

2013 COUNTY OF BEAVER, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2013

Beaver County



Office of Controller

PREPARED BY DAVID A. ROSSI, CONTROLLER

www.beavercountypa.gov

COUNTY OF BEAVER, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

TABLE OF CONTENTS

	<u>Page(s)</u>
Introductory Section	
Controller’s Letter of Transmittal.....	1-9
GFOA Certificate of Achievement.....	10
Organization Chart.....	11
Elected Officials and Department Managers.....	12-13
Elected Officials and Department Descriptions	14-19
Financial Section	
<u>Exhibit</u>	
Report of Independent Certified Public Accountants.....	23-25
Management’s Discussion and Analysis	26-37
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	39
Statement of Activities	40
Fund Financial Statements:	
Balance Sheet – Governmental Funds	41
Reconciliation of Governmental Fund Balances to the Statement of Net Position.....	42
Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds.....	43
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities	44
Statement of Net Position – Proprietary Funds	45
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds....	46
Statement of Cash Flows – Proprietary Funds	47
Statement of Fiduciary Net Position – Fiduciary Funds.....	48
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	49
Notes to Basic Financial Statements.....	50-117
Required Supplemental Information:	
Schedule of Funding Progress – Pension Trust Fund.....	119
Schedule of Employer Contributions – Pension Trust Fund	120
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
General Fund	121
Mental Health / Intellectual Disabilities.....	122
Children and Youth.....	123
Community Development.....	124
HealthChoices.....	125
Notes to Required Supplemental Information	126

COUNTY OF BEAVER, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

TABLE OF CONTENTS – (Continued)

<u>Exhibit</u>	<u>Page(s)</u>
Other Supplemental Information:	
A.	Schedule of Expenditures – Budget and Actual – General Fund 128-144
	Individual Fund Designations..... 145-147
B.	Combining Balance Sheet – Non-major Governmental Funds 148-149
C.	Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-major Governmental Funds 150-151
D.	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Non-major Special Revenue Funds
	Automation and Records Improvement..... 152
	Regional Booking Center 153
	Domestic Relations..... 154
	Offender’s Supervisory..... 155
	Victim Witness 156
	Hazardous Materials / Act 147 Grants..... 157
	Liquid Fuels 158
	Office on Aging 159
	Childcare Resource Management 160
	Tourist Promotion..... 161
	Anti-Drug Task Force / Educational..... 162
	Emergency Services 911..... 163
E.	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Non-major Capital Projects Funds
	Courtroom Improvement 164
	Capital Reserve..... 165
	Capital Bond 166
	Combining Statement of Net Position – Internal Service Funds 167
	Combining Statement of Revenues, Expenses, and Changes In Net Position - Internal Service Funds 168
	Combining Statement of Cash Flows – Internal Service Funds 169
F.	Combining Statement of Changes in Assets and Liabilities – Agency Funds..... 170-171

COUNTY OF BEAVER, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

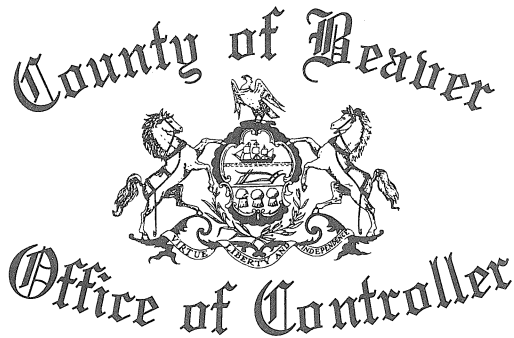
TABLE OF CONTENTS – (Continued)

Statistical Section	<u>Page(s)</u>
Statistical Section Content.....	173
Net Position by Component (<i>Last Ten Years</i>).....	174
Changes in Net Position (<i>Last Ten Years</i>).....	175-176
Fund Balances, Governmental Funds (<i>Last Ten Years</i>).....	177-178
Changes in Fund Balances, Governmental Funds (<i>Last Ten Years</i>).....	179
Assessed Value and Estimated Actual Value of Taxable Property (<i>Last Ten Years</i>).....	180
Property Tax Rates – Direct & Overlapping Governments (<i>Last Ten Collection Years</i>).....	181
Principal Property Tax Payers (<i>Current Year and Ten Years Ago</i>).....	182
Property Tax Levies and Collections (<i>Last Ten Years</i>).....	183
Ratio of Outstanding Debt to Total Personal Income & Debt Per Capita (<i>Last Ten Years</i>).....	184
Ratio of Net Obligation Bonded Debt to Assessed Value & Net Bonded Debt Per Capita (<i>Last Ten Years</i>).....	185
Legal Debt Margin (<i>Last Ten Years</i>).....	186
Principal Employers (<i>Current Year and Ten Years Ago</i>).....	187
Demographic and Economic Statistics (<i>Last Ten Years</i>).....	188
Full-Time Equivalent County Government Employees by Function/Program (<i>Last Ten Years</i>).....	189
Full-Time Equivalent County Government Employees Graphs/Charts (<i>Last Ten Years</i>).....	190
Operating Indicators by Function/Program (<i>Last Ten Years</i>).....	191
Capital Asset Statistics by Function/Program (<i>Last Ten Years</i>).....	192

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INTRODUCTORY SECTION

DAVID A. ROSSI
CONTROLLER



WILLIAM CALHOON
CHIEF DEPUTY CONTROLLER
ALBERT A. TORRENCE
SOLICITOR

BEAVER COUNTY COURTHOUSE
THIRD STREET – BEAVER, PENNSYLVANIA 15009-2196
TELEPHONE: Area Code 724-728-5700
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June 27, 2014

TO THE CITIZENS OF BEAVER COUNTY

I am pleased to present the 2013 Comprehensive Annual Financial Report (“CAFR”) for Beaver County, Pennsylvania (“the County”).

The CAFR consists of management’s representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements and in conformity with generally accepted accounting principles (“GAAP”). As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County’s 2013 CAFR contains the government-wide financial statements and fund financial statements of the County as well as the financial data of the Beaver County Transit Authority and the Community College of Beaver County, the “discretely presented component units” (as defined by GAAP) that are a part of the County’s reporting entity. The report is designed to provide information to various types of users, most importantly the residents of Beaver County, but also taxpayers, investors, creditors, governmental officials, and the general public. Its intent is to describe the County’s financial position and the financial results of its operations as of and for the year ended December 31, 2013.

The County's financial statements have been audited by the certified public accounting firm The Binkley Kanavy Group, LLC. The auditors have issued an unqualified ("clean") opinion on the County's financial statements for the year ended December 31, 2013. The discretely presented component units have been audited by other auditors and the results of those audited financial statements are incorporated in summarized form in this report. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures presented in the financial statements, assessing the accounting principles used and significant estimates made by management, evaluating the overall financial statement estimates made by management, and evaluating the overall financial statement presentation.

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

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

As further explained in the notes to the financial statements, the County reached an agreement to sell its Friendship Ridge long-term care facility to a group of experienced private investors in 2013. The transfer of assets and operations was to a company named Comprehensive HealthCare Management Services and it took place on March 1, 2014. As such, Friendship Ridge ceased being a part of the County at that time.

PROFILE OF BEAVER COUNTY

The County was formulated on March 12, 1800, from parts of Washington and Allegheny Counties. It is 435 square miles in size and chartered as a fourth class county under the County Code as passed by the General Assembly of the Commonwealth of Pennsylvania. The current population of the County is approximately 170,000. Beaver County is comprised of thirty boroughs, five first class townships, seventeen second class townships, and two third class cities. Rich in natural resources, its location along the Ohio and Beaver Rivers gave Beaver County the ability to develop economically as one of the major industrial sites worldwide with steel being its major product. Beaver County rapidly developed as one of the major headquarters for manufacturing in the United States. After the decline of the steel industry in the early 1980's, the County redirected its efforts to develop its riverfronts for recreational, as well as industrial and commercial uses. Its close proximity to the Pittsburgh International Airport enables the County to market itself as a center for manufacturing and service industries. Beaver County also has educational outlets for residents with the Community College of Beaver County, Geneva College, and Penn State University, Beaver Campus. The County also has medical facilities available to its residents through Heritage Valley Health System and Med Express Urgent Care.

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

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

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

PROFILE OF BEAVER COUNTY – (Continued)

Under the provisions of the Fourth Class County Code, the Controller is responsible for prescribing the method of financial reporting, auditing, and for payment of the County's financial obligations. The Controller is the supervisor of the budget and a member of the Prison Board, the Salary Board and the Retirement Board. As supervisor of the County's budget, the Controller is responsible for monitoring the departmental line items on a daily basis as well as preparing a preliminary budget for the Board of Commissioners' approval. The budget process begins during the summer with each department receiving a budget request form to formally request operating allocations for the following fiscal year. Each department is required to submit the completed budget forms in order for the Controller to prepare a preliminary budget for presentation. The Board of Commissioners reviews this preliminary budget with each department manager in open, public meetings. Once a final budget is prepared, it is publicly displayed for twenty days prior to final adoption by the Board of Commissioners. The date for final action on the budget's adoption must be made a matter of public notice for at least ten days prior to the Commissioners' approval at a public meeting. Starting in 2012 the County for the first time approved projected budgets for two years beyond the current year's legally adopted budget.

Beaver County's local employment figures have improved over the last year, however not at the pace of the average unemployment rates of Pennsylvania and the country overall. The area's seasonally adjusted unemployment rate for April 2014 is 6.6%, as compared to the national and the Commonwealth's unemployment rates of 6.3% and 6.0%, respectively. Elected officials, departmental directors, and committed citizens alike continue unswerving to confronting the realities of diminished funding from federal and state sources. Another year has passed and, once again, County government was able to reduce its workforce where possible through the merger of certain activities and the careful implementation of innovative efficiencies. The governmental activities alone achieved a reduction of 9 full-time equivalents! The sale of Friendship Ridge in 2014 stopped the increased funding of losses with local taxpayer monies that this facility generated over the past few years. Savings in other areas were also achieved. In addition, for the second year in a row, the County collected revenues ("impact fees") from the natural gas and oil drilling activities that take place locally.

Efforts must continue without pause, however, as both federal and Pennsylvania's authorities have implemented and continue planning further budget cuts that will directly affect our government and the citizens it serves. The area of human services is particularly affected by these measures. Administrators of child care services consolidated operations across the state and as a result we lost our Childcare Choices office in July 2013. Other County-run offices had to think of creative measures that allowed them to continue meeting the needs of our citizens with fewer resources. We can proudly state that no child, no elderly person, no ill or otherwise needy individual of Beaver County went unattended by our County government offices. Long-lasting solutions are being thought of to reverse the impact of the changing socio-economic landscape.

PRESENT ECONOMIC ACHIEVEMENTS

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

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

Sensible Organics

Sensible Organics, originally called Sensibility Soaps, is located in West Mayfield Borough and was originally funded by CED in 2001. At that time it was a start-up company, which established a manufacturing facility for its line of organic bath and beauty products with four employees, including the owners. Sensibility Soaps became the first personal-care manufacturer to receive the United States Department of Agriculture’s National Organic Product Certification.

Sensibility Soaps was sold to a private equity firm, which in early 2013, raised \$3 million with expansion plans in all areas of custom product formulation, private labeling, and contract manufacturing. Now operating under its new name, Sensible Organics, the company currently employs 40 employees with an additional 15 jobs to be added as operations expand.

Creekside Springs, LLC

Creekside Springs is a supplier of bottled and flavored water for private label and corporate brand products from its Ambridge and Salineville, Ohio plants. During 2013, CED purchased the former Tegrant Diversified Brands plant, entering into a long term purchase agreement and lease with Creekside to accommodate expansion of the company’s flavored water products.

On Creekside’s behalf, CED secured a \$677,500 state-funded loan and will provide additional funding of \$300,000 towards Creekside’s purchase of the facility. As a result of the project, Creekside anticipates on hiring 20 employees, in addition to the current 20 they already employ.

TMK IPSCO

Located in Koppel Borough and Ambridge Borough, TMK IPSCO manufactures seamless tubular goods, drill pipe, coupling stock and line pipe for the oil field industry. With current plans to expand its capacity in Beaver County due to increased market demand for its product lines, the current successor to Koppel Steel expects to create 37 new jobs with this expansion. This \$22.7 million development includes purchasing new finishing equipment and employee training.

PRESENT ECONOMIC ACHIEVEMENTS – (Continued)

Veka

Veka, located in Marion Township, has seen numerous expansions over the past 25 years. Now employing over 360 employees, Veka has become one of Beaver County's biggest and best success stories. Veka manufactures and distributes vinyl extruded polyvinyl chloride window and door profiles, fencing, railing, and deck products, as well as accessories predominantly dedicated to the residential remodeling and new construction markets. Their latest investment, a \$5.8 million enlargement, will involve new equipment, infrastructure, and employee training. This will result in 38 additional new jobs at its Beaver County facility.

Beemac Trucking, LLC

Beemac Trucking, LLC is a full service transportation, warehouse, and materials handling company located in Harmony Township. To assist in the company's \$1.9 million construction of a compressed natural gas fueling station, CED approved a \$250,000 Business Development Fund loan and a \$200,000 Small Business First loan. The company will invest an additional \$1.2 million in purchasing ten new compressed natural gas tractors and retro-fit another thirty. The CNG fueling facility, a first of its kind in Beaver County, will create 50 new jobs and save the company almost 50% of its fuel costs.

Danzer Veneer Americas

Danzer Veneer Americas, located in Beaver County's very own Darlington Township, is the largest producer of decorative veneer worldwide and a top 10 producer of hardwood lumber in North America. The North American Darlington plant is one of four Danzer Veneer plants, with the others located in Africa, Europe, and South America. DCED offered a \$200,000 Pennsylvania First Program grant to assist in the growth of the Swiss-based firm. Danzer expects to create 105 new jobs resulting from its \$5 million investment.

OTHER ECONOMIC DEVELOPMENTS

Bridges and Other Infrastructure

Managed by the Beaver County Liquid Fuels Department, the Veterans' Memorial Bridge connecting Fallston with New Brighton opened to the public in May of 2014. This project, which is entirely financed with federal and state revenue funds, cost an approximate \$34 million in total, including planning and relocation of surrounding infrastructure. The new bridge accommodates a much larger vehicular load and provides for much more fluid communication between communities across the Beaver River than the bridge it is replacing.

OTHER ECONOMIC DEVELOPMENTS – (Continued)

Bridges and Other Infrastructure (cont.)

The Beaver County Planning Commission (“BCPC”) reviews land developments for the County. During 2013, the BCPC was directly responsible for turning open or abandoned land into developed commercial, industrial, and residential sites at Center Township, Darlington Township, and Economy Borough.

The Community Development Program of Beaver County through its federally-funded Community Development Block Grant program has provided the resources and administration for several water and sewer projects throughout the County. These are the Center Street Water Line Replacement for Conway Borough, and the Lyon Avenue, 5th street, and Linton Avenue Storm Sewers for East Rochester. The Community Development Program of Beaver County was also responsible for administering the nationally-funded Neighborhood Stabilization Program, which aims at strengthening communities that are experiencing decline as a result of residential foreclosures.

In both 2012 and 2013 the County refinanced certain of its bond obligations. In addition to generating several hundred thousand dollars’ worth of savings, the refinancing transactions yielded a total of almost \$630,000 in funds available for infrastructure and other capital projects. Additionally, the County has collected more than \$770,000 in 2013 related to impact fees and Act 13 Marcellus Shale Allocation monies. These funds, too, are reserved for capital asset investments favoring the County’s communities.

The sale of Friendship Ridge has also generated funds available for investment in infrastructure and other durable goods for the benefit of the local residents. Some funds have been utilized to extinguish certain of Friendship Ridge’s long-term debt obligations.

Marcellus Shale

Marcellus Shale is a unit of marine sedimentary rock found in eastern North America. Named for a distinctive outcrop near the village of Marcellus, New York, in the United States, it extends throughout much of the Appalachian Basin. The shale contains largely untapped natural gas reserves, and its proximity to the high-demand markets along the East Coast of the United States makes it an attractive target for energy development.

The production of natural gas from the Marcellus Shale formation is important, because it produces a clean-burning Pennsylvania-based energy source in an environmentally sound manner. It also provides economic benefits to communities across the Commonwealth. Natural gas producers already invested multiple billion dollars in Pennsylvania in lease and land acquisition, new well drilling, infrastructure development and community partnerships, with an even greater investment expected in the future.

OTHER ECONOMIC DEVELOPMENTS – (Continued)

Marcellus Shale (cont.)

In 2013, Beaver County received seventeen Act 14 notifications related to gas drilling. The breakdown is as follows: 7 under the category of well pad, access road and freshwater impoundment and 10 for gas lines.

The County also rests on top of Utica Source Rock, a geological formation rich in crude oil. Technologies in extraction from Utica Source Rock are being rapidly advanced, so that we can soon expect the activity to take place in Beaver County.

Shell Ethane Cracker Plant

In March 2012, Shell Chemical announced that a site in Potter Township was selected as a possible future location for an ethane cracker plant (a process that turns oil and gas into ethylene, a compound used in the plastics industry). If Shell builds the proposed plant in Beaver County, it could result in as many as 400-600 direct jobs and approximately 10,000 indirect jobs. During 2013, additional events took place regarding the potential for this chemical plant. In August 2013, Shell announced that it was looking for ethane suppliers for the proposed plant. Also, in late 2013, Shell purchased a 5.5 acre parcel adjacent to the prospective site. Lastly, in December 2013, Shell Oil signed a deal with Horsehead Corporation, the owners of the proposed site, to extend a land purchase option, which ultimately gives the company more time to decide to buy the land. According to Shell representatives, the extended land purchase option is expected to be the last before a decision is reached, although no one has said how long this extension is for.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to Beaver County for its comprehensive annual financial report for the fiscal year ended December 31, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. Additionally, the report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

CONTROLLER'S CLOSING REMARKS

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

The County continues in its efforts to obtain outside funding available for mandated programs and services so as to avoid a local cost whenever possible. A determination to trim costs wherever possible is an ongoing effort of elected officials, department directors, and employees in general.

ACKNOWLEDGEMENTS

The presentation of this report on a timely basis is the result of a cooperative effort of many individuals. I wish to thank my staff and those individuals that assisted in the preparation of this report. This report and additional County information may be reviewed online by visiting our website at <http://www.beavercountypa.gov/>.

Respectfully,



David A. Rossi
Beaver County Controller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Beaver
Pennsylvania**

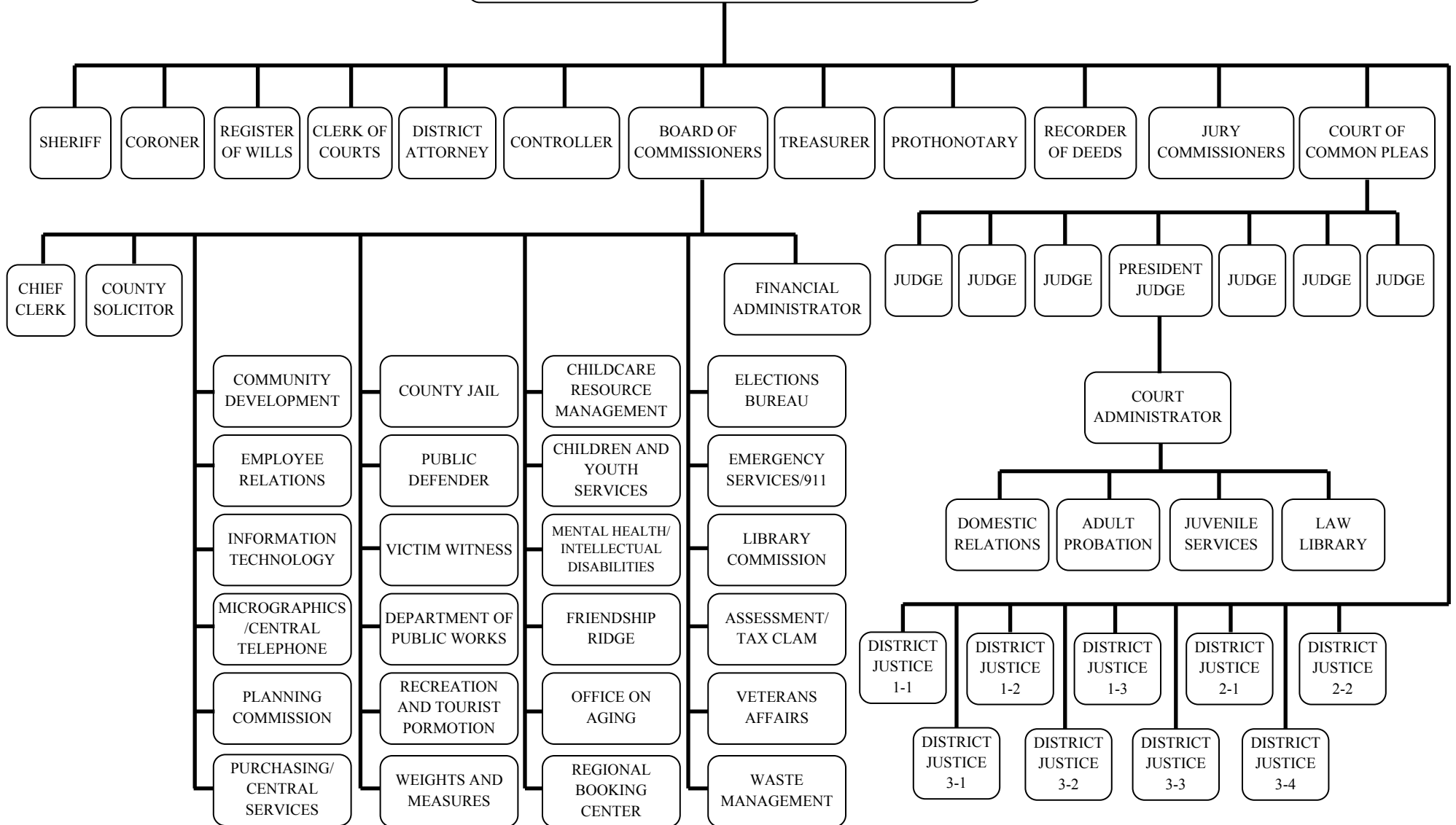
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

ORGANIZATION CHART

ELECTORATE OF BEAVER COUNTY



COUNTY OF BEAVER, PENNSYLVANIA

Elected Officials

Board of Commissioners	Anthony Amadio, Chairman Joseph Spanik Dennis Nichols
Clerk of Courts	Judy R. Enslin
Controller	David A. Rossi
Coroner	Teri Tatalovich
District Attorney	Anthony J. Berosh
Prothonotary	Nancy C. Werme
Recorder of Deeds	Janice Jeschke Beall
Register of Wills	Carol R. Fiorucci
Sheriff	George J. David
Treasurer	Connie T. Javens
Jury Commissioners	Shelly Blythe Peggy Rose* Tamara Golletti*
Court of Common Pleas	Hon. John D. McBride Hon. C. Gus Kwidis Hon. Richard Mancini Hon. John P. Dohanich Hon. Deborah Kunselman Hon. Kim Tesla Hon. Harry Knafelc
District Justices	Andrew M. Hladio 36-01-01 William Livingston 36-01-02 James DiBenedetto 36-01-03 Edward C. Howe 36-02-01 Tim Finn 36-02-02 Dale Nicholson 36-03-01 C. Douglas Loughner 36-03-02 Joseph Schafer 36-03-03 Janet Swihart 36-03-04

* Peggy Rose retired December 31, 2013, and was replaced by Tamara Golletti

COUNTY OF BEAVER, PENNSYLVANIA

Department Managers

Adult Probation	Don Neill
Assessment / Tax Claim	Michael Kohlman
Chief Clerk	Tracey Patton
Childcare Resource Management	Carmacel Felice*
Children & Youth Services	Dayna Revay
Community Development	Lisa Signore
County Jail	William Schouppe
County Solicitor	Joseph Askar
Court Administrator	Richard DeFilippi
Department of Public Works	James Camp
Domestic Relations	Joe Signore
Elections Bureau	Dorene Mandity
Emergency Services / 911	Wes Hill
Employee Relations	Richard Darbut
Financial Administrator	Vince LaValle
Friendship Ridge	As assigned**
Information Technology	Vince LaValle
Juvenile Services	Gary Rosatelli
Law Library	Betty Dengel
Library Commission	Jodi Oliver
Mental Health / Intellectual Disabilities	Gerard Mike
Micrographics / Central Telephone	Vince LaValle
Office on Aging	Beverly Sullivan
Planning Commission	Frank Mancini
Public Defender	Paul Steff
Purchasing / Central Services	Vince LaValle
Recreation and Tourist Promotion	Tim Ishman
Regional Booking Center	Jay Alstadt
Veterans Affairs	Kathy Nairn
Victim Witness	Steve Jurich
Waste Management	Holly Nicely
Weights and Measures	Ron Zuccaro

* Merged with Washington County effective July 1, 2013

**Contract with Premier Consulting; facility disposed of as of March 1, 2014

COUNTY OF BEAVER, PENNSYLVANIA

Elected Officials

Board of Commissioners

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

Clerk of Courts

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

Controller

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

Coroner

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

District Attorney

The District Attorney is the chief prosecutor for the County.

Prothonotary

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

Recorder of Deeds

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

Register of Wills

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

Sheriff

The Sheriff supports law enforcement of the County and serves for the protection of the County's residents.

Treasurer

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

COUNTY OF BEAVER, PENNSYLVANIA

Elected Officials – (Continued)

Jury Commissioners

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

Court of Common Pleas

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

District Justices

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

COUNTY OF BEAVER, PENNSYLVANIA

Department Descriptions

Adult Probation

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

Assessment / Tax Claim

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

Chief Clerk

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

Childcare Resource Management

This department is responsible for the managed care program for children within Beaver County and it administers the grant programs that are established for those purposes by the Commonwealth and Federal government.

Children and Youth Services

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

Community Development

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

County Jail

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

County Solicitor

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

Court Administrator

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

Department of Public Works

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

COUNTY OF BEAVER, PENNSYLVANIA

Department Descriptions - (Continued)

Domestic Relations

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

Elections Bureau

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

Emergency Services / 911

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

Employee Relations

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

Financial Administrator

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

Friendship Ridge

This is the County-owned facility that accommodates individuals in need of long-term health care.

Information Technology

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

Juvenile Services

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

Law Library

This department is a Pennsylvania legal practice library. It has the basics for federal practice.

COUNTY OF BEAVER, PENNSYLVANIA

Department Descriptions - (Continued)

Library Commission

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

Mental Health / Intellectual Disabilities

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

Micrographics / Central Telephone

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

Office on Aging

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

Planning Commission

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

Public Defender

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

Purchasing / Central Services

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

Recreation and Tourist Promotion

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

COUNTY OF BEAVER, PENNSYLVANIA

Department Descriptions – (Continued)

Regional Booking Center

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

Veterans Affairs

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

Victim Witness

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

Waste Management

This department manages the recycling program for Beaver County.

Weights and Measures

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

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FINANCIAL SECTION

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Beaver, Pennsylvania (the County), as of and for the year ended December 31, 2013, (with the aggregate discretely presented component units as of and for the year ended June 30, 2013) and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Beaver County Transit Authority (BCTA) and the Community College of Beaver County (CCBC) as of and for the year ended June 30, 2013, which represent 100 percent of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for BCTA and CCBC is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2013, (with the aggregate discretely presented component units as of June 30, 2013) and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress pension trust fund, schedule of employer contributions pension trust fund, and budgetary comparison information, as listed in the table of contents as required supplemental information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

The Binkley Kanavy Group, LLC

Certified Public Accountants
Pittsburgh, Pennsylvania
June 27, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Beaver (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights of the Year Ended December 31, 2013

- The County's long-term care facility -Friendship Ridge- was sold to a private entity in 2014. A group of investors advanced \$8 million for this sale in 2013 and paid close to \$25 million on March 28, 2014, to transfer the assets and operations of Friendship Ridge. The \$8 million advance was recorded as unearned revenue on both the statement of net position and the balance sheet at December 31, 2013. Additional information about this sale can be found in Note N to the financial statements.
- The Pension Trust Fund experienced a positive rate of return on investments for a fifth consecutive year. The fund's net position increased by approximately \$46.7 million due primarily to a 21.4% rate of return on investments.
- The General Fund incurred a financial match responsibility of approximately \$3.1 million for its human and community services funded primarily through state and federal grants and entitlements. The equivalent amount for 2012 was about \$3.0 million.
- The County issued a \$10 million Tax Revenue Anticipation Note on January 2, 2013, to provide for short-term financing needs. This note was repaid prior to December 31, 2013.
- The County's overall long-term debt was reduced by about \$3.1 million during the year. This marks the fourth successive year of reductions in long-term debt. Also in 2013, an advance refunding of a bond issue took place that generated a cash outflow reduction of close to \$436,000 over the life of the new debt issue and an approximate \$411,000 restricted fund balance for capital asset acquisition, repair, and construction.
- Budget cuts from federal and state funding sources have continued to challenge the County's human services and economic development functions. Despite these financial constraints, service objectives have been met in 2013 and management foresees that they will continue to be met.
- The HealthChoices program continues to grow its funding available to aid the population it serves. At the end of 2013, total fund balance amounted to over \$11.6 million.
- Friendship Ridge had to resort to short-term loans from the General Fund and Tax Claim to meet all of its financial obligations by December 31, 2013. The loan from Tax Claim was repaid shortly into the New Year.
- Beaver County has increased its collections derived from fees related to natural gas and oil drilling operations. Revenues recorded in 2013 exceeded \$770,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

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

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

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

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County are general government; judicial; public safety; public works and enterprise; culture, recreation and conservation; human services; and economic development. Friendship Ridge is the County's only current business-type activity.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also two legally separate entities, the Beaver County Transit Authority and the Community College of Beaver County, for which the County provides subsidies and appoints their boards. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 39-40 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

The County maintains twenty individual governmental funds, one of which closed during 2013 due to the merger of Child Care Information Services with another county's government. Information is presented separately in the governmental funds' Balance Sheet and in the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund, Mental Health / Intellectual Disabilities, Children & Youth, Community Development, and the HealthChoices Fund, all of which are considered to be major funds. Data from the other fifteen governmental funds are combined into a single aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules. The County adopts an annual appropriated budget for each of its governmental funds.

The basic governmental funds' financial statements can be found on pages 41-44 of this report. The combining and individual fund schedules for the non-major governmental funds are presented following the required supplementary information. They can be found on pages 148-151 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise fund to account for the transactions and balances of Friendship Ridge. *Internal service funds* are used to accumulate and allocate costs internally among the County's various functions.

The County uses Internal Service Funds to account for the medical benefits of the County's employees and to account for workers' compensation costs. Because this service predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as is presented on the government-wide financial statements, only in more detail. The proprietary funds' financial statements provide separate information for Friendship Ridge, which is considered to be a major fund. The proprietary funds' financial statements also provide separate information for the County's Internal Service Funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The basic proprietary funds' financial statements can be found on pages 45-47 of this report. The combining financial statements for the internal service funds can be found on pages 167-169 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the reporting government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 48-49 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 50-117 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 and budgetary comparison schedules for the General Fund and other major governmental funds. Required supplementary information can be found on pages 119-126 of this report.

Government-wide Financial Analysis

This analysis focuses on the *primary government*, as defined on page 27. Separate financial statements for the County's component units, including their managements' discussion and analysis, can be obtained from the component units at the addresses disclosed in Note A.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Net Position

As noted earlier, net position is a useful indicator of a government's financial position. For the County's governmental activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$29,146,510 at December 31, 2013 and assets exceed liabilities and deferred inflows of resources by \$24,821,076 at December 31, 2012.

The following is a summary of the County's Statement of Net Position (in thousands) as of December 31, 2013 and 2012:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Assets:						
Current and Other Assets	\$ 65,050	\$ 58,548	\$ 10,439	\$ 14,587	\$ 75,489	\$ 73,135
Capital Assets	<u>116,484</u>	<u>113,754</u>	<u>13,594</u>	<u>15,100</u>	<u>130,078</u>	<u>128,854</u>
Total Assets	181,534	172,302	24,033	29,687	205,567	201,989
Total Deferred Outflows of Resources						
	<u>797</u>	<u>116</u>	<u>149</u>	<u>-</u>	<u>946</u>	<u>116</u>
Liabilities:						
Long-Term Liabilities	\$ 117,479	\$ 119,691	\$ 16,367	\$ 17,350	\$ 133,846	\$ 137,041
Other Liabilities	<u>35,706</u>	<u>27,906</u>	<u>5,857</u>	<u>6,257</u>	<u>41,563</u>	<u>34,163</u>
Total Liabilities	153,185	147,597	22,224	23,607	175,409	171,204
Net Position:						
Net Investment in Capital Assets	21,120	23,189	7,272	7,779	28,392	30,968
Restricted	17,268	14,026	-	-	17,268	14,026
Unrestricted	<u>(9,242)</u>	<u>(12,394)</u>	<u>(5,313)</u>	<u>(1,699)</u>	<u>(14,555)</u>	<u>(14,093)</u>
Total Net Position	<u>\$ 29,146</u>	<u>\$ 24,821</u>	<u>\$ 1,959</u>	<u>\$ 6,080</u>	<u>\$ 31,105</u>	<u>\$ 30,901</u>

A significant portion of the County's net position is largely restricted for programs of public works and human services.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The following summarizes the County's Statement of Activities for the years ended December 31, 2013 and 2012:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Program Revenues:						
Fees and Charges	\$ 14,017	\$ 12,949	\$ 49,001	\$ 52,732	\$ 63,018	\$ 65,681
Operating Grants and Contributions	93,093	107,126	-	-	93,093	107,126
General Revenues:						
Real Estate Taxes	47,930	48,529	-	-	47,930	48,529
Investment Income/(Loss)	37	61	-	-	37	61
Disposal of Fixed Assets	-	(27)	-	-	-	(27)
Other Income/(Loss)	-	114	16	21	16	135
Total Revenues	<u>155,077</u>	<u>168,752</u>	<u>49,017</u>	<u>52,753</u>	<u>204,094</u>	<u>221,505</u>
Program Expenses:						
General Government	14,171	11,751	-	-	14,171	11,751
Judicial	16,258	15,555	-	-	16,258	15,555
Public Safety	19,497	19,455	-	-	19,497	19,455
Public Works and Enterprises	5,073	5,183	-	-	5,073	5,183
Culture and Recreation	3,340	3,399	-	-	3,340	3,399
Human Services	80,248	87,637	-	-	80,248	87,637
Economic Development	5,934	7,613	-	-	5,934	7,613
Interest Expense	5,613	5,770	-	-	5,613	5,770
Friendship Ridge	-	-	53,756	56,197	53,756	56,197
Total Expenses	<u>150,134</u>	<u>156,363</u>	<u>53,756</u>	<u>56,197</u>	<u>203,890</u>	<u>212,560</u>
Excess (Deficiency) Before Other Items and Transfers	4,943	12,389	(4,739)	(3,444)	204	8,945
Transfers	(618)	(612)	618	612	-	-
Change in Net Position	<u>4,325</u>	<u>11,777</u>	<u>(4,121)</u>	<u>(2,832)</u>	<u>204</u>	<u>8,945</u>
Net Position - Beginning	<u>24,821</u>	<u>13,044</u>	<u>6,080</u>	<u>8,912</u>	<u>30,901</u>	<u>21,956</u>
Net Position - Ending	<u>\$ 29,146</u>	<u>\$ 24,821</u>	<u>\$ 1,959</u>	<u>\$ 6,080</u>	<u>\$ 31,105</u>	<u>\$ 30,901</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Position

The County's net position for governmental activities increased approximately \$4.3 million and \$11.8 million for the years ended December 31, 2013 and 2012, respectively.

The County's net position for business-type activities decreased approximately \$4.1 million and \$2.8 million for the years ended December 31, 2013 and 2012, respectively.

The County's expenses for governmental and business-type activities cover a wide range of services. The largest share of expenses continues to be incurred for Human Services and for Friendship Ridge.

Analysis of Changes in Net Position

The County's total net position increased approximately \$200,000 and \$8.9 million for the years ended December 31, 2013 and 2012, respectively. The current year's increase is explained in the governmental and business-type activities discussion below.

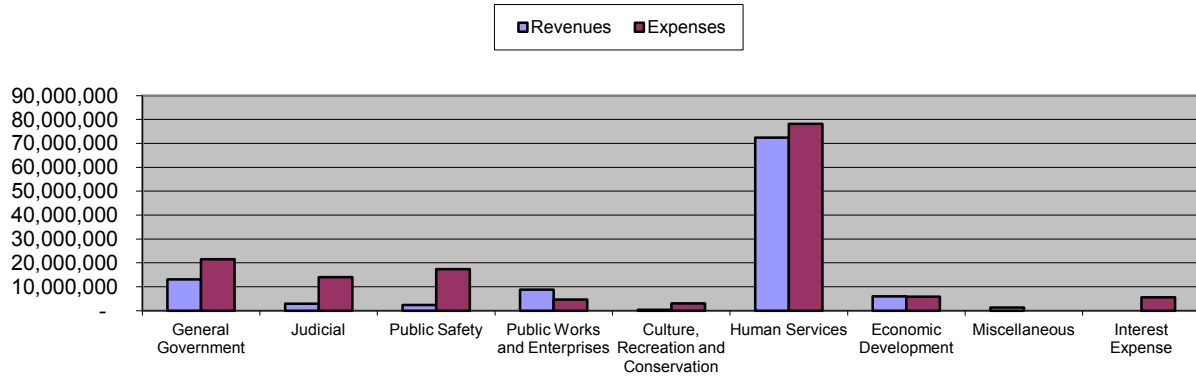
Governmental Activities

The governmental activities increased the County's net position by about \$4.3 million. The primary reason for this increase can be attributed to capital construction, mostly for the Veterans' Memorial Bridge, which opened to the public in May 2014. Another contribution to the County's increase in net position came from the Economic Development function, primarily through streamlined and improved programs in all of its areas. Lower interest costs as a result of both a lower average outstanding debt balance and lower interest rates due to a bond defeasance also contributed to improving net position. On the other hand, some activities fared worse in 2013 than in 2012 and contributed deficits to net position. General Government, Public Safety, Judicial, and Human Services all suffered from both revenue reductions (or stagnations at best) and expense increases triggered primarily by scheduled escalations in compensation as stipulated by collective bargaining agreements. Also, continued cuts in grant funding caused the County's local match share to increase slightly as compared to 2012 in order to maintain service levels of certain programs. Charges for medical and workers' compensation claims fell well short of the cost of these claims. This too contributed to a deterioration of net position during 2013. Finally, miscellaneous governmental revenues decreased primarily due to reductions of administrative services at Mental Health / Individual Disabilities, lessened activity at Tax Claim, and reduced outside services provided by the Public Safety function.

The table below depicts the behavior of the various governmental functions' revenues and expenses described above:

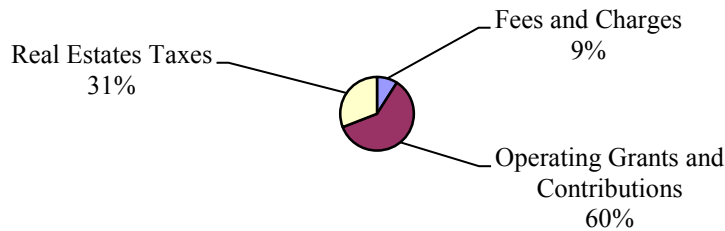
MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenses and Program Revenue - Governmental Activities



The revenue mix of the County's governmental activities remained fairly constant when compared with 2012. Approximately 60% of the County's revenue came from grants and contributions, 9% for fees and charges, and 31% from taxes on real estate during 2013. The corresponding figures for 2012 were roughly 63%, 8%, and 29%, respectively.

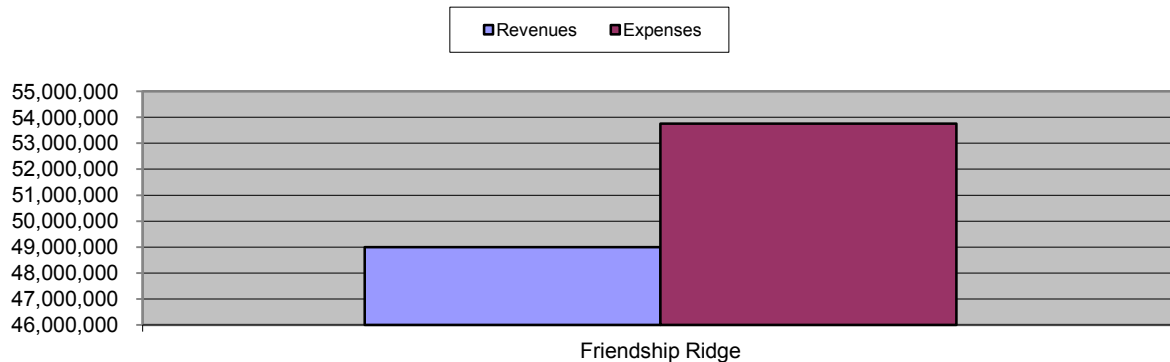
Revenues by Source - Governmental Activities



Business-type Activities

Net position for business-type activities decreased approximately \$4.1 million. The occupancy rate at Friendship Ridge declined significantly throughout 2013 due to changing socio-economic factors beyond the County's control. Cost reductions implemented at this facility did not keep pace with the declining revenue.

Expenses and Program Revenues - Business-type Activities



MANAGEMENT'S DISCUSSION AND ANALYSIS

The revenue mix of the County's business-type activities is almost entirely derived from fees and charges for both the years 2013 and 2012. Almost negligible are interest income and general public contributions, which make up the remaining revenues.

Financial Analysis of the County's Individual Funds

Governmental Funds

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

At December 31, 2013, the County's governmental funds reported a combined ending fund balance of \$15,455,599, which represents an increase of \$340,588 in comparison to the previous year. The ending fund balance is segregated into the following categories with its corresponding balances: non-spendable for prepaid items, \$2,562,350; restricted, \$15,720,699; committed, \$1,416,877; assigned, \$127,511; and unassigned, \$(4,371,838). The terms used to classify fund balance and their significance are further described and defined in Note A to the financial statements. Also in Note A is presented a breakdown of restricted fund balance into specific programs.

The overall increase in fund balance of the governmental funds is attributed primarily to activity within the non-major funds. Liquid Fuels recognized current revenues related to capital outlay for the Veterans' Memorial Bridge incurred in 2012. The Capital Bond fund recorded revenues in excess of \$400,000 from the issuance of a refunding bond issue (see Note J to the financial statements) without any associated expenditures. Another capital projects fund, the Capital Reserve fund, contributed to the increase in net position as well by means of so-called "impact fees" from oil and gas drilling activities with few associated expenditures.

The General Fund's analysis of significant balances and transactions is explained mostly under "governmental activities" above. Increased total debt service also contributed to the General Fund's deficit.

The Mental Health / Intellectual Disabilities fund experienced a reduction of its discretionary revenues and had lesser opportunities to provide billable administrative services than in 2012. This caused a slight deficit of revenues over expenditures.

A similar situation was encountered by the Children & Youth fund, with the exception of somewhat higher local revenue matches (classified as "transfers" on the statement of revenues, expenditures, and changes in fund balance) than those of 2012. Through vigilant management of expenditures however, the fund was able to improve its fund balance.

Community Development continued to face intergovernmental funding cuts in 2013. As did Children & Youth and many other areas of the County, it was able to curtail expenditures in pace with the revenue shortcomings without affecting services and managing to increase fund balance.

MANAGEMENT'S DISCUSSION AND ANALYSIS

HealthChoices continued with its prudent cost containment strategies that have worked so well since the fund's inception. This enabled it to once again substantially raise its fund balance.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Please refer to the *Analysis of Changes in Net Position* for business-type activities for a discussion of Friendship Ridge as well as for governmental activities to better understand the current year's participation of the internal service funds.

Fiduciary Funds

The County maintains fiduciary funds for the Pension Trust Fund and several Agency Funds. The Pension Trust Fund's net position increased approximately \$46.7 million in 2013 and increased nearly \$23.7 million in 2012. The substantial increase of the Pension Trust Fund's net position is due primarily to significant appreciation in the fair value of investments.

General Fund Budgetary Highlights

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

The General Fund's budgeted revenues were decreased nearly \$0.4 million from the original budget primarily due to higher initial expectations for intergovernmental revenue and departmental earnings. As the Commonwealth of Pennsylvania's annual budget was approved mid-year, it was evident then that the expectation of increased revenues would not be realized and actual results fell even lower than the revised revenue budget. Budgeted expenditures were decreased approximately \$0.5 million to accommodate the reality of revenue cuts at higher governmental levels. Budget amendments affecting expenditures are often applied copiously to avoid potential subsequent amendments with procedural delays as a consequence. This explains why actual expenditure results of the General Fund were significantly lower than the final amended budget in the functions of General Government, Judicial, Public Safety, and Human Services.

In light of recent financial pressures, the County has once again publicly ratified its fiscal judiciousness by establishing strict budgetary restrictions within each department. Departmental reductions and managerial mergers are examples of actions taken in 2013 to constrain financial resources.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

What follows is a summary of the County's capital assets as of December 31, 2013 and 2012:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Assets not Being Depreciated	\$ 28,950	\$ 22,228	\$ 222	\$ 216	\$ 29,172	\$ 22,444
Buildings and Improvements	54,132	56,209	6,196	6,649	60,328	62,858
Vehicles	1,469	1,171	-	-	1,469	1,171
Furniture and Equipment	6,882	7,974	7,175	8,234	14,057	16,208
Infrastructure	<u>25,050</u>	<u>26,172</u>	<u>-</u>	<u>-</u>	<u>25,050</u>	<u>26,172</u>
Total	<u>\$ 116,484</u>	<u>\$ 113,754</u>	<u>\$ 13,593</u>	<u>\$ 15,100</u>	<u>\$ 130,077</u>	<u>\$ 128,854</u>

Additional information on the County's capital assets can be found in Note F on pages 78-82 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Outstanding Debt at Year End

The following is a summary of the County's outstanding long-term debt as of December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Governmental Activities:		
General obligation debt	\$ 63,594,212	\$ 71,635,989
Other long-term debt	55,023,233	49,312,602
Discount	<u>(1,138,589)</u>	<u>(1,257,411)</u>
	117,478,856	119,691,180
Business-type Activities:		
General obligation debt	3,300,788	7,116,488
Other long-term debt	13,094,900	10,283,279
Discount	<u>(272,369)</u>	<u>(365,957)</u>
	<u>16,123,319</u>	<u>17,033,810</u>

The County's general obligation bond rating from Standard and Poor's for its most recent issue is 'A'. Most other issues carry a rating of 'A' or 'AA-'. More detailed information about the County's long-term liabilities can be found in Note J on pages 91-109 of this report.

Economic Factors

In light of the ongoing budgetary cuts at the state and federal levels and the expiration of special grants, the County was able to reduce its total outstanding debt by \$3.1 million without increasing taxes. Budget cuts affecting the federal and the Commonwealth's governments are likely to continue affecting various departments and programs throughout the County with further cuts into 2014. The County's management is addressing these financial challenges with the planned disposal of deficient assets and the restructuring of its governmental organization. As disclosed in the *Financial Highlights of the Year Ended December 31, 2013*, the County has already disposed of Friendship Ridge, a facility that required increasing subsidies from local County revenues.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF NET POSITION

DECEMBER 31, 2013 or JUNE 30, 2013

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Beaver County Transit Authority as of June 30, 2013	Community College of Beaver County as of June 30, 2013
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 23,250,036	\$ 1,336,501	\$ 24,586,537	\$ 3,589,660	\$ 1,752,767
Restricted Cash	8,079,653	-	8,079,653	-	-
Investments	-	-	-	-	611,685
Receivables	11,458,390	9,416,383	20,874,773	5,356,424	1,665,108
Internal Balances	6,073,129	(6,073,129)	-	-	-
Supplies	-	201,979	201,979	276,011	34,891
Prepaid Expenses	2,562,350	40,299	2,602,649	238,771	433,574
Total Current Assets	51,423,558	4,922,033	56,345,591	9,460,866	4,498,025
Non-Current Assets:					
Land	1,757,554	42,075	1,799,629	3,573,967	952,288
Buildings and Improvements	86,546,830	16,128,460	102,675,290	16,609,357	46,599,865
Construction in Progress	27,192,538	180,257	27,372,795	856,845	-
Vehicles	4,273,618	-	4,273,618	11,251,132	251,942
Furniture and Equipment	22,464,952	34,209,408	56,674,360	1,630,897	11,850,910
Infrastructure	37,066,015	-	37,066,015	-	-
Accumulated Depreciation	(62,817,351)	(36,966,279)	(99,783,630)	(16,430,602)	(24,766,861)
Net Pension Asset	13,626,647	4,918,688	18,545,335	-	-
Other	-	598,761	598,761	-	1,021,139
Total Non-Current Assets	130,110,803	19,111,370	149,222,173	17,491,596	35,909,283
Total Assets	181,534,361	24,033,403	205,567,764	26,952,462	40,407,308
Deferred Outflows of Resources					
Deferred Charge on Refunding Debt	797,431	149,333	946,764	-	-
Liabilities					
Current Liabilities:					
Accounts Payable	12,428,548	2,369,838	14,798,386	191,646	452,165
Accrued Vacation	2,754,989	742,602	3,497,591	-	20,000
Accrued Interest	2,404,932	112,745	2,517,677	-	98,379
Accrued Other Liabilities	3,592,080	1,987,993	5,580,073	243,186	1,575,527
Unearned Revenues	11,606,152	51,414	11,657,566	7,784,353	493,999
Accrued Other Employee Benefits	669,894	592,206	1,262,100	95,329	9,000
Accrued HealthChoices Program Costs	2,249,833	-	2,249,833	-	-
Long-Term Debt - Due within One Year	4,903,807	444,408	5,348,215	-	1,533,630
Total Current Liabilities	40,610,235	6,301,206	46,911,441	8,314,514	4,182,700
Non-Current Liabilities:					
Resident Funds	-	243,278	243,278	-	-
Long-Term Debt	112,575,047	15,678,911	128,253,958	-	27,345,029
Total Non-Current Liabilities	112,575,047	15,922,189	128,497,236	-	27,345,029
Total Liabilities	153,185,282	22,223,395	175,408,677	8,314,514	31,527,729
Net Position					
Net Investment in Capital Assets	21,119,653	7,272,237	28,391,890	17,491,596	6,998,169
Restricted for:					
Nonexpendable	-	-	-	-	248,461
Programs for Mental / Behavioral Health	9,365,352	-	9,365,352	-	-
Programs for Children & Youth	2,314,429	-	2,314,429	-	-
Programs for Community Development	224,345	-	224,345	-	-
Programs for Capital Projects	2,856,064	-	2,856,064	-	-
Programs for General Law Enforcement	1,071,956	-	1,071,956	-	-
Programs for Elderly Population	573,321	-	573,321	-	-
Programs for Office Improvements	496,415	-	496,415	-	-
Programs for Emergency Services / Tourism	366,591	-	366,591	-	-
Unrestricted	(9,241,616)	(5,312,896)	(14,554,512)	1,146,352	1,632,949
Total Net Position	\$ 29,146,510	\$ 1,959,341	\$ 31,105,851	\$ 18,637,948	\$ 8,879,579

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

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2013 or JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Change in Net Position			Component Units	
		Fees and Charges	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Beaver County Transit Authority as of June 30, 2013	Community College of Beaver County as of June 30, 2013	
					Governmental Activities	Business-type Activities			Total
Primary Government:									
Governmental Activities:									
General Government	\$ 14,170,624	\$ 9,410,109	\$ 3,678,588	\$ -	\$ (1,081,927)	\$ -	\$ (1,081,927)	\$ -	\$ -
Judicial	16,258,018	815,176	2,025,649	-	(13,417,193)	-	(13,417,193)	-	-
Public Safety	19,497,132	557,855	1,794,969	-	(17,144,308)	-	(17,144,308)	-	-
Public Works and Enterprises	5,072,959	21,581	8,761,742	-	3,710,364	-	3,710,364	-	-
Culture, Recreation and Conservation	3,340,078	288,309	-	-	(3,051,769)	-	(3,051,769)	-	-
Human Services	80,247,950	1,316,133	71,140,290	-	(7,791,527)	-	(7,791,527)	-	-
Economic Development	5,934,034	322,717	5,692,169	-	80,852	-	80,852	-	-
Miscellaneous	-	1,284,716	-	-	1,284,716	-	1,284,716	-	-
Interest Expense	5,612,832	-	-	-	(5,612,832)	-	(5,612,832)	-	-
Total Governmental Activities	150,133,627	14,016,596	93,093,407	-	(43,023,624)	-	(43,023,624)	-	-
Business-type Activities:									
Friendship Ridge	53,755,637	49,001,164	-	-	-	(4,754,473)	(4,754,473)	-	-
Total Business-type Activities	53,755,637	49,001,164	-	-	-	(4,754,473)	(4,754,473)	-	-
Total Primary Government	\$ 203,889,264	\$ 63,017,760	\$ 93,093,407	\$ -	\$ (43,023,624)	\$ (4,754,473)	\$ (47,778,097)	\$ -	\$ -
Component Units:									
Beaver County Transit Authority	\$ 10,470,424	\$ 1,551,899	\$ 7,415,235	\$ 1,216,151	\$ -	\$ -	\$ -	\$ (287,139)	\$ -
Community College of Beaver County	27,329,854	11,695,065	16,445,041	-	-	-	-	-	810,252
Total Component Units	\$ 37,800,278	\$ 13,246,964	\$ 23,860,276	\$ 1,216,151	\$ -	\$ -	\$ -	\$ (287,139)	\$ 810,252
General Revenues:									
Real Estate Taxes					\$ 47,930,067	\$ -	\$ 47,930,067	\$ -	\$ -
Investment Income					36,541	169	36,710	-	72,687
Other Income					-	16,042	16,042	-	-
Transfers					(617,550)	617,550	-	-	-
Total General Revenues and Transfers					47,349,058	633,761	47,982,819	-	72,687
Change in Net Position					4,325,434	(4,120,712)	204,722	(287,139)	882,939
Net Position - Beginning					24,821,076	6,080,053	30,901,129	18,925,087	7,996,640
Net Position - Ending					\$ 29,146,510	\$ 1,959,341	\$ 31,105,851	\$ 18,637,948	\$ 8,879,579

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

COUNTY OF BEAVER, PENNSYLVANIA

BALANCE SHEET
GOVERNMENTAL FUNDS

DECEMBER 31, 2013

	General	Mental Health/ Intellectual Disabilities	Children & Youth	Community Development	HealthChoices	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 3,033,186	\$ 1,786,215	\$ 1,322,337	\$ 1,554,022	\$ 7,511,544	\$ 7,924,208	\$ 23,131,512
Cash - Restricted	-	-	-	-	8,079,653	-	8,079,653
Prepaid Other	202,816	91,500	-	-	2,268,034	-	2,562,350
Receivables	453,328	984,717	1,414,374	546,919	611,428	2,693,424	6,704,190
Interfund Receivable	7,101,562	434,380	1,443,298	-	-	665,737	9,644,977
Total Assets	\$ 10,790,892	\$ 3,296,812	\$ 4,180,009	\$ 2,100,941	\$ 18,470,659	\$ 11,283,369	\$ 50,122,682
Liabilities:							
Accounts Payable	\$ 1,360,156	\$ 2,314,205	\$ 897,289	\$ 555,168	\$ 4,099,701	\$ 2,295,366	\$ 11,521,885
Interfund Payable	2,557,422	-	-	248,482	194	1,181,808	3,987,906
Accrued Wages and Payroll Costs	2,382,027	96,869	92,883	12,290	12,793	101,774	2,698,636
Accrued Other Liabilities	126,677	-	-	-	493,800	272,967	893,444
Accrued HealthChoices Program Costs	-	-	-	-	2,249,833	-	2,249,833
Unearned Revenue	8,023,750	847,040	875,408	1,060,656	-	799,298	11,606,152
Total Liabilities	14,450,032	3,258,114	1,865,580	1,876,596	6,856,321	4,651,213	32,957,856
Deferred Inflows of Resources:							
Unavailable Revenue	157,907	3,546	939,182	21,720	-	586,872	1,709,227
Fund Balances (Deficits):							
Non-Spendable: Prepaid items	202,816	91,500	-	-	2,268,034	-	2,562,350
Restricted:							
Programs for Mental / Behavioral Health	-	19,048	-	-	9,346,304	-	9,365,352
Programs for Children & Youth	-	-	1,375,247	-	-	-	1,375,247
Programs for Community Development	-	-	-	202,625	-	-	202,625
Other	-	-	-	-	-	4,777,475	4,777,475
Committed:							
Capital Projects	-	-	-	-	-	1,416,877	1,416,877
Assigned:							
Purchases on Order	127,511	-	-	-	-	-	127,511
Unassigned:	(4,147,374)	(75,396)	-	-	-	(149,068)	(4,371,838)
Total Fund Balances (Deficits)	(3,817,047)	35,152	1,375,247	202,625	11,614,338	6,045,284	15,455,599
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 10,790,892	\$ 3,296,812	\$ 4,180,009	\$ 2,100,941	\$ 18,470,659	\$ 11,283,369	\$ 50,122,682

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

COUNTY OF BEAVER, PENNSYLVANIA

RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2013

Total Fund Balances - Governmental Funds	\$	15,455,599
Receivables for real estate taxes not available to pay for current period expenditures, and therefore, are deferred in the funds.		4,754,200
Grant revenues not available to pay for current period expenditures, and therefore, are deferred in the funds.		1,709,227
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Land	1,757,554	
Buildings and improvements	86,546,830	
Vehicles	4,273,618	
Furniture and equipment	22,464,952	
Infrastructure	37,066,015	
Construction in Progress	27,192,538	
Accumulated depreciation	<u>(62,817,351)</u>	116,484,156
Accrued interest and accrued vacation payable are not recognized in the governmental funds.		
Accrued interest payable	(2,404,932)	
Accrued vacation payable	<u>(2,754,989)</u>	(5,159,921)
Non-current liabilities are not due nor payable in the current period, and therefore, are not reported in the funds. These liabilities consist of:		
General obligation bonds payable	(63,594,211)	
Other general long-term liabilities -		
PFA Series 2005 Bonds	(2,545,000)	
Pension Obligation Bond 2005	(11,495,000)	
PFA Series of 2012	(6,832,365)	
PFA Series 2013	(7,116,785)	
Pension Bond 2009	(9,532,500)	
DCED General Obligation Note	(44,840)	
Discount	1,138,589	
Capital Lease Obligation	(16,117,472)	
Accrued sick and early termination benefits payable	<u>(1,339,271)</u>	(117,478,855)
Deferred Charges on Refunding Debt		797,431
Pension Contributions in excess of annual required contribution are treated as net pension asset.		13,626,647
An internal service fund is used by management to account for medical benefits and workers compensation of the County employees. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		<u>(1,041,974)</u>
Total Net Position of Governmental Activities	\$	<u>29,146,510</u>

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

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	General	Mental Health/ Intellectual Disabilities	Children & Youth	Community Development	HealthChoices	Other Governmental Funds	Total Governmental Funds
Revenues							
Real Estate Taxes	\$ 47,526,123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,526,123
Licenses and Permits	142,264	-	-	-	-	-	142,264
Interest and Rents	15,573	2,333	155	128	17,051	1,228	36,468
Intergovernmental Revenues	3,602,817	15,975,867	10,874,819	5,692,169	36,055,610	20,816,354	93,017,636
Departmental Earnings	7,794,668	1,147,111	121,005	322,717	-	1,633,606	11,019,107
Local Hotel Room Tax	-	-	-	-	-	268,517	268,517
Miscellaneous	1,118,878	19,509	-	-	-	60,540	1,198,927
Total Revenues	60,200,323	17,144,820	10,995,979	6,015,014	36,072,661	22,780,245	153,209,042
Expenditures							
Current:							
General Government	10,210,427	-	-	-	-	74,184	10,284,611
Judicial	12,747,442	-	-	-	-	2,902,736	15,650,178
Public Safety	15,177,863	-	-	-	-	2,130,200	17,308,063
Public Works and Enterprises	3,366,132	-	-	-	-	475,776	3,841,908
Culture, Recreation, and Conservation	2,675,664	-	-	-	-	312,355	2,988,019
Economic Development	-	-	-	5,923,971	-	-	5,923,971
Intergovernmental:							
Human Services	7,401,736	17,833,559	12,341,983	-	34,810,197	8,008,426	80,395,901
Debt Service:							
Principal	3,594,186	-	-	-	-	-	3,594,186
Interest	4,995,116	-	-	-	-	-	4,995,116
Bond Issuance Costs	149,577	-	-	-	-	-	149,577
Other	10,006	-	-	-	-	-	10,006
Infrastructure Acquisition and Improvement	1,935	-	-	-	-	6,869,374	6,871,309
Capital Asset Acquisition and Improvement	616,822	15,145	140,064	-	-	293,199	1,065,230
Total Expenditures	60,946,906	17,848,704	12,482,047	5,923,971	34,810,197	21,066,250	153,078,075
Excess (Deficiency) of Revenues Over (Under) Expenditures	(746,583)	(703,884)	(1,486,068)	91,043	1,262,464	1,713,995	130,967
Other Financing Sources (Uses)							
Advance Refunding of Debt	(6,636,785)	-	-	-	-	-	(6,636,785)
Refunding Bonds	6,831,000	-	-	-	-	-	6,831,000
Issuance of Debt	-	-	-	-	-	411,185	411,185
Capital Lease Agreements	266,409	-	-	-	-	-	266,409
Original Issue Discount	(44,638)	-	-	-	-	-	(44,638)
Transfers from Other Funds	659,033	692,966	1,550,419	-	-	1,061,211	3,963,629
Transfers to Other Funds	(3,922,146)	-	-	-	-	(659,033)	(4,581,179)
Total Other Financing Sources (Uses)	(2,847,127)	692,966	1,550,419	-	-	813,363	209,621
Net Change in Fund Balances	(3,593,710)	(10,918)	64,351	91,043	1,262,464	2,527,358	340,588
Fund Balances - Beginning	(223,337)	46,070	1,310,896	111,582	10,351,874	3,517,926	15,115,011
Fund Balances - Ending	\$ (3,817,047)	\$ 35,152	\$ 1,375,247	\$ 202,625	\$ 11,614,338	\$ 6,045,284	\$ 15,455,599

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

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

Net Change in Fund Balances - Total Governmental Funds	\$	340,588
Revenue timing differences resulted in more revenue for real estate taxes in the Statement of Activities.		403,944
Revenue timing differences resulted in less grant revenue in the Statement of Activities due to the period of availability of the funds.		(422,700)
The differences due to capital assets are as follows:		
1. Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay and donated assets	\$ 8,494,986	
Depreciation expense	(5,731,048)	2,763,938
2. The effect of the disposals and transfers of capital assets is to change net position by the net book value of the disposed or transferred assets.		
Net book value of disposed assets		(33,735)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.		
Changes in accrued interest payable	58,981	
Changes in accrued vacation payable	(55,915)	3,066
The difference due to non-current liabilities are as follows:		
1. The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		
Refunded Bonds	(6,975,675)	
Advance refunding	5,951,055	
Original issue discount	44,638	
Bond principal payments	3,442,682	
Capital lease obligation payments	390,496	
Debt issuance	(532,919)	2,320,277
2. Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Amortization of bond discounts		(163,460)
3. The expense for sick leave and early termination benefits does not require the use of current financial resources. These items are reported as a non-current liability in the Statement of Net Position.		
		55,509
The deferred amount on refunding		
Amount related to 2013 refunding	737,160	
2013 amortization	(56,049)	681,111
The difference due to pension activity is as follows:		
1. Amortization of excess general fund pension contribution.		
		(849,853)
An internal service fund is used by management to account for medical and workers' compensation benefits of the County employees. The net change in activity of the internal service fund is reported with governmental activities.		
		(773,251)
Change in Net Position of Governmental Activities	\$	4,325,434

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

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS

DECEMBER 31, 2013

	Business-type Activities Enterprise Fund	Governmental Activities
	Friendship Ridge	Internal Service Funds
<u>Assets</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,336,501	\$ 118,524
Receivables	9,416,383	-
Supplies	201,979	-
Prepaid Items	40,299	-
Total Current Assets	10,995,162	118,524
Non-Current Assets:		
Land	42,075	-
Construction in Progress	180,257	-
Buildings and Improvements	16,128,460	-
Furniture and Equipment	34,209,408	-
Less Accumulated Depreciation	(36,966,279)	-
Interfund Receivable	-	416,058
Other Assets	355,483	-
Resident Funds	243,278	-
Pension Asset	4,918,688	-
Total Non-Current Assets	19,111,370	416,058
Total Assets	30,106,532	534,582
<u>Deferred Outflows of Resources</u>		
Deferred Amount on Refunding Debt	149,333	-
<u>Liabilities</u>		
Current Liabilities:		
Accounts Payable	\$ 2,369,838	\$ 906,662
Accrued Payroll	1,186,254	-
Accrued Vacation	742,602	-
Interfund Payable	6,073,129	-
Accrued Interest	112,745	-
Accrued Other Liabilities	801,739	-
Unearned Revenues	51,414	-
Accrued Employee Benefits	592,206	669,894
Long-Term Debt - Current Portion	444,408	-
Total Current Liabilities	12,374,335	1,576,556
Non-Current Liabilities:		
Resident Funds	243,278	-
Long-Term Debt	15,678,911	-
Total Non-Current Liabilities	15,922,189	-
Total Liabilities	28,296,524	1,576,556
<u>Net Position</u>		
Net Investment in Capital Assets	7,272,237	-
Unrestricted	(5,312,896)	(1,041,974)
Total Net Position	\$ 1,959,341	\$ (1,041,974)

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

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-type Activities Enterprise Fund <u>Friendship Ridge</u>	Governmental Activities <u>Internal Service Funds</u>
<u>Operating Revenues</u>		
Charges for Services	\$ 49,001,164	\$ 9,861,472
Miscellaneous Income	-	85,789
Total Operating Revenues	<u>49,001,164</u>	<u>9,947,261</u>
<u>Operating Expenses</u>		
Costs of Services	45,232,415	9,952,395
Administrative	6,034,381	768,191
Depreciation and Amortization	1,603,538	-
Total Operating Expenses	<u>52,870,334</u>	<u>10,720,586</u>
Operating (Loss)	(3,869,170)	(773,325)
<u>Non-Operating Revenues (Expenses)</u>		
Debt Service Interest	(885,303)	-
Unrestricted Gifts	16,042	-
Investment Income	169	74
Total Non-Operating Revenues (Expenses)	<u>(869,092)</u>	<u>74</u>
(Loss) Before Transfers	(4,738,262)	(773,251)
Transfers In	<u>617,550</u>	<u>-</u>
Change in Net Position	(4,120,712)	(773,251)
Total Net Position - Beginning	<u>6,080,053</u>	<u>(268,723)</u>
Total Net Position - Ending	<u>\$ 1,959,341</u>	<u>\$ (1,041,974)</u>

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

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-type Activities Enterprise Fund	Governmental Activities
	Friendship Ridge	Internal Service Funds
<u>Cash Flows from Operating Activities:</u>		
Cash receipts for services provided	\$ 47,742,055	\$ 9,857,675
Cash payments to suppliers	(21,910,525)	(10,002,949)
Cash payments to employees	(22,715,404)	-
Net Cash Used in Operating Activities	(3,116,126)	(145,274)
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Principal and interest payments of long-term debt	(1,303,783)	-
Property, facilities and equipment	(54,302)	-
Net Cash Used In Capital and Financing Activities	(1,358,085)	-
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Principal and interest payments of long-term debt	(531,257)	-
Proceeds from the loan/subsidy provided by the County	4,662,655	-
Net Cash Provided by Non-Capital Financing Activities	4,131,398	-
<u>Cash Flows from Investing Activities:</u>		
Investment Income	169	74
Net Cash Provided by Investing Activities	169	74
Net Decrease in Cash and Cash Equivalents	(342,644)	(145,200)
<u>Cash and Cash Equivalents:</u>		
Beginning of year	1,679,145	263,724
End of year	\$ 1,336,501	\$ 118,524
<u>Reconciliation of Operating (Loss) to</u>		
<u>Net Cash Provided by Operating Activities:</u>		
Operating (loss)	\$ (3,869,170)	\$ (773,325)
Non-cash adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	1,603,538	-
Transfer in from General Fund	617,550	-
Pension expense financed with pension bond	255,550	-
Early retirement benefits	(164,977)	-
Change in operating assets and liabilities:		
Accounts receivable	(1,275,151)	(89,587)
Supplies	58,194	-
Prepaid items	25,286	-
Deposits	5,307	-
Accounts payable	246,447	657,740
Unearned credits	8,849	-
Accrued Liabilities	(627,549)	59,898
Net Cash Provided by Operating Activities	\$ (3,116,126)	\$ (145,274)

Disclosure of Accounting Policy:

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

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

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2013

	Pension Trust Fund	Agency Funds
<u>Assets</u>		
Cash and Cash Equivalents	\$ 10,004,376	\$ 2,812,172
Cash and Cash Equivalents Held as Collateral	8,235,464	-
Interest and Dividends Receivable	627,710	-
Investments:		
Common and Preferred Stocks	168,474,905	-
Certificates of Deposit	2,629,128	-
U.S. Government Obligations	28,988,596	-
Corporate Bonds	30,954,394	-
Other Debt Securities	8,546,533	-
Registered Investment Companies	20,166,218	-
Interest in Limited Partnership	2,995,893	-
Interest in Collective Trust	21,809,298	-
Total Investments	284,564,965	-
Total Assets	\$ 303,432,515	\$ 2,812,172
<u>Liabilities</u>		
Accounts Payable	\$ 265,861	\$ 2,812,172
Collateral Obligation	8,235,464	-
Total Liabilities	8,501,325	2,812,172
<u>Net Position</u>		
Held in Trust for Pension Benefits and Other Purposes	294,931,190	-
Total Net Position	\$ 294,931,190	\$ -

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

COUNTY OF BEAVER, PENNSYLVANIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Pension Trust Fund</u>
<u>Additions</u>	
Contributions:	
Member Contributions	\$ 5,258,464
County Contributions	3,790,653
	<hr/>
Total Contributions	9,049,117
	<hr/>
Investment Activities:	
Net Appreciation in Fair Value of Investments	47,079,550
Interest and Dividends	5,252,842
	<hr/>
Less: Investment Management and Actuarial Fees	(1,137,165)
	<hr/>
Net Income from Investment Activities	51,195,227
	<hr/>
Security Lending Activities:	
Interest from Collateral	9,778
Security Lending Premiums	81,971
	<hr/>
Less: Rebates and Fees	(24,087)
	<hr/>
Net Income from Security Lending Activities	67,662
	<hr/>
Total Additions	60,312,006
	<hr/>
<u>Deductions</u>	
Benefits Paid to Plan Members and Beneficiaries	13,495,164
Administrative Expenses	131,053
	<hr/>
Total Deductions	13,626,217
	<hr/>
Change in Net Position	46,685,789
	<hr/>
Net Position - Beginning	248,245,401
	<hr/>
Net Position - Ending	\$ 294,931,190
	<hr/> <hr/>

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. **Organization and Reporting Entity**

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

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

In accordance with Governmental Accounting Standards Board (GASB) Statements No. 14, No. 39 and No. 61 the County has evaluated all related entities (authorities, commissions, and affiliates) for possible inclusion in the financial reporting entity.

Discretely Presented Component Units

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

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

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

The reporting period for BCTA and CCBC is as of and for the year ended June 30, 2013.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

1. **Organization and Reporting Entity** - Continued

Discretely Presented Component Units - Continued

Summary of Significant Accounting Policies for BCTA

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

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

Summary of Significant Accounting Policies for CCBC

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

1. **Organization and Reporting Entity** – Continued

Related Organizations

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

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

Government-Wide Statements:

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

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

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

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

Fund Financial Statements:

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

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

The County reports the following governmental funds as major:

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

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

Children and Youth. The purpose of this fund is to protect and care for children who have been abused, neglected, exploited, abandoned, adjudicated delinquent, or are without proper parental supervision. Revenues and other resources reported in this fund are derived from a variety of federal and state grants as well as from transfers for county matches from the General Fund.

Community Development. This fund accounts for the activities of the Community Development Program of Beaver County (CDP). The CDP's mission is two-fold: to improve the living conditions of low-income individuals and to aid in the elimination of slum and blight. The Community Development Fund is voluntarily reported as major by the County due to its significance within County operations. Revenues and other resources reported in this fund are derived from a variety of federal and state grants.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

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

Fund Financial Statements – Continued:

HealthChoices. HealthChoices is a program sponsored by the Commonwealth of Pennsylvania and administered by the County to meet the needs of low income individuals with behavioral health problems. Revenue and other resources reported in this fund are derived from a capitated arrangement through an intergovernmental contract.

All remaining governmental funds are aggregated and reported as non-major funds.

The County reports its only enterprise fund as major:

Friendship Ridge. This fund is used to account for the County-owned long-term health care facility that accommodates County citizens.

3. **Fund Types**

In accordance with generally accepted accounting principles applicable to governmental units, the accounts of the County are organized and operated on the basis of individual funds. The operations of each fund are accounted for by providing a separate set of self-balancing accounts comprised by assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances or net position, revenues, and expenditures or expenses. The following describe the purpose and function of each type of fund presented in the accompanying financial statements.

Governmental Fund Types

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

3. **Fund Types** - Continued

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

Proprietary Fund Types

An Enterprise Fund is used to account for operations that are financed and operated in a manner similar to that found in the private sector, where the intent of the County is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. Friendship Ridge is the County's only enterprise fund.

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

Fiduciary Fund Types

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

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

Agency Funds are custodial in nature and do not involve measuring results of operations. The funds are used to account for cash collected and disbursed by elected row officers such as the Clerk of Courts, Recorder of Deeds, Register of Wills, Sheriff, Prothonotary, and Treasurer; support payments collected by Domestic Relations; and delinquent real estate tax payments collected by Tax Claim.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

4. Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues, expenditures, expenses and transfers, and the related assets, deferred inflows and outflows of resources, and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. Revenues are considered available when they are expected to be collected within sixty days of year-end. As of December 31, 2013, the County delayed revenue recognition of \$1,709,227 because these monies were not yet considered available in accordance with GAAP. Expenditures and transfers out are generally recognized under the accrual basis of accounting when the related liability is incurred, except for compensated absences and financing costs/interest on general long-term debt, which are recorded when the payment is due.

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

4. **Basis of Accounting and Measurement Focus** - Continued

The Pension Trust Fund and the agency funds' financial statements are also prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the pension plan. Administrative costs from services provided by outside vendors are recorded when incurred. Certain other costs for services provided internally are not charged to and therefore not recorded on the financial statements of the Pension Trust Fund.

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

5. **Revenues**

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

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

Resident fees of Friendship Ridge are recognized in the period in which the services are provided. A significant portion of Friendship Ridge's services are provided to patients under hospitalization or other health-related benefit contracts with third parties. Charges for services of Friendship Ridge are equal to the reimbursement rates received from the third parties. Friendship Ridge may also receive incentive payments from state and federal programs.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

6. **Unavailable and Unearned Revenues**

Under the modified accrual basis of accounting, revenue is not recognized until it is available to liquidate liabilities of the current period; under full accrual accounting, revenue is recognized as soon as it is earned. Assets received on or prior to the financial statement date, for which the revenue recognition requirements have not been met, are posted as unearned revenue on the Statements of Net Position and the Balance Sheet for Governmental Funds. Certain payments received by the County are considered unearned and not subject to revenue recognition under either the full or modified accrual basis.

7. **Expenditures**

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

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

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

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

9. **Supplies**

Supplies of Friendship Ridge consist of expendable materials stated at cost which is determined by the first-in-first-out method.

10. **Prepaid Expenses**

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

11. **Capital Assets**

The accounting and reporting applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets that have been acquired for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized in the government-wide Statement of Net Position. All capital assets are recorded at cost, if known, or at estimated historical cost. Donated capital assets are recorded at their fair value on the date of the donation. The County uses a threshold of \$5,000 for recording substantially all capital assets. Friendship Ridge uses a threshold of \$500 and an estimated useful life of three years or longer for recording capital assets. All infrastructure placed into service after 1980 is capitalized. Depreciation and related accumulated depreciation on capital assets is recorded in the government-wide statements and the proprietary fund financial statements and it is computed using the straight-line method over the estimated useful lives of the related assets.

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

11. **Capital Assets** - Continued

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

12. **Compensated Absences**

The vacation policy for substantially all of the County's employees provides that vacation earned from the prior year's service, granted to employees on January 1, must be taken by December 31 of that same year. Therefore, the accrual in the government-wide Statement of Net Position represents what was earned through December 31, 2013, granted on January 1, 2014.

Employees, other than those mentioned below, may accumulate up to 100 days of sick leave. Sheriff's deputies may accumulate up to a maximum of 150 days of sick leave. Jail guards receive nine days of sick leave per year with no limit on the maximum number of days that can be carried into the subsequent years. Children & Youth, Office on Aging, Mental Health / Intellectual Disabilities, and probation officer employees receive paid time off. These employees may accumulate up to a maximum of 50 days of paid leave. Court-related employees may accrue up to 35 days of so-called "package days". "Package days" combine an employee's vacation, sick time, and personal time. If sick leave is not used, it is paid to retirement-eligible employees upon retiring at varying rates. Accumulated sick leave as of December 31, 2013 that is estimated to be paid to employees upon retirement has been recorded in the government-wide Statement of Net Position under Non-current Liabilities.

13. **Accrued HealthChoices Program Costs**

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

14. **Accrued Healthcare Costs**

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

15. **Early Termination Benefits**

Early termination benefits payable to former employees are recorded at their discounted present values using an annual discount rate of 2.5%.

16. **Budgets**

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

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

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

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

Formal budgetary review is employed as a management control during the year for all governmental Funds. Final budget amounts presented in the schedules and supplementary information accompanying the financial statements are as amended as of December 31, 2013.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

17. **Deferred Outflows / Inflows of Resources**

In addition to assets, the Statement of Net Position and/or the Balance Sheet for Governmental Funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the Statement of Net Position and/or the Balance Sheet for Governmental Funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under the modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from grant agreements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

18. **Fund Balance**

GASB Statement No. 54 establishes accounting and financial reporting standards for all governments that report governmental funds. This statement establishes criteria for classifying fund balances into specifically defined classifications and it clarifies definitions as follows:

Non-spendable – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally required to be maintained intact.

Restricted – This classification consists of amounts that are restricted to specific purposes, as imposed by external restrictions such as constitutional provisions or enabling legislation.

Committed – This classification consists of amounts used for specific purposes exclusively imposed by formal action of the County's Board of Commissioners, the County's highest level of decision-making authority. Only through execution of a resolution by the County's Board of Commissioners prior to fiscal year-end can the County commit fund balance or remove or modify a previously committed fund balance.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

18. **Fund Balance** – Continued

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

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

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

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

Amounts reported as restricted fund balance – other – on the governmental funds’ balance sheet have the following specific purposes:

For Emergency Services	\$ 323,835
For Capital Projects	2,520,817
For the Elderly Population	573,321
For Tourism Promotion	42,756
For Office Improvements and Records Automation	496,415
For General Law Enforcement	820,331
	<u>\$ 4,777,475</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

18. **Fund Balance** – Continued

HealthChoices Program

HealthChoices receives funds based on a contract between the County and the Commonwealth of Pennsylvania's Department of Public Welfare (Commonwealth). Per the contract, the County must maintain a restricted reserve for equity and a plan of insolvency. As of December 31, 2013, the County has met the equity requirement by maintaining approximately \$1,800,000 in a separate bank account. Assets can be transferred from this account only with the permission of the Commonwealth. As of December 31, 2013, the County has also met the insolvency requirement determined by the Commonwealth by maintaining, at a minimum, the equivalent of sixty days' worth of unpaid claims. The minimum, which was determined by the Commonwealth to be \$4,536,708, is maintained in a separate bank account.

The contract also allows the County to maintain a reserve for risk and contingency in an amount not to exceed seventy-five days of unpaid claims. The County has elected to have this reserve by restricting \$5,986,917 of cash and investments at December 31, 2013. Draw-down of these funds requires approval of the Commonwealth.

19. **Net Position**

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

19. **Net Position** – Continued

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

20. **Pending Governmental Accounting Standards Board Pronouncements**

The GASB has issued Statements No. 67 "Financial Reporting for Pensions" and No. 68 "Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27" (as amended by GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68"). These statements are effective for periods starting after June 15, 2013 and June 15, 2014, respectively. The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for pensions. The Statements also improve information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

The GASB has also issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The requirements of this Statement are effective for financial reporting periods beginning after December 15, 2013.

GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees" requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013.

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

21. **Use of Estimates**

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE B - PROPERTY TAXES

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

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

Property tax revenues for the year ended December 31, 2013, are recorded on the Statement of Activities net of discounts of approximately \$750,000 and inclusive of penalties amounting to approximately \$300,000. Property tax receivables are stated net of allowance for uncollectible accounts. At December 31, 2013, the balance in the allowance for uncollectible taxes is \$3,398,874.

NOTE C - CASH DEPOSITS AND INVESTMENTS

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

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

Investments

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

Investments – Continued

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

Cash Deposits

Cash deposits are exposed to custodial credit risk, which is the risk that a government may not recover the funds it placed in the custody of a counterparty (such as if the counterparty would enter bankruptcy proceeding). The County does not have a formal deposit policy for custodial credit risk. At December 31, 2013, Beaver County's deposits were either insured or collateralized with assets held by the pledging bank's trust department and not in the County's name. At December 31, 2013, the bank balance of the County's cash deposits was approximately \$32 million, of which approximately \$1.3 million was insured. The remaining uninsured bank balance was collateralized in accordance with Act 72 of the Commonwealth of Pennsylvania State Legislature, which states that a depository must pledge assets to secure state and municipal deposits. The pledged assets must be equal to at least the total amount of the public deposits at the depository and may be on a pooled basis.

Pension Trust Fund Investments

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

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

Pension Trust Fund Investments – Continued

Foreign currency risk is the risk that investments may lose value due to fluctuation of foreign currency exchange rates. All foreign equity investments are pooled investments managed by a single counterparty. As a result of the pooling of investments, the Pension Trust Fund does not own foreign securities but rather shares of the pooled investment fund.

Securities Lending Transactions

The County's pension investment policy allows the County's Pension Trust Fund to enter into security lending agreements with eligible borrowers. During 2013, the Pension Trust Fund, through the use of a security lending agent, engaged in several security lending transactions. All securities held by the pension trust fund, except those specifically identified by the County, are available for these loans. The fair value and carrying value of the securities on loan at December 31, 2013, is approximately \$8 million, which is almost entirely comprised of common stock.

Collateral on outstanding loans is calculated daily and equals 102% or 105% of the fair value of the securities on loan. Collateral can be accessed in the event the borrower is unable to repay the loan at maturity. The County has and exercises its ability to invest cash collected as collateral in certain investment accounts to enhance earnings. At December 31, 2013, the County had approximately \$8 million of common stock on loan to various borrowers. The County collected collateral of approximately \$8.2 million consisting entirely of cash, which was subsequently deposited into a short term investment account in order to ensure that maturity of these investments match the maturities of the loans outstanding.

At December 31, 2013, the amount of collateral on hand exceeded the value of the securities on loan. The County has not recorded any losses resulting from default during the year ended December 31, 2013.

Custodial credit risk is that risk that, in the event of a failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the County's collateral holdings are exposed to custodial credit risk.

Credit risk is the risk that investments may not be recovered from the counterparty due to bankruptcy, theft, or other occurrences. To mitigate this risk, the Pension Trust Fund securities lending policy requires between 102% - 105% of market value to be held as collateral for each security lent. As of December 31, 2013, the Fund is not exposed to credit risk since the value of collateral exceeds the value of the securities on loan for every loan outstanding.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

Pension Trust Fund Investments – Continued

As of December 31, 2013, the Pension Trust Fund's investments and cash deposits consisted of:

<u>Investments</u>	
Common and Preferred Stocks	\$ 168,474,905
Interest in Collective Trust	21,809,298
Bonds and Notes:	
U.S. Government Notes	20,500,968
U.S. Government Agency Bonds	1,939,464
U.S. Government Mortgage Backed Securities	6,548,164
Corporate Bonds	30,954,394
Registered Investment Company Securities	20,166,218
Other Debt Securities	<u>14,171,554</u>
 Total Investments	 284,564,965
 Cash Deposits	 10,004,376
Cash Deposits held as Collateral	<u>8,235,464</u>
 Total Cash Deposits and Investments	 <u>\$ 302,804,805</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

Pension Trust Fund Investments – Continued

Investments in bonds and notes and their respective weighted averages to maturity are as follows:

	Amount at December 31, 2013	Weighted Average to to Maturity (Years)
Obligations Explicitly Guaranteed by the United States Government:		
U.S. Government Notes	\$ 20,500,968	6.19
Other Obligations:		
U.S. Government Agency Bonds	1,939,464	14.77
U.S. Government Mortgage Backed Securities	6,548,164	20.15
Corporate Bonds	30,954,394	8.51
Subtotal	39,442,022	
Total	\$ 59,942,990	
Portfolio Weighted Average		9.19

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

The bond ratings given to corporate bonds, except those explicitly guaranteed by the United States government and mortgage backed securities, whose credit ratings are not available, as determined by the Standard and Poor's bond rating system along with the amount invested by the Pension Trust Fund at December 31, 2013, are as follows:

<u>S&P Rating</u>	<u>Market Value</u>
AAA	239,184
AA+	3,354,561
AA	796,878
AA-	2,809,072
A+	3,316,581
A	6,421,232
A-	9,338,805
BBB+	2,303,639
BBB	2,128,702
BBB-	1,004,600
BB+	511,250
Unrated Securities	<u>7,217,518</u>
TOTAL	39,442,022

Component Unit - BCTA

BCTA is authorized under State statutes to invest in:

- I. Obligations of the U.S. Treasury.
- II. Short-term obligations of the U.S. Government and federal agencies.
- III. Insured savings and checking accounts and certificates of deposit in banks, savings and loan associations and credit unions.
- IV. General obligation bonds of the federal government, the Commonwealth of Pennsylvania or any political subdivision of the Commonwealth of Pennsylvania, or any of their agencies.
- V. Shares of mutual funds whose investments are restricted to the above categories.

At June 30, 2013, BCTA's cash and cash equivalents had a bank balance of \$3,658,932 and a book balance of \$3,589,660. The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government accounts is \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

Component Unit – BCTA – Continued

Custodial credit risk is the risk that, in the event of a bank failure, BCTA's deposits may not be returned. BCTA does not have a formal policy for custodial credit risk. As of June 30, 2013, \$2,908,932 of BCTA's bank balance is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in BCTA's name.

At June 30, 2013, the cash deposits of BCTA consisted of:

Cash - FDIC Insured	
Huntington Bank	\$ 250,000
ESB Bank	250,000
First National Bank	250,000
Collateralized by securities pledged to a pooled public funds account with the Federal Reserve System	
	<u>2,908,932</u>
	<u>\$ 3,658,932</u>

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

Component Unit – CCBC

The Public School Code Section 440.1 authorizes CCBC to invest in:

- I. Obligations of the U.S. Treasury.
- II. Deposits in savings accounts, time deposits and share accounts of institutions insured by FDIC, Federal Savings & Loan Insurance Corporation, and National Credit Union Share Insurance Fund.
- III. Obligations of the United States, Pennsylvania, or any political subdivision of Pennsylvania, or any of their agencies or instrumentalities backed by the full faith and credit of these governmental units.
- IV. Shares of an investment company, registered under the Investment Company Act of 1940.

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE C - CASH DEPOSITS AND INVESTMENTS – (Continued)

Component Unit – CCBC – Continued

At June 30, 2013, CCBC’s cash and cash equivalents had a bank balance of \$2,317,326 and a book balance of \$1,752,767. The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government accounts is \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.

CCBC does not have a formal policy for custodial credit risk. As of June 30, 2013, \$1,753,513 of CCBC’s bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in CCBC’s name.

At June 30, 2013, the cash deposits of CCBC consisted of:

Cash - FDIC Insured	
Primary Institution	\$ 250,000
CCBC Foundation	250,000
Separate Cash Account	54,807
Collateralized by securities pledged to a pooled public funds account with the Federal Reserve System	1,753,513
Uninsured deposits in excess of threshold	9,006
	<u>\$ 2,317,326</u>

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

CCBC’s investments at June 30, 2013 totaled \$611,685 and they were held by The Foundation.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE D – RECEIVABLES AND PAYABLES

Receivables at December 31, 2013 were as follows:

	Accounts Receivable	Taxes	Due From Other Governments	Other	Total Receivables
Governmental Activities					
General Fund	\$ -	\$ 8,153,074	\$ 345,428	\$ 107,900	\$ 8,606,402
MH/ID	-	-	905,380	79,337	984,717
Children & Youth	-	-	1,411,774	2,600	1,414,374
Community Development	-	-	503,048	43,871	546,919
HealthChoices	-	-	611,400	28	611,428
Non-major Governmental Funds	-	-	2,507,301	186,123	2,693,424
	-	8,153,074	6,284,331	419,859	14,857,264
Allowance for Doubtful Accounts	-	(3,398,874)	-	-	(3,398,874)
Total - Governmental Activities	-	4,754,200	6,284,331	419,859	11,458,390
Business-type Activities					
Friendship Ridge	14,268,110	-	-	-	14,268,110
Allowance for Doubtful Accounts	(4,851,727)	-	-	-	(4,851,727)
Total - Business-type Activities	9,416,383	-	-	-	9,416,383
Primary Government Total	\$ 9,416,383	\$ 4,754,200	\$ 6,284,331	\$ 419,859	\$ 20,874,773
Component Units					
BCTA	\$ -	\$ -	\$ 5,316,728	\$ 39,696	\$ 5,356,424
CCBC	\$ 272,279	\$ -	\$ 709,741	\$ 683,088	\$ 1,665,108

Payables at December 31, 2013, consisted of amounts due to vendors, program providers, and grantees for goods, services, and grants.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE E - INTERFUND BALANCES AND TRANSFERS

Interfund Balances

The County reports interfund balances among all of its funds. The balances for non-major governmental funds and proprietary funds are aggregated into a single column or row. The composition of interfund balances as of December 31, 2013, is as follows:

		Interfund Payable						
		General Fund	Community Development	Health Choices	Non-Major Governmental	Internal Service Funds	Friendship Ridge	Total Assets
Interfund Receivable	General Fund	\$ -	\$ 248,482	\$ 194	\$ 1,180,603	\$ 314,283	\$ 5,358,000	\$ 7,101,562
	Children & Youth	1,443,298	-	-	-	-	-	1,443,298
	MH/ID	434,380	-	-	-	-	-	434,380
	Non-Major Governmental	664,532	-	-	1,205	-	-	665,737
	Internal Service Funds	15,212	-	-	-	-	715,129	730,341
	Total Liabilities	<u>\$ 2,557,422</u>	<u>\$ 248,482</u>	<u>\$ 194</u>	<u>\$ 1,181,808</u>	<u>\$ 314,283</u>	<u>\$ 6,073,129</u>	<u>\$ 10,375,318</u>

The following is a summary of the interfund payables and receivables outstanding at December 31, 2013:

- The General Fund's balance due to Children & Youth consists primarily of the net of quarterly County Match payments and Administration Expenses.
- The General Fund's balance due to MH/ID consists primarily of the quarterly County Match payments, balances due for accounts payable, and the single audit reimbursement.
- The General Fund's balance due to the Non-Major Governmental Funds consists of the Driving Under the Influence and Under Age Drinking Programs' revenue in excess of expenditures due to the Courtroom Improvement Fund and a short-term loan from the Capital Reserve Fund for \$500,000.
- The General Fund's balance due to the Internal Service Funds is for the County Workers' Compensation claims.
- Community Development's balance due to the General Fund is made up primarily of balances due for accounts payable and the single audit reimbursement.
- HealthChoices' balance due to the General Fund is made up primarily of the single audit reimbursement.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE E - INTERFUND BALANCES AND TRANSFERS – (Continued)

Interfund Balances – Continued

- Non-Major Governmental Funds’ balances due to the General Fund consist of the net of disbursements due from Tax Claim and a loan from Tax Claim, EMS and Hazardous Materials reimbursements, accounts payable, payroll, postage, and indirect cost payments.
- Non-Major Governmental Funds’ balances due to Non-Major Governmental Funds is for expenses paid from the incorrect fund.
- The Internal Service Fund’s balance due to the General Fund consists of balances due for accounts payable.
- Friendship Ridge’s interfund balance due to the General Fund consists of Friendship Ridge’s portion of the 2013 tax revenue anticipation note, a working capital loan, unemployment compensation for the 4th quarter of 2013, as well as balances due for payroll, and payments made on behalf of Friendship Ridge for the purchase of time clocks.
- Friendship Ridge’s interfund balance due to the Internal Service Funds consists of payments for pharmacy and workers’ compensation claims.

Interfund Transfers

Interfund transfers for the year ended December 31, 2013, consisted of the following:

		Transfer From		
		General Fund	Non-Major Governmental	Total Assets
Transfer To	General Fund	\$ -	\$ 659,033	\$ 659,033
	Children & Youth	1,550,419	-	1,550,419
	MH/ID	692,966	-	692,966
	Non-Major Governmental	1,061,211	-	1,061,211
	Friendship Ridge	617,550	-	617,550
	Total	\$ 3,922,146	\$ 659,033	\$ 4,581,179

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE E - INTERFUND BALANCES AND TRANSFERS – (Continued)

Interfund Transfers - Continued

The following is a summary of transfers that occurred during the year ended December 31, 2013:

- The transfers from the General Fund to Children & Youth and MH/ID are for County Match payments.
- The transfer from the County's General Fund to Non-Major Governmental Funds consists of monies remaining in the Driving Under the Influence and Under Age Drinking Programs at December 31, 2013, that are transferred to the Courtroom Improvement Fund, and transfers to Domestic Relations and the Office on Aging related to County Match payments.
- The transfer from the County's General Fund to Friendship Ridge consists of in kind services that the General Fund provided for Friendship Ridge.
- The transfer from Non-Major Governmental Funds to the County's General Fund consists of the Offender's Supervisory Fund transferring funds to Adult Probation for various expenditures, a transfer from Childcare Choices for remaining funds, and a transfer from the Clerk of Courts Automation Fund.

NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT

During 1996, the County contracted with an appraisal company to provide a detailed capital asset listing that included acquisition cost and acquisition year. The dates of acquisition and acquisition costs were either furnished by the County or estimated using reverse-trending techniques applied against the estimate of current replacement cost. The actual or estimated historical cost determined by the appraisal and transactions that occurred subsequent to the appraisal are reported in the government-wide Statement of Net Position.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

Depreciation and amortization was charged to functions as follows:

Governmental Activities	
General Government	\$ 1,601,012
Judicial	286,614
Public Safety	1,872,914
Public Works and Enterprise	1,191,649
Culture, Recreation, and Conservation	320,189
Human Services	451,833
Economic Development	6,836
Total	<u>\$ 5,731,047</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

The following is a summary of changes in capital assets for governmental activities during 2013:

	Balance at January 1, 2013	Additions	Disposals & Transfers	Balance at December 31, 2013
Not being Depreciated:				
Land	\$ 1,757,554	\$ -	\$ -	\$ 1,757,554
Construction in Progress	20,470,399	6,722,139	-	27,192,538
	<u>22,227,953</u>	<u>6,722,139</u>	<u>-</u>	<u>28,950,092</u>
Other Capital Assets:				
Buildings and Improvements	86,534,467	12,363	-	86,546,830
Vehicles	3,727,313	689,555	(143,250)	4,273,618
Furniture and Equipment	21,686,218	921,760	(143,026)	22,464,952
Infrastructure	36,916,846	149,169	-	37,066,015
	<u>148,864,844</u>	<u>1,772,847</u>	<u>(286,276)</u>	<u>150,351,415</u>
Accumulated Depreciation:				
Buildings and Improvements	(30,325,720)	(2,088,742)	-	(32,414,462)
Vehicles	(2,556,370)	(391,028)	143,250	(2,804,148)
Furniture and Equipment	(13,712,327)	(1,980,003)	109,291	(15,583,039)
Infrastructure	(10,744,427)	(1,271,274)	-	(12,015,701)
	<u>(57,338,844)</u>	<u>(5,731,047)</u>	<u>252,541</u>	<u>(62,817,351)</u>
Net Other Capital Assets	<u>91,526,000</u>	<u>(3,958,200)</u>	<u>(33,735)</u>	<u>87,534,064</u>
Net Capital Assets	<u>\$ 113,753,953</u>	<u>\$ 2,763,939</u>	<u>\$ (33,735)</u>	<u>\$ 116,484,156</u>

The above assets as of December 31, 2013, include \$18,527,427 relating to capitalized leases and \$5,975,558 of associated accumulated amortization.

Capital assets' additions displayed above include donated assets amounting to \$558,447. These assets are not reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

Depreciation and amortization was charged to functions as follows:

Business-type Activities	
Friendship Ridge	\$ 1,560,574
Total	<u>\$ 1,560,574</u>

The following is a summary of changes in capital assets for Business-type Activities during 2013:

	Balance at January 1, 2013	Additions	Disposals & Transfers	Balance at December 31, 2013
Not being Depreciated:				
Land	\$ 42,075	\$ -	\$ -	\$ 42,075
Construction in Progress	174,494	5,763	-	180,257
	216,569	5,763	-	222,332
Other Capital Assets:				
Buildings and Improvements	16,128,460	-	-	16,128,460
Furniture and Equipment	34,160,869	48,539	-	34,209,408
	50,289,329	48,539	-	50,337,868
Accumulated Depreciation:				
Buildings and Improvements	(9,478,997)	(453,361)	-	(9,932,358)
Furniture and Equipment	(25,926,708)	(1,107,213)	-	(27,033,921)
	(35,405,705)	(1,560,574)	-	(36,966,279)
Net Other Capital Assets	14,883,624	(1,512,035)	-	13,371,589
Net Capital Assets	\$ 15,100,193	\$ (1,506,272)	\$ -	\$ 13,593,921

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

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

Component Unit- BCTA

The following is a summary of BCTA's property accounts as of June 30, 2013:

		<u>Estimated Useful Lives</u>
Land	\$ 3,573,967	N/A
Construction in Progress	856,845	N/A
Buildings and Improvements	16,609,357	30
Tangible Transit Operating Property	11,251,132	5-12
Furniture and Equipment	1,630,897	4-5
	<u>33,922,198</u>	
Less Accumulated Depreciation	(16,430,602)	
	<u>\$ 17,491,596</u>	

Depreciation expense for the year ended June 30, 2013, amounted to \$1,832,728.

Component Unit - CCBC

The following is a summary of CCBC's property accounts as of June 30, 2013:

		<u>Estimated Useful Lives</u>
Land	\$ 204,425	N/A
Land Improvements	747,863	20
Buildings and Improvements	46,599,865	25-50
Vehicles	251,942	8-10
Furniture and Equipment	11,850,910	5-20
	<u>59,655,005</u>	
Less Accumulated Depreciation	(24,766,861)	
	<u>\$ 34,888,144</u>	

Depreciation expense for the year ended June 30, 2013, amounted to \$1,767,598.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE G - EMPLOYEE RETIREMENT PLAN

1. Plan Description

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

The Plan is established, administered, and funded under the authority of the "County Pension Law," Act 96 of 1971, as amended, enacted by the General Assembly of the Commonwealth of Pennsylvania. There is no stand-alone financial report of the Plan and the Retirement Board does not issue a public report including the Plan.

As of January 1, 2014, the date of the last available actuarial report, employee membership data related to the pension plan was as follows:

Retirees and Beneficiaries Currently Receiving Benefits	977
Terminated Employees not yet Receiving Benefits	95
	<u>1,072</u>
Active Plan Participants:	
Vested	961
Non-vested	342
	<u>1,303</u>

The Plan provides pension benefits for normal retirement at age sixty or at age fifty-five with twenty or more years of completed service. This is based on a formula including final average salary and years of credited service, in addition to the member's accumulated contribution to the Plan. Early retirement is available at an earlier age as specified by the Plan. Members become vested after five years of service.

2. Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions

The Plan requires participants to contribute 9% of their salary, with the option of voluntarily contributing up to an additional 10% of their earnings. All full-time and part-time employees expected to complete 1,000 hours of service in a twelve-month period when employed are required to participate in the Plan.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

2. Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions - Continued

The Plan funding policy provides for periodic employer contributions at actuarially determined rates that are necessary to accumulate sufficient assets to pay benefits when due. The annual pension cost for 2013 was determined as part of an actuarial valuation as of January 1, 2013, using the entry age normal method.

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

In December 2005, the County issued the Federally Taxable General Obligation Pension Bond, Series of 2005, and in July 2009, the County issued the Federally Taxable General Obligation Pension Bonds, Series of 2009 (see Note J), to reduce volatility of future pension contributions. Because of this, the County carries an asset on its balance sheet equal to the actuarially determined remaining benefit of these proceeds.

The annual pension cost and net pension asset for the current year were as follows:

	Governmental Activities	Business-type Activities	Total
Annual Required Contribution	\$ 2,914,320	\$ 876,333	\$ 3,790,653
Interest on Net Pension Asset	(1,134,240)	(341,065)	(1,475,305)
Adjustment to the Annual Required Contribution	1,984,093	596,615	2,580,708
Annual Pension Cost	3,764,173	1,131,883	4,896,056
Less: Contributions Made	2,914,320	876,333	3,790,653
Decrease in Net Pension Asset	849,853	255,550	1,105,403
Net Pension Asset, Beginning of Year	(14,476,500)	(5,174,238)	(19,650,738)
Net Pension Asset, End of Year	<u>\$ (13,626,647)</u>	<u>\$ (4,918,688)</u>	<u>\$ (18,545,335)</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

2. Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions – Continued

Three-year Trend Information:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
December 31, 2013	\$ 4,896,056	77%	\$ (18,545,335)
December 31, 2012	\$ 4,512,955	73%	\$ (19,650,738)
December 31, 2011	\$ 3,516,537	65%	\$ (20,850,949)

The information presented above was determined as part of the actuarial valuations for the years indicated. The additional information is for all years presented unless otherwise indicated.

Actuarial Cost Method:	Entry age normal
Asset Valuation Method:	Greater of market value and actuarial value (as determined by Pennsylvania State Law, Act 44)
Actuarial Assumptions:	
Inflation Adjustment :	3%
Investment Rate of Return:	7.5%
Amortization Method :	Level percentage of projected payroll
Amortization Period :	30-year closed period for unfunded liability
Projected Salary Increase:	3.50% / 4.50%
Cost-of-Living Adjustment:	100% of CPI effective as of January 1, 2000
Mortality Tables:	1983 Group Annuity Mortality Table with no projected improvements prior to January 1, 2013; 2013 RP Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvements effective January 1, 2013.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

3. Funded Status and Funding Progress

The funded status as of January 1, 2014, which is the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2014	\$ 294,931,189	\$ 283,828,734	\$ 11,102,455	103.9%	\$ 57,418,993	19.3%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

4. Reserves

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

Member Annuity Reserve Account: This reserve represents the total contributions deducted from the salaries of the active and terminated vested members of the retirement system together with accumulated interest additions. At January 1, 2014, the balance in this account was \$83,345,976 and it was fully funded.

County Annuity Reserve Account: This account represents the reserves set aside for the payment of the County's share of the retirement allowances. When a retirement annuity is scheduled to commence, sufficient monies are transferred from the County Annuity Reserve Account to the Retired Members' Reserve Account to provide for such an annuity. As of January 1, 2014, the balance in this account was \$45,614,522.

Retired Members' Reserve Account: This is the account from which monthly retirement allowances, including cost-of-living increases and death benefits, are paid. As of January 1, 2014, the balance in this account amounted to a fully funded \$88,098,067.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

Component Unit - CCBC

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

- Pension Benefits -** Eligible participants are entitled to a normal retirement allowance totaling 2.5% of the participants' final average compensation, as defined, multiplied by the number of years of credited service. The defined benefit for a participant leaving employment before attaining retirement age but completing five years is vested and early retirement benefits may be elected. The plan provides for retirement, death and disability benefits, legislatively mandated ad hoc cost-of-living adjustments, and healthcare insurance premium assistance to qualifying annuitants.
- Retirement Age -** Participants may retire with normal benefits at age sixty-two, age sixty with thirty or more years of service, or with thirty-five years of service regardless of age.
- Death Benefits -** When a participant dies in active service after attaining age sixty-two or ten years of service, the beneficiary is entitled to a death benefit equal to the benefit which would have been effective if the member retired on the day before death.
- Disability Benefits -** A participant who becomes disabled after completing five years of credited service is eligible for an annuity totaling 2.5% of the final average salary, as defined, multiplied by the number of years of credited service, but not less than one-third of such salary, nor greater than the benefit the member would have had at normal retirement age.

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

Component Unit – CCBC – Continued

Contributions required of employers are based upon an actuarial valuation. For the fiscal year ended June 30, 2013, the rate of employer contribution was 12.36% of covered payroll. This rate is comprised of a 0.86% rate for health insurance premium assistance and a pension contribution rate of 11.50%.

Pension expense for CCBC for the year ended June 30, 2013, totaled \$91,203 based on a total covered payroll of \$1,487,918. Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Member Class TC) or at 6.5% (Member Class TD) of the member's qualifying compensation. Members who joined the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Member Class TC) or at 7.5% (Member Class TD) of the member's qualifying compensation. Members who joined the System after June 30, 2001, contribute at 7.5% (automatic Member Class TD). For all new hires and for members who elected Class TD membership, the higher contribution rates began with service rendered on or after January 1, 2002. Members who joined the System after June 30, 2011 contribute at 7.5% (Member Class TE) or at 10.3% (Member Class TF). CCBC employees contributed \$109,409 to the PSERS for the year ended June 30, 2013.

The PSERS issues a comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to Diane J. Wert, Office of Financial Management and Budget, Public School Employees' Retirement System, P.O. Box 125, Harrisburg, PA 17108-0125.

This publication is also available on the PSERS website at:
<http://www.psers.state.pa.us/publications/general/cafr.htm>.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE H - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. The Beaver County, PA Deferred Compensation Plan No. 638001 (the Plan), a single employer defined contribution plan, is available to substantially all County employees, and it enables them to defer a portion of their compensation for future years. The Plan's administrator is Rivers Edge and for the year ended December 31, 2013, total employee contributions amounted to \$383,664. There were no employer contributions for this same period. Participation in the Plan is optional. The deferred compensation is not available for withdrawal until termination, retirement, death or an unforeseeable emergency. During 1997, the County placed all assets of the Plan in a custodial account. As a result, and in accordance with GASB Statement No. 32, the Plan's assets have been removed from the County's Agency Fund.

Component Unit – BCTA

BCTA maintains two Simplified Employees' Pension Plans, a type of single-employer defined contribution plan, for salaried and hourly employees. BCTA is the plans' administrator and it agrees to contribute annually a percentage of the participants' salaries, but not exceeding the federally mandated maximum for such plans. All full-time employees who earn at least \$450 in any three of the last five calendar years are eligible to participate in the plans. Participants are not required to contribute to the plans. BCTA's contributions amounted to approximately \$137,476 for the year ended June 30, 2013.

Component Unit - CCBC

CCBC established a Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF), under Section 403 (b) of the Internal Revenue Code, for eligible employees. This TIAA-CREF is a single-employer defined contribution plan administered by CCBC. Under the plan, individual contracts are entered into for covered employees. Employees are fully vested, and the contract fully funded, in accordance with the terms of the contract. Employee contributions are 5% of covered compensation. Employer contributions vary according to compensation levels and the employees' position at CCBC. During the year ended June 30, 2013, CCBC contributed \$652,648 to this retirement plan.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE I – SHORT-TERM DEBT

On January 2, 2013, the County entered into a tax revenue anticipation note agreement with a financial institution for the purpose of meeting current expenditures. The note provided for borrowings of \$10,000,000 bearing interest at 1.40% per annum. From these proceeds, \$4,600,000 was transferred to Friendship Ridge. Friendship Ridge did not repay their share of its outstanding principal and accrued interest; however the County paid the remaining principal and accrued interest on December 3, 2013, prior to the note's maturity date.

Beginning Balance at January 1, 2013	Borrowings	Repayments	Ending Balance at December 31, 2013
\$ -	10,000,000.00	(10,000,000.00)	\$ -

Component Unit - BCTA

BCTA maintains two \$500,000 demand lines of credit with a financial institution. One credit facility is restricted to purposes of the Medical Assistance Transportation Program. The terms of the agreements call for interest to be charged based on a percentage of prime rate on any outstanding balance. There are no outstanding balances as of June 30, 2013.

Component Unit - CCBC

On August 21, 2009, CCBC entered into a working capital line of credit note for \$1,500,000. The terms of the note call for a per annum rate of interest equal to the London Interbank Offering Rate plus 150 basis points. The general revenues of CCBC serve as collateral on this note. There is no outstanding balance on this line of credit as of June 30, 2013.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES

The following summarizes the long-term debt activity for the year ended December 31, 2013:

	Interest Rate	Issued	Maturity	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013	Due Within One Year
<u>Governmental Activities</u>								
General Obligation Bonds								
Series A of 2007	3.65-4.30	11/17/2007	11/01/2024	\$ 5,951,055	\$ -	\$ (5,951,055)	\$ -	\$ -
Series of 2009 Notes	2.50-5.55	02/12/2009	11/15/2031	65,282,497	-	(1,688,285)	63,594,212	1,740,598
				<u>71,233,552</u>	<u>-</u>	<u>(7,639,340)</u>	<u>63,594,212</u>	<u>1,740,598</u>
Other General Long-Term Liabilities								
Pension Bond of 2005	4.75-5.65	12/22/2005	12/15/2030	11,905,000	-	(410,000)	11,495,000	430,000
PFA Series A of 2005	3.75-5.60	05/27/2005	10/01/2029	2,645,000	-	(100,000)	2,545,000	105,000
PFA Series B of 2006	5.25-5.40	09/28/2006	10/01/2013	110,000	-	(110,000)	-	-
Pension Bond of 2009	3.86-6.50	07/08/2009	05/15/2032	9,545,000	-	(12,500)	9,532,500	15,000
DCED General Obligation Note	1.00	08/01/2011	07/01/2021	50,494	-	(5,654)	44,840	5,711
PFA Series of 2012	2.00-4.00	10/01/2012	10/01/2031	7,823,208	-	(990,843)	6,832,365	1,790,286
PFA Series of 2013	0.70-2.60	05/15/2013	11/15/2024	-	7,242,185	(125,400)	7,116,785	125,400
				<u>32,078,702</u>	<u>7,242,185</u>	<u>(1,754,397)</u>	<u>37,566,490</u>	<u>2,471,397</u>
Discount				<u>(1,257,411)</u>	<u>(44,638)</u>	<u>163,460</u>	<u>(1,138,589)</u>	<u>-</u>
<u>Total Governmental Activities</u>				<u>\$ 102,054,843</u>	<u>\$ 7,197,547</u>	<u>\$ (9,230,277)</u>	<u>\$ 100,022,113</u>	<u>\$ 4,211,995</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES – (Continued)

	Interest Rate	Issued	Maturity	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013	Due Within One Year
<u>Business-type Activities</u>								
<u>General Obligation Bonds</u>								
Series of 1998	3.45-4.25	11/15/1998	01/15/2013	\$ 570,000	\$ -	\$ (570,000)	\$ -	\$ -
Series B of 2003	1.15-3.20	07/01/2003	07/01/2013	155,000	-	(155,000)	-	-
Series A of 2007	3.65-4.30	11/17/2007	11/01/2024	3,003,945	-	(3,003,945)	-	-
Series of 2009 Notes	2.50-5.55	02/12/2009	11/15/2031	3,387,503	-	(86,715)	3,300,788	89,402
				<u>7,116,448</u>	<u>-</u>	<u>(3,815,660)</u>	<u>3,300,788</u>	<u>89,402</u>
<u>Other General Long-Term Liabilities</u>								
Pension Bond of 2009	3.86-6.50	07/08/2009	05/15/2032	9,545,000	-	(12,500)	9,532,500	15,000
PFA Series of 2012	2.00-4.00	10/01/2012	10/01/2031	301,792	-	(54,156)	247,636	129,714
PFA Series of 2013	0.70-2.60	05/15/2013	11/15/2024	-	3,107,815	(64,600)	3,043,215	64,600
				<u>9,846,792</u>	<u>3,107,815</u>	<u>(131,256)</u>	<u>12,823,351</u>	<u>209,314</u>
Discount				<u>(365,957)</u>	<u>(19,155)</u>	<u>112,743</u>	<u>(272,369)</u>	<u>-</u>
<u>Total Business-type Activities</u>				<u>\$ 16,597,283</u>	<u>\$ 3,088,660</u>	<u>\$ (3,834,173)</u>	<u>\$ 15,851,770</u>	<u>\$ 298,716</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES – (Continued)

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

Governmental

Series A of 2007

During November 2007, the County issued \$9,000,000 in General Obligation Bonds, Series A of 2007, to fund various capital projects throughout the County. As yearly budgets are drafted, the obligation to repay this issue between the Governmental Activities and Friendship Ridge may vary from year to year. During 2011 the allocation of bond proceeds and repayment amounts between Friendship Ridge and Governmental Activities were adjusted.

Interest is paid annually at coupon rates ranging from 3.65% to 4.30%. The bonds mature in installments beginning in 2008 and ending in 2024.

This issue has been refinanced in 2013 by means of an advance refunding as detailed further below. As of December 31, 2013, \$8,930,000 of this defeased issue remains outstanding.

Series of 2009 Notes

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES – (Continued)

Series of 2009 Notes – (Continued)

On February 12, 2009, the County issued \$72,685,000, of General Obligation Notes, Series of 2009 at a discount of \$1,117,031, for the purpose of refunding the 2007 Bonds, terminating the 2006 Swap Agreement, and to finance various capital projects. From the proceeds of the issuance, approximately \$58.7 million was for the refunding of the 2007 Bonds, \$6.9 million was for the termination of the Swap Agreement, and \$4.8 million was for capital projects of the County. Interest is payable in semi-annual payments ranging in rates from 2.50% to 5.55%. Mandatory bond sinking fund payments, from \$600,000 to \$8,150,000 installments, take effect in 2010 and continue through bond maturity on November 15, 2031. This debt issue is also shared with Friendship Ridge. As of December 31, 2013, all of the defeased 2007 Bonds have been redeemed.

Pension Bond of 2005

On December 22, 2005, the County issued \$13,675,000 of Federally Taxable General Obligation Pension Bonds, Series of 2005, with the intent of reducing volatility in annual required contributions to the County's retirement system. The proceeds of these bonds, net of issuance costs and discounts, were contributed to the County retirement system's trust fund. Interest is payable semi-annually in a range of rates between 4.75% and 5.65% per annum. Principal matures in installments starting in 2007 and throughout 2030. Principal payments range from \$320,000 to \$1,005,000. Mandatory bond sinking fund requirements take place for principal maturities after December 25, 2015.

PFA Series A of 2005

The County entered into a loan agreement with the PFA on May 27, 2005, in the amount of \$3,240,000. The majority of these proceeds were granted to a local performing arts center for construction purposes. The County's payments under this loan agreement equal the debt service requirements on the PFA's Federal Taxable Guaranteed Revenue Bonds, Series A of 2005, of which the County is a guarantor. The annual interest rates range from 3.75% through 5.60%. Mandatory bond sinking fund requirements for certain principal redemptions take effect starting in 2008. Effective October 1, 2015, and thereafter, the County has the right to extinguish any or all debt outstanding through this loan agreement with the PFA.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES – (Continued)

PFA Series A & B of 2006

During September 2006, the County entered into a loan agreement with the PFA for \$5,360,000. Net proceeds of this loan were used for a combination of current and advance refundings that resulted in an in-substance defeasance of the following portions of long-term debt previously recorded by the County:

<u>Debt Issue</u>	<u>Amount Refunded</u>	<u>Recorded In</u>
1997 Bonds	\$ 2,145,000	Governmental Activities
Series A of 2003	\$ 1,100,000	Governmental Activities
Series B of 2003	\$ 265,000	Business-type Activities

The refunding also satisfied interest payments of \$1,714,155 associated with the defeased debt. The County's payments under this loan agreement equal the debt service requirements on the PFA's County of Beaver Guaranteed Revenue Bonds, Series A of 2006 (the PFA Series A of 2006), as well as the PFA's Federally Taxable County of Beaver Guaranteed Revenue Bonds, Series B of 2006 (the PFA Series B of 2006), in addition to periodic charges in terms of bond administration fees. The County guarantees payments under both series issued by the PFA. The yearly interest rates for this loan range from 3.70% to 5.40%. All defeased debt under these issues was extinguished on or prior to December 31, 2010. The PFA Series A of 2006 was defeased through a current refunding in 2012 as further described below. The PFA Series B of 2006 reached its final maturity during 2013.

Pension Bond of 2009

On July 8, 2009, the County issued \$19,135,000 of Federally Taxable General Obligation Pension Bonds, Series of 2009, at a discount of \$622,028, with the intent of reducing volatility in annual required contributions to the County's retirement system. The proceeds of these bonds, net of issuance costs and discounts, were contributed to the County retirement system's trust fund. The County allocated one half of this obligation to its governmental activities and the other half to Friendship Ridge. Interest is payable semi-annually in a range of rates between 3.86% and 6.50% per year. Mandatory bond sinking fund payments, ranging from \$5,000 to \$10,825,000, take effect in 2010 and continue through bond maturity on November 15, 2032.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES – (Continued)

DCED General Obligation Note

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

PFA Series of 2012

On May 1, 2012, the County executed two agreements with the PFA to refinance several debt obligations of the County, including Friendship Ridge. This generated the issuance of the Pennsylvania Finance Authority, County of Beaver Guaranteed Revenue Bonds, Series of 2012 (the “PFA Series of 2012”), at a face value of \$15,670,000.

The debt refundings that took place are hereby depicted:

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES – (Continued)

PFA Series of 2012 – (Continued)

Additionally, \$7,410,000 of the PFA Series of 2012 was applied to refinance the Human Services Building Lease (see below) and \$217,143 remaining in proceeds was placed in the governmental Capital Bond fund restricted for purposes of capital assets investment. Debt proceeds available for refunding and capital projects were reduced by an original issue discount of \$35,127 and issuance costs of \$218,576. The refunding of the Series A of 2005, the PFA Series A of 2006, and the PFA 2006 Bonds generated \$523,660 in combined debt service savings over the repayment span of the PFA Series of 2012 and the transaction yielded an economic gain of \$353,084 for the governmental activities. A deferred amount on refunding of \$126,390 has been recognized for the governmental activities, which, as of December 31, 2013, is recorded in the government-wide Statement of Net Position with a balance of \$92,516. Amortization of this amount is recorded yearly as interest expense. Interest on this issue is payable semiannually at annual rates from 2.0% to 4.0%. Debt service payments started in October 2012 and end in October of 2025. Payments to satisfy the lease portion under the PFA Series of 2012 continue until October 2031. Combined yearly principal maturities range from \$360,000 to \$2,225,000. Mandatory bond sinking fund payments start in the year 2023. The bonds maturing after April 1, 2022, can be redeemed early at the option of the PFA upon the written direction of the County.

PFA Series of 2013

In March of 2013, the County executed an agreement with the PFA to refinance the General Obligation Bonds, Series A of 2007, a debt obligation of the County, including Friendship Ridge. This generated the issuance of the Pennsylvania Finance Authority, County of Beaver Guaranteed Revenue Bonds, Series of 2013 (the “PFA Series of 2013”), at a face value of \$10,350,000. The advance refunding was accomplished by placing \$9,661,258 in a third-party trust fund. This resulted in a net economic gain of \$76,003 and net cash flow savings of \$435,935 over the term of the PFA Series of 2013, both recognized in total for the County. A total deferred amount on refunding of \$898,782 has been recognized as well. At December 31, 2013, the governmental activities recorded \$681,111 and the business-type activities recorded \$149,333 as unamortized deferred amount on refunding for this issue in the government-wide Statement of Net Position. Amortization of this amount is recorded yearly as interest expense. Interest is paid semiannually at annual coupon rates ranging from 0.7% to 2.6%. The bonds mature in annual installments ranging from \$190,000 to \$1,490,000 beginning in 2013 and ending in 2024. Early redemption of the bonds is permitted starting in November 2021 as an option of the County.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES – (Continued)

Business-type

Series of 1998

In November 1998, the County issued \$6,250,000 of General Obligation Bonds, Refunding Series of 1998, for the purpose of refunding the General Obligation Bonds, Series of 1996, Geriatric Center (a series distinct from the Series of 1996 mentioned above). None of this defeased debt remains outstanding. These bonds matured annually in various lots through 2013. Interest is paid semi-annually at rates ranging from 3.45% to 4.25% per annum.

Series B of 2003

During 2003, the County issued \$1,405,000 of General Obligation Bonds, Series B of 2003, with interest rates ranging from 1.15 % to 3.20%, to fund capital projects at Friendship Ridge. These bonds matured in annual lots from 2003 through 2013.

Series A of 2007 / Pension Bond of 2009 / Series of 2009 Notes / PFA Series of 2012 / PFA Series of 2013

These bond issuances were split between Friendship Ridge and the governmental activities. See the preceding governmental bond descriptions for details of these bond issues. The Series A of 2007 has been defeased in 2013 by means of an advance refunding as further detailed above.

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES – (Continued)

The aggregate amount of debt service requirements during the next five years and thereafter is as follows:

	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 4,211,995	\$ 4,933,310	\$ 298,716	\$ 858,832	\$ 4,510,711	\$ 5,792,142
2015	4,290,760	4,813,816	350,010	852,388	4,640,770	5,666,204
2016	3,482,507	4,687,682	403,320	843,855	3,885,827	5,531,537
2017	3,601,549	4,570,717	409,339	833,981	4,010,888	5,404,698
2018	3,721,800	4,449,231	414,148	826,176	4,135,948	5,275,407
2019-2023	20,679,154	19,933,180	2,486,542	3,970,384	23,165,696	23,903,564
2024-2028	32,994,093	14,148,263	1,515,907	3,558,883	34,510,000	17,707,146
2029-2033	28,178,844	3,906,882	10,246,156	2,253,206	38,425,000	6,160,088
	<u>101,160,702</u>	<u>61,443,081</u>	<u>16,124,138</u>	<u>13,997,705</u>	<u>117,284,840</u>	<u>75,440,786</u>
Unamortized Premium/Discount	<u>(1,138,589)</u>	<u>1,138,589</u>	<u>(272,370)</u>	<u>272,370</u>	<u>(1,410,959)</u>	<u>1,410,959</u>
	<u>\$ 100,022,113</u>	<u>\$ 62,581,670</u>	<u>\$ 15,851,768</u>	<u>\$ 14,270,075</u>	<u>\$ 115,873,881</u>	<u>\$ 76,851,745</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES - (Continued)

The following summarizes other long-term obligation activity for the year ended December 31, 2013:

	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013	Due Within One Year
<u>Governmental Activities</u>					
Capital Lease Obligations	\$ 16,241,559	\$ 266,409	\$ (390,496)	\$ 16,117,472	\$ 366,223
Compensated Absences	1,082,517	219,481	(151,199)	1,150,799	228,967
Early Termination Benefits	312,261	-	(123,789)	188,472	96,622
	<u>17,636,337</u>	<u>485,890</u>	<u>(665,484)</u>	<u>17,456,743</u>	<u>691,812</u>
<u>Business-type Activities</u>					
Early Termination Benefits	436,527	-	(164,978)	271,549	145,692
	<u>436,527</u>	<u>-</u>	<u>(164,978)</u>	<u>271,549</u>	<u>145,692</u>
<u>Total County-wide</u>	<u>\$ 18,072,864</u>	<u>\$ 485,890</u>	<u>\$ (830,462)</u>	<u>\$ 17,728,292</u>	<u>\$ 837,504</u>

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

Capital Lease Obligations

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

	Governmental Activities	Business-type Activities
Land	\$ 392,984	\$ -
Buildings	17,504,086	-
Equipment	630,357	-

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations - Continued

Human Services Building Lease

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

The outstanding balance of this capital lease obligation at December 31, 2013, is approximately \$6,070,000. This amount is recorded as a liability in the Statement of Net Position, Governmental Activities. The difference between the recorded amount and the face value of the issued debt consists of retired maturities on the lease and an amount treated as future interest costs when accounting for capital leases. The agreement also requires the County to pay for bond maintenance fees, real estate taxes, and other miscellaneous lease-related charges.

Community Development Building Lease

A second lease agreement was entered into in 2002 between the County and the city of Beaver Falls. The lease is for a building to house the Community Development Program of Beaver County and a parking lot. The outstanding balance of this capital lease obligation at December 31, 2013, is approximately \$296,000. Payments under this lease are due every three months at \$8,000 each, for a term ranging through September 2026. The building's title transfers to the County upon expiration of the lease at no additional cost.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations - Continued

Land

A land lease for the aforementioned Human Services building and related parking facilities is in effect with the PFA. The lease calls for monthly payments through September 2026, amounting to a total principal of approximately \$267,000 remaining as of December 31, 2013. Payments are due monthly at \$2,400 each. The County acquires title to the land upon expiration of the lease at no additional cost.

Conservation Building Lease

On May 15, 2005, the County entered into an agreement of lease and sublease with the PFA for a building known as the Conservation Building. The County received \$700,000 from the PFA as a prepayment of its lease obligation. The agreement further provides for the County to sublease the Conservation Building from the PFA. The outstanding balance of this sublease at December 31, 2013, amounts to approximately \$640,000 with semiannual installments ranging from \$2,006 to \$77,006. Any or all payments due on or after October 2015 may be prepaid at the option of the County. In addition, the County has leased this facility to another party. This transaction was recorded by the County as a disposal. Payments under this lease approximate the PFA's debt service requirements on its Federally Taxable Guaranteed Revenue Bonds, Series B of 2005. The County guarantees the payment of this bond issue.

911 Center Lease

The County entered into a capital lease agreement with the Beaver County Economic Development Authority in November 2008 for the acquisition of land and construction of a building to house the Beaver County 911 Center. This lease began in November 2008 and will continue through February 2025. A bargain purchase option is available to the County at the end of the lease term. The construction of the building was completed in 2009. The outstanding balance of this capital lease obligation at December 31, 2013, is approximately \$9,200,000. Semi-annual installments ranging from \$589,000 to \$1,531,875 are made on this obligation and they will continue through February 2025.

Equipment Leases

The County entered into a capital lease agreement in 2006 for a motorcycle for the Sheriff's department at a cost of \$100 per month. This lease was previously unrecorded. The outstanding principal at December 31, 2013, on this lease is around \$13,500.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations – Continued

Equipment Leases – Continued

Beginning in 2009, the County entered into a capital lease agreement for computer software upgrades to be used in various County departments. This lease began in February 2009 and it will continue through June 2014. A bargain purchase option is available to the County at the end of the lease term. The outstanding balance of this lease at December 31, 2013, amounts to approximately \$2,700 with monthly installments of \$457.

Also in 2009, the County entered into a capital lease agreement for computer software to be used throughout the County's facilities. This lease began in June 2009 and it continued through July 2013. The County exercised a bargain purchase option which was available at the end of the lease term.

In 2010, the County entered into a capital lease agreement for computer micro-towers and software licenses to be used throughout the County's facilities. This lease began in August 2010 and it will continue through August 2014. The outstanding balance of this lease at December 31, 2013, amounts to approximately \$31,600 with monthly installments due of \$4,033.

In June 2012, the County entered into a capital lease agreement for computer software and hardware to be used throughout the County's facilities. This lease will continue through June 2016. The outstanding balance of this lease at December 31, 2013, amounts to approximately \$56,200 with annual installments of roughly \$30,000.

The County entered into a capital lease contract in 2013 for additional computer hardware and software to be used throughout the County's facilities. The lease began in June 2013 and it will continue through June 2016. A bargain purchase option is available to the County at the end of the lease term. The outstanding balance of this lease at December 31, 2013, amounts to approximately \$59,400 with yearly installments payable of \$22,631.

The County entered into a capital lease arrangement for six new vehicles dedicated to the Sheriff's department, for a lease term of forty-eight months, for a total amount financed of \$165,029 plus interest at an annual rate of 5.70%. The outstanding principal balance on this lease at December 31, 2013, is nearly \$120,000.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations – Continued

The following schedule summarizes future minimum lease payments due:

	Governmental Activities			Total Minimum Lease Payments
	Buildings	Land	Other	
2014	\$ 1,199,456	\$ 28,800	\$ 133,119	\$ 1,361,375
2015	1,201,958	28,800	98,113	1,328,871
2016	2,088,548	28,800	68,580	2,185,928
2017	2,089,998	28,800	1,200	2,119,998
2018	2,087,453	28,800	1,200	2,117,453
2019-2023	10,446,790	144,000	6,000	10,596,790
2024-2028	5,527,103	79,200	6,000	5,612,303
2029-2033	1,581,764	-	6,000	1,587,764
2034-2038	-	-	3,600	3,600
	26,223,070	367,200	323,812	26,914,082
Less: Interest	(10,660,123)	(100,623)	(35,864)	(10,796,610)
Present Value	\$ 15,562,947	\$ 266,577	\$ 287,948	\$ 16,117,472

The interest rates used to calculate the amount representing interest costs were obtained from the individual lease agreements. The blended interest rate for governmental activities was approximately 4.5%.

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

				Total Minimum Lease Payments
	Buildings	Land	Equipment	
2014 Payment	\$ 1,199,456	\$ 28,800	\$ 133,119	\$ 1,361,375
Less: Interest	(967,353)	(13,352)	(14,447)	(995,152)
Present Value	\$ 232,103	\$ 15,448	\$ 118,672	\$ 366,223

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES - (Continued)

Summary

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Due within one year:		
Obligations under bond issuances	\$ 4,211,995	\$ 298,716
Obligations under capital leases	366,223	-
Compensated absences	228,967	-
Early termination benefits	96,622	145,692
Total	<u>\$ 4,903,807</u>	<u>\$ 444,408</u>
Due in more than one year:		
Obligations under bond issuances	\$ 96,948,705	\$ 15,825,423
Less: Bond Discount	(1,138,589)	(272,369)
Obligations under capital leases	15,751,249	-
Compensated absences	921,832	-
Early termination benefits	91,850	125,857
Total	<u>112,575,047</u>	<u>15,678,911</u>

Certain bond issuances of the County are subject to federal arbitrage regulations. The County does not believe that it is in violation of these arbitrage regulations. Additionally, Beaver County is subject to certain provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania which limits the amount of debt that the County can issue. As of December 31, 2013, the County's legal debt margin is approximately \$103 million for non-electoral debt and approximately \$210 million for non-electoral and lease rental debt combined.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES - (Continued)

Liquidation of Long-term Liabilities

All outstanding long-term liabilities related to governmental activities have historically been liquidated as follows:

- Long-term debt, other than what is identified below, has been completely liquidated by the General Fund.
- Capital lease obligations have been liquidated by the funds that realize the benefit of the financed asset.
- The Human Services Building and land leases have been liquidated by the following funds: Mental Health / Intellectual Disabilities, Children & Youth, Childcare Resource Management, and Office on Aging.
- The 911 Center lease is paid through the Emergency Management Services Agency of the County, which is part of the General Fund.
- The Community Development Building and related parking lot lease has been fully liquidated by the Community Development Fund.
- All computer leases have been fully liquidated by the General Fund.
- Compensated absences have been liquidated according to the following chart. The amount paid by each fund is based on benefits earned by the employees of that fund.

<u>Fund</u>	<u>Liquidation %</u>
General Fund	66%
Mental Health / Intellectual Disabilities	13%
Children & Youth	10%
Other Governmental Funds	11%

- Early termination benefits have been mostly liquidated by the General Fund.

All business-type long-term liabilities have been liquidated by Friendship Ridge.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit – CCBC

Outstanding Debt Issuances

On April 30, 2009, CCBC borrowed \$1,500,000 from PNC Bank (formerly National City Bank) in the form of a Revenue Note in order to finance computer network infrastructure improvements and upgrades to its telecommunication system. The terms of the note call for monthly payment of principal and interest of \$26,982 for a period of five years at an interest rate of 3%. The note is scheduled to mature on April 30, 2014. The equipment purchased serves as collateral on the note.

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

In April 2007, the PFA issued \$27,780,000 in College Revenue Bonds – Series of 2007 to finance new construction, additions and renovations on the campus of CCBC. In connection with the issuance of the Bonds, the PFA entered into a Loan Agreement with CCBC, whereby the PFA will loan the proceeds of the bonds to CCBC. The loan agreement requires CCBC to make loan payments to the PFA in an amount sufficient to pay the debt service requirements of the Bonds. The obligation of CCBC under the loan agreement is evidenced by a signed general obligation promissory note dated April 15, 2007. The PFA bonds were issued in denominations of \$5,000 with interest payable on May 15 and November 15 of each year through maturity. Interest rates range between 3.50% and 4.375% with the bonds scheduled to mature December 1, 2031. The bonds provide for early redemption options as detailed in the official statement of issue.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit – CCBC – Continued

CCBC has also advanced refunded the Series A of 1994 Community College Revenue Bonds. In doing so, the PFA entered into an irrevocable trust agreement with PNC Bank to purchase U.S. Government Securities in an amount sufficient to fully service the defeased 1994 Bond Issue debt as it matures or is called. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability of the CCBC.

In connection with the refunding, the excess of the reacquisition price over the net carrying amount of refunded debt is recorded as a reduction to long-term debt on the balance sheet and amortized over the shorter of the term of the refunding issue or the refunded bonds. CCBC incurred a deferred refunding loss of \$569,680 which is being amortized over the life of the refunding issue using the straight-line method. During the year ended June 30, 2013, CCBC amortized \$29,571 of this loss which is shown as part of interest expense. The unamortized balance of \$163,946 at June 30, 2013, is deducted from the long-term portion of notes payable.

A summary of CCBC's general obligation promissory notes outstanding, due to the PFA at June 30, 2013, is as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,150,000	\$ 1,105,386	\$ 2,255,386
2015	795,000	1,077,362	1,872,362
2016	825,000	1,051,988	1,876,988
2017	850,000	1,025,404	1,875,404
2018	875,000	997,678	1,872,678
2019-2023	6,200,000	4,400,964	10,600,964
2024-2028	8,630,000	2,799,125	11,429,125
2029-2032	8,385,000	753,459	9,138,459
	<u>\$ 27,710,000</u>	<u>\$ 13,211,366</u>	<u>\$ 40,921,366</u>

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE J - LONG-TERM LIABILITIES - (Continued)

Component Unit – CCBC – Continued

Capital Lease Obligations

In July of 2012, CCBC entered into a lease agreement with First National Bank Commercial Leasing in order to finance the purchase of technology equipment in the amount of \$484,546. Four annual payments of \$125,155 starting on August 10, 2012, are due under this agreement. Interest on the outstanding balance accrues at the rate of 2.22%. The equipment acquired serves as collateral on the lease. Additionally, CCBC currently leases copier equipment from Xerox for use in its publications department. The terms of the lease agreement dated July 1, 2010, calls for monthly payments of \$12,600. Lease expense for the year ended June 30, 2013 was \$151,200. This lease is scheduled to terminate on June 30, 2015.

Compensated Absences and Other Post-Employment Benefits

The terms of the collective bargaining agreements between the CCBC and the Community College of Beaver County Society of the Faculty and Educational Support Personnel Association provide for the accumulation of sick and vacation days for eligible personnel based on employment status and length of service. As of June 30, 2013, accumulated compensated absences totaled \$643,589.

As per the terms of the collective bargaining agreements between CCBC and its collective bargaining units, CCBC continues to provide post-retirement healthcare benefits for eligible employees and the employees' spouses who elect early retirement. Per the collective bargaining agreements, these early retirement program benefits provide retired members with the option to pay his/her own insurance at group rates through CCBC.

Additionally, CCBC provides special one-time early retirement incentives to eligible members of the Beaver County Society of the Faculty, the amounts of which are dependent upon the collective bargaining agreement under which the eligible member retired. The terms of the current collective bargaining agreement provide for the payment of graduated amounts per year toward health insurance, depending on retirement age, up to a maximum of \$7,000 per year for a period of three years (commencing August 31, 2010). As of June 30, 2013, the total calculated liability for retiree health insurance benefits and early retirement incentives totaled \$20,160 and \$31,712, respectively.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE K - CONTINGENCIES

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

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

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

2006 Swap Agreement Termination

During September 2006, the County entered into an agreement with a counterparty that terminated two previous derivative instruments and replaced them with an interest rate management plan that extends over the life of the 1997 Bonds. Under this agreement (the 2006 Swap Agreement), the County terminated the derivative agreements that were outstanding in 2006 and refunded the total outstanding principal under the 1997 Bonds as of October 1, 2007 at a variable rate.

Certain events in the 2006 Swap Agreement are described as "events of default." The 2006 Swap Agreement also included termination provisions for the County.

In February 2009, the County informed the counterparty to the 2006 Swap Agreement that it wished to terminate the 2006 Swap Agreement due to the County's claims of an event of default per the terms of the agreement. The County paid the counterparty approximately \$7,000,000 to terminate the agreement. The County believes that the counterparty was paid an amount that was in accordance with the 2006 Swap Agreement to terminate the Agreement. While the County believes that this amount was fairly and reasonably calculated in accordance with the provisions of the 2006 Swap Agreement, no assurance can be given that it will not be contested by the counterparty. In such case, the amount may be substantially larger than the calculated amount.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE K – CONTINGENCIES - (Continued)

Friendship Ridge

Friendship Ridge was sold to a private entity in 2014 (see Note N). The County remains obligated to satisfy liabilities that may arise from periods of the health care facility being a part of the County, such as for workers' compensation, medical malpractice, and third party payor revenue settlements, just to name a few.

Component Unit - BCTA

BCTA's state and federally funded programs are subject to audit by various governmental agencies. BCTA is potentially liable for any expenses disallowed by the results of these audits. The Federal Transit Administration (FTA) conducted a triennial review of BCTA in which the scope of the review is to determine BCTA's compliance with federal requirements related to grant management practices and program implementation in 24 areas. No deficiencies were found in 15 areas however 9 areas (Technical, Procurement, Disadvantaged Business Enterprise, Debarment and Suspension, Planning/POP, Title VI, ADA, Drug and Alcohol, and EEO) had findings which were noted. BCTA submitted a corrective action plan to the FTA to address these deficiencies.

Component Unit - CCBC

CCBC's state and federally funded programs are subject to audit by various governmental agencies. CCBC is potentially liable for any expenses disallowed by the results of these audits. The Commonwealth of Pennsylvania's Office of Labor, Education and Community Services conducts annual audits of CCBC's Claim for Subsidy Reimbursement submitted annually to the Commonwealth. Management is not aware of any items of noncompliance which would result in the disallowance of program expenses.

CCBC is potentially liable for any costs of program non-compliance, not covered by commercial insurance, incurred by its Police Technology Program as a result of a program audit conducted by the Commonwealth of Pennsylvania. CCBC recorded an initial estimated liability of \$150,000 during the 2003-2004 fiscal year to cover these potential costs. As of June 30, 2013, the remaining unused portion of this estimated liability was \$143,822.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE L - RISK MANAGEMENT

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

Property/Casualty Exposures

The County is a member of Pennsylvania Counties Risk Pool (PCoRP) which provides insurance coverage for general liability, public official's liability, law enforcement liability, property loss, vehicle usage, and crime. There have been no significant changes in PCoRP coverage in the past three years and settled claims have not exceeded the coverage provided in those years. PCoRP is a public entity risk pool exclusively for member counties of the County Commissioners Association of Pennsylvania. PCoRP was organized as a property/casualty self-insurer and it provides coverage through its self-insured retention fund of claims less than \$450,000 for liability, \$350,000 for crime, and \$250,000 for property. There is a deductible of \$50,000 for liability, \$50,000 for property, \$1,500 for equipment breakdown, and \$5,000 for crime, per occurrence. PCoRP purchases excess coverage for claims over that threshold up to a maximum limit of \$5,000,000 for liability, \$350,250,000 for property, \$100,000,000 for equipment breakdown, and \$1,000,000 for crime. Members pay premiums to cover the costs of administration, excess insurance, and loss control services. The premium is adjusted annually to reflect both the costs of excess insurance and the most recent five-year experience with members.

The coverage provided by PCoRP excludes general liability and professional medical malpractice of Friendship Ridge. The County has made other arrangements for those exposures.

Friendship Ridge Exposures

For general liability claims, Friendship Ridge purchases a premium based policy with an individual and aggregate threshold. For the year ended December 31, 2013, claims paid related to general liability claims were \$0.

The facility has purchased insurance to cover medical malpractice incidents occurring after April 1, 2011. The insurance policy is limited by an individual and aggregate threshold. The facility was self-insured for medical malpractice occurrences up through April 1, 2011. For the year ended December 31, 2013, claims paid related to professional liability claims were \$25,307. Management is aware of certain outstanding claims and therefore, has accrued \$25,000 as of December 31, 2013.

Pursuant to state regulations, the County established an escrow account with a minimum balance of \$300,000 classified as a deposit in the Statement of Net Position.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE L - RISK MANAGEMENT – (Continued)

HealthChoices Exposures

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

The term of the current contract between the County and the Commonwealth is from January 1, 2012 through December 31, 2013. Under this contract either party has the option to terminate the agreement without cause upon one-hundred twenty days' notice to the other party. On October 23, 2013, the County entered into a five-year agreement with the Commonwealth effective January 1, 2014 through December 31, 2018.

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

The following table shows the changes in the actuarially certified estimated medical claims liability of the HealthChoices Program:

	<u>HealthChoices</u>
Liability balance - January 1, 2012	\$ 2,199,997
Incurred claims and estimates	27,906,693
Less: Claims paid during period	<u>27,306,690</u>
Liability balance - December 31, 2012	2,800,000
Incurred claims and estimates	27,998,287
Less: Claims paid during period	<u>28,548,454</u>
Liability balance - December 31, 2013	<u>\$ 2,249,833</u>

The County maintains a cash reserve that can be drawn upon in the event program expenditures exceed revenue. The balance of these reserve accounts is approximately \$7.8 million. This entire balance is available to cover losses in future periods.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE L - RISK MANAGEMENT – (Continued)

Employee Health Care and Workers' Compensation

The County has elected to self-fund the health and prescription drug employee benefits. Under the self-funded arrangement, the County's third party administrators pay all claims for medical and prescription costs. The County reimburses the administrators for these charges and pays an administrative fee based on membership and/or utilization. The County is responsible for the first \$150,000 of medical claims for any member each year. A stop loss insurance policy has been purchased to provide for payment above the yearly individual limit for a combined total not exceeding \$1,850,000. The policy includes \$1,000,000 of coverage if aggregate claims exceed the attachment point of \$15,950,028. During 2012, the County's attachment point for individual claims was \$150,000 and the attachment point for aggregate claims was \$17,473,828.

The County has elected to largely self-insure its workers' compensation claims. To mitigate excess exposure, the County purchased a commercial large-deductible insurance policy which began on January 1, 2004. The County is responsible for the first \$350,000 of any individual claim and the first \$3,120,000 in aggregate annual claims expenses. The limits of policy coverage are defined by a Pennsylvania Statute and it includes limits of \$100,000 for employer's liability for any individual claim and \$500,000 aggregate for the annual policy. Prior to 2004, workers' compensation coverage was purchased from the Pennsylvania Counties Workers' Compensation Trust (PCoMP).

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

	Governmental Activities	Friendship Ridge
Liability balance - January 1, 2012	\$ 535,067	\$ 692,830
Incurred claims and estimates	9,955,235	6,438,436
Less: Claims paid during period	<u>9,880,306</u>	<u>6,160,379</u>
Liability balance - December 31, 2012	609,996	970,887
Incurred claims and estimates	10,500,142	6,545,569
Less: Claims paid during period	<u>10,440,244</u>	<u>6,924,250</u>
Liability balance - December 31, 2013	<u>\$ 669,894</u>	<u>\$ 592,206</u>

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE L - RISK MANAGEMENT – (Continued)

Risk Accounting

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

During 2013, the medical benefit internal service fund had expenses in excess of revenues amounting to \$807,468. During this same period, the workers' compensation internal service fund had revenues in excess of expenses amounting to \$34,217. Management expects to eliminate the current deficits in net position of these funds through increased user charges.

Component Unit – BCTA

BCTA is a member of the SAFTI Property and Liability Insurance Pool, which is an insurance pool that provides BCTA and other Pennsylvania Transit Properties insurance coverage for the following types of liabilities: automobile, employee benefit, public official, general, crime, property, boiler and machinery, and workers compensation. BCTA pays an annual premium each year that includes fixed costs and a loss funding. During the 2012-2013 fiscal year, BCTA paid premiums, excluding workers compensation, of \$94,989 for Fixed Costs and \$111,420 for Loss Funding. Premiums paid for workers compensation were \$39,561 for Fixed Costs and \$191,972 for Loss Funding. This fund is self-insured but holds policies which provide excess coverage once a claim reaches a certain dollar level, which varies depending on the coverage. Insurance rates are based on individual performance, but all members of the pool share in or participate in the losses.

Component Unit – CCBC

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

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE M - COMMITMENTS

The following are amounts encumbered in the governmental funds:

	Mental Health/Intellectual Disabilities	Children & Youth	Community Development	Other Governmental Funds
Restricted	\$ 19,048	\$ 17,960	\$ 1,907	\$ 317,019
Total	<u>\$ 19,048</u>	<u>\$ 17,960</u>	<u>\$ 1,907</u>	<u>\$ 317,019</u>

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

At December 31, 2013, the County had one open letter of credit with a value totaling \$1,000,000, to cover excess costs of workers' compensation claims if needed. At December 31, 2013, the letter had not been drawn.

The County, as the local sponsor of the Community College of Beaver County, is obligated to provide funding for one half of the College's annual capital expenditures, including debt service payments for capital bonds. In 2007, the College issued \$27,780,000 in capital bonds that the County is accounting for as part of its annual contribution to CCBC to subsidize the related debt service obligation.

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

Component Unit – BCTA

During the 2012-2013 fiscal year, BCTA entered into design and engineering agreements for the replacement of the HVAC system in the Rochester facility, a contract for the replacement of 5 replacement buses and 1 spare bus, and continues to work toward completion of the AVL contract entered into two years ago. The remaining outstanding contract dollar commitments on these design and engineering agreements total \$3,871,184 at June 30, 2013.

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND JUNE 30, 2013

NOTE M - COMMITMENTS – (Continued)

Component Unit – CCBC

On June 30, 2009 (as amended), CCBC entered into a deferred compensation agreement with CCBC's President. The terms of the deferred compensation agreement stipulated that the President would receive on June 30, 2011, \$12,000 and \$17,000 respectively, and \$25,000 on June 30, 2012 for services rendered during the years ended June 30, 2009, and June 30, 2011. The agreement was subsequently amended to provide the President's deferred compensation on June 30, 2014, for services rendered to CCBC for fiscal years ended June 30, 2012 through June 30, 2014 totaling \$100,000, with \$35,000 of the total payable on June 30, 2013, and the balance of \$35,000 payable on June 30, 2014. The remaining balance due the CCBC's President of \$35,000 has not been recorded as a liability in the accompanying financial statements as of June 30, 2013. Amounts accumulated totaling \$119,000 plus interest have been recorded as part of 'accrued salaries and benefits' in the accompanying financial statements as of June 30, 2013.

NOTE N – SUBSEQUENT EVENTS

During March 2014, the County transferred ownership of Friendship Ridge to a private entity. The County received \$8,000,000 in 2013 (recorded as unearned revenue on the government-wide statement of net position and on the balance sheet as of December 31, 2013) and \$24,828,956 on March 28, 2014, for this sale. The private buyer group received payments from the County in terms of a temporary management agreement and an expenses savings clause included as part of the sales agreement, among other items. The County also incurred legal, brokerage, accounting, employee and contractor severance, and other miscellaneous costs related to this transaction. In connection to this sale, the County defeased certain bonds on May 20, 2014, placing \$7,465,304 in escrow.

The County adopted a resolution on December 20, 2013, to issue a Tax Revenue Anticipation Note (TRAN) for 2014. A total of \$6,000,000 was borrowed on the TRAN in January 2014. The County repaid the \$6,000,000 on March 31, 2014.

**REQUIRED SUPPLEMENTAL
INFORMATION**

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF FUNDING PROGRESS PENSION TRUST FUND

DECEMBER 31, 2013

For the valuation dates starting January 1, 2010, the entry age actuarial method was used. For all valuation dates prior to January 1, 2010, the aggregate actuarial cost method was used. Because the aggregate cost method does not identify or separately amortize accrued liabilities, information in this schedule about funded status and funding progress is presented using the entry age actuarial cost method for that purpose. This information is intended to serve as a surrogate for the funding progress of the plan.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2014	\$ 294,931,189	\$ 283,828,734	\$ 11,102,455	103.9%	\$ 57,418,993	19.3%
1/1/2013	\$ 247,612,166	\$ 257,993,406	\$ (10,381,240)	96.0%	\$ 57,388,235	-18.1%
1/1/2012	\$ 236,825,873	\$ 244,641,505	\$ (7,815,632)	96.8%	\$ 58,557,985	-13.3%
1/1/2011	\$ 231,188,314	\$ 229,857,979	\$ 1,330,335	100.6%	\$ 57,849,020	2.3%
1/1/2010	\$ 208,234,825	\$ 215,326,297	\$ (7,091,472)	96.7%	\$ 55,619,978	-12.7%
1/1/2009	\$ 180,412,553	\$ 208,134,895	\$ (27,722,342)	86.7%	\$ 56,786,835	-48.8%

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EMPLOYER CONTRIBUTIONS PENSION TRUST FUND

DECEMBER 31, 2013

Year Ended	Employer Contributions	Annual Required Contribution	Percentage Contributed
December 31, 2013	\$ 3,790,653	\$ 3,790,653	100%
December 31, 2012	3,312,744	3,312,744	100%
December 31, 2011	2,286,304	2,286,304	100%
December 31, 2010	3,096,622	3,096,622	100%
December 31, 2009	19,227,192	5,763,864	334%
December 31, 2008	1,887,756	1,887,756	100%

The information presented above was determined as part of the actuarial valuations performed on January 1 of each of the years ended as indicated above. The additional information is for all years presented unless otherwise indicated.

Actuarial Cost Method:	Aggregate actuarial for 2006 - 2008; entry age normal in 2009 - 2013
Asset Valuation Method:	Five-year smoothed market for 2006 - 2008; greater of market value and actuarial value in 2009 - 2013 (as determined by Pennsylvania State Law, Act 44)
Actuarial Assumptions:	
Inflation Adjustment:	3%
Investment Rate of Return:	7.5%
Amortization Method:	Level percentage of projected payroll for 2009 - 2013
Amortization Period:	30-year closed period for unfunded liability for 2009 - 2013
Projected Salary Increase:	4.00% for 2006; 4.25-4.50% for 2007; 4.50% for 2008; 3.50%/4.50% for 2009 - 2013
Cost-of-Living Adjustment:	100% of CPI effective as of January 1, 2000
Mortality Tables:	1983 Group Annuity Mortality Table with no projected improvements prior to January 1, 2013; 2013 RP Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvements effective January 1, 2013.

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Revenues</u>				
Real Estate Taxes	\$ 46,975,950	\$ 46,975,950	\$ 47,526,123	\$ 550,173
Licenses and Permits	81,000	81,000	142,264	61,264
Interest and Rents	35,000	35,000	15,573	(19,427)
Intergovernmental Revenues	2,704,927	3,551,466	3,602,817	51,351
Departmental Earnings	7,211,030	8,382,435	7,794,668	(587,767)
Miscellaneous	4,262,527	1,888,224	1,118,878	(769,346)
Total Revenues	61,270,434	60,914,075	60,200,323	(713,752)
<u>Expenditures</u>				
Current:				
General Government	12,457,744	11,074,011	10,210,427	(863,584)
Judicial	13,132,937	13,307,436	12,747,442	(559,994)
Public Safety	17,835,163	17,017,352	15,177,863	(1,839,489)
Public Works and Enterprises	3,445,993	3,728,663	3,366,132	(362,531)
Culture, Recreation and Conservation	2,992,171	2,960,916	2,675,664	(285,252)
Intergovernmental:				
Human Services	6,638,692	7,424,116	7,401,736	(22,380)
Debt Service:				
Principal	3,438,933	3,594,564	3,594,186	(378)
Interest	5,159,691	5,007,391	4,995,116	(12,275)
Bond Issuance Costs	-	-	149,577	149,577
Other	-	10,010	10,006	(4)
Capital Outlay:				
Fixed Asset Acquisition & Improvements	258,898	720,067	616,822	(103,245)
Infrastructure	25,000	10,500	1,935	(8,565)
Total Expenditures	65,385,222	64,855,026	60,946,906	(3,908,120)
Excess (Deficiency) of Revenues Over Expenditures				
	(4,114,788)	(3,940,951)	(746,583)	3,194,368
Other Financing Sources (Uses):				
Refunded Debt	-	-	(6,636,785)	(6,636,785)
Advance Refunding Bonds	-	-	6,831,000	6,831,000
Capital Lease Agreements	-	266,410	266,409	(1)
Original Issue Discount	-	-	(44,638)	(44,638)
Transfers From Other Funds	5,189,663	5,207,813	659,033	(4,548,780)
Transfers To Other Funds	(3,066,873)	(3,936,353)	(3,922,146)	14,207
Total Other Financing Sources (Uses)	2,122,790	1,537,870	(2,847,127)	(4,384,997)
Net Change in Fund Balance	(1,991,998)	(2,403,081)	(3,593,710)	(1,190,629)
Fund Balance - Beginning	(13,418,289)	(13,775,399)	(223,337)	13,552,062
Fund Balance - Ending	\$ (15,410,287)	\$ (16,178,480)	\$ (3,817,047)	\$ 12,361,433

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL MENTAL HEALTH / INTELLECTUAL DISABILITIES

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Revenues				
Intergovernmental	\$ 17,967,300	\$ 18,047,485	\$ 15,975,867	\$ (2,071,618)
Departmental Earnings	1,340,000	1,340,000	1,147,111	(192,889)
Interest	7,000	7,000	2,333	(4,667)
Miscellaneous	398,000	118,000	19,509	(98,491)
Total Revenues	19,712,300	19,512,485	17,144,820	(2,367,665)
Expenditures				
Salaries & Benefits	4,852,214	5,108,798	4,888,894	(219,904)
Personnel Expense	46,500	47,100	18,396	(28,704)
Consultant/Contracted Services	1,566,000	1,655,714	1,290,954	(364,760)
Sub Contracted Services	12,729,400	12,349,573	10,695,917	(1,653,656)
Occupancy	296,500	297,500	235,185	(62,315)
Communication	151,500	153,000	84,063	(68,937)
Supplies & Minor Equipment	207,500	375,920	190,806	(185,114)
Transportation	130,000	134,000	109,472	(24,528)
Other Expenditures	612,500	373,146	319,872	(53,274)
Capital Outlay	-	16,000	15,145	(855)
Total Expenditures	20,592,114	20,510,751	17,848,704	(2,662,047)
Excess (Deficiency) of Revenues Over Expenditures	(879,814)	(998,266)	(703,884)	294,382
Other Financing Sources (Uses):				
Transfers from Other Funds	697,500	706,409	692,966	(13,443)
Total Financing Sources (Uses)	697,500	706,409	692,966	(13,443)
Net Change in Fund Balance	(182,314)	(291,857)	(10,918)	280,939
Fund Balance - Beginning	11,464,724	6,382,036	46,070	(6,335,966)
Fund Balance - Ending	\$ 11,282,410	\$ 6,090,179	\$ 35,152	\$ (6,055,027)

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Revenues				
Intergovernmental	\$ 12,384,146	\$ 12,333,146	\$ 10,874,819	\$ (1,458,327)
Departmental Earnings	167,067	167,067	121,005	(46,062)
Interest	1,790	1,790	155	(1,635)
Total Revenues	12,553,003	12,502,003	10,995,979	(1,506,024)
Expenditures				
Salaries & Benefits	4,668,333	4,753,481	4,681,489	(71,992)
Personnel Expense	29,800	30,800	17,648	(13,152)
Consultant/Contracted Services	1,096,500	1,121,818	925,117	(196,701)
Sub Contracted Services	6,430,000	6,280,352	4,360,422	(1,919,930)
Occupancy	382,000	442,300	370,229	(72,071)
Communication	184,000	215,857	190,146	(25,711)
Supplies & Minor Equipment	245,000	381,487	292,883	(88,604)
Transportation	139,447	189,447	174,515	(14,932)
Other Expenditures	1,885,200	1,562,110	1,329,534	(232,576)
Capital Outlay	147,030	222,030	140,064	(81,966)
Total Expenditures	15,207,310	15,199,682	12,482,047	(2,717,635)
Excess (Deficiency) of Revenues Over Expenditures	(2,654,307)	(2,697,679)	(1,486,068)	1,211,611
Other Financing Sources (Uses):				
Transfers From Other Funds	1,500,000	1,551,000	1,550,419	(581)
Total Financing Sources (Uses)	1,500,000	1,551,000	1,550,419	(581)
Net Change in Fund Balance	(1,154,307)	(1,146,679)	64,351	1,211,030
Fund Balance - Beginning	(82,501)	(150,001)	1,310,896	1,460,897
Fund Balance - Ending	<u>\$ (1,236,808)</u>	<u>\$ (1,296,680)</u>	<u>\$ 1,375,247</u>	<u>\$ 2,671,927</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Revenues				
Intergovernmental	\$ 7,722,623	\$ 8,152,217	\$ 5,692,169	\$ (2,460,048)
Departmental Earnings	360,000	360,000	322,717	(37,283)
Interest	345	345	128	(217)
Total Revenues	8,082,968	8,512,562	6,015,014	(2,497,548)
Expenditures				
Salaries & Benefits	613,628	632,743	627,914	(4,829)
Personnel Expense	9,013	12,374	7,972	(4,402)
Consultant/Contracted Services	7,508,114	7,810,836	5,029,820	(2,781,016)
Sub Contracted Services	-	61,269	49,815	(11,454)
Occupancy	136,862	149,412	76,889	(72,523)
Communication	51,250	54,157	19,538	(34,619)
Supplies & Minor Equipment	88,589	102,987	36,423	(66,564)
Transportation	15,300	14,745	9,502	(5,243)
Other Expenditures	108,800	101,864	66,098	(35,766)
Total Expenditures	8,531,556	8,940,387	5,923,971	(3,016,416)
Excess (Deficiency) of Revenues Over Expenditures	(448,588)	(427,825)	91,043	518,868
Other Financing Sources (Uses)				
Transfers From Other Funds	571,096	571,096	-	(571,096)
Transfers To Other Funds	(570,096)	(589,143)	-	589,143
Total Financing Sources (Uses)	1,000	(18,047)	-	18,047
Fund Balance - Beginning	(6,035,218)	(6,010,250)	111,582	6,121,832
Fund Balance - Ending	\$ (6,482,806)	\$ (6,456,122)	\$ 202,625	\$ 6,658,747

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Revenues				
Intergovernmental	\$ 35,035,000	\$ 35,035,000	\$ 36,055,610	\$ 1,020,610
Interest	28,030	28,030	17,051	(10,979)
Total Revenues	35,063,030	35,063,030	36,072,661	1,009,631
Expenditures				
Salaries & Benefits	371,846	606,081	601,802	(4,279)
Personnel Expense	2,200	2,200	122	(2,078)
Consultant/Contracted Services	33,738,093	34,703,279	34,103,774	(599,505)
Occupancy	40,900	45,950	31,772	(14,178)
Communication	9,400	10,400	8,140	(2,260)
Supplies & Minor Equipment	15,500	31,800	11,927	(19,873)
Transportation	4,200	5,200	4,706	(494)
Other Expenditures	42,000	63,000	47,954	(15,046)
Total Expenditures	34,224,139	35,467,910	34,810,197	(657,713)
Excess (Deficiency) of Revenues Over Expenditures	838,891	(404,880)	1,262,464	1,667,344
Fund Balance - Beginning	11,462,310	9,908,762	10,351,874	443,112
Fund Balance - Ending	\$ 12,301,201	\$ 9,503,882	\$ 11,614,338	\$ 2,110,456

COUNTY OF BEAVER, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

DECEMBER 31, 2013

NOTE A – BASIS OF BUDGETING

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

NOTE B – BUDGET VARIANCE

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

OTHER SUPPLEMENTAL INFORMATION

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
General Government				
Commissioners:				
Salaries & Benefits	\$ 593,812	\$ 607,539	\$ 607,201	\$ (338)
Personnel Expense	4,800	3,282	782	(2,500)
Occupancy	800	695	461	(234)
Communication	8,800	11,661	11,443	(218)
Supplies & Minor Equipment	42,000	26,237	25,516	(721)
Transportation	15,000	17,767	17,762	(5)
Other Expenses	2,500	8,500	7,304	(1,196)
Total Expenditures	667,712	675,681	670,469	(5,212)
Controller:				
Salaries & Benefits	665,523	593,501	555,294	(38,207)
Personnel Expense	14,000	14,000	13,570	(430)
Occupancy	2,780	2,780	2,304	(476)
Communication	4,000	3,998	1,132	(2,866)
Supplies & Minor Equipment	11,400	11,500	7,967	(3,533)
Transportation	5,000	4,896	70	(4,826)
Consultant/Contracted Services	40,000	70,000	74,734	4,734
Total Expenditures	742,703	700,675	655,071	(45,604)
Treasurer:				
Salaries & Benefits	768,875	756,464	619,034	(137,430)
Personnel Expense	800	1,100	680	(420)
Occupancy	5,300	5,300	4,378	(922)
Communication	53,500	45,200	32,726	(12,474)
Supplies & Minor Equipment	24,500	32,500	25,080	(7,420)
Transportation	2,500	2,500	1,181	(1,319)
Other Expenses	10,000	10,000	679	(9,321)
Tax Refunds	185,000	185,000	150,407	(34,593)
Total Expenditures	1,050,475	1,038,064	834,165	(203,899)
Recorder Of Deeds:				
Salaries & Benefits	439,918	436,254	420,237	(16,017)
Personnel Expense	1,300	1,300	716	(584)
Occupancy	-	3,700	3,686	(14)
Communication	1,300	1,300	1,067	(233)
Supplies & Minor Equipment	18,000	18,000	15,258	(2,742)
Transportation	3,400	3,400	1,209	(2,191)
Consultant/Contracted Services	50,040	54,210	50,040	(4,170)
Total Expenditures	513,958	518,164	492,213	(25,951)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Solicitor:				
Salaries & Benefits	\$ 387,459	\$ 395,553	\$ 395,117	\$ (436)
Personnel Expense	8,500	13,500	13,485	(15)
Occupancy	280	280	230	(50)
Communication	400	400	323	(77)
Supplies & Minor Equipment	3,700	5,774	5,451	(323)
Transportation	800	2,750	2,731	(19)
Consultant/Contracted Services	-	1,050	951	(99)
Total Expenditures	401,139	419,307	418,288	(1,019)
Employee Relations:				
Salaries & Benefits	498,984	447,591	415,785	(31,806)
Personnel Expense	54,400	55,600	31,162	(24,438)
Occupancy	1,060	1,060	461	(599)
Communication	3,720	4,670	2,976	(1,694)
Supplies & Minor Equipment	6,900	7,125	6,441	(684)
Transportation	1,250	1,250	97	(1,153)
Consultant/Contracted Services	103,000	100,625	16,877	(83,748)
Total Expenditures	669,314	617,921	473,799	(144,122)
Microfilm:				
Salaries & Benefits	225,574	221,979	186,546	(35,433)
Occupancy	2,100	2,100	2,057	(43)
Communication	40	3,040	1,441	(1,599)
Supplies & Minor Equipment	46,900	39,125	32,081	(7,044)
Transportation	150	150	-	(150)
Consultant/Contracted Services	10,000	14,934	14,931	(3)
Other Expenses	-	242	242	-
Total Expenditures	284,764	281,570	237,298	(44,272)
Information Technology:				
Salaries & Benefits	597,216	163,825	155,632	(8,193)
Personnel Expense	14,000	14,000	12,431	(1,569)
Communication	50,840	56,243	54,063	(2,180)
Supplies & Minor Equipment	69,900	163,221	141,703	(21,518)
Transportation	650	14,150	8,950	(5,200)
Consultant/Contracted Services	108,000	70,263	62,000	(8,263)
Other Expenses	-	75	75	-
Total Expenditures	840,606	481,777	434,854	(46,923)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Central Services Department:				
Salaries & Benefits	\$ 172,684	\$ 171,739	\$ 134,242	\$ (37,497)
Occupancy	145	145	115	(30)
Communication	51,500	51,500	20,207	(31,293)
Supplies & Minor Equipment	21,000	21,373	19,236	(2,137)
Total Expenditures	245,329	244,757	173,800	(70,957)
Planning Commission:				
Salaries & Benefits	294,165	320,808	319,109	(1,699)
Personnel Expense	1,325	1,815	1,727	(88)
Occupancy	768	1,152	1,152	-
Communication	1,650	1,670	1,383	(287)
Supplies & Minor Equipment	8,000	20,610	18,814	(1,796)
Transportation	6,000	4,796	3,309	(1,487)
Consultant/Contracted Services	42,000	29,700	18,255	(11,445)
Other Expenses	1,950	1,950	1,612	(338)
Total Expenditures	355,858	382,501	365,361	(17,140)
Weights And Measures:				
Salaries & Benefits	51,694	53,329	53,274	(55)
Communication	600	600	480	(120)
Supplies & Minor Equipment	850	850	331	(519)
Transportation	8,500	8,500	8,042	(458)
Total Expenditures	61,644	63,279	62,127	(1,152)
Veterans Affairs:				
Salaries & Benefits	147,139	145,279	143,561	(1,718)
Personnel Expense	880	674	674	-
Communication	3,150	3,045	2,754	(291)
Supplies & Minor Equipment	2,650	2,645	2,519	(126)
Transportation	1,400	677	677	-
Other Expenses	122,250	123,518	123,224	(294)
Total Expenditures	277,469	275,838	273,409	(2,429)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Election Bureau:				
Salaries & Benefits	\$ 393,556	\$ 393,556	\$ 345,932	\$ (47,624)
Personnel Expense	350	350	344	(6)
Occupancy	23,140	23,140	21,450	(1,690)
Communication	45,500	54,500	46,134	(8,366)
Supplies & Minor Equipment	62,000	57,000	55,400	(1,600)
Transportation	2,700	2,700	2,080	(620)
Consultant/Contracted Services	15,000	13,000	11,289	(1,711)
Other Expenses	235,000	233,000	194,149	(38,851)
Total Expenditures	<u>777,246</u>	<u>777,246</u>	<u>676,778</u>	<u>(100,468)</u>
Assessment/Tax Claim:				
Salaries & Benefits	1,107,388	1,107,388	1,069,095	(38,293)
Personnel Expense	21,500	20,900	20,018	(882)
Occupancy	3,700	3,700	2,995	(705)
Communication	280,000	280,700	245,688	(35,012)
Supplies & Minor Equipment	40,000	41,873	20,669	(21,204)
Transportation	22,000	22,000	10,808	(11,192)
Consultant/Contracted Services	50,000	42,200	17,505	(24,695)
Other Expenses	112,500	113,100	111,556	(1,544)
Total Expenditures	<u>1,637,088</u>	<u>1,631,861</u>	<u>1,498,334</u>	<u>(133,527)</u>
Public Defender:				
Salaries & Benefits	1,083,724	1,191,990	1,174,791	(17,199)
Personnel Expense	7,600	11,866	11,866	-
Occupancy	1,120	923	922	(1)
Communication	400	787	787	-
Supplies & Minor Equipment	8,100	11,053	10,988	(65)
Transportation	-	8,564	8,563	(1)
Other Expenses	6,000	61,402	61,100	(302)
Total Expenditures	<u>1,106,944</u>	<u>1,286,585</u>	<u>1,269,017</u>	<u>(17,568)</u>
General Government:				
Personnel Expense	89,000	110,979	110,914	(65)
Occupancy	1,700	28,232	28,227	(5)
Communication	84,000	57,000	56,717	(283)
Consultant/Contracted Services	609,800	861,211	860,011	(1,200)
Other Expenses	185,595	164,534	164,195	(339)
Total Expenditures	<u>970,095</u>	<u>1,221,956</u>	<u>1,220,064</u>	<u>(1,892)</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Miscellaneous:				
Insurance	\$ 1,835,500	\$ 432,757	\$ 432,332	\$ (425)
Bank Charges	8,900	13,072	12,348	(724)
Indirect Cost Study	11,000	11,000	10,700	(300)
Total Expenditures	<u>1,855,400</u>	<u>456,829</u>	<u>455,380</u>	<u>(1,449)</u>
Total General Government	<u>\$ 12,457,744</u>	<u>\$ 11,074,011</u>	<u>\$ 10,210,427</u>	<u>\$ (863,584)</u>

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Clerk Of Courts:				
Salaries & Benefits	\$ 635,823	\$ 665,776	\$ 664,520	\$ (1,256)
Personnel Expense	15,100	15,100	13,330	(1,770)
Occupancy	-	4,000	3,917	(83)
Communication	17,350	17,350	16,367	(983)
Supplies & Minor Equipment	17,500	25,650	20,611	(5,039)
Transportation	2,900	2,900	2,583	(317)
Consultant/Contracted Services	5,040	5,040	5,040	-
Other Expenses	100	100	-	(100)
Total Expenditures	693,813	735,916	726,368	(9,548)
Coroner:				
Salaries & Benefits	139,495	151,515	151,478	(37)
Personnel Expense	900	900	828	(72)
Occupancy	280	280	230	(50)
Communication	2,600	300	34	(266)
Supplies & Minor Equipment	500	500	-	(500)
Transportation	1,000	450	399	(51)
Other Expenses	171,000	217,295	190,514	(26,781)
Total Expenditures	315,775	371,240	343,483	(27,757)
Jury Commission:				
Salaries & Benefits	117,108	112,408	112,380	(28)
Personnel Expense	600	600	600	-
Communication	11,000	11,000	10,974	(26)
Supplies & Minor Equipment	7,500	7,500	5,195	(2,305)
Transportation	2,000	1,200	-	(1,200)
Consultant/Contracted Services	-	5,800	5,656	(144)
Total Expenditures	138,208	138,508	134,805	(3,703)
District Attorney:				
Salaries & Benefits	2,169,891	2,176,390	2,156,645	(19,745)
Personnel Expense	18,000	24,071	22,945	(1,126)
Occupancy	5,600	4,675	4,673	(2)
Communication	9,360	9,500	9,419	(81)
Supplies & Minor Equipment	31,860	35,017	29,509	(5,508)
Transportation	18,900	11,246	11,144	(102)
Consultant/Contracted Services	20,000	23,775	23,240	(535)
Other Expenses	8,550	8,110	6,954	(1,156)
Total Expenditures	2,282,161	2,292,784	2,264,529	(28,255)

Exhibit A (Page 6 of 17)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Prothonotary:				
Salaries & Benefits	\$ 681,373	\$ 680,440	\$ 654,415	\$ (26,025)
Personnel Expense	1,000	1,000	886	(114)
Occupancy	10,900	10,973	8,986	(1,987)
Communication	800	10,900	10,844	(56)
Supplies & Minor Equipment	19,800	20,284	19,750	(534)
Transportation	1,500	1,500	1,292	(208)
Total Expenditures	715,373	725,097	696,173	(28,924)
Register Of Wills:				
Salaries & Benefits	413,393	414,660	366,031	(48,629)
Personnel Expense	700	700	650	(50)
Occupancy	-	5,069	5,069	-
Communication	13,200	13,566	13,534	(32)
Supplies & Minor Equipment	14,500	14,165	13,081	(1,084)
Transportation	2,100	2,100	1,978	(122)
Total Expenditures	443,893	450,260	400,343	(49,917)
Sheriff:				
Salaries & Benefits	3,515,799	3,234,405	3,160,713	(73,692)
Personnel Expense	39,450	42,460	34,585	(7,875)
Occupancy	1,160	2,160	1,486	(674)
Communication	6,000	7,918	7,596	(322)
Supplies & Minor Equipment	63,000	89,893	77,029	(12,864)
Transportation	110,000	105,000	104,263	(737)
Consultant/Contracted Services	7,250	7,490	6,225	(1,265)
Other Expenses	6,500	6,500	4,701	(1,799)
Total Expenditures	3,749,159	3,495,826	3,396,598	(99,228)
Court Administration:				
Salaries & Benefits	2,180,771	2,407,166	2,318,980	(88,186)
Personnel Expense	77,000	76,000	44,689	(31,311)
Occupancy	3,100	3,100	2,534	(566)
Communication	17,100	17,100	10,836	(6,264)
Supplies & Minor Equipment	75,500	81,405	69,511	(11,894)
Transportation	11,500	11,500	6,126	(5,374)
Consultant/Contracted Services	277,500	277,500	216,833	(60,667)
Other Expenses	100,000	100,000	51,312	(48,688)
Total Expenditures	2,742,471	2,973,771	2,720,821	(252,950)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Law Library:				
Salaries & Benefits	\$ 71,956	\$ 71,956	\$ 71,569	\$ (387)
Communication	50	38	20	(18)
Supplies & Minor Equipment	95,870	95,882	94,423	(1,459)
Transportation	300	300	54	(246)
Total Expenditures	168,176	168,176	166,066	(2,110)
District Court 36-1-03:				
Salaries & Benefits	152,463	159,894	159,617	(277)
Personnel Expense	300	300	235	(65)
Occupancy	25,355	25,355	24,662	(693)
Communication	10,500	10,400	10,212	(188)
Supplies & Minor Equipment	9,400	8,400	6,255	(2,145)
Transportation	700	700	691	(9)
Total Expenditures	198,718	205,049	201,672	(3,377)
District Court 36-1-01:				
Salaries & Benefits	137,958	144,358	144,165	(193)
Personnel Expense	300	300	120	(180)
Occupancy	8,749	9,549	8,495	(1,054)
Communication	13,800	12,300	11,927	(373)
Supplies & Minor Equipment	9,200	12,900	10,308	(2,592)
Transportation	500	500	14	(486)
Total Expenditures	170,507	179,907	175,029	(4,878)
District Court 36-3-02:				
Salaries & Benefits	154,456	160,034	159,672	(362)
Personnel Expense	500	480	367	(113)
Occupancy	8,782	8,782	6,656	(2,126)
Communication	13,800	14,320	14,096	(224)
Supplies & Minor Equipment	8,300	7,800	6,525	(1,275)
Transportation	700	700	369	(331)
Total Expenditures	186,538	192,116	187,685	(4,431)
District Court 36-2-01:				
Salaries & Benefits	194,192	205,950	205,509	(441)
Personnel Expense	500	500	411	(89)
Occupancy	9,365	9,406	8,277	(1,129)
Communication	20,300	19,868	19,168	(700)
Supplies & Minor Equipment	10,500	9,149	7,870	(1,279)
Transportation	1,000	1,000	796	(204)
Total Expenditures	235,857	245,873	242,031	(3,842)

Exhibit A (Page 8 of 17)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
District Court 36-3-03:				
Salaries & Benefits	\$ 206,340	\$ 214,072	\$ 213,319	\$ (753)
Personnel Expense	400	400	333	(67)
Occupancy	12,749	12,999	12,201	(798)
Communication	5,050	20,850	14,146	(6,704)
Supplies & Minor Equipment	12,000	10,610	8,344	(2,266)
Transportation	1,000	1,000	798	(202)
Total Expenditures	237,539	259,931	249,141	(10,790)
District Court 36-3-04:				
Salaries & Benefits	140,598	146,209	146,199	(10)
Personnel Expense	300	332	332	-
Occupancy	8,894	8,894	7,455	(1,439)
Communication	12,000	12,000	9,480	(2,520)
Supplies & Minor Equipment	7,600	6,147	4,223	(1,924)
Transportation	2,000	2,900	2,890	(10)
Total Expenditures	171,392	176,482	170,579	(5,903)
District Court 36-1-02:				
Salaries & Benefits	207,497	215,371	211,946	(3,425)
Personnel Expense	300	300	170	(130)
Occupancy	8,503	7,730	6,792	(938)
Communication	16,300	16,100	15,578	(522)
Supplies & Minor Equipment	9,500	7,943	6,177	(1,766)
Transportation	500	362	-	(362)
Other Expenditures	-	20	20	-
Total Expenditures	242,600	247,826	240,683	(7,143)
District Court 36-3-01:				
Salaries & Benefits	165,298	173,591	173,551	(40)
Personnel Expense	400	400	252	(148)
Occupancy	8,874	8,899	7,589	(1,310)
Communication	15,300	17,850	17,797	(53)
Supplies & Minor Equipment	11,000	10,924	10,008	(916)
Transportation	500	200	-	(200)
Total Expenditures	201,372	211,864	209,197	(2,667)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
District Court 36-2-02:				
Salaries & Benefits	\$ 203,926	\$ 201,551	\$ 193,249	\$ (8,302)
Personnel Expense	300	300	265	(35)
Occupancy	8,409	8,439	7,537	(902)
Communication	13,950	13,750	10,512	(3,238)
Supplies & Minor Equipment	11,300	11,270	9,198	(2,072)
Transportation	1,500	1,500	1,478	(22)
Total Expenditures	<u>239,385</u>	<u>236,810</u>	<u>222,239</u>	<u>(14,571)</u>
Total Judicial	<u>\$ 13,132,937</u>	<u>\$ 13,307,436</u>	<u>\$ 12,747,442</u>	<u>\$ (559,994)</u>

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Public Works				
Department of Public Works:				
Salaries & Benefits	\$ 2,565,583	\$ 2,520,368	\$ 2,178,436	\$ (341,932)
Personnel Expense	4,200	2,800	2,744	(56)
Occupancy	49,600	60,280	57,477	(2,803)
Communication	12,010	13,059	12,863	(196)
Supplies & Minor Equipment	42,100	43,904	43,616	(288)
Transportation	42,500	40,500	38,624	(1,876)
Other Expenses	1,000	1,000	994	(6)
Total Expenditures	<u>2,716,993</u>	<u>2,681,911</u>	<u>2,334,754</u>	<u>(347,157)</u>
Buildings and Grounds:				
Occupancy	425,000	655,671	650,371	(5,300)
Communication	-	705	704	(1)
Supplies & Minor Equipment	84,000	90,236	89,835	(401)
Consultant/Contracted Services	207,500	266,525	262,117	(4,408)
Other Expenses	12,500	33,615	28,351	(5,264)
Total Expenditures	<u>729,000</u>	<u>1,046,752</u>	<u>1,031,378</u>	<u>(15,374)</u>
Total Public Works	<u>\$ 3,445,993</u>	<u>\$ 3,728,663</u>	<u>\$ 3,366,132</u>	<u>\$ (362,531)</u>

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Public Safety				
Emergency Services:				
Salaries & Benefits	\$ 2,922,468	\$ 1,852,659	\$ 1,130,653	\$ (722,006)
Personnel Expense	6,150	6,584	5,424	(1,160)
Occupancy	77,500	724,072	723,072	(1,000)
Communication	14,000	18,000	12,477	(5,523)
Supplies & Minor Equipment	84,000	98,882	90,650	(8,232)
Transportation	8,000	15,000	10,189	(4,811)
Consultant/Contracted Services	10,200	79,739	75,183	(4,556)
Other Expenses	17,800	18,300	11,534	(6,766)
Total Expenditures	3,140,118	2,813,236	2,059,182	(754,054)
Jail of Beaver County:				
Salaries & Benefits	5,780,765	6,008,758	6,003,264	(5,494)
Personnel Expense	50,300	50,300	43,501	(6,799)
Occupancy	336,600	340,300	336,401	(3,899)
Communication	16,750	16,750	15,501	(1,249)
Supplies & Minor Equipment	212,000	212,000	195,556	(16,444)
Transportation	9,000	9,000	6,828	(2,172)
Consultant/Contracted Services	54,500	54,500	50,417	(4,083)
Other Expenses	1,450,500	1,446,800	1,386,391	(60,409)
Total Expenditures	7,910,415	8,138,408	8,037,859	(100,549)
DUI Program:				
Salaries & Benefits	117,176	117,176	103,512	(13,664)
Personnel Expense	2,000	2,000	527	(1,473)
Occupancy	1,800	1,950	1,950	-
Communication	500	500	177	(323)
Supplies & Minor Equipment	1,000	850	689	(161)
Transportation	1,500	1,500	702	(798)
Consultant/Contracted Services	5,500	5,500	3,250	(2,250)
Total Expenditures	129,476	129,476	110,807	(18,669)
Adult Probation:				
Salaries & Benefits	1,681,124	1,838,686	1,820,168	(18,518)
Personnel Expense	500	500	443	(57)
Communication	6,700	4,200	3,590	(610)
Supplies & Minor Equipment	13,700	16,700	13,435	(3,265)
Transportation	9,500	9,500	7,217	(2,283)
Other Expenses	55,000	50,800	50,200	(600)
Total Expenditures	1,766,524	1,920,386	1,895,053	(25,333)

Exhibit A (Page 12 of 17)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Intermediate Punishment Program:				
Salaries & Benefits	\$ 378,643	\$ 428,827	\$ 428,748	\$ (79)
Occupancy	55,556	55,556	51,492	(4,064)
Communication	21,300	28,400	27,071	(1,329)
Supplies & Minor Equipment	130,800	98,245	92,950	(5,295)
Transportation	3,000	3,000	1,887	(1,113)
Other Expenses	1,250	1,250	220	(1,030)
Total Expenditures	590,549	615,278	602,368	(12,910)
Juvenile Probation-Court Services:				
Salaries & Benefits	1,233,645	544,303	532,175	(12,128)
Personnel Expense	2,400	2,400	1,610	(790)
Communication	17,000	15,600	14,086	(1,514)
Supplies & Minor Equipment	11,700	13,100	10,968	(2,132)
Transportation	17,200	17,200	13,455	(3,745)
Consultant/Contracted Services	1,935,500	1,595,052	873,411	(721,641)
Other Expenses	486,500	618,500	473,407	(145,093)
Total Expenditures	3,703,945	2,806,155	1,919,112	(887,043)
Juvenile Probation-Grants (SPS):				
Salaries & Benefits	579,136	576,686	536,698	(39,988)
Transportation	8,000	10,050	10,040	(10)
Total Expenditures	587,136	586,736	546,738	(39,998)
UAD Program:				
Salaries & Benefits	4,000	4,877	4,870	(7)
Personnel Expense	250	250	-	(250)
Occupancy	1,800	1,800	1,800	-
Communication	100	100	50	(50)
Supplies & Minor Equipment	750	550	-	(550)
Transportation	100	100	24	(76)
Total Expenditures	7,000	7,677	6,744	(933)
Total Public Safety	\$ 17,835,163	\$ 17,017,352	\$ 15,177,863	\$ (1,839,489)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Culture, Recreation, and</u>				
<u>Conservation</u>				
Waste Management:				
Salaries & Benefits	\$ 348,817	\$ 355,817	\$ 268,363	\$ (87,454)
Personnel Expense	670	1,803	1,274	(529)
Occupancy	49,100	49,100	43,446	(5,654)
Communication	4,500	5,000	3,077	(1,923)
Supplies & Minor Equipment	42,775	45,775	34,993	(10,782)
Transportation	11,800	11,300	9,486	(1,814)
Consultant/Contracted Services	9,000	4,500	2,047	(2,453)
Other Expenses	54,900	54,900	42,609	(12,291)
Total Expenditures	<u>521,562</u>	<u>528,195</u>	<u>405,295</u>	<u>(122,900)</u>
Library Commission:				
Salaries & Benefits	598,974	549,247	527,959	(21,288)
Personnel Expense	65,666	61,670	61,352	(318)
Occupancy	33,150	29,865	29,698	(167)
Communication	34,550	26,505	24,260	(2,245)
Supplies & Minor Equipment	42,000	51,760	50,950	(810)
Transportation	10,800	11,800	11,251	(549)
Consultant/Contracted Services	8,100	8,100	8,100	-
Other Expenses	482,441	487,271	486,810	(461)
Total Expenditures	<u>1,275,681</u>	<u>1,226,218</u>	<u>1,200,380</u>	<u>(25,838)</u>
Parks/Shelter/Recreation:				
Salaries & Benefits	38,584	38,584	25,813	(12,771)
Occupancy	3,300	3,300	2,422	(878)
Communication	2,000	3,062	2,388	(674)
Supplies & Minor Equipment	3,300	3,250	2,055	(1,195)
Transportation	1,300	595	218	(377)
Consultant/Contracted Services	10,000	9,688	6,641	(3,047)
Other Expenses	500	500	487	(13)
Total Expenditures	<u>58,984</u>	<u>58,979</u>	<u>40,024</u>	<u>(18,955)</u>
DPW/Parks:				
Occupancy	30,000	30,000	29,846	(154)
Communication	2,000	2,000	1,744	(256)
Supplies & Minor Equipment	117,300	103,324	103,083	(241)
Consultant/Contracted Services	15,000	9,818	9,818	-
Other Expenses	14,000	19,488	19,453	(35)
Total Expenditures	<u>178,300</u>	<u>164,630</u>	<u>163,944</u>	<u>(686)</u>

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Ice Arena:				
Salaries & Benefits	\$ 485,394	\$ 502,719	\$ 398,538	\$ (104,181)
Personnel Expense	3,500	3,500	3,455	(45)
Occupancy	242,500	242,507	234,395	(8,112)
Communication	2,250	2,250	1,960	(290)
Supplies & Minor Equipment	27,850	37,995	37,048	(947)
Consultant/Contracted Services	31,500	32,300	30,953	(1,347)
Other Expenses	3,300	3,058	1,883	(1,175)
Contra Revenue Accounts	150	150	65	(85)
Total Expenditures	796,444	824,479	708,297	(116,182)
Pool:				
Salaries & Benefits	108,150	124,646	124,170	(476)
Occupancy	15,100	13,380	13,201	(179)
Communication	1,050	550	547	(3)
Supplies & Minor Equipment	12,400	4,340	4,308	(32)
Other Expenses	24,500	15,499	15,498	(1)
Total Expenditures	161,200	158,415	157,724	(691)
Total Culture, Recreation and Conservation	\$ 2,992,171	\$ 2,960,916	\$ 2,675,664	\$ (285,252)

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
<u>Human Services</u>				
Subsidies:				
Subsidies	\$ 4,738,692	\$ 4,795,656	\$ 4,783,702	\$ (11,954)
Consultant/Contracted Services	40,000	25,560	20,889	(4,671)
Other Expenses	10,000	5,000	3,000	(2,000)
Contra Revenue Accounts	-	2,900	2,852	(48)
Total Expenditures	<u>4,788,692</u>	<u>4,829,116</u>	<u>4,810,443</u>	<u>(18,673)</u>
Beaver County Transit Authority:				
Subsidies	850,000	850,000	850,000	-
Contra Revenue Accounts	<u>1,000,000</u>	<u>1,745,000</u>	<u>1,741,293</u>	<u>(3,707)</u>
Total Expenditures	<u>1,850,000</u>	<u>2,595,000</u>	<u>2,591,293</u>	<u>(3,707)</u>
Total Human Services	<u>\$ 6,638,692</u>	<u>\$ 7,424,116</u>	<u>\$ 7,401,736</u>	<u>\$ (22,380)</u>

COUNTY OF BEAVER, PENNSYLVANIA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Debt Service:				
Principal	\$ 3,438,933	\$ 3,594,564	\$ 3,594,186	\$ (378)
Interest	5,159,691	5,007,391	4,995,116	(12,275)
Bond Issuance Cots	-	-	149,577	149,577
Other Expenses	-	10,010	10,006	(4)
Total Expenditures	<u>8,598,624</u>	<u>8,611,965</u>	<u>8,748,885</u>	<u>136,920</u>
Fixed Asset Acquisition and Improvements:				
	<u>258,898</u>	<u>720,067</u>	<u>616,822</u>	<u>(103,245)</u>
Infrastructure				
	<u>25,000</u>	<u>10,500</u>	<u>1,935</u>	<u>(8,565)</u>
Total Expenditures	<u>\$ 65,385,222</u>	<u>\$ 64,855,026</u>	<u>\$ 60,946,906</u>	<u>\$ (3,908,120)</u>

COUNTY OF BEAVER, PENNSYLVANIA

INDIVIDUAL FUND DESIGNATIONS

Automation and Records Improvement

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

Regional Booking Center

The Regional Booking Center (RBC) has the capabilities of identifying and processing individuals/prisoners as well as issuing emergency protection from abuse orders. Fees collected by the RBC are to be used solely for the operations and maintenance of the RBC.

Domestic Relations

This fund is established and administered for the purpose of enforcing support obligations owed by non-custodial parents to their children and the parent with whom such children are living, locating non-custodial parents, establishing paternity, obtaining child and spousal support, and assuring that assistance in obtaining support will be available for whom such assistance is requested.

Offender's Supervisory

The Offender Supervision Fee is assessed monthly against all offenders placed on probation, parole, Accelerated Rehabilitative Disposition, Probation with Verdict, and Intermediate Punishment. Currently, the money is collected by the Clerk of Courts, with 50% being retained by the County and 50% being forwarded to the State. Subsequently, the state refunds the County the funds received for the operations of the probation offices.

Victim Witness

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

Hazardous Materials / Act 147 Grants

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

COUNTY OF BEAVER, PENNSYLVANIA

INDIVIDUAL FUND DESIGNATIONS

Liquid Fuels

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

Office on Aging

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

Childcare Resource Management

The Pennsylvania Department of Public Welfare, through its Childcare Information Service Agencies, administers the Subsidized Child Day Care Program for low income families and makes resources and referral services available to all citizens of Pennsylvania. Childcare Information Service Agencies are dedicated to provide all services courteously, to help families receive all of the services for which they are eligible, and to help families access all needed resources in a community.

Tourist Promotion

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

Anti-Drug Task Force / Education

This fund is administered by the County District Attorney (DA) to keep proceeds and property seized during drug investigations. The funds seized are to be used for expenditures related to drug investigations, community based drug fighting programs and for relocation and protection of witnesses in criminal cases. Forfeitures originating from participating municipalities are also turned in to this fund and then shared with that municipality. In addition to drug-related forfeitures, the fund earns revenues from a grant provided by the State Attorney General's Office. This grant is paid out in quarterly installments after submission and approval of quarterly activity reports by the DA. The DA Education Fund was established to track non-drug related forfeitures and to provide for educational and other funding necessary to the operations of the DA's Office.

COUNTY OF BEAVER, PENNSYLVANIA

INDIVIDUAL FUND DESIGNATIONS

Emergency Services 911

This fund is responsible for managing and administrating all activities that pertain to emergency situations affecting Beaver County.

Courtroom Improvement

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

Capital Reserve

This fund was established for the purpose of funding various capital improvement projects in County parks, Friendship Ridge, and other County facilities.

Capital Bond

This fund was established to account for all purchases made using the proceeds of the County of Beaver Guaranteed Revenue Bonds, Series of 2012 and proceeds from any future debt refundings. Expenditures in this fund are statutorily restricted to capital outlay.

COUNTY OF BEAVER, PENNSYLVANIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2013

	Special Revenue								
	Automation and Records <u>Improvement</u>	Regional Booking <u>Center</u>	Domestic <u>Relations</u>	Offender's <u>Supervisory</u>	Victim <u>Witness</u>	Hazardous Materials/ <u>Act 147 Grants</u>	Liquid <u>Fuels</u>	Office <u>on Aging</u>	Childcare Resource <u>Management</u>
Assets									
Cash and Cash Equivalents	\$ 502,981	\$ 76	\$ 122,504	\$ 408,250	\$ 945	\$ 210,319	\$ 2,253,138	\$ 1,067,783	\$ -
Interfund Receivable	-	-	-	-	-	-	1,205	-	1,837
Accounts Receivable	1,157	5,113	409,284	18,479	37,342	16,452	2,030,538	21,458	-
Total Assets	\$ 504,138	\$ 5,189	\$ 531,788	\$ 426,729	\$ 38,287	\$ 226,771	\$ 4,284,881	\$ 1,089,241	\$ 1,837
Liabilities									
Accounts Payable	\$ -	\$ -	\$ 1,606	\$ -	\$ -	\$ 4,465	\$ 2,051,916	\$ 178,594	\$ -
Interfund Payable	7,239	132,286	126,807	122,401	54,970	8,163	4,014	33,995	-
Accrued Payroll	484	2,520	46,427	-	2,768	-	1,215	43,730	1,837
Accrued Other Liabilities	-	-	-	-	-	13,366	-	259,601	-
Unearned Revenue	-	-	-	-	-	49,433	-	-	-
Total Liabilities	7,723	134,806	174,840	122,401	57,738	75,427	2,057,145	515,920	1,837
Deferred Inflows of Resources									
Unavailable Revenue	-	-	251,625	-	-	-	335,247	-	-
Fund Balance (Deficit)									
Restricted:									
Other	496,415	-	105,323	304,328	-	151,344	1,892,489	573,321	-
Committed:									
Capital Projects	-	-	-	-	-	-	-	-	-
Unassigned:	-	(129,617)	-	-	(19,451)	-	-	-	-
Total Fund Balances (Deficits)	496,415	(129,617)	105,323	304,328	(19,451)	151,344	1,892,489	573,321	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 504,138	\$ 5,189	\$ 531,788	\$ 426,729	\$ 38,287	\$ 226,771	\$ 4,284,881	\$ 1,089,241	\$ 1,837

COUNTY OF BEAVER, PENNSYLVANIA

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2013

	Special Revenue				Capital Projects				Nonmajor Governmental Funds Total
	Tourist Promotion	Anti-Drug Task Force / Educational	Emergency Services 911	Total	Courtroom Improvement	Capital Reserve	Capital Bond	Total	
Assets									
Cash and Cash Equivalents	\$ 32,670	\$ 423,216	\$ 1,501,666	\$ 6,523,548	\$ 567,662	\$ 204,670	\$ 628,328	\$ 1,400,660	\$ 7,924,208
Interfund Receivable	-	-	-	3,042	162,695	500,000	-	662,695	665,737
Accounts Receivable	28,035	402	125,164	2,693,424	-	-	-	-	2,693,424
Total Assets	\$ 60,705	\$ 423,618	\$ 1,626,830	\$ 9,220,014	\$ 730,357	\$ 704,670	\$ 628,328	\$ 2,063,355	\$ 11,283,369
Liabilities									
Accounts Payable	\$ 3,433	\$ 11,936	\$ 26,471	\$ 2,278,421	\$ 16,945	\$ -	\$ -	\$ 16,945	\$ 2,295,366
Interfund Payable	12,725	-	678,003	1,180,603	-	1,205	-	1,205	1,181,808
Accrued Payroll	1,791	1,002	-	101,774	-	-	-	-	101,774
Accrued Other Liabilities	-	-	-	272,967	-	-	-	-	272,967
Unearned Revenue	-	-	749,865	799,298	-	-	-	-	799,298
Total Liabilities	17,949	12,938	1,454,339	4,633,063	16,945	1,205	-	18,150	4,651,213
Deferred Inflows of Resources									
Unavailable Revenue	-	-	-	586,872	-	-	-	-	586,872
Fund Balance (Deficit)									
Restricted:									
Other	42,756	410,680	172,491	4,149,147	-	-	628,328	628,328	4,777,475
Committed:									
Capital Projects	-	-	-	-	713,412	703,465	-	1,416,877	1,416,877
Unassigned:	-	-	-	(149,068)	-	-	-	-	(149,068)
Total Fund Balances (Deficits)	42,756	410,680	172,491	4,000,079	713,412	703,465	628,328	2,045,205	6,045,284
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 60,705	\$ 423,618	\$ 1,626,830	\$ 9,220,014	\$ 730,357	\$ 704,670	\$ 628,328	\$ 2,063,355	\$ 11,283,369

COUNTY OF BEAVER, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2013

	Special Revenue								
	Automation and Records Improvement	Regional Booking Center	Domestic Relations	Offender's Supervisory	Victim Witness	Hazardous Materials/ Act 147 Grants	Liquid Fuels	Office on Aging	Childcare Resource Management
Revenues									
Investment Income	\$ 80	\$ -	\$ 14	\$ 41	\$ 3	\$ 39	\$ 217	\$ 137	\$ 54
Intergovernmental	-	-	1,500,181	286,881	146,107	186,408	8,761,742	4,769,980	3,464,014
Departmental Earnings	171,185	80,237	43,017	312,092	-	-	21,581	48,017	-
Local Hotel Room Tax	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	10,540	50,000	-	-
Total Revenues	171,265	80,237	1,543,212	599,014	146,110	196,987	8,833,540	4,818,134	3,464,068
Expenditures									
Current:									
General Government	41,501	-	-	-	-	-	-	-	-
Judicial	-	133,001	2,492,375	-	150,046	-	-	-	-
Public Safety	-	-	-	-	-	156,134	-	-	-
Public Works and Enterprises	-	-	-	-	-	-	475,776	-	-
Culture Recreation & Conservation	-	-	-	-	-	-	-	-	-
Intergovernmental:									
Operating / Human Services	-	-	-	-	-	-	-	4,588,183	3,420,243
Capital Outlay:									
Infrastructure	-	-	-	-	-	-	6,864,294	-	-
Fixed Asset Acquisition	76,052	-	-	25,437	-	5,321	-	-	-
Total Expenditures	117,553	133,001	2,492,375	25,437	150,046	161,455	7,340,070	4,588,183	3,420,243
Excess (Deficiency) of Revenues Over (Under) Expenditures	53,712	(52,764)	(949,163)	573,577	(3,936)	35,532	1,493,470	229,951	43,825
Other Financing Sources (Uses)									
Issuance of Debt	-	-	-	-	-	-	-	-	-
Transfers From Other Funds	-	-	848,516	-	-	-	-	50,000	-
Transfers to Other Funds	(8,150)	-	-	(630,884)	-	-	-	-	(19,999)
Total Other Financing Sources (Uses)	(8,150)	-	848,516	(630,884)	-	-	-	50,000	(19,999)
Net Change in Fund Balance	45,562	(52,764)	(100,647)	(57,307)	(3,936)	35,532	1,493,470	279,951	23,826
Fund Balances (Deficits) - Beginning	450,853	(76,853)	205,970	361,635	(15,515)	115,812	399,019	293,370	(23,826)
Fund Balances (Deficits) - Ending	\$ 496,415	\$ (129,617)	\$ 105,323	\$ 304,328	\$ (19,451)	\$ 151,344	\$ 1,892,489	\$ 573,321	\$ -

COUNTY OF BEAVER, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2013

	Special Revenue				Capital Projects				Nonmajor Governmental Funds Total
	Tourist Promotion	Anti-Drug Task Force / Educational	Emergency Services 911	Total	Courtroom Improvement	Capital Reserve	Capital Bond	Total	
Revenues									
Investment Income	\$ 7	\$ 282	\$ 201	\$ 1,075	\$ 64	\$ 89	\$ -	\$ 153	\$ 1,228
Intergovernmental	-	88,800	1,608,561	20,812,674	3,680	-	-	3,680	20,816,354
Departmental Earnings	19,792	85,518	557,855	1,339,294	-	294,312	-	294,312	1,633,606
Local Hotel Room Tax	268,517	-	-	268,517	-	-	-	-	268,517
Miscellaneous	-	-	-	60,540	-	-	-	-	60,540
Total Revenues	288,316	174,600	2,166,617	22,482,100	3,744	294,401	-	298,145	22,780,245
Expenditures									
Current:									
General Government	-	-	-	41,501	32,683	-	-	32,683	74,184
Judicial	-	127,314	-	2,902,736	-	-	-	-	2,902,736
Public Safety	-	-	1,974,066	2,130,200	-	-	-	-	2,130,200
Public Works and Enterprises	-	-	-	475,776	-	-	-	-	475,776
Culture Recreation & Conservation	312,355	-	-	312,355	-	-	-	-	312,355
Intergovernmental:									
Operating / Human Services	-	-	-	8,008,426	-	-	-	-	8,008,426
Capital Outlay:									
Infrastructure	-	-	-	6,864,294	-	5,080	-	5,080	6,869,374
Fixed Asset Acquisition	5,747	-	172,443	285,000	8,199	-	-	8,199	293,199
Total Expenditures	318,102	127,314	2,146,509	21,020,288	40,882	5,080	-	45,962	21,066,250
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,786)	47,286	20,108	1,461,812	(37,138)	289,321	-	252,183	1,713,995
Other Financing Sources (Uses)									
Issuance of Debt	-	-	-	-	-	-	411,185	411,185	411,185
Transfers From Other Funds	-	-	-	898,516	162,695	-	-	162,695	1,061,211
Transfers to Other Funds	-	-	-	(659,033)	-	-	-	-	(659,033)
Total Other Financing Sources (Uses)	-	-	-	239,483	162,695	-	411,185	573,880	813,363
Net Change in Fund Balance	(29,786)	47,286	20,108	1,701,295	125,557	289,321	411,185	826,063	2,527,358
Fund Balances (Deficits) - Beginning	72,542	363,394	152,383	2,298,784	587,855	414,144	217,143	1,219,142	3,517,926
Fund Balances (Deficits) - Ending	\$ 42,756	\$ 410,680	\$ 172,491	\$ 4,000,079	\$ 713,412	\$ 703,465	\$ 628,328	\$ 2,045,205	\$ 6,045,284

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
General Government				
Automation and Records Improvement				
Revenues:				
Departmental Earnings	\$ 143,000	\$ 143,000	\$ 171,185	\$ 28,185
Interest	46	46	80	34
Total Revenues	<u>143,046</u>	<u>143,046</u>	<u>171,265</u>	<u>28,219</u>
Expenditures:				
Salaries & Benefits	22,710	23,390	23,336	(54)
Consultant/Contracted Services	80,000	80,000	-	(80,000)
Supplies & Minor Equipment	15,000	18,250	3,673	(14,577)
Transportation	3,500	3,500	-	(3,500)
Other Expenditures	-	48,700	14,492	(34,208)
Capital Outlay	32,000	124,182	76,052	(48,130)
Total Expenditures	<u>153,210</u>	<u>298,022</u>	<u>117,553</u>	<u>(180,469)</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,164)	(154,976)	53,712	208,688
Other Financing Sources (Uses):				
Transfers from Other Funds	-	-	(8,150)	(8,150)
Total Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(8,150)</u>	<u>(8,150)</u>
Net Change in Fund Balance	(10,164)	(154,976)	45,562	200,538
Fund Balance - Beginning	<u>74,084</u>	<u>(128,027)</u>	<u>450,853</u>	<u>578,880</u>
Fund Balance - Ending	<u>\$ 63,920</u>	<u>\$ (283,003)</u>	<u>\$ 496,415</u>	<u>\$ 779,418</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Regional Booking Center				
Revenues:				
Departmental Earnings	\$ 50,000	\$ 50,000	\$ 80,237	\$ 30,237
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>80,237</u>	<u>30,237</u>
Expenditures:				
Salaries & Benefits	144,450	144,450	112,793	(31,657)
Communication	500	4,000	3,500	(500)
Supplies & Minor Equipment	39,000	35,500	16,708	(18,792)
Total Expenditures	<u>183,950</u>	<u>183,950</u>	<u>133,001</u>	<u>(50,949)</u>
Excess (Deficiency) of Revenues Over Expenditures	(133,950)	(133,950)	(52,764)	81,186
Other Financing Sources (Uses):				
Transfers from Other Funds	133,950	133,950	-	(133,950)
Total Financing Sources (Uses)	<u>133,950</u>	<u>133,950</u>	<u>-</u>	<u>(133,950)</u>
Net Change in Fund Balance	-	-	(52,764)	(52,764)
Fund Balance - Beginning	-	(147,811)	(76,853)	70,958
Fund Balance - Ending	<u>\$ -</u>	<u>\$ (147,811)</u>	<u>\$ (129,617)</u>	<u>\$ 18,194</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Domestic Relations				
Revenues:				
Intergovernmental	\$ 1,624,647	\$ 1,624,647	\$ 1,500,181	\$ (124,466)
Departmental Earnings	42,000	42,000	43,017	1,017
Interest	100	100	14	(86)
Total Revenues	<u>1,666,747</u>	<u>1,666,747</u>	<u>1,543,212</u>	<u>(123,535)</u>
Expenditures:				
Salaries & Benefits	2,154,812	2,247,812	2,239,383	(8,429)
Personnel Expense	14,200	19,200	12,998	(6,202)
Occupancy	1,370	1,370	1,152	(218)
Communication	44,700	44,700	28,953	(15,747)
Supplies & Minor Equipment	22,500	20,000	9,993	(10,007)
Transportation	6,000	6,000	5,804	(196)
Consultant/Contracted Services	21,500	24,000	19,580	(4,420)
Other Expenditures	278,921	185,921	174,512	(11,409)
Capital Outlay	5,000	-	-	-
Total Expenditures	<u>2,549,003</u>	<u>2,549,003</u>	<u>2,492,375</u>	<u>(56,628)</u>
Excess (Deficiency) of Revenues Over Expenditures	(882,256)	(882,256)	(949,163)	(66,907)
Other Financing Sources (Uses):				
Transfers from Other Funds	803,594	848,594	848,516	(78)
Total Financing Sources (Uses)	<u>803,594</u>	<u>848,594</u>	<u>848,516</u>	<u>(78)</u>
Net Change in Fund Balance	(78,662)	(33,662)	(100,647)	(66,985)
Fund Balance - Beginning	<u>(643,010)</u>	<u>(690,267)</u>	<u>205,970</u>	<u>896,237</u>
Fund Balance - Ending	<u>\$ (721,672)</u>	<u>\$ (723,929)</u>	<u>\$ 105,323</u>	<u>\$ 829,252</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Offender's Supervisory				
Revenues:				
Departmental Earnings	\$ 275,000	\$ 275,000	\$ 312,092	\$ 37,092
Intergovernmental	275,000	275,000	286,881	11,881
Interest	-	-	41	41
Total Revenues	<u>550,000</u>	<u>550,000</u>	<u>599,014</u>	<u>49,014</u>
Expenditures:				
Capital Outlay	-	25,438	25,437	(1)
Total Expenditures	<u>-</u>	<u>25,438</u>	<u>25,437</u>	<u>(1)</u>
Excess (Deficiency) of Revenues Over Expenditures	550,000	524,562	573,577	49,015
Other Financing Sources (Uses):				
Transfers to Other Funds	(630,000)	(630,884)	(630,884)	-
Total Financing Sources (Uses)	<u>(630,000)</u>	<u>(630,884)</u>	<u>(630,884)</u>	<u>-</u>
Net Change in Fund Balance	(80,000)	(106,322)	(57,307)	49,015
Fund Balance - Beginning	<u>(676,365)</u>	<u>(903,824)</u>	<u>361,635</u>	<u>1,265,459</u>
Fund Balance - Ending	<u>\$ (756,365)</u>	<u>\$ (1,010,146)</u>	<u>\$ 304,328</u>	<u>\$ 1,314,474</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Victim Witness				
Revenues:				
Intergovernmental	\$ 141,233	\$ 141,233	\$ 146,107	\$ 4,874
Interest	-	-	3	3
Total Revenues	<u>141,233</u>	<u>141,233</u>	<u>146,110</u>	<u>4,877</u>
Expenditures:				
Salaries & Benefits	155,225	162,419	149,124	(13,295)
Personnel Expense	-	175	160	(15)
Communication	300	300	219	(81)
Supplies & Minor Equipment	-	500	45	(455)
Transportation	-	800	498	(302)
Other Expenditures	7,949	6,980	-	(6,980)
Total Expenditures	<u>163,474</u>	<u>171,174</u>	<u>150,046</u>	<u>(21,128)</u>
Excess (Deficiency) of Revenues Over Expenditures	(22,241)	(29,941)	(3,936)	26,005
Fund Balance - Beginning	<u>(14,052)</u>	<u>(21,652)</u>	<u>(15,515)</u>	<u>6,137</u>
Fund Balance - Ending	<u>\$ (36,293)</u>	<u>\$ (51,593)</u>	<u>\$ (19,451)</u>	<u>\$ 32,142</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Public Safety				
Hazardous Materials / Act 147 Grants				
Revenues:				
Intergovernmental	\$ 137,755	\$ 137,755	\$ 186,408	\$ 48,653
Interest	120	120	39	(81)
Miscellaneous	-	-	10,540	10,540
Total Revenues	137,875	137,875	196,987	59,112
Expenditures:				
Salaries & Benefits	-	40,548	30,639	(9,909)
Personnel Expense	7,600	12,769	6,462	(6,307)
Consultant/Contracted Services	-	27,050	12,050	(15,000)
Occupancy	16,000	16,000	12,280	(3,720)
Communication	10,000	10,000	7,615	(2,385)
Supplies & Minor Equipment	33,775	57,637	40,040	(17,597)
Transportation	9,000	28,700	6,050	(22,650)
Other Expenditures	106,500	47,451	24,998	(22,453)
Contra Revenue Accounts	-	16,000	16,000	-
Capital Outlay	20,000	5,500	5,321	(179)
Total Expenditures	202,875	261,655	161,455	(100,200)
Excess (Deficiency) of Revenues Over Expenditures	(65,000)	(123,780)	35,532	159,312
Fund Balance - Beginning	(392,051)	(425,157)	115,812	540,969
Fund Balance - Ending	\$ (457,051)	\$ (548,937)	\$ 151,344	\$ 700,281

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Public Works				
Liquid Fuels				
Revenues:				
Intergovernmental	\$ 10,819,630	\$ 10,819,630	\$ 8,761,742	\$ (2,057,888)
Departmental Earnings	24,000	24,000	21,581	(2,419)
Interest	600	600	217	(383)
Miscellaneous	-	-	50,000	50,000
Total Revenues	<u>10,844,230</u>	<u>10,844,230</u>	<u>8,833,540</u>	<u>(2,010,690)</u>
Expenditures:				
Salaries & Benefits	61,070	63,581	63,470	(111)
Personnel Expense	-	20	18	(2)
Consultant/Contracted Services	334,000	288,403	192,005	(96,398)
Communication	2,900	2,903	1,560	(1,343)
Supplies & Minor Equipment	12,500	13,374	6,172	(7,202)
Transportation	4,000	3,460	3,452	(8)
Other Expenditures	241,000	241,000	209,099	(31,901)
Infrastructure	10,215,130	10,182,239	6,864,294	(3,317,945)
Total Expenditures	<u>10,870,600</u>	<u>10,794,980</u>	<u>7,340,070</u>	<u>(3,454,910)</u>
Excess (Deficiency) of Revenues Over Expenditures	(26,370)	49,250	1,493,470	1,444,220
Fund Balance - Beginning	<u>(572,983)</u>	<u>(637,469)</u>	<u>399,019</u>	<u>1,036,488</u>
Fund Balance - Ending	<u>\$ (599,353)</u>	<u>\$ (588,219)</u>	<u>\$ 1,892,489</u>	<u>\$ 2,480,708</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Human Services				
Office on Aging				
Revenues:				
Intergovernmental	\$ 5,247,108	\$ 5,247,108	\$ 4,769,980	\$ (477,128)
Departmental Earnings	132,600	132,600	48,017	(84,583)
Interest	750	750	137	(613)
Total Revenues	5,380,458	5,380,458	4,818,134	(562,324)
Expenditures:				
Reimbursement to State	124,000	146,000	145,535	(465)
Salaries & Benefits	2,446,570	2,451,370	2,316,842	(134,528)
Personnel Expense	11,950	9,950	7,235	(2,715)
Consultant/Contracted Services	102,000	97,000	81,945	(15,055)
Sub Contracted Services	2,500,000	2,450,975	1,587,758	(863,217)
Occupancy	270,500	313,500	308,632	(4,868)
Communication	24,500	26,000	16,825	(9,175)
Supplies & Minor Equipment	60,100	62,421	33,262	(29,159)
Transportation	25,500	23,200	20,501	(2,699)
Other Expenditures	116,000	99,000	69,648	(29,352)
Capital Outlay	13,375	13,375	-	(13,375)
Total Expenditures	5,694,495	5,692,791	4,588,183	(1,104,608)
Excess (Deficiency) of Revenues Over Expenditures	(314,037)	(312,333)	229,951	542,284
Other Financing Sources (Uses):				
Transfers from Other Funds	50,000	50,000	50,000	-
Total Financing Sources (Uses)	50,000	50,000	50,000	-
Net Change in Fund Balance	(264,037)	(262,333)	279,951	542,284
Fund Balance - Beginning	(1,413,305)	(1,968,535)	293,370	2,261,905
Fund Balance - Ending	<u>\$ (1,677,342)</u>	<u>\$ (2,230,868)</u>	<u>\$ 573,321</u>	<u>\$ 2,804,189</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Human Services				
Childcare Resource Management				
Revenues:				
Intergovernmental	\$ 7,461,739	\$ 7,461,739	\$ 3,464,014	\$ (3,997,725)
Interest	350	350	54	(296)
Miscellaneous	-	6,889	-	(6,889)
Total Revenues	7,462,089	7,468,978	3,464,068	(4,004,910)
Expenditures:				
Reimbursement to State	57,056	53,056	-	(53,056)
Salaries & Benefits	573,915	587,015	330,983	(256,032)
Personnel Expense	750	750	90	(660)
Consultant/Contracted Services	15,000	24,109	19,648	(4,461)
Sub Contracted Services	6,515,794	6,451,619	2,880,342	(3,571,277)
Occupancy	71,775	70,575	33,707	(36,868)
Communication	21,800	20,790	6,949	(13,841)
Supplies & Minor Equipment	39,500	33,975	7,437	(26,538)
Transportation	1,000	1,000	591	(409)
Other Expenditures	165,499	165,499	140,496	(25,003)
Total Expenditures	7,462,089	7,408,388	3,420,243	(3,988,145)
Excess (Deficiency) of Revenues Over Expenditures	-	60,590	43,825	(16,765)
Other Financing Sources (Uses):				
Transfers to Other Funds	-	(52,275)	(19,999)	32,276
Total Financing Sources (Uses)	-	(52,275)	(19,999)	32,276
Net Change in Fund Balance	-	8,315	23,826	15,511
Fund Balance - Beginning	64,540	(110,118)	(23,826)	86,292
Fund Balance - Ending	\$ 64,540	\$ (101,803)	\$ -	\$ 101,803

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Recreation				
 Tourist Promotion				
Revenues:				
Departmental Earnings	\$ 16,500	\$ 16,500	\$ 19,792	\$ 3,292
Local Hotel Room Tax	280,000	280,000	268,517	(11,483)
Interest	50	50	7	(43)
Total Revenues	<u>296,550</u>	<u>296,550</u>	<u>288,316</u>	<u>(8,234)</u>
Expenditures:				
Salaries & Benefits	117,323	117,873	94,904	(22,969)
Personnel Expense	6,180	3,956	3,785	(171)
Consultant/Contracted Services	11,750	6,050	884	(5,166)
Communication	162,500	164,724	163,024	(1,700)
Supplies & Minor Equipment	4,500	5,500	2,943	(2,557)
Transportation	10,000	10,000	4,194	(5,806)
Other Expenditures	60,750	60,153	42,621	(17,532)
Capital Outlay	1,000	5,747	5,747	-
Total Expenditures	<u>374,003</u>	<u>374,003</u>	<u>318,102</u>	<u>(55,901)</u>
Excess (Deficiency) of Revenues Over Expenditures	(77,453)	(77,453)	(29,786)	47,667
Fund Balance - Beginning	<u>62,870</u>	<u>62,870</u>	<u>72,542</u>	<u>9,672</u>
Fund Balance - Ending	<u>\$ (14,583)</u>	<u>\$ (14,583)</u>	<u>\$ 42,756</u>	<u>\$ 57,339</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Judicial				
Anti-Drug Task Force / Educational				
Revenues:				
Intergovernmental	\$ 91,600	\$ 91,600	\$ 88,800	\$ (2,800)
Departmental Earnings	25,000	58,000	85,518	27,518
Interest	-	-	282	282
Total Revenues	116,600	149,600	174,600	25,000
Expenditures:				
Salaries & Benefits	143,697	143,697	65,339	(78,358)
Personnel Expense	3,000	3,000	2,064	(936)
Supplies & Minor Equipment	5,000	13,201	12,298	(903)
Transportation	5,500	4,250	3,843	(407)
Other Expenditures	30,758	56,808	43,770	(13,038)
Total Expenditures	187,955	220,956	127,314	(93,642)
Excess (Deficiency) of Revenues Over Expenditures	(71,355)	(71,356)	47,286	118,642
Other Financing Sources (Uses):				
Transfers to Other Funds	-	(100)	-	100
Total Financing Sources (Uses)	-	(100)	-	100
Net Change in Fund Balance	(71,355)	(71,456)	47,286	118,742
Fund Balance - Beginning	(297,344)	(330,050)	363,394	693,444
Fund Balance - Ending	<u>\$ (368,699)</u>	<u>\$ (401,506)</u>	<u>\$ 410,680</u>	<u>\$ 812,186</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Public Safety				
Emergency Services 911				
Revenues:				
Intergovernmental	\$ 1,223,711	\$ 1,578,682	\$ 1,608,561	\$ 29,879
Departmental Earnings	515,000	515,000	557,855	42,855
Interest	36	36	201	165
Total Revenues	1,738,747	2,093,718	2,166,617	72,899
Expenditures:				
Salaries & Benefits	-	-	-	-
Personnel Expense	-	-	(320)	(320)
Consultant/Contracted Services	33,000	45,056	33,601	(11,455)
Communication	240,016	282,735	259,421	(23,314)
Supplies & Minor Equipment	123,400	129,077	105,275	(23,802)
Other Expenditures	1,228,309	1,576,187	1,576,089	(98)
Capital Outlay	114,022	192,466	172,443	(20,023)
Total Expenditures	1,738,747	2,225,521	2,146,509	(79,012)
Excess (Deficiency) of Revenues Over Expenditures	-	(131,803)	20,108	151,911
Fund Balance - Beginning	512,083	(78,009)	152,383	230,392
Fund Balance - Ending	\$ 512,083	\$ (209,812)	\$ 172,491	\$ 382,303

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Capital Projects				
Courtroom Improvement				
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 3,680	\$ 3,680
Interest	-	-	64	64
Total Revenues	<u>-</u>	<u>-</u>	<u>3,744</u>	<u>3,744</u>
Expenditures:				
Supplies & Minor Equipment	-	38,606	32,683	(5,923)
Capital Outlay	250,000	188,199	8,199	(180,000)
Total Expenditures	<u>250,000</u>	<u>226,805</u>	<u>40,882</u>	<u>(185,923)</u>
Excess (Deficiency) of Revenues Over Expenditures	(250,000)	(226,805)	(37,138)	189,667
Other Financing Sources (Uses):				
Transfers From Other Funds	110,000	110,000	162,695	52,695
Total Financing Sources (Uses)	<u>110,000</u>	<u>110,000</u>	<u>162,695</u>	<u>52,695</u>
Net Change in Fund Balance	(140,000)	(116,805)	125,557	242,362
Fund Balance - Beginning	<u>(28,529)</u>	<u>(168,101)</u>	<u>587,855</u>	<u>755,956</u>
Fund Balance - Ending	<u>\$ (168,529)</u>	<u>\$ (284,906)</u>	<u>\$ 713,412</u>	<u>\$ 998,318</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Capital Projects				
Capital Reserve				
Revenues:				
Departmental Earnings	\$ -	\$ -	\$ 294,312	\$ 294,312
Interest	-	-	89	89
Miscellaneous	450,000	450,000	-	(450,000)
Total Revenues	<u>450,000</u>	<u>450,000</u>	<u>294,401</u>	<u>(155,599)</u>
Expenditures:				
Other Expenditures	200,000	200,000	-	(200,000)
Infrastructure	-	5,080	5,080	-
Total Expenditures	<u>200,000</u>	<u>205,080</u>	<u>5,080</u>	<u>(200,000)</u>
Excess (Deficiency) of Revenues Over Expenditures	250,000	244,920	289,321	44,401
Other Financing Sources (Uses):				
Transfers From Other Funds	450,000	450,000	-	(450,000)
Transfer to Other Funds	(450,000)	(444,920)	-	444,920
Total Financing Sources (Uses)	<u>-</u>	<u>5,080</u>	<u>-</u>	<u>(5,080)</u>
Net Change in Fund Balance	250,000	250,000	289,321	39,321
Fund Balance - Beginning	<u>1,964,519</u>	<u>1,557,453</u>	<u>414,144</u>	<u>(1,143,309)</u>
Fund Balance - Ending	<u>\$ 2,214,519</u>	<u>\$ 1,807,453</u>	<u>\$ 703,465</u>	<u>\$ (1,103,988)</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance
	Original	Final		Over (Under)
Capital Projects				
Capital Bond				
Revenues:				
Departmental Earnings	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Consultant/Contracted Services	-	-	-	-
Supplies & Minor Equipment	-	-	-	-
Other Expenditures	-	-	-	-
Infrastructure	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures				
	-	-	-	-
Other Financing Sources (Uses):				
Issuance of Debt	-	-	411,185	411,185
Transfers From Other Funds	-	-	-	-
Total Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>411,185</u>	<u>411,185</u>
Net Change in Fund Balance	-	-	411,185	411,185
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>217,143</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 628,328</u>	<u>\$ 411,185</u>

COUNTY OF BEAVER, PENNSYLVANIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

DECEMBER 31, 2013

	<u>Medical Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 43,680	\$ 74,844	\$ 118,524
Interfund Receivable	216,659	\$ 199,399	416,058
Total Current Assets	<u>260,339</u>	<u>274,243</u>	<u>534,582</u>
Total Assets	<u>\$ 260,339</u>	<u>\$ 274,243</u>	<u>\$ 534,582</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	\$ 666,890	\$ 239,772	\$ 906,662
Accrued Employee Benefits	450,114	219,780	669,894
Interfund Payable	-	-	-
Total Current Liabilities	<u>1,117,004</u>	<u>459,552</u>	<u>1,576,556</u>
Total Liabilities	<u>1,117,004</u>	<u>459,552</u>	<u>1,576,556</u>
<u>Net Position</u>			
Unrestricted	<u>(856,665)</u>	<u>(185,309)</u>	<u>(1,041,974)</u>
Total Net Position	<u>\$ (856,665)</u>	<u>\$ (185,309)</u>	<u>\$ (1,041,974)</u>

COUNTY OF BEAVER, PENNSYLVANIA

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

FOR THE YEAR ENDED DECEMBER 31, 2013

	Medical Fund	Workers' Compensation Fund	Total
<u>Operating Revenues</u>			
Charges for Services	\$ 8,676,782	\$ 1,184,690	\$ 9,861,472
Miscellaneous Income	85,789	-	85,789
Total Operating Revenues	8,762,571	1,184,690	9,947,261
<u>Operating Expenses</u>			
Costs of Services	8,836,916	1,115,479	9,952,395
Administrative	733,191	35,000	768,191
Total Operating Expenses	9,570,107	1,150,479	10,720,586
Operating Income (Loss)	(807,536)	34,211	(773,325)
<u>Non-Operating Revenues (Expenses)</u>			
Investment Income	67	7	74
Total Non-Operating Revenues (Expenses)	67	7	74
Income (Loss) Before Transfers	(807,469)	34,218	(773,251)
Change in Net Position	(807,469)	34,218	(773,251)
Total Net Position - Beginning	(49,196)	(219,527)	(268,723)
Total Net Position - Ending	\$ (856,665)	\$ (185,309)	\$ (1,041,974)

COUNTY OF BEAVER, PENNSYLVANIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Medical Fund	Workers' Compensation Fund	Total
<u>Cash Flows from Operating Activities:</u>			
Cash receipts for services provided	\$ 8,872,384	\$ 985,291	\$ 9,857,675
Cash payments to suppliers	(9,040,275)	(962,674)	(10,002,949)
Net Cash Provided by/(used in) Operating Activities	(167,891)	22,617	(145,274)
<u>Cash Flows from Investing Activities:</u>			
Investment income	67	7	74
Net Cash Provided by Investing Activities	67	7	74
Net Increase (Decrease) in Cash and Cash Equivalents	(167,824)	22,624	(145,200)
<u>Cash and Cash Equivalents:</u>			
Beginning of year	211,504	52,220	263,724
End of year	<u>\$ 43,680</u>	<u>\$ 74,844</u>	<u>\$ 118,524</u>
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:</u>			
Operating income (loss)	\$ (807,536)	\$ 34,211	\$ (773,325)
Change in operating assets and liabilities:			
Accounts receivable and interfund receivable	109,812	(199,399)	(89,587)
Prepaid expenses	-	-	-
Accounts payable and interfund payable	628,060	29,680	657,740
Accrued liabilities	(98,227)	158,125	59,898
Net Cash Provided by/(used in) Operating Activities	<u>\$ (167,891)</u>	<u>\$ 22,617</u>	<u>\$ (145,274)</u>

COUNTY OF BEAVER, PENNSYLVANIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
Clerk of Courts				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 229,211	2,597,479	2,610,677	\$ 216,013
	<u>229,211</u>	<u>2,597,479</u>	<u>2,610,677</u>	<u>216,013</u>
<u>Liabilities</u>				
Accounts Payable	229,211	2,597,479	2,610,677	216,013
	<u>\$ 229,211</u>	<u>2,597,479</u>	<u>2,610,677</u>	<u>\$ 216,013</u>
Domestic Relations - Support Payments				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 67,612	418,867	446,971	\$ 39,508
	<u>67,612</u>	<u>418,867</u>	<u>446,971</u>	<u>39,508</u>
<u>Liabilities</u>				
Accounts Payable	67,612	418,867	446,971	39,508
	<u>\$ 67,612</u>	<u>418,867</u>	<u>446,971</u>	<u>\$ 39,508</u>
Other Escrow				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,655	-	-	\$ 1,655
	<u>1,655</u>	<u>-</u>	<u>-</u>	<u>1,655</u>
<u>Liabilities</u>				
Accounts Payable	1,655	-	-	1,655
	<u>\$ 1,655</u>	<u>-</u>	<u>-</u>	<u>\$ 1,655</u>
Recorder of Deeds				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 425,034	13,943,953	13,948,237	\$ 420,750
	<u>425,034</u>	<u>13,943,953</u>	<u>13,948,237</u>	<u>420,750</u>
<u>Liabilities</u>				
Accounts Payable	425,034	13,943,953	13,948,237	420,750
	<u>\$ 425,034</u>	<u>13,943,953</u>	<u>13,948,237</u>	<u>\$ 420,750</u>
Register of Wills				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 26,931	8,473,897	8,282,735	\$ 218,093
	<u>26,931</u>	<u>8,473,897</u>	<u>8,282,735</u>	<u>218,093</u>
<u>Liabilities</u>				
Accounts Payable	26,931	8,473,897	8,282,735	218,093
	<u>\$ 26,931</u>	<u>8,473,897</u>	<u>8,282,735</u>	<u>\$ 218,093</u>

COUNTY OF BEAVER, PENNSYLVANIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
Sheriff				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 250,248	1,842,807	1,725,875	\$ 367,180
	<u>250,248</u>	<u>1,842,807</u>	<u>1,725,875</u>	<u>367,180</u>
<u>Liabilities</u>				
Accounts Payable	250,248	1,842,807	1,725,875	367,180
	<u>\$ 250,248</u>	<u>1,842,807</u>	<u>1,725,875</u>	<u>\$ 367,180</u>
Prothonotary				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 350,231	604,381	777,359	\$ 177,253
	<u>350,231</u>	<u>604,381</u>	<u>777,359</u>	<u>177,253</u>
<u>Liabilities</u>				
Accounts Payable	350,231	604,381	777,359	177,253
	<u>\$ 350,231</u>	<u>604,381</u>	<u>777,359</u>	<u>\$ 177,253</u>
Tax Claim				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,438,886	15,738,602	15,847,420	\$ 1,330,068
Due from Other Funds	284,412	-	284,412	-
	<u>1,723,298</u>	<u>15,738,602</u>	<u>16,131,832</u>	<u>1,330,068</u>
<u>Liabilities</u>				
Accounts Payable	1,723,298	15,738,602	16,131,832	1,330,068
	<u>\$ 1,723,298</u>	<u>15,738,602</u>	<u>16,131,832</u>	<u>\$ 1,330,068</u>
Treasurer				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 25,134	317,421	300,902	\$ 41,653
	<u>25,134</u>	<u>317,421</u>	<u>300,902</u>	<u>41,653</u>
<u>Liabilities</u>				
Accounts Payable	25,134	317,421	300,902	41,653
	<u>\$ 25,134</u>	<u>317,421</u>	<u>300,902</u>	<u>\$ 41,653</u>
Total - Agency Funds				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 2,814,941	43,937,407	43,940,176	\$ 2,812,172
Due from Other Funds	284,412	-	284,412	-
	<u>3,099,353</u>	<u>43,937,407</u>	<u>44,224,588</u>	<u>2,812,172</u>
<u>Liabilities</u>				
Accounts Payable	3,099,353	43,937,407	44,224,588	2,812,172
	<u>\$ 3,099,353</u>	<u>43,937,407</u>	<u>44,224,588</u>	<u>\$ 2,812,172</u>

STATISTICAL SECTION

COUNTY OF BEAVER, PENNSYLVANIA

Statistical Section Content

This part of the County of Beaver, Pennsylvania's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Beaver County's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules are intended to assist the reader in understanding and assessing how the County's financial position has changed over time.	174-179
Revenue Capacity These schedules are intended to assist the reader in understanding and assessing the factors affecting the County's most significant local revenue source, the property tax.	180-183
Debt Capacity These schedules are intended to assist the reader in understanding and assessing the factors affecting the County's outstanding debt and its ability to issue additional debt in the future.	184-186
Demographic and Economic Information These schedules are intended to assist the reader in understanding the demographic and economic factors that the County's financial activities take place in.	187-190
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	191-192

Sources:

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

COUNTY OF BEAVER, PENNSYLVANIA
Change in Net Position
Last Ten Years (accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Program Revenues										
Governmental Activities:										
Fees and Charges:										
General Government	\$ 9,410,109	\$ 8,260,937	\$ 8,106,487	\$ 7,751,564	\$ 7,625,322	\$ 8,078,762	\$ 7,912,438	\$ 7,247,343	\$ 6,501,784	\$ 6,747,064
Judicial	815,176	416,498	340,294	304,522	314,108	335,118	346,304	316,087	300,717	303,751
Public Safety	557,855	618,159	690,643	-	-	-	-	-	-	-
Public Works and Enterprises	21,581	22,942	24,034	22,367	25,312	285,784	260,553	670,536	754,864	776,312
Culture, Recreation, and Conservation	288,309	290,823	286,063	251,490	233,425	-	-	-	-	-
Human Services	1,316,133	1,350,644	1,271,830	1,412,633	1,463,490	1,398,292	1,244,744	774,607	1,276,100	1,274,498
Economic Development	322,717	280,003	384,870	321,209	393,641	385,609	476,730	429,784	-	-
Miscellaneous	1,284,716	1,708,694	1,070,899	2,031,365	1,137,675	1,147,581	1,435,432	1,168,842	1,741,876	2,443,662
Operating Grants and Contributions	93,093,407	106,583,933	101,993,002	66,461,336	77,339,228	80,267,272	77,284,833	76,456,596	76,832,424	74,330,497
Total Governmental Activities Program Revenues	107,110,003	119,532,633	114,168,122	78,556,487	88,532,201	91,898,418	88,961,034	87,063,795	87,407,765	85,875,784
Business-type Activities:										
Fees and Charges:										
Friendship Ridge	49,001,164	52,731,569	54,820,672	56,136,160	53,408,458	52,376,087	51,730,038	49,249,600	48,574,177	45,586,326
Emergency Services	-	-	-	767,042	912,983	1,212,158	1,315,659	1,644,239	1,472,638	1,435,183
HealthChoices	-	-	-	35,106,108	28,804,258	25,846,355	24,707,769	22,040,751	19,945,731	16,769,458
Operating Grants and Contributions	-	-	-	2,447,934	3,507,863	1,795,207	1,622,282	1,660,497	963,108	-
Total Business-type Activities Program Revenues	49,001,164	52,731,569	54,820,672	94,457,244	86,633,562	81,229,807	79,375,748	74,595,087	70,955,654	63,790,967
Total Primary Government Program Revenues	156,111,167	172,264,202	168,988,794	173,013,731	175,165,763	173,128,225	168,336,782	161,658,882	158,363,419	149,666,751
Expenses										
Governmental Activities:										
General Government	14,170,624	11,750,434	11,996,754	11,669,448	10,815,513	10,885,322	10,638,416	14,438,453	16,606,678	10,896,002
Judicial	16,258,018	15,555,477	14,636,699	15,098,971	13,913,313	13,886,914	13,116,223	13,530,585	13,030,383	12,972,500
Public Safety	19,497,132	19,454,879	15,462,810	13,757,968	13,544,091	13,702,730	11,031,994	13,925,640	12,851,354	12,186,450
Public Works and Enterprises	5,072,959	5,182,838	4,241,207	4,528,251	5,619,566	5,278,816	4,886,450	4,992,021	14,224,464	13,401,626
Culture, Recreation, and Conservation	3,340,078	3,399,254	3,397,281	3,084,802	3,126,749	3,334,894	3,235,547	2,981,813	2,905,154	3,040,058
Human Services	80,247,950	87,636,856	89,981,045	56,738,862	70,269,076	74,933,041	71,619,963	62,830,600	65,027,441	67,919,948
Economic Development	5,934,034	7,612,686	8,270,783	9,930,980	10,150,296	7,912,766	9,687,518	8,073,719	-	-
Miscellaneous	-	-	-	-	-	-	-	-	1,259,430	501,769
Interest Expense	5,612,832	5,770,270	6,095,041	7,444,710	7,423,905	5,127,487	6,390,964	4,738,865	4,513,007	3,927,562
Total Governmental Activities Expenses	150,133,627	156,362,694	154,081,620	122,253,991	134,862,509	135,061,970	130,607,075	125,511,696	130,417,911	124,845,915
Business-type Activities:										
Friendship Ridge	53,755,637	56,196,777	56,242,814	58,256,142	57,349,265	53,420,889	52,593,858	48,962,080	48,555,547	47,580,328
Emergency Services	-	-	-	3,318,004	3,485,386	2,178,655	2,905,978	1,647,499	1,451,371	1,473,907
HealthChoices	-	-	-	34,760,543	33,479,918	26,628,247	23,033,731	20,652,039	18,781,499	16,835,814
Total Business-type Activities Expenses	53,755,637	56,196,777	56,242,814	96,334,689	94,314,569	82,227,791	78,533,567	71,261,618	68,788,417	65,890,049
Total Primary Government Expenses	\$ 203,889,264	\$ 212,559,471	\$ 210,324,434	\$ 218,588,680	\$ 229,177,078	\$ 217,289,761	\$ 209,140,642	\$ 196,773,314	\$ 199,206,328	\$ 190,735,964

Notes:

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

COUNTY OF BEAVER, PENNSYLVANIA
Change in Net Position
Last Ten Years (accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net (Expense)/Revenue										
Governmental Activities	\$ (43,023,624)	\$ (36,830,061)	\$ (39,913,498)	\$ (43,697,504)	\$ (46,330,308)	\$ (43,163,552)	\$ (41,646,041)	\$ (38,447,901)	\$ (43,010,146)	\$ (38,970,131)
Business-type Activities	(4,754,473)	(3,465,208)	(1,422,142)	(1,877,445)	(7,681,007)	(997,984)	842,181	3,333,469	2,167,237	(2,099,082)
<i>Total Primary Government Net Expense</i>	<u>\$ (47,778,097)</u>	<u>\$ (40,295,269)</u>	<u>\$ (41,335,640)</u>	<u>\$ (45,574,949)</u>	<u>\$ (54,011,315)</u>	<u>\$ (44,161,536)</u>	<u>\$ (40,803,860)</u>	<u>\$ (35,114,432)</u>	<u>\$ (40,842,909)</u>	<u>\$ (41,069,213)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Real Estate Taxes	\$ 47,930,067	\$ 48,529,473	\$ 47,133,255	\$ 46,603,187	\$ 45,901,624	\$ 45,714,111	\$ 38,995,721	\$ 34,994,052	\$ 35,870,725	\$ 32,991,875
Investment Income (Loss)	36,541	60,639	74,490	98,614	243,583	(5,315,720)	2,138,290	(7,553,763)	1,180,297	829,642
Other Income	-	113,989	-	-	680,307	-	-	-	-	-
Gain (Loss) on Sale of Capital Assets	-	(27,077)	-	-	-	-	-	(135,934)	333,590	(6,667)
Special Item:										
Transfer to Airport Authority	-	-	-	(7,430,681)	-	-	-	-	-	-
Gain on 2006 Swap Termination	-	-	-	-	10,586,368	-	-	-	-	-
Transfers	(617,550)	(612,260)	(2,255,409)	(452,553)	(1,305,934)	(615,612)	584,386	(336,607)	(363,301)	382,993
<i>Total Governmental Activities</i>	<u>47,349,058</u>	<u>48,064,764</u>	<u>44,952,336</u>	<u>38,818,567</u>	<u>56,105,948</u>	<u>39,782,779</u>	<u>41,718,397</u>	<u>26,967,748</u>	<u>37,021,311</u>	<u>34,197,843</u>
Business-type Activities:										
Investment Earnings	169	403	5,566	24,213	79,457	473,498	758,318	675,349	317,265	110,890
Other Income	16,042	20,681	11,933	43,676	20,025	11,579	36,094	43,523	8,253	10,381
Transfers	617,550	612,260	2,255,409	452,553	1,305,934	615,612	(584,386)	336,607	363,301	(382,993)
<i>Total Business-type Activities</i>	<u>633,761</u>	<u>633,344</u>	<u>2,272,908</u>	<u>520,442</u>	<u>1,405,416</u>	<u>1,100,689</u>	<u>210,026</u>	<u>1,055,479</u>	<u>688,819</u>	<u>(261,722)</u>
<i>Total Primary Government</i>	<u>47,982,819</u>	<u>48,698,108</u>	<u>47,225,244</u>	<u>39,339,009</u>	<u>57,511,364</u>	<u>40,883,468</u>	<u>41,928,423</u>	<u>28,023,227</u>	<u>37,710,130</u>	<u>33,936,121</u>
Change in Net Position										
Governmental Activities	4,325,434	11,234,703	5,038,838	(4,878,937)	9,775,640	(3,380,773)	72,356	(11,480,153)	(5,988,835)	(4,772,288)
Business-type Activities	(4,120,712)	(2,831,864)	850,766	(1,357,003)	(6,275,591)	102,705	1,052,207	4,388,949	2,856,056	(2,360,804)
<i>Total Primary Government Change in Net Position</i>	<u>\$ 204,722</u>	<u>\$ 8,402,839</u>	<u>\$ 5,889,604</u>	<u>\$ (6,235,940)</u>	<u>\$ 3,500,049</u>	<u>\$ (3,278,068)</u>	<u>\$ 1,124,563</u>	<u>\$ (7,091,204)</u>	<u>\$ (3,132,779)</u>	<u>\$ (7,133,092)</u>

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

COUNTY OF BEAVER, PENNSYLVANIA
Net Position by Component
Last Ten Years (accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
Net Investment in Capital Assets	\$ 21,119,653	\$ 23,188,472	\$ 12,674,892	\$ 1,590,243	\$ 9,995,154	\$ 9,036,227	\$ 9,354,708	\$ 9,179,985	\$ (5,815,883)	\$ 3,333,611
Restricted for:										
General Government	-	-	430,148	-	-	-	-	-	-	-
Judicial	-	-	850,946	-	-	-	-	-	-	-
Public Safety	-	-	180,327	-	-	-	-	-	-	-
Public Works and Enterprises	-	-	1,655,523	-	-	-	-	-	-	-
Culture, Recreation & Conservation	-	-	108,386	-	-	-	-	-	-	-
Economic Development	-	-	269,711	-	-	-	-	-	-	-
Human Services	-	-	9,397,396	-	-	-	-	-	-	-
Programs for Mental Health / Behavioral Health	9,365,352	8,263,828	-	-	-	-	-	-	-	-
Programs for Children & Youth	2,314,429	1,925,163	-	-	-	-	-	-	-	-
Programs for Community Development	224,345	155,978	-	-	-	-	-	-	-	-
Programs for Capital Projects	2,856,064	-	-	-	-	-	-	-	-	-
Programs for General Law Enforcement	1,071,956	-	-	-	-	-	-	-	-	-
Programs for Elderly Population	573,321	-	-	-	-	-	-	-	-	-
Programs for Office Improvements	496,415	-	-	-	-	-	-	-	-	-
Programs for Emergency Services / Tourism	366,591	3,681,412	-	-	-	-	-	-	-	-
Unrestricted	(9,241,616)	(12,393,777)	(12,523,237)	(3,977,279)	(7,881,559)	(16,698,272)	(13,635,972)	(13,533,608)	(3,353,546)	(6,514,204)
Total Governmental Activities Net Position	29,146,510	24,821,076	13,044,092	(2,387,036)	2,113,595	(7,662,045)	(4,281,264)	(4,353,623)	(9,169,429)	(3,180,593)
Business-type Activities										
Net Investment in Capital Assets	7,272,237	7,779,310	8,084,721	11,434,203	11,106,333	9,285,442	8,526,775	9,146,273	9,230,260	8,564,335
Restricted	-	-	-	7,279,670	6,912,769	11,534,085	11,970,526	9,732,190	7,815,415	7,146,922
Unrestricted	(5,312,896)	(1,699,257)	827,196	(341,629)	1,710,145	5,185,313	5,404,833	6,561,462	4,005,303	3,413,702
Total Business-type Activities Net Position	1,959,341	6,080,053	8,911,917	18,372,244	19,729,247	26,004,840	25,902,134	25,439,925	21,050,978	19,124,959
Primary Government										
Net Investment in Capital Assets	28,391,890	30,967,782	20,759,613	13,024,446	21,101,487	18,321,669	17,881,483	18,326,258	3,414,377	11,897,946
Restricted for:										
Restricted Fund	-	-	-	7,279,670	6,912,769	11,534,085	11,970,526	9,732,190	7,815,415	7,146,922
General Government	-	-	430,148	-	-	-	-	-	-	-
Judicial	-	-	850,946	-	-	-	-	-	-	-
Public Safety	-	-	180,327	-	-	-	-	-	-	-
Public Works and Enterprises	-	-	1,655,523	-	-	-	-	-	-	-
Culture, Recreation & Conservation	-	-	108,386	-	-	-	-	-	-	-
Economic Development	-	-	269,711	-	-	-	-	-	-	-
Human Services	-	-	9,397,396	-	-	-	-	-	-	-
Programs for Mental Health / Behavioral Health	9,365,352	8,263,828	-	-	-	-	-	-	-	-
Programs for Children & Youth	2,314,429	1,925,163	-	-	-	-	-	-	-	-
Programs for Community Development	224,345	155,978	-	-	-	-	-	-	-	-
Other	5,364,347	3,681,412	-	-	-	-	-	-	-	-
Unrestricted	(14,554,512)	(14,093,034)	(11,696,041)	(4,318,908)	(6,171,414)	(11,512,959)	(8,231,139)	(6,972,146)	651,757	(3,100,502)
Total Primary Government Net Position	\$ 31,105,851	\$ 30,901,129	\$ 21,956,009	\$ 15,985,208	\$ 21,842,842	\$ 18,342,795	\$ 21,620,870	\$ 21,086,302	\$ 11,881,549	\$ 15,944,366

Notes:

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

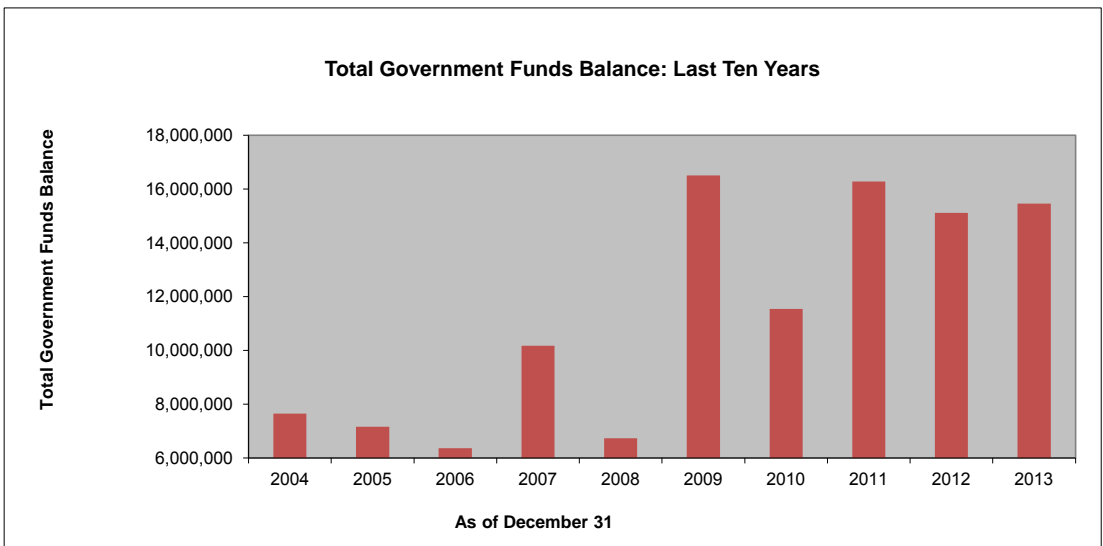
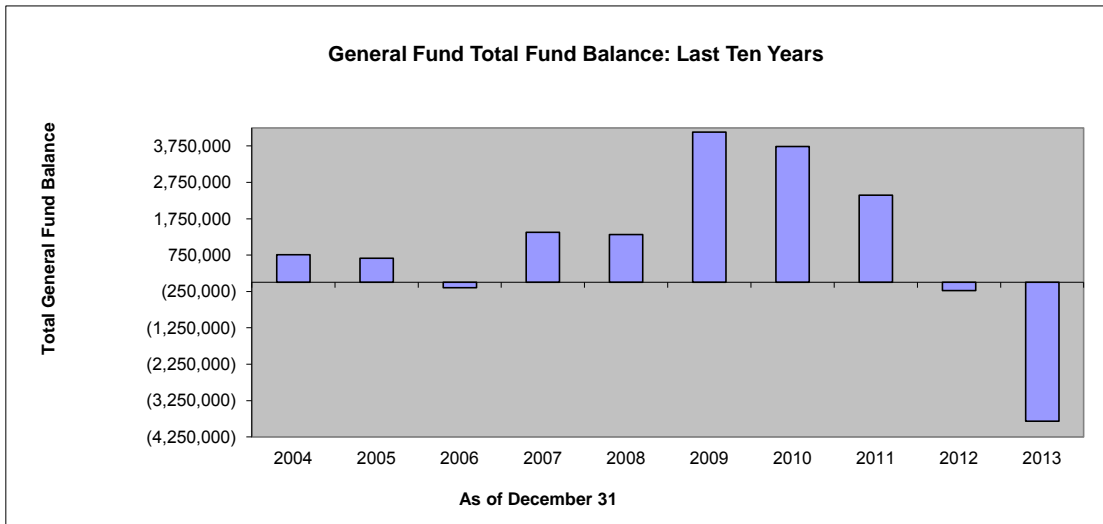
COUNTY OF BEAVER, PENNSYLVANIA
Fund Balances, Governmental Funds
Last Ten Years (modified accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Unreserved, Designated	\$ -	\$ -	\$ -	\$ 26,032	\$ 855,737	\$ 77,750	\$ 66,901	\$ -	\$ 41,231	\$ 17,605
Unreserved, Undesignated	-	-	-	3,712,094	3,277,443	1,233,082	1,311,137	(142,447)	622,378	746,179
Nonspendable:										
Not in Spendable Form (Prepaid Expenses)	202,816	267,748	272,453	-	-	-	-	-	-	-
Assigned:										
General Government	127,511	-	6,135	-	-	-	-	-	-	-
Judicial	-	-	3,947	-	-	-	-	-	-	-
Public Safety	-	-	2,101	-	-	-	-	-	-	-
Public Works and Enterprises	-	-	-	-	-	-	-	-	-	-
Culture, Recreation & Conservation	-	-	649	-	-	-	-	-	-	-
Unassigned:	(4,147,374)	(491,085)	2,112,317	-	-	-	-	-	-	-
Total General Fund	(3,817,047)	(223,337)	2,397,602	3,738,126	4,133,180	1,310,832	1,378,038	(142,447)	663,609	763,784
All Other Governmental Funds										
Unreserved, Designated	-	-	-	1,589,202	933,293	1,054,288	1,332,155	1,301,740	1,290,257	327,272
Unreserved, Reported in:										
Special Revenue funds	-	-	-	5,053,869	5,757,754	3,457,454	4,597,378	4,835,823	3,971,923	4,994,567
Capital Projects funds	-	-	-	1,161,197	5,674,231	911,524	2,866,916	372,830	1,236,854	1,560,857
Nonspendable:										
Not in Spendable Form (Prepaid Expenses)	2,359,534	2,134,116	1,666,991	-	-	-	-	-	-	-
Restricted:										
Programs for Mental Health / Behavioral Health	9,365,352	8,263,828	7,409,183	-	-	-	-	-	-	-
Programs for Children & Youth	1,375,247	1,310,896	667,127	-	-	-	-	-	-	-
Programs for Community Development	202,625	111,582	269,711	-	-	-	-	-	-	-
Other	4,777,475	2,634,492	2,820,030	-	-	-	-	-	-	-
Committed:										
Capital Projects	1,416,877	1,001,999	-	-	-	-	-	-	-	-
General Government	-	-	1,285,501	-	-	-	-	-	-	-
Unassigned:	(224,464)	(118,565)	(234,522)	-	-	-	-	-	-	-
Total All Other Governmental Funds	19,272,646	15,338,348	13,884,021	7,804,268	12,365,278	5,423,266	8,796,449	6,510,393	6,499,034	6,882,696
Total Governmental Funds	\$ 15,455,599	\$ 15,115,011	\$ 16,281,623	\$ 11,542,394	\$ 16,498,458	\$ 6,734,098	\$ 10,174,488	\$ 6,367,946	\$ 7,162,643	\$ 7,646,480

Notes:

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

COUNTY OF BEAVER, PENNSYLVANIA
 Fund Balances, Governmental Funds
 Last Ten Years (modified accrual basis of accounting)



COUNTY OF BEAVER, PENNSYLVANIA

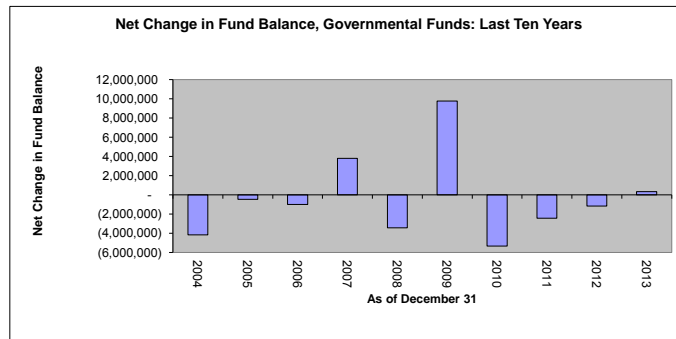
Change in Fund Balance, Governmental Funds

Last Ten Years (modified accrual basis of accounting)

	2013	2012	2011 (c)	2010	2009	2008	2007	2006	2005	2004
Revenues										
Real Estate Taxes	\$ 47,526,123	\$ 47,284,984	\$ 47,359,047	\$ 46,192,256	\$ 45,986,732	\$ 45,361,286	\$ 38,494,475	\$ 35,752,456	\$ 35,317,573	\$ 32,890,800
Licenses and Permits	142,264	135,717	95,994	88,331	90,613	94,777	97,652	71,623	72,633	77,137
Interest and Rents	36,468	60,383	73,801	97,072	237,972	968,971	1,707,464	1,224,703	1,174,688	828,021
Intergovernmental	93,017,636	106,312,619	103,744,098	64,848,333	79,118,847	76,585,454	79,040,944	75,512,509	78,860,749	71,617,067
Charges for Services and Facilities	11,019,107	10,852,799	10,748,397	10,269,426	9,755,195	10,144,856	9,914,265	9,157,130	5,840,710	6,014,249
Local Hotel Room Tax	268,517	273,245	267,925	235,540	215,100	243,930	228,852	209,604	-	-
Project Income	-	-	-	-	-	-	-	-	2,920,122	3,010,237
Miscellaneous	1,198,927	1,686,939	1,062,804	1,501,854	1,581,922	1,147,581	1,435,432	1,168,842	1,875,861	2,443,662
Total Revenues	153,209,042	166,606,686	163,352,066	123,232,812	136,986,381	134,546,855	130,919,084	123,096,867	126,062,336	116,881,173
Expenditures										
Current:										
General Government	10,284,611	10,081,461	9,982,399	9,884,189	11,226,886	9,797,512	9,512,670	13,374,579	18,249,926	9,420,239
Judicial	15,650,178	14,919,818	14,028,854	14,730,514	15,672,337	13,778,503	12,775,641	13,039,493	15,965,270	12,689,128
Public Safety	17,308,063	17,254,565	15,386,635	12,571,331	16,001,577	13,258,113	10,337,538	12,602,316	16,764,923	11,347,406
Public Works and Enterprises (b)	3,841,908	4,032,075	3,370,619	3,491,805	3,936,778	3,904,651	3,495,004	3,500,517	14,218,880	12,675,793
Culture, Recreation and Conservation	2,988,019	3,024,727	2,960,924	2,847,595	3,117,984	3,144,734	2,977,581	2,686,344	3,230,307	2,803,330
Economic Development (b)	5,923,971	7,593,606	8,300,580	9,804,324	10,102,085	7,876,607	9,624,288	8,000,366	-	-
Human Services (d)	80,395,901	87,740,922	90,167,200	56,804,760	69,812,859	74,616,096	70,916,823	62,381,096	65,006,281	66,354,133
Miscellaneous (a)	-	-	-	-	-	-	-	-	1,259,430	501,769
Capital Outlay-Infrastructure	6,871,309	13,063,570	8,294,941	6,200,701	1,968,649	1,082,722	2,713,748	2,150,860	3,207,525	167,902
Capital Outlay-Asset Acquisition and Improvements	1,065,230	1,358,674	1,410,896	3,025,859	9,351,084	3,572,364	1,398,789	2,573,437	2,821,743	1,156,853
Refunding Bond Issuance Costs	-	-	-	-	-	-	933,619	309,351	-	-
Debt service:										
Principal	3,594,186	3,036,967	3,285,850	3,028,918	2,147,247	2,718,684	2,659,767	1,132,235	2,000,909	1,900,436
Interest	4,995,116	5,306,440	5,537,461	5,692,426	5,725,138	4,997,227	5,237,624	2,324,349	3,938,028	3,791,049
Bond Issuance Costs	149,577	111,007	-	-	1,355,321.00	-	54,853.00	-	-	-
Current Refunding	-	7,795,703	-	-	-	-	-	-	-	-
Other	10,006	10,000	-	-	-	-	-	-	-	-
Total Expenditures	153,078,075	175,329,535	162,726,359	128,082,422	150,417,945	138,747,213	132,637,945	124,074,943	146,663,222	122,808,038
Excess of Revenues Over (Under) Expenditures	130,967	(8,722,849)	625,707	(4,849,609)	(13,431,564)	(4,200,358)	(1,718,861)	(978,076)	(20,600,886)	(5,926,865)
Other Financing Sources (Uses)										
Advance Refunding of Debt	(6,636,785)	-	-	-	-	-	-	-	700,000	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Capital Leases	266,409	114,139	-	174,680	7,984,367	1,375,582	329,409	-	-	-
Payment to Refunded Bonds Escrow Agent	6,831,000	7,741,065	-	-	(58,484,063)	-	(58,125,000)	(8,678,280)	-	-
Proceeds from Basis Cap	-	-	-	-	-	-	-	-	-	1,378,305
Proceeds of Bonds	-	-	58,403	-	21,923,950	-	3,289,430	-	19,780,350	-
Issuance of Refunding Debt	411,185	217,143	-	-	60,328,550	-	59,655,000	9,050,000	-	-
Insurance Proceeds	-	113,989	-	-	442,320	-	-	-	-	-
Original Issue Discount	(44,638)	(17,840)	-	-	(1,428,045)	-	(207,822)	(62,369)	-	-
Transfers In	3,963,629	3,811,888	3,571,299	3,793,889	353,420	250,899	1,200,000	36,568	-	1,031,129
Transfers Out (d)	(4,581,179)	(4,424,148)	(6,688,059)	(4,246,442)	(979,573)	(866,511)	(615,614)	(373,175)	(363,301)	(648,136)
Total Other Financing Sources (Uses)	209,621	7,556,236	(3,058,357)	(277,873)	30,140,926	759,970	5,525,403	(27,256)	20,117,049	1,761,298
Special Items										
2006 Swap Agreement Termination	-	-	-	-	(6,945,000)	-	-	-	-	-
Transfer to the Airport Authority	-	-	-	(206,885)	-	-	-	-	-	-
Net Change in Fund Balances	\$ 340,588	\$ (1,166,613)	\$ (2,432,650)	\$ (5,334,367)	\$ 9,764,362	\$ (3,440,388)	\$ 3,806,542	\$ (1,005,332)	\$ (483,837)	\$ (4,165,567)
Debt Service as a Percentage of Noncapital Expenditures	5.9%	5.2%	5.8%	7.3%	5.7%	5.8%	6.1%	2.9%	4.2%	4.7%

Notes:

- (a) For all years prior to 2006, the County recorded Miscellaneous expenditures separately in its basic financial statements. For all years starting in 2006 these amounts were allocated to the appropriate function.
- (b) In prior years the Economic Development Function was included as part of the Public Works function.
- (c) Two activities previously categorized as business-type (HealthChoices and Emergency Services) are classified as governmental starting January 1, 2011, due to the change in definition of a special revenue fund per GASB 54. Financial statements prior to January 1, 2011 have not been restated to reflect this change.
- (d) Effective January 1, 2011, county match expenditures from the General Fund to other funds are classified as Transfers Out in the General Fund and Transfer from Other Funds in the receiving fund. Prior to January 1, 2011, these transactions were reported as Human Services expenditures in the General Fund and Intergovernmental Revenues in the receiving fund.



COUNTY OF BEAVER, PENNSYLVANIA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

Fiscal Year	Residential / Agricultural	Commercial / Industrial	Less Non Taxable	Total Taxable End of Year Actual Assessed Value	Total Taxable Actual Market Value	Common Level Ratio % (CLR)	Direct Tax Rate
2013	\$ 1,993,695,757	\$ 605,382,307	\$ 459,296,093	\$ 2,139,781,971	\$ 6,275,020,442	34.10 %	22.20
2012	1,970,569,657	615,591,407	452,208,574	2,133,952,490	6,525,848,593	32.70	22.20
2011	1,970,569,657	605,884,431	457,991,312	2,118,462,776	7,085,159,786	29.90	22.20
2010	1,954,254,872	613,019,142	457,704,757	2,109,569,257	7,079,091,467	29.80	22.20
2009	1,947,012,633	605,314,542	455,114,519	2,097,212,656	7,182,235,123	29.20	22.20
2008	1,918,509,761	628,834,644	469,572,834	2,077,771,571	7,091,370,549	29.30	22.20
2007	1,910,141,821	606,747,900	451,800,957	2,065,088,764	6,838,042,265	30.20	18.70
2006	1,839,888,236	629,254,621	429,005,650	2,040,137,207	6,581,087,765	31.00	17.70
2005	1,814,757,767	621,869,891	429,291,421	2,007,336,237	6,233,963,469	32.20	17.70
2004	1,798,217,184	616,201,867	425,378,651	1,989,040,400	5,715,633,333	34.80	15.70

Sources:

Beaver County Assessment Office

Notes:

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

COUNTY OF BEAVER, PENNSYLVANIA

Property Tax Rates (in mills) - Direct and Overlapping Governments (Per \$1,000 of Assessed Valuation) Last Ten Collection Years

	Year Taxes are Payable									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
County Direct Rate										
Property Tax	22.20	22.20	22.20	22.20	22.20	22.20	18.70	17.70	17.70	15.70
Municipal Rates										
City of Aliquippa (2)	L 84.00 B 14.40	L 84.00 B 14.40	L 84.00 B 14.40	L 84.00 B 14.40	L 81.00 B 11.40	L 81.00 B 11.40	L 80.60 B 11.40	L 78.80 B 11.50	L 78.80 B 11.50	L 77.50 B 11.50
City of Beaver Falls (2)	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	30.00	30.00
Townships	7.00-30.00	5.00-27.50	5.00-25.00	5.00-25.00	5.00-23.38	5.00-23.38	5.00-23.38	5.00-22.38	5.00-22.38	3.00-22.38
Boroughs (3)	2.00-34.50	2.00-34.50	1.00-34.50	1.00-34.50	1.00-34.50	1.00-34.50	1.00-34.50	1.00-34.50	1.00-32.50	1.00-30.50
School District Rates										
City of Aliquippa (2)	L 212.00 B 33.85	L 207.00 B 33.00	L 202.00 B 32.50	L 198.00 B 32.00	L 195.00 B 31.00	L 188.00 B 29.50	L 177.00 B 28.00	L 173.00 B 28.00	L 173.00 B 28.00	L 169.00 B 24.00
City of Beaver Falls (2)	63.00	62.00	62.00	61.00	61.00	61.00	59.00	59.00	59.00	56.00
Townships	47.00-73.9390	44.00-72.9390	44.00-69.8390	42.00-67.00	41.20-66.00	39.00-66.00	39.00-66.00	39.00-66.00	37.00-66.00	37.00-62.50
Boroughs (3)	28.75-73.9390	28.00-72.9390	28.00-69.8390	28.00-63.339	28.00-61.02	28.00-61.02	28.00-59.00	28.00-59.00	28.00-59.00	28.00-56.00
Totals										
City of Aliquippa (2)										
Land	318.20	313.20	308.20	304.20	298.20	291.20	276.30	269.50	269.50	262.20
Building	70.45	69.60	69.10	68.60	64.60	63.10	58.10	57.20	57.20	51.20
Total	388.65	382.80	377.30	372.80	362.80	354.30	334.40	326.70	326.70	313.40
City of Beaver Falls (2)	117.20	116.20	116.20	115.20	115.20	115.20	109.70	108.70	106.70	101.70
Townships	76.20-126.139	71.20-122.6390	71.20-117.0390	69.20-114.20	68.40-111.58	66.20-111.58	62.70-108.08	61.70-106.08	59.70-106.08	55.70-100.58
Boroughs (3)	52.95-130.639	52.20-129.6390	51.20-126.5390	51.20-120.04	51.20-117.72	51.20-117.72	47.70-112.20	46.70-111.20	46.70-109.20	44.70-102.20

Sources:

Beaver County Assessment Office

Notes:

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

L: Land

B: Building

COUNTY OF BEAVER, PENNSYLVANIA

Principal Property Tax Payers Current Year and Ten Years Ago

Tax Payer	January 1, 2013	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
First Energy Corporation (Bruce Mansfield, BV2)	\$ 135,147,875	6.32%
PR Beaver Valley LP - Beaver Valley Mall	28,450,900	1.33%
Koppel Steel (Ambridge & Koppel)	14,801,400	0.69%
Horsehead Industries	12,396,600	0.58%
DDR MDT - Lowes, Eat'N Park, Texas Roadhouse	12,266,400	0.57%
United States Gypsum - Aliquippa	12,128,600	0.57%
THF Monaca, LP - Walmart	9,976,600	0.47%
Nova Chemicals Inc.	9,600,000	0.45%
The Buncher Company	9,521,200	0.44%
NGC Gypsum Plant - Shippingport	8,733,700	0.41%
	<u>\$ 253,023,275</u>	<u>11.82%</u>
Total Assessed Valuation	<u>\$ 2,139,781,971</u>	

Tax Payer	January 1, 2004	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Bruce Mansfield Plant	\$ 132,008,343	7.54%
Beaver Valley Mall	27,882,500	1.40%
United States Gypsum	15,313,050	0.77%
Horsehead Industries	12,800,200	0.64%
PA Northern Lights Shoppers City	10,378,700	0.52%
Lowes	10,265,900	0.52%
J & L Specialty Steel	10,152,650	0.51%
Nova	9,600,000	0.48%
Koppel Steel (Ambridge & Koppel)	9,488,000	0.48%
Gypsum Plant (Shippingport)	8,594,300	0.42%
	<u>\$ 246,483,643</u>	<u>19.02%</u>
Total Assessed Valuation	<u>\$ 1,989,040,400</u>	

Sources:

Beaver County Board of Property Assessment

Notes:

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

COUNTY OF BEAVER, PENNSYLVANIA
Property Tax Levies and Collections
Last Ten Years

Fiscal Year Ended December 31,	Total Property Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent & Lien Tax Collections	Total Collection to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 47,503,161	\$ 43,048,308	90.62 %	\$ 2,716,354	\$ 45,764,662	96.34 %
2012	47,373,745	42,891,029	90.54	2,641,364	45,532,393	96.11
2011	47,029,879	42,857,527	91.13	2,800,306	45,657,833	97.08
2010	46,832,454	42,021,182	89.73	3,307,353	45,328,535	96.79
2009	46,558,121	42,091,789	90.41	2,355,960	44,447,749	95.47
2008	46,126,529	43,731,779	94.81	1,998,129	45,729,908	99.14
2007	38,617,160	33,565,533	86.92	1,859,882	35,425,415	91.73
2006	36,110,429	32,601,955	90.28	1,882,828	34,484,783	95.50
2005	35,529,851	32,183,528	90.58	1,700,296	33,883,824	95.37
2004	32,699,401	29,615,181	90.57	1,686,256	31,301,437	95.72

Sources:

Beaver County Board of Property Assessment

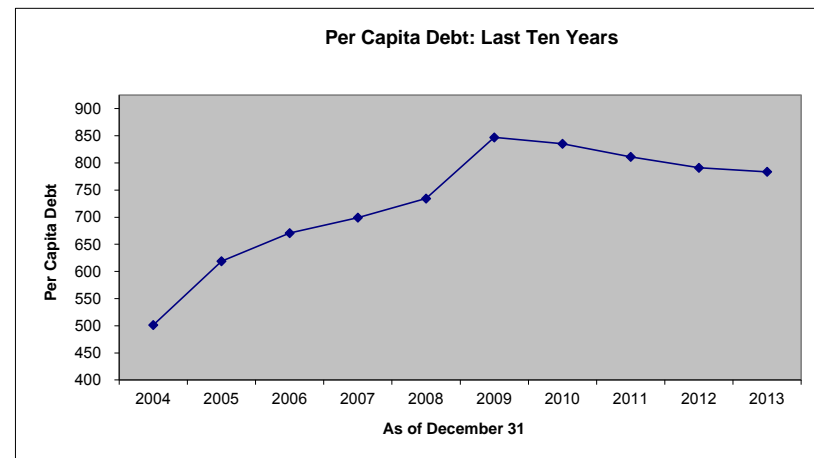
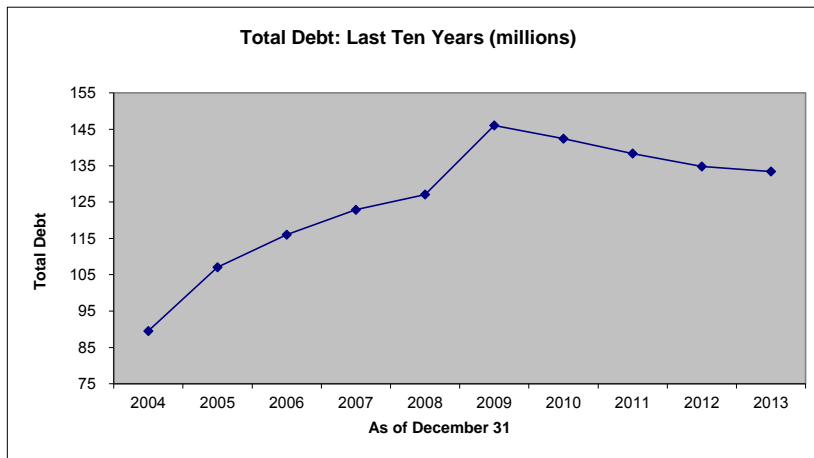
Notes:

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

COUNTY OF BEAVER, PENNSYLVANIA

Ratio of Outstanding Debt to Total Personal Income and Debt per Capita Last Ten Years

Year	Governmental Activities				Business-type Activities			Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Other General Long-term Liabilities	Capital Lease Obligations	Obligations under Derivatives	General Obligation Bonds	Other General Long-term Liabilities	Capital Lease Obligations			
2013	\$ 63,594,212	\$ 37,566,490	\$ 16,117,472	\$ -	\$ 3,300,788	\$ 12,823,350	\$ -	\$ 133,402,312	3.11 %	784
2012	70,262,258	31,676,265	16,241,559	-	7,027,145	9,570,138	-	134,777,365	3.09	791
2011	73,583,133	31,067,844	16,329,003	-	7,791,210	9,572,254	-	138,343,444	3.43	811
2010	76,130,147	32,380,719	16,689,585	-	7,664,136	9,559,370	2,386	142,426,343	3.53	835
2009	77,831,993	33,474,684	16,867,219	-	8,298,314	9,546,486	40,687	146,059,383	3.60	847
2008	65,776,253	25,263,678	9,240,803	17,531,368	8,894,004	290,000	78,897	127,075,003	3.11	734
2007	68,007,510	25,623,205	8,122,387	11,229,326	9,477,588	290,000	114,224	122,864,240	3.16	699
2006	65,906,708	25,703,830	8,004,767	11,654,416	4,303,664	290,000	149,500	116,012,885	3.64	671
2005	70,022,446	20,790,000	8,246,796	2,871,500	4,982,040	-	147,213	107,059,995	3.36	619
2004	68,713,457	4,030,000	8,402,497	2,871,500	5,505,416	-	-	89,522,870	2.72	501



COUNTY OF BEAVER, PENNSYLVANIA

Ratio of Net Obligation Bonded Debt to Assessed Value and Net Bonded Debt per Capita Last Ten Years

Year	Population	Estimated Actual Value of Taxable Property	Gross Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2013	170,245	\$ 6,275,020,442	\$ 66,895,000	1.07 %	393
2012	170,414	6,525,848,593	77,289,403	1.18	454
2011	170,567	7,085,159,786	81,374,343	1.15	477
2010	170,539	7,079,091,467	83,794,283	1.18	491
2009	172,476	7,182,235,123	86,130,307	1.20	499
2008	173,074	7,091,370,549	74,670,257	1.05	431
2007	175,736	6,838,042,265	77,485,098	1.13	441
2006	173,005	6,581,087,765	70,210,372	1.07	406
2005	173,005	6,233,963,469	75,004,486	1.20	434
2004	178,601	5,715,633,333	74,218,873	1.30	416

COUNTY OF BEAVER, PENNSYLVANIA

Legal Debt Margin

Last Ten Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Borrowing Base	\$ 64,073,070	\$ 63,661,278	\$ 63,302,104	\$ 62,715,342	\$ 60,561,918	\$ 57,411,646	\$ 48,888,029	\$ 188,618,944	\$ 54,016,703	\$ 48,281,650
Legal Debt Limit:										
Non-electoral Debt	192,219,211	190,983,833	189,906,311	188,146,026	181,685,755	172,234,938	146,664,086	140,050,051	162,050,108	144,844,951
Non-electoral Debt plus Lease Rental Debt	256,292,281	254,645,111	253,208,415	250,861,368	242,247,673	229,646,584	195,552,115	186,733,401	216,066,811	193,126,601
Net Debt Applicable to the Limit:										
Non-electoral Debt	88,336,056	109,144,638	113,963,491	106,799,416	96,574,049	74,088,924	77,485,098	85,101,249	95,799,486	78,248,873
Non-electoral Debt plus Lease Rental Debt	45,882,706	26,949,911	26,111,303	36,692,659	50,532,410	32,375,000	20,794,816	20,323,597	116,499,742	101,284,541
Legal Debt Margin:										
Non-electoral Debt	103,883,155	81,839,195	75,942,820	81,346,610	85,111,706	98,146,014	69,178,988	54,948,802	66,250,622	66,596,078
Non-electoral Debt plus Lease Rental Debt	210,409,575	227,695,200	227,097,112	214,168,709	191,715,263	197,271,584	174,757,299	166,409,804	99,567,069	91,842,060
Ratio of Net Debt Applicable to the Limit / Legal Debt Limit:										
Non-electoral Debt	46%	57%	60%	57%	53%	43%	53%	61%	59%	54%
Non-electoral Debt plus Lease Rental Debt	18%	11%	10%	15%	21%	14%	11%	11%	54%	52%

Limitations on incurring other debt:

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

Borrowing base:

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

Debt:

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

Non-electoral debt:

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

Lease rental debt:

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

Legal debt margin:

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

Notes:

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

COUNTY OF BEAVER, PENNSYLVANIA

Principal Employers Current Year and Ten Years Ago

Employer	2013	
	Employees	Percentage of Total County Employment
Valley Medical Facilities, Inc.	n/a	n/a
Service Link Management Company Inc.	n/a	n/a
First Energy Nuclear Operating Co.	n/a	n/a
Beaver County Government	n/a	n/a
Passavant Memorial Homes	n/a	n/a
IPSCO Koppel Tubulars Corporation	n/a	n/a
Wal-Mart Associates, Inc.	n/a	n/a
McGuire Memorial	n/a	n/a
Giant Eagle Inc.	n/a	n/a
Cennial Co, Inc.	n/a	n/a
Total	n/a	n/a

Total County Employees

755

Employer	2004	
	Employees	Percentage of Total County Employment
Valley Medical Facilities, Inc.	n/a	n/a
Beaver County Government	n/a	n/a
First Energy Nuclear Operating Co.	n/a	n/a
Wal-Mart Associates, Inc.	n/a	n/a
Service Link, LP	n/a	n/a
Passavant Memorial Homes	n/a	n/a
Michael Baker Jr., Inc.	n/a	n/a
Zinc Corporation of America	n/a	n/a
First Energy Generation Corp.	n/a	n/a
J&L Specialty Steel, Inc.	n/a	n/a
Total	n/a	n/a

Total County Employees

874

Sources:

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

Notes:

Number of Employees not available from source due to confidentiality.

COUNTY OF BEAVER, PENNSYLVANIA

Demographic and Economic Statistics

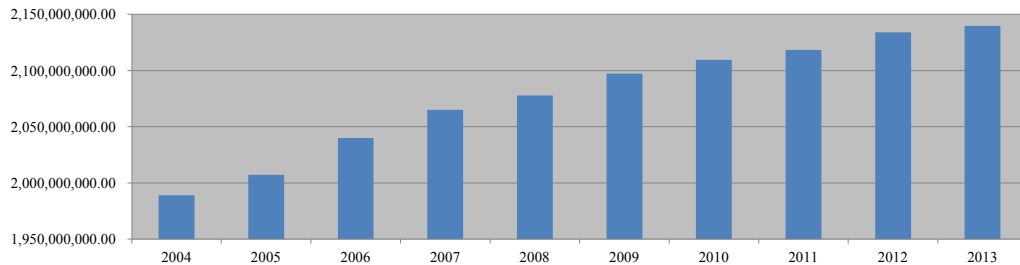
Last Ten Years

Year	Population	Total Personal Income (thousands of dollars)	Per Capita Personal Income	Median Household Income	Median Age	Percent with Educational Attainment: Bachelor's Degree or Higher	School Enrollment	Unemployment Rate	Total Assessed Property Value
2013	170,245 (18)	\$4,286,769,100	\$ 25,180 (18)	\$ 47,083 (18)	44.8 (18)	21.3 % (18)	35,439 (18)	5.9 % (4)	\$2,139,781,971
2012	170,414 (17)	\$4,355,270,598	25,557 (17)	48,901 (17)	44.3 (17)	14.3 (17)	36,583 (17)	7.4 (4)	2,133,952,490
2011	170,567 (16)	4,035,103,519	23,657 (16)	43,898 (16)	44.3 (16)	20.1 (16)	39,875 (16)	6.6 (4)	2,118,462,776
2010	170,539 (15)	4,038,534,059	23,681 (13)	45,414 (13)	43.5 (12)	18.9 (14)	38,003 (14)	7.4 (4)	2,109,569,257
2009	172,476 (9)	4,061,119,896	23,546 (10)	45,408 (10)	43.9 (9)	18.1 (11)	36,627 (11)	8.2 (4)	2,097,212,656
2008	173,074 (7)	4,083,681,030	23,595 (8)	45,017 (8)	43.8 (8)	19.5 (8)	36,970 (8)	5.6 (4)	2,077,771,571
2007	175,736 (6)	3,893,255,344	22,154 (6)	42,023 (6)	43.0 (6)	18.4 (6)	39,016 (6)	4.5 (4)	2,065,088,764
2006	173,005 (1)	3,183,638,010	18,402 (3)	36,995 (5)	40.7 (3)	15.8 (3)	41,572 (3)	4.1 (4)	2,040,137,207
2005	173,005 (1)	3,183,638,010	18,402 (3)	36,995 (5)	40.7 (3)	15.8 (3)	41,572 (3)	4.7 (4)	2,007,336,237
2004	178,601 (2)	3,286,615,602	18,402 (3)	36,995 (5)	40.7 (3)	15.8 (3)	41,572 (3)	5.3 (4)	1,989,040,400

Sources:

- (1) PA State Data Center "Population Projections, PA Counties"
- (2) PA State Data Center
- (3) U.S. Census Bureau, Census 2000
- (4) Center for Workforce Information and Analysis - Home of PA Work Stats
- (5) U.S. Bureau of Census, Census 2000 "Profile of Selected Economic Characteristics: 2000"
- (6) U.S. Census Bureau, 2006 American Community Survey
- (7) U.S. Census Bureau, Population Estimates Program
- (8) U.S. Census Bureau, 2007 American Community Survey
- (9) U.S. Census Bureau, 2008 ACS Demographic and Housing Estimates
- (10) U.S. Census Bureau, 2008 ACS Economic Characteristics
- (11) U.S. Census Bureau, 2008 ACS Social Characteristics
- (12) U.S. Census Bureau, 2009 ACS Demographic and Housing Estimates
- (13) U.S. Census Bureau, 2009 ACS Economic Characteristics
- (14) U.S. Census Bureau, 2009 ACS Social Characteristics
- (15) U.S. Census Bureau, 2010 ACS Demographic and Housing Estimates
- (16) U.S. Census Bureau, 2011 American Community Survey
- (17) U.S. Census Bureau, 2011 American Community Survey 1-Year Estimates
- (18) U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates

Total Assessed Property Value: Last Ten Years



COUNTY OF BEAVER, PENNSYLVANIA

Full-Time Equivalent County Government Employees by Function / Program Last Ten Years

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government:										
Commissioners	5.0	5.0	5.0	6.0	6.0	5.0	8.0	8.0	8.0	8.0
Controller	9.0	8.0	8.0	8.0	9.0	10.0	9.5	14.5	14.5	12.5
Treasurer	13.0	9.5	10.5	13.5	11.5	12.0	13.0	11.5	11.5	13.0
Recorder of Deeds	6.5	7.0	6.0	8.5	8.5	8.5	11.5	11.5	11.5	13.5
Solicitor	3.5	3.5	2.5	3.0	3.0	3.0	3.0	3.0	3.5	3.0
Information Technology	6.0	7.0	7.0	7.0	7.0	9.0	9.0	10.0	11.0	12.0
Planning Commission	5.0	4.0	4.0	4.0	4.0	6.0	6.0	6.0	6.0	7.0
Weights and Measures	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Veterans Affairs	3.0	2.0	3.0	2.5	2.5	3.0	4.0	4.0	4.0	4.0
Election Bureau	9.0	8.5	8.5	8.5	8.5	6.0	6.5	6.5	7.5	9.5
Assessment/Tax Claim	21.0	20.5	20.5	21.0	21.0	24.0	24.5	24.0	25.0	24.0
Public Defender	16.0	16.0	16.0	16.0	15.5	16.0	16.0	16.5	16.0	16.0
Employee Relations	6.0	6.0	5.0	6.0	5.5	7.0	7.5	3.5	3.5	4.0
Mailroom*	2.0	3.0	3.0	3.0	3.0	2.0	1.0	1.0	1.0	1.0
Micrographics	3.0	4.0	5.0	6.0	5.5	5.0	5.0	5.0	5.0	5.5
Central Telephone	0.0	0.0	0.0	0.0	0.0	1.5	1.5	2.0	2.0	1.5
Purchasing*	0.0	0.0	0.0	0.0	3.0	2.0	3.0	2.5	3.0	3.0
Engineering	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Parking Garage/Bus Drivers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Judicial:										
Clerk of Courts	11.5	11.5	11.5	11.5	10.5	12.5	13.5	13.5	12.5	14.0
Coroner	2.5	3.0	2.5	2.5	2.5	3.0	4.0	4.0	4.0	4.0
Jury Commission	1.0	1.0	1.5	1.0	1.0	2.0	2.0	2.0	2.0	2.0
District Attorney	24.0	24.0	23.5	24.0	22.5	24.5	24.5	24.0	24.0	24.5
Prothonotary	11.0	12.0	11.5	11.5	11.0	13.0	13.5	13.0	14.0	15.5
Register of Wills	5.5	5.5	5.5	5.5	5.5	5.5	6.5	6.5	6.5	6.5
Sheriff	45.0	46.0	46.5	44.0	45.5	45.5	34.5	39.0	38.5	38.0
Court Administration	41.5	43.5	42.5	46.0	45.5	45.5	42.5	43.5	39.5	41.5
Law Library	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0
Stop Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0
Domestic Relations	33.0	33.0	32.0	33.0	33.0	35.0	35.0	35.0	36.0	35.5
District Courts (Nine)	31.0	27.0	31.0	28.0	29.0	31.0	30.0	31.0	31.0	30.0
Rights & Services/Victims of Crime	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Drug Investigation	7.0	8.0	7.0	7.5	8.0	8.0	5.0	5.5	5.5	5.5
Public Safety:										
Emergency Services	43.0	43.5	45.5	45.0	42.5	42.5	42.0	41.0	41.0	39.0
Jail	82.0	93.0	93.5	88.5	87.5	89.5	81.0	88.0	92.5	101.0
Allencrest Detention Center	0.0	0.0	0.0	0.0	2.0	29.5	28.0	32.5	32.5	31.5
Adult Probation/Intermediate Punishment	31.0	31.5	30.0	31.5	30.0	33.0	31.0	31.5	31.0	30.0
Juvenile Services	26.5	25.5	25.5	26.0	24.5	25.0	25.0	26.0	26.5	26.5
DUI Program	3.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0	0.0	0.0
Public Works & Enterprise:										
Liquid Fuels	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Department of Public Works	33.0	30.5	29.5	27.5	27.5	31.0	30.0	32.0	32.0	35.0
Airport	0.0	0.0	0.0	0.0	2.0	5.5	3.0	3.0	3.0	4.0
Culture, Recreation and Conservation:										
Parks/Recreation/Tourist Promotion	12.0	13.0	12.5	13.0	14.0	13.5	13.5	11.5	12.5	15.0
Library Commission	11.5	12.0	11.5	11.0	11.5	11.5	12.5	12.5	12.0	12.5
Waste Management	3.0	3.5	5.0	4.0	4.0	4.0	4.0	4.0	4.5	5.0
Conservation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Human Services:										
Office on Aging	29.5	31.5	39.0	38.0	40.0	39.5	39.5	40.0	39.0	39.5
Children & Youth	65.5	63.0	67.0	64.0	60.0	70.5	71.5	69.5	71.5	71.5
MH/ID (formerly MH/MR)-Drug & Alcohol-HealthChoices	78.0	71.5	81.0	78.5	88.0	88.0	81.0	80.0	81.0	78.0
Childcare Choices	0.0	9.5	10.0	10.5	10.5	11.0	11.0	12.0	12.0	14.0
Economic Development:										
Community Development	9.0	9.0	9.0	9.0	9.0	8.0	8.0	8.0	8.0	8.0
Totals:	754.5	764.0	786.5	783.5	790.0	857.0	830.5	845.5	855.0	874.0

Sources:

Beaver County Payroll Department

Method:

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

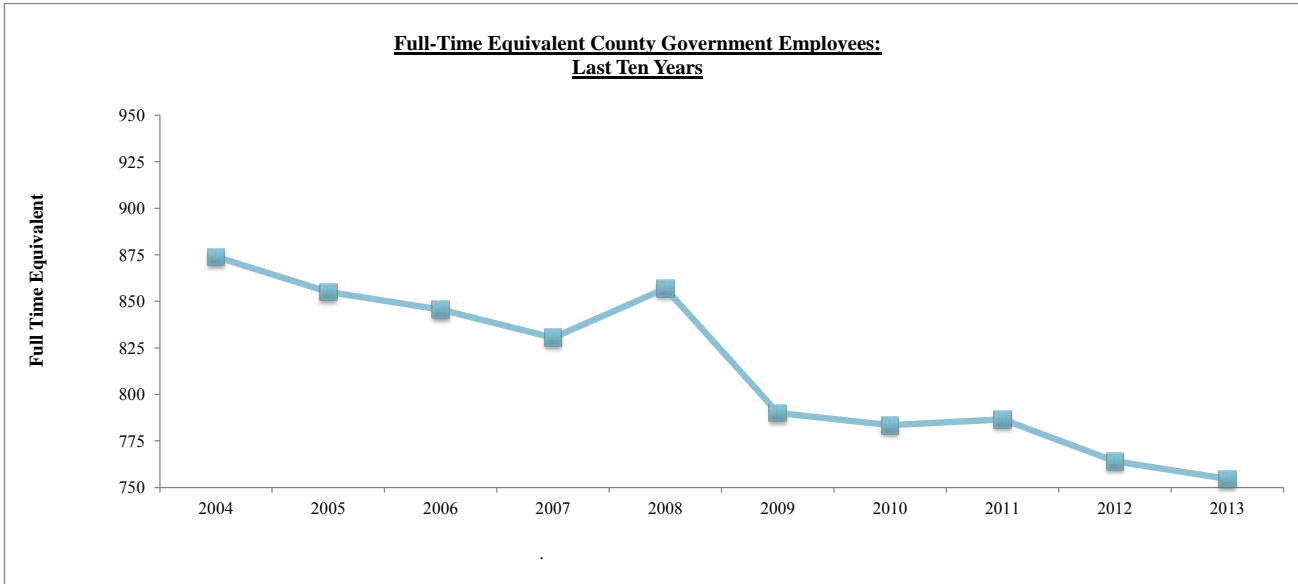
Notes:

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

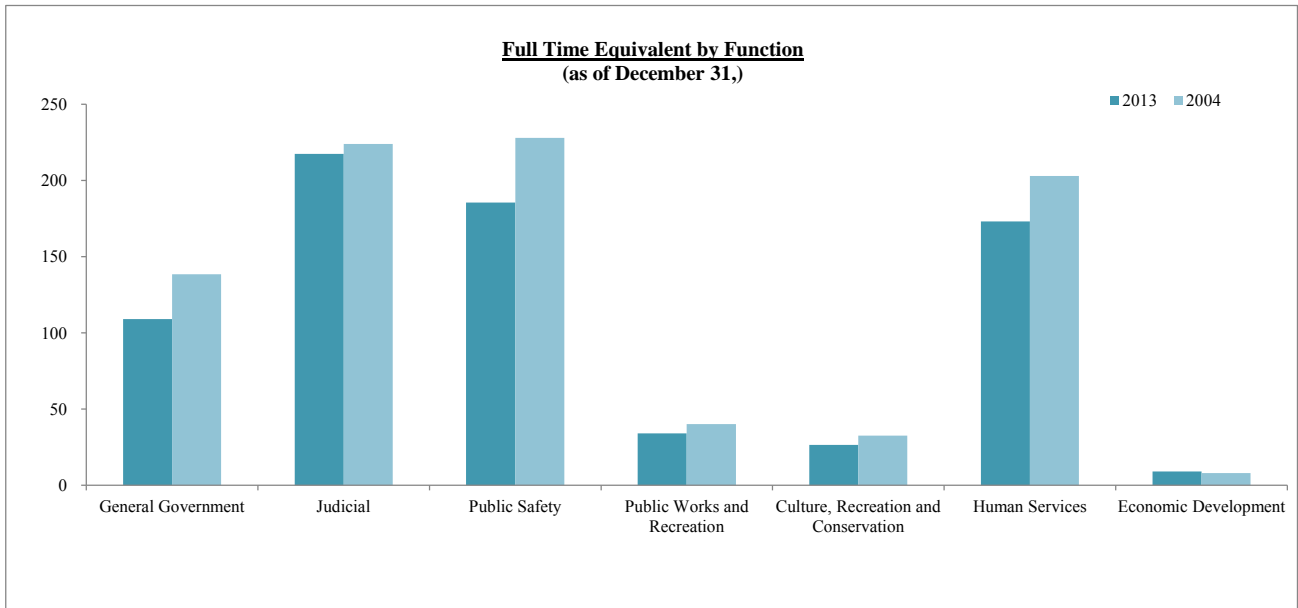
COUNTY OF BEAVER, PENNSYLVANIA

Full-Time Equivalent County Government Employees Graphs / Gharts

Last Ten Years



FTE reductions in 2004, 2005, 2009, and 2011 were results of extensive early retirement packages offered and County layoffs.



The following represents the % increase or decrease in FTE between 2004 and 2013:

- General Government - Decreased 21%
- Judicial - Decreased 3%
- Public Safety - Decreased 19%
- Public Works and Recreation - Decreased 15%
- Culture, Recreation and Conservation - Decreased 18%
- Human Services - Decreased 15%
- Economic Development - Increased 13%

COUNTY OF BEAVER, PENNSYLVANIA
Operating Indicators by Function / Program
Last Ten Years

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government (1)										
Number of Registered Voters	109,456	115,157	112,531	116,234	115,862	118,311	112,248	113,612	112,001	122,351
Number of Votes Cast in Last General Election	23,062	81,372	34,142	58,525	28,254	86,022	40,118	65,606	37,998	86,609
Percentage of Registered Voters Voting in Last General Election	21.07	70.66	30.34	50.35	24.39	72.71	35.39	57.74	33.93	70.79
Judicial (2)										
Year-to-date Filings	36,243	37,492	40,134	39,426	42,370	46,338	36,690	34,337	34,407	35,003
Traffic Citations	24,586	25,683	26,633	25,957	28,868	29,000	22,893	20,465	20,417	20,615
Summary/Non Traffic	5,033	5,289	6,304	6,608	6,836	7,229	6,623	6,529	6,684	7,273
Civil Complaints	2,822	3,178	3,423	2,909	2,913	3,314	3,108	3,369	3,150	2,962
Misdemeanor/Felony Citations	3,802	3,342	3,774	3,952	3,753	4,019	4,066	3,974	4,156	4,153
Criminal Filings	2,526	2,444	2,492	2,595	2,540	2,776	2,576	3,667	3,574	3,099
Civil Filings	1,729	1,847	2,046	1,865	1,710	1,219	1,100	943	740	739
Orphans Court Filings	227	208	196	226	225	336	296	306	299	397
Custody Filings	864	866	775	834	628	601	582	562	558	574
Protection from Abuse Filings	518	566	469	490	541	488	469	500	468	463
Divorces	452	481	490	483	451	471	484	517	538	553
Public Service (3)										
Recycling - Stainless Steel (Tons)	333,508	272,908	35,881	179,966	137,603	143,821	170,566	199,187	198,756	99
Recycling - Ferrous (Tons)	57,416	55,271	98,958	107,175	63,974	61,717	210,873	34,916	15,393	27,016
Recycling - White Goods (Tons)	52,704	55,125	50,979	52,404	8,660	4,108	13,284	26,893	8,450	12,684
Recycling - Other Materials (Tons)	64,350	14,067	67,958	48,051	17,719	80,136	18,885	11,313	17,807	52,296
Wood Waste Removed (Tons)	474	1,752	2,823	2,854	1,596	3,710	2,372	1,876	541	242
Yard Waste Removed (Tons)	1,537	2,254	712	802	358	1,998	2,140	4,477	4,018	2,701

Sources:

- (1) Beaver County Elections Bureau
- (2) Beaver County Court Administration
- (3) Beaver County Department of Waste Management

COUNTY OF BEAVER, PENNSYLVANIA

Capital Asset Statistics by Function / Program

Last Ten Years

Function / Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Human Services										
Computer Terminals:										
Childcare Information Services***	0	8	9	8	8	8	8	N/A	N/A	N/A
Children & Youth	68	103	104	104	104	104	80	N/A	N/A	N/A
MH/ID (formerly MH/MR)	124	122	108	108	125	132	86	N/A	N/A	N/A
Office on Aging	70	95	109	109	99	84	40	N/A	N/A	N/A
Judicial										
Sheriff:										
Vehicles	35	35	33	33	32	29	29	N/A	N/A	N/A
Weapons (Firearms)	53	53	53	53	51	74	80	N/A	N/A	N/A
Courtrooms	8	8	8	8	8	8	8	8	8	8
Proprietary										
Long-Term Care Facilities:										
Bed Capacity	589	589	589	589	589	589	589	589	589	589
Public Safety										
Jail:										
Cell Capacity	402	402	402	402	402	402	403	403	403	403
Allencrest*:										
Secure Bed Capacity	0	0	0	0	0	18	25	25	25	25
Shelter Bed Capacity	0	0	0	0	0	6	6	6	6	6
Public Works										
Airport**:										
Private Hangars	0	0	0	0	13	13	13	13	13	13
Commercial Hangars	0	0	0	0	8	8	9	9	9	9
Runways	0	0	0	0	1	1	1	1	1	1
Length of Runways (feet)	0	0	0	0	4,500	4,500	4,500	4,500	4,500	4,500
Department of Public Works:										
Vehicles	30	34	34	34	38	32	31	N/A	N/A	N/A
Parking Garages	1	1	1	1	1	1	1	1	1	1
Parking Lots	14	14	14	14	15	15	15	15	15	15
Liquid Fuels:										
Bridges	55	56	57	56	55	55	55	55	57	57
County Owned & Maintained Streets (miles)	26	26	26	26	25	25	24	24	24	24
Recreation (County owned and/or maintained)										
Parks	4	3	3	3	3	3	3	3	3	3
Park Acres	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517
Pavilions	25	25	25	25	25	25	25	25	25	25
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	12	12	12	12	12	12	12	12	12	12
Basketball Courts	2	2	2	2	2	2	2	2	2	2
Baseball / Softball Fields	9	9	9	9	9	9	9	9	9	9
Soccer / Football Fields	3	3	3	3	3	3	3	3	3	3
Walking / Jogging Trails	2	2	2	2	2	2	2	2	2	2
Bike Trails	2	2	2	2	2	2	2	2	2	2
Horse Riding Trails	2	2	2	2	2	2	2	2	2	2
Lakes/Ponds for Fishing	2	2	2	2	2	2	2	2	2	2
Playgrounds	3	1	1	1	1	1	1	1	1	1
Ice Skating Rinks	1	1	1	1	1	1	1	1	1	1
Shooting Ranges	0	0	0	0	0	0	0	4	4	4
Deck Hockey Rinks	1	1	1	1	1	1	1	1	1	1
Outdoor Skate Parks	1	1	1	0	0	0	1	0	0	0

Sources:

Various County Departments

Notes:

* The Allencrest facility closed in 2009

** The Airport became an Authority separate from the County in 2010

*** Due to consolidated operations across the State, the County merged Childcare Information Services with another County in July 2013.

N/A - information not available