

2016

COUNTY

ANNUAL FINANCIAL REPORT

61 COUNTY OF VENANGO

County of VENANGO
GOVERNMENT-WIDE STATEMENT OF NET POSITION
 December 31, 2016

	Governmental Activities	Business-Type Activities	Total
<u>CURRENT ASSETS:</u>			
Cash and cash equivalents	12,456,431		12,456,431
Receivables (net of allowance for uncollectibles)	2,624,205		2,624,205
Due from other governments	6,424,826		6,424,826
Prepays	47,098		47,098
Restricted assets:			
Temporarily restricted:			
Other: Net Pension Asset	2,963,294		2,963,294
Due from other funds	469,812		469,812
<u>NON-CURRENT ASSETS:</u>			
Permanently restricted:			
Capital assets not being depreciated:			
Land	2,119,678		2,119,678
Capital assets net of accumulated depreciation:			
Other: Capital Assets Net of Depreciation	23,330,383		23,330,383
TOTAL ASSETS	50,435,727		50,435,727
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Other: Resources for Pension	2,630,442		2,630,442
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,630,442		2,630,442
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	53,066,169		53,066,169
<u>LIABILITIES:</u>			
Accounts payable	2,917,231		2,917,231
Due to other governments	398,162		398,162
Unearned revenue	3,156,572		3,156,572
Debt due within one year	970,335		970,335
Debt due in more than one year	1,314,950		1,314,950
Other: Accrued Payroll	535,577		535,577

County of VENANGO

GOVERNMENT-WIDE STATEMENT OF NET POSITION

December 31, 2016

	Governmental Activities	Business-Type Activities	Total
<u>LIABILITIES:</u>			
Other: Compensated Absences	539,549		539,549
TOTAL LIABILITIES	9,832,376		9,832,376
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Other: Pension	720,175		720,175
TOTAL DEFERRED INFLOWS OF RESOURCES	720,175		720,175
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	10,552,551		10,552,551
<u>NET POSITION:</u>			
Net investment in capital assets	23,162,147		23,162,147
Restricted	10,488,282		10,488,282
Unrestricted	8,863,189		8,863,189
TOTAL NET POSITION	42,513,618		42,513,618

County of VENANGO
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 Proprietary Funds
 December 31, 2016

GOVERNMENTAL ACTIVITIES:

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Fiduciary
General government - administrative	933,805	734,425	227,094		27,714		27,714
General government - judicial	3,883,611	1,163,054	678,492		-2,042,065		-2,042,065
Public safety	6,060,774	296,098	1,698,015		-4,066,661		-4,066,661
Highways and streets	2,517,585	625,585	1,334,534		-557,466		-557,466
Health and welfare	27,666,709	366,488	27,357,121		56,900		56,900
Culture - recreation	29,251	82,632			53,381		53,381
Conservation	582,649		149,686		-432,963		-432,963
Other: Debt Statement & Capital Outlay	46,917				-46,917		-46,917
TOTAL GOVERNMENTAL ACTIVITIES	41,721,301	3,268,282	31,444,942		-7,008,077		-7,008,077

MAJOR BUSINESS-TYPE ACTIVITIES:**TOTAL BUSINESS-TYPE ACTIVITIES**

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TOTAL PRIMARY GOVERNMENTS

41,721,301	3,268,282	31,444,942		-7,008,077		-7,008,077
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County of VENANGO

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

December 31, 2016

	Governmental Activities	Business-Type Activities	Total
TOTAL PRIMARY GOVERNMENTS	-7,008,077		-7,008,077
<u>GENERAL REVENUES:</u>			
Real estate	11,140,825		11,140,825
Per capita	231,011		231,011
Hotel room rental	155,016		155,016
Licenses and permits	28,512		28,512
Other: Sale of Fixed Assets	-19,809		-19,809
Other: Interest	47,293		47,293
Other: Other	535,501		535,501
TOTAL GENERAL REVENUES AND TRANSFERS	12,118,349		12,118,349
CHANGE IN NET POSITION	5,110,272		5,110,272
NET POSITION - BEGINNING OF YEAR	37,403,345		37,403,345
PRIOR PERIOD ADJUSTMENT	1		1
NET POSITION - END OF YEAR	42,513,618		42,513,618

County of VENANGO
BALANCE SHEET - GOVERNMENTAL FUNDS

(Including the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Units)

December 31, 2016

	General	Capital Projects	Human Services	Work Force	Major #4	Major #5	Permanent Fund	Other Governmental Funds	Total Government Funds
<u>ASSETS:</u>									
Cash and cash equivalents	10,699,094	49,994						3,327,042	14,076,130
Receivables (net of allowance for uncollectibles)	1,624,391		266,114					733,700	2,624,205
Due from other governments	21,830		2,898,503					1,107,757	4,028,090
Due from other funds	619,180	135,483	74,375	777,037				23,448	1,629,523
Restricted assets:									
Temporarily restricted:									
Permanently restricted:									
Investments									
Other: Assets			8,868	5,275				32,954	47,097
TOTAL ASSETS	12,964,495	185,477	3,247,860	782,312				5,224,901	22,405,045
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>									
TOTAL DEFERRED OUTFLOWS OF RESOURCES									
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	12,964,495	185,477	3,247,860	782,312				5,224,901	22,405,045
<u>LIABILITIES:</u>									
Accounts payable	604,167		1,004,259	689,209				588,471	2,886,106
Due to other governments	363,389							34,773	398,162
Due to other funds	86,832		282,044					13,794	382,670
Unearned revenue	151,774		1,358,838	93,103				1,614,541	3,218,256
Other: Accrued Payroll	271,609		261,705					33,390	566,704
TOTAL LIABILITIES	1,477,771		2,906,846	782,312				2,284,969	7,451,898
<u>DEFERRED INFLOWS OF RESOURCES:</u>									
Other: Unavailable Revenue: Taxes/Fees	1,493,290								1,493,290
TOTAL DEFERRED INFLOWS OF RESOURCES	1,493,290								1,493,290
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,971,061		2,906,846	782,312				2,284,969	8,945,188

County of VENANGO
BALANCE SHEET - GOVERNMENTAL FUNDS

(Including the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Units)

December 31, 2016

	General	Capital Projects	Human Services	Work Force	Major #4	Major #5	Permanent Fund	Other Governmental Funds	Total Government Funds
<u>FUND BALANCES:</u>									
Nonspendable									
Restricted fund balance									
Other: Operating Reserve	4,757,344								4,757,344
Other: Human Services			53,733					40,012	93,745
Other: Roads and bridges								899,172	899,172
Other: Affordable Housing								44,985	44,985
Other: Act 13								298,175	298,175
Other: Constable Server Fees								229,442	229,442
Other: Offender Identification								364,229	364,229
Other: Records Improvement/Automation								41,301	41,301
Other: Sugar Valley Lodge								109,239	109,239
Other: Domestic Relations								632,374	632,374
Other: Other Purposes								54,983	54,983
Committed fund balance									
Assigned fund balance									
Other: Capital Projects		185,477							185,477
Other: Substance Abuse			287,281						287,281
Other: Airport Operations								198,447	198,447
Other: Community Action								44,688	44,688
Unassigned fund balance*	5,236,090							-17,115	5,218,975
TOTAL FUND BALANCE	9,993,434	185,477	341,014					2,939,932	13,459,857
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES	12,964,495	185,477	3,247,860	782,312				5,224,901	22,405,045

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

Internal service funds are used by management to charge certain costs to county departments and employees

The assets, deferred outflows of resources, liabilities and deferred inflows of resources of the internal service funds are included in governmental activities in the STATEMENT OF NET POSITION

Long-term liabilities and deferred inflows are not due and payable in the current period and therefore are not reported as a fund liability	-2,824,834
The difference in net position between full accrual accounting and modified accrual accounting is due to differing revenue recognition criteria between the two methods	1,554,973
The difference in net position between full accrual accounting and modified accrual accounting is due to differing expenditure recognition criteria between the two methods	
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds	25,450,061
Other: _____	
Other: Deferred Outflows of Resources for Pension	1,910,267
Other: Net Pension Asset	2,963,294
NET POSITION OF GOVERNMENTAL ACTIVITIES	42,513,618

General government - administrative	5,796,281	2,342					6,227	5,804,850
General government - judicial	3,325,013						581,686	3,906,699
Public safety	4,257,586						1,401,215	5,658,801
Highways and streets	567,974						1,306,193	1,874,167
Health and welfare	91,159		16,083,871	8,618,827			3,326,792	28,120,649
Culture - recreation	5,832							5,832
Conservation	389,986						190,078	580,064

County of VENANGO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
December 31, 2016

	General	Capital Projects	Human Services	Work Force	Major #4	Major #5	Rermanent Fund	Other Governmenta l Funds	Total Government Funds
Debt Service		1,024,390							1,024,390
TOTAL EXPENDITURES	14,433,831	1,026,732	16,083,871	8,618,827				6,812,191	46,975,452
<u>OTHER FINANCIAL SOURCES/(USES):</u>									
Interfund Operating Transfers	819,558	-910,368	129,157	-150,000				111,653	
Sale of capital assets	4,101							360	4,461
Other: Proceeds from Capital Leases		31,682							31,682
TOTAL OTHER FINANCING SOURCES/ (USES)	823,659	-878,686	129,157	-150,000				112,013	36,143
CHANGE IN FUND BALANCES	1,407,484	-1,904,747	-3,176					482,063	-18,376
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	8,585,950	2,090,224	344,190					2,457,869	13,478,233
FUND BALANCES (DEFICIT) - END OF YEAR	9,993,434	185,477	341,014					2,939,932	13,459,857

County of VENANGO

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

December 31, 2016

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

Net changes in fund balances (deficit) - total governmental funds	-18,376
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Additionally, various other long-term liabilities and deferred inflows do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. This amount is the net effect of the differences in the treatment of long-term liabilities and deferred inflows on the statement of activities	977,473
The difference in the change in net position between full accrual accounting and modified accrual accounting is due to differing revenue recognition criteria between the two accounting methods	-69,554
The difference in the change in net position between full accrual accounting and modified accrual accounting is due to differing expenditure recognition criteria between the two accounting methods	54,230
The net effect of various transactions involving capital assets, (i.e. purchases, disposals, etc.) is to increase net position	4,738,778
Other: Net Pension Asset	-548,009
Other: Losses on disposal of capital assets	-24,270
CHANGE IN NET ASSESTS OF GOVERNMENTAL ACTIVITIES	5,110,272

County of VENANGO
STATEMENT OF NET POSITION
 Proprietary Funds
 December 31, 2016

	Major Bus. #1	Major Bus. #2	Major Bus. #3	Major Bus. #4	Major Bus. #5	Other Business Funds	Total Business Funds	Internal Service Fund
<u>CURRENT ASSETS:</u>								
Restricted assets:								
Temporarily restricted:								
TOTAL CURRENT ASSETS								
<u>NON-CURRENT ASSETS:</u>								
Permanently restricted:								
TOTAL NON-CURRENT ASSETS								
TOTAL ASSETS								
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>								
TOTAL DEFERRED OUTFLOWS OF RESOURCES								
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
<u>CURRENT LIABILITIES:</u>								
TOTAL CURRENT LIABILITIES								
<u>NON-CURRENT LIABILITIES:</u>								
TOTAL NON-CURRENT LIABILITIES								
TOTAL LIABILITIES								
<u>DEFERRED INFLOWS OF RESOURCES:</u>								
TOTAL DEFERRED INFLOWS OF RESOURCES								
TOTAL LIABILITIES AND IDEFERRED INFLOWS OF RESOURCES								
<u>NET POSITION:</u>								
TOTAL NET POSITION								
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION								

Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds

Net Position of Business-type Activities

County of VENANGO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION-
Proprietary Funds
For the Year Ended December 31, 2016

	Major Bus. #1	Major Bus. #2	Major Bus. #3	Major Bus. #4	Major Bus. #5	Other Business Funds	Total Business Funds	Internal Service Fund
OPERATING REVENUES:								
TOTAL OPERATING REVENUES								
OPERATING EXPENSES:								
TOTAL OPERATING EXPENSES								
OPERATING INCOME/(LOSS)								
NONOPERATING REVENUES/(EXPENSES):								
TOTAL NONOPERATING REVENUES/ (EXPENSES)								
CHANGE IN NET POSITION								
NET POSITION - END OF YEAR								

Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds

Changes in Net Position of Business-type Activities

County of VENANGO
STATEMENT OF FIDUCIARY NET POSITION
 Fiduciary Funds
 December 31, 2016

	Agency	Pension	Fiduciary #3	Fiduciary #4	Fiduciary #5
<u>ASSETS:</u>					
Cash and cash equivalents	1,060,314	924,041			
Receivables	283,938				
Investments, at fair value		47,723,414			
Restricted assets:					
Temporarily restricted:					
Permanently restricted:					
TOTAL ASSETS	1,344,252	48,647,455			
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>					
TOTAL DEFERRED OUTFLOWS OF RESOURCES					
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	1,344,252	48,647,455			
<u>LIABILITIES:</u>					
Due to other funds	469,816				
Due to other governments	112,602				
Other: Escrow Liability & Interest	761,834				
TOTAL LIABILITIES	1,344,252				
<u>DEFERRED INFLOWS OF RESOURCES:</u>					
TOTAL DEFERRED INFLOWS OF RESOURCES					
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,344,252				
<u>NET POSITION:</u>					
Assets held in trust for pension/other post employment benefits		48,647,455			
TOTAL NET POSITION		48,647,455			
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	1,344,252	48,647,455			

County of VENANGO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 Fiduciary Funds
 December 31, 2016

	Agency	Pension	Fiduciary #3	Fiduciary #4	Fiduciary #5
<u>ADDITIONS:</u>					
Contributions					
Employer		315,826			
Plan members		1,264,560			
TOTAL CONTRIBUTIONS		1,580,386			
<u>INVESTMENT EARNINGS:</u>					
Interest		1,679,867			
Net increase/(decrease) in the fair value of investments		2,089,427			
TOTAL INVESTMENT EARNINGS		3,769,294			
Less Investment Expenses		146,095			
TOTAL ADDITIONS		5,203,585			
<u>DEDUCTIONS:</u>					
Benefits		3,364,644			
Administrative Expenses		39,996			
TOTAL DEDUCTIONS		3,404,640			
CHANGE IN NET POSITION		1,798,945			
NET POSITION - BEGINNING OF YEAR		46,848,510			
NET POSITION - END OF YEAR		48,647,455			

County of VENANGO

December 31, 2016

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond Capital Lease Lease Rental Note	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End **
General Obligation Bonds and Notes									
County of Venango	Bond	2014	2019	4,410,000	2,980,000		915,000		2,065,000
Revenue Bonds and Notes									
Lease Rental Debt									
Other									

If you have a GAAP basis financial statement with footnotes, please provide the information below.

GUARANTEED DEBT SECTION (Optional Information)

*Debt that is guaranteed by the County \$0 (aggregate guaranteed debt) of which \$ 0 (if any) is reported above.

*The aggregate guaranteed debt amount (first line) in the "Optional Information" section should include any amount of debt guaranteed by the county. If providing this information, please include related amounts reported in the "Debt Statement," if any. Do not include debt payments that are incurred and paid off within the same fiscal year or other items, such as workers' compensation, other postemployment benefits, self-insurance, claim liabilities, compensated absences, etc.

Total Debt 2,065,000

Capitalized lease obligations

Plus(less) Unamortized Premium(Discount)

Net debt 2,065,000

** excludes unamortized premium/discount

County of VENANGO
STATEMENT OF CAPITAL ADDITIONS
December 31, 2016

Total

GOVERNMENTAL-TYPE ACTIVITY:

General Government - administrative	5,333,922
General Government - judicial	68,276
Public safety	
Other: Public Safety	239,198
Public works	
Highways and streets	44,960
Health and welfare	711,911
Culture - recreation	20,144
Conservation	1

BUSINESS-TYPE ACTIVITY:

TOTAL CAPITAL EXPENDITURES	6,418,412
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EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)	13,465,295
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ELECTED CONTROLLER'S/AUDITOR'S CERTIFIED OPINION

To the: Governing Body of the County
 President Judge of the Court of Common Pleas
 Secretary of the Department of Community & Economic Development

I/We*, the undersigned, the duly elected (or appointed replacement) and Acting Controller/Auditors* of the County of VENANGO have audited, adjusted and settled the accounts of the County of VENANGO for the year ended December 31, 2016. My/Our* audit, adjustment and settlement was made in accordance with Act 103 of 2002 rather than with U.S. generally accepted auditing standards

The County has prepared these financial statements on bases of accounting consistent with U.S. generally accepted accounting principles; consisting of the accrual basis for the government-wide, proprietary fund and fiduciary fund financial statements, and the modified accrual basis for the governmental fund financial statements.

Due to the absence of notes and other disclosures required by U.S. generally accepted accounting principles, these financial statements are not intended to be a complete presentation in accordance with U.S. generally accepted accounting principles.

In my/our* opinion, these financial statements accurately reflect the results of operations and the financial position of the county of VENANGO for the year ended December 31, 2016

SIGNATURE AND VERIFICATION

Signed: Heather S. Mohnkern Elected Auditor
 Jamie Weaver Elected Auditor
 Terri L. McFadden Elected Auditor

Subscribed and sworn to before me this 25 day of October, 2017.

Signed: _____
 Witness (Controller)/Auditor (Auditors)

Counties are encouraged to have financial statement audits performed in accordance with U.S. generally accepted auditing standards or the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller general of the United States. Controllers may submit opinions resulting from such audits in lieu of this page.



*Circle one

December 31, 2016

NOTES / COMMENTS

- 1) We were unable to record a negative interest of \$-13,209 for Work Force Development. Therefore, we had to adjust it by absorbing it into Intergovernmental revenue. Interest is overstated and Intergovernmental Revenues is understated in order to balance the Balance Sheet.
- 2) We were unable to record a negative Sale of Capital Assets of \$-1,260 in Human Services. Therefore, we had to adjust it by absorbing it into Expenditures to balance the Balance Sheet.
- 3) We were unable to record a negative Cash for Human Services of \$=101,927 and Work Force Development of \$-1,517,771. Therefore, we had to adjust it by absorbing it into Due from Other Governments and Due to Other Funds, respectively, in order to balance the Balance Sheet. Resulting in a difference of cash from our audited report of \$1,619,698.
- 4) We were unable to record a negative Accrued Payroll of \$-31,126 for Work Force Development. Therefore, we had to adjust it by absorbing it into Account Payable in order to balance the Balance Sheet.