

# COUNTY OF VENANGO, PENNSYLVANIA

PRIMARY GOVERNMENT FINANCIAL STATEMENTS  
AND  
REQUIRED SUPPLEMENTARY  
AND  
ADDITIONAL INFORMATION

YEAR ENDED DECEMBER 31, 2005

WITH

INDEPENDENT AUDITOR'S REPORT

---

**MAHER DUESSEL**

CERTIFIED PUBLIC ACCOUNTANTS



# COUNTY OF VENANGO, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2005

## TABLE OF CONTENTS

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

# COUNTY OF VENANGO, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2005

## TABLE OF CONTENTS

(Continued)

Page No.

### **Required Supplementary Information:**

#### Pension:

Schedule of Contributions from Employers and Other Contributing Entities	31
Note to Supplementary Schedule	32

### **Additional Information:**

### **Combining and Individual Fund Statements and Schedules:**

#### Human Services Fund:

Combining Balance Sheet	33
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	34

#### Other Governmental Funds:

Combining Balance Sheet	35
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	37

#### Transportation Fund:

Combining Balance Sheet	39
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	40

### **Agency Funds:**

Combining Balance Sheet	41
Combining Statement of Changes in Assets and Liabilities	42

**MAHER DUESSEL**  
CERTIFIED PUBLIC ACCOUNTANTS

THREE GATEWAY CENTER - SIX WEST  
PITTSBURGH, PA 15222  
(412) 471-5500  
(412) 471-5508 FAX

112 HOLLYWOOD DRIVE - SUITE 204  
BUTLER, PA 16001  
(724) 285-6800  
FAX (724) 285-6875

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, 2005, 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, 2005, 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 and depreciation expense 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, 2005, 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 August 3, 2006 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages i through xiv, is not a required part of the basic financial statements but is 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 31 and 32 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 an opinion on the financial statements that collectively comprise the financial statements of the County. The combining and individual other governmental 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 other governmental 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.



August 3, 2006

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**(THIS PAGE INTENTIONALLY LEFT BLANK)**

# **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 primary government financial statements (financial statements) this narrative overview and analysis of the financial activities of the County as of and for the year ended December 31, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements (pages 1 - 9) and the notes to the primary government financial statements (pages 10 - 30). 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 \$6.05 million at December 31, 2005. 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, 2005, unrestricted net assets were \$16.9 million or 45% of total expenditures.
- The County's real property tax rate was 6.112 mills for 2005 and 2004.
- Moody's Rating Committee assigned an Aaa rating to the County's 2003 and 2002 debt issues.
- The County recouped approximately \$680,000 related to the fraud loss experienced in 2003.

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

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

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

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

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

By doing so, readers may better understand the long-term impact of the 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 and 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 Primary Government 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 primary government financial statements can be found on pages 10 to 30 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 31 and 32 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 33 to 40 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table presents the change in net assets for the years ended December 31, 2005 and 2004:

### County of Venango Change in Net Assets Years Ended December 31, 2005 and 2004

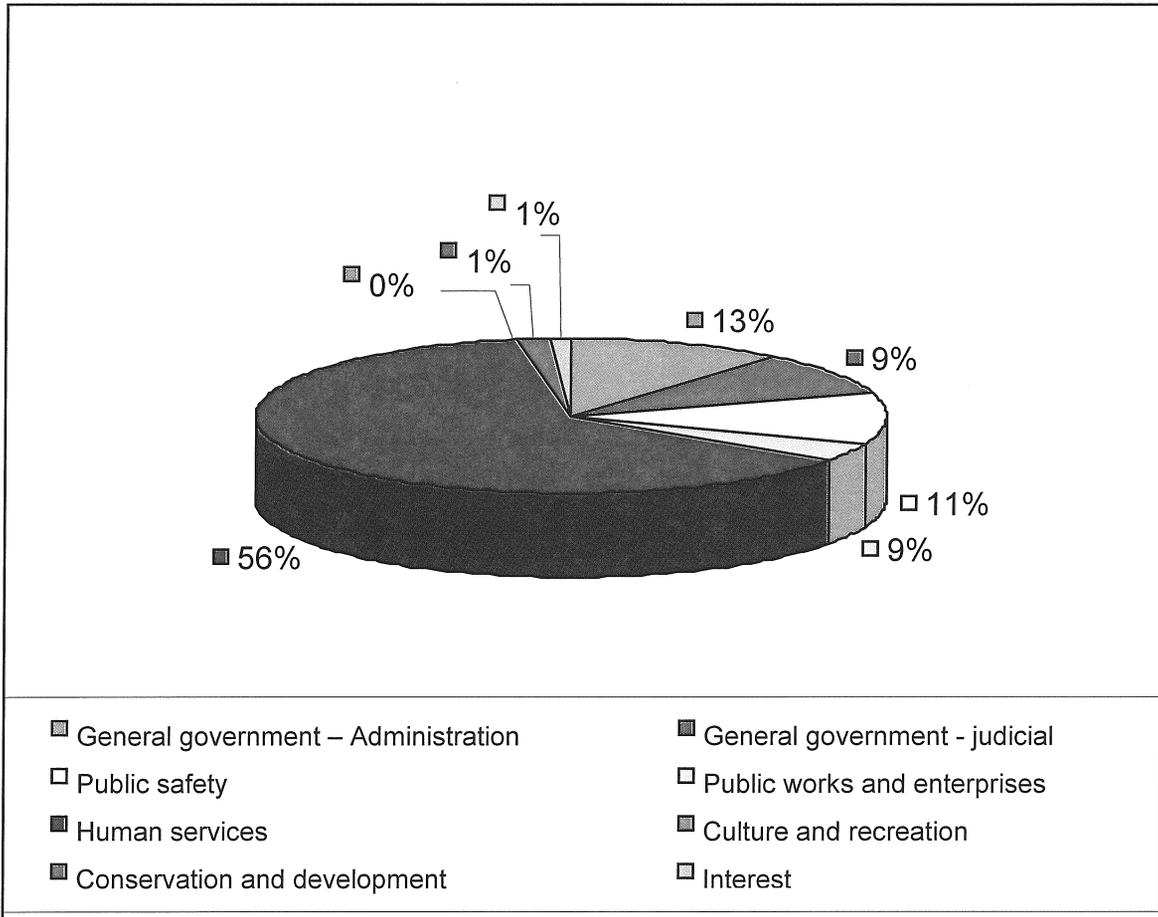
	<b>Governmental Activities</b>	
	<b>2005</b>	<b>2004</b>
Program revenues:		
Fees, fines, and charges for services	\$ 4,452,477	\$ 4,325,054
Operating grants and contributions	21,632,036	20,470,625
Capital grants	2,195,155	-
General revenues:		
Property taxes	9,888,261	9,109,881
Other taxes	535,746	451,780
Interest and investment income	592,453	466,154
Sale of capital assets	90,320	-
Other revenue	145,597	149,222
Total revenues	39,532,045	34,972,716
Program expenses:		
General government - administration	4,708,208	3,704,330
General government - judicial	3,182,300	2,990,416
Public safety	3,897,314	3,539,766
Public works and enterprises	3,271,923	1,294,311
Human services	20,754,957	20,672,090
Conservation and development	560,871	490,304
Interest	405,513	413,228
Total expenses	36,781,086	33,104,445
<b>Change in net assets</b>	2,750,959	1,868,271
Net assets, beginning	3,300,401	1,432,130
Net assets, ending	\$ 6,051,360	\$ 3,300,401

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## *PROGRAM EXPENSES*

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2005:

**County of Venango  
Government-Wide Program Expenses  
Total Expenses: \$36,781,086**



The largest area of expenses was Human Services which totaled \$20.8 million or 56% 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 \$4.7 million, General Government – Administration represented 13% of all expenses, followed by Public Safety with \$3.9 million in expenses representing 11% of expenses as well. The next largest area of expense was Public Works and Enterprises at \$3.3 million or 9% of the total followed by General Government – Judicial, with \$3.2 million in expenses, or 9%, Conservation and Development at \$.6 million or 1%, and interest payments on long term debt at \$.4 million or 1%.

# **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 Fund; Children and Youth Services; Substance Abuse Program; Mental Health, and Mental Retardation. Combining statements are found on pages 33 and 34.

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 other governmental funds can be found on pages 35 through 38.

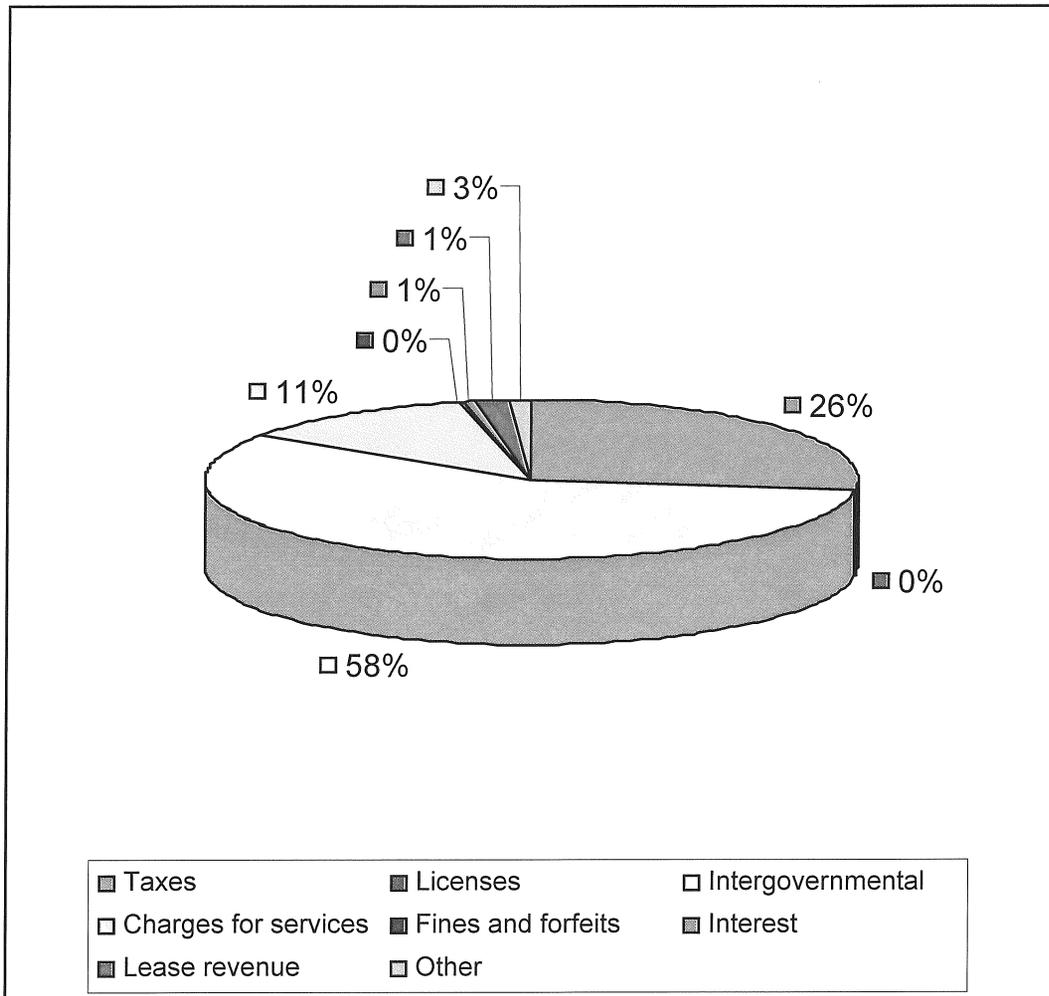
As mentioned earlier, the focus of the governmental funds is to provide information on the near-term inflows, outflows, and the balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved/undesignated fund balances may serve 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, 2005:

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds revenues, by source, for the year ended December 31, 2005 were:

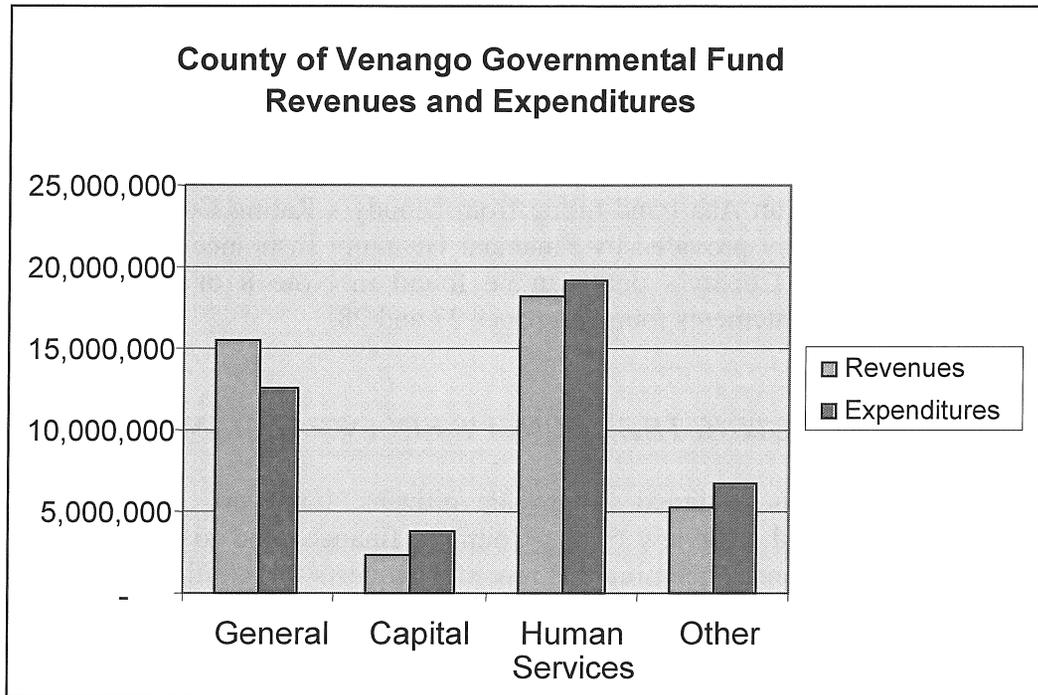
## County of Venango Governmental Fund Revenues Classified by Source Total Revenues: \$39,557,340



Governmental funds revenue totaled \$39.6 million for the year ending December 31, 2005, of which \$23 million (58%) came from Intergovernmental (Federal and State) Revenue. Taxes accounted for \$10.3 million (26%) in revenue. Charges for services reached \$4.2 million (11%) in revenue.

# 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, 2005:



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

The statement of revenues, expenditures, and changes in fund balance – budget to actual – General Fund for the year ended December 31, 2005 is found on page 7 of the financial statements.

Overall, the County had a favorable variance between the final budget and the actual net change in fund balance of \$1.6 million.

The County had a favorable variance between the final budget and actual revenue of approximately \$747,000. Favorable variances include excess tax revenue of approximately \$451,000 and excess intergovernmental revenue of approximately \$146,000.

The County had a favorable variance between the final budget and actual expenditures of approximately \$789,000. The majority of this variance occurred in the General Government – Administration function, which shows approximately \$427,000 in favorable variance. The variance is primarily due to favorable variances of:

- \$100,000 in professional fees due to favorable variances in: fiscal and tax claim;
- \$100,000 in insurance costs.

# COUNTY OF VENANGO, PENNSYLVANIA

## STATEMENT OF NET ASSETS

DECEMBER 31, 2005

	<u>Primary Government Governmental Activities</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 14,707,623
Advances receivable	200,043
Taxes receivable, net	1,519,848
Accounts and loans receivable, at estimated realizable value	1,268,515
Accounts receivable - fiduciary funds	479,061
Due from other governments	1,793,651
Prepays	83,593
Deferred bond costs	75,739
Lease receivable:	
Current	45,000
Non-current	5,429,661
<b>Total Assets</b>	<u>25,602,734</u>
<b>Liabilities</b>	
Accounts payable	2,676,891
Accrued payroll	382,420
Accrued interest payable	34,051
Due to other governments	511,445
Unearned revenue	3,569,471
Compensated absences, non-current	347,096
Bonds payable:	
Current	845,000
Non-current	11,185,000
<b>Total Liabilities</b>	<u>19,551,374</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	(12,030,000)
Restricted for highways and streets	1,152,296
Unrestricted:	
Lease receivable	5,474,661
Other unrestricted net assets	11,454,403
<b>Total Net Assets</b>	<u><u>\$ 6,051,360</u></u>

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2005

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions Capital Grants	
Primary government:				
Governmental activities:				
General government - administration	\$ 4,708,208	\$ 627,359	\$ 1,599,664	\$ (2,481,185)
General government - judicial	3,182,300	1,815,883	145,948	(1,220,469)
Public safety	3,897,314	807,397	538,502	(2,551,415)
Public works and enterprises	3,271,923	796,343	-	(517,319)
Human services	20,754,957	405,495	19,347,922	(1,001,540)
Conservation and development	560,871	-	236,894	(323,977)
Interest	405,513	-	-	(405,513)
Total governmental activities	\$ 36,781,086	\$ 4,452,477	\$ 21,632,036	\$ (8,501,418)
General revenues:				
Property taxes				9,888,261
Other taxes				535,746
Interest and investment income				592,453
Sale of capital assets				90,320
Other				145,597
Total general revenues				11,252,377
Change in net assets				2,750,959
Net Assets:				
Beginning of year				3,300,401
End of year				\$ 6,051,360

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

## BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2005

	General Fund	Capital Projects Fund	Human Services Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 4,680,551	\$ 2,596,393	\$ 3,234,023	\$ 4,196,656	\$ 14,707,623
Advances receivable	-	-	200,043	-	200,043
Taxes receivable, net	1,519,848	-	-	-	1,519,848
Accounts receivable, net of allowance for uncollectibles	805,765	-	220,427	242,323	1,268,515
Due from other funds	1,532,027	-	264,913	193,692	1,990,632
Due from other governments	16,148	-	1,371,037	406,466	1,793,651
Prepays	-	-	31,459	52,134	83,593
Lease receivable:					
Current	-	45,000	-	-	45,000
Non-current	-	5,429,661	-	-	5,429,661
<b>Total Assets</b>	<b>\$ 8,554,339</b>	<b>\$ 8,071,054</b>	<b>\$ 5,321,902</b>	<b>\$ 5,091,271</b>	<b>\$ 27,038,566</b>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 611,283	\$ -	\$ 1,433,687	\$ 631,921	\$ 2,676,891
Accrued payroll	183,523	-	171,394	27,503	382,420
Due to other funds	212,932	-	1,175,559	123,080	1,511,571
Due to other governments	-	-	-	511,445	511,445
Deferred revenue	1,610,625	5,474,661	2,374,347	1,132,668	10,592,301
<b>Total Liabilities</b>	<b>2,618,363</b>	<b>5,474,661</b>	<b>5,154,987</b>	<b>2,426,617</b>	<b>15,674,628</b>
<b>Fund Balance:</b>					
Reserved:					
Program	-	-	135,456	66,873	202,329
Prepays	-	-	31,459	52,134	83,593
Unreserved, designated for capital projects	-	2,596,393	-	-	2,596,393
Unreserved, undesignated reported in:					
General Fund	5,935,976	-	-	-	5,935,976
Special Revenue Funds	-	-	-	2,545,647	2,545,647
<b>Total Fund Balance</b>	<b>5,935,976</b>	<b>2,596,393</b>	<b>166,915</b>	<b>2,664,654</b>	<b>11,363,938</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 8,554,339</b>	<b>\$ 8,071,054</b>	<b>\$ 5,321,902</b>	<b>\$ 5,091,271</b>	<b>\$ 27,038,566</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, 2005

**Total Fund Balance - Governmental Funds** \$ 11,363,938

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

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.

5,474,661

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.

1,548,169

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.

75,739

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	(347,096)
Bonds payable	(12,030,000)
Accrued interest on debt	<u>(34,051)</u>

(12,411,147)

**Total Net Assets - Governmental Activities**

\$ 6,051,360

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, 2005

	General Fund	Capital Projects Fund	Human Services Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 10,278,239	\$ -	\$ -	\$ -	\$ 10,278,239
Licenses	33,722	-	-	-	33,722
Intergovernmental	1,549,068	-	17,672,854	3,762,671	22,984,593
Charges for services	2,215,665	-	278,175	1,735,463	4,229,303
Fines and forfeits	131,429	-	-	58,023	189,452
Interest	131,981	65,028	47,646	69,181	313,836
Lease revenue	-	540,000	-	-	540,000
Other	732,577	-	224,928	30,690	988,195
<b>Total revenues</b>	<b>15,072,681</b>	<b>605,028</b>	<b>18,223,603</b>	<b>5,656,028</b>	<b>39,557,340</b>
<b>Expenditures:</b>					
General government - administration	4,685,137	-	-	14,053	4,699,190
General government - judicial	2,660,199	-	-	522,534	3,182,733
Public safety	3,117,499	-	-	780,511	3,898,010
Public works and enterprises	419,930	-	-	2,852,085	3,272,015
Human services	71,473	-	18,974,649	1,709,819	20,755,941
Conservation and development	312,063	-	-	248,844	560,907
Capital projects	-	1,200	-	-	1,200
Debt service	-	1,140,513	-	-	1,140,513
<b>Total expenditures</b>	<b>11,266,301</b>	<b>1,141,713</b>	<b>18,974,649</b>	<b>6,127,846</b>	<b>37,510,509</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>3,806,380</b>	<b>(536,685)</b>	<b>(751,046)</b>	<b>(471,818)</b>	<b>2,046,831</b>
<b>Other Financing Sources (Uses):</b>					
Sale of fixed assets	79,556	-	6,226	4,538	90,320
Transfers in	898,362	613,245	1,144,274	596,918	3,252,799
Transfers out	(2,093,339)	(382,559)	(432,113)	(344,788)	(3,252,799)
<b>Total other financing sources (uses)</b>	<b>(1,115,421)</b>	<b>230,686</b>	<b>718,387</b>	<b>256,668</b>	<b>90,320</b>
<b>Net Change in Fund Balance</b>	<b>2,690,959</b>	<b>(305,999)</b>	<b>(32,659)</b>	<b>(215,150)</b>	<b>2,137,151</b>
<b>Fund Balance:</b>					
Beginning of year	3,245,017	2,902,392	199,574	2,879,804	9,226,787
End of year	<u>\$ 5,935,976</u>	<u>\$ 2,596,393</u>	<u>\$ 166,915</u>	<u>\$ 2,664,654</u>	<u>\$ 11,363,938</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, 2005

<b>Net Change in Fund Balance - Governmental Funds</b>	\$ 2,137,151
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 changed by this amount during the year.	145,768
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.	726,812
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.	(261,383)
In the statement of activities, certain operating expenses - accumulated employee benefits (workers' compensation and sick days) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used.	<u>2,611</u>
<b>Change in Net Assets of Governmental Activities</b>	<u><u>\$ 2,750,959</u></u>

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, 2005

	Budgeted Amounts		Actual amounts (Budgetary Basis)	Variance with
	Original	Final	(See Note 2)	Final Budget
<b>Revenues:</b>				
Taxes	\$ 9,523,300	\$ 9,523,300	\$ 9,974,711	\$ 451,411
Licenses	32,820	32,820	33,255	435
Intergovernmental	1,286,114	744,614	776,822	32,208
Charges for services	2,071,016	2,040,453	2,185,996	145,543
Fines and forfeits	88,675	88,675	135,681	47,006
Interest	24,275	24,275	95,695	71,420
Other	100,662	43,662	42,767	(895)
Total revenues	13,126,862	12,497,799	13,244,927	747,128
<b>Expenditures:</b>				
Current:				
General government - administration	5,924,996	4,987,587	4,560,624	426,963
General government - judicial	3,187,290	3,261,394	3,052,697	208,697
Public safety	3,093,849	3,158,572	3,034,648	123,924
Public works and enterprises	415,035	422,194	408,770	13,424
Human services	77,143	76,918	69,574	7,344
Conservation and development	314,917	312,325	303,770	8,555
Total expenditures	13,013,230	12,218,990	11,430,083	788,907
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	113,632	278,809	1,814,844	1,536,035
<b>Other Financing Sources (Uses):</b>				
Sale of fixed assets	-	-	79,556	79,556
Transfers in	1,521,177	1,274,325	1,308,308	33,983
Transfers out	(1,928,289)	(1,911,299)	(1,993,339)	(82,040)
Total other financing sources (uses)	(407,112)	(636,974)	(605,475)	31,499
<b>Net Change in Fund Balance</b>	\$ (293,480)	\$ (358,165)	\$ 1,209,369	\$ 1,567,534

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

## STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS

DECEMBER 31, 2005

	Pension Trust Fund	Agency Funds	Total
<hr/> <b>Assets</b> <hr/>			
Cash and cash equivalents	\$ 2,651,283	\$ 577,062	\$ 3,228,345
Investments:			
Registered investment companies	11,493,494	-	11,493,494
Common stock	24,237,150	-	24,237,150
Accounts receivable and fines, at estimated realizable value	-	330,600	330,600
<b>Total Assets</b>	<u>38,381,927</u>	<u>907,662</u>	<u>39,289,589</u>
 <hr/> <b>Liabilities</b> <hr/>			
Due to other funds	-	479,061	479,061
Due to other governments	-	86,789	86,789
Escrow liability and interest	-	341,812	341,812
<b>Total Liabilities</b>	<u>-</u>	<u>907,662</u>	<u>907,662</u>
<b>Net Assets Held in Trust for Pension Benefits</b>	<u>\$ 38,381,927</u>	<u>\$ -</u>	<u>\$ 38,381,927</u>

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

## STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2005

	<u>Trust Funds</u>
<b>Additions:</b>	
<hr/>	
Contributions:	
Employee	\$ 761,268
Investment income:	
Net appreciation in fair value of investments	303,956
Interest and dividends	<u>999,725</u>
Total investment income	1,303,681
Investment expense	<u>100,090</u>
Net investment income	<u>1,203,591</u>
Total additions	<u>1,964,859</u>
<b>Deductions:</b>	
<hr/>	
Benefits and refunds paid to plan members and beneficiaries	1,381,998
Administrative expense	<u>38,721</u>
Total deductions	<u>1,420,719</u>
<b>Increase in Net Assets</b>	544,140
<b>Net Assets:</b>	
<hr/>	
Beginning of year	<u>37,837,787</u>
End of year	<u><u>\$ 38,381,927</u></u>

See accompanying notes to financial statements.

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

---

### 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.
-

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

---

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 and the County does not appoint any board members. Separate audited financial statements are available from the Agency located at P.O. Box 128, Oil City, PA 16301.

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

### 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.

---

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

---

### 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.

### Oil Region Alliance

The Oil Region Alliance (ORA) 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. In addition, the ORA promotes and directs other recreational and economic revitalization projects. The ORA 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. The ORA 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.

---

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

---

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:

---

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

---

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.

---

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

---

### 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, 2005 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

---

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

---

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 PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

---

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

---

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

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)	\$ 2,690,959
Adjustment to reconcile accounts and real estate taxes receivable to budgetary basis	(915,541)
Adjustment to reconcile prepaids and accounts and wages payable to budgetary basis	299,413
The Operating Reserve fund is reported within the General Fund but is budgeted as a separate fund.	(812,213)
Domestic Relations Fund is budgeted in the General Fund but is presented separately as a non-major governmental fund	<u>(53,249)</u>
Net change in fund balance - General Fund budgetary basis (cash basis)	<u>\$ 1,209,369</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 PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

---

- 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.

GASB Statement No. 40, “*Deposit and Investment Risk Disclosures*,” requires disclosures related to the following deposit and investment risks: credit risk (including custodial credit risk and concentrations of credit risk), interest rate risk, and foreign currency risk, to the extent they are applicable to the deposits and investments held by the County.

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

- United States Treasury bills.
  - Obligations of the United States government or its agents or instrumentalities.
  - Deposits in savings or time accounts or share accounts of financial institutions having their principal place of business in the Commonwealth of Pennsylvania and are insured by the FDIC, FSLIC, NCUSIF, PDIC, or PSAIC and, for any amounts above the insured maximum, are collateralized as provided by law.
-

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

---

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

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

### Deposits

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

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's formal policy for custodial credit risk is described above. Of the bank balance of \$15,227,032 at December 31, 2005, \$425,239 was covered by federal depository insurance. The remaining balance of \$14,801,793 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. These deposits, with carrying amounts as of December 31, 2005, of \$14,707,623 are reported as cash and cash equivalents in the statement of net assets.

### Agency Fund

The County maintains bank accounts for the elected row officers and other County offices. The balance of these accounts is reflected in the statement of fiduciary net assets. Receipts and disbursements for these programs were \$4,539,098 and \$4,588,773, respectively for the year December 31, 2005. The carrying amount of deposits for the row offices and other County offices was \$577,062, and the bank balance was \$616,850. Of the bank balance, \$73,716 was covered by federal depository insurance. The remaining balance of \$543,134 was collateralized in accordance with Act 72 of the Pennsylvania state legislature which requires the institution to pool collateral for all governmental deposits and has the collateral held by an approved custodian in the institution's name.

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

### Pension Trust Fund

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

As of December 31, 2005, the County Pension Trust Fund held the following investments:

<u>Cash or Investment Type</u>	<u>Fair Market Value</u>	<u>Investment Maturities (In Years) from December 31</u>			
		<u>Less than 1 year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 years</u>
Bond Mutual Funds	\$ 1,034,373	\$ 1,034,373	\$ -	\$ -	\$ -
Government Bonds	99,763	-	99,763	-	-
Corporate Bonds	3,381,247	202,492	1,130,386	823,251	1,225,118
Federal National Mortgage Association	1,063,146	-	412,435	-	650,711
U.S. government and agency securities:					
U.S. Treasury Notes	4,176,881	328,928	3,077,019	770,934	-
U.S. Treasury Bonds	597,070	-	-	-	597,070
Asset backed securities	444,452	201,562	242,890	-	-
Federal Home Loan Mortgage	398,562	-	53,625	-	344,937
Other governmental strips	298,000	-	-	-	298,000
<b>Total debt securities</b>	<u>11,493,494</u>	<u>\$ 1,767,355</u>	<u>\$5,016,118</u>	<u>\$ 1,594,185</u>	<u>\$3,115,836</u>
Cash and cash equivalents	2,651,283				
Common stock	<u>24,237,150</u>				
<b>Total cash and other investments</b>	<u>26,888,433</u>				
<b>Total Pension Trust Fund cash, cash equivalents, and investments reported on statement of fiduciary net assets</b>	<u>\$38,381,927</u>				

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

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

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

marketable. The pension investment policy limits its deposit and investment choices to the following:

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

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

*Short Term Cash:* Funds must be deposited in a money market fund, an interest bearing account, or in 30-day treasuries. No more than \$100,000 is to be on deposit with any single institution, and no instrument of deposit will carry a maturity greater than 180 days, and the institution must be FDIC insured

As of December 31, 2005, the County's Pension Trust Fund investments in corporate bonds have received the following ratings from Moody's:

Investment Type	Moody's Rating	Percentage of Total Pension Trust Fund Corporate Bonds
Corporate Bonds	Aaa	52%
Corporate Bonds	Aa1	0%
Corporate Bonds	Aa2	8%
Corporate Bonds	Aa3	14%
Corporate Bonds	A1	14%
Corporate Bonds	A2	2%
Corporate Bonds	A3	3%
Corporate Bonds	Baa1	1%
Corporate Bonds	Baa2	1%
Corporate Bonds	Baa3	1%
Corporate Bonds	Unrated	4%
		100%

*Custodial Credit Risk* - For deposits and investments, custodial credit risk is the risk that in the event of the failure of the bank or counterparty, the Pension Trust Funds will not be able to recover the value of their deposits or investments or collateral securities that are in the possession of an outside entity. The County's Pension Trust Fund does not have a formal deposit or investment policy for custodial credit risk. The County's Pension Trust Fund investments in mutual funds cannot be classified by risk category because they are not

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

---

evidenced by securities that exist in physical or book entry form. As of December 31, 2005, the County's Pension Trust Fund bank balance was \$2,676,718 and the carrying amount was \$2,651,283. Of the bank balance, \$2,624,180 was exposed to custodial credit risk. All of the County's Pension Trust Fund investments were uninsured and held by the counterparty, or by the counterparty's trust department or agent but not in the County's name

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

#### 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 2005, County real estate taxes were levied at the rate of 6.112 mills on assessed valuation. Total assessed valuation for non-exempt properties in 2005 was approximately \$1,870,000,000.

All taxes receivables are shown net of an allowance for uncollectibles. Uncollected real estate taxes at December 31, 2005, including delinquent amounts, interest, and penalties, were \$1,738,546. Of this amount, approximately \$218,698 was considered uncollectible at December 31, 2005 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, 2005 is as follows:

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

	Gross Receivable	Allowance for Uncollectibles	Net Receivable
<b>Governmental activities:</b>			
Property taxes receivable	\$ 1,738,546	\$ 218,698	\$ 1,519,848
Fraud loss	\$ 1,499,912	\$ 1,499,912	\$ -
Court related receivables (portion of internal balances)	\$ 2,553,016	\$ 2,222,416	\$ 330,600

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

Individual fund receivable and payable balances at December 31, 2005, as well as interfund transfers for the year ended December 31, 2005 were as follows:

Funds	Interfund Receivables	Interfund Payables	Transfers In	Transfers Out
<b>Governmental Activities:</b>				
General	\$ 1,532,027	\$ 212,932	\$ 898,362	\$ 2,093,339
Capital Projects	-	-	613,245	382,559
Human Services	264,913	1,175,559	1,144,274	432,113
Other governmental funds	193,692	123,080	596,918	344,788
<b>Fiduciary Funds:</b>				
Agency Funds	-	479,061	-	-
	\$ 1,990,632	\$ 1,990,632	\$ 3,252,799	\$ 3,252,799

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

### 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

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

---

Pennsylvania. The Plan is reported as the Employees' Retirement Fund in the accompanying financial statements. Separate Plan financial statements are not available.

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

At January 1, 2005, the date of the most recent valuation, participants in the Plan were as follows:

Participants:	
Retirees and beneficiaries	209
Deferred vested	32
Active employees:	
Vested	111
Nonvested	202

### 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.

### 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.

---

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

---

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.

In 2005, the County was not required to make a contribution to the plan as determined by the January 1, 2005 actuarial valuation. The 2005 employee contributions were \$761,268.

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		1/1/2005
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 4 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, 2005.

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

---

### Trend Information

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
12/31/2003	\$ -	100.0%	\$ -
12/31/2004	-	100.0%	-
12/31/2005	-	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 PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

Years	Principal	Interest	Total
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
2010	940,000	298,428	1,238,428
2011-2015	5,180,000	986,569	6,166,569
2016-2020	2,405,000	189,922	2,594,922
	\$ 12,030,000	\$ 2,916,638	\$ 14,946,638

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2005 was as follows:

	Balance at December 31, 2004	Issuances/ Additions	Refundings/ Payments	Balance at December 31, 2005	Due Within One Year
Compensated absences	\$ 349,707	\$ -	\$ (2,611)	\$ 347,096	\$ -
Bond Series:					
2002	7,885,000	-	(340,000)	7,545,000	450,000
2003	4,880,000	-	(395,000)	4,485,000	395,000
Long-term liabilities	\$ 13,114,707	\$ -	\$ (737,611)	\$ 12,377,096	\$ 845,000

## 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, 2005:

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

---

2006	\$ 540,000
2007	540,000
2008	540,000
2009	540,000
2010	540,000
Subsequent	<u>4,700,000</u>
Future minimum lease payments for sale-leaseback agreement	7,400,000
Discounted to present value	<u>(1,925,339)</u>
Present value of minimum lease payments	<u>\$ 5,474,661</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 criminal charges in connection with the misappropriation. The County pursued recovery of the misappropriated funds through civil action against the investment advisor, insurance company, prior auditor, banks, elected officials, and others.

As part of the settlement, the County assumed responsibility for paying for the legal defense of the elected officials who were sued. During 2006, the County recouped approximately \$680,000, and approximately \$115,000 in legal costs were paid on behalf of former and current elected officials. At December 31, 2005, these amounts are recorded as receivable and payable, respectively.

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

The County has been named in other cases and complaints. There are numerous matters involving prisoners at the Venango County Jail and various items that have occurred in the normal course of business. These matters are currently being reviewed by the County, as

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2005

---

well as the County's insurance carrier and legal counsel. No determination as to the likelihood of loss or the range of loss can be determined at this time; therefore, no loss provisions have been included in the accompanying financial statements.

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

## REQUIRED SUPPLEMENTARY INFORMATION

**(THIS PAGE INTENTIONALLY LEFT BLANK)**

# 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>
2000	\$ -	N/A
2001	-	N/A
2002	-	N/A
2003	-	N/A
2004	-	N/A
2005	-	N/A

N/A = Not Applicable

See accompanying note to supplementary schedule.

# COUNTY OF VENANGO, PENNSYLVANIA

## NOTE TO SUPPLEMENTARY SCHEDULE

DECEMBER 31, 2005

---

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	1/1/2005
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 4 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

**(THIS PAGE INTENTIONALLY LEFT BLANK)**

## **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.

**(THIS PAGE INTENTIONALLY LEFT BLANK)**

# COUNTY OF VENANGO, PENNSYLVANIA

## HUMAN SERVICES FUND COMBINING BALANCE SHEET

DECEMBER 31, 2005

	Area Agency on Aging	Retired Senior Volunteer Program	Children and Youth Services	Substance Abuse	Mental Health	Mental Retardation	Eliminations	Total Human Services Funds
<b>Assets</b>								
Cash and cash equivalents	\$ 846,139	\$ 17,794	\$ 66,276	\$ 170,998	\$ 59,120	\$ 2,073,696	\$ -	\$ 3,234,023
Advances receivable	-	-	-	-	24,191	175,852	-	200,043
Accounts receivable, net of allowance for uncollectibles	8,079	-	147,438	49,474	9,504	5,932	-	220,427
Due from other funds	15,025	34	105,810	27,341	236,017	99,747	(219,061)	264,913
Due from other governments	62,686	-	1,142,343	73,648	16,252	76,108	-	1,371,037
Prepays	-	-	31,459	-	-	-	-	31,459
<b>Total Assets</b>	<b>\$ 931,929</b>	<b>\$ 17,828</b>	<b>\$ 1,493,326</b>	<b>\$ 321,461</b>	<b>\$ 345,084</b>	<b>\$ 2,431,335</b>	<b>\$ (219,061)</b>	<b>\$ 5,321,902</b>
<b>Liabilities and Fund Balance</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 58,900	\$ 1,852	\$ 398,016	\$ 68,402	\$ 89,126	\$ 817,391	\$ -	\$ 1,433,687
Accrued payroll	29,401	1,630	47,541	11,578	26,396	54,848	-	171,394
Due to other funds	195,464	-	971,285	-	8,810	219,061	(219,061)	1,175,559
Deferred revenue	642,471	252	32,305	138,532	220,752	1,340,035	-	2,374,347
<b>Total Liabilities</b>	<b>926,236</b>	<b>3,734</b>	<b>1,449,147</b>	<b>218,512</b>	<b>345,084</b>	<b>2,431,335</b>	<b>(219,061)</b>	<b>5,154,987</b>
<b>Fund Balance:</b>								
Reserved:								
Program	5,693	14,094	12,720	102,949	-	-	-	135,456
Prepays	-	-	31,459	-	-	-	-	31,459
<b>Total Fund Balance</b>	<b>5,693</b>	<b>14,094</b>	<b>44,179</b>	<b>102,949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>166,915</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 931,929</b>	<b>\$ 17,828</b>	<b>\$ 1,493,326</b>	<b>\$ 321,461</b>	<b>\$ 345,084</b>	<b>\$ 2,431,335</b>	<b>\$ (219,061)</b>	<b>\$ 5,321,902</b>

# COUNTY OF VENANGO, PENNSYLVANIA

## HUMAN SERVICES FUND

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

YEAR ENDED DECEMBER 31, 2005

	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	\$ 1,742,209	\$ 58,341	\$ 6,404,560	\$ 848,221	\$ 2,016,408	\$ 6,603,115	\$ -	\$ 17,672,854
Charges for services	2,129	-	222,022	47,640	-	6,384	-	278,175
Interest	127	-	669	3,614	4,060	39,176	-	47,646
Other	15,342	789	164,582	-	22,687	21,528	-	224,928
Total revenues	1,759,807	59,130	6,791,833	899,475	2,043,155	6,670,203	-	18,223,603
<b>Expenditures:</b>								
Human services	1,598,950	58,684	7,540,801	1,012,255	2,031,470	6,732,489	-	18,974,649
Excess (Deficiency) of Revenues Over Expenditures	160,857	446	(748,968)	(112,780)	11,685	(62,286)	-	(751,046)
<b>Other Financing Sources (Uses):</b>								
Sale of fixed assets	-	-	11	4,578	248	1,389	-	6,226
Transfers in	32,538	-	971,147	76,794	137,949	142,263	(216,417)	1,144,274
Transfers out	(193,279)	-	(196,747)	(27,256)	(149,882)	(81,366)	216,417	(432,113)
Total other financing sources (uses)	(160,741)	-	774,411	54,116	(11,685)	62,286	-	718,387
Net Change in Fund Balance	116	446	25,443	(58,664)	-	-	-	(32,659)
<b>Fund Balance:</b>								
Beginning of year	5,577	13,648	18,736	161,613	-	-	-	199,574
End of year	\$ 5,693	\$ 14,094	\$ 44,179	\$ 102,949	\$ -	\$ -	\$ -	\$ 166,915

## 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.

**(THIS PAGE INTENTIONALLY LEFT BLANK)**

# COUNTY OF VENANGO, PENNSYLVANIA

## OTHER GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

DECEMBER 31, 2005

	Special Revenue Funds									
	Liquid Fuels	Affordable Housing Program	Airport	Hazardous Materials	911	Planning Commission	Court Constable	Offender ID	County Records Improvement	Prothonotary Automation
	\$ 1,158,127	\$ 364,585	\$ 693,460	\$ 29,960	\$ 488,662	\$ 16,181	\$ 140,496	\$ 32,020	\$ 47,974	\$ 42,642
	-	-	27,776	300	49,003	-	-	6,928	-	-
	-	3,825	-	-	-	-	317	1,385	1,410	503
	-	-	274,576	-	-	-	-	-	-	-
	-	-	52,134	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,158,127</b>	<b>\$ 368,410</b>	<b>\$ 1,047,946</b>	<b>\$ 30,260</b>	<b>\$ 537,665</b>	<b>\$ 16,181</b>	<b>\$ 140,813</b>	<b>\$ 40,333</b>	<b>\$ 49,384</b>	<b>\$ 43,145</b>
<b>Liabilities and Fund Balance</b>										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ 503,356	\$ 789	\$ 31,977	\$ -	\$ 5,218	\$ 136	\$ -	\$ -
Accrued payroll	-	-	-	-	13,453	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Due to other governments	5,831	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	600	29,471	391,617	-	-	-	-	-
<b>Total Liabilities</b>	<b>5,831</b>	<b>-</b>	<b>503,956</b>	<b>30,260</b>	<b>437,047</b>	<b>-</b>	<b>5,218</b>	<b>136</b>	<b>-</b>	<b>-</b>
Fund Balance:										
Reserved:										
Program	-	-	-	-	-	-	-	-	-	-
Prepays	-	-	52,134	-	-	-	-	-	-	-
Unreserved, undesignated	1,152,296	368,410	491,856	-	100,618	16,181	135,595	40,197	49,384	43,145
<b>Total Fund Balance</b>	<b>1,152,296</b>	<b>368,410</b>	<b>543,990</b>	<b>-</b>	<b>100,618</b>	<b>16,181</b>	<b>135,595</b>	<b>40,197</b>	<b>49,384</b>	<b>43,145</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,158,127</b>	<b>\$ 368,410</b>	<b>\$ 1,047,946</b>	<b>\$ 30,260</b>	<b>\$ 537,665</b>	<b>\$ 16,181</b>	<b>\$ 140,813</b>	<b>\$ 40,333</b>	<b>\$ 49,384</b>	<b>\$ 43,145</b>

(Continued)

# COUNTY OF VENANGO, PENNSYLVANIA

## OTHER GOVERNMENTAL FUNDS COMBINING BALANCE SHEET (Continued)

DECEMBER 31, 2005

	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	
\$ (34,048)	\$ (16,237)	\$ 91,032	\$ (12,707)	\$ 186,020	\$ 515,389	\$ 62,815	\$ 367,244	\$ 3,973	\$ 19,068	\$ 4,196,656	
-	-	-	12,805	-	12,865	-	28,634	-	104,012	242,323	
-	1,665	443	1,119	20,019	162,921	10	-	75	-	193,692	
40,156	90,240	-	-	853	641	-	-	-	-	406,466	
-	-	-	-	-	-	-	-	-	-	52,134	
\$ 6,108	\$ 75,668	\$ 91,475	\$ 1,217	\$ 206,892	\$ 691,816	\$ 62,825	\$ 395,878	\$ 4,048	\$ 123,080	\$ 5,091,271	
<b>Liabilities and Fund Balance</b>											
<b>Liabilities:</b>											
\$ 1,740	\$ 12,356	\$ 8,750	\$ 68	\$ 11,231	\$ 56,300	\$ -	\$ -	\$ -	\$ -	\$ 631,921	
1,681	4,544	1,115	1,124	2,059	3,527	-	-	-	-	27,503	
-	-	-	-	-	-	-	-	-	123,080	123,080	
-	-	81,610	-	28,126	-	-	395,878	-	-	511,445	
2,687	58,768	-	25	17,511	631,989	-	-	-	-	1,132,668	
6,108	75,668	91,475	1,217	58,927	691,816	-	395,878	-	123,080	2,426,617	
<b>Fund Balance:</b>											
<b>Reserved:</b>											
-	-	-	-	-	-	62,825	-	4,048	-	66,873	
-	-	-	-	-	-	-	-	-	-	52,134	
-	-	-	-	147,965	-	-	-	-	-	2,545,647	
-	-	-	-	147,965	-	-	-	4,048	-	2,664,654	
\$ 6,108	\$ 75,668	\$ 91,475	\$ 1,217	\$ 206,892	\$ 691,816	\$ 62,825	\$ 395,878	\$ 4,048	\$ 123,080	\$ 5,091,271	

(Concluded)

# COUNTY OF VENANGO, PENNSYLVANIA

## OTHER GOVERNMENTAL FUNDS

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

FOR THE YEAR ENDED DECEMBER 31, 2005

	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	\$ 357,673	\$ -	\$ 1,600,568	\$ 3,703	\$ 51,343	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	52,338	533,802	6,653	557,946	-	35,350	35,175	18,202	-
Fines and forfeits	-	-	-	-	-	-	58,023	-	-	-
Interest	25,181	8,617	1,141	623	2,542	364	2,763	625	1,405	881
Other	-	-	17,823	-	10,000	-	-	-	-	-
<b>Total revenues</b>	<b>382,854</b>	<b>60,955</b>	<b>2,153,334</b>	<b>10,979</b>	<b>621,831</b>	<b>364</b>	<b>96,136</b>	<b>35,800</b>	<b>19,607</b>	<b>881</b>
<b>Expenditures:</b>										
General government - administration	-	-	-	-	-	-	-	-	14,053	-
General government - judicial	-	-	-	-	-	-	39,807	17,964	-	4,907
Public safety	-	-	-	10,979	769,532	-	-	-	-	-
Public works and enterprises	229,191	-	2,622,894	-	-	-	-	-	-	-
Human services	-	35,339	-	-	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	1,714	-	-	-	-
<b>Total expenditures</b>	<b>229,191</b>	<b>35,339</b>	<b>2,622,894</b>	<b>10,979</b>	<b>769,532</b>	<b>1,714</b>	<b>39,807</b>	<b>17,964</b>	<b>14,053</b>	<b>4,907</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>153,663</b>	<b>25,616</b>	<b>(469,560)</b>	<b>-</b>	<b>(147,701)</b>	<b>(1,350)</b>	<b>56,329</b>	<b>17,836</b>	<b>5,554</b>	<b>(4,026)</b>
<b>Other Financing Sources (Uses):</b>										
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	81,334	-	220,594	-	-	-	-	-
Transfers out	(9,894)	(16,218)	(85,334)	-	-	-	(17,532)	-	(29,818)	(1,173)
<b>Total other financing sources (uses)</b>	<b>(9,894)</b>	<b>(16,218)</b>	<b>(4,000)</b>	<b>-</b>	<b>220,594</b>	<b>-</b>	<b>(17,532)</b>	<b>-</b>	<b>(29,818)</b>	<b>(1,173)</b>
<b>Net Change in Fund Balance</b>	<b>143,769</b>	<b>9,398</b>	<b>(473,560)</b>	<b>-</b>	<b>72,893</b>	<b>(1,350)</b>	<b>38,797</b>	<b>17,836</b>	<b>(24,264)</b>	<b>(5,199)</b>
<b>Fund Balance:</b>										
Beginning of year	1,008,527	359,012	1,017,550	-	27,725	17,531	96,798	22,561	73,648	48,344
End of year	\$ 1,152,296	\$ 368,410	\$ 543,990	\$ -	\$ 100,618	\$ 16,181	\$ 135,595	\$ 40,197	\$ 49,384	\$ 43,145

(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, 2005

	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	236,914	355,205	81,524	42,007	283,980	749,754	-	-	-	-	3,762,671
Charges for services	-	-	-	25,065	-	49,242	-	-	675	421,015	1,735,463
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	58,023
Interest	263	1,544	741	-	3,633	11,568	-	-	82	-	69,181
Other	-	1,139	-	-	1,171	-	-	-	-	557	30,690
Total revenues	237,177	357,888	82,265	42,007	313,849	810,564	7,208	-	757	421,572	5,656,028
<b>Expenditures:</b>											
General government - administration	-	-	-	-	-	-	-	-	-	-	14,053
General government - judicial	-	-	-	-	-	-	-	-	-	459,856	522,534
Public safety	-	-	-	-	-	-	-	-	-	-	780,511
Public works and enterprises	-	-	-	-	-	-	-	-	-	-	2,852,085
Human services	-	316,020	80,512	37,435	237,079	1,003,119	315	-	-	-	1,709,819
Conservation and development	247,130	-	-	-	-	-	-	-	-	-	248,844
Total expenditures	247,130	316,020	80,512	37,435	237,079	1,003,119	315	-	-	459,856	6,127,846
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(9,953)	41,868	1,753	4,572	76,770	(192,555)	6,893	-	757	(38,284)	(471,818)
<b>Other Financing Sources (Uses):</b>											
Sale of Fixed Assets	-	-	-	-	-	4,538	-	-	-	-	4,538
Transfers in	58,119	-	-	-	-	198,587	-	-	-	38,284	596,918
Transfers out	(48,166)	(41,868)	(1,753)	(4,572)	(77,890)	(10,570)	-	-	-	-	(344,788)
Total other financing sources (uses)	9,953	(41,868)	(1,753)	(4,572)	(77,890)	192,555	-	-	-	38,284	256,668
<b>Net Change in Fund Balance</b>	-	-	-	-	(1,120)	-	6,893	-	757	-	(215,150)
<b>Fund Balance:</b>											
Beginning of year	-	-	-	-	149,085	-	55,932	-	3,291	-	2,879,804
End of year	-	-	-	-	\$ 147,965	-	\$ 62,825	-	\$ 4,048	-	\$ 2,664,654

(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.

**(THIS PAGE INTENTIONALLY LEFT BLANK)**

# COUNTY OF VENANGO, PENNSYLVANIA

## TRANSPORTATION FUND COMBINING BALANCE SHEET

DECEMBER 31, 2005

	Shared Ride	MATP	Fixed Route	Capital Transit	Rural Operating Assistance	Act 26 Shared Ride Capital Programs	Eliminations	Total Transportation Fund
<b>Assets</b>								
Cash and cash equivalents	\$ (230,327)	\$ 86,862	\$ (229,111)	\$ 765,137	\$ 117,795	\$ 5,033	\$ -	\$ 515,389
Accounts receivable, net of allowance for uncollectibles	12,449	-	349	-	-	-	-	12,798
Due from other funds	245,052	584	261,754	-	-	-	(344,469)	162,921
Due from other governments	-	-	708	-	-	-	-	708
<b>Total Assets</b>	<u>\$ 27,174</u>	<u>\$ 87,446</u>	<u>\$ 33,700</u>	<u>\$ 765,137</u>	<u>\$ 117,795</u>	<u>\$ 5,033</u>	<u>\$ (344,469)</u>	<u>\$ 691,816</u>
<b>Liabilities and Fund Balance</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 25,443	\$ 2,299	\$ 28,558	\$ -	\$ -	\$ -	\$ -	\$ 56,300
Accrued payroll	1,420	1,903	204	-	-	-	-	3,527
Due to other funds	-	83,244	-	177,053	84,172	-	(344,469)	-
Deferred revenue	311	-	4,938	588,084	33,623	5,033	-	631,989
<b>Total Liabilities</b>	<u>27,174</u>	<u>87,446</u>	<u>33,700</u>	<u>765,137</u>	<u>117,795</u>	<u>5,033</u>	<u>(344,469)</u>	<u>691,816</u>
<b>Fund Balance:</b>								
Unreserved, undesignated	-	-	-	-	-	-	-	-
<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 27,174</u>	<u>\$ 87,446</u>	<u>\$ 33,700</u>	<u>\$ 765,137</u>	<u>\$ 117,795</u>	<u>\$ 5,033</u>	<u>\$ -</u>	<u>\$ 691,816</u>

# COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2005

	Shared Ride	MATP	Fixed Route	Capital Transit	Rural Operating Assistance	Act 26 Shared Ride Capital Programs	Eliminations	Total Transportation Fund
<b>Revenues:</b>								
Intergovernmental	\$ 139,454	\$ 205,367	\$ 26,800	\$ 165,535	\$ 152,798	\$ 59,800	\$ -	\$ 749,754
Charges for services	9,660	-	39,582	-	-	-	-	49,242
Fines and forfeits	-	-	-	-	-	-	-	-
Interest	-	1,768	-	5,311	4,489	-	-	11,568
Other	-	-	-	-	-	-	-	-
Total revenues	<u>149,114</u>	<u>207,135</u>	<u>66,382</u>	<u>170,846</u>	<u>157,287</u>	<u>59,800</u>	<u>-</u>	<u>810,564</u>
<b>Expenditures:</b>								
Human services	347,992	84,241	325,324	185,762	-	59,800	-	1,003,119
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(198,878)</u>	<u>122,894</u>	<u>(258,942)</u>	<u>(14,916)</u>	<u>157,287</u>	<u>-</u>	<u>-</u>	<u>(192,555)</u>
<b>Other Financing Sources (Uses):</b>								
Sale of fixed assets	-	-	-	4,538	-	-	-	4,538
Transfers in	203,166	-	261,752	57,575	10,972	-	(334,878)	198,587
Transfers out	(4,288)	(122,894)	(2,810)	(47,197)	(168,259)	-	334,878	(10,570)
Total other financing sources (uses)	<u>198,878</u>	<u>(122,894)</u>	<u>258,942</u>	<u>14,916</u>	<u>(157,287)</u>	<u>-</u>	<u>-</u>	<u>192,555</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>								
Beginning of year	-	-	-	-	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **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.

**(THIS PAGE INTENTIONALLY LEFT BLANK)**

# COUNTY OF VENANGO, PENNSYLVANIA

## ALL AGENCY FUNDS COMBINING BALANCE SHEET

DECEMBER 31, 2005

	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	\$ 4,989	\$ 158,147	\$ 279,938	\$ 89,039	\$ 38,792	\$ 6,157	\$ 577,062
Accounts receivable and fines, at estimated realizable value	-	-	330,600	-	-	-	330,600
<b>Total Assets</b>	<b>\$ 4,989</b>	<b>\$ 158,147</b>	<b>\$ 610,538</b>	<b>\$ 89,039</b>	<b>\$ 38,792</b>	<b>\$ 6,157</b>	<b>\$ 907,662</b>
<b>Liabilities</b>							
Due to other funds	\$ 612	\$ 90,920	\$ 375,222	\$ 12,307	\$ -	\$ -	\$ 479,061
Due to other governments	4,377	66,372	11,550	4,490	-	-	86,789
Escrow liability and interest	-	855	223,766	72,242	38,792	6,157	341,812
<b>Total Liabilities</b>	<b>\$ 4,989</b>	<b>\$ 158,147</b>	<b>\$ 610,538</b>	<b>\$ 89,039</b>	<b>\$ 38,792</b>	<b>\$ 6,157</b>	<b>\$ 907,662</b>

# COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2005

	Balance at January 1, 2005	Additions	Deletions	Balance at December 31, 2005
<b>Treasurer</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 161,476	\$ 156,487	\$ 4,989
<u>Liabilities</u>				
Due to other funds	\$ -	\$ 22,245	\$ 21,633	\$ 612
Due to other governments	-	138,739	134,362	4,377
Escrow liability and interest	-	492	492	-
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ 161,476</u>	<u>\$ 156,487</u>	<u>\$ 4,989</u>
<b>Register of Wills and Recorder of Deeds</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 179,707	\$ 1,381,262	\$ 1,402,822	\$ 158,147
<u>Liabilities</u>				
Due to other funds	\$ 106,299	\$ 480,122	\$ 495,501	\$ 90,920
Due to other governments	72,693	893,160	899,481	66,372
Escrow liability and interest	715	7,980	7,840	855
<b>Total Liabilities</b>	<u>\$ 179,707</u>	<u>\$ 1,381,262</u>	<u>\$ 1,402,822</u>	<u>\$ 158,147</u>
<b>Prothonotary and Clerk of Courts</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 266,662	\$ 1,312,937	\$ 1,299,661	\$ 279,938
Accounts receivable and fines, at estimated realizable value	330,600	228,000	228,000	330,600
<b>Total Assets</b>	<u>\$ 597,262</u>	<u>\$ 1,540,937</u>	<u>\$ 1,527,661</u>	<u>\$ 610,538</u>
<u>Liabilities</u>				
Due to other funds	\$ 383,972	\$ 516,883	\$ 525,633	\$ 375,222
Due to other governments	11,550	81,264	81,264	11,550
Escrow liability and interest	201,740	942,790	920,764	223,766
<b>Total Liabilities</b>	<u>\$ 597,262</u>	<u>\$ 1,540,937</u>	<u>\$ 1,527,661</u>	<u>\$ 610,538</u>

(Continued)

# COUNTY OF VENANGO, PENNSYLVANIA

## ALL AGENCY FUNDS

### COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED DECEMBER 31, 2005

(Continued)

	<u>Balance at January 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2005</u>
<b>Sheriff</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 97,506	\$ 739,316	\$ 747,783	\$ 89,039
<u>Liabilities</u>				
Due to other funds	\$ 11,491	\$ 106,271	\$ 105,455	\$ 12,307
Due to other governments	4,800	16,210	16,520	4,490
Escrow liability and interest	81,215	616,835	625,808	72,242
<b>Total Liabilities</b>	<u>\$ 97,506</u>	<u>\$ 739,316</u>	<u>\$ 747,783</u>	<u>\$ 89,039</u>
<b>Prison</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 72,983	\$ 350,514	\$ 384,705	\$ 38,792
<u>Liabilities</u>				
Escrow liability and interest	\$ 72,983	\$ 350,514	\$ 384,705	\$ 38,792
<b>Domestic Relations</b>				
<u>Assets</u>				
Cash and cash equivalents	\$ 9,879	\$ 365,593	\$ 369,315	\$ 6,157
<u>Liabilities</u>				
Escrow liability and interest	\$ 9,879	\$ 365,593	\$ 369,315	\$ 6,157

(Continued)

# COUNTY OF VENANGO, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2005  
(Continued)

	Balance at January 1, 2005	Additions	Deletions	Balance at December 31, 2005
<b>Total all Agency Funds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 626,737	\$ 4,311,098	\$ 4,360,773	\$ 577,062
Accounts receivable and fines, at estimated realizable value	330,600	228,000	228,000	330,600
<b>Total Assets</b>	<b>\$ 957,337</b>	<b>\$ 4,539,098</b>	<b>\$ 4,588,773</b>	<b>\$ 907,662</b>
<b>Liabilities</b>				
Due to other funds	\$ 501,762	\$ 1,125,521	\$ 1,148,222	\$ 479,061
Due to other governments	89,043	1,129,373	1,131,627	86,789
Escrow liability and interest	366,532	2,284,204	2,308,924	341,812
<b>Total Liabilities</b>	<b>\$ 957,337</b>	<b>\$ 4,539,098</b>	<b>\$ 4,588,773</b>	<b>\$ 907,662</b>

(Concluded)