

2018

COUNTY

ANNUAL FINANCIAL REPORT

61 COUNTY OF VENANGO

County of VENANGO
GOVERNMENT-WIDE STATEMENT OF NET POSITION
December 31, 2018

	Governmental Activities	Business-Type Activities	Total
<u>CURRENT ASSETS:</u>			
Cash and cash equivalents	9,120,303		9,120,303
Receivables (net of allowance for uncollectibles)	3,511,898		3,511,898
Due from other governments	7,275,537		7,275,537
Restricted assets:			
Temporarily restricted:			
Other: Other Assets	58,642		58,642
Due from other funds	17,619		17,619
<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: Other Capital Assets Net of A/D	22,658,849		22,658,849
Other: Net Pension Asset	1,465,477		1,465,477
TOTAL ASSETS	46,228,003		46,228,003
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferrals related to pensions	5,900,659		5,900,659
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,900,659		5,900,659
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	52,128,662		52,128,662
<u>LIABILITIES:</u>			
Accounts payable	2,688,281		2,688,281
Due to other governments	75,238		75,238
Unearned revenue	3,460,390		3,460,390
Other current liabilities	505,027		505,027
Debt due in more than one year	110,781		110,781
Other: Accrued Payroll	672,860		672,860

County of VENANGO

GOVERNMENT-WIDE STATEMENT OF NET POSITION

December 31, 2018

	Governmental Activities	Business-Type Activities	Total
<u>LIABILITIES:</u>			
Other: Compensated Absences	607,066		607,066
TOTAL LIABILITIES	8,119,643		8,119,643
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferrals related to pensions	2,980,053		2,980,053
TOTAL DEFERRED INFLOWS OF RESOURCES	2,980,053		2,980,053
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	11,099,696		11,099,696
<u>NET POSITION:</u>			
Net investment in capital assets	24,162,719		24,162,719
Restricted	6,882,981		6,882,981
Unrestricted	9,983,266		9,983,266
TOTAL NET POSITION	41,028,966		41,028,966

County of VENANGO
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
Proprietary Funds
December 31, 2018

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES:							
General government - administrative	7,646,218	775,224	1,468,831		-5,402,163		-5,402,163
General government - judicial	3,991,047	1,294,848	988,814		-1,707,385		-1,707,385
Public safety	7,319,400	55,756	2,218,182		-5,045,462		-5,045,462
Highways and streets	2,436,946	567,020	1,137,052		-732,874		-732,874
Health and welfare	28,174,982	177,393	27,888,245		-109,344		-109,344
Culture - recreation	357,706	72,800	60,456		-224,450		-224,450
Conservation	1,091,480	16,883			-1,074,597		-1,074,597
Other: Debt and Capital Outlay	22,000				-22,000		-22,000
TOTAL GOVERNMENTAL ACTIVITIES	51,039,779	2,959,924	33,761,580		-14,318,275		-14,318,275
MAJOR BUSINESS-TYPE ACTIVITIES:							
TOTAL BUSINESS-TYPE ACTIVITIES							
TOTAL PRIMARY GOVERNMENTS	51,039,779	2,959,924	33,761,580		-14,318,275		-14,318,275

County of VENANGO

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

December 31, 2018

	Governmental Activities	Business-Type Activities	Total
TOTAL PRIMARY GOVERNMENTS	-14,318,275		-14,318,275
<u>GENERAL REVENUES:</u>			
Real estate	11,460,063		11,460,063
Per capita	154,127		154,127
Hotel room rental	154,860		154,860
Licenses and permits	36,684		36,684
Unrestricted investment earnings	56,476		56,476
Other: Gain on Disposal of Capital Assets	12,909		12,909
Other: Capital Assets	422,131		422,131
Other: Fines and Forfeits	393,706		393,706
TOTAL GENERAL REVENUES AND TRANSFERS	12,690,956		12,690,956
CHANGE IN NET POSITION	-1,627,319		-1,627,319
NET POSITION - BEGINNING OF YEAR	42,656,354		42,656,354
PRIOR PERIOD ADJUSTMENT	-69		-69
NET POSITION - END OF YEAR	41,028,966		41,028,966

County of VENANGO
BALANCE SHEET - GOVERNMENTAL FUNDS

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

December 31, 2018

	General	Capital Projects	Human Services	Work Force	Other Governmen tal Funds	Major #5	Permanent Fund	Other Governmental Funds	Total Government Funds
ASSETS:									
Cash and cash equivalents	7,596,565	251,080			3,512,949				11,360,594
Receivables (net of allowance for uncollectibles)	2,154,457		415,966		941,474				3,511,897
Due from other governments	67,643		4,224,524	2,180,845	301,247				6,774,259
Due from other funds	630,501		83,900		58,643				773,044
Restricted assets:									
Temporarily restricted:									
Permanently restricted:									
Investments									
Other: Other Assets					58,642				58,642
TOTAL ASSETS	10,449,166	251,080	4,724,390	2,180,845	4,872,955				22,478,436

DEFERRED OUTFLOWS OF RESOURCES:

TOTAL DEFERRED OUTFLOWS OF RESOURCES									
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	10,449,166	251,080	4,724,390	2,180,845	4,872,955				22,478,436

LIABILITIES:

Accounts payable	740,275		1,004,919	662,283	280,805				2,688,282
Due to other governments	62,624								62,624
Due to other funds	106,403		160,355						266,758
Unearned revenue	1,665,261		2,083,632	115,946	1,162,796				5,027,635
Other: Accrued Payroll	338,235		287,417		47,208				672,860
Other: Due From Other Funds - Cash			837,676	1,402,616					2,240,292
TOTAL LIABILITIES	2,912,798		4,373,999	2,180,845	1,490,809				10,958,451

DEFERRED INFLOWS OF RESOURCES:

TOTAL DEFERRED INFLOWS OF RESOURCES									
TOTAL LIABILITIES AND DEFERRED INFLOWS OF INFLOWS RESOURCES	2,912,798		4,373,999	2,180,845	1,490,809				10,958,451

County of VENANGO
BALANCE SHEET - GOVERNMENTAL FUNDS

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

December 31, 2018

	General	Capital Projects	Human Services	Work Force	Other Governmental Funds	Major #5	Permanent Fund	Other Governmental Funds	Total Government Funds
FUND BALANCES:									
Nonspendable									
Restricted fund balance									
Other: Debt Service		251,080							251,080
Other: Operating Reserve	1,755,506								1,755,506
Other: Human Services			54,823		40,127				94,950
Other: Roads and Bridges					1,199,595				1,199,595
Other: Affordable Housing					21,791				21,791
Other: Act 13					292,279				292,279
Other: Constable Server Fees					289,819				289,819
Other: Offender Identification					445,108				445,108
Other: Records Improvement/Automation					56,312				56,312
Other: Sugar Valley Lodge					124,698				124,698
Other: Domestic Relations					753,683				753,683
Other: Other Purposes					132,681				132,681
Committed fund balance									
Assigned fund balance									
Other: Airport Operations					8,688				8,688
Other: Substance Abuse			295,568						295,568
Other: Community Action					17,365				17,365
Unassigned fund balance*	5,780,862								5,780,862
TOTAL FUND BALANCE	7,536,368	251,080	350,391		3,382,146				11,519,985
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES	10,449,166	251,080	4,724,390	2,180,845	4,872,955				22,478,436

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

2,920,606

Long-term liabilities and deferred inflows are not due and payable in the current period and therefore are not reported as a fund liability	-1,222,874
The difference in net position between full accrual accounting and modified accrual accounting is due to differing revenue recognition criteria between the two methods	1,567,245
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	24,778,527
Other: _____	
Other: Net Pension	1,465,477
NET POSITION OF GOVERNMENTAL ACTIVITIES	41,028,966

County of VENANGO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
December 31, 2018

	General	Capital Projects	Human Services	Work Force	Other Governmental Funds	Major #5	Permanent Fund	Other Governmental Funds	Total Government Funds
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REVENUES:**TAXES:**

Real estate	11,465,739								11,465,739
Per capita	154,127								154,127
Hotel room rental	154,860								154,860
TOTAL TAXES	11,774,726								11,774,726

INTERGOVERNMENTAL REVENUES:

Combination	2,464,912		16,690,294	8,816,840	5,612,470				33,584,516
TOTAL INTERGOVERNMENTAL REVENUES	2,464,912		16,690,294	8,816,840	5,612,470				33,584,516
Charges for Service	2,316,964		120,238	24,450	498,271				2,959,923
	2,316,964		120,238	24,450	498,271				2,959,923

MISCELLANEOUS REVENUES:

Interest earnings	22,550	631	5,509	466	27,321				56,477
Other: Fines and Forfeits	130,449		215,288		55,011				400,748
Other: Licenses	36,684								36,684
Other: Other	352,596		214,520		21,036				588,152
TOTAL MISCELLANEOUS REVENUES	542,279	631	435,317	466	103,368				1,082,061

TOTAL REVENUES

17,098,881	631	17,245,849	8,841,756	6,214,109					49,401,226
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EXPENDITURES:

General government - administrative	7,098,259	9,100			4,873				7,112,232
General government - judicial	3,420,921				594,696				4,015,617
Public safety	4,859,727				1,851,075				6,710,802
Highways and streets	527,577				1,303,671				1,831,248
Health and welfare	125,331		17,603,493	8,691,756	2,104,925				28,525,505
Culture - recreation	394,165								394,165
Conservation	660,670				430,737				1,091,407

County of VENANGO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
December 31, 2018

	General	Capital Projects	Human Services	Work Force	Other Governmenta l Funds	Major #5	Permanent Fund	Other Governmental Funds	Total Government Funds
Debt Service		783,392							783,392
TOTAL EXPENDITURES	17,086,650	792,492	17,603,493	8,691,756	6,289,977				50,464,368
<u>OTHER FINANCIAL SOURCES/(USES):</u>									
Interfund Operating Transfers	-953,662	712,516	324,370	-150,000	66,777				1
Sale of capital assets	3,039		9,870						12,909
Other: Capital Leases		59,992							59,992
TOTAL OTHER FINANCING SOURCES/ (USES)	-950,623	772,508	334,240	-150,000	66,777				72,902
CHANGE IN FUND BALANCES	-938,392	-19,353	-23,404		-9,091				-990,240
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	8,474,760	270,433	373,795		3,391,237				12,510,225
FUND BALANCES (DEFICIT) - END OF YEAR	7,536,368	251,080	350,391		3,382,146				11,519,985

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, 2018

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

Net changes in fund balances (deficit) - total governmental funds	-990,240
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	745,573
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	-12,718
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	-543,627
The net effect of various transactions involving capital assets, (i.e. purchases, disposals, etc.) is to increase net position	-801,544
Other: Accrued Compensation	-24,763
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	-1,627,319

County of VENANGO
STATEMENT OF NET POSITION
 Proprietary Funds
 December 31, 2018

	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, 2018

	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, 2018

	Pension	Agency	Fiduciary #3	Fiduciary #4	Fiduciary #5
<u>ASSETS:</u>					
Cash and cash equivalents	1,135,185	1,088,469			
Receivables		279,463			
Investments, at fair value	49,135,034				
Restricted assets:					
Temporarily restricted:					
Permanently restricted:					
TOTAL ASSETS	50,270,219	1,367,932			
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>					
TOTAL DEFERRED OUTFLOWS OF RESOURCES					
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	50,270,219	1,367,932			
<u>LIABILITIES:</u>					
Due to other funds		463,865			
Due to other governments		137,752			
Funds held as fiduciary		766,315			
TOTAL LIABILITIES		1,367,932			
<u>DEFERRED INFLOWS OF RESOURCES:</u>					
TOTAL DEFERRED INFLOWS OF RESOURCES					
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		1,367,932			
<u>NET POSITION:</u>					
Assets held in trust for pension/other post employment benefits	50,270,219				
TOTAL NET POSITION	50,270,219				
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	50,270,219	1,367,932			

County of VENANGO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Fiduciary Funds

December 31, 2018

Pension Agency Fiduciary #3 Fiduciary #4 Fiduciary #5

ADDITIONS:

Contributions

Employer	468,850				
Plan members	1,244,366				
TOTAL CONTRIBUTIONS	1,713,216				

INVESTMENT EARNINGS:

Interest	999,538				
Net increase/(decrease) in the fair value of investments	-3,138,702				
TOTAL INVESTMENT EARNINGS	-2,139,164				

Less Investment Expenses	151,831				
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TOTAL ADDITIONS	-577,779				
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DEDUCTIONS:

Benefits	3,315,850				
Administrative Expenses	40,342				
Other: Expense	7,996				
TOTAL DEDUCTIONS	3,364,188				

CHANGE IN NET POSITION	-3,941,967				
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NET POSITION - BEGINNING OF YEAR	54,212,186				
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NET POSITION - END OF YEAR	50,270,219				
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County of VENANGO

December 31, 2018

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	1,125,000		710,000		415,000
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 415,000

Capitalized lease obligations

Plus(less) Unamortized Premium(Discount)

Net debt 415,000

** excludes unamortized premium/discount

County of VENANGO
STATEMENT OF CAPITAL ADDITIONS
December 31, 2018

Total

GOVERNMENTAL-TYPE ACTIVITY:

General Government - administrative

142,212

General Government - judicial

105,361

Public safety

 Other: Public Safety

37,884

Public works

 Highways and streets

28,190

Health and welfare

698,375

Culture - recreation

88,967

Conservation

1

BUSINESS-TYPE ACTIVITY:

TOTAL CAPITAL EXPENDITURES

1,100,990

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)

13,281,281

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, 2018. 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, 2018

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 24 day of October, 2019.

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, 2018

NOTES / COMMENTS

NOTE # 1 - On the BALANCE SHEET - GOVT FUNDS statement we had to relocate (837,676) Cash in Human Services and (1,402,616) Cash in Work Force Major Fund to the Liability section - Due to Other Funds. Cash is overstated by 2,240,291 because of our inability to enter negative cash balances in the Current Asset section. This adjustment is not reflected in the Gvt-Wide front statements. Note, this will also cause an overstatement when comparing Liabilities to our Outside Audit Report.