

2017 COUNTY OF BEAVER, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017



PREPARED BY DAVID A. ROSSI, CONTROLLER

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COUNTY OF BEAVER, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

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INTRODUCTORY SECTION

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DAVID A. ROSSI
CONTROLLER



WILLIAM
CALHOON
DEPUTY CONTROLLER

ALBERT A.
TORRENCE
SOLICITOR

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

June 27, 2018

TO THE CITIZENS OF BEAVER COUNTY

I am pleased to present the 2017 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 2017 CAFR contains the government-wide financial statements and fund financial statements of the County as well as the financial data of the Beaver County Transit Authority and the Community College of Beaver County, the “discretely presented component units” (as defined by GAAP) that are a part of the County’s reporting entity. The report is designed to provide information to various types of users, most importantly the residents of Beaver County, but also taxpayers, investors, creditors, governmental officials, and the general public. Its intent is to describe the County’s financial position and the financial results of its operations as of and for the year ended December 31, 2017.

The County's financial statements have been audited by the certified public accounting firm The Binkley Kanavy Group, LLC. The auditors have issued an unmodified opinion on the County's financial statements for the year ended December 31, 2017. The discretely presented component units have been audited by other auditors and the results of those audited financial statements are incorporated in summarized form in this report. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures presented in the financial statements, assessing the accounting principles used and significant estimates made by management, evaluating the overall financial statement estimates made by management, and evaluating the overall financial statement presentation.

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

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

PROFILE OF BEAVER COUNTY

The County was formulated on March 12, 1800, from parts of Washington and Allegheny Counties. It is 435 square miles in size and chartered as a fourth class county under the County Code as passed by the General Assembly of the Commonwealth of Pennsylvania. The current population of the County is approximately 167,429. Beaver County is comprised of thirty boroughs, five first class townships, seventeen second class townships, and two third class cities. Rich in natural resources, its location along the Ohio and Beaver rivers gave Beaver County the ability to develop economically as one of the major industrial sites worldwide with steel being its major product. Beaver County rapidly developed as one of the major headquarters for manufacturing in the United States. After the decline of the steel industry in the early 1980's, the County redirected its efforts to develop its riverfronts for recreational, as well as industrial and commercial uses. Its close proximity to the Pittsburgh International Airport enables the County to market itself as a center for manufacturing and service industries. Beaver County also has educational outlets for residents with the Community College of Beaver County, Geneva College, and Penn State University, Beaver Campus. The County also has medical facilities available to its residents through Heritage Valley Health System and Med Express Urgent Care.

PROFILE OF BEAVER COUNTY – (Continued)

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

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

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

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

PROFILE OF BEAVER COUNTY – (Continued)

Beaver County's local employment figures have decreased somewhat, however the local unemployment index is higher than the equivalent rates of Pennsylvania and the nation overall. The area's seasonally adjusted unemployment rate for April 2018 is 5.3%, as compared to the national and the Commonwealth's unemployment rates of 4.1% and 4.8%, respectively. Elected officials and committed citizens alike continue their dedicated effort to make the region attractive to both individuals and businesses alike, which significantly aids in providing employment stability.

FINANCIAL PROFILE – COUNTY GOVERNMENT

The County's General Fund fund balance increased slightly by roughly \$822,000 as reflected on the General Fund's Statement of Revenues, Expenditures, and Changes in Fund Balance (page 49). Although there was an increase in real estate tax revenues, a direct result of the increase in millage rate in 2017, to the tune of nearly \$7,725,000, this was offset by an increase in human services, principal, and interest expenditures. The increase in human services expenditures was due to the fact that the County was able to delay subsidy payments to CCBC in 2016. The increase in principal and interest expenditures is a direct result of the refinancing of roughly \$102 million of outstanding bond issuances in 2016 that allowed for a decrease in debt service payments that year.

Other funds of the County fared fairly well, not only financially, but also in their efforts to serve the citizens. Changes by both federal and Pennsylvania's authorities to funding have affected the financial aspects of some of the County's special revenue funds particularly in the area of human services. However, operations were adjusted without affecting the services provided to clients. We can proudly state that no child, no elderly person, no ill or otherwise needy individual of Beaver County went unattended by our County government offices. All County-run offices have been consciously looking for new and innovative ways to secure additional funding, in ways of one-time, specific grants or increases in funding at the local level by way of intergovernmental agreement.

In 2017, for the first time in 9 years, the County Commissioners raised the County property tax millage by 3.8 mills. Also during 2017, the assessed value of taxable real property increased by nearly \$4.7 million to \$2.176 billion, according to assessment records. The County's estimated total real estate market value exceeds \$8.3 billion.

PRESENT ECONOMIC ACHIEVEMENTS

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

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

Shell Chemical Appalachia, LLC

Site work continues at the petrochemical complex comprised of an ethylene cracker with polyethylene derivatives unit in Potter Township by Shell Chemical Appalachia, LLC. The main production facility construction is expected to start in 2018 with commercial production expected to begin early in the next decade.

The 400-acre plant site is being constructed on the south bank of the Ohio River in Potter Township. A number of major construction elements have been completed since the initial announcement to build in June of 2016:

- Cut/fill site work moving over 7.2 million cubic yards of earth
- The installation of a 1,500 linear foot hillside retaining wall for a new 1,000 unit railcar facility
- The construction of a \$70 million water intake system to supply a new Center Township Water Authority 5 million gallon per day treatment plant
- The relocation of 950 feet of SR 18 to allow for 2 additional lanes and signalized intersections
- The addition of 3,000 construction phase parking areas near the plant to complement the 500 onsite parking garage
- Mitigating 5 acres of displaced wetlands by restoring and enhancing 58 acres of replacement

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

PRESENT ECONOMIC ACHIEVEMENTS – (Continued)

Beaver Valley Heat Treating

Beaver Valley Heat Treating (“BVHT”) is a steel heat treating facility that has been operating under private ownership since 1999. BVHT is located in Monaca Borough and is housed in the former Superior Drawn Steel facility. The 90,000 square foot plant features six zone atmospheric controller, direct fired, roller hearth furnaces. Its thermal heat treating capabilities include annealing, normalizing, and stress relieving. Additional services include straightening, cleaning, and hardness testing.

CED assisted BVHT with the purchase of a Wheelabrator shot blaster to add to the plant’s equipment line capabilities in order to expand and attract new diversified customers. The \$182,368 Business Development Fund loan will allow BVHT to retain four current jobs and add two additional positions.

Healthcare Support Technologies

Healthcare Support Technologies (“HST”) is a technology based service company service private physician groups, independent doctors, and hospital systems using cloud-based, proprietary medical record software applications that deliver payment transactions efficiencies. The company employs twenty full time employees at its Beaver Falls office. HST acquired the former Tegrant Corporation complex, a 13,800 square foot building, in downtown New Brighton at a cost of \$284,000. The company completed and extensive renovation project on both the interior and exterior of the building as well as an addition of new offices. The project was made possible with a \$78,000 PA Tax Credit sponsored by CED via the PA Enterprise Zone Program.

HST plans to occupy 80% of the building and lease the balance to local businesses and projects the creation of an additional thirteen full time positions at its New Brighton headquarters by the end of 2018.

PGT Trucking

PGT Trucking, a Hopewell Township based flatbed carrier, has grown to be one of the largest flatbed carriers in the US. The company provides service to Canada, Mexico, and the US. PGT moved from its Potter Township facility in mid-2016 and purchased 67 acres of raw land within the Hopewell Business and Industrial Park from CED for \$750,000. In the process, PGT was able to relocate 200 employees to the new facility.

PRESENT ECONOMIC ACHIEVEMENTS – (Continued)

Swagelok

Swagelok is a Salon, Ohio based, international manufacturer of gas and fluid system components including fittings, valves, tubing, and gauges. The company employs roughly 4,800 people and its products are available in over 70 countries through 225 sales and service centers. Swagelok serves a widely-diversified industry that includes alternative fuels, petrochemical, bio-pharmaceutical, and semiconductor manufacturing.

During 2017, the firm acquired Penn State Special Metals, LLC, a precision tubing and shapes conversion operation located on a 26-acre plot of land with a 156,000 square foot manufacturing facility in Big Beaver Borough. The \$3.5 million asset purchase allowed for the retention of 26 positions as well as the creation of an additional 13 positions at the plant. CED had previously assisted the prior owners of Penn State Special Metals with a \$2.7 million asset leverage buyout in 2001 and an equipment expansion project in 2010.

Keystone Innovation Zone Program

The Keystone Innovation Zone (the “KIZ”) Program is a program designed to create designated areas to enhance fledgling companies by combining educational institutions’ expertise along with public sector tax incentives. Certain for-profit business entities located within the KIZ geographic boundaries qualify for DCED KIZ Tax Credits. Undeveloped, innovative companies can qualify for PA tax credits up to \$100,000 to capitalize further growth. 2016 marked the first full program year with CED acting as the administrator of the program for Beaver County at the request of DCED. During 2017, CED was granted a geographical expansion from 3 eligible municipalities to 27. A \$43,000 tax credit was awarded to Talktime Speech Therapy during this past fiscal year.

Enterprise Zone

CED applied for and was granted a five-year extension of Pennsylvania Enterprise Zone (EZ) status in 2016. EZ status provides special incentives such as EZ PA tax credits for real estate projects, bidding preference for PA procurement contracts, special consideration for environmental cleanup assistance, and priority for business investment/job creation financing incentives for Beaver County and 25 Beaver County municipalities.

PRESENT ECONOMIC ACHIEVEMENTS – (Continued)

Neighborhood Partnership Program

DCED and the City of Aliquippa requested CED to be a partner with DCED, the City and a private consultant to assist the Aliquippa Economic Development Corporation (AEDC). CED and the consultant are preparing an application to the DCED Neighborhood Partnership Program (NPP) whereby AEDC would receive financial contributions from private companies who in exchange received tax credits from the State for a period of up to 6 years. If approved, CED will administer the NPP activities and projects to address community and economic development, neighborhood conservation, public safety, and community services serving the low-income residents of the City.

OTHER ECONOMIC DEVELOPMENTS

Infrastructure Construction and Renovation

The County invested nearly \$25,000 during 2017 towards the cost of a comprehensive feasibility study on further improving the use of the County's recreational resources as well as to enhance revenues from the use of such resources. This project is being partially funded by the Commonwealth's Department of Conservation and Natural Resources and most phases are concluded.

The Beaver County Planning Commission ("BCPC") reviews land developments for the County. During 2017, the BCPC was directly responsible for turning open or abandoned land into developed commercial, industrial, and residential sites in the City of Aliquippa, Beaver Borough, Big Beaver Borough, Center Township, Chippewa Township, Darlington Township, Hopewell Township, Midland Borough, New Sewickley Township, Ohioville Borough, and South Beaver Township.

A comprehensive renovation of the County's Human Services Building was completed in 2017. The building now houses the County's agencies for behavioral health, children and youth services, services for the aging population, a district magistrate's office and an adult probation office, while leaving space for any other opportunities to consolidate physical facilities that may arise.

Nearly \$111,000 was spent in Automation and Records Improvement funding towards the restoration of deed books and the digitizing of estate records.

During 2017, roughly \$58,100 was invested in projects to construct a salt shed at Economy Park, a pole building at Brush Creek Park, and to renovate a pedestrian bridge at Brady's Run Park. These projects are being funded by the Liquid Fuels Fund, which is primarily funded by federal and state pass-through financial support to aid with construction, repair, and maintenance of county-owned bridges and roads. The Liquid Fuels Fund also funded over \$4 million worth of construction, repair, and maintenance of county-owned bridges.

OTHER ECONOMIC DEVELOPMENTS – (Continued)

The County has collected close to \$336,000 in 2017 related to impact fees that result from gas and oil drilling activities within County boundaries. The use of this funding is reserved for a variety of activities, including public infrastructure, emergency preparedness and public safety, environmental programs, judicial services, and social services, among others.

Other infrastructure construction and renovation projects that were completed during 2017 included \$99,556 for the design, installation, equipment, start-up, and testing of a new fire alarm system at the court house and \$72,568 for chimney repairs at the Vicary House located in Freedom, PA.

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, 2016, the 20th consecutive year this recognition has been granted. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. Additionally, the report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

CONTROLLER’S CLOSING REMARKS

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

The County continues to strive to provide for mandated programs and services at the most efficient level. This often includes the procurement of grants and other external funding so as to avoid a local cost. A determination to trim costs wherever possible while improving revenues is an ongoing effort of elected officials, department directors, and employees in general.

ACKNOWLEDGEMENTS

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

Respectfully,

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

David A. Rossi
Beaver County Controller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
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Presented to

**County of Beaver
Pennsylvania**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

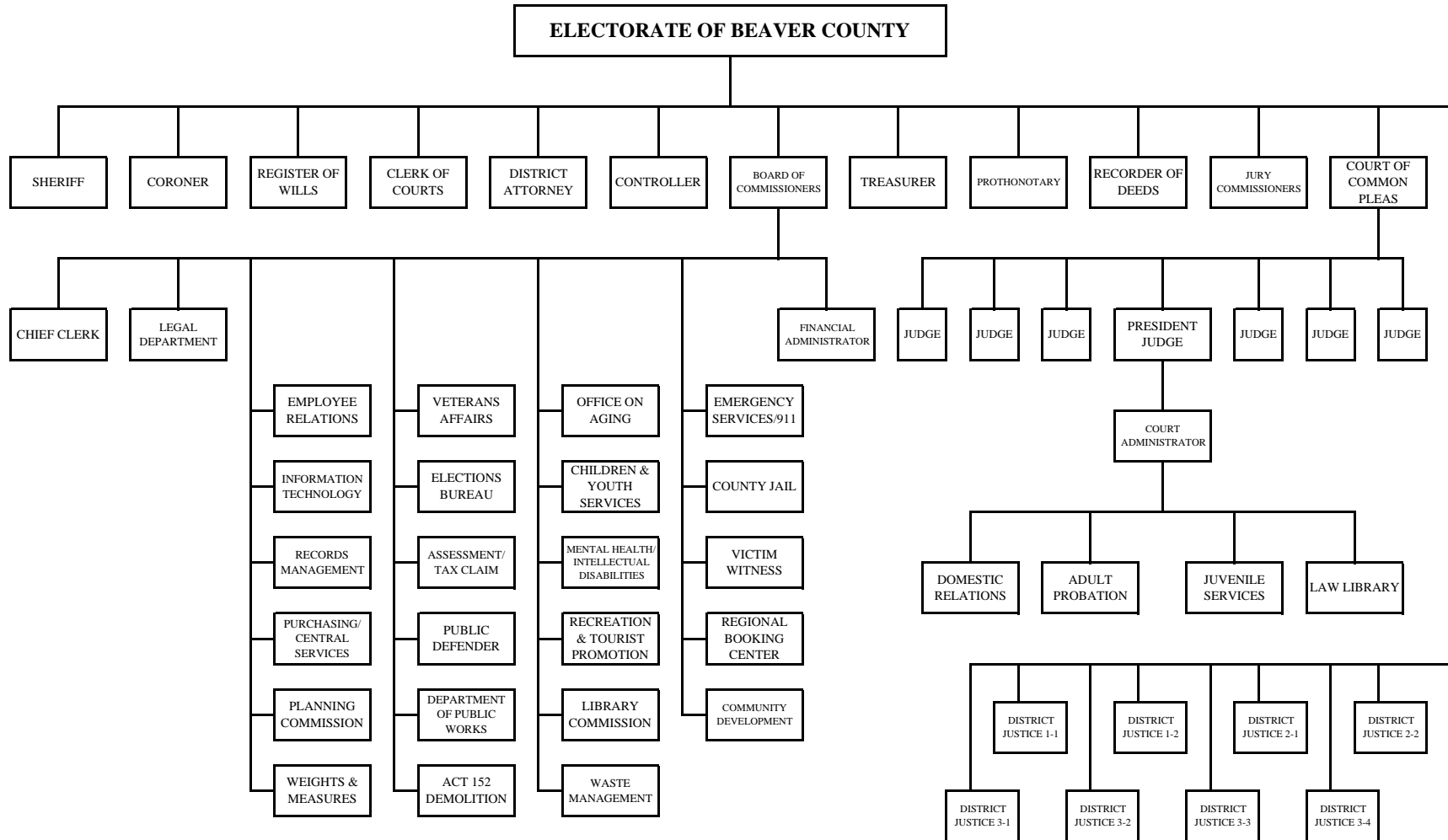
Christopher P. Morill

Executive Director/CEO

COUNTY OF BEAVER, PENNSYLVANIA

ORGANIZATION CHART

DECEMBER 31, 2017 AND JUNE 30, 2017



COUNTY OF BEAVER, PENNSYLVANIA

ELECTED OFFICIALS AND DEPARTMENT MANAGERS

DECEMBER 31, 2017 AND JUNE 30, 2017

Elected Officials

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

COUNTY OF BEAVER, PENNSYLVANIA

ELECTED OFFICIALS AND DEPARTMENT MANAGERS

DECEMBER 31, 2017 AND JUNE 30, 2017

Department Managers

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

COUNTY OF BEAVER, PENNSYLVANIA

ELECTED OFFICIALS AND DEPARTMENT DESCRIPTIONS

DECEMBER 31, 2017 AND JUNE 30, 2017

Elected Officials

Board of Commissioners

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

Clerk of Courts

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

Controller

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

Coroner

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

Court of Common Pleas

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

District Attorney

The District Attorney is the chief prosecutor for the County.

District Justices

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

Jury Commissioners

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

COUNTY OF BEAVER, PENNSYLVANIA

ELECTED OFFICIALS AND DEPARTMENT DESCRIPTIONS

DECEMBER 31, 2017 AND JUNE 30, 2017

Elected Officials - (Continued)

Prothonotary

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

Recorder of Deeds

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

Register of Wills

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

Sheriff

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

Treasurer

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

COUNTY OF BEAVER, PENNSYLVANIA

ELECTED OFFICIALS AND DEPARTMENT DESCRIPTIONS

DECEMBER 31, 2017 AND JUNE 30, 2017

Department Descriptions

Adult Probation

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

Assessment / Tax Claim

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

Chief Clerk

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

Children & Youth Services

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

Community Development

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

County Jail

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

Court Administrator

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

COUNTY OF BEAVER, PENNSYLVANIA

ELECTED OFFICIALS AND DEPARTMENT DESCRIPTIONS

DECEMBER 31, 2017 AND JUNE 30, 2017

Department Descriptions - (Continued)

Department of Public Works

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

Domestic Relations

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

Elections Bureau

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

Emergency Services / 911

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

Employee Relations

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

Financial Administrator

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

Information Technology

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

Juvenile Services

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

COUNTY OF BEAVER, PENNSYLVANIA

ELECTED OFFICIALS AND DEPARTMENT DESCRIPTIONS

DECEMBER 31, 2017 AND JUNE 30, 2017

Department Descriptions - (Continued)

Law Library

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

Legal Department

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

Library Commission

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

Mental Health / Intellectual Disabilities

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

Office on Aging

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

Planning Commission

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

COUNTY OF BEAVER, PENNSYLVANIA

ELECTED OFFICIALS AND DEPARTMENT DESCRIPTIONS

DECEMBER 31, 2017 AND JUNE 30, 2017

Department Descriptions - (Continued)

Public Defender

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

Purchasing / Central Services

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

Records Management

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

Recreation & Tourist Promotion

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

Regional Booking Center

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

Veterans Affairs

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

Victim Witness

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

COUNTY OF BEAVER, PENNSYLVANIA

ELECTED OFFICIALS AND DEPARTMENT DESCRIPTIONS

DECEMBER 31, 2017 AND JUNE 30, 2017

Department Descriptions - (Continued)

Waste Management

This department manages the recycling program for Beaver County.

Weights & Measures

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

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FINANCIAL SECTION

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Beaver, Pennsylvania (“the County”), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the County's net pension liability (asset), schedule of employer contributions and pension plan investment returns, and budgetary comparison information, as listed in the table of contents as required supplemental information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

The Binkley Kanavy Group, LLC

Certified Public Accountants
Pittsburgh, Pennsylvania
June 27, 2018

COUNTY OF BEAVER, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017 AND JUNE 30, 2017

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, 2017. 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, 2017

- The General Fund incurred a financial match responsibility of approximately \$4.4 million for its human and community services funded primarily through state and federal grants and entitlements. The equivalent amount for 2016 was about \$3.6 million.
- The County issued a \$13 million Tax Revenue Anticipation Note on January 3, 2017, to provide for short-term financing needs.
- The County's overall long-term debt decreased by about \$3.8 million during the year. The decrease can be attributed to payments on long-term debt, offset by a significant refinancing of various bonds, as further described in Note J. Despite the increased principal amount, the total cash outflows to satisfy long-term debt decreased significantly. The 2017 refinancing decreased the cash outflow by approximately \$2 million in 2017.
- The County invested roughly \$4.8 million in capital assets and infrastructure, allocated approximately as follows:
 - \$384,000 in buildings and improvements were made, primarily by the Department of Public Works and Liquid Fuels;
 - \$2.4 million on the Homewood Viaduct improvements and \$1.7 million on bridge improvements through the County's Liquid Fuels fund were added to infrastructure for 2017.
- Revenues of the General Fund exceeded expenditures by about \$4.9 million.
- Real estate taxes, the County's main source of local revenue, increased by about \$7.7 million, or about 16% of 2016's real estate tax revenue, as recorded in each respective year on the Statement of Revenues, Expenditures, and Changes in Fund Balance. This primarily a result of the increase in the tax rate for 2017.
- The excess of expenses over revenues, other than real estate taxes, of the primary government was close to \$48.3 million, or about \$3.4 million less than the equivalent measure for 2016.

COUNTY OF BEAVER, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017 AND JUNE 30, 2017

- The pension asset recorded on the government-wide Statement of Net Position is \$12.9 million as compared to a net pension asset of \$682,000 at December 31, 2016. The other items reported on the Statement of Net Position related to the performance of the County's employee retirement plan are the "net difference between projected and actual earnings on pension plan investments" at \$10,469,399 and \$11,383,426 as of December 31, 2017 and 2016, respectively, and "difference between expected and actual experience for pension plan" at \$16,072,896 and \$4,452,796 as of December 31, 2017 and 2016, respectively. The increase in net appreciation of fair value of investments during 2017 is a major reason for these fluctuations. See Note A for a description of changes affecting the measurement and reporting of certain pension-related items.
- The interfund balance payable from Internal Service Funds to the General Fund was reduced by approximately \$3.1 million from December 31, 2016 to December 31, 2017. The balance was made up of advances from the General Fund to fund the Internal Service Fund. This reduction was achieved, in part, by the increase in rates, resulting in an increase to charges for services of approximately \$2.1 million and a reduction in expenses of approximately \$1.1 million from 2016, in the Internal Service Fund.
- Revenues related to the collection of telephone surcharges for purposes of the 9-1-1 emergency system have decreased by about \$400,000 in 2017 compared to 2016. These revenues are recorded in the County's Emergency Services 911 special revenue fund.
- HealthChoices capitation revenue decreased by approximately \$1.6 million which was offset by a decrease in reinvestment sharing and risk corridor recoupments of approximately \$1.2 million from 2016. HealthChoices medical expense and MCO assessment expense increased by approximately \$2.0 million and \$300,000, respectively, over 2016.

COUNTY OF BEAVER, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017 AND JUNE 30, 2017

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County are general government; judicial; public safety; public works and enterprises; culture, recreation and conservation; human services; and economic development. The County has no business-type activity to report for the primary government.

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 45-46 of this report.

COUNTY OF BEAVER, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017 AND JUNE 30, 2017

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

This fund grouping is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The County maintains nineteen individual governmental funds. Information is presented separately in the governmental funds' Balance Sheet and in the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund, Mental Health / Intellectual Disabilities, Emergency 911 Center, and the HealthChoices Fund, all of which are considered to be major funds. Data from the other fifteen 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. Children & Youth and Community Development are not presented as major funds for 2017, and Emergency 911 Center is presented as a major fund for 2017. The County adopts an annual appropriated budget for each of its governmental funds.

The basic governmental funds' financial statements can be found on pages 47-50 of this report. The combining and individual fund schedules for the non-major governmental funds are presented following the required supplementary information. They can be found on pages 159-162 of this report.

COUNTY OF BEAVER, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017 AND JUNE 30, 2017

Proprietary funds

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

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

Proprietary funds provide the same type of information as is presented on the government-wide financial statements, only in more detail. The proprietary fund's financial statements provide separate information for the County's Internal Service Funds.

The basic proprietary funds' financial statements can be found on pages 51-53 of this report. The combining financial statements for the internal service funds can be found on pages 178-180 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 54-55 of this report. The Combining Statement of Changes in Assets and Liabilities – Agency Funds is presented on pages 181-182 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 56-123 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's pension liability, contributions, investment returns and other information and budgetary comparison schedules for the General Fund and other major governmental funds. Required supplementary information can be found on pages 127-134 of this report.

COUNTY OF BEAVER, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017 AND JUNE 30, 2017

Government-wide Financial Analysis

This analysis focuses on the *primary government*, as defined on page 30. Separate financial statements for the County's component units, including their managements' discussion and analysis, can be obtained from the component units at the addresses disclosed in Note A.

Analysis of Net Position

As noted earlier, net position is a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$27,824,513 at December 31, 2017. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$20,044,232 at January 1, 2017.

COUNTY OF BEAVER, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

The following is a summary of the primary government as presented on the County's Statement of Net Position as of December 31, 2017 and 2016.

	2017	2016
Assets:		
Current and Other Assets	\$ 56,900	\$ 56,024
Non-Current Assets	125,223	114,092
Total Assets	<u>182,123</u>	<u>170,116</u>
Deferred Outflows of Resources:		
Deferred Charge on Refunding Debt	\$ 11,668	\$ 9,896
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,469	11,383
Total Deferred Outflows of Resources:	<u>22,137</u>	<u>21,279</u>
Liabilities:		
Long-Term Liabilities	\$ 135,267	\$ 139,086
Other Liabilities	25,096	27,812
Total Liabilities	<u>160,363</u>	<u>166,898</u>
Deferred Inflows of Resources:		
Difference Between Expected and Actual Experience for Pension Plan	\$ 16,073	\$ 4,453
Total Deferred Inflows of Resources	<u>16,073</u>	<u>4,453</u>
Net Position:		
Net Investment in Capital Assets	\$ 13,914	\$ 19,719
Restricted	22,785	26,792
Unrestricted	<u>(8,875)</u>	<u>(26,467)</u>
Total Net Position	<u>\$ 27,824</u>	<u>\$ 20,044</u>

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

COUNTY OF BEAVER, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

The following summarizes the primary government as presented on the County's Statement of Activities for the years ended December 31, 2017 and 2016.

	<u>2017</u>	<u>2016</u>
Program Revenues:		
Fees and Charges	\$ 17,645	\$ 17,025
Operating Grants and Contributions	94,721	93,484
General Revenues:		
Real Estate Taxes	56,068	48,325
Investment Income	235	196
Total Revenues:	<u>168,669</u>	<u>159,030</u>
Program Expenses:		
General Government	\$ 9,762	\$ 12,695
Judicial	17,782	18,244
Public Safety	21,611	22,381
Public Works and Enterprises	5,136	5,474
Culture, Recreation, and Conservation	3,323	3,288
Human Services	93,247	87,938
Economic Development	4,178	5,123
Interest Expense	<u>5,850</u>	<u>7,017</u>
Total Expenses	160,889	162,160
Change in Net Position	7,780	(3,130)
Special Item: Disposal of Capital Assets	-	(78)
Net Position - Beginning	<u>20,044</u>	<u>23,252</u>
Net Position - Ending	<u>\$ 27,824</u>	<u>\$ 20,044</u>

COUNTY OF BEAVER, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017 AND JUNE 30, 2017

Changes in Net Position

The County's net position for governmental activities increased by approximately \$7.8 million and decreased by approximately \$3.2 million for the years ended December 31, 2017 and 2016, respectively.

The County's expenses cover a wide range of services. The largest share of expenses continues to be incurred for Human Services.

Analysis of Changes in Net Position

The financial undertakings of the County's primary government are comprised entirely of governmental activities in 2017 and 2016. The current year's increase in net position is explained in the discussion that follows below.

There are a number of reasons that explain the change in net position for the year ended December 31, 2017. One of those reasons was an increase in real estate tax revenues from the previous year of roughly \$7.7 million. Lower claims experience in employee medical benefits and increased revenue generation for medical and employee injury claims aided in improving net position. Finally, human services expenses increased \$5.3 million while human services revenues decreased \$978 thousand.

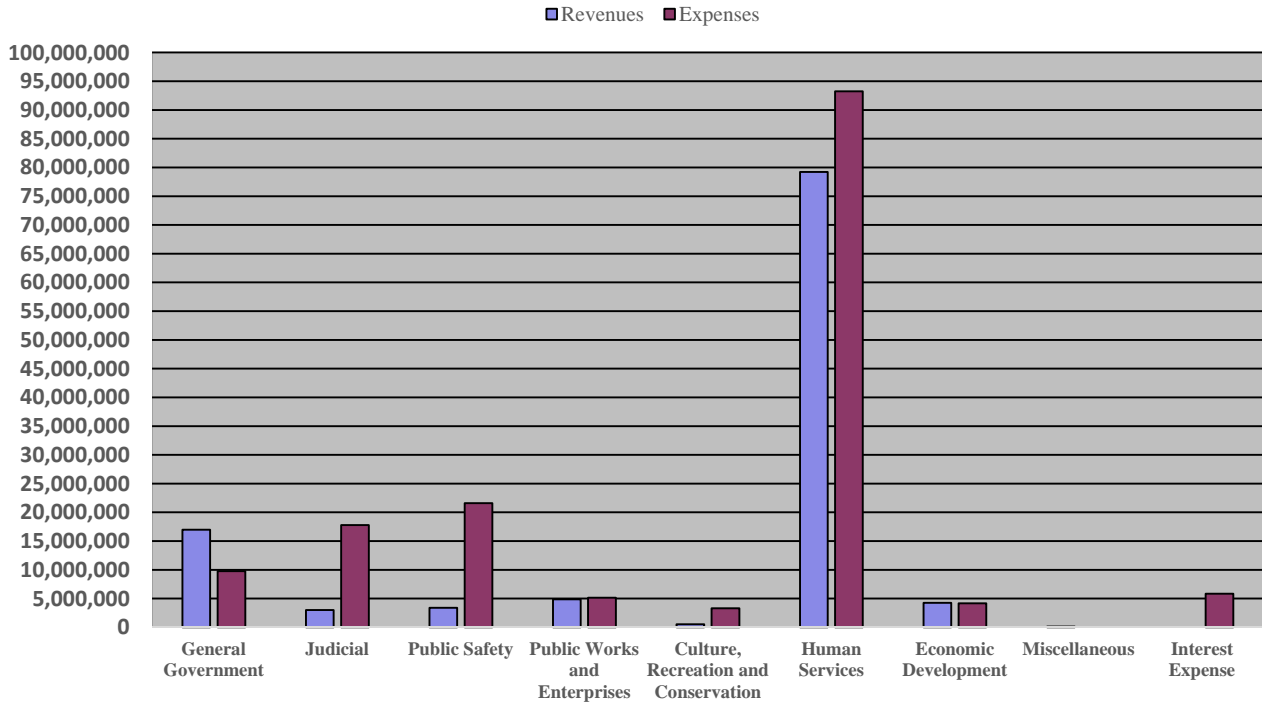
COUNTY OF BEAVER, PENNSYLVANIA

MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017 AND JUNE 30, 2017

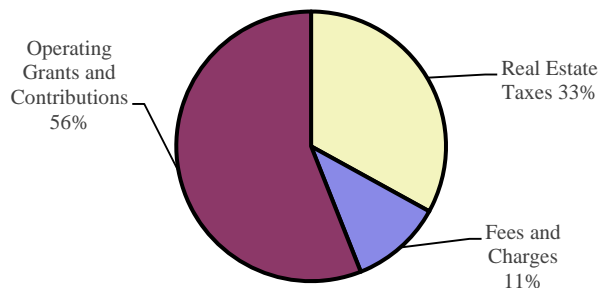
The table below depicts the behavior of the various governmental functions’ revenues and expenses described above.

Expenses and Program Revenue - Primary Government



The revenue mix of the County’s governmental activities remained fairly constant when compared with 2016, except for an increase in real estate taxes and a corresponding decrease in operating grants and contributions. Approximately 56% of the County’s revenue originated from operating grants and contributions, 11% from fees and charges, and 33% from taxes on real estate during 2017. The corresponding figures for 2016 were roughly 59%, 11%, and 30%, respectively.

Revenues by Source - Governmental Activities



COUNTY OF BEAVER, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017 AND JUNE 30, 2017

Business-type Activities

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

Financial Analysis of the County's Individual Funds

Governmental Funds

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

At December 31, 2017, the County's governmental funds reported a combined ending fund balance of \$29.6 million, which represents a decrease of \$207,000 in comparison to the previous year. The ending fund balance is segregated into the following categories with its corresponding balances: non-spendable for prepaid assets, \$3.3 million; restricted, \$20.6 million; committed, \$1.4 million; assigned, \$75,000 and unassigned, \$4.3 million. The terms used to classify fund balance and their significance are further described and defined in Note A to the financial statements. Also in Note A is presented a breakdown of restricted fund balance into specific programs.

The overall change in fund balance of the governmental funds is attributed primarily to the \$7.7 million increase in revenues of the General Fund real estate taxes when compared to 2016. This increase in revenue was offset by an increase in expenditures in debt service, other departmental expenditures and transfers to other funds by approximately \$4.9 million, \$3 million and \$1 million respectively.

The Mental Health / Intellectual Disabilities fund had a slight decrease in revenues during 2017 from 2016. They also experienced an increase in expenditures from 2016 to 2017 of approximately \$1.1 million, which caused a decrease of approximately \$692,000 in fund balance. The fund balance at December 31, 2017 was \$520,597, compared to the 2016 fund balance which was \$1,212,496.

Emergency Medical Services – 911 is being classified as a major fund in 2017 due to it meeting the 10% requirement of total liabilities. EMS – 911 experienced almost a \$420,000 decrease in revenues from 2016 to 2017, and about a \$490,000 decrease in expenditures in 2017. This resulted in about a \$46,000 increase in fund balance to \$6,544. The main source of revenue in EMS – 911 is their departmental earnings.

COUNTY OF BEAVER, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017 AND JUNE 30, 2017

HealthChoices capitation revenue decreased by approximately \$1.6 million which was offset by a decrease in reinvestment sharing and risk corridor recoupments of approximately \$1.2 million from 2016. HealthChoices medical expense and MCO assessment expense increased by approximately \$2.0 million and \$300,000, respectively, over 2016. This fund is separately audited each year based on the Commonwealth's Department of Human Services HealthChoices Examination Guide for the Behavioral Health Program. A complete report is submitted to the Commonwealth for approval.

The non-major governmental funds now include Children and Youth Services and Community Development, and no longer includes Emergency Services – 911. Total assets increased over \$5 million from \$9,321,851 to \$14,617,391 in 2017. The non-major funds also had a large increase in revenues from \$15,596,871 in 2016 to \$30,882,677 in 2017, primarily attributable to the additions of Children and Youth and Community Development. Total expenditures more than doubled from 2016 to 2017 from the additions of Children and Youth and Community Development, going from \$15,705,089 to \$33,150,385. Fund balance ultimately increased to \$8,920,474 from \$5,785,756 in 2016. The increase, in part, is a result of adding Children and Youth and Community Development 2016 fund balance, less the Emergency Services – 911 fund balance, although there was an excess of expenditures over revenues, which is funded by transfers from other funds.

Proprietary Funds – Internal Service Funds

The County's internal service funds net position increased in 2017. This is the result of expenses - medical claims, workers' compensation claims, insurance premiums, and administration costs – not outpacing the level of related revenues designated for collection. For the year ended December 31, 2017, the net gain combined for the Medical Fund and the Workers' Compensation Fund amounted to \$3,815,276. The reason for this is due to the increase in the monthly charge for health care to be over \$2.1 million higher in 2017 than it was in 2016. The internal service fund also had a decrease in costs of service of approximately \$1.1 million from 2016.

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 \$26.6 million and \$6.3 million in 2017 and 2016, respectively. The appreciation in the fair value of investments in 2017 and 2016 amounted to \$35.5 million and \$18.2 million, respectively. This increase in fair value of investments is, however, not out of line with the domestic investment performance for publicly traded securities. The Pension Trust Fund has a \$317 million balance in net position as of December 31, 2017.

COUNTY OF BEAVER, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017 AND JUNE 30, 2017

General Fund Budgetary Highlights

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

The General Fund's budgeted revenues were decreased by over \$3.4 million since the passing of the original 2017 budget. Adjustments were made to increase both Intergovernmental Revenues by \$1 million and decrease miscellaneous revenues by \$4.5 million. Miscellaneous Revenues were adjusted to net reimbursement revenues against expenses. Actual revenues were about \$972,000 higher than final amended budgeted revenues, principally due to \$1.9 million in departmental earnings. Budgeted expenditures were decreased from the initial \$70.9 million to close to \$68.8 million, primarily due to a reduction in public safety with a offsetting increase in human services and debt service amounting to \$3 million, \$900,000 and \$700,000, respectively. Despite the amendments in budgeted expenditures, the actual expenditures in the categories of general government, judicial, public safety, public works and enterprises, and culture, recreation, and conservation were a combined \$2.5 million lower than the final amended budgeted expenditures in those same categories. Overall, aggregate final amended expenditures were \$2.7 million more than actual expenditures of the General Fund.

Budgetary restrictions continue to be enforced across departments of the General Fund. Along with long-term debt restructuring and personnel retirement incentives, the County continues to search for new revenue sources and ways to cut costs.

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

What follows is a summary of the capital assets recorded in the County's primary government as of December 31, 2017 and 2016:

	2017	2016
Assets not Being Depreciated	\$ 1,758	\$ 1,758
Buildings and Improvements	49,235	51,050
Vehicles	697	1,132
Furniture and Equipment	4,274	5,667
Infrastructure	56,387	53,803
Total	<u>\$ 112,351</u>	<u>\$ 113,410</u>

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

COUNTY OF BEAVER, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

The following is a summary of the County's outstanding long-term debt, excluding the net pension liability, as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Governmental Activities:		
General obligation debt	\$ 111,480,000	\$ 117,635,000
Other long-term debt	18,671,213	20,544,419
(Discount)/Premium	<u>5,092,655</u>	<u>906,930</u>
Total	<u>\$ 135,243,868</u>	<u>\$ 139,086,349</u>

The County's general obligation bond rating from Standard and Poor's for its most recent issue is 'BBB+', resulting from its most recent bond issue, the General Obligation Bonds of 2017. This reflects a downgrade from the previous 'A-' rating. Additional information on the County's long-term debt can be found in Note J of this report.

Economic Factors

Budget cuts affecting the federal and the Commonwealth's governments are likely to continue affecting the various departments and programs throughout the County during 2018. The County has already implemented significant cost-cutting measures for 2018 and beyond. The multi-billion dollar investment expected from the construction of an ethane cracker plant and its subsequent operation within Beaver County is sure to enhance the County's revenues as well as its residents' quality of life. The County's management continues to actively address financial challenges into the future by searching for economic opportunities while optimizing the use of available resources.

Requests for Information

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

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

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BASIC FINANCIAL STATEMENTS

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COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF NET POSITION

DECEMBER 31, 2017 or JUNE 30, 2017

	Primary Government	Component Units	
	Governmental Activities	Beaver County Transit Authority as of June 30, 2017	Community College of Beaver County as of June 30, 2017
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 26,775,627	\$ 3,011,269	\$ 1,428,771
Restricted Cash	12,208,756	-	1,050,483
Restricted Investments	2,673,265	-	1,463,251
Receivables	11,959,789	8,728,081	2,999,493
Supplies	-	314,782	16,103
Prepaid Items	3,282,319	109,998	379,544
Total Current Assets	56,899,756	12,164,130	7,337,645
Non-Current Assets			
Land and Land Improvements	1,757,554	3,774,575	1,728,515
Buildings and Improvements	90,145,156	17,124,667	51,788,434
Construction in Progress	-	689,581	2,113,434
Vehicles	4,704,088	14,545,672	251,942
Furniture and Equipment	19,719,054	1,430,536	12,917,825
Infrastructure	73,931,517	-	-
Accumulated Depreciation	(77,905,605)	(19,498,401)	(31,672,278)
Net Pension Asset	12,871,286	-	-
Total Non-Current Assets	125,223,050	18,066,630	37,127,872
Total Assets	182,122,806	30,230,760	44,465,517
Deferred Outflows of Resources			
Deferred Charge on Refunding Debt	11,668,007	-	488,397
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,469,399	-	425,677
Total Assets and Deferred Outflows of Resources	\$ 204,260,212	\$ 30,230,760	\$ 45,379,591
Liabilities			
Current Liabilities			
Accounts Payable	\$ 10,719,913	\$ 382,179	\$ 1,125,816
Accrued Vacation	2,721,121	-	20,000
Accrued Interest	869,451	-	81,425
Accrued Other Liabilities	2,468,951	180,522	1,460,580
Unearned Revenues	4,687,133	10,279,146	843,868
Accrued Other Employee Benefits	529,619	114,604	-
Accrued HealthChoices Program Costs	3,100,000	-	-
Long-Term Debt	7,174,453	-	2,403,918
Total Current Liabilities	32,270,641	10,956,451	5,935,607
Non-Current Liabilities			
Long-Term Debt	128,092,161	-	31,674,201
Net Pension Liability	-	-	2,577,000
Total Non-Current Liabilities	128,092,161	-	34,251,201
Total Liabilities	160,362,802	10,956,451	40,186,808
Deferred Inflows of Resources			
Difference Between Expected and Actual Experience for Pension Plan	16,072,896	-	218,000
Total Liabilities and Deferred Inflows of Resources	176,435,698	10,956,451	40,404,808
Net Position			
Net Investment in Capital Assets	13,914,480	18,066,630	4,681,613
Restricted for:			
Nonexpendable	-	-	1,804,134
Debt Service	2,673,265	-	-
Programs for Mental / Behavioral Health	10,219,112	-	-
Programs for Children & Youth	2,705,718	-	-
Programs for Community Development	322,502	-	-
Programs for Capital Projects	3,946,997	-	-
Programs for General Law Enforcement	736,793	-	-
Programs for Elderly Population	1,191,043	-	-
Programs for Office Improvements	514,638	-	-
Programs for Emergency Services	87,965	-	-
Programs for Tourism	387,082	-	-
Unrestricted	(8,875,081)	1,207,679	(1,510,964)
Total Net Position	\$ 27,824,514	\$ 19,274,309	\$ 4,974,783

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

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2017 or JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Change in Net Position			
		Fees and Charges	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units		
					Governmental Activities	Beaver County Transit Authority as of June 30, 2017	Community College of Beaver County as of June 30, 2017	
Primary Government								
Governmental Activities								
General Government	\$ 9,761,689	\$ 11,823,114	\$ 5,152,390	\$ -	\$ 7,213,815	\$ -	\$ -	
Judicial	17,782,292	576,950	2,416,224	-	(14,789,118)	-	-	
Public Safety	21,610,853	2,819,937	583,744	-	(18,207,172)	-	-	
Public Works and Enterprises	5,135,624	19,097	4,844,165	-	(272,362)	-	-	
Culture, Recreation and Conservation	3,322,817	529,133	-	-	(2,793,684)	-	-	
Human Services	93,246,736	1,466,626	77,742,490	-	(14,037,620)	-	-	
Economic Development	4,178,374	285,106	3,982,449	-	89,181	-	-	
Miscellaneous	-	124,536	-	-	124,536	-	-	
Interest Expense	5,850,571	-	-	-	(5,850,571)	-	-	
Total Governmental Activities	160,888,956	17,644,499	94,721,462	-	(48,522,995)	-	-	
Total Primary Government	\$ 160,888,956	\$ 17,644,499	\$ 94,721,462	\$ -	\$ (48,522,995)	\$ -	\$ -	
Component Units								
Beaver County Transit Authority	\$ 10,675,085	\$ 1,563,709	\$ 7,367,981	\$ 1,158,849	\$ -	\$ (584,546)	\$ -	
Community College of Beaver County	28,444,894	12,608,969	16,749,204	-	-	-	913,279	
Total Component Units	\$ 39,119,979	\$ 14,172,678	\$ 24,117,185	\$ 1,158,849	\$ -	\$ (584,546)	\$ 913,279	
					General Revenues			
					Real Estate Taxes	\$ 56,068,046	\$ -	\$ 192,366
					Investment Income (Loss)	235,231	-	-
					Total General Revenues	56,303,277	-	192,366
					Change in Net Position	7,780,282	(584,546)	1,105,645
					Net Position - Beginning	20,044,232	19,858,855	3,869,138
					Net Position - Ending	\$ 27,824,514	\$ 19,274,309	\$ 4,974,783

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

COUNTY OF BEAVER, PENNSYLVANIA

BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2017

	General	Mental Health/ Intellectual Disabilities	Emergency 911 Center	HealthChoices	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	\$ 9,912,194	\$ 1,655,550	\$ 1,661,715	\$ 4,332,825	\$ 8,289,341	\$ 25,851,625
Cash - Restricted	670,505	-	-	11,538,251	-	12,208,756
Investments - Restricted	2,673,265	-	-	-	-	2,673,265
Prepaid Items	85,259	115,392	20,621	2,918,399	142,648	3,282,319
Receivables	1,531,087	1,507,852	891,924	57,622	3,668,183	7,656,668
Interfund Receivable	1,236,370	9,382	-	-	2,517,219	3,762,971
Total Assets	\$ 16,108,680	\$ 3,288,176	\$ 2,574,260	\$ 18,847,097	\$ 14,617,391	\$ 55,435,604
Liabilities						
Accounts Payable	\$ 1,751,615	\$ 2,067,423	\$ 28,707	\$ 2,992,763	\$ 3,255,477	\$ 10,095,985
Interfund Payable	2,526,602	-	611,384	16,852	608,133	3,762,971
Accrued Wages and Payroll Costs	1,735,238	-	-	20,088	-	1,755,326
Accrued Other Liabilities	80,000	-	-	491,748	141,877	713,625
Accrued HealthChoices Program Costs	-	-	-	3,100,000	-	3,100,000
Unearned Revenue	1,862,334	193,496	1,901,263	-	730,040	4,687,133
Total Liabilities	7,955,789	2,260,919	2,541,354	6,621,451	4,735,527	24,115,040
Deferred Inflows of Resources						
Unavailable Revenue	185,335	506,660	26,362	-	961,390	1,679,747
Fund Balances (Deficits)						
Non-Spendable: Prepaid items	85,259	115,392	20,621	2,918,399	142,648	3,282,319
Restricted:						
Debt Service	2,673,265	-	-	-	-	2,673,265
Programs for Mental / Behavioral Health	-	405,205	-	9,307,247	-	9,712,452
Other	670,505	-	-	-	7,531,640	8,202,145
Committed:						
Capital Projects	-	-	-	-	1,373,346	1,373,346
Assigned:						
Purchases on Order	75,194	-	-	-	-	75,194
Unassigned:	4,463,333	-	(14,077)	-	(127,160)	4,322,096
Total Fund Balances	7,967,556	520,597	6,544	12,225,646	8,920,474	29,640,817
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,108,680	\$ 3,288,176	\$ 2,574,260	\$ 18,847,097	\$ 14,617,391	\$ 55,435,604

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, 2017

Total Fund Balances - Governmental Funds	\$	29,640,817
Receivables for real estate taxes not available to pay for current period expenditures, and therefore, are deferred in the funds.		4,302,063
Grant revenues not available to pay for current period expenditures, and therefore, are deferred in the funds.		1,679,747
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	90,145,156	
Vehicles	4,704,088	
Furniture and equipment	19,719,054	
Infrastructure	73,931,517	
Accumulated depreciation	<u>(77,905,605)</u>	112,351,764
Accrued interest and accrued vacation payable are not recognized in the governmental funds.		
Accrued interest payable	(869,451)	
Accrued vacation payable	<u>(2,721,121)</u>	(3,590,572)
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	(111,480,000)	
Other general long-term liabilities -		
PFA Series of 2012	(2,455,000)	
PFA Series 2013	(7,840,000)	
DCED General Obligation Note	(21,644)	
Premium	(5,115,025)	
Capital Lease Obligation	(5,680,033)	
Accrued sick and early termination benefits payable	<u>(2,674,912)</u>	(135,266,614)
Deferred Charges on Refunding Debt		11,668,007
The net pension asset, and deferred inflows and outflows of resources for pension-related items are not recorded on the fund financial statements.		7,267,789
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>(228,488)</u>
Total Net Position of Governmental Activities	\$	<u><u>27,824,514</u></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, 2017

	General	Mental Health/ Intellectual Disabilities	Emergency 911 Center	HealthChoices	Other Governmental Funds	Total Governmental Funds
Revenues						
Real Estate Taxes	\$ 55,897,454	\$ -	\$ -	\$ -	\$ -	\$ 55,897,454
Licenses and Permits	156,872	-	-	-	-	156,872
Interest and Rents	210,561	5,786	125	12,703	5,984	235,159
Intergovernmental Revenues	4,724,785	16,689,387	399,709	43,248,863	28,895,152	93,957,896
Departmental Earnings	9,908,671	1,399,896	2,819,937	-	1,452,278	15,580,782
Local Hotel Room Tax	-	-	-	-	529,013	529,013
Miscellaneous	124,286	-	-	-	250	124,536
Total Revenues	71,022,629	18,095,069	3,219,771	43,261,566	30,882,677	166,481,712
Expenditures						
Current						
General Government	10,381,934	-	-	-	107,585	10,489,519
Judicial	13,863,100	-	-	-	3,589,873	17,452,973
Public Safety	16,576,071	-	3,173,779	-	185,482	19,935,332
Public Works and Enterprises	3,128,667	-	-	-	416,041	3,544,708
Culture, Recreation, and Conservation	2,599,800	-	-	-	236,069	2,835,869
Economic Development	-	-	-	-	4,172,189	4,172,189
Intergovernmental	-	-	-	-	-	-
Human Services	9,064,291	19,466,134	-	44,511,262	20,106,126	93,147,813
Debt Service	-	-	-	-	-	-
Principal	6,113,680	797	-	108	-	6,114,585
Interest	3,291,855	-	-	-	-	3,291,855
Bond Issuance Costs	714,866	-	-	-	-	714,866
Other	15,900	-	-	-	-	15,900
Capital Asset Acquisition and Improvement	395,376	50,587	-	8,088	280,568	734,619
Infrastructure Acquisition and Improvement	498	-	-	-	4,056,452	4,056,950
Total Expenditures	66,146,038	19,517,518	3,173,779	44,519,458	33,150,385	166,507,178
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,876,591	(1,422,449)	45,992	(1,257,892)	(2,267,708)	(25,466)
Other Financing Sources (Uses)						
Proceeds of Refunding Bonds	64,810,000	-	-	-	-	64,810,000
Payments to Refunded Bond Escrow Agents	(69,957,368)	-	-	-	-	(69,957,368)
Capital Lease Agreements	30,678	-	-	-	-	30,678
Original Issue Premium	4,934,920	-	-	-	-	4,934,920
Transfers from Other Funds	648,500	730,550	-	-	3,790,523	5,169,573
Transfers to Other Funds	(4,521,073)	-	-	-	(648,500)	(5,169,573)
Total Other Financing Sources (Uses)	(4,054,343)	730,550	-	-	3,142,023	(181,770)
Net Change in Fund Balance:	822,248	(691,899)	45,992	(1,257,892)	874,315	(207,236)
Fund Balances - Beginning	7,145,308	1,212,496	(39,448)	13,483,538	8,046,159	29,848,053
Fund Balances - Ending	\$ 7,967,556	\$ 520,597	\$ 6,544	\$ 12,225,646	\$ 8,920,474	\$ 29,640,817

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, 2017

Net Change in Fund Balances - Total Governmental Funds	\$	(207,236)
Revenue timing differences resulted in more revenue for real estate taxes in the Statement of Activities.		170,592
Revenue timing differences resulted in less grant revenue in the Statement of Activities due to the period of availability of the funds.		382,019
The differences due to capital assets are as follows:		
1. Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay and donated assets	\$ 4,837,155	
Depreciation expense	<u>(5,355,889)</u>	(518,734)
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		(539,414)
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	(297,073)	
Changes in accrued vacation payable	<u>(272,377)</u>	(569,450)
The difference due to non-current liabilities are as follows:		
1. The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		
Proceeds of refunding bonds	(64,810,000)	
Payments to refunded bond escrow agents	66,772,403	
Original issue premium	(4,934,920)	
Bond principal payments	6,090,888	
New capital leases	(30,678)	
Capital lease obligation payments	<u>311,403</u>	3,399,096
2. Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Amortization of bond discounts/premium		184,422
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.		
		236,217
The deferred amount on refunding		
2017 amortization		(1,412,963)
Increase related to 2017 refunding		3,184,965
Changes in the net pension liability and related deferred inflows and outflows of resources do not affect current financial resources and therefore are not reflected on the fund statements.		
		(344,508)
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>3,815,276</u>
Change in Net Position of Governmental Activities	\$	<u><u>7,780,282</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, 2017

	<u>Governmental Activities Internal Service Funds</u>
<u>Assets</u>	
Current Assets	
Cash and Cash Equivalents	\$ 924,002
Receivables	<u>1,058</u>
Total Current Assets	<u>925,060</u>
Total Assets	<u><u>\$ 925,060</u></u>
<u>Liabilities</u>	
Current Liabilities	
Accounts Payable	\$ 623,929
Accrued Employee Benefits	<u>529,619</u>
Total Current Liabilities	<u>1,153,548</u>
Total Liabilities	<u>1,153,548</u>
<u>Net Position</u>	
Unrestricted	<u>(228,488)</u>
Total Net Position	<u><u>\$ (228,488)</u></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, 2017

	Governmental Activities
	Internal Service Funds
<u>Operating Revenues</u>	
Charges for Services	\$ 13,832,220
Total Operating Revenues	13,832,220
<u>Operating Expenses</u>	
Costs of Services	9,115,546
Administrative	901,470
Total Operating Expenses	10,017,016
Operating Income	3,815,204
<u>Non-Operating Revenues</u>	
Investment Income	72
Total Non-Operating Revenues	72
Change in Net Position	3,815,276
Total Net Position - Beginning	(4,043,764)
Total Net Position - Ending	\$ (228,488)

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, 2017

	Governmental Activities
	Internal Service Funds
<u>Cash Flows from Operating Activities</u>	
Cash receipts for services provided	\$ 13,998,780
Cash payments to suppliers	(10,783,159)
Net Cash Provided by Operating Activities	3,215,621
<u>Cash Flows from Non-Capital Financing Activities</u>	
Payments for the loan provided by the County	(3,088,099)
Net Cash (Used in) Non-Capital Financing Activities	(3,088,099)
<u>Cash Flows from Investing Activities</u>	
Investment Income	72
Net Cash Provided by Investing Activities	72
Net Increase in Cash and Cash Equivalents	127,594
<u>Cash and Cash Equivalents</u>	
Beginning of year	796,408
End of year	\$ 924,002
<u>Reconciliation of Operating Income to</u>	
<u>Net Cash Provided by (Used in) Operating Activities</u>	
Operating Income	\$ 3,815,204
Change in operating assets and liabilities	
Accounts receivable	166,560
Accounts payable	(618,542)
Accrued Liabilities	(147,601)
Net Cash Provided by Operating Activities	\$ 3,215,621

Disclosure of Accounting Policy

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

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

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2017

	Pension Trust Fund	Agency Funds
<u>Assets</u>		
Cash and Cash Equivalents	\$ 6,827,852	\$ 3,223,013
Cash and Cash Equivalents Held as Collateral	9,272,358	-
Interest and Dividends Receivable	655,324	-
Investments:		
Common and Preferred Stocks	160,226,821	-
Certificates of Deposit	3,133,299	-
U.S. and Local Government Obligations	23,232,609	-
Corporate Bonds	21,331,465	-
Other Debt Securities	4,660,980	-
Registered Investment Companies	54,757,895	-
Interest in Limited Partnership	10,727,884	-
Interest in Collective Trust	31,471,710	-
Total Investments	309,542,663	-
Total Assets	\$ 326,298,197	\$ 3,223,013
<u>Liabilities</u>		
Accounts Payable	\$ 184,249	\$ 3,223,013
Collateral Obligation	9,272,358	-
Total Liabilities	9,456,607	3,223,013
<u>Net Position</u>		
Net Position Restricted for Pensions	316,841,590	-
Total Net Position	\$ 316,841,590	\$ -

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

COUNTY OF BEAVER, PENNSYLVANIA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Pension Trust Fund</u>
<u>Additions</u>	
Contributions	
Member	\$ 3,608,538
Employer	<u>1,999,290</u>
Total Contributions	<u>5,607,828</u>
Investment Income	
Net Appreciation in Fair Value of Investments	35,498,392
Interest and Dividends	5,322,748
Less: Investment Management and Actuarial Fees	<u>(867,151)</u>
Net Income from Investment Activities (except for securities lending)	39,953,989
Security Lending Activities	
Interest from Collateral	80,528
Security Lending Premiums	110,000
Less: Rebates and Fees	<u>(106,053)</u>
Net Income from Security Lending Activities	84,475
Net Investment Income	<u>40,038,464</u>
Total Additions	<u>45,646,292</u>
<u>Deductions</u>	
Benefits Paid to Plan Members and Beneficiaries (including refunds of member contributions)	18,811,015
Administrative Expenses	<u>220,305</u>
Total Deductions	<u>19,031,320</u>
Net Increase in Net Position	26,614,972
<u>Net Position Restricted for Pensions</u>	
Beginning of Year	<u>290,226,618</u>
End of Year	<u><u>\$ 316,841,590</u></u>

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Organization and Reporting Entity

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

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

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

Discretely Presented Component Units

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

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

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

The reporting period for BCTA and CCBC is as of and for the year ended June 30, 2017.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

1. Organization and Reporting Entity - Continued

Summary of Significant Accounting Policies for BCTA

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

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

Summary of Significant Accounting Policies for CCBC

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

1. Organization and Reporting Entity - Continued

Related Organizations

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

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

2. Government-Wide Financial Statements and Fund Financial Statements

Government-Wide Statements:

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

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

Government-Wide Statements (continued):

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

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

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

Fund Financial Statements:

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

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

Fund Financial Statements (continued):

The County reports the following governmental funds as major:

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

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

Emergency Services 911. This fund is responsible for managing and administering all activities that pertain to emergency situations affecting Beaver County. Revenues are earned mostly through collection of a monthly fee collected on the use of telephone lines (including cellular and internet lines).

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.

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.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

3. Fund Types - Continued

Governmental Fund Types

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

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

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

Proprietary Fund Type

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

Fiduciary Fund Types

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

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

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, 2017 AND JUNE 30, 2017

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, reconciling financial statements with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds are presented. The primary effect of internal activity has been eliminated from the government-wide financial statements.

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. Revenues are considered available when they are expected to be collected within sixty days of year-end. As of December 31, 2017, the County delayed revenue recognition of \$1,679,747 because these monies were not yet considered available in accordance with GAAP. Expenditures and transfers out are generally recognized under the accrual basis of accounting when the related liability is incurred, except for compensated absences and financing costs/interest on general long-term debt, which are recorded when the payment is due.

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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 from services provided by outside vendors are recorded when incurred. Investments are reported at fair value.

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

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

5. Revenues

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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 the modified accrual basis.

7. Expenditures

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

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

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

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

9. Prepaid Items

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

10. Capital Assets

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

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

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

11. Compensated Absences

The vacation policy for substantially all of the County's employees provides that vacation earned from the prior years' service, granted to employees on January 1, must be taken by December 31 of that same year. Therefore, the accrual in the government-wide Statement of Net Position represents what was earned through December 31, 2017, granted on January 1, 2018.

Employees, other than those mentioned below, may accumulate up to 100 days of sick leave. Sheriff's deputies may accumulate up to a maximum of 150 days of sick leave. Jail guards receive nine days of sick leave per year with no limit on the maximum number of days that can be carried into the subsequent years. Children & Youth, Office on Aging, Mental Health / Intellectual Disabilities, and probation office employees receive paid time off. These employees may accumulate up to a maximum of 50 days of paid leave. Court-related employees may accrue up to 35 so-called "package days". "Package days" combine an employee's vacation, sick time, and personal time. If compensated absence time is not used, it is paid to retirement-eligible employees upon retiring at varying rates. Accumulated compensated absence time as of December 31, 2017, that is estimated to be paid to employees upon retirement has been recorded in the government-wide Statement of Net Position under Non-current Liabilities.

12. Accrued HealthChoices Program Costs

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

13. Accrued Healthcare Costs

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

14. Early Termination Benefits

Early termination benefits payable to former employees were recorded at their discounted present values using an annual discount rate of 3.0%.

15. Pension

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

16. Budgets

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

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

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

16. Budgets - Continued

Formal budgetary review is employed as a management control during the year for all Governmental Funds. Final budget amounts presented in the schedules and supplementary information accompanying the financial statements are as amended as of December 31, 2017.

17. Deferred Outflows / Inflows of Resources

In addition to assets, the Statement of Net Position, the Balance Sheet for Governmental Funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category. They are the deferred charge on refunding and net difference between projected and actual earnings on pension plan investments, which are reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. The net difference between projected and actual earnings on pension plan investments is based on an actuarial valuation as further described in Note G.

In addition to liabilities, the Statement of Net Position and/or the Balance Sheet for Governmental Funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government only has one type of item, which arises only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the Governmental Funds Balance Sheet. The Governmental Funds report unavailable revenues from grant agreements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government has another type, the difference between expected and actual experience for pension plan. This amount is also based on an actuarial valuation as further described in Note G.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

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.

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

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

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

The governmental fund types use encumbrance accounting, under which open purchase orders are recorded. Open encumbrances do not constitute expenditures or liabilities since the obligations will be honored, re-appropriated and added to each department’s subsequent year’s budget. See Note M for additional encumbrance information.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

18. Fund Balance - Continued

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

For Emergency Services	\$ 61,603
For Capital Projects	2,541,645
For Children and Youth	1,970,518
For Economic Development	310,532
For the Elderly Population	1,191,043
For Tourism Promotion	387,082
For Office Improvements and Records Automation	514,638
For Judicial Services	239,579
For General Law Enforcement	315,000
	<u>\$ 7,531,640</u>

HealthChoices Program

HealthChoices receives funds based on a contract between the County and the Commonwealth of Pennsylvania's Department of Human Services (Commonwealth). Per the contract, the County must maintain a restricted reserve for equity and a plan of insolvency. As of December 31, 2017, the County has met the equity requirement by maintaining \$2,106,459 in a separate bank account. Assets can be transferred from this account only with the permission of the Commonwealth. As of December 31, 2017, the County has also met the insolvency requirement determined by the Commonwealth by maintaining, at a minimum, the equivalent of sixty days' worth of unpaid claims. The minimum, which was determined by the Commonwealth to be \$4,418,775 is maintained in a separate bank account.

The contract also allows the County to maintain a reserve for risk and contingency in an amount not to exceed seventy-five days of unpaid claims. The County has elected to have this reserve by restricting \$6,497,967 of cash and investments at December 31, 2017. Draw-down of these funds requires approval of the Commonwealth.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

19. Net Position

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

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

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

20. Adoption of Governmental Accounting Standards Board Pronouncement

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

20. Adoption of Governmental Accounting Standards Board Pronouncement - Continued

The GASB has issued Statement No. 86 “*Certain Debt Extinguishment Issues*”, effective for periods beginning after June 15, 2017. This statement is to improve financial reporting for defeasance of debt when using existing resources, such as cash or other monetary assets.

The County has determined that the adoption of these aforementioned statements is not significant with respect to the County’s financial statements.

21. Pending Governmental Accounting Standards Board Pronouncements

The GASB has issued Statement No. 83 “*Certain Asset Retirement Obligations*”, effective for periods beginning after June 15, 2018. This statement is to address financial reporting for certain asset retirement obligations.

The GASB has issued Statement No. 84 “*Fiduciary Activities*”, effective for periods beginning after December 15, 2018. This statement is to improve guidance regarding the identification of fiduciary activities and how those activities should be reported.

The GASB has issued Statement No. 85 “*Omnibus 2017*”, effective for periods beginning after June 15, 2018. This statement is to address a variety of practice issues, including blending component units, fair value measurement, postemployment benefits and goodwill.

The GASB has issued Statement No. 87 “*Leases*”, effective for periods beginning after December 15, 2019. This statement is to provide clarity for reporting for leases by governments.

The GASB has issued Statement No. 88 “*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*”, effective for periods beginning after June 15, 2018. This statement is to improve disclosures related to debt in the notes to the financial statements, including direct borrowings and direct placements.

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

22. Use of Estimates

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

NOTE B - PROPERTY TAXES

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

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

Property tax revenues for the year ended December 31, 2017, are recorded on the Statement of Activities net of discounts of approximately \$934,000 and inclusive of penalties amounting to approximately \$152,000. Property tax receivables are stated net of allowance for uncollectible accounts. At December 31, 2017, the balance in the allowance for uncollectible taxes is \$2,752,747.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE C - CASH DEPOSITS AND INVESTMENTS

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

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

Cash Deposits

Cash deposits are exposed to custodial credit risk, which is the risk that a government may not recover the funds it placed in the custody of a counterparty (such as if the counterparty would enter bankruptcy proceeding). The County does not have a formal deposit policy for custodial credit risk. At December 31, 2017, 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, 2017, the bank balance of the County's cash deposits was approximately \$22.8 million, of which approximately \$750,000 was insured. The remaining uninsured bank balance was collateralized in accordance with Act 72 of the Commonwealth of Pennsylvania State Legislature, which states that a depository must pledge assets to secure state and municipal deposits. The pledged assets must be equal to at least the total amount of the public deposits at the depository and may be on a pooled basis.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Investments

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

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

Restricted Investments

Restricted investments are comprised of United States Treasury Obligations amounting to approximately \$2.7 million as of December 31, 2017. These investments are restricted and to be used for debt service related to Bonds issued where the proceeds were used for the County's former long-term care facility which was disposed of in 2014. The weighted average to maturity of these investments is 1.70 years.

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

The County has the following recurring fair value measurements as of December 31, 2017:

- U.S. Treasury obligations of \$2.7 million are valued using quoted market prices (Level 1 inputs)

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Restricted Cash

Restricted cash in the General Fund is constrained for judicial system operations and dispute resolution matters. Approximately \$381,000 of this is related to the sale of Friendship Ridge; \$252,000 is related to Act 198 for the Clerk of Courts; \$18,000 is for Act 34 Register of Wills; \$11,000 for the Coroner; \$1,000 for Veterans' Affairs; and \$8,000 for a DMVA Grant.

Pension Trust Fund Investments

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Pension Trust Fund Investments - Continued

The fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fund has the following recurring fair value measurements as of December 31, 2017:

	12/31/2017	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt Securities				
U.S. & local Government obligations	\$ 23,232,609	\$ 23,132,568	\$ 100,041	\$ -
Certificates of Deposit	3,133,299	3,133,299	-	-
Collateralized mortgage obligations	4,660,980	-	-	4,660,980
Corporate obligations	21,331,465	21,331,465	-	-
Equity Securities				
Common Stock	160,226,821	160,226,821	-	-
Mutual Funds	54,757,895	54,757,895	-	-
Venture capital investments	10,727,884	-	-	10,727,884
Total investments by fair value level	278,070,953	\$ 262,582,048	\$ 100,041	\$ 15,388,864
Investments measured at net asset value (NAV)				
Real Estate Funds	31,471,710			
Total investments measured at NAV	31,471,710			
Total investments measured at fair value	\$ 309,542,663			

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Pension Trust Fund Investments - Continued

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

	<u>Fair Value</u>
Real Estate Funds	<u>\$ 31,471,710</u>
Total investments measured at NAV	<u>\$ 31,471,710</u>

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

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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 2017, 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, 2017, is approximately \$9.0 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, 2017, the County had approximately \$9.0 million of common stock on loan to various borrowers. The County collected collateral of approximately \$9.3 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, 2017, 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, 2017.

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.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Pension Trust Fund Investments - Continued

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, 2017, 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.

As of December 31, 2017, the Pension Trust Fund's investments and cash deposits consisted of:

<u>Investments</u>	
Common and Preferred Stocks	\$ 160,226,821
Interest in Collective Trust	31,471,710
Bonds and Notes:	
U.S. Government Notes	17,499,000
U.S. Government Agency Bonds	419,268
U.S. Government Mortgage Backed Securities	5,214,300
Municipal Bonds	100,041
Corporate Bonds	21,331,465
Registered Investment Company Securities	54,757,895
Certificates of Deposit	3,133,299
Interest in Limited Partnership	10,727,884
Other Debt Securities	4,660,980
Total Investments	<u>309,542,663</u>
Cash Deposits	6,827,852
Cash Deposits held as Collateral	9,272,358
Total Cash Deposits and Investments	<u><u>\$ 325,642,873</u></u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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, 2017</u>	<u>Weighted Average to Maturity (Years)</u>
Obligations Explicitly Guaranteed by the United States Government:		
U.S. Government Notes	\$ 17,499,000	9.49
Other Obligations:		
U.S. Government Agency Bonds	419,268	6.58
U.S. Government Mortgage Backed Securities	5,214,300	20.01
Municipal Bonds	100,041	0.50
Corporate Bonds	21,331,465	4.01
Subtotal	<u>27,065,074</u>	
Total	\$ <u>44,564,074</u>	
Portfolio Weighted Average		<u>8.05</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, 2017, are as follows:

<u>S&P Rating</u>	<u>Market Value</u>
AAA	177,057
AA+	735,210
AA	442,556
AA-	696,256
A+	2,004,640
A	1,667,357
A-	5,676,025
BBB+	7,051,448
BBB	2,463,551
BBB-	695,776
Unrated Securities	<u>5,455,205</u>
Total	\$ <u>27,065,081</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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, 2017, BCTA's cash and cash equivalents had a bank balance of \$3,070,085 and a book balance of \$3,011,269. The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government accounts is \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.

Custodial credit risk is the risk that, in the event of a bank failure, BCTA's deposits may not be returned. BCTA does not have a formal policy for custodial credit risk. As of June 30, 2017, \$2,320,085 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, 2017, the cash deposits of BCTA consisted of:

Cash - FDIC Insured	
Huntington Bank	\$ 250,000
Wesbanco Bank	250,000
First National Bank	250,000
Collateralized by securities pledged to a pooled public funds account with the Federal Reserve System	2,320,085
	<u>\$ 3,070,085</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, 2017 AND JUNE 30, 2017

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.

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

CCBC had no deposit and investment transactions during the year that were in violation of state statutes.

At June 30, 2017, CCBC's cash and cash equivalents had a bank balance of \$2,864,399 and a book balance of \$2,479,254. The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government accounts is \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.

CCBC does not have a formal policy for custodial credit risk. As of June 30, 2017, \$1,225,171 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, 2017, the cash deposits of CCBC consisted of:

Cash - FDIC Insured	\$	250,000
Cash - CCBC Foundation - FDIC Insured		250,000
Collateralized by securities pledged to a pooled public funds account with the Federal Reserve System		2,364,399
	\$	<u>2,864,399</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Component Unit - CCBC - Continued

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

CCBC's investments at June 30, 2017, totaled \$1,463,251 and they were held by the CCBC Foundation.

NOTE D - RECEIVABLES AND PAYABLES

Receivables at December 31, 2017, were as follows:

	<u>Accounts Receivable</u>	<u>Taxes</u>	<u>Due From Other Governments</u>	<u>Other</u>	<u>Total Receivables</u>
Governmental Activities					
General Fund	\$ -	\$ 7,054,810	\$ 540,509	\$ 990,578	\$ 8,585,897
MH/ID	-	-	1,415,929	91,923	1,507,852
Emergency 911 Center	-	-	26,362	865,562	891,924
HealthChoices	-	-	57,585	37	57,622
Non-major Governmental Funds	-	-	3,567,236	100,947	3,668,183
	-	7,054,810	5,607,621	2,049,047	14,711,478
Allowance for Doubtful Accounts	-	(2,752,747)	-	-	(2,752,747)
Total - Governmental Activities	-	4,302,063	5,607,621	2,049,047	11,958,731
Internal Service Funds	-	-	-	1,058	1,058
	<u>\$ -</u>	<u>\$ 4,302,063</u>	<u>\$ 5,607,621</u>	<u>\$ 2,050,105</u>	<u>\$ 11,959,789</u>
Component Units					
BCTA	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,669,540</u>	<u>\$ 58,541</u>	<u>\$ 8,728,081</u>
CCBC	<u>\$ 953,311</u>	<u>\$ -</u>	<u>\$ 1,778,562</u>	<u>\$ 267,620</u>	<u>\$ 2,999,493</u>

Payables at December 31, 2017, consisted of amounts due to vendors, program providers, and grantees for goods, services, and grant-related obligations.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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, 2017, is as follows:

	Interfund Payable				Total
	General Fund	Emergency 911 Center	Health Choices	Non-Major Governmental	
Interfund Receivable					
General Fund	\$ -	\$ 611,384	\$ 16,852	\$ 608,134	\$ 1,236,370
MH/ID	9,382	-	-	-	9,382
Non-Major Governmental	2,517,219	-	-	-	2,517,219
Total	\$ 2,526,601	\$ 611,384	\$ 16,852	\$ 608,134	\$ 3,762,971

The following is a summary of the interfund payables and receivables outstanding at December 31, 2017:

- The General Fund’s balance due to MH/ID consists of the net of disbursements due for County Match, payroll, and security provided by the Sheriff’s Department.
- The General Fund’s balance due to the Non-Major Governmental Funds consists of the net of Children & Youth’s disbursements due for County Match, administrative expense reimbursement, payroll, security provided by the Sheriff’s Department, single audit reimbursement, Driving Under the Influence Program’s revenue in excess of expenditures due to the Courtroom Improvement Fund, and a loan from the Capital Reserve fund for capital expenditures.
- The Emergency 911 Center’s balance due to the General Fund represents the fourth quarter Act 12 reimbursement to the General Fund
- HealthChoices’ balance due to the General Fund consists of disbursements due for security provided by the Sheriff’s Department, and payroll.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE E - INTERFUND BALANCES AND TRANSFERS - (Continued)

Interfund Balances - Continued

- Non-Major Governmental Funds' balances due to the General Fund consist of the net of disbursements due from Hazardous Materials, accounts payable, payroll, postage, indirect cost allocations, pension annual required contribution reimbursements, disbursements due for County Match, payroll, funds received on behalf of another fund, and expenses paid on behalf of Community Development by the General Fund.

Interfund Transfers

Interfund transfers for the year ended December 31, 2017, consisted of the following:

		Transfer From		
		General Fund	Non-Major Governmental	Total
Transfer To	General Fund	\$ -	\$ 648,500	\$ 648,500
	MH/ID	730,550	-	730,550
	Non-Major Governmental	3,790,523	-	3,790,523
	Total	\$ 4,521,073	\$ 648,500	\$ 5,169,573

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE E - INTERFUND BALANCES AND TRANSFERS - (Continued)

The following is a summary of transfers that occurred during the year ended December 31, 2017:

- The transfers from the General Fund to MH/ID are for County Match obligations.
- The transfer from the County's General Fund to the Non-Major Governmental Funds consists of the excess of revenues over expenditures in the Driving Under the Influence Program for the current year that are placed in the Courtroom Improvement Fund, and transfers to Children and Youth, Domestic Relations, and Office on Aging for purposes of meeting County Match obligations.
- The transfer from Non-Major Governmental Funds to the County's General Fund consists of the Offender's Supervisory Fund transferring funds to Adult Probation as aid in funding various eligible expenditures, a transfer from the Recorder of Deeds Record Improvement Fund to the Recorder of Deeds to fund computer consultant support as well as a transfer from the Prothonotary Automation Fund to the Prothonotary for passport supplies.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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	\$ 1,457,549
Judicial	228,725
Public Safety	1,506,973
Public Works and Enterprises	1,473,622
Culture, Recreation and Conservation	416,432
Human Services	266,965
Economic Development	5,623
Total	<u>\$ 5,355,889</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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

The following is a summary of changes in capital assets for Governmental Activities during 2017:

	January 1, 2017	Additions	Disposals & Transfers	December 31, 2017
Not being Depreciated:				
Land	\$ 1,757,554	\$ -	\$ -	\$ 1,757,554
Other Capital Assets:				
Buildings and Improvements	89,775,817	383,526	(14,187)	90,145,156
Vehicles	5,053,170	13,442	(362,524)	4,704,088
Furniture and Equipment	21,270,063	383,237	(1,934,246)	19,719,054
Infrastructure	69,874,567	4,056,950	-	73,931,517
	<u>185,973,617</u>	<u>4,837,155</u>	<u>(2,310,957)</u>	<u>188,499,815</u>
Accumulated Depreciation:				
Buildings and Improvements	(38,725,977)	(2,186,218)	2,514	(40,909,681)
Vehicles	(3,920,774)	(412,886)	326,807	(4,006,853)
Furniture and Equipment	(15,602,593)	(1,284,355)	1,442,222	(15,444,726)
Infrastructure	(16,071,915)	(1,472,430)	-	(17,544,345)
	<u>(74,321,259)</u>	<u>(5,355,889)</u>	<u>1,771,543</u>	<u>(77,905,605)</u>
Net Other Capital Assets	<u>111,652,358</u>	<u>(518,734)</u>	<u>(539,414)</u>	<u>110,594,210</u>
Net Capital Assets	<u>\$ 113,409,912</u>	<u>\$ (518,734)</u>	<u>\$ (539,414)</u>	<u>\$ 112,351,764</u>

The above assets as of December 31, 2017, include \$8,898,222 relating to capitalized leases and \$5,664,716 of associated accumulated amortization.

Capital assets' additions displayed above include donated assets amounting to \$37,144. Capital assets' additions displayed above include assets found through physical inspection amounting to \$8,443. These assets are not included as expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.

COUNTY OF BEAVER, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND JUNE 30, 2017

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, 2017:

		<u>Estimated Useful Lives</u>
Land	\$ 3,774,575	N/A
Construction in Progress	689,581	N/A
Buildings and Improvements	17,124,667	30
Tangible Transit Operating Property	14,484,862	5-12
Other Property - MATP	60,810	4-5
Furniture and Equipment	1,430,536	4-5
	<u>37,565,031</u>	
Less Accumulated Depreciation	<u>(19,498,401)</u>	
	<u>\$ 18,066,630</u>	

Depreciation expense for the year ended June 30, 2017, amounted to \$1,720,707.

Component Unit - CCBC

The following is a summary of CCBC's property accounts as of June 30, 2017:

		<u>Estimated Useful Lives</u>
Land	\$ 980,652	N/A
Construction in Progress	2,113,434	N/A
Land Improvements	747,863	20
Buildings and Improvements	51,788,434	25-50
Vehicles	251,942	8-10
Furniture and Equipment	12,917,825	5-20
	<u>68,800,150</u>	
Less Accumulated Depreciation	<u>(31,672,278)</u>	
	<u>\$ 37,127,872</u>	

Depreciation expense for the year ended June 30, 2017, amounted to \$1,737,396.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE G - EMPLOYEE RETIREMENT PLAN

1. Summary of Significant Accounting Policies

Pensions

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

Method Used to Value Investments

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

2. Plan Description

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

3. Benefits Provided

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

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

4. Employees Covered by Benefit Terms

As of January 1, 2018, the date of the last available actuarial report, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	1,343
Inactive plan members not yet receiving benefits	167
Active plan participants:	750
	<u>2,260</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

5. Contributions

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

The Plan funding policy provides for periodic employer contributions at actuarially determined rates that are necessary to accumulate sufficient assets to pay benefits when due. The annual pension cost for 2017 was determined as part of an actuarial valuation as of January 1, 2017, using the entry age method.

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

An actuarially determined contribution is recommended by the plan actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance an unfunded accrued liability. For the 2017 measurement period, the active member contribution rate was 9.0 percent of annual pay, and the County average rate was 5.43 percent of annual payroll.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

6. Net Pension Liability (NPL)

The following are the components of the Plan's net pension liability (asset) and their balances as of December 31, 2017:

Total Pension Liability	\$ 303,970,304
Plan Fiduciary Net Position	<u>316,841,590</u>
Net Pension Liability (Asset)	<u>\$ (12,871,286)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	<u>104.23%</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation for the 2017 measurement period, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 percent, average, including inflation
Investment rate of return	7.5 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the valuation for the 2017 measurement period were based on past experience under the plan and reasonable future expectations which represent the best estimate of anticipated experience under the plan. An actuarial experience study was performed during 2017; however, no modification to assumptions were made as a result.

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

7. Long Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation for the 2017 measurement period are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Range</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	50%	+/-10%	5.4-6.4%
International Equity	10%	+/-10%	5.5 - 6.5%
Fixed Income	25%	+/-10%	1.3 - 3.3%
Real Estate	15%	+/-5%	4.5 - 5.5%
Cash	0%	+/-3%	0.0 - 1.0%

8. Discount Rate

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

9. Changes in the Net Pension Liability

	Increase / (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 12/31/2016	\$ 289,544,951	\$ 290,226,618	\$ (681,667)
Changes for the year:			
Service cost	5,447,929	-	5,447,929
Interest	23,717,162	-	23,717,162
Differences between expected and actual experience	4,071,277	-	4,071,277
Contributions - employer	-	1,999,290	(1,999,290)
Contributions - employee	-	3,608,538	(3,608,538)
Net investment income	-	40,038,464	(40,038,464)
Benefit payments, including refunds of employee contributions	(18,811,015)	(18,811,015)	-
Administrative expense	-	(220,305)	220,305
Net changes	14,425,353	26,614,972	(12,189,619)
Balances at 12/31/2017	\$ 303,970,304	\$ 316,841,590	\$ (12,871,286)

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

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

	Current		
	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
County's Net Pension Liability (Asset)	\$ 14,767,125	\$ (12,871,286)	\$ (36,523,470)

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

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

For the year ended December 31, 2017, the County recognized pension expense of \$2,343,797 and reported deferred outflows of resources and deferred inflows of resources for pension related activities from the following sources:

	<u>Total Pension Liability</u>		<u>Plan Fiduciary Net Position</u>		<u>Total</u>
	<u>Outflow</u>	<u>(Inflow)</u>	<u>Outflow</u>	<u>(Inflow)</u>	
1. Deferred (Inflow)/Outflow of Resources as of December 31, 2016	\$ -	\$ (3,012,559)	\$ 11,383,426	\$ (1,440,238)	\$ 6,930,629
2. Prior Period One-Time Adjustment	-	-	-	-	-
3. Deferred (Inflow)/Outflow of Resources as of January 1, 2017: (1)-(2)	-	(3,012,559)	11,383,426	(1,440,238)	6,930,629
4. Differences between Expected and Actual Experience for 2017	4,252,090	-	-	(15,983,708)	(11,731,618)
5. Portion Recognized in 2017 Pension Expense	1,371,642	(806,808)	3,794,475	(3,556,801)	802,508
6. Deferred (Inflow)/Outflow of Resources as of December 31, 2017: (3)+(4)-(5)	<u>\$ 2,880,448</u>	<u>\$ (2,205,751)</u>	<u>\$ 7,588,951</u>	<u>\$ (13,867,145)</u>	<u>(5,603,497)</u>
7. Change in Deferred (Inflow)/Outflow of Resources as of December 31, 2017: (6)-(3)					<u>\$ (12,534,126)</u>
* Determined as follows					
1. Projected Earnings on Plan Investments				\$ 20,326,236	
2. Actual Earnings on Plan Investments for 2017				<u>36,309,944</u>	
3. Differences between Expected and Actual Experience for 2017: (1)-(2)				<u>\$ (15,983,708)</u>	

For the 2017 measurement period, the County recognized pension expense of \$2,343,797, and amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2018	\$ 802,508
2019	802,509
2020	(4,011,774)
2021	(3,196,740)
2022	-
Thereafter	-
Total	<u>\$ (5,603,497)</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

12. Payable to the Pension Plan

The County had no outstanding amount of contributions to the pension plan required for the year ended December 31, 2017.

13. Reserves

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

Member Annuity Reserve Account: This reserve represents the total contributions deducted from the salaries of the active and terminated vested members of the retirement system together with accumulated interest additions. At January 1, 2018, the balance in this account was \$61,291,445 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, 2018, the balance in this account was \$11,367,975.

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, 2018, the balance in this account amounted to a fully funded \$159,967,189.

14. Pension Plan Fiduciary Net Position

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

Component Unit - CCBC

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

Pension Benefits - Eligible participants are entitled to a normal retirement allowance totaling 2.5% of the participants' final average compensation, as defined, multiplied by the number of years of credited service. The defined benefit for a participant leaving employment before attaining retirement age but completing five years is vested and early retirement benefits may be elected. The plan provides for retirement, death and disability benefits, legislatively mandated ad hoc cost-of-living adjustments, and healthcare insurance premium assistance to qualifying annuitants.

Retirement Age - Participants may retire with normal benefits at age sixty-two, age sixty with thirty or more years of service, or with thirty-five years of service regardless of age.

Death Benefits - When a participant dies in active service after attaining age sixty-two or ten years of service, the beneficiary is entitled to a death benefit equal to the benefit which would have been effective if the member retired on the day before death.

Disability Benefits - A participant who becomes disabled after completing five years of credited service is eligible for an annuity totaling 2.5% of the final average salary, as defined, multiplied by the number of years of credited service, but not less than one-third of such salary, nor greater than the benefit the member would have had at normal retirement age.

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

Contributions required of employers are based upon an actuarial valuation. For the fiscal year ended June 30, 2017, the rate of employer contribution was 29.2% of covered payroll.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

Component Unit - CCBC - Continued

Pension expense for CCBC for the year ended June 30, 2017, totaled \$223,797 based on a total covered payroll of \$672,000. Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Member Class TC) or at 6.5% (Member Class TD) of the member's qualifying compensation. Members who joined the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Member Class TC) or at 7.5% (Member Class TD) of the member's qualifying compensation. Members who joined the System after June 30, 2001, contribute at 7.5% (automatic Member Class TD). For all new hires and for members who elected Class TD membership, the higher contribution rates began with service rendered on or after January 1, 2002. Members who joined the System after June 30, 2011, contribute at 7.5% (Member Class TE) or at 10.3% (Member Class TF). Contributions to the pension plan from the employer were \$171,677 for the year ended June 30, 2017.

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 the 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.html>.

NOTE H - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. The Beaver County, PA Deferred Compensation Plan No. 638001 (the Plan), a single employer defined contribution plan, is available to substantially all County employees, and it enables them to defer a portion of their compensation for purposes of retirement savings. The Plan's administrator is Rivers Edge and for the year ended December 31, 2017, total employee contributions amounted to \$308,482. 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, 2017 AND JUNE 30, 2017

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 \$138,798 for the year ended June 30, 2017.

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, 2017, CCBC contributed \$752,832 to this retirement plan.

NOTE I - SHORT-TERM DEBT

On January 3, 2017, the County entered into a tax revenue anticipation note agreement with a financial institution for the purpose of meeting current expenditures. The note provided for borrowings of \$13,000,000 bearing interest at 2.50%. The County paid all principal and accrued interest in 2017, prior to the note's maturity date.

Beginning Balance at January 1, 2017	Borrowings	Repayments	Ending Balance at December 31, 2017
\$ -	\$ 13,000,000	\$ (13,000,000)	\$ -

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

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, 2017.

Component Unit - CCBC

On August 21, 2009, CCBC entered into a working capital line of credit note for \$1,500,000. During the 2015-2016 fiscal year, CCBC signed documents with First National Bank to extend the total available line of credit by an additional \$4,500,000. The terms of the note call for a per annum rate of interest up to 3%. The general revenues of CCBC serve as collateral on this note. There is an outstanding balance of \$759,092 on this line of credit as of June 30, 2017.

NOTE J - LONG-TERM LIABILITIES

The following summarizes the long-term debt activity for the year ended December 31, 2017:

	Interest Rate	Issued	Maturity	Balance January 1, 2017	Additions	Reductions	Balance December 31, 2017	Due Within One Year
<u>Governmental Activities</u>								
General Obligation Bonds								
Series of 2009 Notes	2.50-5.55	02/12/2009	11/15/2031	2,995,000		(2,995,000)	-	-
Series A of 2016	2.12-5.00	05/15/2016	11/15/2025	11,005,000	-	(730,000)	10,275,000	1,130,000
Series B of 2016	1.59-4.23	05/15/2016	11/15/2032	103,635,000	-	(67,240,000)	36,395,000	1,495,000
Series of 2017	3.00-5.00	10/15/2017	04/15/2032	-	64,810,000	-	64,810,000	1,350,000
				<u>117,635,000</u>	<u>64,810,000</u>	<u>(70,965,000)</u>	<u>111,480,000</u>	<u>3,975,000</u>
Other General Long-Term Liabilities								
DCED Note	1.00	08/01/2011	07/01/2021	27,532	-	(5,888)	21,644	5,948
PFA Series of 2012	2.00-4.00	10/01/2012	10/01/2031	2,920,000	-	(465,000)	2,455,000	470,000
PFA Series of 2013	0.70-2.60	05/15/2013	11/15/2024	8,725,000	-	(885,000)	7,840,000	895,000
				<u>11,672,532</u>	<u>-</u>	<u>(1,355,888)</u>	<u>10,316,644</u>	<u>1,370,948</u>
(Discount)/Premium				906,930	4,934,920	(726,825)	5,115,025	549,033
Total Governmental Activities				<u>\$ 130,214,462</u>	<u>\$ 69,744,920</u>	<u>\$ (73,047,713)</u>	<u>\$ 126,911,669</u>	<u>\$ 5,894,981</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES - (Continued)

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

Governmental

Series of 2009 Notes

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

On February 12, 2009, the County issued \$72,685,000, of General Obligation Notes, Series of 2009 at a discount of \$1,117,031, for the purpose of refunding the 2007 Bonds, terminating the 2006 Swap Agreement, and to finance various capital projects. From the proceeds of the issuance, approximately \$58.7 million was for the refunding of the 2007 Bonds, \$6.9 million was for the termination of the Swap Agreement, and \$4.8 million was for capital projects of the County. This debt issue was shared with the County's former long-term health care facility. As of December 31, 2017, all of the defeased 2007 Bonds have been redeemed. The bonds outstanding as of December 31, 2017, had been paid in full.

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES - (Continued)

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

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

This advance refunding reduced the County’s total debt service payments over the next 15 years by almost \$9.6 million, and results in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of approximately \$9.0 million. A deferred amount on refunding of \$12,451,970 has been recognized, which, as of December 31, 2017, is recorded in the government-wide Statement of Net Position with a balance of \$2,959,895. Interest on this issue is payable semiannually at annual rates from 1.6% to 5.0%. Combined yearly principal maturities range from \$1,010,000 to \$3,805,000. Series A Bonds mature on November 15, 2025, while the Series B Bonds mature November 15, 2032.

General Obligation Bonds Series of 2017

In October of 2017, the County issued \$64,810,000 of General Obligation Bonds, Series of 2017 with the purpose of undertaking the current refunding of a portion of the \$103,635,000 aggregate principal amount outstanding of the Beaver County General Obligation Bonds, Federally Taxable Series B of 2016 and paying all costs and expenses related to the issuance of the Bonds. Interest on this issue is payable semiannually at annual rates from 3.0% to 5.0%. Debt service payments begin in April 2018 and end in April of 2032. Yearly principal maturities range from \$1,350,000 to \$7,030,000.

This advance refunding reduced the County’s total debt service payments over the next 14 years by approximately \$1.9 million, and results in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of approximately \$1.3 million. A deferred amount on refunding of \$8,427,213 has been recognized, which, as of December 31, 2017, is recorded in the government-wide Statement of Net Position with a balance of \$8,255,295.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES - (Continued)

DCED General Obligation Note

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

PFA Series of 2012

On May 1, 2012, the County executed two agreements with the PFA to refinance several debt obligations of the County, including the County's former long-term health care facility. This generated the issuance of the Pennsylvania Finance Authority, County of Beaver Guaranteed Revenue Bonds, Series of 2012 (the "PFA Series of 2012"), at a face value of \$15,670,000.

The debt refundings that took place are hereby depicted:

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

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, 2017, is recorded in the government-wide Statement of Net Position with a balance of \$32,631.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES - (Continued)

PFA Series of 2012 – Continued

Amortization of this amount is recorded yearly as interest expense. Interest on this issue is payable semiannually at annual rates from 2.0% to 4.0%. Debt service payments started in October 2012 and end in October of 2025. Payments to satisfy the lease portion under the PFA Series of 2012 continue until October 2031. Combined yearly principal maturities range from \$360,000 to \$2,225,000. Mandatory bond sinking fund payments start in the year 2023. The bonds maturing after April 1, 2022, can be redeemed early at the option of the PFA upon the written direction of the County.

PFA Series of 2013

In March of 2013, the County executed an agreement with the PFA to refinance the General Obligation Bonds, Series A of 2007, a debt obligation of the County, including the County's former long-term health care facility. This generated the issuance of the Pennsylvania Finance Authority, County of Beaver Guaranteed Revenue Bonds, Series of 2013 (the "PFA Series of 2013"), at a face value of \$10,350,000. The advance refunding was accomplished by placing \$9,661,258 in a third-party trust fund. This resulted in a net economic gain of \$76,003 and net cash flow savings of \$435,935 over the term of the PFA Series of 2013, both recognized in total for the County. A total deferred amount on refunding of \$898,782 has been recorded as well in 2013. At December 31, 2017, the outstanding balance of unamortized deferred amount on refunding for this issue is \$420,187 and it is presented in the government-wide Statement of Net Position. Amortization of this amount is recorded yearly as interest expense. Interest is paid semiannually at annual coupon rates ranging from 0.7% to 2.6%. The bonds mature in annual installments ranging from \$190,000 to \$1,490,000 ending in 2024. Early redemption of the bonds is permitted starting in November 2021 as an option of the County.

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES - (Continued)

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

	<u>Principal</u>	<u>Interest</u>
2018	\$ 5,345,948	\$ 4,309,745
2019	6,231,009	4,314,165
2020	6,846,069	4,110,771
2021	8,488,618	3,872,105
2022	7,000,000	3,587,816
2023-2027	39,435,000	13,489,807
2028-2032	48,450,000	5,006,023
	<u>121,796,644</u>	<u>38,690,432</u>
Unamortized Premium/(Discount)	<u>5,115,025</u>	<u>(5,115,025)</u>
	<u>\$ 126,911,669</u>	<u>\$ 33,575,407</u>

The following summarizes other long-term obligation activity for the primary government for the year ended December 31, 2017:

	Balance January 1, 2017	Additions	Reductions	Balance December 31, 2017	Due Within One Year
Capital Lease Obligations	\$ 5,960,758	\$ 30,678	\$ (311,403)	\$ 5,680,033	\$ 328,581
Compensated Absences	1,164,807	489,432	(157,854)	1,496,385	354,352
Early Termination Benefits	1,746,321	-	(567,794)	1,178,527	596,539
County-wide	<u>\$ 8,871,886</u>	<u>\$ 520,110</u>	<u>\$ (1,037,051)</u>	<u>\$ 8,354,945</u>	<u>\$ 1,279,472</u>

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations

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

Land	\$	392,984
Buildings		8,306,820
Equipment		30,678
Vehicles		167,740

Human Services Building Lease

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

The outstanding balance of this capital lease obligation at December 31, 2017, is approximately \$5,145,000. This amount is recorded as a liability of the primary government in the Statement of Net Position. The agreement also requires the County to pay for bond maintenance fees, real estate taxes, and other miscellaneous lease-related charges.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations – Continued

Land

A land lease for the aforementioned Human Services building and related parking facilities is in effect with the PFA. The lease calls for monthly payments through September 2026, amounting to a total principal of approximately \$200,000 remaining as of December 31, 2017. Payments are due monthly at \$2,400 each. The County acquires title to the land upon expiration of the lease at no additional cost.

Community Development Building Lease

A second lease agreement was entered into in 2002 between the County and the city of Beaver Falls. The lease is for a building to house the Community Development Program of Beaver County and a parking lot. The outstanding balance of this capital lease obligation at December 31, 2017, is approximately \$221,900. Payments under this lease are due every three months at \$8,000 each, for a term ranging through September 2026. The building's title transfers to the County upon expiration of the lease at no additional cost.

Equipment Leases

The Prothonotary's Office entered into a capital lease agreement in 2017 for a photo copier. This lease began in October 2017 and continues through December 2022. The outstanding balance of this lease at December 31, 2017, amounts to approximately \$12,000 with monthly installments of \$199.

Mental Health / Intellectual Disabilities and HealthChoices entered into a capital lease agreement in 2017 for copier machines. This lease began in October 2017 and continues through December 2022. The outstanding balance of this lease at December 31, 2017, is \$17,200 with annual installments of \$3,624.

Vehicle Leases

The County entered into a capital lease agreement in 2006 for a motorcycle for the Sheriff's department at a cost of \$100 per month. The outstanding principal at December 31, 2017, on this lease is around \$16,300.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES - (Continued)

The County entered into a capital lease arrangement in 2014 for a total of eight new vehicles dedicated to the District Attorney's office for a total amount financed of \$147,963. The outstanding principal balance on this lease at December 31, 2017, is \$67,250.

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

	Land	Buildings	Other	Total Minimum Lease Payments
2018	\$ 28,800	\$ 559,648	\$ 36,991	\$ 625,439
2019	28,800	561,518	36,615	626,933
2020	28,800	557,631	36,616	623,047
2021	28,800	558,238	8,104	595,142
2022	28,800	557,788	6,310	592,898
2023-2027	108,000	2,765,983	6,000	2,879,983
2028-2032	-	2,110,212	6,000	2,116,212
2033-2037	-	-	4,800	4,800
	<u>252,000</u>	<u>7,671,018</u>	<u>141,436</u>	<u>8,064,454</u>
Less: Interest	(52,012)	(2,304,095)	(28,314)	(2,384,421)
Present Value	<u>\$ 199,988</u>	<u>\$ 5,366,923</u>	<u>\$ 113,122</u>	<u>\$ 5,680,033</u>

The interest rates used to calculate the amount representing interest costs were obtained from the individual lease agreements. The blended interest rate is approximately 5.25%.

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

	Land	Buildings	Other	Total Minimum Lease Payments
2018 Payment	\$ 28,800	\$ 559,648	\$ 36,991	\$ 625,439
Less: Interest	(10,017)	(278,829)	(8,012)	(296,858)
Present Value	<u>\$ 18,783</u>	<u>\$ 280,819</u>	<u>\$ 28,979</u>	<u>\$ 328,581</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES - (Continued)

Long-Term Liabilities Summary

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

Due within one year:		
Obligations under bond issuances	\$	5,345,948
Plus: Bond Premium		549,033
Obligations under capital leases		328,581
Compensated absences		354,352
Early termination benefits		596,539
Total	\$	<u>7,174,453</u>

Due in more than one year:		
Obligations under bond issuances	\$	116,450,696
Plus: Bond Premium		4,565,992
Obligations under capital leases		5,351,452
Compensated absences		1,142,033
Early termination benefits		581,988
Total	\$	<u>128,092,161</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, 2017, the County's legal debt margin is approximately \$95 million for non-electoral debt and approximately \$270 million for non-electoral and lease rental debt combined.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES - (Continued)

Liquidation of Long-term Liabilities

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

- The Human Services Building and land leases have been liquidated by the following funds: Mental Health / Intellectual Disabilities, Children & Youth, and Office on Aging.
- The Community Development Building and related parking lot lease has been fully liquidated by the Community Development Fund.
- Equipment leases have been fully liquidated by Mental Health / Intellectual Disabilities, HealthChoices, and 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	62%
Mental Health / Intellectual Disabilities	15%
Emergency 911 Center	0%
HealthChoices	1%
Other Governmental Funds	22%

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit - CCBC

Outstanding Debt Issuances

In January of 2017, the Pennsylvania Finance Authority issued \$26,725,000 in College Revenue Bonds - Series of 2017. The bonds were issued to provide funds to the College to advance refund the College Revenue Bonds – Series of 2007, pay off a bank note, provide funds for various capital projects at the College, and to pay for the costs of issuing the bonds. In connection with the issuance of the bonds, the Authority entered into a loan agreement with CCBC, whereby the Authority will loan the proceeds of the bonds to CCBC. The loan agreement requires CCBC to make loan repayments to the Authority in an amount sufficient to pay the debt service requirements of the bonds. The obligation of CCBC under the loan agreement is evidenced by a signed general obligation promissory note dated as of January 2017. The Authority bonds were issued in denominations of \$5,000 with interest payable on June 1 and December 1 each year through maturity. The interest rates on the bonds is 2%-3.7% with the bonds scheduled to mature December 1, 2027. The bonds provide for early redemption options as detailed in the official statement of issue.

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit - CCBC - Continued

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

In connection with the issuance of the College Revenue Bonds - Series of 2007 and Series of 2015, CCBC received an original issue discount of 452,585 which is being amortized over the life of the bond issue. Bond discount amortization for the year ended June 30, 2017, was \$21,080 and is included as a component of interest expense. The unamortized portion of the bond discount of \$495,810 at June 30, 2017, is deducted from the long-term portion of notes payable.

In connection with the issuance of the College Revenue Bonds - Series of 2012, CCBC received an original issue premium of \$46,007 which is being amortized over the life of the bond issue. Bond premium amortization for the year ended June 30, 2017, was \$7,361 and is included as a component of interest expense. The unamortized balance of \$10,428 at June 30, 2017, is added to the long-term portion of notes payable.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit - CCBC - Continued

In connection with the advance refunding of the College Revenue Bonds - Series A of 1994 and Series of 2007, the PFA entered into irrevocable trust agreements with a bank to purchase U.S. Government Securities in an amount sufficient to fully service the defeased 1994 and 2007 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 for CCBC. 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 statement of net position and amortized over the shorter of the term of the refunding issue or refunded bonds. CCBC incurred a deferred refunding loss of \$1,057,759, which is being amortized over the life of the refunding issue using the straight-line method. During the year ended June 30, 2017, CCBC amortized \$32,287 of this loss, which is shown as part of interest expense. The unamortized balance of \$488,397 is recorded as a deferred outflow of resources.

A summary of CCBC's general obligation promissory notes outstanding, due to the PFA at June 30, 2017, is as follows:

June 30,	Principal	Interest	Total
2018	\$ 1,495,000	977,106	\$ 2,472,106
2019	1,535,000	936,674	2,471,674
2020	1,590,000	889,680	2,479,680
2021	2,055,000	840,268	2,895,268
2022	2,095,000	792,343	2,887,343
2023-2027	10,665,000	3,099,938	13,764,938
2026-2032	11,970,000	1,337,957	13,307,957
2033-2037	1,395,000	104,997	1,499,997
	<u>\$ 32,800,000</u>	<u>\$ 8,978,963</u>	<u>\$ 41,778,963</u>

Capital Lease Obligations

CCBC currently leases copier equipment from Xerox for use in its publications department. The terms of the lease agreement dated July 1, 2015, calls for monthly payments of approximately \$12,600. Lease expense for the year ended June 30, 2017, was \$151,200. This lease will terminate on June 30, 2020.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit - CCBC - Continued

Compensated Absences and Other Post-Employment Benefits

The terms of the collective bargaining agreements between the CCBC and the Community College of Beaver County Society of the Faculty and Educational Support Personnel Association provide for the accumulation of sick and vacation days for eligible personnel based on employment status and length of service. As of June 30, 2017, accumulated compensated absences totaled \$581,377.

As of June 30, 2017, all post-retirement healthcare benefits and early retirement incentive liability balances outstanding, under the terms of previous collective bargaining agreements entered into between the CCBC and its collective bargaining units, have been expended.

NOTE K - CONTINGENCIES

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

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

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

Countywide Tax Reassessment Complaint

In December 2015, a Complaint was filed against the County for a countywide reassessment. The hearing was heard and a judge ruled in favor of a countywide reassessment. The County is appealing this ruling.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE K - CONTINGENCIES - (Continued)

Component Unit - BCTA

BCTA's state and federally funded programs are subject to audit by various governmental agencies. BCTA is potentially liable for any expenses disallowed by the results of these audits. On July 7, 2015, the Federal Transit Administration (FTA) issued the final results of FY 2015 Triennial Review conducted during the 2014-2015 fiscal year. The Review focuses on seventeen areas of compliance related to the Authority's operations. Deficiencies were noted in six areas which either have been closed or are currently being addressed by management of the Authority for closure by the FTA. Management does not consider any of these deficiencies material to its financial position or results of operations. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenses. On October 5, 2017, PennDot performed a Rural Compliance Review. BCTA was found to be compliant in all areas of the review.

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. While it is not possible to predict the ultimate outcome of these actions, it is the opinion of the college's legal representation that the resolution of these matters could result in charges to the college between \$0 and \$150,000.

NOTE L - RISK MANAGEMENT

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE L - RISK MANAGEMENT - (Continued)

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 four years and settled claims have not exceeded the coverage provided in those years. PCoRP is a public entity risk pool exclusively for member counties of the County Commissioners Association of Pennsylvania. PCoRP was organized as a property/casualty self-insurer and it provides coverage through its self-insured retention fund of claims less than \$450,000 for liability, \$350,000 for crime, \$250,000 for cyber liability, \$250,000 for property, and \$50,000 for equipment breakdown. There is a deductible of \$50,000 for general liability, \$5,000 for crime, \$2,500 for cyber liability, \$10,000 for property, and \$1,500 for equipment breakdown, per occurrence. PCoRP purchases excess coverage for claims over that threshold up to a maximum limit of \$5,000,000 for liability, \$1,000,000 for crime, \$750,000,000 for property, and \$100,000,000 for equipment breakdown. Members pay premiums to cover the costs of administration, excess insurance, and loss control services. The premium is adjusted annually to reflect both the costs of excess insurance and the most recent five-year experience with members.

HealthChoices Exposures

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

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE L - RISK MANAGEMENT - (Continued)

HealthChoices Exposures - Continued

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, 2016	\$ 2,300,000
Incurred claims and estimates	31,920,745
Less: Claims paid during period	<u>31,220,745</u>
Liability balance - December 31, 2016	3,000,000
Incurred claims and estimates	33,765,314
Less: Claims paid during period	<u>33,665,314</u>
Liability balance - December 31, 2017	<u>\$ 3,100,000</u>

The County maintains a cash reserve that can be drawn upon in the event program expenditures exceed revenue. The balance of these reserve accounts is approximately \$8.6 million. This entire balance is available to cover losses in future periods.

Employee Health Care and Workers' Compensation

The County has elected to self-fund the health and prescription drug employee benefits. Under the self-funded arrangement, the County's third party administrators pay all claims for medical and prescription costs. The County reimburses the administrators for these charges and pays an administrative fee based on membership and/or utilization. The County is responsible for the first \$150,000 of medical claims for any member each year. A stop loss insurance policy has been purchased to provide for payment above the yearly individual limit. The policy includes \$1,000,000 of coverage if aggregate claims exceed the attachment point of \$13,142,952. During 2017, the County's attachment point for individual claims was \$150,000 and the attachment point for aggregate claims was \$13,182,283. The prescription drug coverage provided to employees is not covered by stop loss insurance.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE L - RISK MANAGEMENT - (Continued)

Employee Health Care and Workers' Compensation - Continued

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

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

Liability balance - January 1, 2016	\$ 818,404
Incurred claims and estimates	10,188,498
Less: Claims paid during period	<u>10,329,682</u>
Liability balance - December 31, 2016	677,220
Incurred claims and estimates	10,635,558
Less: Claims paid during period	<u>10,783,159</u>
Liability balance - December 31, 2017	<u><u>\$ 529,619</u></u>

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

Risk Accounting

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE L - RISK MANAGEMENT - (Continued)

Component Unit - BCTA

BCTA is a member of the SAFTI Property and Liability Insurance Pool, which is an insurance pool that provides BCTA and other Pennsylvania Transit Properties insurance coverage for the following types of liabilities: automobile, employee benefit, public official, general, crime, property, boiler and machinery, and workers compensation. BCTA pays an annual premium each year that includes fixed costs and a loss funding. During the 2016-2017 fiscal year, BCTA paid premiums, excluding workers compensation, of \$105,260 for fixed costs and \$197,865 for loss funding. Premiums paid for workers compensation were \$59,522 for fixed costs and \$282,332 for loss funding, less a dividend of \$52,037. This fund is self-insured but holds policies which provide excess coverage once a claim reaches a certain dollar level, which varies depending on the coverage. Insurance rates are based on individual performance, but all members of the pool share in or participate in the losses.

Component Unit - CCBC

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

NOTE M - COMMITMENTS

The following are amounts encumbered in the governmental funds:

A summary of CCBC's general obligation promissory notes outstanding, due to the PFA at June 30, 2017, is as follows:

	General Fund	Mental Health/ Intellectual Disabilities	HealthChoices	Other Governmental Funds
Restricted	\$ -	18,239	432	\$ 193,784
Assigned	75,194	-	-	-
Total	<u>\$ 75,194</u>	<u>\$ 18,239</u>	<u>\$ 432</u>	<u>\$ 193,784</u>

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE M - COMMITMENTS - (Continued)

At December 31, 2017, the County had one open letter of credit with a value totaling \$180,000, to cover excess costs of workers' compensation claims if needed. At December 31, 2017, the letter had not been drawn.

The County, as the local sponsor of the Community College of Beaver County, is obligated to provide funding for one half of the College's annual capital expenditures, including debt service payments for capital bonds. In 2007 and 2012, the College issued \$27,780,000 and \$2,890,000, respectively, in capital bonds that the County is including as part of its annual contribution to CCBC to subsidize the related debt service obligation. The 2007 series has been defeased by CCBC with the issuance of 2017 college revenue bonds.

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

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

Component Unit - BCTA

During the 2015-2016 fiscal year, BCTA entered into a contract for vehicles in the amount of \$1,430,808. During the 2016-2017 fiscal year, the Authority entered into contracts for vehicles and a new fare collection system totaling \$3,985,382. The remaining outstanding contract dollar commitments on these contracts total \$4,817,014, at June 30, 2017.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND JUNE 30, 2017

NOTE N - TAX ABATEMENTS

As of December 31, 2017, the County provides tax abatements under the Local Economic Revitalization Tax Assistance (LERTA) program.

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

Information relevant to the disclosure of those programs for the year ended December 31, 2017, is as follows:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
LERTA	\$ 27,341

NOTE O - SUBSEQUENT EVENTS

On January 12, 2018, the County and Huntington National Bank entered into the 2018 TRAN in the amount of \$11 million, which was wired into a County bank account.

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REQUIRED SUPPLEMENTAL INFORMATION

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COUNTY OF BEAVER, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31,

	2017	2016	2015	2014
Total Pension Liability				
Service Cost	\$ 5,447,929	\$ 5,164,460	\$ 5,251,894	\$ 6,563,530
Interest	23,717,162	20,919,790	20,688,336	20,493,247
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	4,071,277	(2,233,093)	(3,094,083)	1,812,102
Changes in assumption	-	-	-	-
Benefit payments, including refunds of member contribution	(18,811,015)	(20,842,290)	(16,685,010)	(24,703,033)
Net change in total pension liability	14,425,353	3,008,867	6,161,137	4,165,846
Total pension liability - beginning of year	289,544,951	286,536,084	280,374,947	276,209,101
Total pension liability - end of year (a)	<u>\$ 303,970,304</u>	<u>\$ 289,544,951</u>	<u>\$ 286,536,084</u>	<u>\$ 280,374,947</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,999,290	\$ 1,265,160	\$ 1,162,800	\$ 2,286,670
Contributions - member	3,608,538	3,278,822	3,345,109	3,867,005
Net investment income	40,038,464	22,894,917	1,393,557	18,663,378
Benefit payments, including refunds of member contribution	(18,811,015)	(20,842,290)	(16,685,010)	(24,703,033)
Administrative expense	(220,305)	(227,808)	(218,777)	(189,839)
Other expense	-	(2,500)	7,268	-
Net change in plan fiduciary net position	26,614,972	6,366,301	(10,995,053)	(75,819)
Total plan fiduciary net position - beginning of year	290,226,618	283,860,317	294,855,370	294,931,189
Total plan fiduciary net position - end of year (b)	<u>\$ 316,841,590</u>	<u>\$ 290,226,618</u>	<u>\$ 283,860,317</u>	<u>\$ 294,855,370</u>
County's net pension liability (asset) - ending (a) - (b)	<u>\$ (12,871,286)</u>	<u>\$ (681,667)</u>	<u>\$ 2,675,767</u>	<u>\$ (14,480,423)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>104.23%</u>	<u>100.24%</u>	<u>99.07%</u>	<u>105.16%</u>
Covered-employee payroll	<u>\$ 36,846,699</u>	<u>\$ 38,321,452</u>	<u>\$ 38,562,973</u>	<u>\$ 56,895,011</u>
County's net pension liability (asset) as a percentage of covered-employee payroll	<u>34.93%</u>	<u>(1.78%)</u>	<u>6.94%</u>	<u>(25.45%)</u>

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

See notes to Required Supplemental Schedules

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF COUNTY CONTRIBUTIONS AND PENSION PLAN INVESTMENT RETURNS

YEARS ENDED DECEMBER 31,

Schedule of County's Contributions	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,999,290	\$ 1,265,160	\$ 1,162,800	\$ 2,286,670
Contributions in relation to the actuarially determined contribution	<u>1,999,290</u>	<u>1,265,160</u>	<u>1,162,800</u>	<u>2,286,670</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ 36,846,699</u>	<u>\$ 38,321,452</u>	<u>\$ 38,562,973</u>	<u>\$ 56,895,011</u>
Contributions as a percentage of covered- employee payroll	<u>5.43%</u>	<u>3.30%</u>	<u>3.02%</u>	<u>4.02%</u>
Investment Returns				
Annual money-weighted rate of return, net of investment expense	<u>14.79%</u>	<u>8.97%</u>	<u>0.63%</u>	<u>7.07%</u>

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

See notes to Required Supplemental Schedule

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2017

PENSION INFORMATION

Actuarial Methods and Assumptions Used in Calculation of Actuarially Determined Contribution

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

Actuarial Valuation Dates:	January 1 of the valuation year
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Method prescribed by Pennsylvania State Law, Act 44
Amortization Method:	Level Dollar
Remaining Amortization Period:	15 years
Actuarial Assumptions:	
Inflation Adjustment:	3.0%
Investment Rate of Return:	7.5%, net of pension plan investment expense, including inflation
Projected Salary Increase:	3.5% average, including inflation
Retirement Age:	Age 60 or 55 with 20 years' service
Mortality:	2013 RP Annuitant and Non-Annuitant Tables for Males and Females with no improvement

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Revenues</u>				
Real Estate Taxes	\$ 56,723,620	\$ 56,723,620	\$ 55,897,454	\$ (826,166)
Licenses and Permits	133,500	133,500	156,872	23,372
Interest and Rents	40,100	40,100	210,561	170,461
Intergovernmental Revenues	4,081,930	5,079,059	4,724,785	(354,274)
Departmental Earnings	7,920,273	7,960,424	9,908,671	1,948,247
Miscellaneous	4,624,072	113,822	124,286	10,464
Total Revenues	73,523,495	70,050,525	71,022,629	972,104
<u>Expenditures</u>				
Current				
General Government	12,003,130	11,316,886	10,381,934	(934,952)
Judicial	14,529,057	14,412,594	13,863,100	(549,494)
Public Safety	20,291,291	17,354,457	16,576,071	(778,386)
Public Works and Enterprises	3,286,292	3,212,897	3,128,667	(84,230)
Culture, Recreation and Conservation	2,777,574	2,777,240	2,599,800	(177,440)
Intergovernmental				
Human Services	8,153,381	9,081,779	9,064,291	(17,488)
Debt Service				
Principal	5,008,458	6,114,056	6,113,680	(376)
Interest	4,442,451	3,292,684	3,291,855	(829)
Bond Issuance Costs	-	714,866	714,866	-
Other Expenses	11,000	15,900	15,900	-
Capital Outlay				
Capital Asset Acquisition & Improvements	319,982	526,153	395,376	(130,777)
Infrastructure Acquisition & Improvements	30,000	3,900	498	(3,402)
Total Expenditures	70,852,616	68,823,412	66,146,038	(2,677,374)
Excess (Deficiency) of Revenues Over Expenditures	2,670,879	1,227,113	4,876,591	3,649,478
<u>Other Financing Sources (Uses)</u>				
Proceeds of Refunding Bonds	-	64,810,000	64,810,000	-
Payments to Refunded Bond Escrow Agents	-	(69,957,368)	(69,957,368)	-
Capital Lease Agreements	-	30,678	30,678	-
Original Issue Premium	-	4,934,920	4,934,920	-
Transfers From Other Funds	1,210,000	948,500	648,500	(300,000)
Transfers To Other Funds	(4,498,962)	(4,581,872)	(4,521,073)	60,799
Total Other Financing Sources (Uses)	(3,288,962)	(3,815,142)	(4,054,343)	(239,201)
Net Change in Fund Balance	(618,083)	(2,588,029)	822,248	3,410,277
Fund Balance (Deficits) - Beginning	618,083	3,748,083	7,145,308	3,397,225
Fund Balance (Deficits) - Ending	\$ -	\$ 1,160,054	\$ 7,967,556	\$ 6,807,502

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, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 17,836,142	\$ 19,187,485	\$ 16,689,387	\$ (2,498,098)
Departmental Earnings	1,324,000	1,324,000	1,399,896	75,896
Interest	4,400	4,400	5,786	1,386
Total Revenues	19,164,542	20,515,885	18,095,069	(2,420,816)
<u>Expenditures</u>				
Salaries & Benefits	5,921,960	6,181,461	5,966,642	(214,819)
Personnel Expense	35,900	39,000	27,498	(11,502)
Consultant/Contracted Services	1,594,300	1,782,043	1,639,643	(142,400)
Sub Contracted Services	11,485,000	12,433,650	11,034,881	(1,398,769)
Occupancy	287,800	287,800	208,505	(79,295)
Communication	100,000	125,500	68,224	(57,276)
Supplies & Minor Equipment	216,800	220,181	100,986	(119,195)
Transportation	120,900	120,900	89,155	(31,745)
Principal	-	798	797	(1)
Other Expenditures	310,600	349,091	330,600	(18,491)
Capital Outlay	76,000	110,919	50,587	(60,332)
Total Expenditures	20,149,260	21,651,343	19,517,518	(2,133,825)
Excess (Deficiency) of Revenues Over Expenditures	(984,718)	(1,135,458)	(1,422,449)	(286,991)
Other Financing Sources (Uses)				
Transfers from Other Funds	762,000	730,551	730,550	(1)
Total Other Financing Sources (Uses)	762,000	730,551	730,550	(1)
Net Change in Fund Balance	(222,718)	(404,907)	(691,899)	(286,992)
Fund Balance - Beginning	573,019	517,479	1,212,496	695,017
Fund Balance - Ending	\$ 350,301	\$ 112,572	\$ 520,597	\$ 408,025

COUNTY OF BEAVER, PENNSYLVANIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
EMERGENCY 911 CENTER**

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Revenues</u>				
Intergovernmental	-	-	\$ 399,709	\$ 399,709
Departmental Earnings	3,300,000	3,300,000	2,819,937	(480,063)
Interest	100	100	125	25
Total Revenues	<u>3,300,100</u>	<u>3,300,100</u>	<u>3,219,771</u>	<u>(80,329)</u>
<u>Expenditures</u>				
Salaries & Benefits	2,343,000	2,435,323	2,435,322	(1)
Personnel Expense	5,000	11,000	8,999	(2,001)
Consultant/Contracted Services	100,000	123,130	76,181	(46,949)
Occupancy	-	5,760	5,760	-
Communication	420,000	420,000	300,180	(119,820)
Supplies & Minor Equipment	290,000	478,396	347,337	(131,059)
Capital Outlay	-	14,961	-	(14,961)
Total Expenditures	<u>3,158,000</u>	<u>3,488,570</u>	<u>3,173,779</u>	<u>(314,791)</u>
Excess (Deficiency) of Revenues Over Expenditures	142,100	(188,470)	45,992	234,462
Net Change in Fund Balance	142,100	(188,470)	45,992	234,462
Fund Balance - Beginning	<u>1,030,000</u>	<u>1,030,000</u>	<u>(39,448)</u>	<u>(1,069,448)</u>
Fund Balance - Ending	<u>\$ 1,172,100</u>	<u>\$ 841,530</u>	<u>\$ 6,544</u>	<u>\$ (834,986)</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 42,311,000	\$ 42,311,000	\$ 43,248,863	\$ 937,863
Interest	30,200	47,200	12,703	(34,497)
Total Revenues	<u>42,341,200</u>	<u>42,358,200</u>	<u>43,261,566</u>	<u>903,366</u>
<u>Expenditures</u>				
Salaries & Benefits	755,560	780,532	730,754	(49,778)
Personnel Expense	1,700	1,700	124	(1,576)
Consultant/Contracted Services	41,325,800	46,326,800	43,665,648	(2,661,152)
Occupancy	47,100	50,600	57,402	6,802
Communication	8,650	8,650	8,912	262
Supplies & Minor Equipment	15,000	23,750	11,928	(11,822)
Transportation	4,600	4,600	3,428	(1,172)
Principal	-	109	109	-
Other Expenditures	30,100	34,131	33,065	(1,066)
Capital Outlay	-	8,250	8,088	(162)
Total Expenditures	<u>42,188,510</u>	<u>47,239,122</u>	<u>44,519,458</u>	<u>(2,719,664)</u>
Excess (Deficiency) of Revenues Over Expenditures	152,690	(4,880,922)	(1,257,892)	3,623,030
Fund Balance - Beginning	<u>14,495,220</u>	<u>17,568,220</u>	<u>13,483,538</u>	<u>(4,084,682)</u>
Fund Balance - Ending	<u>\$ 14,647,910</u>	<u>\$ 12,687,298</u>	<u>\$ 12,225,646</u>	<u>\$ (461,652)</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2017

NOTE A - BASIS OF BUDGETING

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

NOTE B - BUDGET VARIANCE

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

OTHER SUPPLEMENTAL INFORMATION

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COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
General Government				
Commissioners:				
Salaries & Benefits	\$ 702,962	\$ 574,224	\$ 569,903	\$ (4,321)
Personnel Expense	7,200	7,360	2,205	(5,155)
Occupancy	36	599	255	(344)
Communication	13,550	12,810	7,587	(5,223)
Supplies & Minor Equipment	12,500	9,470	3,790	(5,680)
Transportation	13,000	16,100	16,063	(37)
Other Expenses	1,200	1,200	1,047	(153)
Total Expenditures	750,448	621,763	600,850	(20,913)
Controller:				
Salaries & Benefits	683,639	572,063	497,785	(74,278)
Personnel Expense	13,000	13,000	2,020	(10,980)
Occupancy	1,686	2,986	2,705	(281)
Communication	2,000	2,000	286	(1,714)
Supplies & Minor Equipment	13,000	12,170	6,754	(5,416)
Transportation	3,000	2,250	-	(2,250)
Other Expenses	-	280	276	(4)
Total Expenditures	716,325	604,749	509,826	(94,923)
Treasurer:				
Salaries & Benefits	654,325	600,726	583,583	(17,143)
Personnel Expense	800	808	808	-
Occupancy	4,758	5,823	5,333	(490)
Communication	26,500	51,681	51,680	(1)
Supplies & Minor Equipment	24,300	39,593	36,541	(3,052)
Transportation	1,000	-	-	-
Other Expenses	5,000	5,000	2,162	(2,838)
Tax Refunds	145,000	149,800	144,663	(5,137)
Total Expenditures	861,683	853,431	824,770	(28,661)
Recorder Of Deeds:				
Salaries & Benefits	452,061	452,721	452,715	(6)
Personnel Expense	800	800	775	(25)
Occupancy	7,107	8,237	7,651	(586)
Communication	1,200	1,200	970	(230)
Supplies & Minor Equipment	12,100	12,100	9,595	(2,505)
Transportation	3,500	3,500	203	(3,297)
Consultant/Contracted Services	12,644	52,644	52,644	-
Total Expenditures	489,412	531,202	524,553	(6,649)

Exhibit A (Page 1 of 18)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
Legal Department:				
Salaries & Benefits	\$ 366,734	\$ 226,295	\$ 211,543	\$ (14,752)
Personnel Expense	14,000	13,900	12,861	(1,039)
Occupancy	211	411	280	(131)
Communication	500	500	493	(7)
Supplies & Minor Equipment	2,500	4,028	3,981	(47)
Transportation	2,000	-	-	-
Consultant/Contracted Services	20,000	71,149	71,149	-
Total Expenditures	<u>405,945</u>	<u>316,283</u>	<u>300,307</u>	<u>(15,976)</u>
Employee Relations:				
Salaries & Benefits	549,166	303,674	175,908	(127,766)
Personnel Expense	54,820	50,065	46,063	(4,002)
Occupancy	509	759	619	(140)
Communication	3,300	3,448	1,903	(1,545)
Supplies & Minor Equipment	6,500	23,486	23,102	(384)
Transportation	200	200	-	(200)
Consultant/Contracted Services	10,000	12,500	8,266	(4,234)
Other Expenses	-	1,048	1,048	-
Total Expenditures	<u>624,495</u>	<u>395,180</u>	<u>256,909</u>	<u>(138,271)</u>
Records Management:				
Salaries & Benefits	77,536	72,472	71,585	(887)
Occupancy	2,000	3,397	3,396	(1)
Communication	31,850	2,230	738	(1,492)
Supplies & Minor Equipment	44,900	39,800	23,386	(16,414)
Transportation	50	50	-	(50)
Consultant/Contracted Services	5,000	9,103	9,079	(24)
Total Expenditures	<u>161,336</u>	<u>127,052</u>	<u>108,184</u>	<u>(18,868)</u>
Information Technology:				
Salaries & Benefits	542,142	565,150	564,919	(231)
Personnel Expense	5,500	2,178	2,095	(83)
Communication	45,449	45,749	39,824	(5,925)
Supplies & Minor Equipment	88,495	93,095	92,998	(97)
Transportation	7,000	7,000	3,635	(3,365)
Consultant/Contracted Services	82,000	48,000	19,653	(28,347)
Total Expenditures	<u>770,586</u>	<u>761,172</u>	<u>723,124</u>	<u>(38,048)</u>

Exhibit A (Page 2 of 18)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
Central Services Department:				
Salaries & Benefits	\$ 249,865	\$ 194,998	\$ 194,992	\$ (6)
Occupancy	27	599	35	(564)
Communication	2,000	6,031	4,788	(1,243)
Supplies & Minor Equipment	30,110	30,054	33,234	3,180
Total Expenditures	<u>282,002</u>	<u>231,682</u>	<u>233,049</u>	<u>1,367</u>
Planning Commission:				
Salaries & Benefits	454,613	456,696	444,872	(11,824)
Personnel Expense	2,725	2,825	2,547	(278)
Occupancy	934	1,434	1,330	(104)
Communication	1,740	1,671	839	(832)
Supplies & Minor Equipment	13,750	18,950	15,137	(3,813)
Transportation	7,500	8,152	4,155	(3,997)
Consultant/Contracted Services	567,691	566,228	308,223	(258,005)
Other Expenses	66,000	61,071	49,727	(11,344)
Total Expenditures	<u>1,114,953</u>	<u>1,117,027</u>	<u>826,830</u>	<u>(290,197)</u>
Weights And Measures:				
Salaries & Benefits	62,478	62,810	61,415	(1,395)
Communication	600	600	480	(120)
Supplies & Minor Equipment	400	400	350	(50)
Transportation	5,400	5,400	4,849	(551)
Total Expenditures	<u>68,878</u>	<u>69,210</u>	<u>67,094</u>	<u>(2,116)</u>
Veterans Affairs:				
Salaries & Benefits	190,033	191,022	189,062	(1,960)
Personnel Expense	980	1,103	868	(235)
Communication	1,500	1,500	865	(635)
Supplies & Minor Equipment	3,550	3,830	3,430	(400)
Transportation	1,340	1,060	836	(224)
Other Expenses	129,762	129,755	124,643	(5,112)
Total Expenditures	<u>327,165</u>	<u>328,270</u>	<u>319,704</u>	<u>(8,566)</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
Election Bureau:				
Salaries & Benefits	\$ 455,896	\$ 416,718	\$ 405,976	\$ (10,742)
Personnel Expense	900	900	754	(146)
Occupancy	24,227	24,227	23,235	(992)
Communication	74,000	71,138	43,187	(27,951)
Supplies & Minor Equipment	60,000	60,000	58,855	(1,145)
Transportation	2,200	2,200	716	(1,484)
Consultant/Contracted Services	12,000	12,000	10,500	(1,500)
Other Expenses	215,000	215,000	197,153	(17,847)
Total Expenditures	<u>844,223</u>	<u>802,183</u>	<u>740,376</u>	<u>(61,807)</u>
Assessment/Tax Claim:				
Salaries & Benefits	1,145,718	1,150,583	1,111,755	(38,828)
Personnel Expense	18,500	4,230	3,677	(553)
Occupancy	3,990	6,790	6,104	(686)
Communication	280,500	301,841	275,378	(26,463)
Supplies & Minor Equipment	29,000	23,000	17,851	(5,149)
Transportation	14,500	13,260	12,005	(1,255)
Consultant/Contracted Services	50,000	154,360	149,085	(5,275)
Other Expenses	105,500	109,991	100,281	(9,710)
Total Expenditures	<u>1,647,708</u>	<u>1,764,055</u>	<u>1,676,136</u>	<u>(87,919)</u>
Public Defender:				
Salaries & Benefits	1,404,575	1,415,223	1,367,677	(47,546)
Personnel Expense	14,600	23,269	23,269	-
Occupancy	1,052	1,940	1,939	(1)
Communication	700	900	838	(62)
Supplies & Minor Equipment	11,800	11,360	10,578	(782)
Transportation	14,000	14,000	10,997	(3,003)
Other Expenses	40,000	28,334	27,847	(487)
Total Expenditures	<u>1,486,727</u>	<u>1,495,026</u>	<u>1,443,145</u>	<u>(51,881)</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
General Government:				
Personnel Expense	\$ 80,000	\$ 82,492	\$ 82,492	\$ -
Occupancy	28,744	28,944	26,753	(2,191)
Communication	100	100	30	(70)
Supplies & Minor Equipment	1,700	3,000	1,893	(1,107)
Consultant/Contracted Services	315,000	416,922	385,641	(31,281)
Other Expenses	165,100	109,913	101,774	(8,139)
Total Expenditures	<u>590,644</u>	<u>641,371</u>	<u>598,583</u>	<u>(42,788)</u>
Miscellaneous:				
Insurance	505,000	394,341	381,475	(12,866)
Bank Charges	344,600	247,889	232,019	(15,870)
Indirect Cost Study	11,000	15,000	15,000	-
Total Expenditures	<u>860,600</u>	<u>657,230</u>	<u>628,494</u>	<u>(28,736)</u>
Total General Government	<u>\$ 12,003,130</u>	<u>\$ 11,316,886</u>	<u>\$ 10,381,934</u>	<u>\$ (934,952)</u>

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Clerk Of Courts:				
Salaries & Benefits	\$ 753,884	\$ 756,077	\$ 721,043	\$ (35,034)
Personnel Expense	13,500	1,500	1,267	(233)
Occupancy	5,146	7,146	6,944	(202)
Communication	18,001	17,990	14,573	(3,417)
Supplies & Minor Equipment	14,700	14,711	11,896	(2,815)
Transportation	3,300	1,300	1,259	(41)
Consultant/Contracted Services	5,100	5,100	5,040	(60)
Other Expenses	1,700	13,700	9,537	(4,163)
Total Expenditures	815,331	817,524	771,559	(45,965)
Coroner:				
Salaries & Benefits	184,779	184,188	184,183	(5)
Personnel Expense	6,800	6,922	5,855	(1,067)
Occupancy	200	281	270	(11)
Communication	3,500	3,680	3,577	(103)
Supplies & Minor Equipment	500	6,400	6,315	(85)
Transportation	9,000	9,000	5,611	(3,389)
Other Expenses	217,000	298,072	264,887	(33,185)
Total Expenditures	421,779	508,543	470,698	(37,845)
Jury Commission:				
Salaries & Benefits	138,414	139,296	139,233	(63)
Communication	10,000	12,000	11,515	(485)
Supplies & Minor Equipment	4,726	9,776	9,619	(157)
Consultant/Contracted Services	6,474	6,514	4,806	(1,708)
Total Expenditures	159,614	167,586	165,173	(2,413)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
District Attorney:				
Salaries & Benefits	\$ 2,557,137	\$ 2,470,488	\$ 2,450,543	\$ (19,945)
Personnel Expense	22,750	21,707	21,704	(3)
Occupancy	3,540	3,691	3,690	(1)
Communication	8,700	9,424	9,423	(1)
Supplies & Minor Equipment	33,800	33,494	33,490	(4)
Transportation	9,300	9,067	9,066	(1)
Consultant/Contracted Services	20,000	15,729	15,729	-
Other Expenses	8,500	8,778	8,776	(2)
Total Expenditures	2,663,727	2,572,378	2,552,421	(19,957)
Emergency Services Unit:				
Salaries & Benefits	3,230	11,138	11,134	(4)
Personnel Expense	2,700	1,392	1,390	(2)
Supplies & Minor Equipment	8,000	3,022	3,022	-
Consultant/Contracted Services	-	5,044	5,044	-
Transportation	1,800	-	-	-
Total Expenditures	15,730	20,596	20,590	(6)
Prothonotary:				
Salaries & Benefits	679,470	677,053	677,045	(8)
Personnel Expense	500	723	723	-
Occupancy	10,227	15,057	15,056	(1)
Communication	10,700	9,985	9,985	-
Supplies & Minor Equipment	18,800	20,036	19,734	(302)
Transportation	800	-	-	-
Total Expenditures	720,497	722,854	722,543	(311)
Register Of Wills:				
Salaries & Benefits	414,581	419,663	419,657	(6)
Personnel Expense	650	1,050	1,050	-
Occupancy	4,348	6,163	6,163	-
Communication	18,550	18,450	16,999	(1,451)
Supplies & Minor Equipment	15,800	14,082	13,342	(740)
Transportation	2,000	2,200	2,159	(41)
Total Expenditures	455,929	461,608	459,370	(2,238)

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
Sheriff:				
Salaries & Benefits	\$ 3,396,869	\$ 3,166,271	\$ 3,098,937	\$ (67,334)
Personnel Expense	43,200	48,955	45,727	(3,228)
Occupancy	1,299	2,299	1,988	(311)
Communication	7,000	8,500	6,771	(1,729)
Supplies & Minor Equipment	56,500	59,265	56,051	(3,214)
Transportation	42,000	42,000	37,551	(4,449)
Consultant/Contracted Services	5,990	3,690	3,593	(97)
Other Expenses	4,000	9,534	3,347	(6,187)
Pass-Through Grant Funding	-	-	(9,342)	(9,342)
Total Expenditures	<u>3,556,858</u>	<u>3,340,514</u>	<u>3,244,623</u>	<u>(95,891)</u>
Court Administration:				
Salaries & Benefits	2,794,147	2,705,910	2,578,410	(127,500)
Personnel Expense	73,500	63,795	51,998	(11,797)
Occupancy	156	186	170	(16)
Communication	17,000	16,880	6,819	(10,061)
Supplies & Minor Equipment	77,500	80,149	64,545	(15,604)
Transportation	11,500	11,500	6,892	(4,608)
Consultant/Contracted Services	336,000	519,000	409,635	(109,365)
Other Expenses	85,000	85,000	70,779	(14,221)
Total Expenditures	<u>3,394,803</u>	<u>3,482,420</u>	<u>3,189,248</u>	<u>(293,172)</u>
Law Library:				
Salaries & Benefits	65,262	65,858	64,396	(1,462)
Personnel Expense	25	25	25	-
Communication	30	30	-	(30)
Supplies & Minor Equipment	105,545	99,320	104,101	4,781
Transportation	100	100	-	(100)
Consultant/Contracted Services	4,320	4,320	428	(3,892)
Total Expenditures	<u>175,282</u>	<u>169,653</u>	<u>168,950</u>	<u>(703)</u>
District Court 36-1-01:				
Salaries & Benefits	170,349	157,078	154,621	(2,457)
Personnel Expense	300	300	170	(130)
Occupancy	9,900	9,330	8,563	(767)
Communication	14,680	16,680	16,274	(406)
Supplies & Minor Equipment	8,100	6,670	6,209	(461)
Transportation	500	500	419	(81)
Total Expenditures	<u>203,829</u>	<u>190,558</u>	<u>186,256</u>	<u>(4,302)</u>

Exhibit A (Page 8 of 18)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
District Court 36-3-02:				
Salaries & Benefits	\$ 203,096	\$ 215,996	\$ 215,006	\$ (990)
Personnel Expense	500	500	436	(64)
Occupancy	9,250	9,150	8,133	(1,017)
Communication	14,880	14,900	12,565	(2,335)
Supplies & Minor Equipment	7,800	7,002	5,293	(1,709)
Transportation	800	798	418	(380)
Total Expenditures	236,326	248,346	241,851	(6,495)
District Court 36-2-01:				
Salaries & Benefits	242,118	244,356	244,349	(7)
Personnel Expense	500	491	386	(105)
Occupancy	10,525	10,741	10,041	(700)
Communication	21,430	21,714	21,057	(657)
Supplies & Minor Equipment	10,000	8,705	7,284	(1,421)
Transportation	2,000	2,000	590	(1,410)
Total Expenditures	286,573	288,007	283,707	(4,300)
District Court 36-3-03:				
Salaries & Benefits	258,392	272,021	271,477	(544)
Personnel Expense	400	430	430	-
Occupancy	13,100	13,000	11,993	(1,007)
Communication	19,880	20,292	18,456	(1,836)
Supplies & Minor Equipment	10,300	8,635	8,206	(429)
Transportation	1,000	600	543	(57)
Total Expenditures	303,072	314,978	311,105	(3,873)
District Court 36-3-04:				
Salaries & Benefits	222,766	215,148	207,862	(7,286)
Personnel Expense	400	523	478	(45)
Occupancy	9,850	9,850	8,450	(1,400)
Communication	16,220	16,720	15,789	(931)
Supplies & Minor Equipment	10,000	8,705	6,906	(1,799)
Transportation	1,700	1,700	1,247	(453)
Total Expenditures	260,936	252,646	240,732	(11,914)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
District Court 36-1-02:				
Salaries & Benefits	\$ 235,908	\$ 243,921	\$ 243,619	\$ (302)
Personnel Expense	300	300	256	(44)
Occupancy	56,177	56,177	52,898	(3,279)
Communication	16,680	13,780	12,648	(1,132)
Supplies & Minor Equipment	19,000	12,153	10,757	(1,396)
Transportation	500	497	-	(497)
Consultant/Contracted Services	-	2,150	2,149	(1)
Total Expenditures	<u>328,565</u>	<u>328,978</u>	<u>322,327</u>	<u>(6,651)</u>
District Court 36-3-01:				
Salaries & Benefits	211,033	190,182	186,609	(3,573)
Personnel Expense	400	485	387	(98)
Occupancy	9,800	9,800	8,486	(1,314)
Communication	19,710	19,858	18,819	(1,039)
Supplies & Minor Equipment	11,300	10,247	7,606	(2,641)
Transportation	500	500	94	(406)
Total Expenditures	<u>252,743</u>	<u>231,072</u>	<u>222,001</u>	<u>(9,071)</u>
District Court 36-2-02:				
Salaries & Benefits	242,063	261,265	261,010	(255)
Personnel Expense	300	413	322	(91)
Occupancy	9,650	9,550	8,812	(738)
Communication	13,550	13,550	12,192	(1,358)
Supplies & Minor Equipment	10,300	8,455	6,832	(1,623)
Transportation	1,600	1,100	778	(322)
Total Expenditures	<u>277,463</u>	<u>294,333</u>	<u>289,946</u>	<u>(4,387)</u>
Total Judicial	<u>\$ 14,529,057</u>	<u>\$ 14,412,594</u>	<u>\$ 13,863,100</u>	<u>\$ (549,494)</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Public Works and Enterprises</u>				
Department of Public Works:				
Salaries & Benefits	\$ 2,377,932	\$ 2,260,074	\$ 2,208,897	\$ (51,177)
Personnel Expense	3,300	3,571	3,523	(48)
Occupancy	40,500	39,303	39,245	(58)
Communication	11,060	11,826	10,342	(1,484)
Supplies & Minor Equipment	37,000	32,652	27,634	(5,018)
Transportation	22,000	22,384	21,553	(831)
Other Expenses	1,000	1,000	997	(3)
Total Expenditures	<u>2,492,792</u>	<u>2,370,810</u>	<u>2,312,191</u>	<u>(58,619)</u>
Buildings and Grounds:				
Occupancy	487,000	568,453	558,151	(10,302)
Communication	1,000	-	-	-
Supplies & Minor Equipment	83,600	64,083	52,070	(12,013)
Consultant/Contracted Services	193,500	186,476	184,602	(1,874)
Other Expenses	28,400	23,075	21,653	(1,422)
Total Expenditures	<u>793,500</u>	<u>842,087</u>	<u>816,476</u>	<u>(25,611)</u>
Total Public Works and Enterprises	<u>\$ 3,286,292</u>	<u>\$ 3,212,897</u>	<u>\$ 3,128,667</u>	<u>\$ (84,230)</u>

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Public Safety</u>				
Emergency Services:				
Salaries & Benefits	\$ 3,865,726	\$ 930,085	\$ 664,048	\$ (266,037)
Personnel Expense	14,150	17,208	12,620	(4,588)
Occupancy	83,100	84,694	74,256	(10,438)
Communication	6,000	11,975	11,410	(565)
Supplies & Minor Equipment	153,500	140,531	87,197	(53,334)
Transportation	14,000	14,000	7,129	(6,871)
Consultant/Contracted Services	8,000	8,000	609	(7,391)
Other Expenses	500	19,000	8,700	(10,300)
Total Expenditures	4,144,976	1,225,493	865,969	(359,524)
Jail of Beaver County:				
Salaries & Benefits	6,678,636	7,006,690	7,006,681	(9)
Personnel Expense	46,750	55,224	54,990	(234)
Occupancy	375,390	371,454	349,238	(22,216)
Communication	15,800	15,800	14,557	(1,243)
Supplies & Minor Equipment	189,000	145,053	144,295	(758)
Transportation	5,500	4,574	2,004	(2,570)
Consultant/Contracted Services	55,000	55,000	55,000	-
Other Expenses	1,616,844	1,854,629	1,827,542	(27,087)
Total Expenditures	8,982,920	9,508,424	9,454,307	(54,117)
DUI Program:				
Salaries & Benefits	151,493	156,644	129,087	(27,557)
Personnel Expense	2,000	2,000	1,088	(912)
Occupancy	1,850	1,950	1,950	-
Communication	500	500	339	(161)
Supplies & Minor Equipment	1,500	1,300	-	(1,300)
Transportation	1,500	1,500	1,305	(195)
Consultant/Contracted Services	3,000	3,100	3,100	-
Total Expenditures	161,843	166,994	136,869	(30,125)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
Adult Probation:				
Salaries & Benefits	\$ 2,270,078	\$ 2,294,044	\$ 2,281,576	\$ (12,468)
Personnel Expense	1,950	4,500	3,893	(607)
Communication	6,700	5,700	3,575	(2,125)
Supplies & Minor Equipment	18,700	27,200	23,981	(3,219)
Transportation	9,800	9,800	6,610	(3,190)
Other Expenses	10,000	25,885	25,145	(740)
Total Expenditures	<u>2,317,228</u>	<u>2,367,129</u>	<u>2,344,780</u>	<u>(22,349)</u>
Intermediate Punishment Program:				
Salaries & Benefits	501,480	567,862	537,188	(30,674)
Personnel Expense	1,000	1,000	-	(1,000)
Occupancy	66,000	64,800	57,961	(6,839)
Communication	27,600	28,300	19,492	(8,808)
Supplies & Minor Equipment	220,600	226,641	196,708	(29,933)
Transportation	3,000	3,000	1,273	(1,727)
Consultant/Contracted Services	-	1,882	1,500	(382)
Other Expenses	1,250	1,250	232	(1,018)
Total Expenditures	<u>820,930</u>	<u>894,735</u>	<u>814,354</u>	<u>(80,381)</u>
Juvenile Probation-Court Services:				
Salaries & Benefits	2,331,670	1,596,532	1,661,221	64,689
Personnel Expense	3,000	3,000	1,877	(1,123)
Occupancy	85	228	203	(25)
Communication	15,500	10,450	7,485	(2,965)
Supplies & Minor Equipment	14,700	14,700	10,631	(4,069)
Transportation	17,500	17,500	15,392	(2,108)
Consultant/Contracted Services	999,500	1,082,850	912,901	(169,949)
Other Expenses	465,000	450,000	344,261	(105,739)
Total Expenditures	<u>3,846,955</u>	<u>3,175,260</u>	<u>2,953,971</u>	<u>(221,289)</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
UAD Program:				
Salaries & Benefits	\$ 14,489	\$ 14,472	\$ 4,009	\$ (10,463)
Occupancy	1,800	1,800	1,800	-
Communication	100	100	-	(100)
Transportation	50	50	12	(38)
Total Expenditures	<u>16,439</u>	<u>16,422</u>	<u>5,821</u>	<u>(10,601)</u>
Total Public Safety	<u>\$ 20,291,291</u>	<u>\$ 17,354,457</u>	<u>\$ 16,576,071</u>	<u>\$ (778,386)</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Culture, Recreation and</u>				
<u>Conservation:</u>				
Waste Management:				
Salaries & Benefits	\$ 331,909	\$ 336,694	\$ 330,077	\$ (6,617)
Personnel Expense	1,850	950	718	(232)
Occupancy	26,000	27,450	25,606	(1,844)
Communication	3,600	33,900	22,891	(11,009)
Supplies & Minor Equipment	30,000	28,500	22,186	(6,314)
Transportation	8,000	8,000	7,291	(709)
Consultant/Contracted Services	5,000	150	-	(150)
Other Expenses	115,900	135,400	44,973	(90,427)
Total Expenditures	<u>522,259</u>	<u>571,044</u>	<u>453,742</u>	<u>(117,302)</u>
Library Commission:				
Salaries & Benefits	521,720	466,267	463,466	(2,801)
Personnel Expense	55,500	52,029	52,009	(20)
Occupancy	37,200	37,770	37,643	(127)
Communication	6,644	13,651	13,537	(114)
Supplies & Minor Equipment	50,452	52,143	50,942	(1,201)
Transportation	6,000	6,029	6,028	(1)
Consultant/Contracted Services	8,500	8,520	8,520	-
Other Expenses	474,217	475,077	474,971	(106)
Total Expenditures	<u>1,160,233</u>	<u>1,111,486</u>	<u>1,107,116</u>	<u>(4,370)</u>
Recreation:				
Salaries & Benefits	47,170	41,479	23,078	(18,401)
Personnel Expense	285	290	290	-
Occupancy	1,750	1,930	1,458	(472)
Communication	1,370	1,850	1,768	(82)
Supplies & Minor Equipment	2,125	2,921	2,728	(193)
Transportation	600	159	-	(159)
Consultant/Contracted Services	6,690	5,165	4,767	(398)
Other Expenses	1,250	1,650	1,575	(75)
Total Expenditures	<u>61,240</u>	<u>55,444</u>	<u>35,664</u>	<u>(19,780)</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
DPW/Parks:				
Occupancy	\$ 47,500	\$ 53,715	\$ 50,284	\$ (3,431)
Communication	1,300	1,300	1,233	(67)
Supplies & Minor Equipment	87,500	79,363	75,292	(4,071)
Consultant/Contracted Services	16,500	12,463	11,859	(604)
Other Expenses	23,000	23,000	20,642	(2,358)
Total Expenditures	<u>175,800</u>	<u>169,841</u>	<u>159,310</u>	<u>(10,531)</u>
Ice Arena:				
Salaries & Benefits	489,228	499,648	495,123	(4,525)
Personnel Expense	3,225	3,493	3,487	(6)
Occupancy	199,003	197,523	195,791	(1,732)
Communication	7,570	5,400	4,391	(1,009)
Supplies & Minor Equipment	29,650	35,767	28,897	(6,870)
Consultant/Contracted Services	20,712	41,012	37,141	(3,871)
Other Expenses	-	100	84	(16)
Total Expenditures	<u>749,388</u>	<u>782,943</u>	<u>764,914</u>	<u>(18,029)</u>
Pool:				
Salaries & Benefits	70,474	52,487	49,682	(2,805)
Personnel Expense	300	225	225	-
Occupancy	14,400	15,160	13,519	(1,641)
Communication	6,980	1,675	1,338	(337)
Supplies & Minor Equipment	4,300	3,420	2,150	(1,270)
Consultant/Contracted Services	7,000	6,440	5,076	(1,364)
Other Expenses	5,200	7,075	7,064	(11)
Total Expenditures	<u>108,654</u>	<u>86,482</u>	<u>79,054</u>	<u>(7,428)</u>
Total Culture, Recreation and Conservation	<u>\$ 2,777,574</u>	<u>\$ 2,777,240</u>	<u>\$ 2,599,800</u>	<u>\$ (177,440)</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Human Services</u>				
Subsidies:				
Subsidies	\$ 5,913,381	\$ 5,902,262	\$ 5,902,147	\$ (115)
Consultant/Contracted Services	-	34,857	34,855	(2)
Pass-Through Grant Funding	25,000	258,504	241,133	(17,371)
Total Expenditures	<u>5,938,381</u>	<u>6,195,623</u>	<u>6,178,135</u>	<u>(17,488)</u>
Beaver County Transit Authority:				
Subsidies	615,000	615,000	615,000	-
Pass-Through Grant Funding	1,600,000	2,271,156	2,271,156	-
Total Expenditures	<u>2,215,000</u>	<u>2,886,156</u>	<u>2,886,156</u>	<u>-</u>
Total Human Services	<u>\$ 8,153,381</u>	<u>\$ 9,081,779</u>	<u>\$ 9,064,291</u>	<u>\$ (17,488)</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
Debt Service:				
Principal	\$ 5,008,458	\$ 6,114,056	\$ 6,113,680	\$ (376)
Interest	4,442,451	3,292,684	3,291,855	(829)
Bond Issuance Costs	-	714,866	714,866	-
Other Expenses	11,000	15,900	15,900	-
Total Expenditures	<u>9,461,909</u>	<u>10,137,506</u>	<u>10,136,301</u>	<u>(1,205)</u>
Capital Asset Acquisition and Improvements:				
	<u>319,982</u>	<u>526,153</u>	<u>395,376</u>	<u>(130,777)</u>
Infrastructure Acquisition and Improvements:				
	<u>30,000</u>	<u>3,900</u>	<u>498</u>	<u>(3,402)</u>
Total Expenditures	<u>\$ 70,852,616</u>	<u>\$ 68,823,412</u>	<u>\$ 66,146,038</u>	<u>\$ (2,677,374)</u>

COUNTY OF BEAVER, PENNSYLVANIA

INDIVIDUAL FUND DESIGNATIONS

DECEMBER 31, 2017 AND JUNE 30, 2017

Individual Fund Designations

Automation and Records Improvement

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

Act 152 Demolition Fund

This fund collects fees, the proceeds of which are to be used for the express purpose of demolition and removal of blighted property within the County. The funds for these purposes are collected by the Recorder of Deeds.

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.

COUNTY OF BEAVER, PENNSYLVANIA

INDIVIDUAL FUND DESIGNATIONS

DECEMBER 31, 2017 AND JUNE 30, 2017

Individual Fund Designations - (Continued)

Victim Witness

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

Hazardous Materials / Act 147 Grants

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

Liquid Fuels

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

Office on Aging

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

COUNTY OF BEAVER, PENNSYLVANIA

INDIVIDUAL FUND DESIGNATIONS

DECEMBER 31, 2017 AND JUNE 30, 2017

Individual Fund Designations - (Continued)

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.

Tourist Promotion

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

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. Revenues and other resources reported in this fund are derived from a variety of federal and state grants.

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

DECEMBER 31, 2017 AND JUNE 30, 2017

Individual Fund Designations - (Continued)

Courtroom Improvement

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

Capital Reserve

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

COUNTY OF BEAVER, PENNSYLVANIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

DECEMBER 31, 2017

	Special Revenue								
	Automation and Records Improvement	Act 152 Demolition	Regional Booking Center	Domestic Relations	Offender's Supervisory	Victim Witness	Hazardous Materials/ Act 147 Grants	Liquid Fuels	Office on Aging
Assets									
Cash and Cash Equivalents	\$ 525,655	\$ 11,970	\$ 237	\$ 19,192	\$ 122,775	\$ 7,162	\$ 117,104	\$ 2,954,243	\$ 1,631,586
Interfund Receivable	-	-	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	4,998	-	-
Receivables	-	-	4,873	605,619	20,056	62,215	15,876	701,707	5,191
Total Assets	<u>\$ 525,655</u>	<u>\$ 11,970</u>	<u>\$ 5,110</u>	<u>\$ 624,811</u>	<u>\$ 142,831</u>	<u>\$ 69,377</u>	<u>\$ 137,978</u>	<u>\$ 3,655,950</u>	<u>\$ 1,636,777</u>
Liabilities									
Accounts Payable	\$ 11,017	\$ -	\$ 15	\$ 2,436	\$ -	\$ 8	\$ 3,093	\$ 1,080,427	\$ 211,735
Interfund Payable	-	-	132,255	276,513	7,500	41,378	14,308	1,872	57,660
Accrued Other Liabilities	-	-	-	-	-	-	-	-	141,877
Unearned Revenue	-	-	-	-	-	-	53,976	-	34,462
Total Liabilities	<u>11,017</u>	<u>-</u>	<u>132,270</u>	<u>278,949</u>	<u>7,500</u>	<u>41,386</u>	<u>71,377</u>	<u>1,082,299</u>	<u>445,734</u>
Deferred Inflows of Resources									
Unavailable Revenue	-	-	-	192,478	-	1,706	-	32,006	-
Fund Balance (Deficit)									
Non-spendable: Prepaids	-	-	-	-	-	-	4,998	-	-
Restricted:									
Other	514,638	11,970	-	153,384	135,331	26,285	61,603	2,541,645	1,191,043
Committed:									
Capital Projects	-	-	-	-	-	-	-	-	-
Unassigned:	-	-	(127,160)	-	-	-	-	-	-
Total Fund Balances (Deficits)	<u>514,638</u>	<u>11,970</u>	<u>(127,160)</u>	<u>153,384</u>	<u>135,331</u>	<u>26,285</u>	<u>66,601</u>	<u>2,541,645</u>	<u>1,191,043</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 525,655</u>	<u>\$ 11,970</u>	<u>\$ 5,110</u>	<u>\$ 624,811</u>	<u>\$ 142,831</u>	<u>\$ 69,377</u>	<u>\$ 137,978</u>	<u>\$ 3,655,950</u>	<u>\$ 1,636,777</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

DECEMBER 31, 2017

	Special Revenue				Capital Projects			Nonmajor Governmental Funds Total	
	Children & Youth	Tourist Promotion	Community Development	Anti-Drug Task Force / Education	Total	Courtroom Improvement	Capital Reserve		Total
Assets									
Cash and Cash Equivalents	\$ 104,423	\$ 361,474	\$ 1,155,476	\$ 277,674	\$ 7,288,971	\$ 397,125	\$ 603,245	\$ 1,000,370	\$ 8,289,341
Interfund Receivable	2,126,219	-	-	-	2,126,219	79,202	311,798	391,000	2,517,219
Prepaid Items	137,650	-	-	-	142,648	-	-	-	142,648
Receivables	1,831,083	31,919	387,306	2,338	3,668,183	-	-	-	3,668,183
Total Assets	\$ 4,199,375	\$ 393,393	\$ 1,542,782	\$ 280,012	\$ 13,226,021	\$ 476,327	\$ 915,043	\$ 1,391,370	\$ 14,617,391
Liabilities									
Accounts Payable	\$ 1,356,007	\$ 3,037	\$ 521,467	\$ 48,211	\$ 3,237,453	\$ 18,024	\$ -	\$ 18,024	\$ 3,255,477
Interfund Payable	-	3,274	69,181	4,192	608,133	-	-	-	608,133
Accrued Other Liabilities	-	-	-	-	141,877	-	-	-	141,877
Unearned Revenue	-	-	641,602	-	730,040	-	-	-	730,040
Total Liabilities	1,356,007	6,311	1,232,250	52,403	4,717,503	18,024	-	18,024	4,735,527
Deferred Inflows of Resources									
Unavailable Revenue	735,200	-	-	-	961,390	-	-	-	961,390
Fund Balance (Deficit)									
Non-spendable: Prepays	137,650	-	-	-	142,648	-	-	-	142,648
Restricted:									
Other	1,970,518	387,082	310,532	227,609	7,531,640	-	-	-	7,531,640
Committed:									
Capital Projects	-	-	-	-	-	458,303	915,043	1,373,346	1,373,346
Unassigned:	-	-	-	-	(127,160)	-	-	-	(127,160)
Total Fund Balances (Deficits)	2,108,168	387,082	310,532	227,609	7,547,128	458,303	915,043	1,373,346	8,920,474
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 4,199,375	\$ 393,393	\$ 1,542,782	\$ 280,012	\$ 13,226,021	\$ 476,327	\$ 915,043	\$ 1,391,370	\$ 14,617,391

COUNTY OF BEAVER, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2017

	Special Revenue								
	Automation and Records Improvement	Act 152 Demolition	Regional Booking Center	Domestic Relations	Offender's Supervisory	Victim Witness	Hazardous Materials/ Act 147 Grants	Liquid Fuels	Office on Aging
Revenues									
Investment Income	\$ 446	\$ -	\$ -	\$ 30	\$ 46	\$ 3	\$ 13	\$ 155	\$ 211
Intergovernmental	-	-	-	1,824,576	280,044	222,804	184,035	4,508,204	5,075,333
Departmental Earnings	156,344	11,970	80,259	30,110	284,198	-	-	19,097	24,098
Local Hotel Room Tax	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	250	-	-
Total Revenues	156,790	11,970	80,259	1,854,716	564,288	222,807	184,298	4,527,456	5,099,642
Expenditures									
Current									
General Government	40,466	-	-	-	-	-	-	-	-
Judicial	-	-	121,787	2,928,396	-	224,553	-	-	-
Public Safety	-	-	-	-	-	-	185,482	-	-
Public Works and Enterprises	-	-	-	-	-	-	-	416,041	-
Culture Recreation & Conservation	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Intergovernmental									
Operating / Human Services	-	-	-	-	-	-	-	-	4,863,285
Capital Outlay									
Infrastructure	-	-	-	-	-	-	-	4,056,452	-
Asset Acquisition	117,218	-	-	-	-	-	-	58,089	18,325
Total Expenditures	157,684	-	121,787	2,928,396	-	224,553	185,482	4,530,582	4,881,610
Excess (Deficiency) of Revenues Over (Under) Expenditures	(894)	11,970	(41,528)	(1,073,680)	564,288	(1,746)	(1,184)	(3,126)	218,032
Other Financing Sources (Uses)									
Transfers From Other Funds	-	-	-	1,053,365	-	-	-	-	25,000
Transfers To Other Funds	(41,000)	-	-	-	(607,500)	-	-	-	-
Total Other Financing Sources (Uses)	(41,000)	-	-	1,053,365	(607,500)	-	-	-	25,000
Net Change in Fund Balance	(41,894)	11,970	(41,528)	(20,315)	(43,212)	(1,746)	(1,184)	(3,126)	243,032
Fund Balances (Deficits) - Beginning	556,532	-	(85,632)	173,699	178,543	28,031	67,785	2,544,771	948,011
Fund Balances (Deficits) - Ending	\$ 514,638	\$ 11,970	\$ (127,160)	\$ 153,384	\$ 135,331	\$ 26,285	\$ 66,601	\$ 2,541,645	\$ 1,191,043

Exhibit C (Page 1 of 2)

COUNTY OF BEAVER, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2017

	Special Revenue				Capital Projects			Nonmajor Governmental Funds Total	
	Children & Youth	Tourist Promotion	Community Development	Anti-Drug Task Force / Education	Total	Courtroom Improvement	Capital Reserve		Total
Revenues									
Investment Income	\$ 108	\$ 16	\$ 112	\$ 3,200	\$ 4,340	\$ 44	\$ 1,600	\$ 1,644	\$ 5,984
Intergovernmental	12,728,907	-	3,982,449	88,800	28,895,152	-	-	-	28,895,152
Departmental Earnings	42,632	120	285,106	182,383	1,116,317	-	335,961	335,961	1,452,278
Local Hotel Room Tax	-	529,013	-	-	529,013	-	-	-	529,013
Miscellaneous	-	-	-	-	250	-	-	-	250
Total Revenues	12,771,647	529,149	4,267,667	274,383	30,545,072	44	337,561	337,605	30,882,677
Expenditures									
Current									
General Government	-	-	-	-	40,466	67,119	-	67,119	107,585
Judicial	-	-	-	315,137	3,589,873	-	-	-	3,589,873
Public Safety	-	-	-	-	185,482	-	-	-	185,482
Public Works and Enterprises	-	-	-	-	416,041	-	-	-	416,041
Culture Recreation & Conservation	-	236,069	-	-	236,069	-	-	-	236,069
Economic Development	-	-	4,172,189	-	4,172,189	-	-	-	4,172,189
Intergovernmental									
Operating / Human Services	15,242,841	-	-	-	20,106,126	-	-	-	20,106,126
Capital Outlay									
Infrastructure	-	-	-	-	4,056,452	-	-	-	4,056,452
Asset Acquisition	50,606	-	8,890	-	253,128	27,440	-	27,440	280,568
Total Expenditures	15,293,447	236,069	4,181,079	315,137	33,055,826	94,559	-	94,559	33,150,385
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,521,800)	293,080	86,588	(40,754)	(2,510,754)	(94,515)	337,561	243,046	(2,267,708)
Other Financing Sources (Uses)									
Transfers From Other Funds	2,632,956	-	-	-	3,711,321	79,202	-	79,202	3,790,523
Transfers To Other Funds	-	-	-	-	(648,500)	-	-	-	(648,500)
Total Other Financing Sources (Uses)	2,632,956	-	-	-	3,062,821	79,202	-	79,202	3,142,023
Net Change in Fund Balance	111,156	293,080	86,588	(40,754)	552,067	(15,313)	337,561	322,248	874,315
Fund Balances (Deficits) - Beginning	1,997,012	94,002	223,944	268,363	6,995,061	473,616	577,482	1,051,098	8,046,159
Fund Balances (Deficits) - Ending	\$ 2,108,168	\$ 387,082	\$ 310,532	\$ 227,609	\$ 7,547,128	\$ 458,303	\$ 915,043	\$ 1,373,346	\$ 8,920,474

Exhibit C (Page 2 of 2)

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>General Government</u>				
Automation and Records Improvement				
Revenues				
Departmental Earnings	\$ 132,500	\$ 132,500	\$ 156,344	\$ 23,844
Interest	10	10	446	436
Total Revenues	<u>132,510</u>	<u>132,510</u>	<u>156,790</u>	<u>24,280</u>
Expenditures				
Personnel Expense	-	325	325	-
Consultant/Contracted Services	10,000	10,000	4,400	(5,600)
Supplies & Minor Equipment	19,750	25,197	9,364	(15,833)
Transportation	6,500	6,500	-	(6,500)
Other Expenditures	15,000	30,525	26,377	(4,148)
Capital Outlay	142,000	148,225	117,218	(31,007)
Total Expenditures	<u>193,250</u>	<u>220,772</u>	<u>157,684</u>	<u>(63,088)</u>
Excess (Deficiency) of Revenues Over Expenditures	(60,740)	(88,262)	(894)	87,368
Other Financing Sources (Uses):				
Transfers to Other Funds	-	(41,000)	(41,000)	-
Total Financing Sources (Uses)	<u>-</u>	<u>(41,000)</u>	<u>(41,000)</u>	<u>-</u>
Net Change in Fund Balance	(60,740)	(129,262)	(41,894)	87,368
Fund Balance - Beginning	<u>97,500</u>	<u>143,272</u>	<u>556,532</u>	<u>413,260</u>
Fund Balance - Ending	<u>\$ 36,760</u>	<u>\$ 14,010</u>	<u>\$ 514,638</u>	<u>\$ 500,628</u>

Exhibit D (Page 1 of 13)

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, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>General Government</u>				
Act 152 Demolition Fund				
Revenues				
Departmental Earnings	\$ -	\$ -	\$ 11,970	\$ 11,970
Total Revenues	<u>-</u>	<u>-</u>	<u>11,970</u>	<u>11,970</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	11,970	11,970
Net Change in Fund Balance	-	-	11,970	11,970
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,970</u></u>	<u><u>\$ 11,970</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, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Regional Booking Center				
Revenues				
Departmental Earnings	\$ 204,500	\$ 204,500	\$ 80,259	\$ (124,241)
Total Revenues	<u>204,500</u>	<u>204,500</u>	<u>80,259</u>	<u>(124,241)</u>
Expenditures				
Salaries & Benefits	77,189	106,222	105,103	(1,119)
Supplies & Minor Equipment	16,500	16,480	12,805	(3,675)
Other Expenditures	<u>1,000</u>	<u>3,880</u>	<u>3,879</u>	<u>(1)</u>
Total Expenditures	<u>94,689</u>	<u>126,582</u>	<u>121,787</u>	<u>(4,795)</u>
Excess (Deficiency) of Revenues Over Expenditures	109,811	77,918	(41,528)	(119,446)
Fund Balance (Deficits) - Beginning	<u>-</u>	<u>-</u>	<u>(85,632)</u>	<u>(85,632)</u>
Fund Balance (Deficits) - Ending	<u>\$ 109,811</u>	<u>\$ 77,918</u>	<u>\$ (127,160)</u>	<u>\$ (205,078)</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, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Domestic Relations				
Revenues				
Intergovernmental	\$ 1,921,831	\$ 1,921,831	\$ 1,824,576	\$ (97,255)
Departmental Earnings	42,000	42,000	30,110	(11,890)
Interest	100	100	30	(70)
Total Revenues	1,963,931	1,963,931	1,854,716	(109,215)
Expenditures				
Salaries & Benefits	2,660,729	2,738,855	2,662,047	(76,808)
Personnel Expense	4,050	7,760	7,760	-
Occupancy	5,200	5,700	5,557	(143)
Communication	22,200	26,668	24,672	(1,996)
Supplies & Minor Equipment	17,000	14,769	10,332	(4,437)
Transportation	1,000	1,000	143	(857)
Consultant/Contracted Services	20,000	13,800	13,613	(187)
Other Expenditures	191,735	208,112	204,272	(3,840)
Total Expenditures	2,921,914	3,016,664	2,928,396	(88,268)
Excess (Deficiency) of Revenues Over Expenditures				
	(957,983)	(1,052,733)	(1,073,680)	(20,947)
Other Financing Sources (Uses)				
Transfers from Other Funds	938,962	1,053,365	1,053,365	-
Total Other Financing Sources (Uses)	938,962	1,053,365	1,053,365	-
Net Change in Fund Balance	(19,021)	632	(20,315)	(20,947)
Fund Balance - Beginning	113,771	113,771	173,699	59,928
Fund Balance - Ending	<u>\$ 94,750</u>	<u>\$ 114,403</u>	<u>\$ 153,384</u>	<u>\$ 38,981</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, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Offender's Supervisory				
Revenues				
Departmental Earnings	\$ 300,000	\$ 300,000	\$ 284,198	\$ (15,802)
Intergovernmental	290,000	290,000	280,044	(9,956)
Interest	-	-	46	46
Total Revenues	<u>590,000</u>	<u>590,000</u>	<u>564,288</u>	<u>(25,712)</u>
Excess (Deficiency) of Revenues Over Expenditures	590,000	590,000	564,288	(25,712)
Other Financing Sources (Uses)				
Transfers to Other Funds	(590,000)	(607,500)	(607,500)	-
Total Other Financing Sources (Uses)	<u>(590,000)</u>	<u>(607,500)</u>	<u>(607,500)</u>	<u>-</u>
Net Change in Fund Balance	-	(17,500)	(43,212)	(25,712)
Fund Balance - Beginning	<u>-</u>	<u>17,500</u>	<u>178,543</u>	<u>161,043</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,331</u>	<u>\$ 135,331</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, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Victim Witness				
Revenues				
Intergovernmental	\$ 249,966	\$ 249,966	\$ 222,804	\$ (27,162)
Interest	-	-	3	3
Total Revenues	<u>249,966</u>	<u>249,966</u>	<u>222,807</u>	<u>(27,159)</u>
Expenditures				
Salaries & Benefits	205,969	224,478	211,965	(12,513)
Personnel Expense	-	45	36	(9)
Occupancy	30	30	23	(7)
Communication	1,580	1,560	223	(1,337)
Supplies & Minor Equipment	29,578	28,949	12,031	(16,918)
Transportation	7,344	2,144	275	(1,869)
Total Expenditures	<u>244,501</u>	<u>257,206</u>	<u>224,553</u>	<u>(32,653)</u>
Excess (Deficiency) of Revenues Over Expenditures	5,465	(7,240)	(1,746)	5,494
Net Change in Fund Balance	5,465	(7,240)	(1,746)	5,494
Fund Balance (Deficits) - Beginning	<u>7,240</u>	<u>7,240</u>	<u>28,031</u>	<u>20,791</u>
Fund Balance (Deficits) - Ending	<u>\$ 12,705</u>	<u>\$ -</u>	<u>\$ 26,285</u>	<u>\$ 26,285</u>

Exhibit D (Page 6 of 13)

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, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Public Safety</u>				
Hazardous Materials / Act 147 Grants				
Revenues				
Intergovernmental	\$ 162,025	\$ 167,043	\$ 184,035	\$ 16,992
Interest	20	20	13	(7)
Miscellaneous	-	-	250	250
Total Revenues	162,045	167,063	184,298	17,235
Expenditures				
Salaries & Benefits	-	25,000	20,000	(5,000)
Personnel Expense	300	17,300	10,115	(7,185)
Consultant/Contracted Services	20,000	16,862	16,813	(49)
Occupancy	17,500	21,829	19,332	(2,497)
Communication	12,000	12,000	8,750	(3,250)
Supplies & Minor Equipment	68,010	78,021	69,627	(8,394)
Transportation	11,000	11,784	5,010	(6,774)
Other Expenditures	56,800	34,036	25,405	(8,631)
Pass-Through Grant Funding	15,955	10,430	10,430	-
Total Expenditures	201,565	227,262	185,482	(41,780)
Excess (Deficiency) of Revenues Over Expenditures				
	(39,520)	(60,199)	(1,184)	59,015
Fund Balance - Beginning	71,500	71,500	67,785	(3,715)
Fund Balance - Ending	\$ 31,980	\$ 11,301	\$ 66,601	\$ 55,300

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, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Public Works and Enterprises</u>				
Liquid Fuels				
Revenues				
Intergovernmental	\$ 4,437,590	\$ 4,439,020	\$ 4,508,204	\$ 69,184
Departmental Earnings	619,200	619,200	19,097	(600,103)
Interest	95	95	155	60
Total Revenues	<u>5,056,885</u>	<u>5,058,315</u>	<u>4,527,456</u>	<u>(530,859)</u>
Expenditures				
Salaries & Benefits	74,497	76,682	74,475	(2,207)
Personnel Expense	18	18	18	-
Consultant/Contracted Services	286,500	294,500	108,188	(186,312)
Communication	3,680	3,684	657	(3,027)
Supplies & Minor Equipment	13,000	15,000	8,549	(6,451)
Transportation	500	500	-	(500)
Other Expenditures	221,000	227,718	224,154	(3,564)
Infrastructure	3,489,350	4,507,850	4,056,452	(451,398)
Capital Outlay	225,000	209,154	58,089	(151,065)
Total Expenditures	<u>4,313,545</u>	<u>5,335,106</u>	<u>4,530,582</u>	<u>(804,524)</u>
Excess (Deficiency) of Revenues Over Expenditures	743,340	(276,791)	(3,126)	273,665
Fund Balance - Beginning	<u>-</u>	<u>1,018,500</u>	<u>2,544,771</u>	<u>1,526,271</u>
Fund Balance - Ending	<u>\$ 743,340</u>	<u>\$ 741,709</u>	<u>\$ 2,541,645</u>	<u>\$ 1,799,936</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, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
Human Services				
Office on Aging				
Revenues				
Intergovernmental	\$ 4,683,402	\$ 5,047,591	\$ 5,075,333	\$ 27,742
Departmental Earnings	15,498	15,498	24,098	8,600
Interest	100	100	211	111
Total Revenues	<u>4,699,000</u>	<u>5,063,189</u>	<u>5,099,642</u>	<u>36,453</u>
Expenditures				
Salaries & Benefits	2,502,513	2,426,846	2,385,236	(41,610)
Personnel Expense	15,531	20,086	15,985	(4,101)
Consultant/Contracted Services	72,000	107,500	79,159	(28,341)
Sub Contracted Services	1,836,960	2,000,260	1,997,292	(2,968)
Occupancy	218,020	218,020	198,460	(19,560)
Communication	17,800	20,600	10,857	(9,743)
Supplies & Minor Equipment	77,750	141,025	90,730	(50,295)
Transportation	18,500	17,900	15,825	(2,075)
Other Expenditures	77,600	73,819	69,741	(4,078)
Capital Outlay	15,000	48,325	18,325	(30,000)
Total Expenditures	<u>4,851,674</u>	<u>5,074,381</u>	<u>4,881,610</u>	<u>(192,771)</u>
Excess (Deficiency) of Revenues Over Expenditures	(152,674)	(11,192)	218,032	229,224
Other Financing Sources (Uses)				
Transfers from Other Funds	50,000	25,000	25,000	-
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net Change in Fund Balance	(102,674)	13,808	243,032	229,224
Fund Balance - Beginning	<u>102,674</u>	<u>127,674</u>	<u>948,011</u>	<u>820,337</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 141,482</u>	<u>\$ 1,191,043</u>	<u>\$ 1,049,561</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, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Human Services</u>				
Children and Youth				
Revenues				
Intergovernmental	\$ 13,467,810	\$ 13,467,810	\$ 12,728,907	\$ (738,903)
Departmental Earnings	51,864	51,864	42,632	(9,232)
Interest	88	88	108	20
Total Revenues	13,519,762	13,519,762	12,771,647	(748,115)
Expenditures				
Salaries & Benefits	5,555,339	5,758,515	5,757,507	(1,008)
Personnel Expense	264,450	119,531	117,081	(2,450)
Consultant/Contracted Services	1,291,900	1,237,900	1,090,596	(147,304)
Sub Contracted Services	5,461,000	6,209,724	5,968,332	(241,392)
Occupancy	487,595	514,195	452,022	(62,173)
Communication	206,000	239,000	227,275	(11,725)
Supplies & Minor Equipment	405,581	380,213	306,597	(73,616)
Transportation	204,000	214,000	211,681	(2,319)
Other Expenditures	1,344,650	1,226,846	1,111,750	(115,096)
Capital Outlay	-	38,168	50,606	12,438
Total Expenditures	15,220,515	15,938,092	15,293,447	(644,645)
Excess (Deficiency) of Revenues Over Expenditures	(1,700,753)	(2,418,330)	(2,521,800)	(103,470)
Other Financing Sources (Uses):				
Transfers from Other Funds	2,275,000	2,632,956	2,632,956	-
Total Financing Sources (Uses)	2,275,000	2,632,956	2,632,956	-
Net Change in Fund Balance	574,247	214,626	111,156	(103,470)
Fund Balance - Beginning	143,330	143,330	1,997,012	1,853,682
Fund Balance - Ending	\$ 717,577	\$ 357,956	\$ 2,108,168	\$ 1,750,212

Exhibit D (Page 10 of 13)

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, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Culture, Recreation and Conservation</u>				
Tourist Promotion				
Revenues				
Departmental Earnings	\$ 7,500	\$ 7,500	\$ 120	\$ (7,380)
Local Hotel Room Tax	515,000	515,000	529,013	14,013
Interest	-	-	16	16
Total Revenues	<u>522,500</u>	<u>522,500</u>	<u>529,149</u>	<u>6,649</u>
Expenditures				
Salaries & Benefits	126,076	129,397	114,073	(15,324)
Personnel Expense	2,583	2,583	1,716	(867)
Consultant/Contracted Services	62,130	61,334	12,203	(49,131)
Communication	216,824	215,850	73,473	(142,377)
Supplies & Minor Equipment	1,850	3,620	3,350	(270)
Transportation	2,560	2,560	786	(1,774)
Other Expenditures	85,600	85,600	30,468	(55,132)
Total Expenditures	<u>497,623</u>	<u>500,944</u>	<u>236,069</u>	<u>(264,875)</u>
Excess (Deficiency) of Revenues Over Expenditures	24,877	21,556	293,080	271,524
Fund Balance - Beginning	-	-	94,002	94,002
Fund Balance - Ending	<u>\$ 24,877</u>	<u>\$ 21,556</u>	<u>\$ 387,082</u>	<u>\$ 365,526</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, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Economic Development</u>				
Community Development				
Revenues				
Intergovernmental	\$ 5,944,766	\$ 6,352,481	\$ 3,982,449	(2,370,032)
Departmental Earnings	927,000	927,000	285,106	\$ (641,894)
Interest	170	170	112	(58)
Total Revenues	<u>6,871,936</u>	<u>7,279,651</u>	<u>4,267,667</u>	<u>(3,011,984)</u>
Expenditures				
Salaries & Benefits	786,936	784,936	701,764	(83,172)
Personnel Expense	14,088	14,044	4,054	(9,990)
Consultant/Contracted Services	6,282,100	6,588,283	3,289,504	(3,298,779)
Occupancy	78,022	73,247	52,282	(20,965)
Communication	18,400	18,966	10,391	(8,575)
Supplies & Minor Equipment	29,850	36,288	15,695	(20,593)
Transportation	8,200	10,500	7,999	(2,501)
Other Expenditures	105,150	94,648	90,500	(4,148)
Capital Outlay	-	9,000	8,890	(110)
Total Expenditures	<u>7,322,746</u>	<u>7,629,912</u>	<u>4,181,079</u>	<u>(3,448,833)</u>
Excess (Deficiency) of Revenues Over Expenditures	(450,810)	(350,261)	86,588	436,849
Net Change in Fund Balance	(450,810)	(350,261)	86,588	436,849
Fund Balance - Beginning	<u>468,924</u>	<u>468,924</u>	<u>223,944</u>	<u>(244,980)</u>
Fund Balance - Ending	<u>\$ 18,114</u>	<u>\$ 118,663</u>	<u>\$ 310,532</u>	<u>\$ 191,869</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, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Anti-Drug Task Force / Education				
Revenues				
Intergovernmental	\$ 88,800	\$ 88,800	\$ 88,800	\$ -
Departmental Earnings	106,000	186,000	182,383	(3,617)
Interest	-	-	3,200	3,200
Total Revenues	194,800	274,800	274,383	(417)
Expenditures				
Salaries & Benefits	78,480	170,604	168,479	(2,125)
Personnel Expense	8,000	3,028	3,028	-
Communication	1,800	-	-	-
Supplies & Minor Equipment	15,200	18,550	13,370	(5,180)
Transportation	1,500	4,181	3,745	(436)
Other Expenditures	60,000	140,110	126,515	(13,595)
Total Expenditures	164,980	336,473	315,137	(21,336)
Excess (Deficiency) of Revenues Over Expenditures	29,820	(61,673)	(40,754)	20,919
Net Change in Fund Balance	29,820	(61,673)	(40,754)	20,919
Fund Balance - Beginning	-	300,000	268,363	(31,637)
Fund Balance - Ending	\$ 29,820	\$ 238,327	\$ 227,609	\$ (10,718)

Exhibit D (Page 13 of 13)

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, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
Capital Projects				
Courtroom Improvement				
Revenues				
Interest	\$ -	\$ -	\$ 44	\$ 44
Total Revenues	-	-	44	44
Expenditures				
Supplies & Minor Equipment	-	76,350	67,119	(9,231)
Consultant/Contracted Services	-	6,500	-	(6,500)
Capital Outlay	200,000	117,150	27,440	(89,710)
Total Expenditures	200,000	200,000	94,559	(105,441)
Excess (Deficiency) of Revenues Over Expenditures	(200,000)	(200,000)	(94,515)	105,485
Other Financing Sources (Uses)				
Transfers From Other Funds	140,000	140,000	79,202	(60,798)
Total Other Financing Sources (Uses)	140,000	140,000	79,202	(60,798)
Net Change in Fund Balance	(60,000)	(60,000)	(15,313)	44,687
Fund Balance - Beginning	60,000	60,000	473,616	413,616
Fund Balance - Ending	\$ -	\$ -	\$ 458,303	\$ 458,303

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, 2017

	Budget		Actual	Variance
	Original	Final		Over (Under)
Capital Projects				
Capital Reserve				
Revenues				
Departmental Earnings	\$ 300,000	\$ 300,000	\$ 335,961	\$ 35,961
Interest	-	-	1,600	1,600
Total Revenues	<u>300,000</u>	<u>300,000</u>	<u>337,561</u>	<u>37,561</u>
Excess (Deficiency) of Revenues Over Expenditures	300,000	300,000	337,561	37,561
Other Financing Sources (Uses)				
Transfers to Other Funds	(300,000)	(300,000)	-	300,000
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>	<u>300,000</u>
Net Change in Fund Balance	-	-	337,561	337,561
Fund Balance - Beginning	<u>185,000</u>	<u>185,000</u>	<u>577,482</u>	<u>392,482</u>
Fund Balance - Ending	<u>\$ 185,000</u>	<u>\$ 185,000</u>	<u>\$ 915,043</u>	<u>\$ 730,043</u>

Exhibit E (Page 2 of 2)

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

DECEMBER 31, 2017

	<u>Medical Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
<u>Assets</u>			
Current Assets			
Cash and Cash Equivalents	\$ 753,578	\$ 170,424	\$ 924,002
Receivables	515	543	1,058
Total Current Assets	<u>754,093</u>	<u>170,967</u>	<u>925,060</u>
Total Assets	<u><u>\$ 754,093</u></u>	<u><u>\$ 170,967</u></u>	<u><u>\$ 925,060</u></u>
<u>Liabilities</u>			
Current Liabilities			
Accounts Payable	\$ 607,980	\$ 15,949	\$ 623,929
Accrued Employee Benefits	396,121	133,498	529,619
Total Current Liabilities	<u>1,004,101</u>	<u>149,447</u>	<u>1,153,548</u>
Total Liabilities	<u>1,004,101</u>	<u>149,447</u>	<u>1,153,548</u>
<u>Net Position</u>			
Unrestricted	<u>614,122</u>	<u>(842,610)</u>	<u>(228,488)</u>
Total Net Position	<u><u>\$ 614,122</u></u>	<u><u>\$ (842,610)</u></u>	<u><u>\$ (228,488)</u></u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	Medical Fund	Workers' Compensation Fund	Total
<u>Operating Revenues</u>			
Charges for Services	\$ 13,121,225	\$ 710,995	\$ 13,832,220
<u>Operating Expenses</u>			
Costs of Services	8,514,886	600,660	9,115,546
Administrative	864,800	36,670	901,470
Total Operating Expenses	<u>9,379,686</u>	<u>637,330</u>	<u>10,017,016</u>
Operating Income (Loss)	3,741,539	73,665	3,815,204
<u>Non-Operating Revenues</u>			
Investment Income	<u>64</u>	<u>8</u>	<u>72</u>
Total Non-Operating Revenues	<u>64</u>	<u>8</u>	<u>72</u>
Income (Loss) Before Transfers	<u>3,741,603</u>	<u>73,673</u>	<u>3,815,276</u>
Change in Net Position	3,741,603	73,673	3,815,276
Total Net Position - Beginning	<u>(3,127,481)</u>	<u>(916,283)</u>	<u>(4,043,764)</u>
Total Net Position - Ending	<u>\$ 614,122</u>	<u>\$ (842,610)</u>	<u>\$ (228,488)</u>

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Medical Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
<u>Cash Flows from Operating Activities</u>			
Cash receipts for services provided	\$ 13,288,328	\$ 710,452	\$ 13,998,780
Cash payments to suppliers	(9,898,407)	(884,752)	(10,783,159)
Net Cash Provided by/(used in) Operating Activities	<u>3,389,921</u>	<u>(174,300)</u>	<u>3,215,621</u>
<u>Cash Flows from Non-Capital Financing Activities</u>			
Proceeds from (repayment of) General Fund advance	<u>(3,299,904)</u>	211,805	<u>(3,088,099)</u>
Net Cash Provided by/(used in) Non-Capital Financing Activities	(3,299,904)	211,805	(3,088,099)
<u>Cash Flows from Investing Activities</u>			
Investment income	<u>64</u>	<u>8</u>	<u>72</u>
Net Cash Provided by Investing Activities	<u>64</u>	<u>8</u>	<u>72</u>
Net Increase in Cash and Cash Equivalents	90,081	37,513	127,594
<u>Cash and Cash Equivalents</u>			
Beginning of year	663,497	132,911	796,408
End of year	<u>\$ 753,578</u>	<u>\$ 170,424</u>	<u>\$ 924,002</u>
<u>Reconciliation of Operating Income (Loss) to</u>			
<u>Net Cash Provided by (used in) Operating Activities</u>			
Operating income (loss)	<u>\$ 3,741,539</u>	<u>\$ 73,665</u>	<u>\$ 3,815,204</u>
Change in operating assets and liabilities			
Accounts receivable	167,103	(543)	166,560
Accounts payable	(544,972)	(73,570)	(618,542)
Accrued liabilities	<u>26,251</u>	<u>(173,852)</u>	<u>(147,601)</u>
Net Cash Provided by/(used in) Operating Activities	<u>\$ 3,389,921</u>	<u>\$ (174,300)</u>	<u>\$ 3,215,621</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
Clerk of Courts				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 184,151	2,846,697	2,791,752	\$ 239,096
	<u>184,151</u>	<u>2,846,697</u>	<u>2,791,752</u>	<u>239,096</u>
<u>Liabilities</u>				
Accounts Payable	184,151	2,846,697	2,791,752	239,096
	<u>\$ 184,151</u>	<u>2,846,697</u>	<u>2,791,752</u>	<u>\$ 239,096</u>
Domestic Relations - Support Payments				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 75,266	677,600	665,501	\$ 87,365
	<u>75,266</u>	<u>677,600</u>	<u>665,501</u>	<u>87,365</u>
<u>Liabilities</u>				
Accounts Payable	75,266	677,600	665,501	87,365
	<u>\$ 75,266</u>	<u>677,600</u>	<u>665,501</u>	<u>\$ 87,365</u>
Recorder of Deeds				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 386,829	15,854,117	15,786,248	\$ 454,698
	<u>386,829</u>	<u>15,854,117</u>	<u>15,786,248</u>	<u>454,698</u>
<u>Liabilities</u>				
Accounts Payable	386,829	15,854,117	15,786,248	454,698
	<u>\$ 386,829</u>	<u>15,854,117</u>	<u>15,786,248</u>	<u>\$ 454,698</u>
Register of Wills				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 38,532	11,174,610	11,207,911	\$ 5,231
	<u>38,532</u>	<u>11,174,610</u>	<u>11,207,911</u>	<u>5,231</u>
<u>Liabilities</u>				
Accounts Payable	38,532	11,174,610	11,207,911	5,231
	<u>\$ 38,532</u>	<u>11,174,610</u>	<u>11,207,911</u>	<u>\$ 5,231</u>
Sheriff				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 553,613	1,350,109	1,389,170	\$ 514,552
	<u>553,613</u>	<u>1,350,109</u>	<u>1,389,170</u>	<u>514,552</u>
<u>Liabilities</u>				
Accounts Payable	553,613	1,350,109	1,389,170	514,552
	<u>\$ 553,613</u>	<u>1,350,109</u>	<u>1,389,170</u>	<u>\$ 514,552</u>

Exhibit F (Page 1 of 2)

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2017

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
Prothonotary				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 811,810	657,318	1,073,437	\$ 395,691
	<u>811,810</u>	<u>657,318</u>	<u>1,073,437</u>	<u>395,691</u>
<u>Liabilities</u>				
Accounts Payable	811,810	657,318	1,073,437	395,691
	<u>\$ 811,810</u>	<u>657,318</u>	<u>1,073,437</u>	<u>\$ 395,691</u>
Tax Claim				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 608,557	13,879,505	12,991,256	\$ 1,496,806
Due from Other Funds	408,216	-	408,216	-
	<u>1,016,773</u>	<u>13,879,505</u>	<u>13,399,472</u>	<u>1,496,806</u>
<u>Liabilities</u>				
Accounts Payable	1,016,773	13,879,505	13,399,472	1,496,806
	<u>\$ 1,016,773</u>	<u>13,879,505</u>	<u>13,399,472</u>	<u>\$ 1,496,806</u>
Treasurer				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 29,977	288,405	288,808	\$ 29,574
	<u>29,977</u>	<u>288,405</u>	<u>288,808</u>	<u>29,574</u>
<u>Liabilities</u>				
Accounts Payable	29,977	288,405	288,808	29,574
	<u>\$ 29,977</u>	<u>288,405</u>	<u>288,808</u>	<u>\$ 29,574</u>
Total - Agency Funds				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 2,688,735	46,728,361	46,194,083	\$ 3,223,013
Due from Other Funds	408,216	-	408,216	-
	<u>3,096,951</u>	<u>46,728,361</u>	<u>46,602,299</u>	<u>3,223,013</u>
<u>Liabilities</u>				
Accounts Payable	3,096,951	46,728,361	46,602,299	3,223,013
	<u>\$ 3,096,951</u>	<u>46,728,361</u>	<u>46,602,299</u>	<u>\$ 3,223,013</u>

STATISTICAL SECTION

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COUNTY OF BEAVER, PENNSYLVANIA

STATISTICAL SECTION CONTENT

LAST TEN YEARS

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.	186-191
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.	192-195
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.	196-198
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.	199-202
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.	203-204

Sources:

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

COUNTY OF BEAVER, PENNSYLVANIA

NET POSITION BY COMPONENT

LAST TEN YEARS (ACCRUAL BASIS OF ACCOUNTING)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities										
Net Investment in Capital Assets	\$ 13,914,480	\$ 19,718,592	\$ 19,773,652	\$ 18,950,471	\$ 21,119,653	\$ 23,188,472	\$ 12,674,892	\$ 1,590,243	\$ 9,995,154	\$ 9,036,227
Restricted for:										
General Government	-	-	-	-	-	-	430,148	-	-	-
Judicial	-	-	-	-	-	-	850,946	-	-	-
Public Safety	-	-	-	-	-	-	180,327	-	-	-
Public Works and Enterprises	-	-	-	-	-	-	1,655,523	-	-	-
Culture, Recreation & Conservation	-	-	-	-	-	-	108,386	-	-	-
Economic Development	-	-	-	-	-	-	269,711	-	-	-
Human Services	-	-	-	-	-	-	9,397,396	-	-	-
Debt Service	2,673,265	6,097,239	6,622,456	7,104,711	-	-	-	-	-	-
Programs for Mental Health / Behavioral Health	10,219,112	12,996,544	10,546,828	9,878,816	9,365,352	8,263,828	-	-	-	-
Programs for Children & Youth	2,705,718	2,624,607	3,404,661	3,125,276	2,314,429	-	-	1,925,163	-	-
Programs for Community Development	322,502	223,944	232,756	205,424	224,345	155,978	-	-	-	-
Programs for Capital Projects	3,946,997	2,567,479	-	2,710,123	2,856,064	-	-	-	-	-
Programs for General Law Enforcement	736,793	620,605	987,871	1,216,659	1,071,956	-	-	-	-	-
Programs for Elderly Population	1,191,043	948,011	1,076,735	968,703	573,321	-	-	-	-	-
Programs for Office Improvements	514,638	556,532	488,119	462,511	496,415	-	-	-	-	-
Programs for Emergency Services / Tourism	475,047	156,789	109,264	182,287	366,591	3,681,412	-	-	-	-
Unrestricted	(8,875,082)	(26,466,110)	(22,127,987)	(6,970,444)	(9,241,616)	(12,393,777)	(12,523,237)	(3,977,279)	(7,881,559)	(16,698,272)
Total Governmental Activities Net Position	27,824,513	20,044,232	23,251,699	37,834,537	29,146,510	24,821,076	13,044,092	(2,387,036)	2,113,595	(7,662,045)
Business-type Activities										
Net Investment in Capital Assets	-	-	-	7,272,237	7,779,310	8,084,721	11,434,203	11,106,333	9,285,442	8,526,775
Restricted	-	-	-	-	-	-	7,279,670	6,912,769	11,534,085	11,970,526
Unrestricted	-	-	-	(5,312,896)	(1,699,257)	827,196	(341,629)	1,710,145	5,185,313	5,404,833
Total Business-type Activities Net Position	-	-	-	1,959,341	6,080,053	8,911,917	18,372,244	19,729,247	26,004,840	25,902,134
Primary Government										
Net Investment in Capital Assets	13,914,480	19,718,592	18,950,471	28,391,890	28,898,963	31,273,193	24,109,095	12,696,576	19,280,596	17,563,002
Restricted for:										
Restricted Fund	-	-	-	-	-	-	7,279,670	6,912,769	11,534,085	11,970,526
General Government	-	-	-	-	-	-	430,148	-	-	-
Judicial	-	-	-	-	-	-	850,946	-	-	-
Public Safety	-	-	-	-	-	-	180,327	-	-	-
Public Works and Enterprises	-	-	-	-	-	-	1,655,523	-	-	-
Culture, Recreation & Conservation	-	-	-	-	-	-	108,386	-	-	-
Economic Development	-	-	-	-	-	-	269,711	-	-	-
Human Services	-	-	-	-	-	-	9,397,396	-	-	-
Programs for Mental Health / Behavioral Health	10,219,112	12,996,544	9,878,816	9,878,816	9,365,352	-	-	-	-	-
Programs for Children & Youth	2,705,718	2,624,607	3,125,276	3,125,276	2,314,429	-	-	-	-	-
Programs for Community Development	322,502	223,944	205,424	205,424	224,345	-	-	-	-	-
Other	9,537,783	10,946,655	12,644,994	5,364,347	366,591	-	-	-	-	-
Unrestricted	(8,875,082)	(26,466,110)	(6,970,444)	(14,554,512)	(10,940,873)	(11,566,581)	(12,864,866)	(2,267,134)	(2,696,246)	(11,293,439)
Total Primary Government Net Position	\$ 27,824,513	\$ 20,044,232	\$ 37,834,537	\$ 32,411,241	\$ 30,228,807	\$ 19,706,612	\$ 31,416,336	\$ 17,342,211	\$ 28,118,435	\$ 18,240,089

Notes:

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

COUNTY OF BEAVER, PENNSYLVANIA

CHANGE IN NET POSITION

LAST TEN YEARS (ACCRUAL BASIS OF ACCOUNTING)

Program Revenues	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities:										
Fees and Charges:										
General Government	\$ 11,823,114	\$ 11,094,162	\$ 11,786,097	\$ 8,292,884	\$ 9,410,109	\$ 8,260,937	\$ 8,106,487	\$ 7,751,564	\$ 7,625,322	\$ 8,078,762
Judicial	576,950	574,181	481,730	533,027	815,176	416,498	340,294	304,522	314,108	335,118
Public Safety	2,819,936	3,391,361	1,842,030	503,209	557,855	618,159	690,643	-	-	-
Public Works and Enterprises	19,097	20,101	19,230	19,436	21,581	22,942	24,034	22,367	25,312	285,784
Culture, Recreation, and Conservation	529,133	334,040	327,437	316,212	288,309	290,823	286,063	251,490	233,425	-
Human Services	1,466,626	1,183,180	1,284,528	1,316,195	1,316,133	1,350,644	1,271,830	1,412,633	1,463,490	1,398,292
Economic Development	285,106	294,401	348,596	414,058	322,717	280,003	384,870	321,209	393,641	385,609
Miscellaneous	124,536	133,753	167,924	112,063	1,284,716	1,708,694	1,070,899	2,031,365	1,137,675	1,147,581
Operating Grants and Contributions	94,721,462	93,484,208	83,048,254	86,422,137	93,093,407	106,583,933	101,993,002	66,461,336	77,339,228	80,267,272
Total Governmental Activities Program Revenues	112,365,960	110,509,387	99,305,826	97,929,221	107,110,003	119,532,633	114,168,122	78,556,487	88,532,201	91,898,418
Business-type Activities:										
Fees and Charges:										
Friendship Ridge	-	-	-	7,145,189	49,001,164	52,731,569	54,820,672	56,136,160	53,408,458	52,376,087
Emergency Services	-	-	-	-	-	-	-	767,042	912,983	1,212,158
HealthChoices	-	-	-	-	-	-	-	35,106,108	28,804,258	25,846,355
Operating Grants and Contributions	-	-	-	-	-	-	-	2,447,934	3,507,863	1,795,207
Total Business-type Activities Program Revenues	-	-	0	7,145,189	49,001,164	52,731,569	54,820,672	94,457,244	86,633,562	81,229,807
Total Primary Government Program Revenues	112,365,960	110,509,387	99,305,826	105,074,410	156,111,167	172,264,202	168,988,794	173,013,731	175,165,763	173,128,225
Expenses										
Governmental Activities:										
General Government	9,761,689	12,694,109	13,700,510	12,408,945	14,170,624	11,750,434	11,996,754	11,669,448	10,815,513	10,885,322
Judicial	17,782,292	18,243,486	18,402,198	16,763,833	16,258,018	15,555,477	14,636,699	15,098,971	13,913,313	13,886,914
Public Safety	21,610,853	22,381,343	22,557,568	20,283,511	19,497,132	19,454,879	15,462,810	13,757,968	13,544,091	13,702,730
Public Works and Enterprises	5,135,624	5,474,144	6,407,538	5,655,490	5,072,959	5,182,838	4,241,207	4,528,251	5,619,566	5,278,816
Culture, Recreation, and Conservation	3,322,817	3,287,474	3,673,985	3,337,405	3,340,078	3,399,254	3,397,281	3,084,802	3,126,749	3,334,894
Human Services	93,246,736	87,938,362	81,745,820	80,551,274	80,247,950	87,636,856	89,981,045	56,738,862	70,269,076	74,933,041
Economic Development	4,178,374	5,123,114	4,529,186	5,204,788	5,934,034	7,612,686	8,270,783	9,930,980	10,150,296	7,912,766
Interest Expense	5,850,571	7,017,693	6,260,859	6,482,858	5,612,832	5,770,270	6,095,041	7,444,710	7,423,905	5,127,487
Total Governmental Activities Expenses	160,888,956	162,159,725	157,277,664	150,688,104	150,133,627	156,362,694	154,081,620	122,253,991	134,862,509	135,061,970
Business-type Activities:										
Friendship Ridge	-	-	-	8,445,296	53,755,637	56,196,777	56,242,814	58,256,142	57,349,265	53,420,889
Emergency Services	-	-	-	-	-	-	-	3,318,004	3,485,386	2,178,655
HealthChoices	-	-	-	-	-	-	-	34,760,543	33,479,918	26,628,247
Total Business-type Activities Expenses	-	-	-	8,445,296	53,755,637	56,196,777	56,242,814	96,334,689	94,314,569	82,227,791
Total Primary Government Expenses	\$ 160,888,956	\$ 162,159,725	\$ 157,277,664	\$ 159,133,400	\$ 203,889,264	\$ 212,559,471	\$ 210,324,434	\$ 218,588,680	\$ 229,177,078	\$ 217,289,761

Notes:

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

COUNTY OF BEAVER, PENNSYLVANIA

CHANGE IN NET POSITION

LAST TEN YEARS (ACCRUAL BASIS OF ACCOUNTING)

Net (Expense)/ Revenue	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities	\$ (48,522,996)	\$ (51,650,338)	\$ (57,971,838)	\$ (52,758,883)	\$ (43,023,624)	\$ (36,830,061)	\$ (39,913,498)	\$ (43,697,504)	\$ (46,330,308)	\$ (43,163,552)
Business-type Activities	-	-	-	(1,300,107)	(4,754,473)	(3,465,208)	(1,422,142)	(1,877,445)	(7,681,007)	(997,984)
<i>Total Primary Government Net Expense</i>	<u>\$ (48,522,996)</u>	<u>\$ (51,650,338)</u>	<u>\$ (57,971,838)</u>	<u>\$ (54,058,990)</u>	<u>\$ (47,778,097)</u>	<u>\$ (40,295,269)</u>	<u>\$ (41,335,640)</u>	<u>\$ (45,574,949)</u>	<u>\$ (54,011,315)</u>	<u>\$ (44,161,536)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Real Estate Taxes	\$ 56,068,046	\$ 48,324,708	\$ 46,246,341	\$ 47,448,275	\$ 47,930,067	\$ 48,529,473	\$ 47,133,255	\$ 46,603,187	\$ 45,901,624	\$ 45,714,111
Investment Income (Loss)	235,231	196,225	169,163	93,047	36,541	60,639	74,490	98,614	243,583	(5,315,720)
Other Income	-	-	-	-	-	113,989	-	-	680,307	-
Gain (Loss) on Sale of Capital Assets	-	(78,062)	-	-	-	(27,077)	-	-	-	-
Special Item:										
Disposal of Friendship Ridge	-	-	-	13,245,838	-	-	-	-	-	-
Assignment of Capital Items and L-T Debt	-	-	-	2,026,643	-	-	-	-	-	-
Transfer to Airport Authority	-	-	-	-	-	-	(7,430,681)	-	-	-
Gain on 2006 Swap Termination	-	-	-	-	-	-	-	-	10,586,368	-
Transfers	-	-	-	(1,366,893)	(617,550)	(612,260)	(2,255,409)	(452,553)	(1,305,934)	(615,612)
<i>Total Governmental Activities</i>	<u>56,303,277</u>	<u>48,442,871</u>	<u>46,415,504</u>	<u>61,446,910</u>	<u>47,349,058</u>	<u>48,064,764</u>	<u>44,952,336</u>	<u>38,818,567</u>	<u>56,105,948</u>	<u>39,782,779</u>
Business-type Activities:										
Investment Earnings	-	-	-	-	169	403	5,566	24,213	79,457	473,498
Assignment of Capital Items and L-T Debt	-	-	-	(2,026,643)	-	-	-	-	-	-
Other Income	-	-	-	516	16,042	20,681	11,933	43,676	20,025	11,579
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	1,366,893	617,550	612,260	2,255,409	452,553	1,305,934	615,612
<i>Total Business-type Activities</i>	<u>-</u>	<u>-</u>	<u>0</u>	<u>(659,234)</u>	<u>633,761</u>	<u>633,344</u>	<u>2,272,908</u>	<u>520,442</u>	<u>1,405,416</u>	<u>1,100,689</u>
<i>Total Primary Government</i>	<u>56,303,277</u>	<u>48,442,871</u>	<u>46,415,504</u>	<u>60,787,676</u>	<u>47,982,819</u>	<u>48,698,108</u>	<u>47,225,244</u>	<u>39,339,009</u>	<u>57,511,364</u>	<u>40,883,468</u>
Change in Net Position										
Governmental Activities	7,780,281	(3,207,467)	(11,556,334)	8,688,027	4,325,434	11,234,703	5,038,838	(4,878,937)	9,775,640	(3,380,773)
Business-type Activities	-	-	-	(1,959,341)	(4,120,712)	(2,831,864)	850,766	(1,357,003)	(6,275,591)	102,705
<i>Total Primary Government Change in Net Position</i>	<u>\$ 7,780,281</u>	<u>\$ (3,207,467)</u>	<u>\$ (11,556,334)</u>	<u>\$ 6,728,686</u>	<u>\$ 204,722</u>	<u>\$ 8,402,839</u>	<u>\$ 5,889,604</u>	<u>\$ (6,235,940)</u>	<u>\$ 3,500,049</u>	<u>\$ (3,278,068)</u>

Notes:

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

COUNTY OF BEAVER, PENNSYLVANIA

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Unreserved, Designated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,032	\$ 855,737	\$ 77,750
Unreserved, Undesignated	-	-	-	-	-	-	-	3,712,094	3,277,443	1,233,082
Nonspendable:										
Not in Spendable Form (Prepaid Items)	85,259	168,172	171,446	156,112	202,816	267,748	272,453	-	-	-
Restricted:										
Debt Service	2,673,265	6,097,239	6,622,456	7,104,711	-	-	-	-	-	-
Programs for Mental Health / Behavioral Health	-	-	200,691	-	-	-	-	-	-	-
Other	670,505	241,660	-	-	-	-	-	-	-	-
Assigned:										
General Government	75,194	12,409	-	606,016	127,511	-	6,135	-	-	-
Judicial	-	-	-	-	-	-	3,947	-	-	-
Public Safety	-	-	-	-	-	-	2,101	-	-	-
Culture, Recreation & Conservation	-	-	-	-	-	-	649	-	-	-
Other	-	397,947	-	-	-	-	-	-	-	-
Unassigned:	4,463,333	227,881	(3,851,578)	4,378,985	(4,147,374)	(491,085)	2,112,317	-	-	-
Total General Fund	7,967,556	7,145,308	3,143,015	12,245,824	(3,817,047)	(223,337)	2,397,602	3,738,126	4,133,180	1,310,832
All Other Governmental Funds										
Unreserved, Designated	-	-	-	-	-	-	-	1,589,202	933,293	1,054,288
Unreserved, Reported in:										
Special Revenue funds	-	-	-	-	-	-	-	5,053,869	5,757,754	3,457,454
Capital Projects funds	-	-	-	-	-	-	-	1,161,197	5,674,231	911,524
Nonspendable:										
Not in Spendable Form (Prepaid Items)	3,197,060	1,725,641	2,120,304	2,216,218	2,359,534	2,134,116	1,666,991	-	-	-
Restricted:										
Programs for Mental Health / Behavioral Health	9,712,452	12,996,544	10,346,136	9,878,816	9,365,352	8,263,828	7,409,183	-	-	-
Programs for Children & Youth	-	1,997,012	2,212,367	1,815,214	1,375,247	1,310,896	667,127	-	-	-
Programs for Community Development	-	223,944	119,578	205,424	202,625	111,582	269,711	-	-	-
Other	7,517,563	4,854,739	4,688,609	4,899,535	4,777,475	2,634,492	2,820,030	-	-	-
Committed:										
Capital Projects	1,373,346	1,051,098	1,637,838	1,691,061	1,416,877	1,001,999	-	-	-	-
General Government	-	-	-	-	-	-	1,285,501	-	-	-
Unassigned:	(127,160)	(146,232)	(139,006)	(143,374)	(224,464)	(118,565)	(234,522)	-	-	-
Total All Other Governmental Funds	21,673,261	22,702,747	20,985,827	20,562,894	19,272,646	15,338,348	13,884,021	7,804,268	12,365,278	5,423,266
Total Governmental Funds	\$ 29,640,817	\$ 29,848,055	\$ 24,128,841	\$ 32,808,718	\$ 15,455,599	\$ 15,115,011	\$ 16,281,623	\$ 11,542,394	\$ 16,498,458	\$ 6,734,099

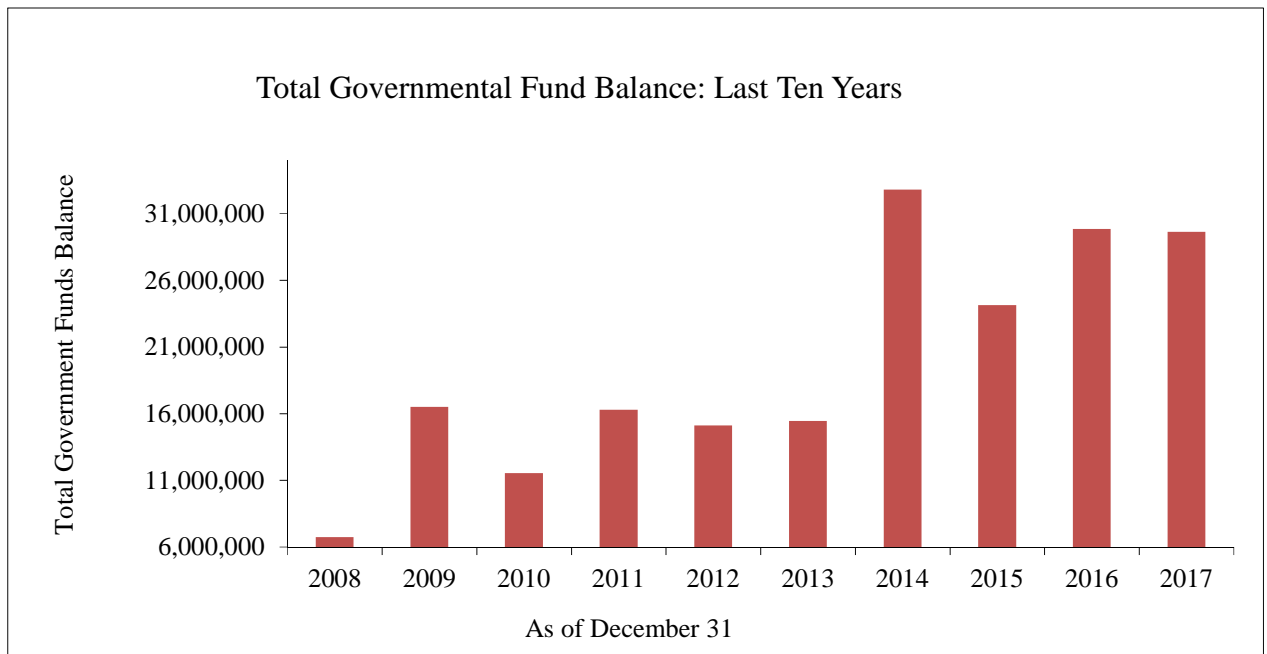
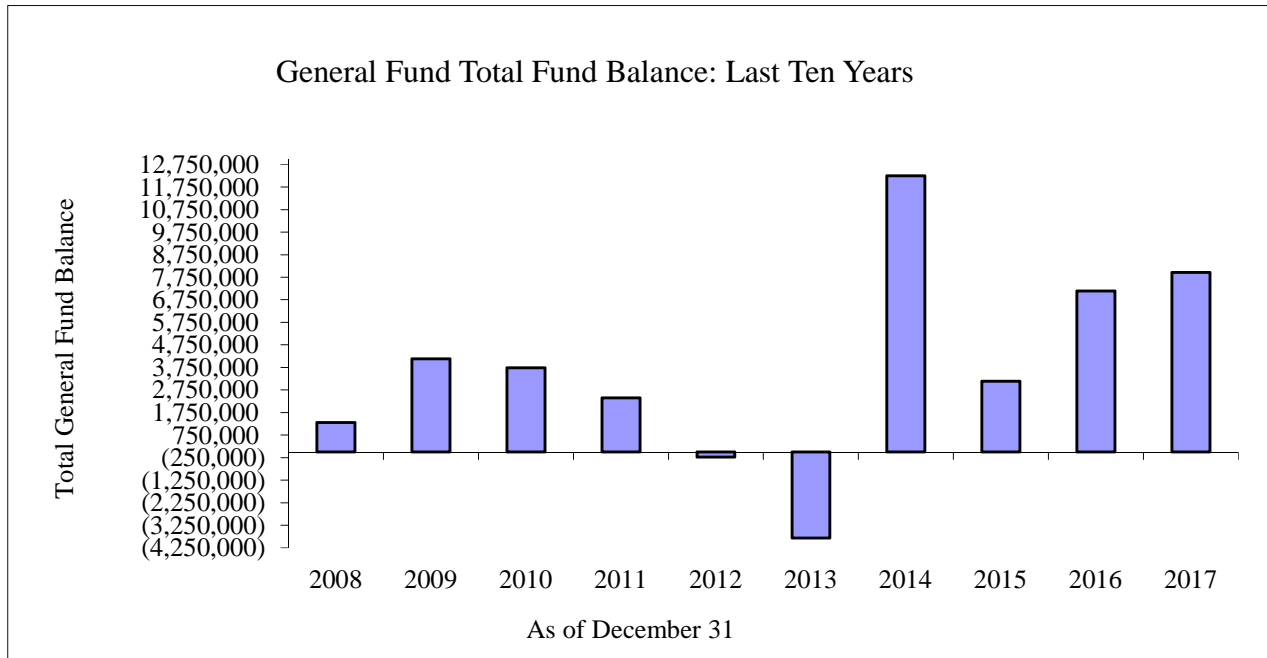
Notes:

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

COUNTY OF BEAVER, PENNSYLVANIA

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)



COUNTY OF BEAVER, PENNSYLVANIA

CHANGE IN FUND BALANCE, GOVERNMENTAL FUNDS

LAST TEN YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

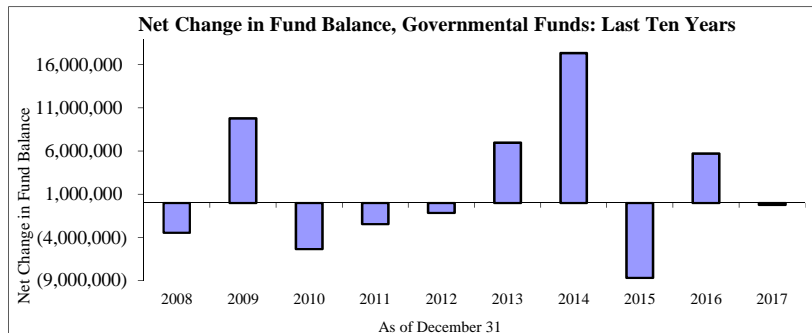
	2017	2016	2015	2014	2013	2012	2011 (c)	2010	2009	2008
Revenues										
Real Estate Taxes	\$ 55,897,454	\$ 48,172,039	\$ 46,920,546	\$ 47,565,872	\$ 47,526,123	\$ 47,284,984	\$ 47,359,047	\$ 46,192,256	\$ 45,986,732	\$ 45,361,286
Licenses and Permits	156,872	146,785	134,079	125,652	142,264	135,717	95,994	88,331	90,613	94,777
Interest and Rents	235,159	196,183	169,130	93,025	36,468	60,383	73,801	97,072	237,972	968,971
Intergovernmental	93,957,896	93,810,787	83,091,966	84,978,970	93,017,636	106,312,619	103,744,098	64,848,333	79,118,847	76,585,454
Charges for Services and Facilities	15,580,781	16,744,636	16,070,793	11,348,699	11,019,107	10,852,799	10,748,397	10,269,426	9,755,195	10,144,856
Local Hotel Room Tax	529,013	319,265	308,262	291,612	268,517	273,245	267,925	235,540	215,100	243,930
Miscellaneous	124,536	133,753	167,924	112,063	1,198,927	1,686,939	1,062,804	1,501,854	1,581,922	1,147,581
Total Revenues	166,481,711	159,523,448	146,862,700	144,515,893	153,209,042	166,606,686	163,352,066	123,232,812	136,986,381	134,546,855
Expenditures										
Current:										
General Government	10,489,519	10,380,470	11,440,962	10,542,028	10,284,611	10,081,461	9,982,399	9,884,189	11,226,886	9,797,512
Judicial	17,452,973	16,850,316	16,869,061	15,816,183	15,650,178	14,919,818	14,028,854	14,730,514	15,672,337	13,778,503
Public Safety	19,935,332	19,464,489	19,193,767	17,395,709	17,308,063	17,254,565	15,386,635	12,571,331	16,001,577	13,258,113
Public Works and Enterprises (a)	3,544,708	3,915,528	4,666,979	4,118,711	3,841,908	4,032,075	3,370,619	3,491,805	3,936,778	3,904,651
Culture, Recreation and Conservation	2,835,869	2,829,461	3,117,577	2,926,885	2,988,019	3,024,727	2,960,924	2,847,595	3,111,984	3,144,734
Economic Development (a)	4,172,189	4,828,439	4,506,303	5,156,566	5,923,971	7,593,606	8,300,580	9,804,324	10,102,085	7,876,607
Human Services (c)	93,148,718	87,740,081	81,018,013	80,519,200	80,395,901	87,740,922	90,167,200	56,804,760	69,812,859	74,616,096
Capital Outlay-Infrastructure	4,056,950	2,052,984	870,694	2,695,836	6,871,309	13,063,570	8,294,941	6,200,701	1,968,649	1,082,722
Capital Outlay-Asset										
Acquisition and Improvements	734,619	1,921,658	3,414,698	2,887,048	1,065,230	1,358,674	1,410,896	3,025,859	9,351,084	3,572,364
Refunding Bond Issuance Costs										
Debt service:										
Principal	6,113,680	1,506,871	4,751,704	4,510,711	3,594,186	3,036,967	3,285,850	3,028,918	2,147,247	2,718,684
Interest	3,291,855	2,476,450	5,682,783	5,942,119	4,995,116	5,306,440	5,537,461	5,692,426	5,725,138	4,997,227
Bond Issuance Costs	714,866	1,152,441	-	-	149,577	111,007	-	-	1,355,321	-
Current Refunding	-	-	-	-	-	7,795,703	-	-	-	-
Other	15,900	-	10,035	12,511	10,006	-	-	-	-	-
Total Expenditures	166,507,178	155,119,188	155,542,576	152,523,507	153,078,075	175,329,535	162,726,359	128,082,422	150,417,945	138,747,213
<i>Excess of Revenues Over (Under) Expenditures</i>	(25,467)	4,404,260	(8,679,876)	(8,007,614)	130,968	(8,722,850)	625,708	(4,849,610)	(13,431,564)	(4,200,358)
Other Financing Sources (Uses)										
Proceeds of Refunded Bonds	64,810,000	114,640,000	-	-	(6,636,785)	-	-	-	-	-
Capital Leases	30,678	-	-	-	266,409	114,139	-	174,680	7,984,367	1,375,582
Payment to Refunded Bonds Escrow Agent	(69,957,368)	(114,298,594)	-	-	6,831,000	7,741,065	-	-	(58,484,063)	-
Proceeds of Bonds	-	-	-	-	-	-	58,403	-	21,923,950	-
Issuance of Refunding Debt	-	-	-	-	411,185	217,143	-	-	60,328,550	-
Insurance Proceeds	-	-	-	-	-	113,989	-	-	442,320	-
Original Issue (Discount) Premium	4,934,920	973,545	-	147,963	(44,638)	(17,840)	-	-	(1,428,045)	-
Disposal of Friendship Ridge	-	-	-	26,579,663	-	-	-	-	-	-
Transfers In	5,169,573	4,893,784	4,043,149	4,692,310	3,963,629	3,811,888	3,571,299	3,793,889	353,420	250,899
Transfers Out (c)	(5,169,573)	(4,893,784)	(4,043,149)	(6,059,203)	(4,581,179)	(4,424,148)	(6,688,059)	(4,246,442)	(979,573)	(866,511)
Total Other Financing Sources (Uses)	(181,770)	1,314,951	0	25,360,733	6,846,406	7,556,236	(3,058,357)	(277,873)	30,140,926	759,970
Special Items										
2006 Swap Agreement Termination	-	-	-	-	-	-	-	-	(6,945,000)	-
Transfer to the Airport Authority	-	-	-	-	-	-	-	(206,885)	-	-
Net Change in Fund Balances	\$ (207,237)	\$ 5,719,211	\$ (8,679,876)	\$ 17,353,119	\$ 6,977,374	\$ (1,166,614)	\$ (2,432,649)	\$ (5,334,368)	\$ 9,764,362	\$ (3,440,388)

Debt Service as a Percentage of Noncapital Expenditures

	5.8%	2.6%	6.9%	7.1%	5.9%	5.2%	5.8%	7.3%	5.7%	5.8%
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Notes:

- In prior years the Economic Development Function was included as part of the Public Works function.
- 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.
- 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
2017	\$ 1,879,460,490	\$ 755,422,224	\$ 459,319,927	\$ 2,175,562,787	\$ 8,335,489,605	26.10 %	26.00
2016	1,754,172,763	794,280,768	377,543,617	2,170,909,914	7,540,747,853	29.30	22.20
2015	2,019,704,712	605,164,531	463,497,884	2,161,371,359	7,376,693,444	29.30	22.20
2014	2,008,192,682	605,680,807	456,756,117	2,157,117,372	6,847,991,657	31.50	22.20
2013	1,993,695,757	605,382,307	459,296,093	2,139,781,971	6,275,020,442	34.10	22.20
2012	1,970,569,657	615,591,407	452,208,574	2,133,952,490	6,525,848,593	32.70	22.20
2011	1,970,569,657	605,884,431	457,991,312	2,118,462,776	7,085,159,786	29.90	22.20
2010	1,954,254,872	613,019,142	457,704,757	2,109,569,257	7,079,091,467	29.80	22.20
2009	1,947,012,633	605,314,542	455,114,519	2,097,212,656	7,182,235,123	29.20	22.20
2008	1,918,509,761	628,834,644	469,572,834	2,077,771,571	7,091,370,549	29.30	18.70

Sources:

Beaver County Assessment Office

Notes:

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

COUNTY OF BEAVER, PENNSYLVANIA

PROPERTY TAX RATES (IN MILS) - DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF ASSESSED VALUATION) LAST TEN COLLECTION YEARS

	Year Taxes are Payable									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
County Direct Rate										
Property Tax (1)	26.00	22.20	22.20	22.20	22.20	22.20	22.20	22.20	22.20	22.20
Municipal Rates										
City of Aliquippa (2)	L 84.00 B 14.40	L 84.00 B 14.40	L 84.00 B 14.10	L 84.00 B 14.40	L 84.00 B 14.40	L 84.00 B 14.40	L 84.00 B 14.40	L 84.00 B 14.40	L 81.00 B 11.40	L 81.00 B 11.40
City of Beaver Falls	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00
Townships	7.00-30.00	7.00-30.00	7.00-30.00	7.00-30.00	7.00-30.00	5.00-27.50	5.00-25.00	5.00-25.00	5.00-23.38	5.00-23.38
Boroughs (3)	2.00-34.50	2.00-34.50	2.00-34.50	2.00-34.50	2.00-34.50	2.00-34.50	1.00-34.50	1.00-34.50	1.00-34.50	1.00-34.50
School District Rates										
City of Aliquippa (2)	L 240.50 B 37.3	L 232.00 B 36.00	L 224.00 B 34.75	L 218.00 B 34.00	L 212.00 B 33.85	L 207.00 B 33.00	L 202.00 B 32.50	L 198.00 B 32.00	L 195.00 B 31.00	L 188.00 B 29.50
City of Beaver Falls	67.00	66.00	64.00	64.00	63.00	62.00	62.00	61.00	61.00	61.00
Townships	55.67-79.2941	53.56-79.2941	51.1526-75.8610	48.30-73.9390	47.00-73.9390	44.00-72.9390	44.00-69.8390	42.00-67.00	41.20-66.00	39.00-66.00
Boroughs (3)	31.75-79.2941	31.00-79.2941	30.25-75.8610	29.50-73.9390	28.75-73.9390	28.00-72.9390	28.00-69.8390	28.00-63.339	28.00-61.02	28.00-61.02
Totals										
City of Aliquippa (2)										
Land	350.50	338.20	330.20	324.20	318.20	313.20	308.20	304.20	298.20	291.20
Building	77.70	72.60	71.05	70.60	70.45	69.60	69.10	68.60	64.60	63.10
Total	428.20	410.80	401.25	394.80	388.65	382.80	377.30	372.80	362.80	354.30
City of Beaver Falls	125.00	120.20	118.20	118.20	117.20	116.20	116.20	115.20	115.20	115.20
Townships	88.67-135.2941	82.76-131.4941	80.3526-128.061	77.50-126.139	76.20-126.139	71.20-122.6390	71.20-117.0390	69.20-114.20	68.40-111.58	66.20-111.58
Boroughs (3)	59.75-139.7941	55.20-135.9941	54.45-132.561	53.70-130.639	52.95-130.639	52.20-129.6390	51.20-126.5390	51.20-120.04	51.20-117.72	51.20-117.72

Sources:

Beaver County Assessment Office

Notes:

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

L: Land
B: Building

COUNTY OF BEAVER, PENNSYLVANIA

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND TEN YEARS AGO

Tax Payer	January 1, 2018	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
First Energy Corporation (Bruce Mansfield, BV2)	\$ 135,407,875	6.22%
Beaver Valley Mall	27,158,500	1.25%
Wal-Mart Real Estate (Chippewa & Economy)	13,865,800	0.64%
Comprehensive Health Care Management	13,439,500	0.62%
ARC TMMONPA001, LLC - Lowes, Eat'N Park, Texas Roadhouse	12,266,400	0.56%
The Buncher Company	10,572,700	0.49%
THF Monaca, LP - Walmart, Applebees, McDonalds, Taco Bell	9,976,600	0.46%
Nova Chemicals Inc.	9,600,000	0.44%
Koppel Steel (Ambridge & Koppel)	9,488,000	0.44%
United States Gypsum - Aliquippa	15,799,659	0.73%
	\$ 257,575,034	11.84%
Total Assessed Valuation	\$ 2,175,562,787	

Tax Payer	January 1, 2008	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
First Energy (Bruce Mansfield, BV2, Various)	\$ 133,521,905	6.43%
PR Beaver Valley LP - Beaver Valley Mall	27,864,100	1.34%
Koppel Steel (Ambridge & Koppel)	14,801,400	0.71%
Horsehead Industries	12,943,800	0.62%
DDR MDT - Lowes, Eat'N park, Texas Roadhouse	12,266,400	0.59%
United States Gypsum	12,128,600	0.58%
THF Monaca, LP - Walmart	9,976,600	0.48%
Nova Chemicals Inc.	9,600,000	0.46%
NGC Gypsum Plant - Shippingport	8,594,300	0.41%
Kimsquare Chippewa 460 Inc. (Home Depot & Kmart)	8,387,300	0.40%
	\$ 250,084,405	12.04%
Total Assessed Valuation	\$ 2,077,771,571	

Notes:

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

Real Property Valuation reported using market value.

Sources:

Beaver County Board of Property Assessment

COUNTY OF BEAVER, PENNSYLVANIA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS

Fiscal Year Ended December 31,	Total Property Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent & Lien Tax Collections	Total Collection to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2017	\$ 56,564,632	\$ 51,167,093	90.46 %	\$ 3,231,517	\$ 54,398,610	96.17 %
2016	49,049,548	43,728,293	89.15	1,451,602	45,179,895	92.11
2015	48,254,222	44,868,667	92.98	2,946,657	46,946,979	97.29
2014	47,888,005	44,420,546	92.76	2,526,433	46,946,979	98.03
2013	47,503,161	43,048,308	90.62	2,716,354	45,764,662	96.34
2012	47,373,745	42,891,029	90.54	2,641,364	45,532,393	96.11
2011	47,029,879	42,857,527	91.13	2,800,306	45,657,833	97.08
2010	46,832,454	42,021,182	89.73	3,307,353	45,328,535	96.79
2009	46,558,121	42,091,789	90.41	2,355,960	44,447,749	95.47
2008	46,126,529	43,731,779	94.81	1,998,129	45,729,908	99.14

Sources:

Beaver County Board of Property Assessment

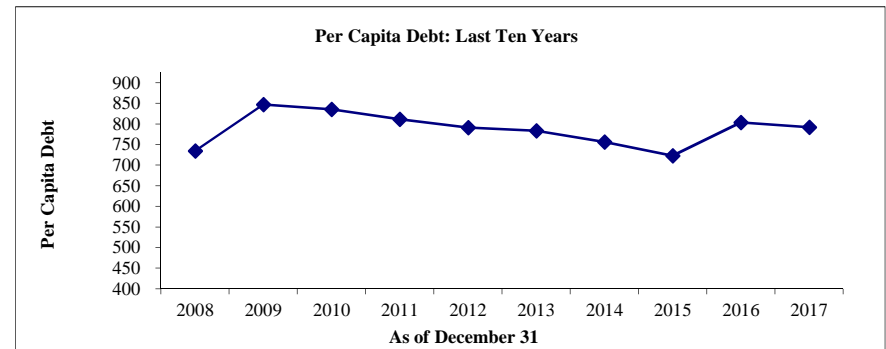
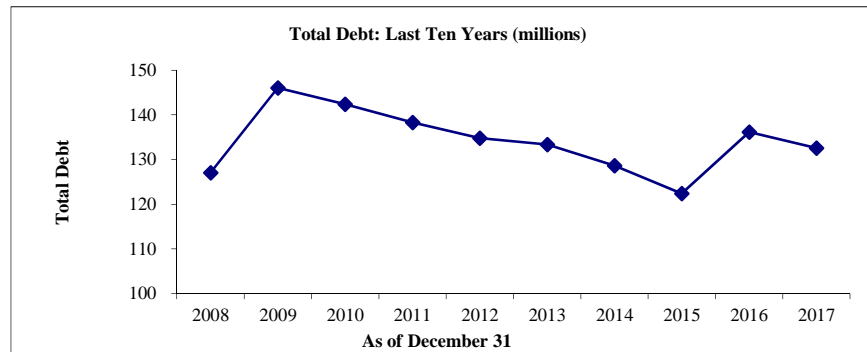
Notes:

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

COUNTY OF BEAVER, PENNSYLVANIA

RATIO OF OUTSTANDING DEBT TO TOTAL PERSONAL INCOME AND DEBT PER CAPITA LAST TEN YEARS

Year	Governmental Activities				Business-type Activities			Total Primary Government		
	General Obligation Bonds	Other General Long-term Liabilities	Capital Lease Obligations	Obligations under Derivatives	General Obligation Bonds	Other General Long-term Liabilities	Capital Lease Obligations	Total Debt	Percentage of Personal Income	Per Capita
2017	\$ 116,620,498	\$ 10,291,170	\$ 5,680,033	\$ -	\$ -	\$ -	\$ -	\$ 132,591,701	2.67 %	792
2016	118,573,545	11,640,917	5,960,758	-	-	-	-	136,175,220	2.90	804
2015	62,451,933	44,459,723	15,514,970	-	-	-	-	122,426,626	2.61	723
2014	65,065,000	47,709,130	15,885,089	-	-	-	-	128,659,219	2.75	756
2013	63,594,212	37,566,490	16,117,472	-	3,300,788	12,823,350	-	133,402,312	3.11	784
2012	70,262,258	31,676,265	16,241,559	-	7,027,145	9,570,138	-	134,777,365	3.09	791
2011	73,583,133	31,067,844	16,329,003	-	7,791,210	9,572,254	-	138,343,444	3.43	811
2010	76,130,147	32,380,719	16,689,585	-	7,664,136	9,559,370	2,386	142,426,343	3.53	835
2009	77,831,993	33,474,684	16,867,219	-	8,298,314	9,546,486	40,687	146,059,383	3.60	847
2008	65,776,253	25,263,678	9,240,803	17,531,368	8,894,004	290,000	78,897	127,075,003	3.11	734



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

COUNTY OF BEAVER, PENNSYLVANIA

RATIO OF NET OBLIGATION BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA LAST TEN YEARS

Year	Population	Estimated Actual Value of Taxable Property	Gross Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2017	167,429	\$ 8,335,489,605	\$ 116,620,498	1.40 %	697
2016	168,908	7,540,747,853	118,573,545	1.57	702
2015	169,392	7,376,693,444	62,451,933	0.85	369
2014	170,115	6,847,991,657	65,065,000	0.95	382
2013	170,245	6,275,020,442	66,895,000	1.07	393
2012	170,414	6,525,848,593	77,289,403	1.18	454
2011	170,567	7,085,159,786	81,374,343	1.15	477
2010	170,539	7,079,091,467	83,794,283	1.18	491
2009	172,476	7,182,235,123	86,130,307	1.20	499
2008	173,074	7,091,370,549	74,670,257	1.05	431

COUNTY OF BEAVER, PENNSYLVANIA

LEGAL DEBT MARGIN

LAST TEN YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Borrowing Base	\$ 71,484,046	\$ 66,830,635	\$ 64,785,129	\$ 63,812,699	\$ 64,073,070	\$ 63,661,278	\$ 63,302,104	\$ 62,715,342	\$ 60,561,918	\$ 57,411,646
Legal Debt Limit:										
Non-electoral Debt	214,452,137	200,491,905	194,355,388	191,438,097	192,219,211	190,983,833	189,906,311	188,146,026	181,685,755	172,234,938
Non-electoral Debt plus Lease Rental Debt	285,936,183	267,322,540	259,140,517	255,250,796	256,292,281	254,645,111	253,208,415	250,861,368	242,247,673	229,646,584
Net Debt Applicable to the Limit:										
Non-electoral Debt	119,269,936	121,453,059	92,721,547	95,249,061	88,336,056	109,144,638	113,963,491	106,799,416	96,574,049	74,088,924
Non-electoral Debt plus Lease Rental Debt	15,996,677	17,633,290	30,843,330	33,494,159	45,882,706	26,949,911	26,111,303	36,692,659	50,532,410	32,375,000
Legal Debt Margin:										
Non-electoral Debt	95,182,201	79,038,846	101,633,841	96,189,036	103,883,155	81,839,195	75,942,820	81,346,610	85,111,706	98,146,014
Non-electoral Debt plus Lease Rental Debt	269,939,506	249,689,250	228,297,187	221,756,637	210,409,575	227,695,200	227,097,112	214,168,709	191,715,263	197,271,584
Ratio of Net Debt Applicable to the Limit / Legal Debt Limit:										
Non-electoral Debt	56%	61%	48%	50%	46%	57%	60%	57%	53%	43%
Non-electoral Debt plus Lease Rental Debt	6%	7%	12%	13%	18%	11%	10%	15%	21%	14%

Limitations on incurring other debt:

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

Borrowing base:

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

Debt:

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

Non-electoral debt:

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

Lease rental debt:

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

Legal debt margin:

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

Notes:

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

COUNTY OF BEAVER, PENNSYLVANIA

PRINCIPAL EMPLOYERS

CURRENT YEAR AND TEN YEARS AGO

Employer	2017	
	Employees	Percentage of Total County Employment
Valley Medical Facilities, Inc.	n/a	n/a
Passavant Memorial Homes	n/a	n/a
Wal-Mart Associates, Inc.	n/a	n/a
Great Arrow Builders LLC	n/a	n/a
FirstEnergy Nuclear Operating Co.	n/a	n/a
Beaver County	n/a	n/a
IPSCO Koppel Tubular Corp.	n/a	n/a
McGuire Memorial	n/a	n/a
Veka Inc.	n/a	n/a
Heritage Valley Medical Group Inc.	n/a	n/a
Total	n/a	n/a
 Total County Employees	 721	
Employer	2008	
	Employees	Percentage of Total County Employment
Valley Medical Facilities, Inc.	n/a	n/a
Beaver County Government	n/a	n/a
FirstEnergy Nuclear Operating	n/a	n/a
Wal-Mart Associates Inc.	n/a	n/a
McCarl's Inc.	n/a	n/a
Chicago Title Insurance Co.	n/a	n/a
Passavant Memorial Homes	n/a	n/a
Koppel Steel Corp.	n/a	n/a
Horsehead Corp.	n/a	n/a
McGuire Memorial	n/a	n/a
Total	n/a	n/a
 Total County Employees	 857	

Notes:

Number of Employees not available from source due to confidentiality.

Sources:

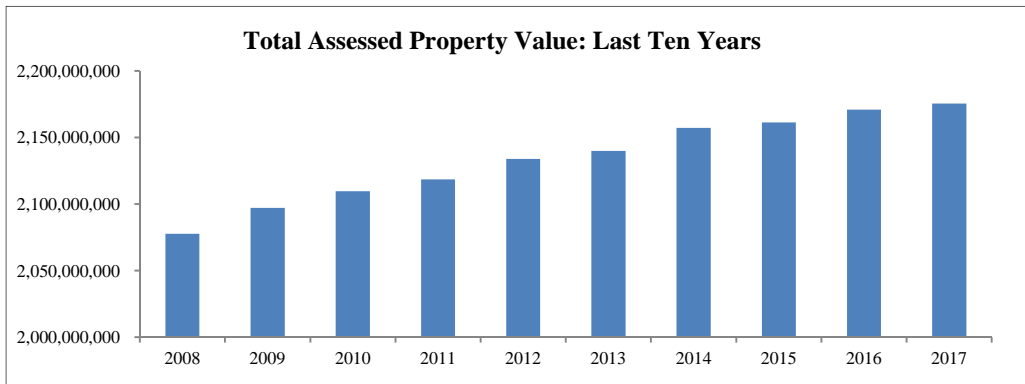
Center for Workforce Information and Analysis-Home of PA Work Stats

COUNTY OF BEAVER, PENNSYLVANIA

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN YEARS

Year	Population	Total Personal Income (thousands of dollars)	Per Capita Personal Income	Median Household Income	Median Age	Percent with Educational Attainment: Bachelor's Degree or Higher	School Enrollment	Unemployment Rate	Total Assessed Property Value
2017	167,429 (17)	\$ 4,959,581,838	\$ 29,622 (17)	\$ 55,221 (17)	44.9 (17)	25.6 % (17)	34,559 (17)	5.3 % (1)	\$ 2,175,562,787
2016	168,908 (16)	4,599,871,564	\$ 27,233 (16)	\$ 50,581 (16)	44.8 (16)	21.7 (16)	35,365 (16)	4.2 (1)	2,170,909,914
2015	169,392 (15)	4,695,376,848	27,719 (15)	51,222 (15)	44.9 (15)	22.4 (15)	34,389 (15)	4.8 (1)	2,161,371,359
2014	170,115 (14)	4,684,626,870	27,538 (14)	49,937 (14)	45.0 (14)	25.1 (14)	35,939 (14)	5.7 (1)	2,157,117,372
2013	170,245 (13)	4,286,769,100	25,180 (13)	47,083 (13)	44.8 (13)	21.3 (13)	35,439 (13)	5.9 (1)	2,139,781,971
2012	170,414 (12)	4,355,270,598	25,557 (12)	48,901 (12)	44.3 (12)	14.3 (12)	36,583 (12)	7.4 (1)	2,133,952,490
2011	170,567 (11)	4,035,103,519	23,657 (9)	43,898 (9)	44.3 (8)	20.1 (10)	39,875 (10)	6.6 (1)	2,118,462,776
2010	170,539 (5)	4,038,534,059	23,681 (6)	45,414 (6)	43.5 (5)	18.9 (7)	38,003 (7)	7.4 (1)	2,109,569,257
2009	172,476 (3)	4,061,119,896	23,546 (4)	45,408 (4)	43.9 (4)	18.1 (4)	36,627 (4)	8.2 (1)	2,097,212,656
2008	173,074 (2)	4,083,681,030	23,595 (2)	45,017 (2)	43.8 (2)	19.5 (2)	36,970 (2)	5.6 (1)	2,077,771,571



Sources:

- (1) Center for Workforce Information and Analysis - Home of PA Work Stats
- (2) U.S. Census Bureau, Population Estimates Program
- (3) U.S. Census Bureau, 2007 American Community Survey
- (4) U.S. Census Bureau, 2008 ACS Demographic and Housing Estimates
- (5) U.S. Census Bureau, 2008 ACS Economic Characteristics
- (6) U.S. Census Bureau, 2008 ACS Social Characteristics
- (7) U.S. Census Bureau, 2009 ACS Demographic and Housing Estimates
- (8) U.S. Census Bureau, 2009 ACS Economic Characteristics
- (9) U.S. Census Bureau, 2009 ACS Social Characteristics
- (10) U.S. Census Bureau, 2010 ACS Demographic and Housing Estimates
- (11) U.S. Census Bureau, 2011 American Community Survey
- (12) U.S. Census Bureau, 2011 American Community Survey 1-Year Estimates
- (13) U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates
- (14) U.S. Census Bureau, 2013 American Community Survey 1-Year Estimates
- (15) U.S. Census Bureau, 2014 American Community Survey 1-Year Estimates
- (16) U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates
- (17) U.S. Census Bureau, 2016 American Community Survey 1-Year Estimates

COUNTY OF BEAVER, PENNSYLVANIA

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

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government:										
Commissioners	7.0	7.0	6.0	5.0	5.0	5.0	5.0	6.0	6.0	5.0
Controller	8.0	9.0	7.0	8.0	9.0	8.0	8.0	8.0	9.0	10.0
Treasurer	11.5	11.5	11.5	12.5	13.0	9.5	10.5	13.5	11.5	12.0
Recorder of Deeds	7.5	7.5	6.5	6.5	6.5	7.0	6.0	8.5	8.5	8.5
Solicitor	2.5	3.5	3.5	3.5	3.5	3.5	2.5	3.0	3.0	3.0
Information Technology	4.0	5.5	6.0	6.0	6.0	7.0	7.0	7.0	7.0	9.0
Planning Commissior	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	6.0
Weights and Measures	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Veterans Affairs	2.5	3.5	3.5	3.5	3.0	2.0	3.0	2.5	2.5	3.0
Election Bureau	5.0	8.0	8.0	8.0	9.0	8.5	8.5	8.5	8.5	6.0
Assessment/Tax Claim	15.0	17.0	21.5	21.0	21.0	20.5	20.5	21.0	21.0	24.0
Public Defender	14.0	15.0	17.0	16.0	16.0	16.0	16.0	16.0	15.5	16.0
Employee Relations	3.0	3.5	6.0	6.0	6.0	6.0	5.0	6.0	5.5	7.0
Mailroom*	4.0	4.0	3.0	2.5	2.0	3.0	3.0	3.0	3.0	2.0
Micrographics	1.0	1.5	2.5	3.0	3.0	4.0	5.0	6.0	5.5	5.0
Central Telephone	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5
Purchasing*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	2.0
Judicial:										
Clerk of Courts	11.5	12.0	11.5	11.5	11.5	11.5	11.5	11.5	10.5	12.5
Coroner	2.0	4.0	3.0	2.0	2.5	3.0	2.5	2.5	2.5	3.0
Jury Commission	2.0	2.0	1.0	1.0	1.0	1.0	1.5	1.0	1.0	2.0
District Attorney	27.0	25.0	24.5	24.5	24.0	24.0	23.5	24.0	22.5	24.5
Prothonotary	10.5	11.0	11.5	11.5	11.0	12.0	11.5	11.5	11.0	13.0
Register of Wills	5.5	6.5	4.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Sheriff	41.0	36.0	44.5	46.5	45.0	46.0	46.5	44.0	45.5	45.5
Court Administration	38.0	42.0	45.0	44.0	41.5	43.5	42.5	46.0	45.5	45.5
Law Library	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Domestic Relations	29.0	31.0	29.0	32.0	33.0	33.0	32.0	33.0	33.0	35.0
District Courts (Nine)	29.0	28.0	31.0	31.0	31.0	27.0	31.0	28.0	29.0	31.0
Rights & Services/Victims of Crime	3.0	4.0	3.5	3.0	3.0	3.0	3.0	4.0	4.0	4.0
Drug Investigation	6.5	12.0	9.0	8.5	7.0	8.0	7.0	7.5	8.0	8.0
Public Safety:										
Emergency Services	50.0	42.0	45.5	44.0	43.0	43.5	45.5	45.0	42.5	42.5
Jail	79.5	84.0	88.5	88.5	82.0	93.0	93.5	88.5	87.5	89.5
Allencrest Detention Center	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	29.5
Adult Probation/Intermediate Punishment	31.0	31.0	31.0	31.0	31.0	31.5	30.0	31.5	30.0	33.0
Juvenile Services	27.0	27.0	26.5	25.5	26.5	25.5	25.5	26.0	24.5	25.0
DUI Program	2.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
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	29.0	28.0	34.0	34.5	33.0	30.5	29.5	27.5	27.5	31.0
Airport	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	5.5
Culture, Recreation and Conservation:										
Parks/Recreation/Tourist Promotion	9.0	12.5	12.5	13.0	12.0	13.0	12.5	13.0	14.0	13.5
Library Commission	7.0	9.5	11.5	11.5	11.5	12.0	11.5	11.0	11.5	11.5
Waste Management	4.0	4.0	3.5	3.5	3.0	3.5	5.0	4.0	4.0	4.0
Human Services:										
Office on Aging	25.5	30.5	29.0	28.0	29.5	31.5	39.0	38.0	40.0	39.5
Children & Youth	72.0	72.0	71.0	67.5	65.5	63.0	67.0	64.0	60.0	70.5
MH/ID (formerly MH/MR)-Drug & Alcohol-HealthChoice:	77.0	79.0	78.0	79.0	78.0	71.5	81.0	78.5	88.0	88.0
Childcare Choices	0.0	0.0	0.0	0.0	0.0	9.5	10.0	10.5	10.5	11.0
Economic Development:										
Community Development	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	8.0
Total	720.5	750.0	771.5	769.0	754.5	764.0	786.5	783.5	790.0	857.0

Method:

Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. Elected officials were excluded from the count taken at December 31.

Notes:

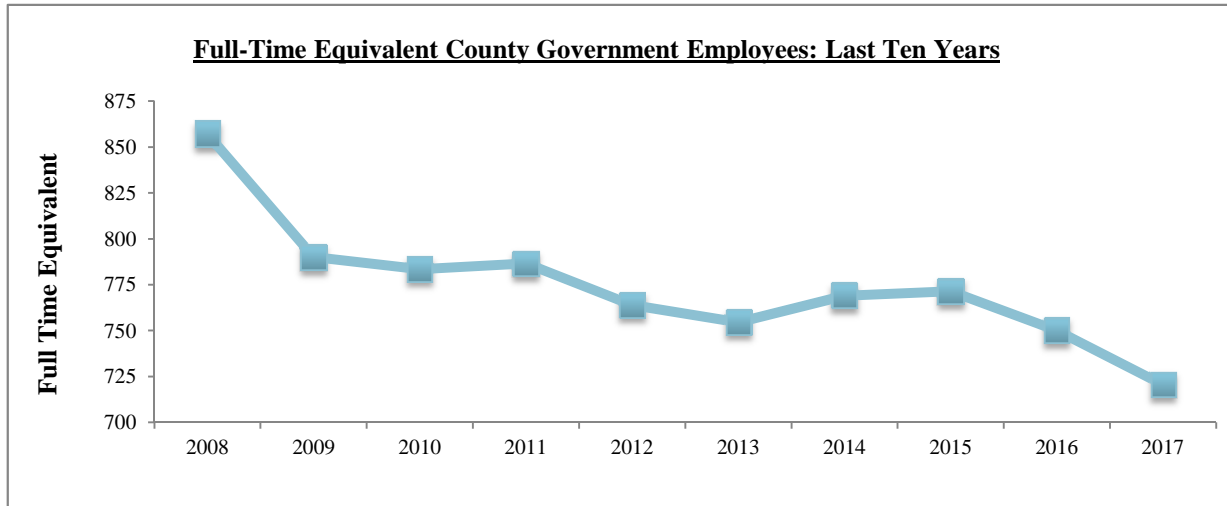
* Starting in 2010, the Mailroom function includes the Purchasing function.

Sources:

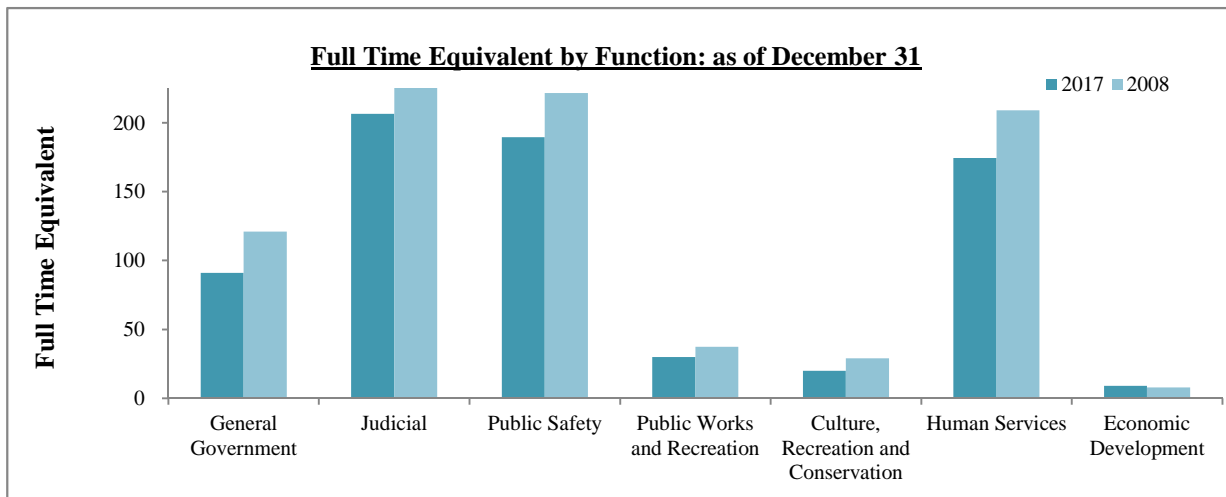
Beaver County Payroll Department

COUNTY OF BEAVER, PENNSYLVANIA

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



* FTE reductions in 2009, 2012, and 2017 were results of extensive early retirement packages offered and County layoffs.



The following represents the % increase or decrease in FTE between 2008 and 2017:

- General Government - Decreased 25%
- Judicial - Decreased 11%
- Public Safety - Decreased 14%
- Public Works and Recreation - Decreased 20%
- Culture, Recreation and Conservation - Decreased 31%
- Human Services - Decreased 17%
- Economic Development - Increased 13%

COUNTY OF BEAVER, PENNSYLVANIA

OPERATING INDICATORS BY FUNCTION / PROGRAM

LAST TEN YEARS

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government (1)										
Number of Registered Voters	108,931	113,598	109,091	109,742	109,456	115,157	112,531	116,234	115,862	118,311
Number of Votes Cast in Last General Election	31,456	84,978	46,815	48,648	23,062	81,372	34,142	58,525	28,254	86,022
Percentage of Registered Voters Voting in Last General Election	28.88	74.81	42.91	21.07	70.66	30.34	50.35	24.39	72.71	35.39
Judicial (2)										
Year-to-date Filings	34,322	30,462	33,492	34,933	36,243	37,492	40,134	39,426	42,370	46,338
Traffic Citations	21,837	19,076	21,981	23,490	24,586	25,683	26,633	25,957	28,868	29,000
Summary/Non Traffic	5,162	4,893	4,525	4,802	5,033	5,289	6,304	6,608	6,836	7,229
Civil Complaints	3,369	2,439	2,767	2,693	2,822	3,178	3,423	2,909	2,913	3,314
Misdemeanor/Felony Citations	3,954	4,054	4,219	3,948	3,802	3,342	3,774	3,952	3,753	4,019
Criminal Filings	2,458	2,673	2,675	2,468	2,526	2,444	2,492	2,595	2,540	2,776
Civil Filings	1,474	1,467	1,552	1,656	1,729	1,847	2,046	1,865	1,710	1,219
Orphans Court Filings	186	193	231	214	227	208	196	226	225	336
Custody Filings	636	700	784	789	864	866	775	834	628	601
Protection from Abuse Filings	464	487	502	482	518	566	469	490	541	488
Divorces	438	463	436	476	452	481	490	483	451	471

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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Human Services										
Computer Terminals:										
Childcare Information Services***	0	0	0	0	0	8	9	8	8	8
Children & Youth	83	93	72	68	68	103	104	104	104	104
MH/ID (formerly MH/MR)	128	120	130	134	124	122	108	108	125	132
Office on Aging	109	80	77	77	70	95	109	109	99	84
Judicial										
Sheriff:										
Vehicles	15	40	40	40	35	35	33	33	32	29
Weapons (Firearms)^	80	84	84	53	53	53	53	53	51	74
Courtrooms		8	8	8	8	8	8	8	8	8
Proprietary										
Long-Term Care Facilities****										
Bed Capacity	0	0	0	0	589	589	589	589	589	589
Public Safety										
Jail:										
Cell Capacity	402	402	402	402	402	402	402	402	402	402
Allencrest*:										
Secure Bed Capacity	0	0	0	0	0	0	0	0	0	18
Shelter Bed Capacity	0	0	0	0	0	0	0	0	0	6
Public Works										
Airport**:										
Private Hangars	0	0	0	0	0	0	0	0	13	13
Commercial Hangars	0	0	0	0	0	0	0	0	8	8
Runways	0	0	0	0	0	0	0	0	1	1
Length of Runways (feet)	0	0	0	0	0	0	0	0	4,500	4,500
Department of Public Works:										
Vehicles	28	28	28	32	30	34	34	34	38	32
Parking Garages	1	1	1	1	1	1	1	1	1	1
Parking Lots	13	13	12	12	14	14	14	14	15	15
Liquid Fuels:										
Bridges	56	56	56	56	55	56	57	56	55	55
County Owned & Maintained Streets (miles)	26	26	26	26	26	26	26	26	25	25
Recreation (County owned and/or maintained)										
Parks	5	5	4	4	3	3	3	3	3	3
Park Acres	2,518	2,518	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	3	3	3	3	1	1	1	1	1
Ice Skating Rinks	1	1	1	1	1	1	1	1	1	1
Shooting Ranges	0	0	0	0	0	0	0	0	0	0
Deck Hockey Rinks	1	1	1	1	1	1	1	1	1	1
Outdoor Skate Parks	1	1	1	1	1	1	1	0	0	0

Notes:

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

Sources:

Various County Departments