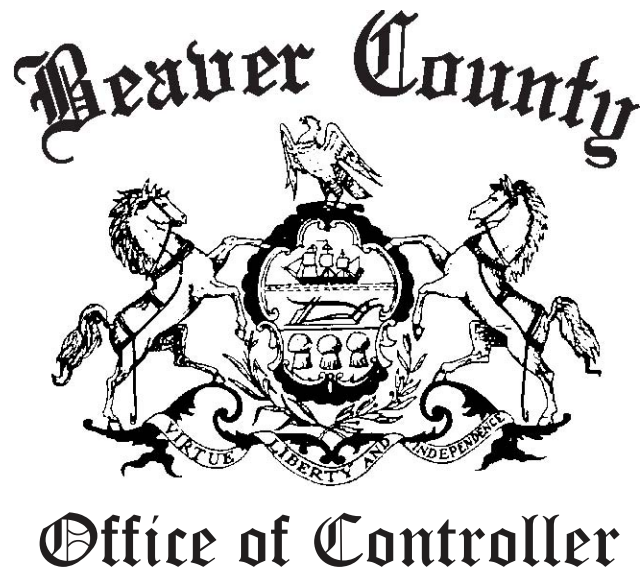


2012 COUNTY OF BEAVER, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2012



PREPARED BY DAVID A. ROSSI, CONTROLLER

www.beavercountypa.gov

COUNTY OF BEAVER, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

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INTRODUCTORY SECTION

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DAVID A. ROSSI
CONTROLLER



WILLIAM CALHOON
CHIEF DEPUTY CONTROLLER
ALBERT A. TORRENCE
SOLICITOR

BEAVER COUNTY COURTHOUSE
THIRD STREET – BEAVER, PENNSYLVANIA 15009-2196
TELEPHONE: Area Code 724-728-5700
FAX: 724-728-1024

June 28, 2013

TO THE CITIZENS OF BEAVER COUNTY

I am pleased to present the 2012 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 2012 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 that are included as 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, 2012.

The County’s financial statements have been audited by the certified public accounting firm The Binkley Kanavy Group, LLC. The auditors have issued an unqualified (“clean”) opinion on the County’s financial statements for the year ended December 31, 2012. The discretely presented component units have been audited by other auditors and the results of those audits 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 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 170,400. 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.

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

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

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

PROFILE OF BEAVER COUNTY – (Continued)

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

Beaver County's local employment figures have remained stable over the last year. The area's seasonally adjusted unemployment rate for March 2013 is 7.4%, still beneath both the national and the Commonwealth's unemployment rates (7.6% and 8.1%, respectively). Elected officials and committed citizens alike continue steadfast to confronting the realities of diminished funding from federal and state sources. Another year has passed and, once again, County government was able to reduce its workforce where possible through the implementation of innovative efficiencies and without mandatory lay-offs. The governmental activities alone achieved a reduction of 22 full-time equivalents! Savings in other areas were also achieved. In addition, for the first time, the County collected revenues ("impact fees") from the natural gas and oil drilling activities that take place locally.

Efforts must continue without pause, however, as both federal and Pennsylvania's authorities have implemented and continue planning further budget cuts that will directly affect our government and the citizens it serves. The area of human services is particularly affected by these measures. Administrators of child care services are starting to consolidate across the state and this way we are losing our Childcare Choices office in July 2013. Changes in the payment structure of certain government health care programs (Medicare and Medicaid) have already negatively impacted the County-owned long-term care facility, Friendship Ridge, which has experienced operating losses that cannot be sustained much longer. In general, more local funding must be dedicated to make up for financial shortfalls in the short term, and long-lasting solutions are being thought of to reverse the impact of the changing socio-economic landscape.

PRESENT ECONOMIC ACHIEVEMENTS

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

PRESENT ECONOMIC ACHIEVEMENTS – (Continued)

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

Mitsubishi Power Products

In June 2012, Mitsubishi Electric Power Products, Inc., the United States subsidiary of Mitsubishi Electric, announced its plans to expand its New Sewickley Township operations by producing HVAC systems for light rail transit vehicles, heavy rail vehicles, and locomotives.

Headquartered in Warrendale, Pennsylvania, Mitsubishi Electric Power Products supplies equipment to the electric power, critical power, water treatment, and rail industries, as well as the entertainment and sports sectors through its world-famous Diamond Vision displays for arenas and stadiums. Mitsubishi first expanded its operations into the Beaver County Tri-County Commerce Park in 2004 with the establishment of a warehouse facility located on Lovi Road. That location supplies production materials to the Warrendale-based factories.

Mitsubishi will expect full-time employment to eventually reach 57, and it plans to invest \$2.7 million into the factory. It will be supported by the Commonwealth's offer of a \$200,000 Pennsylvania First Program grant and \$114,000 in Job Creation Tax Credits.

Metcon

Metcon, LLC, is a venture capital funded start-up with a proprietary "Green Technology" metal finishing process. As an alternative to the traditional intermediate conditioning, Metcon's process provides cost savings to titanium, nickel, and other high value metal producers. Metcon is investing several million dollars in project funding with CED providing over \$1 million in build-out funding for 33,000 square feet on the Monaca Commerce Center multi-tenant facility. The company anticipates hiring 15 employees once operations begin.

CF Manufacturing

This is a premier manufacturer and distributor of technologically innovative products for the municipal and public infrastructure markets. The firm manufactures Hydroblox[®] which is a no maintenance permanent solution that is 20 times more effective than traditional French drainage pipe. CF Manufacturing is investing \$1.5 million in project funding with CED providing over \$750,000 in build-out funds for 30,000 square feet of its Monaca Commerce Center multi-tenant facility. The firm will have 12 employees once they have a full ramp-up of operations.

ARDEX Americas

This firm made a \$1 million investment in its local headquarters as part of ARDEX Americas' nationwide largest upgrade and expansion to date. ARDEX Americas' corporate-wide project aims to boost the company's tile and stone installation and commercial flooring products. Based in Center Township, ARDEX Americas built a 5,500-square-foot building which houses its marketing staff and design center. Fostering a culture of innovation and creativity, the facility is designed to have an open-agency feel. The firm also installed a new grout production line to upgrade and automate the facility's new tile and stone-related products. ARDEX Americas plans to hire about 12 new employees for the local plant, which include engineering, communications, and technical services staff.

PRESENT ECONOMIC ACHIEVEMENTS – (Continued)

Castle Building Supply

Castle Building Supply purchased the last remaining parcel available for sale in Phase I of CED's original 120-acre Aliquippa Industrial Park development plan. The New Castle based company invested \$2.5 million in this expansion which included a 7.6 acre site acquired in January 2012 and a Ready-Mix concrete plant which was constructed in late spring 2012. Once Castle Building Supply is fully operational, the plant will require 15 employees.

Emergency Communications System

The Beaver County Emergency Management Services have been working for about two years in the deployment of a state-of-the-art radio communications system. In 2012 alone, about \$415,000 was spent on radio equipment and in total around \$2 million has been invested to date on radio towers, generators, and structures to house the new equipment. The new system will employ simulcast transmitters and voting receivers on all primary dispatch channels of the County's emergency response system. When fully implemented, the system will allow close to 100% coverage on mobile communication devices and about 95% coverage on portable tablet devices. Part of the system includes training on the new procedures offered to law enforcement and emergency medical personnel.

OTHER ECONOMIC DEVELOPMENTS

Bridges and Other Infrastructure

Managed by the Beaver County Liquid Fuels Department, the Veterans' Memorial Bridge connecting Fallston with New Brighton is in its final construction phase. This project, which is entirely financed with federal and state revenue funds, will cost an approximate \$34 million in total, including planning and relocation of surrounding infrastructure. The new bridge is expected to open in May of 2014 and it will accommodate a much larger vehicular load than the bridge it is replacing.

The Beaver County Planning Commission ("BCPC") reviews land developments for the County. During 2012, the BCPC was directly responsible for turning open or abandoned land into developed commercial, industrial, and residential sites at Ambridge, Big Beaver, Brighton Township, Economy Borough, Harmony Township, and Midland.

The Community Development Program of Beaver County through its federally-funded Community Development Block Grant program has provided the resources and administration for several water and sewer projects throughout the County. These are the Sewer Lines and Storm Drainage System Study and the Permalog System Purchase for the City of Aliquippa, the Porter Street Water Line Replacement for Conway Borough, and the Midland Municipal Authority's Water Plant Replacement of Main Transmission Line and Valves. The Community Development Program of Beaver County was also responsible for administering the nationally-funded Neighborhood Stabilization Program, which aims at strengthening communities that are experiencing decline as a result of residential foreclosures. Through other local active organizations such as the Housing Authority of the County of Beaver and Habitat for Humanity, this program enabled the revitalization of distressed parts of New Brighton and Ambridge with a total investment of \$1,292,000.

OTHER ECONOMIC DEVELOPMENTS – (Continued)

In both 2012 and 2013 the County refinanced certain of its bond obligations. In addition to generating several hundred thousand dollars' worth of savings, the refinancing transactions yielded a total of almost \$630,000 in funds available for infrastructure and other capital projects. Additionally, the County has already collected close to \$440,000 in impact fees and Act 13 Marcellus Shale Allocation monies. These funds, too, are reserved for capital asset investments favoring the County's communities.

Marcellus Shale

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

The production of natural gas from the Marcellus Shale formation is important, because it produces a clean-burning Pennsylvania-based energy source in an environmentally sound manner. It also provides economic benefits to communities across the Commonwealth. Natural gas producers already invested multiple billion dollars in Pennsylvania in lease and land acquisition, new well drilling, infrastructure development and community partnerships, with an even greater investment expected in the future.

In 2012, Beaver County received twenty-five Act 14 notifications related to gas drilling. The breakdown is as follows: 18 under the category of well pad, access road and freshwater impoundment, 2 for temporary waterlines, and 5 for gas lines.

The County also rests on top of Utica Source Rock, a geological formation rich in crude oil. Technologies in extraction from Utica Source Rock are being rapidly advanced, so that we can soon expect the activity to take place in Beaver County.

SPECIAL FUNDING

For a fourth consecutive year, the County continued to receive funding enabled through the American Recovery and Reinvestment Act ("Recovery Act") in 2012. The total investment made with Recovery Act funds flowing through state agencies in our County is estimated at close to \$70 million. Additional support is being channeled directly from federal sources. Most of it does not require participation of local tax dollars. Recovery Act awards are helping to pave roads and fix bridges, fund clean water projects, strengthen the public education system, improve the environment and energy efficiency, and provide direct aid to individuals and families most in need. The flow of Recovery Act funds is ending as stipulated during the course of 2013.

What follows is a listing of the projects along with the total budgeted funding in our County that is being financed through the Recovery Act. All figures provided are best estimates obtained and may differ from the total project expenditures when completed.

SPECIAL FUNDING – (Continued)

PUBLIC EDUCATION

Freedom Area School District	\$2,538,293
Rochester Area School District	\$1,999,166
New Brighton Area School District	\$3,395,485
Hopewell Area School District	\$3,181,780
South Side Area School District	\$3,172,718
Beaver Valley IU 27	\$7,177,108
Lincoln Park Performing Arts Charter	\$31,861
Aliquippa School District	\$2,936,533
Riverside Beaver County School	\$2,500,273
Community College of Beaver County	\$883,232
Beaver Area School District	\$1,739,860
The Pennsylvania Cyber Charter	\$1,162,862
Big Beaver Falls Area School	\$5,440,484
Ambridge Area School District	\$3,492,464
Midland Borough School District	\$962,789
Central Valley School	\$2,723,328
Blackhawk School District	<u>\$2,872,167</u>
Total Education	<u>\$46,210,403</u>

ENERGY

Weatherization Recovery and Reinvestment Project	\$3,642,771
Beaver County Nursing Home Boilerhouse Retrofit	\$212,500
City of Aliquippa Energy Efficiency Upgrades	<u>\$42,678</u>
Total Energy	\$ <u>3,897,949</u>

ENVIRONMENT

Mancini's Service LUST ARRA Project	\$111,938
Pine Run Market LUST ARRA Project	<u>\$78,562</u>
Total Environment	<u>\$190,501</u>

SPECIAL FUNDING – (Continued)

OTHER INFRASTRUCTURE / HOUSING

Homelessness & Re-housing Project	\$286,105
Ambridge Boro MA - Phase 2 Consent Order Projects	\$5,561,608
Rochester Boro Sewer & Maint Auth - 2009 Sewer Improvements Project	<u>\$1,286,066</u>
Total Other Infrastructure / Housing	<u>\$7,133,779</u>

TRANSPORTATION INFRASTRUCTURE

Rochester Bridge Preservation	<u>\$11,049,345</u>
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PUBLIC SAFETY

Aliquippa City Weed and Seed - ARRA	\$60,000
Criminal Justice Improvement Programs - RE	\$300,000
Criminal Justice Improvement Programs - MH	<u>\$300,000</u>
Total Public Safety	<u>\$660,000</u>

WORKFORCE

Community Services Recovery & Reinvestment Project	<u>\$629,954</u>
----------------------------------------------------	------------------

DIRECT ASSISTANCE TO INDIVIDUALS

The Recovery Act also directly assisted individuals and families in Beaver County in the form of unemployment compensation, tax credits, health insurance, increased coverage of the Medical Assistance program, and food assistance.

DIRECT RECOVERY ACT ASSISTANCE

In addition to funding provided through the Commonwealth, local entities (including the County) received direct assistance from federal agencies. As of March 2013 more than \$28 million have been provided to selected governmental, educational, and not-for-profit humanitarian entities within our County directly from the federal government through the Recovery Act. Our own County government has been the recipient of close to \$5 million combined funding through the Community Development Block Grant and the Homeless Prevention and Rapid Re-housing Program. The Beaver County Transit Authority, the Community College of Beaver County, and the Housing Authority of the County of Beaver, among others, are the main recipients of the remaining funds. Other recipients of direct federal Recovery Act funds include the Borough of Ambridge, the City of Aliquippa, and the City of Beaver Falls, 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, 2011. 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 unified efforts of officials and administrators 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 that qualify. The administration and management are to accomplish a professional business environment while always keeping the regards of the citizens served in mind.

The County continues in its efforts to obtain outside funding available for mandated programs and services so as to avoid a local cost whenever possible.

ACKNOWLEDGEMENTS

The presentation of this report on a timely basis is the result of a cooperative effort of many individuals. I wish to thank my staff and those individuals that assisted in the preparation of this report. This report and additional County information may be reviewed online by visiting our website at <http://www.beavercountypa.gov/>.

Respectfully,



David A. Rossi
Beaver County Controller

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Mouill

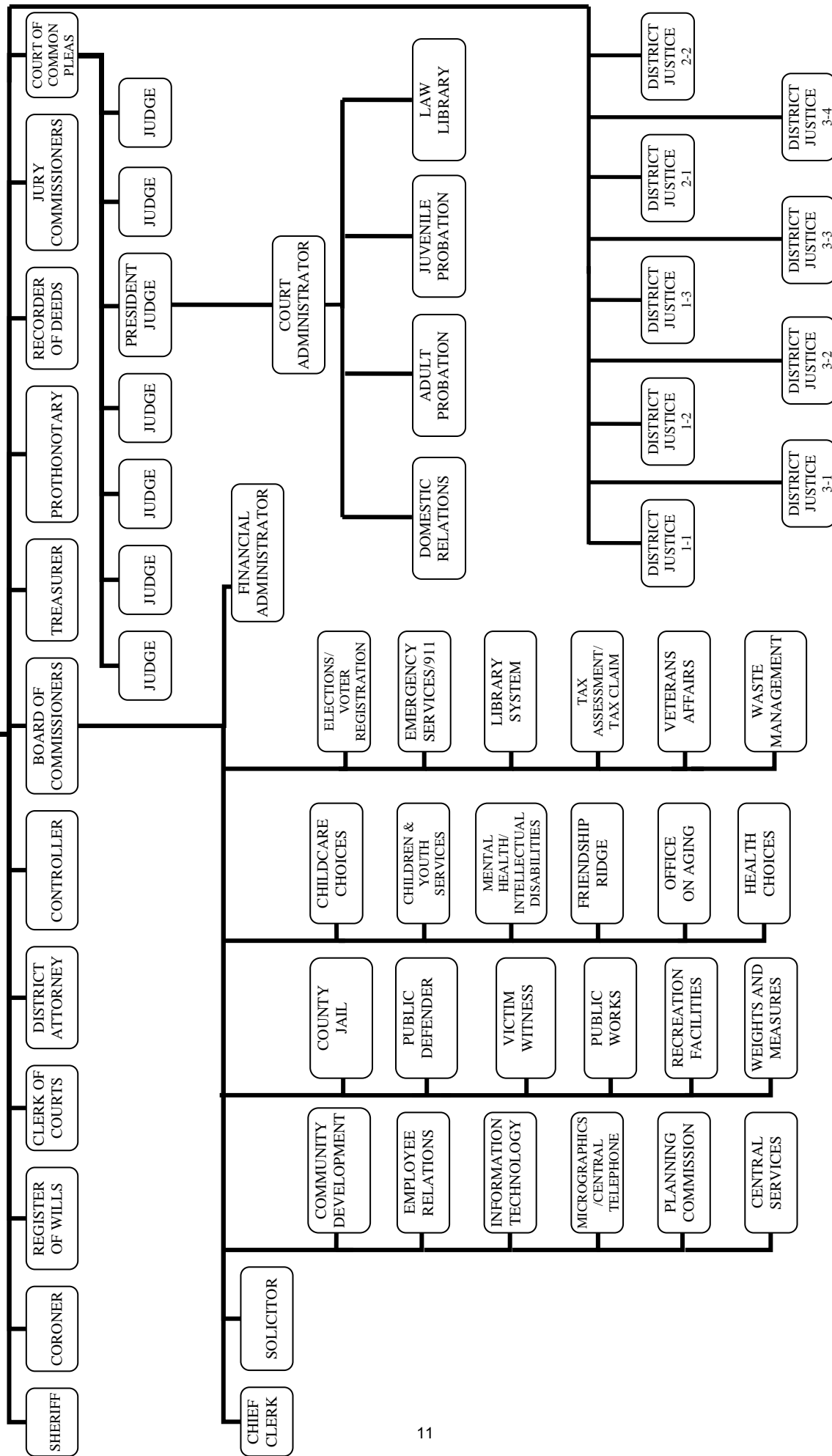
President

Jeffrey R. Emer

Executive Director

ORGANIZATION CHART

ELECTORATE OF BEAVER COUNTY



COUNTY OF BEAVER, PENNSYLVANIA

Elected Officials

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

COUNTY OF BEAVER, PENNSYLVANIA

Department Managers

Adult Probation	Don Neill
Assessment / Tax Claim	Michael Kohlman
Chief Clerk	Tracey Patton
Childcare Resource Management	Carmacel Felice
Children & Youth	Dayna Revay
Community Development	Lisa Signore
County Solicitor	Joseph Askar
Court Administrator	Richard DeFilippi
Department of Public Works	James Camp
Domestic Relations	Joe Signore
Elections Bureau	Dorene Mandity
Emergency Services	Wes Hill
Employee Relations	Richard Darbut
Financial Administrator	Vince LaValle
Friendship Ridge	As assigned*
Information Technology	Vince LaValle**
Jail	William Schouppe
Juvenile Services	Gary Rosatelli
Law Library	Betty Dengel
Library Commission	Jodi Oliver
Mental Health / Intellectual Disabilities	Gerard Mike
Micrographics	Vince LaValle**
Office on Aging	Beverly Sullivan
Planning Commission	Frank Mancini
Public Defender	Paul Steff
Purchasing / Central Services	Vince LaValle**
Recreation and Tourist Promotion	Amanda D'Itri
Regional Booking Center	Walt Acheson
Veterans Affairs	Kathy Nairn
Victim Witness	Steve Jurich
Waste Management	Holly Nicely
Weights and Measures	Ron Zuccaro

* Contract with Premier Consulting

**Effective May 16, 2013, through management consolidation action

COUNTY OF BEAVER, PENNSYLVANIA

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.

District Attorney

The District Attorney is the chief prosecutor for the County.

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 supports law enforcement of the County and serves for the protection of 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 – (Continued)

Jury Commissioners

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

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 Justices

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

COUNTY OF BEAVER, PENNSYLVANIA

Department Descriptions

Adult Probation

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

Assessment / Tax Claim

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

Chief Clerk

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

Childcare Resource Management

This department is responsible for the managed care program for children within Beaver County and it administers the grant programs that are established for those purposes by the Commonwealth and Federal government.

Children & Youth

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.

Court Administrator

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

Department of Public Works

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

Domestic Relations

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

COUNTY OF BEAVER, PENNSYLVANIA

Department Descriptions - (Continued)

Elections Bureau

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

Emergency Services

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.

Friendship Ridge

This is the County-owned facility that accommodates individuals in need of long-term health care.

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.

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.

Juvenile Services

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

Law Department

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

Law Library

This department is a Pennsylvania legal practice library. It has the basics for federal practice.

COUNTY OF BEAVER, PENNSYLVANIA

Department Descriptions - (Continued)

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.

Micrographics

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

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 provided by the Federal, Commonwealth, and County funding.

Planning Commission

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

Public Defender

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

Purchasing / Central Services

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

Recreation and Tourist Promotion

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

COUNTY OF BEAVER, PENNSYLVANIA

Department Descriptions – (Continued)

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 and Measures

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

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FINANCIAL SECTION

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Beaver, Pennsylvania (the County), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Beaver County Transit Authority (BCTA) and the Community College of Beaver County (CCBC), 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 financial statement presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2012, 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 Note N to the financial statements, the County adopted the provisions of GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities" in 2012. As a result of this, the County's net position as of January 1, 2012 has been reduced for both governmental activities and business-type activities. Our opinion is not modified with respect to this matter.

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 funding progress pension trust fund, schedule of employer contributions pension trust fund, 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 in the financial section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the other supplemental information in the financial section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

The Binkley Kanavy Group, LLC

Certified Public Accountants
Pittsburgh, Pennsylvania
June 28, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2012. 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, 2012

- Friendship Ridge incurred losses exceeding \$2.8 million in 2012 and it is expected to incur losses totaling approximately \$8 million during 2013. This casts doubts on the County's financial sustainability and, as a consequence, the Board of Commissioners has requested proposals for the purchase of Friendship Ridge's operations and assets from qualified long-term health care operators.
- The Pension Trust Fund increased its net position by approximately \$23.7 million due primarily to positive investment returns.
- The General Fund incurred a financial match responsibility of approximately \$3 million for its human and community services funded primarily through state and federal grants and entitlements. The equivalent amount for 2011 was about \$2.5 million.
- The County issued a Tax Revenue Anticipation Note on January 3, 2012, to provide for short-term financing needs. This note was repaid prior to December 31, 2012.
- The County's overall long-term debt was reduced by about \$3.3 million during the year. Also in 2012, a current refunding of selected debt issues took place that generated close to \$360,000 in current savings and a \$217,000 restricted fund balance for capital assets.
- Budget cuts at both the federal and state levels have caused multiple staff reductions along with programmatic cutbacks in certain instances. Despite these changes, service objectives have been met in 2012 and management foresees that they will continue to be met.
- The HealthChoices program continues to grow its funding available to aid the population it serves. At the end of 2012, total fund balance amounted to over \$10.3 million.
- The County expended nearly \$13 million on infrastructure related to new bridge construction and general repair and maintenance projects.
- The General Fund resorted to short-term loans from selected other funds to meet all of its financial obligations by December 31, 2012. All of these loans were repaid shortly into the New Year.
- Beaver County has collected fees derived from natural gas and oil drilling operations for the first time. Revenues recorded exceeded \$200,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

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

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

The *Statement of Net Position* presents financial information on the entire County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County are general government; judicial; public safety; public works and enterprise; culture, recreation and conservation; human services; and economic development. Friendship Ridge is the County's only current business-type activity.

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 40-41 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 twenty-one 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 sixteen governmental funds are combined into a single aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules. The County adopts an annual appropriated budget for each of its governmental funds.

The basic governmental funds' financial statements can be found on pages 42-45 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 148-151 of this report.

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

The basic proprietary funds' financial statements can be found on pages 46-48 of this report. The combining financial statements for the internal service funds can be found on pages 168-171 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 49-50 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 51-117 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules for the General Fund and other major governmental funds. Required supplementary information can be found on pages 120-127 of this report.

Comment on Financial Reporting. During the year ended December 31, 2012, the County adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Prior to adoption of this statement, all bond issuance costs had been capitalized and they were subsequently amortized over the respective bond terms. This statement requires such costs to be expensed when incurred. The financial analysis that takes place below restates all 2011 year balances with the assumption that all bond issuance costs had been previously expensed. This was done only for purposes of consistent presentation and analysis; previously issued financial statements were not restated. See further explanation of the changes in Note N to the financial statements. For a comparison with the original 2011 year figures as actually reported for that period, please refer to the Management's Discussion and Analysis of the 2011 Comprehensive Annual Financial Report.

Finally, the beginning balance of capital assets was restated by reclassifying \$8,822,111 from infrastructure to construction in progress. The change reflects the true nature of a public asset which will not be operational until the year 2014.

Government-wide Financial Analysis

This analysis focuses on the *primary government*, as defined on page 28. 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Net Position

As noted earlier, net position is a useful indicator of a government's financial position. For the County's governmental activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$24,821,076 at December 31, 2012 and assets exceed liabilities by \$13,044,092 at December 31, 2011.

The following is a summary of the County's Statement of Net Position (in thousands) as of December 31, 2012 and 2011:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets:						
Current and Other Assets	\$ 58,548	\$ 59,582	\$ 14,587	\$ 15,902	\$ 73,135	\$ 75,484
Capital Assets	<u>113,754</u>	<u>103,728</u>	<u>15,100</u>	<u>16,108</u>	<u>128,854</u>	<u>119,836</u>
Total Assets	172,302	163,310	29,687	32,010	201,989	195,320
Total Deferred Outflows of Resources						
	<u>116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116</u>	<u>-</u>
Liabilities:						
Long-Term Liabilities	\$ 119,691	\$ 122,711	\$ 17,350	\$ 17,669	\$ 137,041	\$ 140,380
Other Liabilities	<u>27,906</u>	<u>27,555</u>	<u>6,257</u>	<u>5,430</u>	<u>34,163</u>	<u>32,985</u>
Total Liabilities	147,597	150,266	23,607	23,099	171,204	173,365
Net Position:						
Net Investment in Capital Assets	23,189	12,674	7,779	8,085	30,968	20,759
Restricted	14,026	12,893	-	-	14,026	12,893
Unrestricted	<u>(12,394)</u>	<u>(12,523)</u>	<u>(1,699)</u>	<u>827</u>	<u>(14,093)</u>	<u>(11,696)</u>
Total Net Position	<u>\$ 24,821</u>	<u>\$ 13,044</u>	<u>\$ 6,080</u>	<u>\$ 8,912</u>	<u>\$ 30,901</u>	<u>\$ 21,956</u>

* 2011 balances restated as described in "Comment on Financial Reporting" above.

A significant portion of the County's net position is largely restricted for programs of public works and human services.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The following summarizes the County's Statement of Activities for the years ended December 31, 2012 and 2011:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Program Revenues:						
Fees and Charges	\$ 12,949	\$ 12,175	\$ 52,732	\$ 54,821	\$ 65,681	\$ 66,996
Operating Grants and Contributions	106,584	101,993	-	-	106,584	101,993
General Revenues:						
Real Estate Taxes	48,529	47,133	-	-	48,529	47,133
Investment Income/(Loss)	61	74	-	6	61	80
Disposal of Fixed Assets	(27)	-	-	-	(27)	-
Other Income/(Loss)	114	-	21	12	135	12
Total Revenues	<u>168,210</u>	<u>161,375</u>	<u>52,753</u>	<u>54,839</u>	<u>220,963</u>	<u>216,214</u>
Program Expenses:						
General Government	11,751	11,997	-	-	11,751	11,997
Judicial	15,555	14,637	-	-	15,555	14,637
Public Safety	19,455	15,463	-	-	19,455	15,463
Public Works and Enterprises	5,183	4,241	-	-	5,183	4,241
Culture and Recreation	3,399	3,397	-	-	3,399	3,397
Human Services	87,637	89,981	-	-	87,637	89,981
Economic Development	7,613	8,271	-	-	7,613	8,271
Interest Expense	5,770	6,095	-	-	5,770	6,095
Friendship Ridge	-	-	56,197	56,243	56,197	56,243
Total Expenses	<u>156,363</u>	<u>154,082</u>	<u>56,197</u>	<u>56,243</u>	<u>212,560</u>	<u>210,325</u>
Excess (Deficiency) Before Other Items and Transfers	11,847	7,293	(3,444)	(1,404)	8,403	5,889
Special Item:						
Donated Assets	542	-	-	-	542	-
Transfers	(612)	(2,255)	612	2,255	-	-
Change in Net Position	<u>11,777</u>	<u>5,038</u>	<u>(2,832)</u>	<u>851</u>	<u>8,945</u>	<u>5,889</u>
Net Position - Beginning	<u>13,044</u>	<u>8,006</u>	<u>8,912</u>	<u>8,061</u>	<u>21,956</u>	<u>16,067</u>
Net Position - Ending	<u>\$ 24,821</u>	<u>\$ 13,044</u>	<u>\$ 6,080</u>	<u>\$ 8,912</u>	<u>\$ 30,901</u>	<u>\$ 21,956</u>

* 2011 balances restated as described in "Comment on Financial Reporting" above.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Position

The County's net position for governmental activities increased approximately \$11.8 million and \$5.0 million for the years ended December 31, 2012 and 2011, respectively.

The County's net position for business-type activities decreased approximately \$2.8 million and increased approximately \$850,000 for the years ended December 31, 2012 and 2011, respectively.

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

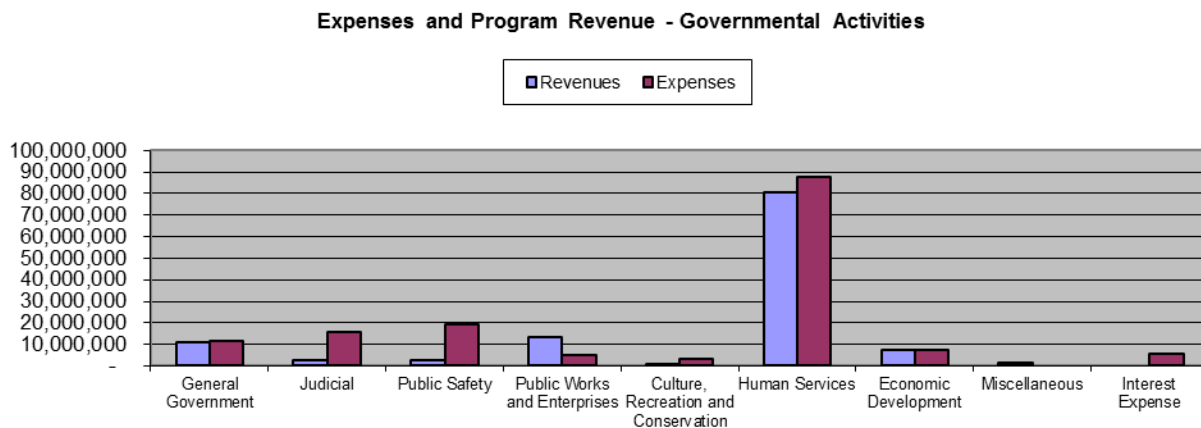
Analysis of Changes in Net Position

The County's total net position increased approximately \$8.9 million and \$5.9 million for the years ended December 31, 2012 and 2011, respectively. The current year's increase is explained in the governmental and business-type activities discussion below.

Governmental Activities

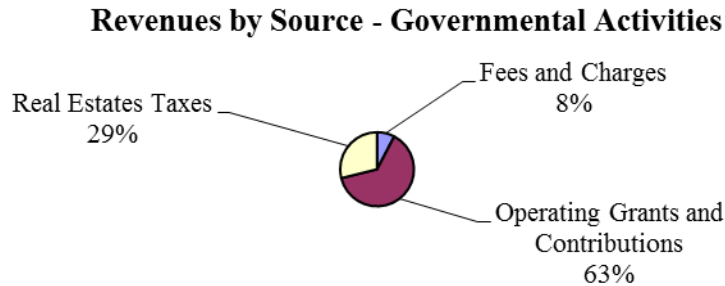
The County's governmental activities increased net position by about \$11.8 million. The chief reason is that about \$13 million in intergovernmental revenues were applied to capital construction, mostly to the future Veterans' Memorial Bridge. Another contribution to the County's net position came from the Human Services function, primarily through streamlined and improved programs in all areas, but primarily in that of behavioral health. Lower interest costs as a result of both a lower average outstanding debt balance and lower interest rates due to a refinancing bond issue contributed as well to the improved results of 2012. Finally, one-time items, such as insurance recoveries, also contributed positively to net position. On the other hand, some items fared worse in 2012 than in 2011. The Public Safety function suffered both from revenue reductions (for emergency services) and expense increases triggered primarily by scheduled escalations in compensation as stipulated by collective bargaining agreements. The Judicial Function has seen increased workloads with corresponding increases in costs largely in the areas of criminal investigation and court administration. Overall cuts in grant funding caused the County's local match share to increase in order to maintain service levels of certain programs and this also decreased the County's financial position.

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



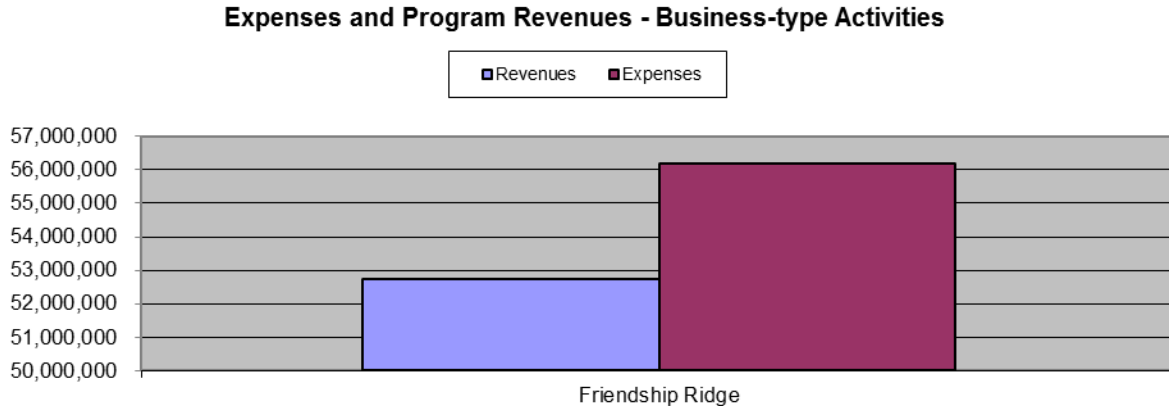
MANAGEMENT'S DISCUSSION AND ANALYSIS

The revenue mix of the County's governmental activities remained fairly constant when compared with 2011. Approximately 63% of the County's revenue came from grants and contributions, 8% for fees and charges, and 29% from taxes on real estate during both 2012 and 2011.



Business-type Activities

Net position for business-type activities decreased approximately \$2.8 million. As costs at Friendship Ridge have not increased from 2011 to 2012, reimbursements and incentive revenues have declined significantly. Net revenue decreased by about \$2.1 million. Budgetary cuts at the funding levels have almost completely eliminated incentive payments. Financial containment pressures on revenue payers have also lowered the daily allowance paid for residents of the health care facility.



The revenue mix of the County's business-type activities is almost entirely derived from fees and charges for both the years 2012 and 2011. Almost negligible are interest income and general public contributions, which make up the remaining revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2012, the County's governmental funds reported a combined ending fund balance of \$15,115,011 which represents a decrease of \$1,166,613 in comparison to the previous year. The ending fund balance is segregated into the following categories with its corresponding balances: nonspendable: prepaids, \$2,401,864; restricted, \$12,320,798; committed, \$1,001,999; and unassigned, \$(609,650). The terms used to classify fund balance and their significance are further described and defined in Note A to the financial statements.

The overall decrease in fund balance of the governmental funds is attributed primarily to the increased outlay for the Veterans' Memorial Bridge as well as necessitated augmented expenditures of the judicial and public safety function as explained above.

The General Fund's analysis of significant balances and transactions is explained mostly under "governmental activities" above. The refunding transaction caused a slight decrease in fund balance as bond issuance costs were paid.

The Mental Health / Intellectual Disabilities fund was able to significantly reduce its program expenditures while maintaining the level of local revenues. This caused the improvement in its fund balance.

The Children & Youth fund was able to increase revenues (both intergovernmental and local) by diligently pursuing grants at a rate that surpassed its increase in related program expenditures.

Community Development was faced with intergovernmental funding cuts once again in 2012. In order to maintain its desired program levels, it resorted to fund balance for current revenue shortcomings.

HealthChoices continued with its prudent cost containment strategies that have worked so well since the fund's inception. This enabled it to once again substantially raise its fund balance.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Please refer to the *Analysis of Changes in Net Position* for business-type activities for a discussion of Friendship Ridge.

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 \$23.7 million in 2012 and decreased nearly \$17.4 million in 2011. The substantial increase of the Pension Trust Fund's net position is due primarily to significant appreciation in the fair value of investments.

MANAGEMENT’S DISCUSSION AND ANALYSIS

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 increased nearly \$0.8 million from the original budget primarily due to receiving more intergovernmental revenue than initially anticipated. The County has adopted a posture of conservatively budgeting for intragovernmental revenues at a time when they are being further reduced. Budgeted expenditures were increased approximately \$1.8 million to accompany the increased expenditures that resulted from additional intergovernmental revenues. Budget amendments affecting expenditures are often applied copiously to avoid potential subsequent amendments with procedural delays as a consequence. This explains why actual expenditure results of the General Fund were significantly lower than the final amended budget in the functions of general government, judicial, public safety, and human services.

In light of recent financial pressures, the County has publicly ratified its fiscal judiciousness by establishing strict budgetary restrictions within each department.

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

What follows is a summary of the County’s capital assets as of December 31, 2012 and 2011:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets not Being Depreciated	\$ 22,228	\$ 10,580	\$ 216	\$ 278	\$ 22,444	\$ 10,858
Buildings and Improvements	56,209	57,785	6,649	7,103	62,858	64,888
Vehicles	1,171	933	-	-	1,171	933
Furniture and Equipment	7,974	8,780	8,234	8,727	16,208	17,507
Infrastructure	<u>26,172</u>	<u>25,650</u>	<u>-</u>	<u>-</u>	<u>26,172</u>	<u>25,650</u>
Total	<u>\$ 113,754</u>	<u>\$ 103,728</u>	<u>\$ 15,100</u>	<u>\$ 16,108</u>	<u>\$ 128,854</u>	<u>\$ 119,836</u>

* 2011 balances restated as described in “Comment on Financial Reporting” above.

Additional information on the County’s capital assets can be found in Note F on pages 78-81 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Outstanding Debt at Year End

The following is a summary of the County's outstanding long-term debt as of December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Governmental Activities:		
General obligation debt	\$ 70,262,258	\$ 73,583,133
Other long-term debt	49,428,922	49,128,197
	<u>119,691,180</u>	<u>122,711,330</u>
Business-type Activities:		
General obligation debt	7,027,145	7,791,210
Other long-term debt	10,006,665	9,572,254
	<u>17,033,810</u>	<u>17,363,464</u>
Total	<u>\$ 136,724,990</u>	<u>\$ 140,074,794</u>

The County's general obligation bond rating from Standard and Poor's for its most recent issue is 'A'. Most other issues carry a rating of 'A' or 'AA-'. More detailed information about the County's long-term liabilities can be found in Note J on pages 90-108 of this report.

Economic Factors

In light of the ongoing national economic recession, the County was able to reduce its debt by \$3.3 million without increasing taxes. Budget cuts affecting the federal and the Commonwealth's governments have affected several of the programs administered by the County and they are likely to continue affecting them with further cuts into 2013. The County's management is addressing these financial challenges with the planned disposal of deficient assets and the restructuring of its governmental organization.

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

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BASIC FINANCIAL STATEMENTS

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF NET POSITION

DECEMBER 31, 2012 or JUNE 30, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Beaver County Transit Authority as of June 30, 2012	Community College of Beaver County as of June 30, 2012
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 21,171,162	\$ 1,679,145	\$ 22,850,307	\$ 3,012,052	\$ 2,265,586
Restricted Cash	7,646,131	-	7,646,131	-	-
Investments	-	-	-	-	567,139
Receivables	11,441,797	8,141,232	19,583,029	5,336,796	775,673
Internal Balances	1,410,474	(1,410,474)	-	-	-
Supplies	-	260,173	260,173	294,763	22,563
Prepaid Expenses	2,401,864	65,585	2,467,449	148,594	398,776
Other Assets	-	676,882	676,882	-	-
Total Current Assets	44,071,428	9,412,543	53,483,971	8,792,205	4,029,737
Non-Current Assets:					
Land	1,757,554	42,075	1,799,629	3,565,367	952,288
Buildings and Improvements	86,534,467	16,128,460	102,662,927	14,757,039	46,599,865
Construction in Progress	20,470,399	174,494	20,644,893	1,870,697	-
Vehicles	3,727,313	-	3,727,313	11,192,915	251,942
Furniture and Equipment	21,686,218	34,160,869	55,847,087	1,511,742	10,950,687
Infrastructure	36,916,846	-	36,916,846	-	-
Accumulated Depreciation	(57,338,845)	(35,405,705)	(92,744,550)	(15,097,707)	(22,999,263)
Net Pension Asset	14,476,500	5,174,238	19,650,738	-	-
Other	-	-	-	-	964,698
Total Non-Current Assets	128,230,452	20,274,431	148,504,883	17,800,053	36,720,217
Total Assets	172,301,880	29,686,974	201,988,854	26,592,258	40,749,954
Deferred Outflows of Resources					
Deferred Charge on Refunding Debt	116,320	-	116,320	-	-
Liabilities					
Current Liabilities:					
Accounts Payable	\$ 13,372,397	\$ 2,123,391	\$ 15,495,788	\$ 204,335	\$ 419,360
Accrued Vacation	2,699,074	823,277	3,522,351	-	20,000
Accrued Interest	2,463,913	140,713	2,604,626	-	100,298
Accrued Other Liabilities	3,344,193	2,156,186	5,500,379	242,248	1,450,090
Unearned Revenues	2,616,371	42,565	2,658,936	7,128,414	624,238
Accrued Other Employee Benefits	609,996	970,887	1,580,883	92,174	81,105
Accrued HealthChoices Program Costs	2,800,000	-	2,800,000	-	-
Long-Term Debt Payments - Due within One Year	3,931,780	1,051,748	4,983,528	-	1,715,132
Total Current Liabilities	31,837,724	7,308,767	39,146,491	7,667,171	4,410,223
Non-Current Liabilities:					
Resident Funds	-	316,092	316,092	-	-
Due in More than One Year	115,759,400	15,982,062	131,741,462	-	28,343,091
Total Non-Current Liabilities	115,759,400	16,298,154	132,057,554	-	28,343,091
Total Liabilities	147,597,124	23,606,921	171,204,045	7,667,171	32,753,314
Net Position					
Net Investment in Capital Assets	23,188,472	7,779,310	30,967,782	17,800,053	6,702,232
Restricted for:					
Nonexpendable	-	-	-	-	180,665
Programs for Mental Health / Behavioral Health	8,263,828	-	8,263,828	-	-
Programs for Children & Youth	1,925,163	-	1,925,163	-	-
Programs for Community Development	155,978	-	155,978	-	-
Other	3,681,412	-	3,681,412	-	-
Unrestricted	(12,393,777)	(1,699,257)	(14,093,034)	1,125,034	1,113,743
Total Net Position	\$ 24,821,076	\$ 6,080,053	\$ 30,901,129	\$ 18,925,087	\$ 7,996,640

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

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2012 or JUNE 30, 2012

Functions/Programs Primary Government:	Net (Expenses) Revenues and Change in Net Position								
	Program Revenues			Primary Government		Component Units			
	Expenses	Fees and Charges	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Beaver County Transit Authority for the year ended as of June 30, 2012	Community College of Beaver County for the year ended as of June 30, 2012
General Government:									
Judicial	\$ 11,750,434	\$ 8,260,937	\$ 2,860,662	\$ -	\$ (628,835)	\$ -	\$ (628,835)	\$ -	\$ -
Public Safety	15,555,477	416,498	2,287,673	-	(12,851,306)	-	(12,851,306)	-	-
Public Works and Enterprises	19,454,879	618,159	1,784,285	-	(17,052,435)	-	(17,052,435)	-	-
Culture, Recreation and Conservation	5,182,838	22,942	13,134,210	-	7,974,314	-	7,974,314	-	-
Human Services	3,399,254	290,823	44,396	-	(3,064,035)	-	(3,064,035)	-	-
Economic Development	87,636,856	1,350,644	79,305,199	-	(6,981,013)	-	(6,981,013)	-	-
Miscellaneous	7,612,686	280,003	7,167,508	-	(165,175)	-	(165,175)	-	-
Interest Expense	-	1,708,694	-	-	1,708,694	-	1,708,694	-	-
	5,770,270	-	-	-	(5,770,270)	-	(5,770,270)	-	-
Total Governmental Activities	156,362,694	12,948,700	106,583,933	-	(36,830,061)	-	(36,830,061)	-	-
Business-type Activities:									
Friendship Ridge	\$ 56,196,777	\$ 52,731,569	-	-	-	\$ (3,465,208)	\$ (3,465,208)	-	-
	56,196,777	52,731,569	-	-	-	(3,465,208)	(3,465,208)	-	-
Total Business-type Activities	56,196,777	52,731,569	-	-	-	(3,465,208)	(3,465,208)	-	-
Total Primary Government	212,559,471	65,680,269	106,583,933	\$ -	(36,830,061)	\$ (3,465,208)	(40,295,269)	\$ -	\$ -
Component Units:									
Beaver County Transit Authority	\$ 11,881,159	\$ 1,546,405	\$ 8,861,670	\$ 1,805,090	\$ -	\$ -	\$ -	\$ 332,006	\$ -
Community College of Beaver County	28,272,887	11,954,852	16,303,539	-	-	-	-	-	(14,516)
	40,154,046	13,501,237	25,165,209	1,805,090	-	-	-	332,006	(14,516)
Total Component Units	40,154,046	13,501,237	25,165,209	1,805,090	\$ -	\$ -	\$ -	332,006	(14,516)
General Revenues:									
Real Estate Taxes				\$ 48,529,473	\$ -	\$ -	\$ 48,529,473	\$ -	\$ -
Investment Income/(Loss)				60,639	403	-	61,042	-	13,831
Other Income				113,989	20,681	-	134,670	-	-
Loss on Disposal of Fixed Assets				(27,077)	-	-	(27,077)	-	-
Special Item:				542,281	-	-	542,281	-	-
Donated Assets				(612,260)	612,260	-	-	-	-
Transfers				-	-	-	-	-	-
Total General Revenues and Transfers				48,607,045	633,344	-	49,240,389	-	13,831
Change in Net Position				11,776,984	(2,831,864)	-	8,945,120	332,006	(685)
Net Position - Beginning				13,044,092	8,911,917	-	21,956,009	18,593,081	7,997,325
Net Position - Ending				24,821,076	6,080,053	-	30,901,129	18,925,087	7,996,640

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

COUNTY OF BEAVER, PENNSYLVANIA

BALANCE SHEET
GOVERNMENTAL FUNDS

DECEMBER 31, 2012

	General	Mental Health/ Intellectual Disabilities	Children & Youth	Community Development	HealthChoices	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 2,599,304	\$ 2,796,517	\$ 1,700,226	\$ 1,052,230	\$ 7,131,016	\$ 5,628,145	\$ 20,907,438
Cash - Restricted	-	-	-	-	7,646,131	-	7,646,131
Prepaid Other	267,748	13,125	-	-	2,120,991	-	2,401,864
Receivables	1,759,725	432,424	1,210,294	824,629	525,869	2,359,317	7,112,258
Interfund Receivable	1,751,566	290,564	1,282,163	-	50,409	885,218	4,259,920
Total Assets	\$ 6,378,343	\$ 3,532,630	\$ 4,192,683	\$ 1,876,859	\$ 17,474,416	\$ 8,872,680	\$ 42,327,611
Liabilities, Deferred Inflows of Resources, and Fund Balance							
Liabilities:							
Accounts Payable	\$ 1,071,205	\$ 3,244,531	\$ 1,460,958	\$ 904,468	\$ 3,828,233	\$ 2,374,944	\$ 12,884,339
Interfund Payable	2,736,742	56,024	-	6,433	421	612,400	3,412,020
Accrued Wages and Payroll Costs	2,206,962	77,884	73,198	9,980	10,516	96,003	2,474,543
Accrued Other Liabilities	126,677	-	-	-	483,372	259,601	869,650
Accrued HealthChoices Program Costs	-	-	-	-	2,800,000	-	2,800,000
Unearned Revenue	33,750	108,121	733,364	800,000	-	964,886	2,640,121
Total Liabilities	6,175,336	3,486,560	2,267,520	1,720,881	7,122,542	4,307,834	25,080,673
Deferred Inflows of Resources:							
Unavailable Revenue	426,344	-	614,267	44,396	-	1,046,920	2,131,927
Fund Balance (Deficit):							
Non-spendable: Prepaids	267,748	13,125	-	-	2,120,991	-	2,401,864
Restricted:							
Programs for Mental Health / Behavioral Health	-	32,945	-	-	8,230,883	-	8,263,828
Programs for Children & Youth	-	-	1,310,896	-	-	-	1,310,896
Programs for Community Development	-	-	-	111,582	-	-	111,582
Other	-	-	-	-	-	2,634,492	2,634,492
Committed:							
Capital Projects	-	-	-	-	-	1,001,999	1,001,999
Unassigned:	(491,085)	-	-	-	-	(118,565)	(609,650)
Total Fund Balance (Deficit)	(223,337)	46,070	1,310,896	111,582	10,351,874	3,517,926	15,115,011
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	\$ 6,378,343	\$ 3,532,630	\$ 4,192,683	\$ 1,876,859	\$ 17,474,416	\$ 8,872,680	\$ 42,327,611

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, 2012

Total Fund Balance - Governmental Funds		\$ 15,115,011
Receivables for real estate taxes not available to pay for current period expenditures, and therefore, are deferred in the funds.		4,350,256
Grant revenues not available to pay for current period expenditures, and therefore, are deferred in the funds.		2,131,927
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Land	\$ 1,757,554	
Buildings and improvements	86,534,467	
Vehicles	3,727,313	
Furniture and equipment	21,686,218	
Infrastructure	36,916,846	
Construction in Progress	20,470,399	
Accumulated depreciation	<u>(57,338,845)</u>	113,753,952
Accrued interest and accrued vacation payable are not recognized in the governmental funds.		
Accrued interest payable	(2,463,913)	
Accrued vacation payable	<u>(2,699,074)</u>	(5,162,987)
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	(70,262,258)	
Other general long-term liabilities -		
PFA Series 2005 Bonds	(2,645,000)	
Pension Obligation Bond 2005	(11,905,000)	
PFA Series of 2012	(7,806,789)	
PFA Series B of 2006	(106,242)	
Pension Bond 2009	(9,279,060)	
DCED General Obligation Note	(50,494)	
Capital Lease Obligation	(16,241,559)	
Accrued sick and early termination benefits payable	<u>(1,394,778)</u>	(119,691,180)
Deferred Charges on Refunding Debt		116,320
Pension Contributions in excess of annual required contribution are treated as net pension asset.		14,476,500
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>(268,723)</u>
Total Net Position of Governmental Activities		<u>\$ 24,821,076</u>

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, 2012

	General	Mental Health/ Intellectual Disabilities	Children & Youth	Community Development	HealthChoices	Other Governmental Funds	Total Governmental Funds
Revenues							
Real Estate Taxes	\$ 47,284,984	-	-	\$ -	-	\$ -	\$ 47,284,984
Licenses and Permits	135,717	-	-	-	-	-	135,717
Interest and Rents	26,708	3,592	870	427	22,730	6,056	60,383
Intergovernmental Revenues	4,294,931	17,511,404	11,537,254	7,167,508	37,485,292	28,316,230	106,312,619
Departmental Earnings	7,777,046	1,140,030	76,415	280,003	-	1,579,305	10,852,799
Local Hotel Room Tax	-	-	-	-	-	273,245	273,245
Miscellaneous	1,439,193	194,426	-	-	-	53,320	1,686,939
Total Revenues	60,958,579	18,849,452	11,614,539	7,447,938	37,508,022	30,228,156	166,606,686
Expenditures							
Current:							
General Government	10,000,145	-	-	-	-	81,316	10,081,461
Judicial	12,158,384	-	-	-	-	2,761,434	14,919,818
Public Safety	14,971,548	-	-	-	-	2,283,017	17,254,565
Public Works and Enterprises	3,275,342	-	-	-	-	756,733	4,032,075
Culture, Recreation and Conservation	2,698,033	-	-	7,593,606	-	326,694	3,024,727
Economic Development	-	-	-	-	-	-	7,593,606
Intergovernmental:							
Human Services	7,700,620	19,441,499	12,469,145	-	35,810,744	12,318,914	87,740,922
Debt Service:							
Principal	3,036,967	-	-	-	-	-	3,036,967
Interest	5,306,440	-	-	-	-	-	5,306,440
Current Refunding	7,795,703	-	-	-	-	-	7,795,703
Bond Issuance Costs	111,007	-	-	-	-	-	111,007
Other	10,000	-	-	-	-	-	10,000
Infrastructure Acquisition and Improvements	37,459	-	-	-	-	13,026,111	13,063,570
Capital Asset Acquisition and Improvements	896,002	14,655	19,933	12,461	-	415,623	1,358,674
Total Expenditures	67,997,650	19,456,154	12,489,078	7,606,067	35,810,744	31,969,842	175,329,535
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,039,071)	(606,702)	(874,539)	(158,129)	1,697,278	(1,741,686)	(8,722,849)
Other Financing Sources (Uses)							
Refunding Bonds	7,741,065	-	-	-	-	-	7,741,065
Issuance of Debt	-	-	-	-	-	217,143	217,143
Insurance Proceeds	-	-	-	-	-	113,989	113,989
Capital Lease Agreements	114,139	-	-	-	-	114,139	114,139
Original Issue Discount	(17,840)	-	-	-	-	-	(17,840)
Transfers from Other Funds	502,458	710,087	1,518,308	-	-	1,081,035	3,811,888
Transfers to Other Funds	(3,921,690)	-	-	-	-	(502,458)	(4,424,148)
Total Other Financing Sources (Uses)	4,418,132	710,087	1,518,308	-	-	909,709	7,556,236
Net Change in Fund Balance	(2,620,939)	103,385	643,769	(158,129)	1,697,278	(831,977)	(1,166,613)
Fund Balance - Beginning	2,397,602	(57,315)	667,127	269,711	8,654,596	4,349,903	16,281,624
Fund Balance (Deficit) - Ending	(223,337)	46,070	1,310,896	111,582	10,351,874	3,517,926	15,115,011

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, 2012

Net Change in Fund Balance - Total Governmental Funds		\$ (1,166,613)
Revenue timing differences resulted in more revenue for real estate taxes in the Statement of Activities.		1,244,384
Revenue timing differences resulted in more grant revenue in the Statement of Activities due to the period of availability of the funds.		392,400
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	\$ 14,964,525	
Depreciation expense	<u>(4,911,886)</u>	10,052,639
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		(27,077)
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	(10,480)	
Changes in accrued vacation payable	<u>(141,545)</u>	(152,025)
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.		
Refunded Bonds	(7,741,065)	
Current refunding	7,669,313	
Original issue discount	17,840	
Bond principal payments and transfers	2,936,860	
Capital lease obligation payments	201,583	
Debt issuance	<u>(331,282)</u>	2,753,249
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		(69,672)
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.		336,573
The deferred amount on refunding		
Amount related to 2012 refunding	126,390	
2012 amortization	<u>(10,070)</u>	116,320
The difference due to pension activity is as follows:		
1. Amortization of excess general fund pension contribution.		(832,110)
An internal service fund is used by management to account for medical and workers' compensation benefits of the County employees. The net change in activity of the internal service fund is reported with governmental activities.		<u>(871,084)</u>
Change in Net Position of Governmental Activities		<u><u>\$ 11,776,984</u></u>

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

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

DECEMBER 31, 2012

	<u>Business-type Activities</u> <u>Enterprise Fund</u>	<u>Governmental</u> <u>Activities</u>
	<u>Friendship</u> <u>Ridge</u>	<u>Internal Service</u> <u>Funds</u>
<u>Assets</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,679,145	\$ 263,724
Receivables	8,141,232	2,929
Supplies	260,173	-
Prepaid Expenses	65,585	-
Total Current Assets	<u>10,146,135</u>	<u>266,653</u>
Non-Current Assets:		
Land	42,075	-
Construction in Progress	174,494	-
Buildings and Improvements	16,128,460	-
Furniture and Equipment	34,160,869	-
Less Accumulated Depreciation	(35,405,705)	-
Interfund Receivable	-	323,542
Other Assets	360,790	-
Resident Funds	316,092	-
Pension Asset	5,174,238	-
Total Non-Current Assets	<u>20,951,313</u>	<u>323,542</u>
Total Assets	<u>\$ 31,097,448</u>	<u>\$ 590,195</u>
<u>Liabilities</u>		
Current Liabilities:		
Accounts Payable	\$ 2,123,391	\$ 203,542
Accrued Payroll	1,208,913	-
Accrued Vacation	823,277	-
Interfund Payable	1,410,474	45,380
Accrued Interest	140,713	-
Accrued Other Liabilities	947,273	-
Unearned Revenues	42,565	-
Accrued Employee Benefits	970,887	-
Accrued Healthcare Costs	-	609,996
Long-Term Debt Payments - Current Portion	1,051,748	-
Total Current Liabilities	<u>8,719,241</u>	<u>858,918</u>
Non-Current Liabilities:		
Resident Funds	316,092	-
Bonds Payable	15,982,062	-
Total Non-Current Liabilities	<u>16,298,154</u>	<u>-</u>
Total Liabilities	<u>25,017,395</u>	<u>858,918</u>
<u>Net Position</u>		
Net Investment in Capital Assets	7,779,310	-
Unrestricted	<u>(1,699,257)</u>	<u>(268,723)</u>
Total Net Position	<u>\$ 6,080,053</u>	<u>\$ (268,723)</u>

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, 2012

	<u>Business-type Activities Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Friendship Ridge</u>	<u>Internal Service Funds</u>
<u>Operating Revenues</u>		
Charges for Services	\$ 52,731,569	\$ 9,700,327
Miscellaneous Income	-	21,755
Total Operating Revenues	<u>52,731,569</u>	<u>9,722,082</u>
<u>Operating Expenses</u>		
Costs of Services	49,280,164	9,955,235
Administrative	4,261,435	638,187
Depreciation and Amortization	<u>1,592,011</u>	-
Total Operating Expenses	<u>55,133,610</u>	<u>10,593,422</u>
Operating Income (Loss)	(2,402,041)	(871,340)
<u>Non-Operating Revenues (Expenses)</u>		
Debt Service Interest	(1,063,167)	-
Unrestricted Gifts	20,681	-
Investment Income	<u>403</u>	<u>256</u>
Total Non-Operating Revenues (Expenses)	<u>(1,042,083)</u>	<u>256</u>
Income (Loss) Before Transfers	(3,444,124)	(871,084)
Transfers In	<u>612,260</u>	-
Change in Net Position	(2,831,864)	(871,084)
Total Net Position - Beginning	<u>8,911,917</u>	<u>602,361</u>
Total Net Position - Ending	<u>\$ 6,080,053</u>	<u>\$ (268,723)</u>

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

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities Enterprise Fund	Governmental Activities
	Friendship Ridge	Internal Service Funds
<u>Cash Flows from Operating Activities:</u>		
Cash receipts for services provided	\$ 52,473,640	\$ 9,576,000
Other operating cash receipts	270,893	-
Cash payments to suppliers	(26,555,369)	(10,420,627)
Cash payments to employees	(24,360,797)	-
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	1,828,368	(844,627)
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Principal and interest payments of long-term debt	(1,238,437)	-
Property, facilities and equipment	(486,227)	-
	<hr/>	<hr/>
Net Cash Used In Capital and Financing Activities	(1,724,664)	-
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Principal and interest payments of long-term debt	(636,516)	-
Proceeds from the loan/subsidy provided by the County	1,016,000	-
	<hr/>	<hr/>
Net Cash Provided by Noncapital Financing Activities	379,484	-
<u>Cash Flows from Investing Activities:</u>		
Investment income	21,084	255
	<hr/>	<hr/>
Net Cash Provided by Investing Activities	21,084	255
	<hr/>	<hr/>
Net Increase in Cash and Cash Equivalents	504,272	(844,372)
<u>Cash and Cash Equivalents:</u>		
Beginning of year	1,174,873	1,108,096
End of year	<u>\$ 1,679,145</u>	<u>\$ 263,724</u>
<u>Reconciliation of Operating Income (Loss) to</u>		
<u>Net Cash Provided by Operating Activities:</u>		
Operating income (loss)	\$ (2,402,041)	\$ (871,340)
Non-cash adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	1,592,011	-
Transfer in from General Fund	612,260	-
Pension expense financed with pension bond	368,101	-
Unpaid early retirement benefits	436,527	-
Change in operating assets and liabilities:		
Accounts receivable and interfund receivable	(10,880)	(146,082)
Inventories	(25,948)	-
Prepaid expenses	9,886	30,057
Deposits	18,701	-
Accounts payable and interfund payable	514,534	67,809
Unearned credits	5,143	-
Accrued liabilities	710,074	74,929
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	<u>\$ 1,828,368</u>	<u>\$ (844,627)</u>

Disclosure of Accounting Policy:

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

EXHIBIT A

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

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2012

	Pension Trust Fund	Agency Funds
<u>Assets</u>		
Cash and Cash Equivalents	\$ 8,670,077	\$ 2,814,941
Cash and Cash Equivalents Held as Collateral	7,611,389	-
Interest and Dividends Receivable	524,454	-
Receivables	-	284,412
Investments:		
Common and Preferred Stocks	142,941,631	-
U.S. Government Obligations	27,849,456	-
Corporate Bonds	27,427,279	-
Other Debt Securities	9,885,053	-
Registered Investment Companies	12,824,462	-
Interest in Collective Trust	18,212,592	-
Total Investments	239,140,473	-
Total Assets	\$ 255,946,393	\$ 3,099,353
<u>Liabilities</u>		
Accounts Payable	\$ 89,603	\$ 3,099,353
Collateral Obligation	7,611,389	-
Total Liabilities	7,700,992	3,099,353
<u>Net Position</u>		
Held in Trust for Pension Benefits and Other Purposes	248,245,401	-
Total Net Position	\$ 248,245,401	\$ -

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

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2012

	Pension Trust Fund
<u>Additions</u>	
Contributions:	
Member Contributions	\$ 5,335,484
County Contributions	<u>3,312,744</u>
Total Contributions	<u>8,648,228</u>
Investment Activities:	
Net Depreciation in Fair Value of Investments	23,582,084
Interest and Dividends	5,144,164
Less: Investment Management and Actuarial Fees	<u>(926,000)</u>
Net Income/(Loss) from Investment Activities	<u>27,800,248</u>
Security Lending Activities:	
Interest from Collateral	16,955
Security Lending Premiums	55,107
Less: Rebates and Fees	<u>(24,754)</u>
Net Income from Security Lending Activities	<u>47,308</u>
Total Additions	<u>36,495,784</u>
<u>Deductions</u>	
Benefits Paid to Plan Members and Beneficiaries	12,637,848
Administrative Expense	<u>115,177</u>
Total Deductions	<u>12,753,025</u>
Change in Net Position	23,742,759
<u>Net Position</u>	
Net Position - Beginning	<u>224,502,642</u>
Net Position - Ending	<u>\$ 248,245,401</u>

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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 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) Statements No. 14 and No. 39, 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 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, 2012.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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

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

Discretely Presented Component Units - Continued

Summary of Significant Accounting Policies for BCTA

General Policy – The financial statements of BCTA have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. BCTA applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements.

Basis of Accounting – BCTA accounts for expenses using the accrual method of accounting. Grant revenue is recognized when the corresponding grant purpose expense is made. Grant monies received or receivable before the revenue recognition criteria have been met are reported as unearned revenue. BCTA's practice is to record grants as receivables and unearned 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. CCBC applies all GASB and FASB pronouncements, Accounting Principle Board opinions, and Accounting Research Bulletins issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. 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, 2012 AND JUNE 30, 2012

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

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

Discretely Presented Component Units – Continued

Additional Disclosure on Financial Reporting of Component Units

The component units included in the financial reporting entity do not necessarily adopt emerging accounting and financial reporting standards in conjunction with the primary government due to having a different fiscal year end. For the current reporting period, BCTA and CCBC have not adopted GASB Statements No. 62, 63, and 65 where the primary government has. It is expected that they adopt these statements for the period ending June 30, 2013 and the adoption will not have any material change to the financial statements.

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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

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.

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.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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

2. Government-Wide Financial Statements and Fund Financial Statements – Continued

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, liabilities, 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.

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.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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

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

Fund Financial Statements – Continued:

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

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

The County reports its only enterprise fund as major:

Friendship Ridge. This fund is used to account for the County-owned long-term health care facility that accommodates County citizens.

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.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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

3. Fund Types - Continued

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

Proprietary Fund Types

An Enterprise Fund is used to account for operations that are financed and operated in a manner similar to that found in the private sector, where the intent of the County is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. Friendship Ridge is the County's only enterprise fund.

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

Fiduciary Fund Types

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

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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

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, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. 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, 2012, the County delayed revenue recognition of \$2,131,927 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 agency and proprietary funds are presented on the accrual basis of accounting. Under this method of accounting, all revenues are recorded when earned and all expenses are recorded when the liability is incurred.

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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

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

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 provided by outside vendors are recorded when incurred. Certain other costs for services provided internally are not charged to and therefore not recorded on the financial statements of the Pension Trust Fund.

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

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 in the previous year ended.

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

Resident fees of Friendship Ridge are recognized in the period in which the services are provided. A significant portion of Friendship Ridge's services are provided to patients under hospitalization or other health-related benefit contracts with third parties. Charges for services of Friendship Ridge are equal to the reimbursement rates received from the third parties. Friendship Ridge may also receive incentive payments from state and federal programs.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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

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 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.

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 several accounts in the Pennsylvania Local Government Investment Trust (PLGIT), the Pennsylvania Treasurer's Invest Program for Local Governments (Invest Program), and in commercial money market accounts which 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.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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

9. **Supplies**

Supplies of Friendship Ridge consist of expendable materials stated at cost which is determined by the first-in-first-out method.

10. **Prepaid Expenses**

Prepaid expenses in the fund financial statements are recorded as assets in the specific governmental fund in which future benefits will be derived. The prepaid expenses 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.

11. **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 fair value on the date of the donation. The County uses a threshold of \$5,000 for recording substantially all capital assets. Friendship Ridge uses a threshold of \$500 and an estimated useful life of three years or longer for recording 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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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

11. **Capital Assets** - Continued

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.

12. **Compensated Absences**

The vacation policy for substantially all of the County's employees provides that vacation earned from the prior year's service, granted to employees on January 1, must be taken by December 31 of that same year. Therefore, the accrual in the government-wide Statement of Net Position represents what was earned through December 31, 2012, granted on January 1, 2013.

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, and Mental Health / Intellectual Disabilities employees receive paid time off. These employees may accumulate up to a maximum of 45 days. Probation officers also receive paid time off and may accumulate up to a maximum of 50 days. If sick leave is not used, it is paid to retirement-eligible employees upon retiring at varying rates. Accumulated sick leave as of December 31, 2012 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.

13. **Accrued HealthChoices Program Costs**

The HealthChoices Program accrues an estimate of its medical 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 Program contracts with an independent actuary to certify this estimate. Subsequent payments are also reviewed to confirm the reasonableness of the estimate.

14. **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.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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

15. **Early Termination Benefits**

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

16. **Budgets**

The County Board of Commissioners (the “Commissioners”) annually adopts a formal budget for all of the Governmental Fund Types. The following procedures 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 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. Budget amounts presented in the schedules and supplementary information accompanying the financial statements are as amended as of December 31, 2012.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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

17. Deferred Outflows / Inflows of Resources

In addition to assets, the Statement of Net Position and/or the Balance Sheet for Governmental Funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

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 has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from grant agreements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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:

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.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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

18. **Fund Balance** – Continued

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 present procedure is for the Board of Commissioners and 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 funds 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. The assigned fund balance portion of the General Fund is entirely for encumbrances of purchase orders. See Note M for additional encumbrance information.

Amounts reported as restricted fund balance – other – on the governmental funds’ balance sheet have the following specific purposes:

For Emergency Services	\$	268,195
For Childcare Services		2,371
For Capital Projects		616,162
For the Elderly Population		293,370
For Tourism Promotion		72,542
For Office Improvements and Records Automation		450,853
For General Law Enforcement		930,999
		<u>\$ 2,634,492</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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

18. **Fund Balance** – Continued

HealthChoices Program

HealthChoices receives funds based on a contract between the County and the Commonwealth of Pennsylvania's Department of Public Welfare (Commonwealth). Per the contract, the County must maintain a restricted reserve for equity and a plan of insolvency. As of December 31, 2012, 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, 2012, 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 \$4,789,533, 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 met this reserve by restricting \$5,986,917 of cash and investments at December 31, 2012. Draw-down of these funds requires approval of the Commonwealth.

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.”

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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

19. **Net Position** – Continued

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

The internal service funds account for the County employees' self-insured medical health expenses as well as the workers' compensation expenses. During 2012, the County increased both the employees' health care charge and the workers' compensation charge in an attempt to compensate for increasing costs.

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

The GASB has issued Statement No. 61, "The Financial Reporting Entity: Omnibus," effective for years beginning after June 15, 2012. The objective of this statement is to improve financial reporting for a governmental financial reporting entity by modifying existing requirements for the assessment of potential component units.

GASB Statement No. 66, "Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62," has been issued effective for periods starting after December 15, 2012. The amendments contained in this standard are aimed primarily at resolving conflicts in existing guidance and at clarifying the selection of fund type for risk financing activities.

The GASB has also issued Statements No. 67 "Financial Reporting for Pensions" and No. 68 "Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27." These statements are effective for periods starting after June 15, 2013 and June 15, 2014, respectively. The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for pensions. The Statements also improve information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

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

21. **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.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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, 2012, are recorded on the Statement of Activities net of discounts of approximately \$725,000 and inclusive of penalties amounting to approximately \$163,000. Property tax receivables are stated net of allowance for uncollectible accounts. At December 31, 2012, the balance in the allowance for uncollectible taxes is \$2,912,894.

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

Investments

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

Investments – Continued

Since these investments have maturities that are less than three months, these amounts are classified as cash 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.

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, 2012, 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, 2012, the bank balance of the County's cash deposits was approximately \$32.6 million, of which approximately \$1.3 million 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.

Pension Trust Fund Investments

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

Pension Trust Fund Investments – Continued

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 2012, 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, 2012, is approximately \$7 million, which is almost entirely comprised of common stock.

Collateral on outstanding loans is calculated daily and equals 102% or 105% of the fair value of the securities on loan. Collateral can be accessed in the event the borrower is unable to repay the loan at maturity. The County has and exercises its ability to invest cash collected as collateral in certain investment accounts to enhance earnings. At December 31, 2012, the County had approximately \$7 million of common stock on loan to various borrowers. The County collected collateral of approximately \$7.6 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, 2012, 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, 2012.

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, 2012, 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, 2012 AND JUNE 30, 2012

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

Pension Trust Fund Investments – Continued

As of December 31, 2012, the Pension Trust Fund’s investments and cash deposits consisted of:

<u>Investments</u>	
Common and Preferred Stocks	\$ 142,941,631
Interest in Collective Trust	18,212,592
Bonds and Notes:	
U.S. Government Notes	20,280,032
U.S. Government Agency Bonds	1,787,879
U.S. Government Mortgage Backed Securities	5,781,545
Corporate Bonds	27,427,279
Registered Investment Company Securities	12,824,462
Other Debt Securities	9,885,053
	<hr/>
Total Investments	239,140,473
Cash Deposits	8,670,077
Cash Deposits held as Collateral	7,611,389
	<hr/>
Total Cash Deposits and Investments	<u><u>\$ 255,421,939</u></u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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, 2012</u>	<u>Weighted Average to Maturity (Years)</u>
Obligations Explicitly Guaranteed by the United States Government:		
U.S. Government Notes	\$ 20,280,032	6.28
Other Obligations:		
U.S. Government Agency Bonds	1,787,879	14.76
U.S. Government Mortgage Backed Securities	5,781,545	23.39
Corporate Bonds	<u>27,427,279</u>	<u>9.57</u>
Subtotal	34,996,703	
 Total	 <u>\$ 55,276,735</u>	
 Portfolio Weighted Average		 <u>9.98</u>

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, 2012, are as follows:

<u>Bond Rating</u>	<u>Amount of Investment</u>
AAA	\$ 250,160
AA+	3,349,340
AA	776,886
AA-	2,399,216
A+	3,805,695
A	4,502,298
A-	7,641,079
BBB+	2,803,096
BBB	1,920,649
BB+	1,057,380
Unrated Securities	<u>6,490,904</u>
 Total	 <u>\$ 34,996,703</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

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.

At June 30, 2012, BCTA's cash and cash equivalents had a bank balance of \$3,118,368 and a book balance of \$3,012,052. The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. All funds in a 'noninterest-bearing transaction account' are insured in full by the Federal Deposit Insurance Corporation (FDIC) from December 31, 2010 through December 31, 2012. This temporary unlimited coverage is in addition to and separate from, the coverage of at least \$250,000 available to depositors under FDIC's general deposit insurance rules.

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, 2012, \$1,769,878 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, 2012, the cash deposits of BCTA consisted of:

Cash – FDIC Insured	
Huntington Bank	\$ 848,490
ESB Bank	250,000
First National Bank	250,000
Collateralized by securities pledged to a pooled public funds account with the Federal Reserve System	1,769,878
	<u>\$ 3,118,368</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, 2012 AND JUNE 30, 2012

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.

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

At June 30, 2012, CCBC's cash and cash equivalents had a bank balance of \$2,482,282 and a book balance of \$2,265,586. The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. All funds in a non-interest bearing transaction account are insured in full by the FDIC from December 31, 2010 through December 31, 2012. This temporary unlimited coverage is in addition to, and separate from, the coverage of at least \$250,000 available to depositors under the FDIC's general deposit insurance rules.

CCBC does not have a formal policy for custodial credit risk. As of June 30, 2012, \$1,696,554 of CCBC's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in CCBC's name.

At June 30, 2012, the cash deposits of CCBC consisted of:

Cash – FDIC Insured	\$ 250,000
Cash - Non-interest bearing transaction account FDIC Insured	535,728
Collateralized by securities pledged to a pooled public funds account with the Federal Reserve System	1,696,554
	<u>\$ 2,482,282</u>

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

CCBC's investments at June 30, 2012 totaled \$567,139 and they were held by The Foundation.

COUNTY OF BEAVER, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE D – RECEIVABLES AND PAYABLES

Receivables at December 31, 2012 were as follows:

	Accounts Receivable	Taxes	Due From Other Governments	Other	Total Receivables
Governmental Activities					
General Fund	\$ -	\$ 7,779,630	\$ 507,309	\$ 715,219	\$ 9,002,157
MH/ID	-	-	356,582	75,842	432,424
Children & Youth	-	-	1,208,499	1,795	1,210,294
Community Development	-	-	795,933	28,696	824,629
HealthChoices	-	-	525,822	47	525,869
Non-major Governmental Funds	-	-	2,181,399	177,918	2,359,317
Allowance for Doubtful Accounts	-	7,779,630 (2,912,894)	5,575,544	999,517	14,354,691 (2,912,894)
Total - Governmental Activities	-	4,866,736	5,575,544	999,517	11,441,797
Business-type Activities					
Friendship Ridge	11,134,306	-	-	-	11,134,306
Allowance for Doubtful Accounts	(2,993,074)	-	-	-	(2,993,074)
Total - Business-type Activities	8,141,232	-	-	-	8,141,232
Primary Government Total	<u>\$ 8,141,232</u>	<u>\$ 4,866,736</u>	<u>\$ 5,575,544</u>	<u>\$ 999,517</u>	<u>\$ 19,583,029</u>
Component Units					
BCTA	-	-	5,300,789	36,007	5,336,796
CCBC	<u>350,996</u>	-	<u>279,088</u>	<u>145,589</u>	<u>775,673</u>

Payables at December 31, 2012, consisted of amounts due to vendors, program providers, and grantees for goods, services, and grants.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE E - INTERFUND BALANCES AND TRANSFERS

Interfund Balances

The County reports interfund balances among all of its funds. The balances for non-major governmental funds and proprietary funds are aggregated into a single column or row. The composition of interfund balances as of December 31, 2012, is as follows:

		Interfund Payable							
		General Fund	MH/ID	Community Development	Health Choices	Non-Major Governmental	Internal Service Funds	Friendship Ridge	Total Assets
Interfund Receivable	General Fund	\$ -	\$ -	\$ 6,433	\$ 421	\$ 612,400	\$ 45,380	\$ 1,086,932	\$ 1,751,566
	Children & Youth	1,282,163	-	-	-	-	-	-	1,282,163
	MH/ID	290,564	-	-	-	-	-	-	290,564
	HealthChoices	-	50,409	-	-	-	-	-	50,409
	Non-Major Governmental	879,603	5,615	-	-	-	-	-	885,218
	Agency Funds - Tax Claim	284,412	-	-	-	-	-	-	284,412
	Internal Service Funds	-	-	-	-	-	-	323,542	323,542
	Total Liabilities	\$ 2,736,742	\$ 56,024	\$ 6,433	\$ 421	\$ 612,400	\$ 45,380	\$ 1,410,474	\$ 4,867,874

The following is a summary of the interfund payables and receivables outstanding at December 31, 2012:

- The General Fund’s balance due to Children & Youth consists primarily of the net of quarterly County Match payments and Administration Expenses.
- The General Fund’s balance due to MH/ID consists primarily of the quarterly County Match payments.
- The General Fund’s balance due to the Non-Major Governmental Funds consists of the Driving Under the Influence and Under Age Drinking Programs’ revenue in excess of expenditures due to the Courtroom Improvement Fund, a short-term loan from the Offenders Supervisory Fund for \$341,000 and Capital Reserve Fund for \$200,000, and also \$198,000 due to the Capital Reserve Fund for Impact Fees.
- The General Fund’s balance due to the Tax Claim Agency Fund is for a short-term loan.
- MH/ID’s balance due to Non-Major Governmental Funds is funding due to the Beaver County Office on Aging for reimbursements.
- MH/ID’s balance due to HealthChoices is intercompany reimbursements.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE E - INTERFUND BALANCES AND TRANSFERS – (Continued)

Interfund Balances – Continued

- Community Development’s balance due to the General Fund is the result of expenses paid on behalf of Community Development and services provided by the County’s Department of Public Works.
- HealthChoices’ balance due to the General Fund is for security provided by the Sheriff’s Department.
- Non-Major Governmental Funds’ balances due to the General Fund consist of items due for accounts payable, payroll, postage, short-term loans, and indirect cost payments.
- The Internal Service Fund’s balance due to the General Fund consists of balances due for accounts payable.
- Friendship Ridge’s interfund balance due to the General Fund consists of amounts due from Friendship Ridge for unemployment compensation for the 4th quarter of 2012, as well as balances due for payroll, and payments made on behalf of Friendship Ridge for the purchase of time clocks. Also, a short-term loan was made to Friendship Ridge in the amount of \$1,016,000.
- Friendship Ridge’s interfund balance due to the Internal Service Funds consists of payments for Friendship Ridge pharmacy claims.

Interfund Transfers

Interfund transfers for the year ended December 31, 2012, consisted of the following:

		Transfer From		
		General Fund	Non-Major Governmental	Total Assets
Transfer To	General Fund	\$ -	\$ 502,458	\$ 502,458
	Children & Youth	1,518,308	-	1,518,308
	MH/ID	710,087	-	710,087
	Non-Major Governmental	1,081,035	-	1,081,035
	Friendship Ridge	612,260	-	612,260
	Total	\$ 3,921,690	\$ 502,458	\$ 4,424,148

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE E - INTERFUND BALANCES AND TRANSFERS – (Continued)

Interfund Transfers - Continued

The following is a summary of transfers that occurred during the year ended December 31, 2012:

- The transfers from the General Fund to Children & Youth and MH/ID are for County Match payments.
- The transfer from the County's General Fund to Non-Major Governmental Funds consists of monies remaining in the Driving Under the Influence and Under Age Drinking Programs at December 31, 2012, that are transferred to the Courtroom Improvement Fund, a transfer of funds to the 2007 & 2009 Capital Projects Fund to cover additional expenses charged to that fund, and transfers to Domestic Relations related to County Match payments.
- The transfer from the County's General Fund to Friendship Ridge consists of in kind services that the General Fund provided for Friendship Ridge.
- 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 for various expenditures.

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	\$ 1,483,181
Judicial	250,267
Public Safety	1,848,017
Public Works and Enterprise	810,987
Culture, Recreation, and Conservation	328,429
Human Services	183,431
Economic Development	7,574
Total	<u>\$ 4,911,886</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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

The following is a summary of changes in capital assets for governmental activities during 2012:

	Balance at January 1, 2012	Additions	Disposals & Transfers	Balance at December 31, 2012
Not being Depreciated:				
Land	\$ 1,757,554	\$ -	\$ -	\$ 1,757,554
Construction in Progress	8,822,111	11,648,288	-	20,470,399
	<u>10,579,665</u>	<u>11,648,288</u>	<u>-</u>	<u>22,227,953</u>
Other Capital Assets:				
Buildings and Improvements	86,481,110	89,938	(36,581)	86,534,467
Vehicles	3,147,675	579,638	-	3,727,313
Furniture and Equipment	20,710,701	1,231,381	(255,864)	21,686,218
Infrastructure	35,501,564	1,415,282	-	36,916,846
	<u>145,841,050</u>	<u>3,316,239</u>	<u>(292,445)</u>	<u>148,864,844</u>
Accumulated Depreciation:				
Buildings and Improvements	(28,695,195)	(1,644,700)	14,175	(30,325,720)
Vehicles	(2,214,395)	(341,975)	-	(2,556,370)
Furniture and Equipment	(11,930,790)	(2,032,730)	251,193	(13,712,327)
Infrastructure	(9,851,946)	(892,481)	-	(10,744,427)
	<u>(52,692,326)</u>	<u>(4,911,886)</u>	<u>265,368</u>	<u>(57,338,845)</u>
Net Other Capital Assets	<u>93,148,724</u>	<u>(1,595,647)</u>	<u>(27,077)</u>	<u>91,525,999</u>
Net Capital Assets	<u>\$ 103,728,389</u>	<u>\$ 10,052,641</u>	<u>\$ (27,077)</u>	<u>\$ 113,753,952</u>

The above assets as of December 31, 2012, include \$18,261,018 relating to capitalized leases and \$5,975,558 of associated accumulated amortization.

Capital assets' additions displayed above include donated assets amounting to \$542,281. These assets are not reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.

The beginning balance of capital assets was adjusted by reclassifying \$8,822,111 from infrastructure to construction in progress. It consists of new bridge construction underway through 2014.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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

Depreciation and amortization was charged to functions as follows:

Business-type Activities	
Friendship Ridge	\$ 1,554,458
Total	<u>\$ 1,554,458</u>

The following is a summary of changes in capital assets for Business-type Activities during 2012:

	Balance at January 1, 2012	Additions	Disposals & Transfers	Balance at December 31, 2012
Not being Depreciated:				
Land	\$ 42,075	\$ -	\$ -	\$ 42,075
Construction in Progress	235,741	360,986	(422,233)	174,494
	<u>277,816</u>	<u>360,986</u>	<u>(422,233)</u>	<u>216,569</u>
Other Capital Assets:				
Buildings and Improvements	16,128,460	-	-	16,128,460
Furniture and Equipment	33,553,144	607,725	-	34,160,869
	<u>49,681,604</u>	<u>607,725</u>	<u>-</u>	<u>50,289,329</u>
Accumulated Depreciation:				
Buildings and Improvements	(9,025,636)	(453,361)	-	(9,478,997)
Furniture and Equipment	(24,825,611)	(1,101,097)	-	(25,926,708)
	<u>(33,851,247)</u>	<u>(1,554,458)</u>	<u>-</u>	<u>(35,405,705)</u>
Net Other Capital Assets	<u>15,830,357</u>	<u>(946,733)</u>	<u>-</u>	<u>14,883,624</u>
Net Capital Assets	<u>\$ 16,108,173</u>	<u>\$ (585,747)</u>	<u>\$ (422,233)</u>	<u>\$ 15,100,193</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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, 2012:

		<u>Estimated Useful Lives</u>
Land	\$ 3,565,367	N/A
Construction in Progress	1,870,697	N/A
Buildings and Improvements	14,757,039	30
Tangible Transit Operating Property	11,192,915	5-12
Furniture and Equipment	1,511,742	4-5
	<u>32,897,760</u>	
Less Accumulated Depreciation	<u>(15,097,707)</u>	
	<u>\$ 17,800,053</u>	

Depreciation expense for the year ended June 30, 2012, amounted to \$1,788,219.

Component Unit - CCBC

The following is a summary of CCBC's property accounts as of June 30, 2012:

		<u>Estimated Useful Lives</u>
Land	\$ 204,425	N/A
Land Improvements	747,863	20
Buildings and Improvements	46,599,865	25-50
Vehicles	251,942	8-10
Furniture and Equipment	10,950,687	5-20
	<u>58,754,782</u>	
Less Accumulated Depreciation	<u>(22,999,263)</u>	
	<u>\$ 35,755,519</u>	

Depreciation expense for the year ended June 30, 2012, amounted to \$1,792,946.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE G - EMPLOYEE RETIREMENT PLAN

1. Plan Description

The County sponsors the Beaver County Employees' Pension Plan (the Plan), a single-employer, defined benefit pension plan covering substantially all of its employees. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Administration of the Plan is provided by the Beaver County Employees' Retirement Board (Retirement Board), consisting of the Board of County Commissioners, the County Controller, and the County Treasurer. Cost-of-living adjustments are provided at the discretion of the Retirement Board. Most administrative costs are 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. There is no stand-alone financial report of the Plan and the Retirement Board does not issue a public report including the Plan.

As of January 1, 2013, 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	923
Terminated Employees not yet Receiving Benefits	149
	<u>1,072</u>
Active Plan Participants:	
Vested	1,038
Non-vested	345
	<u>1,383</u>

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. Early retirement is available at an earlier age as specified by the Plan. Members become vested after five years of service.

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

The Plan requires participants to contribute 9% of their salary, with the option of voluntarily contributing up to an additional 10% of their earnings. 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.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

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

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 2012 was determined as part of an actuarial valuation as of January 1, 2012, using the entry age normal method.

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

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

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

	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
Annual Required Contribution	\$ 2,296,737	\$ 1,016,007	\$ 3,312,744
Interest on Net Pension Asset	(1,085,243)	(480,078)	(1,565,321)
Adjustment to the Annual Required Contribution	1,917,353	848,179	2,765,532
Annual Pension Cost	3,128,847	1,384,108	4,512,955
Less: Contributions Made	2,296,737	1,016,007	3,312,744
Decrease in Net Pension Asset	832,110	368,101	1,200,211
Net Pension Asset, Beginning of Year	(15,308,610)	(5,542,339)	(20,850,949)
Net Pension Asset, End of Year	\$ (14,476,500)	\$ (5,174,238)	\$ (19,650,738)

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

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

Three-year Trend Information:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
December 31, 2012	\$ 4,512,955	73%	\$ (19,650,738)
December 31, 2011	\$ 3,516,537	65%	\$ (20,850,949)
December 31, 2010	\$ 4,165,068	74%	\$ (22,081,182)

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

3. Funded Status and Funding Progress

The funded status as of January 1, 2013, which is the most recent actuarial valuation date, is as follows:

<u>Actuarial</u> <u>Valuation Date</u>	<u>Actuarial Value</u> <u>of Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability (AAL)</u>	<u>Unfunded AAL</u> <u>(UAAL)</u>	<u>Funded Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>UAAAL as a</u> <u>Percentage of</u> <u>Covered Payroll</u>
1/1/2013	\$ 247,612,166	\$ 257,993,406	\$ (10,381,240)	96.0%	\$ 57,388,235	-18.1%

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

4. Reserves

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

Member Annuity Reserve Account: This reserve represents the total contributions deducted from the salaries of the active and terminated vested members of the retirement system together with accumulated interest additions. At January 1, 2013, the balance in this account was \$81,216,131 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, 2013, the balance in this account was \$40,171,502.

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, 2013, the balance in this account amounted to a fully funded \$76,924,730.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

Component Unit - CCBC

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

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

Component Unit – CCBC – Continued

Contributions required of employers are based upon an actuarial valuation. For the fiscal year ended June 30, 2012, the rate of employer contribution was 8.65% of covered payroll. This rate is comprised of a 0.65% rate for health insurance premium assistance and a pension contribution rate of 8.00%.

Pension expense for CCBC for the year ended June 30, 2012, totaled \$66,689 based on a total covered payroll of \$1,553,869. 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. CCBC employees contributed \$113,239 to the PSERS for the year ended June 30, 2012.

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>.

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 future years. The Plan's administrator is Rivers Edge and for the year ended December 31, 2012, total employee contributions amounted to \$389,293. 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.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE H - DEFERRED COMPENSATION PLAN – (Continued)

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 \$149,748 for the year ended June 30, 2012.

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, 2012, CCBC contributed \$651,587 to this retirement plan.

NOTE I – SHORT-TERM DEBT

On January 3, 2012, 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 \$9,000,000 bearing interest at 1.49% per annum. From these proceeds, \$5,500,000 was transferred to Friendship Ridge. Friendship Ridge repaid the entire share of its outstanding principal and accrued interest by December 28, 2012, three days prior to the note's maturity date. Other principal and interest was satisfied earlier in the year.

Beginning Balance at			Ending Balance at
<u>January 1, 2012</u>	<u>Borrowings</u>	<u>Repayments</u>	<u>December 31, 2012</u>
\$-	9,000,000	(9,000,000)	\$-

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE I – SHORT-TERM DEBT – (Continued)

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, 2012.

Component Unit - CCBC

On August 21, 2009, CCBC entered into a working capital line of credit note for \$1,500,000. The terms of the note call for a per annum rate of interest equal to the London Interbank Offering Rate plus 150 basis points. The general revenues of CCBC serve as collateral on this note. There is no outstanding balance on this line of credit as of June 30, 2012.

COUNTY OF BEAVER, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES

The following summarizes the long-term debt activity for the year ended December 31, 2012:

	<u>Interest Rate</u>	<u>Issued</u>	<u>Maturity</u>	<u>Payable January 1, 2012</u>	<u>Issuance</u>	<u>Retirements/ Transfer</u>	<u>Accrued Interest/ Amortization</u>	<u>Payable December 31, 2012</u>
<u>Governmental Activities</u>								
<u>General Obligation Bonds</u>								
Series A of 2005	2.50-4.25	7/28/2005	9/1/2025	\$ 1,715,000	-	\$ (1,715,000)	-	\$ -
Series A of 2007	3.65-4.30	11/17/2007	11/1/2024	5,908,673	-	(13,282)	2,117	5,897,508
Series of 2009 Notes	2.50-5.55	2/12/2009	11/15/2031	65,959,460	-	(1,645,484)	50,774	64,364,750
				<u>73,583,133</u>	-	<u>(3,373,766)</u>	<u>52,891</u>	<u>70,262,258</u>
<u>Other General Long-Term Liabilities</u>								
Pension Bond of 2005	4.75-5.65	12/22/2005	12/15/2030	12,295,000	-	(390,000)	-	11,905,000
PFA Series A of 2005	3.75-5.60	5/27/2005	10/1/2029	2,740,000	-	(95,000)	-	2,645,000
PFA Series A of 2006	3.70-4.00	9/28/2006	10/1/2015	3,022,159	-	(3,022,159)	-	-
PFA Series B of 2006	5.25-5.40	9/28/2006	10/1/2015	739,404	-	(635,000)	1,838	106,242
PFA 2006 Bonds	3.45-4.00	10/15/2006	9/1/2022	2,932,154	-	(2,932,154)	-	-
Pension Bond of 2009	3.86-6.50	7/8/2009	5/15/2032	9,283,038	-	(17,500)	13,522	9,279,060
DCED General Obligation Note	1.00	8/1/2011	7/1/2021	56,089	-	(5,595)	-	50,494
PFA Series of 2012	2.00-4.00	10/1/2012	10/1/2031	-	7,813,978	(135,000)	11,491	7,690,469
				<u>31,067,844</u>	<u>7,813,978</u>	<u>(7,232,408)</u>	<u>26,851</u>	<u>31,676,265</u>
Total Governmental Activities				<u>\$ 104,650,977</u>	<u>\$ 7,813,978</u>	<u>\$ (10,606,174)</u>	<u>\$ 79,742</u>	<u>\$ 101,938,523</u>

COUNTY OF BEAVER, PENNSYLVANIA
 NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES – (Continued)

<u>Business-type Activities</u>	<u>Interest Rate</u>	<u>Issued</u>	<u>Maturity</u>	<u>Payable January 1, 2012</u>	<u>Issuance/Transfer</u>	<u>Retirements</u>	<u>Accrued Interest/Amortization</u>	<u>Payable December 31, 2012</u>
<u>General Obligation Bonds</u>								
Series of 1998	3.45-4.25	11/15/1998	1/15/2013	\$ 1,088,087	\$ -	\$ (545,000)	\$ 15,377	\$ 558,464
Series B of 2003	1.15-3.20	7/1/2003	7/1/2013	304,138	-	(150,000)	-	154,138
Series A of 2007	3.65-4.30	11/17/2007	11/1/2024	2,926,964	-	(6,718)	6,792	2,927,038
Series of 2009 Notes	2.50-5.55	2/12/2009	11/15/2031	3,472,021	-	(84,516)	-	3,387,505
				<u>7,791,210</u>	<u>-</u>	<u>(786,234)</u>	<u>22,169</u>	<u>7,027,145</u>
<u>Other General Long-Term Liabilities</u>								
PFA Series A of 2006	3.70-4.00	9/28/2006	10/1/2015	292,494	-	(293,117)	623	-
Pension Bond of 2009	3.86-6.50	7/8/2009	5/15/2032	9,279,760	-	(17,500)	14,137	9,276,397
PFA Series of 2012	2.00-4.00	10/1/2012	10/1/2031	-	293,117	-	624	293,741
				<u>9,572,254</u>	<u>293,117</u>	<u>(310,617)</u>	<u>15,384</u>	<u>9,570,138</u>
<u>Total Business-type Activities</u>				<u>\$ 17,363,464</u>	<u>\$ 293,117</u>	<u>\$ (1,096,851)</u>	<u>\$ 37,553</u>	<u>\$ 16,597,283</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES – (Continued)

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

Governmental

Series A of 2005

On July 28, 2005, the County issued \$3,125,000 in General Obligation Bonds, Series A of 2005, to finance various capital projects planned by the County. Interest is payable semi-annually at coupon rates varying between 2.50% and 4.25%. The bonds matured in installments starting in 2006. This issue has been extinguished in 2012 through a current in-substance defeasance as detailed further below.

Series A of 2007

During November 2007, the County issued \$9,000,000 in General Obligation Bonds, Series A of 2007, to fund various capital projects throughout the County. As yearly budgets are drafted, the obligation to repay this issue between the Governmental Activities and Friendship Ridge may vary from year to year. During 2011 the allocation of bond proceeds and repayment amounts between Friendship Ridge and Governmental Activities were adjusted.

Interest is paid annually at coupon rates ranging from 3.65% to 4.30%. The bonds mature in installments beginning in 2008 and ending in 2024.

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. These bonds mature in various lots from 1999 through 2026, payable annually. Interest was paid semi-annually at rates ranging from 4.0% to 5.3%.

On November 1, 2007, the County issued \$59,200,000 in General Obligation Bonds, Series B of 2007, which were used to defease the 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. As of December 31, 2012, no defeased debt remains outstanding.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES – (Continued)

Series of 2009 Notes – (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 General Obligation Bonds, Series B of 2007, 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 Series B of 2007 bond, \$6.9 million was for the termination of the Swap Agreement, and \$4.8 million was for capital projects. Interest is payable in semi-annual payments ranging in rates from 2.50% to 5.55%. Mandatory bond sinking fund payments, from \$600,000 to \$8,150,000 installments, take effect in 2010 and continue through bond maturity on November 15, 2031. This debt issue is also shared with Friendship Ridge.

Pension Bond of 2005

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

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. The County's payments under this loan agreement equal the debt service requirements on the PFA's Federal Taxable Guaranteed Revenue Bonds, Series A of 2005, of which the County is a guarantor. The annual interest rates range from 3.75% through 5.60%. Mandatory bond sinking fund requirements for certain principal redemptions take effect starting in 2008. Effective October 1, 2015, and thereafter, the County has the right to extinguish any or all debt outstanding through this loan agreement with the PFA.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES – (Continued)

PFA Series A & B of 2006

During September 2006, the County entered into a loan agreement with the PFA for \$5,360,000. Net proceeds of this loan were used for a combination of current and advance refundings that resulted in an in-substance defeasance of the following portions of long-term debt previously recorded by the County:

<u>Debt Issue</u>	<u>Amount Refunded</u>	<u>Recorded In</u>
1997 Bonds	\$ 2,145,000	Governmental Activities
Series A of 2003	\$ 1,100,000	Governmental Activities
Series B of 2003	\$ 265,000	Business-type Activities

The refunding also satisfied interest payments of \$1,714,155 associated with the defeased debt. The County's payments under this loan agreement equal the debt service requirements on the PFA's County of Beaver Guaranteed Revenue Bonds, Series A of 2006 (the PFA Series A of 2006), as well as the PFA's Federally Taxable County of Beaver Guaranteed Revenue Bonds, Series B of 2006 (the PFA Series B of 2006), in addition to periodic charges in terms of bond administration fees. The County guarantees payments under both series issued by the PFA. The yearly interest rates for this loan range from 3.70% to 5.40%. All defeased debt under these issues was extinguished on or prior to December 31, 2010. The PFA Series A of 2006 was defeased through a current refunding in 2012 as further described below.

PFA 2006 Bonds

During February 2002, the County entered into a loan agreement with the PFA to borrow \$4,325,000 for the purpose of building a parking garage adjacent to the Courthouse. The County's payments under this loan agreement match the debt service requirements on the PFA's Guaranteed Revenue Bonds, Series B of 2002, of which the County is a guarantor. Effective October 15, 2006, this loan agreement with the PFA has been amended for a total of \$3,980,000.

Under this loan agreement the County will pay the PFA's obligation under its Guaranteed Revenue Bonds, Series B of 2006 (the PFA 2006 Bonds), which is guaranteed by the County. This transaction resulted in the in-substance defeasance of the long-term debt issue undertaken with the PFA in 2002. Interest on the new loan with the PFA is payable semiannually at a rate that varies according to the terms of the agreement between 3.45% and 4.00% per year. Principal is payable annually starting in 2007 and ending on September 1, 2022. Defeased principal still outstanding at December 31, 2012, under the PFA's Guaranteed Revenue Bonds, Series B of 2002, amounts to \$0. The PFA 2006 Bonds were defeased through a current refunding in 2012 as further described below.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES – (Continued)

Pension Bond of 2009

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

DCED General Obligation Note

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

PFA Series of 2012

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

The debt refundings that took place are hereby depicted:

	<u>Governmental</u> <u>Activities</u>	<u>Friendship</u> <u>Ridge</u>
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, 2012 AND JUNE 30, 2012

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, 2012, is recorded in the government-wide Statement of Net Position with a balance of \$116,320. Amortization of this amount is recorded yearly as interest expense. The deferred amount on refunding is netted against the outstanding bond issue in the disclosures presented in this note. Interest on this issue is payable semiannually at annual rates from 2.0% to 4.0%. Debt service payments start 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.

Business-type

Series of 1998

In November 1998, the County issued \$6,250,000 of General Obligation Bonds, Refunding Series of 1998, for the purpose of refunding the General Obligation Bonds, Series of 1996, Geriatric Center (a series distinct from the Series of 1996 mentioned above). None of this defeased debt remains outstanding. These bonds mature annually in various lots through 2013. Interest is paid semi-annually at rates ranging from 3.45% to 4.25% per annum.

Series B of 2003

During 2003, the County issued \$1,405,000 of General Obligation Bonds, Series B of 2003, with interest rates ranging from 1.15 % to 3.20%, to fund capital projects at Friendship Ridge. These bonds mature in annual lots from 2003 through 2013. Bonds maturing after October 1, 2008, can be redeemed at par plus accrued interest at the option of the County.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES – (Continued)

Business-type - Continued

Series A of 2007 / PFA Series A of 2006 / Pension Bond of 2009 / Series of 2009 Notes / PFA Series of 2012

These bond issuances were split between Friendship Ridge and Governmental Activities. See the preceding governmental bond descriptions for details of these bond issues. The PFA Series A of 2006 has been defeased in 2012 by means of a current refunding as further detailed above.

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

The following schedule presents the principal amount of each long-term debt issue due within one year of the date of these financial statements:

<u>Governmental Activities</u>	
Series A of 2007	\$ 16,603
Series of 2009 Notes	1,688,285
Pension Bond of 2005	410,000
PFA Series A of 2005	100,000
PFA Series B of 2006	110,000
Pension Bond of 2009	12,500
DCED Loan	5,654
PFA Series of 2012	<u>990,843</u>
Total	<u>3,333,885</u>
 <u>Business-type Activities</u>	
Series of 1998	570,000
Series B of 2003	155,000
Series A of 2007	8,398
Series of 2009 Notes	86,715
Pension Bond of 2009	12,500
PFA Series of 2012	<u>54,157</u>
Total	<u>886,770</u>
 Total Primary Government	 <u>\$ 4,220,655</u>

COUNTY OF BEAVER, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES – (Continued)

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

	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 3,333,885	\$ 5,147,145	\$ 886,770	\$ 947,088	\$ 4,220,655	\$ 6,094,233
2014	4,103,198	5,043,730	242,513	913,428	4,345,711	5,957,158
2015	4,182,721	4,924,507	293,049	907,130	4,475,770	5,831,637
2016	3,376,498	4,798,093	344,330	898,501	3,720,828	5,696,594
2017	3,502,242	4,674,821	353,646	885,545	3,855,888	5,560,366
2018-2022	19,703,104	21,098,010	2,078,540	4,198,030	21,781,644	25,296,040
2023-2027	29,048,134	15,727,407	2,156,866	3,673,907	31,205,000	19,401,314
2028-2032	36,062,472	6,002,296	10,607,527	2,929,144	46,669,999	8,931,440
	<u>103,312,254</u>	<u>67,416,009</u>	<u>16,963,241</u>	<u>15,352,773</u>	<u>120,275,495</u>	<u>82,768,782</u>
Deferred Amount on Refunding	(116,320)	(116,320)	-	-	(116,320)	(116,320)
Unamortized Premium/Discount	<u>(1,257,411)</u>	<u>1,257,411</u>	<u>(365,958)</u>	<u>-</u>	<u>(1,623,369)</u>	<u>1,257,411</u>
	<u>\$ 101,938,523</u>	<u>\$ 68,557,100</u>	<u>\$ 16,597,283</u>	<u>\$ 15,352,773</u>	<u>\$ 118,535,806</u>	<u>\$ 83,909,873</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES - (Continued)

The following summarizes other long-term obligation activity for the year ended December 31, 2012:

	<u>Payable at</u> <u>January 1, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Payable at</u> <u>December 31, 2012</u>	<u>Due within</u> <u>one year</u>
<i>Governmental Activities</i>					
Capital Lease Obligations	\$ 16,329,003	\$ 114,139	\$ 201,583	\$ 16,241,559	\$ 320,667
Compensated Absences	1,027,851	233,276	178,610	1,082,517	151,199
Early Termination Benefits	<u>703,499</u>	<u>-</u>	<u>391,238</u>	<u>312,261</u>	<u>126,029</u>
	18,060,353	347,415	771,431	17,636,337	597,895
<i>Business-type Activities</i>					
Early Termination Benefits	<u>-</u>	<u>700,000</u>	<u>263,473</u>	<u>436,527</u>	<u>164,978</u>
	-	700,000	263,473	436,527	164,978
Total County-wide	<u>\$ 18,060,353</u>	<u>\$ 1,047,415</u>	<u>\$ 1,034,904</u>	<u>\$ 18,072,864</u>	<u>\$ 762,873</u>

In December 2012, Friendship Ridge offered an early termination retirement package to eligible employees. Employees who accepted the package were paid \$8,000 in the year of retirement with an additional \$4,000 to be paid each year, for four years. There were 33 employees who accepted the package which is estimated to cost approximately \$700,000. See Note A for additional information on the assumptions used to calculate the liability.

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

Capital Lease Obligations

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Land	\$ 392,984	\$ -
Buildings	17,504,086	-
Equipment	363,948	-

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations - Continued

Human Services Building Lease

The County entered into a lease agreement with the PFA during 2002. The lease is for a building to consolidate office locations of the County's Human Services agencies. Construction of this building was financed by the PFA's issue of \$7,865,000 of 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 a term of 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. 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, 2012, is approximately \$6,275,000. This amount is recorded as a liability in the Statement of Net Position, Governmental Activities. The difference between the recorded amount and the face value of the issued debt consists of retired maturities on the lease and an amount treated as future interest costs when accounting for capital leases. The agreement also requires the County to pay for bond maintenance fees, real estate taxes, and other miscellaneous lease-related charges.

Community Development Building Lease

A second lease agreement was entered into in 2002 between the County and 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, 2012, is approximately \$312,000. Payments under this lease are due quarterly 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.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations - Continued

Land

A land lease for the aforementioned buildings is in effect with the PFA. The lease calls for monthly payments through September 2026, amounting to a total principal of approximately \$281,000 remaining as of December 31, 2012. Payments are due monthly at \$2,400 each. The County acquires title to the land 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. The outstanding balance of this sublease at December 31, 2012, amounts to approximately \$680,000 with semiannual installments ranging from \$2,006 to \$77,006. Any or all payments due on or after October 2015 may be prepaid at the option of the County. In addition, the County has leased this facility to another party. This transaction was recorded by the County as a disposal. Payments under this lease approximate the PFA's debt service requirements on its Federally Taxable Guaranteed Revenue Bonds, Series B of 2005. The County guarantees the payment of this bond issue.

911 Center Lease

The County entered into a capital lease agreement with the Beaver County Economic Development Authority in November 2008 for the acquisition of land and construction of a building to house the Beaver County 911 Center. This lease began in November 2008 and will continue through February 2025. A bargain purchase option is available to the County at the end of the lease term. The construction of the building was completed in 2009. The outstanding balance of this capital lease obligation at December 31, 2012, is approximately \$9,200,000. Semi-annual installments ranging from \$589,220 to \$1,531,875 are made and will continue through February 2025.

Equipment Leases

The County entered into a capital lease agreement in 2009 for additional computer equipment to be used throughout the County's facilities. This lease began in May 2009 and it continued through June 2012. The County exercised a bargain purchase option available at the end of the lease term.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations – Continued

Equipment Leases – Continued

Beginning in 2009, the County entered into a capital lease agreement for computer software upgrades to be used in various County departments. This lease began in February 2009 and it will continue through June 2014. A bargain purchase option is available to the County at the end of the lease term. The outstanding balance of this lease at December 31, 2012, amounts to approximately \$8,000 with monthly installments of \$457.

Also in 2009, the County entered into a capital lease agreement for computer software to be used throughout the County's facilities. This lease began in June 2009 and it will continue through July 2013. A bargain purchase option is available to the County at the end of the lease term. The outstanding balance of this lease at December 31, 2012, amounts to approximately \$7,000 with yearly installments ranging from \$7,245 to \$13,643.

In 2010, the County entered into a capital lease agreement for computer microtowers and software licenses to be used throughout the County's facilities. This lease began in August 2010 and it will continue through August 2014. The outstanding balance of this lease at December 31, 2012, amounts to approximately \$77,000 with monthly installments of \$4,033.

In June 2012, the County entered into a capital lease agreement for computer software and hardware to be used throughout the County's facilities. This lease will continue through June 2016. The outstanding balance of this lease at December 31, 2012, amounts to approximately \$84,000 with annual installments of roughly \$30,000.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations – Continued

The following schedule summarizes future minimum lease payments due:

	<u>Governmental Activities</u>			Total Minimum
	<u>Buildings</u>	<u>Land</u>	<u>Other</u>	<u>Lease Payments</u>
2013	\$ 1,201,278	\$ 28,800	\$ 91,098	\$ 1,321,176
2014	1,199,456	28,800	64,979	1,293,235
2015	1,201,958	28,800	29,973	1,260,731
2016	2,088,548	28,800	-	2,117,348
2017	2,089,998	28,800	-	2,118,798
2018-2022	10,441,878	144,000	-	10,585,878
2022-2027	7,091,020	108,000	-	7,199,020
2028-2031	<u>2,110,212</u>	<u>-</u>	<u>-</u>	<u>2,110,212</u>
	27,424,348	396,000	186,050	28,006,398
Less: Interest	<u>(11,640,120)</u>	<u>(114,712)</u>	<u>(10,007)</u>	<u>(11,764,839)</u>
Present Value	<u>\$ 15,784,228</u>	<u>\$ 281,288</u>	<u>\$ 176,043</u>	<u>\$ 16,241,559</u>

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

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

	<u>Buildings</u>	<u>Land</u>	<u>Equipment</u>	Total Minimum
	<u>Buildings</u>	<u>Land</u>	<u>Equipment</u>	<u>Lease Payments</u>
2013 Payment	\$ 1,201,278	\$ 28,800	\$ 91,098	\$ 1,321,176
Less: Interest	<u>(979,997)</u>	<u>(14,089)</u>	<u>(6,423)</u>	<u>(1,000,509)</u>
Present Value	<u>\$ 221,281</u>	<u>\$ 14,711</u>	<u>\$ 84,675</u>	<u>\$ 320,667</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES - (Continued)

Summary

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Due within one year:		
Obligations under bond issuances	\$ 3,333,885	\$ 886,770
Obligations under capital leases	320,667	-
Compensated absences	151,199	-
Early termination benefits	126,029	164,978
Total	<u>\$ 3,931,780</u>	<u>\$ 1,051,748</u>
Due in more than one year:		
Obligations under bond issuances	\$ 98,604,638	\$ 15,710,513
Obligations under capital leases	15,920,892	-
Compensated absences	931,318	-
Early termination benefits	186,232	271,549
	115,643,080	15,982,062
Deferred charge on refunding debt	116,320	-
Total	<u>\$ 115,759,400</u>	<u>\$ 15,982,062</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, 2012, the County's legal debt margin is approximately \$82 million for non-electoral debt and approximately \$228 million for non-electoral and lease rental debt combined.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES - (Continued)

Liquidation of Long-term Liabilities

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

- Long-term debt, other than what is identified below, has been completely liquidated by the General Fund.
- Capital lease obligations have been liquidated by the funds that realize the benefit of the financed asset.
- The Human Services Building lease and land have been liquidated by the following funds: Mental Health / Intellectual Disabilities, Children & Youth, Childcare Resource Management, and Office on Aging.
- The Community Development Building and parking lot leases have 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	65%
Mental Health / Intellectual Disabilities	12%
Children & Youth	10%
Other Governmental Funds	13%

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

All business-type long-term liabilities have been liquidated by Friendship Ridge.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit – CCBC

Outstanding Debt Issuances

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

On April 28, 2008, CCBC borrowed \$709,332 from PNC Bank in the form of a Term Loan Note in order to finance the purchase of an ATC Simulator. The terms of the note call for the monthly payment of principal and interest of \$13,198 for a period of five years at an interest rate of 4.42%. The note is scheduled to mature on April 28, 2013. The equipment purchased serves as collateral on the note.

In February 1998, the Pennsylvania Finance Authority (PFA) issued \$9,195,000 in Community College Revenue Bonds – Series of 1998. 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 repayments 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 as of February 1, 1998. The purpose of the bond issue was to refinance the Community College Revenue Bonds, Series A of 1994, to fund certain CCBC expenditures, and pay for the costs of issuing the bonds. The PFA bonds were issued in denominations of \$5,000 with interest payable on June 1 and December 1 each year through maturity. Interest rates range between 3.60% and 4.875% with the bonds scheduled to mature December 1, 2019. The bonds provide early redemption options as detailed in the official statement of issue.

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit – CCBC – Continued

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

In connection with the refunding, the excess of the reacquisition price over the net carrying amount of refunded debt is recorded as a reduction to long-term debt on the balance sheet and amortized over the shorter of the term of the refunding issue or the refunded bonds. CCBC incurred a deferred refunding loss of \$569,680 which is being amortized over the life of the refunding issue using the straight-line method. During the year ended June 30, 2012, CCBC amortized \$26,092 of this loss which is shown as part of interest expense. The unamortized balance of \$193,517 at June 30, 2012, 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, 2012, is as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,100,000	\$ 1,203,574	\$ 2,303,574
2014	1,145,000	1,155,749	2,300,749
2015	805,000	1,115,512	1,920,512
2016	840,000	1,081,981	1,921,981
2017	875,000	1,046,732	1,921,732
2018-2022	5,410,000	4,601,390	10,011,390
2023-2027	8,265,000	3,201,518	11,466,518
2028-2032	10,265,000	1,160,703	11,425,703
	<u>\$ 28,705,000</u>	<u>\$ 14,567,159</u>	<u>\$ 43,272,159</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit – CCBC – Continued

Capital Lease Obligations

On June 23, 2009, CCBC entered into a lease agreement to finance technology equipment in the amount of \$679,785. Four annual payments of \$180,645 starting on July 23, 2009, are due under this agreement. Interest on the outstanding balance accrues at the rate of 5.15%. The equipment acquired serves as collateral on the lease. Additionally, CCBC currently leases copier equipment from Xerox for use in its publications department. The terms of the lease agreement dated July 1, 2010, calls for monthly payments of \$12,600. Lease expense for the year ended June 30, 2012 was \$151,200. This lease is scheduled to terminate on June 30, 2015.

Compensated Absences and Other Post-Employment Benefits

The terms of the collective bargaining agreements between the CCBC and the Community College of Beaver County Society of the Faculty and Educational Support Personnel Association provide for the accumulation of sick and vacation days for eligible personnel based on employment status and length of service. As of June 30, 2012, accumulated compensated absences totaled \$635,771.

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, 2012, the total calculated liability for retiree health insurance benefits and early retirement incentives totaled \$33,741 and \$97,272, respectively.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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. Such claims and other legal proceedings include, but are not limited to, employment, civil rights, and medical malpractice personal injury matters. The County has faced legal proceedings related to the failure to develop a stormwater management plan.

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

2006 Swap Agreement Termination

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

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE K – CONTINGENCIES - (Continued)

Friendship Ridge

Friendship Ridge incurred losses exceeding \$2.8 million in 2012 and it is expected to incur losses totaling approximately \$8 million during 2013. This casts doubts on the County's financial sustainability and, as a consequence, the Board of Commissioners has requested proposals for the purchase of Friendship Ridge's operations and assets from qualified long-term health care operators.

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. The Federal Transit Administration (FTA) conducted a triennial review of BCTA in which the scope of the review is to determine BCTA's compliance with federal requirements related to grant management practices and program implementation in 24 areas. No deficiencies were found in 15 areas however 9 areas (Technical, Procurement, Disadvantaged Business Enterprise, Debarment and Suspension, Planning/POP, Title VI, ADA, Drug and Alcohol, and EEO) had findings which were noted. BCTA submitted a corrective action plan to the FTA to address these deficiencies.

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, 2012, the remaining unused portion of this estimated liability was \$143,822.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE L - RISK MANAGEMENT

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

Property/Casualty Exposures

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

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

Friendship Ridge Exposures

For general liability claims, Friendship Ridge purchases a premium based policy with an individual and aggregate threshold. For the year ended December 31, 2012, claims paid related to general liability claims were \$0.

The facility has purchased insurance to cover medical malpractice incidents occurring after April 1, 2011. The insurance policy is limited by an individual and aggregate threshold. The facility was self-insured for medical malpractice occurrences up through April 1, 2011. For the year ended December 31, 2012, claims paid related to professional liability claims were \$10,000. Management is aware of certain outstanding claims and therefore, has accrued \$25,000 as of December 31, 2012.

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE L - RISK MANAGEMENT – (Continued)

HealthChoices Exposures

The County has entered into an agreement with the Commonwealth of Pennsylvania's Department of Public Welfare (Commonwealth) for the HealthChoices Behavioral Health Program. Under the terms of the contract, the County is fully exposed to the risk that providing 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, 2012 through December 31, 2013. 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, 2011	\$ 1,996,116
Incurred claims and estimates	29,447,883
Less: Claims paid during period	<u>29,244,002</u>
Liability balance - December 31, 2011	2,199,997
Incurred claims and estimates	27,906,693
Less: Claims paid during period	<u>27,306,690</u>
Liability balance - December 31, 2012	<u><u>\$ 2,800,000</u></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 \$7.8 million. This entire balance is available to cover losses in future periods.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

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 for a combined total not exceeding \$1,850,000. The policy includes \$1,000,000 of coverage if aggregate claims exceed the attachment point of \$17,473,828. During 2011, the County's attachment point for individual claims was \$150,000 and the attachment point for aggregate claims was \$16,381,653.

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 \$350,000 of any individual claim and the first \$3,090,000 in aggregate annual claims expenses. The limits of policy coverage are defined by a Pennsylvania Statute and it includes limits of \$100,000 for employer's liability for any individual claim and \$500,000 aggregate for the annual policy. Prior to 2004, workers' compensation coverage was purchased from the Pennsylvania Counties Workers' Compensation Trust (PCoMP).

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

	<u>Govtl. Activities</u>	<u>Friendship Ridge</u>
Liability balance - January 1, 2011	\$ 464,763	\$ 678,951
Incurred claims and estimates	8,841,986	6,288,113
Less: Claims paid during period	<u>8,771,682</u>	<u>6,274,234</u>
Liability balance - December 31, 2011	535,067	692,830
Incurred claims and estimates	9,955,235	6,438,436
Less: Claims paid during period	<u>9,880,306</u>	<u>6,160,379</u>
Liability balance - December 31, 2012	<u>\$ 609,996</u>	<u>\$ 970,887</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, 2012 AND JUNE 30, 2012

NOTE L - RISK MANAGEMENT – (Continued)

Risk Accounting

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

During 2012, the medical benefit internal service fund had expenses in excess of revenues amounting to \$756,302. During this same period, the workers' compensation internal service fund had expenses in excess of revenues amounting to \$114,582. As of June 5, 2013, both funds are estimated to have recovered accumulated deficits through increased revenues and/or lower expenses.

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 2011-2012 fiscal year, BCTA paid premiums, excluding workers compensation, of \$96,972 for Fixed Costs and \$74,652 for Loss Funding. Premiums paid for workers compensation were \$32,096 for Fixed Costs and \$156,422 for Loss Funding. This fund is self-insured but holds policies which provide excess coverage once a claim reaches a certain dollar level, which varies depending on the coverage. Insurance rates are based on individual performance, but all members of the pool share in or participate in the losses.

Component Unit – CCBC

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE M - COMMITMENTS

The following are amounts encumbered in the governmental funds:

	Mental Health/Intellectual Disabilities	Children & Youth	Community Development	Other Governmental Funds
Restricted	\$ 17,533	\$ 12,573	\$ 1,983	\$ 174,892
Total	\$ 17,533	\$ 12,573	\$ 1,983	\$ 174,892

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

At December 31, 2012, the County had one open letter of credit with a value totaling \$1,000,000, to cover excess costs of workers' compensation claims if needed. At December 31, 2012, 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, the College issued \$27,780,000 in capital bonds that the County is accounting for as part of its annual contribution to CCBC to subsidize the related debt service obligation.

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

Component Unit – BCTA

During the 2010-2011 fiscal year, BCTA entered into construction, design, and engineering agreements in connection with BCTA's ETC parking lot improvements, AVL project, lobby mural, and phase 2 of its terminal improvement project. The remaining outstanding contract dollar commitments on these construction, design, and engineering agreements total \$1,231,184 at June 30, 2012.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE M - COMMITMENTS – (Continued)

Component Unit – CCBC

On June 30, 2009 (as amended), CCBC entered into a deferred compensation agreement with CCBC's President. The terms of the deferred compensation agreement stipulated that the President would receive on June 30, 2011, \$12,000 and \$17,000 respectively, and \$25,000 on June 30, 2012 for services rendered during the years ended June 30, 2009, and June 30, 2011. The agreement was subsequently amended to provide the President's deferred compensation on June 30, 2014, for services rendered to CCBC for fiscal years ended June 30, 2012 through June 30, 2014 totaling \$100,000, with \$30,000 of the total payable on June 30, 2013, and the balance of \$70,000 payable on June 30, 2014. The remaining balance due the CCBC's President of \$70,000 has not been recorded as a liability in the accompanying financial statements as of June 30, 2012. Amounts accumulated totaling \$84,000 plus interest have been recorded as part of 'accrued salaries and benefits' in the accompanying financial statements as of June 30, 2012.

NOTE N – OTHER FINANCIAL REPORTING MATTERS

During the year ended December 31, 2012, the County adopted GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities." Prior to adoption of this Statement, financing costs associated with all bond issuances had been deferred and were subsequently amortized over the respective bonds' terms. This statement requires such costs to be expensed when incurred. The County's net position as of January 1, 2012, has been reduced by \$2,258,063 for governmental activities and \$327,831 for business-type activities as a result of adopting GASB Statement No. 65.

NOTE O – SUBSEQUENT EVENTS

In May 2013, the County's governing body issued a request for proposals to purchase the Friendship Ridge facility. Proposals for the purchase of the Friendship Ridge facility are being accepted until June 28, 2013.

The County adopted a resolution on December 20, 2012, to issue a Tax Revenue Anticipation Note (TRAN) for 2013. A total of \$10,000,000 was borrowed on the TRAN in January 2013, \$4,600,000 being allocated to Friendship Ridge and the remainder to governmental activities. The governmental activities repaid \$3,000,000 during March 2013.

In March 2013, the County issued \$10,350,000 in lease rental debt primarily used to refinance prior issued general long term debt.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND JUNE 30, 2012

NOTE O – SUBSEQUENT EVENTS – (Continued)

Component Unit – CCBC

Effective July 1, 2012, CCBC has elected to opt-out of their participation in the Beaver County Health Care Insurance Consortium (Consortium). Per CCBC's agreement with the Consortium, CCBC will receive a refund of their share of the Consortium's net position balance after a period of one year once all 'run out' insurance claims have been settled during the interim period. The amount of the refund is not reasonably determinable.

In August of 2012, the Pennsylvania Finance Authority currently refunded the remaining outstanding principal obligation on its Series of 1998 Community College Revenue Bonds totaling \$2,755,000 with CCBC through the issuance of College Revenue Bonds, Series 2012 in the amount of \$2,890,000.

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**REQUIRED SUPPLEMENTAL
INFORMATION**

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF FUNDING PROGRESS PENSION TRUST FUND

DECEMBER 31, 2012

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
1/1/2013	\$ 247,612,166	\$ 257,993,406	\$ (10,381,240)	96.0%	\$ 57,388,235	-18.1%
1/1/2012	\$ 236,825,873	\$ 244,641,505	\$ (7,815,632)	96.8%	\$ 58,557,985	-13.3%
1/1/2011	\$ 231,188,314	\$ 229,857,979	\$ 1,330,335	100.6%	\$ 57,849,020	2.3%
1/1/2010	\$ 208,234,825	\$ 215,326,297	\$ (7,091,472)	96.7%	\$ 55,619,978	-12.7%
1/1/2009	\$ 180,412,553	\$ 208,134,895	\$ (27,722,342)	86.7%	\$ 56,786,835	-48.8%
1/1/2008	\$ 195,369,098	\$ 191,872,922	\$ 3,496,176	101.8%	\$ 53,935,875	6.5%

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EMPLOYER CONTRIBUTIONS PENSION TRUST FUND

DECEMBER 31, 2012

<u>Year Ended</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
December 31, 2012	\$ 3,312,744	\$ 3,312,744	100%
December 31, 2011	2,286,304	2,286,304	100%
December 31, 2010	3,096,622	3,096,622	100%
December 31, 2009	19,227,192	5,763,864	334%
December 31, 2008	1,887,756	1,887,756	100%
December 31, 2007	2,113,111	2,113,111	100%

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

Actuarial Cost Method:	Aggregate actuarial for 2006 - 2008; entry age method in 2009 - 2012
Asset Valuation Method:	Five-year smoothed market for 2006 - 2008; greater of market value and actuarial value in 2009 - 2012
Actuarial Assumptions:	
Inflation Adjustment:	3%
Investment Rate of Return:	7.5%
Amortization Method:	Level percentage of projected payroll for 2009 - 2012
Amortization Period:	30-year closed period for unfunded liability for 2009 - 2012
Projected Salary Increase:	4.00% for 2006; 4.25-4.50% for 2007; 4.50% for 2008; 3.50% for 2009 - 2012
Cost-of-Living Adjustment:	100% of CPI effective as of January 1, 2000
Mortality Tables:	1983 Group Annuity Mortality Table with no projected improvements prior to January 1, 2013; 2013 RP Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvements effective January 1, 2013.

The change in mortality tables effective January 1, 2013 caused an increase in the actuarial liability of \$2,142,056 and a corresponding annual required contribution increase of \$294,103.

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Revenues				
Real Estate Taxes	\$ 46,953,099	\$ 46,953,099	\$ 47,284,984	\$ 331,885
Licenses and Permits	76,000	76,000	135,717	59,717
Interest and Rents	48,600	48,600	26,708	(21,892)
Intergovernmental Revenues	3,436,683	4,509,160	4,294,931	(214,229)
Departmental Earnings	7,523,790	7,529,145	7,777,046	247,901
Miscellaneous	1,470,043	1,195,043	1,439,193	244,150
Total Revenues	<u>59,508,215</u>	<u>60,311,047</u>	<u>60,958,579</u>	<u>647,532</u>
Expenditures				
Current:				
General Government	10,965,228	10,507,856	10,000,145	(507,711)
Judicial	12,420,453	12,517,784	12,158,384	(359,400)
Public Safety	14,850,945	15,978,553	14,971,548	(1,007,005)
Public Works and Enterprises	3,047,334	3,411,726	3,275,342	(136,384)
Culture, Recreation and Conservation	2,815,825	2,830,026	2,698,033	(131,993)
Intergovernmental:				
Human Services	7,042,656	8,055,147	7,700,620	(354,527)
Debt Service:				
Principal	3,358,591	3,067,169	3,036,967	(30,202)
Interest	5,654,952	5,368,414	5,306,440	(61,974)
Current Refunding	7,792,704	7,792,704	7,795,703	2,999
Bond Issuance Costs	111,007	111,007	111,007	-
Other	75,000	75,000	10,000	(65,000)
Capital Outlay:				
Fixed Asset Acquisition and Improvements	628,995	840,391	896,002	55,611
Infrastructure	-	5,000	37,459	32,459
Total Expenditures	<u>68,763,690</u>	<u>70,560,777</u>	<u>67,997,650</u>	<u>(2,563,127)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,255,475)	(10,249,730)	(7,039,071)	3,210,659
Other Financing Sources (Uses):				
Refunding Bonds	7,741,065	7,741,065	7,741,065	-
Capital Lease Agreements	-	-	114,139	114,139
Original Issue Discount	(17,840)	(17,840)	(17,840)	-
Transfers From Other Funds	2,171,681	2,446,681	502,458	(1,944,223)
Transfers To Other Funds	(3,900,739)	(4,005,963)	(3,921,690)	84,273
Total Other Financing Sources (Uses)	<u>5,994,167</u>	<u>6,163,943</u>	<u>4,418,132</u>	<u>(1,745,811)</u>
Net Change in Fund Balance	(3,261,308)	(4,085,787)	(2,620,939)	1,464,848
Fund Balance - Beginning	<u>(10,156,981)</u>	<u>(9,689,612)</u>	<u>2,397,602</u>	<u>12,087,214</u>
Fund Balance - Ending	<u>\$ (13,418,289)</u>	<u>\$ (13,775,399)</u>	<u>\$ (223,337)</u>	<u>\$ 13,552,062</u>

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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Revenues				
Intergovernmental	\$ 19,209,200	\$ 19,576,200	\$ 17,511,404	\$ (2,064,796)
Departmental Earnings	1,245,000	1,245,000	1,140,030	(104,970)
Interest	10,000	10,000	3,592	(6,408)
Miscellaneous	188,240	188,240	194,426	6,186
Total Revenues	<u>20,652,440</u>	<u>21,019,440</u>	<u>18,849,452</u>	<u>(2,169,988)</u>
Expenditures				
Salaries & Benefits	4,758,017	4,854,167	4,750,068	(104,099)
Personnel Expense	43,900	42,011	24,263	(17,748)
Consultant/Contracted Services	1,577,500	1,674,332	1,427,588	(246,744)
Sub Contracted Services	13,808,856	13,868,718	12,368,519	(1,500,199)
Occupancy	305,800	300,488	194,084	(106,404)
Communication	164,500	209,738	129,160	(80,578)
Supplies & Minor Equipment	215,500	228,080	79,425	(148,655)
Transportation	132,000	140,000	110,974	(29,026)
Other Expenditures	368,540	517,879	357,418	(160,461)
Capital Outlay	111,000	105,000	14,655	(90,345)
Total Expenditures	<u>21,485,613</u>	<u>21,940,413</u>	<u>19,456,154</u>	<u>(2,484,259)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(833,173)	(920,973)	(606,702)	314,271
Other Financing Sources (Uses):				
Transfers from Other Funds	715,000	750,000	710,087	(39,913)
Total Financing Sources (Uses)	<u>715,000</u>	<u>750,000</u>	<u>710,087</u>	<u>(39,913)</u>
Net Change in Fund Balance	(118,173)	(170,973)	103,385	274,358
Fund Balance - Beginning	<u>11,582,897</u>	<u>6,553,009</u>	<u>(57,315)</u>	<u>(6,610,324)</u>
Fund Balance - Ending	<u>\$ 11,464,724</u>	<u>\$ 6,382,036</u>	<u>\$ 46,070</u>	<u>\$ (6,335,966)</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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 12,895,875	\$ 12,895,875	\$ 11,537,254	\$ (1,358,621)
Departmental Earnings	260,000	260,000	76,415	(183,585)
Interest	3,000	3,000	870	(2,130)
Total Revenues	<u>13,158,875</u>	<u>13,158,875</u>	<u>11,614,539</u>	<u>(1,544,336)</u>
<u>Expenditures</u>				
Salaries & Benefits	3,663,531	4,627,182	4,486,036	(141,146)
Personnel Expense	33,000	33,529	20,565	(12,964)
Consultant/Contracted Services	1,081,382	1,324,328	1,259,840	(64,488)
Sub Contracted Services	6,391,000	5,389,961	4,461,513	(928,448)
Occupancy	402,280	420,530	332,526	(88,004)
Communication	195,463	209,890	176,335	(33,555)
Supplies & Minor Equipment	310,500	362,451	234,699	(127,752)
Transportation	150,000	185,000	177,678	(7,322)
Other Expenditures	1,789,700	1,449,459	1,319,953	(129,506)
Capital Outlay	25,000	48,000	19,933	(28,067)
Total Expenditures	<u>14,041,856</u>	<u>14,050,330</u>	<u>12,489,078</u>	<u>(1,561,252)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(882,981)	(891,455)	(874,539)	16,916
Other Financing Sources (Uses):				
Transfers From Other Funds	1,500,000	1,518,400	1,518,308	(92)
Total Financing Sources (Uses)	<u>1,500,000</u>	<u>1,518,400</u>	<u>1,518,308</u>	<u>(92)</u>
Net Change in Fund Balance	617,019	626,945	643,769	16,824
Fund Balance - Beginning	<u>(699,520)</u>	<u>(776,946)</u>	<u>667,127</u>	<u>1,444,073</u>
Fund Balance - Ending	<u>\$ (82,501)</u>	<u>\$ (150,001)</u>	<u>\$ 1,310,896</u>	<u>\$ 1,460,897</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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 10,164,434	\$ 10,164,434	\$ 7,167,508	\$ (2,996,926)
Departmental Earnings	580,000	580,000	280,003	(299,997)
Interest	3,300	3,300	427	(2,873)
Total Revenues	<u>10,747,734</u>	<u>10,747,734</u>	<u>7,447,938</u>	<u>(3,299,796)</u>
<u>Expenditures</u>				
Salaries & Benefits	590,446	600,035	597,038	(2,997)
Personnel Expense	25,675	16,624	1,619	(15,005)
Consultant/Contracted Services	9,913,946	9,908,961	6,172,541	(3,736,420)
Sub Contracted Services	-	4,985	-	(4,985)
Occupancy	169,216	168,678	78,529	(90,149)
Communication	71,192	73,892	16,632	(57,260)
Supplies & Minor Equipment	224,350	220,023	32,858	(187,165)
Transportation	18,300	18,300	12,871	(5,429)
Debt Payments	595,740	595,740	595,739	(1)
Other Expenditures	108,000	108,000	85,779	(22,221)
Contra Revenue Account	2,800	2,800	-	(2,800)
Capital Outlay	41,809	41,809	12,461	(29,348)
Total Expenditures	<u>11,761,474</u>	<u>11,759,847</u>	<u>7,606,067</u>	<u>(4,153,780)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,013,740)	(1,012,113)	(158,129)	853,984
Fund Balance - Beginning	<u>(5,021,478)</u>	<u>(4,998,137)</u>	<u>269,711</u>	<u>5,267,848</u>
Fund Balance - Ending	<u>\$ (6,035,218)</u>	<u>\$ (6,010,250)</u>	<u>\$ 111,582</u>	<u>\$ 6,121,832</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 37,035,000	\$ 37,035,000	\$ 37,485,292	\$ 450,292
Interest	28,075	28,075	22,730	(5,345)
Total Revenues	<u>37,063,075</u>	<u>37,063,075</u>	<u>37,508,022</u>	<u>444,947</u>
<u>Expenditures</u>				
Salaries & Benefits	527,138	535,517	518,347	(17,170)
Personnel Expense	2,050	2,550	118	(2,432)
Consultant/Contracted Services	36,193,500	36,608,750	35,202,417	(1,406,333)
Occupancy	34,950	28,550	31,920	3,370
Communication	15,050	13,071	7,878	(5,193)
Supplies & Minor Equipment	45,500	45,500	6,102	(39,398)
Transportation	3,800	4,600	4,203	(397)
Other Expenditures	39,700	39,700	39,759	59
Capital Outlay	30,000	30,000	-	(30,000)
Total Expenditures	<u>36,891,688</u>	<u>37,308,238</u>	<u>35,810,744</u>	<u>(1,497,494)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	171,387	(245,163)	1,697,278	1,942,441
Fund Balance - Beginning	<u>11,290,923</u>	<u>10,153,925</u>	<u>8,654,596</u>	<u>(1,499,329)</u>
Fund Balance - Ending	<u>\$ 11,462,310</u>	<u>\$ 9,908,762</u>	<u>\$ 10,351,874</u>	<u>\$ 443,112</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

DECEMBER 31, 2012

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

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
General Government				
Commissioners:				
Salaries & Benefits	\$ 532,701	\$ 573,605	\$ 573,311	\$ (294)
Personnel Expense	800	800	522	(278)
Occupancy	560	560	461	(99)
Communication	6,400	12,863	12,379	(484)
Supplies & Minor Equipment	23,000	46,389	34,704	(11,685)
Transportation	13,500	26,706	26,705	(1)
Other Expenses	2,000	2,000	979	(1,021)
Total Expenditures	<u>578,961</u>	<u>662,923</u>	<u>649,061</u>	<u>(13,862)</u>
Controller:				
Salaries & Benefits	634,820	645,404	534,766	(110,638)
Personnel Expense	14,000	14,000	4,405	(9,595)
Occupancy	2,780	2,780	2,641	(139)
Communication	2,900	2,900	1,284	(1,616)
Supplies & Minor Equipment	11,400	11,400	7,333	(4,067)
Transportation	5,000	5,000	541	(4,459)
Consultant/Contracted Services	40,000	40,000	69,762	29,762
Other Expenses	2,000	2,000	557	(1,443)
Total Expenditures	<u>712,900</u>	<u>723,484</u>	<u>621,289</u>	<u>(102,195)</u>
Treasurer:				
Salaries & Benefits	549,048	588,658	585,720	(2,938)
Personnel Expense	800	1,767	1,766	(1)
Occupancy	5,300	4,380	4,378	(2)
Communication	53,500	75,387	71,967	(3,420)
Supplies & Minor Equipment	25,500	28,176	24,952	(3,224)
Transportation	5,000	1,186	1,185	(1)
Other Expenses	10,000	10,000	3,248	(6,752)
Tax Refunds	185,000	152,758	229,567	76,809
Total Expenditures	<u>834,148</u>	<u>862,312</u>	<u>922,783</u>	<u>60,471</u>
Recorder Of Deeds:				
Salaries & Benefits	331,158	437,981	432,858	(5,123)
Personnel Expense	1,300	1,300	949	(351)
Occupancy	4,450	4,450	3,686	(764)
Communication	1,300	1,300	1,154	(146)
Supplies & Minor Equipment	18,000	18,000	15,239	(2,761)
Transportation	2,500	2,500	400	(2,100)
Consultant/Contracted Services	50,040	50,040	45,870	(4,170)
Total Expenditures	<u>408,748</u>	<u>515,571</u>	<u>500,156</u>	<u>(15,415)</u>

Exhibit B (Page 1 of 15)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Solicitor:				
Salaries & Benefits	\$ 299,634	\$ 351,242	\$ 315,305	\$ (35,937)
Personnel Expense	9,000	8,500	8,278	(222)
Occupancy	280	280	230	(50)
Communication	400	400	353	(47)
Supplies & Minor Equipment	3,200	4,200	3,204	(996)
Transportation	3,500	3,000	1,801	(1,199)
Total Expenditures	<u>316,014</u>	<u>367,622</u>	<u>329,171</u>	<u>(38,451)</u>
Employee Relations:				
Salaries & Benefits	420,295	418,866	398,762	(20,104)
Personnel Expense	61,700	62,756	40,789	(21,967)
Occupancy	560	967	867	(100)
Communication	3,700	3,378	2,510	(868)
Supplies & Minor Equipment	7,065	10,319	5,806	(4,513)
Transportation	2,300	1,905	226	(1,679)
Consultant/Contracted Services	<u>110,500</u>	<u>113,000</u>	<u>47,829</u>	<u>(65,171)</u>
Total Expenditures	<u>606,120</u>	<u>611,191</u>	<u>496,789</u>	<u>(114,402)</u>
Microfilm:				
Salaries & Benefits	208,796	231,450	228,965	(2,485)
Occupancy	2,100	2,100	2,005	(95)
Communication	40	716	681	(35)
Supplies & Minor Equipment	44,900	44,224	42,824	(1,400)
Transportation	150	150	-	(150)
Consultant/Contracted Services	<u>8,000</u>	<u>8,046</u>	<u>8,045</u>	<u>(1)</u>
Total Expenditures	<u>263,986</u>	<u>286,686</u>	<u>282,520</u>	<u>(4,166)</u>
Information Technology:				
Salaries & Benefits	157,063	173,010	172,862	(148)
Personnel Expense	20,000	15,139	15,100	(39)
Communication	40,100	48,175	46,914	(1,261)
Supplies & Minor Equipment	135,500	91,411	78,607	(12,804)
Transportation	7,500	7,500	5,336	(2,164)
Consultant/Contracted Services	<u>130,000</u>	<u>139,194</u>	<u>114,075</u>	<u>(25,119)</u>
Total Expenditures	<u>490,163</u>	<u>474,429</u>	<u>432,894</u>	<u>(41,535)</u>

Exhibit B (Page 2 of 15)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Central Services Department:				
Salaries & Benefits	\$ 153,151	\$ 157,291	\$ 157,113	\$ (178)
Occupancy	140	140	115	(25)
Communication	53,000	51,086	7,915	(43,171)
Supplies & Minor Equipment	19,700	20,727	17,520	(3,207)
Total Expenditures	<u>225,991</u>	<u>229,244</u>	<u>182,663</u>	<u>(46,581)</u>
Planning Commission:				
Salaries & Benefits	282,135	292,848	292,314	(534)
Personnel Expense	5,000	3,000	2,551	(449)
Occupancy	1,390	1,390	1,152	(238)
Communication	2,650	2,650	1,535	(1,115)
Supplies & Minor Equipment	18,000	15,000	10,461	(4,539)
Transportation	7,000	5,000	4,607	(393)
Consultant/Contracted Services	34,000	25,848	20,556	(5,292)
Other Expenses	2,200	2,200	2,097	(103)
Total Expenditures	<u>352,375</u>	<u>347,936</u>	<u>335,273</u>	<u>(12,663)</u>
Weights And Measures:				
Salaries & Benefits	50,224	51,761	51,746	(15)
Communication	-	530	487	(43)
Supplies & Minor Equipment	850	377	321	(56)
Transportation	8,500	8,500	8,477	(23)
Total Expenditures	<u>59,574</u>	<u>61,168</u>	<u>61,031</u>	<u>(137)</u>
Veterans Affairs:				
Salaries & Benefits	138,852	142,379	142,351	(28)
Personnel Expense	905	950	950	-
Communication	3,100	3,185	3,008	(177)
Supplies & Minor Equipment	4,500	3,307	2,888	(419)
Transportation	1,500	1,455	785	(670)
Other Expenses	128,000	127,981	126,615	(1,366)
Total Expenditures	<u>276,857</u>	<u>279,257</u>	<u>276,597</u>	<u>(2,660)</u>
Election Bureau:				
Salaries & Benefits	340,494	368,614	354,177	(14,437)
Personnel Expense	350	350	328	(22)
Occupancy	23,140	23,140	21,070	(2,070)
Communication	53,000	54,000	48,702	(5,298)
Supplies & Minor Equipment	62,000	61,000	53,542	(7,458)
Transportation	2,400	2,400	1,313	(1,087)
Consultant/Contracted Services	15,500	15,500	12,500	(3,000)
Other Expenses	300,000	233,520	220,624	(12,896)
Total Expenditures	<u>796,884</u>	<u>758,524</u>	<u>712,256</u>	<u>(46,268)</u>

Exhibit B (Page 3 of 15)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Assessment/Tax Claim:				
Salaries & Benefits	\$ 986,349	\$ 1,065,475	\$ 1,063,598	\$ (1,877)
Personnel Expense	20,500	20,500	16,281	(4,219)
Occupancy	3,700	3,700	2,995	(705)
Communication	285,000	276,460	251,375	(25,085)
Supplies & Minor Equipment	45,000	43,431	27,134	(16,297)
Transportation	18,900	18,900	14,465	(4,435)
Consultant/Contracted Services	50,000	50,000	30,260	(19,740)
Other Expenses	117,500	107,500	101,308	(6,192)
Total Expenditures	<u>1,526,949</u>	<u>1,585,966</u>	<u>1,507,416</u>	<u>(78,550)</u>
Public Defender:				
Salaries & Benefits	1,111,021	1,148,842	1,147,437	(1,405)
Personnel Expense	7,600	9,118	9,118	-
Occupancy	1,120	1,020	922	(98)
Communication	300	500	478	(22)
Supplies & Minor Equipment	9,000	8,892	8,850	(42)
Transportation	12,500	15,959	15,958	(1)
Other Expenses	11,000	1,808	1,679	(129)
Total Expenditures	<u>1,152,541</u>	<u>1,186,139</u>	<u>1,184,442</u>	<u>(1,697)</u>
General Government:				
Personnel Expense	91,000	103,306	102,547	(759)
Occupancy	3,500	3,500	1,680	(1,820)
Communication	84,000	55,800	107,174	51,374
Consultant/Contracted Services	426,000	612,967	576,574	(36,393)
Other Expenses	580,500	205,597	148,001	(57,596)
Total Expenditures	<u>1,185,000</u>	<u>981,170</u>	<u>935,976</u>	<u>(45,194)</u>
Miscellaneous:				
Insurance	1,082,917	551,096	549,935	(1,161)
Bank Charges	84,100	12,138	9,593	(2,545)
Indirect Cost Study	11,000	11,000	10,300	(700)
Total Expenditures	<u>1,178,017</u>	<u>574,234</u>	<u>569,828</u>	<u>(4,406)</u>
Total General Government	<u>\$ 10,965,228</u>	<u>\$ 10,507,856</u>	<u>\$ 10,000,145</u>	<u>\$ (507,711)</u>

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COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Clerk Of Courts:				
Salaries & Benefits	\$ 618,483	\$ 639,839	\$ 638,942	\$ (897)
Personnel Expense	16,100	16,100	13,829	(2,271)
Occupancy	4,730	4,730	3,917	(813)
Communication	18,150	18,150	15,232	(2,918)
Supplies & Minor Equipment	17,300	17,300	14,920	(2,380)
Transportation	4,455	4,455	2,415	(2,040)
Consultant/Contracted Services	5,040	5,040	5,040	-
Other Expenses	600	600	-	(600)
Total Expenditures	<u>684,858</u>	<u>706,214</u>	<u>694,295</u>	<u>(11,919)</u>
Coroner:				
Salaries & Benefits	143,696	148,079	148,061	(18)
Personnel Expense	5,900	4,472	1,228	(3,244)
Occupancy	280	280	230	(50)
Communication	2,600	2,600	489	(2,111)
Supplies & Minor Equipment	1,100	1,100	111	(989)
Transportation	5,000	5,000	544	(4,456)
Other Expenses	202,000	202,000	179,427	(22,573)
Total Expenditures	<u>360,576</u>	<u>363,531</u>	<u>330,090</u>	<u>(33,441)</u>
Jury Commission:				
Salaries & Benefits	107,290	110,799	110,766	(33)
Personnel Expense	600	600	600	-
Communication	12,000	13,747	13,746	(1)
Supplies & Minor Equipment	7,500	5,678	4,624	(1,054)
Transportation	2,000	230	-	(230)
Consultant/Contracted Services	5,400	5,475	5,475	-
Total Expenditures	<u>134,790</u>	<u>136,529</u>	<u>135,211</u>	<u>(1,318)</u>
District Attorney:				
Salaries & Benefits	2,037,324	2,094,173	2,082,680	(11,493)
Personnel Expense	20,000	22,102	20,604	(1,498)
Occupancy	5,605	5,995	5,986	(9)
Communication	10,400	11,393	11,314	(79)
Supplies & Minor Equipment	35,400	31,539	28,561	(2,978)
Transportation	21,000	18,628	18,256	(372)
Consultant/Contracted Services	20,000	20,000	13,712	(6,288)
Other Expenses	9,500	8,950	6,472	(2,478)
Total Expenditures	<u>2,159,229</u>	<u>2,212,780</u>	<u>2,187,585</u>	<u>(25,195)</u>

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COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Prothonotary:				
Salaries & Benefits	\$ 616,634	\$ 627,208	\$ 607,655	\$ (19,553)
Personnel Expense	750	750	562	(188)
Occupancy	10,900	10,900	8,986	(1,914)
Communication	8,500	8,500	8,412	(88)
Supplies & Minor Equipment	11,900	22,500	21,494	(1,006)
Transportation	2,000	1,600	1,455	(145)
Total Expenditures	<u>650,684</u>	<u>671,458</u>	<u>648,564</u>	<u>(22,894)</u>
Register Of Wills:				
Salaries & Benefits	348,857	355,606	354,609	(997)
Personnel Expense	750	650	650	-
Occupancy	6,120	6,120	5,069	(1,051)
Communication	14,500	14,500	13,553	(947)
Supplies & Minor Equipment	15,500	15,600	15,234	(366)
Transportation	2,200	2,200	2,111	(89)
Total Expenditures	<u>387,927</u>	<u>394,676</u>	<u>391,226</u>	<u>(3,450)</u>
Sheriff:				
Salaries & Benefits	3,049,883	3,027,821	2,945,041	(82,780)
Personnel Expense	42,600	33,600	31,386	(2,214)
Occupancy	1,280	1,280	1,069	(211)
Communication	6,500	7,050	6,653	(397)
Supplies & Minor Equipment	71,750	68,575	64,096	(4,479)
Transportation	100,000	113,000	110,454	(2,546)
Consultant/Contracted Services	8,500	13,614	13,603	(11)
Other Expenses	137,219	30,395	7,491	(22,904)
Total Expenditures	<u>3,417,732</u>	<u>3,295,335</u>	<u>3,179,793</u>	<u>(115,542)</u>
Court Administration:				
Salaries & Benefits	2,312,715	2,223,508	2,218,124	(5,384)
Personnel Expense	77,500	58,040	50,964	(7,076)
Occupancy	3,100	3,100	2,534	(566)
Communication	17,100	14,300	8,836	(5,464)
Supplies & Minor Equipment	75,500	86,749	77,352	(9,397)
Transportation	11,500	11,500	9,298	(2,202)
Consultant/Contracted Services	177,500	167,500	137,534	(29,966)
Other Expenses	83,000	83,000	60,346	(22,654)
Total Expenditures	<u>2,757,915</u>	<u>2,647,697</u>	<u>2,564,988</u>	<u>(82,709)</u>

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Law Library:				
Salaries & Benefits	\$ 67,890	\$ 69,196	\$ 68,870	\$ (326)
Communication	50	50	24	(26)
Supplies & Minor Equipment	95,845	105,045	103,214	(1,831)
Transportation	300	300	46	(254)
Total Expenditures	<u>164,085</u>	<u>174,591</u>	<u>172,154</u>	<u>(2,437)</u>
District Court 36-1-03:				
Salaries & Benefits	141,466	144,334	142,055	(2,279)
Personnel Expense	400	400	241	(159)
Occupancy	25,708	25,743	24,684	(1,059)
Communication	10,500	10,500	8,805	(1,695)
Supplies & Minor Equipment	9,900	9,113	8,211	(902)
Transportation	700	700	676	(24)
Total Expenditures	<u>188,674</u>	<u>190,790</u>	<u>184,672</u>	<u>(6,118)</u>
District Court 36-1-01:				
Salaries & Benefits	87,450	152,463	152,457	(6)
Personnel Expense	500	498	109	(389)
Occupancy	8,624	9,074	8,654	(420)
Communication	13,800	13,152	11,054	(2,098)
Supplies & Minor Equipment	9,500	9,500	6,632	(2,868)
Transportation	700	700	325	(375)
Total Expenditures	<u>120,574</u>	<u>185,387</u>	<u>179,231</u>	<u>(6,156)</u>
District Court 36-3-02:				
Salaries & Benefits	142,483	150,990	150,964	(26)
Personnel Expense	500	433	357	(76)
Occupancy	8,682	8,682	7,135	(1,547)
Communication	14,400	14,467	14,119	(348)
Supplies & Minor Equipment	8,500	7,500	6,296	(1,204)
Transportation	1,350	1,350	489	(861)
Total Expenditures	<u>175,915</u>	<u>183,422</u>	<u>179,360</u>	<u>(4,062)</u>
District Court 36-2-01:				
Salaries & Benefits	143,053	213,948	205,654	(8,294)
Personnel Expense	500	401	300	(101)
Occupancy	9,299	9,400	8,573	(827)
Communication	21,300	21,492	20,988	(504)
Supplies & Minor Equipment	10,400	10,138	8,127	(2,011)
Transportation	1,500	980	772	(208)
Total Expenditures	<u>186,052</u>	<u>256,359</u>	<u>244,414</u>	<u>(11,945)</u>

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COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
District Court 36-3-03:				
Salaries & Benefits	\$ 189,706	\$ 207,988	\$ 207,766	\$ (222)
Personnel Expense	400	431	266	(165)
Occupancy	13,849	13,964	12,318	(1,646)
Communication	20,400	19,685	18,234	(1,451)
Supplies & Minor Equipment	12,000	12,000	10,188	(1,812)
Transportation	1,000	969	805	(164)
Total Expenditures	<u>237,355</u>	<u>255,037</u>	<u>249,577</u>	<u>(5,460)</u>
District Court 36-3-04:				
Salaries & Benefits	132,346	134,663	133,084	(1,579)
Personnel Expense	300	300	157	(143)
Occupancy	9,594	9,594	7,697	(1,897)
Communication	11,900	12,050	9,431	(2,619)
Supplies & Minor Equipment	7,600	7,300	4,980	(2,320)
Transportation	2,000	2,150	1,932	(218)
Total Expenditures	<u>163,740</u>	<u>166,057</u>	<u>157,281</u>	<u>(8,776)</u>
District Court 36-1-02:				
Salaries & Benefits	186,341	203,961	203,739	(222)
Personnel Expense	300	300	160	(140)
Occupancy	8,503	8,527	7,739	(788)
Communication	17,900	17,770	13,967	(3,803)
Supplies & Minor Equipment	9,700	8,700	7,098	(1,602)
Transportation	500	458	-	(458)
Total Expenditures	<u>223,244</u>	<u>239,716</u>	<u>232,703</u>	<u>(7,013)</u>
District Court 36-3-01:				
Salaries & Benefits	152,441	168,196	168,182	(14)
Personnel Expense	500	500	241	(259)
Occupancy	8,899	8,911	7,930	(981)
Communication	14,800	14,800	14,334	(466)
Supplies & Minor Equipment	10,800	10,800	9,393	(1,407)
Transportation	500	500	141	(359)
Total Expenditures	<u>187,940</u>	<u>203,707</u>	<u>200,221</u>	<u>(3,486)</u>
District Court 36-2-02:				
Salaries & Benefits	183,854	194,795	192,570	(2,225)
Personnel Expense	300	300	192	(108)
Occupancy	8,509	8,603	7,619	(984)
Communication	13,200	14,500	12,783	(1,717)
Supplies & Minor Equipment	11,300	14,300	13,114	(1,186)
Transportation	2,000	2,000	741	(1,259)
Total Expenditures	<u>219,163</u>	<u>234,498</u>	<u>227,019</u>	<u>(7,479)</u>
Total Judicial	<u>\$ 12,420,453</u>	<u>\$ 12,517,784</u>	<u>\$ 12,158,384</u>	<u>\$ (359,400)</u>

Exhibit B (Page 8 of 15)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Public Works				
Department of Public Works:				
Salaries & Benefits	\$ 1,871,324	\$ 2,134,882	\$ 2,084,504	\$ (50,378)
Personnel Expense	2,800	2,800	2,658	(142)
Occupancy	48,600	55,659	53,087	(2,572)
Communication	12,010	12,810	12,522	(288)
Supplies & Minor Equipment	52,600	52,611	51,744	(867)
Transportation	41,000	59,963	53,623	(6,340)
Other Expenses	1,000	1,000	961	(39)
Total Expenditures	<u>2,029,334</u>	<u>2,319,725</u>	<u>2,259,099</u>	<u>(60,626)</u>
Buildings and Grounds:				
Occupancy	710,000	682,191	638,360	(43,831)
Supplies & Minor Equipment	87,500	78,504	77,331	(1,173)
Consultant/Contracted Services	208,000	301,462	272,704	(28,758)
Other Expenses	12,500	29,844	27,848	(1,996)
Total Expenditures	<u>1,018,000</u>	<u>1,092,001</u>	<u>1,016,243</u>	<u>(75,758)</u>
Total Public Works	<u>\$ 3,047,334</u>	<u>\$ 3,411,726</u>	<u>\$ 3,275,342</u>	<u>\$ (136,384)</u>

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COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Public Safety				
Emergency Services:				
Salaries & Benefits	\$ 935,020	\$ 1,094,226	\$ 1,092,407	\$ (1,819)
Personnel Expense	10,650	8,650	1,915	(6,735)
Occupancy	718,020	718,020	715,852	(2,168)
Communication	14,500	16,500	10,683	(5,817)
Supplies & Minor Equipment	77,000	77,000	65,308	(11,692)
Transportation	10,000	8,000	7,337	(663)
Consultant/Contracted Services	500	500	293	(207)
Other Expenses	21,000	21,000	19,524	(1,476)
Total Expenditures	1,786,690	1,943,896	1,913,319	(30,577)
Jail of Beaver County:				
Salaries & Benefits	5,374,486	5,920,379	5,896,878	(23,501)
Personnel Expense	57,000	53,200	48,882	(4,318)
Occupancy	336,600	336,505	336,313	(192)
Communication	16,750	17,050	15,586	(1,464)
Supplies & Minor Equipment	212,000	217,339	191,163	(26,176)
Transportation	11,200	9,456	7,736	(1,720)
Consultant/Contracted Services	54,500	54,500	50,000	(4,500)
Other Expenses	1,456,000	1,456,000	1,422,606	(33,394)
Total Expenditures	7,518,536	8,064,429	7,969,164	(95,265)
DUI Program:				
Salaries & Benefits	89,415	91,451	82,746	(8,705)
Personnel Expense	2,000	1,900	1,863	(37)
Occupancy	1,800	1,800	1,800	-
Communication	500	500	191	(309)
Supplies & Minor Equipment	1,500	1,400	425	(975)
Transportation	1,500	2,000	483	(1,517)
Consultant/Contracted Services	5,500	5,200	4,125	(1,075)
Other Expense	-	50,000	-	(50,000)
Total Expenditures	102,215	154,251	91,633	(62,618)
Adult Probation:				
Salaries & Benefits	1,555,032	1,729,988	1,728,517	(1,471)
Personnel Expense	600	600	435	(165)
Communication	7,000	7,000	3,645	(3,355)
Supplies & Minor Equipment	13,700	13,700	9,745	(3,955)
Transportation	9,500	9,500	7,376	(2,124)
Other Expenses	5,000	55,000	50,084	(4,916)
Total Expenditures	1,590,832	1,815,788	1,799,802	(15,986)

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COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Intermediate Punishment Program:				
Salaries & Benefits	\$ 382,452	\$ 409,528	\$ 409,278	\$ (250)
Occupancy	55,556	55,556	51,645	(3,911)
Communication	20,800	23,800	22,892	(908)
Supplies & Minor Equipment	140,800	137,800	126,423	(11,377)
Transportation	3,000	3,000	1,804	(1,196)
Other Expenses	1,250	1,250	270	(980)
Total Expenditures	<u>603,858</u>	<u>630,934</u>	<u>612,312</u>	<u>(18,622)</u>
Juvenile Probation-Court Services:				
Salaries & Benefits	292,375	417,862	415,591	(2,271)
Personnel Expense	1,900	1,900	1,013	(887)
Communication	16,800	13,500	13,067	(433)
Supplies & Minor Equipment	12,400	13,084	10,759	(2,325)
Transportation	18,200	17,500	14,675	(2,825)
Consultant/Contracted Services	1,935,500	1,938,815	1,436,776	(502,039)
Other Expenses	491,500	448,604	179,077	(269,527)
Total Expenditures	<u>2,768,675</u>	<u>2,851,265</u>	<u>2,070,958</u>	<u>(780,307)</u>
Juvenile Probation-Grants (SPS):				
Salaries & Benefits	459,668	497,519	497,514	(5)
Transportation	11,000	11,000	9,671	(1,329)
Total Expenditures	<u>470,668</u>	<u>508,519</u>	<u>507,185</u>	<u>(1,334)</u>
UAD Program:				
Salaries & Benefits	6,971	6,971	5,005	(1,966)
Personnel Expense	250	250	-	(250)
Occupancy	1,800	1,800	1,800	-
Communication	100	100	68	(32)
Supplies & Minor Equipment	250	250	248	(2)
Transportation	100	100	54	(46)
Total Expenditures	<u>9,471</u>	<u>9,471</u>	<u>7,175</u>	<u>(2,296)</u>
Total Public Safety	<u>\$ 14,850,945</u>	<u>\$ 15,978,553</u>	<u>\$ 14,971,548</u>	<u>\$ (1,007,005)</u>

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COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Culture, Recreation, and Conservation</u>				
Waste Management:				
Salaries & Benefits	\$ 315,526	\$ 313,759	\$ 312,861	\$ (898)
Personnel Expense	670	670	650	(20)
Occupancy	49,100	49,100	38,221	(10,879)
Communication	4,200	4,100	2,665	(1,435)
Supplies & Minor Equipment	45,136	45,536	37,891	(7,645)
Transportation	12,300	12,000	8,365	(3,635)
Consultant/Contracted Services	9,000	4,000	3,250	(750)
Other Expenses	81,600	69,318	22,129	(47,189)
Total Expenditures	<u>517,532</u>	<u>498,483</u>	<u>426,032</u>	<u>(72,451)</u>
Library Commission:				
Salaries & Benefits	517,413	525,586	509,774	(15,812)
Personnel Expense	51,210	70,238	68,407	(1,831)
Occupancy	32,300	31,489	31,333	(156)
Communication	31,350	27,861	27,708	(153)
Supplies & Minor Equipment	48,000	48,696	48,670	(26)
Transportation	10,000	11,587	11,426	(161)
Consultant/Contracted Services	10,000	8,700	8,616	(84)
Other Expenses	487,852	483,942	483,603	(339)
Total Expenditures	<u>1,188,125</u>	<u>1,208,099</u>	<u>1,189,537</u>	<u>(18,562)</u>
Parks/Shelter/Recreation:				
Salaries & Benefits	36,477	37,629	37,442	(187)
Occupancy	3,850	3,850	2,718	(1,132)
Communication	2,300	2,300	348	(1,952)
Supplies & Minor Equipment	3,300	3,300	2,607	(693)
Transportation	1,000	1,000	521	(479)
Consultant/Contracted Services	20,000	19,596	8,852	(10,744)
Total Expenditures	<u>66,927</u>	<u>67,675</u>	<u>52,488</u>	<u>(15,187)</u>
DPW/Parks:				
Occupancy	36,800	30,145	30,113	(32)
Communication	2,600	1,652	1,542	(110)
Supplies & Minor Equipment	109,300	110,300	109,731	(569)
Consultant/Contracted Services	15,000	13,100	13,031	(69)
Other Expenses	14,000	16,968	16,325	(643)
Total Expenditures	<u>177,700</u>	<u>172,165</u>	<u>170,742</u>	<u>(1,423)</u>

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Ice Arena:				
Salaries & Benefits	\$ 383,972	\$ 382,282	\$ 380,043	\$ (2,239)
Personnel Expense	3,300	3,405	3,404	(1)
Occupancy	240,500	237,908	223,959	(13,949)
Communication	10,500	2,583	2,518	(65)
Supplies & Minor Equipment	24,550	43,494	38,256	(5,238)
Consultant/Contracted Services	31,500	34,797	35,496	699
Other Expenses	3,500	3,413	2,001	(1,412)
Contra Revenue Accounts	150	150	92	(58)
Total Expenditures	<u>697,972</u>	<u>708,032</u>	<u>685,769</u>	<u>(22,263)</u>
Pool:				
Salaries & Benefits	114,019	127,957	126,702	(1,255)
Occupancy	15,100	17,324	16,551	(773)
Communication	1,050	550	533	(17)
Supplies & Minor Equipment	12,900	8,752	8,707	(45)
Other Expenses	24,500	20,989	20,972	(17)
Total Expenditures	<u>167,569</u>	<u>175,572</u>	<u>173,465</u>	<u>(2,107)</u>
Total Culture, Recreation and Conservation	<u>\$ 2,815,825</u>	<u>\$ 2,830,026</u>	<u>\$ 2,698,033</u>	<u>\$ (131,993)</u>

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Human Services</u>				
County Matches/Subsidies:				
Subsidies	\$ 5,135,656	\$ 5,082,256	\$ 4,757,919	\$ (324,337)
Consultant/Contracted Services	40,000	39,207	10,226	(28,981)
Other Expenses	10,000	4,207	3,000	(1,207)
Contra Revenue Accounts	<u>7,000</u>	<u>11,920</u>	<u>11,919</u>	<u>(1)</u>
Total Expenditures	<u>5,192,656</u>	<u>5,137,590</u>	<u>4,783,064</u>	<u>(354,526)</u>
Beaver County Transit Authority:				
Subsidies	850,000	850,000	850,000	-
Contra Revenue Accounts	<u>1,000,000</u>	<u>2,067,557</u>	<u>2,067,556</u>	<u>(1)</u>
Total Expenditures	<u>1,850,000</u>	<u>2,917,557</u>	<u>2,917,556</u>	<u>(1)</u>
Total Human Services	<u>\$ 7,042,656</u>	<u>\$ 8,055,147</u>	<u>\$ 7,700,620</u>	<u>\$ (354,527)</u>

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Debt Service:				
Principal	\$ 3,358,591	\$ 3,067,169	\$ 3,036,967	\$ (30,202)
Interest	5,654,952	5,368,414	5,306,440	(61,974)
Current Refunding	7,792,704	7,792,704	7,795,703	2,999
Bond Issuance Costs	111,007	111,007	111,007	-
Other Expenses	75,000	75,000	10,000	(65,000)
Total Expenditures	<u>16,992,254</u>	<u>16,414,294</u>	<u>16,260,117</u>	<u>(154,177)</u>
Fixed Asset Acquisition and Improvements:				
	<u>628,995</u>	<u>840,391</u>	<u>896,002</u>	<u>55,611</u>
Infrastructure	<u>-</u>	<u>5,000</u>	<u>37,459</u>	<u>32,459</u>
Total Expenditures	<u>\$ 68,763,690</u>	<u>\$ 70,560,777</u>	<u>\$ 67,997,650</u>	<u>\$ (2,563,127)</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

Hazardous Materials / Act 147 Grants

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

COUNTY OF BEAVER, PENNSYLVANIA

INDIVIDUAL FUND DESIGNATIONS

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 age 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.

Childcare Resource Management

The Pennsylvania Department of Public Welfare, through its Childcare Information Service Agencies, administers the Subsidized Child Day Care Program for low income families and makes resources and referral services available to all citizens of Pennsylvania. Childcare Information Service Agencies are dedicated to provide all services courteously, to help families receive all of the services for which they are eligible, and to help families access all needed resources in a community.

Tourist Promotion

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

Anti-Drug Task Force / Education

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

COUNTY OF BEAVER, PENNSYLVANIA

INDIVIDUAL FUND DESIGNATIONS

Emergency Services 911

This fund is responsible for managing and administrating all activities that pertain to emergency situations affecting Beaver County.

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 close of the books by the County Controller.

2007 & 2009 Capital Projects

This fund was established to account for all purchases made using the proceeds of the General Obligation Bonds Series A of 2007 and the General Obligation Notes Series of 2009. Expenditures in this fund are statutorily restricted to capital outlay.

Capital Reserve

This fund was established for the purpose of funding various capital improvement projects in County parks, Friendship Ridge, and other County facilities.

Capital Bond

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

COUNTY OF BEAVER, PENNSYLVANIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2012

	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	Childcare Resource Management	Tourist Promotion
Assets										
Cash and Cash Equivalents	\$ 453,278	\$ 24,843	\$ 54,729	\$ 1,659	\$ 335	\$ 221,367	\$ 1,355,752	\$ 752,279	\$ 560,199	\$ 60,919
Due From Other Funds	-	-	-	341,000	-	-	-	5,615	-	-
Accounts Receivable	-	4,374	416,948	18,976	37,429	500	1,690,405	58,846	-	23,291
Total Assets	\$ 453,278	\$ 29,217	\$ 471,677	\$ 361,635	\$ 37,764	\$ 221,867	\$ 3,046,157	\$ 816,740	\$ 560,199	\$ 84,210
Liabilities										
Accounts Payable	\$ 1,937	-	\$ 2,694	-	\$ 5	\$ 13,855	\$ 1,657,000	\$ 212,053	\$ 444,662	\$ 9,584
Due to Other Funds	-	103,956	170,737	-	50,931	6,704	2,781	6,111	431	39
Accrued Payroll	488	2,114	35,031	-	2,343	-	1,012	42,275	9,407	2,045
Accrued Other Liabilities	-	-	-	-	-	-	-	259,601	-	-
Unearned Revenue	-	-	-	-	-	85,496	-	-	129,525	-
Total Liabilities	2,425	106,070	208,462	-	53,279	106,055	1,660,793	520,040	584,025	11,668
Deferred Inflows of Resources										
Unavailable Revenue	-	-	57,245	-	-	-	986,345	3,330	-	-
Fund Balance (Deficit)										
Restricted:										
Other	450,853	-	205,970	361,635	-	115,812	399,019	293,370	2,371	72,542
Committed:										
Capital Projects	-	-	-	-	-	-	-	-	-	-
Unassigned:	-	(76,853)	-	-	(15,515)	-	-	-	(26,197)	-
Total Fund Balance (Deficit)	450,853	(76,853)	205,970	361,635	(15,515)	115,812	399,019	293,370	(23,826)	72,542
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	\$ 453,278	\$ 29,217	\$ 471,677	\$ 361,635	\$ 37,764	\$ 221,867	\$ 3,046,157	\$ 816,740	\$ 560,199	\$ 84,210

* This fund comprises the County Records Improvement Fund, Recorder of Deeds Record Improvement Fund, Prothonotary Automation Fund, the Clerk of Court Automation Fund, and the Register of Wills Automation Fund.

COUNTY OF BEAVER, PENNSYLVANIA

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2012

	Special Revenue			Capital Projects				Nonmajor Governmental Funds Total
	Anti-Drug Task Force / Educational	Emergency Services 911	Total	Courtroom Improvement	2007 & 2009 Capital Projects	Capital Reserve	Capital Bond	
ASSETS								
Cash and Cash Equivalents	\$ 365,033	\$ 1,097,213	\$ 4,947,606	\$ 422,691	\$ -	\$ 40,705	\$ 217,143	\$ 680,539
Due From Other Funds	-	-	346,615	165,164	-	373,439	-	538,603
Accounts Receivable	372	108,176	2,359,317	-	-	-	-	-
Total Assets	\$ 365,405	\$ 1,205,389	\$ 7,653,538	\$ 587,855	\$ -	\$ 414,144	\$ 217,143	\$ 1,219,142
LIABILITIES								
Accounts Payable	\$ 723	\$ 32,431	\$ 2,374,944	\$ -	\$ -	\$ -	\$ -	\$ 2,374,944
Due to Other Funds	-	270,710	612,400	-	-	-	-	612,400
Accrued Payroll	1,288	-	96,003	-	-	-	-	96,003
Accrued Other Liabilities	-	-	259,601	-	-	-	-	259,601
Unearned Revenue	-	749,865	964,886	-	-	-	-	964,886
Total Liabilities	2,011	1,053,006	4,307,834	-	-	-	-	4,307,834
Deferred Inflows of Resources								
Unavailable Revenue	-	-	1,046,920	-	-	-	-	-
Fund Balance (Deficit)								
Restricted:								
Other	363,394	152,383	2,417,349	-	-	-	217,143	2,634,492
Committed:								
Capital Projects	-	-	-	587,855	-	414,144	-	1,001,999
Unassigned:	-	-	(118,565)	-	-	-	-	(118,565)
Total Fund Balance (Deficit)	363,394	152,383	2,298,784	587,855	-	414,144	217,143	1,219,142
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	\$ 365,405	\$ 1,205,389	\$ 7,653,538	\$ 587,855	\$ -	\$ 414,144	\$ 217,143	\$ 1,219,142

Exhibit C (Page 2 of 2)

COUNTY OF BEAVER, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2012

	Special Revenue									
	Automation and Records Improvement*	Regional Booking Center	Domestic Relations	Offenders' Supervisory	Victim Witness	Hazardous Materials/ Act 147 Grants	Liquid Fuels	Office on Aging	Childcare Resource Management	Tourist Promotion
Revenues										
Investment Income	\$ 135	\$ -	\$ 15	\$ 132	\$ 9	\$ 93	\$ 608	\$ 582	\$ 215	\$ 27
Intergovernmental	-	-	1,687,308	261,045	190,475	191,298	12,142,465	5,029,055	7,124,597	-
Departmental Earnings	172,290	67,159	41,663	266,352	-	-	22,942	134,199	-	17,578
Local Hotel Room Tax	-	-	-	-	-	-	-	-	-	273,245
Miscellaneous	-	-	-	-	-	45,930	7,390	-	-	-
Total Revenues	172,425	67,159	1,728,986	527,529	190,484	237,321	12,173,405	5,163,836	7,124,812	290,850
Expenditures										
Current:										
General Government	41,707	-	-	-	-	-	-	-	-	-
Judicial	-	117,455	2,379,477	-	150,560	-	-	-	-	-
Public Safety	-	-	-	-	-	192,161	-	-	-	-
Public Works and Enterprises	-	-	-	-	-	-	756,733	-	-	-
Culture Recreation & Conservation	-	-	-	-	-	-	-	-	-	326,694
Intergovernmental:										
Operating / Human Services	-	-	-	-	-	-	-	5,192,577	7,126,337	-
Capital Outlay:										
Infrastructure	-	26,557	-	-	-	-	12,396,523	-	-	-
Fixed Asset Acquisition	-	-	-	-	-	19,470	-	-	-	-
Total Expenditures	119,345	144,012	2,379,477	-	150,560	211,631	13,153,256	5,192,577	7,126,337	326,694
Excess (Deficiency) of Revenues Over (Under) Expenditures	53,080	(76,853)	(650,491)	527,529	39,924	25,690	(979,851)	(28,741)	(1,525)	(35,844)
Other Financing Sources (Uses)										
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
Transfers From Other Funds	-	-	816,113	-	-	-	-	-	-	-
Transfers to Other Funds	-	-	-	(502,458)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	816,113	(502,458)	-	-	-	-	-	-
Net Change in Fund Balance	53,080	(76,853)	165,622	25,071	39,924	25,690	(979,851)	(28,741)	(1,525)	(35,844)
Fund Balance - Beginning	397,773	-	40,348	336,564	(55,439)	90,122	1,378,870	322,111	(22,301)	108,386
Fund Balance (Deficit) - Ending	\$ 450,853	\$ (76,853)	\$ 205,970	\$ 361,635	\$ (15,515)	\$ 115,812	\$ 399,019	\$ 293,370	\$ (23,826)	\$ 72,542

* This fund comprises the County Records Improvement Fund, Probationary Automation Fund, the Clerk of Court Automation Fund, and the Register of Wills Automation Fund.

COUNTY OF BEAVER, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2012

	Special Revenue			Capital Projects				Nonmajor Governmental Funds Total
	Anti-Drug Task Force / Educational	Emergency Services 911	Total	Courtroom Improvement	2007 & 2009 Capital Projects	Capital Reserve	Capital Bond	
Revenues								
Investment Income	\$ 3,548	\$ 436	\$ 5,800	\$ 182	\$ -	\$ 74	\$ -	\$ 256
Intergovernmental	91,600	1,592,987	28,310,830	5,400	-	-	-	5,400
Departmental Earnings	41,324	618,159	1,381,666	-	-	197,639	-	197,639
Local Hotel Room Tax	-	-	273,245	-	-	-	-	-
Miscellaneous	-	-	53,320	-	-	-	-	-
Total Revenues	136,472	2,211,582	30,024,861	5,582	-	197,713	-	203,295
Expenditures								
Current:								
General Government	-	-	41,707	29,130	6,479	4,000	-	39,609
Judicial	113,942	-	2,761,434	-	-	-	-	-
Public Safety	-	2,090,856	2,283,017	-	-	-	-	-
Public Works and Enterprises	-	-	756,733	-	-	-	-	-
Culture Recreation & Conservation	-	-	326,694	-	-	-	-	-
Intergovernmental:								
Operating / Human Services	-	-	12,318,914	-	-	-	-	-
Capital Outlay:								
Infrastructure	-	-	12,396,523	-	77,069	552,519	-	629,588
Fixed Asset Acquisition	-	58,548	182,213	-	53,109	180,301	-	233,410
Total Expenditures	113,942	2,149,404	31,067,235	29,130	136,657	736,820	-	902,607
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,530	62,178	(1,042,374)	(23,548)	(136,657)	(539,107)	-	(699,312)
Other Financing Sources (Uses)								
Issuance of Debt	-	-	-	-	-	-	217,143	217,143
Insurance Proceeds	-	-	-	-	-	113,989	-	113,989
Transfers From Other Funds	-	-	816,113	165,164	99,758	-	-	264,922
Transfers to Other Funds	-	-	(502,458)	-	-	-	-	(502,458)
Total Other Financing Sources (Uses)	-	-	313,655	165,164	99,758	113,989	217,143	596,054
Net Change in Fund Balance	22,530	62,178	(728,719)	141,616	(36,899)	(425,118)	217,143	(103,258)
Fund Balance - Beginning	340,864	90,205	3,027,503	446,239	36,899	839,262	-	1,322,400
Fund Balance (Deficit) - Ending	\$ 363,394	\$ 152,383	\$ 2,298,784	\$ 587,855	\$ -	\$ 414,144	\$ 217,143	\$ 1,219,142

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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>General Government</u>				
Automation and Records Improvement				
Revenues:				
Departmental Earnings	\$ 148,400	\$ 148,400	\$ 172,290	\$ 23,890
Interest	175	175	135	(40)
Total Revenues	<u>148,575</u>	<u>148,575</u>	<u>172,425</u>	<u>23,850</u>
Expenditures:				
Salaries & Benefits	19,195	25,500	25,257	(243)
Personnel Expense	-	2,000	1,190	(810)
Consultant/Contracted Services	75,000	35,188	-	(35,188)
Supplies & Minor Equipment	19,000	25,657	12,303	(13,354)
Transportation	2,500	2,500	-	(2,500)
Other Expenditures	24,865	40,268	2,957	(37,311)
Capital Outlay	31,000	78,718	77,638	(1,080)
Total Expenditures	<u>171,560</u>	<u>209,831</u>	<u>119,345</u>	<u>(90,486)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,985)	(61,256)	53,080	114,336
Fund Balance - Beginning	<u>97,069</u>	<u>(66,771)</u>	<u>397,773</u>	<u>464,544</u>
Fund Balance - Ending	<u>\$ 74,084</u>	<u>\$ (128,027)</u>	<u>\$ 450,853</u>	<u>\$ 578,880</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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Regional Booking Center				
Revenues:				
Departmental Earnings	\$ -	\$ -	\$ 67,159	\$ 67,159
Total Revenues	<u>-</u>	<u>-</u>	<u>67,159</u>	<u>67,159</u>
Expenditures:				
Salaries & Benefits	-	104,180	100,387	(3,793)
Communication	-	3,501	3,500	(1)
Supplies & Minor Equipment	-	13,572	13,568	(4)
Capital Outlay	-	26,558	26,557	(1)
Total Expenditures	<u>-</u>	<u>147,811</u>	<u>144,012</u>	<u>(3,799)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(147,811)	(76,853)	70,958
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ (147,811)</u>	<u>\$ (76,853)</u>	<u>\$ 70,958</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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Domestic Relations				
Revenues:				
Intergovernmental	\$ 1,706,261	\$ 1,666,261	\$ 1,687,308	\$ 21,047
Departmental Earnings	45,000	45,000	41,663	(3,337)
Interest	100	100	15	(85)
Total Revenues	1,751,361	1,711,361	1,728,986	17,625
Expenditures:				
Salaries & Benefits	2,109,744	2,119,976	2,081,116	(38,860)
Personnel Expense	13,200	18,450	13,617	(4,833)
Occupancy	1,370	1,370	1,152	(218)
Communication	44,700	34,468	30,896	(3,572)
Supplies & Minor Equipment	25,500	16,850	12,342	(4,508)
Transportation	7,000	7,000	6,199	(801)
Consultant/Contracted Services	21,500	26,400	25,470	(930)
Other Expenditures	343,720	343,720	208,685	(135,035)
Capital Outlay	5,000	3,500	-	(3,500)
Total Expenditures	2,571,734	2,571,734	2,379,477	(192,257)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(820,373)	(860,373)	(650,491)	209,882
Other Financing Sources (Uses):				
Transfers from Other Funds	820,373	860,373	816,113	(44,260)
Total Financing Sources (Uses)	820,373	860,373	816,113	(44,260)
Net Change in Fund Balance	-	-	165,622	165,622
Fund Balance - Beginning	(643,010)	(690,267)	40,348	730,615
Fund Balance - Ending	\$ (643,010)	\$ (690,267)	\$ 205,970	\$ 896,237

Exhibit E (Page 3 of 12)

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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Offender's Supervisory				
Revenues:				
Departmental Earnings	\$ -	\$ -	\$ 266,352	\$ 266,352
Intergovernmental	275,000	275,000	261,045	(13,955)
Interest	-	-	132	132
Total Revenues	275,000	275,000	527,529	252,529
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	275,000	275,000	527,529	252,529
Other Financing Sources (Uses):				
Transfers to Other Funds	(275,000)	(502,459)	(502,458)	(1)
Total Financing Sources (Uses)	(275,000)	(502,459)	(502,458)	(1)
Net Change in Fund Balance	-	(227,459)	25,071	252,530
Fund Balance - Beginning	(676,365)	(676,365)	336,564	1,012,929
Fund Balance - Ending	<u>\$ (676,365)</u>	<u>\$ (903,824)</u>	<u>\$ 361,635</u>	<u>\$ 1,265,459</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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Victim Witness				
Revenues:				
Intergovernmental	\$ 160,223	\$ 178,385	\$ 190,475	\$ 12,090
Interest	-	-	9	9
Total Revenues	<u>160,223</u>	<u>178,385</u>	<u>190,484</u>	<u>12,099</u>
Expenditures:				
Salaries & Benefits	158,922	177,169	150,232	(26,937)
Personnel Expense	60	63	57	(6)
Communication	420	420	271	(149)
Supplies & Minor Equipment	550	475	-	(475)
Other Expenditures	271	258	-	(258)
Total Expenditures	<u>160,223</u>	<u>178,385</u>	<u>150,560</u>	<u>(27,825)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	39,924	39,924
Fund Balance - Beginning	<u>(14,052)</u>	<u>(21,652)</u>	<u>(55,439)</u>	<u>(33,787)</u>
Fund Balance - Ending	<u><u>\$ (14,052)</u></u>	<u><u>\$ (21,652)</u></u>	<u><u>\$ (15,515)</u></u>	<u><u>\$ 6,137</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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Public Safety				
Hazardous Materials / Act 147 Grants				
Revenues:				
Intergovernmental	\$ 182,691	\$ 182,691	\$ 191,298	\$ 8,607
Interest	100	100	93	(7)
Miscellaneous	-	-	45,930	45,930
Total Revenues	<u>182,791</u>	<u>182,791</u>	<u>237,321</u>	<u>54,530</u>
Expenditures:				
Salaries & Benefits	41,394	41,394	40,056	(1,338)
Personnel Expense	3,000	6,600	4,987	(1,613)
Consultant/Contracted Services	-	6,197	4,025	(2,172)
Occupancy	17,100	17,123	9,982	(7,141)
Communication	18,500	10,000	6,513	(3,487)
Supplies & Minor Equipment	56,000	64,977	31,728	(33,249)
Transportation	9,000	15,000	10,788	(4,212)
Other Expenditures	118,106	101,859	60,608	(41,251)
Contra Revenue Accounts	-	23,475	23,474	(1)
Capital Outlay	50,000	31,371	19,470	(11,901)
Total Expenditures	<u>313,100</u>	<u>317,996</u>	<u>211,631</u>	<u>(106,365)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(130,309)	(135,205)	25,690	160,895
Fund Balance - Beginning	<u>(261,742)</u>	<u>(289,952)</u>	<u>90,122</u>	<u>380,074</u>
Fund Balance - Ending	<u>\$ (392,051)</u>	<u>\$ (425,157)</u>	<u>\$ 115,812</u>	<u>\$ 540,969</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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Public Works				
Liquid Fuels				
Revenues:				
Intergovernmental	\$ 14,495,238	\$ 14,755,238	\$ 12,142,465	\$ (2,612,773)
Departmental Earnings	20,000	20,000	22,942	2,942
Interest	600	600	608	8
Miscellaneous	-	-	7,390	7,390
Total Revenues	<u>14,515,838</u>	<u>14,775,838</u>	<u>12,173,405</u>	<u>(2,602,433)</u>
Expenditures:				
Salaries & Benefits	53,503	58,836	58,819	(17)
Personnel Expense	520	520	17	(503)
Consultant/Contracted Services	546,891	744,196	458,434	(285,762)
Communication	2,900	2,900	2,488	(412)
Supplies & Minor Equipment	13,800	13,952	5,972	(7,980)
Transportation	4,000	4,000	3,408	(592)
Other Expenditures	241,000	243,900	227,595	(16,305)
Infrastructure	14,110,004	14,101,352	12,396,523	(1,704,829)
Total Expenditures	<u>14,972,618</u>	<u>15,169,656</u>	<u>13,153,256</u>	<u>(2,016,400)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(456,780)	(393,818)	(979,851)	(586,033)
Fund Balance - Beginning	<u>(116,203)</u>	<u>(243,651)</u>	<u>1,378,870</u>	<u>1,622,521</u>
Fund Balance - Ending	<u>\$ (572,983)</u>	<u>\$ (637,469)</u>	<u>\$ 399,019</u>	<u>\$ 1,036,488</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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Human Services</u>				
Office on Aging				
Revenues:				
Intergovernmental	\$ 5,429,908	\$ 5,429,908	\$ 5,029,055	\$ (400,853)
Departmental Earnings	126,000	126,000	134,199	8,199
Interest	1,500	1,500	582	(918)
Total Revenues	<u>5,557,408</u>	<u>5,557,408</u>	<u>5,163,836</u>	<u>(393,572)</u>
Expenditures:				
Reimbursement to State	104,000	104,000	100,000	(4,000)
Salaries & Benefits	2,722,916	2,732,028	2,497,744	(234,284)
Personnel Expense	14,700	14,700	7,634	(7,066)
Consultant/Contracted Services	166,000	166,000	113,177	(52,823)
Sub Contracted Services	2,500,000	2,500,677	1,943,888	(556,789)
Occupancy	401,480	392,368	364,810	(27,558)
Communication	33,900	33,900	20,522	(13,378)
Supplies & Minor Equipment	126,000	121,521	33,396	(88,125)
Transportation	29,500	29,500	22,370	(7,130)
Other Expenditures	127,500	127,500	89,036	(38,464)
Capital Outlay	15,000	15,000	-	(15,000)
Total Expenditures	<u>6,240,996</u>	<u>6,237,194</u>	<u>5,192,577</u>	<u>(1,044,617)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(683,588)	(679,786)	(28,741)	651,045
Net Change in Fund Balance	(683,588)	(679,786)	(28,741)	651,045
Fund Balance - Beginning	<u>(729,717)</u>	<u>(1,288,749)</u>	<u>322,111</u>	<u>1,610,860</u>
Fund Balance - Ending	<u>\$ (1,413,305)</u>	<u>\$ (1,968,535)</u>	<u>\$ 293,370</u>	<u>\$ 2,261,905</u>

Exhibit E (Page 8 of 12)

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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Human Services</u>				
Childcare Resource Management				
Revenues:				
Intergovernmental	\$ 8,003,847	\$ 8,003,847	\$ 7,124,597	\$ (879,250)
Interest	350	350	215	(135)
Total Revenues	<u>8,004,197</u>	<u>8,004,197</u>	<u>7,124,812</u>	<u>(879,385)</u>
Expenditures:				
Reimbursement to State	80,000	70,900	57,284	(13,616)
Salaries & Benefits	606,054	608,735	568,729	(40,006)
Personnel Expense	750	750	559	(191)
Consultant/Contracted Services	13,000	16,600	14,125	(2,475)
Sub Contracted Services	7,056,146	7,053,465	6,266,415	(787,050)
Occupancy	71,415	71,815	57,197	(14,618)
Communication	23,000	23,704	18,915	(4,789)
Supplies & Minor Equipment	45,000	40,000	26,553	(13,447)
Transportation	2,000	2,000	1,689	(311)
Other Expenditures	106,832	114,932	114,871	(61)
Total Expenditures	<u>8,004,197</u>	<u>8,002,901</u>	<u>7,126,337</u>	<u>(876,564)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,296	(1,525)	(2,821)
Fund Balance - Beginning	<u>64,540</u>	<u>(111,414)</u>	<u>(22,301)</u>	<u>89,113</u>
Fund Balance - Ending	<u>\$ 64,540</u>	<u>\$ (110,118)</u>	<u>\$ (23,826)</u>	<u>\$ 86,292</u>

Exhibit E (Page 9 of 12)

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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Recreation</u>				
Tourist Promotion				
Revenues:				
Departmental Earnings	\$ 14,400	\$ 14,400	\$ 17,578	\$ 3,178
Local Hotel Room Tax	255,000	255,000	273,245	18,245
Interest	70	70	27	(43)
Total Revenues	<u>269,470</u>	<u>269,470</u>	<u>290,850</u>	<u>21,380</u>
Expenditures:				
Salaries & Benefits	85,124	98,090	98,034	(56)
Personnel Expense	6,170	5,420	4,275	(1,145)
Consultant/Contracted Services	11,500	1,500	836	(664)
Communication	169,926	168,668	156,676	(11,992)
Supplies & Minor Equipment	4,000	7,205	5,984	(1,221)
Transportation	10,500	7,857	6,737	(1,120)
Other Expenditures	56,250	55,730	54,152	(1,578)
Capital Outlay	1,000	-	-	-
Total Expenditures	<u>344,470</u>	<u>344,470</u>	<u>326,694</u>	<u>(17,776)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,000)	(75,000)	(35,844)	39,156
Fund Balance - Beginning	<u>137,870</u>	<u>137,870</u>	<u>108,386</u>	<u>(29,484)</u>
Fund Balance - Ending	<u>\$ 62,870</u>	<u>\$ 62,870</u>	<u>\$ 72,542</u>	<u>\$ 9,672</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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Anti-Drug Task Force / Educational				
Revenues:				
Intergovernmental	\$ 98,500	\$ 98,500	\$ 91,600	\$ (6,900)
Departmental Earnings	28,500	28,500	41,324	12,824
Interest	10	10	3,548	3,538
Total Revenues	<u>127,010</u>	<u>127,010</u>	<u>136,472</u>	<u>9,462</u>
Expenditures:				
Salaries & Benefits	108,903	101,393	57,036	(44,357)
Personnel Expense	5,000	5,000	2,830	(2,170)
Communication	1,000	1,000	-	(1,000)
Supplies & Minor Equipment	5,800	1,965	911	(1,054)
Transportation	8,000	8,899	5,796	(3,103)
Other Expenditures	36,292	48,903	47,369	(1,534)
Total Expenditures	<u>164,995</u>	<u>167,160</u>	<u>113,942</u>	<u>(53,218)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,985)	(40,150)	22,530	62,680
Fund Balance - Beginning	<u>(259,359)</u>	<u>(289,900)</u>	<u>340,864</u>	<u>630,764</u>
Fund Balance - Ending	<u>\$ (297,344)</u>	<u>\$ (330,050)</u>	<u>\$ 363,394</u>	<u>\$ 693,444</u>

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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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Public Safety</u>				
Emergency Services 911				
Revenues:				
Intergovernmental	\$ 1,868,126	\$ 1,868,126	\$ 1,592,987	\$ (275,139)
Departmental Earnings	615,000	615,000	618,159	3,159
Interest	600	600	436	(164)
Total Revenues	2,483,726	2,483,726	2,211,582	(272,144)
Expenditures:				
Personnel Expense	-	5,000	5,000	-
Consultant/Contracted Services	78,707	162,537	170,155	7,618
Communication	305,848	314,120	242,452	(71,668)
Supplies & Minor Equipment	98,022	161,082	123,019	(38,063)
Other Expenditures	1,747,938	1,762,838	1,550,230	(212,608)
Capital Outlay	184,165	209,859	58,548	(151,311)
Total Expenditures	2,414,680	2,615,436	2,149,404	(466,032)
Excess (Deficiency) of Revenues Over (Under) Expenditures	69,046	(131,710)	62,178	193,888
Net Change in Fund Balance	69,046	(131,710)	62,178	193,888
Fund Balance - Beginning	443,037	53,701	90,205	36,504
Fund Balance - Ending	\$ 512,083	\$ (78,009)	\$ 152,383	\$ 230,392

Exhibit E (Page 12 of 12)

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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Capital Projects				
Courtroom Improvement				
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 5,400	\$ 5,400
Interest	50	50	182	132
Total Revenues	<u>50</u>	<u>50</u>	<u>5,582</u>	<u>5,532</u>
Expenditures:				
Supplies & Minor Equipment	-	53,500	22,130	(31,370)
Consultant/Contracted Services	-	7,500	7,000	(500)
Capital Outlay	<u>250,000</u>	<u>189,000</u>	<u>-</u>	<u>(189,000)</u>
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>29,130</u>	<u>(220,870)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(249,950)	(249,950)	(23,548)	226,402
Other Financing Sources (Uses):				
Transfers From Other Funds	<u>159,706</u>	<u>159,706</u>	<u>165,164</u>	<u>5,458</u>
Total Financing Sources (Uses)	<u>159,706</u>	<u>159,706</u>	<u>165,164</u>	<u>5,458</u>
Net Change in Fund Balance	(90,244)	(90,244)	141,616	231,860
Fund Balance - Beginning	<u>61,715</u>	<u>(77,857)</u>	<u>446,239</u>	<u>524,096</u>
Fund Balance - Ending	<u>\$ (28,529)</u>	<u>\$ (168,101)</u>	<u>\$ 587,855</u>	<u>\$ 755,956</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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Capital Projects</u>				
2007 & 2009 Capital Projects				
Revenues:				
Intergovernmental	\$ 188,686	\$ 188,686	\$ -	\$ (188,686)
Interest	200	200	-	(200)
Total Revenues	<u>188,886</u>	<u>188,886</u>	<u>-</u>	<u>(188,886)</u>
Expenditures:				
Consultant/Contracted Services	-	66,730	-	(66,730)
Supplies & Minor Equipment	-	-	6,479	6,479
Other Expenditures	150,000	71,742	-	(71,742)
Infrastructure	-	77,069	77,069	-
Capital Outlay	-	53,704	53,109	(595)
Total Expenditures	<u>150,000</u>	<u>269,245</u>	<u>136,657</u>	<u>(132,588)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	38,886	(80,359)	(136,657)	(56,298)
Other Financing Sources (Uses):				
Transfers From Other Funds	-	-	99,758	99,758
Total Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>99,758</u>	<u>99,758</u>
Net Change in Fund Balance	38,886	(80,359)	(36,899)	43,460
Fund Balance - Beginning	<u>1,370,010</u>	<u>(3,951,515)</u>	<u>36,899</u>	<u>3,988,414</u>
Fund Balance - Ending	<u>\$ 1,408,896</u>	<u>\$ (4,031,874)</u>	<u>\$ -</u>	<u>\$ 4,031,874</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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
Capital Projects				
Capital Reserve				
Revenues:				
Departmental Earnings	\$ 4,250,000	\$ 4,250,000	\$ 197,639	\$ (4,052,361)
Interest	100	100	74	(26)
Total Revenues	<u>4,250,100</u>	<u>4,250,100</u>	<u>197,713</u>	<u>(4,052,387)</u>
Expenditures:				
Consultant/Contracted Services	10,000	10,000	4,000	(6,000)
Other Expenditures	290,000	1,833	-	(1,833)
Infrastructure	-	552,520	552,519	(1)
Capital Outlay	-	180,302	180,301	(1)
Total Expenditures	<u>300,000</u>	<u>744,655</u>	<u>736,820</u>	<u>(7,835)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,950,100	3,505,445	(539,107)	(4,044,552)
Other Financing Sources (Uses):				
Insurance Proceeds	-	-	113,989	113,989
Transfer to Other Funds	(2,171,681)	(2,000,274)	-	2,000,274
Total Financing Sources (Uses)	<u>(2,171,681)</u>	<u>(2,000,274)</u>	<u>113,989</u>	<u>2,114,263</u>
Net Change in Fund Balance	1,778,419	1,505,171	(425,118)	(1,930,289)
Fund Balance - Beginning	<u>186,100</u>	<u>52,282</u>	<u>839,262</u>	<u>786,980</u>
Fund Balance - Ending	<u>\$ 1,964,519</u>	<u>\$ 1,557,453</u>	<u>\$ 414,144</u>	<u>\$ (1,143,309)</u>

Exhibit F (Page 3 of 4)

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, 2012

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Capital Projects</u>				
Capital Bond				
Total Revenues	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Issuance of Debt	-	-	217,143	217,143
Total Financing Sources (Uses)	-	-	217,143	217,143
Net Change in Fund Balance	-	-	217,143	217,143
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ 217,143	\$ 217,143

Exhibit F (Page 4 of 4)

COUNTY OF BEAVER, PENNSYLVANIA

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS DECEMBER 31, 2012

	Medical Fund	Workers' Compensation Fund	Total
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 211,504	\$ 52,220	\$ 263,724
Receivables	2,929	-	2,929
Interfund Receivable	323,542	-	323,542
Total Current Assets	537,975	52,220	590,195
Total Assets	\$ 537,975	\$ 52,220	\$ 590,195
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	\$ 38,830	\$ 164,712	\$ 203,542
Accrued Employee Benefits	548,341	61,655	609,996
Interfund Payable	-	45,380	45,380
Total Current Liabilities	587,171	271,747	858,918
Total Liabilities	587,171	271,747	858,918
<u>Net Position</u>			
Unrestricted	(49,196)	(219,527)	(268,723)
Total Net Position	\$ (49,196)	\$ (219,527)	\$ (268,723)

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2012

	Medical Fund	Workers' Compensation Fund	Total
<u>Operating Revenues</u>			
Charges for Services	\$ 8,622,476	\$ 1,077,851	\$ 9,700,327
Miscellaneous Income	21,755	-	21,755
Total Operating Revenues	8,644,231	1,077,851	9,722,082
<u>Operating Expenses</u>			
Costs of Services	9,205,308	749,927	9,955,235
Administrative	195,468	442,719	638,187
Total Operating Expenses	9,400,776	1,192,646	10,593,422
Operating Income (Loss)	(756,545)	(114,795)	(871,340)
<u>Non-Operating Revenues (Expenses)</u>			
Investment Income	243	13	256
Total Non-Operating Revenues (Expenses)	243	13	256
Income (Loss) Before Transfers	(756,302)	(114,782)	(871,084)
Change in Net Position	(756,302)	(114,782)	(871,084)
Total Net Position - Beginning	707,106	(104,745)	602,361
Total Net Position - Ending	\$ (49,196)	\$ (219,527)	\$ (268,723)

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COUNTY OF BEAVER, PENNSYLVANIA

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2012

	Medical Fund	Workers' Compensation Fund	Total
<u>Cash Flows from Operating Activities:</u>			
Cash receipts for services provided	\$ 8,498,149	\$ 1,077,851	\$ 9,576,000
Cash payments to suppliers	(9,297,752)	(1,122,875)	(10,420,627)
Net Cash Provided by/(used in) Operating Activities	(799,603)	(45,024)	(844,627)
<u>Cash Flows from Investing Activities:</u>			
Investment income	242	13	255
Net Cash Provided by Investing Activities	242	13	255
Net Increase (Decrease) in Cash and Cash Equivalents	(799,361)	(45,011)	(844,372)
<u>Cash and Cash Equivalents:</u>			
Beginning of year	1,010,865	97,231	1,108,096
End of year	\$ 211,504	\$ 52,220	\$ 263,724
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:</u>			
Operating income (loss)	\$ (756,545)	\$ (114,795)	\$ (871,340)
Change in operating assets and liabilities:			
Accounts receivable and interfund receivable	(146,082)	-	(146,082)
Prepaid expenses	30,057	-	30,057
Accounts payable and interfund payable	16,762	51,047	67,809
Accrued liabilities	56,205	18,724	74,929
Net Cash Provided by/(used in) Operating Activities	\$ (799,603)	\$ (45,024)	\$ (844,627)

COUNTY OF BEAVER, PENNSYLVANIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
Clerk of Courts				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 212,108	2,675,115	2,658,012	\$ 229,211
	<u>212,108</u>	<u>2,675,115</u>	<u>2,658,012</u>	<u>229,211</u>
<u>Liabilities</u>				
Accounts Payable	211,445	2,675,115	2,657,349	229,211
Other Liabilities	663	-	663	-
	<u>\$ 212,108</u>	<u>2,675,115</u>	<u>2,658,012</u>	<u>\$ 229,211</u>
Domestic Relations - Support Payments				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 87,470	761,174	781,033	\$ 67,612
	<u>87,470</u>	<u>761,174</u>	<u>781,033</u>	<u>67,612</u>
<u>Liabilities</u>				
Accounts Payable	87,470	761,174	781,033	67,612
	<u>\$ 87,470</u>	<u>761,174</u>	<u>781,033</u>	<u>\$ 67,612</u>
Other Escrow				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,654	1	-	\$ 1,655
	<u>1,654</u>	<u>1</u>	<u>-</u>	<u>1,655</u>
<u>Liabilities</u>				
Accounts Payable	1,654	1	-	1,655
	<u>\$ 1,654</u>	<u>1</u>	<u>-</u>	<u>\$ 1,655</u>
Recorder of Deeds				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 362,731	11,665,305	11,603,002	\$ 425,034
	<u>362,731</u>	<u>11,665,305</u>	<u>11,603,002</u>	<u>425,034</u>
<u>Liabilities</u>				
Accounts Payable	355,522	11,665,305	11,595,793	425,034
Other Liabilities	7,209	-	7,209	-
	<u>\$ 362,731</u>	<u>11,665,305</u>	<u>11,603,002</u>	<u>\$ 425,034</u>
Register of Wills				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 59,374	7,894,271	7,926,714	\$ 26,931
Accounts Receivable - State	2,253	-	2,253	-
	<u>61,627</u>	<u>7,894,271</u>	<u>7,928,967</u>	<u>26,931</u>
<u>Liabilities</u>				
Accounts Payable	61,627	7,894,271	7,928,967	26,931
	<u>\$ 61,627</u>	<u>7,894,271</u>	<u>7,928,967</u>	<u>\$ 26,931</u>

Exhibit G (Page 1 of 2)

COUNTY OF BEAVER, PENNSYLVANIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
Sheriff				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 233,899	1,484,161	1,467,812	\$ 250,248
	<u>233,899</u>	<u>1,484,161</u>	<u>1,467,812</u>	<u>250,248</u>
<u>Liabilities</u>				
Accounts Payable	233,899	1,484,161	1,467,812	250,248
	<u>\$ 233,899</u>	<u>1,484,161</u>	<u>1,467,812</u>	<u>\$ 250,248</u>
Prothonotary				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 177,935	806,867	634,571	\$ 350,231
	<u>177,935</u>	<u>806,867</u>	<u>634,571</u>	<u>350,231</u>
<u>Liabilities</u>				
Accounts Payable	176,825	806,867	633,461	350,231
Other Liabilities	1,110	-	1,110	-
	<u>\$ 177,935</u>	<u>806,867</u>	<u>634,571</u>	<u>\$ 350,231</u>
Tax Claim				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,406,067	14,691,146	14,658,327	\$ 1,438,886
Due from Other Funds	-	284,412	-	284,412
	<u>1,406,067</u>	<u>14,975,558</u>	<u>14,658,327</u>	<u>1,723,298</u>
<u>Liabilities</u>				
Accounts Payable	1,406,067	14,975,558	14,658,327	1,723,298
	<u>\$ 1,406,067</u>	<u>14,975,558</u>	<u>14,658,327</u>	<u>\$ 1,723,298</u>
Treasurer				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 32,886	285,095	292,847	\$ 25,134
	<u>32,886</u>	<u>285,095</u>	<u>292,847</u>	<u>25,134</u>
<u>Liabilities</u>				
Accounts Payable	32,886	285,095	292,847	25,134
	<u>\$ 32,886</u>	<u>285,095</u>	<u>292,847</u>	<u>\$ 25,134</u>
Total - Agency Funds				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 2,574,123	40,263,135	40,022,317	\$ 2,814,941
Due from Other Funds	-	284,412	-	284,412
Accounts Receivable - State	2,253	-	2,253	-
	<u>2,576,376</u>	<u>40,547,547</u>	<u>40,024,570</u>	<u>3,099,353</u>
<u>Liabilities</u>				
Accounts Payable	2,567,394	40,547,547	40,015,588	3,099,353
Other Liabilities	8,982	-	8,982	-
	<u>\$ 2,576,376</u>	<u>40,547,547</u>	<u>40,024,570</u>	<u>\$ 3,099,353</u>

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STATISTICAL SECTION

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Statistical Section Content

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.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules are intended to assist the reader in understanding and assessing how the County's financial position has changed over time.	179-184
Revenue Capacity 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.	185-189
Debt Capacity 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.	190-195
Demographic and Economic Information These schedules are intended to assist the reader in understanding the demographic and economic factors that the County's financial activities take place in.	196-197
Operating Information 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.	198-201

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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County of Beaver, Pennsylvania

Net Position by Component Last Ten Years *(accrual basis of accounting)*

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities										
Net Investment in Capital Assets	\$ 23,188,472	\$ 12,674,892	\$ 1,590,243	\$ 9,995,154	\$ 9,036,227	\$ 9,354,708	\$ 9,179,985	\$ (5,815,883)	\$ 3,333,611	\$ 1,137,967
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	-	-	-	-	-	-	-	-
Programs for Mental Health / Behavioral Health	8,263,828	-	-	-	-	-	-	-	-	-
Programs for Children & Youth	1,925,163	-	-	-	-	-	-	-	-	-
Programs for Community Development	155,978	-	-	-	-	-	-	-	-	-
Other	3,681,412	-	-	-	-	-	-	-	-	-
Unrestricted	(12,393,777)	(12,523,237)	(3,977,279)	(7,881,559)	(16,698,272)	(13,635,972)	(13,533,608)	(3,353,546)	(6,514,204)	453,728
Total Governmental Activities Net Position	24,821,076	13,044,092	(2,387,036)	2,113,595	(7,662,045)	(4,281,264)	(4,353,623)	(9,169,429)	(3,180,593)	1,591,695
Business-type Activities										
Net Investment in Capital Assets	7,779,310	8,084,721	11,434,203	11,106,333	9,285,442	8,526,775	9,146,273	9,230,260	8,564,335	8,882,470
Restricted	-	-	7,279,670	6,912,769	11,534,085	11,970,526	9,732,190	7,815,415	7,146,922	7,127,610
Unrestricted	(1,699,257)	827,196	(341,629)	1,710,145	5,185,313	5,404,833	6,561,462	4,005,303	3,413,702	5,475,683
Total Business-type Activities Net Position	6,080,053	8,911,917	18,372,244	19,729,247	26,004,840	25,902,134	25,439,925	21,050,978	19,124,959	21,485,763
Primary Government										
Net Investment in Capital Assets	30,967,782	20,759,613	13,024,446	21,101,487	18,321,669	17,881,483	18,326,258	3,414,377	11,897,946	10,020,437
Restricted for:										
Restricted Fund	-	-	7,279,670	6,912,769	11,534,085	11,970,526	9,732,190	7,815,415	7,146,922	7,127,610
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	8,263,828	-	-	-	-	-	-	-	-	-
Programs for Children & Youth	1,925,163	-	-	-	-	-	-	-	-	-
Programs for Community Development	155,978	-	-	-	-	-	-	-	-	-
Other	3,681,412	-	-	-	-	-	-	-	-	-
Unrestricted	(14,093,034)	(11,696,041)	(4,318,908)	(6,171,414)	(11,512,959)	(8,231,139)	(6,972,146)	651,757	(3,100,502)	5,929,411
Total Primary Government Net Position	\$ 30,901,129	\$ 21,956,009	\$ 15,985,208	\$ 21,842,842	\$ 18,342,795	\$ 21,620,870	\$ 21,086,302	\$ 11,881,549	\$ 15,944,366	\$ 23,077,458

Notes:

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

County of Beaver, Pennsylvania
Changes in Net Position
Last Ten Years (accrual basis of accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Program Revenues										
Governmental Activities:										
Fees and Charges:										
General Government	\$ 8,260,937	\$ 8,106,487	\$ 7,751,564	\$ 7,625,322	\$ 8,078,762	\$ 7,912,438	\$ 7,247,343	\$ 6,501,784	\$ 6,747,064	\$ 6,458,387
Judicial	416,498	340,294	304,522	314,108	335,118	346,304	316,087	300,717	303,751	275,774
Public Safety	618,159	690,643	22,367	25,312	285,784	260,553	670,536	754,864	776,312	1,790
Public Works and Enterprises	22,942	24,034	251,490	233,425	1,398,292	1,244,744	774,607	1,276,100	1,274,498	1,394,925
Culture, Recreation, and Conservation	290,823	286,063	1,412,633	1,463,490	385,609	476,730	429,784	-	-	-
Human Services	1,350,644	1,271,830	321,209	393,641	384,870	1,168,842	1,168,842	1,741,876	2,443,662	1,681,590
Economic Development	280,003	1,070,899	2,031,365	1,137,675	80,267,272	77,284,833	76,456,596	76,832,424	74,330,497	70,375,916
Miscellaneous	1,708,694	101,993,002	66,461,336	77,339,228	88,532,201	88,961,034	87,063,795	87,407,765	85,875,784	80,837,304
Operating Grants and Contributions	106,583,933	114,168,122	78,556,487	88,532,201	91,898,418	88,961,034	87,063,795	87,407,765	85,875,784	80,837,304
Total Governmental Activities Program Revenues	119,532,633	114,168,122	78,556,487	88,532,201	91,898,418	88,961,034	87,063,795	87,407,765	85,875,784	80,837,304
Business-type Activities:										
Fees and Charges:										
Friendship Ridge	52,731,569	54,820,672	56,136,160	53,408,458	52,376,087	51,730,038	49,249,600	48,574,177	45,586,326	41,044,373
Emergency Services	-	-	767,042	912,983	1,212,158	1,315,659	1,644,239	1,472,638	1,435,183	1,512,831
HealthChoices	-	-	35,106,108	28,804,258	25,846,355	24,707,769	22,040,751	19,945,731	16,769,458	10,742,058
Operating Grants and Contributions	-	-	2,447,934	3,507,863	1,795,207	1,622,282	1,660,497	963,108	-	-
Total Business-type Activities Program Revenues	52,731,569	54,820,672	94,457,244	86,633,562	81,229,807	79,375,748	74,595,087	70,955,654	63,790,967	53,299,262
Total Primary Government Program Revenues	172,264,202	168,988,794	173,013,731	175,165,763	173,128,225	168,336,782	161,658,882	158,363,419	149,666,751	134,136,566
Expenses										
Governmental Activities:										
General Government	11,750,434	11,996,754	11,669,448	10,815,513	10,885,322	10,638,416	14,438,453	16,606,678	10,896,002	9,267,579
Judicial	15,555,477	14,636,699	15,098,971	13,913,313	13,886,914	13,116,223	13,530,585	13,030,383	12,972,500	13,136,088
Public Safety	19,454,879	15,462,810	13,757,968	13,544,091	13,702,730	11,031,994	13,925,640	12,851,354	12,186,450	13,236,526
Public Works and Enterprises	5,182,838	4,241,207	4,528,251	5,619,566	5,278,816	4,886,450	4,992,021	14,224,464	13,401,626	14,428,990
Culture, Recreation, and Conservation	3,399,254	3,397,281	3,084,802	3,126,749	3,334,894	3,235,547	2,981,813	2,905,154	3,040,058	3,536,393
Human Services	87,636,856	89,981,045	56,738,862	70,269,076	74,933,041	71,619,963	62,830,600	65,027,441	67,919,948	61,905,388
Economic Development	7,612,686	8,270,783	9,930,980	10,150,296	7,912,766	9,687,518	8,073,719	-	-	-
Miscellaneous	-	-	-	-	-	-	-	1,259,430	501,769	795,143
Interest Expense	5,770,270	6,095,041	7,444,710	7,423,905	5,127,487	6,390,964	4,738,865	4,513,007	3,927,562	3,797,073
Total Governmental Activities Expenses	156,362,694	154,081,620	122,253,991	134,862,509	135,061,970	130,607,075	125,511,696	130,417,911	124,845,915	120,103,180
Business-type Activities:										
Friendship Ridge	56,196,777	56,242,814	58,256,142	57,349,265	53,420,889	52,593,858	48,962,080	48,555,547	47,580,328	45,871,947
Emergency Services	-	-	3,318,004	3,485,386	2,178,655	2,905,978	1,647,499	1,451,371	1,473,907	1,668,613
HealthChoices	-	-	34,760,543	33,479,918	26,628,247	23,033,731	20,652,039	18,781,499	16,835,814	15,595,080
Interest Expense	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Expenses	56,196,777	56,242,814	96,334,689	94,314,569	82,227,791	78,533,567	71,261,618	68,788,417	65,890,049	63,135,640
Total Primary Government Expenses	\$ 212,559,471	\$ 210,324,434	\$ 218,588,680	\$ 229,177,078	\$ 217,289,761	\$ 209,140,642	\$ 196,773,314	\$ 199,206,328	\$ 190,735,964	\$ 183,238,820

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 were 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
Changes in Net Position
Last Ten Years (accrual basis of accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net (Expense)/Revenue										
Governmental Activities	\$ (36,830,061)	\$ (39,913,498)	\$ (43,697,504)	\$ (46,330,308)	\$ (43,163,552)	\$ (41,646,041)	\$ (38,447,901)	\$ (43,010,146)	\$ (38,970,131)	\$ (39,265,876)
Business-type Activities	(3,465,208)	(1,422,142)	(1,877,445)	(7,681,007)	(997,984)	842,181	3,333,469	2,167,237	(2,099,082)	(9,836,378)
Total Primary Government Net Expense	\$ (40,295,269)	\$ (41,335,640)	\$ (45,574,949)	\$ (54,011,315)	\$ (44,161,536)	\$ (40,803,860)	\$ (35,114,432)	\$ (40,842,909)	\$ (41,069,213)	\$ (49,102,254)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Real Estate Taxes	\$ 48,529,473	\$ 47,133,255	\$ 46,603,187	\$ 45,901,624	\$ 45,714,111	\$ 38,995,721	\$ 34,994,052	\$ 35,870,725	\$ 32,991,875	\$ 32,828,964
Investment Income (Loss)	60,639	74,490	98,614	243,583	(5,315,720)	2,138,290	(7,553,763)	1,180,297	829,642	987,180
Other Income	113,989	-	-	680,307	-	-	-	-	-	-
Gain (Loss) on Sale of Capital Assets	(27,077)	-	-	-	-	-	(135,934)	333,590	(6,667)	(95,726)
Special Item:										
Donated Assets	542,281	-	-	-	-	-	-	-	-	-
Transfer to Airport Authority	-	-	(7,430,681)	-	-	-	-	-	-	-
Gain on 2006 Swap Termination	-	-	-	10,586,368	-	-	-	-	-	-
Transfers	(612,260)	(2,255,409)	(452,553)	(1,305,934)	(615,612)	584,386	(336,607)	(363,301)	382,993	(108,140)
Total Governmental Activities	48,607,045	44,952,336	38,818,567	56,105,948	39,782,779	41,718,397	26,967,748	37,021,311	34,197,843	33,612,278
Business-type Activities:										
Investment Earnings	403	5,566	24,213	79,457	473,498	758,318	675,349	317,265	110,890	145,763
Other Income	20,681	11,933	43,676	20,025	11,579	36,094	43,523	8,253	10,381	5,050
Transfers	612,260	2,255,409	452,553	1,305,934	615,612	(584,386)	336,607	363,301	(382,993)	108,140
Total Business-type Activities	633,344	2,272,908	520,442	1,405,416	1,100,689	210,026	1,055,479	688,819	(261,722)	258,953
Total Primary Government	49,240,389	47,225,244	39,339,009	57,511,364	40,883,468	41,928,423	28,023,227	37,710,130	33,936,121	33,871,231
Change in Net Position										
Governmental Activities	11,776,984	5,038,838	(4,878,937)	9,775,640	(3,380,773)	72,356	(11,480,153)	(5,988,835)	(4,772,288)	(5,653,598)
Business-type Activities	(2,831,864)	850,766	(1,357,003)	(6,275,591)	102,705	1,052,207	4,388,949	2,856,056	(2,360,804)	(9,577,425)
Total Primary Government Change in Net Position	\$ 8,945,120	\$ 5,889,604	\$ (6,235,940)	\$ 3,500,049	\$ (3,278,068)	\$ 1,124,563	\$ (7,091,204)	\$ (3,132,779)	\$ (7,133,092)	\$ (15,231,023)

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 were 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.

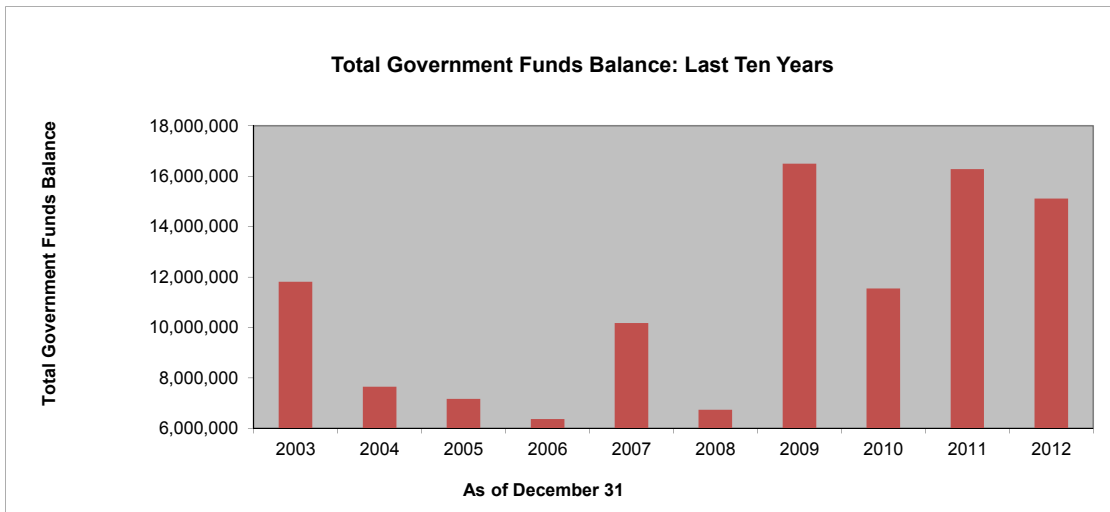
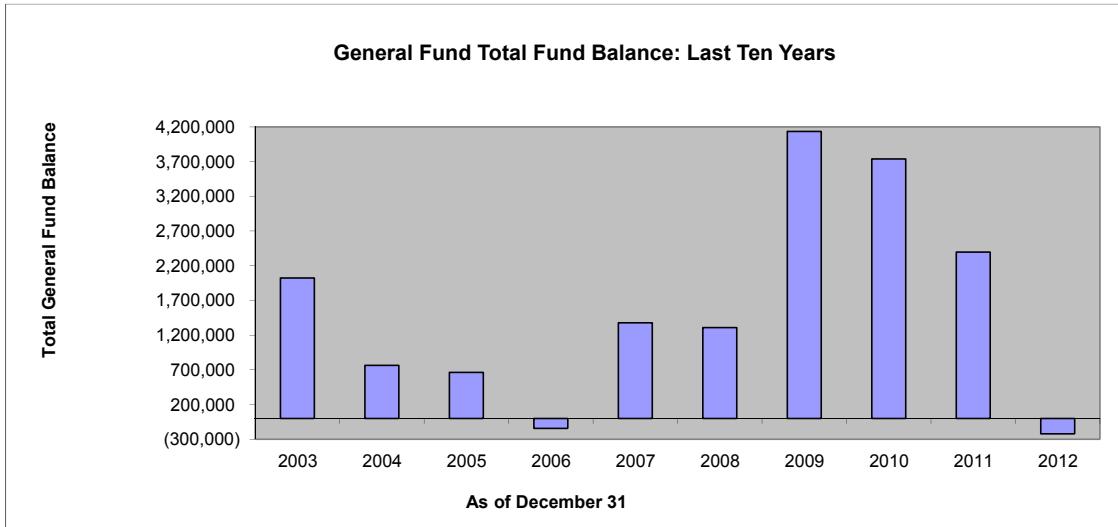
County of Beaver, Pennsylvania
Fund Balances, Governmental Funds
Last Ten Years (modified accrual basis of accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Unreserved, Designated	\$ -	\$ -	\$ 26,032	\$ 855,737	\$ 771,750	\$ 66,901	\$ -	\$ 41,231	\$ 17,605	\$ 191,216
Unreserved, Undesignated	-	-	3,712,094	3,277,443	1,233,082	1,311,137	(142,447)	622,378	746,179	1,830,759
Nonspendable:										
Not in Spendable Form (Prepaid Expenses)	267,748	272,453	-	-	-	-	-	-	-	-
Assigned:										
General Government	-	6,135	-	-	-	-	-	-	-	-
Judicial	-	3,947	-	-	-	-	-	-	-	-
Public Safety	-	2,101	-	-	-	-	-	-	-	-
Public Works and Enterprises	-	-	-	-	-	-	-	-	-	-
Culture, Recreation & Conservation	-	649	-	-	-	-	-	-	-	-
Unassigned:	(491,085)	2,112,317	-	-	-	-	-	-	-	-
Total General Fund	(223,337)	2,397,602	3,738,126	4,133,180	1,310,832	1,378,038	(142,447)	663,609	763,784	2,021,975
All Other Governmental Funds										
Unreserved, Designated	-	-	1,589,202	933,293	1,054,288	1,332,155	1,301,740	1,290,257	327,272	510,988
Unreserved, Reported in:										
Special Revenue funds	-	-	5,053,869	5,757,754	3,457,454	4,597,378	4,835,823	3,971,923	4,994,567	5,170,375
Capital Projects funds	-	-	1,161,197	5,674,231	911,524	2,866,916	372,830	1,236,854	1,560,857	4,108,710
Nonspendable:										
Not in Spendable Form (Prepaid Expenses)	2,134,116	1,666,991	-	-	-	-	-	-	-	-
Restricted:										
Programs for Mental Health / Behavioral Health	8,263,828	7,409,183	-	-	-	-	-	-	-	-
Programs for Children & Youth	1,310,896	667,127	-	-	-	-	-	-	-	-
Programs for Community Development	111,582	269,711	-	-	-	-	-	-	-	-
Other	2,634,492	2,820,030	-	-	-	-	-	-	-	-
Committed:										
Capital Projects	1,001,999	-	-	-	-	-	-	-	-	-
General Government	-	1,285,501	-	-	-	-	-	-	-	-
Unassigned:	(118,565)	(234,522)	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	15,338,348	13,884,021	7,804,268	12,365,278	5,423,266	8,796,449	6,510,393	6,499,034	6,882,696	9,790,073
Total Governmental Funds	\$ 15,115,011	\$ 16,281,623	\$ 11,542,394	\$ 16,498,458	\$ 6,734,098	\$ 10,174,488	\$ 6,367,946	\$ 7,162,643	\$ 7,646,480	\$ 11,812,048

Notes:

- 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.
- 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.
- With the implementation of GASB 54 noted above, the statistical section was implemented on a prospective basis but the Management's Discussion and Analysis (MD&A) section has implemented GASB 54 on a retrospective basis in order to have comparative statements. Therefore, the 2010 fund financial statements in the statistical section will not agree to the 2010 fund financial statements in the MD&A.

County of Beaver, Pennsylvania
Fund Balances, Governmental Funds
Last Ten Years *(modified accrual basis of accounting)*



County of Beaver, Pennsylvania
Changes in Fund Balances, Governmental Funds
Last Ten Years (modified accrual basis of accounting)

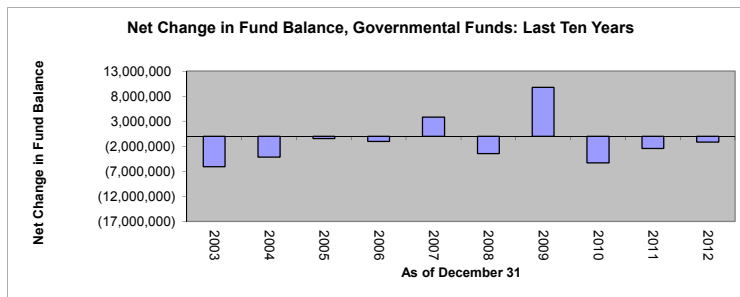
	2012	2011 (c)	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Real Estate Taxes	\$ 47,284,984	\$ 47,359,047	\$ 46,192,256	\$ 45,986,732	\$ 45,361,286	\$ 38,494,475	\$ 35,752,456	\$ 35,317,573	\$ 32,890,800	\$ 32,798,112
Licenses and Permits	135,717	95,994	88,331	90,613	94,777	97,652	71,623	72,633	77,137	120,258
Interest and Rents	60,383	73,801	97,072	237,972	968,971	1,707,464	1,224,703	1,174,688	828,021	984,415
Intergovernmental	106,312,619	103,744,098	64,848,333	79,118,847	76,585,454	79,040,944	75,512,509	78,860,749	71,617,067	70,025,840
Charges for Services and Facilities	10,852,799	10,748,397	10,269,426	9,755,195	10,144,856	9,914,265	9,157,130	5,840,710	6,014,249	6,190,617
Local Hotel Room Tax	273,245	267,925	235,540	215,100	243,930	228,852	209,604	-	-	-
Project Income	-	-	-	-	-	-	-	2,920,122	3,010,237	2,558,023
Miscellaneous	1,686,939	1,062,804	1,501,854	1,581,922	1,147,581	1,435,432	1,168,842	1,875,861	2,443,662	1,681,517
Total Revenues	166,606,686	163,352,066	123,232,812	136,986,381	134,546,855	130,919,084	123,096,867	126,062,336	116,881,173	114,358,782
Expenditures										
Current:										
General Government	10,081,461	9,982,399	9,884,189	11,226,886	9,797,512	9,512,670	13,374,579	18,249,926	9,420,239	9,026,172
Judicial	14,919,818	14,028,854	14,730,514	15,672,337	13,778,503	12,775,641	13,039,493	15,965,270	12,689,128	12,557,536
Public Safety	17,254,565	15,386,635	12,571,331	16,001,577	13,258,113	10,337,538	12,602,316	16,764,923	11,347,406	12,176,861
Public Works and Enterprises (b)	4,032,075	3,370,619	3,491,805	3,936,778	3,904,651	3,495,004	3,500,517	14,218,880	12,675,793	13,666,279
Culture, Recreation and Conservation	3,024,727	2,960,924	2,847,595	3,117,984	3,144,734	2,977,581	2,686,344	3,230,307	2,803,330	3,250,341
Economic Development (b)	7,593,606	8,300,580	9,804,324	10,102,085	7,876,607	9,624,288	8,000,366	-	-	-
Human Services (d)	87,740,922	90,167,200	56,804,760	69,812,859	74,616,096	70,916,823	62,381,096	65,006,281	66,354,133	61,068,794
Miscellaneous (a)	-	-	-	-	-	-	-	1,259,430	501,769	795,143
Capital Outlay-Infrastructure	13,063,570	8,294,941	6,200,701	1,968,649	1,082,722	2,713,748	2,150,860	3,207,525	167,902	245,318
Capital Outlay-Asset Acquisition and Improvements	1,358,674	1,410,896	3,025,859	9,351,084	3,572,364	1,398,789	2,573,437	2,821,743	1,156,853	2,990,460
Refunding Bond Issuance Costs	-	-	-	-	-	933,619	309,351	-	-	-
Debt service:										
Principal	3,036,967	3,285,850	3,028,918	2,147,247	2,718,684	2,659,767	1,132,235	2,000,909	1,900,436	801,544
Interest	5,306,440	5,537,461	5,692,426	5,725,138	4,997,227	5,237,624	2,324,349	3,938,028	3,791,049	3,878,269
Bond Issuance Costs	111,007	-	-	1,355,321.00	-	54,853.00	-	-	-	92,282.00
Current Refunding	7,795,703	-	-	-	-	-	-	-	-	-
Other	10,000	-	-	-	-	-	-	-	-	-
Total Expenditures	175,329,535	162,726,359	128,082,422	150,417,945	138,747,213	132,637,945	124,074,943	146,663,222	122,808,038	120,548,999
Excess of Revenues Over (Under) Expenditures	(8,722,849)	625,707	(4,849,609)	(13,431,564)	(4,200,358)	(1,718,861)	(978,076)	(20,600,886)	(5,926,865)	(6,190,217)
Other Financing Sources (Uses)										
Sale of Capital Assets	-	-	-	-	-	-	-	700,000	-	-
Capital Leases	114,139	-	174,680	7,984,367	1,375,582	329,409	-	-	-	-
Payment to Refunded Bonds Escrow Agent	7,741,065	-	-	(58,484,063)	-	(58,125,000)	(8,678,280)	-	-	(5,132,414)
Proceeds from Basis Cap	-	-	-	-	-	-	-	-	1,378,305	-
Proceeds of Bonds	-	58,403	-	21,923,950	-	3,289,430	-	19,780,350	-	-
Issuance of Refunding Debt	217,143	-	-	60,328,550	-	59,655,000	9,050,000	-	-	5,375,000
Swaption Payment	-	-	-	-	-	-	-	-	-	-
Insurance Proceeds	113,989	-	-	442,320	-	-	-	-	-	-
Original Issue Discount	(17,840)	-	-	(1,428,045)	-	(207,822)	(62,369)	-	-	(10,737)
Transfers In	3,811,888	3,571,299	3,793,889	353,420	250,899	1,200,000	36,568	-	1,031,129	131,391
Transfers Out (d)	(4,424,148)	(6,688,059)	(4,246,442)	(979,573)	(866,511)	(615,614)	(373,175)	(363,301)	(648,136)	(239,531)
Total Other Financing Sources (Uses)	7,556,236	(3,058,357)	(277,873)	30,140,926	759,970	5,525,403	(27,256)	20,117,049	1,761,298	123,709
Special Items										
2006 Swap Agreement Termination	-	-	-	(6,945,000)	-	-	-	-	-	-
Transfer to the Airport Authority	-	-	(206,885)	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ (1,166,613)	\$ (2,432,650)	\$ (5,334,367)	\$ 9,764,362	\$ (3,440,388)	\$ 3,806,542	\$ (1,005,332)	\$ (483,837)	\$ (4,165,567)	\$ (6,066,508)
Debt Service as a Percentage of Noncapital Expenditures										
	5.2%	5.8%	7.3%	5.7%	5.8%	6.1%	2.9%	4.2%	4.7%	4.0%

(a) - For all years prior to 2006, the County recorded Miscellaneous expenditures separately in its basic financial statements. For all years starting in 2006 these amounts were allocated to the appropriate function.

(b) - In prior years the Economic Development Function was included as part of the Public Works function.

(c) - Two activities previously categorized as business-type (HealthChoices and Emergency Services) are classified as governmental starting January 1, 2011, due to the change in definition of a special revenue fund per GASB 54. Financial statements prior to January 1, 2011 have not been restated to reflect this change.

(d) - Effective January 1, 2011, county match expenditures from the General Fund to other funds are classified as Transfers Out in the General Fund and Transfer from Other Funds in the receiving fund. Prior to January 1, 2011, these transactions were reported as Human Services expenditures in the General Fund and Intergovernmental Revenues in the receiving fund.



County of Beaver, Pennsylvania
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Years

Fiscal Year	Residential / Agricultural	Commercial / Industrial	Less Non Taxable	Total Taxable End of Year Actual Assessed Value	Total Taxable Actual Market Value	Common Level Ratio % (CLR)	Direct Tax Rate
2012	\$ 1,970,569,657	\$ 615,591,407	\$ 452,208,574	\$ 2,133,952,490	\$ 6,525,848,593	32.70 %	22.20
2011	1,970,569,657	605,884,431	457,991,312	2,118,462,776	7,085,159,786	29.90	22.20
2010	1,954,254,872	613,019,142	457,704,757	2,109,569,257	7,079,091,467	29.80	22.20
2009	1,947,012,633	605,314,542	455,114,519	2,097,212,656	7,182,235,123	29.20	22.20
2008	1,918,509,761	628,834,644	469,572,834	2,077,771,571	7,091,370,549	29.30	22.20
2007	1,910,141,821	606,747,900	451,800,957	2,065,088,764	6,838,042,265	30.20	18.70
2006	1,839,888,236	629,254,621	429,005,650	2,040,137,207	6,581,087,765	31.00	17.70
2005	1,814,757,767	621,869,891	429,291,421	2,007,336,237	6,233,963,469	32.20	17.70
2004	1,798,217,184	616,201,867	425,378,651	1,989,040,400	5,715,633,333	34.80	15.70
2003	N/A	N/A	N/A	2,070,855,533	5,985,131,598	34.60	15.70

Sources: Beaver County Assessment Office

Note: 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.

N/A = Not Available

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

	Year Taxes are Payable									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
County Direct Rate										
Property Tax	22.20	22.20	22.20	22.20	22.20	18.70	17.70	17.70	15.70	15.70
Municipal Rates										
City of Aliquippa (2)	L 84.00 B 14.40	L 84.00 B 14.40	L 84.00 B 14.40	L 81.00 B 11.40	L 81.00 B 11.40	L 80.60 B 11.40	L 78.80 B 11.50	L 78.80 B 11.50	L 77.50 B 11.50	L 77.50 B 11.50
City of Beaver Falls (2)	32.00	32.00	32.00	32.00	32.00	32.00	30.00	30.00	30.00	28.00
Townships	5.00-27.50	5.00-25.00	5.00-25.00	5.00-23.38	5.00-23.38	5.00-23.38	5.00-22.38	5.00-22.38	3.00-22.38	3.00-20.38
Boroughs (3)	2.00-34.50	1.00-34.50	1.00-34.50	1.00-34.50	1.00-34.50	1.00-34.50	1.00-34.50	1.00-32.50	1.00-30.50	1.00-28.50
School District Rates										
City of Aliquippa (2)	L 207.00 B 33.00	L 202.00 B 32.50	L 198.00 B 32.00	L 195.00 B 31.00	L 188.00 B 29.50	L 177.00 B 28.00	L 173.00 B 28.00	L 173.00 B 28.00	L 169.00 B 24.00	L 165.00 B 20.00
City of Beaver Falls (2)	62.00	62.00	61.00	61.00	61.00	59.00	59.00	59.00	56.00	56.00
Townships	44.00-72.9390	44.00-69.8390	42.00-67.00	41.20-66.00	39.00-66.00	39.00-66.00	39.00-66.00	37.00-66.00	37.00-62.50	34.00-61.00
Boroughs (3)	28.00-72.9390	28.00-69.8390	28.00-63.339	28.00-61.02	28.00-61.02	28.00-59.00	28.00-59.00	28.00-59.00	28.00-56.00	28.00-56.00
Totals										
City of Aliquippa (2)	313.20	308.20	304.20	298.20	291.20	276.30	269.50	269.50	262.20	258.20
Land	69.60	69.10	68.60	64.60	63.10	58.10	57.20	57.20	51.20	47.20
Building	382.80	377.30	372.80	362.80	354.30	334.40	326.70	326.70	313.40	305.40
Total	116.20	116.20	115.20	115.20	115.20	109.70	108.70	106.70	101.70	99.70
City of Beaver Falls (2)	71.20-122.6390	71.20-117.0390	69.20-114.20	68.40-111.58	66.20-111.58	62.70-108.08	61.70-106.08	59.70-106.08	55.70-100.58	52.70-97.08
Townships	52.20-129.6390	51.20-126.5390	51.20-120.04	51.20-117.72	51.20-117.72	47.70-112.20	46.70-111.20	46.70-109.20	44.70-102.20	44.70-100.20
Boroughs (3)										

Source: Beaver County Assessment Office

Notes:

(1) The County's property tax rate does not have any components to it.

(2) Cities are individually listed because the City of Aliquippa is the only municipality within the School District and 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

Taxpayer	January 1, 2012	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
First Energy Corporation (Bruce Mansfield, BV2, Various)	\$135,147,875	6.33%
PR Beaver Valley LP - Beaver Valley Mall	28,450,900	1.33%
Koppel Steel (Ambridge & Koppel)	14,801,400	0.69%
Horsehead Industries	12,396,600	0.58%
DDR MDT - Lowes, Eat'N Park, Texas Roadhouse	12,266,400	0.57%
United States Gypsum - Aliquippa	12,128,600	0.57%
THF Monaca, LP - Walmart	9,976,600	0.47%
Nova Chemicals Inc.	9,600,000	0.45%
The Buncher Company	8,873,100	0.42%
NGC Gypsum Plant - Shippingport	8,733,700	0.41%
	<u>\$252,375,175</u>	<u>11.83%</u>
Total Assessed Valuation	<u>\$2,133,952,490</u>	

Taxpayer	January 1, 2003	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Bruce Mansfield Plant	\$157,028,950	7.54%
Beaver Valley # 2	134,441,431	6.45%
Beaver Valley Mall	27,882,500	1.34%
United States Gypsum	15,218,050	0.73%
Nova	9,600,000	0.46%
Horsehead Industries	13,074,300	0.63%
PA Northern Lights Shoppers City	10,378,700	0.50%
Lowes	10,292,100	0.49%
Koppel Steel (Ambridge & Koppel)	9,496,500	0.46%
Gypsum Plant (Shippingport)	8,598,900	0.42%
	<u>\$396,011,431</u>	<u>19.02%</u>
Total Assessed Valuation	<u>\$2,082,764,421</u>	

Source: Beaver County Board of Property Assessment

Note: 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.

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County of Beaver, Pennsylvania
Property Tax Levies and Collections
Last Ten Years

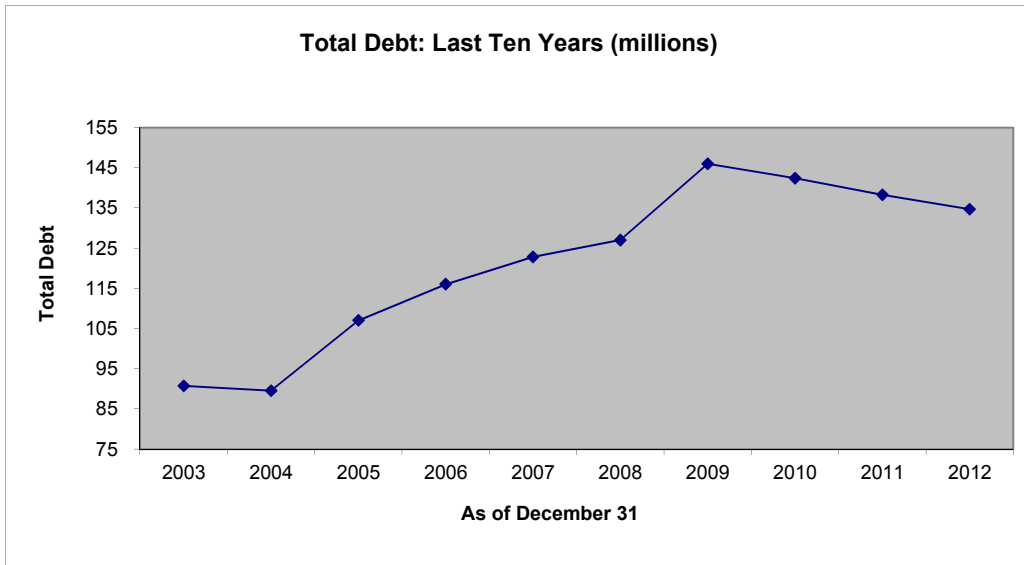
Fiscal Year Ended December 31,	Total Property Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent & Lien Tax Collections	Total Collection to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 47,373,745	\$ 42,891,029	90.54 %	\$ 2,641,364	\$ 45,532,393	96.11 %
2011	47,029,879	42,857,527	91.13	2,800,306	45,657,833	97.08
2010	46,832,454	42,021,182	89.73	3,307,353	45,328,535	96.79
2009	46,558,121	42,091,789	90.41	2,355,960	44,447,749	95.47
2008	46,126,529	43,731,779	94.81	1,998,129	45,729,908	99.14
2007	38,617,160	33,565,533	86.92	1,859,882	35,425,415	91.73
2006	36,110,429	32,601,955	90.28	1,882,828	34,484,783	95.50
2005	35,529,851	32,183,528	90.58	1,700,296	33,883,824	95.37
2004	32,699,401	29,615,181	90.57	1,686,256	31,301,437	95.72
2003	32,699,401	29,549,369	90.37	1,618,082	31,167,451	95.32

Source: Beaver County Board of Property Assessment

Note: 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.

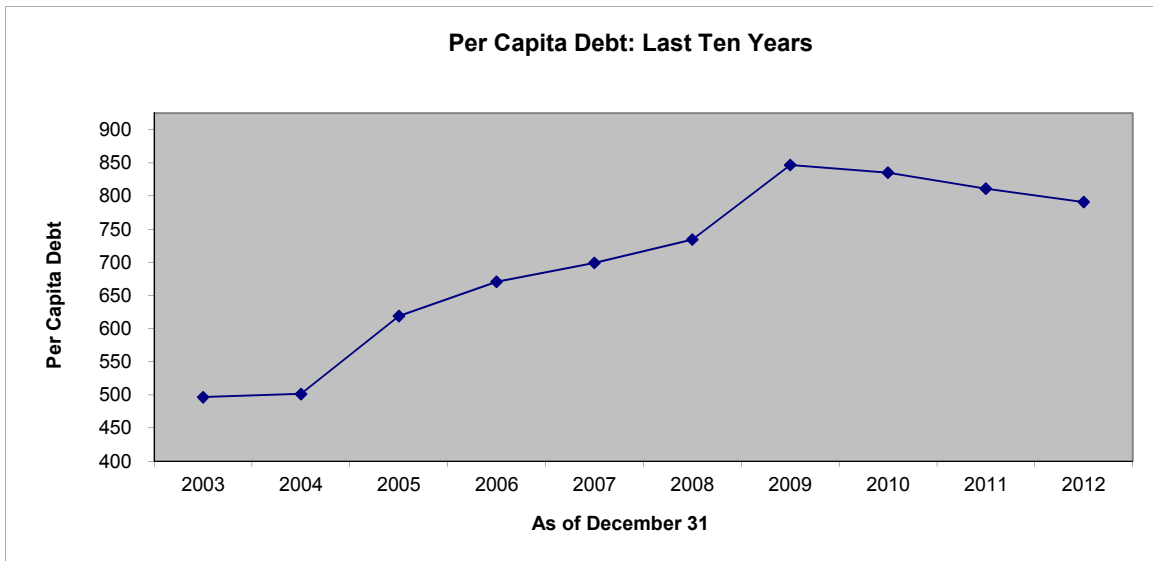
County of Beaver, Pennsylvania
 Ratio of Outstanding Debt to Total Personal Income and Debt per Capita
 Last Ten Years

Governmental Activities				
Year	General Obligation Bonds	Other General Long-term Liabilities	Capital Lease Obligations	Obligations under Derivatives
2012	\$ 70,262,258	\$ 31,676,265	\$ 16,241,559	\$ -
2011	73,583,133	31,067,844	16,329,003	-
2010	76,130,147	32,380,719	16,689,585	-
2009	77,831,993	33,474,684	16,867,219	-
2008	65,776,253	25,263,678	9,240,803	17,531,368
2007	68,007,510	25,623,205	8,122,387	11,229,326
2006	65,906,708	25,703,830	8,004,767	11,654,416
2005	70,022,446	20,790,000	8,246,796	2,871,500
2004	68,713,457	4,030,000	8,402,497	2,871,500
2003	70,463,893	4,180,000	8,539,190	1,511,500



County of Beaver, Pennsylvania
 Ratio of Outstanding Debt to Total Personal Income and Debt per Capita
 Last Ten Years

Business-type Activities					
General Obligation Bonds	Other General Long-term Liabilities	Capital Lease Obligations	Total Debt	Percentage of Personal Income	Per Capita
\$ 7,027,145	\$ 9,570,138	\$ -	\$ 134,777,365	3.09 %	791
7,791,210	9,572,254	-	138,343,444	3.43	811
7,664,136	9,559,370	2,386	142,426,343	3.53	835
8,298,314	9,546,486	40,687	146,059,383	3.60	847
8,894,004	290,000	78,897	127,075,003	3.11	734
9,477,588	290,000	114,224	122,864,240	3.16	699
4,303,664	290,000	149,500	116,012,885	3.64	671
4,982,040	-	147,213	107,059,995	3.36	619
5,505,416	-	-	89,522,870	2.72	501
6,018,792	-	-	90,713,375	2.70	497



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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
2012	170,414	\$ 6,525,848,593	\$ 77,289,403	1.18 %	454
2011	170,567	7,085,159,786	81,374,343	1.15	477
2010	170,539	7,079,091,467	83,794,283	1.18	491
2009	172,476	7,182,235,123	86,130,307	1.20	499
2008	173,074	7,091,370,549	74,670,257	1.05	431
2007	175,736	6,838,042,265	77,485,098	1.13	441
2006	173,005	6,581,087,765	70,210,372	1.07	406
2005	173,005	6,233,963,469	75,004,486	1.20	434
2004	178,601	5,715,633,333	74,218,873	1.30	416
2003	182,687	5,985,131,598	76,482,685	1.28	419

County of Beaver, Pennsylvania
Legal Debt Margin
Last Ten Years

	2012	2011	2010	2009
Borrowing Base	\$ 63,661,278	\$ 63,302,104	\$ 62,715,342	\$ 60,561,918
Legal Debt Limit:				
Non-electoral Debt	190,983,833	189,906,311	188,146,026	181,685,755
Non-electoral Debt plus Lease Rental Debt	254,645,111	253,208,415	250,861,368	242,247,673
Net Debt Applicable to the Limit:				
Non-electoral Debt	109,144,638	113,963,491	106,799,416	96,574,049
Non-electoral Debt plus Lease Rental Debt	26,949,911	26,111,303	36,692,659	50,532,410
Legal Debt Margin:				
Non-electoral Debt	81,839,195	75,942,820	81,346,610	85,111,706
Non-electoral Debt plus Lease Rental Debt	227,695,200	227,097,112	214,168,709	191,715,263
Ratio of Net Debt Applicable to the Limit / Legal Debt Limit:				
Non-electoral Debt	57%	60%	57%	53%
Non-electoral Debt plus Lease Rental Debt	11%	10%	15%	21%

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.

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

County of Beaver, Pennsylvania
Legal Debt Margin
Last Ten Years

2008	2007	2006	2005	2004	2003
\$ 57,411,646	\$ 48,888,029	\$ 188,618,944	\$ 54,016,703	\$ 48,281,650	\$ 45,517,687
172,234,938	146,664,086	140,050,051	162,050,108	144,844,951	136,553,061
229,646,584	195,552,115	186,733,401	216,066,811	193,126,601	182,070,748
74,088,924	77,485,098	85,101,249	95,799,486	78,248,873	80,775,351
32,375,000	20,794,816	20,323,597	116,499,742	101,284,541	101,284,541
98,146,014	69,178,988	54,948,802	66,250,622	66,596,078	55,777,710
197,271,584	174,757,299	166,409,804	99,567,069	91,842,060	80,786,207
43%	53%	61%	59%	54%	59%
14%	11%	11%	54%	52%	56%

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.

County of Beaver, Pennsylvania
Principal Employers
Current Year and Ten Years Ago

2012		
Employer	Employees	Percentage of Total County Employment
Valley Medical Facilities, Inc.	n/a	n/a
Beaver County Government	n/a	n/a
Service Link Management Company Inc.	n/a	n/a
First Energy Nuclear Operating Co.	n/a	n/a
Passavant Memorial Homes	n/a	n/a
IPSCO Koppel Tubulars Corporation	n/a	n/a
Wal-Mart Associates, Inc.	n/a	n/a
Giant Eagle Inc.	n/a	n/a
McGuire Memorial	n/a	n/a
Horsehead Corporation	n/a	n/a
Total	<u>n/a</u>	<u>n/a</u>
Total County Employees	<u>764</u>	

2003		
Employer	Employees	Percentage of Total County Employment
Valley Medical Facilities, Inc.	n/a	n/a
Beaver County Government	n/a	n/a
First Energy Nuclear Operating Co.	n/a	n/a
Wal-Mart Associates, Inc.	n/a	n/a
Service Link, LP	n/a	n/a
Passavant Memorial Homes	n/a	n/a
Michael Baker Jr., Inc.	n/a	n/a
Zinc Corporation of America	n/a	n/a
First Energy Generation Corp.	n/a	n/a
J&L Specialty Steel, Inc.	n/a	n/a
Total	<u>n/a</u>	<u>n/a</u>
Total County Employees	<u>943.5</u>	

(1) Source: Center for Workforce Information and Analysis-Home of PA Work Stats
Number of Employees not available from source due to confidentiality.

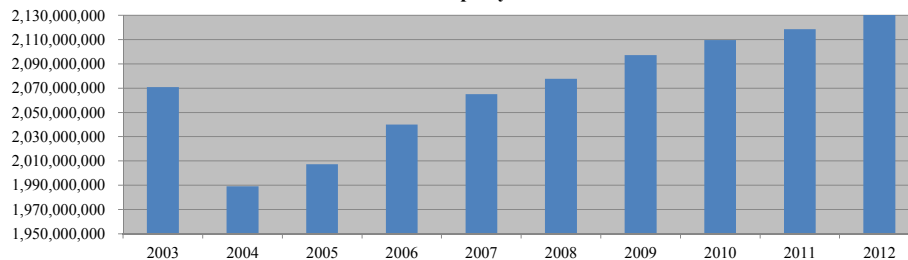
County of Beaver, Pennsylvania
Demographic and Economic Statistics
Last Ten Years

Year	Population	Total Personal Income (thousands of dollars)	Per Capita Personal Income	Median Household Income	Median Age	Percent with Educational Attainment: Bachelor's Degree or Higher	School Enrollment	Unemployment Rate	Total Assessed Property Value
2012	170,414 (17)	\$ 4,355,270,598	\$ 25,557 (17)	\$ 48,901 (17)	44.3 (17)	14.3 % (17)	36,583 (17)	7.4 % (4)	\$ 2,133,952,490
2011	170,567 (16)	4,035,103,519	23,657 (16)	43,898 (16)	44.3 (16)	20.1 (16)	39,875 (16)	6.6 (4)	2,118,462,776
2010	170,539 (15)	4,038,534,059	23,681 (13)	45,414 (13)	43.5 (12)	18.9 (14)	38,003 (14)	7.4 (4)	2,109,569,257
2009	172,476 (9)	4,061,119,896	23,546 (10)	45,408 (10)	43.9 (9)	18.1 (11)	36,627 (11)	8.2 (4)	2,097,212,656
2008	173,074 (7)	4,083,681,030	23,595 (8)	45,017 (8)	43.8 (8)	19.5 (8)	36,970 (8)	5.6 (4)	2,077,771,571
2007	175,736 (6)	3,893,255,344	22,154 (6)	42,023 (6)	43.0 (6)	18.4 (6)	39,016 (6)	4.5 (4)	2,065,088,764
2006	173,005 (1)	3,183,638,010	18,402 (3)	36,995 (5)	40.7 (3)	15.8 (3)	41,572 (3)	4.1 (4)	2,040,137,207
2005	173,005 (1)	3,183,638,010	18,402 (3)	36,995 (5)	40.7 (3)	15.8 (3)	41,572 (3)	4.7 (4)	2,007,336,237
2004	178,601 (2)	3,286,615,602	18,402 (3)	36,995 (5)	40.7 (3)	15.8 (3)	41,572 (3)	5.3 (4)	1,989,040,400
2003	182,687 (2)	3,361,806,174	18,402 (3)	36,995 (5)	40.7 (3)	15.8 (3)	41,572 (3)	5.8 (4)	2,070,855,533

Sources:

- (1) PA State Data Center "Population Projections, PA Counties"
- (2) PA State Data Center
- (3) U.S. Census Bureau, Census 2000
- (4) Center for Workforce Information and Analysis - Home of PA Work Stats
- (5) U.S. Bureau of Census, Census 2000 "Profile of Selected Economic Characteristics: 2000"
- (6) U.S. Census Bureau, 2006 American Community Survey
- (7) U.S. Census Bureau, Population Estimates Program
- (8) U.S. Census Bureau, 2007 American Community Survey
- (9) U.S. Census Bureau, 2008 ACS Demographic and Housing Estimates
- (10) U.S. Census Bureau, 2008 ACS Economic Characteristics
- (11) U.S. Census Bureau, 2008 ACS Social Characteristics
- (12) U.S. Census Bureau, 2009 ACS Demographic and Housing Estimates
- (13) U.S. Census Bureau, 2009 ACS Economic Characteristics
- (14) U.S. Census Bureau, 2009 ACS Social Characteristics
- (15) U.S. Census Bureau, 2010 ACS Demographic and Housing Estimates
- (16) U.S. Census Bureau, 2011 American Community Survey
- (17) U.S. Census Bureau, 2011 American Community Survey 1-Year Estimates

Total Assessed Property Value: Last Ten Years



County of Beaver, Pennsylvania
Full-Time Equivalent County Government Employees by Function/Program
Last Ten Years

<u>Function/program</u>	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government:										
Commissioners	5.0	5.0	6.0	6.0	5.0	8.0	8.0	8.0	8.0	8.0
Controller	8.0	8.0	8.0	9.0	10.0	9.5	14.5	14.5	12.5	14.5
Treasurer	9.5	10.5	13.5	11.5	12.0	13.0	11.5	11.5	13.0	16.5
Recorder of Deeds	7.0	6.0	8.5	8.5	8.5	11.5	11.5	11.5	13.5	13.5
Solicitor	3.5	2.5	3.0	3.0	3.0	3.0	3.0	3.5	3.0	3.0
Information Technology	7.0	7.0	7.0	7.0	9.0	9.0	10.0	11.0	12.0	14.5
Planning Commission	4.0	4.0	4.0	4.0	6.0	6.0	6.0	6.0	7.0	9.0
Weights and Measures	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5
Veterans Affairs	2.0	3.0	2.5	2.5	3.0	4.0	4.0	4.0	4.0	4.0
Election Bureau	8.5	8.5	8.5	8.5	6.0	6.5	6.5	7.5	9.5	9.5
Assessment/Tax Claim	20.5	20.5	21.0	21.0	24.0	24.5	24.0	25.0	24.0	28.5
Public Defender	16.0	16.0	16.0	15.5	16.0	16.0	16.5	16.0	16.0	16.5
Employee Relations	6.0	5.0	6.0	5.5	7.0	7.5	3.5	3.5	4.0	3.0
Mailroom*	3.0	3.0	3.0	3.0	2.0	1.0	1.0	1.0	1.0	1.0
Micrographics	4.0	5.0	6.0	5.5	5.0	5.0	5.0	5.0	5.5	5.0
Central Telephone	0.0	0.0	0.0	0.0	1.5	1.5	2.0	2.0	1.5	1.5
Purchasing*	0.0	0.0	0.0	3.0	2.0	3.0	2.5	3.0	3.0	4.0
Engineering	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Parking Garage/Bus Drivers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Judicial:										
Clerk of Courts	11.5	11.5	11.5	10.5	12.5	13.5	13.5	12.5	14.0	14.5
Coroner	3.0	2.5	2.5	2.5	3.0	4.0	4.0	4.0	4.0	4.5
Jury Commission	1.0	1.5	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.5
District Attorney	24.0	23.5	24.0	22.5	24.5	24.5	24.0	24.0	24.5	24.0
Prothonotary	12.0	11.5	11.5	11.0	13.0	13.5	13.0	14.0	15.5	17.0
Register of Wills	5.5	5.5	5.5	5.5	5.5	6.5	6.5	6.5	6.5	7.5
Sheriff	46.0	46.5	44.0	45.5	45.5	34.5	39.0	38.5	38.0	43.5
Court Administration	43.5	42.5	46.0	45.5	45.5	42.5	43.5	39.5	41.5	42.5
Law Library	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.5
Stop Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0	2.0
Domestic Relations	33.0	32.0	33.0	33.0	35.0	35.0	35.0	36.0	35.5	37.5
District Courts (Nine)	27.0	31.0	28.0	29.0	31.0	30.0	31.0	31.0	30.0	32.0
Rights & Services/Victims of Crime	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Drug Investigation	8.0	7.0	7.5	8.0	8.0	5.0	5.5	5.5	5.5	5.5
Public Safety:										
Emergency Services	43.5	45.5	45.0	42.5	42.5	42.0	41.0	41.0	39.0	41.0
Jail	93.0	93.5	88.5	87.5	89.5	81.0	88.0	92.5	101.0	100.0
Allencrest Detention Center	0.0	0.0	0.0	2.0	29.5	28.0	32.5	32.5	31.5	39.0
Adult Probation/Intermediate Punishment	31.5	30.0	31.5	30.0	33.0	31.0	31.5	31.0	30.0	34.0
Juvenile Services	25.5	25.5	26.0	24.5	25.0	25.0	26.0	26.5	26.5	26.0
DUI Program	2.0	2.0	2.0	2.0	2.0	2.0	0.0	0.0	0.0	0.0
Public Works & Enterprise:										
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	30.5	29.5	27.5	27.5	31.0	30.0	32.0	32.0	35.0	45.0
Airport	0.0	0.0	0.0	2.0	5.5	3.0	3.0	3.0	4.0	7.5
Culture, Recreation and Conservation:										
Parks/Recreation/Tourist	13.0	12.5	13.0	14.0	13.5	13.5	11.5	12.5	15.0	16.5
Library Commission	12.0	11.5	11.0	11.5	11.5	12.5	12.5	12.0	12.5	15.0
Waste Management	3.5	5.0	4.0	4.0	4.0	4.0	4.0	4.5	5.0	5.5
Conservation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0
Human Services:										
Office on Aging	31.5	39.0	38.0	40.0	39.5	39.5	40.0	39.0	39.5	39.5
Children & Youth	63.0	67.0	64.0	60.0	70.5	71.5	69.5	71.5	71.5	70.5
MH/ID (formerly MH/MR)-Drug & Alcohol-HealthChoices	71.5	81.0	78.5	88.0	88.0	81.0	80.0	81.0	78.0	81.0
Childcare Choices	9.5	10.0	10.5	10.5	11.0	11.0	12.0	12.0	14.0	14.0
Economic Development:										
Community Development	9.0	9.0	9.0	9.0	8.0	8.0	8.0	8.0	8.0	9.0
Totals:	<u>764.0</u>	<u>786.5</u>	<u>783.5</u>	<u>790.0</u>	<u>857.0</u>	<u>830.5</u>	<u>845.5</u>	<u>855.0</u>	<u>874.0</u>	<u>943.5</u>

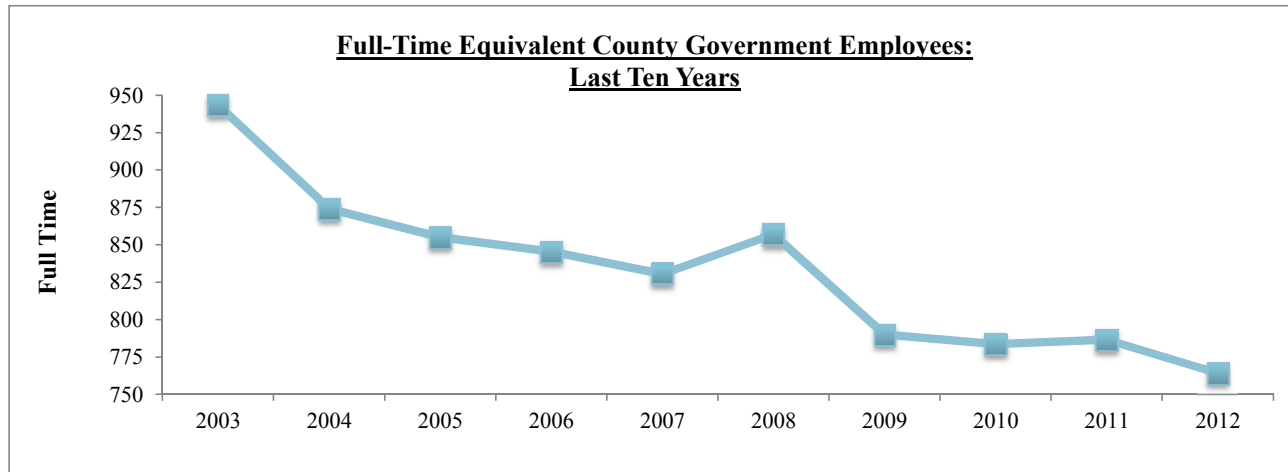
Source: Beaver County Payroll Department

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. Elected officials were excluded from the count.

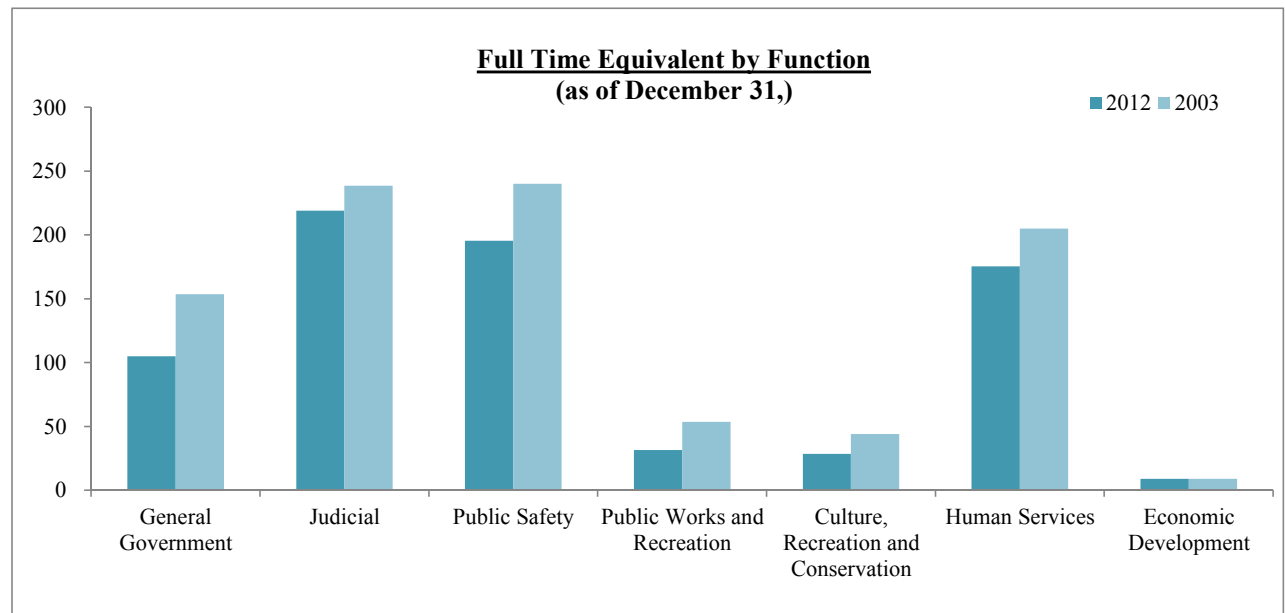
Count taken at December 31.

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

County of Beaver, Pennsylvania
 Full-Time Equivalent County Government Employees Graphs / Charts
 Last Ten Years



FTE reductions in 2004, 2005, 2009, and 2011 were results of extensive early retirement packages offered and County layoffs.



The following represents the % increase or decrease in FTE between 2003 and 2012:

- General Government - Decreased 32%
- Judicial - Decreased 8%
- Public Safety - Decreased 19%
- Public Works and Recreation - Decreased 41%
- Culture, Recreation and Conservation - Decreased 35%
- Human Services - Decreased 14%
- Economic Development - No change

County of Beaver, Pennsylvania
 Operating Indicators by Function/Program
 Last Ten Years

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government (1)										
Number of Registered Voters	115,157	112,531	116,234	115,862	118,311	112,248	113,612	112,001	122,351	115,788
Number of Votes Cast in Last General Election	81,372	34,142	58,525	28,254	86,022	40,118	65,606	37,998	86,609	32,394
Percentage of Registered Voters Voting in Last General Election	70.66	30.34	50.35	24.39	72.71	35.39	57.74	33.93	70.79	27.98
Judicial (2)										
Year-to-date Filings	37,492	40,134	39,426	42,370	46,338	36,690	34,337	34,407	35,003	36,099
Traffic Citations	25,683	26,633	25,957	28,868	29,000	22,893	20,465	20,417	20,615	21,506
Summary/Non Traffic	5,289	6,304	6,608	6,836	7,229	6,623	6,529	6,684	7,273	7,689
Civil Complaints	3,178	3,423	2,909	2,913	3,314	3,108	3,369	3,150	2,962	2,788
Misdemeanor/Felony Citations	3,342	3,774	3,952	3,753	4,019	4,066	3,974	4,156	4,153	4,116
Criminal Filings	2,444	2,492	2,595	2,540	2,776	2,576	3,667	3,574	3,099	2,905
Civil Filings	1,847	2,046	1,865	1,710	1,219	1,100	943	740	739	687
Orphans Court Filings	208	196	226	225	336	296	306	299	397	343
Custody Filings	866	775	834	628	601	582	562	558	574	536
Protection from Abuse Filings	566	469	490	541	488	469	500	468	463	485
Divorces	481	490	483	451	471	484	517	538	553	580
Public Service (3)										
Recycling - Stainless Steel (Tons)	272,908	35,881	179,966	137,603	143,821	170,566	199,187	198,756	99	72
Recycling - Ferrous (Tons)	55,271	98,958	107,175	63,974	61,717	210,873	34,916	15,393	27,016	21,669
Recycling - White Goods (Tons)	55,125	50,979	52,404	8,660	4,108	13,284	26,893	8,450	12,684	10,450
Recycling - Other Materials (Tons)	14,067	67,958	48,051	17,719	80,136	18,885	11,313	17,807	52,296	7,068
Wood Waste Removed (Tons)	1,752	2,823	2,854	1,596	3,710	2,372	1,876	541	242	457
Yard Waste Removed (Tons)	2,254	712	802	358	1,998	2,140	4,477	4,018	2,701	2,894

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	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Human Services										
Computer Terminals:										
Childcare Information Services	8	9	8	8	8	8	n/a	n/a	n/a	n/a
Children & Youth	103	104	104	104	104	80	n/a	n/a	n/a	n/a
MH/ID (formerly MH/MR)	122	108	108	125	132	86	n/a	n/a	n/a	n/a
Office on Aging	95	109	109	99	84	40	n/a	n/a	n/a	n/a
Judicial										
Sheriff:										
Vehicles	35	33	33	32	29	29	n/a	n/a	n/a	n/a
Weapons (Firearms)	53	53	53	51	74	80	n/a	n/a	n/a	n/a
Courtrooms	8	8	8	8	8	8	8	8	8	7
Proprietary										
Long-Term Care Facilities:										
Bed Capacity	589	589	589	589	589	589	589	589	589	589
Public Safety										
Jail:										
Cell Capacity	402	402	402	402	402	403	403	403	403	403
Allencrest*:										
Secure Bed Capacity	0	0	0	0	18	25	25	25	25	25
Shelter Bed Capacity	0	0	0	0	6	6	6	6	6	8
Public Works										
Airport**:										
Private Hangars	0	0	0	13	13	13	13	13	13	13
Commercial Hangars	0	0	0	8	8	9	9	9	9	9
Runways	0	0	0	1	1	1	1	1	1	1
Length of Runways (feet)	0	0	0	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Department of Public Works:										
Vehicles	34	34	34	38	32	31	n/a	n/a	n/a	n/a
Parking Garages	1	1	1	1	1	1	1	1	1	1
Parking Lots	14	14	14	15	15	15	15	15	15	15
Liquid Fuels:										
Bridges	56	57	56	55	55	55	55	57	57	57
County Owned & Maintained Streets (miles)	26	26	26	25	25	24	24	24	24	24
Recreation (County owned and/or maintained)										
Parks	3	3	3	3	3	3	3	3	3	3
Park Acres	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517
Pavilions	25	25	25	25	25	25	25	25	25	25
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	12	12	12	12	12	12	12	12	12	12
Basketball Courts	2	2	2	2	2	2	2	2	2	2
Baseball / Softball Fields	9	9	9	9	9	9	9	9	9	9
Soccer / Football Fields	3	3	3	3	3	3	3	3	3	3
Walking / Jogging Trails	2	2	2	2	2	2	2	2	2	2
Bike Trails	2	2	2	2	2	2	2	2	2	2
Horse Riding Trails	2	2	2	2	2	2	2	2	2	2
Lakes/Ponds for Fishing	2	2	2	2	2	2	2	2	2	2
Playgrounds	1	1	1	1	1	1	1	1	1	0
Ice Skating Rinks	1	1	1	1	1	1	1	1	1	1
Shooting Ranges	0	0	0	0	0	0	4	4	4	4
Deck Hockey Rinks	1	1	1	1	1	1	1	1	1	1
Outdoor Skate Parks	1	1	0	0	0	1	0	0	0	0

Source:

Various County Departments
n/a - information not available

Notes

* The Allencrest facility closed in 2009

** The Airport became an Authority separate from the County in 2010