

# **County of Venango, Pennsylvania**

## Financial Statements and Required Supplementary and Supplementary Information

Year Ended December 31, 2013  
with Independent Auditor's Report

**MaherDuessel**  
Certified Public Accountants

Pittsburgh | Harrisburg | Butler

Pursuing the profession while promoting the public good®  
[www.md-cpas.com](http://www.md-cpas.com)

# COUNTY OF VENANGO, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2013

## TABLE OF CONTENTS

	<u>Page No.</u>
<b>Independent Auditor's Report</b>	
<b>Management's Discussion and Analysis</b>	i
<b>Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet – Governmental Funds	3
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	4
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	6
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	7
Statement of Fiduciary Net Position – Fiduciary Funds	8
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	9
Notes to Financial Statements	10
<b>Required Supplementary Information:</b>	
Pension:	
Schedule of Funding Progress	35

# COUNTY OF VENANGO, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2013

## TABLE OF CONTENTS

(Continued)

	<u>Page No.</u>
Schedule of Contributions from Employers and Other Contributing Entities	36
Note to Supplementary Schedules	37
 <b>Supplementary Information:</b>	
 <b>Combining and Individual Fund Statements:</b>	
Human Services Fund:	
Combining Balance Sheet	38
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	39
Other Governmental Funds:	
Combining Balance Sheet	40
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	42
Transportation Fund:	
Combining Balance Sheet	44
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	45
 <b>Combining Agency Fund Statements:</b>	
Combining Balance Sheet	46
Combining Statement of Changes in Assets and Liabilities	47

## Independent Auditor's Report

Board of County Commissioners  
County of Venango, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Venango, Pennsylvania (County), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2013, and the respective changes in financial position, and the budgetary comparison for the General Fund 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 and pension information on pages i through xiv and 35 through 37 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.

### *Supplementary 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 combining and individual fund statements on pages 38 through 45 and the combining agency fund statements on pages 46 and 47 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and the combining agency fund statements are the responsibility of management and were derived from and relate 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, the combining and individual fund statements and the combining agency fund statements are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Maher Duessel*

Pittsburgh, Pennsylvania  
September 26, 2014

## **Management's Discussion and Analysis**

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **INTRODUCTION**

The management of the County of Venango (County) is pleased to present to the readers of the County's financial statements this narrative overview and analysis of the financial activities of the County as of and for the year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements (pages 1 - 9) and the notes to financial statements (pages 10 - 34).

## **FINANCIAL HIGHLIGHTS**

- The assets of the County exceeded its liabilities by \$30.5 million at December 31, 2013.
- As of December 31, 2013, unrestricted net position was approximately \$9.9 million or 27% of total expenses.
- The total fund balance of the General Fund at December 31, 2013 was \$7.2 million or 70% of the total fund balance.
- The County's real property tax rate was 6.000 mills for 2013.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management's Discussion and Analysis is intended to serve as an introduction to the County's financial statements. The County's financial statements consist of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to financial statements.

This report also contains other supplementary information in addition to the financial statements themselves.

A detailed explanation of all three components follows:

**1. 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 the private sector. There are two government-wide financial statements. They are:

- The *statement of net position* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether or not 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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The statement of activities distinguishes functions of the County that are principally supported by real estate taxes, charges for services, and intergovernmental revenues as *governmental activities*. The governmental activities of the County include: general government, criminal justice system, public safety, public works, human services, culture and recreation, and conservation and development. Fiduciary activities, whose resources are not available to finance County programs, are excluded from these statements.

The government-wide financial statements can be found on pages 1 and 2 of the financial statements.

**2. Fund Financial Statements** – The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other 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 two categories: (1) governmental funds and (2) fiduciary funds.

*Governmental Funds* – Governmental funds are used to account for essentially the same functions as reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of expendable resources*, as well as on *balances of spendable resources* available at the end of the 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 County's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County reports three major 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 these three *major* funds (General, Capital Projects, and Human Services). Data from the other twenty *non-major* governmental funds are combined into a single, aggregated presentation (other governmental funds). Individual fund data for the other governmental funds is provided as supplementary information in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The governmental funds financial statements can be found on pages 3 to 7 of this report.

*Fiduciary Funds* – Fiduciary funds are used to account for resources held for the benefits of parties outside the government. Fiduciary funds are not reflected in the government-wide

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

financial statements because the resources of those funds are not available to support the County's own programs.

The fiduciary funds financial statements can be found on pages 8 and 9 of this report. They include the Pension Trust Fund and the Agency Funds. The Agency Funds are the fees, fines, and costs, etc. collected by the County Row Officers, held in trust for disbursement to third parties.

**3. Notes to Financial Statements** – The notes provide additional information that are essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 10 to 34 of this report.

**Required Supplementary Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 35 to 37 of this report.

The combining and individual fund statements and combining agency fund statements are presented as supplementary information immediately following the required pension supplementary information on pages 38 to 49 of this report.

### **FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

The County presents its financial statements using the reporting model required by Governmental Accounting Standards Board Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.*"

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The County's net position at December 31, 2013 and 2012 is presented below:

### **Summary Statements of Net Position December 31, 2013 and 2012**

	<b>Governmental Activities</b>	
	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Current and other assets	\$ 17,807,917	\$ 17,683,879
Capital assets	22,020,161	22,555,659
Lease receivable	2,840,050	3,229,665
<b>Total Assets</b>	<b>42,668,128</b>	<b>43,469,203</b>
<b>Liabilities</b>		
Current and other liabilities	6,859,181	6,576,893
Non-current liabilities	5,266,522	6,441,405
<b>Total Liabilities</b>	<b>12,125,703</b>	<b>13,018,298</b>
<b>Net Position</b>		
Net investment in capital assets	16,073,115	15,436,495
Restricted	4,617,149	4,363,053
Unrestricted	9,852,161	10,651,357
<b>Total Net Position</b>	<b>\$ 30,542,425</b>	<b>\$ 30,450,905</b>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's assets exceeded liabilities by \$30.5 million at December 31, 2013, an increase from December 31, 2012 of approximately \$92,000.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following table presents the change in net position for the years ended December 31, 2013 and 2012:

### **Change in Net Position Years Ended December 31, 2013 and 2012**

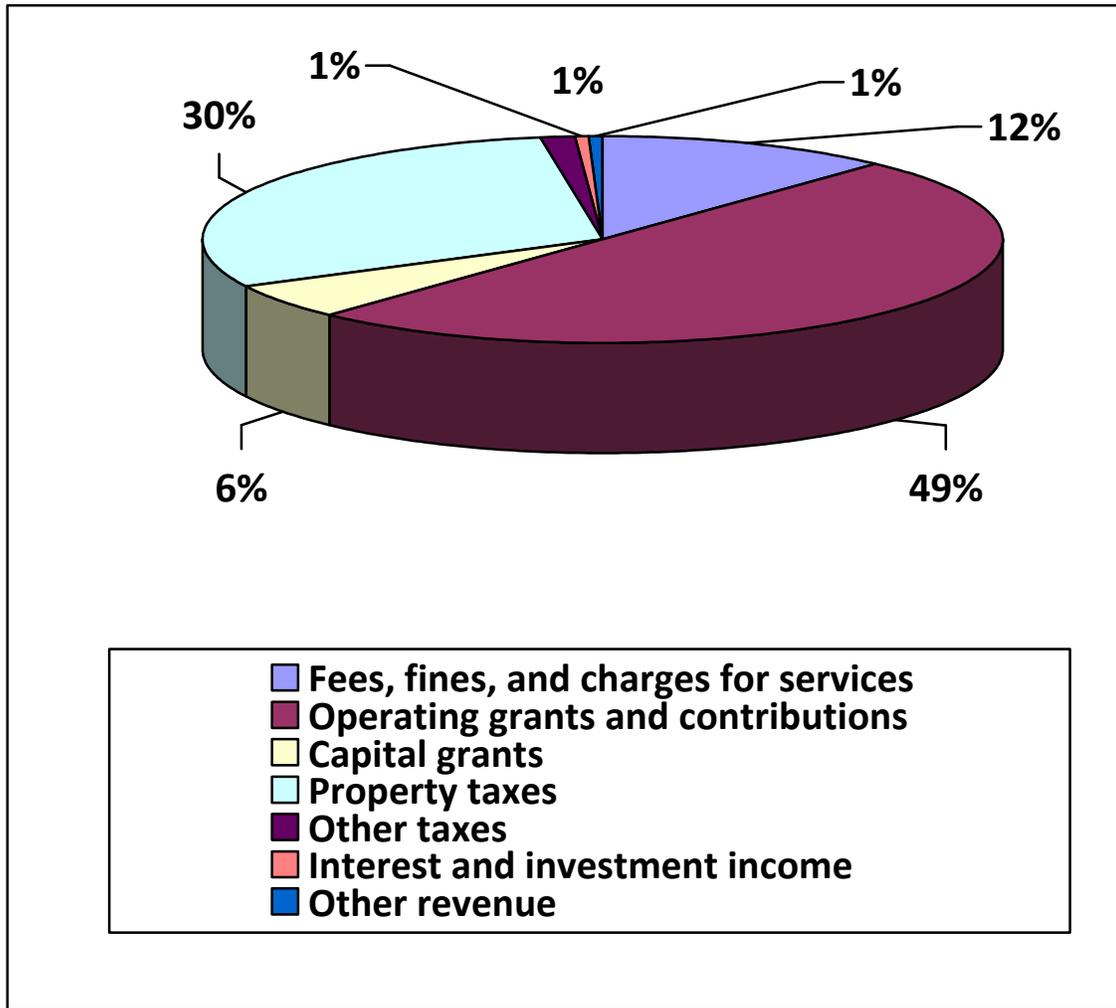
	<b>Governmental Activities</b>	
	<b>2013</b>	<b>2012</b>
Program revenues:		
Fees, fines, and charges for services	\$ 4,387,709	\$ 4,691,051
Operating grants and contributions	18,242,970	17,222,224
Capital grants	2,018,949	1,076,766
General revenues:		
Property taxes	10,894,382	9,876,538
Other taxes	509,568	894,058
Interest and investment income	188,645	224,373
Other	236,060	371,708
Gain on disposal of capital assets	7,589	18,828
Total revenues	36,485,872	34,375,546
Program expenses:		
General government - administration	5,464,017	5,235,053
General government - judicial	3,726,286	3,730,972
Public safety	5,490,891	5,088,833
Public works	3,229,408	2,604,843
Human services	17,109,035	16,660,973
Conservation and development	834,657	590,373
Culture and recreation	306,971	283,762
Interest	233,087	200,084
Total expenses	36,394,352	34,394,893
<b>Change in Net Position</b>	91,520	(19,347)
Net position, beginning	30,450,905	30,470,252
Net position, ending	\$ 30,542,425	\$ 30,450,905

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## SOURCES OF REVENUES

The following chart graphically depicts the government-wide sources of revenues for the fiscal year ended December 31, 2013:

**Government-Wide Sources of Revenues**  
Total Revenue \$36,485,872



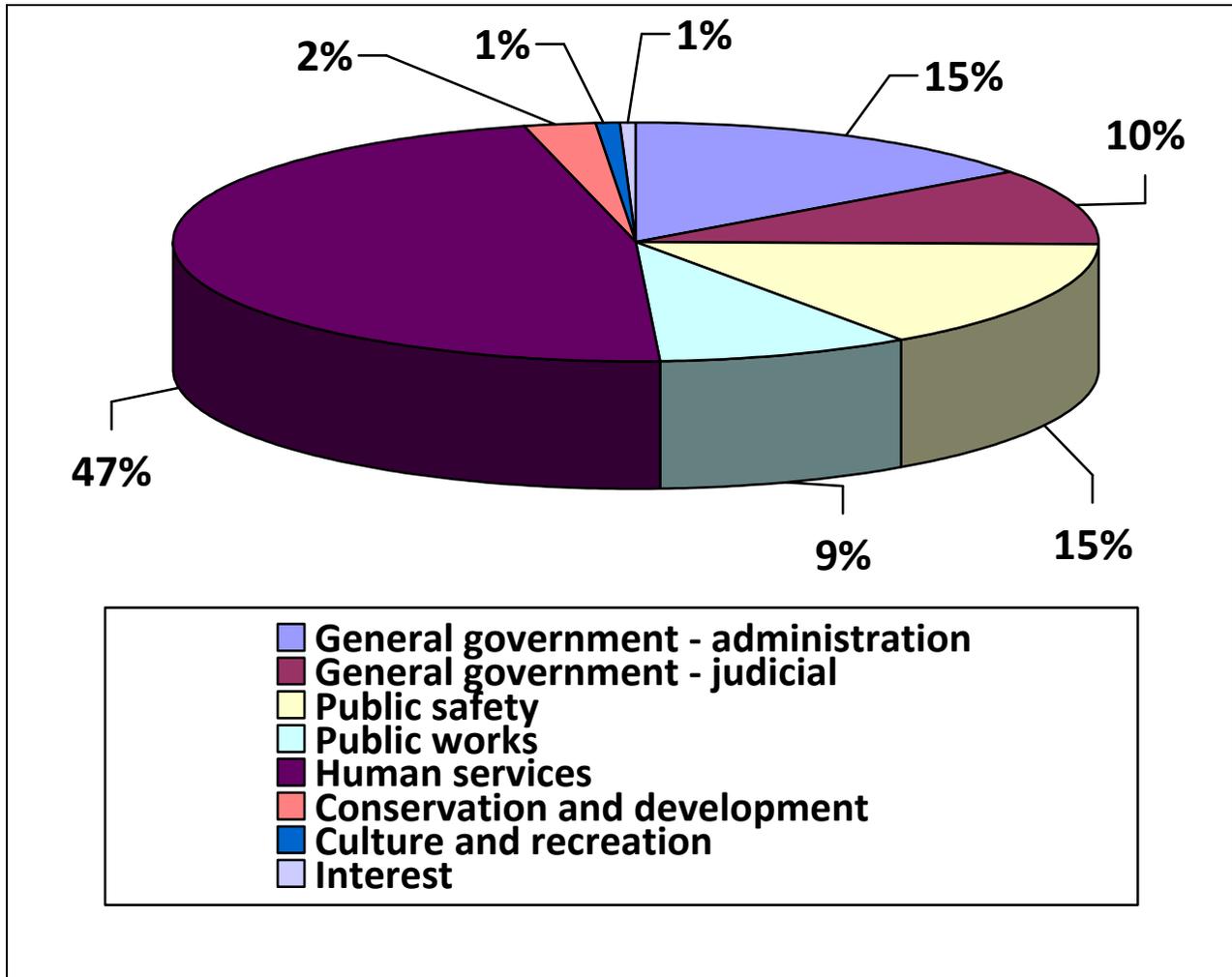
Total government-wide revenues for 2013 were \$36.5 million, which was approximately \$2.1 million higher than the 2012 year. Operating grants and contributions account for 49% of the total revenues, amounting to \$18.2 million, compared to \$17.2 million in 2012. The increase of approximately \$1 million is mainly attributable to becoming the fiscal agent for the Northwestern Pennsylvania Emergency Response Group (Task Force) as well as increased human services grants. The second largest source of revenue for the County was property taxes, which made up 30% of the total revenues, amounting to \$10.9 million, compared to \$9.9 million in 2012. The increase of approximately \$1 million is mainly attributable to the increased millage rate from 5.565 mills to 6.000 mills.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## PROGRAM EXPENSES

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2013:

**Government-Wide Program Expenses**  
Total Expenses: \$36,394,352



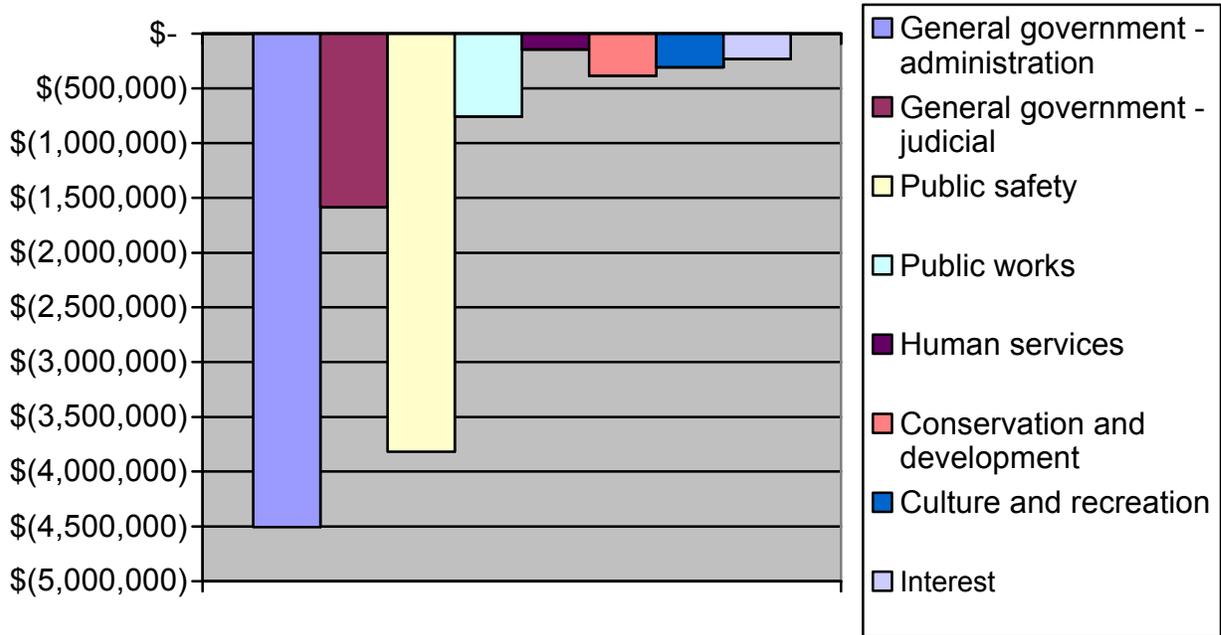
Total government-wide program expenses for 2013 were \$36.4 million, which was approximately \$2 million higher than the 2012 year. The largest area of expenses was Human Services, which accounts for 47% of total expenses, amounting to \$17.1 million, compared to \$16.7 million in 2012. The increase of approximately \$0.4 million is mainly attributable to flexibility in spending the block grant funds to meet greater local needs. Following Human Services expenses totaling \$5.5 million, General Government – Administration represented 15% of all expenses, followed by Public Safety with \$5.5 million in expenses representing 15% of expenses.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## NET PROGRAM EXPENSES/REVENUES

Net program expenses/revenues indicate the amount of support required from taxes and other general revenues for the year. The following chart graphically depicts the net program expenses/revenues by function/program for the year ended December 31, 2013.

### Government-Wide Net Program Revenues/Expenses



General government - administration required the most general revenue for support, needing \$4.5 million during 2013.

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

The County reports three major governmental funds (General, Capital Projects, and Human Services). The Human Services Fund consists of six programs: Area Agency on Aging; Retired Senior Volunteer Program; Children and Youth Services; Substance Abuse; and Mental Health, and Developmental Services. Combining statements are found on pages 38 and 39.

The County also reports other governmental funds which includes twenty non-major funds. The largest of these include: Liquid Fuels, Domestic Relations, 911, and Transportation. The combining statements of the other governmental funds can be found on pages 40 through 43.

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

The following table presents the statements of revenues, expenditures, and changes in fund balance for the years ended December 31, 2013 and 2012:

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

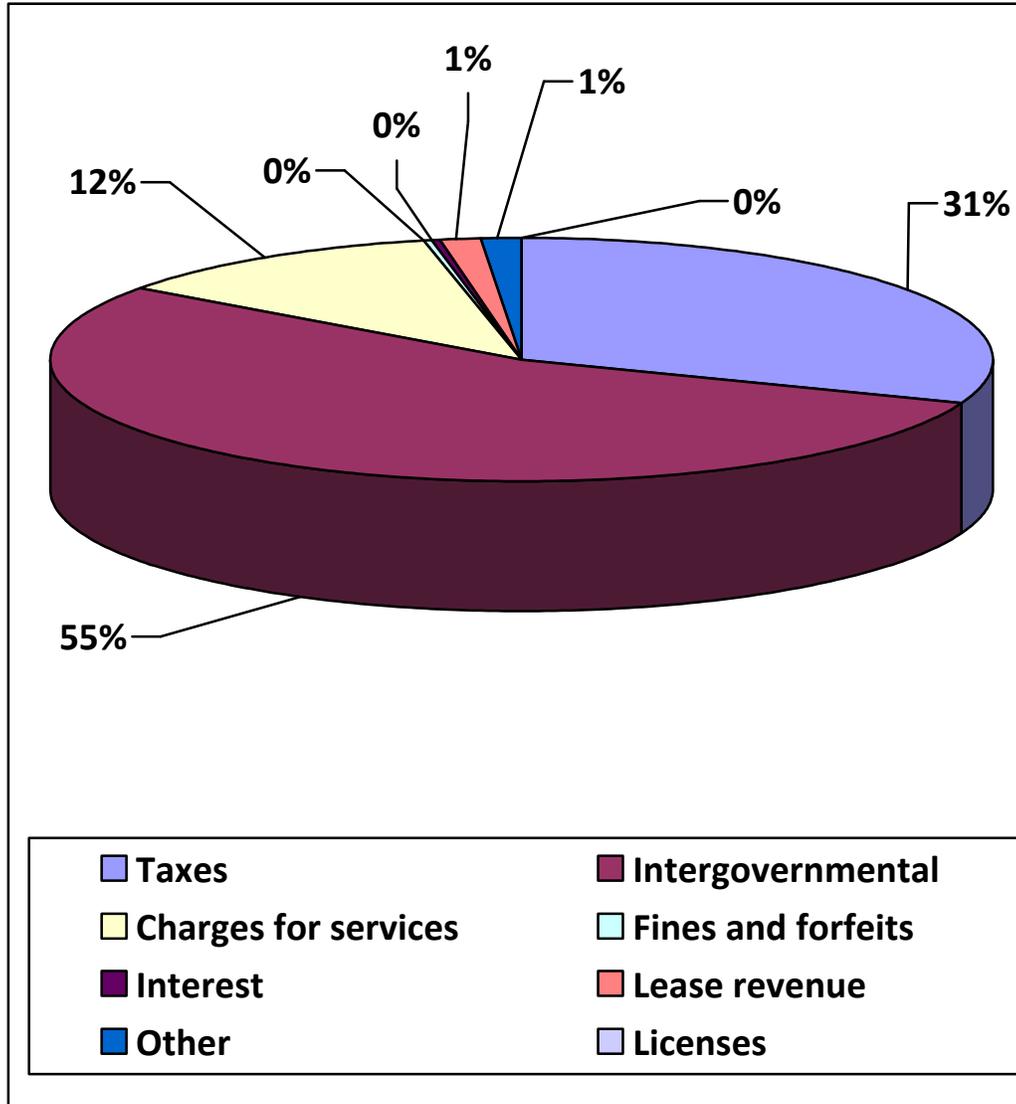
## **Statements of Revenues, Expenditures, and Changes in Fund Balance Years Ended December 31, 2013 and 2012**

	<b>Governmental Funds</b>	
	<b>2013</b>	<b>2012</b>
<b>Revenues:</b>		
Taxes	\$ 11,428,063	\$ 10,703,630
Licenses	37,823	36,195
Intergovernmental	19,997,964	18,061,377
Charges for services	4,283,225	4,524,708
Fines and forfeits	140,750	152,665
Interest	38,260	55,025
Lease revenue	540,000	540,000
Other	462,192	573,126
Total revenues	36,928,277	34,646,726
<b>Expenditures:</b>		
General government - administration	5,319,752	5,192,805
General government - judicial	3,704,064	3,759,688
Public safety	5,135,615	4,891,049
Public works	2,627,784	1,946,682
Human services	17,455,317	16,667,952
Conservation and development	834,657	590,373
Culture and recreation	498,116	252,364
Capital outlay	601	77,472
Debt service	1,405,205	1,325,925
Total expenditures	36,981,111	34,704,310
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(52,834)</b>	<b>(57,584)</b>
<b>Other Financing Sources (Uses):</b>		
Sale of capital assets	7,589	24,187
<b>Net Change in Fund Balance</b>	<b>(45,245)</b>	<b>(33,397)</b>
Fund balance, beginning	10,513,513	10,546,910
Fund balance, ending	\$ 10,468,268	\$ 10,513,513

Governmental funds revenues, by source, for the year ended December 31, 2013 were:

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Governmental Funds Revenues Classified by Source Total Revenues: \$36,928,277

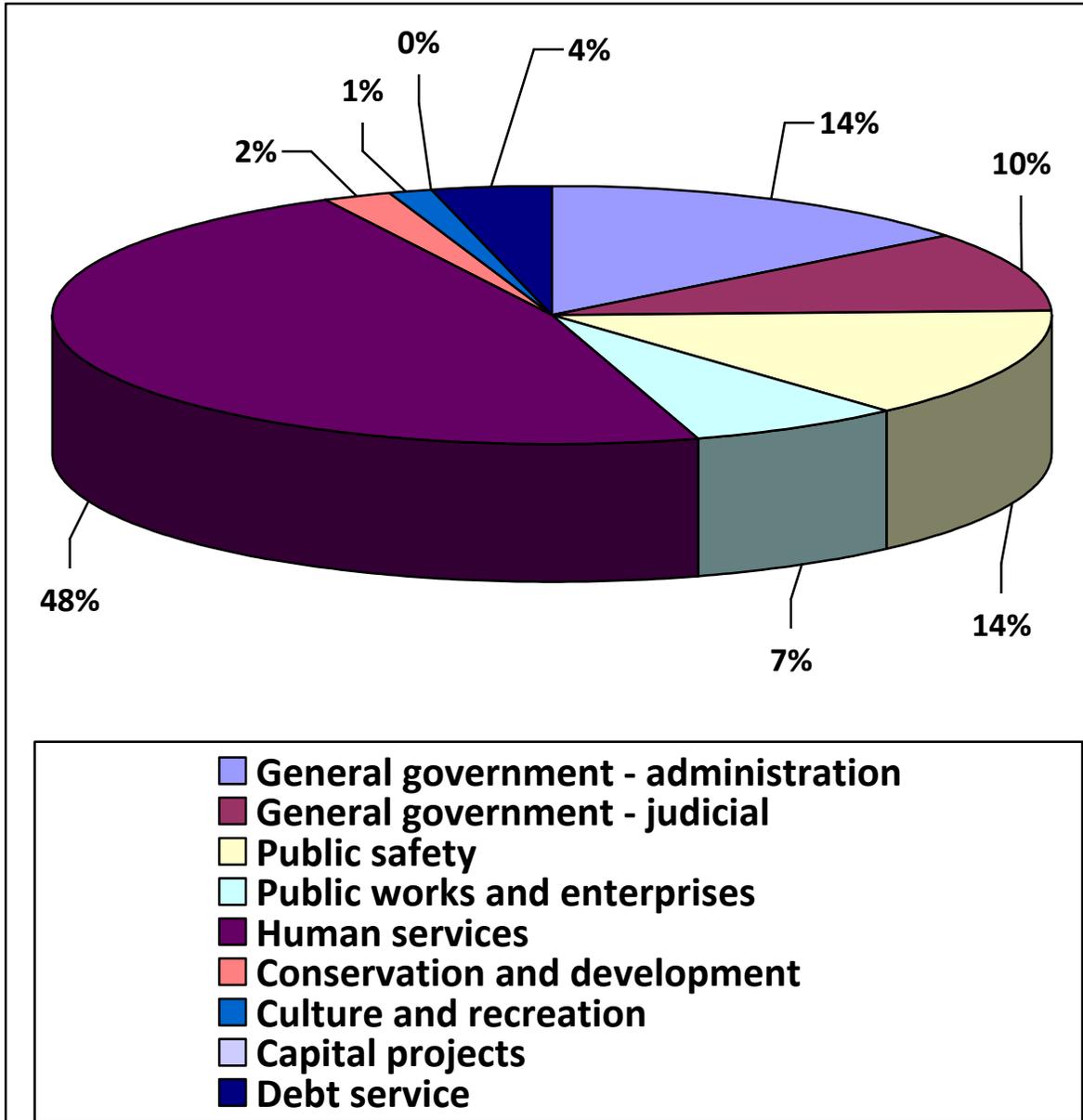


Governmental fund revenues totaled \$36.9 million for the year ended December 31, 2013, of which \$20 million (55%) came from Intergovernmental (Federal and State) Revenue. Taxes accounted for \$11.4 million (31%) in revenue. Charges for services reached \$4.3 million (12%) in revenue. Lease revenue and other revenue were each approximately 1% of total revenues. Licenses, fines and forfeits, and interest were less than 1% of total revenues.

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Governmental funds expenditures, by function, for the year ended December 31, 2013 were:

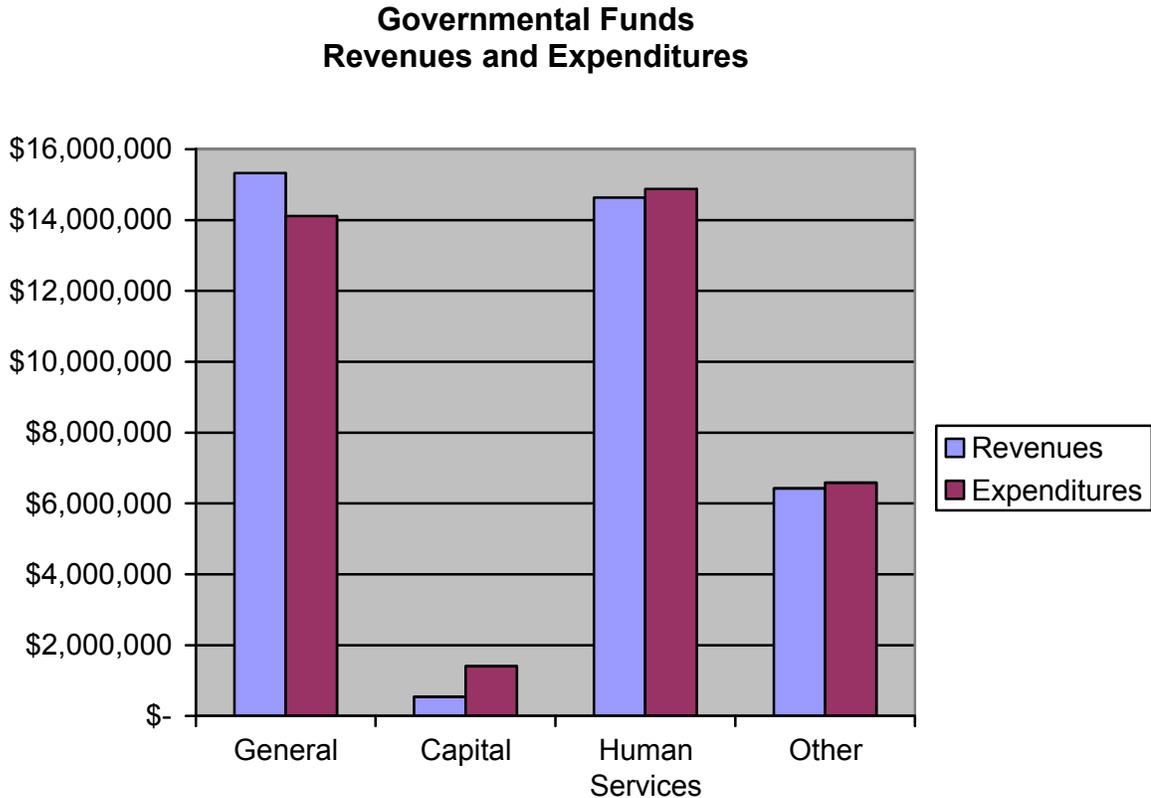
**Governmental Funds  
Expenditures Classified by Function  
Total Expenditures: \$36,981,111**



Governmental funds expenditures totaled \$37 million for the year ended December 31, 2013, of which \$17.5 million (48%) were Human Services expenditures. General Government – Administration, Public Safety, and General Government – Judicial, make up the next largest pieces, each with expenditures ranging from \$3.7 to \$5.3 million.

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following chart graphically depicts the total revenues received and expenditures incurred for the governmental funds for the year ended December 31, 2013:



## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The statement of revenues, expenditures, and changes in fund balance – budget to actual – General Fund for the year ended December 31, 2013 is found on page 7 of the financial statements.

Overall, the County had a favorable variance between the final budget and the actual net change in fund balance of \$1.3 million.

The County had a variance between the final budget and actual revenue of approximately \$569,000. The largest contributors to the variance were intergovernmental amounts not meeting budget as well as the charges for services.

The County had a favorable variance between the final budget and actual expenditures of approximately \$1,768,000. The majority of this variance occurred in the General Government – Administration, General Government – Judicial, and Public Safety functions, which show approximately \$645,000 and \$388,000, and \$902,000, respectively, in favorable variances. The variances are primarily due to the pension contribution not required at the budgeted amount and the departments working together to achieve budget goals.

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **CAPITAL ASSETS**

The County's investment in capital assets including infrastructure as of December 31, 2013 amounts to \$22,020,161, net of accumulated depreciation. This investment includes land and land improvements, buildings and building improvements, roads and bridges, machinery, vehicles, and equipment.

## **LONG-TERM DEBT**

In late 2007, the County entered into a capital lease for office space for the Human Services Division. In late 2009, the County entered into agreement to purchase the office space subject to lease. In accordance with the agreement the County assumed the mortgage on the building and made payment to buy out the remainder of the lease in late February 2010. As of December 31, 2013, the County has a total of \$1,247,046 outstanding on the note payable. Of that amount, \$107,823 is payable in 2014.

As of December 31, 2013, the County has a total of \$4,700,000 outstanding on the bonds payable, of which \$1,115,000 is payable in 2014.

## **BOND RATING**

The County was given an AA- bond rating from Standard & Poor's Rating Services in March 2014. In the opinion of the rating service, the County currently maintains a low debt burden with manageable near-term capital needs.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability. Questions concerning this report or requests for additional information should be directed, in writing, to:

Office of the County Commissioners  
County of Venango, Pennsylvania  
1174 Elk Street  
P.O. Box 831  
Franklin, PA 16323

## **Financial Statements**

# COUNTY OF VENANGO, PENNSYLVANIA

## STATEMENT OF NET POSITION

DECEMBER 31, 2013

<b>Assets</b>	<b>Governmental Activities</b>
Cash and cash equivalents	\$ 11,482,383
Taxes receivable, net	1,523,740
Accounts and loans receivable, at estimated realizable value	727,417
Accounts receivable - fiduciary funds	587,479
Due from other governments	3,381,575
Prepays and other	67,937
Net pension asset	37,386
Capital assets, not being depreciated	1,739,668
Capital assets, net of accumulated depreciation	20,280,493
Lease receivable:	
Current	540,000
Non-current	2,300,050
<b>Total Assets</b>	<b>42,668,128</b>
<hr/>	
<b>Liabilities</b>	
Accounts payable	1,921,095
Accrued payroll	403,753
Due to other governments	365,175
Unearned revenue	2,946,335
Compensated absences, non-current	542,299
Notes payable:	
Current	107,823
Non-current	1,139,223
Bonds payable:	
Current	1,115,000
Non-current	3,585,000
<b>Total Liabilities</b>	<b>12,125,703</b>
<hr/>	
<b>Net Position</b>	
Net investment in capital assets	16,073,115
Restricted for:	
Operating reserve	2,062,917
Debt service	379,019
Human services	82,300
Roads and bridges	610,830
Affordable housing	133,493
Act 13	224,971
Constable server fees	181,710
Offender identification	289,220
Records improvement/automation	64,572
Sugar Valley Lodge	72,558
Domestic relations	429,050
Other purposes	86,509
Unrestricted:	
Lease receivable	2,840,050
Other unrestricted net position	7,012,111
<b>Total Net Position</b>	<b>\$ 30,542,425</b>

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2013

<b>Functions/Programs</b>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants	Governmental Activities
<b>Governmental activities:</b>					
General government - administration	\$ 5,464,017	\$ 763,098	\$ 195,493	\$ -	\$ (4,505,426)
General government - judicial	3,726,286	1,760,930	380,004	-	(1,585,352)
Public safety	5,490,891	665,264	1,006,730	-	(3,818,897)
Public works	3,229,408	896,736	-	1,571,393	(761,279)
Human services	17,109,035	301,681	16,660,743	-	(146,611)
Conservation and development	834,657	-	-	447,556	(387,101)
Culture and recreation	306,971	-	-	-	(306,971)
Interest	233,087	-	-	-	(233,087)
Total governmental activities	\$ 36,394,352	\$ 4,387,709	\$ 18,242,970	\$ 2,018,949	(11,744,724)
<b>General revenues:</b>					
Property taxes					10,894,382
Other taxes					509,568
Interest and investment income					188,645
Other					236,060
Gain on disposal of capital asset					7,589
Total general revenues					11,836,244
<b>Change in Net Position</b>					91,520
<b>Net Position:</b>					
Beginning of year					30,450,905
End of year					\$ 30,542,425

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

## BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2013

	General Fund	Capital Projects Fund	Human Services Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 7,581,721	\$ (30,831)	\$ 1,000,259	\$ 2,931,234	\$ 11,482,383
Taxes receivable, net	1,523,740	-	-	-	1,523,740
Accounts receivable, net of allowance for uncollectibles	85,928	-	228,657	412,832	727,417
Due from other funds	767,889	491,889	62,063	45,925	1,367,766
Due from other governments	320,627	-	2,383,882	677,066	3,381,575
Prepays and other	-	-	12,496	55,441	67,937
Lease receivable:					
Current	-	540,000	-	-	540,000
Non-current	-	2,300,050	-	-	2,300,050
<b>Total Assets</b>	<b>\$ 10,279,905</b>	<b>\$ 3,301,108</b>	<b>\$ 3,687,357</b>	<b>\$ 4,122,498</b>	<b>\$ 21,390,868</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 657,228	\$ -	\$ 930,940	\$ 332,927	\$ 1,921,095
Accrued payroll	197,525	-	116,793	89,435	403,753
Due to other funds	128,043	-	594,955	57,289	780,287
Due to other governments	322,075	-	-	43,100	365,175
Unearned revenue	29,467	-	1,762,433	1,076,734	2,868,634
<b>Total Liabilities</b>	<b>1,334,338</b>	<b>-</b>	<b>3,405,121</b>	<b>1,599,485</b>	<b>6,338,944</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue - taxes/fees	1,698,606	-	-	-	1,698,606
Unavailable revenue - lease	-	2,885,050	-	-	2,885,050
<b>Total Deferred Inflows of Resources</b>	<b>1,698,606</b>	<b>2,885,050</b>	<b>-</b>	<b>-</b>	<b>4,583,656</b>
<b>Fund Balance:</b>					
<b>Restricted:</b>					
Operating reserve	2,062,917	-	-	-	2,062,917
Debt service	-	379,019	-	-	379,019
Human services	-	-	42,549	39,751	82,300
Roads and bridges	-	-	-	610,830	610,830
Affordable housing	-	-	-	133,493	133,493
Act 13	-	-	-	224,971	224,971
Constable server fees	-	-	-	181,710	181,710
Offender identification	-	-	-	289,220	289,220
Records improvement/automation	-	-	-	64,572	64,572
Sugar Valley Lodge	-	-	-	72,558	72,558
Domestic relations	-	-	-	429,050	429,050
Other purposes	-	-	-	86,509	86,509
<b>Assigned:</b>					
Capital projects	-	37,039	-	-	37,039
Substance abuse	-	-	239,687	-	239,687
Airport operations	-	-	-	346,712	346,712
Community action	-	-	-	43,637	43,637
Unassigned	5,184,044	-	-	-	5,184,044
<b>Total Fund Balance</b>	<b>7,246,961</b>	<b>416,058</b>	<b>282,236</b>	<b>2,523,013</b>	<b>10,468,268</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 10,279,905</b>	<b>\$ 3,301,108</b>	<b>\$ 3,687,357</b>	<b>\$ 4,122,498</b>	<b>\$ 21,390,868</b>

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

YEAR ENDED DECEMBER 31, 2013

<b>Total Fund Balance - Governmental Funds</b>				\$ 10,468,268
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.				22,020,161
Long-term lease receivable is not available in the current period and thus is not available to pay for the current period's expenditures and, therefore, is reported as a deferred inflow in the fund statements.				2,885,050
Property taxes receivable and other revenues will be collected in the future, but are not available to pay for the current period's expenditures and, therefore, are treated as either deferred inflows or unearned revenue in the fund statements.				1,620,905
The net pension asset is reflected on the statement of net position, but is not considered an available resource and, therefore, is not reported in the fund statements.				37,386
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:				
	Accrued compensated absences	\$	(542,299)	
	Notes payable		(1,247,046)	
	Bonds payable		<u>(4,700,000)</u>	
				<u>(6,489,345)</u>
<b>Total Net Position - Governmental Activities</b>				<u>\$ 30,542,425</u>

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2013

	General Fund	Capital Projects Fund	Human Services Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 11,428,063	\$ -	\$ -	\$ -	\$ 11,428,063
Licenses	37,823	-	-	-	37,823
Intergovernmental	1,234,156	-	14,162,095	4,601,713	19,997,964
Charges for services	2,280,556	-	218,354	1,784,315	4,283,225
Fines and forfeits	140,750	-	-	-	140,750
Interest	21,763	2,297	5,026	9,174	38,260
Lease revenue	-	540,000	-	-	540,000
Other	181,011	-	253,021	28,160	462,192
<b>Total revenues</b>	<b>15,324,122</b>	<b>542,297</b>	<b>14,638,496</b>	<b>6,423,362</b>	<b>36,928,277</b>
<b>Expenditures:</b>					
General government - administration	5,312,738	-	-	7,014	5,319,752
General government - judicial	3,154,834	-	-	549,230	3,704,064
Public safety	4,207,595	-	-	928,020	5,135,615
Public works	538,684	-	-	2,089,100	2,627,784
Human services	79,020	-	14,878,007	2,498,290	17,455,317
Conservation and development	326,773	-	-	507,884	834,657
Culture and recreation	498,116	-	-	-	498,116
Capital outlay	-	601	-	-	601
Debt service	-	1,405,205	-	-	1,405,205
<b>Total expenditures</b>	<b>14,117,760</b>	<b>1,405,806</b>	<b>14,878,007</b>	<b>6,579,538</b>	<b>36,981,111</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>1,206,362</b>	<b>(863,509)</b>	<b>(239,511)</b>	<b>(156,176)</b>	<b>(52,834)</b>
<b>Other Financing Sources (Uses):</b>					
Sale of capital assets	126	-	2,700	4,763	7,589
Transfers in	1,354,449	1,097,003	1,536,063	961,437	4,948,952
Transfers out	(2,781,993)	(313,815)	(1,267,759)	(585,385)	(4,948,952)
<b>Total other financing sources (uses)</b>	<b>(1,427,418)</b>	<b>783,188</b>	<b>271,004</b>	<b>380,815</b>	<b>7,589</b>
<b>Net Change in Fund Balance</b>	<b>(221,056)</b>	<b>(80,321)</b>	<b>31,493</b>	<b>224,639</b>	<b>(45,245)</b>
<b>Fund Balance:</b>					
Beginning of year	7,468,017	496,379	250,743	2,298,374	10,513,513
End of year	\$ 7,246,961	\$ 416,058	\$ 282,236	\$ 2,523,013	\$ 10,468,268

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2013

**Net Change in Fund Balance - Governmental Funds** \$ (45,245)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:

	Capital outlays	\$ 1,338,600	
	Less: depreciation expense	<u>(1,874,098)</u>	(535,498)

The net pension asset is reflected on the statement of net position, but is not considered an asset that is available to pay current liabilities for the fund statements. The value changed by this amount during the year. (1,921)

Some taxes and other revenues will not be collected for several months after the County's year-end; they are not considered as "available" revenues in the governmental funds. Deferred inflows changed by this amount during the year. (60,379)

The issuance of long-term obligations (e.g., bonds or capital lease financing) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, 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. This amount is the net effect of these differences in the treatment of long-term obligations and related items. 1,172,118

The lease receivable is scheduled to be collected in monthly installments over the life of the lease and, therefore, these revenues are not considered "available" revenues until collected in the governmental funds. The change in the value of the lease receivable is shown here. (389,615)

In the statement of activities, certain operating expenses - accumulated employee benefits (workers' compensation and sick days) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used. (47,940)

**Change in Net Position of Governmental Activities** \$ 91,520

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual amounts (Budgetary Basis) (See Note 2)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 11,107,100	\$ 11,107,100	\$ 11,403,950	\$ 296,850
Licenses	31,700	31,700	34,859	3,159
Intergovernmental	658,357	1,771,179	1,154,903	(616,276)
Charges for services	2,535,509	2,549,347	2,001,921	(547,426)
Fines and forfeits	140,650	140,650	128,250	(12,400)
Interest	16,750	16,750	13,734	(3,016)
Other	57,993	77,993	376,718	298,725
<b>Total revenues</b>	<b>14,548,059</b>	<b>15,694,719</b>	<b>15,114,335</b>	<b>(580,384)</b>
<b>Expenditures:</b>				
General government - administration	5,956,050	5,941,748	5,296,982	644,766
General government - judicial	3,915,225	4,027,354	3,638,825	388,529
Public safety	3,907,353	5,097,392	4,195,261	902,131
Public works	507,077	507,077	536,977	(29,900)
Human services	91,633	91,633	78,780	12,853
Conservation and development	350,152	350,152	325,987	24,165
Culture and recreation	266,848	322,439	497,344	(174,905)
<b>Total expenditures</b>	<b>14,994,338</b>	<b>16,337,795</b>	<b>14,570,156</b>	<b>1,767,639</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(446,279)</b>	<b>(643,076)</b>	<b>544,179</b>	<b>1,187,255</b>
<b>Other Financing Sources (Uses):</b>				
Sale of capital assets	-	-	126	126
Transfers in	3,262,749	3,459,546	3,494,575	35,029
Transfers out	(2,816,470)	(2,816,470)	(2,781,993)	34,477
<b>Total other financing sources (uses)</b>	<b>446,279</b>	<b>643,076</b>	<b>712,708</b>	<b>69,632</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,256,887</b>	<b>\$ 1,256,887</b>

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2013

	Pension Trust Fund	Agency Funds	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 650,437	\$ 615,865	\$ 1,266,302
Investments:			
Bond mutual funds	5,127,638	-	5,127,638
U.S. government and agency securities	5,142,252	-	5,142,252
Corporate bonds	3,891,202	-	3,891,202
Municipal bonds	4,905	-	4,905
Equity mutual funds	7,378,585	-	7,378,585
Common stock	26,046,270	-	26,046,270
Accounts receivable and fines, at estimated realizable value	-	330,522	330,522
<b>Total Assets</b>	<b>48,241,289</b>	<b>946,387</b>	<b>49,187,676</b>
<b>Liabilities</b>			
Due to other funds	-	587,479	587,479
Due to other governments	-	103,803	103,803
Escrow liability and interest	-	255,105	255,105
<b>Total Liabilities</b>	<b>-</b>	<b>946,387</b>	<b>946,387</b>
<b>Net Position Held in Trust for Pension Benefits</b>	<b>\$ 48,241,289</b>	<b>\$ -</b>	<b>\$ 48,241,289</b>

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2013

	<u>Pension Trust Fund</u>
<b>Additions:</b>	
Contributions:	
Employee	\$ 1,110,029
Employer	<u>822,588</u>
Total contributions	<u>1,932,617</u>
Investment income/loss:	
Net appreciation in fair value of investments	5,679,835
Interest and dividends	<u>1,945,673</u>
Total investment income	7,625,508
Investment expense	<u>181,056</u>
Net investment income	<u>7,444,452</u>
Total additions	<u>9,377,069</u>
<b>Deductions:</b>	
Benefits and refunds paid to plan members and beneficiaries	3,008,279
Administrative expense	<u>35,093</u>
Total deductions	<u>3,043,372</u>
<b>Increase in Net Position</b>	6,333,697
<b>Net Position:</b>	
Beginning of year	<u>41,907,592</u>
End of year	<u>\$ 48,241,289</u>

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

### 1. REPORTING ENTITY

The County of Venango (County), located in western Pennsylvania, is a sixth class County, originally chartered in 1800 by an act of the Legislature. The County operates under an elected three-member Board of Commissioners (Commissioners). The County provides services in many areas to its residents, including various general government services, public safety, human services, and culture and recreation. These programs are financed mainly through the assessment of taxes, charges for services, and federal and state grants.

The reporting entity for the County includes the accounts of all County operations, including administrative and judicial general government, corrections, and health and welfare.

Management has evaluated all potential component units, and has determined the County has no component units. Consistent with applicable guidance, the criteria used by the County to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given situation, the County reviews the applicability of the following criteria:

The County is financially accountable for:

1. Organizations that make up the legal County entity.
2. Legally separate organizations if the Commissioners appoint a voting majority of the organization's governing body and the County is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County as defined below:
  - a. Impose its Will - If the County can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.
  - b. Financial Benefit or Burden - Exists if the County (1) is entitled to the organization's resources, (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization, or (3) is obligated in some manner for the debt of the organization.
3. Organizations that are fiscally dependent on the County. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the County.

Following are related organizations, which, with the exception of the Oil Region Alliance, have the majority of their governing Board appointed by the Commissioners, without the County being financially accountable for the organization:

---

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

### Oil Region Alliance (ORA)

The ORA is a private non-profit incorporated for the purpose of increasing the prosperity and population of the Oil Region through the preservation, promotion, development, and support of historical, educational, natural, recreational, residential, commercial, and industrial destinations. The County appoints one of twenty-five Board members, and the ORA has been designated by the Commissioners as the lead economic development agency in the County. The ORA does not meet the criteria for inclusion in the County's financial reporting entity. Although a financial relationship exists, the County does not appoint a majority of the board, and no control is exercised over the ORA.

### Venango County Housing Authority

The Venango County Housing Authority (Housing Authority) administers HUD's Section 8 housing program for the County and is funded through federal grants and other revenues. The Housing Authority's Board is appointed by the County and operates independently of any ongoing involvement of the Commissioners. The Housing Authority is not financially accountable to the County and no financial benefit or burden exists between the two entities.

### Venango County Industrial Development Authority

The Venango County Industrial Development Authority (Development Authority) issues low interest, tax-exempt bonds, and uses the proceeds to finance projects intended to stimulate economic growth in the County. The Development Authority's Board is appointed by the County. The County must approve the concept of any major bond issue of the Development Authority but only in relation to the benefit to the County of the projects that will be funded through the debt proceeds. The approval is considered to be ministerial and the County can not exercise its will over the Development Authority. The County has no responsibility for the Development Authority debt payments.

### Venango County Conservation District

The Venango County Conservation District (Conservation District), whose Board is appointed by the County, provides services and programs intended to address the conservation of the County's natural resources. The Conservation District operates independently of any ongoing involvement of the County and no financial benefit or burden exists between the two entities.

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Government-Wide and Fund Financial 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 County. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental grants, are reported separately from business-type activities, (of which the County has none) which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers for services provided and rents and 2) operating grants. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

the current fiscal period. Only the portion of receivables due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General Fund* is the principal operating fund of the County, which is used to account for all financial resources not accounted for in other funds.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The *Human Services Fund* is used to account for the proceeds of revenue received from various federal, state, and county sources. This fund provides social services to eligible recipients.

Additionally, the government reports the following fiduciary funds:

The *Pension Trust Fund* accounts for the activities of the Employees Retirement System, which accumulates resources for pension benefit payments to qualified employees.

The *Agency Funds* are custodial in nature and do not involve measurement of results of operations. Agency funds are used to account for cash collected by elected row officers (Register of Wills and Recorder of Deeds, Sheriff, Prothonotary and Clerk of Courts, and Treasurer) and other County offices that are subsequently disbursed to the County, other governments, or individuals for whom it was collected.

### Interfund Activity in the Government-Wide Financial Statements

The effect of interfund activity has been eliminated from the government-wide financial statements.

### Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments with a maturity of three months or less when purchased.

### Investments

Investments are stated at fair value based on current market prices.

---

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

### Interfund Receivables and Payables

Activities between governmental funds that are representative of temporary lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and fiduciary funds are reported in the government-wide financial statements as “accounts receivable – fiduciary funds.”

### Inventories and Prepaid Items

Inventories used in governmental funds, principally supplies, are accounted for as expenditures when purchased. The amount of inventory at December 31, 2013 is not significant.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The costs of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

### Capital Assets

Capital assets, which include land and land improvements, building and improvements, machinery and equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the County as assets with initial, individual cost of more than of \$1,000 and an estimated useful life in excess of three years. Such assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. These costs are charged to operations when incurred.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Land improvements	20 years
Buildings and improvements	5 - 40 years
Machinery and equipment	5 - 20 years
Infrastructure	10 - 40 years

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

### Compensated Absences

Calculation of the liability amount is determined by the appropriate vacation, sick, and lump sum payments, which would be available to employees if they would leave or retire from the County.

All accumulated vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method, which materially approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### Deferred Outflows/Inflows of Resources

In addition to assets, the balance sheet and the statement of net position 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any deferred outflows of resources at December 31, 2013.

In addition to liabilities, the balance sheet and the statement of net position 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 and so will not be recognized as an inflow of resources (revenue) until that time.

### Fund Balance

In the fund financial statements, governmental funds report fund balance in categories based on the level of restriction placed upon the funds. These levels are as follows:

---

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

- Nonspendable – This category represents funds that are not in spendable form and includes prepaid expenditures.
- Restricted – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties. This category includes funds that are legally restricted for operating reserve, debt service, human services, roads and bridges, affordable housing, hazardous materials, 911, Act 13, constable server fees, offender identification, juvenile court restitution, records improvement and automation, Sugar Valley Lodge, adoption counseling, and domestic relations.
- Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by the County’s highest level of decision-making authority. The County Commissioners are the highest level of decision-making authority for the County and can make such commitment via a resolution prior to the end of the fiscal year. A commitment can only be modified or removed by an equal action of the County Commissioners. There was no committed fund balance at December 31, 2013.
- Assigned – This category represents intentions of the County to use the funds for specific purposes but do not meet the criteria to be classified as committed. The County Commissioners have the authority to assign amounts to be used for specific purposes. This category includes amounts set aside for capital projects, substance abuse, airport operations, and community action.
- Unassigned – This category includes the residual classification for the County’s General Fund and includes all spendable amounts not contained in other classifications.

The County’s policy is to use funds in the order of the most restrictive to the least restrictive. When the components of unrestricted fund balance can be used for the same purpose, committed fund balance is used first, followed by assigned fund balance. Unassigned fund balance is applied last.

### Budgets and Budgetary Accounting

Annual budgets are required to be adopted on a basis consistent with cash basis for the General Fund. The budgetary controls for the Human Services Fund and other funds are maintained through enforcement of related grant provisions or debt indentures.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

1. Starting in August, a budget package is prepared and sent to each department and row officer. The department or agency heads use this budget package to develop financial projections for their programs for the ensuing year.
2. The budget is presented in preliminary form to the Commissioners in September. The Commissioners can interview department or agency heads to discuss their budgets if deemed necessary.
3. Upon consolidation of the department and agency expenditure projections, the Commissioners ascertain the most viable method of financing them.
4. Subsequently, the preliminary projections of revenues and expenditures are incorporated into a final budget including any revisions or adjustments resulting from the aforementioned Commissioners' review.
5. By December, the final budget is presented to the Commissioners. Pursuant to budgetary requirements as set forth in the County Code, public notice is given that the final budget is available for inspection for a period of 20 days.
6. After the 20-day inspection period, but no later than December 31, the County Commissioners adopt the final budget by enacting an appropriate resolution.

Legally, management of the County including department heads may make budgetary transfers between departments as long as overall fund expenditures are not affected. However, as a matter of control all transfers between departmental budgets are ratified by the Commissioners. 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 the proceeds of any borrowing now or hereafter authorized by law. The Commissioners may authorize the transfer of any unencumbered balance of any appropriation item or any portion thereof. The Commissioners must approve changes to overall appropriations at the fund level. Therefore, the legal level of budgetary responsibility is by fund.

During the year, there were supplemental appropriations enacted. Budget transfers did occur between accounts. The statement of revenues, expenditures, and changes in fund balance - budget and actual - General Fund, reflects the originally adopted budget and the originally adopted budget adjusted for supplemental appropriations. Appropriations lapse at the close of the fiscal year to the extent that they have not been expended.

The following is a reconciliation of the actual results of operations in the statement of revenues, expenditures, and changes in fund balance - General Fund to the budgetary cash basis of

---

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

accounting used in the statement of revenues, expenditures, and changes in fund balance – budget and actual – General Fund.

	<u>General Fund</u>
Net change in fund balance - General Fund as presented (modified accrual)	\$ (221,056)
Adjustment to reconcile accounts and real estate taxes receivable to budgetary basis	(202,292)
Adjustment to reconcile prepaids and accounts and wages payable to budgetary basis	41,479
The Operating Reserve Fund is reported within the General Fund but is budgeted as a separate fund	1,800,663
Domestic Relations Fund is budgeted in the General Fund but is presented separately as an other governmental fund	<u>(161,907)</u>
Net change in fund balance - General Fund budgetary basis (cash basis)	<u>\$ 1,256,887</u>

### Estimates

The preparation of the financial statements in conformity with accounting standards generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ than those estimates.

### Net Position

Accounting standards requires the classification of net position into these components – net investment in capital assets; restricted; and unrestricted. These classifications are defined below:

- Net investment in capital assets – The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the same net position component (restricted or unrestricted) as the unspent amount.

- Restricted – The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Two categories are used to further describe restricted net position:

- Expendable – can be expended in compliance with the external restriction

- Nonexpendable – net position that is required to be retained in perpetuity

Expendable restricted net position of the County at December 31, 2013 consists of: \$2,062,917 for operating reserve, \$379,019 for debt service, \$82,300 for human services, \$610,830 for roads and bridges, \$133,493 for affordable housing, \$224,971 for Act 13, \$181,710 for constable server fees, \$289,220 for offender identification, \$64,572 for records improvement/automation, \$72,558 for Sugar Valley Lodge, \$429,050 for domestic relations, and \$86,509 for other purposes.

- Unrestricted – The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

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

### Adopted Pronouncements

Governmental Accounting Standards Board (GASB) Statement No. 61, *"The Financial Reporting Entity: Omnibus."* This Statement provides guidance to improve financial reporting for a governmental financial reporting entity by modifying existing requirements for the assessment of potential component units.

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

GASB Statement No. 65, *“Items Previously Reported as Assets and Liabilities.”* This Statement reclassifies certain items that were reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources.

### Pending Pronouncements

GASB has issued Statement No. 67, *“Financial Reporting for Pension Plans,”* effective for financial statements for periods beginning after June 15, 2013 and has also issued Statement No. 68, *“Accounting and Financial Reporting for Pensions,”* and Statement No. 71, *“Pension Transition for Contributions Made Subsequent to the Measurement Date,”* effective for fiscal years beginning after June 15, 2014. These Statements revise existing guidance for the financial reports of most pension plans, and establish new financial reporting requirements for most governments that provide their employees with pension benefits.

GASB has issued Statement No. 69, *“Government Combinations and Disposals of Government Operations,”* effective for fiscal years beginning after December 15, 2013. This Statement provides new accounting and financial reporting standards for government mergers and acquisitions and for government operations that have been transferred or sold.

GASB has issued Statement No. 70, *“Accounting and Financial Reporting for Non-exchange Financial Guarantees,”* effective for financial statements for periods beginning after June 15, 2013. This Statement specifies the information required to be disclosed by governments that extend non-exchange financial guarantees, and requires a government that extends a non-exchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee.

Management has not yet determined the impact of these Statements on the County’s financial statements.

### **3. DEPOSITS AND INVESTMENTS**

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, insured or collateralized time deposits, and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes.

In addition to the investments authorized for governmental funds, fiduciary fund investments may also be made in corporate stocks and bonds and other investments consistent with sound business practice.

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The County's current deposit and investment policy limits its investment choices based on credit ratings by nationally recognized statistical rating organizations to the following:

- United States Treasury bills.
- Obligations of the United States government or its agents or instrumentalities.
- Deposits in savings or time accounts or share accounts of financial institutions having their principal place of business in the Commonwealth of Pennsylvania and are insured by the FDIC, FSLIC, NCUSIF, PDIC, or PSAIC and, for any amounts above the insured maximum, are collateralized as provided by law.
- Obligations of the United States of America, the Commonwealth of Pennsylvania, or any political subdivision, or any of its respective agencies or instrumentalities, which are backed by the full faith and credit of the respective government unit.
- Certificates of deposit purchased from institutions having their principal place of business in the Commonwealth of Pennsylvania and are insured by the FDIC, FSLIC, NCUSIF, PDIC, or PSAIC and, for any amounts above the insured maximum, are collateralized by a pledge or assignment of assets of the institution.

The deposit and investment policy of the County adheres to state statutes. Deposits of the governmental funds are either maintained in demand deposits, savings accounts, or certificates of deposit.

### Deposits

The following is a description of the County's deposit risks:

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's formal policy for custodial credit risk is described above. Of the bank balance of \$11,922,598 at December 31, 2013, \$1,000,000 was covered by federal depository insurance. The remaining balance was collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and has the collateral held by an approved custodian in the institution's name. These deposits, with carrying amounts of \$11,482,383 as of December 31, 2013, are reported as cash and cash equivalents in the statement of net position.

### Agency Fund

The County maintains bank accounts for the elected row officers and other County offices. The balance of these accounts is reflected in the statement of fiduciary net position. The carrying amount of deposits for the row offices and other County offices was \$615,865 and the bank balance was \$619,162. Of the bank balance, \$20,127 was covered by federal depository

---

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

insurance. The remaining balance was collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and has the collateral held by an approved custodian in the institution's name.

### Pension Trust Fund

The Pension Trust Fund investments are held separately from those of other County funds. Investments of the plan are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. The County's Pension Trust Fund maintains investment policies that summarize the investment philosophy of the County's Pension Trust Fund and establishes investment guidelines and performance objectives for the Pension Trust Fund.

As of December 31, 2013, the County Pension Trust Fund held the following investments:

<u>Cash or Investment Type</u>	<u>Fair Market Value</u>	<u>Investment Maturities (In Years) from December 31, 2013</u>			
		<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 Years</u>
Bond Mutual Funds	\$ 5,127,638	\$ 5,127,638	\$ -	\$ -	\$ -
U.S. Government and Agency Securities	5,142,252	-	4,277,204	848,086	16,962
Corporate Bonds	3,891,202	-	1,164,948	2,082,944	643,310
Municipal Bonds	4,905	-	-	4,905	-
Total debt securities	<u>14,165,997</u>	<u>5,127,638</u>	<u>5,442,152</u>	<u>2,935,935</u>	<u>660,272</u>
Cash and Cash Equivalents	650,437				
Equity Mutual Funds	7,378,585				
Common Stock	<u>26,046,270</u>				
<b>Total Pension Trust Fund cash, cash equivalents, and investments reported on statement of fiduciary net position</b>	<u><u>\$ 48,241,289</u></u>				

The following is a description of the County's Pension Trust Fund deposit and investment risks:

*Credit risk* - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The County's Pension Trust Fund current investment policy has no qualitative guidelines suggested with regard to ratings, rankings, etc., except that all assets selected for the portfolio must have a readily ascertainable market value, must be marketable, and bonds must be investment grade. The pension investment policy limits its deposit and investment choices to the following:

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

*Equities:* Common stock, convertible securities, including debentures and American depository receipts.

*Fixed-income investments:* U.S. Government and Agency securities notes and bonds, commercial paper, certificates of deposit, corporate bonds, preferred stock, insured unit investment trusts, and laddered bond portfolio.

*Short Term Cash:* Funds must be deposited in a money market fund, an interest bearing account, or in 30-day treasuries. No more than \$100,000 is to be on deposit with any single institution, and no instrument of deposit will carry a maturity greater than 180 days, and the institution must be FDIC insured. Rarely, based on the timing of receipts and disbursements, does the County maintain greater than \$100,000 in their Pension Trust Fund checking account. The Pension Trust Fund Board does not have concerns at this time.

As of December 31, 2013, the County's Pension Trust Fund investments in corporate bonds and U.S. Government and Agency securities have received the following ratings from Moody's:

Investment Type	Moody's Rating	Percentage of Total Pension Trust Fund Corporate Bonds
Corporate Bonds	Aaa	7%
Corporate Bonds	Aa1	1%
Corporate Bonds	Aa2	4%
Corporate Bonds	Aa3	4%
Corporate Bonds	A1	12%
Corporate Bonds	A2	19%
Corporate Bonds	A3	8%
Corporate Bonds	Baa1	12%
Corporate Bonds	Baa2	23%
Corporate Bonds	Baa3	8%
Corporate Bonds	Unrated	2%
		100%
		Percentage of Total U.S. Government and Agency Securities
Investment Type	Moody's Rating	Percentage of Total U.S. Government and Agency Securities
U.S. Government Agency	Aaa	100%
		100%

*Custodial Credit Risk* - For deposits and investments, custodial credit risk is the risk that in the event of the failure of the bank or counterparty, the Pension Trust Funds will not be able to

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

recover the value of their deposits or investments or collateral securities that are in the possession of an outside entity. The County's Pension Trust Fund does not have a formal investment policy for custodial credit risk. The County's Pension Trust Fund investments in mutual funds cannot be classified by risk category because they are not evidenced by securities that exist in physical or book entry form. As of December 31, 2013, the County's Pension Trust Fund cash and cash equivalents bank and investment balance was \$712,943 and the carrying amount was \$650,437. Of the bank and investment balance, \$712,943 was exposed to custodial credit risk. All of the County's Pension Trust Fund investments were uninsured and held by the counterparty, or by the counterparty's trust department or agent but not in the County's name. The counterparties are members of the Securities Investor Protection Corporation (SIPC), which provides insurance coverage up to \$500,000 of the net equity balance, including up to \$250,000 in cash, in the event the counterparty fails, owing the County cash and securities that are missing from their accounts. This coverage does not extend to losses incurred due to fraud, misrepresentation, or investment decisions.

*Interest Rate Risk* – The Pension Trust Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

### Risks and Uncertainties

Financial instruments, which potentially expose the County to concentrations of credit risk, include investments in marketable securities. As a matter of policy, the County maintains investment balances only with institutions having a high credit quality. Concentration of credit risk for investments in marketable securities is mitigated by the overall diversification of managed investment portfolios. Investment securities are also exposed to various other risks such as interest rate risk and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and that such a change could materially affect the amount reported on the statement of net position.

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

### 4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

	Balance at January 1, 2013	Transfers/ Additions	Transfers/ Deletions	Balance at December 31, 2013
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,739,668	\$ -	\$ -	\$ 1,739,668
Capital assets, being depreciated:				
Land improvements	489,501	-	-	489,501
Buildings and improvements	15,767,113	842,991	-	16,610,104
Machinery and equipment	13,245,567	495,609	(322,133)	13,419,043
Infrastructure	22,882,778	-	-	22,882,778
Total capital assets, being depreciated	<u>52,384,959</u>	<u>1,338,600</u>	<u>(322,133)</u>	<u>53,401,426</u>
Less: accumulated depreciation for:				
Land improvements	(322,072)	(24,475)	-	(346,547)
Buildings and improvements	(6,802,842)	(441,120)	-	(7,243,962)
Machinery and equipment	(9,717,232)	(747,031)	322,133	(10,142,130)
Infrastructure	(14,726,822)	(661,472)	-	(15,388,294)
Total accumulated depreciation	<u>(31,568,968)</u>	<u>(1,874,098)</u>	<u>322,133</u>	<u>(33,120,933)</u>
Total capital assets, being depreciated net	<u>20,815,991</u>	<u>(535,498)</u>	<u>-</u>	<u>20,280,493</u>
Governmental activities, capital assets, net	<u>\$ 22,555,659</u>			<u>\$ 22,020,161</u>

Depreciation expense was charged to functions/programs as follows:

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

Governmental activities:		
General government	\$	166,291
Judicial		40,387
Public safety		390,148
Public works		934,081
Human services		316,171
Culture and recreation		<u>27,020</u>
Total depreciation expense - governmental activities	\$	<u>1,874,098</u>

### 5. REAL ESTATE TAXES

Real estate taxes attach as an enforceable lien on property as of January 1 and are levied on March 1. These taxes are billed by the County and collected by elected tax collectors. Taxes paid through April 30 are reduced by a 2% discount. Amounts paid after June 30 are assessed a 10% penalty. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities.

The County is permitted by the County Code of Pennsylvania to levy real estate taxes up to 25 mills on every dollar of assessed valuation for general County purposes and the rate of taxation for payment of interest and principal on any indebtedness shall be unlimited. For 2013, County real estate taxes were levied at the rate of 6.000 mills on assessed valuation. Total assessed valuation for non-exempt properties in 2013 was approximately \$1,986,000,000.

All taxes receivables are shown net of an allowance for uncollectibles. Uncollected real estate taxes at December 31, 2013, including delinquent amounts, interest, and penalties, were \$1,834,317. Of this amount, approximately \$310,577 was considered uncollectible at December 31, 2013 and is netted against the corresponding taxes receivable balance on the statement of net position.

### 6. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

All trade and taxes receivables are shown net of an allowance for uncollectibles. The County estimates the allowance for uncollectibles using historical collection data and in certain cases, specific account analysis. The allowance for uncollectible accounts at December 31, 2013 is as follows:

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

	Gross Receivable	Allowance for Uncollectibles	Net Receivable
Governmental activities:			
Property taxes receivable	\$ 1,834,317	\$ 310,577	\$ 1,523,740
Court-related receivables (portion of accounts receivable - fiduciary funds)	\$ 4,052,928	\$ 3,722,406	\$ 330,522

### 7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Individual fund receivable and payable balances at December 31, 2013, as well as interfund transfers for the year ended December 31, 2013, were as follows:

Funds	Interfund Receivables	Interfund Payables	Transfers In	Transfers Out
Governmental activities:				
General	\$ 767,889	\$ 128,043	\$ 1,354,449	\$ 2,781,993
Capital Projects	491,889	-	1,097,003	313,815
Human Services	62,063	594,955	1,536,063	1,267,759
Other governmental funds	45,925	57,289	961,437	585,385
Fiduciary Fund:				
Agency Funds	-	587,479	-	-
	\$ 1,367,766	\$ 1,367,766	\$ 4,948,952	\$ 4,948,952

A large portion of the General Fund interfund transfers out and Human Service Fund transfers in represents the County's required contribution to various programs based upon Department of Public Welfare requirements. The majority of the interfund receivable balance in the General Fund represents amounts due from various Agency Funds, and overpayments due back from the Human Services Fund.

### 8. VENANGO COUNTY EMPLOYEES' RETIREMENT SYSTEM

#### Plan Description

The Venango County Employees' Retirement System (Plan), as administrated by the County, is a single employer defined benefit pension plan governed by the County Pension Law Act 96

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

(Act) of 1971, as amended, enacted by the General Assembly of the Commonwealth of Pennsylvania. The Plan is reported as the Employees' Retirement Fund in the accompanying financial statements. Separate Plan financial statements are not available.

All full-time County employees become plan participants immediately upon becoming an employee. Membership in the Plan is optional for elected officials. The Plan requires each member to contribute a percentage of their salary to the plan. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries.

At January 1, 2013, the date of the most recent valuation, participants in the Plan were as follows:

Participants:	
Retirees and beneficiaries	280
Deferred vested	34
Active employees:	
Vested	111
Nonvested	237

### Change in Assumption and Effect of Plan Amendments

The Plan recognized one assumption change effective January 1, 2013. The mortality table was changed, which increased the actuarially accrued liability by \$400,104 and increased the annual required contribution by \$65,155.

### Summary of Significant Accounting Policies

Financial information of the Plan is presented on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due as required by the Act and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments of the Plan are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

At December 31, 2013, there were no individual investments that are required to be disclosed that constituted more than 5% of any of the Plan net position available for benefits. In addition, the Plan did not have any investment transactions with related parties during the year.

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

### Funding Policy

The Plan funding policy provides for periodic employer contributions at actuarially determined rates, that expressed as a percentage of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates is determined using the aggregate actuarial funding method and the same actuarial assumptions used to calculate the net pension obligation.

As a condition of participation, employees hired after January 1, 2004 are required to contribute 9% of their salary and employees hired prior to January 1, 2004 are required to contribute 8%, as stipulated in the Act. Interest is credited to employee accounts each year at an annual rate of between 4.0% and 5.5% as voted upon by the County Retirement Board.

Administrative costs, including investment, custodial trustee, and actuarial services are charged to the Plan and funded from investment earnings.

### Contributions

The County's net pension asset (NPA) is as follows:

Annual required contribution	\$	822,588
Interest on NPA		(2,948)
Adjustment to the ARC		4,869
Annual pension cost		824,509
Contributions made		822,588
Change in NPA		1,921
NPA, beginning of year		(39,307)
NPA, end of year	\$	<u>(37,386)</u>

The County's annual pension cost and related information is as follows:

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
12/31/2011	\$ 484,077	100.0%	\$ -
12/31/2012	651,489	106.0%	(39,307)
12/31/2013	824,509	99.8%	(37,386)

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

### Funding Status and Funding Progress

The County's funded status and related information for the Plan as of the latest actuarial valuation date, January 1, 2013, is as follows:

Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Excess of Assets Over (Under) AAL	Funded Ratio	Covered Payroll	Excess (Deficiency) of AAL as a Percentage of Covered Payroll
\$ 40,193,939	\$ 41,894,186	\$ (1,700,247)	95.9%	\$ 11,634,912	-14.6%

The required schedule of funding progress included as required supplementary information immediately following the notes to financial statements presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### Actuarial Methods and Assumptions

Actuarial valuation date	1/1/2013
Annual pension cost	\$ 824,509
Contributions made	\$ 822,588
Actuarial cost method	Aggregate**
	5-Year
Asset valuation method	Smoothed Market
Actuarial assumptions:	
Investment rate of return*	7.5%
Projected salary increases*	4.5%
Cost of living adjustments	100% change in C.P.I.

\* Includes inflation at 3%.

\*\* The aggregate actuarial cost method is used to determine the annual required contribution for the Plan. Because this method does not identify or separately amortize unfunded actuarial liabilities, information about funded status is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status of the Plan.

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

As noted above, certain pension information and calculations are based upon an actuarial valuation performed as of January 1, 2013. The next actuarial valuation will be performed as of January 1, 2014.

### 9. LONG-TERM LIABILITIES

In February 2009, the County issued General Obligation Bonds, Series of 2009 (2009 Bonds), in the amount of \$9,615,000. The 2009 Bonds proceeds were used to refund the County's 2002 and 2003 Bonds, and pay the cost of issuing and insuring the bonds. The 2009 Bonds, whose last scheduled maturity date is June 1, 2019, bear interest at rates between 2% and 5%.

Annual debt service requirements to maturity related to the 2009 Bonds are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,115,000	\$ 120,754	\$ 1,235,754
2015	1,140,000	91,575	1,231,575
2016	655,000	66,788	721,788
2017	690,000	46,613	736,613
2018	690,000	25,050	715,050
2019	410,000	6,918	416,918
Total	<u>\$ 4,700,000</u>	<u>\$ 357,698</u>	<u>\$ 5,057,698</u>

#### General Obligation Note

The County entered into an agreement with the ORA to lease office and storage space for use by various Human Service departments beginning in 2008.

In 2010, the County bought out the remainder of the lease with the ORA. The terms of this transaction included a \$1,000,000 payment for the lease termination, as well as assumption of the mortgage that was held by the ORA in the amount of \$1,609,000. The terms of the mortgage include a balloon payment of approximately \$768,000 in February 2018, and the County has established a sinking fund to provide for level monthly debt payments.

Annual debt service requirements related to the mortgage and sinking fund are as follows:

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 107,823	\$ 65,661	\$ 173,484
2015	113,709	59,775	173,484
2016	119,960	53,524	173,484
2017	126,876	46,608	173,484
2018	778,678	7,220	785,898
Total	<u>\$ 1,247,046</u>	<u>\$ 232,788</u>	<u>\$ 1,479,834</u>

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2013 was as follows:

	<u>Balance at December 31, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2013</u>	<u>Due Within One Year</u>
Compensated absences	\$ 494,359	\$ 47,940	\$ -	\$ 542,299	\$ -
General obligation note	1,349,164	-	(102,118)	1,247,046	107,823
Bond series - 2009	5,770,000	-	(1,070,000)	4,700,000	1,115,000
Long-term liabilities	<u>\$ 7,613,523</u>	<u>\$ 47,940</u>	<u>\$ (1,172,118)</u>	<u>\$ 6,489,345</u>	<u>\$ 1,222,823</u>

## **10. LEASE RECEIVABLE**

On January 1, 1998, Venango Manor, a 214-bed nursing home, was sold to Sugarcreek Station, a new nonprofit subsidiary of a regional health system. The sale was in the form of a lease-purchase agreement that called for \$50,000 to be paid at closing and monthly installments of \$45,000 each to be paid over the ensuing 18 years. The agreement includes a \$2 million bargain purchase payment at the end of 18 years. Management believes this option will be exercised and title will pass.

The following is a schedule of future minimum lease payments under the lease purchase agreement, together with the net present value of the minimum lease payments as of December 31, 2013:

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

2014	\$ 540,000
2015	540,000
2016	<u>2,000,000</u>
Future minimum lease payment for lease purchase agreement	3,080,000
Discounted to present value	<u>(239,950)</u>
Present value of minimum lease payments	<u>\$ 2,840,050</u>

### 11. COMMITMENTS AND CONTINGENCIES

The County participates in both state and federally assisted grant programs. These grant programs are subject to program compliance audits by the grantors or their representatives. The County is potentially liable for any expenditure which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

The County has been named in other cases and complaints. There are numerous matters involving prisoners at the Venango County Jail and various items that have occurred in the normal course of business. These matters are currently being reviewed by the County, as well as the County's insurance carrier and legal counsel. No determination as to the likelihood of loss or the range of loss can be determined at this time; therefore, no loss provisions have been included in the accompanying financial statements.

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant changes in insurance coverage since the prior year. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

### 12. SUBSEQUENT EVENTS

#### Debt

In March 2014, the County issued General Obligation Bonds, Series of 2014 (2014 Bonds) in the amount of \$4,410,000. Proceeds of the bonds will be used to current refund a portion of the 2009 Bonds, current refund the 2010 General Obligation Note, and pay the costs related to the issuance of the 2014 Bonds. The 2014 Bonds, whose last scheduled debt maturity is June 1, 2019, range in interest rates from .25% to 4%.

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

---

### Northwest Workforce Investment Board

In January 2014, the County became the fiscal agent for the Northwest Workforce Investment Area. The Northwest Workforce Investment Area administers and provides job training and workforce development activities to residents of the Counties of Clarion, Crawford, Erie, Forest, Venango, and Warren. In addition, CareerLink® sites in each County are designed to create one-stop shopping for job seekers by locating multiple agencies under one roof. As fiscal agent, Venango County pays for shared expenses and then bills each of the participating CareerLink® members for reimbursement as well as accounting for all WIA dollars and any other funding assigned to the area for job development and retention. Beginning with the December 31, 2014 financial statements, activity for the period January 21, 2014 through December 31, 2014 period will be included. As an additional schedule, the period January 21, 2014 through June 30, 2014 will also be included.

**Required Supplementary  
Information**

# COUNTY OF VENANGO, PENNSYLVANIA

## SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Excess of assets over (under) AAL	Funded Ratio	Covered Payroll	Excess of AAL as a Percentage of Covered Payroll
1/1/2008	\$ 43,941,134	\$ 31,917,041	\$ 12,024,093	137.7%	\$ 9,812,458	122.5%
1/1/2009	40,701,087	33,770,166	6,930,921	120.5%	10,656,036	65.0%
1/1/2010	35,810,829	35,523,755	287,074	100.8%	11,175,917	2.6%
1/1/2011	38,000,445	37,380,830	619,615	101.7%	11,580,781	5.4%
1/1/2012	39,566,240	39,955,732	(389,492)	99.0%	12,251,599	-3.2%
1/1/2013	40,193,939	41,894,186	(1,700,247)	95.9%	11,634,912	-14.6%

Note: Information in this schedule is calculated using the entry age actuarial cost method, implemented for the 1/1/2008 Actuarial Valuation.

See accompanying note to supplementary schedules.

# COUNTY OF VENANGO, PENNSYLVANIA

## SCHEDULE OF CONTRIBUTIONS FROM EMPLOYERS AND OTHER CONTRIBUTING ENTITIES

<u>Calendar Year</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2008	\$ -	N/A
2009	-	N/A
2010	480,564	100%
2011	484,077	100%
2012	649,335	106%
2013	822,588	100%

N/A = Not Applicable

See accompanying note to supplementary schedules.

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTE TO SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2013

---

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

Actuarial valuation date	1/1/2013
Actuarial cost method	Aggregate**
Asset valuation method	5-Year Smoothed Market
Actuarial assumptions:	
Investment rate of return*	7.5%
Projected salary increases*	4.5%
Cost of living adjustments	100% change in C.P.I.

\* Includes inflation at 3%.

\*\* The aggregate actuarial cost method is used to determine the annual required contribution for the Plan. Because this method does not identify or separately amortize unfunded actuarial liabilities, information about funded status is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status of the Plan.

## **Supplementary Information**

## **HUMAN SERVICES FUND**

These accounts are used to account for the expenditure of a combination of revenues received from various federal, state, and County sources. These accounts are restricted for the provision of specified social services to eligible recipients. The Human Services Fund is comprised of the following accounts:

The **Area Agency on Aging** account is used to account for various funds received from and through the Pennsylvania Department of Aging to provide services to eligible older Pennsylvanians based on the local Area Plan.

The **Retired Senior Volunteer Program (RSVP)** account includes federal funds received from the Corporation for National and Community Service through the AAA sponsorship. These funds are used to help Americans age 55 or older find opportunities to address community needs through volunteer service. The RSVP locally is also supported in part by the Area Agency on Aging and community contributions.

The **Children and Youth Services** account is used to account for the proceeds of revenue received from various federal, state, and County sources. This revenue is restricted for the provision of specified social services to eligible children and youths within the County.

The **Substance Abuse** account is used for the control, prevention, intervention, treatment, rehabilitation, research, education, and training aspects of drug and alcohol abuse and dependence problems. It is funded by various state, federal, and County funds.

The **Mental Health and Developmental Services** accounts are used to account for the proceeds of revenue received from various federal, state, and county sources. The account is restricted for the provision of specified social services provided to eligible recipients with a mental health diagnosis or developmental services.

# COUNTY OF VENANGO, PENNSYLVANIA

## HUMAN SERVICES FUND COMBINING BALANCE SHEET

DECEMBER 31, 2013

	Area Agency on Aging	Retired Senior Volunteer Program	Children and Youth Services	Substance Abuse	Mental Health	Developmental Services	Total Human Services Fund
<b>Assets</b>							
Cash and cash equivalents	\$ 572,714	\$ 19,113	\$ (754,199)	\$ 183,748	\$ (16,912)	\$ 995,795	\$ 1,000,259
Accounts receivable, net of allowance for uncollectibles	400	-	82,518	132,142	13,597	-	228,657
Due from other funds	14,753	-	20,487	6,229	9,630	10,964	62,063
Due from other governments	23,398	-	1,862,292	-	277,457	220,735	2,383,882
Other assets	-	-	12,363	-	-	133	12,496
<b>Total Assets</b>	<b>\$ 611,265</b>	<b>\$ 19,113</b>	<b>\$ 1,223,461</b>	<b>\$ 322,119</b>	<b>\$ 283,772</b>	<b>\$ 1,227,627</b>	<b>\$ 3,687,357</b>
<b>Liabilities and Fund Balance</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 105,547	\$ -	\$ 510,483	\$ 40,233	\$ 152,398	\$ 122,279	\$ 930,940
Accrued payroll	16,838	981	49,163	9,095	21,752	18,964	116,793
Due to other funds	62,500	-	306,188	32,161	72,309	121,797	594,955
Unearned revenue	426,380	749	332,461	943	37,313	964,587	1,762,433
<b>Total Liabilities</b>	<b>611,265</b>	<b>1,730</b>	<b>1,198,295</b>	<b>82,432</b>	<b>283,772</b>	<b>1,227,627</b>	<b>3,405,121</b>
<b>Fund Balance:</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted:							
Human services	-	17,383	25,166	-	-	-	42,549
Assigned:							
Substance abuse	-	-	-	239,687	-	-	239,687
Unassigned	-	-	-	-	-	-	-
<b>Total Fund Balance</b>	<b>-</b>	<b>17,383</b>	<b>25,166</b>	<b>239,687</b>	<b>-</b>	<b>-</b>	<b>282,236</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 611,265</b>	<b>\$ 19,113</b>	<b>\$ 1,223,461</b>	<b>\$ 322,119</b>	<b>\$ 283,772</b>	<b>\$ 1,227,627</b>	<b>\$ 3,687,357</b>

# COUNTY OF VENANGO, PENNSYLVANIA

## HUMAN SERVICES FUND

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED DECEMBER 31, 2013

	Area Agency on Aging	Retired Senior Volunteer Program	Children and Youth Services	Substance Abuse	Mental Health	Developmental Services	Eliminations	Total Human Services Fund
<b>Revenues:</b>								
Intergovernmental	\$ 1,690,079	\$ 47,586	\$ 6,800,533	\$ 772,792	\$ 2,344,031	\$ 2,507,074	\$ -	\$ 14,162,095
Charges for services	-	-	151,767	66,587	-	-	-	218,354
Interest	-	45	71	750	215	3,945	-	5,026
Other	4,020	-	230,494	-	17,178	1,329	-	253,021
<b>Total revenues</b>	<b>1,694,099</b>	<b>47,631</b>	<b>7,182,865</b>	<b>840,129</b>	<b>2,361,424</b>	<b>2,512,348</b>	<b>-</b>	<b>14,638,496</b>
<b>Expenditures:</b>								
Human services	1,591,869	47,591	7,611,930	892,749	2,773,402	1,960,466	-	14,878,007
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>102,230</b>	<b>40</b>	<b>(429,065)</b>	<b>(52,620)</b>	<b>(411,978)</b>	<b>551,882</b>	<b>-</b>	<b>(239,511)</b>
<b>Other Financing Sources (Uses):</b>								
Sale of capital assets	-	-	1,710	-	990	-	-	2,700
Transfers in	143,338	-	1,043,302	143,122	725,783	220,865	(740,347)	1,536,063
Transfers out	(245,568)	-	(615,733)	(59,263)	(314,795)	(772,747)	740,347	(1,267,759)
<b>Total other financing sources (uses)</b>	<b>(102,230)</b>	<b>-</b>	<b>429,279</b>	<b>83,859</b>	<b>411,978</b>	<b>(551,882)</b>	<b>-</b>	<b>271,004</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>40</b>	<b>214</b>	<b>31,239</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,493</b>
<b>Fund Balance:</b>								
Beginning of year	-	17,343	24,952	208,448	-	-	-	250,743
End of year	<u>\$ -</u>	<u>\$ 17,383</u>	<u>\$ 25,166</u>	<u>\$ 239,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,236</u>

## OTHER GOVERNMENTAL FUNDS

### Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned for specified purposes other than debt services or capital projects. Following are the Special Revenue Funds used by the County:

The **Liquid Fuels Fund** accounts for state aid revenues used for the building and improving of roads and bridges through the County.

The **Affordable Housing Program Fund** accounts for the revenue and expenditures authorized by Act 137 of 1992 by the General Assembly of the Commonwealth of Pennsylvania for the purpose of providing housing services to low to moderate income families.

The **Airport Fund** accounts for the monies earned from the sale of fuel at the Venango County Airport and monies received from the state to fund major airport projects. The fund is also used to account for the activity related to the airshow held yearly at Venango County Airport.

The **Hazardous Materials Fund** accounts for monies received from companies who have hazardous waste removed from their premises. These funds are to be used in the event of a hazardous waste accident.

The **911 Fund** is used to account for money received from phone user charges and potential County contributions to operate the County's emergency communication systems, as well as grants received from the state for E-911 upgrades.

The **Marcellus Legacy Fund** is used to account for state revenue to be used per Act 13 of 2012 Impact Fee guidelines.

The **Court Constable Fund** accounts for fees imposed by the district justice offices and pays court and constable expenses consistent with the court order establishing the fund.

The **Offender ID Fund** accounts for fees imposed and offender identification charges consistent with the court order establishing the fund.

The **Juvenile Court Restitution Fund** accounts for fees imposed by the district justice offices and courts for all juvenile cases in the County. The money will be used for expenses relating to juvenile probation.

The **County Records Improvement Fund** is used to account for a recording fee surcharge. The money is to be expended based on the goal of standardizing and equalizing the capabilities of all County offices consistent with their need to receive, manage, and provide information to the public as efficiently as possible.

The **Prothonotary Automation Fund** is used to account for fee surcharges collected by the Prothonotary to be used solely for the purpose of automation and continued automation updates for the office.

The **Community Development Block Grant Fund** is used to account for the revenue and expenditures appropriated from the Housing and Community Act of 1974 for the purpose of improving water systems, sanitary sewer systems, storm sewers, housing rehabilitation, public/community facilities, streets and roads, and the removal of architectural barriers.

The **Community Services Block Grant Fund** accounts for federal funds used to provide housing, transportation, utility assistance, and other services to low income clients in Crawford and Venango County.

The **Office of Economic Opportunity – Supported Work Program Fund** accounts for federal funds used to provide supported work experience and other related activities to Crawford and Venango County residents.

The **Office of Economic Opportunity – Weatherization Fund** is used to account for weatherization services provided to eligible renters and homeowners, and services to alleviate non-fuel related heating emergencies.

The **Office of Economic Opportunity – Other Funds** are used to account for various activities providing services to County residents.

The **Transportation Fund** is used to account for the expenditure of a combination of federal, state, and County monies designated for the purpose of providing and improving public transportation throughout the County.

The **Special Purpose Gifts Fund** is used to account for the receipt of private grant funds that are restricted for use as determined by the grantee.

The **Adoption Counseling Fund** accounts for adoption filing fees and the cost of adoption counseling for individuals unable to pay for these services.

The **Domestic Relations Operation Fund** is used to account for expenditures and revenue related to the operation of the County's child support enforcement program, which is funded by federal, state, and County funds.

**COUNTY OF VENANGO, PENNSYLVANIA**

**OTHER GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

DECEMBER 31, 2013

	Special Revenue Funds										
	Liquid Fuels	Affordable Housing Program	Airport	Hazardous Materials	911	Marcellus Legacy	Court Constable	Offender ID	Juvenile Court Restitution	County Records Improvement	Prothonotary Automation
<b>Assets</b>											
Cash and cash equivalents	\$ 610,830	\$ 123,448	\$ 217,283	\$ 36,834	\$ 468,886	\$ 224,971	\$ 176,888	\$ 285,148	\$ 10,001	\$ 32,357	\$ 30,437
Accounts receivable, net of allowance for uncollectibles	-	10,000	82,507	-	44,986	-	-	-	-	-	-
Due from other funds	-	3,145	-	-	-	-	5,604	4,072	97	1,262	516
Due from other governments	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	52,134	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 610,830</b>	<b>\$ 136,593</b>	<b>\$ 351,924</b>	<b>\$ 36,834</b>	<b>\$ 513,872</b>	<b>\$ 224,971</b>	<b>\$ 182,492</b>	<b>\$ 289,220</b>	<b>\$ 10,098</b>	<b>\$ 33,619</b>	<b>\$ 30,953</b>
<b>Liabilities and Fund Balance</b>											
<b>Liabilities:</b>											
Accounts payable	\$ -	\$ 3,100	\$ 5,212	\$ 2,478	\$ 10,873	\$ -	\$ 782	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	14,523	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	455,361	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>3,100</b>	<b>5,212</b>	<b>2,478</b>	<b>480,757</b>	<b>-</b>	<b>782</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance:</b>											
<b>Restricted:</b>											
Human services	-	-	-	-	-	-	-	-	-	-	-
Roads and bridges	610,830	-	-	-	-	-	-	-	-	-	-
Affordable housing	-	133,493	-	-	-	-	-	-	-	-	-
Hazardous materials	-	-	-	34,356	-	-	-	-	-	-	-
911	-	-	-	-	33,115	-	-	-	-	-	-
Act 13	-	-	-	-	-	224,971	-	-	-	-	-
Constable server fees	-	-	-	-	-	-	181,710	-	-	-	-
Offender identification	-	-	-	-	-	-	-	289,220	-	-	-
Juvenile court restitution	-	-	-	-	-	-	-	-	10,098	-	-
Records improvement/automation	-	-	-	-	-	-	-	-	-	33,619	30,953
Sugar Valley Lodge	-	-	-	-	-	-	-	-	-	-	-
Adoption counseling	-	-	-	-	-	-	-	-	-	-	-
Domestic Relations	-	-	-	-	-	-	-	-	-	-	-
<b>Assigned:</b>											
Airport operations	-	-	346,712	-	-	-	-	-	-	-	-
Community action	-	-	-	-	-	-	-	-	-	-	-
<b>Total Fund Balance</b>	<b>610,830</b>	<b>133,493</b>	<b>346,712</b>	<b>34,356</b>	<b>33,115</b>	<b>224,971</b>	<b>181,710</b>	<b>289,220</b>	<b>10,098</b>	<b>33,619</b>	<b>30,953</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 610,830</b>	<b>\$ 136,593</b>	<b>\$ 351,924</b>	<b>\$ 36,834</b>	<b>\$ 513,872</b>	<b>\$ 224,971</b>	<b>\$ 182,492</b>	<b>\$ 289,220</b>	<b>\$ 10,098</b>	<b>\$ 33,619</b>	<b>\$ 30,953</b>

(Continued)

# COUNTY OF VENANGO, PENNSYLVANIA

## OTHER GOVERNMENTAL FUNDS COMBINING BALANCE SHEET (Continued)

DECEMBER 31, 2013

	Special Revenue Funds									Total Other Governmental Funds
	Community Development Block Grant	Community Services Block Grant	OEO - SWP	OEO - Weatherization	OEO - Other	Transportation	Special Purpose Gifts	Adoption Counseling	Domestic Relations Operation	
<b>Assets</b>										
Cash and cash equivalents	\$ (22,709)	\$ (81,922)	\$ (6,396)	\$ 6,316	\$ 120,306	\$ 273,202	\$ 109,309	\$ 8,940	\$ 307,105	\$ 2,931,234
Accounts receivable, net of allowance for uncollectibles	-	-	65,054	1,501	32,946	53,893	-	-	121,945	412,832
Due from other funds	347	4,577	734	2,112	3,766	19,693	-	-	-	45,925
Due from other governments	189,779	138,812	-	24,900	7,115	316,460	-	-	-	677,066
Other assets	305	-	-	-	-	2	3,000	-	-	55,441
<b>Total Assets</b>	<b>\$ 167,722</b>	<b>\$ 61,467</b>	<b>\$ 59,392</b>	<b>\$ 34,829</b>	<b>\$ 164,133</b>	<b>\$ 663,250</b>	<b>\$ 112,309</b>	<b>\$ 8,940</b>	<b>\$ 429,050</b>	<b>\$ 4,122,498</b>
<b>Liabilities and Fund Balance</b>										
<b>Liabilities:</b>										
Accounts payable	\$ 166,508	\$ 8,642	\$ 11,206	\$ 448	\$ 41,055	\$ 82,623	\$ -	\$ -	\$ -	\$ 332,927
Accrued payroll	68	7,654	175	4,226	3,915	58,874	-	-	-	89,435
Due to other funds	1,146	11,459	4,583	6,300	7,448	26,353	-	-	-	57,289
Due to other governments	-	-	43,100	-	-	-	-	-	-	43,100
Unearned revenue	-	33,712	328	23,855	68,078	495,400	-	-	-	1,076,734
<b>Total Liabilities</b>	<b>167,722</b>	<b>61,467</b>	<b>59,392</b>	<b>34,829</b>	<b>120,496</b>	<b>663,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,599,485</b>
<b>Fund Balance:</b>										
Restricted:										
Human services	-	-	-	-	-	-	39,751	-	-	39,751
Roads and bridges	-	-	-	-	-	-	-	-	-	610,830
Affordable housing	-	-	-	-	-	-	-	-	-	133,493
Hazardous materials	-	-	-	-	-	-	-	-	-	34,356
911	-	-	-	-	-	-	-	-	-	33,115
Act 13	-	-	-	-	-	-	-	-	-	224,971
Constable server fees	-	-	-	-	-	-	-	-	-	181,710
Offender identification	-	-	-	-	-	-	-	-	-	289,220
Juvenile court restitution	-	-	-	-	-	-	-	-	-	10,098
Records improvement/automation	-	-	-	-	-	-	-	-	-	64,572
Sugar Valley Lodge	-	-	-	-	-	-	72,558	-	-	72,558
Adoption counseling	-	-	-	-	-	-	-	8,940	-	8,940
Domestic Relations	-	-	-	-	-	-	-	-	429,050	429,050
Assigned:										
Airport operations	-	-	-	-	-	-	-	-	-	346,712
Community action	-	-	-	-	43,637	-	-	-	-	43,637
<b>Total Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,637</b>	<b>-</b>	<b>112,309</b>	<b>8,940</b>	<b>429,050</b>	<b>2,523,013</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 167,722</b>	<b>\$ 61,467</b>	<b>\$ 59,392</b>	<b>\$ 34,829</b>	<b>\$ 164,133</b>	<b>\$ 663,250</b>	<b>\$ 112,309</b>	<b>\$ 8,940</b>	<b>\$ 429,050</b>	<b>\$ 4,122,498</b>

(Concluded)

# COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2013

	Special Revenue Funds										
	Liquid Fuels	Affordable Housing Program	Airport	Hazardous Materials	911	Marcellus Legacy	Court Constable	Offender ID	Juvenile Court Restitution	County Records Improvement	Prothonotary Automation
<b>Revenues:</b>											
Intergovernmental	\$ 1,082,814	\$ -	\$ 263,611	\$ 11,410	\$ 298,838	\$ 224,968	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	37,581	613,363	30,710	431,519	-	62,997	75,229	1,331	14,734	7,246
Interest	1,731	365	989	93	1,149	516	479	729	27	80	86
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>1,084,545</b>	<b>37,946</b>	<b>877,963</b>	<b>42,213</b>	<b>731,506</b>	<b>225,484</b>	<b>63,476</b>	<b>75,958</b>	<b>1,358</b>	<b>14,814</b>	<b>7,332</b>
<b>Expenditures:</b>											
General government - administration	-	-	-	-	-	-	-	-	-	5,996	1,018
General government - judicial	-	-	-	-	-	-	26,432	28,923	-	-	-
Public safety	-	-	-	44,900	883,120	-	-	-	-	-	-
Public works	1,149,804	-	939,296	-	-	-	-	-	-	-	-
Human services	-	47,735	-	-	-	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	53,000	-	-	-	-	-
<b>Total expenditures</b>	<b>1,149,804</b>	<b>47,735</b>	<b>939,296</b>	<b>44,900</b>	<b>883,120</b>	<b>53,000</b>	<b>26,432</b>	<b>28,923</b>	<b>-</b>	<b>5,996</b>	<b>1,018</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(65,259)</b>	<b>(9,789)</b>	<b>(61,333)</b>	<b>(2,687)</b>	<b>(151,614)</b>	<b>172,484</b>	<b>37,044</b>	<b>47,035</b>	<b>1,358</b>	<b>8,818</b>	<b>6,314</b>
<b>Other Financing Sources (Uses):</b>											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	433,902	-	-	-	-	-	-
Transfers out	(9,107)	(9,583)	(22,000)	-	(270,848)	-	(2,370)	-	-	-	(2,000)
<b>Total other financing sources (uses)</b>	<b>(9,107)</b>	<b>(9,583)</b>	<b>(22,000)</b>	<b>-</b>	<b>163,054</b>	<b>-</b>	<b>(2,370)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,000)</b>
<b>Net Change in Fund Balance</b>	<b>(74,366)</b>	<b>(19,372)</b>	<b>(83,333)</b>	<b>(2,687)</b>	<b>11,440</b>	<b>172,484</b>	<b>34,674</b>	<b>47,035</b>	<b>1,358</b>	<b>8,818</b>	<b>4,314</b>
<b>Fund Balance:</b>											
Beginning of year	685,196	152,865	430,045	37,043	21,675	52,487	147,036	242,185	8,740	24,801	26,639
End of year	<u>\$ 610,830</u>	<u>\$ 133,493</u>	<u>\$ 346,712</u>	<u>\$ 34,356</u>	<u>\$ 33,115</u>	<u>\$ 224,971</u>	<u>\$ 181,710</u>	<u>\$ 289,220</u>	<u>\$ 10,098</u>	<u>\$ 33,619</u>	<u>\$ 30,953</u>

(Continued)

# COUNTY OF VENANGO, PENNSYLVANIA

## OTHER GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (Continued)

YEAR ENDED DECEMBER 31, 2013

	Special Revenue Funds								Total Other Governmental Funds	
	Community Development Block Grant	Community Services Block Grant	OEO - SWP	OEO - Weatherization	OEO - Other	Transportation	Special Purpose Gifts	Adoption Counseling		Domestic Relations Operation
<b>Revenues:</b>										
Intergovernmental	\$ 447,556	\$ 363,108	\$ 116,556	\$ 70,848	\$ 222,761	\$ 1,499,243	\$ -	\$ -	\$ -	\$ 4,601,713
Charges for services	-	-	-	-	3,431	42,015	-	300	463,859	1,784,315
Interest	-	-	16	-	127	1,637	166	25	959	9,174
Other	-	-	-	-	460	25,152	-	-	2,548	28,160
<b>Total revenues</b>	<b>447,556</b>	<b>363,108</b>	<b>116,572</b>	<b>70,848</b>	<b>226,779</b>	<b>1,568,047</b>	<b>166</b>	<b>325</b>	<b>467,366</b>	<b>6,423,362</b>
<b>Expenditures:</b>										
General government - administration	-	-	-	-	-	-	-	-	-	7,014
General government - judicial	-	-	-	-	-	-	-	-	493,875	549,230
Public safety	-	-	-	-	-	-	-	-	-	928,020
Public works	-	-	-	-	-	-	-	-	-	2,089,100
Human services	-	282,145	111,954	64,423	235,421	1,755,982	630	-	-	2,498,290
Conservation and development	454,884	-	-	-	-	-	-	-	-	507,884
<b>Total expenditures</b>	<b>454,884</b>	<b>282,145</b>	<b>111,954</b>	<b>64,423</b>	<b>235,421</b>	<b>1,755,982</b>	<b>630</b>	<b>-</b>	<b>493,875</b>	<b>6,579,538</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(7,328)</b>	<b>80,963</b>	<b>4,618</b>	<b>6,425</b>	<b>(8,642)</b>	<b>(187,935)</b>	<b>(464)</b>	<b>325</b>	<b>(26,509)</b>	<b>(156,176)</b>
<b>Other Financing Sources (Uses):</b>										
Sale of capital assets	-	-	-	-	-	4,763	-	-	-	4,763
Transfers in	9,583	-	-	-	67,825	321,858	-	-	128,269	961,437
Transfers out	(2,255)	(80,963)	(4,618)	(6,425)	(36,530)	(138,686)	-	-	-	(585,385)
<b>Total other financing sources (uses)</b>	<b>7,328</b>	<b>(80,963)</b>	<b>(4,618)</b>	<b>(6,425)</b>	<b>31,295</b>	<b>187,935</b>	<b>-</b>	<b>-</b>	<b>128,269</b>	<b>380,815</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,653</b>	<b>-</b>	<b>(464)</b>	<b>325</b>	<b>101,760</b>	<b>224,639</b>
<b>Fund Balance:</b>										
Beginning of year	-	-	-	-	20,984	-	112,773	8,615	327,290	2,298,374
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,637</u>	<u>\$ -</u>	<u>\$ 112,309</u>	<u>\$ 8,940</u>	<u>\$ 429,050</u>	<u>\$ 2,523,013</u>

(Concluded)

## **TRANSPORTATION FUND**

The Transportation Funds are used to account for the expenditure of a combination of federal, state, and County monies designated for the purpose of providing and improving public transportation throughout the County, including the Shared Ride, Medical Assistance Transportation Program, Exclusive Dialysis, Fixed Route, Capital Transit, Rural Operating Assistance, and Act 26 Shared Ride Capital programs.

# COUNTY OF VENANGO, PENNSYLVANIA

## TRANSPORTATION FUND COMBINING BALANCE SHEET

DECEMBER 31, 2013

	Shared Ride	Medical Assistance Transportation Program	Exclusive Dialysis	Fixed Route	Capital Transit	Rural Operating Assistance	Act 26 Shared Ride Capital	Total Transportation Fund
<b>Assets</b>								
Cash and cash equivalents	\$ 17,704	\$ 15,970	\$ (2)	\$ 19,100	\$ (25,710)	\$ 240,505	\$ 5,635	\$ 273,202
Accounts receivable, net of allowance for uncollectibles	20,927	-	-	6,247	26,719	-	-	53,893
Due from other funds	8,585	2,794	-	8,314	-	-	-	19,693
Due from other governments	49,993	266,467	-	-	-	-	-	316,460
Prepays	-	-	2	-	-	-	-	2
<b>Total Assets</b>	<b>\$ 97,209</b>	<b>\$ 285,231</b>	<b>\$ -</b>	<b>\$ 33,661</b>	<b>\$ 1,009</b>	<b>\$ 240,505</b>	<b>\$ 5,635</b>	<b>\$ 663,250</b>
<b>Liabilities and Fund Balance</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 12,238	\$ 61,416	\$ -	\$ 7,960	\$ 1,009	\$ -	\$ -	\$ 82,623
Accrued payroll	31,001	6,182	-	21,691	-	-	-	58,874
Due to other funds	4,010	18,333	-	4,010	-	-	-	26,353
Unearned revenue	49,960	199,300	-	-	-	240,505	5,635	495,400
<b>Total Liabilities</b>	<b>97,209</b>	<b>285,231</b>	<b>-</b>	<b>33,661</b>	<b>1,009</b>	<b>240,505</b>	<b>5,635</b>	<b>663,250</b>
<b>Fund Balance:</b>								
Unassigned	-	-	-	-	-	-	-	-
<b>Total Liabilities and Fund Balance</b>	<b>\$ 97,209</b>	<b>\$ 285,231</b>	<b>\$ -</b>	<b>\$ 33,661</b>	<b>\$ 1,009</b>	<b>\$ 240,505</b>	<b>\$ 5,635</b>	<b>\$ 663,250</b>

# COUNTY OF VENANGO, PENNSYLVANIA

## TRANSPORTATION FUND

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED DECEMBER 31, 2013

	Shared Ride	Medical Assistance Transportation Program	Exclusive Dialysis	Fixed Route	Capital Transit	Rural Operating Assistance	Act 26 Shared Ride Capital	Eliminations	Total Transportation Fund
<b>Revenues:</b>									
Intergovernmental	\$ 263,945	\$ 881,237	\$ -	\$ 5,385	\$ 26,719	\$ 321,957	\$ -	\$ -	\$ 1,499,243
Charges for services	2,230	-	-	39,785	-	-	-	-	42,015
Interest	-	16	-	-	2	1,619	-	-	1,637
Other	25,152	-	-	-	-	-	-	-	25,152
<b>Total revenues</b>	<b>291,327</b>	<b>881,253</b>	<b>-</b>	<b>45,170</b>	<b>26,721</b>	<b>323,576</b>	<b>-</b>	<b>-</b>	<b>1,568,047</b>
<b>Expenditures:</b>									
Human services	682,446	647,249	-	398,947	27,340	-	-	-	1,755,982
<b>Total expenditures</b>	<b>682,446</b>	<b>647,249</b>	<b>-</b>	<b>398,947</b>	<b>27,340</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,755,982</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(391,119)</b>	<b>234,004</b>	<b>-</b>	<b>(353,777)</b>	<b>(619)</b>	<b>323,576</b>	<b>-</b>	<b>-</b>	<b>(187,935)</b>
<b>Other Financing Sources (Uses):</b>									
Sale of capital assets	4,763	-	-	-	-	-	-	-	4,763
Transfers in	470,507	654	-	382,188	619	22,996	-	(555,106)	321,858
Transfers out	(84,151)	(234,658)	-	(28,411)	-	(346,572)	-	555,106	(138,686)
<b>Total other financing sources (uses)</b>	<b>391,119</b>	<b>(234,004)</b>	<b>-</b>	<b>353,777</b>	<b>619</b>	<b>(323,576)</b>	<b>-</b>	<b>-</b>	<b>187,935</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance:</b>									
Beginning of year	-	-	-	-	-	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **AGENCY FUNDS**

Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds are used to account for cash collected by elected row officers (Treasurer, Sheriff, Register of Wills and Recorder of Deeds, and Prothonotary and Clerk of Courts) and other County offices that are subsequently disbursed to the County, other governments, or individuals for whom it was collected.

# COUNTY OF VENANGO, PENNSYLVANIA

## ALL AGENCY FUNDS COMBINING BALANCE SHEET

DECEMBER 31, 2013

	Treasurer	Register of Wills and Recorder of Deeds	Prothonotary and Clerk of Courts	Sheriff	Prison	Domestic Relations	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 5,975	\$ 254,505	\$ 224,884	\$ 78,580	\$ 41,634	\$ 10,287	\$ 615,865
Accounts receivable and fines, at estimated realizable value	-	-	330,522	-	-	-	330,522
<b>Total Assets</b>	<b>\$ 5,975</b>	<b>\$ 254,505</b>	<b>\$ 555,406</b>	<b>\$ 78,580</b>	<b>\$ 41,634</b>	<b>\$ 10,287</b>	<b>\$ 946,387</b>
<b>Liabilities</b>							
Due to other funds	\$ 1,213	\$ 148,568	\$ 430,559	\$ 7,139	\$ -	\$ -	\$ 587,479
Due to other governments	4,762	81,850	16,796	395	-	-	103,803
Escrow liability and interest	-	24,087	108,051	71,046	41,634	10,287	255,105
<b>Total Liabilities</b>	<b>\$ 5,975</b>	<b>\$ 254,505</b>	<b>\$ 555,406</b>	<b>\$ 78,580</b>	<b>\$ 41,634</b>	<b>\$ 10,287</b>	<b>\$ 946,387</b>

# COUNTY OF VENANGO, PENNSYLVANIA

## ALL AGENCY FUNDS

### COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED DECEMBER 31, 2013

	<u>Balance at January 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2013</u>
<b>Treasurer</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 2,618	\$ 183,621	\$ 180,264	\$ 5,975
<u>Liabilities</u>				
Due to other funds	\$ 665	\$ 26,378	\$ 25,830	\$ 1,213
Due to other governments	1,953	155,944	153,135	4,762
Escrow liability and interest	-	1,299	1,299	-
<b>Total Liabilities</b>	<u>\$ 2,618</u>	<u>\$ 183,621</u>	<u>\$ 180,264</u>	<u>\$ 5,975</u>
<b>Register of Wills and Recorder of Deeds</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 224,013	\$ 1,257,360	\$ 1,226,868	\$ 254,505
<u>Liabilities</u>				
Due to other funds	\$ 114,945	\$ 403,443	\$ 369,820	\$ 148,568
Due to other governments	105,088	828,517	851,755	81,850
Escrow liability and interest	3,980	25,400	5,293	24,087
<b>Total Liabilities</b>	<u>\$ 224,013</u>	<u>\$ 1,257,360</u>	<u>\$ 1,226,868</u>	<u>\$ 254,505</u>
<b>Prothonotary and Clerk of Courts</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 217,231	\$ 1,404,117	\$ 1,396,464	\$ 224,884
Accounts receivable and fines, at estimated realizable value	366,788	455,892	492,158	330,522
<b>Total Assets</b>	<u>\$ 584,019</u>	<u>\$ 1,860,009</u>	<u>\$ 1,888,622</u>	<u>\$ 555,406</u>
<u>Liabilities</u>				
Due to other funds	\$ 416,021	\$ 455,892	\$ 441,354	\$ 430,559
Due to other governments	14,366	239,480	237,050	16,796
Escrow liability and interest	153,632	1,164,637	1,210,218	108,051
<b>Total Liabilities</b>	<u>\$ 584,019</u>	<u>\$ 1,860,009</u>	<u>\$ 1,888,622</u>	<u>\$ 555,406</u>

(Continued)

# COUNTY OF VENANGO, PENNSYLVANIA

## ALL AGENCY FUNDS

### COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED DECEMBER 31, 2013

(Continued)

	<u>Balance at January 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2013</u>
<b>Sheriff</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 195,048	\$ 434,060	\$ 550,528	\$ 78,580
<u>Liabilities</u>				
Due to other funds	\$ 8,891	\$ 39,105	\$ 40,857	\$ 7,139
Due to other governments	860	23,725	24,190	395
Escrow liability and interest	185,297	371,230	485,481	71,046
<b>Total Liabilities</b>	<u>\$ 195,048</u>	<u>\$ 434,060</u>	<u>\$ 550,528</u>	<u>\$ 78,580</u>
<b>Prison</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 38,415	\$ 251,035	\$ 247,816	\$ 41,634
<u>Liabilities</u>				
Escrow liability and interest	\$ 38,415	\$ 251,035	\$ 247,816	\$ 41,634
<b>Domestic Relations</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 5,631	\$ 605,898	\$ 601,242	\$ 10,287
<u>Liabilities</u>				
Escrow liability and interest	\$ 5,631	\$ 605,898	\$ 601,242	\$ 10,287

(Continued)

# COUNTY OF VENANGO, PENNSYLVANIA

## ALL AGENCY FUNDS

### COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED DECEMBER 31, 2013

(Continued)

	Balance at January 1, 2013	Additions	Deletions	Balance at December 31, 2013
<b>Total all Agency Funds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 682,956	\$ 4,136,091	\$ 4,203,182	\$ 615,865
Accounts receivable and fines, at estimated realizable value	366,788	455,892	492,158	330,522
<b>Total Assets</b>	<b>\$ 1,049,744</b>	<b>\$ 4,591,983</b>	<b>\$ 4,695,340</b>	<b>\$ 946,387</b>
<b>Liabilities</b>				
Due to other funds	\$ 540,522	\$ 924,818	\$ 877,861	\$ 587,479
Due to other governments	122,267	1,247,666	1,266,130	103,803
Escrow liability and interest	386,955	2,419,499	2,551,349	255,105
<b>Total Liabilities</b>	<b>\$ 1,049,744</b>	<b>\$ 4,591,983</b>	<b>\$ 4,695,340</b>	<b>\$ 946,387</b>

(Concluded)