

County of Venango, Pennsylvania

Financial Statements and Required Supplementary and Supplementary Information

Year Ended December 31, 2014
with Independent Auditor's Report

MaherDuessel
Certified Public Accountants

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COUNTY OF VENANGO, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2014

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YEAR ENDED DECEMBER 31, 2014

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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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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, 2014, and the respective changes in financial position 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, pension information, and budgetary comparison for the General Fund on pages i through xiv, 38 through 44, and 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The statement of expenditures by program identifier – budget to actual, and combining and individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statement of expenditures by program identifier – budget to actual and combining and individual 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 statement of expenditures by program identifier – budget to actual and combining and individual fund statements are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Mahe Duessel

Pittsburgh, Pennsylvania
September 25, 2015

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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements (pages 1 - 8) and the notes to financial statements (pages 9 - 37).

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities and deferred inflows of resources by \$30.6 million at December 31, 2014.
- As of December 31, 2014, unrestricted net position was approximately \$9.8 million or 22% of total expenses.
- The total fund balance of the General Fund at December 31, 2014 was \$7.5 million or 72% of the total fund balance.
- The County's real property tax rate was 6.000 mills for 2014.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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 four 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 four *major* funds (General, Capital Projects, Human Services, and Workforce Development). Data from the other *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 governmental funds financial statements can be found on pages 3 to 6 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 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 7 and 8 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 9 to 37 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. The County also 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. Required supplementary information can be found on pages 38 to 45 of this report.

The Statement of Expenditures by Program Identifier – Budget to Actual, combining and individual fund statements, and combining agency fund statements are presented as supplementary information immediately following the required supplementary information on pages 46 to 58 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, 2014 and 2013 is presented below:

Summary Statements of Net Position December 31, 2014 and 2013

	Governmental Activities	
	2014	2013
Assets		
Current and other assets	\$ 19,589,637	\$ 17,807,917
Capital assets	21,142,497	22,020,161
Lease receivable	2,430,502	2,840,050
Total Assets	43,162,636	42,668,128
Liabilities		
Current and other liabilities	8,549,936	6,859,181
Non-current liabilities	3,762,711	5,266,522
Total Liabilities	12,312,647	12,125,703
Deferred Inflows of Resources		
Unavailable revenue	262,616	-
Net Position		
Net investment in capital assets	16,701,832	16,073,115
Restricted	4,098,969	4,617,149
Unrestricted	9,786,572	9,852,161
Total Net Position	\$ 30,587,373	\$ 30,542,425

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 and deferred inflows of resources by \$30.6 million at December 31, 2014, an increase from December 31, 2013 of approximately \$45,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table presents the change in net position for the years ended December 31, 2014 and 2013:

Change in Net Position Years Ended December 31, 2014 and 2013

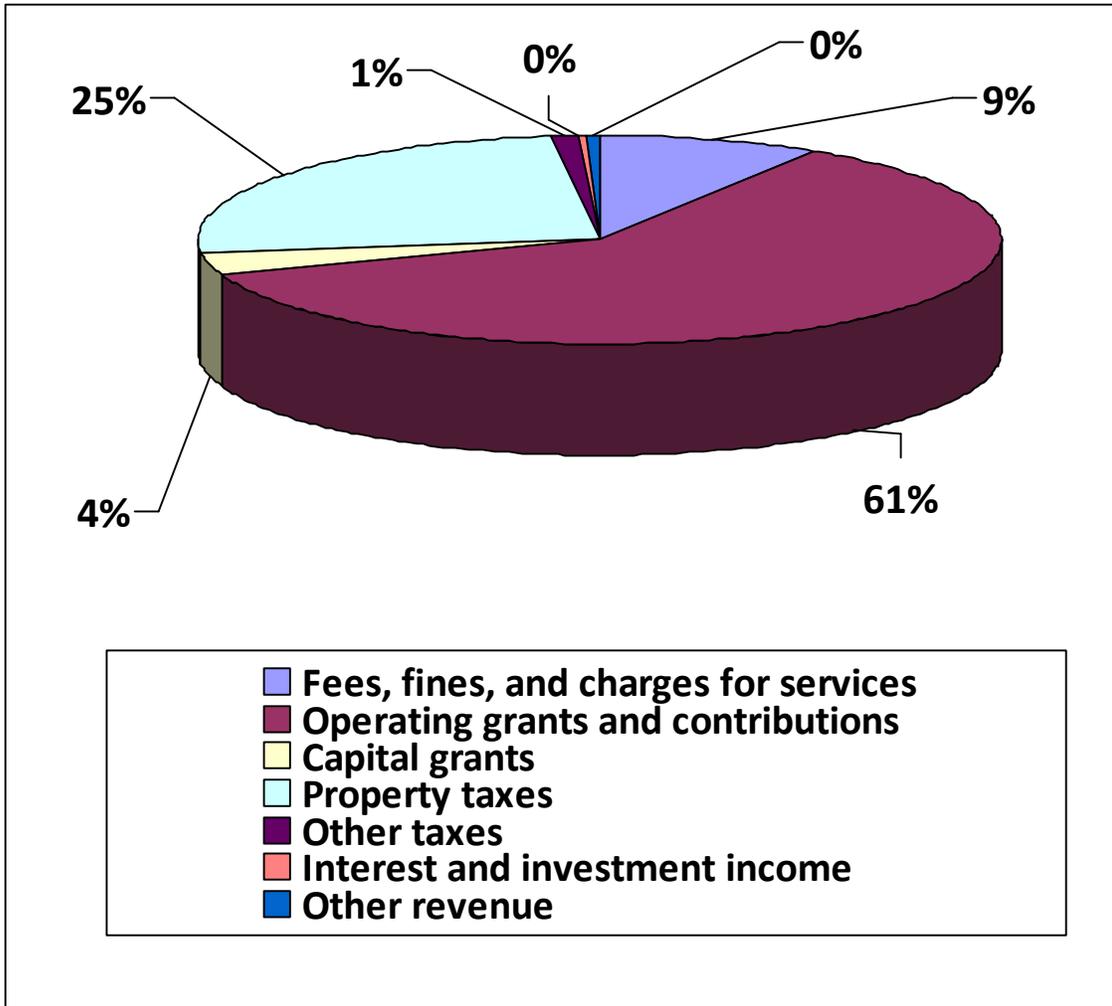
	Governmental Activities	
	2014	2013
Program revenues:		
Fees, fines, and charges for services	\$ 3,924,613	\$ 4,387,709
Operating grants and contributions	26,710,095	18,242,970
Capital grants	1,596,976	2,018,949
General revenues:		
Property taxes	11,083,079	10,894,382
Other taxes	528,434	509,568
Interest and investment income	130,440	188,645
Other	234,903	236,060
Gain (loss) on disposal of capital assets	(22,372)	7,589
Total revenues	44,186,168	36,485,872
Program expenses:		
General government - administration	5,603,833	5,464,017
General government - judicial	3,826,998	3,726,286
Public safety	5,628,416	5,490,891
Public works	2,614,137	3,229,408
Human services	25,389,582	17,109,035
Conservation and development	500,850	834,657
Culture and recreation	291,958	306,971
Interest	285,446	233,087
Total expenses	44,141,220	36,394,352
Change in Net Position	44,948	91,520
Net position, beginning	30,542,425	30,450,905
Net position, ending	\$ 30,587,373	\$ 30,542,425

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, 2014:

Government-Wide Sources of Revenues
Total Revenue \$44,186,168



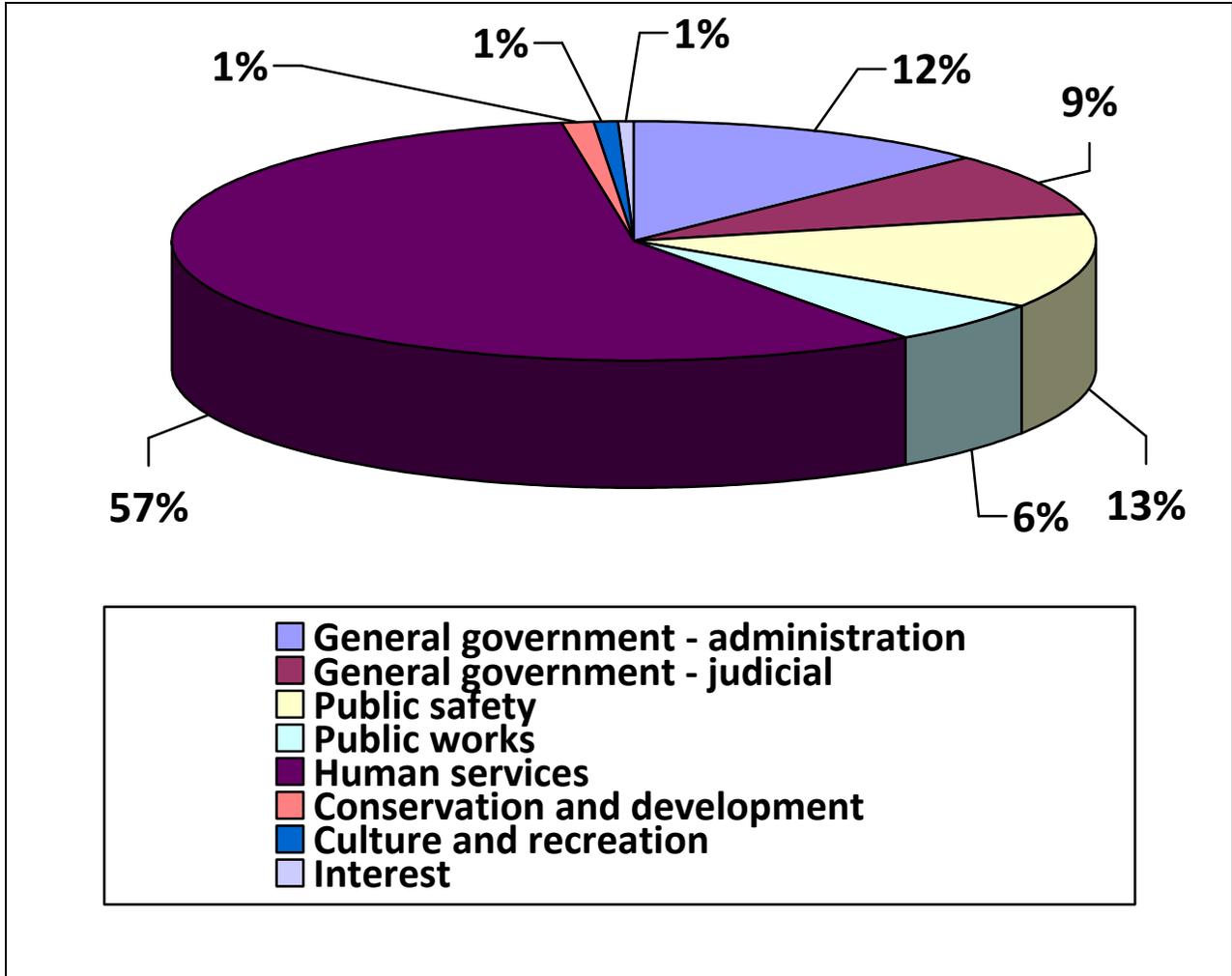
Total government-wide revenues for 2014 were \$44.2 million, which was approximately \$7.7 million higher than the 2013 year. Operating grants and contributions account for 61% of the total revenues, amounting to \$26.7 million, compared to \$18.2 million in 2013. The increase of approximately \$8.5 million is mainly attributable to becoming the fiscal agent for the Northwest Workforce Investment Area. The second largest source of revenue for the County was property taxes, which made up 25% of the total revenues, amounting to \$11.1 million, compared to \$10.9 million in 2013. The increase of approximately \$189,000 is mainly attributable to the increased tax collection both current year and through Tax claim.

MANAGEMENT'S DISCUSSION AND ANALYSIS

PROGRAM EXPENSES

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2014:

Government-Wide Program Expenses
Total Expenses: \$44,141,220



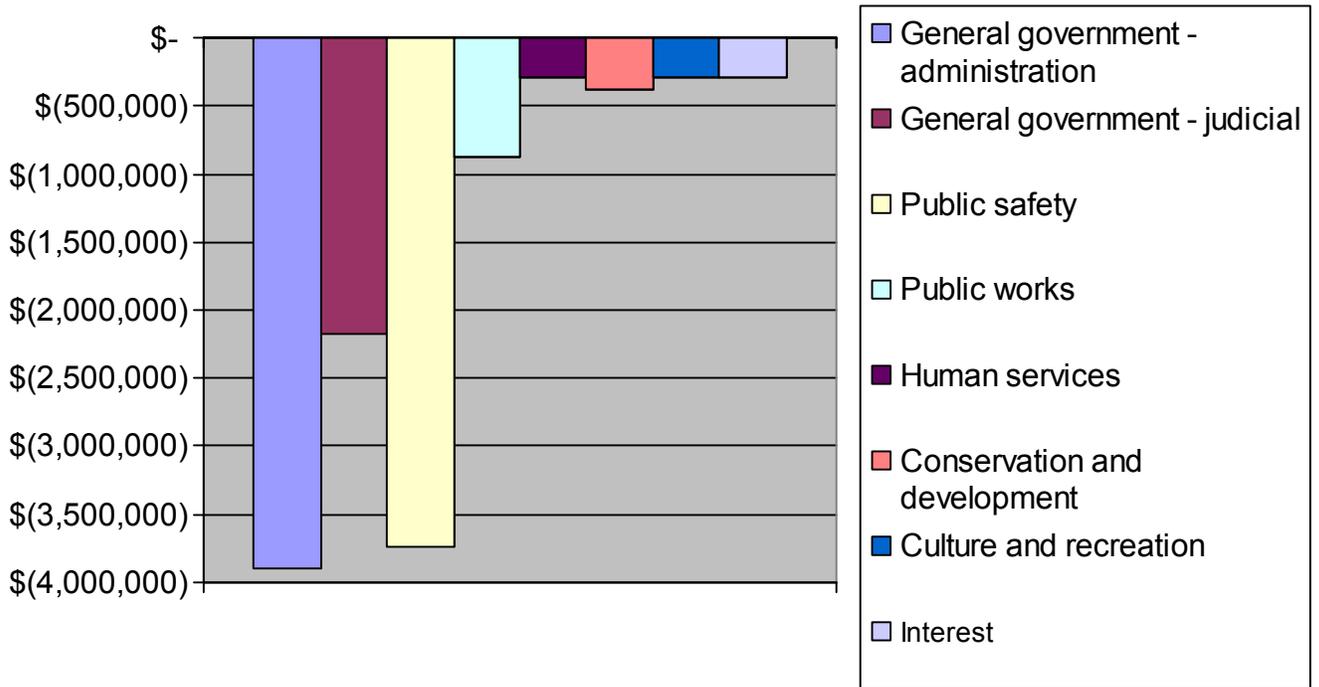
Total government-wide program expenses for 2014 were \$44.1 million, which was approximately \$7.7 million higher than the 2013 year. The largest area of expenses was Human Services, which accounts for 57% of total expenses, amounting to \$25.4 million, compared to \$17.1 million in 2013. The increase of approximately \$8.3 million is mainly attributable to increased expenses due to becoming fiscal agent for the Northwest Workforce Investment Area. Following Human Services expenses, totaling \$5.6 million, Public Safety represented 13% of all expenses, followed by General Government - Administration with \$5.6 million in expenses representing 12% 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, 2014.

Government-Wide Net Program Revenues/Expenses



General government - administration required the most general revenue for support, needing \$3.9 million during 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County reports four major governmental funds (General, Capital Projects, Human Services, and Workforce Development). The Human Services Fund consists of six programs: Area Agency on Aging; Retired Senior Volunteer Program; Children and Youth Services; Substance Abuse; Mental Health; and Developmental Services. Combining statements are found on pages 47 and 48.

The County also reports other governmental 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 49 through 54.

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, 2014 and 2013:

MANAGEMENT'S DISCUSSION AND ANALYSIS

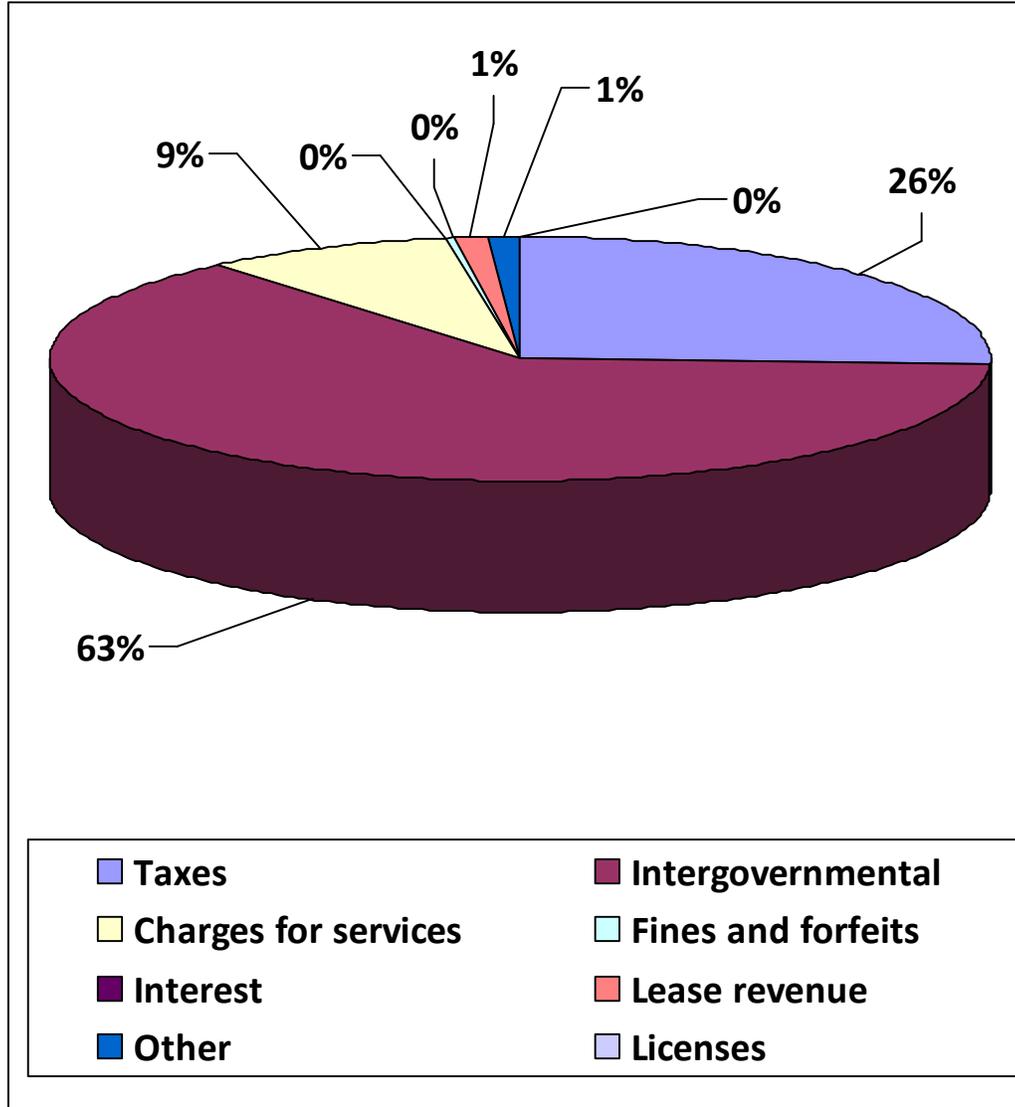
Statements of Revenues, Expenditures, and Changes in Fund Balance Years Ended December 31, 2014 and 2013

	Governmental Funds	
	2014	2013
Revenues:		
Taxes	\$ 11,579,122	\$ 11,428,063
Licenses	39,675	37,823
Intergovernmental	28,085,803	19,997,964
Charges for services	3,832,093	4,283,225
Fines and forfeits	112,553	140,750
Interest	44,988	38,260
Lease revenue	540,000	540,000
Other	416,496	462,192
Total revenues	44,650,730	36,928,277
Expenditures:		
General government - administration	5,577,101	5,319,752
General government - judicial	3,854,078	3,704,064
Public safety	5,396,756	5,135,615
Public works	1,923,921	2,627,784
Human services	25,418,460	17,455,317
Conservation and development	500,850	834,657
Culture and recreation	280,316	498,116
Capital outlay	-	601
Debt service	1,880,440	1,405,205
Total expenditures	44,831,922	36,981,111
Excess (Deficiency) of Revenues Over Expenditures	(181,192)	(52,834)
Other Financing Sources (Uses):		
Sale of capital assets	27,812	7,589
Refunding bonds issued	4,410,000	-
Premium on refunding bonds	198,798	-
Payment to refunded bond escrow agent	(4,520,185)	-
Total other financing sources and uses	116,425	7,589
Net Change in Fund Balance	(64,767)	(45,245)
Fund balance, beginning	10,468,268	10,513,513
Fund balance, ending	\$ 10,403,501	\$ 10,468,268

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds revenues, by source, for the year ended December 31, 2014 were:

**Governmental Funds
Revenues Classified by Source
Total Revenues: \$44,650,730**

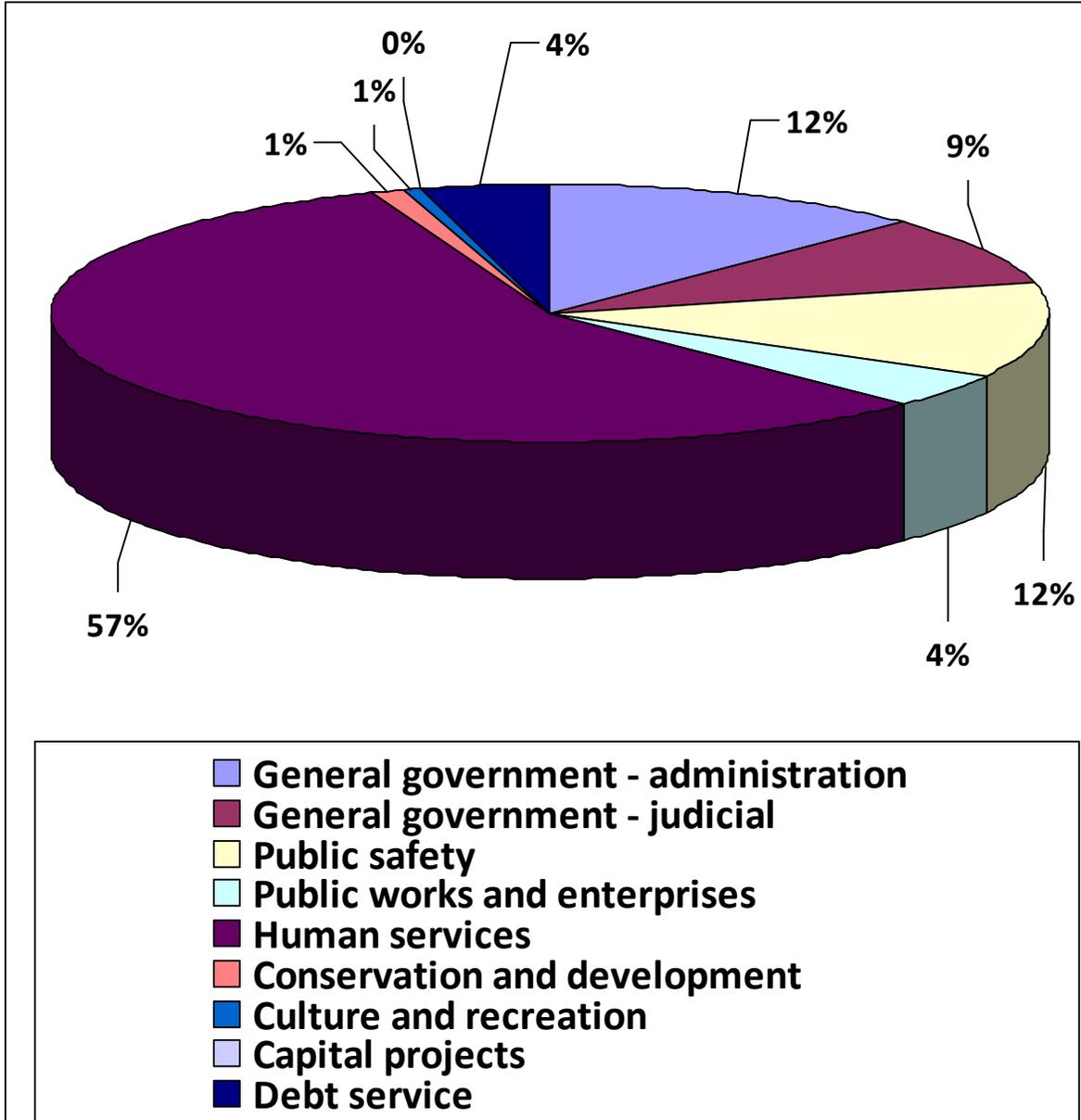


Governmental fund revenues totaled \$44.7 million for the year ended December 31, 2014, of which \$28 million (63%) came from Intergovernmental (Federal and State) Revenue. Taxes accounted for \$11.6 million (26%) in revenue. Charges for services reached \$3.8 million (9%) in revenue. Lease revenue and 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, 2014 were:

**Governmental Funds
Expenditures Classified by Function
Total Expenditures: \$44,831,922**

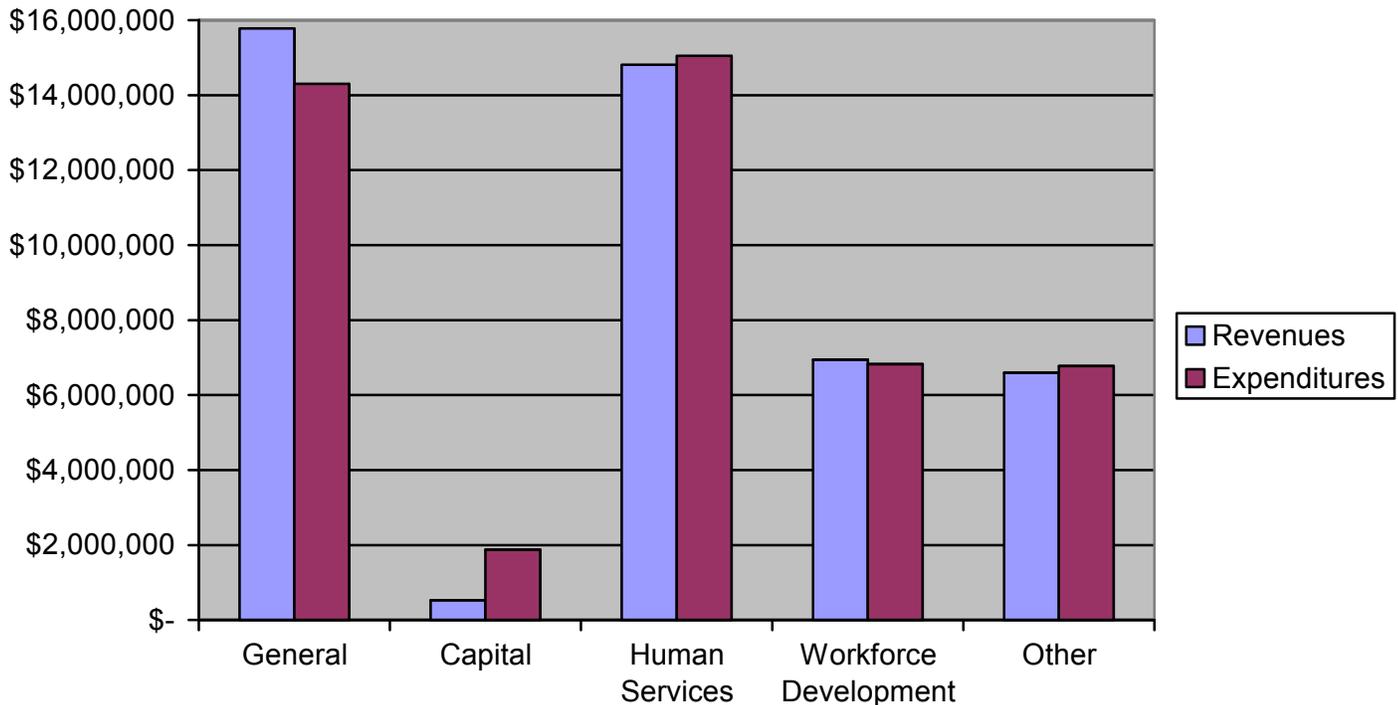


Governmental funds expenditures totaled \$44.8 million for the year ended December 31, 2014, of which \$25.4 million (57%) were Human Services expenditures. General Government – Administration, Public Safety, and General Government – Judicial, make up the next largest pieces, each with expenditures ranging from \$3.9 to \$5.6 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, 2014:

**Governmental Funds
Revenues and Expenditures**



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, 2014 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 \$1.7 million.

The County had a variance between the final budget and actual revenue of approximately \$475,000. The largest contributors to the variance were intergovernmental and other revenue amounts not meeting budget offset by an increase in taxes over budget.

The County had a favorable variance between the final budget and actual expenditures of approximately \$1,865,000. The majority of this variance occurred in the General Government – Administration, General Government – Judicial, and Public Safety functions, which show approximately \$536,000 and \$348,000, and \$976,000, respectively, in favorable variances. The variances are primarily due to the pension contribution not required at the budgeted amount and expenses through the Northwest Task Force not achieving budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS

The County's investment in capital assets including infrastructure as of December 31, 2014 amounts to \$21,142,497, 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. The note payable was current refunded in 2014 by the issuance of General Obligation Bonds, Series of 2014.

As of December 31, 2014, the County has a total of \$4,275,000 outstanding on the bonds payable, of which \$1,295,000 is payable in 2015.

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, 2014

	Governmental Activities
<hr/>	
Assets	
Cash and cash equivalents	\$ 10,775,980
Advances receivable	10,022
Taxes receivable, net	1,476,352
Accounts and loans receivable, at estimated realizable value	1,897,791
Accounts receivable - fiduciary funds	510,343
Due from other governments	4,791,888
Other assets	91,940
Net pension asset	35,321
Capital assets, not being depreciated	1,739,668
Capital assets, net of accumulated depreciation	19,402,829
Lease receivable:	
Current	540,000
Non-current	1,890,502
Total Assets	<hr/> 43,162,636 <hr/>
<hr/>	
Liabilities	
Accounts payable	2,907,057
Accrued payroll	505,025
Due to other governments	460,848
Unearned revenue	3,382,006
Compensated absences, non-current	617,046
Bonds payable:	
Current	1,295,000
Non-current	3,145,665
Total Liabilities	<hr/> 12,312,647 <hr/>
<hr/>	
Deferred Inflows of Resources	
Unavailable revenue - note	<hr/> 262,616 <hr/>
<hr/>	
Net Position	
Net investment in capital assets	16,701,832
Restricted for:	
Operating reserve	1,835,174
Human services	86,896
Roads and bridges	584,388
Affordable housing	117,624
Act 13	340,732
Constable server fees	188,138
Offender identification	306,938
Records improvement/automation	67,210
Sugar Valley Lodge	86,164
Domestic relations	442,974
Other purposes	42,731
Unrestricted:	
Lease receivable	2,430,502
Other unrestricted net position	7,356,070
Total Net Position	<hr/> \$ 30,587,373 <hr/>

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Expenses	Program Revenues		Capital Grants	Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					
General government - administration	\$ 5,603,833	\$ 838,821	\$ 365,337	\$ 500,000	\$ (3,899,675)
General government - judicial	3,826,998	1,293,291	364,622	-	(2,169,085)
Public safety	5,628,416	621,930	1,270,354	-	(3,736,132)
Public works	2,614,137	776,069	-	969,136	(868,932)
Human services	25,389,582	394,502	24,709,782	-	(285,298)
Conservation and development	500,850	-	-	127,840	(373,010)
Culture and recreation	291,958	-	-	-	(291,958)
Interest	285,446	-	-	-	(285,446)
Total governmental activities	\$ 44,141,220	\$ 3,924,613	\$ 26,710,095	\$ 1,596,976	(11,909,536)
General revenues:					
Property taxes					11,083,079
Other taxes					528,434
Interest and investment income					130,440
Other					234,903
Loss on disposal of capital asset					(22,372)
Total general revenues					11,954,484
Change in Net Position					44,948
Net Position:					
Beginning of year					30,542,425
End of year					\$ 30,587,373

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2014

	General Fund	Capital Projects Fund	Human Services Fund	Workforce Development Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 7,844,377	\$ (338,439)	\$ 858,157	\$ (894,991)	\$ 3,306,876	\$ 10,775,980
Advances receivable	-	-	10,022	-	-	10,022
Taxes receivable, net	1,476,352	-	-	-	-	1,476,352
Accounts receivable, net of allowance for uncollectibles	625,036	57,744	117,234	484,469	613,308	1,897,791
Due from other funds	659,706	373,838	71,697	-	43,844	1,149,085
Due from other governments	73,403	-	2,287,972	2,132,825	297,688	4,791,888
Other assets	-	-	7,920	33,476	50,544	91,940
Lease receivable:						
Current	-	540,000	-	-	-	540,000
Non-current	-	1,890,502	-	-	-	1,890,502
Total Assets	\$ 10,678,874	\$ 2,523,645	\$ 3,353,002	\$ 1,755,779	\$ 4,312,260	\$ 22,623,560
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable	\$ 707,680	\$ -	\$ 803,877	\$ 1,014,732	\$ 380,768	\$ 2,907,057
Accrued payroll	233,487	-	173,851	(8,953)	106,640	505,025
Due to other funds	104,549	-	490,652	-	43,541	638,742
Due to other governments	457,220	-	-	-	3,628	460,848
Unearned revenue	146,758	-	1,570,047	487,384	1,241,938	3,446,127
Total Liabilities	1,649,694	-	3,038,427	1,493,163	1,776,515	7,957,799
Deferred Inflows of Resources:						
Unavailable revenue - taxes/fees	1,569,142	-	-	-	-	1,569,142
Unavailable revenue - note	-	-	-	262,616	-	262,616
Unavailable revenue - lease	-	2,430,502	-	-	-	2,430,502
Total Deferred Inflows of Resources	1,569,142	2,430,502	-	262,616	-	4,262,260
Fund Balance:						
Restricted:						
Operating reserve	1,835,174	-	-	-	-	1,835,174
Human services	-	-	47,050	-	39,846	86,896
Roads and bridges	-	-	-	-	584,388	584,388
Affordable housing	-	-	-	-	117,624	117,624
Act 13	-	-	-	-	340,732	340,732
Constable server fees	-	-	-	-	188,138	188,138
Offender identification	-	-	-	-	306,938	306,938
Records improvement/automation	-	-	-	-	67,210	67,210
Sugar Valley Lodge	-	-	-	-	86,164	86,164
Domestic relations	-	-	-	-	442,974	442,974
Other purposes	-	-	-	-	42,731	42,731
Assigned:						
Capital projects	-	93,143	-	-	-	93,143
Substance abuse	-	-	267,525	-	-	267,525
Airport operations	-	-	-	-	277,369	277,369
Community action	-	-	-	-	46,547	46,547
Unassigned	5,624,864	-	-	-	(4,916)	5,619,948
Total Fund Balance	7,460,038	93,143	314,575	-	2,535,745	10,403,501
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 10,678,874	\$ 2,523,645	\$ 3,353,002	\$ 1,755,779	\$ 4,312,260	\$ 22,623,560

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, 2014

Total Fund Balance - Governmental Funds		\$ 10,403,501
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.		21,142,497
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.		2,430,502
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.		1,633,263
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.		35,321
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	\$ (617,046)
	Bonds payable	<u>(4,440,665)</u>
		<u>(5,057,711)</u>
Total Net Position - Governmental Activities		<u>\$ 30,587,373</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, 2014

	General Fund	Capital Projects Fund	Human Services Fund	Workforce Development Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 11,579,122	\$ -	\$ -	\$ -	\$ -	\$ 11,579,122
Licenses	39,675	-	-	-	-	39,675
Intergovernmental	1,631,068	-	14,284,760	6,870,166	5,299,809	28,085,803
Charges for services	2,271,143	-	234,042	83,096	1,243,812	3,832,093
Fines and forfeits	112,553	-	-	-	-	112,553
Interest	15,852	1,336	4,746	22	23,032	44,988
Lease revenue	-	540,000	-	-	-	540,000
Other	127,782	-	286,031	-	2,683	416,496
Total revenues	15,777,195	541,336	14,809,579	6,953,284	6,569,336	44,650,730
Expenditures:						
General government - administration	5,570,426	-	-	-	6,675	5,577,101
General government - judicial	3,230,795	-	-	-	623,283	3,854,078
Public safety	4,301,246	-	-	-	1,095,510	5,396,756
Public works	506,078	-	-	-	1,417,843	1,923,921
Human services	90,825	-	15,046,034	6,828,040	3,453,561	25,418,460
Conservation and development	317,855	-	-	-	182,995	500,850
Culture and recreation	280,316	-	-	-	-	280,316
Debt service	-	1,880,440	-	-	-	1,880,440
Total expenditures	14,297,541	1,880,440	15,046,034	6,828,040	6,779,867	44,831,922
Excess (Deficiency) of Revenues Over Expenditures	1,479,654	(1,339,104)	(236,455)	125,244	(210,531)	(181,192)
Other Financing Sources (Uses):						
Sale of capital assets	14,839	-	630	-	12,343	27,812
Refunding bonds issued	-	4,410,000	-	-	-	4,410,000
Premium on refunding bonds	-	198,798	-	-	-	198,798
Payment to refunded bond escrow agent	-	(4,520,185)	-	-	-	(4,520,185)
Transfers in	1,542,414	1,040,668	1,491,596	-	996,835	5,071,513
Transfers out	(2,823,830)	(113,092)	(1,223,432)	(125,244)	(785,915)	(5,071,513)
Total other financing sources (uses)	(1,266,577)	1,016,189	268,794	(125,244)	223,263	116,425
Net Change in Fund Balance	213,077	(322,915)	32,339	-	12,732	(64,767)
Fund Balance:						
Beginning of year	7,246,961	416,058	282,236	-	2,523,013	10,468,268
End of year	<u>\$ 7,460,038</u>	<u>\$ 93,143</u>	<u>\$ 314,575</u>	<u>\$ -</u>	<u>\$ 2,535,745</u>	<u>\$ 10,403,501</u>

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, 2014

Net Change in Fund Balance - Governmental Funds		\$ (64,767)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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:</p>		
	Capital outlays	\$ 973,647
	Less: depreciation expense	<u>(1,801,127)</u> (827,480)
Losses on disposal of capital assets occur only on the statement of activities, as capital assets are expensed when purchased in governmental funds.		(50,184)
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.		(2,065)
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.		12,358
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.		1,506,381
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.		(454,548)
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.		<u>(74,747)</u>
Change in Net Position of Governmental Activities		<u><u>\$ 44,948</u></u>

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF PLAN NET POSITION FIDUCIARY FUNDS - TRUST AND AGENCY FUNDS

DECEMBER 31, 2014

	Pension Trust Fund	Agency Funds	Total
Assets			
Cash and cash equivalents	3,042,625	\$ 640,626	\$ 3,683,251
Investments:			
Bond mutual funds	5,179,735	-	5,179,735
U.S. government and agency securities	5,509,931	-	5,509,931
Corporate bonds	3,756,865	-	3,756,865
Municipal bonds	4,912	-	4,912
Equity mutual funds	27,877,102	-	27,877,102
Common stock	3,973,452	-	3,973,452
Accounts receivable and fines, at estimated realizable value	-	310,489	310,489
Total Assets	49,344,622	951,115	50,295,737
Liabilities			
Due to other funds	-	510,343	510,343
Due to other governments	-	110,681	110,681
Escrow liability and interest	-	330,091	330,091
Total Liabilities	-	951,115	951,115
Net Position Restricted For			
Held in trust for pension benefits	\$ 49,344,622	\$ -	\$ 49,344,622

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS - TRUST FUNDS

YEAR ENDED DECEMBER 31, 2014

	<u>Pension Trust Fund</u>
Additions:	
<hr/>	
Contributions:	
Employee	\$ 1,197,982
Employer	<u>308,015</u>
Total contributions	<u>1,505,997</u>
Investment income/loss:	
Net increase (decrease) in fair value of investments	892,037
Interest and dividends	<u>2,365,485</u>
Total investment income (loss)	3,257,522
Less investment expense	<u>172,052</u>
Net investment income	<u>3,085,470</u>
Total additions	<u>4,591,467</u>
Deductions:	
<hr/>	
Benefits and refunds paid to plan members and beneficiaries	3,434,184
Administrative expense	<u>53,950</u>
Total deductions	<u>3,488,134</u>
Net Increase (Decrease) in Plan Net Position	1,103,333
Net Position:	
<hr/>	
Beginning of year	<u>48,241,289</u>
End of year	<u>\$ 49,344,622</u>

See accompanying notes to financial statements.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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.

Northwest Workforce Investment Area

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, the County pays for shared expenses and then bills each of the participating CareerLink® members for reimbursement, as well as accounting for all Workforce Investment Area (WIA) dollars and any other funding assigned to the area for job development and retention.

Component Units

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.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

- 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:

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 entered into an Interagency Agreement as approved by HUD with the County in December 2013, whereby the County will carry out the operation of the Authority, manage Authority funds, and perform other administrative services. 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

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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.

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.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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 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.

The *Workforce Development Fund* is used to account for financial resources the County receives as the fiscal agent for the Northwest Workforce Investment Area. The Northwest Workforce Investment Area administers and provides job training and workforce development activities.

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

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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.

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, 2014 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

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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

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.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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, 2014.

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:

- Nonspendable – This category represents funds that are not in spendable form and includes prepaid expenditures. There was no nonspendable fund balance at December 31, 2014.
- 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, human services, roads and bridges, affordable housing, hazardous materials, 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, 2014.
- 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.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

- Unassigned – This category includes the residual classification for the County’s General Fund and includes all spendable amounts not contained in other classifications. The 911 Fund, which is a non-major other governmental fund, had a deficit in its unassigned fund balance of \$4,916 at December 31, 2014.

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, Workforce Development 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:

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.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

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	<u>General Fund</u>
Net change in fund balance - General Fund as presented (modified accrual)	\$ 213,077
Adjustment to reconcile accounts and real estate taxes receivable to budgetary basis	(247,419)
Adjustment to reconcile prepaids and accounts and wages payable to budgetary basis	91,231
The Operating Reserve Fund is reported within the General Fund but is budgeted as a separate fund	1,808,399
Domestic Relations Fund is budgeted in the General Fund but is presented separately as an other governmental fund	<u>(205,390)</u>
Net change in fund balance - General Fund budgetary basis (cash basis)	<u><u>\$ 1,659,898</u></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 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

COUNTY OF VENANGO, PENNSYLVANIA

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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, 2014 consists of: \$1,835,174 for operating reserve, \$86,896 for human services, \$584,388 for roads and bridges, \$117,624 for affordable housing, \$340,732 for Act 13, \$188,138 for constable server fees, \$306,938 for offender identification, \$67,210 for records improvement/automation, \$86,164 for Sugar Valley Lodge, \$442,974 for domestic relations, and \$42,731 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

The requirements of the following Governmental Accounting Standards Board (GASB) Statements were adopted for the County's 2014 financial statements:

GASB Statement No. 67, "*Financial Reporting for Pension Plans.*" The objective of this statement is to improve financial reporting by state and local governmental pension plans.

GASB Statement No. 69, "*Government Combinations and Disposals of Government Operations.*" This statement provides new accounting and financial reporting standards for

COUNTY OF VENANGO, PENNSYLVANIA

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government mergers and acquisitions and for government operations that have been transferred or sold.

GASB Statement No. 70, *“Accounting and Financial Reporting for Non-exchange Financial Guarantees.”* 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.

Pending Pronouncements

GASB has issued the following statements that will become effective in future years as shown below. Management has not yet determined the impact of these statements on the County’s financial statements:

GASB 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 (the County’s financial statements for the year ending December 31, 2015). These statements establish new financial reporting requirements for most governments that provide their employees with pension benefits.

GASB Statement No. 72, *“Fair Value Measurement and Application,”* effective for fiscal years beginning after June 15, 2015 (the County’s financial statements for the year ending December 31, 2016). This statement addresses accounting and financial reporting issues related to fair value measurements.

GASB Statement No. 73, *“Accounting for Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68 and Amendments to Certain Provisions of GASB Statements 67 and 68,”* effective for fiscal years beginning after June 15, 2015 (the County’s financial statements for the year ending December 31, 2016), except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016 (the County’s financial statements for the year ending December 31, 2017). This statement establishes requirements for pensions and pension plans that are not administered through a trust meeting specified criteria.

GASB Statement No. 76, *“Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,”* effective for fiscal years beginning after June 15, 2015 (the County’s financial statements for the year ending December 31, 2016). This statement identifies the hierarchy of generally accepted accounting principles (GAAP), reduces this hierarchy to two categories of authoritative GAAP, and addresses the use of authoritative and nonauthoritative

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literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This statement supersedes Statement No. 55.

GASB Statement No. 77, "*Tax Abatement Disclosures*," effective for fiscal years beginning after December 15, 2015 (the County's financial statements for the year ending December 31, 2017). This statement requires state and local governments for the first time to disclose information about tax abatement agreements, and is designed to provide financial statement users with essential information about these agreements and the impact that they have on a government's finances.

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.

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.

COUNTY OF VENANGO, PENNSYLVANIA

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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 \$11,056,696 at December 31, 2014, \$750,000 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 \$10,775,980 as of December 31, 2014, 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 \$640,626 and the bank balance was \$669,368. None of the bank balance 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.

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, 2014, the County Pension Trust Fund held the following investments:

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<u>Cash or Investment Type</u>	<u>Fair Market Value</u>	<u>Investment Maturities (In Years) from December 31, 2014</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	\$ 5,179,735	\$ 5,179,735	\$ -	\$ -	\$ -
U.S. Government and Agency Securities	5,509,931	2,087,570	2,723,640	698,721	-
Corporate Bonds	3,756,865	151,054	1,475,301	1,454,754	675,756
Municipal Bonds	4,912	-	-	4,912	-
Total debt securities	<u>14,451,443</u>	<u>7,418,359</u>	<u>4,198,941</u>	<u>2,158,387</u>	<u>675,756</u>
Cash and Cash Equivalents	3,042,625				
Equity Mutual Funds	27,877,102				
Common Stock	<u>3,973,452</u>				
Total Pension Trust Fund cash, cash equivalents, and investments reported on statement of plan net position	<u><u>\$ 49,344,622</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:

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, 2014, 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:

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Investment Type	Moody's Rating	Percentage of Total Corporate Bonds
Corporate Bonds	Aaa	5%
Corporate Bonds	Aa1	2%
Corporate Bonds	Aa2	3%
Corporate Bonds	Aa3	11%
Corporate Bonds	A1	7%
Corporate Bonds	A2	20%
Corporate Bonds	A3	12%
Corporate Bonds	Baa1	14%
Corporate Bonds	Baa2	16%
Corporate Bonds	Baa3	6%
Corporate Bonds	Unrated	4%
		100%

Investment Type	Moody's Rating	Percentage of Total U.S. Government and Agency Securities
U.S. Government and Agency Securities	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 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, 2014, the County's Pension Trust Fund cash and cash equivalents bank and investment balance was \$3,101,359 and the carrying amount was \$3,042,625. Of the bank and investment balance, \$3,101,359 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.

COUNTY OF VENANGO, PENNSYLVANIA

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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.

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

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	Balance at January 1, 2014	Transfers/ Additions	Transfers/ Deletions	Balance at December 31, 2014
Governmental Activities:				
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	16,610,104	221,075	(60,415)	16,770,764
Machinery and equipment	13,419,043	752,572	(108,777)	14,062,838
Infrastructure	22,882,778	-	-	22,882,778
Total capital assets, being depreciated	53,401,426	973,647	(169,192)	54,205,881
Less: accumulated depreciation for:				
Land improvements	(346,547)	(13,589)	-	(360,136)
Buildings and improvements	(7,243,962)	(459,002)	30,333	(7,672,631)
Machinery and equipment	(10,142,130)	(667,064)	88,675	(10,720,519)
Infrastructure	(15,388,294)	(661,472)	-	(16,049,766)
Total accumulated depreciation	(33,120,933)	(1,801,127)	119,008	(34,803,052)
Total capital assets, being depreciated net	20,280,493	(827,480)	(50,184)	19,402,829
Governmental activities, capital assets, net	\$ 22,020,161			\$ 21,142,497

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 167,176
Judicial	45,379
Public safety	395,760
Public works	832,600
Human services	330,194
Culture and recreation	30,018
Total depreciation expense - governmental activities	\$ 1,801,127

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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 2014, County real estate taxes were levied at the rate of 6.000 mills on assessed valuation. Total assessed valuation for non-exempt properties in 2014 was approximately \$1,998,131,020.

All taxes receivables are shown net of an allowance for uncollectibles. Uncollected real estate taxes at December 31, 2014, including delinquent amounts, interest, and penalties, were \$1,801,120. Of this amount, approximately \$324,768 was considered uncollectible at December 31, 2014 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, 2014 is as follows:

	<u>Gross Receivable</u>	<u>Allowance for Uncollectibles</u>	<u>Net Receivable</u>
Governmental activities:			
Property taxes receivable	<u>\$ 1,801,120</u>	<u>\$ 324,768</u>	<u>\$ 1,476,352</u>
Court-related receivables (portion of accounts receivable - fiduciary funds)	<u>\$ 4,052,928</u>	<u>\$ 3,742,439</u>	<u>\$ 310,489</u>

COUNTY OF VENANGO, PENNSYLVANIA

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7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Individual fund receivable and payable balances at December 31, 2014, as well as interfund transfers for the year ended December 31, 2014, were as follows:

<u>Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:				
General	\$ 659,706	\$ 104,549	\$ 1,542,414	\$ 2,823,830
Capital Projects	373,838	-	1,040,668	113,092
Human Services	71,697	490,652	1,491,596	1,223,432
Workforce Development	-	-	-	125,244
Other governmental funds	43,844	43,541	996,835	785,915
Fiduciary Fund:				
Agency Funds	-	510,343	-	-
	<u>\$ 1,149,085</u>	<u>\$ 1,149,085</u>	<u>\$ 5,071,513</u>	<u>\$ 5,071,513</u>

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 Pennsylvania Department of Human Services 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

Summary of Significant Accounting Policies

Financial information of the Venango County Employees' Retirement System (Plan) is presented on the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. 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 applicable law.

Investments of the Plan are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation.

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Plan Description

The Plan, as administered by the County Retirement Board, is a single-employer defined benefit pension plan governed by the County Pension Law Act 96 (Act) of 1971, as amended, enacted by the General Assembly of the Commonwealth of Pennsylvania. Management of the Plan is vested in the Retirement Board, which consists of five members – three elected County Commissioners, the Chief Clerk/County Administrator, and the County Treasurer. Plan provisions and contribution requirements are established and may be amended by the General Assembly of the Commonwealth of Pennsylvania. The activity of 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.

For the 2014 measurement period, Plan membership consisted of the following:

Inactive Plan members or beneficiaries currently receiving benefits	290
Inactive plan members entitled to but not yet receiving benefits	29
Active Plan members	365
Total Plan members	<u>684</u>

Benefits Provided

Retirement Benefit - Retirement benefits for plan members are calculated as a percent of the member's highest 3-year average salary times the member's years of service depending on class basis. Plan members with 20 years of service are eligible to retire at age 55. Plan members that have attained age 60 are eligible to retire. A plan member who leaves County service with less than five years of service may withdraw his or her contributions, plus any accumulated interest.

Disability Benefit - All plan members are eligible for disability benefits after five years of service if disabled while in service and unable to continue as a County employee. Disability benefits are equal to 25% of highest average salary at time of retirement.

Death Benefit - Death benefits for a member who dies with 10 years of service prior to retirement is the total present value of member's retirement paid in a lump sum.

Cost-of-Living Adjustments – On an ad hoc basis, cost-of-living adjustments to each member's retirement allowance shall be reviewed at least once in every three years subsequent to the

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member's retirement date. The adjustment, should the County elect to give one, is a percentage of the change in the Consumer Price Index.

Contributions

The Plan provides for periodic employer contributions at actuarially determined rates. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance an unfunded accrued liability. For 2014, the active member contribution rate was 8% of annual pay for employees hired prior to January 1, 2004 and 9% for employees hired after January 1, 2004 and the County average contribution rate was 2.48% of annual payroll.

In 2014, the County's annual required contribution to the plan was \$308,015 as determined by the January 1, 2014 actuarial valuation. The 2014 employee contributions were \$1,197,982.

Net Pension Liability

The components of the net pension liability of the Plan at December 31, 2014 were as follows:

Total pension liability	\$ 43,742,757
Plan fiduciary net position	<u>(49,344,622)</u>
Net pension liability	<u>\$ (5,601,865)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>112.81%</u>

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods in the measurement:

Actuarial valuation date	January 1, 2014*
Actuarial cost method	Entry Age
Actuarial Assumptions:	
Underlying inflation rate	3.0%
Projected salary increases	4.5% average, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including infla
Cost of living adjustments	100% change in CPI-W

* Actuarially determined contribution rates are calculated as of January 1, 2014, one year prior to the end of the fiscal year in which contributions are reported

2013 RP Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvement

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The actuarial assumptions used in the valuation for the 2014 measurement period were based on past experience under the Plan and reasonable future expectations which represent the actuary's best estimate of anticipated experience under the Plan.

Investment Policy – The Plan's policies in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Retirement Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

Long-Term Expected Rate of Return – The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation for 2014:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	50-65%	5.4-6.4%
International equity	0.0%	5.5-6.5%
Fixed income	24-45%	1.3-3.3%
Real estate/alternative	0.0%	4.5-5.5%
Cash	5-10%	0.0-1.0%
Total	<u>100.0%</u>	

Rate of Return – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For 2014, the annual money-weighted rate of return on pension plan investments, net of investment expense, was 5.52%.

Concentrations – At December 31, 2014, 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.

Discount Rate – The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that County contributions will be

COUNTY OF VENANGO, PENNSYLVANIA

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made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Plan, calculated using the discount rate described above, as well as what the Plan's net pension liabilities would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
<u>\$ (1,467,320)</u>	<u>\$ (5,601,865)</u>	<u>\$ (9,704,475)</u>

Additional Employer Disclosures Required by GASB Statements No. 27 and 50

The information below is with regard to employer pension activity for the year ended December 31, 2014.

The Plan assumptions are as follows:

Actuarial valuation date	1/1/2014
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.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

The County's annual pension cost, percentage of the annual pension costs contributed, and net pension obligation (asset) for the past three years is as follows:

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
12/31/2012	\$ 651,489	106.0%	\$ (39,307)
12/31/2013	824,509	99.8%	(37,386)
12/31/2014	310,080	99.3%	(35,321)

The County's net pension asset (a negative net pension obligation (NPO)) as of December 31, 2014 is calculated as follows:

Annual required contribution	\$ 308,015
Interest on NPA	(2,804)
Adjustment to the ARC	4,869
Annual pension cost	310,080
Contributions made	308,015
Change in NPA	2,065
NPA, 12/31/2013	(37,386)
NPA, 12/31/2014	\$ (35,321)

The County's funded status and related information for the Plan as of the latest actuarial valuation date, January 1, 2014, is as follows:

Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Excess of Assets Over (Under) AAL	Funded Ratio	Covered Payroll	Excess (Deficiency) as a Percentage of Covered Payroll
\$ 46,165,770	\$ 43,313,435	\$ 2,852,335	106.6%	\$ 12,419,947	23.0%

The 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.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

9. LONG-TERM LIABILITIES

General Obligation Bonds

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 were current refunded in 2014.

In March 2014, the County issued General Obligation Bonds, Series of 2014 (2014 Bonds) in the amount of \$4,410,000. The 2014 Bonds proceeds were used to current refund 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, bear interest rates between .25% and 4.0%.

The cash flow savings from the refunding was approximately \$117,000 and the economic benefit from the refunding was approximately \$116,000.

Annual debt service requirements to maturity related to the 2014 Bonds are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,295,000	\$ 95,600	\$ 1,390,600
2016	915,000	79,550	994,550
2017	940,000	55,500	995,500
2018	710,000	22,000	732,000
2019	415,000	4,150	419,150
Total	<u>\$ 4,275,000</u>	<u>\$ 256,800</u>	<u>\$ 4,531,800</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 the assumption of the mortgage that was held by the ORA in the amount of \$1,609,000. The Note was current refunded in 2014.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2014 was as follows:

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

	Balance at December 31, 2013	Additions	Reductions	Balance at December 31, 2014	Due Within One Year
Compensated absences	\$ 542,299	\$ 74,747	\$ -	\$ 617,046	\$ -
General obligation note	1,247,046	-	(1,247,046)	-	-
Bond series - 2009	4,700,000	-	(4,700,000)	-	-
Bond series - 2014	-	4,410,000	(135,000)	4,275,000	1,295,000
Long-term liabilities	<u>\$ 6,489,345</u>	<u>\$ 4,484,747</u>	<u>\$ (6,082,046)</u>	<u>\$ 4,892,046</u>	<u>\$ 1,295,000</u>

The 2014 Bonds above do not reflect a bond premium in the amount of \$165,665. This amount is amortized over the life of the bond using the straight line method.

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, 2014:

2015	\$ 540,000
2016	<u>2,000,000</u>
Future minimum lease payment for lease purchase agreement	2,540,000
Discounted to present value	<u>(109,498)</u>
Present value of minimum lease payments	<u>\$ 2,430,502</u>

11. OPERATING LEASES

The County, acting as fiscal agent for the Northwest Workforce Investment Area, is obligated to lease office space for the five CareerLink® locations. The County currently has five leases for

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

office space. Lease expenses for the CareerLink® centers were approximately \$406,000 during the year ended December 31, 2014. Future minimum lease payments are as follows:

For The Year Ended December 31,	Total
2015	\$ 310,976
2016	187,026
2017	4,359
	<u>\$ 502,361</u>

12. 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 except for the following. During the 2014 and 2013 fiscal years, the Regional Center for Workforce Excellence (RCWE), the prior fiscal agent for the Northwest Workforce Investment Area (NWIA) – underwent a state performance audit, the findings of which indicate a payback of \$227,476 for unallowable expenses incurred between July 1, 2009 and July 30, 2013. Such payback is the responsibility of the NWIA, to which the County became fiscal agent in January 2014. Management believes their share of the unallowable expenses is estimated to be approximately 11% of the total or \$25,000. No provision for payback has been recorded in the financial statements as of December 31, 2014, as the County is unaware of how the state is going to withhold the money. The NWIA has requested from the Commonwealth of Pennsylvania Department of Labor and Industry that the amount owed be deducted over the subsequent three years in equal amounts from the allocation of funds available for administrative costs. The offset was granted so the amount will not have to be paid back in one lump sum. Allegation of litigation from the County Local Elected Officials (CLEO) has been made. Amount and nature of such allegation is currently unknown, but could be material.

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.

COUNTY OF VENANGO, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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.

13. SUBSEQUENT EVENT

In 2014, the County entered into an agreement with UPMC, whereby UPMC agrees to construct three new buildings to replace the current Sugar Valley Lodge. Once the buildings are constructed, they will be donated to the County, and will be managed and operated ongoing by Sugar Valley Lodge, Inc. The County intends to maintain the current Sugar Valley Lodge for storage purposes to which UPMC has agreed to provide the County \$250,000. Construction is expected to be completed in June 2016, and management currently believes that the new facility will be completed, licensed, and ready for resident occupancy in late 2016.

**Required Supplementary
Information**

**Required Supplementary
Information – Pension Plan
Disclosures**

COUNTY OF VENANGO, PENNSYLVANIA

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION PENSION PLAN

SCHEDULE OF CHANGES IN THE COUNTY OF VENANGO'S NET PENSION LIABILITY AND RELATED RATIOS

LAST TEN YEARS*

	2014
Total Pension Liability:	
Service cost	\$ 684,262
Interest	3,135,186
Changes of benefit terms	-
Differences between expected and actual experience	550,349
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(3,428,522)
Net Changes in Total Pension Liability	941,275
Total Pension Liability - Beginning	42,801,482
Total Pension Liability - Ending (a)	\$ 43,742,757
Plan Fiduciary Net Position:	
Contributions - employer	\$ 308,015
Contributions - member	1,197,982
Net investment income	3,085,470
Benefit payments, including refunds of member contributions	(3,434,184)
Administrative expense	(53,950)
Other	-
Net Change in Plan Fiduciary Net Position	1,103,333
Plan Fiduciary Net Position - Beginning	48,241,289
Plan Fiduciary Net Position - Ending (b)	\$ 49,344,622
Net Pension Liability - Ending (a-b)	\$ (5,601,865)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	112.81%
Covered Employee Payroll	\$ 12,419,947
Net Pension Liability as a Percentage of Covered Employee Payroll	-45.10%

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying note to schedules of required supplementary information - pension plan.

COUNTY OF VENANGO, PENNSYLVANIA

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION PENSION PLAN

SCHEDULE OF COUNTY OF VENANGO CONTRIBUTIONS

LAST TEN YEARS*

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Actuarially determined contribution	\$ -	\$ -	\$ 480,564	\$ 484,077	\$ 649,335	\$ 822,588	\$ 308,015
Contributions in relation to the actuarially determined contribution	-	-	480,564	484,077	690,796	822,588	308,015
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41,461)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	<u>\$ 9,812,458</u>	<u>\$ 10,656,036</u>	<u>\$ 11,175,917</u>	<u>\$ 11,580,781</u>	<u>\$ 12,251,599</u>	<u>\$ 11,634,912</u>	<u>\$ 12,419,947</u>
Contributions as a percentage of covered employee payroll	0.00%	0.00%	4.30%	4.18%	5.64%	7.07%	2.48%

* Information for this schedule implemented for the 1/1/2008 Actuarial Valuation. Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying note to schedules of required supplementary information - pension plan.

COUNTY OF VENANGO, PENNSYLVANIA

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN

SCHEDULE OF COUNTY OF VENANGO INVESTMENT RETURNS

LAST TEN YEARS*

	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	5.52%

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying note to schedules of required supplementary information - pension plan.

COUNTY OF VENANGO, PENNSYLVANIA

NOTE TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN

YEAR ENDED DECEMBER 31, 2014

Actuarial Methods and Assumptions under GASB Statement No. 67

The information presented in the required supplementary information was determined as part of the actuarial valuations at the dates indicated. Methods and assumptions used to determine contribution rates are as follows:

Actuarial valuation date	January 1, 2014
Actuarial cost method	Entry Age
Amortization method	Level dollar
Remaining amortization period	N/A
Asset valuation method	Fair-Market value
Actuarial assumptions:	
Underlying inflation rate	3.00%
Projected salary increases	4.5% average, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Cost of living adjustments	100% change in CPI-W

**Required Supplementary
Information – Employer Pension
Plan Disclosures**

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
1/1/2009	\$ 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%
1/1/2014	46,165,770	43,313,435	2,852,335	106.6%	12,419,947	23.0%

See accompanying note to schedules of required supplementary information - employer.

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>
2009	\$ -	N/A
2010	480,564	100%
2011	484,077	100%
2012	649,335	106%
2013	822,588	100%
2014	308,015	100%

N/A = Not Applicable

See accompanying note to schedules of required supplementary information - employer.

COUNTY OF VENANGO, PENNSYLVANIA

NOTE TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION - EMPLOYER

YEAR ENDED DECEMBER 31, 2014

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	1/1/2014
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.

COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual amounts (Budgetary Basis)	Variance with
	Original	Final	(See Note 2)	Final Budget
Revenues:				
Taxes	\$ 11,077,100	\$ 11,077,100	\$ 11,611,513	\$ 534,413
Licenses	31,300	31,300	42,082	10,782
Intergovernmental	1,792,146	2,199,266	1,709,619	(489,647)
Charges for services	2,474,948	2,487,991	2,427,404	(60,587)
Fines and forfeits	120,000	120,000	121,511	1,511
Interest	16,500	16,500	12,748	(3,752)
Other	65,139	67,140	(401,042)	(468,182)
Total revenues	15,577,133	15,999,297	15,523,835	(475,462)
Expenditures:				
General government - administration	6,080,027	6,072,371	5,536,095	536,276
General government - judicial	4,024,395	4,052,383	3,704,738	347,645
Public safety	4,683,749	5,250,081	4,274,056	976,025
Public works	513,244	513,244	502,597	10,647
Human services	91,647	91,647	90,314	1,333
Conservation and development	278,974	278,974	315,743	(36,769)
Culture and recreation	307,284	307,284	277,097	30,187
Total expenditures	15,979,320	16,565,984	14,700,640	1,865,344
Excess (Deficiency) of Revenues Over Expenditures	(402,187)	(566,687)	823,195	1,389,882
Other Financing Sources (Uses):				
Sale of capital assets	-	-	14,839	14,839
Transfers in	3,320,462	3,484,962	3,645,694	160,732
Transfers out	(2,918,275)	(2,918,275)	(2,823,830)	94,445
Total other financing sources (uses)	402,187	566,687	836,703	270,016
Net Change in Fund Balance	\$ -	\$ -	\$ 1,659,898	\$ 1,659,898

Supplementary Information

COUNTY OF VENANGO, PENNSYLVANIA

STATEMENT OF EXPENDITURES BY PROGRAM IDENTIFIER - BUDGET TO ACTUAL

YEAR ENDED DECEMBER 31, 2014

Contract Title	CFDA #	Contract Number	Contract Period	* Actual FSR Expenditures 2/21/14-12/31/14	** Cumulative FSR Expenditures through 12/31/14	*** Actual FSR Expenditures Prior to 2/21/14	**** Actual FSR Expenditures 2/21/14 - 6/30/14	***** Authorized Budget	***** (Over) Under
14 - Trade WIA	17.245	170-14-1001	8/18/14-12/8/14	\$ 3,883	\$ 3,883	\$ -	\$ -	\$ 3,883	\$ 3,883
13 - Trade WIA	17.245	170-13-1001	4/1/14-8/1/15	21,895	21,895	-	11,296	21,895	10,599
14 - Adult Local 1st	17.258	170-14-3001	7/1/2014-6/30/16	83,820	83,820	-	-	83,820	83,820
14 - Adult Local 2nd	17.258	170-14-3011	10/1/14-6/30/16	157,024	157,024	-	-	1,100,278	1,100,278
13 - Adult 2nd Increment	17.258	170-13-3011	10/1/13 - 6/30/16	677,016	999,683	322,667	502,832	999,683	174,184
14 - Youth	17.259	170-14-3301	4/1/14-6/30/16	260,990	260,990	-	-	1,325,068	1,325,068
12 - Youth	17.259	170-12-3301	4/1/12 - 6/30/15	1,400	1,256,278	1,254,878	1,400	1,256,278	-
13 - Youth	17.259	170-13-3301	4/1/13 - 6/30/16	863,898	1,150,950	287,052	679,489	1,150,950	184,409
12 - DWT NEG	17.277	170-12-6200	6/26/13-6/30/15	38,328	68,471	30,143	33,820	176,233	112,270
12 - NEG - OJT Advance	17.277	170-12-7011	6/29/12 - 6/30/14	70,077	275,004	204,927	70,077	275,004	-
14 - DW 1st Increment	17.278	170-14-4001	7/1/14-6/30/16	148,494	148,494	-	-	148,494	148,494
14 - DW 2nd Increment	17.278	170-14-4011	10/1/14-6/30/16	90,215	90,215	-	-	898,986	898,986
13 - DW 1st Increment	17.278	170-13-4001	7/1/13-6/30/16	-	97,209	97,209	-	97,209	-
13 - DW 2nd Increment	17.278	170-13-4011	10/1/12 - 6/30/15	505,690	838,369	332,679	446,490	838,369	59,200
13 - DW 1st Increment Rapid Response	17.278	170-13-4051	7/1/13-6/30/16	-	-	-	-	34,869	34,869
13 - RR - DWT	17.278	170-13-4158	10/1/13-6/30/15	100,000	100,000	-	-	100,000	100,000
12 - DW 2nd RR - NED-DWT	17.278	170-12-4159	10/1/13-6/30/15	23,767	23,767	-	-	23,767	23,767
12 - DW 2nd Increment	17.278	170-12-4151	10/1/12 - 6/30/15	11,937	50,000	38,063	11,937	50,000	-
12 - DW 2nd Increment	17.278	170-12-4152	10/1/12 - 6/30/15	19,771	48,009	28,238	19,771	48,009	-
13 - DW 2nd RRAA	17.278	170-13-4154	10/1/13-6/30/15	48,769	48,769	-	48,769	48,769	-
12 - DW 2nd RR - Northwest 2014 Dislocations	17.278	170-12-4157	10/1/12-6/30/15	48,474	48,474	-	-	100,000	100,000
14 - TANF Youth	93.558	170-14-3361	7/1/14-6/30/15	268,114	268,114	-	-	621,010	621,010
13 - TANF Youth	93.558	170-13-3361	7/1/13 - 6/30/14	438,866	<u>615,817</u>	176,951	<u>438,866</u>	624,380	8,563
Total FSR contract expenses				<u>\$ 6,655,235</u>			<u>\$ 2,264,747</u>		

* Calendar year contract expenditures that tie to the Schedule of Expenditures of Federal Awards.

** Cumulative expenditures for the life of the grant up to the audit period end date 12/31/2014.

*** Contract expenditures incurred under prior fiscal agent reported on prior fiscal agents' respective Schedule of Expenditures of Federal Awards. The County of Venango provides no assurance or opinion on these numbers.

**** Contract expenditures include only amounts incurred by County of Venango after prior fiscal agent ceased operations on 2/21/14. Prior fiscal agent expenditures are not included.

***** Total authorized budget for contract.

***** Over/Under is the difference between the authorized budget minus the fiscal year contract expenditures (7/1/2013-6/30/2014) minus expenditures prior to 7/1/2013.

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, 2014

	Area Agency on Aging	Retired Senior Volunteer Program	Children and Youth Services	Substance Abuse	Mental Health	Developmental Services	Total Human Services Fund
Assets							
Cash and cash equivalents	\$ 614,988	\$ 13,956	\$ (1,012,565)	\$ 319,379	\$ 102,455	\$ 819,944	\$ 858,157
Advances receivable	-	-	-	-	10,022	-	10,022
Accounts receivable, net of allowance for uncollectibles	3,969	-	90,947	7,716	14,602	-	117,234
Due from other funds	17,010	-	24,984	7,438	10,339	11,926	71,697
Due from other governments	36,714	5,520	1,991,165	-	148,649	105,924	2,287,972
Other assets	-	-	7,748	-	-	172	7,920
Total Assets	\$ 672,681	\$ 19,476	\$ 1,102,279	\$ 334,533	\$ 286,067	\$ 937,966	\$ 3,353,002
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	\$ 85,957	\$ -	\$ 429,986	\$ 30,143	\$ 137,255	\$ 120,536	\$ 803,877
Accrued payroll	19,613	1,487	58,588	9,193	59,925	25,045	173,851
Due to other funds	47,500	-	271,188	24,443	54,955	92,566	490,652
Unearned revenue	519,611	-	313,456	3,229	33,932	699,819	1,570,047
Total Liabilities	672,681	1,487	1,073,218	67,008	286,067	937,966	3,038,427
Fund Balance:							
Restricted:							
Human services	-	17,989	29,061	-	-	-	47,050
Assigned:							
Substance abuse	-	-	-	267,525	-	-	267,525
Total Fund Balance	-	17,989	29,061	267,525	-	-	314,575
Total Liabilities and Fund Balance	\$ 672,681	\$ 19,476	\$ 1,102,279	\$ 334,533	\$ 286,067	\$ 937,966	\$ 3,353,002

COUNTY OF VENANGO, PENNSYLVANIA

HUMAN SERVICES FUND COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED DECEMBER 31, 2014

	Area Agency on Aging	Retired Senior Volunteer Program	Children and Youth Services	Substance Abuse	Mental Health	Developmental Services	Eliminations	Total Human Services Fund
Revenues:								
Intergovernmental	\$ 1,967,470	\$ 47,609	\$ 6,494,121	\$ 778,897	\$ 2,595,244	\$ 2,401,419	\$ -	\$ 14,284,760
Charges for services	-	-	140,910	93,132	-	-	-	234,042
Interest	-	44	303	780	357	3,262	-	4,746
Other	-	682	274,168	61	10,400	720	-	286,031
Total revenues	1,967,470	48,335	6,909,502	872,870	2,606,001	2,405,401	-	14,809,579
Expenditures:								
Human services	1,863,328	47,729	7,568,617	889,676	2,695,248	1,981,436	-	15,046,034
Excess (Deficiency) of Revenues Over Expenditures	104,142	606	(659,115)	(16,806)	(89,247)	423,965	-	(236,455)
Other Financing Sources (Uses):								
Sale of capital assets	630	-	-	-	-	-	-	630
Transfers in	101,216	-	1,102,000	106,285	278,953	110,721	(207,579)	1,491,596
Transfers out	(205,988)	-	(438,990)	(61,641)	(189,706)	(534,686)	207,579	(1,223,432)
Total other financing sources (uses)	(104,142)	-	663,010	44,644	89,247	(423,965)	-	268,794
Net Change in Fund Balance	-	606	3,895	27,838	-	-	-	32,339
Fund Balance:								
Beginning of year	-	17,383	25,166	239,687	-	-	-	282,236
End of year	\$ -	\$ 17,989	\$ 29,061	\$ 267,525	\$ -	\$ -	\$ -	\$ 314,575

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, 2014

	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
Assets											
Cash and cash equivalents	\$ 586,004	\$ (3,346)	\$ 53,605	\$ 26,595	\$ 759,558	\$ 340,732	\$ 189,758	\$ 302,562	\$ 7,261	\$ 36,301	\$ 30,419
Accounts receivable, net of allowance for uncollectibles	-	129,951	249,479	-	47,965	-	-	-	-	-	-
Due from other funds	-	3,049	-	-	-	-	492	4,901	-	-	490
Due from other governments	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	47,544	-	-	-	-	-	-	-	-
Total Assets	\$ 586,004	\$ 129,654	\$ 350,628	\$ 26,595	\$ 807,523	\$ 340,732	\$ 190,250	\$ 307,463	\$ 7,261	\$ 36,301	\$ 30,909
Liabilities and Fund Balance											
Liabilities:											
Accounts payable	\$ -	\$ 12,030	\$ 73,259	\$ 1,064	\$ 38,761	\$ -	\$ 2,112	\$ 525	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	15,783	-	-	-	-	-	-
Due to other governments	1,616	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	757,895	-	-	-	-	-	-
Total Liabilities	1,616	12,030	73,259	1,064	812,439	-	2,112	525	-	-	-
Fund Balance:											
Restricted:											
Human services	-	-	-	-	-	-	-	-	-	-	-
Roads and bridges	584,388	-	-	-	-	-	-	-	-	-	-
Affordable housing	-	117,624	-	-	-	-	-	-	-	-	-
Hazardous materials	-	-	-	25,531	-	-	-	-	-	-	-
Act 13	-	-	-	-	-	340,732	-	-	-	-	-
Constable server fees	-	-	-	-	-	-	188,138	-	-	-	-
Offender identification	-	-	-	-	-	-	-	306,938	-	-	-
Juvenile court restitution	-	-	-	-	-	-	-	-	7,261	-	-
Records improvement/automation	-	-	-	-	-	-	-	-	-	36,301	30,909
Sugar Valley Lodge	-	-	-	-	-	-	-	-	-	-	-
Adoption counseling	-	-	-	-	-	-	-	-	-	-	-
Domestic Relations	-	-	-	-	-	-	-	-	-	-	-
Assigned:											
Airport operations	-	-	277,369	-	-	-	-	-	-	-	-
Community action	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(4,916)	-	-	-	-	-	-
Total Fund Balance	584,388	117,624	277,369	25,531	(4,916)	340,732	188,138	306,938	7,261	36,301	30,909
Total Liabilities and Fund Balance	\$ 586,004	\$ 129,654	\$ 350,628	\$ 26,595	\$ 807,523	\$ 340,732	\$ 190,250	\$ 307,463	\$ 7,261	\$ 36,301	\$ 30,909

(Continued)

COUNTY OF VENANGO, PENNSYLVANIA

OTHER GOVERNMENTAL FUNDS COMBINING BALANCE SHEET (Continued)

DECEMBER 31, 2014

	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
Assets										
Cash and cash equivalents	\$ (39,395)	\$ (43,774)	\$ 12,026	\$ 7,681	\$ 277,041	\$ 270,556	\$ 123,010	\$ 9,939	\$ 360,343	\$ 3,306,876
Accounts receivable, net of allowance for uncollectibles	-	-	-	1,501	39,895	61,886	-	-	82,631	613,308
Due from other funds	-	5,786	764	2,497	3,948	21,917	-	-	-	43,844
Due from other governments	40,266	123,230	-	-	7,115	127,077	-	-	-	297,688
Other assets	-	-	-	-	-	-	3,000	-	-	50,544
Total Assets	\$ 871	\$ 85,242	\$ 12,790	\$ 11,679	\$ 327,999	\$ 481,436	\$ 126,010	\$ 9,939	\$ 442,974	\$ 4,312,260
Liabilities and Fund Balance										
Liabilities:										
Accounts payable	\$ -	\$ 30,454	\$ 6,166	\$ 222	\$ 180,977	\$ 35,198	\$ -	\$ -	\$ -	\$ 380,768
Accrued payroll	-	7,524	801	1,650	7,695	73,187	-	-	-	106,640
Due to other funds	871	8,709	3,483	4,788	5,661	20,029	-	-	-	43,541
Due to other governments	-	-	2,012	-	-	-	-	-	-	3,628
Unearned revenue	-	38,555	328	5,019	87,119	353,022	-	-	-	1,241,938
Total Liabilities	871	85,242	12,790	11,679	281,452	481,436	-	-	-	1,776,515
Fund Balance:										
Restricted:										
Human services	-	-	-	-	-	-	39,846	-	-	39,846
Roads and bridges	-	-	-	-	-	-	-	-	-	584,388
Affordable housing	-	-	-	-	-	-	-	-	-	117,624
Hazardous materials	-	-	-	-	-	-	-	-	-	25,531
Act 13	-	-	-	-	-	-	-	-	-	340,732
Constable server fees	-	-	-	-	-	-	-	-	-	188,138
Offender identification	-	-	-	-	-	-	-	-	-	306,938
Juvenile court restitution	-	-	-	-	-	-	-	-	-	7,261
Records improvement/automation	-	-	-	-	-	-	-	-	-	67,210
Sugar Valley Lodge	-	-	-	-	-	-	86,164	-	-	86,164
Adoption counseling	-	-	-	-	-	-	-	9,939	-	9,939
Domestic Relations	-	-	-	-	-	-	-	-	442,974	442,974
Assigned:										
Airport operations	-	-	-	-	-	-	-	-	-	277,369
Community action	-	-	-	-	46,547	-	-	-	-	46,547
Unassigned	-	-	-	-	-	-	-	-	-	(4,916)
Total Fund Balance	-	-	-	-	46,547	-	126,010	9,939	442,974	2,535,745
Total Liabilities and Fund Balance	\$ 871	\$ 85,242	\$ 12,790	\$ 11,679	\$ 327,999	\$ 481,436	\$ 126,010	\$ 9,939	\$ 442,974	\$ 4,312,260

(Concluded)

COUNTY OF VENANGO, PENNSYLVANIA

OTHER GOVERNMENTAL FUNDS

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

YEAR ENDED DECEMBER 31, 2014

	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
Revenues:											
Intergovernmental	\$ 467,495	\$ 119,951	\$ 331,092	\$ 16,095	\$ 524,535	\$ 170,549	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	33,490	530,525	26,036	385,421	-	49,687	65,914	1,639	10,944	6,551
Interest	1,585	230	617	70	1,628	712	481	750	24	99	80
Other	-	-	134	-	-	-	-	-	-	-	-
Total revenues	469,080	153,671	862,368	42,201	911,584	171,261	50,168	66,664	1,663	11,043	6,631
Expenditures:											
General government - administration	-	-	-	-	-	-	-	-	-	-	6,675
General government - judicial	-	-	-	-	-	-	33,218	48,946	-	-	-
Public safety	-	-	-	51,026	1,044,484	-	-	-	-	-	-
Public works	486,132	-	931,711	-	-	-	-	-	-	-	-
Human services	-	169,540	-	-	-	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	55,500	-	-	-	-	-
Total expenditures	486,132	169,540	931,711	51,026	1,044,484	55,500	33,218	48,946	-	-	6,675
Excess (Deficiency) of Revenues Over Expenditures	(17,052)	(15,869)	(69,343)	(8,825)	(132,900)	115,761	16,950	17,718	1,663	11,043	(44)
Other Financing Sources (Uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	478,606	-	-	-	-	-	-
Transfers out	(9,390)	-	-	-	(383,737)	-	(10,522)	-	(4,500)	(8,361)	-
Total other financing sources (uses)	(9,390)	-	-	-	94,869	-	(10,522)	-	(4,500)	(8,361)	-
Net Change in Fund Balance	(26,442)	(15,869)	(69,343)	(8,825)	(38,031)	115,761	6,428	17,718	(2,837)	2,682	(44)
Fund Balance:											
Beginning of year	610,830	133,493	346,712	34,356	33,115	224,971	181,710	289,220	10,098	33,619	30,953
End of year	\$ 584,388	\$ 117,624	\$ 277,369	\$ 25,531	\$ (4,916)	\$ 340,732	\$ 188,138	\$ 306,938	\$ 7,261	\$ 36,301	\$ 30,909

(Continued)

COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2014

	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
Revenues:										
Intergovernmental	\$ 127,840	\$ 369,979	\$ 181,552	\$ 37,106	\$ 868,418	\$ 1,796,257	\$ -	\$ -	\$ 288,940	\$ 5,299,809
Charges for services	-	-	-	-	3,444	39,455	-	975	89,731	1,243,812
Interest	-	-	30	-	481	1,515	13,701	24	1,005	23,032
Other	-	-	-	-	560	313	-	-	1,676	2,683
Total revenues	<u>127,840</u>	<u>369,979</u>	<u>181,582</u>	<u>37,106</u>	<u>872,903</u>	<u>1,837,540</u>	<u>13,701</u>	<u>999</u>	<u>381,352</u>	<u>6,569,336</u>
Expenditures:										
General government - administration	-	-	-	-	-	-	-	-	-	6,675
General government - judicial	-	-	-	-	-	-	-	-	541,119	623,283
Public safety	-	-	-	-	-	-	-	-	-	1,095,510
Public works	-	-	-	-	-	-	-	-	-	1,417,843
Human services	-	293,245	181,582	31,820	822,641	1,954,733	-	-	-	3,453,561
Conservation and development	127,495	-	-	-	-	-	-	-	-	182,995
Total expenditures	<u>127,495</u>	<u>293,245</u>	<u>181,582</u>	<u>31,820</u>	<u>822,641</u>	<u>1,954,733</u>	<u>-</u>	<u>-</u>	<u>541,119</u>	<u>6,779,867</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>345</u>	<u>76,734</u>	<u>-</u>	<u>5,286</u>	<u>50,262</u>	<u>(117,193)</u>	<u>13,701</u>	<u>999</u>	<u>(159,767)</u>	<u>(210,531)</u>
Other Financing Sources (Uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	12,343	12,343
Transfers in	-	25,769	-	4,116	26,728	300,268	-	-	161,348	996,835
Transfers out	(345)	(102,503)	-	(9,402)	(74,080)	(183,075)	-	-	-	(785,915)
Total other financing sources (uses)	<u>(345)</u>	<u>(76,734)</u>	<u>-</u>	<u>(5,286)</u>	<u>(47,352)</u>	<u>117,193</u>	<u>-</u>	<u>-</u>	<u>173,691</u>	<u>223,263</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,910</u>	<u>-</u>	<u>13,701</u>	<u>999</u>	<u>13,924</u>	<u>12,732</u>
Fund Balance:										
Beginning of year	-	-	-	-	43,637	-	112,309	8,940	429,050	2,523,013
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,547</u>	<u>\$ -</u>	<u>\$ 126,010</u>	<u>\$ 9,939</u>	<u>\$ 442,974</u>	<u>\$ 2,535,745</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, 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, 2014

	Shared Ride	Medical Assistance Transportation Program	Fixed Route	Capital Transit	Rural Operating Assistance	Act 26 Shared Ride Capital	Total Transportation Fund
Assets							
Cash and cash equivalents	\$ (27,507)	\$ 62,145	\$ 11,081	\$ (21,318)	\$ 240,505	\$ 5,650	\$ 270,556
Accounts receivable, net of allowance for uncollectibles	21,028	-	19,540	21,318	-	-	61,886
Due from other funds	9,604	2,943	9,370	-	-	-	21,917
Due from other governments	127,077	-	-	-	-	-	127,077
Total Assets	\$ 130,202	\$ 65,088	\$ 39,991	\$ -	\$ 240,505	\$ 5,650	\$ 481,436
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	\$ 19,689	\$ 1,756	\$ 13,753	\$ -	\$ -	\$ -	\$ 35,198
Accrued payroll	40,152	9,845	23,190	-	-	-	73,187
Due to other funds	3,048	13,933	3,048	-	-	-	20,029
Unearned revenue	67,313	39,554	-	-	240,505	5,650	353,022
Total Liabilities	130,202	65,088	39,991	-	240,505	5,650	481,436
Fund Balance:							
Unassigned	-	-	-	-	-	-	-
Total Liabilities and Fund Balance	\$ 130,202	\$ 65,088	\$ 39,991	\$ -	\$ 240,505	\$ 5,650	\$ 481,436

COUNTY OF VENANGO, PENNSYLVANIA

TRANSPORTATION FUND

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

YEAR ENDED DECEMBER 31, 2014

	Shared Ride	Medical Assistance Transportation Program	Fixed Route	Capital Transit	Rural Operating Assistance	Act 26 Shared Ride Capital	Eliminations	Total Transportation Fund
Revenues:								
Intergovernmental	\$ 349,598	\$ 898,455	\$ 14,155	\$ 163,461	\$ 370,588	\$ -	\$ -	\$ 1,796,257
Charges for services	4,247	-	35,208	-	-	-	-	39,455
Interest	-	-	-	2	1,513	-	-	1,515
Other	313	-	-	-	-	-	-	313
Total revenues	354,158	898,455	49,363	163,463	372,101	-	-	1,837,540
Expenditures:								
Human services	880,450	470,689	440,131	163,463	-	-	-	1,954,733
Total expenditures	880,450	470,689	440,131	163,463	-	-	-	1,954,733
Excess (Deficiency) of Revenues Over Expenditures	(526,292)	427,766	(390,768)	-	372,101	-	-	(117,193)
Other Financing Sources (Uses):								
Transfers in	656,028	218	426,526	-	26,584	-	(809,088)	300,268
Transfers out	(129,736)	(427,984)	(35,758)	-	(398,685)	-	809,088	(183,075)
Total other financing sources (uses)	526,292	(427,766)	390,768	-	(372,101)	-	-	117,193
Net Change in Fund Balance	-	-	-	-	-	-	-	-
Fund Balance:								
Beginning of year	-	-	-	-	-	-	-	-
End of year	<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, 2014

	<u>Treasurer</u>	<u>Register of Wills and Recorder of Deeds</u>	<u>Prothonotary and Clerk of Courts</u>	<u>Sheriff</u>	<u>Prison</u>	<u>Domestic Relations</u>	<u>Total</u>
Assets							
Cash and cash equivalents	\$ 12,819	\$ 216,464	\$ 226,714	\$ 71,092	\$ 54,215	\$ 59,322	\$ 640,626
Accounts receivable and fines, at estimated realizable value	-	-	310,489	-	-	-	310,489
Total Assets	\$ 12,819	\$ 216,464	\$ 537,203	\$ 71,092	\$ 54,215	\$ 59,322	\$ 951,115
Liabilities							
Due to other funds	\$ 2,631	\$ 131,356	\$ 370,438	\$ 5,918	\$ -	\$ -	\$ 510,343
Due to other governments	10,188	83,711	16,306	476	-	-	110,681
Escrow liability and interest	-	1,397	150,459	64,698	54,215	59,322	330,091
Total Liabilities	\$ 12,819	\$ 216,464	\$ 537,203	\$ 71,092	\$ 54,215	\$ 59,322	\$ 951,115

COUNTY OF VENANGO, PENNSYLVANIA

ALL AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED DECEMBER 31, 2014

	Balance at January 1, 2014	Additions	Deletions	Balance at December 31, 2014
Treasurer				
Assets				
Cash and cash equivalents	\$ 5,975	\$ 179,088	\$ 172,244	\$ 12,819
Liabilities				
Due to other funds	\$ 1,213	\$ 106,486	\$ 105,068	\$ 2,631
Due to other governments	4,762	71,461	66,035	10,188
Escrow liability and interest	-	1,141	1,141	-
Total Liabilities	\$ 5,975	\$ 179,088	\$ 172,244	\$ 12,819
Register of Wills and Recorder of Deeds				
Assets				
Cash and cash equivalents	\$ 254,505	\$ 1,156,567	\$ 1,194,608	\$ 216,464
Liabilities				
Due to other funds	\$ 148,568	\$ 352,523	\$ 369,735	\$ 131,356
Due to other governments	81,850	803,791	801,930	83,711
Escrow liability and interest	24,087	253	22,943	1,397
Total Liabilities	\$ 254,505	\$ 1,156,567	\$ 1,194,608	\$ 216,464
Prothonotary and Clerk of Courts				
Assets				
Cash and cash equivalents	\$ 224,884	\$ 1,506,158	\$ 1,504,328	\$ 226,714
Accounts receivable and fines, at estimated realizable value	330,522	428,261	448,294	310,489
Total Assets	\$ 555,406	\$ 1,934,419	\$ 1,952,622	\$ 537,203
Liabilities				
Due to other funds	\$ 430,559	\$ 428,261	\$ 488,382	\$ 370,438
Due to other governments	16,796	239,715	240,205	16,306
Escrow liability and interest	108,051	1,266,443	1,224,035	150,459
Total Liabilities	\$ 555,406	\$ 1,934,419	\$ 1,952,622	\$ 537,203

(Continued)

COUNTY OF VENANGO, PENNSYLVANIA

ALL AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED DECEMBER 31, 2014
(Continued)

	Balance at January 1, 2014	Additions	Deletions	Balance at December 31, 2014
Sheriff				
Assets				
<hr/>				
Cash and cash equivalents	\$ 78,580	\$ 538,094	\$ 545,582	\$ 71,092
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Liabilities				
<hr/>				
Due to other funds	\$ 7,139	\$ 34,191	\$ 35,412	\$ 5,918
Due to other governments	395	33,279	33,198	476
Escrow liability and interest	71,046	470,624	476,972	64,698
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 78,580</u>	<u>\$ 538,094</u>	<u>\$ 545,582</u>	<u>\$ 71,092</u>
Prison				
Assets				
<hr/>				
Cash and cash equivalents	\$ 41,634	\$ 286,925	\$ 274,344	\$ 54,215
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Liabilities				
<hr/>				
Escrow liability and interest	\$ 41,634	\$ 286,925	\$ 274,344	\$ 54,215
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Domestic Relations				
Assets				
<hr/>				
Cash and cash equivalents	\$ 10,287	\$ 679,419	\$ 630,384	\$ 59,322
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Liabilities				
<hr/>				
Escrow liability and interest	\$ 10,287	\$ 679,419	\$ 630,384	\$ 59,322
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

(Continued)

COUNTY OF VENANGO, PENNSYLVANIA

ALL AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED DECEMBER 31, 2014
(Continued)

	Balance at January 1, 2014	Additions	Deletions	Balance at December 31, 2014
Total all Agency Funds				
Assets				
Cash and cash equivalents	\$ 615,865	\$ 4,346,251	\$ 4,321,490	\$ 640,626
Accounts receivable and fines, at estimated realizable value	330,522	428,261	448,294	310,489
Total Assets	\$ 946,387	\$ 4,774,512	\$ 4,769,784	\$ 951,115
Liabilities				
Due to other funds	\$ 587,479	\$ 921,461	\$ 998,597	\$ 510,343
Due to other governments	103,803	1,148,246	1,141,368	110,681
Escrow liability and interest	255,105	2,704,805	2,629,819	330,091
Total Liabilities	\$ 946,387	\$ 4,774,512	\$ 4,769,784	\$ 951,115

(Concluded)