded in 2015. Only public safety experienced a decrease from 2015.
- The County invested roughly \$4.0 million in capital assets and infrastructure, allocated approximately as follows:
  - \$774,000 related to renovating the Human Services Building, which accommodated new tenants in 2016;
  - \$169,000 in renovation of park facilities;
  - \$400,000 for the addition of wireless telecommunications equipment at the Emergency Management Services facility;
  - \$2,053,000 in bridge infrastructure improvements through the County's Liquid Fuels fund;
  - \$105,000 in vehicle purchases and major repairs - primarily at the Department of Public Works and Waste Management;

# COUNTY OF BEAVER, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2016 AND JUNE 30, 2016

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- \$171,000 in computer hardware and software distributed among most functions throughout the County;
  - \$68,000 in various equipment purchases primarily related to modernizing the County's court system;
  - \$64,000 for the improvement of Emergency 911 Center communication towers located throughout the County;
  - \$169,000 in equipment and furniture and fixtures purchases at the Treasurer's, Waste Management, Hazardous Materials, and Office of Behavioral Health.
- Revenues of the General Fund exceeded expenditures by about \$4.9 million.
  - Real estate taxes, the County's main source of local revenue, increased by about \$1.3 million, or about 2.7% of 2015's real estate tax revenue, as recorded in each respective year on the Statement of Revenues, Expenditures, and Changes in Fund Balance.
  - The excess of expenses over revenues, other than real estate taxes, of the primary government was close to \$51.7 million, or about \$3.7 million less than the equivalent measure for 2015.
  - The pension asset recorded on the government-wide Statement of Net Position is \$681,667 as compared to a net pension liability of \$2,675,767 on December 31, 2015. The other items reported on the Statement of Net Position related to the performance of the County's employee retirement plan are the "net difference between projected and actual earnings on pension plan investments" at \$11,383,426 and \$15,177,901 as of December 31, 2016 and 2015, respectively, and "difference between expected and actual experience for pension plan" at \$4,452,796 and \$1,350,655 as of December 31, 2016 and 2015, respectively. See Note A for a description of changes affecting the measurement and reporting of certain pension-related items.
  - The interfund balance payable from Internal Service Funds to the General Fund was reduced by approximately \$900,000 from December 31, 2015 to December 31, 2016. This was achieved by a combination of factors in the administration of employee health care claims, such as increasing both the employer and employee charge rates. Claims incurred in 2016 have also been significantly lower than in 2015.
  - Revenues related to the collection of telephone surcharges for purposes of the 9-1-1 emergency system have increased by about \$1.5 million in 2016 as compared to 2015. These revenues are recorded in the County's Emergency Services 911 special revenue fund. Current legislation enabled a broader range of costs to be covered under this funding stream.

# COUNTY OF BEAVER, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2016 AND JUNE 30, 2016

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- Expansion of the federally sponsored Medicaid program into the County's HealthChoices function caused revenues to increase by about \$9 million and expenditures to increase by about \$7 million, as recorded in the HealthChoices' fund Statement of Revenues, Expenditures, and Changes in Fund Balance

### 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 enterprises; culture, recreation and conservation; human services; and economic development. The County has no business-type activity to report for the primary government.

# COUNTY OF BEAVER, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2016 AND JUNE 30, 2016

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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.

### **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.

# COUNTY OF BEAVER, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2016 AND JUNE 30, 2016

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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 159-162 of this report.

### ***Proprietary funds***

Proprietary funds are comprised of enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County does not have any enterprise funds to report on. *Internal service funds* are used to accumulate and allocate costs internally among the County's various functions.

The County uses Internal Service Funds to account for the medical benefits of the County's employees and to account for workers' compensation costs. The County adopts an annual budget for the two funds used to account for these costs.

Proprietary funds provide the same type of information as is presented on the government-wide financial statements, only in more detail. The proprietary fund's financial statements 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 177-179 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. The Combining Statement of Changes in Assets and Liabilities – Agency Funds is presented on pages 180-181 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 53-126 of this report.



# COUNTY OF BEAVER, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2016 AND JUNE 30, 2016

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### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's pension liability, contributions, investment returns and other information and budgetary comparison schedules for the General Fund and other major governmental funds. Required supplementary information can be found on pages 128-136 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 managements' discussion and analysis, can be obtained from the component units at the addresses disclosed in Note A.

### **Analysis of Net Position**

As noted earlier, net position is a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$20,044,232 at December 31, 2016. After restatement as discussed in further detail in notes A and G of the financial statements, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$23,252,699 and \$34,809,032, at January 1, 2016, and 2015, respectively.

# COUNTY OF BEAVER, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2016 AND JUNE 30, 2016

### County of Beaver's Statement of Net Position (in thousands)

The following is a summary of the primary government as presented on the County's Statement of Net Position as of December 31, 2016 and 2015:

	2016	2015*
<b>Assets:</b>		
Current and Other Assets	\$ 56,024	\$ 61,924
Capital Assets	114,092	114,935
<b>Total Assets</b>	170,116	176,859
<b>Deferred Outflows of Resources:</b>		
Deferred Charge on Refunding Debt	\$ 9,896	\$ 671
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	11,383	15,178
<b>Total Deferred Outflows of Resources</b>	21,279	15,849
<b>Liabilities:</b>		
Long-Term Liabilities	\$ 139,086	\$ 126,240
Other Liabilities	27,812	41,866
<b>Total Liabilities</b>	166,898	168,106
<b>Deferred Inflows of Resources:</b>		
Difference Between Expected and Actual Experience for Pension Plan	\$ 4,453	\$ 1,350
<b>Total Deferred Inflows of Resources</b>	4,453	1,350
<b>Net Position:</b>		
Net Investment in Capital Assets	19,719	19,773
Restricted	26,792	25,606
Unrestricted	(26,467)	(22,127)
<b>Total Net Position</b>	\$ 20,044	\$ 23,252

\*As restated due to a change in the actuarial valuation, as further described in Note A.

A significant portion of the County's net position is largely restricted for mental and behavioral health programs for debt service. Another major portion of net position is represented by the County's investment in capital assets.

# COUNTY OF BEAVER, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

The following summarizes the primary government as presented on the County's Statement of Activities for the years ended December 31, 2016 and 2015:

	2016	2015*
Program Revenues:		
Fees and Charges	\$ 17,025	\$ 16,258
Operating Grants and Contributions	93,484	83,048
General Revenues:		
Real Estate Taxes	48,325	46,246
Investment Income	196	169
<b>Total Revenues</b>	<u>159,030</u>	<u>145,721</u>
Program Expenses:		
General Government	12,695	13,700
Judicial	18,244	18,402
Public Safety	22,381	22,558
Public Works and Enterprises	5,474	6,408
Culture and Recreation	3,288	3,674
Human Services	87,938	81,746
Economic Development	5,123	4,529
Interest Expense	7,017	6,261
<b>Total Expenses</b>	<u>162,160</u>	<u>157,278</u>
Excess (Deficiency) Before Other Items and Transfers	(3,130)	(11,557)
Special Item:		
Disposal of Capital Assets	<u>(78)</u>	<u>-</u>
<b>Change in Net Position</b>	<u>(3,208)</u>	<u>(11,557)</u>
Net Position - Beginning	<u>23,252</u>	<u>34,809</u>
Net Position - Ending	<u>\$ 20,044</u>	<u>\$ 23,252</u>

\*As restated due to a change in the actuarial valuation, as further described in Note A.

# COUNTY OF BEAVER, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2016 AND JUNE 30, 2016

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### **Changes in Net Position**

The County's net position for governmental activities decreased by approximately \$3.2 million and \$11.6 million for the years ended December 31, 2016 and 2015, respectively, after restatement, as further described in Note A.

The County's expenses 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 financial undertakings of the County's primary government are comprised entirely of governmental activities in 2016 and 2015. The current year's increase in net position is explained in the discussion that follows below.

There are a number of reasons that explain the change in net position for the year ended December 31, 2016. One of those reasons was an increase in real estate tax revenues from the previous year of roughly \$2.1 million. Another major factor was a decrease in subsidies provided to other entities and the termination of miscellaneous service contracts, which combined reduced general government expenses. The County also offered an early retirement program to eligible employees that reduces wages and benefits in total when compared to equivalent expenditures of 2015. In addition, operating grants and contributions increased about \$10.4 million from 2015 due mostly to complications arising from the budget impasse at the Commonwealth of Pennsylvania in 2015 and the expansion of Medicaid for HealthChoices-eligible individuals. On the other hand, actuarial performance of the pension plan caused a deterioration of net position in 2016. Lower claims experience in employee medical benefits and increased revenue generation for medical and employee injury claims aided in improving net position. Finally, a significant increase in the amount and type of reimbursable emergency services expenses from surcharge fees distributed by the Commonwealth also generated improved results during the current year.

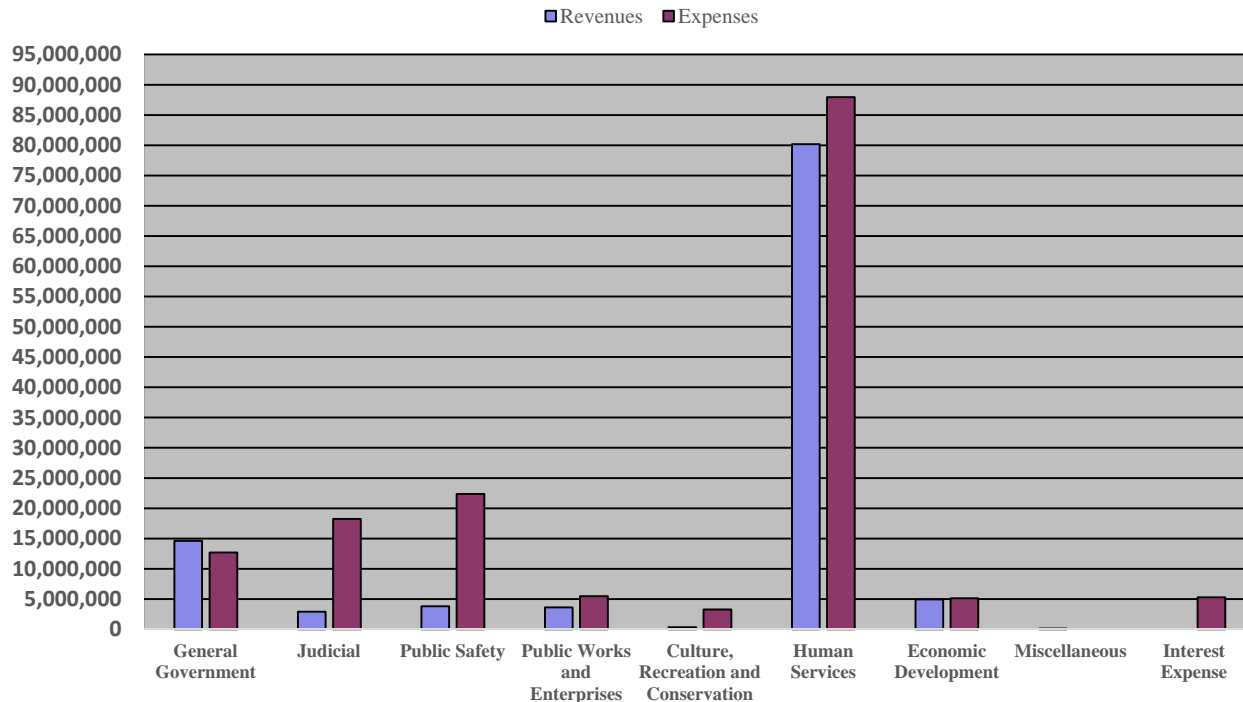
# COUNTY OF BEAVER, PENNSYLVANIA

## MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2016 AND JUNE 30, 2016

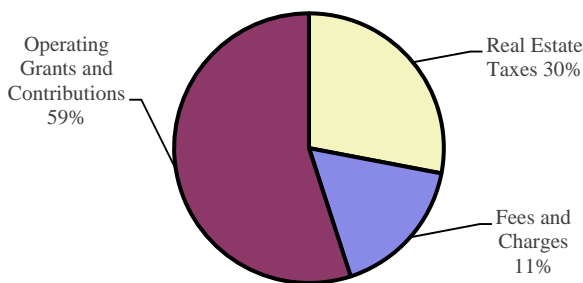
The table below depicts the behavior of the various governmental functions’ revenues and expenses described above:

**Expenses and Program Revenue - Primary Government**



The revenue mix of the County’s governmental activities remained fairly constant when compared with 2015. Approximately 59% of the County’s revenue originated from operating grants and contributions, 11% from fees and charges, and 30% from taxes on real estate during 2016. The corresponding figures for 2015 were roughly 57%, 11%, and 32%, respectively.

**Revenues by Source - Governmental Activities**



# COUNTY OF BEAVER, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2016 AND JUNE 30, 2016

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### **Business-type Activities**

With the sale of the County's former long-term healthcare facility in February 2014, the County ceased to report business-type activities.

### **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, 2016, the County's governmental funds reported a combined ending fund balance of \$29,848,054, which represents an increase of \$5,719,211 in comparison to the previous year. The ending fund balance is segregated into the following categories with its corresponding balances: non-spendable for prepaid assets, \$1,893,813; restricted, \$26,411,138; committed, \$1,051,098; assigned, \$409,906 and unassigned, \$81,649. 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.

The overall increase in fund balance of the governmental funds is attributed primarily to the \$12.7 million increase in revenues of the General Fund when compared to 2015. As explained in the Analysis of Changes in Net Position, this is the direct result of a significant increase in grants and contributions, as well as a slight increase in real estate tax revenues.

The Mental Health / Intellectual Disabilities fund experienced a slight increase in revenues during 2016. The increase in revenues was offset by an increase in program expenditures resulting in an increase in fund balance of approximately \$509,000 as compared to the net increase in fund balance of \$536,000 experienced during 2015.

The Children & Youth fund experienced a decrease in revenues of about \$163,000. The decrease in revenues, coupled with an increase in expenditures of about \$368,000, generated a decrease of fund balance by approximately \$250,000 in 2016. As is generally the case for all human services agencies of the County, it was expected that gains that had been realized in 2015 were to be applied against expenditures of future years' operating budgets.

# COUNTY OF BEAVER, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2016 AND JUNE 30, 2016

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Community Development experienced an increase of about 11% in total revenues in 2016, which reverses a trend of intergovernmental funding cuts in prior years, amounting to about a 14% decrease in funding in 2015. The fund's management continues to adjust to the changing funding circumstances and it was able to provide additional services in 2016, while managing to increase fund balance by about \$102,000.

HealthChoices has seen an increase in both its program revenues and expenditures necessitated by community needs and an increase in clients served as a result of Medicaid Expansion. As such, in 2016, fund balance increased by about \$1.8 million, leaving a fund balance of approximately \$13.5 million at December 31, 2016. This fund is separately audited each year based on the Commonwealth's Department of Human Services HealthChoices Examination Guide for the Behavioral Health Program. A complete report is submitted to the Commonwealth for approval.

The other governmental funds experienced a combined net decrease in fund balance of about \$421,000 as compared to the \$251,000 net decrease in fund balance for the year 2015. This is mainly the result of roughly \$587,000 in capital expenditures of the Capital Projects Funds. This compares to the net decrease in fund balance of \$681,000 experienced by the Capital Projects Funds in 2015.

### ***Proprietary Funds – Internal Service Funds***

The County's internal service funds reversed their trend of decreasing net position. This is the result of expenses - medical claims, workers' compensation claims, insurance premiums, and administration costs – not outpacing the level of related revenues designated for collection. For the year ended December 31, 2016, the net gain combined for the Medical Fund and the Workers' Compensation Fund amounted to near \$648,000. In the immediately preceding year net loss of approximately \$1.7 million was recorded.

### ***Fiduciary Funds***

The County maintains fiduciary funds for the Pension Trust Fund and several Agency Funds. The Pension Trust Fund's net position increased approximately \$6.3 million in 2016 and it decreased nearly \$11 million in 2015. The appreciation in the fair value of investments in 2016 amounted to \$18.2 million, generating a negative variance from the immediately preceding year of nearly \$21 million. This increase in fair value of investments is, however, not out of line with the domestic investment performance for publicly traded securities in 2016. The Pension Trust Fund has a \$290 million balance in net position as of December 31, 2016.

# COUNTY OF BEAVER, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2016 AND JUNE 30, 2016

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### **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 by about \$1.6 million since the passing of the original 2016 budget in February of 2016. An adjustment was made to increase Departmental Earnings to adjust the original budgeted amount related to the Actuarially Determined Contribution for Pension for 2016. Miscellaneous Revenues were adjusted to net reimbursement revenues against expenses. Actual revenues were about \$528,000 lower than final amended budgeted revenues, principally due to lower than expected real estate taxes, intergovernmental grants and miscellaneous income, and higher than expected departmental earnings. Budgeted expenditures were decreased from the initial \$62.1 million to close to \$58.6 million, primarily due to a reduction in debt service payments that resulted from the refinancing of certain bonds issuances in April of 2016. Despite the amendments in budgeted expenditures, the actual expenditures in the categories of general government, judicial, public safety, public works and enterprises, and culture, recreation, and conservation were a combined \$510,000 lower than the final amended budgeted expenditures in those same categories. Overall, aggregate final amended expenditures were \$771,000 more than actual expenditures of the General Fund.

Budgetary restrictions continue to be enforced across departments of the General Fund. Along with long-term debt restructuring and personnel retirement incentives, the County continues to search for new revenue sources in order to reverse its current financial trend.



**COUNTY OF BEAVER, PENNSYLVANIA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2016 AND JUNE 30, 2016**

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**County of Beaver’s Capital Assets**  
**(in thousands and net of accumulated depreciation)**

What follows is a summary of the capital assets recorded in the County’s primary government as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Assets not Being Depreciated	\$ 1,758	\$ 2,215
Buildings and Improvements	51,050	51,891
Vehicles	1,132	1,526
Furniture and Equipment	5,667	6,163
Infrastructure	<u>53,803</u>	<u>53,140</u>
<b>Total</b>	<u>\$ 113,410</u>	<u>\$ 114,935</u>

Additional information on the County’s capital assets can be found in Note F of this report.

**County of Beaver’s Outstanding Long-Term Debt**  
**(excluding net pension liability)**

The following is a summary of the County’s outstanding long-term debt, excluding the net pension liability, as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Governmental Activities:		
General obligation debt	\$ 117,635,000	\$ 63,180,000
Other long-term debt	20,544,419	61,606,581
(Discount)/Premium	<u>906,930</u>	<u>(1,221,704)</u>
<b>Total</b>	<u>\$ 139,086,349</u>	<u>\$ 123,564,877</u>

The County’s general obligation bond rating from Standard and Poor’s for its most recent issue is ‘A-’, resulting from its most recent bond issue, the General Obligation Bonds of 2016, Series A and B. This reflects a downgrade from the previous ‘A’ rating.

# COUNTY OF BEAVER, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2016 AND JUNE 30, 2016

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### **Economic Factors**

Budget cuts affecting the federal and the Commonwealth's governments as well as the possibility of another state-level budget impasse are likely to continue affecting the various departments and programs throughout the County during 2017. The County has already implemented significant cost-cutting measures for 2017 and beyond, such as the abolishment of the Jury Commissioners' Office. The multi-billion dollar investment expected from the construction of an ethane cracker plant and its subsequent operation within Beaver County is sure to enhance the County's revenues as well as its residents' quality of life. 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**

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# COUNTY OF BEAVER, PENNSYLVANIA

## STATEMENT OF NET POSITION

DECEMBER 31, 2016 or JUNE 30, 2016

	Primary Government	Component Units	
	Governmental Activities	Beaver County Transit Authority as of June 30, 2016	Community College of Beaver County as of June 30, 2016
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 25,338,280	\$ 2,810,051	\$ 1,573,568
Restricted Cash	11,573,948	-	2,936,557
Restricted Investments	6,097,239	-	-
Receivables	11,121,556	4,311,863	1,871,893
Supplies	-	334,539	26,896
Prepaid Items	1,893,813	98,346	221,133
<b>Total Current Assets</b>	<b>56,024,836</b>	<b>7,554,799</b>	<b>7,954,463</b>
<b>Non-Current Assets</b>			
Land and Land Improvements	1,757,554	3,774,575	1,728,515
Buildings and Improvements	89,775,817	17,124,667	47,041,385
Construction in Progress	-	7,102	2,549,220
Vehicles	5,053,170	14,175,658	251,942
Furniture and Equipment	21,270,063	1,574,486	12,007,154
Infrastructure	69,874,567	-	-
Accumulated Depreciation	(74,321,259)	(18,011,315)	(29,934,882)
Net Pension Asset	681,667	-	-
<b>Total Non-Current Assets</b>	<b>114,091,579</b>	<b>18,645,173</b>	<b>33,643,334</b>
<b>Total Assets</b>	<b>170,116,415</b>	<b>26,199,972</b>	<b>41,597,797</b>
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding Debt	9,896,005	-	73,145
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	11,383,426	-	206,797
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 191,395,846</b>	<b>\$ 26,199,972</b>	<b>\$ 41,877,739</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 11,467,217	\$ 193,001	\$ 983,823
Accrued Vacation	2,448,744	-	20,000
Accrued Interest	572,378	-	98,631
Advance from Agency Fund	408,216	-	-
Accrued Other Liabilities	4,989,079	273,220	1,488,251
Unearned Revenues	4,249,615	5,771,287	969,447
Accrued Other Employee Benefits	677,220	103,609	159,045
Accrued HealthChoices Program Costs	3,000,000	-	-
Long-Term Debt	6,125,123	-	1,834,092
<b>Total Current Liabilities</b>	<b>33,937,592</b>	<b>6,341,117</b>	<b>5,553,289</b>
<b>Non-Current Liabilities</b>			
Long-Term Debt	132,961,226	-	29,931,312
Net Pension Liability	-	-	2,339,000
<b>Total Non-Current Liabilities</b>	<b>132,961,226</b>	<b>-</b>	<b>32,270,312</b>
<b>Total Liabilities</b>	<b>166,898,818</b>	<b>6,341,117</b>	<b>37,823,601</b>
<b>Deferred Inflows of Resources</b>			
Difference Between Expected and Actual Experience for Pension Plan	4,452,796	-	185,000
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>171,351,614</b>	<b>6,341,117</b>	<b>38,008,601</b>
<b>Net Position</b>			
Net Investment in Capital Assets	19,718,592	18,645,173	5,530,091
<b>Restricted for:</b>			
Nonexpendable	-	-	1,663,505
Debt Service	6,097,239	-	-
Programs for Mental / Behavioral Health	12,996,544	-	-
Programs for Children & Youth	2,624,607	-	-
Programs for Community Development	223,944	-	-
Programs for Capital Projects	2,567,479	-	-
Programs for General Law Enforcement	620,605	-	-
Programs for Elderly Population	948,011	-	-
Programs for Office Improvements	556,532	-	-
Programs for Emergency Services / Tourism	156,789	-	-
Unrestricted	(26,466,110)	1,213,682	(3,324,458)
<b>Total Net Position</b>	<b>\$ 20,044,232</b>	<b>\$ 19,858,855</b>	<b>\$ 3,869,138</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, 2016 or JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Change in Net Position		
		Fees and Charges	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units	
					Governmental Activities	Beaver County Transit Authority as of June 30, 2016	Community College of Beaver County as of June 30, 2016
<b>Primary Government</b>							
Governmental Activities							
General Government	\$ 12,694,109	\$ 11,094,162	\$ 3,522,233	\$ -	\$ 1,922,286	\$ -	\$ -
Judicial	18,243,486	574,181	2,323,076	-	(15,346,229)	-	-
Public Safety	22,381,343	3,391,361	406,434	-	(18,583,548)	-	-
Public Works and Enterprises	5,474,144	20,101	3,592,621	-	(1,861,422)	-	-
Culture, Recreation and Conservation	3,287,474	334,040	-	-	(2,953,434)	-	-
Human Services	87,938,362	1,183,180	79,003,675	-	(7,751,507)	-	-
Economic Development	5,123,114	294,401	4,636,169	-	(192,544)	-	-
Miscellaneous	-	133,753	-	-	133,753	-	-
Interest Expense	7,017,693	-	-	-	(7,017,693)	-	-
Total Governmental Activities	162,159,725	17,025,179	93,484,208	-	(51,650,338)	-	-
<b>Total Primary Government</b>	<b>\$ 162,159,725</b>	<b>\$ 17,025,179</b>	<b>\$ 93,484,208</b>	<b>\$ -</b>	<b>\$ (51,650,338)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Component Units</b>							
Beaver County Transit Authority	\$ 10,303,405	\$ 1,513,575	\$ 7,238,728	\$ 1,498,102	\$ -	\$ (53,000)	\$ -
Community College of Beaver County	27,400,088	11,225,272	16,395,865	-	-	-	221,049
<b>Total Component Units</b>	<b>\$ 37,703,493</b>	<b>\$ 12,738,847</b>	<b>\$ 23,634,593</b>	<b>\$ 1,498,102</b>	<b>\$ -</b>	<b>\$ (53,000)</b>	<b>\$ 221,049</b>
					General Revenues		
					Real Estate Taxes		
					\$ 48,324,708	\$ -	\$ -
					Investment Income (Loss)		
					196,225	-	(4,981)
					Gain (Loss) on Disposal of Capital Assets		
					(78,062)	16,921	-
					Total General Revenues		
					48,442,871	16,921	(4,981)
					Change in Net Position		
					(3,207,467)	(36,079)	216,068
					Net Position - Beginning, as restated		
					23,251,699	19,894,934	3,653,070
					Net Position - Ending		
					\$ 20,044,232	\$ 19,858,855	\$ 3,869,138

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

# COUNTY OF BEAVER, PENNSYLVANIA

## BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2016

	General	Mental Health/ Intellectual Disabilities	Children & Youth	Community Development	HealthChoices	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and Cash Equivalents	\$ 4,203,008	\$ 1,305,453	\$ 629,972	\$ 1,193,374	\$ 10,411,495	\$ 6,798,570	\$ 24,541,872
Cash - Restricted	639,607	-	-	-	10,934,341	-	11,573,948
Investments - Restricted	6,097,239	-	-	-	-	-	6,097,239
Prepaid Items	168,172	119,000	-	-	1,580,490	26,151	1,893,813
Receivables	987,499	1,673,322	1,313,229	637,746	110,582	2,100,089	6,822,467
Interfund Receivable	4,293,690	429,008	2,066,510	-	245	397,041	7,186,494
<b>Total Assets</b>	<b>\$ 16,389,215</b>	<b>\$ 3,526,783</b>	<b>\$ 4,009,711</b>	<b>\$ 1,831,120</b>	<b>\$ 23,037,153</b>	<b>\$ 9,321,851</b>	<b>\$ 58,115,833</b>
<b>Liabilities</b>							
Accounts Payable	\$ 1,701,961	\$ 2,010,756	\$ 1,240,752	\$ 764,777	\$ 4,014,974	\$ 491,526	\$ 10,224,746
Interfund Payable	3,296,612	245	-	108,682	1,657	1,099,415	4,506,611
Accrued Wages and Payroll Costs	1,152,156	148,901	144,352	18,763	20,254	144,023	1,628,449
Accrued Other Liabilities	702,023	-	-	-	2,516,730	141,877	3,360,630
Accrued HealthChoices Program Costs	-	-	-	-	3,000,000	-	3,000,000
Unearned Revenue	2,212,315	154,385	-	714,954	-	1,167,961	4,249,615
<b>Total Liabilities</b>	<b>9,065,067</b>	<b>2,314,287</b>	<b>1,385,104</b>	<b>1,607,176</b>	<b>9,553,615</b>	<b>3,044,802</b>	<b>26,970,051</b>
<b>Deferred Inflows of Resources</b>							
Unavailable Revenue	178,840	-	627,595	-	-	491,293	1,297,728
<b>Fund Balances (Deficits)</b>							
Non-Spendable: Prepaid items	168,172	119,000	-	-	1,580,490	26,151	1,893,813
Restricted:							
Debt Service	6,097,239	-	-	-	-	-	6,097,239
Programs for Mental / Behavioral Health	-	1,093,496	-	-	11,903,048	-	12,996,544
Programs for Children & Youth	-	-	1,997,012	-	-	-	1,997,012
Programs for Community Development	-	-	-	223,944	-	-	223,944
Other	241,660	-	-	-	-	4,854,739	5,096,399
Committed:							
Capital Projects	-	-	-	-	-	1,051,098	1,051,098
Assigned:							
Purchases on Order	12,409	-	-	-	-	-	12,409
Other	397,947	-	-	-	-	-	397,947
Unassigned:	227,881	-	-	-	-	(146,232)	81,649
<b>Total Fund Balances</b>	<b>7,145,308</b>	<b>1,212,496</b>	<b>1,997,012</b>	<b>223,944</b>	<b>13,483,538</b>	<b>5,785,756</b>	<b>29,848,054</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 16,389,215</b>	<b>\$ 3,526,783</b>	<b>\$ 4,009,711</b>	<b>\$ 1,831,120</b>	<b>\$ 23,037,153</b>	<b>\$ 9,321,851</b>	<b>\$ 58,115,833</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, 2016

<b>Total Fund Balances - Governmental Funds</b>	\$	29,848,054
Receivables for real estate taxes not available to pay for current period expenditures, and therefore, are deferred in the funds.		4,131,471
Grant revenues not available to pay for current period expenditures, and therefore, are deferred in the funds.		1,297,728
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	89,775,817	
Vehicles	5,053,170	
Furniture and equipment	21,270,063	
Infrastructure	69,874,567	
Accumulated depreciation	<u>(74,321,259)</u>	113,409,912
Accrued interest and accrued vacation payable are not recognized in the governmental funds.		
Accrued interest payable	(572,378)	
Accrued vacation payable	<u>(2,448,744)</u>	(3,021,122)
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	(117,635,000)	
Other general long-term liabilities -		
PFA Series of 2012	(2,920,000)	
PFA Series 2013	(8,725,000)	
DCED General Obligation Note	(27,532)	
Premium	(906,930)	
Capital Lease Obligation	(5,960,758)	
Accrued sick and early termination benefits payable	<u>(2,911,129)</u>	(139,086,349)
Deferred Charges on Refunding Debt		9,896,005
The net pension asset, and deferred inflows and outflows of resources for pension-related items are not recorded on the fund financial statements.		7,612,297
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>(4,043,764)</u>
<b>Total Net Position of Governmental Activities</b>	<b>\$</b>	<b><u><u>20,044,232</u></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, 2016

	General	Mental Health/ Intellectual Disabilities	Children & Youth	Community Developmen	HealthChoices	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Real Estate Taxes	\$ 48,172,039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,172,039
Licenses and Permits	146,785	-	-	-	-	-	146,785
Interest and Rents	151,079	6,381	127	114	36,556	1,926	196,183
Intergovernmental Revenue	4,168,072	17,015,417	12,330,073	4,636,169	44,885,963	10,775,093	93,810,787
Departmental Earnings	10,796,821	1,109,901	46,843	294,401	-	4,496,670	16,744,636
Local Hotel Room Tax	-	-	-	-	-	319,265	319,265
Miscellaneous	129,836	-	-	-	-	3,917	133,753
<b>Total Revenues</b>	<b>63,564,632</b>	<b>18,131,699</b>	<b>12,377,043</b>	<b>4,930,684</b>	<b>44,922,519</b>	<b>15,596,871</b>	<b>159,523,448</b>
<b>Expenditures</b>							
<b>Current</b>							
General Government	10,229,240	-	-	-	-	151,230	10,380,470
Judicial	13,443,342	-	-	-	-	3,406,974	16,850,316
Public Safety	16,125,456	-	-	-	-	3,339,033	19,464,489
Public Works and Enterprises	3,268,576	-	-	-	-	646,952	3,915,528
Culture, Recreation, and Conservation	2,561,103	-	-	-	-	268,358	2,829,461
Economic Development	-	-	-	4,828,439	-	-	4,828,439
<b>Intergovernmental</b>							
Human Services	7,037,127	18,241,175	14,408,100	-	43,127,855	4,925,824	87,740,081
<b>Debt Service</b>							
Principal	1,506,871	-	-	-	-	-	1,506,871
Interest	2,476,450	-	-	-	-	-	2,476,450
Bond Issuance Costs	1,152,441	-	-	-	-	-	1,152,441
Infrastructure Acquisition and Improvement	-	-	-	-	-	2,052,984	2,052,984
Capital Asset Acquisition and Improvement	830,350	141,512	19,255	-	16,807	913,734	1,921,658
<b>Total Expenditures</b>	<b>58,630,956</b>	<b>18,382,687</b>	<b>14,427,355</b>	<b>4,828,439</b>	<b>43,144,662</b>	<b>15,705,089</b>	<b>155,119,188</b>
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	<b>4,933,676</b>	<b>(250,988)</b>	<b>(2,050,312)</b>	<b>102,245</b>	<b>1,777,857</b>	<b>(108,218)</b>	<b>4,404,260</b>
<b>Other Financing Sources (Uses)</b>							
Proceeds of Refunding Bonds	114,640,000	-	-	-	-	-	114,640,000
Payments to Refunded Bond Escrow Agents	(114,298,594)	-	-	-	-	-	(114,298,594)
Original Issue Premium	973,545	-	-	-	-	-	973,545
Transfers from Other Funds	1,288,202	759,532	1,799,827	-	-	978,377	4,825,938
Transfers to Other Funds	(3,534,536)	-	-	-	-	(1,291,402)	(4,825,938)
<b>Total Other Financing Sources (Uses)</b>	<b>(931,383)</b>	<b>759,532</b>	<b>1,799,827</b>	<b>-</b>	<b>-</b>	<b>(313,025)</b>	<b>1,314,951</b>
<b>Net Change in Fund Balance</b>	<b>4,002,293</b>	<b>508,544</b>	<b>(250,485)</b>	<b>102,245</b>	<b>1,777,857</b>	<b>(421,243)</b>	<b>5,719,211</b>
Fund Balances - Beginning	3,143,015	703,952	2,247,497	121,699	11,705,681	6,206,999	24,128,843
Fund Balances - Ending	<b>\$ 7,145,308</b>	<b>\$ 1,212,496</b>	<b>\$ 1,997,012</b>	<b>\$ 223,944</b>	<b>\$ 13,483,538</b>	<b>\$ 5,785,756</b>	<b>\$ 29,848,054</b>

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, 2016

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	5,719,211
Revenue timing differences resulted in more revenue for real estate taxes in the Statement of Activities.		152,669
Revenue timing differences resulted in less grant revenue in the Statement of Activities due to the period of availability of the funds.		(673,307)
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	\$ 4,002,110	
Depreciation expense	(5,449,369)	(1,447,259)
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		(78,062)
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	1,914,726	
Changes in accrued vacation payable	392,648	2,307,374
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.		
Proceeds of refunding bonds	(114,640,000)	
Payments to refunded bond escrow agents	100,058,946	
Original issue premium	(973,545)	
Bond principal payments	1,420,828	
Capital lease obligation payments	356,946	(13,776,825)
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/premium		28,634
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.		
		(1,773,281)
The deferred amount on refunding		
2016 amortization		(3,227,287)
Increase related to 2016 refunding		12,451,970
Changes in the net pension liability and related deferred inflows and outflows of resources do not affect current financial resources and therefore are not reflected on the fund statements.		
		(3,539,183)
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.		
		647,879
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>(3,207,467)</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, 2016

	<u>Governmental Activities Internal Service Funds</u>
<b><u>Assets</u></b>	
Current Assets	
Cash and Cash Equivalents	\$ 796,408
Receivables	<u>167,618</u>
Total Current Assets	<u>964,026</u>
<b>Total Assets</b>	<b><u><u>\$ 964,026</u></u></b>
<b><u>Liabilities</u></b>	
Current Liabilities	
Accounts Payable	\$ 1,242,471
Interfund Payable	3,088,099
Accrued Employee Benefits	<u>677,220</u>
Total Current Liabilities	<u>5,007,790</u>
<b>Total Liabilities</b>	<b><u>5,007,790</u></b>
<b><u>Net Position</u></b>	
Unrestricted	<u>(4,043,764)</u>
<b>Total Net Position</b>	<b><u><u>\$ (4,043,764)</u></u></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, 2016

	Governmental Activities Internal Service Funds
<b><u>Operating Revenues</u></b>	
Charges for Services	\$ 11,725,387
Total Operating Revenues	11,725,387
<b><u>Operating Expenses</u></b>	
Costs of Services	10,207,022
Administrative	870,528
Total Operating Expenses	11,077,550
<b>Operating Income</b>	647,837
<b><u>Non-Operating Revenues</u></b>	
Investment Income	42
Total Non-Operating Revenues	42
<b>Change in Net Position</b>	647,879
Total Net Position - Beginning	(4,691,643)
Total Net Position - Ending	\$ (4,043,764)

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, 2016

	Governmental Activities Internal Service Funds
<b><u>Cash Flows from Operating Activities</u></b>	
Cash receipts for services provided	\$ 11,545,043
Cash payments to suppliers	(10,316,061)
Net Cash Provided by Operating Activities	<u>1,228,982</u>
<b><u>Cash Flows from Non-Capital Financing Activities</u></b>	
Payments for the loan provided by the County	(667,617)
Net Cash (Used in) Non-Capital Financing Activities	<u>(667,617)</u>
<b><u>Cash Flows from Investing Activities</u></b>	
Investment Income	42
Net Cash Provided by Investing Activities	<u>42</u>
<b>Net Increase in Cash and Cash Equivalents</b>	561,407
<b><u>Cash and Cash Equivalents</u></b>	
Beginning of year	235,001
End of year	<u>\$ 796,408</u>
<b><u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u></b>	
Operating Income	\$ 647,837
Change in operating assets and liabilities:	
Accounts receivable	(166,724)
Accounts payable	889,053
Accrued Liabilities	(141,184)
Net Cash Provided by Operating Activities	<u>\$ 1,228,982</u>

### **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, 2016

	<b>Pension Trust Fund</b>	<b>Agency Funds</b>
<b><u>Assets</u></b>		
Cash and Cash Equivalents	\$ 8,374,980	\$ 2,688,734
Cash and Cash Equivalents Held as Collateral	10,516,181	-
Interest and Dividends Receivable	490,170	-
Receivables	-	408,216
Investments:		
Common and Preferred Stocks	147,855,493	-
Certificates of Deposit	2,723,391	-
U.S. and Local Government Obligations	22,121,138	-
Corporate Bonds	29,600,672	-
Other Debt Securities	5,450,156	-
Registered Investment Companies	35,625,354	-
Interest in Limited Partnership	8,960,376	-
Interest in Collective Trust	29,237,916	-
Total Investments	281,574,496	-
<b>Total Assets</b>	<b>\$ 300,955,827</b>	<b>\$ 3,096,950</b>
<b><u>Liabilities</u></b>		
Accounts Payable	\$ 213,028	\$ 3,096,950
Collateral Obligation	10,516,181	-
<b>Total Liabilities</b>	<b>10,729,209</b>	<b>3,096,950</b>
<b><u>Net Position</u></b>		
Net Position Restricted for Pensions	290,226,618	-
<b>Total Net Position</b>	<b>\$ 290,226,618</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, 2016

	<u>Pension Trust Fund</u>
<b><u>Additions</u></b>	
Contributions	
Member	\$ 3,278,822
Employer	<u>1,265,160</u>
Total Contributions	<u>4,543,982</u>
Investment Income	
Net Appreciation in Fair Value of Investments	18,163,207
Interest and Dividends	5,548,061
Less: Investment Management and Actuarial Fees	<u>(924,151)</u>
Net Income from Investment Activities (except for securities lending)	22,787,117
Security Lending Activities	
Interest from Collateral	43,958
Security Lending Premiums	111,983
Less: Rebates and Fees	<u>(48,141)</u>
Net Income from Security Lending Activities	107,800
Net Investment Income	<u>22,894,917</u>
Total Additions	<u>27,438,899</u>
<b><u>Deductions</u></b>	
Benefits Paid to Plan Members and Beneficiaries (including refunds of member contributions)	20,842,290
Administrative Expenses	<u>230,308</u>
Total Deductions	<u>21,072,598</u>
Net Increase in Net Position	6,366,301
<b><u>Net Position Restricted for Pensions</u></b>	
Beginning of Year	<u>283,860,317</u>
End of Year	<u><u>\$ 290,226,618</u></u>

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

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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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, 2016.



# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### 1. Organization and Reporting Entity - 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, 2016 AND JUNE 30, 2016

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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, 2016 AND JUNE 30, 2016

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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, 2016 AND JUNE 30, 2016

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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.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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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 Type

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.

#### 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.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### 3. Fund Types - Continued

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.

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, 2016, the County delayed revenue recognition of \$1,297,728 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.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

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

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 internal service funds include the cost of services and administrative expenses. 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. Investments are reported at fair value.

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.

#### 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.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### 5. Revenues - Continued

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 Human Services.

#### 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.

#### 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.



# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### 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, 2016 AND JUNE 30, 2016

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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 years' 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, 2016, granted on January 1, 2017.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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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, 2016, 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 were recorded at their discounted present values using an annual discount rate of 3.0%.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### 15. Pension

In the Government-Wide financial statements, the County recognizes pension expense in accordance with GASB Statements No. 68 and 71. Pension expenditures are recognized under the modified accrual basis within the Governmental Funds to the extent of County contributions. See Note G for further information.

#### 16. 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.

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, 2016.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### 17. Deferred Outflows / Inflows of Resources

In addition to assets, the Statement of Net Position, 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 has two items that qualify for reporting in this category. They are the deferred charge on refunding and net difference between projected and actual earnings on pension plan investments, which are 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. The net difference between projected and actual earnings on pension plan investments is based on an actuarial valuation as further described in Note G.

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, which 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. The government has another type, the difference between expected and actual experience for pension plan. This amount is also based on an actuarial valuation as further described in Note G.

#### 18. 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:

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### 18. Fund Balance - Continued

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.

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. See Note M for additional encumbrance information.

**COUNTY OF BEAVER, PENNSYLVANIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND JUNE 30, 2016**

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

18. **Fund Balance** - Continued

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

For Emergency Services	\$	62,787
For Capital Projects		2,544,771
For the Elderly Population		948,011
For Tourism Promotion		94,002
For Office Improvements and Records Automation		556,532
For Judicial Services		241,660
For General Law Enforcement		648,636
		<u>\$ 5,096,399</u>

*HealthChoices Program*

HealthChoices receives funds based on a contract between the County and the Commonwealth of Pennsylvania’s Department of Human Services (Commonwealth). Per the contract, the County must maintain a restricted reserve for equity and a plan of insolvency. As of December 31, 2016, 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, 2016, 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 \$4,418,775 is maintained in a separate bank account.

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 \$5,526,146 of cash and investments at December 31, 2016. Draw-down of these funds requires approval of the Commonwealth.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### 19. Net Position

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

- Net investment in capital assets – 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 – 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 – This component consists of resources that do not meet the definition of “restricted” or “net investment in capital assets.”

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

The January 1, 2016, net position of the County was increased by \$4,230,112, a combination of an increase in beginning net position as of January 1, 2015 of \$6,825,757 and an increase of pension expense for 2015 of \$2,595,645, from \$19,021,587, the amount previously reported, to \$23,251,699. This increase, as further described in Note G, is the result of the County correcting its calculation of members’ reserves liability and service costs, which reduced the County’s Total Pension Liability and Net Pension Liability.



# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### 20. Adoption of Governmental Accounting Standards Board Pronouncement

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 disclosures necessary for fair value measurements. The disclosure requirements of this statement have been incorporated into these financial statements.

The GASB has issued Statement No. 76 “*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*”, effective for periods beginning after June 15, 2015. This statement is to identify the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles.

The GASB has issued Statement No. 77 “*Tax Abatement Disclosures*”, effective for periods beginning after December 15, 2015. This statement requires state and local governments, for the first time, to disclose information about tax abatement agreements, and is designed to provide financial statement users with essential information about these agreements and the impact that they have on the government’s finances. The disclosure requirements of this statement have been incorporated into these financial statements.

#### 21. Pending Governmental Accounting Standards Board Pronouncements

The GASB has issued Statement No. 80 “*Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*”, effective for periods beginning after June 15, 2016. This statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units.

The GASB has issued Statement No. 82 “*Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*”, effective for periods beginning after June 15, 2016. This statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*.

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

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### 22. 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, 2016, are recorded on the Statement of Activities net of discounts of approximately \$775,000 and inclusive of penalties amounting to approximately \$152,000. Property tax receivables are stated net of allowance for uncollectible accounts. At December 31, 2016, the balance in the allowance for uncollectible taxes is \$4,063,828.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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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, 2016, 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, 2016, the bank balance of the County's cash deposits was approximately \$39 million, of which approximately \$1,250,000 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.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### 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.

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 \$6.1 million as of December 31, 2016. These investments are restricted and to be used for debt service related to Bonds issued where the proceeds were used for the County's former long-term care facility which was disposed of in 2014. The weighted average to maturity of these investments is 2.31 years.

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

The County has the following recurring fair value measurements as of December 31, 2016:

- U.S. Treasury obligations of \$6.1 million are valued using quoted market prices (Level 1 inputs)

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### Restricted Cash

Restricted cash in the General Fund is constrained for judicial system operations and dispute resolution matters.

#### Pension Trust Fund Investments

The County's Pension Trust Fund holds a significant amounts of investments that are measured at fair value on a recurring basis. Because investing is a key part of the fund's activities, the fund shows greater disaggregation in its disclosures. The fund chooses a tabular format for disclosing the levels within the fair value hierarchy.

The fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fund has the following recurring fair value measurements as of December 31, 2016:

	12/31/2016	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
<b>Debt Securities</b>				
U.S. & local Government obligations	\$ 22,121,138	\$ 21,919,278	\$ 201,860	\$ -
Certificates of Deposit	2,723,391	2,723,391	-	-
Collateralized mortgage obligations	5,450,156	-	-	5,450,156
Corporate obligations	29,600,672	29,600,672	-	-
<b>Equity Securities</b>				
Common Stock	147,855,493	147,855,493	-	-
Mutual Funds	35,625,354	35,625,354	-	-
Venture capital investments	8,960,376	-	-	8,960,376
<b>Total investments by fair value level</b>	<b>252,336,580</b>	<b>\$ 237,724,188</b>	<b>\$ 201,860</b>	<b>\$ 14,410,532</b>
<b>Investments measured at net asset value (NAV)</b>				
Real Estate Funds	29,237,916			
<b>Total investments measured at NAV</b>	<b>29,237,916</b>			
<b>Total investments measured at fair value</b>	<b>\$ 281,574,496</b>			

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### Pension Trust Fund Investments – Continued

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using the last reported sales prices quoted in active markets for those securities. U.S Government obligations classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Commercial and residential mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques. Venture capital investments classified in Level 3 inputs are valued using either a discounted cash flow or market comparable method.

The valuation method for investments at the net asset value (NAV) per share (or its equivalent) is presented in the following table:

	<u>Fair Value</u>
Real Estate Funds	<u>\$ 29,237,916</u>
Total investments measured at NAV	<u><u>\$ 29,237,916</u></u>

Real estate assets are reported at net asset value (NAV). The fair values of the investments are determined using the NAV per share (or its equivalent) of the Plan's ownership interest in the partners' capital. Under the contract, an independent appraisal is obtained once per year to determine the fair market value of the real estate assets. These investments can never be redeemed with the fund. Distributions from each fund will be received as the underlying investments in the fund are liquidated. The individual investments that will be sold have not yet been determined. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Once it has been determined which investments will be sold and whether those investments will be sold individually or in a group, the investments will be sold in an auction process. The investee fund's management is required to approve of the buyer before the sale of the investments can be completed.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### **Pension Trust Fund Investments** – Continued

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.

#### **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 2016, 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, 2016, is approximately \$10.3 million, which is almost entirely comprised of common stock.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### **Pension Trust Fund Investments** – Continued

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, 2016, the County had approximately \$10.3 million of common stock on loan to various borrowers. The County collected collateral of approximately \$10.5 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, 2016, 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, 2016.

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, 2016, 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, 2016 AND JUNE 30, 2016**

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

**Pension Trust Fund Investments – Continued**

As of December 31, 2016, the Pension Trust Fund’s investments and cash deposits consisted of:

<u>Investments</u>	
Common and Preferred Stocks	\$ 147,855,493
Interest in Collective Trust	29,237,916
Bonds and Notes:	
U.S. Government Notes	14,070,510
U.S. Government Agency Bonds	1,356,025
U.S. Government Mortgage Backed Securities	6,492,739
Municipal Bonds	201,860
Corporate Bonds	29,600,676
Registered Investment Company Securities	35,625,354
Certificates of Deposit	2,723,391
Interest in Limited Partnership	8,960,376
Other Debt Securities	5,450,156
Total Investments	<u>281,574,496</u>
Cash Deposits	8,374,980
Cash Deposits held as Collateral	10,516,181
Total Cash Deposits and Investments	<u>\$ 300,465,657</u>

**COUNTY OF BEAVER, PENNSYLVANIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND JUNE 30, 2016**

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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:

	<u>Amount at December 31, 2016</u>	<u>Weighted Average to Maturity (Years)</u>
<b>Obligations Explicitly Guaranteed by the United States Government:</b>		
U.S. Government Notes	\$ 14,010,510	10.08
<b>Other Obligations:</b>		
U.S. Government Agency Bonds	1,356,025	4.35
U.S. Government Mortgage Backed Securities	6,492,739	22.35
Municipal Bonds	201,860	1.50
Corporate Bonds	29,600,676	4.64
Subtotal	37,651,300	
Total	\$ 51,661,810	
Portfolio Weighted Average		8.33

**COUNTY OF BEAVER, PENNSYLVANIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND JUNE 30, 2016**

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

**Pension Trust Fund 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, 2016, are as follows:

<u>S&amp;P Rating</u>	<u>Market Value</u>
AAA	176,955
AA+	2,893,948
AA	942,426
AA-	2,310,953
A+	2,068,652
A	2,318,588
A-	7,081,066
BBB+	8,836,017
BBB	2,888,626
BBB-	1,253,903
Unrated Securities	<u>6,880,166</u>
Total	<u>\$ 37,651,300</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, 2016 AND JUNE 30, 2016**

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

**Component Unit – BCTA – Continued**

At June 30, 2016, BCTA’s cash and cash equivalents had a bank balance of \$3,100,167 and a book balance of \$2,810,051. 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, 2016, \$2,350,167 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, 2016, the cash deposits of BCTA consisted of:

Cash - FDIC Insured	
Huntington Bank	\$ 250,000
Wesbanco Bank	250,000
First National Bank	250,000
Collateralized by securities pledged to a pooled public funds account with the Federal Reserve System	2,350,167
	<u>\$ 3,100,167</u>

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

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### **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.
- 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, are registered under the Securities Act of 1933.

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, 2016, CCBC's cash and cash equivalents had a bank balance of \$4,724,361 and a book balance of \$4,504,003. 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, 2016, \$4,224,361 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.

**COUNTY OF BEAVER, PENNSYLVANIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND JUNE 30, 2016**

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

**Component Unit – CCBC - Continued**

At June 30, 2016, the cash deposits of CCBC consisted of:

Cash - FDIC Insured	\$	250,000
Cash - CCBC Foundation - FDIC Insured		250,000
Collateralized by securities pledged to a pooled public funds account with the Federal Reserve System		4,224,361
		<u>4,724,361</u>
	\$	<u>4,724,361</u>

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

CCBC’s investments at June 30, 2016, totaled \$1,324,416 and they were held by the CCBC Foundation.

**NOTE D – RECEIVABLES AND PAYABLES**

Receivables at December 31, 2016, were as follows:

	Accounts Receivable	Taxes	Due From Other Governments	Other	Total Receivables
Governmental Activities					
General Fund	\$ -	\$ 8,195,299	\$ 894,378	\$ 260,739	\$ 9,350,416
MH/ID	-	-	1,542,552	130,770	1,673,322
Children & Youth	-	-	1,312,855	374	1,313,229
Community Development	-	-	591,694	46,052	637,746
HealthChoices	-	-	110,549	33	110,582
Non-major Governmental Funds	-	-	1,196,504	903,585	2,100,089
	-	8,195,299	5,648,532	1,341,553	15,185,384
Allowance for Doubtful Accounts	-	(4,063,828)	-	-	(4,063,828)
Total - Governmental Activities	<u>\$ -</u>	<u>\$ 4,131,471</u>	<u>\$ 5,648,532</u>	<u>\$ 1,341,553</u>	<u>\$ 11,121,556</u>
Component Units					
BCTA	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,284,973</u>	<u>\$ 26,890</u>	<u>\$ 4,311,863</u>
CCBC	<u>\$ 708,272</u>	<u>\$ -</u>	<u>\$ 1,084,018</u>	<u>\$ 79,603</u>	<u>\$ 1,871,893</u>

**COUNTY OF BEAVER, PENNSYLVANIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND JUNE 30, 2016**

**NOTE E - INTERFUND BALANCES AND TRANSFERS**

Payables at December 31, 2016, consisted of amounts due to vendors, program providers, and grantees for goods, services, and grant-related obligations.

**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, 2016, is as follows:

	Interfund Payable						Total Assets
	General		Community	Health	Non-Major	Internal	
	Fund	MH/ID	Development	Choices	Governmental	Funds	
General Fund	\$ -	\$ -	\$ 108,682	\$ 1,657	\$ 1,095,252	\$ 3,088,099	\$ 4,293,690
Children & Youth	2,062,347	-	-	-	4,163	-	2,066,510
MH/ID	429,008	-	-	-	-	-	429,008
Non-Major Governmental	397,041	-	-	-	-	-	397,041
HealthChoices	-	245	-	-	-	-	245
Agency Funds - Tax Claim	408,216	-	-	-	-	-	408,216
<b>Total Liabilities</b>	<b>\$ 3,296,612</b>	<b>\$ 245</b>	<b>\$ 108,682</b>	<b>\$ 1,657</b>	<b>\$ 1,099,415</b>	<b>\$ 3,088,099</b>	<b>\$ 7,594,710</b>

The following is a summary of the interfund payables and receivables outstanding at December 31, 2016:

- The General Fund’s balance due to Children & Youth and MH/ID consists of the net of disbursements due for county match, indirect cost allocation, and single audit reimbursement.
- 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, a loan from the Capital Reserve Fund for capital expenditures, and an amount due to Liquid Fuels for indirect cost allocation adjustments.
- MH/ID’s balance due to HealthChoices is related to reallocation of wages and benefits amongst MH/ID and HealthChoices.
- Community Development’s balance due to the General Fund consists of the net of disbursements due for single audit reimbursements, expenses paid on behalf of Community Development by the General Fund, and a loan from the General Fund.

**COUNTY OF BEAVER, PENNSYLVANIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

DECEMBER 31, 2016 AND JUNE 30, 2016

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

**Interfund Balances** – Continued

- HealthChoices’ balance due to the General Fund consists of disbursements due for security provided by the Sheriff’s Department and single audit reimbursements.
- Non-Major Governmental Funds’ balances due to the General Fund consist of the net of disbursements due from EMS and Hazardous Materials, accounts payable, payroll, postage, external audit, indirect cost allocations, and pension annual required contribution reimbursement.
- Non-Major Governmental Funds’ balance due to Children & Youth is the result of a reallocation of wages and benefits with the Beaver county Office on Aging.
- The Internal Service Fund’s balance due to the General Fund consists of a loan due when charges for employee health care services and workers’ compensation are sufficient to cover the cost of services provided.

**Interfund Transfers**

Interfund transfers for the year ended December 31, 2016, consisted of the following:

	Transfer From		
	General Fund	Non-Major Governmental	Total
General Fund	\$ -	\$ 1,288,202	\$ 1,288,202
Children & Youth	1,799,827	-	1,799,827
MH/ID	759,532	-	759,532
Non-Major Governmental	975,177	3,200	978,377
Total	<u>\$ 3,534,536</u>	<u>\$ 1,291,402</u>	<u>\$ 4,825,938</u>



# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

The following is a summary of transfers that occurred during the year ended December 31, 2016:

- The transfers from the General Fund to Children & Youth and MH/ID are for County Match obligations.
- 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, transfers to Domestic Relations for purposes of meeting County Match obligations as well as transfers to Victim Witness for a long outstanding loan and other amounts Victim Witness was not able to reimburse the General Fund for.
- 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 as well as a transfer from the Capital Reserve Fund to the General Fund for the various eligible expenditures.
- The transfer from Non-Major Governmental Funds to Non-Major Governmental Funds represents a transfer from the Courtroom Improvement Fund to Domestic Relations for digital signage equipment.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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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	\$ 1,519,867
Judicial	268,311
Public Safety	1,544,046
Public Works and Enterprises	1,391,228
Curlutre, Recreation and Conservation	466,822
Human Services	253,546
Economic Development	5,549
Total	<u>\$ 5,449,369</u>

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

The following is a summary of changes in capital assets for Governmental Activities during 2016:

	Balance at January 1, 2016	Additions	Disposals & Transfers	Balance at December 31, 2016
Not being Depreciated:				
Land	\$ 1,757,554	\$ -	\$ -	\$ 1,757,554
Construction in Progress	457,092	-	(457,092)	-
	<u>2,214,646</u>	<u>-</u>	<u>(457,092)</u>	<u>1,757,554</u>
Other Capital Assets:				
Buildings and Improvements	88,489,120	894,605	392,092	89,775,817
Vehicles	4,947,770	105,400	-	5,053,170
Furniture and Equipment	21,425,759	949,121	(1,104,817)	21,270,063
Infrastructure	67,821,583	2,052,984	-	69,874,567
	<u>182,684,232</u>	<u>4,002,110</u>	<u>(712,725)</u>	<u>185,973,617</u>
Accumulated Depreciation:				
Buildings and Improvements	(36,598,345)	(2,137,505)	9,873	(38,725,977)
Vehicles	(3,421,657)	(499,117)	-	(3,920,774)
Furniture and Equipment	(15,262,287)	(1,422,188)	1,081,882	(15,602,593)
Infrastructure	(14,681,356)	(1,390,559)	-	(16,071,915)
	<u>(69,963,645)</u>	<u>(5,449,369)</u>	<u>1,091,755</u>	<u>(74,321,259)</u>
Net Other Capital Assets	<u>112,720,587</u>	<u>(1,447,259)</u>	<u>379,030</u>	<u>111,652,358</u>
Net Capital Assets	<u>\$ 114,935,233</u>	<u>\$ (1,447,259)</u>	<u>\$ (78,062)</u>	<u>\$ 113,409,912</u>

The above assets as of December 31, 2016, include \$8,949,148 relating to capitalized leases and \$5,594,277 of associated accumulated amortization.

Capital assets' additions displayed above include donated assets amounting to \$27,467. These assets are not included as expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.

**COUNTY OF BEAVER, PENNSYLVANIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND JUNE 30, 2016**

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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, 2016:

		<u>Estimated Useful Lives</u>
Land	\$ 3,774,575	N/A
Construction in Progress	7,102	N/A
Buildings and Improvements	17,124,667	30
Tangible Transit Operating Property	14,114,848	5-12
Other Property - MATP	60,810	4-5
Furniture and Equipment	1,574,486	4-5
	<u>36,656,488</u>	
Less Accumulated Depreciation	<u>(18,011,315)</u>	
	<u><u>\$ 18,645,173</u></u>	

Depreciation expense for the year ended June 30, 2016, amounted to \$1,548,446.

**Component Unit - CCBC**

The following is a summary of CCBC’s property accounts as of June 30, 2016:

		<u>Estimated Useful Lives</u>
Land	\$ 980,652	N/A
Construction in Progress	2,549,220	N/A
Land Improvements	747,863	20
Buildings and Improvements	47,041,385	25-50
Vehicles	251,942	8-10
Furniture and Equipment	12,007,154	5-20
	<u>63,578,216</u>	
Less Accumulated Depreciation	<u>(29,934,882)</u>	
	<u><u>\$ 33,643,334</u></u>	

Depreciation expense for the year ended June 30, 2016, amounted to \$1,644,020.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

### NOTE G - EMPLOYEE RETIREMENT PLAN

The January 1, 2016, net position of the County was increased by \$4,230,112, a combination of an increase in beginning net position as of January 1, 2015 of \$6,825,757, and an increase of pension expense for 2015 of \$2,595,645, from \$19,021,587, the amount previously reported, to \$23,251,699. This increase in net position is the result of the County correcting its calculation of members' reserves liability and service costs, which reduced the County's Total Pension Liability and Net Pension Liability. Below indicated amounts as previously reported and as reported in these financial statements:

	Year Ended December 31, 2015		Difference
	As previously reported	As restated	
Total Pension Liability			
Service Cost	\$ 1,906,785	\$ 5,251,894	\$ (3,345,109)
Interest	19,872,317	20,688,336	(816,019)
Changes in benefit terms		-	-
Differences between expected and actual experience	(185,905)	(3,094,083)	2,908,178
Changes in assumption	-	-	-
Benefit payments, including refunds of member contribution	(16,831,971)	(16,685,010)	(146,961)
Net change in total pension liability	4,761,226	6,161,137	(1,399,911)
Deferred Inflows of Resources	154,921	1,350,655	(1,195,734)
2015 Pension expense increase			(2,595,645)
Total pension liability - beginning of year	<u>\$ 287,200,704</u>	<u>\$ 280,374,947</u>	<u>6,825,757</u>
Increase in Net Position - December 31, 2015			<u>\$ 4,230,112</u>

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### 1. Summary of Significant Accounting Policies

##### Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Beaver County Employees' Pension Plan (the Plan), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### 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.

#### 2. Plan Description

The County sponsors 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, the County Treasurer, an Employee Representative, and a Retiree Representative. 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.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### 3. Benefits Provided

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.

On an ad hoc basis, cost-of-living adjustments to each member's 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.

#### 4. Employees Covered by Benefit Terms

As of January 1, 2017, 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	1,234
Inactive plan members not yet receiving benefits	179
Active plan participants:	794
	<u>2,207</u>

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### 5. 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 2016 was determined as part of an actuarial valuation as of January 1, 2016, 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.

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 2016 measurement period, the active member contribution rate was 9.0 percent of annual pay, and the County average rate was 3.30 percent of annual payroll.



**COUNTY OF BEAVER, PENNSYLVANIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND JUNE 30, 2016**

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

**6. Net Pension Liability (NPL)**

The following are the components of the Plan's net pension liability (asset) and their balances as of December 31, 2016:

Total Pension Liability	\$ 289,544,951
Plan Fiduciary Net Position	<u>290,226,618</u>
Net Pension Liability (Asset)	<u>\$ (681,667)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	<u>100.24%</u>

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation for the 2016 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 2016 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 actuarial experience study was performed during 2016; however, no modification to assumptions were made as a result.

No ad hoc postemployment benefit changes were included in future liability.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### 7. 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 2016 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%	5.5 - 6.5%
International Equity	10%	+/-10%	5.5 - 6.5%
Fixed Income	25%	+/-10%	1.3 - 3.3%
Real Estate	15%	+/-5%	4.5 - 5.5%
Cash	0%	+3%	0.0 - 1.0%

#### 8. Discount Rate

The discount rate used to measure the total pension liability was 7.5%. 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).

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### 9. Changes in the Net Pension Liability

	Increase / (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
<b>Balances at 12/31/2015</b>	\$ 286,536,084	\$ 283,860,317	\$ 2,675,767
<b>Changes for the year:</b>			
Service cost	5,164,460	-	5,164,460
Interest	20,919,790	-	20,919,790
Differences between expected and actual experience	(2,233,093)	-	(2,233,093)
Contributions - employer	-	1,265,160	(1,265,160)
Contributions - employee	-	3,278,822	(3,278,822)
Net investment income	-	22,894,917	(22,894,917)
Benefit payments, including refunds of employee contributions	(20,842,290)	(20,842,290)	-
Administrative expense	-	(227,808)	227,808
Other changes	-	(2,500)	2,500
<b>Net changes</b>	<u>3,008,867</u>	<u>6,366,301</u>	<u>(3,357,434)</u>
<b>Balances at 12/31/2016</b>	<u>\$ 289,544,951</u>	<u>\$ 290,226,618</u>	<u>\$ (681,667)</u>

#### 10. 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:

	Current		
	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
County's Net Pension Liability (Asset)	\$ 26,282,080	\$ (681,667)	\$ (24,245,618)

**COUNTY OF BEAVER, PENNSYLVANIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND JUNE 30, 2016**

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

**11. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2016, the County recognized pension expense of \$4,804,343 and reported deferred outflows of resources and deferred inflows of resources for pension related activities from the following sources:

	<u>Total Pension Liability</u>		<u>Plan Fiduciary Net Position</u>		<u>Total</u>
	<u>Outflow</u>	<u>(Inflow)</u>	<u>Outflow</u>	<u>(Inflow)</u>	
1. Deferred (Inflow)/Outflow of Resources as of December 31, 2015	\$ -	\$ (154,921)	\$ 15,177,901	\$ -	\$ 15,022,980
2. Prior Period One-Time Adjustment	-	1,195,734	-	-	1,195,734
3. Deferred (Inflow)/Outflow of Resources as of January 1, 2016: (1)-(2)	-	(1,350,655)	15,177,901	-	13,827,246
4. Differences between Expected and Actual Experience for 2016	-	(2,468,712)	-	(1,800,297)	(4,269,009)
5. Portion Recognized in 2016 Pension Expense	-	(806,808)	3,794,475	(360,059)	2,627,608
6. Deferred (Inflow)/Outflow of Resources as of December 31, 2016: (3)+(4)-(5)	\$ -	\$ (3,012,559)	\$ 11,383,426	\$ (1,440,238)	6,930,629
7. Change in Deferred (Inflow)/Outflow of Resources as of December 31, 2016: (6)-(3)					\$ (6,896,617)
* Determined as follows					
1. Projected Earnings on Plan Investments				\$ 19,751,852	
2. Actual Earnings on Plan Investments for 2016				21,552,149	
3. Differences between Expected and Actual Experience for 2016: (1)-(2)				\$ (1,800,297)	

For the 2016 measurement period, the County recognized pension expense of \$4,804,343, and amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2017	\$ 2,627,608
2018	2,627,608
2019	2,627,609
2020	(952,196)
2021	-
Thereafter	-
Total	<u>\$ 6,930,629</u>

**COUNTY OF BEAVER, PENNSYLVANIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND JUNE 30, 2016**

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

**12. Payable to the Pension Plan**

The County had no outstanding amount of contributions to the pension plan required for the year ended December 31, 2016.

**13. 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, 2017, the balance in this account was \$59,110,075 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, 2017, the balance in this account was \$12,385,389.

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, 2017, the balance in this account amounted to a fully funded \$156,797,561.

**14. Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Retirement Board report. A copy of the report may be obtained by writing to:

Beaver County Employees' Retirement Board  
Beaver Courthouse  
810 Third St  
Beaver, PA 15009-2196

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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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.

Contributions required of employers are based upon an actuarial valuation. For the fiscal year ended June 30, 2017, the rate of employer contribution was 25.84% of covered payroll. This rate is comprised of a 0.84% rate for health insurance premium assistance and a pension contribution rate of 25.0%.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

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

Pension expense for CCBC for the year ended June 30, 2016, totaled \$176,465 based on a total covered payroll of \$1,335,800. 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 \$98,739 to the PSERS for the year ended June 30, 2016.

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, 2016 AND JUNE 30, 2016

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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, 2016, total employee contributions amounted to \$310,406. 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 \$142,313 for the year ended June 30, 2016.

#### **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, 2016, CCBC contributed \$738,913 to this retirement plan.



# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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### NOTE I – SHORT-TERM DEBT

On January 4, 2016, 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 \$13,000,000 bearing interest at 1.20%. The County paid all principal and accrued interest in 2016, prior to the note's maturity date.

Beginning Balance at January 1, 2016	Borrowings	Repayments	Ending Balance at December 31, 2016
\$ 9,545,995	\$ 13,000,000	\$ (22,545,995)	\$ -

The beginning balance represents the outstanding balance of the TRAN issued in 2015. The County issued a check on December 29, 2015 payable to Huntington Public Cap Corp that was in excess of the funds available in the bank account by approximately \$8.3 million. The above mentioned balance was cleared on January 4, 2016.

#### **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, 2016.

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

On August 21, 2009, CCBC entered into a working capital line of credit note for \$1,500,000. During the 2015-2016 fiscal year, CCBC signed documents with First National Bank to extend the total available line of credit by an additional \$4,500,000. The terms of the note call for a per annum rate of interest up to 3%. The general revenues of CCBC serve as collateral on this note. There is an outstanding balance of \$759,092 on this line of credit as of June 30, 2016.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

### NOTE J - LONG-TERM LIABILITIES

The following summarizes the long-term debt activity for the year ended December 31, 2016:

	Interest Rate	Issued	Maturity	Balance January 1, 2016	Additions	Reductions	Balance December 31, 2016	Due Within One Year
<u>Governmental Activities</u>								
General Obligation Bonds								
Series of 2009 Notes	2.50-5.55	02/12/2009	11/15/2031	\$ 63,180,000	\$ -	\$ (60,185,000)	\$ 2,995,000	\$ 100,000
Series A of 2016	2.12-5.00	05/15/2016	11/15/2025	-	11,005,000	-	11,005,000	730,000
Series B of 2016	1.59-4.23	05/15/2016	11/15/2032	-	103,635,000	-	103,635,000	2,800,000
				<u>63,180,000</u>	<u>114,640,000</u>	<u>(60,185,000)</u>	<u>117,635,000</u>	<u>3,630,000</u>
Other General Long-Term Liabilities								
Pension Bond of 2005	4.75-5.65	12/22/2005	12/15/2030	10,615,000	-	(10,615,000)	-	-
PFA Series A of 2005	3.75-5.60	05/27/2005	10/01/2029	2,330,000	-	(2,330,000)	-	-
Pension Bond of 2009	3.86-6.50	07/08/2009	05/15/2032	19,010,000	-	(19,010,000)	-	-
DCED GOB	1.00	08/01/2011	07/01/2021	33,359	-	(5,827)	27,532	5,888
PFA Series of 2012	2.00-4.00	10/01/2012	10/01/2031	3,370,001	-	(450,001)	2,920,000	465,000
PFA Series of 2013	0.70-2.60	05/15/2013	11/15/2024	9,595,000	-	(870,000)	8,725,000	885,000
				<u>44,953,360</u>	<u>-</u>	<u>(33,280,828)</u>	<u>11,672,532</u>	<u>1,355,888</u>
(Discount)/Premium				(1,221,704)	973,545	1,155,089	906,930	-
Total Governmental Activities				<u>\$ 106,911,656</u>	<u>\$ 115,613,545</u>	<u>\$ (92,310,739)</u>	<u>\$ 130,214,462</u>	<u>\$ 4,985,888</u>

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.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

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. This debt issue was shared with the County's former long-term health care facility. As of December 31, 2016, all of the defeased 2007 Bonds have been redeemed. The bonds outstanding as of December 31, 2016, amounted to \$2,995,000, which are scheduled to be paid by mandatory sinking fund payments, ranging from \$95,000 to \$395,000, take effect in 2014 and continue through bond maturity on November 15, 2031.

The outstanding bonds not allocated to the County's former long-term health care facility were refinanced and considered defeased in May 2016 by the issuance of the General Obligations Bonds, Federally Taxable Series B of 2016.

#### *General Obligation Bonds, Series A of 2016 and General Obligation Bonds, Federally Taxable Series B of 2016*

In May 2016, the County issued \$11,005,000 of tax-exempt general obligation bonds and \$103,635,000 of taxable general obligation bonds to advance refund \$2,330,000 of Federally Taxable General Obligations Bonds Series A of 2005, \$550,000 of Federally Taxable General Obligations Bonds Series B of 2005, \$10,615,000 of Federally Taxable General Obligation Pension Bonds, Series of 2005, \$10,984,944, including accrued interest, of Guaranteed Lease Revenue Bonds, Series of 2008 ("911 Center"), \$19,010,000 of Federally Taxable General Obligation Pension Bonds, Series of 2009, and \$60,090,000 of General Obligation Notes, Series of 2009. Net proceeds of \$114,298,594 were deposited with an escrow agent to provide for all future debt service payments related to the above advance refunded bonds and lease.

This advance refunding reduced the County's total debt service payments over the next 15 years by almost \$9.6 million, and results in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of approximately \$9.0 million. A deferred amount on refunding of \$12,451,970 has been recognized, which, as of December 31, 2016, is recorded in the government-wide Statement of Net Position with a balance of \$9,339,210. Interest on this issue is payable semiannually at annual rates from 1.6% to 5.0%. Combined yearly principal maturities range from \$3,530,000 to \$10,545,000. Series A Bonds mature on November 15, 2025, while the Series B Bonds mature November 15, 2032.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

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.

The County advance refunded these bonds through the issuance of the General Obligation Bonds, Federally Taxable Series B of 2016.

#### *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 Federally Taxable Guaranteed Revenue Bonds, Series A of 2005, of which the County is a guarantor.

The County advance refunded these bonds through the issuance of the General Obligation Bonds, Federally Taxable Series B of 2016.

#### *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 its former long-term health care facility.

The County advance refunded these bonds through the issuance of the General Obligation Bonds, Federally Taxable Series B of 2016.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### *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 the County's former long-term health care facility. 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.

The debt refundings that took place are hereby depicted:

	Governmental Activities	Former Long-Term Health Care Facility
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)	-

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### *PFA Series of 2012 – Continued*

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, 2016, is recorded in the government-wide Statement of Net Position with a balance of \$43,241. 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.

#### *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 the County's former long-term health care facility. 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, 2016, the outstanding balance of unamortized deferred amount on refunding for this issue is \$513,695 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.

**COUNTY OF BEAVER, PENNSYLVANIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

DECEMBER 31, 2016 AND JUNE 30, 2016

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

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

The aggregate amount of debt service requirements for the primary government, which includes outstanding General Obligation Bonds and Other General Long-Term Liabilities, during the next five years and thereafter is as follows:

	Principal	Interest
2017	\$ 4,985,888	\$ 4,434,418
2018	6,740,948	4,344,268
2019	6,896,008	4,191,460
2020	7,071,069	4,020,404
2021	8,668,619	3,819,089
2022-2026	38,330,000	15,513,122
2027-2031	46,070,000	8,014,470
2032-2036	10,545,000	445,948
	129,307,532	44,783,179
Unamortized Premium / (Discount)	906,930	(906,930)
	\$ 130,214,462	\$ 43,876,249

The following summarizes other long-term obligation activity for the primary government for the year ended December 31, 2016:

	Balance January 1, 2016	Additions	Reductions	Balance December 31, 2016	Due Within One Year
Capital Lease Obligations	\$ 15,514,970	\$ -	\$ (9,554,212)	\$ 5,960,758	\$ 310,275
Compensated Absences	1,138,251	216,378	(189,822)	1,164,807	157,854
Early Termination Benefits	-	2,456,322	(710,000)	1,746,322	671,106
County-wide	\$ 16,653,221	\$ 2,672,700	\$ (10,454,034)	\$ 8,871,887	\$ 1,139,235

In April 2016, the County offered an early termination retirement package to eligible employees. Employees who accepted the package were paid \$10,000 in the year of retirement with an additional \$9,000 in the year following retirement, and \$8,000 in the two years thereafter. There were 71 employees who accepted the early retirement incentive. See Note A for additional information on the assumptions used to calculate the liability.

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

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### Capital Lease Obligations

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

Land	\$	392,984
Buildings		8,306,820
Equipment		81,604
Vehicles		167,740

#### *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, 2016, is approximately \$5,395,000. This amount is recorded as a liability of the primary government in the Statement of Net Position. The agreement also requires the County to pay for bond maintenance fees, real estate taxes, and other miscellaneous lease-related charges.



# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### Capital Lease Obligations – Continued

##### *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 \$217,900 remaining as of December 31, 2016. Payments are due monthly at \$2,400 each. The County acquires title to the land upon expiration of the lease at no additional cost.

##### *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, 2016, is approximately \$241,700. 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.

##### *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. In addition, the County has leased this facility to another party. This transaction was recorded by the County as a disposal.

The County advance refunded the remaining balance on the PFA outstanding bonds through the issuance of the General Obligation Bonds, Federally Taxable Series B of 2016.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### Capital Lease Obligations – Continued

##### *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.

As described earlier in this Note J, the County issued General Obligation Bonds, Series A of 2016. These proceeds were used to defease the outstanding bonds of the Beaver County Economic Development Authority.

##### *Equipment Leases*

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 continued through June 2016, when the County took over ownership of this equipment.

##### *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, 2016, on this lease is around \$16,700.

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 lease ended in August 2016, at which time the County took over ownership of the vehicles.

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, 2016, is roughly \$89,500.

**COUNTY OF BEAVER, PENNSYLVANIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND JUNE 30, 2016**

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

Capital Lease Obligations – Continued

The following schedule summarizes the primary government’s future minimum lease payments due:

	<u>Land</u>	<u>Buildings</u>	<u>Other</u>	<u>Total Minimum Lease Payments</u>
2017	\$ 28,800	\$ 562,148	\$ 30,599	\$ 621,547
2018	28,800	559,648	30,599	619,047
2019	28,800	561,518	30,599	620,917
2020	28,800	557,631	30,601	617,032
2021	28,800	558,238	2,085	589,123
2022-2026	136,800	2,794,003	6,000	2,936,803
2027-2031	-	2,639,980	6,000	2,645,980
2032-2036	-	-	6,000	6,000
	<u>280,800</u>	<u>8,233,166</u>	<u>142,483</u>	<u>8,656,449</u>
Less: Interest	(62,925)	(2,596,421)	(36,345)	(2,695,691)
Present Value	<u>\$ 217,875</u>	<u>\$ 5,636,745</u>	<u>\$ 106,138</u>	<u>\$ 5,960,758</u>

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 by the primary government are reported as follows in the government-wide Statement of Net Position:

	<u>Land</u>	<u>Buildings</u>	<u>Other</u>	<u>Total Minimum Lease Payments</u>
2017 Payment	\$ 28,800	\$ 562,148	\$ 30,599	\$ 621,547
Less: Interest	(10,913)	(292,328)	(8,031)	(311,272)
Present Value	<u>\$ 17,887</u>	<u>\$ 269,820</u>	<u>\$ 22,568</u>	<u>\$ 310,275</u>

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### Long-Term Liabilities Summary

Future long-term debt obligations of the primary government are depicted below:

Due within one year:		
Obligations under bond issuances	\$	4,985,888
Obligations under capital leases		310,275
Compensated absences		157,854
Early termination benefits		671,106
Total	\$	<u>6,125,123</u>
Due in more than one year:		
Obligations under bond issuances	\$	124,321,644
Plus: Bond Premium		906,930
Obligations under capital leases		5,650,483
Compensated absences		1,006,953
Early termination benefits		1,075,216
Total	\$	<u>132,961,226</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, 2016, the County's legal debt margin is approximately \$79 million for non-electoral debt and approximately \$250 million for non-electoral and lease rental debt combined.

**COUNTY OF BEAVER, PENNSYLVANIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND JUNE 30, 2016**

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

Liquidation of Long-term Liabilities

All outstanding long-term liabilities related to the primary government have historically been liquidated as follows:

- 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 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	63%
Mental Health / Intellectual Disabilities	15%
Children & Youth	9%
Community Development	1%
HealthChoices	1%
Other Governmental Funds	10%

- Early termination benefits have been liquidated by the General Fund.
- Long-term debt has been liquidated by the General Fund, except as noted above.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### Component Unit – CCBC

##### Outstanding Debt Issuances

In December of 2015, the Pennsylvania Finance Authority issued \$5,630,000 in College Revenue Bonds - Series of 2015. The bonds were issued to provide funds to the College for the purchase of land adjacent to the campus, to provide funds for college building renovations, 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 the Community College of Beaver County (CCBC), whereby the Authority will loan the proceeds of the bonds to the College. The loan agreement requires the College to make loan repayments to the Authority in an amount sufficient to pay the debt service requirements of the Bonds. The obligation of the College under the loan agreement is evidenced by a signed general obligation promissory note dated as of December 2015. The Authority bonds were issued in denominations of \$5,000 with interest payable on June 1 and December 1 each year through maturity. The Interest rates on the bonds is 2%-3.75% with the bonds scheduled to mature June 1, 2036. The bonds provide for early redemption options as detailed in the official statement of issue.

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 evidence 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.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### Component Unit – CCBC – Continued

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.

CCBC has also advance 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 issuance of the College Revenue Bonds – Series of 2007 and Series of 2015, CCBC received an original issue discount of 452,585 which is being amortized over the life of the bond issue. Bond discount amortization for the years ended June 30, 2016 was \$17,814 and \$17,034 respectively and is included as a component of interest expense. The unamortized portion of the bond discount of \$297,082 at June 30, 2016 is deducted from the long-term portion of notes payable.

In connection with the issuance of the College Revenue Bonds – Series of 2012, CCBC received an original issue premium of \$46,007 which is being amortized over the life of the bond issue. Bond premium amortization for the years ended June 30, 2016 was \$7,361 and is included as a component of interest expense. The unamortized balance of \$17,789 at June 30, 2016 is added to the long-term portion of notes payable.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### Component Unit – CCBC – Continued

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, 2016, CCBC amortized \$30,267 of this loss which is shown as part of interest expense. The unamortized balance of \$73,145 at June 30, 2016, 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, 2016, is as follows:

June 30,	Principal	Interest	Total
2017	\$ 1,075,000	1,183,566	\$ 2,258,566
2018	1,100,000	1,151,341	2,251,341
2019	1,135,000	1,116,616	2,251,616
2020	1,175,000	1,079,991	2,254,991
2021	1,640,000	1,031,341	2,671,341
2022-2026	9,195,000	4,129,150	13,324,150
2027-2031	11,300,000	2,030,180	13,330,180
2032-2036	3,950,000	210,106	4,160,106
	<u>\$ 30,570,000</u>	<u>\$ 11,932,291</u>	<u>\$ 42,502,291</u>

#### Capital Lease Obligations

CCBC currently leases copier equipment from Xerox for use in its publications department. The terms of the lease agreement dated July 1, 2015, calls for monthly payments of \$12,600. Lease expense for the year ended June 30, 2016 was \$151,200. This lease will terminate on June 30, 2020.



# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

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

##### 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, 2016, accumulated compensated absences totaled \$580,830.

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.

Additionally, CCBC provides special one-time early retirement incentives to eligible members of the Beaver County Society of the Faculty, the amounts of which are dependent upon the collective bargaining agreement under which the eligible member retired. The terms of the current collective bargaining agreement provide for the payment of graduated amounts per year toward health insurance, depending on retirement age, up to a maximum of \$7,000 per year for a period of three years (commencing August 31, 2010). As of June 30, 2016, the total calculated liability for retiree health insurance benefits and early retirement incentives totaled \$313,819.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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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.

#### Countywide Tax Reassessment Complaint

In December 2015, a Complaint was filed against the County for a countywide reassessment. This matter is currently pending with the Court. Since the complaint was filed, several conferences have been held with the judge regarding the matter. A hearing has been scheduled for August 2017, in which the judge will decide whether the County is or is not subject to perform a reassessment.

#### 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. On July 7, 2015, the Federal Transit Administration (FTA) issued the final results of FY 2015 Triennial Review conducted during the 2014-2015 fiscal year. The Review focuses on seventeen areas of compliance related to the Authority's operations. Deficiencies were noted in six areas which either have been closed or are currently being addressed by management of the Authority for closure by the FTA. Management does not consider any of these deficiencies material to its financial position or results of operations. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenses.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### **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, 2016, the remaining unused portion of this estimated liability was \$143,822.

### **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, and employee health benefits. 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, \$250,000 for cyber liability, \$250,000 for property, and \$50,000 for equipment breakdown. There is a deductible of \$50,000 for general liability, \$5,000 for crime, \$2,500 for cyber liability, \$25,000 for property, and \$1,500 for equipment breakdown, per occurrence. PCoRP purchases excess coverage for claims over that threshold up to a maximum limit of \$5,000,000 for liability, \$1,000,000 for crime, \$750,000,000 for property, and \$100,000,000 for equipment breakdown. 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.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### HealthChoices Exposures

The County has entered into an agreement with the Commonwealth of Pennsylvania's Department of Human Services (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, 2015	\$ 2,400,000
Incurred claims and estimates	26,282,280
Less: Claims paid during period	<u>26,382,280</u>
Liability balance - December 31, 2015	2,300,000
Incurred claims and estimates	31,920,745
Less: Claims paid during period	<u>31,220,745</u>
Liability balance - December 31, 2016	<u>\$ 3,000,000</u>

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 \$7.7 million. This entire balance is available to cover losses in future periods.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### 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 \$13,182,283. During 2015, the County's attachment point for individual claims was \$150,000 and the attachment point for aggregate claims was \$10,224,434. 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.

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

Liability balance - January 1, 2015	\$ 890,054
Incurred claims and estimates	12,273,620
Less: Claims paid during period	<u>12,345,270</u>
Liability balance - December 31, 2015	818,404
Incurred claims and estimates	10,188,498
Less: Claims paid during period	<u>10,329,682</u>
Liability balance - December 31, 2016	<u><u>\$ 677,220</u></u>

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

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### **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.

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

#### **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 2015-2016 fiscal year, BCTA paid premiums, excluding workers compensation, of \$94,920 for fixed costs and \$154,712 for loss funding. Premiums paid for workers compensation were \$56,515 for fixed costs and \$226,060 for loss funding, less a dividend of \$55,563. 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.

**COUNTY OF BEAVER, PENNSYLVANIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND JUNE 30, 2016**

**NOTE M – COMMITMENTS**

The following are amounts encumbered in the governmental funds:

	General Fund	Mental Health / Intellectual Disabilities	Children & Youth	Community Development	HealthChoices	Other Governmental Funds
Restricted	\$ -	\$ 6,918	\$ 19,084	\$ 1,542	\$ 432	\$ 133,246
Assigned	12,409	-	-	-	-	-
<b>Total</b>	<b>\$ 12,409</b>	<b>\$ 6,918</b>	<b>\$ 19,084</b>	<b>\$ 1,542</b>	<b>\$ 432</b>	<b>\$ 133,246</b>

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

At December 31, 2016, the County had one open letter of credit with a value totaling \$180,000, to cover excess costs of workers’ compensation claims if needed. At December 31, 2016, the letter had not been drawn.

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 and 2012, the College issued \$27,780,000 and \$2,890,000, respectively, 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 and the United States Department of Housing and Urban Development (“HUD”) reached agreement to an ongoing audit finding dispute in 2017. The settlement involves payment by the County of a \$25,000 administrative fee and reduction of HUD entitlement funding of \$405,235, evenly distributed across three years, ending on HUD’s 2018 program year.

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.

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND JUNE 30, 2016

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

#### **Component Unit – BCTA**

During the 2015-2016 fiscal year, BCTA entered into a contract for vehicles in the amount of \$1,430,808. The remaining outstanding contract dollar commitments on these design and engineering agreements total \$1,430,808, at June 30, 2016.

#### **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 deferred compensation on June 30, 2014 for services rendered to the College for fiscal years ended June 30, 2012 through June 30, 2014 totaling \$100,000. As of June 30, 2015, \$24,463 per this agreement is still due and has been accrued. In addition, \$4,000 has been accrued as a longevity bonus for the President.

### **NOTE N – SALE OF LONG-TERM HEALTH CARE FACILITY**

#### **Sale of Long-Term Health Care Facility and Subsequent Activity**

In 2014, the County entered into an agreement to sell its long-term healthcare facility ("facility"). The sales agreement provided for a sales price to be determined after selected obligations were both determined and satisfied. In addition, the agreements provided for the purchaser to have any collections of the facility's accounts receivable subsequent to February 28, 2014, forwarded to the purchaser. In June 2016, the County engaged an expert to calculate the amount it believes the County is owed from the sale of the facility. After the transfer of operations and ownership took place the County collected certain facility accounts receivable and transferred most of it to the facility's owner. The County also paid during the period the facility's accounts payable, as of February 28, 2014, including those on behalf of employees, as they came due. The report issued by the consultant hired by the County indicates that the County is due approximately \$1.2 million from the purchaser.



**COUNTY OF BEAVER, PENNSYLVANIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND JUNE 30, 2016**

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**NOTE O – TAX ABATEMENTS**

As of December 31, 2016 the County provides tax abatements under the Local Economic Revitalization Tax Assistance (LERTA) program.

LERTA provides property tax abatements to new construction within specified areas of deterioration for industrial, commercial, or other business properties, under state code 72 P.S. 4722. Abatements are obtained through application by the property owner, including permits for building/alterations. Once the construction is complete, the County’s Chief Assessor shall separately assess the improvement and calculate the amounts of the assessment eligible for exemption in accordance with the limits established by the County. The amount of the abatement is deducted from the property owner’s tax bill.

Information relevant to the disclosure of those programs for the year ended December 31, 2016, is as follows:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
LERTA	\$ 102,423

Under the Beaver County Corporation for Economic Development (CED) tax abatement agreement, County property tax revenues were reduced by \$78,896.

**NOTE P – SUBSEQUENT EVENTS**

On January 3, 2017, the County and Huntington National Bank entered into the 2017 TRAN in the amount of \$13 million, which was wired into a County bank account.

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## **REQUIRED SUPPLEMENTAL INFORMATION**

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# COUNTY OF BEAVER, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31,

	2016	2015*	2014*
Total Pension Liability			
Service Cost	\$ 5,164,460	\$ 5,251,894	\$ 6,563,530
Interest	20,919,790	20,688,336	20,493,247
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(2,233,093)	(3,094,083)	1,812,102
Changes in assumption	-	-	-
Benefit payments, including refunds of member contribution	(20,842,290)	(16,685,010)	(24,703,033)
Net change in total pension liability	3,008,867	6,161,137	4,165,846
Total pension liability - beginning of year	286,536,084	280,374,947	276,209,101
Total pension liability - end of year (a)	<u>\$ 289,544,951</u>	<u>\$ 286,536,084</u>	<u>\$ 280,374,947</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 1,265,160	\$ 1,162,800	\$ 2,286,670
Contributions - member	3,278,822	3,345,109	3,867,005
Net investment income	22,894,917	1,393,557	18,663,378
Benefit payments, including refunds of member contribution	(20,842,290)	(16,685,010)	(24,703,033)
Administrative expense	(227,808)	(218,777)	(189,839)
Other expense	(2,500)	7,268	-
Net change in plan fiduciary net position	6,366,301	(10,995,053)	(75,819)
Total plan fiduciary net position - beginning of year	283,860,317	294,855,370	294,931,189
Total plan fiduciary net position - end of year (b)	<u>\$ 290,226,618</u>	<u>\$ 283,860,317</u>	<u>\$ 294,855,370</u>
County's net pension liability (asset) - ending (a) - (b)	<u>\$ (681,667)</u>	<u>\$ 2,675,767</u>	<u>\$ (14,480,423)</u>
Plan fiduciary net position as a percentage of the total pension liability	100.24%	99.07%	105.16%
Covered-employee payroll	<u>\$ 38,321,452</u>	<u>\$ 38,562,973</u>	<u>\$ 56,895,011</u>
County's net pension liability (asset) as a percentage of covered-employee payroll	<u>(1.78%)</u>	<u>6.94%</u>	<u>(25.45%)</u>

\*2015 and 2014 amounts have been restated as described in Note G to the financial statements.

This schedule is presented to illustrate information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

See notes to Required Supplemental Schedules

# COUNTY OF BEAVER, PENNSYLVANIA

## SCHEDULE OF COUNTY CONTRIBUTIONS AND PENSION PLAN INVESTMENT RETURNS

YEARS ENDED DECEMBER 31,

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<b>Schedule of County's Contributions</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution	\$ 1,265,160	\$ 1,162,800	\$ 2,286,670
Contributions in relation to the actuarially determined contribution	<u>1,265,160</u>	<u>1,162,800</u>	<u>2,286,670</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ 38,321,452</u>	<u>\$ 38,562,973</u>	<u>\$ 56,895,011</u>
Contributions as a percentage of covered- employee payroll	<u>3.30%</u>	<u>3.02%</u>	<u>4.02%</u>
<b>Investment Returns</b>			
Annual money-weighted rate of return, net of investment expense	<u>8.97%</u>	<u>0.63%</u>	<u>7.07%</u>

This schedule is presented to illustrate information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

See notes to Required Supplemental Schedules

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2016

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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 Dates:	January 1 of the valuation year
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Method prescribed by Pennsylvania State Law, Act 44
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, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Revenues</u></b>				
Real Estate Taxes	\$ 48,842,060	\$ 48,842,060	\$ 48,172,039	\$ (670,021)
Licenses and Permits	135,000	135,000	146,785	11,785
Interest and Rents	40,000	202,509	151,079	(51,430)
Intergovernmental Revenues	4,186,043	4,416,849	4,168,072	(248,777)
Departmental Earnings	8,144,390	10,023,017	10,796,821	773,804
Miscellaneous	4,373,357	473,608	129,836	(343,772)
<b>Total Revenues</b>	<b>65,720,850</b>	<b>64,093,043</b>	<b>63,564,632</b>	<b>(528,411)</b>
<b><u>Expenditures</u></b>				
Current				
General Government	7,459,316	10,483,776	10,229,240	(254,536)
Judicial	13,186,749	13,647,977	13,443,342	(204,635)
Public Safety	19,567,137	16,175,876	16,125,456	(50,420)
Public Works and Enterprises	3,074,738	3,269,293	3,268,576	(717)
Culture, Recreation and Conservation	2,615,057	2,561,179	2,561,103	(76)
Intergovernmental				
Human Services	6,667,231	7,037,129	7,037,127	(2)
Debt Service				
Principal	3,889,950	1,506,873	1,506,871	(2)
Interest	5,395,300	2,736,766	2,476,450	(260,316)
Bond Issuance Costs	-	1,152,441	1,152,441	-
Other	11,000	-	-	-
Capital Outlay				
Asset Acquisition & Improvements	245,600	830,351	830,350	(1)
<b>Total Expenditures</b>	<b>62,112,078</b>	<b>59,401,661</b>	<b>58,630,956</b>	<b>(770,705)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	3,608,772	4,691,382	4,933,676	242,294
<b>Other Financing Sources (Uses)</b>				
Proceeds of Refunding Bonds	-	114,640,000	114,640,000	-
Payments to Refunded Bond Escrow Agents	-	(114,298,594)	(114,298,594)	-
Original Issue Premium	-	973,545	973,545	-
Transfers From Other Funds	3,050,000	1,575,000	1,288,202	(286,798)
Transfers To Other Funds	(3,276,172)	(3,534,538)	(3,534,536)	2
<b>Total Other Financing Sources (Uses)</b>	<b>(226,172)</b>	<b>(644,587)</b>	<b>(931,383)</b>	<b>(286,796)</b>
<b>Net Change in Fund Balance</b>	<b>3,382,600</b>	<b>4,046,795</b>	<b>4,002,293</b>	<b>(44,502)</b>
Fund Balance (Deficits) - Beginning	(3,382,600)	(3,382,600)	3,143,015	6,525,615
Fund Balance (Deficits) - Ending	\$ -	\$ 664,195	\$ 7,145,308	\$ 6,481,113



## 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, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Revenues</u></b>				
Intergovernmental	\$ 17,288,200	\$ 17,434,882	\$ 17,015,417	\$ (419,465)
Departmental Earnings	1,310,000	1,310,000	1,109,901	(200,099)
Interest	4,200	4,200	6,381	2,181
Miscellaneous	319,000	319,000	-	(319,000)
Total Revenues	<u>18,921,400</u>	<u>19,068,082</u>	<u>18,131,699</u>	<u>(936,383)</u>
<b><u>Expenditures</u></b>				
Salaries & Benefits	5,949,290	5,949,626	5,513,403	(436,223)
Personnel Expense	37,100	39,100	20,607	(18,493)
Consultant/Contracted Services	1,592,500	1,633,432	1,424,488	(208,944)
Sub Contracted Services	11,862,100	11,798,928	10,480,634	(1,318,294)
Occupancy	247,300	247,800	222,514	(25,286)
Communication	109,000	118,150	86,954	(31,196)
Supplies & Minor Equipment	221,000	246,397	120,628	(125,769)
Transportation	131,500	131,500	96,043	(35,457)
Other Expenditures	553,000	355,000	275,904	(79,096)
Capital Outlay	15,000	164,103	141,512	(22,591)
Total Expenditures	<u>20,717,790</u>	<u>20,684,036</u>	<u>18,382,687</u>	<u>(2,301,349)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,796,390)	(1,615,954)	(250,988)	1,364,966
<b>Other Financing Sources (Uses)</b>				
Transfers from Other Funds	728,000	759,532	759,532	-
Total Other Financing Sources (Uses)	<u>728,000</u>	<u>759,532</u>	<u>759,532</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(1,068,390)	(856,422)	508,544	1,364,966
Fund Balance - Beginning	<u>1,090,590</u>	<u>927,182</u>	<u>703,952</u>	<u>(223,230)</u>
Fund Balance - Ending	<u>\$ 22,200</u>	<u>\$ 70,760</u>	<u>\$ 1,212,496</u>	<u>\$ 1,141,736</u>

## 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, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Revenues</u></b>				
Intergovernmental	\$ 12,959,354	\$ 12,959,354	\$ 12,330,073	\$ (629,281)
Departmental Earnings	139,294	139,294	46,843	(92,451)
Interest	100	100	127	27
Total Revenues	<u>13,098,748</u>	<u>13,098,748</u>	<u>12,377,043</u>	<u>(721,705)</u>
<b><u>Expenditures</u></b>				
Salaries & Benefits	5,233,565	5,475,140	5,343,936	(131,204)
Personnel Expense	30,100	31,600	26,631	(4,969)
Consultant/Contracted Services	948,100	1,074,730	999,535	(75,195)
Sub Contracted Services	6,093,000	6,012,302	5,724,376	(287,926)
Occupancy	475,020	495,119	417,544	(77,575)
Communication	190,000	277,504	256,346	(21,158)
Supplies & Minor Equipment	409,820	414,046	287,763	(126,283)
Transportation	165,000	197,000	186,427	(10,573)
Other Expenditures	1,566,950	1,376,050	1,165,542	(210,508)
Capital Outlay	27,500	46,755	19,255	(27,500)
Total Expenditures	<u>15,139,055</u>	<u>15,400,245</u>	<u>14,427,355</u>	<u>(972,890)</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(2,040,307)	(2,301,497)	(2,050,312)	251,185
<b>Other Financing Sources (Uses)</b>				
Transfers From Other Funds	1,500,000	1,799,828	1,799,827	(1)
Total Other Financing Sources (Uses)	<u>1,500,000</u>	<u>1,799,828</u>	<u>1,799,827</u>	<u>(1)</u>
<b>Net Change in Fund Balance</b>	(540,307)	(501,669)	(250,485)	251,184
Fund Balance - Beginning	<u>3,055,460</u>	<u>3,055,460</u>	<u>2,247,497</u>	<u>(807,963)</u>
Fund Balance - Ending	<u>\$ 2,515,153</u>	<u>\$ 2,553,791</u>	<u>\$ 1,997,012</u>	<u>\$ (556,779)</u>

## COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Revenues</u></b>				
Intergovernmental	\$ 6,522,184	\$ 6,729,891	\$ 4,636,169	\$ (2,093,722)
Departmental Earnings	971,970	971,970	294,401	(677,569)
Interest	160	160	114	(46)
Total Revenues	7,494,314	7,702,021	4,930,684	(2,771,337)
<b><u>Expenditures</u></b>				
Salaries & Benefits	721,730	752,516	670,455	(82,061)
Personnel Expense	18,518	16,508	5,761	(10,747)
Consultant/Contracted Services	6,606,059	6,784,266	3,953,930	(2,830,336)
Sub Contracted Services	30,242	22,742	-	(22,742)
Occupancy	108,675	109,633	68,924	(40,709)
Communication	34,650	39,685	16,714	(22,971)
Supplies & Minor Equipment	62,972	66,072	25,239	(40,833)
Transportation	15,500	15,329	7,117	(8,212)
Other Expenditures	101,520	100,822	80,299	(20,523)
Total Expenditures	7,699,866	7,907,573	4,828,439	(3,079,134)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(205,552)	(205,552)	102,245	307,797
Fund Balance - Beginning	387,404	387,404	121,699	(265,705)
Fund Balance (Deficit) - Ending	\$ 181,852	\$ 181,852	\$ 223,944	\$ 42,092

## COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Revenues</u></b>				
Intergovernmental	\$ 33,025,000	\$ 44,025,000	\$ 44,885,963	\$ 860,963
Interest	27,050	27,050	36,556	9,506
Miscellaneous	6,000	6,000	-	(6,000)
Total Revenues	33,058,050	44,058,050	44,922,519	864,469
<b><u>Expenditures</u></b>				
Salaries & Benefits	400,761	744,082	711,629	(32,453)
Personnel Expense	1,600	2,130	126	(2,004)
Consultant/Contracted Services	32,008,150	42,435,023	42,291,468	(143,555)
Occupancy	46,050	55,281	50,181	(5,100)
Communication	9,000	9,979	9,322	(657)
Supplies & Minor Equipment	11,800	31,136	25,031	(6,105)
Transportation	4,600	4,600	3,133	(1,467)
Other Expenditures	33,700	44,182	36,965	(7,217)
Capital Outlay	-	21,653	16,807	(4,846)
Total Expenditures	32,515,661	43,348,066	43,144,662	(203,404)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	542,389	709,984	1,777,857	1,067,873
Fund Balance - Beginning	14,266,600	14,366,600	11,705,681	(2,660,919)
Fund Balance - Ending	\$ 14,808,989	\$ 15,076,584	\$ 13,483,538	\$ (1,593,046)

# COUNTY OF BEAVER, PENNSYLVANIA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2016

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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.

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## **OTHER SUPPLEMENTAL INFORMATION**

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**COUNTY OF BEAVER, PENNSYLVANIA**

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>General Government</b>				
<b>Commissioners:</b>				
Salaries & Benefits	\$ 748,937	\$ 723,262	\$ 723,256	\$ (6)
Personnel Expense	15,500	5,050	5,049	(1)
Occupancy	160	35	35	-
Communication	21,300	5,388	5,387	(1)
Supplies & Minor Equipment	14,200	3,204	3,204	-
Transportation	15,000	10,641	10,641	-
Other Expenses	-	967	967	-
Total Expenditures	<u>815,097</u>	<u>748,547</u>	<u>748,539</u>	<u>(8)</u>
<b>Controller:</b>				
Salaries & Benefits	751,193	462,112	462,107	(5)
Personnel Expense	24,100	8,993	8,993	-
Occupancy	3,000	1,666	1,666	-
Communication	2,300	336	335	(1)
Supplies & Minor Equipment	15,000	6,801	6,799	(2)
Transportation	3,000	483	483	-
Total Expenditures	<u>798,593</u>	<u>480,391</u>	<u>480,383</u>	<u>(8)</u>
<b>Treasurer:</b>				
Salaries & Benefits	636,213	660,185	660,177	(8)
Personnel Expense	900	600	600	-
Occupancy	5,500	4,704	4,704	-
Communication	47,000	48,930	48,928	(2)
Supplies & Minor Equipment	37,500	23,556	24,139	583
Transportation	1,500	-	-	-
Other Expenses	5,500	4,604	4,604	-
Tax Refunds	156,500	136,499	136,499	-
Total Expenditures	<u>890,613</u>	<u>879,078</u>	<u>879,651</u>	<u>573</u>

## COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Recorder Of Deeds:</b>				
Salaries & Benefits	\$ 421,500	\$ 438,513	\$ 438,507	\$ (6)
Personnel Expense	900	759	759	-
Occupancy	5,500	7,026	7,026	-
Communication	1,200	1,040	1,040	-
Supplies & Minor Equipment	11,100	10,064	10,063	(1)
Transportation	2,300	-	-	-
Consultant/Contracted Services	52,644	52,644	52,644	-
Total Expenditures	495,144	510,046	510,039	(7)
<b>Legal Department:</b>				
Salaries & Benefits	369,524	296,588	296,581	(7)
Personnel Expense	14,000	13,237	13,236	(1)
Occupancy	600	209	208	(1)
Communication	500	419	419	-
Supplies & Minor Equipment	2,500	3,364	3,364	-
Transportation	2,000	966	966	-
Consultant/Contracted Services	-	37,592	37,592	-
Total Expenditures	389,124	352,375	352,366	(9)
<b>Employee Relations:</b>				
Salaries & Benefits	514,863	239,565	239,551	(14)
Personnel Expense	45,500	50,498	50,495	(3)
Occupancy	200	503	502	(1)
Communication	4,520	2,483	2,481	(2)
Supplies & Minor Equipment	6,200	7,106	7,104	(2)
Transportation	400	-	-	-
Consultant/Contracted Services	20,000	7,429	7,428	(1)
Total Expenditures	591,683	307,584	307,561	(23)
<b>Records Management:</b>				
Salaries & Benefits	115,950	95,888	95,881	(7)
Occupancy	-	2,000	2,000	-
Communication	1,050	1,557	1,556	(1)
Supplies & Minor Equipment	28,700	17,397	17,396	(1)
Transportation	500	-	-	-
Consultant/Contracted Services	-	9,820	9,819	(1)
Total Expenditures	146,200	126,662	126,652	(10)

Exhibit A (Page 2 of 18)

**COUNTY OF BEAVER, PENNSYLVANIA**

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

**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Information Technology:</b>				
Salaries & Benefits	\$ 498,262	\$ 547,292	\$ 547,285	\$ (7)
Personnel Expense	7,000	3,885	3,885	-
Communication	59,900	42,167	42,166	(1)
Supplies & Minor Equipment	135,500	74,003	66,822	(7,181)
Transportation	8,000	4,095	4,094	(1)
Consultant/Contracted Services	80,000	64,339	64,339	-
Total Expenditures	<u>788,662</u>	<u>735,781</u>	<u>728,591</u>	<u>(7,190)</u>
<b>Central Services Department:</b>				
Salaries & Benefits	156,154	180,199	180,195	(4)
Occupancy	200	27	26	(1)
Communication	5,000	(24,847)	(24,847)	-
Supplies & Minor Equipment	17,500	28,023	23,819	(4,204)
Total Expenditures	<u>178,854</u>	<u>183,402</u>	<u>179,193</u>	<u>(4,209)</u>
<b>Planning Commission:</b>				
Salaries & Benefits	390,110	429,229	429,224	(5)
Personnel Expense	2,775	305	305	-
Occupancy	1,100	923	922	(1)
Communication	2,450	1,010	1,008	(2)
Supplies & Minor Equipment	13,750	18,235	18,234	(1)
Transportation	8,000	2,844	2,844	-
Consultant/Contracted Services	632,500	116,791	116,790	(1)
Other Expenses	7,900	44,798	44,798	-
Total Expenditures	<u>1,058,585</u>	<u>614,135</u>	<u>614,125</u>	<u>(10)</u>
<b>Weights And Measures:</b>				
Salaries & Benefits	57,192	61,188	61,184	(4)
Communication	650	441	440	(1)
Supplies & Minor Equipment	1,750	350	350	-
Transportation	1,700	2,839	2,838	(1)
Total Expenditures	<u>61,292</u>	<u>64,818</u>	<u>64,812</u>	<u>(6)</u>

**COUNTY OF BEAVER, PENNSYLVANIA**

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Veterans Affairs:</b>				
Salaries & Benefits	\$ 175,524	\$ 185,241	\$ 185,236	\$ (5)
Personnel Expense	1,055	770	770	-
Communication	2,400	784	784	-
Supplies & Minor Equipment	3,400	1,761	1,760	(1)
Transportation	900	706	706	-
Other Expenses	122,000	120,875	120,875	-
Total Expenditures	<u>305,279</u>	<u>310,137</u>	<u>310,131</u>	<u>(6)</u>
<b>Election Bureau:</b>				
Salaries & Benefits	447,123	462,989	462,980	(9)
Personnel Expense	900	877	877	-
Occupancy	24,100	22,639	22,639	-
Communication	72,000	72,913	72,912	(1)
Supplies & Minor Equipment	60,000	60,067	60,066	(1)
Transportation	600	-	-	-
Consultant/Contracted Services	12,000	11,800	11,800	-
Other Expenses	234,400	233,174	233,173	(1)
Total Expenditures	<u>851,123</u>	<u>864,459</u>	<u>864,447</u>	<u>(12)</u>
<b>Assessment/Tax Claim:</b>				
Salaries & Benefits	1,193,918	1,238,498	1,238,490	(8)
Personnel Expense	18,000	19,033	19,031	(2)
Occupancy	3,000	4,934	4,933	(1)
Communication	280,700	266,593	266,592	(1)
Supplies & Minor Equipment	25,000	15,933	15,932	(1)
Transportation	13,100	13,170	13,170	-
Consultant/Contracted Services	35,000	34,970	34,969	(1)
Other Expenses	95,600	118,700	118,699	(1)
Total Expenditures	<u>1,664,318</u>	<u>1,711,831</u>	<u>1,711,816</u>	<u>(15)</u>

**COUNTY OF BEAVER, PENNSYLVANIA**

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

**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Public Defender:</b>				
Salaries & Benefits	\$ 1,230,374	\$ 1,334,290	\$ 1,334,283	\$ (7)
Personnel Expense	10,600	19,247	19,247	-
Occupancy	1,000	1,435	1,435	-
Communication	600	747	747	-
Supplies & Minor Equipment	6,000	9,750	9,749	(1)
Transportation	5,000	14,218	14,217	(1)
Other Expenses	15,000	40,053	40,053	-
Total Expenditures	<u>1,268,574</u>	<u>1,419,740</u>	<u>1,419,731</u>	<u>(9)</u>
<b>General Government:</b>				
Anticipated Expense Reduction	(3,886,225)	-	-	-
Personnel Expense	80,000	93,117	93,116	(1)
Occupancy	55,900	65,081	65,077	(4)
Communication	-	13	12	(1)
Supplies & Minor Equipment	-	1,197	1,196	(1)
Consultant/Contracted Services	335,000	295,919	295,919	-
Other Expenses	100,000	9,450	(225,552)	(235,002)
Pass-Through Grant Funding	-	6,250	6,250	-
Total Expenditures	<u>(3,315,325)</u>	<u>471,027</u>	<u>236,018</u>	<u>(235,009)</u>
<b>Miscellaneous:</b>				
Insurance	455,000	421,460	421,457	(3)
Interest	1,500	271,303	262,728	(8,575)
Indirect Cost Study	15,000	11,000	11,000	-
Total Expenditures	<u>471,500</u>	<u>703,763</u>	<u>695,185</u>	<u>(8,578)</u>
<b>Total General Government</b>	<u>\$ 7,459,316</u>	<u>\$ 10,483,776</u>	<u>\$ 10,229,240</u>	<u>\$ (254,536)</u>

## COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Judicial</b>				
<b>Clerk Of Courts:</b>				
Salaries & Benefits	\$ 756,732	\$ 738,488	\$ 738,479	\$ (9)
Personnel Expense	15,500	10,804	10,804	-
Occupancy	4,500	5,088	5,087	(1)
Communication	16,100	16,286	16,284	(2)
Supplies & Minor Equipment	13,500	14,001	13,999	(2)
Transportation	2,500	1,559	1,559	-
Consultant/Contracted Services	5,100	5,040	5,040	-
Other Expenses	1,500	1,890	1,889	(1)
Total Expenditures	815,432	793,156	793,141	(15)
<b>Coroner:</b>				
Salaries & Benefits	176,763	181,579	181,575	(4)
Personnel Expense	5,000	6,406	6,406	-
Occupancy	400	198	197	(1)
Communication	6,700	3,439	3,438	(1)
Supplies & Minor Equipment	500	5,701	5,700	(1)
Transportation	5,700	5,580	5,579	(1)
Other Expenses	152,500	256,359	264,009	7,650
Total Expenditures	347,563	459,262	466,904	7,642
<b>Jury Commission:</b>				
Salaries & Benefits	122,307	132,000	131,995	(5)
Communication	10,000	10,713	10,712	(1)
Supplies & Minor Equipment	5,160	4,349	4,348	(1)
Consultant/Contracted Services	6,285	6,181	7,884	1,703
Total Expenditures	143,752	153,243	154,939	1,696

**COUNTY OF BEAVER, PENNSYLVANIA**

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>District Attorney:</b>				
Salaries & Benefits	\$ 2,209,027	\$ 2,514,633	\$ 2,409,201	\$ (105,432)
Personnel Expense	18,200	15,499	15,499	-
Occupancy	2,500	3,500	3,499	(1)
Communication	8,360	10,075	10,074	(1)
Supplies & Minor Equipment	35,960	38,115	38,112	(3)
Transportation	11,800	12,198	12,197	(1)
Consultant/Contracted Services	22,000	35,472	35,471	(1)
Other Expenses	6,150	10,253	10,252	(1)
Total Expenditures	<u>2,313,997</u>	<u>2,639,745</u>	<u>2,534,305</u>	<u>(105,440)</u>
<b>Emergency Services Unit:</b>				
Salaries & Benefits	-	7,868	7,860	(8)
Personnel Expense	-	(1,075)	(1,075)	-
Supplies & Minor Equipment	-	(17)	(19)	(2)
Consultant/Contracted Services	-	6,805	6,804	(1)
Transportation	-	2	-	(2)
Total Expenditures	<u>-</u>	<u>13,583</u>	<u>13,570</u>	<u>(13)</u>
<b>Prothonotary:</b>				
Salaries & Benefits	642,505	668,105	668,097	(8)
Personnel Expense	935	774	774	-
Occupancy	9,000	10,110	10,110	-
Communication	10,500	10,617	10,616	(1)
Supplies & Minor Equipment	18,100	16,620	16,620	-
Transportation	1,000	-	-	-
Total Expenditures	<u>682,040</u>	<u>706,226</u>	<u>706,217</u>	<u>(9)</u>
<b>Register Of Wills:</b>				
Salaries & Benefits	334,071	402,891	402,888	(3)
Personnel Expense	700	650	650	-
Occupancy	4,000	4,299	4,298	(1)
Communication	16,451	16,212	16,211	(1)
Supplies & Minor Equipment	14,180	14,268	14,267	(1)
Transportation	1,800	1,616	1,616	-
Total Expenditures	<u>371,202</u>	<u>439,936</u>	<u>439,930</u>	<u>(6)</u>

## COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Sheriff:</b>				
Salaries & Benefits	\$ 2,941,547	\$ 3,094,870	\$ 2,998,911	\$ (95,959)
Personnel Expense	45,500	46,511	46,508	(3)
Occupancy	1,000	1,284	1,284	-
Communication	6,900	7,792	7,791	(1)
Supplies & Minor Equipment	42,800	35,622	35,619	(3)
Transportation	42,000	34,343	34,342	(1)
Consultant/Contracted Services	5,400	17,349	17,348	(1)
Other Expenses	5,500	10,520	10,519	(1)
Total Expenditures	3,090,647	3,248,291	3,152,322	(95,969)
<b>Court Administration:</b>				
Salaries & Benefits	2,761,644	2,721,826	2,721,820	(6)
Personnel Expense	75,500	54,254	54,253	(1)
Occupancy	1,000	154	154	-
Communication	17,000	7,922	7,921	(1)
Supplies & Minor Equipment	77,500	66,514	66,512	(2)
Transportation	11,500	5,021	5,021	-
Consultant/Contracted Services	218,500	85,384	85,383	(1)
Other Expenses	85,000	60,831	60,831	-
Total Expenditures	3,247,644	3,001,906	3,001,895	(11)
<b>Law Library:</b>				
Salaries & Benefits	175,341	61,801	61,796	(5)
Communication	40	24	24	-
Supplies & Minor Equipment	1,800	114,364	101,912	(12,452)
Transportation	200	50	49	(1)
Total Expenditures	177,381	176,239	163,781	(12,458)
<b>District Court 36-1-01:</b>				
Salaries & Benefits	170,571	149,565	149,561	(4)
Personnel Expense	300	156	156	-
Occupancy	10,020	8,895	8,892	(3)
Communication	13,745	14,155	14,153	(2)
Supplies & Minor Equipment	9,100	10,320	10,364	44
Transportation	1,000	147	146	(1)
Total Expenditures	204,736	183,238	183,272	34



## COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>District Court 36-3-02:</b>				
Salaries & Benefits	\$ 187,606	\$ 198,846	\$ 198,839	\$ (7)
Personnel Expense	500	421	421	-
Occupancy	9,520	8,327	8,325	(2)
Communication	14,145	14,219	14,216	(3)
Supplies & Minor Equipment	7,800	6,355	6,353	(2)
Transportation	800	492	492	-
Total Expenditures	220,371	228,660	228,646	(14)
<b>District Court 36-2-01:</b>				
Salaries & Benefits	215,835	233,871	233,865	(6)
Personnel Expense	500	398	398	-
Occupancy	10,550	9,731	9,729	(2)
Communication	20,745	20,477	20,474	(3)
Supplies & Minor Equipment	10,100	7,925	7,923	(2)
Transportation	2,000	1,914	1,913	(1)
Total Expenditures	259,730	274,316	274,302	(14)
<b>District Court 36-3-03:</b>				
Salaries & Benefits	231,878	258,648	258,642	(6)
Personnel Expense	400	400	400	-
Occupancy	13,160	12,534	12,533	(1)
Communication	19,505	15,930	15,928	(2)
Supplies & Minor Equipment	10,800	8,372	8,371	(1)
Transportation	1,000	499	499	-
Total Expenditures	276,743	296,383	296,373	(10)
<b>District Court 36-3-04:</b>				
Salaries & Benefits	217,537	212,148	212,145	(3)
Personnel Expense	400	281	281	-
Occupancy	10,050	8,490	8,487	(3)
Communication	15,305	14,276	14,274	(2)
Supplies & Minor Equipment	10,000	5,982	5,981	(1)
Transportation	2,000	1,205	1,204	(1)
Total Expenditures	255,292	242,382	242,372	(10)

**COUNTY OF BEAVER, PENNSYLVANIA**

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>District Court 36-1-02:</b>				
Salaries & Benefits	\$ 226,750	\$ 249,594	\$ 249,586	\$ (8)
Personnel Expense	300	206	205	(1)
Occupancy	14,180	26,613	26,611	(2)
Communication	15,805	13,874	13,872	(2)
Supplies & Minor Equipment	9,000	11,050	11,049	(1)
Transportation	500	90	90	-
Other Expenditures	-	1,053	1,053	-
Total Expenditures	<u>266,535</u>	<u>302,480</u>	<u>302,466</u>	<u>(14)</u>
<b>District Court 36-3-01:</b>				
Salaries & Benefits	220,459	190,476	190,471	(5)
Personnel Expense	400	344	344	-
Occupancy	9,860	8,503	8,501	(2)
Communication	18,795	17,583	17,580	(3)
Supplies & Minor Equipment	11,300	8,312	8,311	(1)
Transportation	500	90	90	-
Total Expenditures	<u>261,314</u>	<u>225,308</u>	<u>225,297</u>	<u>(11)</u>
<b>District Court 36-2-02:</b>				
Salaries & Benefits	216,920	238,238	238,231	(7)
Personnel Expense	300	308	307	(1)
Occupancy	9,710	8,448	8,446	(2)
Communication	13,540	7,717	7,715	(2)
Supplies & Minor Equipment	10,400	7,321	7,320	(1)
Transportation	1,500	1,591	1,591	-
Total Expenditures	<u>252,370</u>	<u>263,623</u>	<u>263,610</u>	<u>(13)</u>
<b>Total Judicial</b>	<u>\$ 13,186,749</u>	<u>\$ 13,647,977</u>	<u>\$ 13,443,342</u>	<u>\$ (204,635)</u>

**COUNTY OF BEAVER, PENNSYLVANIA**

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Public Works and Enterprises</u></b>				
<b>Department of Public Works:</b>				
Salaries & Benefits	\$ 2,317,378	\$ 2,299,219	\$ 2,299,211	\$ (8)
Personnel Expense	2,600	3,117	3,116	(1)
Occupancy	41,000	30,322	30,321	(1)
Communication	11,360	10,538	10,535	(3)
Supplies & Minor Equipment	50,000	34,291	34,288	(3)
Transportation	30,300	17,857	17,856	(1)
Other Expenses	500	499	499	-
Total Expenditures	<u>2,453,138</u>	<u>2,395,843</u>	<u>2,395,826</u>	<u>(17)</u>
<b>Buildings and Grounds:</b>				
Occupancy	374,000	613,346	613,344	(2)
Communication	1,000	740	740	-
Supplies & Minor Equipment	107,600	90,903	90,207	(696)
Consultant/Contracted Services	115,000	145,015	145,013	(2)
Other Expenses	24,000	23,446	23,446	-
Total Expenditures	<u>621,600</u>	<u>873,450</u>	<u>872,750</u>	<u>(700)</u>
<b>Total Public Works and Enterprises</b>	<u>\$ 3,074,738</u>	<u>\$ 3,269,293</u>	<u>\$ 3,268,576</u>	<u>\$ (717)</u>

# COUNTY OF BEAVER, PENNSYLVANIA

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Public Safety</u></b>				
<b>Emergency Services:</b>				
Salaries & Benefits	\$ 2,993,719	\$ 786,057	\$ 700,435	\$ (85,622)
Personnel Expense	12,650	3,360	3,360	-
Occupancy	1,661,700	375,333	375,332	(1)
Communication	16,000	4,509	4,508	(1)
Supplies & Minor Equipment	279,000	103,768	103,765	(3)
Transportation	19,000	6,074	6,073	(1)
Consultant/Contracted Services	35,000	1,923	1,922	(1)
Other Expenses	2,000	1,373	1,372	(1)
Total Expenditures	5,019,069	1,282,397	1,196,767	(85,630)
<b>Jail of Beaver County:</b>				
Salaries & Benefits	5,924,135	6,988,691	6,988,684	(7)
Personnel Expense	46,300	17,645	17,642	(3)
Occupancy	355,500	353,579	353,576	(3)
Communication	15,700	14,139	14,137	(2)
Supplies & Minor Equipment	168,000	174,404	174,401	(3)
Transportation	5,000	3,188	3,187	(1)
Consultant/Contracted Services	55,000	55,000	55,000	-
Other Expenses	1,452,896	1,406,858	1,406,855	(3)
Total Expenditures	8,022,531	9,013,504	9,013,482	(22)
<b>DUI Program:</b>				
Salaries & Benefits	139,935	138,284	138,275	(9)
Personnel Expense	2,000	4,438	4,437	(1)
Occupancy	1,800	1,650	1,650	-
Communication	500	153	153	-
Supplies & Minor Equipment	1,500	213	213	-
Transportation	1,500	1,707	1,706	(1)
Consultant/Contracted Services	3,500	3,100	3,100	-
Total Expenditures	150,735	149,545	149,534	(11)

## COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Adult Probation:</b>				
Salaries & Benefits	\$ 2,055,140	\$ 2,081,998	\$ 2,081,989	\$ (9)
Personnel Expense	1,950	974	973	(1)
Communication	6,700	3,632	3,632	-
Supplies & Minor Equipment	18,700	17,628	17,627	(1)
Transportation	9,750	12,700	12,700	-
Other Expenses	60,000	12,940	12,940	-
Total Expenditures	2,152,240	2,129,872	2,129,861	(11)
<b>Intermediate Punishment Program:</b>				
Salaries & Benefits	411,289	561,633	561,627	(6)
Personnel Expense	1,000	100	100	-
Occupancy	63,156	55,771	55,767	(4)
Communication	18,600	28,011	28,008	(3)
Supplies & Minor Equipment	147,600	179,858	215,146	35,288
Transportation	3,000	750	750	-
Consultant/Contracted Services	-	625	624	(1)
Other Expenses	1,250	994	994	-
Total Expenditures	645,895	827,742	863,016	35,274
<b>Juvenile Probation-Court Services:</b>				
Salaries & Benefits	2,052,765	1,630,315	1,630,309	(6)
Personnel Expense	3,000	1,592	1,592	-
Occupancy	200	84	84	-
Communication	18,000	8,005	8,004	(1)
Supplies & Minor Equipment	12,800	8,937	8,934	(3)
Transportation	17,500	16,876	16,875	(1)
Consultant/Contracted Services	994,500	753,818	753,817	(1)
Other Expenses	470,000	346,093	346,092	(1)
Total Expenditures	3,568,765	2,765,720	2,765,707	(13)

**COUNTY OF BEAVER, PENNSYLVANIA**

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>UAD Program:</b>				
Salaries & Benefits	\$ 5,502	\$ 5,038	\$ 5,031	\$ (7)
Occupancy	1,800	1,800	1,800	-
Communication	100	100	100	-
Supplies & Minor Equipment	400	150	150	-
Transportation	100	8	8	-
Total Expenditures	<u>7,902</u>	<u>7,096</u>	<u>7,089</u>	<u>(7)</u>
<b>Total Public Safety</b>	<u>\$ 19,567,137</u>	<u>\$ 16,175,876</u>	<u>\$ 16,125,456</u>	<u>\$ (50,420)</u>

**COUNTY OF BEAVER, PENNSYLVANIA**

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	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	\$ 308,203	\$ 299,824	\$ 299,819	\$ (5)
Personnel Expense	850	600	600	-
Occupancy	25,500	24,838	24,837	(1)
Communication	3,750	3,569	3,568	(1)
Supplies & Minor Equipment	44,000	25,308	25,305	(3)
Transportation	10,500	5,289	5,288	(1)
Other Expenses	59,700	6,083	6,081	(2)
Total Expenditures	<u>452,503</u>	<u>365,511</u>	<u>365,498</u>	<u>(13)</u>
<b>Library Commission:</b>				
Salaries & Benefits	478,683	498,621	498,610	(11)
Personnel Expense	51,000	53,519	53,519	-
Occupancy	33,500	35,112	35,111	(1)
Communication	20,650	14,944	14,942	(2)
Supplies & Minor Equipment	48,613	53,188	54,146	958
Transportation	7,220	4,871	4,870	(1)
Consultant/Contracted Services	8,000	8,100	8,100	-
Other Expenses	505,868	483,168	483,166	(2)
Total Expenditures	<u>1,153,534</u>	<u>1,151,523</u>	<u>1,152,464</u>	<u>941</u>
<b>Recreation:</b>				
Salaries & Benefits	29,981	51,979	51,974	(5)
Personnel Expense	200	285	285	-
Occupancy	1,400	1,239	1,238	(1)
Communication	1,150	1,733	1,732	(1)
Supplies & Minor Equipment	1,700	909	907	(2)
Transportation	200	-	-	-
Consultant/Contracted Services	5,400	4,146	4,145	(1)
Other Expenses	1,000	2,257	2,256	(1)
Total Expenditures	<u>41,031</u>	<u>62,548</u>	<u>62,537</u>	<u>(11)</u>

## COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>DPW/Parks:</b>				
Occupancy	\$ 46,500	\$ 61,998	\$ 61,997	\$ (1)
Communication	1,400	1,125	1,124	(1)
Supplies & Minor Equipment	91,500	80,838	79,871	(967)
Consultant/Contracted Services	18,000	12,134	12,134	-
Other Expenses	20,000	22,341	22,341	-
Total Expenditures	<u>177,400</u>	<u>178,436</u>	<u>177,467</u>	<u>(969)</u>
<b>Ice Arena:</b>				
Salaries & Benefits	450,874	455,275	455,268	(7)
Personnel Expense	3,525	3,073	3,072	(1)
Occupancy	201,900	200,103	200,102	(1)
Communication	-	5,297	5,295	(2)
Supplies & Minor Equipment	14,000	28,045	28,043	(2)
Consultant/Contracted Services	7,000	22,980	22,978	(2)
Other Expenses	500	-	-	-
Pass-Through Grant Funding	-	66	66	-
Total Expenditures	<u>678,099</u>	<u>714,839</u>	<u>714,824</u>	<u>(15)</u>
<b>Pool:</b>				
Salaries & Benefits	67,690	50,886	50,883	(3)
Occupancy	12,000	17,801	17,800	(1)
Communication	600	5,700	5,699	(1)
Supplies & Minor Equipment	5,900	6,951	6,949	(2)
Other Expenses	26,300	6,984	6,982	(2)
Total Expenditures	<u>112,490</u>	<u>88,322</u>	<u>88,313</u>	<u>(9)</u>
<b>Total Culture, Recreation and Conservation</b>				
	<u>\$ 2,615,057</u>	<u>\$ 2,561,179</u>	<u>\$ 2,561,103</u>	<u>\$ (76)</u>



**COUNTY OF BEAVER, PENNSYLVANIA**

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Human Services</u></b>				
<b>Subsidies:</b>				
Subsidies	\$ 4,317,231	\$ 4,324,247	\$ 4,324,246	\$ (1)
Consultant/Contracted Services	-	63,937	63,937	-
Pass-Through Grant Funding	-	21,573	21,572	(1)
Total Expenditures	<u>4,317,231</u>	<u>4,409,757</u>	<u>4,409,755</u>	<u>(2)</u>
<b>Beaver County Transit Authority:</b>				
Subsidies	650,000	650,000	650,000	-
Pass-Through Grant Funding	<u>1,700,000</u>	<u>1,977,372</u>	<u>1,977,372</u>	-
Total Expenditures	<u>2,350,000</u>	<u>2,627,372</u>	<u>2,627,372</u>	-
<b>Total Human Services</b>	<u>\$ 6,667,231</u>	<u>\$ 7,037,129</u>	<u>\$ 7,037,127</u>	<u>\$ (2)</u>

**COUNTY OF BEAVER, PENNSYLVANIA**

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

**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Debt Service:</b>				
Principal	\$ 3,889,950	\$ 1,506,873	\$ 1,506,871	\$ (2)
Interest	5,395,300	2,736,766	2,476,450	(260,316)
Bond Issuance Costs	-	1,152,441	1,152,441	-
Other Expenses	11,000	-	-	-
Total Expenditures	<u>9,296,250</u>	<u>5,396,080</u>	<u>5,135,762</u>	<u>(260,318)</u>
<b>Asset Acquisition and Improvements:</b>				
	<u>245,600</u>	<u>830,351</u>	<u>830,350</u>	<u>(1)</u>
<b>Total Expenditures</b>	<u><u>\$ 62,112,078</u></u>	<u><u>\$ 59,401,661</u></u>	<u><u>\$ 58,630,956</u></u>	<u><u>\$ (770,705)</u></u>

# COUNTY OF BEAVER, PENNSYLVANIA

## INDIVIDUAL FUND DESIGNATIONS

DECEMBER 31, 2016 AND JUNE 30, 2016

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### **Individual Fund Designations**

#### ***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.

# COUNTY OF BEAVER, PENNSYLVANIA

## INDIVIDUAL FUND DESIGNATIONS

DECEMBER 31, 2016 AND JUNE 30, 2016

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### **Individual Fund Designations – (Continued)**

#### ***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.

#### ***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.

# COUNTY OF BEAVER, PENNSYLVANIA

## INDIVIDUAL FUND DESIGNATIONS

DECEMBER 31, 2016 AND JUNE 30, 2016

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### **Individual Fund Designations – (Continued)**

#### ***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.

#### ***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 from any 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, 2016

	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	\$ 562,217	\$ 18,180	\$ 35,819	\$ 159,804	\$ 8,247	\$ 130,205	\$ 2,493,442	\$ 1,434,146	\$ 76,314
Interfund Receivable	-	-	-	-	-	-	13,920	-	-
Prepaid Other	-	-	-	-	-	4,998	-	-	-
Accounts Receivable	-	5,195	477,248	18,739	55,945	13,576	187,208	12,436	27,223
<b>Total Assets</b>	<u>\$ 562,217</u>	<u>\$ 23,375</u>	<u>\$ 513,067</u>	<u>\$ 178,543</u>	<u>\$ 64,192</u>	<u>\$ 148,779</u>	<u>\$ 2,694,570</u>	<u>\$ 1,446,582</u>	<u>\$ 103,537</u>
<b>Liabilities</b>									
Accounts Payable	\$ 5,685	\$ 323	\$ 2,482	\$ -	\$ 10	\$ 8,867	\$ 125,242	\$ 219,175	\$ 6,391
Interfund Payable	-	105,401	269,715	-	30,964	5,000	-	74,513	275
Accrued Payroll	-	3,283	67,171	-	5,187	-	1,849	60,618	2,869
Accrued Other Liabilities	-	-	-	-	-	-	-	141,877	-
Unearned Revenue	-	-	-	-	-	53,567	-	-	-
<b>Total Liabilities</b>	<u>5,685</u>	<u>109,007</u>	<u>339,368</u>	<u>-</u>	<u>36,161</u>	<u>67,434</u>	<u>127,091</u>	<u>496,183</u>	<u>9,535</u>
<b>Deferred Inflows of Resources</b>									
Unavailable Revenue	-	-	-	-	-	13,560	22,708	2,388	-
<b>Fund Balance (Deficit)</b>									
Non-spendable: Prepaids	-	-	-	-	-	4,998	-	-	-
Restricted:									
Other	556,532	-	173,699	178,543	28,031	62,787	2,544,771	948,011	94,002
Committed:									
Capital Projects	-	-	-	-	-	-	-	-	-
Unassigned:	-	(85,632)	-	-	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<u>556,532</u>	<u>(85,632)</u>	<u>173,699</u>	<u>178,543</u>	<u>28,031</u>	<u>67,785</u>	<u>2,544,771</u>	<u>948,011</u>	<u>94,002</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<u>\$ 562,217</u>	<u>\$ 23,375</u>	<u>\$ 513,067</u>	<u>\$ 178,543</u>	<u>\$ 64,192</u>	<u>\$ 148,779</u>	<u>\$ 2,694,570</u>	<u>\$ 1,446,582</u>	<u>\$ 103,537</u>

**COUNTY OF BEAVER, PENNSYLVANIA**

**COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS**

DECEMBER 31, 2016

	Special Revenue			Capital Projects			Nonmajor Governmental Funds Total
	Anti-Drug Task Force / Educational	Emergency Services 911	Total	Courtroom Improvement	Capital Reserve	Total	
<b>Assets</b>							
Cash and Cash Equivalents	\$ 290,464	\$ 909,295	\$ 6,118,133	\$ 414,753	\$ 265,684	\$ 680,437	\$ 6,798,570
Interfund Receivable	-	-	13,920	71,323	311,798	383,121	397,041
Prepaid Other	-	21,153	26,151	-	-	-	26,151
Accounts Receivable	21	1,302,498	2,100,089	-	-	-	2,100,089
<b>Total Assets</b>	<u>\$ 290,485</u>	<u>\$ 2,232,946</u>	<u>\$ 8,258,293</u>	<u>\$ 486,076</u>	<u>\$ 577,482</u>	<u>\$ 1,063,558</u>	<u>\$ 9,321,851</u>
<b>Liabilities</b>							
Accounts Payable	\$ 4,670	\$ 106,221	\$ 479,066	\$ 12,460	\$ -	\$ 12,460	\$ 491,526
Interfund Payable	14,406	599,141	1,099,415	-	-	-	1,099,415
Accrued Payroll	3,046	-	144,023	-	-	-	144,023
Accrued Other Liabilities	-	-	141,877	-	-	-	141,877
Unearned Revenue	-	1,114,394	1,167,961	-	-	-	1,167,961
<b>Total Liabilities</b>	<u>22,122</u>	<u>1,819,756</u>	<u>3,032,342</u>	<u>12,460</u>	<u>-</u>	<u>12,460</u>	<u>3,044,802</u>
<b>Deferred Inflows of Resources</b>							
Unavailable Revenue	-	452,637	491,293	-	-	-	491,293
<b>Fund Balance (Deficit)</b>							
Non-spendable: Prepaids	-	21,153	26,151	-	-	-	26,151
Restricted:							
Other	268,363	-	4,854,739	-	-	-	4,854,739
Committed:							
Capital Projects	-	-	-	473,616	577,482	1,051,098	1,051,098
Unassigned:	-	(60,600)	(146,232)	-	-	-	(146,232)
<b>Total Fund Balances (Deficits)</b>	<u>268,363</u>	<u>(39,447)</u>	<u>4,734,658</u>	<u>473,616</u>	<u>577,482</u>	<u>1,051,098</u>	<u>5,785,756</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<u>\$ 290,485</u>	<u>\$ 2,232,946</u>	<u>\$ 8,258,293</u>	<u>\$ 486,076</u>	<u>\$ 577,482</u>	<u>\$ 1,063,558</u>	<u>\$ 9,321,851</u>

**COUNTY OF BEAVER, PENNSYLVANIA**

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

**YEAR ENDED DECEMBER 31, 2016**

	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>Revenues</b>									
Investment Income	\$ 24	\$ -	\$ 11	\$ 48	\$ 1	\$ 15	\$ 110	\$ 186	\$ 2
Intergovernmental	-	-	1,740,644	299,460	194,172	159,062	3,273,361	4,772,222	-
Departmental Earnings	150,556	83,818	35,991	305,482	-	-	20,101	26,436	14,775
Local Hotel Room Tax	-	-	-	-	-	-	-	-	319,265
Miscellaneous	-	-	-	-	-	3,917	-	-	-
<b>Total Revenues</b>	<b>150,580</b>	<b>83,818</b>	<b>1,776,646</b>	<b>604,990</b>	<b>194,173</b>	<b>162,994</b>	<b>3,293,572</b>	<b>4,798,844</b>	<b>334,042</b>
<b>Expenditures</b>									
Current									
General Government	42,348	-	-	-	-	-	-	-	-
Judicial	-	71,039	2,753,016	-	196,368	-	-	-	-
Public Safety	-	-	-	-	-	151,375	-	-	-
Public Works and Enterprises	-	-	-	-	-	-	646,952	-	-
Culture Recreation & Conservation	-	-	-	-	-	-	-	-	268,358
Intergovernmental									
Operating / Human Services	-	-	-	-	-	-	-	4,925,824	-
Capital Outlay									
Infrastructure	-	-	-	-	-	-	2,052,984	-	-
Asset Acquisition	39,819	5,087	-	-	-	29,778	75,485	9,244	-
<b>Total Expenditures</b>	<b>82,167</b>	<b>76,126</b>	<b>2,753,016</b>	<b>-</b>	<b>196,368</b>	<b>181,153</b>	<b>2,775,421</b>	<b>4,935,068</b>	<b>268,358</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>68,413</b>	<b>7,692</b>	<b>(976,370)</b>	<b>604,990</b>	<b>(2,195)</b>	<b>(18,159)</b>	<b>518,151</b>	<b>(136,224)</b>	<b>65,684</b>
<b>Other Financing Sources (Uses)</b>									
Transfers From Other Funds	-	-	852,904	-	54,150	-	-	-	-
Transfers to Other Funds	-	-	-	(700,000)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>852,904</b>	<b>(700,000)</b>	<b>54,150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>68,413</b>	<b>7,692</b>	<b>(123,466)</b>	<b>(95,010)</b>	<b>51,955</b>	<b>(18,159)</b>	<b>518,151</b>	<b>(136,224)</b>	<b>65,684</b>
Fund Balances (Deficits) - Beginning	488,119	(93,324)	297,165	273,553	(23,924)	85,944	2,026,620	1,084,235	28,318
Fund Balances (Deficits) - Ending	\$ 556,532	\$ (85,632)	\$ 173,699	\$ 178,543	\$ 28,031	\$ 67,785	\$ 2,544,771	\$ 948,011	\$ 94,002

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, 2016**

	Special Revenue			Capital Projects			Nonmajor Governmental Funds Total
	Anti-Drug Task Force / Educational	Emergency Services 911	Total	Courtroom Improvement	Capital Reserve	Capital Bonds	
<b>Revenues</b>							
Investment Income	\$ 71	\$ 150	\$ 618	\$ 54	\$ 1,254	\$ -	\$ 1,308
Intergovernmental	88,800	247,372	10,775,093	-	-	-	10,775,093
Departmental Earnings	148,890	3,391,361	4,177,410	-	319,260	-	4,496,670
Local Hotel Room Tax	-	-	319,265	-	-	-	319,265
Miscellaneous	-	-	3,917	-	-	-	3,917
<b>Total Revenues</b>	<u>237,761</u>	<u>3,638,883</u>	<u>15,276,303</u>	<u>54</u>	<u>320,514</u>	<u>-</u>	<u>15,596,871</u>
<b>Expenditures</b>							
Current							
General Government	-	-	42,348	108,787	95	-	151,230
Judicial	386,551	-	3,406,974	-	-	-	3,406,974
Public Safety	-	3,187,658	3,339,033	-	-	-	3,339,033
Public Works and Enterprises	-	-	646,952	-	-	-	646,952
Culture Recreation & Conservation	-	-	268,358	-	-	-	268,358
Intergovernmental							
Operating / Human Services	-	-	4,925,824	-	-	-	4,925,824
Capital Outlay							
Infrastructure	-	-	2,052,984	-	-	-	2,052,984
Asset Acquisition	-	475,974	635,387	176,577	-	101,770	913,734
<b>Total Expenditures</b>	<u>386,551</u>	<u>3,663,632</u>	<u>15,317,860</u>	<u>285,364</u>	<u>95</u>	<u>101,770</u>	<u>15,705,089</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(148,790)	(24,749)	(41,557)	(285,310)	320,419	(101,770)	(108,218)
<b>Other Financing Sources (Uses)</b>							
Transfers From Other Funds	-	-	907,054	71,323	-	-	978,377
Transfers to Other Funds	-	-	(700,000)	(3,200)	(588,202)	-	(1,291,402)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>207,054</u>	<u>68,123</u>	<u>(588,202)</u>	<u>-</u>	<u>(313,025)</u>
<b>Net Change in Fund Balance</b>	(148,790)	(24,749)	165,497	(217,187)	(267,783)	(101,770)	(421,243)
Fund Balances (Deficits) - Beginning	417,153	(14,698)	4,569,161	690,803	845,265	101,770	6,206,999
Fund Balances (Deficits) - Ending	<u>\$ 268,363</u>	<u>\$ (39,447)</u>	<u>\$ 4,734,658</u>	<u>\$ 473,616</u>	<u>\$ 577,482</u>	<u>\$ -</u>	<u>\$ 5,785,756</u>

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, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>General Government</u></b>				
<b>Automation and Records Improvement</b>				
Revenues				
Departmental Earnings	\$ 142,583	\$ 142,583	\$ 150,556	\$ 7,973
Interest	-	-	24	24
Total Revenues	<u>142,583</u>	<u>142,583</u>	<u>150,580</u>	<u>7,997</u>
Expenditures				
Salaries & Benefits	23,683	23,683	733	(22,950)
Consultant/Contracted Services	-	21,551	21,551	-
Supplies & Minor Equipment	16,250	20,438	9,583	(10,855)
Transportation	8,000	8,000	750	(7,250)
Other Expenditures	19,000	31,311	9,731	(21,580)
Capital Outlay	76,567	90,902	39,819	(51,083)
Total Expenditures	<u>143,500</u>	<u>195,885</u>	<u>82,167</u>	<u>(113,718)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(917)	(53,302)	68,413	121,715
Fund Balance - Beginning	<u>79,600</u>	<u>112,985</u>	<u>488,119</u>	<u>375,134</u>
Fund Balance - Ending	<u>\$ 78,683</u>	<u>\$ 59,683</u>	<u>\$ 556,532</u>	<u>\$ 496,849</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, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Judicial</b>				
<b>Regional Booking Center</b>				
Revenues				
Departmental Earnings	\$ 88,000	\$ 88,000	\$ 83,818	\$ (4,182)
Total Revenues	<u>88,000</u>	<u>88,000</u>	<u>83,818</u>	<u>(4,182)</u>
Expenditures				
Salaries & Benefits	55,958	56,109	55,331	(778)
Supplies & Minor Equipment	16,000	18,249	13,743	(4,506)
Other Expenditures	1,000	1,965	1,965	-
Capital Outlay	-	5,087	5,087	-
Total Expenditures	<u>72,958</u>	<u>81,410</u>	<u>76,126</u>	<u>(5,284)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	15,042	6,590	7,692	1,102
Fund Balance (Deficits) - Beginning	<u>7,000</u>	<u>7,000</u>	<u>(93,324)</u>	<u>(100,324)</u>
Fund Balance (Deficits) - Ending	<u><u>\$ 22,042</u></u>	<u><u>\$ 13,590</u></u>	<u><u>\$ (85,632)</u></u>	<u><u>\$ (99,222)</u></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, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Judicial</b>				
<b>Domestic Relations</b>				
Revenues				
Intergovernmental	\$ 1,849,685	\$ 1,849,685	\$ 1,740,644	\$ (109,041)
Departmental Earnings	42,000	42,000	35,991	(6,009)
Interest	100	100	11	(89)
Total Revenues	<u>1,891,785</u>	<u>1,891,785</u>	<u>1,776,646</u>	<u>(115,139)</u>
Expenditures				
Salaries & Benefits	2,521,508	2,528,408	2,521,992	(6,416)
Personnel Expense	13,700	15,200	7,452	(7,748)
Occupancy	7,200	5,700	5,256	(444)
Communication	36,700	36,700	25,069	(11,631)
Supplies & Minor Equipment	16,000	19,200	12,803	(6,397)
Transportation	2,000	2,000	1,248	(752)
Consultant/Contracted Services	21,500	24,600	16,135	(8,465)
Other Expenditures	203,735	203,735	163,061	(40,674)
Total Expenditures	<u>2,822,343</u>	<u>2,835,543</u>	<u>2,753,016</u>	<u>(82,527)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	(930,558)	(943,758)	(976,370)	(32,612)
<b>Other Financing Sources (Uses)</b>				
Transfers from Other Funds	898,172	852,904	852,904	-
Total Other Financing Sources (Uses)	<u>898,172</u>	<u>852,904</u>	<u>852,904</u>	<u>-</u>
<b>Net Change in Fund Balance</b>				
	(32,386)	(90,854)	(123,466)	(32,612)
Fund Balance - Beginning	<u>42,386</u>	<u>90,854</u>	<u>297,165</u>	<u>206,311</u>
Fund Balance - Ending	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 173,699</u>	<u>\$ 173,699</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, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Judicial</b>				
<b>Offender's Supervisory</b>				
Revenues				
Departmental Earnings	\$ 250,000	\$ 250,000	\$ 305,482	\$ 55,482
Intergovernmental	300,000	300,000	299,460	(540)
Interest	-	-	48	48
Total Revenues	<u>550,000</u>	<u>550,000</u>	<u>604,990</u>	<u>54,990</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	550,000	550,000	604,990	54,990
<b>Other Financing Sources (Uses)</b>				
Transfers to Other Funds	<u>(600,000)</u>	<u>(700,000)</u>	<u>(700,000)</u>	-
Total Other Financing Sources (Uses)	<u>(600,000)</u>	<u>(700,000)</u>	<u>(700,000)</u>	-
<b>Net Change in Fund Balance</b>	(50,000)	(150,000)	(95,010)	54,990
Fund Balance - Beginning	<u>50,000</u>	<u>150,000</u>	<u>273,553</u>	<u>123,553</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,543</u>	<u>\$ 178,543</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, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Judicial</b>				
<b>Victim Witness</b>				
Revenues				
Intergovernmental	\$ 121,659	\$ 146,982	\$ 194,172	\$ 47,190
Interest	-	-	1	1
Total Revenues	<u>121,659</u>	<u>146,982</u>	<u>194,173</u>	<u>47,191</u>
Expenditures				
Salaries & Benefits	167,813	202,025	194,384	(7,641)
Personnel Expense	-	51	36	(15)
Occupancy	-	23	17	(6)
Communication	300	240	228	(12)
Supplies & Minor Equipment	1,300	1,374	1,368	(6)
Transportation	-	336	335	(1)
Total Expenditures	<u>169,413</u>	<u>204,049</u>	<u>196,368</u>	<u>(7,681)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(47,754)	(57,067)	(2,195)	54,872
<b>Other Financing Sources (Uses)</b>				
Transfers from Other Funds	-	50,000	54,150	4,150
Total Other Financing Sources (Uses)	<u>-</u>	<u>50,000</u>	<u>54,150</u>	<u>4,150</u>
<b>Net Change in Fund Balance</b>	(47,754)	(7,067)	51,955	59,022
Fund Balance (Deficits) - Beginning	<u>54,957</u>	<u>54,957</u>	<u>(23,924)</u>	<u>(78,881)</u>
Fund Balance (Deficits) - Ending	<u>\$ 7,203</u>	<u>\$ 47,890</u>	<u>\$ 28,031</u>	<u>\$ (19,859)</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, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Public Safety</b>				
<b>Hazardous Materials / Act 147 Grants</b>				
Revenues				
Intergovernmental	\$ 169,002	\$ 169,002	\$ 159,062	\$ (9,940)
Interest	35	35	15	(20)
Miscellaneous	-	3,000	3,917	917
Total Revenues	<u>169,037</u>	<u>172,037</u>	<u>162,994</u>	<u>(9,043)</u>
Expenditures				
Salaries & Benefits	-	25,000	20,000	(5,000)
Personnel Expense	2,000	2,500	902	(1,598)
Consultant/Contracted Services	20,000	20,000	17,362	(2,638)
Occupancy	20,500	20,620	17,548	(3,072)
Communication	8,000	12,500	11,985	(515)
Supplies & Minor Equipment	66,522	57,693	43,918	(13,775)
Transportation	18,000	9,500	948	(8,552)
Other Expenditures	57,000	50,815	38,712	(12,103)
Pass-Through Grant Funding	15,015	-	-	-
Capital Outlay	20,000	30,209	29,778	(431)
Total Expenditures	<u>227,037</u>	<u>228,837</u>	<u>181,153</u>	<u>(47,684)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(58,000)	(56,800)	(18,159)	38,641
Fund Balance - Beginning	<u>58,000</u>	<u>58,000</u>	<u>85,944</u>	<u>27,944</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,200</u>	<u>\$ 67,785</u>	<u>\$ 66,585</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, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Public Works</b>				
<b>Liquid Fuels</b>				
Revenues				
Intergovernmental	\$ 3,657,000	\$ 3,657,000	\$ 3,273,361	\$ (383,639)
Departmental Earnings	20,000	20,000	20,101	101
Interest	110	110	110	-
Total Revenues	<u>3,677,110</u>	<u>3,677,110</u>	<u>3,293,572</u>	<u>(383,538)</u>
Expenditures				
Salaries & Benefits	71,419	71,419	70,891	(528)
Personnel Expense	18	18	18	-
Consultant/Contracted Services	511,000	541,070	359,883	(181,187)
Communication	5,050	5,050	719	(4,331)
Supplies & Minor Equipment	18,200	18,200	10,199	(8,001)
Transportation	1,000	1,000	-	(1,000)
Other Expenditures	235,000	237,506	205,242	(32,264)
Infrastructure	-	2,787,957	2,052,984	(734,973)
Capital Outlay	3,025,000	197,979	75,485	(122,494)
Total Expenditures	<u>3,866,687</u>	<u>3,860,199</u>	<u>2,775,421</u>	<u>(1,084,778)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(189,577)	(183,089)	518,151	701,240
Fund Balance - Beginning	<u>189,577</u>	<u>189,577</u>	<u>2,026,620</u>	<u>1,837,043</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 6,488</u>	<u>\$ 2,544,771</u>	<u>\$ 2,538,283</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, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Human Services</u></b>				
<b>Office on Aging</b>				
Revenues				
Intergovernmental	\$ 4,835,777	\$ 4,835,777	\$ 4,772,222	\$ (63,555)
Departmental Earnings	32,882	32,882	26,436	(6,446)
Interest	200	200	186	(14)
Total Revenues	<u>4,868,859</u>	<u>4,868,859</u>	<u>4,798,844</u>	<u>(70,015)</u>
Expenditures				
Reimbursement to State	45,000	45,000	-	(45,000)
Salaries & Benefits	2,258,596	2,360,208	2,347,493	(12,715)
Personnel Expense	16,000	18,500	12,412	(6,088)
Consultant/Contracted Services	150,500	134,000	95,097	(38,903)
Sub Contracted Services	2,250,000	2,161,788	2,077,143	(84,645)
Occupancy	338,450	298,050	213,913	(84,137)
Communication	21,400	26,400	17,633	(8,767)
Supplies & Minor Equipment	85,250	112,195	70,429	(41,766)
Transportation	23,800	23,800	16,322	(7,478)
Other Expenditures	101,000	101,000	75,382	(25,618)
Capital Outlay	15,000	21,745	9,244	(12,501)
Total Expenditures	<u>5,304,996</u>	<u>5,302,686</u>	<u>4,935,068</u>	<u>(367,618)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(436,137)	(433,827)	(136,224)	297,603
Fund Balance - Beginning	<u>436,137</u>	<u>436,137</u>	<u>1,084,235</u>	<u>648,098</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,310</u>	<u>\$ 948,011</u>	<u>\$ 945,701</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, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Recreation</u></b>				
<b>Tourist Promotion</b>				
Revenues				
Departmental Earnings	\$ 20,000	\$ 20,000	\$ 14,775	\$ (5,225)
Local Hotel Room Tax	310,000	315,000	319,265	4,265
Interest	-	-	2	2
Total Revenues	<u>330,000</u>	<u>335,000</u>	<u>334,042</u>	<u>(958)</u>
Expenditures				
Salaries & Benefits	104,126	109,636	108,390	(1,246)
Personnel Expense	2,145	1,686	1,551	(135)
Consultant/Contracted Services	25,755	57,755	15,943	(41,812)
Communication	225,325	126,629	124,677	(1,952)
Supplies & Minor Equipment	1,800	3,245	2,573	(672)
Transportation	2,800	2,200	1,412	(788)
Other Expenditures	19,000	19,100	13,812	(5,288)
Total Expenditures	<u>380,951</u>	<u>320,251</u>	<u>268,358</u>	<u>(51,893)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(50,951)	14,749	65,684	50,935
Fund Balance - Beginning	<u>50,951</u>	<u>28,300</u>	<u>28,318</u>	<u>18</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 43,049</u>	<u>\$ 94,002</u>	<u>\$ 50,953</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, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Judicial</b>				
<b>Anti-Drug Task Force / Educational</b>				
Revenues				
Intergovernmental	\$ 88,800	\$ 88,800	\$ 88,800	\$ -
Departmental Earnings	57,000	219,000	148,890	(70,110)
Interest	-	-	71	71
Total Revenues	<u>145,800</u>	<u>307,800</u>	<u>237,761</u>	<u>(70,039)</u>
Expenditures				
Salaries & Benefits	132,025	201,595	195,714	(5,881)
Personnel Expense	12,500	4,149	4,149	-
Supplies & Minor Equipment	11,500	13,782	19,051	5,269
Transportation	6,500	1,611	1,611	-
Other Expenditures	37,100	171,772	166,026	(5,746)
Total Expenditures	<u>199,625</u>	<u>392,909</u>	<u>386,551</u>	<u>(6,358)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(53,825)	(85,109)	(148,790)	(63,681)
Fund Balance - Beginning	<u>53,825</u>	<u>417,153</u>	<u>417,153</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 332,044</u>	<u>\$ 268,363</u>	<u>\$ (63,681)</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, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Public Safety</u></b>				
<b>Emergency Services 911</b>				
Revenues				
Intergovernmental	\$ 2,841,145	\$ -	\$ 247,372	\$ 247,372
Departmental Earnings	-	3,263,681	3,391,361	127,680
Interest	250	250	150	(100)
Total Revenues	2,841,395	3,263,931	3,638,883	374,952
Expenditures				
Salaries & Benefits	2,017,212	2,407,827	2,407,826	(1)
Personnel Expense	5,000	5,000	3,381	(1,619)
Occupancy	30,000	30,000	5,760	(24,240)
Consultant/Contracted Services	125,000	103,130	94,360	(8,770)
Communication	350,000	387,000	367,962	(19,038)
Supplies & Minor Equipment	218,000	246,605	308,369	61,764
Capital Outlay	340,000	640,000	475,974	(164,026)
Total Expenditures	3,085,212	3,819,562	3,663,632	(155,930)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	(243,817)	(555,631)	(24,749)	530,882
Fund Balance - Beginning	838,606	838,606	(14,698)	(853,304)
Fund Balance - Ending	\$ 594,789	\$ 282,975	\$ (39,447)	\$ (322,422)

**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, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Capital Projects</b>				
<b>Courtroom Improvement</b>				
Revenues				
Interest	\$ -	\$ -	\$ 54	\$ 54
Total Revenues	<u>-</u>	<u>-</u>	<u>54</u>	<u>54</u>
Expenditures				
Supplies & Minor Equipment	200,000	129,800	108,787	(21,013)
Capital Outlay	-	225,000	176,577	(48,423)
Total Expenditures	<u>200,000</u>	<u>354,800</u>	<u>285,364</u>	<u>(69,436)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(200,000)	(354,800)	(285,310)	69,490
<b>Other Financing Sources (Uses)</b>				
Transfers From Other Funds	150,000	71,324	71,323	(1)
Transfer To Other Funds	-	(3,200)	(3,200)	-
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>68,124</u>	<u>68,123</u>	<u>(1)</u>
<b>Net Change in Fund Balance</b>	(50,000)	(286,676)	(217,187)	69,489
Fund Balance - Beginning	<u>50,000</u>	<u>278,676</u>	<u>690,803</u>	<u>412,127</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ (8,000)</u>	<u>\$ 473,616</u>	<u>\$ 481,616</u>

**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, 2016

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b>Capital Projects</b>				
<b>Capital Reserve</b>				
Revenues				
Departmental Earnings	\$ -	\$ -	\$ 319,260	\$ 319,260
Interest	-	-	1,254	1,254
Total Revenues	-	-	320,514	320,514
Expenditures				
Supplies & Minor Equipment	-	10,000	95	(9,905)
Total Expenditures	-	10,000	95	(9,905)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	(10,000)	320,419	330,419
<b>Other Financing Sources (Uses)</b>				
Transfers to Other Funds	(900,000)	(870,850)	(588,202)	282,648
Total Other Financing Sources (Uses)	(900,000)	(870,850)	(588,202)	282,648
<b>Net Change in Fund Balance</b>	(900,000)	(880,850)	(267,783)	613,067
Fund Balance - Beginning	936,000	936,000	845,265	(90,735)
Fund Balance - Ending	\$ 36,000	\$ 55,150	\$ 577,482	\$ 522,332

**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, 2016**

	Budget		Actual	Variance
	Original	Final		Over (Under)
<b><u>Capital Projects</u></b>				
<b>Capital Bonds</b>				
Expenditures				
Capital Outlay	\$ -	\$ 102,000	\$ 101,770	\$ (230)
Total Expenditures	<u>-</u>	<u>102,000</u>	<u>101,770</u>	<u>(230)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	(102,000)	(101,770)	230
Fund Balance - Beginning	<u>-</u>	<u>102,000</u>	<u>101,770</u>	<u>(230)</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**COUNTY OF BEAVER, PENNSYLVANIA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**

DECEMBER 31, 2016

	<u>Medical Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
<b><u>Assets</u></b>			
Current Assets			
Cash and Cash Equivalents	\$ 663,497	\$ 132,911	\$ 796,408
Receivables	167,618	-	167,618
Total Current Assets	<u>831,115</u>	<u>132,911</u>	<u>964,026</u>
<b>Total Assets</b>	<b><u><u>\$ 831,115</u></u></b>	<b><u><u>\$ 132,911</u></u></b>	<b><u><u>\$ 964,026</u></u></b>
<b><u>Liabilities</u></b>			
Current Liabilities			
Accounts Payable	\$ 1,152,952	\$ 89,519	\$ 1,242,471
Accrued Employee Benefits	369,870	307,350	677,220
Interfund Payable	2,435,774	652,325	3,088,099
Total Current Liabilities	<u>3,958,596</u>	<u>1,049,194</u>	<u>5,007,790</u>
<b>Total Liabilities</b>	<b><u>3,958,596</u></b>	<b><u>1,049,194</u></b>	<b><u>5,007,790</u></b>
<b><u>Net Position</u></b>			
Unrestricted	<u>(3,127,481)</u>	<u>(916,283)</u>	<u>(4,043,764)</u>
<b>Total Net Position</b>	<b><u><u>\$ (3,127,481)</u></u></b>	<b><u><u>\$ (916,283)</u></u></b>	<b><u><u>\$ (4,043,764)</u></u></b>



**COUNTY OF BEAVER, PENNSYLVANIA**

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Medical Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
<b><u>Operating Revenues</u></b>			
Charges for Services	\$ 11,210,693	\$ 514,694	\$ 11,725,387
<b><u>Operating Expenses</u></b>			
Costs of Services	9,504,562	702,460	10,207,022
Administrative	833,858	36,670	870,528
Total Operating Expenses	<u>10,338,420</u>	<u>739,130</u>	<u>11,077,550</u>
<b>Operating Income (Loss)</b>	872,273	(224,436)	647,837
<b><u>Non-Operating Revenues</u></b>			
Investment Income	<u>35</u>	<u>7</u>	<u>42</u>
Total Non-Operating Revenues	<u>35</u>	<u>7</u>	<u>42</u>
Income (Loss) Before Transfers	<u>872,308</u>	<u>(224,429)</u>	<u>647,879</u>
<b>Change in Net Position</b>	872,308	(224,429)	647,879
Total Net Position - Beginning	<u>(3,999,789)</u>	<u>(691,854)</u>	<u>(4,691,643)</u>
Total Net Position - Ending	<u><u>\$ (3,127,481)</u></u>	<u><u>\$ (916,283)</u></u>	<u><u>\$ (4,043,764)</u></u>

**COUNTY OF BEAVER, PENNSYLVANIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Medical Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
<b><u>Cash Flows from Operating Activities</u></b>			
Cash receipts for services provided	\$ 11,030,341	\$ 514,702	\$ 11,545,043
Cash payments to suppliers	(9,653,852)	(662,209)	(10,316,061)
Net Cash Provided by/(used in) Operating Activities	<u>1,376,489</u>	<u>(147,507)</u>	<u>1,228,982</u>
<b><u>Cash Flows from Non-Capital Financing Activities</u></b>			
Proceeds from (repayment of) General Fund advance	<u>(878,373)</u>	<u>210,756</u>	<u>(667,617)</u>
Net Cash Provided by/(used in) Non-Capital Financing Activities	(878,373)	210,756	(667,617)
<b><u>Cash Flows from Investing Activities</u></b>			
Investment income	<u>35</u>	<u>7</u>	<u>42</u>
Net Cash Provided by Investing Activities	<u>35</u>	<u>7</u>	<u>42</u>
<b>Net Increase in Cash and Cash Equivalents</b>	498,151	63,256	561,407
<b><u>Cash and Cash Equivalents</u></b>			
Beginning of year	165,346	69,655	235,001
End of year	<u>\$ 663,497</u>	<u>\$ 132,911</u>	<u>\$ 796,408</u>
<b><u>Reconciliation of Operating Income (Loss) to</u></b>			
<b><u>Net Cash Provided by (used in) Operating Activities</u></b>			
Operating income (loss)	<u>\$ 872,273</u>	<u>\$ (224,436)</u>	<u>\$ 647,837</u>
Change in operating assets and liabilities			
Accounts receivable	(166,724)	-	(166,724)
Accounts payable	855,547	33,506	889,053
Accrued liabilities	<u>(184,607)</u>	<u>43,423</u>	<u>(141,184)</u>
Net Cash Provided by/(used in) Operating Activities	<u>\$ 1,376,489</u>	<u>\$ (147,507)</u>	<u>\$ 1,228,982</u>

**COUNTY OF BEAVER, PENNSYLVANIA**

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

**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
<b>Clerk of Courts</b>				
<b><u>Assets</u></b>				
Cash and Cash Equivalents	\$ 285,894	2,718,845	2,820,588	\$ 184,151
	<u>285,894</u>	<u>2,718,845</u>	<u>2,820,588</u>	<u>184,151</u>
<b><u>Liabilities</u></b>				
Accounts Payable	285,894	2,718,845	2,820,588	184,151
	<u>\$ 285,894</u>	<u>2,718,845</u>	<u>2,820,588</u>	<u>\$ 184,151</u>
<b>Domestic Relations - Support Payments</b>				
<b><u>Assets</u></b>				
Cash and Cash Equivalents	\$ 34,253	829,109	788,096	\$ 75,266
	<u>34,253</u>	<u>829,109</u>	<u>788,096</u>	<u>75,266</u>
<b><u>Liabilities</u></b>				
Accounts Payable	34,253	829,109	788,096	75,266
	<u>\$ 34,253</u>	<u>829,109</u>	<u>788,096</u>	<u>\$ 75,266</u>
<b>Recorder of Deeds</b>				
<b><u>Assets</u></b>				
Cash and Cash Equivalents	\$ 481,825	14,338,958	14,433,954	\$ 386,829
	<u>481,825</u>	<u>14,338,958</u>	<u>14,433,954</u>	<u>386,829</u>
<b><u>Liabilities</u></b>				
Accounts Payable	481,825	14,338,958	14,433,954	386,829
	<u>\$ 481,825</u>	<u>14,338,958</u>	<u>14,433,954</u>	<u>\$ 386,829</u>
<b>Register of Wills</b>				
<b><u>Assets</u></b>				
Cash and Cash Equivalents	\$ 78,790	10,188,294	10,228,552	\$ 38,532
	<u>78,790</u>	<u>10,188,294</u>	<u>10,228,552</u>	<u>38,532</u>
<b><u>Liabilities</u></b>				
Accounts Payable	78,790	10,188,294	10,228,552	38,532
	<u>\$ 78,790</u>	<u>10,188,294</u>	<u>10,228,552</u>	<u>\$ 38,532</u>
<b>Sheriff</b>				
<b><u>Assets</u></b>				
Cash and Cash Equivalents	\$ 344,648	1,480,916	1,271,951	\$ 553,613
	<u>344,648</u>	<u>1,480,916</u>	<u>1,271,951</u>	<u>553,613</u>
<b><u>Liabilities</u></b>				
Accounts Payable	344,648	1,480,916	1,271,951	553,613
	<u>\$ 344,648</u>	<u>1,480,916</u>	<u>1,271,951</u>	<u>\$ 553,613</u>

**Exhibit F (Page 1 of 2)**

**COUNTY OF BEAVER, PENNSYLVANIA**

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

**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
<b>Prothonotary</b>				
<b><u>Assets</u></b>				
Cash and Cash Equivalents	\$ 779,926	952,126	920,242	\$ 811,810
	<u>779,926</u>	<u>952,126</u>	<u>920,242</u>	<u>811,810</u>
<b><u>Liabilities</u></b>				
Accounts Payable	779,926	952,126	920,242	811,810
	<u>\$ 779,926</u>	<u>952,126</u>	<u>920,242</u>	<u>\$ 811,810</u>
<b>Tax Claim</b>				
<b><u>Assets</u></b>				
Cash and Cash Equivalents	\$ 1,030,854	12,595,117	13,017,414	\$ 608,557
Due from Other Funds	-	408,216	-	408,216
	<u>1,030,854</u>	<u>13,003,333</u>	<u>13,017,414</u>	<u>1,016,773</u>
<b><u>Liabilities</u></b>				
Accounts Payable	1,030,854	13,003,333	13,017,414	1,016,773
	<u>\$ 1,030,854</u>	<u>13,003,333</u>	<u>13,017,414</u>	<u>\$ 1,016,773</u>
<b>Treasurer</b>				
<b><u>Assets</u></b>				
Cash and Cash Equivalents	\$ 41,230	272,917	284,171	\$ 29,976
	<u>41,230</u>	<u>272,917</u>	<u>284,171</u>	<u>29,976</u>
<b><u>Liabilities</u></b>				
Accounts Payable	41,230	272,917	284,171	29,976
	<u>\$ 41,230</u>	<u>272,917</u>	<u>284,171</u>	<u>\$ 29,976</u>
<b>Total - Agency Funds</b>				
<b><u>Assets</u></b>				
Cash and Cash Equivalents	\$ 3,077,420	43,376,282	43,764,968	\$ 2,688,734
Due from Other Funds	-	408,216	-	408,216
	<u>3,077,420</u>	<u>43,784,498</u>	<u>43,764,968</u>	<u>3,096,950</u>
<b><u>Liabilities</u></b>				
Accounts Payable	3,077,420	43,784,498	43,764,968	3,096,950
	<u>\$ 3,077,420</u>	<u>43,784,498</u>	<u>43,764,968</u>	<u>\$ 3,096,950</u>

# **STATISTICAL SECTION**

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# COUNTY OF BEAVER, PENNSYLVANIA

## STATISTICAL SECTION CONTENT

### LAST TEN YEARS

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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>184-189</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>190-193</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>194-196</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>197-200</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>201-202</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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 19,718,592	\$ 19,773,652	\$ 18,950,471	\$ 21,119,653	\$ 23,188,472	\$ 12,674,892	\$ 1,590,243	\$ 9,995,154	\$ 9,036,227	\$ 9,354,708
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	6,097,239	6,622,456	7,104,711	-	-	-	-	-	-	-
Programs for Mental Health / Behavioral Health	12,996,544	10,546,828	9,878,816	9,365,352	8,263,828	-	-	-	-	-
Programs for Children & Youth	2,624,607	3,404,661	3,125,276	2,314,429	1,925,163	-	-	-	-	-
Programs for Community Development	223,944	232,756	205,424	224,345	155,978	-	-	-	-	-
Programs for Capital Projects	2,567,479	2,137,344	2,710,123	2,856,064	-	-	-	-	-	-
Programs for General Law Enforcement	620,605	987,871	1,216,659	1,071,956	-	-	-	-	-	-
Programs for Elderly Population	948,011	1,076,735	968,703	573,321	-	-	-	-	-	-
Programs for Office Improvements	556,532	488,119	462,511	496,415	-	-	-	-	-	-
Programs for Emergency Services / Tourism	156,789	109,264	182,287	366,591	3,681,412	-	-	-	-	-
Unrestricted	(26,466,110)	(22,127,987)	(6,970,444)	(9,241,616)	(12,393,777)	(12,523,237)	(3,977,279)	(7,881,559)	(16,698,272)	(13,635,972)
<b>Total Governmental Activities Net Position</b>	<b>20,044,232</b>	<b>23,251,699</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>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
Restricted	-	-	-	-	-	-	7,279,670	6,912,769	11,534,085	11,970,526
Unrestricted	-	-	-	(5,312,896)	(1,699,257)	827,196	(341,629)	1,710,145	5,185,313	5,404,833
<b>Total Business-type Activities Net Position</b>	<b>-</b>	<b>-</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>Primary Government</b>										
Net Investment in Capital Assets	19,718,592	19,773,652	18,950,471	28,391,890	30,967,782	20,759,613	13,024,446	21,101,487	18,321,669	17,881,483
Restricted for:										
Restricted Fund	-	-	-	-	-	-	7,279,670	6,912,769	11,534,085	11,970,526
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	12,996,544	10,546,828	9,878,816	9,365,352	8,263,828	-	-	-	-	-
Programs for Children & Youth	2,624,607	3,404,661	3,125,276	2,314,429	1,925,163	-	-	-	-	-
Programs for Community Development	223,944	232,756	205,424	224,345	155,978	-	-	-	-	-
Other	10,946,655	11,421,789	12,644,994	5,364,347	3,681,412	-	-	-	-	-
Unrestricted	(26,466,110)	(22,127,987)	(6,970,444)	(14,554,512)	(14,093,034)	(11,696,041)	(4,318,908)	(6,171,414)	(11,512,959)	(8,231,139)
<b>Total Primary Government Net Position</b>	<b>\$ 20,044,232</b>	<b>\$ 23,251,699</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>

**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.
- 4) The adoption of GASB 68 affects Net Position starting December 31, 2015, by \$3,025,505, see Note A for more detail



# COUNTY OF BEAVER, PENNSYLVANIA

## CHANGE IN NET POSITION

### LAST TEN YEARS (ACCRUAL BASIS OF ACCOUNTING)

Program Revenues	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental Activities:</b>										
Fees and Charges:										
General Government	\$ 11,094,162	\$ 11,786,097	\$ 8,292,884	\$ 9,410,109	\$ 8,260,937	\$ 8,106,487	\$ 7,751,564	\$ 7,625,322	\$ 8,078,762	\$ 7,912,438
Judicial	574,181	481,730	533,027	815,176	416,498	340,294	304,522	314,108	335,118	346,304
Public Safety	3,391,361	1,842,030	503,209	557,855	618,159	690,643	-	-	-	-
Public Works and Enterprises	20,101	19,230	19,436	21,581	22,942	24,034	22,367	25,312	285,784	260,553
Culture, Recreation, and Conservation	334,040	327,437	316,212	288,309	290,823	286,063	251,490	233,425	-	-
Human Services	1,183,180	1,284,528	1,316,195	1,316,133	1,350,644	1,271,830	1,412,633	1,463,490	1,398,292	1,244,744
Economic Development	294,401	348,596	414,058	322,717	280,003	384,870	321,209	393,641	385,609	476,730
Miscellaneous	133,753	167,924	112,063	1,284,716	1,708,694	1,070,899	2,031,365	1,137,675	1,147,581	1,435,432
Operating Grants and Contributions	93,484,208	83,048,254	86,422,137	93,093,407	106,583,933	101,993,002	66,461,336	77,339,228	80,267,272	77,284,833
<i>Total Governmental Activities Program Revenues</i>	<u>110,509,387</u>	<u>99,305,826</u>	<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>
<b>Business-type Activities:</b>										
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
Emergency Services	-	-	-	-	-	-	767,042	912,983	1,212,158	1,315,659
HealthChoices	-	-	-	-	-	-	35,106,108	28,804,258	25,846,355	24,707,769
Operating Grants and Contributions	-	-	-	-	-	-	2,447,934	3,507,863	1,795,207	1,622,282
<i>Total Business-type Activities Program Revenues</i>	<u>-</u>	<u>-</u>	<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>
<i>Total Primary Government Program Revenues</i>	<u>110,509,387</u>	<u>99,305,826</u>	<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>
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	12,694,109	13,700,510	12,408,945	14,170,624	11,750,434	11,996,754	11,669,448	10,815,513	10,885,322	10,638,416
Judicial	18,243,486	18,402,198	16,763,833	16,258,018	15,555,477	14,636,699	15,098,971	13,913,313	13,886,914	13,116,223
Public Safety	22,381,343	22,557,568	20,283,511	19,497,132	19,454,879	15,462,810	13,757,968	13,544,091	13,702,730	11,031,994
Public Works and Enterprises	5,474,144	6,407,538	5,655,490	5,072,959	5,182,838	4,241,207	4,528,251	5,619,566	5,278,816	4,886,450
Culture, Recreation, and Conservation	3,287,474	3,673,985	3,337,405	3,340,078	3,399,254	3,397,281	3,084,802	3,126,749	3,334,894	3,235,547
Human Services	87,938,362	81,745,820	80,551,274	80,247,950	87,636,856	89,981,045	56,738,862	70,269,076	74,933,041	71,619,963
Economic Development	5,123,114	4,529,186	5,204,788	5,934,034	7,612,686	8,270,783	9,930,980	10,150,296	7,912,766	9,687,518
Interest Expense	7,017,693	6,260,859	6,482,858	5,612,832	5,770,270	6,095,041	7,444,710	7,423,905	5,127,487	6,390,964
<i>Total Governmental Activities Expenses</i>	<u>162,159,725</u>	<u>157,277,664</u>	<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>
<b>Business-type Activities:</b>										
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
Emergency Services	-	-	-	-	-	-	3,318,004	3,485,386	2,178,655	2,905,978
HealthChoices	-	-	-	-	-	-	34,760,543	33,479,918	26,628,247	23,033,731
<i>Total Business-type Activities Expenses</i>	<u>-</u>	<u>-</u>	<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>
<i>Total Primary Government Expenses</i>	<u>\$ 162,159,725</u>	<u>\$ 157,277,664</u>	<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>

**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.
- 4) A restatement of Net Pension Liability for January 1, 2015 and December 31, 2015 resulted in a change in the pension expense for 2015. Therefore, expenses for Governmental Activities have been restated.

# COUNTY OF BEAVER, PENNSYLVANIA

## CHANGE IN NET POSITION

### LAST TEN YEARS (ACCRUAL BASIS OF ACCOUNTING)

Net (Expense)/ Revenue	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities	\$ (51,650,338)	\$ (57,971,838)	\$ (52,758,883)	\$ (43,023,624)	\$ (36,830,061)	\$ (39,913,498)	\$ (43,697,504)	\$ (46,330,308)	\$ (43,163,552)	\$ (41,646,041)
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
<i>Total Primary Government Net Expense</i>	<u>\$ (51,650,338)</u>	<u>\$ (57,971,838)</u>	<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>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Real Estate Taxes	\$ 48,324,708	\$ 46,246,341	\$ 47,448,275	\$ 47,930,067	\$ 48,529,473	\$ 47,133,255	\$ 46,603,187	\$ 45,901,624	\$ 45,714,111	\$ 38,995,721
Investment Income (Loss)	196,225	169,163	93,047	36,541	60,639	74,490	98,614	243,583	(5,315,720)	2,138,290
Other Income	-	-	-	-	113,989	-	-	680,307	-	-
Gain (Loss) on Sale of Capital Assets	(78,062)	-	-	-	(27,077)	-	-	-	-	-
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
<i>Total Governmental Activities</i>	<u>48,442,871</u>	<u>46,415,504</u>	<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>
Business-type Activities:										
Investment Earnings	-	-	-	169	403	5,566	24,213	79,457	473,498	758,318
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
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	1,366,893	617,550	612,260	2,255,409	452,553	1,305,934	615,612	(584,386)
<i>Total Business-type Activities</i>	<u>-</u>	<u>-</u>	<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>
<i>Total Primary Government</i>	<u>48,442,871</u>	<u>46,415,504</u>	<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>
<b>Change in Net Position</b>										
Governmental Activities	(3,207,467)	(11,556,334)	8,688,027	4,325,434	11,234,703	5,038,838	(4,878,937)	9,775,640	(3,380,773)	72,356
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
<i>Total Primary Government Change in Net Position</i>	<u>\$ (3,207,467)</u>	<u>\$ (11,556,334)</u>	<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>

**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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Fund</b>										
Unreserved, Designated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,032	\$ 855,737	\$ 77,750	\$ 66,901
Unreserved, Undesignated	-	-	-	-	-	-	3,712,094	3,277,443	1,233,082	1,311,137
Nonspendable:										
Not in Spendable Form (Prepaid Items)	168,172	171,446	156,112	202,816	267,748	272,453	-	-	-	-
Restricted:										
Debt Service	6,097,239	6,622,456	7,104,711	-	-	-	-	-	-	-
Programs for Mental Health / Behavioral Health	-	200,691	-	-	-	-	-	-	-	-
Other	241,660	-	-	-	-	-	-	-	-	-
Assigned:										
General Government	12,409	-	606,016	127,511	-	6,135	-	-	-	-
Judicial	-	-	-	-	-	3,947	-	-	-	-
Public Safety	-	-	-	-	-	2,101	-	-	-	-
Culture, Recreation & Conservation	-	-	-	-	-	649	-	-	-	-
Other	397,947	-	-	-	-	-	-	-	-	-
Unassigned:	227,881	(3,851,578)	4,378,985	(4,147,374)	(491,085)	2,112,317	-	-	-	-
<b>Total General Fund</b>	<b>7,145,308</b>	<b>3,143,015</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>All Other Governmental Funds</b>										
Unreserved, Designated	-	-	-	-	-	-	1,589,202	933,293	1,054,288	1,332,155
Unreserved, Reported in:										
Special Revenue funds	-	-	-	-	-	-	5,053,869	5,757,754	3,457,454	4,597,378
Capital Projects funds	-	-	-	-	-	-	1,161,197	5,674,231	911,524	2,866,916
Nonspendable:										
Not in Spendable Form (Prepaid Items)	1,725,641	2,120,304	2,216,218	2,359,534	2,134,116	1,666,991	-	-	-	-
Restricted:										
Programs for Mental Health / Behavioral Health	12,996,544	10,346,136	9,878,816	9,365,352	8,263,828	7,409,183	-	-	-	-
Programs for Children & Youth	1,997,012	2,212,367	1,815,214	1,375,247	1,310,896	667,127	-	-	-	-
Programs for Community Development	223,944	119,578	205,424	202,625	111,582	269,711	-	-	-	-
Other	4,854,739	4,688,609	4,899,535	4,777,475	2,634,492	2,820,030	-	-	-	-
Committed:										
Capital Projects	1,051,098	1,637,838	1,691,061	1,416,877	1,001,999	-	-	-	-	-
General Government	-	-	-	-	-	1,285,501	-	-	-	-
Unassigned:	(146,232)	(139,006)	(143,374)	(224,464)	(118,565)	(234,522)	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>22,702,746</b>	<b>20,985,827</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>Total Governmental Funds</b>	<b>\$ 29,848,054</b>	<b>\$ 24,128,842</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>

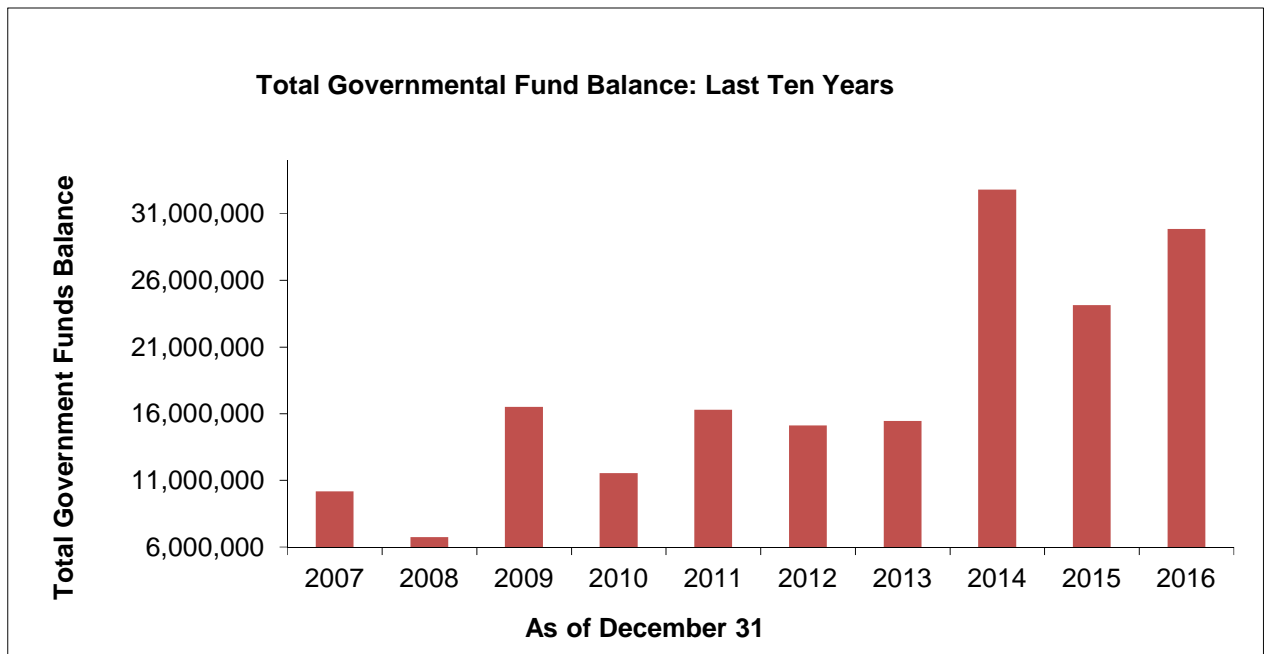
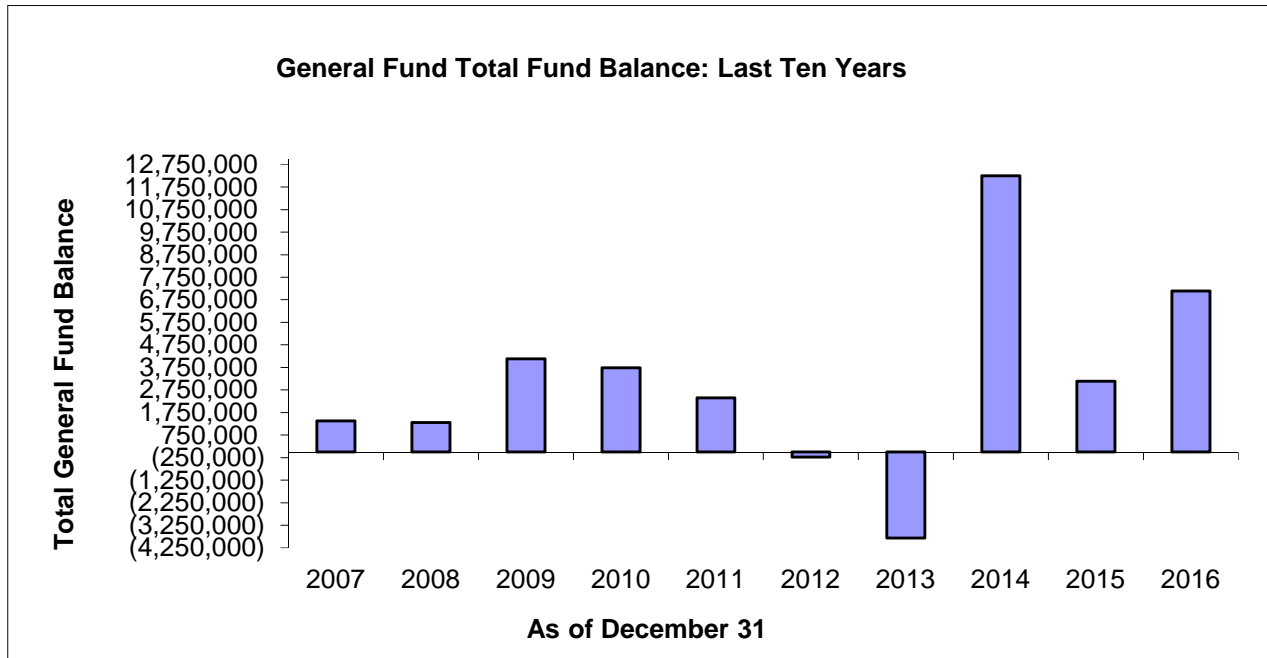
**Notes:**

- 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)

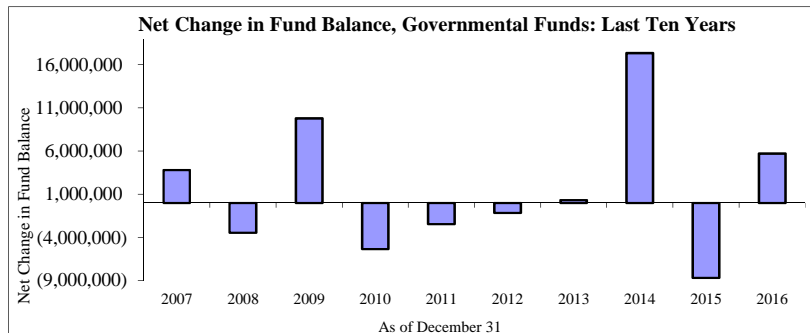
	2016	2015	2014	2013	2012	2011 (c)	2010	2009	2008	2007
<b>Revenues</b>										
Real Estate Taxes	\$ 48,172,039	\$ 46,920,546	\$ 47,565,872	\$ 47,526,123	\$ 47,284,984	\$ 47,359,047	\$ 46,192,256	\$ 45,986,732	\$ 45,361,286	\$ 38,494,475
Licenses and Permits	146,785	134,079	125,652	142,264	135,717	95,994	88,331	90,613	94,777	97,652
Interest and Rents	196,183	169,130	93,025	36,468	60,383	73,801	97,072	237,972	968,971	1,707,464
Intergovernmental	93,810,787	83,091,966	84,978,970	93,017,636	106,312,619	103,744,098	64,848,333	79,118,847	76,585,454	79,040,944
Charges for Services and Facilities	16,744,636	16,070,793	11,348,699	11,019,107	10,852,799	10,748,397	10,269,426	9,755,195	10,144,856	9,914,265
Local Hotel Room Tax	319,265	308,262	291,612	268,517	273,245	267,925	235,540	215,100	243,930	228,852
Miscellaneous	133,753	167,924	112,063	1,198,927	1,686,939	1,062,804	1,501,854	1,581,922	1,147,581	1,435,432
<b>Total Revenues</b>	<b>159,523,448</b>	<b>146,862,700</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>Expenditures</b>										
<b>Current:</b>										
General Government	10,380,470	11,440,962	10,542,028	10,284,611	10,081,461	9,982,399	9,884,189	11,226,886	9,797,512	9,512,670
Judicial	16,850,316	16,869,061	15,816,183	15,650,178	14,919,818	14,028,854	14,730,514	15,672,337	13,778,503	12,775,641
Public Safety	19,464,489	19,193,767	17,395,709	17,308,063	17,254,565	15,386,635	12,571,331	16,001,577	13,258,113	10,337,538
Public Works and Enterprises (a)	3,915,528	4,666,979	4,118,711	3,841,908	4,032,075	3,370,619	3,491,805	3,936,778	3,904,651	3,495,004
Culture, Recreation and Conservation	2,829,461	3,117,577	2,926,885	2,988,019	3,024,727	2,960,924	2,847,595	3,117,984	3,144,734	2,977,581
Economic Development (a)	4,828,439	4,506,303	5,156,566	5,923,971	7,593,606	8,300,580	9,804,324	10,102,085	7,876,607	9,624,288
Human Services (c)	87,740,081	81,018,013	80,519,200	80,395,901	87,740,922	90,167,200	56,804,760	69,812,859	74,616,096	70,916,823
Capital Outlay-Infrastructure	2,052,984	870,694	2,695,836	6,871,309	13,063,570	8,294,941	6,200,701	1,968,649	1,082,722	2,713,748
Capital Outlay-Asset	-	-	-	-	-	-	-	-	-	-
Acquisition and Improvements	1,921,658	3,414,698	2,887,048	1,065,230	1,358,674	1,410,896	3,025,859	9,351,084	3,572,364	1,398,789
Refunding Bond Issuance Costs	-	-	-	-	-	-	-	-	-	933,619
<b>Debt service:</b>										
Principal	1,506,871	4,751,704	4,510,711	3,594,186	3,036,967	3,285,850	3,028,918	2,147,247	2,718,684	2,659,767
Interest	2,476,450	5,682,783	5,942,119	4,995,116	5,306,440	5,537,461	5,692,426	5,725,138	4,997,227	5,237,624
Bond Issuance Costs	1,152,441	-	-	149,577	111,007	-	-	1,355,321	-	54,853.00
Current Refunding	-	-	-	-	7,795,703	-	-	-	-	-
Other	-	10,035	12,511	10,006	10,000	-	-	-	-	-
<b>Total Expenditures</b>	<b>155,119,188</b>	<b>155,542,576</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>Excess of Revenues Over (Under) Expenditures</b>	<b>4,404,260</b>	<b>(8,679,876)</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>Other Financing Sources (Uses)</b>										
Proceeds of Refunded Bonds	114,640,000	-	-	(6,636,785)	-	-	-	-	-	-
Capital Leases	-	-	-	266,409	114,139	-	174,680	7,984,367	1,375,582	329,409
Payment to Refunded Bonds Escrow Agent	(114,298,594)	-	-	6,831,000	7,741,065	-	-	(58,484,063)	-	(58,125,000)
Proceeds of Bonds	-	-	-	-	-	58,403	-	21,923,950	-	3,289,430
Issuance of Refunding Debt	-	-	-	411,185	217,143	-	-	60,328,550	-	59,655,000
Insurance Proceeds	-	-	-	-	113,989	-	-	442,320	-	-
Original Issue (Discount) Premium	973,545	-	147,963	(44,638)	(17,840)	-	-	(1,428,045)	-	(207,822)
Disposal of Friendship Ridge	-	-	26,579,663	-	-	-	-	-	-	-
Transfers In	4,893,784	4,043,149	4,692,310	3,963,629	3,811,888	3,571,299	3,793,889	353,420	250,899	1,200,000
Transfers Out (c)	(4,893,784)	(4,043,149)	(6,059,203)	(4,581,179)	(4,424,148)	(6,688,059)	(4,246,442)	(979,573)	(866,511)	(615,614)
<b>Total Other Financing Sources (Uses)</b>	<b>1,314,951</b>	<b>-</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>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>\$ 5,719,211</b>	<b>\$ (8,679,876)</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>

Debt Service as a Percentage of  
Noncapital Expenditures

2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
2.6%	6.9%	7.1%	5.9%	5.2%	5.8%	7.3%	5.7%	5.8%	6.1%

**Notes:**

- (a) In prior years the Economic Development Function was included as part of the Public Works function.
- (b) 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.
- (c) 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
2016	\$ 1,782,906,954	\$ 436,317,563	\$ 9,785,396	\$ 2,209,439,121	\$ 7,540,747,853	29.30 %	22.20
2015	1,784,968,392	433,142,381	56,739,594	2,161,371,179	7,376,693,444	29.30	22.20
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	18.70
2007	1,910,141,821	606,747,900	451,800,957	2,065,088,764	6,838,042,265	30.20	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 MILS) - DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF ASSESSED VALUATION) LAST TEN COLLECTION YEARS

	Year Taxes are Payable									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>County Direct Rate</b>										
Property Tax (1)	22.20	22.20	22.20	22.20	22.20	22.20	22.20	22.20	22.20	18.70
<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 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
City of Beaver Falls	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00
Townships	7.00-30.00	7.00-30.00	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
Boroughs (3)	2.00-34.50	2.00-34.50	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
<b>School District Rates</b>										
City of Aliquippa (2)	L 224.00 B 34.75	L 224.00 B 34.75	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
City of Beaver Falls	64.00	64.00	64.00	63.00	62.00	62.00	61.00	61.00	61.00	59.00
Townships	51.1526-75.8610	51.1526-75.8610	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
Boroughs (3)	30.25-75.8610	30.25-75.8610	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
<b>Totals</b>										
City of Aliquippa (2)										
Land	330.20	330.20	324.20	318.20	313.20	308.20	304.20	298.20	291.20	276.30
Building	71.35	71.35	70.60	70.45	69.60	69.10	68.60	64.60	63.10	58.10
Total	401.55	401.55	394.80	388.65	382.80	377.30	372.80	362.80	354.30	334.40
City of Beaver Falls	118.20	118.20	118.20	117.20	116.20	116.20	115.20	115.20	115.20	109.70
Townships	80.3526-128.061	80.3526-128.061	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
Boroughs (3)	79.1000-132.561	54.45-132.561	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

**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, 2016	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
First Energy Corporation (Bruce Mansfield, BV2)	\$ 135,407,875	6.13%
PR Beaver Valley LP - Beaver Valley Mall	28,450,900	1.29%
United States Gypsum - Aliquippa	15,581,843	0.71%
Wal-Mart Real Estate (Chippewa & Economy)	13,796,600	0.62%
Comprehensive Health Care Management	13,439,500	0.61%
ARC TMMONPA001, LLC - Lowes, Eat'N Park, Texas Roadhouse	12,266,400	0.56%
The Buncher Company	10,572,700	0.48%
THF Monaca, LP - Walmart, Applebees, McDonalds, Taco Bell	9,976,600	0.45%
Nova Chemicals Inc.	9,600,000	0.43%
Koppel Steel (Ambridge & Koppel)	9,488,000	0.43%
	<u>\$ 258,580,418</u>	<u>11.70%</u>
Total Assessed Valuation	<u>\$ 2,209,439,121</u>	

Tax Payer	January 1, 2007	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
First Energy (Bruce Mansfield, BV2, Various)	\$ 133,014,965	6.44%
PR Beaver Valley LP - Beaver Valley Mall	27,864,100	1.35%
Koppel Steel (Ambridge & Koppel)	14,801,400	0.72%
Horsehead Industries	12,943,800	0.63%
DDR MDT - Lowes, Eat'N park, Texas Roadhouse	12,266,400	0.59%
United States Gypsum	12,128,600	0.59%
THF Monaca, LP - Walmart	9,976,600	0.48%
Jewel Acquisition & July Products (J & L Specialty Steel)	9,635,350	0.47%
Nova	9,600,000	0.46%
NGC Gypsum Plant - Shippingport	8,594,300	0.42%
	<u>\$ 250,825,515</u>	<u>12.15%</u>
Total Assessed Valuation	<u>\$ 2,065,088,764</u>	

**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.

**Sources:**

Beaver County Board of Property Assessment



# 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
2016	\$ 49,049,548	\$ 43,728,293	89.15 %	\$ 1,451,602	\$ 45,179,895	92.11 %
2015	48,254,222	44,868,667	92.98	2,946,657	47,815,324	99.09
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

**Sources:**

Beaver County Board of Property Assessment

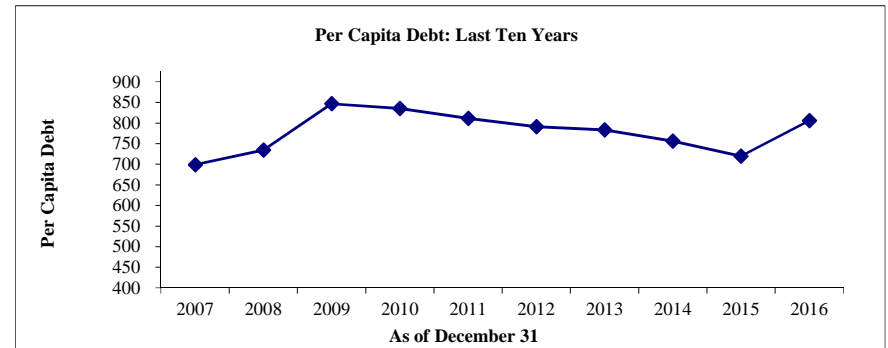
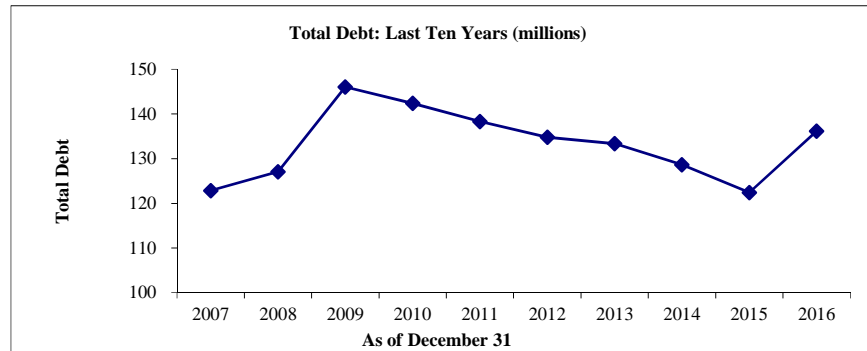
**Notes:**

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 lien 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
2016	\$ 118,573,545	\$ 11,640,917	\$ 5,960,758	\$ -	\$ -	\$ -	\$ -	\$ 136,175,220	2.96 %	806
2015	62,451,933	44,459,723	15,514,970	-	-	-	-	122,426,626	2.61	720
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



\* 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
2016	168,908	\$ 7,540,747,853	\$ 117,635,000	1.56 %	696
2015	169,392	7,376,693,444	63,180,000	0.86	373
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

# COUNTY OF BEAVER, PENNSYLVANIA

## LEGAL DEBT MARGIN

### LAST TEN YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Borrowing Base	\$ 66,830,635	\$ 64,785,129	\$ 63,812,699	\$ 64,073,070	\$ 63,661,278	\$ 63,302,104	\$ 62,715,342	\$ 60,561,918	\$ 57,411,646	\$ 48,888,029
Legal Debt Limit:										
Non-electoral Debt	200,491,905	194,355,388	191,438,097	192,219,211	190,983,833	189,906,311	188,146,026	181,685,755	172,234,938	146,664,086
Non-electoral Debt plus Lease Rental Debt	267,322,540	259,140,517	255,250,796	256,292,281	254,645,111	253,208,415	250,861,368	242,247,673	229,646,584	195,552,115
Net Debt Applicable to the Limit:										
Non-electoral Debt	121,453,059	92,721,547	95,249,061	88,336,056	109,144,638	113,963,491	106,799,416	96,574,049	74,088,924	77,485,098
Non-electoral Debt plus Lease Rental Debt	17,633,290	30,843,330	33,494,159	45,882,706	26,949,911	26,111,303	36,692,659	50,532,410	32,375,000	20,794,816
Legal Debt Margin:										
Non-electoral Debt	79,038,846	101,633,841	96,189,036	103,883,155	81,839,195	75,942,820	81,346,610	85,111,706	98,146,014	69,178,988
Non-electoral Debt plus Lease Rental Debt	249,689,250	228,297,187	221,756,637	210,409,575	227,695,200	227,097,112	214,168,709	191,715,263	197,271,584	174,757,299
Ratio of Net Debt Applicable to the Limit / Legal Debt Limit:										
Non-electoral Debt	61%	48%	50%	46%	57%	60%	57%	53%	43%	53%
Non-electoral Debt plus Lease Rental Debt	7%	12%	13%	18%	11%	10%	15%	21%	14%	11%

**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	2016	
	Employees	Percentage of Total County Employment
Valley Medical Facilities, Inc.	n/a	n/a
First Energy Nuclear Operating Co.	n/a	n/a
Wal-Mart Associates, Inc.	n/a	n/a
Passavant Memorial Homes	n/a	n/a
Beaver County Government	n/a	n/a
IPSCO Koppel Tubulars Corporation	n/a	n/a
McGuire Memorial	n/a	n/a
Mailing Services of Pittsburgh Inc.	n/a	n/a
Heritage Valley Medical Group Inc.	n/a	n/a
Anchor Hocking LLC	n/a	n/a
Total	n/a	n/a
Total County Employees	752	
Employer	2007	
	Employees	Percentage of Total County Employment
Valley Medical Facilities, Inc.	n/a	n/a
Beaver County Government	n/a	n/a
McCarl's	n/a	n/a
FirstEnergy Nuclear Operating	n/a	n/a
Wal-Mart Associates Inc.	n/a	n/a
Chicago Title Insurance Co.	n/a	n/a
Koppel Steel Corp.	n/a	n/a
Passavant Memorial Homes	n/a	n/a
Horsehead Corp. (formerly Zinc Corp.)	n/a	n/a
McGuire Memorial	n/a	n/a
Total	n/a	n/a
Total County Employees	831	

**Notes:**

Number of Employees not available from source due to confidentiality.

**Sources:**

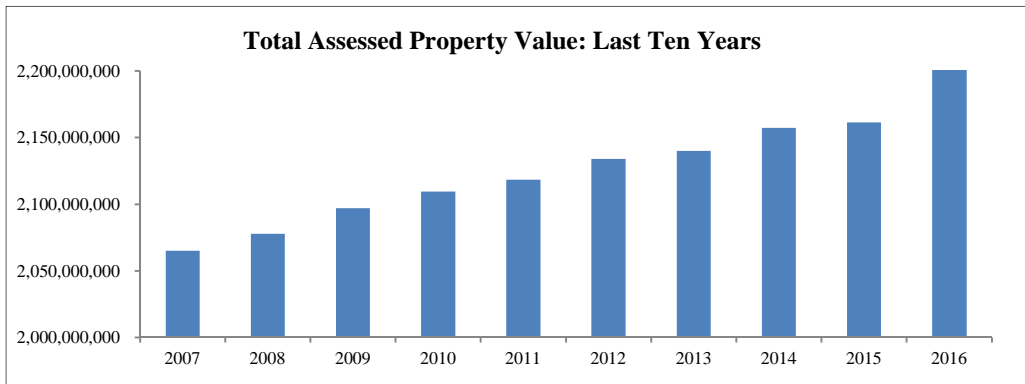
Center for Workforce Information and Analysis-Home of PA Work Stats

# 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
2016	168,908 (21)	\$ 4,599,871,564	\$ 27,233 (21)	\$ 50,581 (21)	44.8 (21)	21.7 % (21)	35,365 (21)	4.2 % (4)	\$ 2,209,439,121
2015	169,392 (20)	4,695,376,848	27,719 (20)	51,222 (20)	44.9 (20)	22.4 (20)	34,389 (20)	4.8 (4)	2,161,371,179
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



**Sources:**

- (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
- (20) U.S. Census Bureau, 2014 American Community Survey 1-Year Estimates
- (21) U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates

# COUNTY OF BEAVER, PENNSYLVANIA

## FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM LAST TEN YEARS

<b>Function/Program</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>General Government:</b>										
Commissioners	7.0	6.0	5.0	5.0	5.0	5.0	6.0	6.0	5.0	8.0
Controller	9.0	7.0	8.0	9.0	8.0	8.0	8.0	9.0	10.0	9.5
Treasurer	11.5	11.5	12.5	13.0	9.5	10.5	13.5	11.5	12.0	13.0
Recorder of Deeds	7.5	6.5	6.5	6.5	7.0	6.0	8.5	8.5	8.5	11.5
Solicitor	3.5	3.5	3.5	3.5	3.5	2.5	3.0	3.0	3.0	3.0
Information Technology	5.5	6.0	6.0	6.0	7.0	7.0	7.0	7.0	9.0	9.0
Planning Commissior	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	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	3.5	3.5	3.0	2.0	3.0	2.5	2.5	3.0	4.0
Election Bureau	8.0	8.0	8.0	9.0	8.5	8.5	8.5	8.5	6.0	6.5
Assessment/Tax Claim	17.0	21.5	21.0	21.0	20.5	20.5	21.0	21.0	24.0	24.5
Public Defender	15.0	17.0	16.0	16.0	16.0	16.0	16.0	15.5	16.0	16.0
Employee Relations	3.5	6.0	6.0	6.0	6.0	5.0	6.0	5.5	7.0	7.5
Mailroom*	4.0	3.0	2.5	2.0	3.0	3.0	3.0	3.0	2.0	1.0
Micrographics	1.5	2.5	3.0	3.0	4.0	5.0	6.0	5.5	5.0	5.0
Central Telephone	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	1.5
Purchasing*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	2.0	3.0
<b>Judicial:</b>										
Clerk of Courts	12.0	11.5	11.5	11.5	11.5	11.5	11.5	10.5	12.5	13.5
Coroner	4.0	3.0	2.0	2.5	3.0	2.5	2.5	2.5	3.0	4.0
Jury Commission	2.0	1.0	1.0	1.0	1.0	1.5	1.0	1.0	2.0	2.0
District Attorney	25.0	24.5	24.5	24.0	24.0	23.5	24.0	22.5	24.5	24.5
Prothonotary	11.0	11.5	11.5	11.0	12.0	11.5	11.5	11.0	13.0	13.5
Register of Wills	6.5	4.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	6.5
Sheriff	36.0	44.5	46.5	45.0	46.0	46.5	44.0	45.5	45.5	34.5
Court Administration	42.0	45.0	44.0	41.5	43.5	42.5	46.0	45.5	45.5	42.5
Law Library	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Domestic Relations	31.0	29.0	32.0	33.0	33.0	32.0	33.0	33.0	35.0	35.0
I. Judicial - Decreased 1%	28.0	31.0	31.0	31.0	27.0	31.0	28.0	29.0	31.0	30.0
Rights & Services/Victims of Crime	4.0	3.5	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Drug Investigation	12.0	9.0	8.5	7.0	8.0	7.0	7.5	8.0	8.0	5.0
<b>Public Safety:</b>										
Emergency Services	42.0	45.5	44.0	43.0	43.5	45.5	45.0	42.5	42.5	42.0
Jail	84.0	88.5	88.5	82.0	93.0	93.5	88.5	87.5	89.5	81.0
Allencrest Detention Center	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	29.5	28.0
Adult Probation/Intermediate Punishment	31.0	31.0	31.0	31.0	31.5	30.0	31.5	30.0	33.0	31.0
Juvenile Services	27.0	26.5	25.5	26.5	25.5	25.5	26.0	24.5	25.0	25.0
DUI Program	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
<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	28.0	34.0	34.5	33.0	30.5	29.5	27.5	27.5	31.0	30.0
Airport	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	5.5	3.0
<b>Culture, Recreation and Conservation:</b>										
Parks/Recreation/Tourist Promotion	12.5	12.5	13.0	12.0	13.0	12.5	13.0	14.0	13.5	13.5
Library Commission	9.5	11.5	11.5	11.5	12.0	11.5	11.0	11.5	11.5	12.5
Waste Management	4.0	3.5	3.5	3.0	3.5	5.0	4.0	4.0	4.0	4.0
<b>Human Services:</b>										
Office on Aging	30.5	29.0	28.0	29.5	31.5	39.0	38.0	40.0	39.5	39.5
Children & Youth	72.0	71.0	67.5	65.5	63.0	67.0	64.0	60.0	70.5	71.5
MH/ID (formerly MH/MR)-Drug & Alcohol-HealthChoice:	79.0	78.0	79.0	78.0	71.5	81.0	78.5	88.0	88.0	81.0
Childcare Choices	0.0	0.0	0.0	0.0	9.5	10.0	10.5	10.5	11.0	11.0
<b>Economic Development:</b>										
Community Development	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	8.0	8.0
<b>Total</b>	<b>750.0</b>	<b>771.5</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>

**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 taken at December 31.

**Notes:**

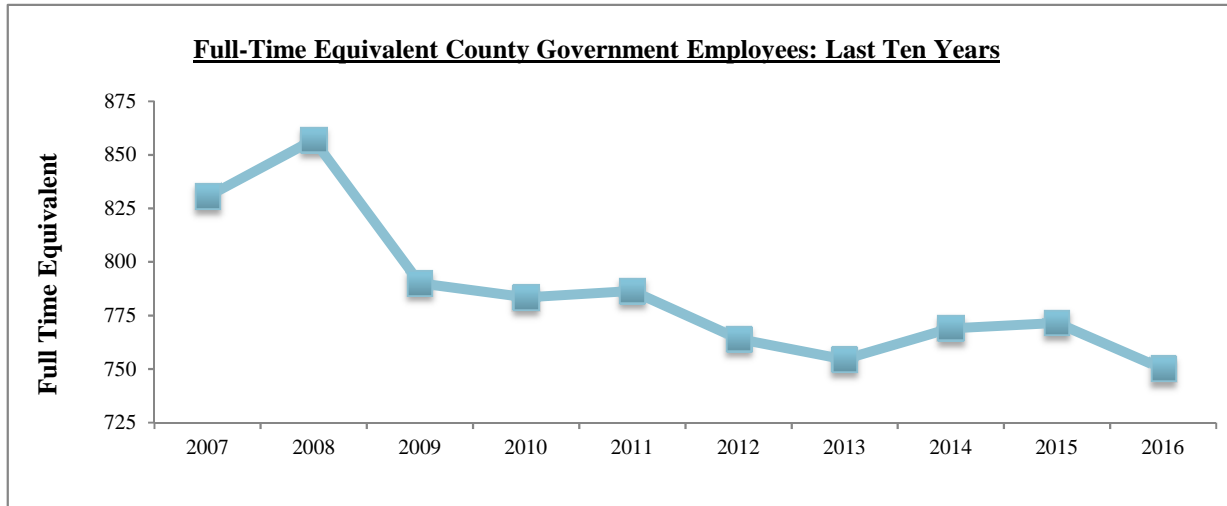
\* Starting in 2010, the Mailroom function includes the Purchasing function.

**Sources:**

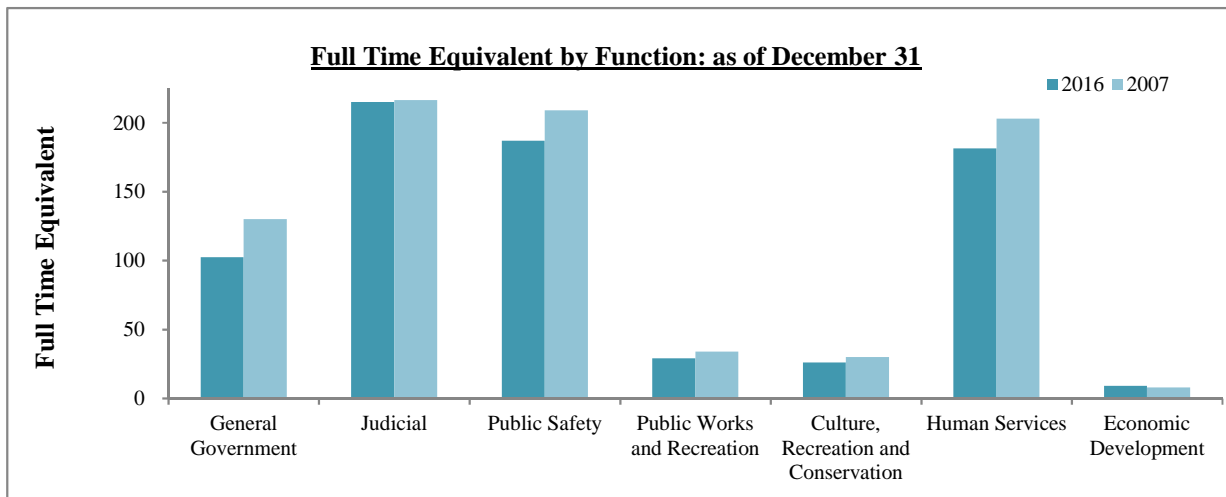
Beaver County Payroll Department

# COUNTY OF BEAVER, PENNSYLVANIA

## FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES GRAPHS / CHARTS LAST TEN YEARS



\* FTE reductions in 2009, 2012, and 2016 were results of extensive early retirement packages offered and County layoffs.



The following represents the % increase or decrease in FTE between 2007 and 2016:

- General Government - Decreased 21%
- Judicial - Decreased 1%
- Public Safety - Decreased 11%
- Public Works and Recreation - Decreased 15%
- Culture, Recreation and Conservation - Decreased 13%
- Human Services - Decreased 11%
- Economic Development - Increased 13%



# COUNTY OF BEAVER, PENNSYLVANIA

## OPERATING INDICATORS BY FUNCTION / PROGRAM

### LAST TEN YEARS

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Government (1)</b>										
Number of Registered Voters	113,598	109,091	109,742	109,456	115,157	112,531	116,234	115,862	118,311	112,248
Number of Votes Cast in Last General Election	84,978	46,815	48,648	23,062	81,372	34,142	58,525	28,254	86,022	40,118
Percentage of Registered Voters Voting in Last General Election	74.81	42.91	44.33	21.07	70.66	30.34	50.35	24.39	72.71	35.39
<b>Judicial (2)</b>										
Year-to-date Filings	30,462	33,492	34,933	36,243	37,492	40,134	39,426	42,370	46,338	36,690
Traffic Citations	19,076	21,981	23,490	24,586	25,683	26,633	25,957	28,868	29,000	22,893
Summary/Non Traffic	4,893	4,525	4,802	5,033	5,289	6,304	6,608	6,836	7,229	6,623
Civil Complaints	2,439	2,767	2,693	2,822	3,178	3,423	2,909	2,913	3,314	3,108
Misdemeanor/Felony Citations	4,054	4,219	3,948	3,802	3,342	3,774	3,952	3,753	4,019	4,066
Criminal Filings	2,673	2,675	2,468	2,526	2,444	2,492	2,595	2,540	2,776	2,576
Civil Filings	1,467	1,552	1,656	1,729	1,847	2,046	1,865	1,710	1,219	1,100
Orphans Court Filings	193	231	214	227	208	196	226	225	336	296
Custody Filings	700	784	789	864	866	775	834	628	601	582
Protection from Abuse Filings	487	502	482	518	566	469	490	541	488	469
Divorces	463	436	476	452	481	490	483	451	471	484

**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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Human Services</b>										
Computer Terminals:										
Childcare Information Services***	0	0	0	0	8	9	8	8	8	8
Children & Youth	93	72	68	68	103	104	104	104	104	80
MH/ID (formerly MH/MR)	120	130	134	124	122	108	108	125	132	86
Office on Aging	80	77	77	70	95	109	109	99	84	40
<b>Judicial</b>										
Sheriff:										
Vehicles	40	40	40	35	35	33	33	32	29	29
Weapons (Firearms)^	84	84	53	53	53	53	53	51	74	80
Courtrooms	8	8	8	8	8	8	8	8	8	8
<b>Proprietary</b>										
Long-Term Care Facilities****										
Bed Capacity	0	0	0	589	589	589	589	589	589	589
<b>Public Safety</b>										
Jail:										
Cell Capacity	402	402	402	402	402	402	402	402	402	403
Allencrest*:										
Secure Bed Capacity	0	0	0	0	0	0	0	0	18	25
Shelter Bed Capacity	0	0	0	0	0	0	0	0	6	6
<b>Public Works</b>										
Airport**:										
Private Hangars	0	0	0	0	0	0	0	13	13	13
Commercial Hangars	0	0	0	0	0	0	0	8	8	9
Runways	0	0	0	0	0	0	0	1	1	1
Length of Runways (feet)	0	0	0	0	0	0	0	4,500	4,500	4,500
Department of Public Works:										
Vehicles	28	28	32	30	34	34	34	38	32	31
Parking Garages	1	1	1	1	1	1	1	1	1	1
Parking Lots	13	12	12	14	14	14	14	15	15	15
Liquid Fuels:										
Bridges	56	56	56	55	56	57	56	55	55	55
County Owned & Maintained Streets (miles)	26	26	26	26	26	26	26	25	25	24
<b>Recreation (County owned and/or maintained)</b>										
Parks	5	4	4	3	3	3	3	3	3	3
Park Acres	2,518	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	3	3	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	0	0
Deck Hockey Rinks	1	1	1	1	1	1	1	1	1	1
Outdoor Skate Parks	1	1	1	1	1	1	0	0	0	1

**Notes:**

- \* The Allencrest facility closed in 2009
- \*\* The Airport became an Authority separate from the County in 2011
- \*\*\* Due to consolidated operations across the State, the County merged Childcare Information Services with another County in July 2012
- \*\*\*\* The Friendship Ridge entity was sold in March 2014
- ^ This number was unable to be obtained for 2016; therefore, we used 2015's value

**Sources:**

Various County Departments