

# COUNTY OF VENANGO, PENNSYLVANIA

PRIMARY GOVERNMENT FINANCIAL STATEMENTS  
AND  
REQUIRED SUPPLEMENTARY  
AND  
ADDITIONAL INFORMATION

YEAR ENDED DECEMBER 31, 2004

WITH

INDEPENDENT AUDITOR'S REPORT

---

**MAHER DUESSEL**

CERTIFIED PUBLIC ACCOUNTANTS

# COUNTY OF VENANGO, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2004

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# COUNTY OF VENANGO, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2004

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# MAHER DUESSEL

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## Independent Auditor's Report

Board of County Commissioners  
Venango County, Pennsylvania

We have audited the accompanying primary government financial statements (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, 2004, which collectively comprise the financial statements of the County's primary government as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of net assets and statement of activities do not include capital assets, accumulated depreciation, and depreciation expense, that, in our opinion, should be included to conform with accounting principles generally accepted in the United States of America that require capital assets be recorded at cost and depreciated over their estimated useful lives. The amounts that should be reported as capital assets and accumulated depreciation are not known.

The financial statements referred to above include only the primary government of the County, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the County's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the County's primary government. As a result, the financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the County, as of December 31, 2004, and the changes in its financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Board of County Commissioners  
Independent Auditor's Report  
Page Two

In our opinion, except for the effects of excluding capital assets and the related accumulated depreciation as discussed in the third paragraph, 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 for the primary government of the County as of December 31, 2004, and the respective changes in financial position, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2005 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results or our audit.

The Management's Discussion and Analysis on pages i through xiv, is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The pension information and the note to supplementary schedule on pages 29 and 30 are not a required part of the financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the primary government financial statements of the County. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the primary government's financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



September 9, 2005

## 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, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the primary government financial statements (pages 1 - 9) and the notes to the financial statements (pages 10 - 28). These financial statements include the primary government only and do not reflect the activities of the Oil Region Tourist Promotion Agency which meets the criteria for inclusion under Governmental Accounting Standards Board (GASB) Statement No. 14, "*Financial Reporting Entity*." Separate audited financial statements for the Oil Region Tourist Promotion Agency are available from the Oil Region Tourist Promotion Agency at P.O. Box 128, Oil City, PA 16301.

## ***FINANCIAL HIGHLIGHTS***

- The assets of the County exceeded its liabilities by \$3.3 million at December 31, 2004. The County has not implemented a capital asset system for financial reporting purposes; therefore, capital assets and the related accumulated depreciation are not included as an asset on the statement of net assets. This also creates a deficit of capital assets, net of related debt, within net assets.
- As of December 31, 2004, unrestricted net assets were \$16.0 million or 48% of total expenditures.
- The County's real property tax rate was 6.112 mills and 5.112 mills for 2004 and 2003, respectively.
- Moody's Rating Committee assigned an Aaa rating to the County's 2003 debt issue dated April 15, 2003.

## ***OVERVIEW OF THE FINANCIAL STATEMENTS***

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

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

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

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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 assets* presents information on all of the County's assets (except for capital assets and the related accumulated depreciation) and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

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, humans services, culture and recreation, and conservation. 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.

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

By doing so, readers may better understand the long-term impact of government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

*Fiduciary Funds* – Fiduciary funds are used to account for resources held for the benefits of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs.

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

**3. Notes to the 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 the financial statements can be found on pages 10 to 28 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 29 and 30 of this report.

The combining and individual fund statements and schedules are presented as additional information immediately following the required pension supplementary information on pages 31 to 38 of this report.

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

The County presents its financial statements using the reporting model required by GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis (MD&A) – for State and Local Governments."

### ***GOVERNMENT-WIDE FINANCIAL STATEMENTS***

The County's net assets at December 31, 2004 and 2003 are presented below:

**County of Venango  
Summary Statements of Net Assets  
December 31, 2004 and 2003**

	<b>Governmental Activities</b>	
	<b>2004</b>	<b>2003</b>
<b>Assets</b>		
Current and other assets	\$ 17,012,108	\$ 14,978,431
Lease receivable	5,736,044	5,984,706
<b>Total Assets</b>	<b>22,748,152</b>	<b>20,963,137</b>
<b>Liabilities</b>		
Current and other liabilities	7,068,044	6,456,441
Non-current liabilities	12,379,707	13,074,526
<b>Total Liabilities</b>	<b>19,447,751</b>	<b>19,530,967</b>
<b>Net Assets</b>		
Investment in capital assets, net of related debt	(12,681,073)	(13,037,885)
Unrestricted	15,981,474	14,470,015
<b>Total Net Assets</b>	<b>\$ 3,300,401</b>	<b>\$ 1,432,130</b>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The County's assets exceeded liabilities by \$3.3 million at December 31, 2004, an increase from December 31, 2003 of \$1.6 million.

It should be noted that the County's statement of net assets has excluded capital assets and the related accumulated depreciation. The County anticipates the completion of the valuation of assets by December 31, 2005.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table presents the change in net assets for the years ended December 31, 2004 and 2003:

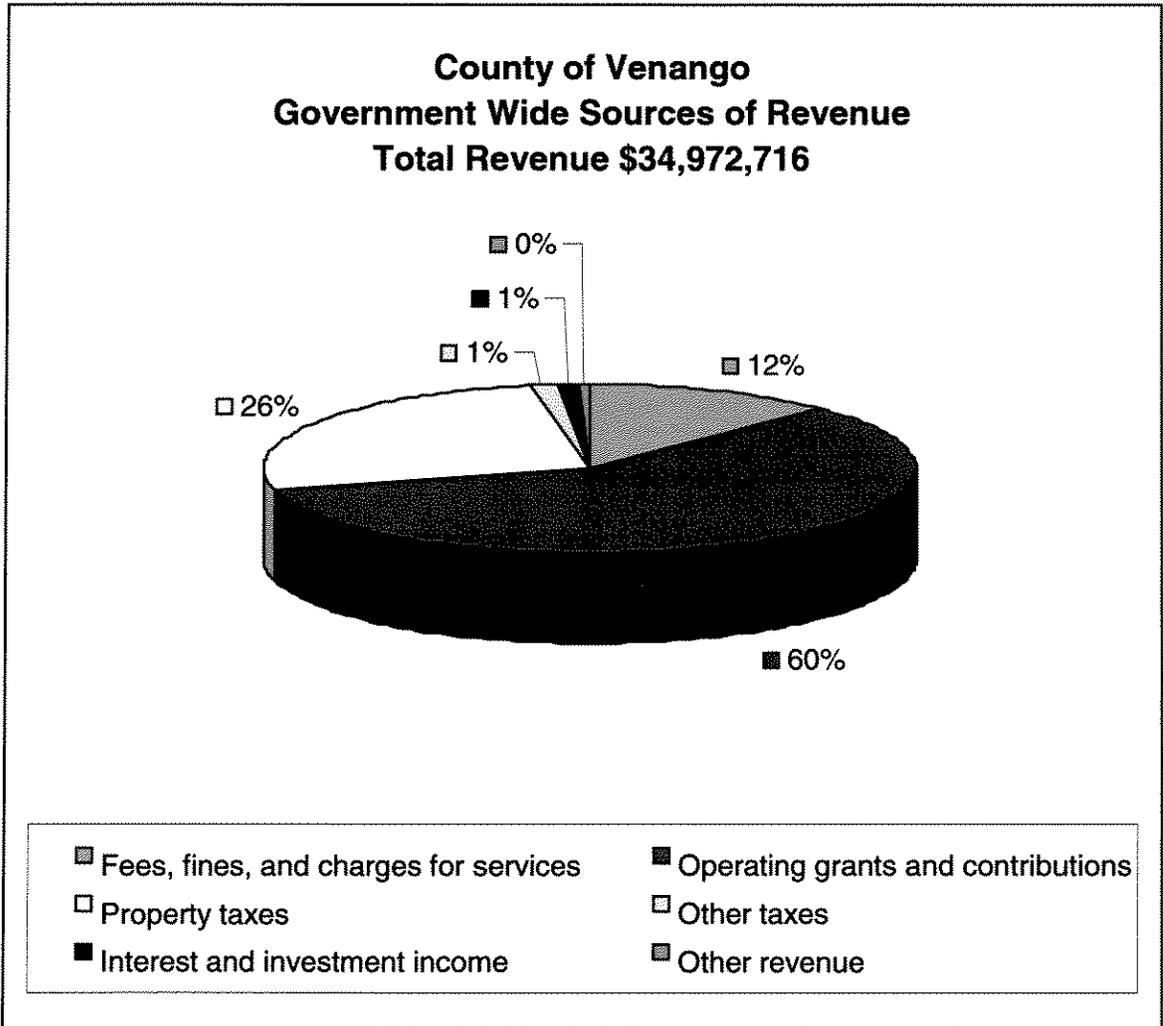
<b>County of Venango</b>	
<b>Change in Net Assets</b>	
<b>Years Ended December 31, 2004 and 2003</b>	
	<u>Governmental Activities</u>
	<u>2004</u> <u>2003</u>
Program revenues:	
Fees, fines, and charges for services	\$ 4,325,054              \$ 4,467,319
Operating grants and contributions	20,470,625              19,346,335
General revenues:	
Property taxes	9,109,881              7,380,007
Other taxes	451,780              419,615
Interest and investment income	466,154              802,945
Other revenue	149,222              540,907
Total revenues	<u>34,972,716</u> <u>32,957,128</u>
Program expenses	
General government - administrative	3,704,330              3,243,494
General government - judicial	2,990,416              2,861,684
Public safety	3,539,766              3,172,026
Public works and enterprises	1,294,311              1,713,834
Human services	20,672,090              19,008,029
Culture and recreation	-              778,747
Conservation and development	490,304              1,060,927
Interest	413,228              529,789
Total expenses	<u>33,104,445</u> <u>32,368,530</u>
Special item - fraud loss	<u>-</u> <u>(1,500,000)</u>
<b>Change in net assets</b>	<b>1,868,271</b> <b>(911,402)</b>
Net assets, beginning	<u>1,432,130</u> <u>2,343,532</u>
Net assets, ending	<u>\$ 3,300,401</u> <u>\$ 1,432,130</u>

The primary factor in the increase in net assets was due to the increase in property tax revenue which resulted from the 2004 property tax millage increase.

# 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, 2004:

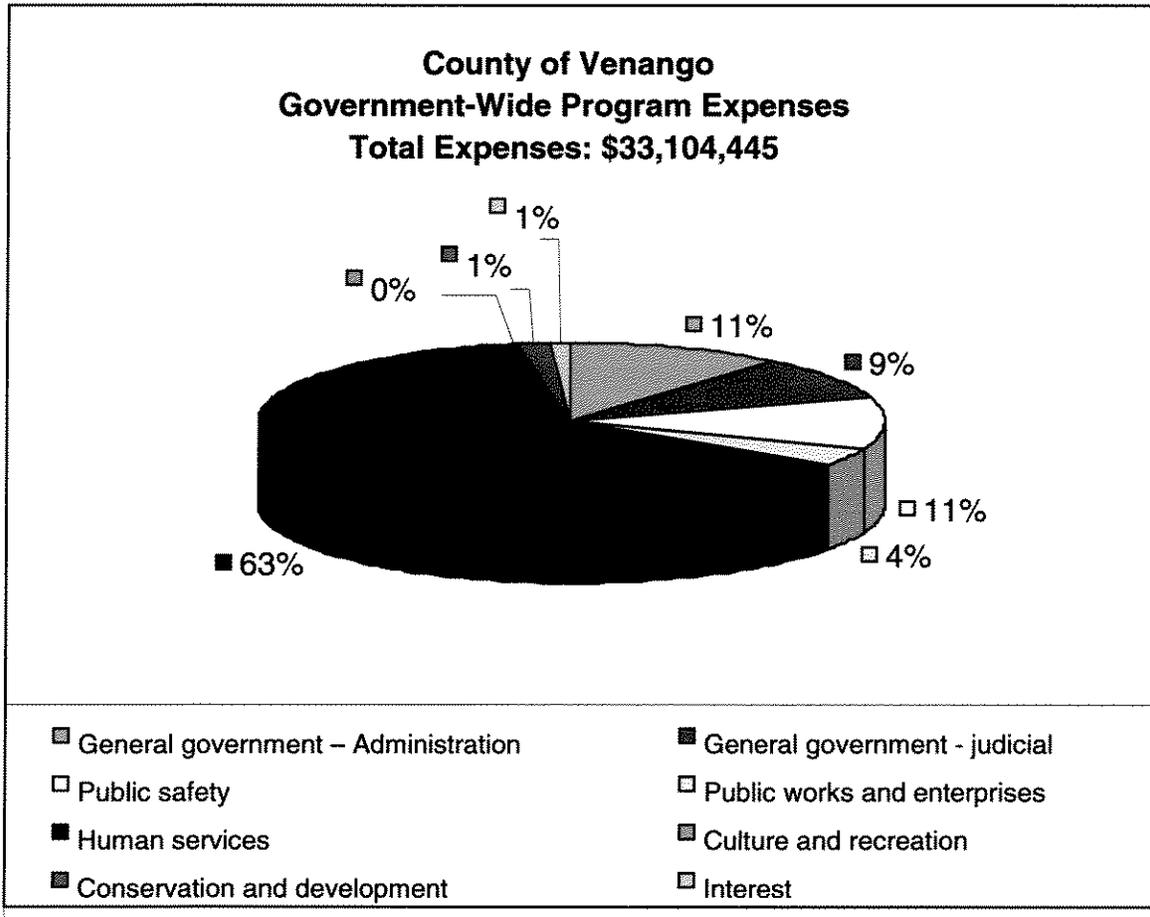


The government-wide revenues of \$35.0 million were derived primarily from program-based operating grants and contributions, representing 60% of the total revenues. The second largest source of revenue for the County was property taxes, which made up 26% of the total revenues. The third largest source of revenue was fees, fines, and charges for services, which is 12% of the total revenues.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## *PROGRAM EXPENSES*

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2004:

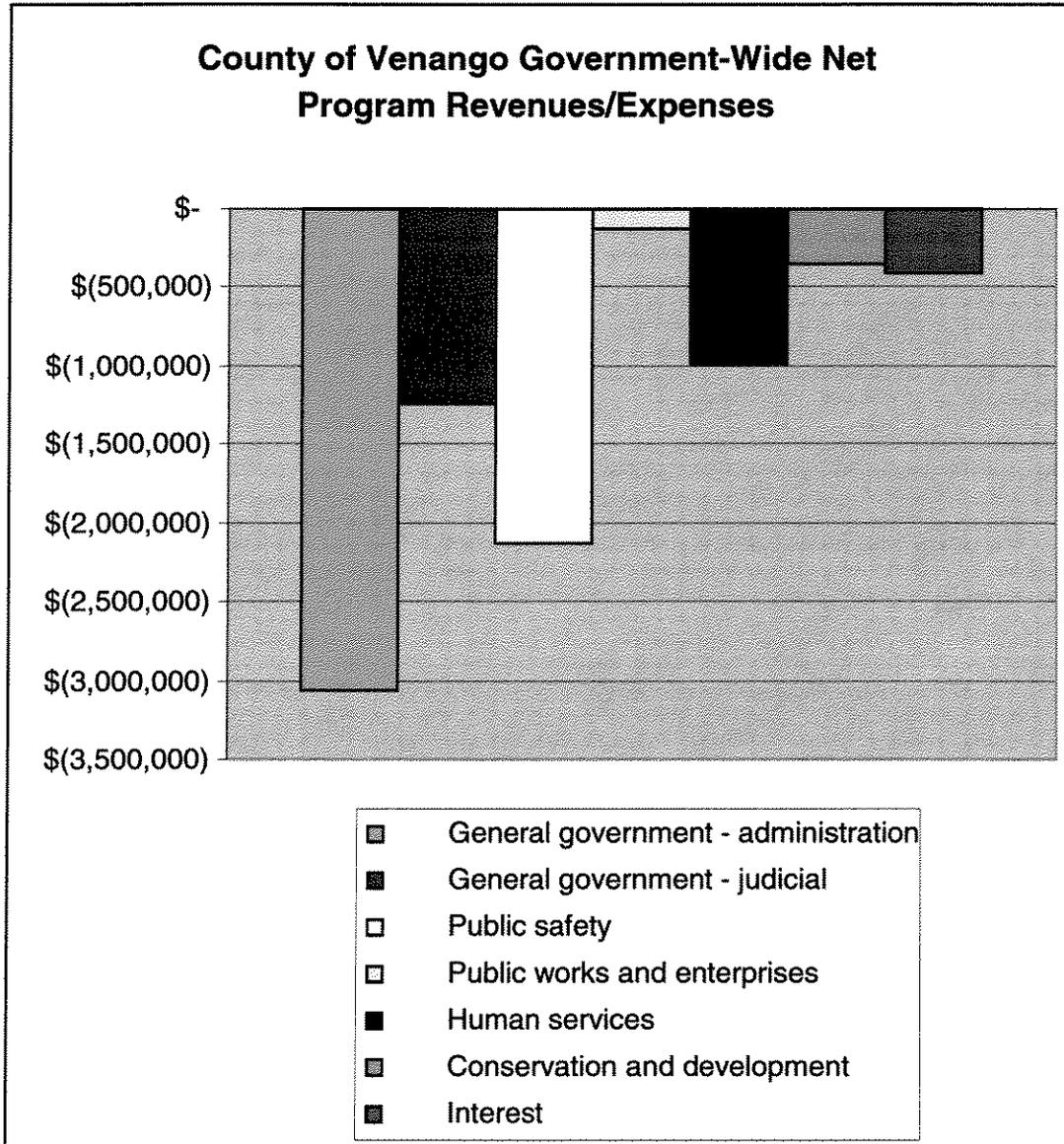


The largest area of expenses was Human Services which totaled \$20.7 million or 63% of all expenses. Human Services provides a vast array of social services programs, including Area Agency on Aging, Retired Senior Volunteer Program Fund, Children and Youth Services, Substance Abuse Program, Mental Health/Mental Retardation, Transportation, Weatherization, and Office of Economic Opportunity. Following Human Services totaling \$3.7 million, General Government – Administration represented 11% of all expenses, followed by Public Safety with \$3.5 million in expenses representing 11% of expenses as well. The next largest area of expense was General Government – Judicial, with \$3.0 million in expenses, or 9% of the total followed by Public Works and Enterprises at \$1.3 million or 4%, Conservation and Development at \$.5 million or 1%, and interest payments on long term debt at \$.4 million or 1%.

# **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, 2004.



General government - administration services required the most general revenue for support needing \$3.1 million during 2004.

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

The County reports three major governmental funds (General, Capital Projects, and Human Services). The Human Services fund consists of six programs: Area Agency on Aging; Retired Senior Volunteer Program; Children and Youth Services; Substance Abuse; Mental Health; and Mental Retardation. Combining statements are found on pages 31 and 32.

The County also reports other governmental funds which includes twenty non-major funds. The largest of these include: Liquid Fuels, Airport, 911, and Transportation. The combining statements of the non-major governmental funds can be found on pages 33 through 36.

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, unreserved/undesignated 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 statement of revenues, expenditures, and changes in fund balance for the year ended December 31, 2004:

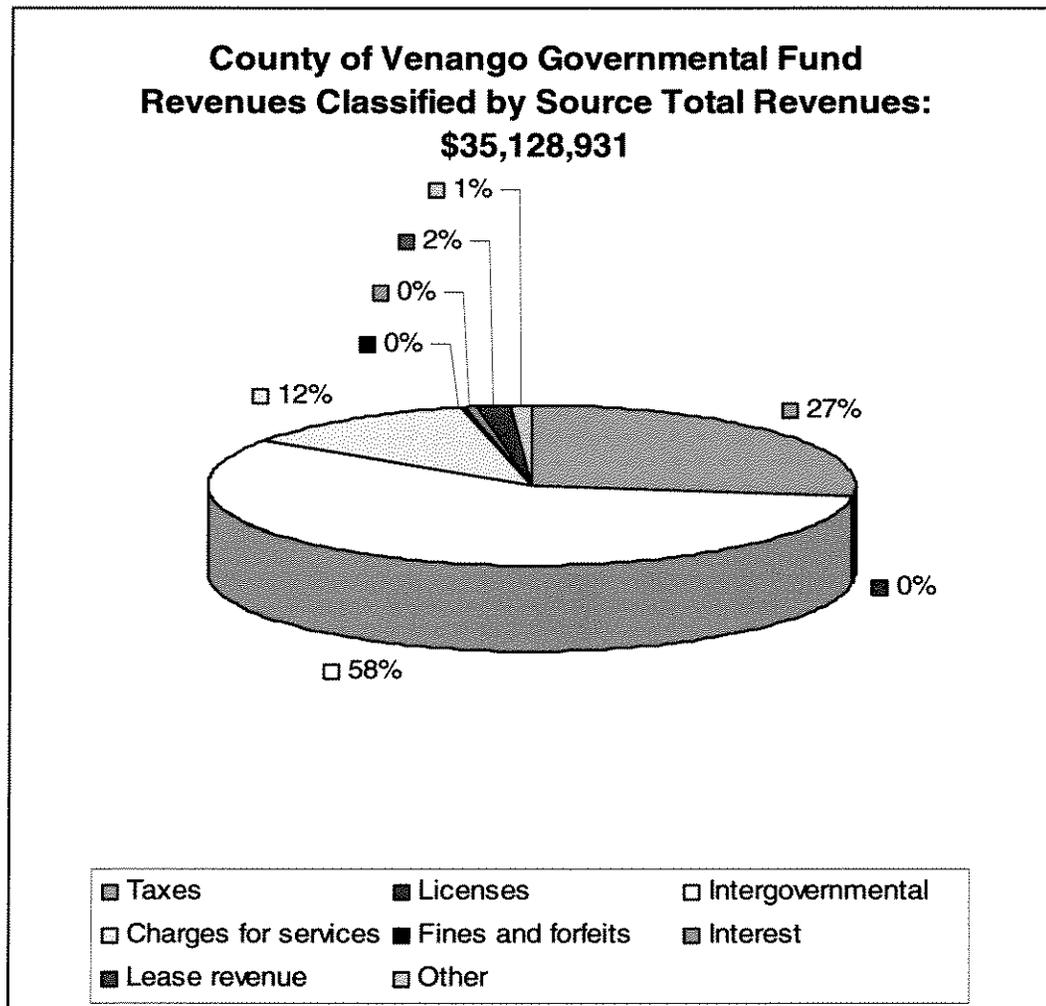
# MANAGEMENT'S DISCUSSION AND ANALYSIS

County of Venango  
 Statements of Revenues, Expenditures, and Changes in Fund Balance  
 Years Ended December 31, 2004 and 2003

	Governmental Funds	
	2004	2003
<b>Revenues:</b>		
Taxes	\$ 9,483,875	\$ 7,771,881
Licenses	36,235	36,136
Intergovernmental	20,183,293	19,346,335
Charges for services	4,155,732	4,301,290
Fines and forfeits	133,087	129,893
Interest	174,814	254,794
Lease revenue	540,000	540,000
Other	421,895	765,458
Total revenues	35,128,931	33,145,787
<b>Expenditures:</b>		
General government - administration	3,667,770	3,045,382
General government - judicial	2,988,302	2,859,860
Public safety	3,536,368	3,169,094
Public works and enterprises	1,293,859	1,713,444
Human services	20,667,281	19,003,880
Conservation and development	490,128	1,060,775
Culture and recreation	-	778,747
Capital projects	26,565	196,552
Debt service	778,228	763,804
Total expenditures	33,448,501	32,591,538
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>1,680,430</b>	<b>554,249</b>
<b>Other Financing Sources (Uses):</b>		
Sale of fixed assets	9,069	17,598
Proceeds from issuance of debt	-	5,095,000
Retirement of long term debt	-	(4,860,000)
Total other financing sources and uses	9,069	252,598
Special Item - fraud loss	-	(1,500,000)
<b>Net change in fund balance</b>	<b>1,689,499</b>	<b>(693,153)</b>
Net assets, beginning	7,537,288	8,230,441
Net assets, ending	\$ 9,226,787	\$ 7,537,288

# MANAGEMENT'S DISCUSSION AND ANALYSIS

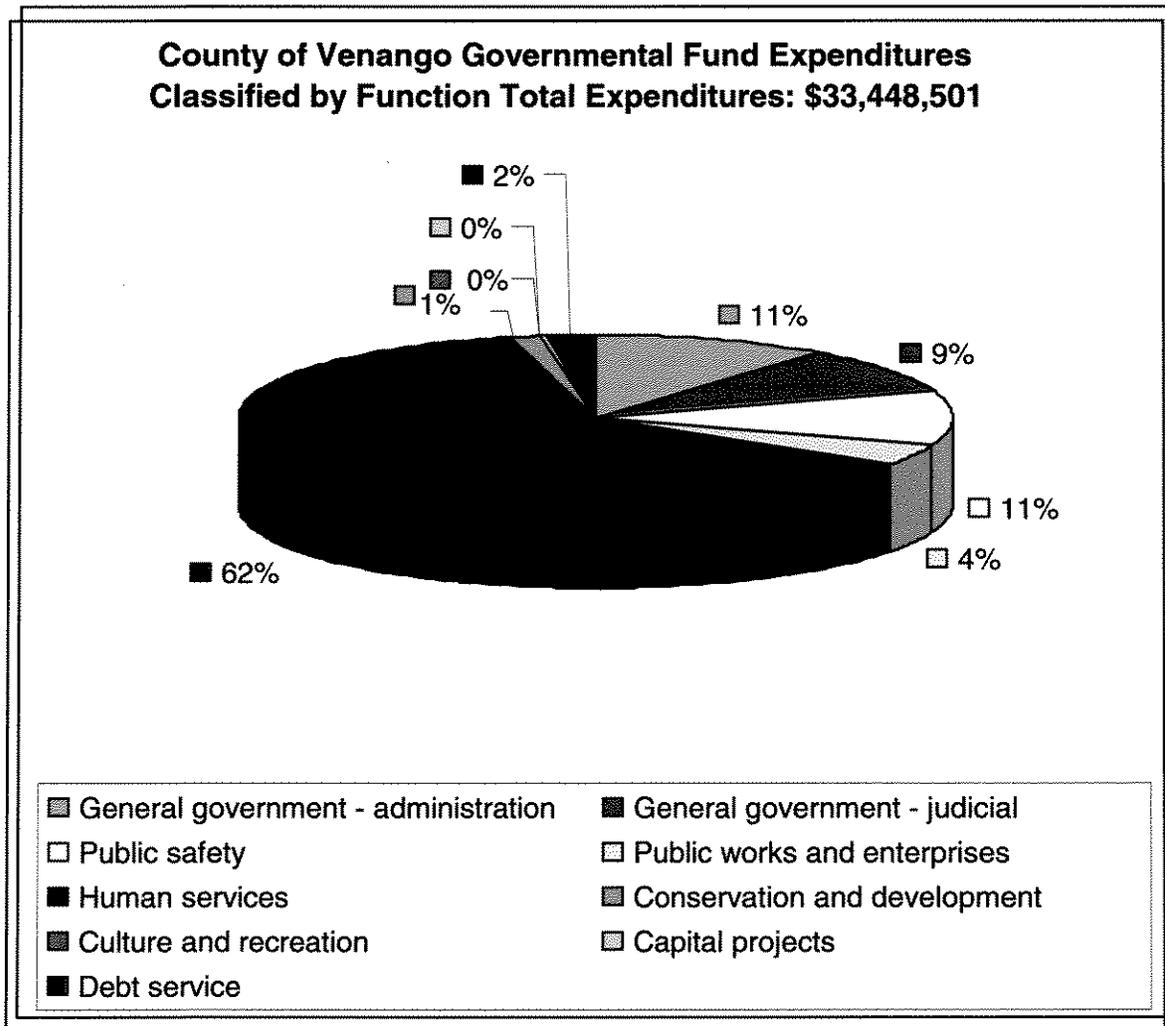
Governmental funds revenues, by source, for the year ended December 31, 2004 were:



Governmental funds revenue totaled \$35.1 million for the year ending December 31, 2004, of which \$20.2 million (58%) came from Intergovernmental (Federal and State) Revenue. Taxes accounted for \$9.5 million (27%) in revenue. Charges for services reached \$4.2 million (12%) in revenue.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

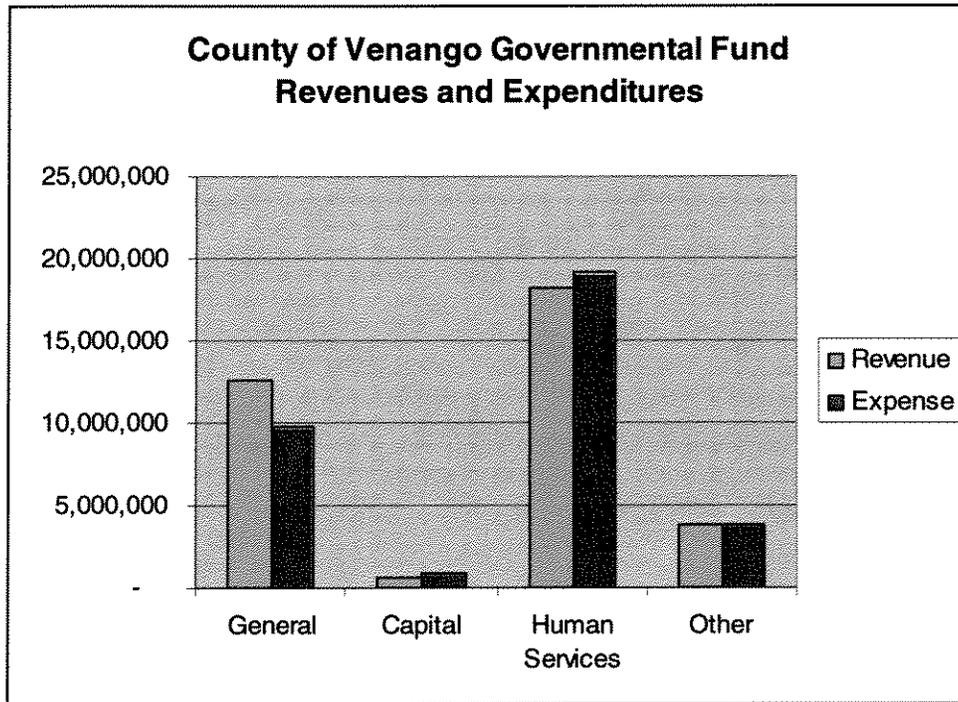
Governmental funds expenditures, by function, for the year ended December 31, 2004 were:



Governmental funds expenditures totaled \$33.4 million for the year ending December 31, 2004, of which \$20.7 million (62%) were Human Services expenditures. Public Safety, General Government - Administration and General Government - Judicial make up the next largest pieces; each with expenditures ranging from \$3.0 to \$3.7 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, 2004:



## ***GENERAL FUND BUDGETARY HIGHLIGHTS***

The statement of revenues, expenditures, and changes in fund balance – budgetary basis – General Fund for the year ended December 31, 2004 is found on page 7 of the primary government financial statements.

Overall, the County had a favorable variance between the final budget and the actual net change in fund balance of \$1.2 million.

The County had a favorable variance between the final budget and actual revenue of \$527,000. In 2004, the County's budget did not include either the gross hotel tax revenue or the corresponding expense portion of this tax. However, as this revenue was included in the actual tax collected, it resulted in a favorable variance of \$152,000. Other primary favorable variances included excess tax revenue of approximately \$264,000 and excess juvenile court funding of \$91,000.

The County had a favorable variance between the final budget and actual expenditures of \$662,000. The majority of this variance occurred in the function grouped as General Government – Administration which shows a \$534,000 favorable variance. The variance is primarily due to favorable variances of:

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

- \$182,000 in capital purchases and expenditures due to building projects that were budgeted but not implemented;
- \$100,000 in professional fees due to favorable variances in: fiscal and tax claim;
- \$83,000 in other expenses due to favorable variances in the public defender budget;
- \$57,000 in insurance costs.

### ***LONG-TERM DEBT***

As of December 31, 2004 the County has \$12,765,000 of long-term debt, of which \$735,000 is payable in 2005.

### ***BOND RATING***

The County was given an Aaa bond rating from Moody's Rating Committee which was based upon an insurance policy provided by Financial Guaranty Insurance Company. More detailed information about the County's debt can be found in Note 8 of the notes to the financial statements found on pages 25 and 26.

### ***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  
PO Box 831  
Franklin, PA 16323

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

# COUNTY OF VENANGO, PENNSYLVANIA

## STATEMENT OF NET ASSETS

DECEMBER 31, 2004

	<u>Primary Government Governmental Activities</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 11,659,645
Advances receivable	195,269
Taxes receivable, net	1,370,359
Accounts and loans receivable, at estimated realizable value	789,057
Accounts receivable - fiduciary funds	501,762
Due from other governments	2,223,150
Prepays	188,939
Deferred bond costs	83,927
Lease receivable:	
Current	45,000
Non-current	5,691,044
<b>Total Assets</b>	<u>22,748,152</u>
<b>Liabilities</b>	
Accounts payable	1,961,683
Accrued payroll	344,388
Accrued interest payable	34,051
Due to other governments	1,156,698
Unearned revenue	2,836,224
Compensated absences, non current	349,707
Bonds payable:	
Current	735,000
Non-current	12,030,000
<b>Total Liabilities</b>	<u>19,447,751</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	(12,765,000)
Restricted for highways and streets	1,008,527
Unrestricted:	
Lease receivable	5,736,044
Other unrestricted net assets	9,320,830
<b>Total Net Assets</b>	<u>\$ 3,300,401</u>

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2004

Functions/Programs:	Program Revenues		Net (Expense) Revenue and Changes in Net Assets Governmental Activities
	Expenses	Charges for Services and Contributions	
Primary government:			
Governmental activities:			
General government - administration	\$ 3,704,330	\$ 636,850	\$ (3,057,809)
General government - judicial	2,990,416	1,599,530	(1,242,684)
Public safety	3,539,766	807,388	(2,125,295)
Public works and enterprises	1,294,311	771,321	(123,696)
Human services	20,672,090	509,965	(989,798)
Conservation and development	490,304	-	(356,256)
Interest	413,228	-	(413,228)
Total governmental activities	\$ 33,104,445	\$ 4,325,054	\$ (8,308,766)
General revenues:			
Property taxes			9,109,881
Other taxes			451,780
Interest and investment income			466,154
Other			149,222
Total general revenues			10,177,037
Change in net assets			1,868,271
Net Assets:			
Beginning of year			1,432,130
End of year			\$ 3,300,401

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

## BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2004

	General Fund	Capital Projects Fund	Human Services Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 3,104,871	\$ 2,895,379	\$ 1,705,367	\$ 3,954,028	\$ 11,659,645
Advances receivable	-	-	195,269	-	195,269
Taxes receivable, net	1,370,359	-	-	-	1,370,359
Accounts receivable, net of allowance for uncollectibles	59,415	-	353,208	376,434	789,057
Due from other funds	547,640	11,589	3,680	22,711	585,620
Due from other governments	144,414	-	1,819,610	259,126	2,223,150
Prepays	107,361	-	61,963	19,615	188,939
Lease receivable:					
Current	-	45,000	-	-	45,000
Non-current	-	5,691,044	-	-	5,691,044
<b>Total Assets</b>	<b>\$ 5,334,060</b>	<b>\$ 8,643,012</b>	<b>\$ 4,139,097</b>	<b>\$ 4,631,914</b>	<b>\$ 22,748,083</b>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 428,245	\$ 4,576	\$ 1,237,887	\$ 290,975	\$ 1,961,683
Accrued payroll	176,856	-	135,038	32,494	344,388
Due to other funds	-	-	72,269	11,589	83,858
Due to other governments	-	-	785,437	371,261	1,156,698
Deferred revenue	1,483,942	5,736,044	1,708,892	1,045,791	9,974,669
<b>Total Liabilities</b>	<b>2,089,043</b>	<b>5,740,620</b>	<b>3,939,523</b>	<b>1,752,110</b>	<b>13,521,296</b>
<b>Fund Balance:</b>					
Reserved:					
Program	-	-	199,574	59,223	258,797
Prepays	107,361	-	61,963	19,615	188,939
Unreserved, designated for capital projects	-	2,902,392	-	-	2,902,392
Unreserved, undesignated reported in:					
General Fund	3,137,656	-	-	-	3,137,656
Special Revenue Funds	-	-	(61,963)	2,800,966	2,739,003
<b>Total Fund Balance</b>	<b>3,245,017</b>	<b>2,902,392</b>	<b>199,574</b>	<b>2,879,804</b>	<b>9,226,787</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 5,334,060</b>	<b>\$ 8,643,012</b>	<b>\$ 4,139,097</b>	<b>\$ 4,631,914</b>	<b>\$ 22,748,083</b>

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2004

<b>Total Fund Balance - Governmental Funds</b>		\$ 9,226,787
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
Long-term lease receivable is not due in the current period and thus is not available to pay for the current period's expenditures, and therefore is reported as deferred in the fund statements.		5,736,044
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 deferred in the fund statements.		1,402,401
Governmental funds report the effect of issuance costs, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		83,927
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	(349,707)
	Bonds payable	(12,765,000)
	Accrued interest on debt	(34,051)
		<u>(13,148,758)</u>
<b>Total Net Assets - Governmental Activities</b>		<u>\$ 3,300,401</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, 2004

	General Fund	Capital Projects Fund	Human Services Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 9,483,875	\$ -	\$ -	\$ -	\$ 9,483,875
Licenses	36,235	-	-	-	36,235
Intergovernmental	751,584	-	17,506,391	1,925,318	20,183,293
Charges for services	2,011,419	-	370,748	1,773,565	4,155,732
Fines and forfeits	104,982	-	-	28,105	133,087
Interest	59,812	47,347	25,607	42,048	174,814
Lease revenue	-	540,000	-	-	540,000
Other	63,180	-	322,396	36,319	421,895
<b>Total revenues</b>	<b>12,511,087</b>	<b>587,347</b>	<b>18,225,142</b>	<b>3,805,355</b>	<b>35,128,931</b>
<b>Expenditures:</b>					
General government - administration	3,667,770	-	-	-	3,667,770
General government - judicial	2,470,017	-	-	518,285	2,988,302
Public safety	2,849,618	-	-	686,750	3,536,368
Public works and enterprises	395,882	-	-	897,977	1,293,859
Human services	69,752	-	19,122,120	1,475,409	20,667,281
Conservation and development	336,610	-	-	153,518	490,128
Capital projects	-	26,565	-	-	26,565
Debt service	-	778,228	-	-	778,228
<b>Total expenditures</b>	<b>9,789,649</b>	<b>804,793</b>	<b>19,122,120</b>	<b>3,731,939</b>	<b>33,448,501</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>2,721,438</b>	<b>(217,446)</b>	<b>(896,978)</b>	<b>73,416</b>	<b>1,680,430</b>
<b>Other Financing Sources (Uses):</b>					
Sale of fixed assets	(14,335)	-	23,404	-	9,069
Operating transfers in	300,190	427,515	1,003,346	297,187	2,028,238
Operating transfers out	(1,443,102)	(240,850)	(79,128)	(265,158)	(2,028,238)
<b>Total other financing sources (uses)</b>	<b>(1,157,247)</b>	<b>186,665</b>	<b>947,622</b>	<b>32,029</b>	<b>9,069</b>
<b>Net Change in Fund Balance</b>	<b>1,564,191</b>	<b>(30,781)</b>	<b>50,644</b>	<b>105,445</b>	<b>1,689,499</b>
<b>Fund Balance:</b>					
Beginning of year	1,680,826	2,933,173	148,930	2,774,359	7,537,288
End of year	<u>\$ 3,245,017</u>	<u>\$ 2,902,392</u>	<u>\$ 199,574</u>	<u>\$ 2,879,804</u>	<u>\$ 9,226,787</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, 2004

### Net Change in Fund Balance - Governmental Funds

\$ 1,689,499

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

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 revenues increased by this amount during the year.

77,786

The issuance of long-term obligations (e.g. notes and bonds) 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 assets. Also, governmental funds report the effect of issuance costs, 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.

356,812

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 in the governmental funds. The change in the value of the lease receivable is shown here.

(243,070)

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.

(12,756)

### Change in Net Assets of Governmental Activities

\$ 1,868,271

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual amounts (Budgetary Basis) (See Note 2)	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 9,060,100	\$ 9,060,100	\$ 9,324,016	\$ 263,916
Licenses	33,410	33,410	36,409	2,999
Intergovernmental	560,317	614,330	755,187	140,857
Charges for services	1,989,329	2,013,191	2,021,061	7,870
Fines and forfeits	82,100	82,820	127,165	44,345
Interest	17,140	17,140	60,099	42,959
Other	29,350	39,773	63,483	23,710
Total revenues	<u>11,771,746</u>	<u>11,860,764</u>	<u>12,387,420</u>	<u>526,656</u>
<b>Expenditures:</b>				
Current:				
General government - administration	3,862,305	4,187,305	3,653,414	533,891
General government - judicial	3,001,133	3,021,687	2,917,880	103,807
Public safety	2,773,682	2,841,068	2,837,984	3,084
Public works and enterprises	389,638	403,087	394,266	8,821
Human services	80,703	80,741	69,467	11,274
Conservation and development	375,680	336,211	335,236	975
Total expenditures	<u>10,483,141</u>	<u>10,870,099</u>	<u>10,208,247</u>	<u>661,852</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>1,288,605</u>	<u>990,665</u>	<u>2,179,173</u>	<u>1,188,508</u>
<b>Other Financing Sources (Uses):</b>				
Disposal of fixed assets	-	-	(14,335)	(14,335)
Operating transfers in	785,532	798,353	704,636	(93,717)
Operating transfers out	(1,561,277)	(1,522,454)	(1,443,102)	79,352
Total other financing sources (uses)	<u>(775,745)</u>	<u>(724,101)</u>	<u>(752,801)</u>	<u>(28,700)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 512,860</u>	<u>\$ 266,564</u>	<u>\$ 1,426,372</u>	<u>\$ 1,159,808</u>

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

## STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS

DECEMBER 31, 2004

	Pension Trust Fund	Agency Funds	Total
<hr/> <b>Assets</b> <hr/>			
Cash and cash equivalents	\$ 2,981,488	\$ 626,737	\$ 3,608,225
Investments:			
Registered investment companies	11,392,577	-	11,392,577
Common stock	23,463,722	-	23,463,722
Accounts receivable and fines, at estimated realizable value	-	330,600	330,600
<b>Total Assets</b>	<u>37,837,787</u>	<u>957,337</u>	<u>38,795,124</u>
<hr/> <b>Liabilities</b> <hr/>			
Due to other funds	-	501,762	501,762
Due to other governments	-	89,043	89,043
Escrow liability and interest	-	366,532	366,532
<b>Total Liabilities</b>	<u>-</u>	<u>957,337</u>	<u>957,337</u>
<b>Net Assets Held in Trust for Pension Benefits</b>	<u>\$ 37,837,787</u>	<u>\$ -</u>	<u>\$ 37,837,787</u>

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

## STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2004

	<u>Trust Funds</u>
<b>Additions:</b>	
<hr/>	
Contributions:	
Employee	\$ 730,530
Investment income:	
Net appreciation in fair value of investments	1,399,189
Interest and dividends	<u>1,116,543</u>
Total investment income	2,515,732
Investment expense	<u>93,825</u>
Net investment income	<u>2,421,907</u>
Total additions	<u>3,152,437</u>
<b>Deductions:</b>	
<hr/>	
Benefits and refunds paid to plan members and beneficiaries	1,275,051
Administrative expense	<u>29,192</u>
Total deductions	<u>1,304,243</u>
<b>Increase in Net Assets</b>	1,848,194
<b>Net Assets:</b>	
<hr/>	
Beginning of year	<u>35,989,593</u>
End of year	<u><u>\$ 37,837,787</u></u>

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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### 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 health and welfare. 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.

These financial statements include the primary government and do not reflect all component units which meet the criteria for inclusion under Governmental Accounting Standards Board (GASB) Statement No. 14, "*Financial Reporting Entity*."

In evaluating the County as a primary government in accordance with the GASB Statement No. 14, "*Financial Reporting Entity*," and GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units*," management has addressed all potential 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:

1. Organizations that make up the legal County entity.
  2. Legally separate organizations if the Commissioners appoint a voting majority of the organizations' 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.
    - a. Impose its Will - If the County can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.
    - b. Financial Benefit or Burden - Exists if the County (1) is entitled to the organization's resources, (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization, or (3) is obligated in some manner for the debt of the organization.
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# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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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.

The following separately administered organization meets the criteria for inclusion in the County's reporting entity. However, as described above, these financial statements include only the primary government.

### Oil Region Tourist Promotion Agency

The Oil Region Tourist Promotion Agency (Agency) is responsible for planning and promoting programs designed to stimulate and increase the volume of tourist, visitor, and vacation-convention business within the County and to exercise all powers incident to and necessary thereto. The Agency is fiscally dependent on funding received from the County. Separate audited financial statements are available from the Agency located at P.O. Box 128, Oil City, PA 16301.

Following are organizations, which have the majority of their governing Board appointed by the Commissioners, without the County being financially accountable for the organization:

### Venango County Housing Authority

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

### Venango Park and Natural Resources Authority

The Venango Park and Natural Resources Authority (Park Authority) was organized to own and operate Two-Mile Run County Park and coordinate County-wide recycling efforts and natural resource issues. The Park Authority's Board members are appointed by the County. The Park Authority is not financially accountable to the County and no financial benefit or burden exists between the two entities. The County maintains an equity interest in the Two-Mile Run County Park real property which was conveyed from the County to the Park Authority. The Park Authority can not use the land as collateral on any debt issuance without permission from the County.

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# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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### Venango County Industrial Development Authority

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

### The Venango Economic Development Corporation

The Venango Economic Development Corporation (VEDC) is a private non-profit incorporated for the purpose of assisting existing businesses and attracting new businesses in order to preserve and to create jobs for the residents of the County. The VEDC has been designated by the Commissioners as the lead economic development agency in the County. The County appoints one Board member and does not exercise control over the Board. VEDC is not fiscally dependent on the County.

### 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 assets 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.

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# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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

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

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

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

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

Property taxes, franchise taxes, licenses, 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:

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# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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The *General Fund* is the principal operating fund of the County which is used to account for all financial transactions except those required to be 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 is restricted for the provision of specified social services to eligible recipients.

Additionally, the government reports the following fiduciary funds:

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. The government has elected not to follow subsequent private-sector guidance.

### Interfund Activity in the Government-Wide 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.

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# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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### Interfund Receivables and Payables

Activity between funds that are representative of 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, 2004 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.

### Compensated Absences

The County follows the provisions of GASB Statement No. 16, “*Accounting for 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 and fiduciary fund 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

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# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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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.

### Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

#### Reserved

Reserved is used to denote that portion of fund balance that is not available for expenditure appropriation or is legally segregated for a specific purpose.

Reserve for prepaid expenditures: This reserve accounts for prepaid expenditures.

Reserve for program expenditures: This reserve accounts for funds that are restricted by the grantor for program purpose uses only.

#### Unreserved

Unreserved is used to denote that portion of the fund balance that is available for appropriation.

#### Designated

Designated is used to denote that portion of the fund balance designated for specific purposes.

### Budgets and Budgetary Accounting

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

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

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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

Legally management of the County including department heads may make budgetary transfers between departments as long as overall fund expenditures are not affected. However, as a matter of control all transfers between departmental budgets are ratified by the Commissioners. The Commissioners may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including the proceeds of any borrowing now or hereafter authorized by law. The Commissioners may authorize the transfer of any unencumbered balance of any appropriation item or any portion thereof. The Commissioners must approve changes to overall appropriations at the fund level. Therefore, the legal level of budgetary responsibility is by fund.

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

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

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# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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

	<u>General Fund</u>
Net change in fund balance - General Fund as presented (modified accrual)	\$ 1,564,191
Adjustment to reconcile accounts and real estate taxes receivable to budgetary basis	(123,667)
Adjustment to reconcile prepaids and accounts and wages payable to budgetary basis	39,349
Domestic Relations Fund is budgeted in the General Fund but is presented separately as a non-major governmental fund	<u>(53,501)</u>
Net change in fund balance - General Fund budgetary basis (cash basis)	<u>\$ 1,426,372</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 Assets

The balance sheet presentation required by GASB Statement No. 34, "*Basis Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*," includes the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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- Invested in capital assets, net of related debt – This component of net assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.
- Restricted – This component of net assets consists of constraints placed on net asset use through external restrictions.
- Unrestricted – The component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

### 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 deposit and investment policy of the County adheres to state statutes. Deposits of the governmental funds are either maintained in demand deposits or savings accounts, and certificates of deposit. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the County.

The following is a summary of the County's cash deposits which were insured by the Federal Depository Insurance Company (Category 1), and the balance which was not insured or collateralized in the County's name, but was collateralized in accordance with Act 72 of the Pennsylvania state legislature which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name (Category 3).

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

	Total Category 1	Total Category 3	Bank Balance	Carrying Amount
Cash and cash equivalents	\$ 333,695	\$ 12,778,120	\$ 13,111,815	\$ 12,499,412

Cash equivalents are held in a variety of short-term pooled investment funds. These cash equivalents cannot be classified by risk category because they are not evidenced by securities that exist in physical or book entry form. The fair value of the County's position in the external investment pools is the same as the value of the pool shares. All cash equivalents are in an external investment pool that is not SEC-registered which is subject to oversight by the Commonwealth of Pennsylvania.

The investments of the County at December 31, 2004 have been categorized to indicate the level of risk assumed by the County. The following is a summary of the County's investments that are insured or registered or for which the securities are held by the County or its agent in the County's name (Category 1), and the balance which was uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent but not in the County's name (Category 3). Investments in local government investment pools or mutual funds are not categorized because they are not evidenced by securities that exist in physical or book entry form.

	Total Category 3	Carrying Amount
U.S. government obligations	\$ 5,679,527	\$ 5,679,527
Fixed income	5,713,049	5,713,049
Common stock	23,463,723	23,463,723
	\$ 34,856,299	34,856,299
Not subject to categorization:		
Mutual Funds		2,751,077
Total investments		\$ 37,607,376

Cash equivalents are held in a variety of short-term pooled investment funds. These cash equivalents cannot be classified by risk category because they are not evidenced by securities that exist in physical or book entry form. The fair value of the County's position in the external investment pools is the same as the value of the pool shares. All cash equivalents are in an external investment pool that is not SEC-registered which is subject to oversight by the Commonwealth of Pennsylvania.

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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### 4. 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. During 2000, the County performed a reassessment and will complete a reassessment every five years thereafter. For 2004, County real estate taxes were levied at the rate of 6.112 mills on assessed valuation. Total assessed valuation for non-exempt properties in 2004 was approximately \$1,870,000,000.

All taxes receivables are shown net of an allowance for uncollectibles. Uncollected real estate taxes at December 31, 2004, including delinquent amounts, interest, and penalties, were approximately \$1.6 million. Of this amount, approximately \$277,000 was considered uncollectible at December 31, 2004 and is netted against the corresponding taxes receivable balance on the statement of net assets.

### 5. 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, 2004 is as follows:

	Gross Receivable	Allowance for Uncollectibles	Net Receivable
<b>Governmental activities:</b>			
Property taxes receivable	\$ 1,563,333	\$ 192,794	\$ 1,370,539
Fraud loss	\$ 1,500,000	\$ 1,500,000	\$ -
Court related receivables (portion of internal balances)	\$ 2,553,016	\$ 2,222,416	\$ 330,600

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# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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

Individual fund receivable and payable balances at December 31, 2004, as well as interfund transfers for the year ended December 31, 2004 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	\$ 547,640	\$ -	\$ 300,190	\$ 1,443,102
Capital Projects	11,589	-	427,515	240,850
Human Services	3,680	72,269	1,003,346	79,128
Other governmental funds	22,711	11,589	297,187	265,158
Fiduciary Funds:				
Pension Trust Fund	-	-	-	-
Agency Funds	-	501,762	-	-
	<u>\$ 585,620</u>	<u>\$ 585,620</u>	<u>\$ 2,028,238</u>	<u>\$ 2,028,238</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 Department of Public Welfare requirements. The majority of the interfund receivable balance in the General Fund represents amounts due from various Agency Funds.

### 7. VENANGO COUNTY EMPLOYEES' RETIREMENT SYSTEM

#### Plan Description

The Venango County Employees' Retirement System (Plan), as administrated by the County, is a single employer defined benefit pension plan governed by the County Pension Law Act 96 (Act) of 1971, as amended, enacted by the General Assembly of the Commonwealth of Pennsylvania. The Plan is reported as the Employees' Retirement Fund in the accompanying financial statements. Separate Plan financial statements are not available.

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

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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At January 1, 2004, the date of the most recent valuation, participants in the Plan were as follows:

Participants:	
Retirees and beneficiaries	211
Deferred vested	27
Active employees:	
Vested	108
Nonvested	190

### Summary of Significant Accounting Policies

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

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

At December 31, 2004, there were no individual investments that are required to be disclosed that constituted more than 5% of any of the plan net assets available for benefits. In addition, the Plan did not have any investment transactions with related parties during the year.

### Contributions and Funding Policy

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

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

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# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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In 2004, the annual required contribution to the Plan was \$0 as determined by the January 1, 2004 actuarial valuation. The 2004 employee contributions were \$730,530.

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

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

Annual pension cost	\$	-
Contributions made	\$	-
Actuarial valuation date		1/1/2004
Actuarial cost method		Aggregate**
		5-Year
Asset valuation method		Smoothed Market
Actuarial assumptions:		
Investment rate of return*		7.50%
Projected salary increases*		3.25% - 4.5%; graduated .25% increments over 5 years
Cost of living adjustments		100% change in C.P.I.

\* Includes inflation at 3%.

\*\* Plans that use the aggregate actuarial cost method are not required to present a schedule of funding progress. Separate determination and amortization of the unfunded actuarial liability are not part of the aggregate actuarial cost method and are not required when that method is used.

The County does not have a net pension obligation (NPO) as of December 31, 2004.

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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### Trend Information

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
12/31/2002	\$ -	100.0%	\$ -
12/31/2003	-	100.0%	-
12/31/2004	-	100.0%	-

## 8. LONG - TERM LIABILITIES

### General Obligation Bonds, Series of 2002

In September 2002, the County issued the General Obligation Bond Series of 2002 (2002 Bonds) in the amount of \$8,035,000. The 2002 Bonds proceeds were used to refund the outstanding General Obligation Bonds, Series of 1992 and 1993B and pay the costs of issuing and insuring bonds. The 2002 Bonds, whose last scheduled maturity date is June 1, 2019, bear interest at rates that vary from 1.50% to 4.35%.

### General Obligation Bonds, Series of 2003

In April 2003, the County issued the Series 2003 General Obligation Bonds (2003 Bonds) for \$5,095,000. The 2003 Bonds proceeds were used to refund the County's Series 1993B General Obligation Bonds (1993 Bonds). The 2003 Bonds, whose last scheduled maturity date is June 1, 2015, bear interest at rates between 1.1% and 3.7%.

Annual debt service requirements to maturity related to the 2002 and 2003 bonds are as follows:

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 735,000	\$ 405,513	\$ 1,140,513
2006	845,000	391,972	1,236,972
2007	865,000	373,020	1,238,020
2008	885,000	350,625	1,235,625
2009	910,000	326,102	1,236,102
20010-2014	5,010,000	1,163,457	6,173,457
2015-2019	3,515,000	311,462	3,826,462
	<u>\$ 12,765,000</u>	<u>\$ 3,322,151</u>	<u>\$ 16,087,151</u>

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2004 was as follows:

	<u>Balance at December 31, 2003</u>	<u>Issuances/ Additions</u>	<u>Refundings/ Payments</u>	<u>Balance at December 31, 2004</u>	<u>Due Within One Year</u>
Compensated absences	\$ 336,952	\$ 40,181	\$ (27,426)	\$ 349,707	\$ -
Bond Series:					
2002	8,035,000	-	(150,000)	7,885,000	340,000
2003	5,095,000	-	(215,000)	4,880,000	395,000
Long-term liabilities	<u>\$ 13,466,952</u>	<u>\$ 40,181</u>	<u>\$ (392,426)</u>	<u>\$ 13,114,707</u>	<u>\$ 735,000</u>

## 9. 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, 2004:

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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2005	\$ 540,000
2006	540,000
2007	540,000
2008	540,000
2009	540,000
Subsequent	<u>5,240,000</u>
Future minimum lease payments for sale-leaseback agreement	7,940,000
Discounted to present value	<u>(2,203,956)</u>
Present value of minimum lease payments	<u>\$ 5,736,044</u>

### 10. FRAUD LOSS

During 2003, the County identified and recorded a \$1.5 million loss resulting from a misappropriation by an outside investment advisor. The investment advisor has pleaded guilty and been sentenced for the criminal charges in connection with the misappropriation. The County is pursuing recovery of the misappropriated funds through civil action against the investment advisor, insurance company, prior auditor, banks, elected officials, and others. The ultimate outcome of these efforts is subject to uncertainty. The County has set up a receivable in the amount of \$1,500,000 for recovery of missing funds and recorded an allowance for doubtful accounts for the same amount. The County has paid out approximately \$596,000 of legal costs related to the civil litigation. The County ultimately hopes to recoup all legal costs through successful outcome of the litigation.

Based upon a court decision the County may ultimately be responsible for paying for the legal defense of the elected officials currently being sued, if they are found not to have been responsible in the fraud. The County has not recorded a liability for such an amount and no amount is reasonably determinable. If the County has to pay legal costs the County intends to attempt to recoup those costs from the litigation process.

### 11. COMMITMENTS AND CONTINGENCIES

Grant Programs – 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

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

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material items of noncompliance which would result in the disallowance of program expenditures.

Reassessment Litigation – As a result of the 2000 County-wide reassessment, litigation has been filed against the County seeking to have the reassessment voided. The court has refused the plaintiffs' attempt to have preliminary injunction granted which would have forbade the County's use of the reassessment. Because the entire County-wide reassessment is at issue in this case, the range of potential loss could well be in excess of \$1,700,000. The likelihood of an unfavorable outcome in this matter is estimated to be extremely low given the fact that all of the preliminary objections to date have been granted, many of which request the dismissal of the matter. No loss provisions have been included in the accompanying financial statements.

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

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. There have been no significant changes in insurance coverage since the prior year.

## REQUIRED SUPPLEMENTARY INFORMATION

# 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>
1999	\$ -	N/A
2000	-	N/A
2001	-	N/A
2002	-	N/A
2003	-	N/A
2004	-	N/A

N/A = Not Applicable

See accompanying note to supplementary schedule.

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTE TO SUPPLEMENTARY SCHEDULE

DECEMBER 31, 2004

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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	1/1/2004
Actuarial cost method	Aggregate**
Asset valuation method	5-Year Smoothed Market
Actuarial assumptions:	
Investment rate of return *	7.50%
Projected salary increases *	3.25% - 4.5%; graduated .25% increments over 5 years
Cost of living adjustments	100% change in C.P.I.

\* Includes inflation at 3%.

\*\* Plans that use the aggregate actuarial cost method are not required to present a schedule of funding progress. Separate determination and amortization of the unfunded actuarial liability are not part of the aggregate actuarial cost method and are not required when that method is used.

## ADDITIONAL INFORMATION

## **HUMAN SERVICES FUND**

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

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

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

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

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

The **Mental Health and Mental Retardation** 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 or mental retardation diagnosis.

# COUNTY OF VENANGO, PENNSYLVANIA

## HUMAN SERVICES FUND COMBINING BALANCE SHEET

DECEMBER 31, 2004

Assets	Area Agency on Aging	Retired Senior Volunteer Program	Children and Youth Services	Substance Abuse	Mental Health	Mental Retardation	Total Human Services Funds
Cash and cash equivalents	\$ 891,505	\$ 15,653	\$ (413,245)	\$ 146,386	\$ (13,015)	\$ 1,078,083	\$ 1,705,367
Advances receivable	-	-	-	-	33,325	161,944	195,269
Accounts receivable, net of allowance for uncollectibles	3,620	-	244,301	93,973	11,314	-	353,208
Due from other funds	-	-	-	3,680	-	-	3,680
Due from other governments	47,695	-	1,567,810	-	127,193	76,912	1,819,610
Prepays	-	-	61,963	-	-	-	61,963
<b>Total Assets</b>	<b>\$ 942,820</b>	<b>\$ 15,653</b>	<b>\$ 1,460,829</b>	<b>\$ 244,039</b>	<b>\$ 158,817</b>	<b>\$ 1,316,939</b>	<b>\$ 4,139,097</b>
<b>Liabilities and Fund Balance</b>							
Liabilities:							
Accounts payable	\$ 124,515	\$ 101	\$ 480,613	\$ 71,136	\$ 99,543	\$ 461,979	\$ 1,237,887
Accrued payroll	29,260	1,886	43,896	7,916	26,414	25,666	135,038
Due to other funds	-	-	72,269	-	-	-	72,269
Deferred revenue	783,468	18	59,878	3,374	32,860	829,294	1,708,892
Due to other governments	-	-	785,437	-	-	-	785,437
Total Liabilities	937,243	2,005	1,442,093	82,426	158,817	1,316,939	3,939,523
Fund Balance:							
Reserved:							
Program	5,577	13,648	18,736	161,613	-	-	199,574
Prepays	-	-	61,963	-	-	-	61,963
Unreserved, undesignated	-	-	(61,963)	-	-	-	(61,963)
Total Fund Balance	5,577	13,648	18,736	161,613	-	-	199,574
<b>Total Liabilities and Fund Balance</b>	<b>\$ 942,820</b>	<b>\$ 15,653</b>	<b>\$ 1,460,829</b>	<b>\$ 244,039</b>	<b>\$ 158,817</b>	<b>\$ 1,316,939</b>	<b>\$ 4,139,097</b>

# COUNTY OF VENANGO, PENNSYLVANIA

## HUMAN SERVICES FUND

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

YEAR ENDED DECEMBER 31, 2004

	Area Agency on Aging	Retired Senior Volunteer Program	Children and Youth Services	Substance Abuse	Mental Health	Mental Retardation	Eliminations	Total Human Services Funds
<b>Revenues:</b>								
Intergovernmental	\$ 1,676,421	\$ 57,846	\$ 6,080,339	\$ 1,239,781	\$ 2,002,756	\$ 6,449,248	\$ -	\$ 17,506,391
Charges for services	78,497	-	252,152	40,099	-	-	-	370,748
Interest	88	(134)	2,426	2,543	1,352	19,332	-	25,607
Other	10,505	1,194	288,457	-	22,240	-	-	322,396
Total revenues	1,765,511	58,906	6,623,374	1,282,423	2,026,348	6,468,580	-	18,225,142
<b>Expenditures:</b>								
Human services	1,724,185	60,997	7,320,870	1,330,790	2,074,447	6,610,831	-	19,122,120
Excess (Deficiency) of Revenues Over Expenditures	41,326	(2,091)	(697,496)	(48,367)	(48,099)	(142,251)	-	(896,978)
<b>Other Financing Sources (Uses):</b>								
Sale of fixed assets	-	-	9,180	-	-	14,224	-	23,404
Operating transfers in	19,902	-	808,469	99,734	179,821	128,027	(232,607)	1,003,346
Operating transfers out	(61,140)	-	(118,873)	-	(131,722)	-	232,607	(79,128)
Total other financing sources (uses)	(41,238)	-	698,776	99,734	48,099	142,251	-	947,622
Net Change in Fund Balance	88	(2,091)	1,280	51,367	-	-	-	50,644
<b>Fund Balance:</b>								
Beginning of year	5,489	15,739	17,456	110,246	-	-	-	148,930
End of year	\$ 5,577	\$ 13,648	\$ 18,736	\$ 161,613	\$ -	\$ -	\$ -	\$ 199,574

## OTHER GOVERNMENTAL FUNDS

### Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. 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.

The **Planning Commission Fund** is used to match grants received for special projects.

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 **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 **Tax Claim Delinquent Fund** is used to account for the operations of the Tax Claim Bureau. Amounts collected on behalf of other governments have been reported net of remittances.

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, 2004

	Special Revenue Funds									
	Liquid Fuels	Affordable Housing Program	Airport	Hazardous Materials	911	Planning Commission	Court Constable	Offender ID	County Records Improvement	Prothonotary Automation
Cash and cash equivalents	\$ 1,056,527	\$ 371,510	\$ 1,012,263	\$ 19,545	\$ 24,839	\$ 17,531	\$ 100,537	\$ 20,189	\$ 72,214	\$ 34,147
Accounts receivable, net of allowance for uncollectibles	-	-	59,678	-	49,774	-	-	-	-	-
Due from other funds	-	4,208	-	-	-	-	575	2,222	1,434	14,197
Due from other governments	-	-	6,362	-	-	-	-	-	-	-
Prepays	-	-	19,615	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,056,527</b>	<b>\$ 375,718</b>	<b>\$ 1,097,918</b>	<b>\$ 19,545</b>	<b>\$ 74,613</b>	<b>\$ 17,531</b>	<b>\$ 101,112</b>	<b>\$ 22,411</b>	<b>\$ 73,648</b>	<b>\$ 48,344</b>
<b>Liabilities and Fund Balance</b>										
Liabilities:										
Accounts payable	\$ 48,000	-	\$ 80,368	\$ 548	\$ 20,886	\$ -	\$ 4,314	\$ 50	\$ -	\$ -
Accrued payroll	-	-	-	-	14,413	-	-	-	-	-
Due to other funds	-	-	-	-	11,589	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	16,706	-	18,997	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>48,000</b>	<b>16,706</b>	<b>80,368</b>	<b>19,545</b>	<b>46,888</b>	<b>-</b>	<b>4,314</b>	<b>50</b>	<b>-</b>	<b>-</b>
Fund Balance:										
Reserved:										
Program	-	-	-	-	-	-	-	-	-	-
Prepays	-	-	19,615	-	-	-	-	-	-	-
Unreserved, undesignated	1,008,527	359,012	997,935	-	27,725	17,531	96,798	22,361	73,648	48,344
<b>Total Fund Balance</b>	<b>1,008,527</b>	<b>359,012</b>	<b>1,017,550</b>	<b>-</b>	<b>27,725</b>	<b>17,531</b>	<b>96,798</b>	<b>22,361</b>	<b>73,648</b>	<b>48,344</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,056,527</b>	<b>\$ 375,718</b>	<b>\$ 1,097,918</b>	<b>\$ 19,545</b>	<b>\$ 74,613</b>	<b>\$ 17,531</b>	<b>\$ 101,112</b>	<b>\$ 22,411</b>	<b>\$ 73,648</b>	<b>\$ 48,344</b>

(Continued)

# COUNTY OF VENANGO, PENNSYLVANIA

## OTHER GOVERNMENTAL FUNDS COMBINING BALANCE SHEET (Continued)

DECEMBER 31, 2004

	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	Tax Claim Delinquent	Adoption Counseling	Domestic Relations Operation	
Cash and cash equivalents	\$ (36,013)	\$ 58,540	\$ 30,085	\$ (4,345)	\$ 174,828	\$ 588,098	\$ 55,932	\$ 332,216	\$ 3,216	\$ 22,169	\$ 3,954,028
Accounts receivable, net of allowance for uncollectibles	40,646	-	66,208	6,410	22,377	6,894	-	-	-	124,447	376,434
Due from other governments	-	96,468	-	-	12,338	143,958	-	-	75	-	22,711
Prepays	-	-	-	-	-	-	-	-	-	-	259,126
<b>Total Assets</b>	<b>\$ 4,633</b>	<b>\$ 155,008</b>	<b>\$ 96,293</b>	<b>\$ 2,065</b>	<b>\$ 209,543</b>	<b>\$ 738,950</b>	<b>\$ 55,932</b>	<b>\$ 332,216</b>	<b>\$ 3,291</b>	<b>\$ 146,616</b>	<b>\$ 4,631,914</b>
<b>Liabilities and Fund Balance</b>											
<b>Liabilities:</b>											
Accounts payable	\$ 4	\$ 12,442	\$ 57,526	\$ 562	\$ 16,980	\$ 49,295	\$ -	\$ -	\$ -	\$ -	\$ 290,975
Accrued payroll	1,962	5,470	1,010	1,478	4,426	3,735	-	-	-	-	32,494
Due to other funds	-	-	-	-	-	-	-	-	-	-	11,589
Due to other governments	-	-	-	-	39,045	-	-	332,216	-	-	371,261
Deferred revenue	2,667	137,096	37,757	25	7	685,920	-	-	-	146,616	1,045,791
<b>Total Liabilities</b>	<b>4,633</b>	<b>155,008</b>	<b>96,293</b>	<b>2,065</b>	<b>60,458</b>	<b>738,950</b>	<b>-</b>	<b>332,216</b>	<b>-</b>	<b>146,616</b>	<b>1,752,110</b>
<b>Fund Balance:</b>											
Reserved:	-	-	-	-	-	-	55,932	-	3,291	-	59,223
Program	-	-	-	-	-	-	-	-	-	-	19,615
Prepays	-	-	-	-	149,085	-	-	-	-	-	2,800,966
Unreserved, undesignated	-	-	-	-	149,085	-	-	-	-	-	2,879,804
<b>Total Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149,085</b>	<b>-</b>	<b>55,932</b>	<b>-</b>	<b>3,291</b>	<b>-</b>	<b>2,879,804</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 4,633</b>	<b>\$ 155,008</b>	<b>\$ 96,293</b>	<b>\$ 2,065</b>	<b>\$ 209,543</b>	<b>\$ 738,950</b>	<b>\$ 55,932</b>	<b>\$ 332,216</b>	<b>\$ 3,291</b>	<b>\$ 146,616</b>	<b>\$ 4,631,914</b>

(Continued)

# COUNTY OF VENANGO, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2004

	Special Revenue Funds									
	Liquid Fuels	Affordable Housing Program	Airport	Hazardous Materials	911	Planning Commission	Court Constable	Offender ID	County Records Improvement	Prothonotary Automation
<b>Revenues:</b>										
Intergovernmental	\$ 290,126	\$ -	\$ 122,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	56,504	507,360	15,778	575,465	17,433	35,388	31,865	21,680	23,067
Fines and forfeits	-	-	-	-	-	-	28,105	-	-	-
Interest	16,092	5,580	505	382	640	98	1,539	213	977	651
Other	-	-	15,000	-	19,100	-	-	-	-	-
<b>Total revenues</b>	<b>306,218</b>	<b>62,084</b>	<b>645,405</b>	<b>16,160</b>	<b>595,205</b>	<b>17,531</b>	<b>65,032</b>	<b>32,078</b>	<b>22,657</b>	<b>23,718</b>
<b>Expenditures:</b>										
General government - judicial	-	-	-	-	-	-	54,361	22,913	-	-
Public safety	-	-	-	15,760	670,990	-	-	-	-	-
Public works and enterprises	339,918	-	558,059	-	-	-	-	-	-	-
Human services	-	41,639	-	-	-	-	-	-	-	-
Conservation and development	-	-	3,500	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>339,918</b>	<b>41,639</b>	<b>561,559</b>	<b>15,760</b>	<b>670,990</b>	<b>-</b>	<b>54,361</b>	<b>22,913</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(33,700)</b>	<b>20,445</b>	<b>83,846</b>	<b>400</b>	<b>(75,785)</b>	<b>17,531</b>	<b>10,671</b>	<b>9,165</b>	<b>22,657</b>	<b>23,718</b>
<b>Other Financing Sources (Uses):</b>										
Operating transfers in	9,546	-	7,577	-	67,277	-	-	-	-	-
Operating transfers out	(19,506)	(15,914)	(7,577)	(400)	-	-	(18,276)	-	(800)	(10,016)
<b>Total other financing sources (uses)</b>	<b>(9,960)</b>	<b>(15,914)</b>	<b>67,277</b>	<b>(400)</b>	<b>67,277</b>	<b>-</b>	<b>(18,276)</b>	<b>-</b>	<b>(800)</b>	<b>(10,016)</b>
<b>Net Change in Fund Balance</b>	<b>(43,660)</b>	<b>4,531</b>	<b>83,846</b>	<b>-</b>	<b>(8,508)</b>	<b>17,531</b>	<b>(7,605)</b>	<b>9,165</b>	<b>21,857</b>	<b>13,702</b>
<b>Fund Balance:</b>										
Beginning of year	1,052,187	354,481	933,704	-	36,233	-	104,403	13,196	51,791	34,642
End of year	\$ 1,008,527	\$ 359,012	\$ 1,017,550	\$ -	\$ 27,725	\$ 17,531	\$ 96,798	\$ 22,361	\$ 73,648	\$ 48,344

(Continued)

# COUNTY OF VENANGO, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2004

	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	Tax Claim Delinquent	Adoption Counseling	Domestic Relations Operation	
<b>Revenues:</b>											
Intergovernmental	\$ 134,048	\$ 382,608	\$ 55,894	\$ 49,737	\$ 363,771	\$ 526,594	\$ -	\$ -	\$ -	\$ 406,312	\$ 1,925,318
Charges for services	-	-	-	-	35,341	46,772	-	-	600	-	1,773,565
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	28,105
Interest	56	957	208	-	3,062	8,857	-	-	48	-	42,048
Other	-	861	-	-	559	-	-	-	-	550	36,319
<b>Total revenues</b>	<b>134,104</b>	<b>384,426</b>	<b>56,102</b>	<b>49,737</b>	<b>402,733</b>	<b>582,223</b>	<b>2,432</b>	<b>-</b>	<b>648</b>	<b>406,862</b>	<b>3,805,355</b>
<b>Expenditures:</b>											
General government - judicial	-	-	-	-	-	-	-	-	-	441,011	518,285
Public safety	-	-	-	-	-	-	-	-	-	-	686,750
Public works and enterprises	-	-	-	-	-	-	-	-	-	-	897,977
Human services	-	368,079	56,102	49,737	274,758	685,094	-	-	-	-	1,475,409
Conservation and development	150,018	-	-	-	-	-	-	-	-	-	153,518
<b>Total expenditures</b>	<b>150,018</b>	<b>368,079</b>	<b>56,102</b>	<b>49,737</b>	<b>274,758</b>	<b>685,094</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>441,011</b>	<b>3,731,939</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(15,914)</b>	<b>16,347</b>	<b>-</b>	<b>-</b>	<b>127,975</b>	<b>(102,871)</b>	<b>2,432</b>	<b>-</b>	<b>648</b>	<b>(34,149)</b>	<b>73,416</b>
<b>Other Financing Sources (Uses):</b>											
Operating transfers in	71,464	-	-	-	-	107,174	-	-	-	34,149	297,187
Operating transfers out	(55,550)	(16,347)	-	-	(116,469)	(4,303)	-	-	-	-	(265,158)
<b>Total other financing sources (uses)</b>	<b>15,914</b>	<b>(16,347)</b>	<b>-</b>	<b>-</b>	<b>(116,469)</b>	<b>102,871</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,149</b>	<b>32,029</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,506</b>	<b>-</b>	<b>2,432</b>	<b>-</b>	<b>648</b>	<b>-</b>	<b>87,914</b>
<b>Fund Balance:</b>											
Beginning of year	-	-	-	-	137,579	-	53,500	-	2,643	-	2,774,359
End of year	\$ -	\$ -	\$ -	\$ -	\$ 149,085	\$ -	\$ 55,932	\$ -	\$ 3,291	\$ -	\$ 2,879,804

(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, MATP, 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, 2004

	Shared Ride	MAIP	Fixed Route	Capital Transit	Rural Operating Assistance	Act 26 Shared Ride Capital Programs	Eliminations	Total Transportation Fund
<b>Assets</b>								
Cash and cash equivalents	\$ (120,203)	\$ 40,501	\$ (229,313)	\$ 788,748	\$ 112,392	\$ (4,027)	\$ -	\$ 588,098
Accounts receivable, net of allowance for uncollectibles	2,565	-	302	-	-	4,027	-	6,894
Due from other funds	-	-	255,822	-	-	-	(255,822)	-
Due from other governments	143,250	-	708	-	-	-	-	143,958
<b>Total Assets</b>	<b>\$ 25,612</b>	<b>\$ 40,501</b>	<b>\$ 27,519</b>	<b>\$ 788,748</b>	<b>\$ 112,392</b>	<b>\$ -</b>	<b>\$ (255,822)</b>	<b>\$ 738,950</b>
<b>Liabilities and Fund Balance</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 23,824	\$ 3,123	\$ 22,348	\$ -	\$ -	\$ -	\$ -	\$ 49,295
Accrued payroll	1,788	1,714	233	-	-	-	-	3,735
Due to other funds	-	-	-	177,053	78,769	-	(255,822)	-
Deferred revenue	-	35,664	4,938	611,695	33,623	-	-	685,920
<b>Total Liabilities</b>	<b>25,612</b>	<b>40,501</b>	<b>27,519</b>	<b>788,748</b>	<b>112,392</b>	<b>-</b>	<b>(255,822)</b>	<b>738,950</b>
<b>Fund Balance:</b>								
Unreserved, undesignated	-	-	-	-	-	-	-	-
<b>Total Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 25,612</b>	<b>\$ 40,501</b>	<b>\$ 27,519</b>	<b>\$ 788,748</b>	<b>\$ 112,392</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 738,950</b>

# COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2004

	Shared Ride	MATP	Fixed Route	Capital Transit Fund	Rural Operating Assistance	Act 26 Shared Ride Capital Programs	Eliminations	Total Transportation Fund
<b>Revenues:</b>								
Intergovernmental	\$ 181,075	\$ 139,669	\$ 28,979	\$ 37,742	\$ 135,102	\$ 4,027	\$ -	\$ 526,594
Charges for services	12,580	-	34,192	-	-	-	-	46,772
Interest	-	1,075	1,318	6,290	174	-	-	8,857
<b>Total revenues</b>	<b>193,655</b>	<b>140,744</b>	<b>64,489</b>	<b>44,032</b>	<b>135,276</b>	<b>4,027</b>	<b>-</b>	<b>582,223</b>
<b>Expenditures:</b>								
Human services	328,620	80,237	272,210	-	-	4,027	-	685,094
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(134,965)</b>	<b>60,507</b>	<b>(207,721)</b>	<b>44,032</b>	<b>135,276</b>	<b>-</b>	<b>-</b>	<b>(102,871)</b>
<b>Other Financing Sources (Uses):</b>								
Operating transfers in	134,965	-	207,721	-	-	-	(235,512)	107,174
Operating transfers out	-	(60,507)	-	(44,032)	(135,276)	-	235,512	(4,303)
<b>Total other financing sources (uses)</b>	<b>134,965</b>	<b>(60,507)</b>	<b>207,721</b>	<b>(44,032)</b>	<b>(135,276)</b>	<b>-</b>	<b>-</b>	<b>102,871</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance:</b>								
Beginning of year	-	-	-	-	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## **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, 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, 2004

	Treasurer's Office	Register of Wills and Recorder of Deeds	Prothonotary and Clerk of Courts	Sheriff	Prison	Domestic Relations	Total
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ 179,707	\$ 265,886	\$ 97,506	\$ 72,983	\$ 9,879	\$ 625,961
Accounts receivable - fines, at estimated realizable value	-	-	330,600	-	-	-	330,600
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 179,707</u>	<u>\$ 596,486</u>	<u>\$ 97,506</u>	<u>\$ 72,983</u>	<u>\$ 9,879</u>	<u>\$ 956,561</u>
<b>Liabilities</b>							
Due to other funds	\$ -	\$ 106,299	\$ 383,972	\$ 11,491	\$ -	\$ -	\$ 501,762
Due to other governments	-	72,693	12,602	4,800	-	-	90,095
Escrow liability	-	715	199,912	81,215	72,983	9,879	364,704
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ 179,707</u>	<u>\$ 596,486</u>	<u>\$ 97,506</u>	<u>\$ 72,983</u>	<u>\$ 9,879</u>	<u>\$ 956,561</u>

# COUNTY OF VENANGO, PENNSYLVANIA

## ALL AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED DECEMBER 31, 2004

	Balance at January 1, 2004	Additions	Deletions	Balance at December 31, 2004
<b>Treasurer</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 173,431	\$ 173,431	\$ -
<u>Liabilities</u>				
Due to other funds	\$ -	\$ 24,319	\$ 24,319	\$ -
Due to other governments	-	148,524	148,524	-
Escrow liability	-	588	588	-
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ 173,431</u>	<u>\$ 173,431</u>	<u>\$ -</u>
<b>Register of Wills and Recorder of Deeds</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 150,966	\$ 1,332,759	\$ 1,304,018	\$ 179,707
<u>Liabilities</u>				
Due to other funds	\$ 101,659	\$ 479,655	\$ 475,015	\$ 106,299
Due to other governments	48,242	845,959	821,508	72,693
Escrow liability and interest	1,065	7,145	7,495	715
<b>Total Liabilities</b>	<u>\$ 150,966</u>	<u>\$ 1,332,759</u>	<u>\$ 1,304,018</u>	<u>\$ 179,707</u>
<b>Prothonotary and Clerk of Courts</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 266,662	\$ 1,177,574	\$ 1,177,574	\$ 266,662
Accounts receivable - fines, at estimated realizable value	330,600	228,158	228,158	330,600
<b>Total Assets</b>	<u>\$ 597,262</u>	<u>\$ 1,405,732</u>	<u>\$ 1,405,732</u>	<u>\$ 597,262</u>
<u>Liabilities</u>				
Due to other funds	\$ 383,972	\$ 447,133	\$ 447,133	\$ 383,972
Due to other governments	11,550	81,504	81,504	11,550
Escrow liability	201,740	877,095	877,095	201,740
<b>Total Liabilities</b>	<u>\$ 597,262</u>	<u>\$ 1,405,732</u>	<u>\$ 1,405,732</u>	<u>\$ 597,262</u>

(Continued)

# COUNTY OF VENANGO, PENNSYLVANIA

## ALL AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED DECEMBER 31, 2004  
(Continued)

	Balance at January 1, 2004	Additions	Deletions	Balance at December 31, 2004
<b>Sheriff</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 86,429	\$ 779,998	\$ 768,921	\$ 97,506
<u>Liabilities</u>				
Due to other funds	\$ -	\$ 122,669	\$ 111,178	\$ 11,491
Due to other governments	12,799	9,151	17,150	4,800
Escrow liability	73,630	648,178	640,593	81,215
<b>Total Liabilities</b>	<u>\$ 86,429</u>	<u>\$ 779,998</u>	<u>\$ 768,921</u>	<u>\$ 97,506</u>
<b>Prison</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 54,987	\$ 362,623	\$ 344,627	\$ 72,983
<u>Liabilities</u>				
Escrow liability	\$ 54,987	\$ 362,623	\$ 344,627	\$ 72,983
<b>Domestic Relations</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 4,446	\$ 372,840	\$ 367,407	\$ 9,879
<u>Liabilities</u>				
Escrow liability	\$ 4,446	\$ 372,840	\$ 367,407	\$ 9,879

(Continued)

# COUNTY OF VENANGO, PENNSYLVANIA

## ALL AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED DECEMBER 31, 2004  
(Continued)

	Balance at January 1, 2004	Additions	Deletions	Balance at December 31, 2004
<b>Total all Agency Funds</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 563,490	\$ 4,199,225	\$ 4,135,978	\$ 626,737
Accounts receivable - fines, at estimated realizable value	330,600	228,158	228,158	330,600
<b>Total Assets</b>	<b>\$ 894,090</b>	<b>\$ 4,427,383</b>	<b>\$ 4,364,136</b>	<b>\$ 957,337</b>
<u>Liabilities</u>				
Due to other funds	\$ 485,631	\$ 1,073,776	\$ 1,057,645	\$ 501,762
Due to other governments	72,591	1,085,138	1,068,686	89,043
Escrow liability and interest	335,868	2,268,469	2,237,805	366,532
<b>Total Liabilities</b>	<b>\$ 894,090</b>	<b>\$ 4,427,383</b>	<b>\$ 4,364,136</b>	<b>\$ 957,337</b>

(Concluded)